

The AIMA logo is located in the top left corner. It consists of the word "AIMA" in white, sans-serif, uppercase letters, positioned above a solid magenta horizontal bar.

AIMA



AIMA Canada

FOUNDER INTERVIEWS

20th Anniversary Edition

October 2023

Sponsored by:



LETTER FROM THE HEAD OF CANADA

As AIMA marks the very special milestone of our 20th anniversary in Canada, this AIMA Canada Founder Interview publication celebrates some of the entrepreneurs behind the businesses who are the fabric of our local alternative investment community.

First launched in 2003, AIMA Canada's membership has flourished these past two decades, with local members contributing to global 20+ due diligence questionnaires, 40+ operational sound practice guides and essential education for institutional and retail investors alike while fostering key regulatory change to advance our national hedge fund and private credit industries on the local and global stage while welcoming liquid alternative structures through NI 81-102.

Canada's hedge fund industry sits at an estimated US\$80B AUM while liquid alternative AUM nears C\$25B. The industry is poised for growth, with institutions, family offices and retail wealth platforms all lining up to add to their allocations in alternatives.

The journeys highlighted in these Founder Interviews reflect the bold entrepreneurs who saw an opportunity to build something meaningful for investors and to deliver exceptional results. They are stories of innovation, growth, resilience, tenacity and perseverance. These individuals and firms are the backbone of our alternative investment industry, creators of employment and the drivers of progress locally and abroad.

AIMA Canada's community continues to be a vibrant one thanks to the active engagement and leadership of our members. From the AIMA Canada Executive Committee to member peer groups, it is the dedicated collaboration of our member volunteers which has made our work incredibly impactful. Thank you to everyone who has and continues to contribute to the continued growth of alternatives in Canada as we set our sights on the next decade of collective success and beyond.

Moreover, thank you to the founders and the teams who are a shining beacon for alternative investments in Canada. You make our industry possible and investors here are all the better for your initiative and your leadership.

Claire Van Wyk-Allan, CAIA
Managing Director, Head of Canada, AIMA



Robyn Thompson
Managing Director, Head of Relationship
Management (Canada), State Street



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AIMA Canada Team

AIMA CANADA FOUNDER INTERVIEWS

AIMA

The businesses behind the investment funds

Claire Van Wyk-Allan

Managing Director, Head of Canada

AIMA



- **Year joined AIMA:** as staff, 2018; as volunteer, 2008; as Executive Committee member, 2014.
- **Firms prior to AIMA:** RBC Global Asset Management, Arrow Capital Management
- **AIMA Canada Members:** 164 (58% managers, 19% allocators, 23% service providers)

1 Why did you decide to work for AIMA as Head of Canada?

Having served on the Executive Committee for 3.5 years, I was acutely aware of goals and gaps that would propel AIMA Canada into the powerhouse community it is today. Aligning local perspectives with global sound practices across advocacy, education and sound practice was important, while building out our wealth channel resources in advance of liquid alternative funds coming to market and enhancing our work with institutional investors and family offices.

2 What does it take to succeed in Canada as an alternative manager?

It takes perseverance, entrepreneurial instincts and consistency – persistence pays off. Managers should reflect carefully on what channels they intend to target, how they hire and how they partner so that they can focus on their competitive advantage of managing money. Depending on manager experience, the distribution experience of platform access can truly vary. Many of our alternative asset managers are entrepreneurs who start out as small businesses building a thriving, world class industry for local and global investors.

3 What are you most proud of looking back at your entrepreneurial journey?

I'm proud of the collaborative engagement our AIMA community has demonstrated to truly work together for the benefit of all industry. Transforming the strategy of AIMA Canada to better align with our global value proposition while deepening engagement with relationships nationally, especially with allocators and regulators, has allowed our industry to grow and flourish. Building the annual AIMA Global Investor Forum into a truly global flagship thought leadership event where members can deepen real connections, while fostering allocator-only peer group discussions has also been meaningful.

4 What are your 3-year goals for your business as you look ahead?

We've built a strong foundation locally - for advisor education, for institutional allocator peer groups, for regulatory advocacy and global sound practice. Now, we need to continue to expand our presence and impact, deepen engagement across our relationships and grow the community in Canada, locally and cross-border. Advocating for enhanced support for emerging alternative managers, whether that be through shared services, specific programs or direct investment, is another key priority.

5 What advice do you have for others considering launching a fund business in Canada?

AIMA can help! Get involved with AIMA early to learn from the experience of others who have forged the path beforehand and take advantage of resources to improve operational efficiencies and save money, while growing your network and presence in the community.

6 Why is it important that Canada support local alternative managers?

The world is changing quickly and technology is facilitating access to talent, strategies and data across borders. Canada must invest in supporting an innovative alternative investment industry locally to avoid losing bright minds, ideas and dollars departing to other markets. It's important that Canadian managers are on equal or better footing with global peers to be competitive internationally from a regulatory perspective and that Canadian investors have fair access to alternative funds for their portfolios.

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

Canada is a safe jurisdiction and a popular destination for UHNW families, built on proven financial services sector strength and a backbone of natural resources. The concentration of bank power yields great influence on alternative managers accessing wealth channels in Canada, and it can be difficult for local talent to access and raise capital through retail channels, though we continue to advocate to improve this harmony across public and private alternatives, especially as more global managers are prioritizing distribution to Canada's wealth channel.

8 What headwinds do you see in Canada to grow the alternative investment management industry?

Continued consolidation between asset managers, particularly where flows can be biased to established managers with more resources (staff, capital, etc.); continued regulatory burden creating a disadvantage in relation to other jurisdictions globally; distribution difficulty across wealth platforms; lack of formal emerging manager programs or support to foster industry innovation and growth; increased cost of technology, alternative data, talent and processes creating further gaps between emerging and established managers.

9 How can Canada better support emerging alternative managers?

There are a number of ways: develop emerging alternative manager programs with direct capital funding to local managers, subsidize emerging manager platforms, fund shared services (data, ESG integration consultant, marketing services, due diligence review, etc.) to lower manager costs and improve their offering, promote Canadian asset management industry abroad to help improve international competitiveness, reduce further regulatory burden and improve retail distribution access, offer CAIA scholarships to grow the talent pool in alternatives, extend tax credits and more. All of this will result in a more innovative and robust asset management industry ecosystem locally, giving Canadian investors more independent choice and fostering good jobs for the local economy.



**2022-24 AIMA CANADA
EXECUTIVE COMMITTEE
INTERVIEWS**

AIMA CANADA FOUNDER INTERVIEWS

AIMA

Belle Kaura

Chair AIMA Canada (2018-2024)

AIMA Global Council (Elected 2022)

Vice-President, Chief Compliance Officer

Third Eye Capital



1 What was the market backdrop and alternative landscape in Canada at the time of your AIMA leadership position?

In 2018, when I was elected as Chair, the bull market was still in full swing, liquid alternatives (“alts” were not in effect, and it was pre-40-year high inflation and pandemic induced market impacts. Since then, the expansion of alts in Canada and worldwide has been exponential. Myths about private credit as “shadow banking” have been dispelled with the asset class evolving to a mainstream source of credit for all types of borrowers, including large players.

2 What motivated you to take on a leadership position with AIMA Canada, at that time?

Having been an actively involved in the industry throughout my career, I was driven to elevate the Canadian alts industry to the next level by making alts accessible to retail investors, raising the bar for wealth adviser resources and thought leadership, strengthening engagement of institutional investors, and building an association that could effectively advocate for the industry.

3 What key successes did you achieve during your leadership? (What are you most proud of?)

I am proud of the tremendous strides we made in democratizing alts by leading the charge for the liquid alts regime, developing risk ratings for fair access, and facilitating distribution through education and awareness. We cultivated strong relationships with regulators and delivered on our advocacy mandate. An expert network of peer forums, a focus on investor engagement, and supporting members in building industrial grade infrastructure has been paramount. It is rewarding to see that founding the Legal/Finance/Compliance Committee, bringing the Alternative Credit Council to Canada, and building out a comprehensive infrastructure for support of alts have become essential components of our value offering.

4 What key challenges did you face during your leadership? (How did you overcome?)

At the outset, regulatory advocacy was not a focal point in Canada, deep solid connections with allocators and other associations did not exist, and fulsome integration with AIMA Global was lacking. We overcame these challenges by: (i) building bridges with regulators, allocators, and associations; (ii) leveraging AIMA global vast resources; and (iii) executing on strategic priorities that mattered to our members.

5 How has AIMA Canada and the Canadian alternative industry evolved since you became Chair of AIMA Canada?

AIMA has expanded its reach and impact to evolve into an integral part of the Canadian alts' ecosystem. A new era was ushered in with the launch of liquid alts which have been tested and have proved their value now surpassing 24B CAD. Products are expected to multiply to meet demand and sales are set to increase through the MFDA channel. There is an ever-growing pool of managers launching liquid alts with large managers racing to establish their foothold in the space and behemoth financial institutions even acquiring their own retail distribution companies.

6 Looking ahead, what opportunities lie ahead for alternatives?

We are heading toward a golden age for alts with global assets set to double over the next 5 years and a 50/30/20 model set to emerge. There is a massive movement away from public markets in the face of economic uncertainty and geopolitical turmoil. Higher interest rates, greater volatility, and an impending recession are propelling higher allocations. Hedge funds that capitalize on shifts in volatility are seeing growth. Private credit is one of the fastest growing alt asset classes as banks retreat and record insolvencies and increasing capital costs make it a lenders' market. Distress debt opportunities forecasted in a delayed default wave are now materializing.

7 How has AIMA Canada benefitted the local ecosystem? The global industry?

AIMA was instrumental in the culmination of the liquid alt regime and is a strong advocate for access to risk mitigation and yield generating attributes of alts. The global industry has benefitted from the investor and manager connections and expertise created through the global flagship AGIF conference, the Investor Board, and Maple Model talent.

8 What headwinds do you see in Canada to grow the alternative investment management industry?

Managers are facing increased competition from global players and are grappling with narrowing distribution channels as dealers restrict third-party products in favour of proprietary and plain vanilla funds due to heightened risk aversion and unintended consequences of CFR. Despite progress precipitated by Risk Rating Guidelines ratings that don't reflect true risk continue to limit broad and fair access. Emerging managers are under consolidation pressures and struggle to access capital and grow and scale in a competitive landscape that favours larger players. Regulatory burden creates a competitive disadvantage as firms must also deal with rising costs of running a business.

9 Any advice or closing thoughts on the current or future state of alternatives in Canada and the important role that AIMA plays.

Today more than ever alts should be a core component of all portfolios, as a safe-haven from public markets and for better risk adjusted returns. We will support managers of all sizes and all asset classes to meet the challenges and opportunities that the next phase of evolution and innovation will bring. Fast-paced evolving market dynamics and rising costs and regulatory burden makes it imperative to support emerging Canadian talent so they can compete on the local and global stage. Private debt is emerging as a key catalyst to fueling the transformation toward a cleaner and more sustainable future through influence over lenders via sustainability-linked loans. Helping members navigate and implement ESG, big data, and DEI will be foundational to AIMA's role.

AIMA CANADA FOUNDER INTERVIEWS

AIMA

Liam O'Sullivan

Deputy Chair, AIMA Canada Executive Committee

Co-Head of Client Portfolio Management

RPIA



1 What was the market backdrop and alternative landscape in Canada at the time of your AIMA leadership position?

I originally joined the Executive Committee in October 2019 and then assumed the position of Vice Chair in September 2022. The defining market event of that period was undoubtedly the COVID pandemic. It was remarkable – risk asset correlations spiked in March of 2020 as public market liquidity evaporated and valuations dropped violently. Extraordinary stimulus measures then facilitated a smooth rebound in those same asset classes – again, in a highly correlated fashion. That period is now over. As stimulus and liquidity have been removed from the system, we're seeing more volatility, more market dislocations, and less correlation across asset classes. This is an environment much more suited to alternative assets and strategies, and I think there is a great opportunity for us as an industry to demonstrate the value we can add to client portfolios.

I believe the alternatives industry in Canada has matured substantially in recent years, but there is more work to be done. The introduction of liquid alts in 2019 was a big step forward. However, across all distribution channels – institutions, private clients, and investment advisors – there are still significant obstacles that make it harder for alternatives to find their way into client portfolios. Over time, it's important that these obstacles are removed through advocacy and education so clients can have the all-weather portfolios they deserve.

2 What motivated you to take on a leadership position with AIMA Canada, at that time?

Once I became more familiar with the range and depth of work AIMA Canada does, I was blown away. Under Claire's leadership, the organization has gone from strength to strength, and I was proud to be offered the opportunity to "lean in" and get more involved. AIMA Canada is an organization we should all be very proud of – the thought leadership and content is first-class, and the team does a wonderful job of advocating for the industry with regulators and other stakeholders.

3 Looking ahead, what opportunities and challenges do alternatives in Canada still face?

The opportunities are significant. In the Canadian institutional space, aside from the “Maple Eight,” many consider alternatives as shorthand for real estate and infrastructure, so there is often an unwillingness to explore a broader range of alternative assets and strategies. The investment consultants and OCIO providers play an important role here. Similarly, head office gatekeepers play an outsized role in dictating what investment advisors can place in their clients’ portfolios. The challenges and the opportunities are two sides of the same coin. In this market environment, clients need diversified portfolios that can perform in this new and more volatile paradigm. We need to continue educating and demonstrating the value of alternatives to the regulators, consultants, gatekeepers, and end-clients to overcome some of these barriers and achieve a higher level of industry penetration.

4 How has AIMA Canada benefitted the local ecosystem? The global industry?

AIMA Canada has benefitted the local ecosystem considerably, particularly through advocacy with regulators and exceptional educational materials (such as sound practice guides). Members also benefit from many networking opportunities which are critical for idea-sharing and career development. Finally, the AIMA Global Investor Forum – hosted in Canada every year – is outstanding, and I truly believe it’s the best conference of its type in Canada!

AIMA CANADA FOUNDER INTERVIEWS

AIMA

Derek Hatoum

Treasurer, AIMA Canada Executive Committee

Partner, Audit and Assurance Group

PwC



1 What was the market backdrop and alternative landscape in Canada at the time of your AIMA leadership position?

When I first joined AIMA's Executive Committee several years ago, the Canadian alternative markets had already made significant strides towards playing a larger role in the Canadian marketplace but we still had not yet achieved the regulatory reforms that has led to the liquid alternative regime we have today.

2 What motivated you to take on a leadership position with AIMA Canada, at that time?

The organization I work for is a global member of AIMA and we were one of the founding members of the Canadian chapter. For me, it was about making contributions to the industry while also staying connected with key industry participants.

3 What were AIMA Canada's primary goals, at that time?

AIMA has done a lot over the years to solidify its role in helping to be a voice for the industry in regulatory reform, sharing of best practices and thought leadership and giving its members an organized forum that can contribute to their growth and development.

4 How has AIMA Canada and the Canadian alternative industry evolved since then, in your opinion?

AIMA really has become a central voice for the sector, focused on industrializing the strength of the industry through best practice sharing, thought leadership, regulatory reform, and, in more recent years, helping to develop the next generation of the sector's leaders.

5 What key successes did you achieve during your leadership? (What are you most proud of?)

As Treasurer of the organization now for several years, I have been very proud of our team's efforts to maximize the resources we have to deliver content and value for the members.

6 Looking ahead, what opportunities and challenges do alternatives in Canada still face?

As always, regulation, global competition and scale, talent attraction and retention, staying on top and capitalizing on technological developments, and penetrating distribution channels create opportunity and challenges for this sector.

7 What key challenges did you face during your leadership? (How did you overcome?)

In the early years of my role as treasurer, we had work to do to get the financial health of the organization on to a steadier and solid footing, which meant being more focused on using our resources in direct alignment with our objectives.

8 How has AIMA Canada benefitted the local ecosystem?

AIMA's local delivery and development of Canadian focused content coupled with the access to and leveraging of our tremendous global content has helped make AIMA Canada a key voice in furthering the success of the alternatives sector in Canada.

9 Any advice or closing thoughts on the current or future state of alternatives in Canada and the important role that AIMA plays.

Staying true to AIMA's goals of strengthening the industry as a whole, making positive contributions to regulatory reform and sound practices for the sector, and being a facilitator for the continuing development of the members and its people, in my view, are where AIMA makes the most difference here.

Darin R. Renton

Legal Counsel, AIMA Canada Executive Committee

Partner

Stikeman Elliott LLP

Stikeman Elliott



1 What was the market backdrop and alternative landscape in Canada at the time of your AIMA leadership position?

I joined the AIMA Canada Executive Committee in 2019 when alternative mutual funds under NI 81-102 were merely months old. The new alternative funds rules were ushered into a market where tax-advantaged closed-end funds had been phased out (as a result of changes to derivative forward contract tax rules) and ETFs continued with their transcendent growth. It was a time of transition with one door closing and another one opening for alternative investment fund managers in Canada.

2 What motivated you to take on a leadership position with AIMA Canada, at that time?

Several factors converged to make greater engagement the right decision at that time. Firstly, our firm joined AIMA Canada in 2005 and reaped the benefits of membership over that 14-year period, so stepping up made sense. Secondly, the incumbent was vacating the counsel position, so there was a fit for my background. And thirdly, having commented extensively on the alternative mutual fund rules under NI 81-102, I was confident that AIMA Canada would be an effective advocate for continued development of the rules and best practices.

3 What were AIMA Canada's primary goals, at that time?

In my mind, we had three urgent goals in 2019:

- Recruiting a new Managing Director, Head of Canada
- Conducting a SWOT analysis on our events, content and mandate to best serve our Canadian membership
- Re-examining AIMA Canada's relationship with the Alternative Investment Management Association Limited based in the UK and the US Branch

As an Executive Committee with many new members and in need of a Managing Director, we had to act decisively with a clear purpose.

