

# 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.