

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.