4 What key successes did you achieve during your leadership? (What are you most proud of?)

We were most fortunate that Claire Van Wyk-Allan transitioned from the Executive Committee and agreed to serve as our Managing Director. Claire's tenure has transformed AIMA Canada. Under Claire's leadership, we have built bridges with the Canadian securities regulators and other industry organizations and have earned a seat at the table. Personally, I am most proud of our advocacy. Our dialogue with regulators is a key AIMA Canada strength and I enjoy collaborating with AIMA members and peers on our written submissions.

5 What key challenges did you face during your leadership? (How did you overcome?)

Events leading to Claire's tenure felt like an "existential crisis" for the Executive Committee. Emerging from that crisis with strong leadership, a renewed sense of purpose and strong ties to the AIMA global family are achievements that continue to pay dividends today. AIMA Canada and its members benefit significantly from our collaboration with AIMA UK and the US Branch.

6 How has AIMA Canada and the Canadian alternative industry evolved since then, in your opinion?

AIMA Canada and the industry have matured and strengthened since then. The opportunity set has grown to include digital assets, direct lending, private credit, real estate and private equity based mandates. Investor demand and cautious encouragement from regulators have combined to make private market opportunities available at a lower minimum investment amount providing greater access to Canadian investors.

8 Looking ahead, what opportunities and challenges do alternatives in Canada still face?

The key challenges in Canada are:

- securing and maintaining access to broad channels of distribution
- continuing to deliver cost-effective, actively managed investments
- avoiding a liquidity crisis as the universe of private market opportunities expands – an event that caused the virtual extinction of Canada asset-backed commercial paper (ABCP) market

Recent experience in the direct lending market has demonstrated the old adage that one bad apple can spoil the bunch, so it is critical that private market managers and their advisors launch and maintain client-focused solutions.

7 How has AIMA Canada benefitted the local ecosystem? The global industry?

Through continuous, member-aligned dialogue with Canadian regulators, AIMA Canada continues to shine the spotlight on Canadian alternative investment funds and the needs and objectives of Canadian fund managers. Claire and her team, with support from the US and UK, have transformed the AIMA Global Investor Forum, now in its ninth iteration, into a marquee event on the AIMA global calendar.

9 Any advice or closing thoughts on the current or future state of alternatives in Canada and the important role that AIMA plays.

The future of the Canadian alternative investment fund industry lies in innovation and responsible regulation. AIMA Canada plays a vital role in each of those, sometimes opposing, areas. AIMA Canada serves as both a meeting place and incubator of ideas for our members as well as acting as an industry watchdog, consulting with regulators, commenting on proposed legislation, and providing feedback.

AIMA CANADA FOUNDER INTERVIEWS



**PAST AIMA CANADA
EXECUTIVE INTERVIEWS**

AIMA CANADA FOUNDER INTERVIEWS

AIMA

James McGovern
Managing Director & CEO
Arrow Capital Management Inc.



1 What was the market backdrop and alternative landscape in Canada at the time of your AIMA leadership position?

The establishment of AIMA Canada in the early 2000's was fortuitous given that the industry, while substantial and growing internationally, was still in its nascency in Canada. There were several established managers in Canada but much of the institutional community's focus was on New York and London based managers. There was clearly a need for a voice in Canada and the AIMA Global structure lent itself perfectly to our needs.

2 What motivated you to take on a leadership position with AIMA Canada, at that time?

The motivation to establish a chapter in Canada was two fold. Firstly, to offer a growing number of "emerging" managers a voice with both Canadian regulators and potential investors – both high net worth and institutional. Secondly, to establish, promote and incorporate best practices in all facets of the alternative funds industry.

3 What key successes did you achieve during your leadership? (What are you most proud of?)

I am most proud of the fact that in a relatively short time frame we were able to grow our membership quickly to include not only the manager community but also the banking, legal, accounting and services groups that serve the industry. By bringing together a diverse set of participants we were able to release many practical guides and develop a sense of community around our common purposes. In particular, I am proud of the constructive dialogue the Executive team established with our provincial regulators which has continued to develop over time culminating in the approval of 81-102 National Instrument for liquid alternatives in 2019.

4 Looking ahead, what opportunities and challenges do alternatives in Canada still face?

The opportunity is simple – In Canada alternatives are far too under-represented in portfolios. The challenge that Canada faces is not that different from the rest of the world. Educational initiatives remain critical – from vetting managers and products appropriately to incorporating alternatives effectively in traditional portfolios has remained stubbornly elusive.

5 Any advice or closing thoughts on the current or future state of alternatives in Canada and the important role that AIMA plays.

My advice is simple. Do not give up as the job is likely never to be completed! The world is clearly changing at a pace where investment and asset management will need to keep pace and adapt to find new sources of alpha and investment opportunity. The core need for promoting best practices at all levels, along with consistent community dialogue on managing through the issues, will be more important than ever.

AIMA CANADA FOUNDER INTERVIEWS

AIMA

Michael Burns

Partner

McMillan LLP

mcmillan



1 What was the market backdrop and alternative landscape in Canada at the time of your AIMA leadership position?

McMillan LLP was one of the original members of AIMA Canada. In fact, AIMA Canada was “born” in a McMillan boardroom at our previous offices located in the Royal Bank Plaza in Toronto! At the time, the alternative investment industry in Canada was still relatively nascent. McMillan was proud to leverage our leadership position in the space to help organize the alternative investment management industry, to encourage the adoption of “best practices”, and broader investor and regulatory knowledge and acceptance of the industry.

In the early years, I served as Legal Counsel on the Executive Committee of AIMA Canada and then ultimately served as AIMA Canada Chair for two years. Throughout this time, I have also been happy to serve on the Legal, Finance and Compliance Committee and the Sales Practices Committee.

2 What motivated you to take on a leadership position with AIMA Canada, at that time?

McMillan’s primary motivation in working with AIMA Canada was to help grow the alternative investment industry in Canada. At the time, we felt that the best ways in which we could contribute to this objective was to: (i) contribute to the development of best practices and industry standards; (ii) actively engage with securities regulators and governments in connection with the development and application of legislative requirements impacting the industry; and (iii) help educate investors and allocators on how alternative investment funds are structured and the role that they can serve in helping achieve their investment goals. We also saw an opportunity to access AIMA’s global knowledge base and platform relating to alternative investment strategies and apply this knowledge in Canada.

3 What key successes did you achieve during your leadership? (What are you most proud of?)

From McMillan’s perspective, I am most proud of the Committee structure that we developed from the initial days of AIMA Canada. Each Committee was provided with a specific mandate and was asked to develop Canadian-specific content and events/programs for members and investors. The volume of educational content produced by these Committees in the first few years of AIMA Canada was simply astounding!

I am also incredibly proud of the way that AIMA Canada came together during the period in which the alternative mutual fund amendments were being made to National Instrument 81-102. The working group that was formed by AIMA Canada played a vital role in consulting with Canadian securities regulatory authorities from the proposal stage of the new rules and ultimately had a significant influence on the final amendments that were made to NI 81-102 which now permit alternative investment strategies to be offered to retail investors in Canada.

4 How has AIMA Canada benefitted the local ecosystem? The global industry?

I feel that AIMA Canada has played a vital role in the development of the Canadian alternative management industry through the development and encouragement of best practices and its ongoing engagement with Canadian securities regulatory authorities. AIMA Canada has also provided an invaluable forum for members to share experiences and jointly develop solutions to the challenges facing the industry. AIMA Canada has also provided a uniquely Canadian perspective on regulatory and industry developments happening on the global stage.

5 What key challenges did you face during your leadership? (How did you overcome?)

AIMA Canada has always been blessed by an enthusiastic membership who are willing to volunteer their incredibly valuable time to help advance the goals of the industry. The biggest challenge during the period in which I was involved in the leadership of AIMA Canada was in providing equal opportunity for everyone who wanted to contribute to have an opportunity to do so. The way we addressed this challenge was to adopt a series of guidelines which kept track of member's contributions and to actively solicit contributions from members that had not been recently active. It was vitally important to me that we hear from all AIMA Canada members so that the organization could be reflective of the Canadian industry as a whole.

6 What were AIMA Canada's primary goals, at that time?

In the beginning, AIMA Canada's goals were focussed on attracting a sufficient number of members to ensure that it could accurately reflect the make-up of the Canadian alternative investment industry at the time. This meant having both small and large managers, as well as service providers joining in to promote AIMA's three core principals (Education, Engagement and Communication).

7 How has AIMA Canada and the Canadian alternative industry evolved since then, in your opinion?

At the time that AIMA Canada was formed, I used to say that the Canadian alternative investment industry was in the "toddler" phase of development. That is no longer the case. I now think that the industry has reached the confident young adult phase of its development! Both AIMA Canada and the Canadian alternative investment industry are barely recognizable today from when AIMA Canada was originally formed in that McMillan Boardroom! In addition to the impressive growth that has been experienced in the size of the industry, there is a new level of professionalism and sophistication that permeates both AIMA Canada and the Canadian alternative management industry as a whole. This has been evidenced by the growing acceptance of alternative investment strategies by institutional and retail investors alike.

8 Looking ahead, what opportunities and challenges do alternatives in Canada still face?

The primary opportunity/challenge that I see which lies ahead is to promote greater acceptance of Canadian alternative investment strategies and managers by retail investors in Canada as well as investors around the world. The retail sector in Canada is the key to obtaining meaningful scale domestically and providing opportunities for Canadian managers to attract investments from investors outside of Canada is vital if Canadian managers wish to achieve global recognition and acceptance. In order to help Canadian managers take maximum advantage of these opportunities, AIMA Canada will be challenged to provide the necessary educational and other resources. I believe that AIMA Canada's global alliances make it the ideal organization to successfully meet these challenges.

9 Any advice or closing thoughts on the current or future state of alternatives in Canada and the important role that AIMA plays.

I think that the future of the Canadian alternative investment industry is incredibly bright. Canada is blessed with an unprecedented wealth of talented managers who have demonstrated the ability to provide impressive results for Canadian investors in all types of market environments. As we move into the future, I would encourage AIMA to continue to stay on top of emerging issues and technologies impacting the industry and being a fierce advocate for rules which will enable managers to help investors meet and exceed their goals.

AIMA CANADA FOUNDER INTERVIEWS

AIMA

Phil Schmitt

President

Summerwood Group

SUMMERWOOD



1 What was the market backdrop and alternative landscape in Canada at the time of your AIMA leadership position?

My tenure as Chair of AIMA Canada ran from 2006 through 2009. An interesting time, to say the least. The market backdrop prior to 2008 can be described as highly innovative. The investment industry was at its height of financial structuring and custom fitting solutions. Of course, we know how that ended as it contributed to the 2008 Great Financial Crisis. The alternative landscape in Canada was at its post nascent stage; still looking to hit its stride. A notable exception was the fund of funds industry in which Canada had developed funds with an international institutional base of investors. Individual hedge fund managers were starting to hit their stride with a few able to extend their client base beyond Canadian HNW to include international investors.

2 What motivated you to take on a leadership position with AIMA Canada, at that time?

I had been managing hedge funds in Canada since 1992 and was starting up my own firm in 2006. Taking on a leadership role with AIMA Canada at that time seemed like a natural extension of the initiative and drive that goes into starting a new firm. It was fun and exciting to be working on both of these at the same time and an opportunity to help develop the acceptance of hedge funds here in Canada.

3 What were AIMA Canada's primary goals, at that time?

Simply stated the primary goal was education. From regulators to media to institutional investors to investment managers. A secondary objective was to help Canadian hedge fund companies see it was also an international industry. To see that AIMA Canada was part of AIMA global and that there was a wealth of resources and contacts available.

4 What key successes did you achieve during your leadership? (What are you most proud of?)

I wish there was a tangible I could point to as a success but that era for hedge funds was tumultuous. Canada had two home grown hedge fund debacles that had preceded the 2008 GFC debacle. A success that I think AIMA Canada should be proud of is that we weathered that storm as a constructive voice for the industry. By helping to maintain the industry's good standing the alternative industry was able to thrive from that point onwards.

5 What key challenges did you face during your leadership? (How did you overcome?)

It's always a challenge to introduce a new product into a conventional investment framework. And hedge funds at that time were still "new". There's rarely a silver bullet towards acceptance. It's a matter of time, education and continuous development of sound practices. Doesn't that sound like AIMA's underlying objective?

6 Any advice or closing thoughts on the current or future state of alternatives in Canada and the important role that AIMA plays.

The alternative investment industry has, is and will continue to be the most innovative discipline in investment management. What has been a fascinating industry to be involved with will continue to be. It will continue to provide investors with solutions beyond conventional investment management. AIMA's role, in Canada and globally, will continue to be an advocate for good regulation, education and to be the industry body and spokesperson to ensure sound development for all parties involved.

AIMA CANADA FOUNDER INTERVIEWS

AIMA

Claude Perron

Emeritus Chairman, Crystalline Management
Founder, FIAM (Montreal Alternative Investment Forum)

FIAM



1 Why have you agreed to join AIMA, as Deputy Chairman a few years ago?

After chairing the Quebec committee of AIMA Canada for 3 years, I accepted the position of deputy chairman because I believe AIMA is an exceptional vehicle to contribute to the growth and competitiveness of an industry that is undergoing a profound transformation. Think of the challenges related to funding the pension fund gap, governance issues (capital for good - ESG, impact investing), the arrival of BIG data & the deployment of disruptive technologies such as AI/ML.

This environment also presents unique opportunities to improve one's competitiveness through innovation. It is in this context that pension funds, family offices and private investors consider a wider range of strategies and asset classes and reassess their operating model including their insourcing-outsourcing approach – to improve the risk/reward profile of their wallet for the benefit of the ultimate beneficiary – the end investor. Mister everyone.

On the investment supply side, we are seeing a proliferation of investment products, complex structured strategies are being launched by highly sophisticated asset managers using the latest technological developments available, an approach that reduces the time-to-market cycle. All this happening in a growing global regulatory environment.

One can easily conceive the multiple roles that AIMA plays in this transformational universe – in active and proactive roles, contributing to talent development (emerging managers), educating, raising awareness, serving as conduit, fostering research, advocacy, sound practices, good governance, – an exceptional opportunity to participate, deepen one's knowledge of the industry, and contribute to the growth and competitiveness of one's own firm.

2 Is the AIMA association well prepared to serve an industry undergoing profound transformation?

Looking back, I can only see how much recognition AIMA has gained from the industry in Canada during this time. This observation is, for me, more visible in Quebec because I participated in its growth and saw firsthand the remarkable increase in the participation of the industry in its many activities and events.

AIMA CANADA FOUNDER INTERVIEWS

AIMA

Rob Lemon

Executive Director & Head of Clearing, Prime Services Group

CIBC Capital Markets



1 What motivated you to take on a leadership position with AIMA Canada, at that time?

In 2018, I was motivated to take on an active leadership role within AIMA Canada as I saw a pressing need to enhance the understanding of alternative investments in Canada. The investment landscape was evolving, there was a growing demand for education and knowledge-sharing, in the context of National Instrument 81-102, with new regulations being developed around alternative mutual funds (commonly referred to as liquid alternatives). My goal was to contribute to the industry by collaborating with AIMA Canada, while leveraging CIBC Capital Market's strengths, to assist in the education and the successful development of liquid alternatives in Canada. We felt this work was important as our clients were asking for guidance and assistance in this area. It was an opportunity to make a meaningful impact on the Canadian alternative investment space and promote its growth in a responsible and informed manner.

2 What were your key successes during this leadership?

During my leadership within AIMA Canada, I'm proud to highlight several key successes that we achieved in the realm of alternative investments. When I say we, I refer to the AIMA Canada Executive Committee, Claire Van Wyk-Allan's leadership, and CIBC Capital Markets working collaboratively with our clients to navigate this changing environment:

- **Educational Initiatives:** We first developed and executed a series of comprehensive educational programs, conferences, and a video series that aimed at improving the understanding of alternative investments among investors, regulators, and industry professionals with a focus on the developing liquid alternatives market. CIBC Capital Markets, working with AIMA Canada, was front and center on these important markets discussions. These initiatives helped bridge knowledge gaps and fostered a more informed investment community. Notably around risk ratings and market discussions on how alternative investments are managed and handled from an operational and risk perspective.

- Collaboration with Canadian regulators focusing on advocacy and thought leadership: The second critical area of focus was thought leadership related to regulation. For instance, as part of AIMA Canada, we established a regular dialogue with the OSC that provided important guidance that assisted in rule development on liquid alternatives in Canada. Furthermore, CIBC Capital Markets submitted and discussed important commentary on this changing liquid alternative market that was key to implementing updates for our clients to be able to launch and effectively manage their liquid alternatives offerings. We worked with our clients to understand the important issues (and challenges) and used the burden reduction initiative in Ontario to continue the dialogue. Our discussions and submissions facilitated a number of tangible developments to the alternative investment regulatory regime, including clarifying rehypothecation rights and increasing leverage mix flexibility for alternative funds. The collaboration helped create a more conducive environment for the growth of liquid alternatives, while ensuring investor education continued.

These successes collectively contributed to a more informed, transparent, and robust alternative investment ecosystem in Canada, positioning the industry for sustainable growth and positive impact.

3 Looking ahead, what opportunities and challenges do alternatives in Canada still face?

Looking ahead, the Canadian alternative investment space presents both opportunities and challenges:

Opportunities:

- Continued Growth. There is ample room for further growth and expansion of the alternative investment market in Canada, as investors seek diversified strategies to enhance their portfolios' risk-adjusted returns.
- Evolving Regulatory Environment. As regulations evolve and adapt to the changing investment landscape, alternative investment managers have the opportunity to work collaboratively with regulators (with the help of AIMA Canada) to shape favorable and supportive frameworks.

