

# AIMA CANADA FOUNDER INTERVIEWS

AIMA

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**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.