



# State of Hedge Funds in Canada

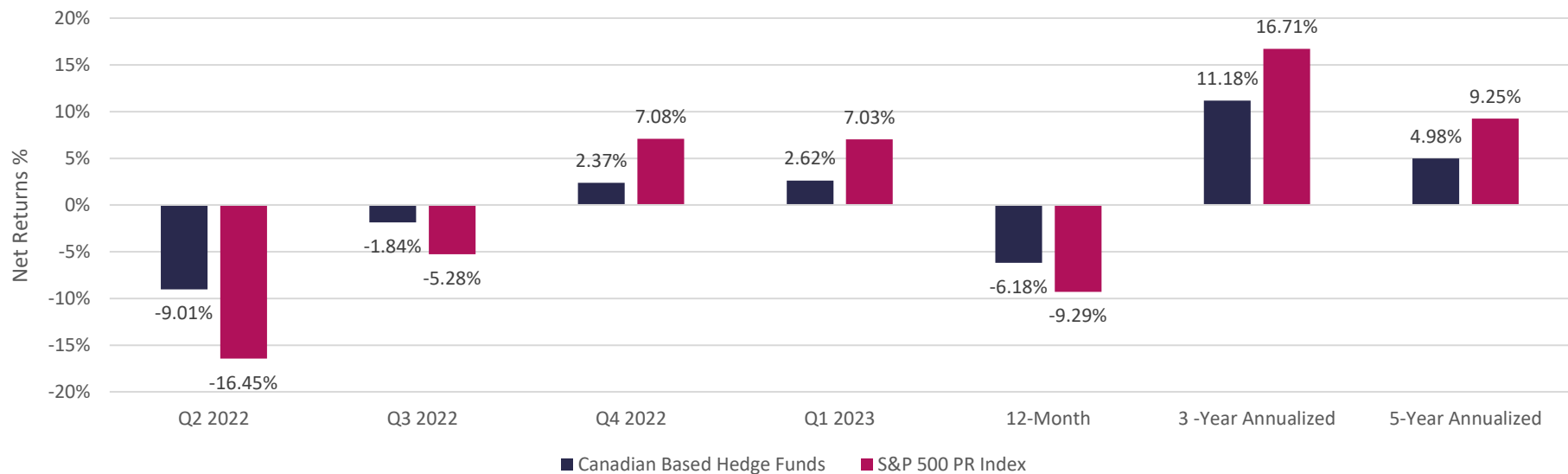
May 17, 2023



# Performance of Canadian-based Hedge Funds vs. S&P 500 PR Index (As at Q1 2023)

AIMA

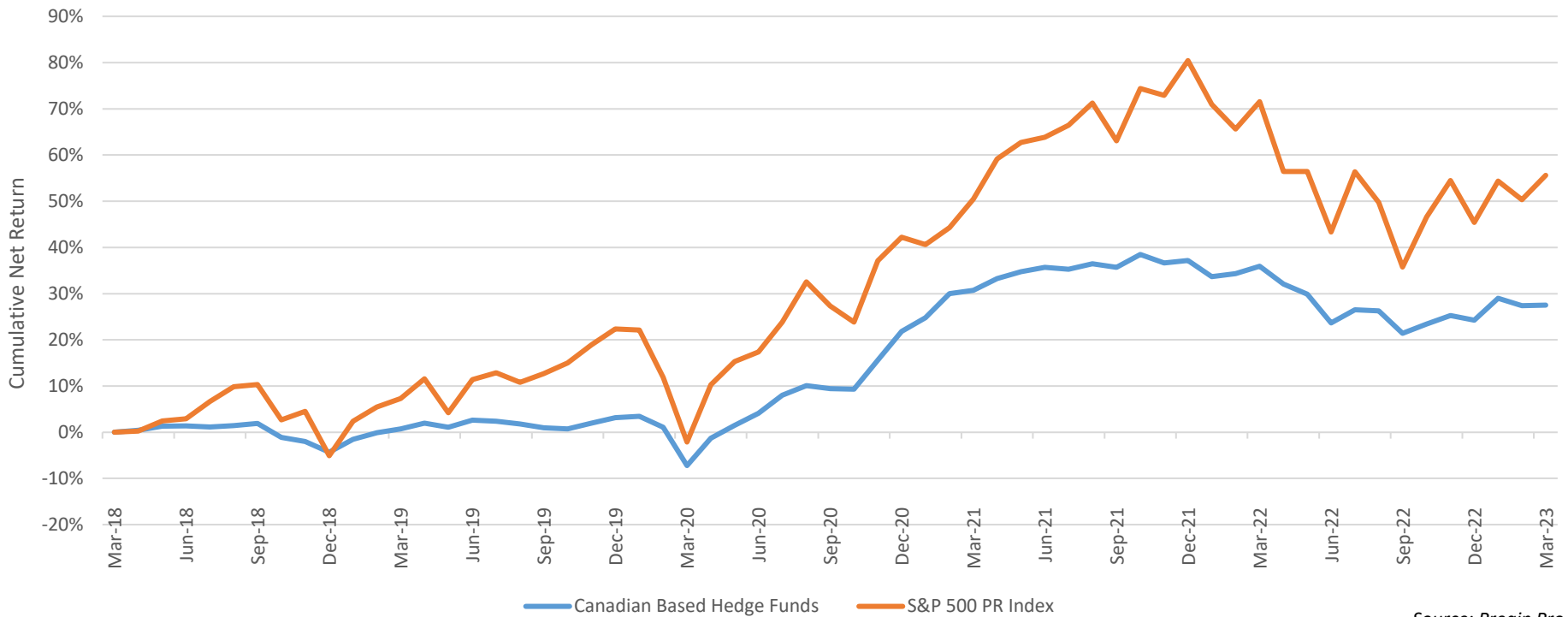
Performance of Canadian Based Hedge Funds vs. S&P 500 PR Index (As at Q1 2023)



# Cumulative Performance of Canadian-based Hedge Funds vs. S&P 500 PR Index April 2018-March 2023

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Cumulative Performance of Canadian Based Hedge Funds vs. S&P 500 PR Index, April 2018- March 2023