Challenges:

- Educational Efforts. Despite progress, further educational initiatives are needed to enhance investors' understanding of alternative investments and demystify complex strategies, especially among retail investors.
- Regulatory Complexity. The regulatory landscape can be intricate, and alternative investment managers must navigate evolving regulations while ensuring compliance and effective risk management. A healthy dialogue is important with all market participants.

Addressing these challenges and capitalizing on the opportunities will require collaboration among industry participants, regulators, and stakeholders to create a vibrant, transparent, and accessible alternative investment ecosystem in Canada.

4 Any advice or closing thoughts on the current or future state of alternatives in Canada and the important role that AIMA plays.

As we look at the current and future state of alternative investments in Canada, it's important to recognize the vital role that AIMA Canada plays in shaping the industry. AIMA serves as a critical bridge between industry participants, regulators, investors, and other stakeholders. Here are some closing thoughts and advice:

- Continued Advocacy, Thought Leadership, and Education. AIMA's role in advocating for regulatory clarity, investor education, and best practices is paramount. The organization should continue its efforts to promote the benefits of alternative investments while ensuring that investors have the knowledge they need to make informed decisions about the benefits of alternatives in a diversified portfolio.
- Collaboration and Networking. AIMA's platform for networking and collaboration fosters the exchange of ideas, experiences, and insights. This sense of community strengthens the industry's ability to adapt to new challenges and capitalize on emerging opportunities.
- Regulatory Evolution. The regulatory environment continues to evolve, with a focus on enhancing investor protection, transparency, and regulatory clarity. The introduction of alternative mutual funds within National Instrument 81-102 played a significant role in shaping the alternative investment landscape in Canada.

In closing, the future of alternative investments in Canada holds great promise, driven by innovation, collaboration, and an increasing understanding of these strategies. AIMA's role in fostering a transparent, informed, and resilient industry will be pivotal in shaping a vibrant and successful landscape for years to come.

Gary Ostoich

President

Spartan Fund Management Inc.



Spartan Fund Management Inc.



1 What was the market backdrop and alternative landscape in Canada at the time of your AIMA leadership position?

I was involved in leadership positions twice at AIMA Canada. Once in 2003 with Jim McGovern and David Jarvis, we decided to establish AIMA Canada. At the time, the Canadian hedge fund industry was just developing – we were able to start with 12 members. The second opportunity was becoming chair in September 2009 following the financial crisis – the hedge fund industry, including Canada, was being reshaped. Prior to the financial crisis, the Canadian hedge fund industry was dominated by levered long strategies focused on the resource industry. Following the crisis, the strategies broadened considerably, with new entrants primarily coming from institutional backgrounds.

2 What motivated you to take on a leadership position with AIMA Canada, at that time?

In 2003, the three of us thought that Canada needed an industry group to be established in Canada and felt AIMA would be an ideal association to bring to Canada. In 2009, I felt that the financial crisis would reshape the industry in many ways, including the need for transparency and better governance. I thought I could contribute positively to moving forward the association during this pivotal time.

3 What were AIMA Canada's primary goals, at that time?

In 2003, our goal was to create a framework to launch an industry association from ground zero. In 2009, it was to remind investors of the need for hedge funds but also recognize that hedge funds had to continue to grow from small businesses to industry-leading asset managers within Canada. Institutional quality participants were continuing to enter the Canadian industry.

4 What key successes did you achieve during your leadership? (What are you most proud of?)

In 2003, I was very proud of helping to establish the association in Canada. It is hard to believe that it has been 20 years. In 2009, I thought it was important to carry the message out to the industry through a range of speaking engagements/meetings with regulators that, despite the setbacks of the financial crisis that the Canadian industry would continue to evolve and become stronger.

5 How has AIMA Canada and the Canadian alternative industry evolved since then, in your opinion?

AIMA Canada has continued to attract a broad range of participants, including some of the largest most sophisticated hedge funds in Canada. Institutional participation has continued to reinforce the strength and depth of the Canadian industry. The breadth of strategies offered within Canada over the years further demonstrates its growth and maturation.

6 What key challenges did you face during your leadership? (How did you overcome?)

In 2003, the challenge was building an association from scratch – it was accomplished by having strong people in the executive and committees with a real passion for the industry. In 2009, the challenges were different. The financial crisis of 2008 caused a lot of people to rethink the value of the alternative investment industry. The Canadian industry was hit hard as it was dominated at that time by resource-centric managers. It was important to carry out a strong and consistent message to the industry. I ended up speaking at a broad range of industry events to carry a consistent message regarding how the Canadian hedge fund industry was changing to respond to challenges brought about by the financial crisis. Governance and transparency became important areas to focus on.

7 Looking ahead, what opportunities and challenges do alternatives in Canada still face?

Alternatives need to continue to demonstrate their relevance to investors. Liquid alts have allowed a number of strategies to become available to the retail investor. This remains a great opportunity for managers. The introduction of more private market strategies for retail investors is also a good reminder of the importance of governance, process, and transparency.

8 How has AIMA Canada benefitted the local ecosystem? The global industry?

As an industry association, AIMA Canada continues to bring together the industry with a common voice. Regulation continues to evolve and, for the most part, becomes more demanding for all asset managers, including alternative managers. AIMA Canada is in an ideal position to continue to maintain and thoughtful and constructive dialogue with regulators.

9 Any advice or closing thoughts on the current or future state of alternatives in Canada and the important role that AIMA plays?

I remain optimistic about the alternative industry in Canada. There is no doubt that the industry will continue to grow and present opportunities for talented managers and investors.

Chris Pitts

Partner, Asset and Wealth Management Advisory Lead

PricewaterhouseCoopers LLP



1 What was the market backdrop and alternative landscape in Canada at the time of your AIMA leadership position?

The alternatives landscape in Canada was small and somewhat limited back in 2006 as the industry looked to find ways to expand and grow, and to increase in acceptance with both institutional and high net worth investors. Within two years of my joining AIMA Canada's Executive, the market backdrop also became particularly challenging with the Global Financial Crisis, although one that was viewed by many in the industry as a critical point that highlighted the benefits of a breadth of hedge strategies in such market volatility.

2 What motivated you to take on a leadership position with AIMA Canada, at that time?

As a supporter of the industry throughout this period from the inception of AIMA Canada, it was important to continue to be involved and assist the industry through these early formative years. I was keen to connect with the variety of participants in this growing area and learn more about the depth and breadth of the industry, and be able to contribute by bringing my experience and that of PwC to bear in supporting the industry in responding constructively to regulatory change.

I also very much enjoyed the networking with industry participants and particularly enjoyed the ability to take a key role with the annual golf tournaments for many years. While my golf game didn't necessarily improve much, I found it particularly satisfying to be able to generate proceeds from the tournaments that were then donated to some truly inspiring local charities every year.

3 What were AIMA Canada's primary goals, at that time?

Promote AIMA's global objectives of providing leadership to the industry and being its pre-eminent voice, providing a forum to promote the industry's development, and educating and promoting sound practices within the Canadian industry and with the financial community, the media, regulators and other policy makers.

4 How has AIMA Canada and the Canadian alternative industry evolved since then, in your opinion?

The development of the AIMA Canada Handbook in 2012 was a significant achievement for the Executive and for AIMA Canada. It was a collaborative effort from a core team that put a spotlight on the Canadian hedge fund industry and gave a background on AIMA Canada, as well as providing information on Canadian regulation and compliance requirements, considerations for structuring funds and raising capital. This was a unique way to bring attention globally to the Canadian industry (including an AIMA Canada member directory!) and it provided an excellent resource for participants and those interested in joining the industry. I have been really pleased to see that subsequent editions continue this legacy. I still use the publication as a reference point for interested parties.

Over the years, the industry has faced a continually evolving regulatory environment. I have been very pleased to be able to bring my technical expertise and that of PwC to support the industry through AIMA Canada's advocacy process of providing comment letters to regulators, government officials and the tax authorities. This has included responding to many important topics such as the introduction of National Instrument 31-103 *Registration Requirements*, amendments to National Instrument 81-106 Investment Fund Continuous Disclosure, including amendments related to the adoption of International Financial Reporting Standards (IFRS), the use of limited partnerships in the Canadian hedge fund industry regarding potential GST/HST rule changes by Finance, the liquid alternatives amendments to National Instrument 81-102 *Investment Funds*, as well as providing Canadian perspectives to the International Accounting Standards Board on the importance of the exposure draft related to investment entities accounting (as Canada prepared to adopt IFRS for investment funds), among other areas.

5 How has AIMA Canada and the Canadian alternative industry evolved since then, in your opinion?

The industry has grown and developed since its pre 2008 days when long-biased resource managers were dominant among participants. Since then, the Canadian hedge fund industry has significantly diversified the range of strategies offered. In addition, the regulatory environment was very positively impacted by the adoption of amendments to National Instrument 81-102 Investment Funds, effective January 2019, that enabled liquid alternative-type mutual funds to be offered to retail investors for the first time. It has been very satisfying to see the outcome of many years of advocacy by AIMA Canada, which dates back to 2013 when the first outline of such a proposed regulatory framework was published by the Canadian regulators, in helping to ensure that the industry's voice was at the forefront of the related consultation and comment process.

6 How has AIMA Canada benefitted the local ecosystem? The global industry?

The association has been able to bring together volunteers from across the industry, from managers with expertise in different strategies to the many service providers at the accounting firms, prime brokers, fund administrators and legal firms. This amazing group of professionals have brought their detailed knowledge and expertise to support AIMA Canada in providing that pre-eminent voice in communicating with regulators and policy makers, tax authorities and the media, to advocate for the industry, to educate, and ultimately to bring positive change that benefits all participants. It has been a really rewarding experience to see how change can be effected in such a collaborative way.

Tim Baron

Partner

Davies Ward Phillips & Vineberg LLP

DAVIES



1 How can Canada foster a strong alternative investment ecosystem?

I think governmental policies are the key. The federal and provincial governments should establish tax systems and regulatory regimes that are not detrimental to market participants and investors in alternative investments as compared with other industries and relative to other jurisdictions. There are elements of our current regimes that are clearly disadvantageous, particularly to smaller managers. It would be beneficial for the alternative investment industry and governments to collaborate to identify and address these issues. AIMA has worked with governments and regulatory bodies to rectify these issues with some success, but there is more work to do.

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

Based on my observations after 25 years in the alternative funds space, I believe two key factors differentiate start-ups that graduate to the next level from those that don't.

First, when setting up a business, it is a good idea to separate the investment management function from the business operations functions. Investment management takes a lot of time, but consistently high returns do not necessarily lead to the growth of assets under management. It is equally important to dedicate resources to operations, including managing personnel, back office and accounting and, perhaps most importantly, to marketing.

Second, from the start, operate as if you expect to grow into a billion-dollar-plus manager. In an industry where the largest players raise the most capital, even in circumstances where they do not get the best returns, you need to think big. Set up your operations and structure your investment vehicles to attract capital from anyone, anywhere in the world, and you'll be motivated to develop and grow your business accordingly.

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

Canada is a great place to start a business for multiple reasons. It has a sophisticated and established regulatory regime, market and tax system. In addition, it's a place where there is significant knowledge and understanding of the alternative investment space. Finally, there are many channels through which managers can raise capital, including retail distribution, high-net-worth individuals and ultra-high-net-worth and institutional investors.

4 How has being an AIMA member benefited your firm and your clients?

Being a member of AIMA has given me the opportunity to work with like-minded people who want to create a better environment for sponsors, managers and investors in alternatives. It has given firm members the chance to connect with people from all corners of the industry. On the client side, AIMA members benefit from its extensive educational content and all of our clients benefit from AIMA's advocacy efforts. Advocacy is a huge component of AIMA's mandate – both in Canada and globally. But the greatest benefit, which can't be measured, is that AIMA has afforded both me and the firm the privilege of giving back to the industry by contributing to education, advocacy and awareness.



AIMA CANADA
MANAGER LEADERSHIP IN
HEDGE FUNDS, LIQUID
ALTERNATIVES, PRIVATE
CREDIT AND BEYOND

Paul Sabourin
Founder, Chairman & Co-CIO
Polar Asset Management Parters



1 Why did you decide to launch your business?

I started my career at Burns Fry in the early 80s, beginning in the research department and eventually running the institutional trading business, including convertible arbitrage, event driven and risk arbitrage books. At the time, there were very few firms in Canada or even in larger international markets running what we now think of as hedge fund strategies on behalf of institutional and private clients. I believed there was an opportunity to make those strategies available to investors and in 1991, I left Burns Fry with two partners and our journey began.

2 Tell us about your growth story.

We started Polar with C\$1.6 million of AUM, four clients, three employees, and two prominent investment strategies (convertible arbitrage and event driven). Hedge funds were nascent and not widely known in the 1990's. We were fortunate to have had a strong start and quickly established a track record, which attracted investors from the US and Europe. Just a few years later, Canadian institutions and high net worth clients began to allocate as well. Fast forward to today and our AUM is around C\$9 billion with a well-diversified client base, and about 150 employees in Toronto, New York, London and Calgary

3 What wisdom do you have now that you wish you knew at launch?

I wish I knew that it would be possible to get to where we are today! However, even if I did know, I'm not sure we would have done things much differently. Running a hedge fund portfolio is hard, and running a hedge fund platform is something few firms can do well. Our long history, and the experience gained though all the ups and downs, has provided us with an extremely solid foundation to operate and grow our business. It comes back to the concept of resilience – when stressful times occur (and they always do), it helps to be able to think long-term, rely on, and be transparent with your team and clients, and be confident in your process to get through it. "The world rarely ends," is a phrase we like at Polar and as flippant as it may sound, if you look at our track record, there were times when it served us very well: 1998, 2008 and even the start of the pandemic, come to mind. You have to believe in the investment process, portfolio and people you work with, and just keep building.

People may know that I'm a big fan of Canadian art – when someone asked Jack Bush, later in his career, how he became one of the leading painters in Canada, he told them: "I just never stopped painting".

4 What are you most proud of?

The team of individuals we've brought together over the years, and the jobs we've created. Surrounding yourself with dedicated, intelligent people is an invaluable asset. Looking back, the most important qualities we required of our team members, over and above their specific expertise were perseverance and resilience. We're proud to have created an atmosphere where our people are keen to pursue new challenges every day. The path of growth from inception to today wasn't without its share of curve balls and growing pains, but I know we grew stronger with each challenge we faced. We never wavered in our pursuit of producing high quality, risk-adjusted returns for clients. I would also be remiss if I didn't mention how proud we are of our community involvement and philanthropic efforts; success comes with a responsibility to give back and we endeavour to lead by example in the local communities in which we live and work.

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

I'm a huge fan of Canada. Time and time again, feedback we've received from clients and counterparties around the world has been: "Polar is different". Different from the markets most importantly, different from our industry peers and different in our culture. We firmly believe a big part of that comes from being in Canada and we take pride in hearing that feedback. Canada is home to some of the world's largest and most sophisticated institutional investors, it has very unique capital markets, a strong banking system and our financial centres attract the best and brightest investment talent.

6 How do you think about diversity, equity and inclusion at your firm?

If you wander through the halls of Polar's offices, you will find a very diverse group of people. A foundational tenet of our investment process is that success in investing and arbitrage requires market participants with varying investment perspectives and objectives. We have always applied that thought to our talent acquisition program as well; we strive to find people with diverse backgrounds. We want and actively seek out different perspectives and encourage healthy debates. To have a diversity of opinions and approach that can uncover the best opportunities, requires true diversity. We believe that diversity across all measures leads to the most important goal: diversity of thought.

7 What advice do you have for others considering launching a fund business in Canada?

I think that answer is the same whether starting in Canada or anywhere: it's a long game! You have to manage the business intelligently, deliver quality returns for investors, and be intellectually honest with what you're trying to do. You must want to build an organization that clients will be proud to be associated with. There will be rough patches, so choose something you're good at and stick to it while considering how you will manage in difficult times. We spoke of resilience before – you have to build both your portfolios and your business to withstand unanticipated shocks.

8 How has being an AIMA member benefited your firm?

We were there right at the beginning of AIMA Canada's inception alongside founders and builders like Jim McGovern and Gary Ostoich, who are still good friends to this day. AIMA Canada helped set the framework for best practices that really institutionalized the industry, and has always acted as an advocate for managers, both within and outside of Canada. We've been supportive of AIMA and the organization has been supportive of us.

Thanks for the opportunity to share our story and our thoughts, and congratulations to AIMA Canada on this auspicious milestone!

9 Succession and transition planning discussions are all around the hedge fund industry. How does that look for you, and Polar?

An early goal of mine was for Polar to prosper well beyond my involvement. First and foremost, we created a partnership, which helped attract very bright and confident people with complementary skill-sets. By making senior individuals true equity partners, they thought about the portfolio, and the long-term trajectory of the business, like owners. We devote a lot of time to thinking about and planning for the future of our business, one that we hope will last for generations. Polar's ownership is currently well diversified amongst internal employee shareholders, so from a financial perspective, the passing of the torch is well underway.

Today, we've built a robust Office of the CIO (OCIO) with strong senior and support talent with diverse investment industry backgrounds. I gave up line-item responsibility within the portfolio in 2015 as our investment strategies and teams broadened substantially. This allows me and the members of the OCIO to think about the portfolio holistically and to attract and recruit the best investment professionals for the individual strategies. The OCIO's buildout has been methodical and process driven and does not rely on any single individual. This approach will allow me to continue to transition to a role where I have less and less day-to-day involvement in the portfolio and the business.

Richard Pilosof
Chief Executive Officer
RPIA



1 Why did you decide to launch your business?

I spent my entire career pre-RPIA at RBC, ultimately attaining the position of Head of Global Debt Markets in London. Returning to Canada, it struck me that Canadian investors didn't have enough choice to diversify their fixed income strategies. I also knew firsthand that investors could attain higher risk-adjusted returns in corporate bonds and we could add tremendous value for them. So my partners and I started out with the goal of offering Canadian investors a "better" approach to fixed income that we had employed successfully for decades at bank trading desks.

