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- **Emerging and established alternative managers supported:** KPMG in Canada has worked with dozens of emerging and established alternative managers since (and before) AIMA Canada's founding, across business and fund formation, fund structuring, audit, tax advisory and compliance, and other services.

1 How does your firm support emerging alternative managers?

Emerging managers are typically starting from scratch in terms of business and fund formation and there is lots of hand-holding in the early stages. Most founders are coming from the investment side of the market and have not been as exposed to the operations, regulatory, compliance, marketing and other aspects of the business. We help them understand the tax, regulatory and accounting implications of different fund structures and domiciles; the service provider landscape for custody/prime brokerage, legal, fund accounting, directorship, and other services; and other aspects of the operating model for the business in general. We also support industry organizations, such as AIMA, who provide key support to emerging managers at these early stages of the business.

2 What challenges do emerging alternative managers face in Canada?

Emerging managers tend to be very small businesses with few employees and face all the challenges any small business faces (such as the need to be jack-of-all-trades - who's buying staples?), but they are still fiduciaries to investors and subject to significant regulation so they need to have the right infrastructure from the outset; finding the right business model early that can be scaled as the business grows can be a tough task. Distribution, however, is likely the biggest challenge emerging managers face. It is hard for an emerging manager to get access to the large dealer platforms that control much of the retail distribution in Canada and it is also difficult for them to get attention from Canadian institutional investors, such as the pension plans, due to their initial asset size and lack of track record.

3 What advice do you share with emerging alternative managers (before launch or through their growth journey)?

Think about what your business will look like in 3, 5, 10 years and create a flexible structure, for both the funds and the management company, to support the growth. Be patient - everything tends to take longer than you think. And think about distribution early and often - adding a channel now that brings in a bit every month can grow to a large number over time.

4 What makes Canada a great place to invest and start a business?

Canada is a great place to invest and start a business because of Quality. Quality of people with a highly educated, diverse workforce; Quality of business environment with deeply experienced professionals and service providers including the law firms, accounting and tax firms, asset servicers and custodians, as well as a mature regulatory regime; and Quality of life, which is key to attracting and retaining quality employees. Canada has been a domicile of choice for global asset servicing organizations for decades for these reasons, as well as an attractive cost profile compared to many other jurisdictions in the alternative investment space.