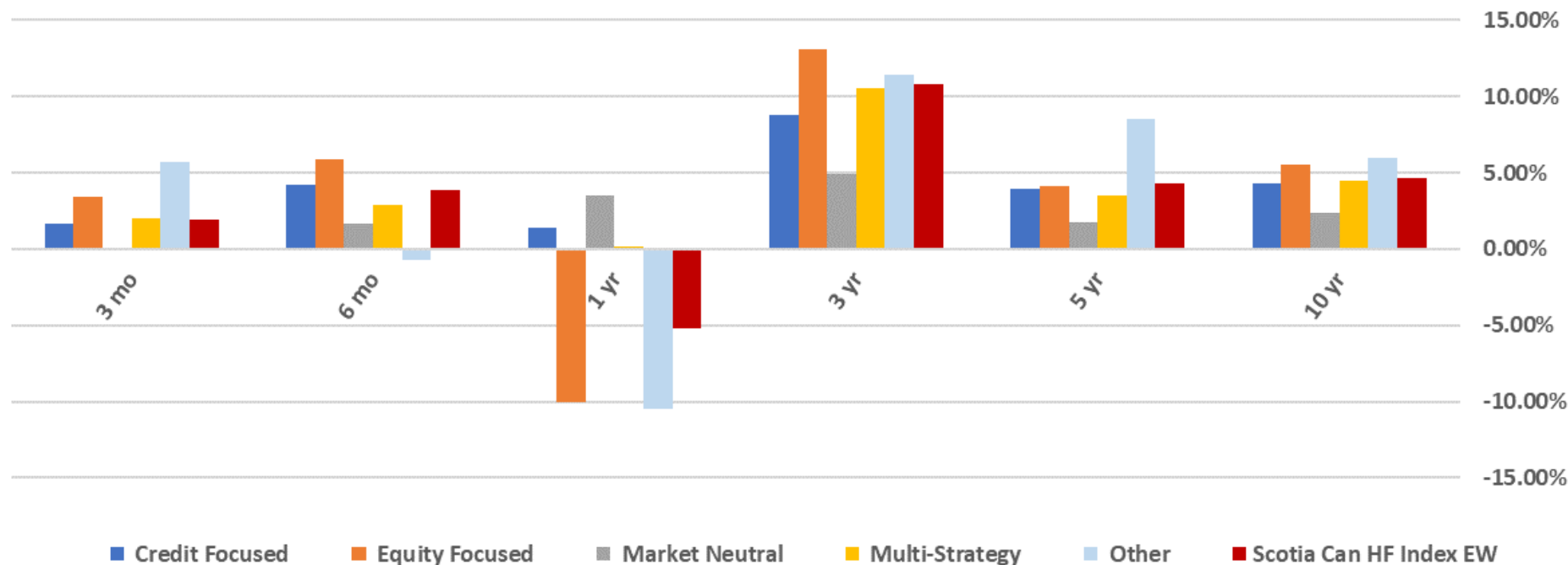


Source: Preqin Pro

# Canadian Alternative Fund Performance by CIFSC Category

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Alternative Fund Performance



# CIFSC Category Performance vs. Scotiabank Canadian Hedge Fund Index

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CIFSC Category	3 mo	6 mo	1 yr	3 yr	5 yr	10 yr
Alternative Credit Focused	1.6%	4.2%	1.4%	8.8%	4.0%	4.3%
Alternative Equity Focused	3.4%	5.9%	-10.1%	13.1%	4.1%	5.5%
Alternative Market Neutral	-0.1%	1.6%	3.5%	4.9%	1.8%	2.4%
Alternative Multi-Strategy	2.0%	2.9%	0.2%	10.5%	3.5%	4.5%
Alternative Other	5.7%	-0.7%	-10.5%	11.4%	8.6%	6.0%
Scotia Can HF Index EW	1.9%	3.8%	-5.2%	10.8%	4.3%	4.6%

Month End Mar-23	Value	Return MoM	Return YTD	Ann. Vol**	Rolling 12 Mth	Sharpe Ratio^	Correlation to S&P 500^	Correlation to S&P/TSX 60^
<b>Scotiabank Canadian Hedge Fund Index Asset-Weighted</b>	<b>3,049.89</b>	<b>-0.45%</b>	<b>1.37%</b>	<b>8.05%</b>	<b>4.14%</b>	<b>0.62</b>	<b>0.29</b>	<b>0.6</b>
<b>Scotiabank Canadian Hedge Fund Index Equal-Weighted</b>	<b>2,244.89</b>	<b>-0.82%</b>	<b>1.88%</b>	<b>7.91%</b>	<b>-5.18%</b>	<b>0.41</b>	<b>0.57</b>	<b>0.8</b>
S&P/TSX Composite	20,099.89	-0.60%	3.69%	13.73%				
S&P/TSX 60 Total Return	3,844.77	-0.47%	4.11%	N/A	-5.67%			
S&P 500 (quoted in USD)	4,109.31	3.51%	7.03%	15.27%				
S&P 500 (CAD-adjusted)	5,554.14	2.51%	6.73%	12.17%				
S&P 500 (Total Return in USD)	8,791.13	3.67%	7.50%	N/A	-7.77%			
DEX 91 Day Treasury Bill Index	434.33	0.41%	1.12%	2.02%				
DEX Universe Bond Index	1,082.12	2.14%	3.20%	4.27%				