2 Tell us about your growth story. Any particular early-day struggles or success stories that stand out in your mind?

I began the business with a small group of partners that I had worked with for many years at RBC / Dominion Securities. We funded the business ourselves and started by managing our own capital – initially at my home. Over time, we were fortunate that a number of our former colleagues and acquaintances entrusted us with their wealth. From there a combination of good reputation, good returns and transparency led to further success and growth. Early on, we set a target of 100mm of AUM for the business. At that point we never really imagined the firm having the asset base it has today.

3 What are you most proud of looking back at your entrepreneurial journey?

I am most proud of the way we always put the client at the centre of everything we do. We have always strived for transparency with our clients and employees. And to support and service them, we have made sure that we're always investing in people and the infrastructure of our business. I believe that it's the investments we have made in people and infrastructure that have enabled the growth we have experienced to be sustainable. Equally as important is our openness to change. This is a fast-moving business that adapts constantly. To be successful requires you to be humble and strive to constantly improve and learn. Despite what they say, I think old cats can learn new tricks and this philosophy has served us tremendously.

4 What are your 3-5 year goals for your business as you look ahead?

Really, I have one main goal for the business. To be the preeminent alternative fixed income manager in Canada. I have always believed its better to do one thing really well than to try to do many different things at once. So, our plan is to stay focused on our niche – where we have a competitive and repeatable edge – and leave the rest to other managers.

5 What advice do you have for others considering launching a fund business in Canada?

Firstly, always remember that your reputation is built over years – but can be tarnished in a second. So its critical to always act with the highest ethical and professional standards and only hire people that feel the same and understand this importance. Secondly, invest in your business. It's critical to make the right decisions early on that will pave the way for success in the future. Third, aim for a culture of partnership – with employees, clients and service providers.

AIMA CANADA FOUNDER INTERVIEWS

AIMA

David Picton

President & CEO

Picton Mahoney Asset Management



- **Year launched firm:** 2004
- **Number of employees at launch:** 6
- **Number of employees today:** 137
- **Number of funds at launch:** There were two alternative strategies at launch – we prefer to call them ‘strategies,’ rather than funds. The two strategies were 1) market neutral and 2) long short equity, both of which launched in 2005.
- **Number of funds today:** 23 funds
- **Strategies managed:** alternative and core income, long short equities, merger arbitrage and multi-asset solutions

1 Why did you decide to launch your business?

I was fortunate to be part of an earlier start-up that was reasonably successful, and it gave me a taste of entrepreneurship. I also like to try to think creatively when it comes to new investment ideas, and I saw a lot of opportunities in our industry for differentiated products that could help fortify portfolios. We firmly believed there were ways to improve traditional portfolios that were not being taken advantage of in Canada, and we have always tried to design everything we do around this opportunity.

Originally, Picton Mahoney Asset Management was formed as a sub-advisor to CI Financial. As we gathered other institutional clients, that gave us the resources to be able to explore different investment ideas we felt were underrepresented in Canada. Our long-only products were always quite differentiated, but the opportunities in hedge funds/alts were even greater, given that they've had so little representation in Canadian portfolios even to this day.

2 Tell us about your growth story. Any particular early-day struggles or success stories that stand out in your mind?

Back then, there were a number of roadblocks to getting alternatives into portfolios. There were some unfortunate blowups in the industry. There were compliance-related constraints on the products. Finally, there was very little awareness or education about ‘alts.’ The struggle was getting people to trust that we knew what we were talking about, and that we would do what we said we were going to do within these products. In 2008, we were able to demonstrate through our market neutral fund that you could generate a positive return in a difficult market environment while also helping to improve the overall characteristics of a portfolio. That became a proof of concept for a lot of advisors and really helped launch our business.

Of course, the more time you spend in our business, the more likely it is you will have mistakes or periods of soft performance that help develop some necessary scar tissue. There was one particular period when we were not happy with our results and had to tear things down, in a sense, and rebuild. We knew we had a really good investment process, but there was something getting in the way of it performing. What we learned coming out of that period was that, as a firm, you need proper accountability and alignment. Once we got everyone aligned, that really helped improve outcomes for our investors.

We've been on a pretty good run since then. Now, if something's not working or if we get a little misaligned, we've learned to fix it fast. I'm quite proud of our firm for learning from our mistakes and working to get better each and every day as a result.

3 How do you think about innovation at your firm?

We've made innovation part of our core values. We believe that in today's environment, you have to disrupt or risk being disrupted. The rate of change in business is faster than it's ever been. There's no chance to sit back on your laurels in the modern world. You have to keep looking for different ways to be better, faster and stronger, while also building scale to ride out the inevitable downturns we face in our industry.

4 What are you most proud of looking back at your entrepreneurial journey?

Aside from learning from our mistakes, the thing I'm most proud of is the reputation our firm has earned by holding ourselves to high standards of integrity, by trying to be as transparent as possible, and by having a team that works its butt off to deliver on the expectations of our clients. The success we've enjoyed is kind of secondary; it's the journey we've had that's really important to me.

I'd also like to think we've made at least a modest impact on the consciousness of the Canadian investment advisor as it relates to thinking about alternative ways to improve portfolios for their end clients. I think we've done more missionary work on alternative investments in Canada than any other firm out there. After all, we've been consistently championing alts in Canada for almost 20 years.

5 What wisdom do you have now that you wish you knew at launch?

You have to ensure your team is fully aligned with your investment process, and that your incentive systems are aligned with the outcomes your clients are seeking.

It also takes courage to go against status-quo norms and to trust your process when it's out of favour.

Finally, there are significant opportunities to be had in times of crisis, whether the crisis is market-related or industry-related due to some sort of disruption that's underway. Our firm has come out of these kinds of crises much stronger and better positioned over time.

Somewhere along the way, there's also this idea of dealing with failure. You shouldn't be afraid of failure, because failure leads to learning. If you can teach yourself to learn from your mistakes, you'll be better for it in the long run. Related to this is the notion of "fast failing" ideas. Don't let small mistakes become large ones. Make the necessary changes quickly, free up energy, and move on.

6 What sort of talent are you looking for in your team?

We look for people who are open-minded but willing to take a stance when they make a decision. We want them to be aligned with our plans and our culture.

We think the Canadian investment industry especially is ripe for some disruption. We are focusing a lot of our recent hiring in areas that enhance our digital capabilities and create more user-friendly digital journeys for our customers. We consider ourselves lucky to have attracted some phenomenal talent to fuel these pursuits.

AIMA CANADA FOUNDER INTERVIEWS

AIMA

Jim McGovern
CEO

Arrow Capital Management Inc.



- **Year launched firm:** 2000
- **Number of employees at launch:** 3
- **Number of employees today:** 34
- **Number of funds at launch:** 1
- **Number of funds today:** 10
- **Strategies managed:** 10
- **Investor channels covered today:** Retail, High Net Worth and Institutional
- **Firm prior to launching current business:** BPI Mutual Funds

1 Why did you decide to launch your business?

We launched Arrow Capital Management Inc. in 2000. We launched the firm because we felt there was a great opportunity to bring more alternative investments to Canadian investors.

2 What does it take to succeed in Canada as an alternative manager?

Three main things: 1) ability to manage a business, 2) set up sound operational and governance policies, 3) Generate strong risk adjusted returns over a market cycle.

3 Tell us about your growth story. Any early-day struggles or success stories that stand out in your mind?

Our success story is that we grew from modest seed capital to managing over \$1B AUM for investors globally by 2007. Looking back to the early days of 2000, it was more challenging to find high net worth investors who were familiar with alternative investments, so a lot of education was required in the early years.

4 What are you most proud of looking back at your entrepreneurial journey?

We are most proud of the being involved early in educating investors on the benefits of alternative investments.

5 What has been the hardest part of your entrepreneurial journey?

The hardest part was going through the Great Financial Crisis of 2008.

6 What are your 3-5 year goals for your business as you look ahead?

We would like to double our assets within the next 3 to 5 years by continuing to generate good risk adjusted returns for our investors.

7 How do you think about diversity, equity and inclusion at your firm?

We have always had a diverse team with varying backgrounds. This has helped us navigate through various investment cycles.

8 What wisdom do you have now that you wish you knew at launch?

It always takes a bit longer than you think to reach critical mass and sustained profitability.

9 What sort of talent are you looking for in your team?

We look at trying to blend experience and emerging talent that can help bring a fresh perspective and new ideas to the business. It is important that we hire people that have good character, are hardworking and who work well in a team-based environment.

10 How do you think about innovation at your firm?

We are always looking for ways to improve all aspects of our business, whether that is through technology or through the hiring new talent.

11 Why is it important that Canada support alternative managers?

It is important for Canada to continue to support alternative managers to keep the industry competitive and to give investors multiple options.

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

There is a good legal system in place, as well as strong financial institutions and a highly educated talent pool.

13 What headwinds do you see in Canada to grow the alternative investment management industry?

Headwinds could be the size of the Canadian market relative to the U.S. market and potentially the higher cost to do business relative to other countries.

14 What advice do you have for others considering launching a fund business in Canada?

Make sure the business is well capitalized from the start and come with investment products that are not already oversaturated. Stay focused on your area of expertise.

15 How can Canada better support alternative managers?

One way would be to reduce the regulatory and tax burden on small businesses.

16 How has being an AIMA member benefited your firm's growth journey?

Arrow was involved in the early days, helping set up AIMA in Canada. We believe that being a member of AIMA has strongly benefitted investment managers, investors and other stakeholders.

Aaron Stern

Managing Partner, Chief Investment Officer
Converium Capital Inc.



- **Year launched firm:** 2020
- **Number of employees at launch:** 9
- **Number of employees today:** 10
- **Number of funds at launch:** 1
- **Number of funds today:** 1
- **Strategies managed:** 1
- **Investor channels covered today:** Broad – SFO/MFO to institutional (Endowment, Foundations, Pensions)
- **Firm prior to launching a current business:** Fir Tree Partners, New York

1 Why did you decide to launch your business?

We love what we do! My partners Michael Rapps, Elliot Ruda and I wanted to combine our diverse experience to build a firm that we believed would have a sustainable competitive advantage. We have spent our careers investing in the types of opportunities that many folks ignore, largely in the securities of companies and countries outside of the US that are going through some form of distress. We believed there were very few firms running an opportunistic global mandate across asset classes, who had multi-year capital and the ability to invest in long-dated situations while exploring smaller market cap situations. We believe that in creating Converium, we would be well positioned to capitalize upon a large and sustainable opportunity set, allowing us to find investments with very attractive risk/reward characteristics.

2 What are you most proud of looking back at your entrepreneurial journey?

I take pride in what we built in the middle of the pandemic. We successfully launched our strategy almost exclusively through virtual investor and counterparty meetings in late 2020 and early 2021, and that achievement is a testament to the strong team we put in place early on. I am also proud of the performance we have delivered to our investors, especially in the challenging markets of 2022. In the short time since we launched, we have seen really varied market environments and we've consistently delivered on our mandate. We have sourced attractive investments on both the long and short side of the book opportunistically across a pretty broad geography and set of asset classes, which is what we set out to do in 2021.

3 What sort of talent are you looking for in your team?

From the outset, we aimed to build Converium with individuals who have broad experience, are curious, eager to learn, tenacious, and have expertise in areas that complement our own. We launched the firm with a team of nine individuals, pretty evenly divided between the investment team and infrastructure team. We look for people who fit within our collaborative culture and can add a combination of thoughtfulness, intellectual rigour, and a core competency that enhances our existing personnel. Prior to co-founding Converium, I spent 15 years in New York, and the last ten as a partner at Fir Tree Partners leading a multi-billion dollar global strategy focused on distressed and event-driven situations. Michael's career has focused on engagement and restructuring-oriented investments, and he has deep operating knowledge serving as CEO or Chairman of multiple public companies. Elliot was a Partner and the Head Trader at Fir Tree Partners, and has traded a huge range of financial instruments over his 20-year career. We often invest in less-trafficked situations, so everyone on our team must have the strong technical skills to fulfill their role, but they also need the capacity and willingness to apply those skills to situations that they haven't previously encountered. Our team's deep and diverse experience makes it greater than the sum of its parts and I think that's probably our greatest strength.

4 What are your 3-5 year goals for your business as you look ahead?

First and foremost, we are aiming to continue generating positive risk-adjusted returns for our investors, regardless of the macroeconomic environment. It continues to be an interesting time in the markets to say the least, and we are very excited about the opportunities ahead of us. We believe we are in the early innings of a prolonged correction in credit markets, an environment that should bode especially well for our strategy on both the long and short sides of the portfolio. Maintaining a small team, remaining nimble and opportunistic, with the ability to efficiently pivot to the best risk/reward, will continue to be key to our success. We believe that our results will drive our growth, and plan to continue increasing the strategy's assets under management by building solid relationships with institutional partners.

5 How has being an AIMA member benefited your firm's growth journey?

AIMA has been a fantastic partner in our firm's growth since its launch. With our global strategy, we have made extensive use of the global AIMA platform for both content and connectivity. We regularly and actively participate in legal, compliance, and investor relations working groups in the US and Canada, which has been invaluable for our small team to stay current on the latest industry developments. In addition, we have participated both as a presenter and as attendees in the high-quality global conferences that AIMA holds, which has directly expanded our allocator network. We look forward to continuing our partnership with AIMA as we grow!

AIMA CANADA FOUNDER INTERVIEWS

AIMA

Arif N. Bhalwani
Co-Founder and CEO
Third Eye Capital



- **Year launched firm:** 2005
- **Number of employees at launch:** 2
- **Number of employees today:** 30
- **Number of funds at launch:** 1
- **Number of funds today:** 7
- **Strategies managed:** Private Debt
- **Investor channels covered today:** Institutional and HNW
- **Firm prior to launching current business:** Pinnacle Capital

1 Why did you decide to launch your business?

Drawing from my experience as an entrepreneur and private equity investor, I saw a persistent gap in traditional financing that left businesses, often deemed too risky by banks, sidelined despite their growth potential. Together with David G. Alexander, a Canadian financial innovator, we founded the firm to bridge this gap through specialized private debt solutions and strategic advice. Our mission centers on empowering mid-market and smaller firms, which are crucial to the economy but frequently overlooked or underserved by traditional banks.

2 What are you most proud of looking back at your entrepreneurial journey?

The pinnacle of pride in our journey isn't just our financial achievements but the transformative impact we've had on businesses teetering on the edge of survival. By serving as strategic partners and providing customized financing, we've catalyzed turnarounds, created jobs, and contributed to Canada's economic diversity. Our greatest fulfillment comes from seeing these once-struggling companies evolve into industry leaders and innovators, validating our model and mission.

3 What has been the hardest part of your entrepreneurial journey?

Navigating the shifting market perceptions about our risk profile has been a complex challenge, given that we extend credit to companies often labeled as 'high-risk' by traditional banks. Our success where others have faltered attests to our rigorous due diligence, robust risk management, and expertise in business turnaround and restructuring. These challenges have been instrumental in refining our approach and affirming the resilience that defines our firm.

4 What wisdom do you have now that you wish you knew at launch?

If I could offer advice to my younger self, it would be to not underestimate the educational effort needed to shift the Canadian market's perception of private debt as a viable, crucial alternative to traditional banking. I've learned that the key to success in this space isn't just deal-making and risk management, but also serving as an advocate and educator. This is especially true in Canada, where traditional lending models are deeply entrenched, leaving a gap that private debt can effectively fill.

5 What sort of talent are you looking for in your team?

In building our team, we prioritize the 'BIG' factor, which stands for Brains, Integrity, and Guts. We seek individuals with the intellectual depth to navigate complex scenarios, the ethical grounding to make decisions with the highest integrity, and the courage to take calculated risks. This trifecta of qualities has been the cornerstone of our success and remains central to our recruitment strategy.

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

Canada offers investors and entrepreneurs a unique blend of stability, talent, and diversity, but one of the most attractive aspects of Canada for the investment business is its untapped potential in the realm of alternative investments. While Canada has a mature and stable financial market, it's predominantly centered around traditional asset classes and banking structures. This creates an inefficiency that private credit, for instance, can capitalize on. The traditional banking system's limitations offer a fertile ground for deploying capital in high-return avenues that outperform traditional investments.

7 How has being an AIMA member benefited your firm's growth journey?

Membership in AIMA has enriched our firm through invaluable industry dialogue, educational resources, and advocacy efforts. The association keeps us updated on market trends and regulatory changes, enhancing our decision-making and thought leadership. Additionally, AIMA's advocacy work amplifies our influence on policy decisions, contributing to a more favorable business environment for alternative investments.

AIMA CANADA FOUNDER INTERVIEWS

AIMA

Sean Rogister

Chief Executive Officer

Cortland Credit Group Inc.



Name: Sean Rogister
Title: Chief Executive Officer
Firm: Cortland Credit Group Inc.
Year launched firm: 2013
Number of employees at launch: 3
Number of employees today: 35
Number of funds at launch: 1
Number of funds today: 4
Strategies managed: Private Debt Strategy, Alternative Credit Strategies
Investor channels covered today: Institutional (80% of AUM) and Retail (20% of AUM)
Firm prior to launching current business: N/A

1 Why did you decide to launch your business?

Cortland Credit was established when there were very few private debt lenders that could offer disciplined investors access to a diversified portfolio of income-producing private debt instruments. Our investment model was designed to serve mid-market firms requiring funding for growth, which often faced challenges meeting the lending criteria of conventional bank lenders, making our asset-based lending model a welcome and effective solution for them. We strongly believe that senior short-term asset-based loans offer one of the best risk-return profiles available in private debt markets.

2 What does it take to succeed in Canada as an alternative manager?

The most important characteristic of a successful alternative manager is the ability to deliver investment performance with a clear identifiable value-add. In the case of Cortland, this objective is applicable both to investors, looking for direct access to a unique source of strong risk-adjusted returns in private credit, and to borrowers looking for flexible debt capital needed to fund their growth.

