

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.