All data as of March 31<sup>st</sup>, 2023

FUNDATA

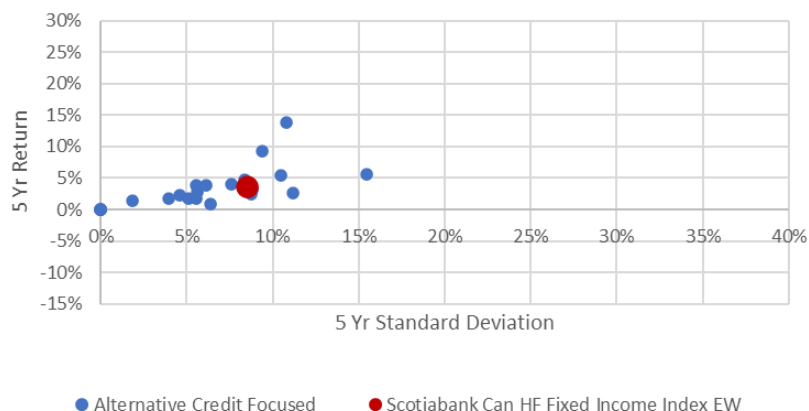
\*\* Of monthly returns

^ Values are calculated monthly

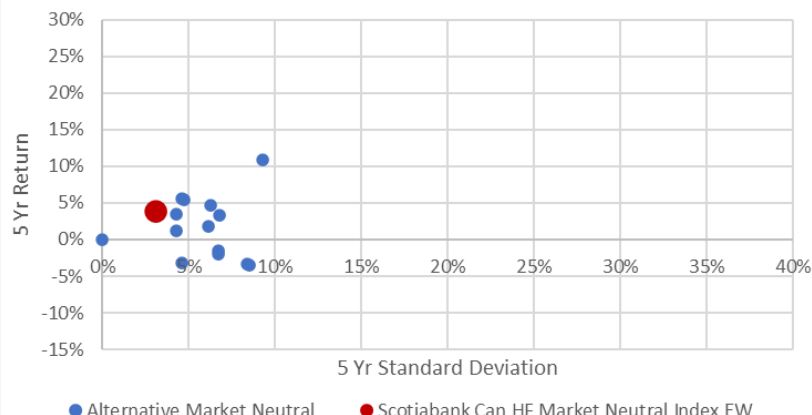
# 5-Year Risk/Return by CIFSC Category vs. Scotiabank Canadian Hedge Fund Indices

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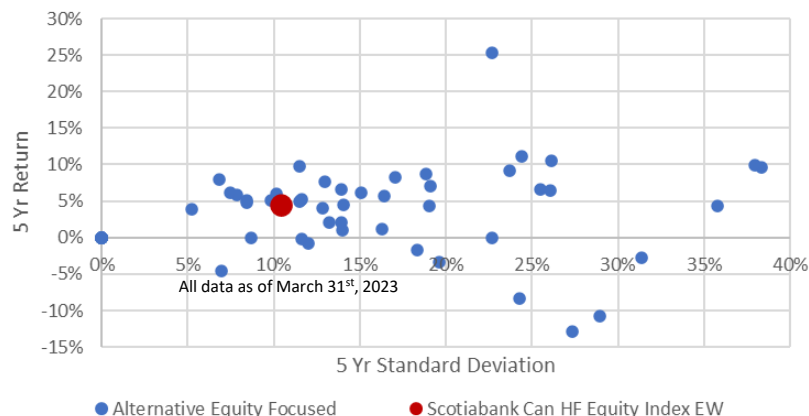
5 Year Return vs SD - Alt Credit Focused



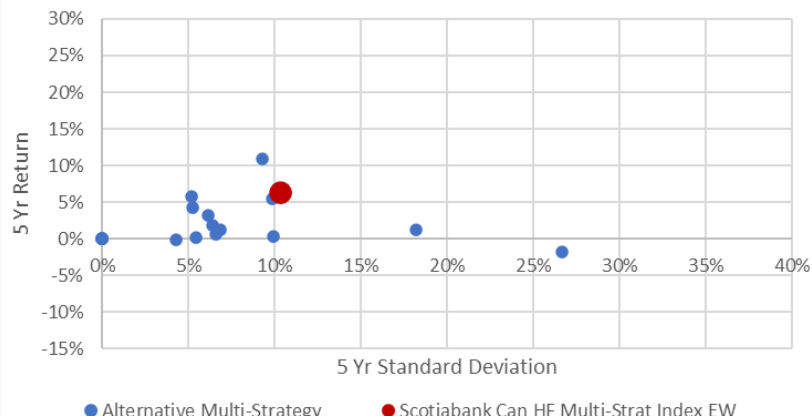
5 Year Return vs SD - Alt Market Neutral