3 Tell us about your growth story. Any particular early-day struggles or success stories that stand out in your mind?

Our company started in a small commercial unit above a bike shop in Oakville with the goal of creating a private credit strategy that was not offered in the capital markets at that time.

We didn't really have many models that we could emulate, so we had to forge ahead and invent the approach we were taking, borrowing from some various established lending principles that have existed in Canada for many, many years.

4 What are you most proud of looking back at your entrepreneurial journey?

In the last 10 years, we were able to build one of the biggest Canadian private debt platforms that is led by a top-class team and corporate culture, raised over a billion in AUM as well as provided investors with enviable 10-year track record of consistent positive returns.

5 What has been the hardest part of your entrepreneurial journey?

As we have experienced remarkable growth, we have recognized the utter importance of having a robust infrastructure of thorough due diligence, effective risk management, and seamless operational support in a place that can keep pace with such rapid growth.

6 What wisdom do you have now that you wish you knew at launch?

Be ready for skepticism when introducing a new investment concept. Keep delivering consistent value to your investors and, eventually, that will create a paradigm shift.

7 How do you think about diversity, equity and inclusion at your firm?

Cortland believes that diversity of thoughts and backgrounds contributes to the formation of a strong and innovative organization.

8 What sort of talent are you looking for in your team?

Cortland seeks individuals with a deep understanding of financial markets, who demonstrate a genuine passion and curiosity for continuous learning and growth and are ready to explore new investment ideas and challenge conventional wisdom.

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10 How do you think about diversity, equity and inclusion at your firm?

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11 How do you think about innovation at your firm?

Cortland empowers its employees to explore new unconventional ideas and infuse our internal infrastructure with cutting-edge technologies.

12 What are your 3-5 year goals for your business as you look ahead?

We plan to continue our significant growth as an alternative asset manager, offering investors various diversified investment solutions in areas, where we have a proven distinct advantage, such as private credit.

13 Why is it important that Canada support alternative managers?

Cortland's investment model is indicative of the need for alternative managers in Canada, which can contribute to the growth of the investment industry and capital markets. In our case, for example, we provide capital to the small and medium enterprises in Canada that serve as the backbone of the economy, contributing to the growth of GDP and providing Canadians with employment opportunities. Sometimes traditional lenders perceive small and medium businesses as 'too risky' and do not believe in the potential and strength of their assets. That is where private lenders like Cortland Credit Group come in. This is just one example of the value offered by alternative managers.

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

Canada has a stable and resilient economy as well as access to skilled and talented workforce.

15 What headwinds do you see in Canada to grow the alternative investment management industry?

Canada needs to continue to support the development of alternative strategies, both through the regulatory environment and the support of domestic entrepreneurship in a financial industry that is currently dominated by a small number of massive financial institutions.

16 What advice do you have for others considering launching a fund business in Canada?

You have to have an edge that you are looking to exploit to provide strong performance and attract investors. Focus on differentiating your strategy as clearly as possible.

17 How can Canada better support alternative managers?

Regulatory environment needs to better support new investment strategies. Financial industry policies need to take into consideration that not all capital is provided by the major financial institutions and provide communication strategies to support the alternative industry.

18 How has being an AIMA member benefited your firm's growth journey?

Being a member of AIMA has enabled Cortland to establish and build connections with industry peers, investors, and other stakeholders, which positively contributed towards the growth of our brand.

Jamie Wise

CEO

Periscope Capital Inc.



- **Year launched firm:** 2009
- **Number of employees at launch:** 2
- **Number of employees today:** 14
- **Number of funds at launch:** 1
- **Number of funds today:** 7*
- **Strategies managed:** 4
- **Investor channels covered today:** Institutional & Advisor HNW
- **Firm prior to launching current business:** Moore Capital Advisors

*Includes Pooled Funds, Segregated Funds, and sub-advisory mandates.

1 Why did you decide to launch your business?

The Great Financial Crisis created an existential crisis within the Hedge Fund industry. Poor performance led many investors to reconsider their approach to alternative investment strategies. Increasingly, a manager's ability to generate Alpha was questioned, with the results leaving many Funds struggling to justify their value proposition. With a diverse history across many quantitatively driven arbitrage strategies, and specific expertise within the Canadian market, Periscope's principals had a strong belief that we could provide a compelling offering to potential investors who preferred Alpha driven absolute returns.

2 What are you most proud of looking back at your entrepreneurial journey?

There are no short-cuts. Our journey was purposefully shaped by embracing a long-term approach to business development, client relationships, and employee growth. Maintaining a disciplined focus to that approach provided the foundation for our Firm's emerging culture. Long-term planning led to the development of what we believe is best-in-class infrastructure and proprietary reporting systems, technology and governance structures which allowed the Firm to significantly scale when the opportunity presented. Those ideals remain rooted in our Firm's culture, continuously guiding our approach to stakeholder relationships and leaving us well prepared to capitalize on future opportunities.

3 How do you think about innovation at your firm?

Innovation is a critical theme within the Firm. We view innovation as a process, not a directive or a single act. Financial markets and social conventions are constantly shifting; the Firm – including its employees - must innovate to stay relevant. We endorse constant innovation across the Firm, in our systems development, investment strategies, and recruitment efforts. Fresh perspectives, challenging conformities, and applying new technologies to problem solving, are critical constructs within our innovation process.

4 What advice do you have for others considering launching a fund business in Canada?

Start now. People often look for validation or encouragement, taking valuable first impression meetings with potential investors just to test interest in their concept. The best way to show others (and yourself!) of your true commitment and of your belief in your vision is to start your journey. Forge onward through narratives that endorse the status quo; invest in your business, in people, and in yourself. Emphasize the importance of compliance, finance, and operations in your planning – they are a core part of the business; critical for success yet often overlooked. Differentiate yourself with a thoughtful, long-term approach to building your new venture.

AIMA CANADA FOUNDER INTERVIEWS

AIMA

Jason Roque

CEO

Equiton



- **Year launched firm:** 2015
- **Number of employees at launch:** 3
- **Number of employees today:** Over 175
- **Strategies managed:** The Equiton Residential Income Fund Trust, Equiton Real Estate Income and Development Fund Trust and Development Offerings
- **Investor channels covered today:** Wholesale, Retail and Institutional
- **Firm prior to launching current business:** Close to 20 years of real estate finance, investment and development experience prior to founding Equiton.

1 Why did you decide to launch your business?

To bring institutional grade private real estate to segments of the institutional marketplace that have historically been underserved/underrepresented.

2 What does it take to succeed in Canada as an alternative manager?

Strong understanding of the industry and its participants, a dedicated team, and a strategy that resonates with the marketplace.

3 Tell us about your growth story. Any particular early-day struggles or success stories that stand out in your mind?

The firm was started by a small group of experienced professionals, and we believed we had the expertise to provide solutions that the market would find valuable. Early-day struggles had a lot to do with the firm not being a recognized brand within the marketplace. Successes that stand out are achieving excellent growth rates, especially during some of the most challenging times in recent history. During the pandemic, we tripled our total assets under management from \$294 million in 2020 to \$904 million in 2022.

4 What are you most proud of looking back at your entrepreneurial journey?

I am proud of the growth the company has been able to achieve since its inception. Beyond that, our conservative investment approach has helped us avoid some of the pitfalls that impacted others in our space in a period of largely unprecedented macroeconomic forces and subsequent central bank intervention.

5 What has been the hardest part of your entrepreneurial journey?

Canadian investors can be quite conservative by nature and can be slow to adopt alternative strategies typically not found in the 60/40 model. We are pleased to say this is changing, and we are enthusiastic about our role in contributing to this evolving investment landscape.

6 What wisdom do you have now that you wish you knew at launch?

We all wish we could peer into the future to readily position ourselves for multi-generational crises and exogenous shocks such as COVID and inflationary spikes. This said, private real estate held up exceptionally well, and we continued to deliver on behalf of our investors throughout the unpredictability of the global markets.

7 What sort of talent are you looking for in your team?

We hire people who are proven experts in their field and embody an entrepreneurial spirit. We owe a great deal of our success to the firm's rapidly growing and dedicated workforce.

8 How do you think about diversity, equity, and inclusion at your firm?

Equiton is dedicated to promoting a culture of diversity, equity, and inclusion. Our core values uphold a culture where employees feel a sense of belonging. Equiton fosters a truly collaborative workplace where diversity of culture and background intersect to bring unique perspective to providing the best solutions to our clients.

9 How do you think about innovation at your firm?

Our strong customer-centric culture focuses on understanding what our customers care about and launching innovative solutions to help meet those needs.

10 What are your 3-5 year goals for your business as you look ahead?

- The company has experienced exponential growth since inception. We are fast approaching a billion dollars in AUM, and I am committed to supporting this growth.
- To further strengthen our customer-centric culture.
- Continue to grow our headcount at a measured pace to support our clients and future goals.
- Embrace and implement the ideals of ESG into our core business.

11 Why is it important that Canada support alternative managers?

Alternative strategies should occupy a meaningful allocation in a well-diversified portfolio due to their capital preservation tendencies, inflation hedge proclivity, absolute return profile, low correlation to most other asset classes and low volatility overall.

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

Canada presents an attractive landscape for entrepreneurs with its favorable business environment, which includes a resilient economy and a skilled workforce. Furthermore, there is a robust demand for private multi-family assets fueled by strong tailwinds like challenges of new home affordability, land scarcity, population growth and lack of housing supply.

13 What headwinds do you see in Canada to grow the alternative investment management industry?

A possible headwind would be the perception that the industry is riskier and, therefore, underrepresented compared to other asset classes. However, this perception is steadily changing.

14 What advice do you have for others considering launching a fund business in Canada?

It is important for you to identify the problem you wish to solve and have the passion to pursue the solution. Ultimately, sophisticated investors are not looking for products but rather solutions.

15 How has being an AIMA member benefited your firm's growth journey?

It has helped us build our exposure and reach our target audience effectively.

AIMA CANADA FOUNDER INTERVIEWS

AIMA

Tim Pickering

Founder, CIO

Auspice Capital Advisors



- **Year launched firm and AUM:** 2006 with \$5mm
- **Current AUM:** \$900mm
- **Number of employees at launch:** 2
- **Number of employees today:** 12
- **Number of funds at launch:** 1 fund, 1 strategy
- **Number of funds today:** 6 fund structures between Canada and US and many SMAs
- **Strategies managed:** 4 core strategies
- **Investor channels covered today:** Institutional, Family Office, Private Wealth / Retail in Canada & US.
- **Firms prior to launching current business:** VP Trading at Shell, TD Securities

1 Why did you decide to launch your business?

A few reasons. We developed strategies institutionally that we felt would translate well beyond the focused markets we were trading, namely energy commodities, to all markets. We are also creative types and wanted to develop products that we felt the market was lacking in delivery mechanisms (such as ETFs). There had never been a natural gas ETF in Canada, nor a Broad Commodity ETF. Lastly, we had lost motivation to work for large institutional organisations where politics mattered more than results. I wasn't great at sales (no experience) nor management at those companies and felt the only story I could honestly tell is ours.

2 What does it take to succeed in Canada as an emerging alternative manager?

- Raw perseverance. It's not enough to be good or even have great numbers. Beyond trading and investing you must develop a business model to sustain long cycles, perform exceptionally when it's your time, and build relationships all along the way.
- You need to be different - the world doesn't need another balanced, long/short equity, or bank fund. Our edge is a deep understanding of extracting value from commodity markets using disciplined rules-based strategies.

3 Tell us about your growth story. Any particular early-day struggles or success stories that stand out in your mind?

We knew we needed to develop 2-3 years of track record before anyone cared. As such early on we diversified the business into ETFs in partnership with Som Seif at Claymore. This helped. When the 2008 financial crisis hit and our main fund knocked it out of the park (up 45% net) we thought money would pour in. It didn't - rather we became an ATM because of our non-restrictive liquidity. As such, we realized we needed to diversify more: products, client types and geography.

4 What are you most proud of looking back at your entrepreneurial journey?

I am most proud that I have a great business partner and co-founder of now 21+ years, Ken Corner. We are very different but neither of us wavered. Together we persevered, stayed creative and committed and built a great brand at Auspice. It makes you very proud to see clients want to wear your logo/brand in addition to using your products.

5 What has been the hardest part of your entrepreneurial journey?

It is a high-risk endeavor. At times you may not get paid and can't pay or reward the loyal around you - whether it be partners, employees, or family. It's a commitment all around. And even then, it doesn't ensure the reward will be high. In one sense, punching the clock at an institutional shop would have been much easier. But the gift is we get to be creative daily, meet great clients from all walks of life, and other entrepreneurs. To say I wouldn't change a thing isn't accurate, but the journey has been very rewarding.

6 What wisdom do you have now that you wish you knew at launch?

Find a well funded partner early with great distribution. We did this but there were some bumps along the way - so much out of your control.

7 How do you think about diversity, equity and inclusion at your firm?

Diversity, equity, and inclusion are fundamental values that drive our culture and decision-making at our firm. We actively seek a broad range of perspectives, backgrounds, and experiences to foster innovation and better serve our clients.

8 How do you think about innovation at your firm?

Doing something innovative and creative gets us out of bed every day. Finding a way to offer it to clients within the regulatory framework is very challenging and requires dogged determination as you are essentially fitting a square peg in a round hole.

9 What are your 3-5 year goals for your business as you look ahead?

Auspice will be a \$3-5 billion manager with core partnerships in Canada/US, both retail and institutional. Auspice will continue to be the go-to commodity focused manager in Canada and grow that abroad.

10 Why is it important that Canada support local emerging alternative managers?

- As a taxpayer, I feel that Canadian institutional investors not investing in the ecosystem is a big opportunity loss for the community. In the US, Europe, Asia, and Quebec there are emerging manager programs that help foster growth and innovation. Programs that create jobs and build the local economy.
- Canada does almost nothing to support local emerging managers. There are some programs in Quebec but no specific support elsewhere. In fact, I would now generally say the location is a big disadvantage.

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

Some non-bank, non-institutional, and private equity investors are indeed entrepreneurial and want to develop the ecosystem. This mostly occurred in the ETF space for Auspice - it seems to attract entrepreneurs looking to innovate.

12 What sort of talent are you looking for in your team?

- Finding business development talent that understand an alternative product, is passionate, acts like an owner and can bridge the retail to institutional gap is hard - its like looking for a unicorn. People that can bridge the trading experience and can build relationships are exceedingly rare. We are always looking.
- Programming talent is key to a quantitative business, those with systematic trading and financial experience are even harder. Please reach out!

13 What headwinds do you see in Canada to grow the alternative investment management industry?

Lack of bank and institutional support makes it tough at both ends of the distribution spectrum. For product distribution, the banks are a big challenge. For ETFs, a challenge is the bank market making support has not developed to keep up with the industry. Moreover, we need more independent advisory shops like the US RIA model.

14 How can Canada better support emerging alternative managers?

Banks and institutional investors should have to consider investing a minimum in emerging Canadian managers. A small amount for them would make a big difference to the managers and the ecosystem. Every other country does this, it's odd that in Canada emerging managers aren't supported.

15 What advice do you have for others considering launching a fund business in Canada?

If possible secure seed funding and/or runway in advance of launching that can sustain your business for at least 3-5 years.

16 How has being an AIMA member benefited your firm's growth journey?

AIMA has been helpful and is first class: events, webinars and support from a regulatory perspective. We firmly believe there is room for one industry association in Canada and having two fragments an already challenging space.

AIMA CANADA FOUNDER INTERVIEWS

AIMA

Jeffrey Olin

President, CEO and Portfolio Manager

Vision Capital Corporation



Year launched firm: 2008

Number of employees at launch: 3

Number of employees today: 16

Number of funds at launch: 2

Number of funds today: 5

Strategies managed: 1

Investor channels covered today: Institutional, Family Office, Retail
Firm prior to launching current business: Head of Investing Banking and Managing Partner at Desjardins Securities, Managing Director at HSBC Securities

1 Why did you decide to launch your business?

Over the past 40 years, our collective experiences indicated that irrespective of stock market cycles, economic cycles and real estate fundamentals, there were always select opportunities where one could buy real estate cheaper in the stock market than they could in the property market. In essence, our strategy involves looking at the underlying net asset values of the real estate that publicly-traded REITs/REOCs own and what that real estate is worth in the property market, compared to the implied value of the real estate based on the share/unit trading price in the stock market. In addition, if the demand-supply fundamentals are negative and deteriorating or valuations are too high for real estate, you cannot do anything about that in the property market. However, we can do something about it in the stock market by being able to short real estate-focused securities that are overvalued, in unfavourable sectors and/or geographic locations.

I was also confident that our combined expertise encompassed a diverse range of experiences, uniquely positioning us to identify and capitalize on opportunities arising from the inefficiencies within the sector. My co-founder, Frank Mayer, was a top-ranked real estate research analyst for 35 years. I brought 10 years of direct property experience in development, acquisitions, operations, leasing and planning and design, coupled with 15 years of global proficiency in real estate investment banking, financing, and M&A. This convergence of skills became a key differentiator, enabling us to not only identify but also proactively extract value from arbitrage opportunities that are present between valuations of real estate properties and the implied valuations of real estate in publicly traded securities. This intricate market dynamic, unique to the real estate sector, underscored our vision and capacity to strategically navigate and capitalize on these disparities.

2 Tell us about your growth story. Any particular early-day struggles or success stories that stand out in your mind?

We formally launched our funds in July 2008, which was not particularly a fun period. Conditions were deteriorating by the month, by the week, by the day, and then little did we know what was about to befall us in the fall of 2008. We threw out our playbook of being primarily equity guys, as we found that we were able to get equity-like returns by looking at other parts of the balance sheet such as preferred shares, convertible bonds and debentures that were selling at significant discounts to par. We were focused primarily on liquidity during that period and shifted our focus by using the same skillset and expertise on different components of the balance sheet.

3 What does it take to succeed in Canada as an emerging alternative manager?

One must be an effective marketer, as there are several barriers and roadblocks primarily due to the oligopoly of Canadian chartered banks that like to protect their own asset management channels. One needs to have relationships, skills and marketing capabilities irrespective of the strategy's validity.

4 What are you most proud of looking back at your entrepreneurial journey?

I think the thing that makes me most proud of my entrepreneurial journey at Vision and my prior experiences, is the countless number of jobs that we have been instrumental in creating or helped create through our efforts, particularly with the team that we have built at Vision. It is a very culturally diverse team with varying backgrounds and experiences, which have all been integrated extremely well. Getting the right team fit has been a key ingredient to Vision's success.

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

The concentration of asset management ownership amongst Canada's five or six largest chartered banks gives rise to many of the asset management industry's inefficiencies. It is much less of a competitive environment than in other marketplaces, particularly the United States. The inefficiencies that are inherent to the current oligopolistic structure of Canada's chartered banks give rise to opportunities to do something different than what the asset management arms of the Canadian banks are doing presently.

Robert Anton

President & Partner (One of 3 Founders)

Next Edge Capital Corp.



- **Year launched firm:** 2014 via the management spin out of Man Investments Canada Corp. from Man Group plc
- **Number of employees at launch:** 5
- **Number of employees today:** 20
- **Number of funds at launch:** 2 strategies via a few different structures
- **Number of funds today:** 4 funds that are currently open to new investments
- **Strategies managed:** Private Debt, Biotech and Life Sciences Equity, Resource Equity, Canadian Equity
- **Investor channels covered today:** IIROC advisors, fund of funds, investment council firms and family office channels
- **Firm prior to launching current business:** Man Investments Canada Corp. and BluMont Capital Corp. prior to that.

1 Why did you decide to launch your business?

My partners and I have been involved in starting up, building, and managing alternative asset management firms since 2000. So it is second nature to us having already done so at two prior firms. In addition, timing and other factors in 2014 afforded us the opportunity to effect a management spin-out, of the Man Investments Canada Corp. business which we had launched for Man Group plc in 2006. At the completion of the management spin out, the firm was renamed Next Edge Capital Corp.

2 What does it take to succeed in Canada as an alternative manager?

Education, persistence, and patience. There are rarely overnight successes. Clients in general tend to be good, “sticky” investors as long as they understand what they are invested in.

3 Tell us about your growth story. Any particular early-day struggles or success stories that stand out in your mind?

In the early days, our predominant focus was on private lending strategies which proved quite fruitful from both a client risk/reward standpoint as well as from an asset raising perspective. Over the past two years, we have started to diversify our business into other unique investment opportunities to supplement our existing product lineup and which will aid in future growth of the firm.

In regards to struggles, as with each firm we started up, the first \$20MM, \$50MM and then \$100MM are always the hardest to raise. It never necessarily becomes easy after that, but that always is the toughest part of the journey.

We have had numerous successes over the years. Some of these highlights would include: raising \$212MM in a TSX-listed closed-end hedge fund in 2002 (the largest at its time); raising over \$600MM in principal protected, guaranteed hedge fund linked notes between 2003-2008 (the largest at its time); an early adopter of liquid alternatives in 2009 via a National Instrument 81-104 commodity pool offering; and more recently, our flagship Next Edge Private Debt Fund has been a great success story over the past 7+ years.

4 What has been the hardest part of your entrepreneurial journey?

In the alternative business, what may make logical, rational, fundamental, and academic sense on why one would add alternatives to a traditional investment portfolio does not always translate into adoption within the investing community. That is the hardest and quite frankly, most frustrating part.

5 What advice do you have for others considering launching a fund business in Canada?

Distribution in Canada can be very quirky, especially when focussed on the retail channels via broker-dealers. Spend time understanding the market prior to launching a product.

6 What are your 3-5 year goals for your business as you look ahead?

Some of our primary goals are to:

- Increase investor exposure towards and add AUM to some of our newer launched funds/strategies.
- Diversify our distribution outside of predominantly Canadian wealth advisors. This also includes offshore channels.
- Continue to be a leader, educator, and a passionate advocate for alternatives in Canada.

7 How has being an AIMA member benefited your firm's growth journey?

Through our various business ventures in the alternative asset management business, we have been members of AIMA for approximately 20 years. AIMA has been a great partner in educating the industry, being a sounding board, and being a voice and advocate for the alternatives industry for changes to the regulatory regime and other issues to continue moving the industry forward in Canada.

8 What are you most proud of looking back at your entrepreneurial journey?

Since 2020, we have played a significant part in educating the Canadian market, predominantly wealth advisors, about alternatives, their various styles and strategies, and the benefits of their inclusion within traditional investment portfolios. There is still a long way to go, but when we started in 2000, the average allocation to alternative investments was zero. So we have seen some progress. That part is rewarding.

9 How do you think about innovation at your firm?

Our firm's culture is one where we are always open to and looking for new ideas and opportunities. Many of the strategies that we have launched over the past 20+ years, we have either been the first to launch or one of the very early adopters to bring them to the Canadian market. In addition, we are quite humble and understand that we don't have all the answers. As such we believe there is always more to learn and that continues to fuel our innovative curiosity going forward.

10 What headwinds do you see in Canada to grow the alternative investment management industry?

Recent regulatory changes, in addition to a large concentration of wealth being managed by very few companies; some very protectionist in nature as to what products and which firms can be distributed through their channels, make investor and advisor choices vastly compromised. I don't see this changing anytime soon unfortunately.

11 How can Canada better support alternative managers?

Open the distribution networks to allow investors to be able to purchase alternative funds. Although dealer dependant on access, a small percentage of alternative funds are available to investors. Recent regulatory changes have had a huge setback toward innovation and investor choices towards investment products.

12 How can Canada better support alternative managers?

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Ash Lawrence

Head of AGF Private Capital

AGF Management Limited



- Year Joined AGF: **2022**
- Firms prior to AGF: **Brookfield Asset Management**

1 Why did you join AGF as the head of their new private capital business?

AGF has a well-established public markets business that offers scale and expertise in areas like product development, distribution and marketing that is rare among independent private markets firms. The ability to leverage that foundation was very intriguing and should lead us to create one of the few truly full-service asset management platforms in the country.

2 Why is a full-service platform that includes alternatives an important objective for you and your firm?

There are several benefits, the first and most important of which relates to the changing appetite of our clients. It's no secret that investors are allocating more money to private assets than ever before. In fact, by some estimates, the split between public and private is closing in on to 50/50 among the largest institutional investors in the world. Following in those institutional footsteps, retail investors are also moving in this direction, albeit at a much slower pace due to issues related to education and product structure.

3 What is the three-year goal for your business?

Ultimately, we want to be considered an expert in private capital and strive to expand our client base and relationships with retail intermediaries by building a business that includes multiple, private market platforms run by experienced leadership teams with impressive track records of delivering outperformance. Initially, we're targeting those sectors where we see opportunity within our existing channels to allow us to play to our strengths – namely mid-market private equity, real estate and an expansion of our existing private credit business. For now, we'll avoid niche or esoteric strategies.

4 How would you describe Canada as a place to invest and build a private markets business?

There are several advantages including the country's strong democratic principles, rule of law and standing as one of the wealthiest nations in the world. We're also blessed with an abundance of capital in Canada, but it's not always easy to find opportunities to put that capital to work. The investable universe is relatively small compared to other countries and it can be especially difficult for foreign investors to navigate. You must be here, and in the flow, to make the most of it. This benefits strong Canadian asset managers who have the breadth, reach and strategies to access non-domestic capital that would otherwise have a difficult time finding a path into the Canadian private asset marketplace.

5 What advice do you have for someone wanting to launch an alternatives fund business?

The climate for fundraising is much more competitive than it was a few years ago, when capital was more free flowing. Additionally, the demands being placed on asset managers are much wider than simply a few partners hanging a sign on a door and making some great investments. There are demands around strong governance and financial controls, ESG policies and reporting, and the operational and legal burdens of increased regulation on the private markets. My advice would be to find a deep-pocketed sponsor before trying to launch your business. In doing so, you'll have some level of seed investing and can build a track record and an organization that can entice other investors to provide you with the scale of capital required for financial success in this industry.

6 Why is it important that Canada support local emerging alternative managers?

Canada has a strong history of private market investing, mostly because of the large public pension funds that have made a name for themselves as some of the top investment institutions in the world. But if we want to take advantage of that legacy, and keep that skill set in Canada, we need to support our local asset managers in addition to our asset owners or allocators. Too often, we see one of two things occurring: either talented Canadian managers end up working overseas instead of using their talents to build homegrown businesses that have the potential to become super-regional or global in scope; or we see Canadian asset owners allocating their capital to non-Canadian asset managers to access other markets.

The views expressed are those of the author and do not necessarily represent the opinions of AGF, its subsidiaries or any of its affiliated companies, funds or investment strategies. References to specific securities should not be considered as investment advice or recommendations.

AIMA CANADA FOUNDER INTERVIEWS

AIMA

Randy Garg

Founder & Managing Partner

Vistara Growth



- **Year launched firm:** 2015
- **Number of employees at launch:** 2
- **Number of employees today:** 12
- **Number of funds at launch:** 1
- **Number of funds today:** 4
- **Strategies managed:** Tech-focused Credit Opportunities Fund
- **Investor channels covered today:** Family Office, HNW, Foundations, Wealth Management
- **What firm were you with prior to launching your current business:** Family Office Fund

1 Why did you decide to launch your business?

Building on the strategy of providing flexible forms of growth capital (debt and/or equity) for technology companies while managing the family office fund, decided to spin out and create independent fund (with lead order from family office). Ability to create a larger team with a diversified LP base.

2 What does it take to succeed in Canada as an alternative manager?

Creativity around sources of available capital on the supply of capital side and an active outreach into the US market for deployment of capital given the vastly larger market for our offering.

3 What are you most proud of looking back at your entrepreneurial journey?

Resilience around rebuilding the fund after the initial false start with Fund I.

4 What has been the hardest part of your entrepreneurial journey?

Building both the investment team and the right support team in parallel to enable growth.

5 What wisdom do you have now that you wish you knew at launch?

The partnership model is hard and doesn't always work but be resilient. The fundraising portion of the journey for us wasn't as hard as people made it out to be with the right strategy and experience on the team. Also try to raise in \$USD if investing in the US (lots of time and effort on trying to hedge currency exposure in early days).

6 How has being an AIMA member benefited your firm's growth journey?

New member so look forward to learning more!

7 How can Canada better support alternative managers?

Still an emerging sector so don't overburden or overreach on regulatory or tax. AIMA may wish to coordinate groups such as CVCA on such matters.

8 What sort of talent are you looking for in your team?

Vertical specific investment talent in areas such as Healthcare IT and Climate tech.

9 How do you think about diversity, equity and inclusion at your firm?

Very important to us in general and as a minority led firm. Has been difficult to achieve however (especially on gender) through our recruiting efforts.

10 What are your 3-5 year goals for your business as you look ahead?

Likely 2-3 more funds over next 5 years and 50+% growth in the investment team (across Canada and potentially US). Would consider opportunities related to creation of an evergreen fund for continuity beyond.

11 How do you think about innovation at your firm?

Continue to innovate on the types of financing structures used on opportunities. Also, greater use of tech for productivity and deal sourcing. Interested in AI capabilities in the area of tracking and sourcing.

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

On our target industry in tech, great talent pool (immigration) and lower costs vs. regions of the US (e.g. SR&ED huge benefit to tech industry)

13 What advice do you have for others considering launching a fund business in Canada?

Start small and grow from there. Think non-traditional on capital sources

14 Why is it important that Canada support alternative managers?

Inefficient public markets in Canada, huge amount of capital in retail / wealth channels and limited number of institutions that can support.

15 Tell us about your growth story. Any particular early-day struggles or success stories that stand out in your mind?

Starting with a small Fund through "friend-raising" I'm very proud that we've now raised and deployed close to a half-billion dollars. Has been very rewarding working with numerous tech founders across 35 investments with 15 exits along the way already."

Jason Castellan

Co-Founder & Chief Executive Officer

Skyline Group of Companies



- **Year launched firm:** 1999
- **Number of employees at launch:** 3
- **Number of employees today:** 1062
- **Number of funds at launch:** 1
- **Number of funds today:** 5
- **Strategies managed:** Real estate, renewable infrastructure, and development.
- **Investor channels covered today:** Retail and broker channels

1 Tell us about your growth story. Any particular early-day struggles or success stories that stand out in your mind?

We first tapped into the student rental housing market while attending university in 1991, purchasing our first rental house using student loans and borrowing from family and friends. We continued to buy more properties and, as the rental portfolio grew, it made sense to formalize the business, so we incorporated as Skyline in 1999. This allowed us to provide the opportunity to acquire new properties and grow more effectively.

2 What are you most proud of looking back at your entrepreneurial journey?

Over the 30 years we've been in this business, we have always prioritized the mitigation of any potential risk from inflation and interest rates. This fundamental strategy has resulted in our funds weathering multiple periods of economic uncertainty and demonstrating historical stability and growth since their inception.

I am also proud that we have managed to keep operations in-house to the greatest possible extent. We continue to see value in this full-service model as it allows for seamless communication and shared objectives across all our entities, which plays an important role in surfacing value for investors.

3 What headwinds do you see in Canada to grow the alternative investment management industry?

The current inflationary and high interest rate environment has posed challenges for many investment funds, including alternatives, which must often adopt a risk-mitigating approach in this landscape.

At Skyline, our funds are privately held and therefore experience lower exposure to the public market emotion that has caused the devaluation of other investments. Laddering mortgages, focusing on geographic diversification, and meticulous asset due diligence are just some of the strategies our investments have employed since their inception, which has resulted in year-over-year growth to the bottom line, even amid the recent economic uncertainty.

4 What are your 3-5 year goals for your business as you look ahead?

Our growth opportunity continues to accelerate, despite potentially challenging markets with rising interest rates. Over the next 3-5 years, we are looking to continue to scale for growth, allowing us to be poised to take advantage of opportunities as they present themselves.

Ultimately, our goal is for Skyline's Funds to become the alternative investments of choice among portfolio managers and institutions. We currently have no plans to go public as we continue to see more value in our funds being private. As private alternative investments, they are less susceptible to the volatility that we are seeing in the public markets, and they offer our investors the potential for higher returns and tax efficiency.

5 How do you think about innovation at your firm?

We are always looking to grow for the future. While our roots are in multi-residential real estate, we have since expanded and now offer not only our Apartment REIT, but also an Industrial REIT, Retail REIT, Clean energy fund, and land development projects as investment opportunities. Our service model ensures that the work environment at Skyline supports the development of new and innovative ideas, and all parts of the company are aligned in terms of innovation.

AIMA CANADA FOUNDER INTERVIEWS

AIMA

Greg Romundt

President and CEO

Centurion Asset Management Inc.



- **Year launched firm:** 2003
- **Number of employees at launch:** 1
- **Number of employees today:** 350
- **Number of funds at launch:** 1
- **Number of funds today:** 2
- **Strategies managed:** Investment and operations of apartments, student residences and medical offices; development mortgages; corporate debt.
- **Investor channels covered today:** Retail, Family Office, Institutional
- **Firm prior to launching current business:** Citibank, AIG

1 Why did you decide to launch your business?

In my experience of trading and running trading businesses for investment banks, I had the discretion to trade almost anything, but as a result, when it came to my personal portfolio, I was restricted to investing only in real estate, bank deposits or the funds offered by the bank. I started buying apartments because these weren't restricted activities and I soon found myself enjoying what I did on the side more than what I did for a living. In looking to launch my apartment business, I engaged in a dispassionate analysis of all regions of the world and found, coincidentally, that my hometown of Toronto offered the best return prospects in the multi-residential space. My children were also young at the time so I was attracted to them getting their education there too.

2 What are you most proud of looking back at your entrepreneurial journey?

There are quite a few things that top the list. Growing Centurion from inception to become one of Canada's largest apartment REIT's and being able to provide steady returns to our investors. On the other side of the equation, we've been able to invest in and upgrade our properties and finance the development of thousands of more apartments to provide quality housing for Canadians when there is such an acute shortage. I think we've been able to have so much impact because we've focused on developing a culture that our employees believe in and want to be part of and this helps drive our performance.

3 How can Canada better support emerging alternative managers?

I'm fortunate to have started building Centurion 20 years ago when the alternatives space was much smaller and less efficient. I don't believe I could launch Centurion today as an independent entity because you need massive scale and specialist personnel that come with that scale to extract reasonable risk-adjusted returns while being able to charge reasonable fees that can keep the lights on but still make the funds attractive to investors. I think emerging managers need to work with existing investment firms to launch their unique strategies, leveraging the already existing infrastructure to scale. Investment advisors, who are inundated with pitch books already, just don't have enough time to service their clients and to commit the heavy time requirement to diligence a start-up manager, let alone get them approved by compliance, so they won't do it often. However, almost every traditional investment management company that doesn't have an alternatives platform yet is looking to get into the space, and they have the infrastructure and advisor relationships to help an emerging manager access the advisors that want these strategies. It's already happening, and I believe that this is the best way forward for investors, advisors, and emerging managers.

4 What are your 3-5 year goals for your business as you look ahead?

Canada needs to build housing on a scale which it hasn't done in generations and I see tremendous opportunities for us to be part of the solution and provide steady returns to our investors in the process.

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

Speaking specifically to the Canadian multi-residential apartment sector, there is a massive need for apartment buildings. This great supply and demand imbalance gives us a great opportunity to be part of the solution and to provide something that Canadians of all ages and demographics are seeking.

6 How do you think about innovation at your firm?

We tend to believe that innovation comes from our employees upwards as they are on the front lines and know what problems need solving. Software tools can facilitate execution but it is people that drive improvements. We focus on continual process improvements and training, discarding what doesn't work and building on what does and that focus is a process in itself.

7 What are your thoughts on how the global macroeconomic landscape may influence the future for Centurion?

The apartment sector tends to perform well during inflationary, stagflationary and even recessionary times, as it's a hard asset, core need sector that produces yield and whose income tends to move with the inflationary forces that are a problem the world over. Canada also has a severe housing shortage, which Centurion has positioned itself a solutions provider and will provide a tailwind for opportunities and growth for us.

8 What is your preferred means of engaging with the advisor community?

We use multiple channels. Our wholesaling teams and marketing department serve as conduits to keep advisors informed about the funds and my thoughts regarding the marketplace. We also provide public markets quality reporting to our investor and advisor base to ensure transparency about our strategy, how we're performing and how we plan to adapt to changing market conditions.

Radomir Gapinski

Managing Director

Gapinski Capital Management, LLC



GCM

- **Strategies managed:** Quantitative
- **Investor channels covered today:** High net worth individuals and family offices

1 Why did you launch your business?

The company grew out of groundbreaking, first principles research integrating market microstructure, behavioral finance, and game theory. More value could be generated with implementation of the idea rather than simply publishing the research; so, we formed Gapinski Capital Management, LLC to complete the research and development of our wholly quantitative process and created a fund offering to benefit our partners.

2 What does it take to succeed as an Emerging Manager?

It takes more than just market acumen to succeed as an Emerging Manager in the hedge fund space. It takes discipline, vision, and strong partnerships to get the business through the growing pains stage. Once the business is on a strong foundation, the results speak for themselves and the company grows with its partners.

3 Looking back on your entrepreneurial journey, what are you most proud of?

I am most proud of and grateful for the steadfastness of our people in forging our own path and making our vision become a reality.

4 How do you think about innovation at your firm?

The Japanese philosophy of “kaizen” meaning “continuous improvement” is a core tenet at Gapinski Capital Management, LLC. Continuous research and development combined with our nimble and scalable process enables us to incorporate innovations in markets, technologies, and economies to be ahead of the curve.

AIMA CANADA FOUNDER INTERVIEWS

AIMA

Julian Klymochko

CEO and Chief Investment Officer

Accelerate Financial Technologies



- **Year launched firm:** 2018
- **Number of employees at launch:** 1
- **Number of employees today:** 9
- **Number of funds at launch:** 0
- **Number of funds today:** 5
- **Strategies managed:** 6
- **Investor channels covered today:** 3
- **Firm prior to launching current business:** Ross Smith Asset Management

1 Why did you decide to launch your business?

A new liquid alternatives market, with \$100 billion potential, was created as updated regulations were implemented

2 What does it take to succeed in Canada as an emerging alternative manager?

Differentiated products, intelligent content and effective marketing

3 Tell us about your growth story. Any particular early-day struggles or success stories that stand out in your mind?

Managing client capital requires one to earn their trust. Being recognized as a leader in the industry helps establish credibility and build trust.

4 What are you most proud of looking back at your entrepreneurial journey?

Inventing the hedge fund ETF, leading to the democratization of alternative investments and leveling the playing field for all investors

5 What has been the hardest part of your entrepreneurial journey?

Getting past gatekeepers who have arbitrary requirements, including AUM level and time in the market, to sell to prospective clients

6 What wisdom do you have now that you wish you knew at launch?

It's not "build it and they will come". Financial products must be marketed effectively and distribution is key.

7 What sort of talent are you looking for in your team?

Hard-working, ethical team players who are creative and entrepreneurial.

8 How do you think about diversity, equity and inclusion at your firm?

DEI is one of many key factors when hiring and building our team.

9 How do you think about innovation at your firm?

Innovation is paramount. We pride ourselves on being at the bleeding edge of innovation in the investment management industry and aim to be the category creator in every segment we participate in

10 Why is it important that Canada support local emerging alternative managers?

It is important that we foster domestic innovation and entrepreneurship to diversify Canada's resource-based economy into knowledge and IP-based sectors.

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

A business and regulatory regime that is innovation-friendly, along with an active amount of investors supporting startups.

12 What are your 3-5 year goals for your business as you look ahead?

Over the next 3-5 years, we aim to establish Accelerate as the default, go-to brand for alternative investment solutions

13 What headwinds do you see in Canada to grow the alternative investment management industry?

The oligopolistic nature of the big Canadian banks makes competing more difficult than it should be and stifles innovation.

14 What advice do you have for others considering launching a fund business in Canada?

Personal brand is your most highly-valued asset, so foster it and focus on growing it.

15 How can Canada better support emerging alternative managers?

Mandate government pension funds to allocate to domestic investment managers.

16 How has being an AIMA member benefited your firm's growth journey?

AIMA has helped Accelerate's brand recognition through events and content.

AIMA CANADA FOUNDER INTERVIEWS

AIMA

Taylor Little

CEO

Neighbourhood Holdings



NEIGHBOURHOOD
HOLDINGS



- **Year launched firm:** 2015
- **Number of employees at launch:** 5
- **Number of employees today:** 29
- **Number of funds at launch:** 1
- **Number of funds today:** 2
- **Strategies managed:** 1
- **Investor channels covered today:** Both investor and institutional channels
- **Firm prior to launching current business:** Conconi Growth Partners (which is the founding firm)

1 Why did you decide to launch your business?

Neighbourhood was born out of the Conconi family office, which has been a long time investor in alternative mortgages in Canada. We noticed that many Canadians were being left behind by the inflexible mortgage landscape dominated by banks, and believed that there was a lack of transparency in the market. That's why we decided to focus on making people's mortgage experience simple, modern, and transparent, while operating the business on a sustainable financial basis of profitable growth and increasing values for our investors and stakeholders.

2 What does it take to succeed in Canada as an emerging alternative manager?

A great product and a great team. Nearly all of our growth has been thoughtful and organic. Our investors tend to refer other investors, and our team is highly aligned on strategy.

3 Tell us about your growth story. Any particular early-day struggles or success stories that stand out in your mind?

As a younger founding team, it was initially difficult for us to gain credibility due to not having a long track record. We lacked grey hair, and were often told that. This also extended to the credit/debt market when we were looking to add a credit facility to our business. It took a lot of time and persistence to get our first lender on board with terms we could live with. That said, we always had conviction in the underlying strategy and product and didn't let shut doors deter us (even if it was, at times, frustrating). It is cliché, but we stayed the course and never gave up.

4 What are you most proud of looking back at your entrepreneurial journey?

Likely the biggest one for us was securing a market leading credit facility after facing a lot of hurdles. We put something together that was novel for our space, and many of our competitors have since tried to emulate that. We always want to be at the forefront of the industry, and while the industry has caught up to our strategy we have other irons in the fire to keep the competitive advantage going.

5 What wisdom do you have now that you wish you knew at launch?

Everything takes longer than you would expect, and that's OK.

6 What has been the hardest part of your entrepreneurial journey?

There have been many challenges! One could say it has been non-stop. I think the hardest part is maintaining self-belief in the face of adversity. There is no CEO school and no two road maps are ever alike. You need to keep your head up when it would be easy to let it down. There is a certain level of steadfastness that is required in any business, but that needs to be coupled with enough awareness to know when it is time to pivot.

7 What sort of talent are you looking for in your team?

I view the CEO role as one of being a good general manager or coach. So you want the best players you can find for the roles. Hire smart adaptable people who want to own their function, and let them own it. Make sure they are trustworthy and listen to their feedback.

8 How do you think about diversity, equity and inclusion at your firm?

We are very fortunate in that we have a diverse and inclusive team. It is not by accident - we use some interesting tools to ensure that all applicants are screened in a neutral way at the outset, and from there hire the best candidates.

9 How do you think about innovation at your firm?

We are innovation forward at our team, and are unique in our space for that. We have a tech team of four which allows us to move quickly on ideas to make our business more efficient.

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

Talent. Canada has such a deep pool of educated and ambitious people.

11 What advice do you have for others considering launching a fund business in Canada?

Be patient and persistent. It won't happen overnight, but eventually the hard work will pay off.

12 How can Canada better support emerging alternative managers?

There needs to be a more streamlined way to access capital. This is both a function of securities regulation and gatekeepers in the advisor channel. Getting approved for distribution is quite difficult, despite the fact that many capital allocators want more access to alternative products.

13 How do you think about innovation at your firm?

We are innovation forward at our team, and are unique in our space for that. We have a tech team of four which allows us to move quickly on ideas to make our business more efficient.

14 Why is it important that Canada supports local emerging alternative managers?

Canada has a very oligopolistic system when it comes to finance, which opens some interesting opportunities for alternative asset managers. A lot of innovation is able to happen thanks to the needs out there for alternative strategies. Certainly in our space, we serve an important function in the mortgage industry by filling in the gaps where the big banks are unable to serve.

15 How has being an AIMA member benefited your firm's growth journey?

The benefits of being an AIMA member are many including having access to education webinars, industry tools like the AIMA DDQ template, the opportunity to join collaborative committees and the ability to reach out to resources both at AIMA and within the membership.

16 What are your 3-5 year goals for your business as you look ahead?

We strive to be Canada's top alternative lender and want to be a \$5B dollar business in five years.

AIMA CANADA FOUNDER INTERVIEWS

AIMA

Ilan Jacobson

Founding Partner & CEO

FirePower Capital



- **Year launched firm:** 2009
- **Number of employees at launch:** 1
- **Number of employees today:** 66
- **Number of funds at launch:** 1
- **Number of funds today:** 3
- **Strategies managed:** 2
- **Investor channels covered today:** UHNW, Single/Multi-Family Office, Institutional
- **Firm prior to launching current business:** VC Investor

1 Why did you decide to launch your business?

We believe that lower mid-market entrepreneurs deserve the same level of service as enterprise businesses, especially when it comes to growth capital and advisory. Our business has been, and will remain, exclusively focused on the Canadian mid-market by providing private debt, private equity, and M&A advisory services to this subset of operators.

2 What does it take to succeed in Canada as an alternative manager?

Discipline and consistency. Discipline in your investment philosophy, due diligence, underwriting processes, and execution is crucial to ensure every investment is treated with the same level of scrutiny. Consistent execution of your investment strategy means you can confidently construct a portfolio that is well-equipped to endure market fluctuations and earn credibility and trust with your investors.

3 Tell us about your growth story. Any particular early-day struggles or success stories that stand out in your mind?

Our Private Credit business was formed in 2016 with its first loan going to a growing software business. This loan required a workout and provided us with an excellent learning experience of a hands-on turnaround, and it turned out to be one of our highest-performing investments (based on IRR) to date. This instilled a sense of tenacity and a 'never accept loss' mentality in our entire team, which continues to this day.

4 What are you most proud of looking back at your entrepreneurial journey?

Growing FirePower from being just me, a desk, a chair, and a phone, to now employing almost 70 finance professionals across a variety of specialties is a great achievement. Looking around the room and seeing the caliber of people I work with is a humbling thing.

5 What has been the hardest part of your entrepreneurial journey?

Building a brand in a sector that requires a track record means competing with household names that already have a vast infrastructure and investor trust we did not have in the early days. This meant winning clients one entrepreneur at a time. This instilled a level of grit and determination in many of our early employees that cannot be taught.

6 What wisdom do you have now that you wish you knew at launch?

Patience is a necessity, and truly difficult for entrepreneurs. This is especially crucial when building something that needs to be meticulously constructed over time. You cannot buy investor confidence or client trust; this must be earned over years of building the proper foundation. Only then will you truly have a quality brand.

7 What sort of talent are you looking for in your team?

We look for a diversity of skill sets, loyalty, work ethic, grit, and out-of-the-box thinking. These attributes ensure a range of specialties are at the table helping one another through problems. Equally important, we want all our employees to 'act like owners' in every part of their jobs. We find those with this mentality have the drive and sense of responsibility to ensure all tasks are completed to the best of their ability and nothing slips through the cracks.

8 How do you think about diversity, equity and inclusion at your firm?

Avoiding 'group think' is a necessity; over 50% of employees at FirePower were not born in Canada. To get the best from people, they need to feel safe. Feeling safe means people are willing to express who they are authentically, without the fear of judgement. Not only because it's the right thing in life, but because it's the right business decision too.

9 How do you think about innovation at your firm?

Coming from a tech VC background, we believed it was imperative to embrace technology in every facet of our business. From our vantage point, if you don't embrace technology, you will fail. It isn't a choice anymore. Everything from portfolio management to deal origination has technology baked into our processes. We equip our team to ensure they have the right tools in the toolbox to exceed expectations.

10 What are your 3-5 year goals for your business as you look ahead?

We believe we have found our niche as a lower mid-market specialist, providing growth capital to established entrepreneurs. We'd like to continue to carve out this corner of the market as an eco-system for entrepreneurs. Our tertiary services under FirePower Capital include Private Credit, Private Equity, Investment Banking and Data Science, enabling us to work with companies of all sizes.

11 Why is it important that Canada supports alternative managers?

If Canada hopes to create global brands, we need to provide entrepreneurs with the proper building blocks. When looking at the US and capital options available to businesses, the options are far more diverse, even if adjusting for size. If we want to compete on the global stage, supporting alternative managers like non-dilutive growth managers is imperative as they provide a viable alternative growth option to traditional equity capital.

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

Canadian operators are creative, yet conservative in their approach. As Canadians build businesses slower, they tend to have better foundations and aren't just flashes in the pan. As an alternative lender, Canadians are great people to invest in for these reasons. They are far less likely to take large risks. Having access to the largest market in the world south of the border as a trusted trading partner is also a great advantage when considering geographic growth.

13 What headwinds do you see in Canada to grow the alternative investment management industry?

Canadian investors are inherently risk averse, hence it's challenging to accumulate a pool of capital large enough to support a robust, top-notch team when starting out. It really is a chicken and egg scenario; you need adequate capital to build the foundation, and without significant capital backing you, it's incredibly challenging to be able to afford that foundation. We've managed by having multiple lines of business supporting the growth of the lending business.

14 What advice do you have for others considering launching a fund business in Canada?

Any entrepreneur considering building a fund from scratch will need to have access to enough resources to fund the business for a prolonged period as you accumulate assets. Many funds are not self-sufficient for some time.

15 How can Canada better support alternative managers?

By providing tax credits to alternative managers if they meet certain investment criteria and if they can prove that their investment will assist a Canadian business' growth. Investment matching programs whereby the Government will invest on a pari-passu basis into Canadian start-ups if the lender and borrower meet certain criteria.

16 How has being an AIMA member benefited your firm's growth journey?

AIMA has provided a platform for Alternative Investment managers (FirePower included) and allocators alike to share ideas, network, and build referral networks, unlike any other group.

AIMA CANADA FOUNDER INTERVIEWS

AIMA

David Barr

CEO & Portfolio Manager

PenderFund Capital Management Ltd.

PENDER
PenderFund Capital Management Ltd.



- **Year launched firm:** 2003
- **Number of employees at launch:** 3
- **Number of employees today:** 74
- **Number of funds at launch:** 1
- **Number of funds today:** 18
- **Positions managed:** 5
- **Investor channels covered today:** Institutional, Retail and Private Client

1 What attracted you to become involved in alternative asset management business?

As I started my career in venture capital and then moved into small cap public equities, I found a niche investing in small private and public companies. These businesses are relatively unknown, have significant growth runways and by investing early in their lifecycle I could capture that value over the long term in our portfolios. The second aspect was being based in Vancouver. There aren't a lot of businesses focused on smaller firms or emerging manager platforms, so I was lucky enough to be based here and have two supportive partners and we launched our first mutual fund, the Pender Small Cap Opportunities Fund in 2009, and have continued to build out our investment platform.

2 What does it take to succeed in Canada as an alternative manager?

In Canada, it takes perseverance and a commitment to staying true to your investment process because we believe the key to success is delivering returns over a 3-to-5-year timeframe. To do that you need to stick with it because the first three years are going to be very hard. The nature of Canadian capital markets means it is hard to get your fund to scale in the early days before you have a track record. You need to have an entrepreneurial mindset and eat Mr. Noodles! You've got to build out that track record, be dedicated to your investment process and not make trade-offs. Your primary goal is to deliver that 3-to-5-year performance.

3 Looking ahead, what are you looking to achieve?

We're super passionate about working with talented, fundamentally driven investors – people who are focused on the long term. It boils down to focusing on generating returns in our specialized strategies for our clients.

4 Why do you think it's important for Canada to support emerging alternative investment businesses?

In the Canadian financial services sector there is a lot of concentration within a small group of very large firms. It's easy to get cheap beta, but to do interesting things, you need independent and entrepreneurial firms to come in and provide more options for individuals, institutions, and family offices - solutions for the whole spectrum of investors.

5 What makes Canada a challenging place to launch an investment fund business?

We're America's little sibling. That means that we can be overlooked. People tend to focus on the exciting things happening in the U.S., so it can be hard to get people interested in what we're doing in Canada on a North American or global basis.

6 What are some of the tailwinds and the headwinds you see to the alternative investment management industry?

We're at a place in time, particularly in Canada, where liquid alternative investment strategies are becoming much more accessible to individual investors. Today, there are growing number of sophisticated financial advisors who are getting up-to-speed with how liquid alternative strategies can complement client portfolios. This tailwind is a real win-win for everyone since it allows a wider group of investors, who previously had no access to these types of differentiated strategies, to participate in them. On the other hand, in this higher interest rate environment, there are some alternative investment classes which are going to struggle.

7 What advice would you give others who were planning to launch an investment fund business here?

Be prepared for a hard 3-to-5 years, but the most important thing is to focus on the returns. Wake up every day, find a great security to invest in, and over the long term, you will be very successful.

8 What keeps you going personally?

I love the buzz of trying to find the next exciting new security to add to the portfolio.

AIMA CANADA FOUNDER INTERVIEWS

AIMA

Mike Leung
CEO

AQN Asset Management



- **Year launched firm:** 2022
- **Number of employees at launch:** 5
- **Number of employees today:** 5
- **Number of funds at launch and today:** N/A
- **Strategies managed:** Diversified Income, Venture, Multi-Strategy
- **Investor channels covered today:** Digital Assets
- **Firm prior to launching current business:** Nicola Wealth

1 Why did you decide to launch your business?

AQN is part of the overall Aquanow strategy of enabling businesses to interact with digital assets. Asset management is a natural extension to the core capabilities of Aquanow's digital assets trading infrastructure. Many do not have the technological capabilities nor want the regulatory involvement to engage with digital assets directly, but still want to provide their clients with access to the ecosystem, and this is where we can help.

2 What does it take to succeed in Canada as an alternative manager?

Alternative and risk-adjusted sources of return require investor education. It's essential to engage in thoughtful and ongoing communication with clients to explain the benefits of alternatives as part of a portfolio through the business and market cycles.

3 Tell us about your growth story. Any particular early-day struggles or success stories that stand out in your mind?

Canada is known for being the first jurisdiction to approve spot cryptocurrency ETFs. However, the regulatory environment remains conservative with respect to innovative digital asset strategies. It took over a year for us to get approved, but through the process, we have the regulatory framework to manage investment strategies with sufficient diversification and flexibility, how it should be managed in this dynamic space.

4 What are you most proud of looking back at your entrepreneurial journey?

Aquanow and AQN Digital has maintained its long-term vision and risk management culture instead of chasing what's popular at any given time. Our team remains committed to creating a safe, differentiated investment business for Canadians in a dynamic and disruptive asset class.

5 What has been the hardest part of your entrepreneurial journey?

The ever-changing nature of the digital asset markets is challenging. There is a steady stream of innovation which requires constant research and understanding of how new technologies might impact our investment strategies. This is demanding on our time and resources, but it's also the most exciting part about operating in the ecosystem.

6 How do you think about diversity, equity and inclusion at your firm?

These are core principles at AQN Digital. Most importantly, we strive for diversity of background and perspective to enrich our collective thought process.

7 What wisdom do you have now that you wish you knew at launch?

Overall, our view has not changed. We believe the recipe for success in this ecosystem requires a comprehensive risk management framework that exists in traditional asset classes. We continue to believe that we can't do things alone, that we need to work through strong partnerships.

8 What sort of talent are you looking for in your team?

We seek out individuals who are interested in digital assets and who have a strong formation in traditional investing. It's important that each team member approaches their roles with an understanding of risk management and the responsibility of being a fiduciary.

9 How do you think about innovation at your firm?

Innovation underpins the digital asset industry and we're no exception. To operate in this space requires an ability to consistently build new products and strategies.

10 What are your 3-5 year goals for your business as you look ahead?

Our business plan is to provide safe and value-added solutions to investors who want exposure to crypto-assets. Looking out 3-5 years, we want to be recognized as thought leaders with a track record of delivering superior risk-adjusted returns.

11 Why is it important that Canada support alternative managers?

Canada's economy is relatively small and concentrated. As a result, the universe of local investment solutions tends to involve natural resources, financials, or real estate. As such, Canadians have a natural demand for diversification and alternatives play an important role in this.

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

We have great people. Housing costs notwithstanding, Canada remains an attractive destination for families across the globe. As a result, the country maintains a rich pool of technical talent with a variety of experiences and perspectives.

13 What headwinds do you see in Canada to grow the alternative investment management industry?

Educating stakeholders is a significant challenge. Critical to AQN's success is working with regulators to ensure that Canadians have access to the most innovative investment products.

14 What advice do you have for others considering launching a fund business in Canada?

It's very difficult to launch as a standalone fund, so partnerships are critical to compete for assets with the well-established incumbents.

15 How can Canada better support alternative managers?

It's important to reinforce the narrative that we can do better than the standard 60/40 portfolio. The industry should band together as it relates to educating and demonstrating to investors along these lines.

16 How has being an AIMA member benefited your firm's growth journey?

We believe that collectiveness and education are essential for success in asset management and AIMA is a leader in both.



AIMA CANADA

**SERVICE PARTNERS IN HEDGE
FUNDS, LIQUID ALTERNATIVES,
PRIVATE CREDIT LEADERSHIP**

Tamara Close
Founder & Managing Partner
Close Group Consulting Inc.



- **Year launched firm:** 2017
- **Investor channels covered today:** All asset classes, asset managers/GPs and allocators
- **Firm prior to launching current business:** PSP Investments

1 Why did you decide to launch your business?

When I started to look at ESG issues around 2015, I realized first how material these factors could be for an investment process (basically proxying the intangibles of a firm) and I recognized second the huge knowledge gap there was in the investment industry on ESG. By 2017, I was convinced this would be the next paradigm shift in the investment industry with every investment manager building internal ESG teams and integrating ESG factors within their strategies. I decided to leave my then current position in the public markets group at PSP to start an advisory practice working with investors to integrate ESG within investment processes. While it has taken a while, the market is getting there and CGC now has offices in Montreal, Toronto and London (UK).

2 Any specific success story that stands out?

At CGC we are only successful if our clients are successful. One particular success story is of one of our clients, a private credit manager, who was at a very initiated level of ESG maturity but wanted to increase maturity to align to market best practices for their strategies. We did an assessment of their current state ESG practices, both within their investment strategies and at the firm level. We then designed a target state model and implementation plan for them to achieve their desired positioning for ESG integration. The firm created cross departmental teams to execute on the plan and over the course of 18 months implemented the majority of our recommendations. We recently re-assessed their ESG practices. Not only did their level of ESG maturity increase significantly, but the firm's internal culture was also positively impacted. Their resources, many of whom would not normally interact with each other day to day, came together as one team to accomplish a shared goal. They have since won multiple allocations partly because of their ESG work.

3 What are your 3 – 5 year goals for your business as you look ahead?

Part of our success is that we can be agile and adapt to the market's needs. In addition to the strategic ESG advisory work we do, we have also started to do more tactical transaction due diligence and provide outsourced ESG team capabilities for firms that are looking for additional capacity to implement their strategy. We have also started to use our proprietary tools to perform ESG due diligence on managers for LPs. In 3-5 years, we expect to grow and add expertise by building out our teams in Canada, the US and the UK, and to be the leading boutique ESG advisory and due diligence firm for financial markets.

4 How has being an AIMA member benefitted your firm's growth journey?

At CGC, we have developed a comprehensive ESG assessment methodology for managers that want to know where they sit against industry best practices, and how they would score on ESG due diligence from an allocator. Being part of AIMA has allowed us to get in front of a large section of the global credit managers and hedge funds to be able to scale this due diligence assessment and create comprehensive benchmarks.

Tyler Kim
Global Head of Fund Services
Maples Group



1 How does your firm support emerging alternative managers on their growth journey to becoming established managers?

Emerging managers need to carefully consider where they are going to deploy their time, energy and start-up capital. As such, they should focus on differentiating themselves through their core competency of investment decision making, and the execution of the innovative strategies that allocators are demanding from them. They can then partner with long-established industry experts – like the Maples Group – that can assist with the many other aspects of running their new business, which may include specialised fiduciary, fund administration and regulatory and compliance support, as well as legal services.

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

Canada offers an immensely diverse talent pool which is a key driver of business success. We have been able to find great people from all over the world to work for the Maples Group in just one city with 55 percent of the employees in our Montreal office being born outside of Canada and hailing from more than 74 countries. Talent aside, there is a non-trivial amount of government support available to new financial services businesses here. Programs like the International Financial Center ("IFC") from Finance Montreal and resources available from the Business Development Bank of Canada ("BDC") have been critical in helping new market-entrants and entrepreneurs to succeed.

3 Why is it important that Canada support local emerging alternative managers?

Emerging managers are quite literally the future. As these managers become established and control more significant amounts of capital, they also have the power to influence where that capital goes. Those with the right orientation will ensure that their investment decisions are contributing to the greater good. As we continue to see a trend toward investments with strong environmental, social and governance ("ESG") credentials, progressive and responsible Canadians are well-placed to lead the way.

4 How can Canada better support emerging alternative managers?

The continued introduction of more programs and consortiums aimed at accelerating the development of the local asset management industry will be critical to supporting emerging managers. We saw the recent launch of Investi, an initiative launched in collaboration with Finance Montréal and a group of Quebec-based institutional investors looking to invest with innovative asset managers who are specifically integrating ESG in their investment strategies or offering impact strategies. Since Investi is notably looking to foster the local sustainable finance ecosystem, asset managers are required to commit to relocate or build part of their investment team in Quebec so there is quite a bit of advantage for Canadian managers. Other initiatives such as the Quebec Emerging Managers Program ("QEMP") have the support of major market participants, such as the Caisse de depot et placement du Quebec, the Fonds de solidarite FTQ, Fondaction and Innocap. All of this further helps to establish Canada as a leader in alternative asset management, both now and in the future.

Katrina Rempel

**Managing Director, Equity Products, Prime Brokerage
& Capital Introduction**

BMO Nesbitt Burns



- **Percentage of emerging alternative managers supported: 65%**
- **Percentage of established alternative managers supported: 35%**

1 How does your firm support emerging alternative managers on their growth journey to becoming established managers?

Emerging managers face a lot of challenges. BMO CM is well positioned to support emerging managers throughout their transition from new launch to established manager. BMO's capital introduction offers several ways to support new managers including sales strategy & support as well as participation in capital introduction initiatives.

Our client service team provides extensive support to new managers which is complemented by our state-of-the-art online client portal. BMO's securities lending desk gives emerging managers the opportunity to participate in "hot stocks" & deals.

2 What does it take to succeed in Canada as an emerging alternative manager and graduate to an established manager?

Despite having fewer resources at launch, funds that have an adequate infrastructure in place right from the beginning, will benefit all aspects of growing a business including capital raising efforts. It provides investors and regulators with comfort that the building blocks are in place for a long term, viable business.

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

Spend the time to research and choose the right partners and service providers that can support your business as you grow. Have a sales plan that includes target the ideal investor type for your fund and achievable goals, supported by thoughtful fund materials.

4 How can Canada better support emerging alternative managers?

The Canada investment industry made great strides forward with the implementation of the 81-102 ruling that allows alternative products to be in a prospectus format. Additional product innovation accompanied by further investor education would have a great benefit to the Canadian alternative investment landscape – for investors, managers and service providers.

5 How has being an AIMA member benefited your firm and your clients?

BMO CM has been an AIMA member since it launched in 2003 and it's been wonderful to see how it has evolved over the years. In addition to the excellent conference and events, AIMA has provided real value to the Canadian alternative investment industry via their regulatory work advocating for service providers and funds.

Susan Finbow

Managing Director, Global Head of FINEX Financial Institutions

WTW



1 How has being an AIMA member benefited your firm and your clients?

Through our global corporate membership with AIMA, we have an opportunity to engage with emerging and established managers across the globe through both in-person and virtual events. AIMA provides a global platform which extends beyond our client base, enabling us to gather and share insights and expertise with a wider audience. We tap into current and evolving risk issues and concerns faced by alternative managers and we use those insights to continuously improve upon the insurance solutions proposed to address those risk issues and concerns.

2 Why did WTW want to get involved with AIMA?

First and foremost, we recognized that being an AIMA member would allow us to gain further insights into the opportunities and challenges faced by managers around the world. We also recognized that AIMA had a close alignment with various regulatory authorities around the world, and this would afford us the opportunity to learn about proposed legislative and regulatory changes and to participate in the consultative process that shapes new regulations. We are committed to the production of relevant and timely thought leadership and AIMA also provides us with a platform to share these insights.

3 What does WTW like about working with AIMA members?

AIMA members have a unique risk profile and have historically been underserved in the global insurance marketplace. Our close association with AIMA members means we are more informed and better prepared to be an effective advocate for alternative managers in the global insurance marketplace - we have our finger on the pulse of both perpetual trends and emerging risks.

4 What are the most challenging risks faced by AIMA members today?

There are several key trends that are fundamentally shifting the risk landscape. Among the most challenging and evolving risks for AIMA members today are the rapid advancement of cyber and technology risk, the current and future use of AI tools to manage portfolios and identify investment opportunities, the evolving digital assets landscape and global regulatory environment, and the heightened scrutiny around disclosures regarding ESG investment mandates. We help our clients differentiate their risk profile in the insurance marketplace, and we offer a range of consulting services that take an integrated, holistic approach to risk management to assist in managing these evolving risks.

5 Why do you think AIMA is important for alternative managers?

We operate in a relationship business, and to be successful, you need to establish and build a network of trust with clients, colleagues, and industry peers. AIMA provides a great platform for facilitating those relationships and growing our business.

6 How does working with WTW benefit AIMA members?

WTW helps AIMA members assess, manage, place and transfer risks to protect their balance sheets and the liabilities arising from their operations. AIMA members benefit from the collective insights of our global team of industry and product experts, who have a deep understanding of the myriad of risks faced by alternative investment managers.

AIMA members also benefit from our thought and product leadership (TPL) content. Within our Global FINEX Financial Institutions line of business, we have a dedicated TPL practice that is focused on producing relevant and timely original content published as articles, briefings, blogs, videos, podcasts and research papers. We also host and participate in industry roundtables, webinars and panels, including several produced exclusively for AIMA members. For example, in July 2022, we hosted an AIMA fund manager briefing panel covering the top risks identified in our annual Director's Liability survey report published in April 2022. The briefing offered insights into the top risks faced by directors in 40 countries from various industries including finance and insurance.

7 How does your firm support emerging alternative managers on their growth journey to becoming established managers?

We support our clients throughout their growth journey by following our year-round client engagement framework. Insurance is not a "one and done" task, and as a manager's client portfolio and asset mix matures and evolves, their insurable risk profile also evolves. This requires ongoing assessment to ensure the insurance program remains relevant and efficient for each stage of their growth journey.

8 What advice would you give to alternative managers to best position themselves within the insurance market?

Begin your insurance renewal process early, take the time to meet with your insurers and walk them through your client value proposition, engage with your broker to understand the breadth (and limitations) of the coverage you are purchasing, as well as the notification requirements in the event of a claim.

Peter Hayes

Partner, National Director, Alternative Investments Practice

KPMG LLP



- **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.

Robyn Thompson

Managing Director, Head of Relationship Management (Canada)

State Street



- **Growth of emerging alternative managers supported:** State Street is seeing a growing trend from our client base consisting of traditional asset managers and asset owners who are looking to enter the Alternatives market by launching funds of their own. We are able to partner with them effectively given our established experience and expertise in this growing area.
- **Percentage or number of established alternative managers supported:** State Street services over 215 alternative managers, including more than 90 hedge fund managers and over 120 private markets managers, based in North America with a collective US\$930 billion-plus in assets under administration. We also provide direct account services to limited partners in North America with over US\$830 billion in assets. Our service model is designed to support the evolving needs of both funds and investors, helping them achieve their strategic goals.

1 How does your firm support emerging alternative managers?

As a trusted partner, we support our clients' alternative investment fund strategy through advanced technology, an experienced team of professionals, and scalable solutions that minimize disruption and enhance operational resilience. By leveraging our scale and deep alternatives expertise, managers can reduce the complexities that come with diversifying into multiple asset classes, entering new markets and attracting different investor types who seek a more customized approach.

Canada in particular is witnessing growing interest from traditional asset managers looking to launch alternative products. With our experience, market knowledge and client servicing expertise, we enable our clients to develop a better understanding of the complex distribution networks and the nuances of the Canadian Alternatives market.

2 What challenges do emerging alternative managers face in Canada?

The Canadian market poses a unique challenge for managers looking to launch alternative products as distribution channels are narrow and highly consolidated with large financial institutions who dominate the retail distribution by imposing strict fund setup requirements. Shifting investment trends, changing regulatory requirements and the ever-present demand for better returns compel alternative managers to seek new resources and solutions every day. Fragmented data and legacy operating models that do not work seamlessly across multiple asset classes also impact growth in this market. Through the growth of our industry's first front-to-back, public-to-private platform, Alpha™, State Street has been at the leading edge of developing a solution that allows our clients access to view all assets from public to private on a single data layer allowing for total portfolio views and streamlined exposure management.

3 What does it take to succeed in Canada as an emerging alternative manager?

As an emerging alternative manager in the Canadian market, it is essential to have innovative strategies that generate scalable, consistent and sustainable returns. Companies need to invest in the latest technology to create robust reporting tools that aggregate data, quickly identify issues, spot trends and improve turnaround. It is also important to have the right partner that provides managers access to a broad range of relationships across the community, enabling them to stay ahead of regulations and build a network with other industry peers.

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

Whether you are a traditional asset manager looking to broaden your scope or a new manager entering the market, having the right partners by your side is crucial to success, especially in the early pre-launch stages. An experienced partner will have knowledge across all asset classes and can provide you with a view of the operational complexities associated with non-traditional assets. Subject matter experts and partners can help managers navigate the regulatory challenges and provide insights into the best market practices.

One of the testimonials from a client, Nick Mawhinney of Mawer Investment Management, explains the benefits of our partnership. "Since 2015, State Street has been a trusted partner for our traditional fund products. As we have explored alternative asset solutions, they have served as a valuable resource—their global reach and depth of knowledge across all asset classes have provided us with a better understanding of the operational complexities associated with non-traditional assets."

5 How has being an AIMA member benefited your firm and your clients?

State Street has been a sponsoring partner of AIMA since 2015 and through this partnership, we are able to:

- Gain valuable market insights, explore new opportunities and identify challenges that the other key players face
- Establish valuable relationships across the alternatives industry by attending AIMA's events and networking receptions, and participating in focused working groups and active involvement in the AIMA Canada Executive Board
- Share our perspectives with our peers by hosting/attending panels and workshops
- Influence the industry by providing feedback on proposed government regulations
- Shape the growth and future of the industry through mentor programs and university outreach programs

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AIMA



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