5 Year Return vs SD - Alt Equity Focused



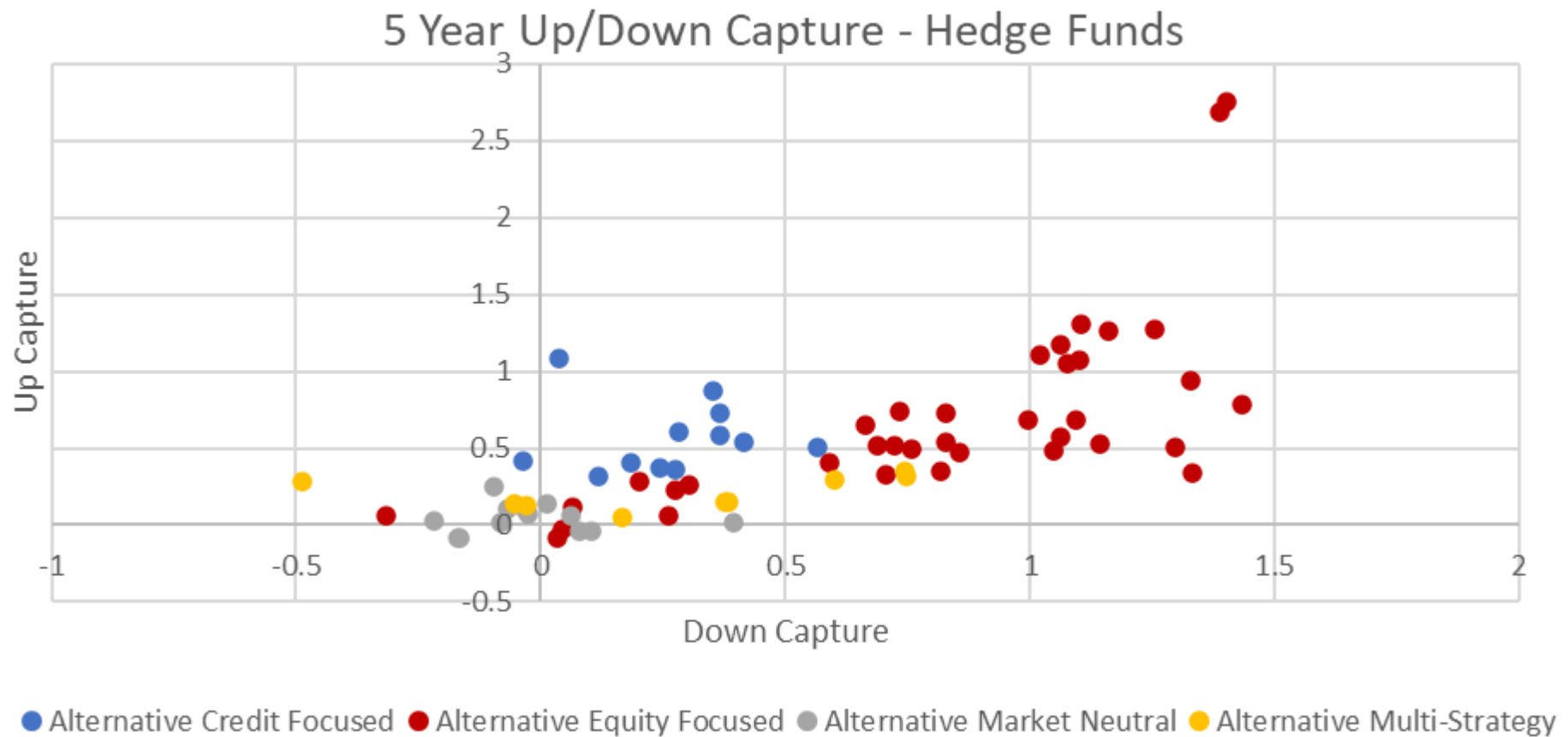
5 Year Return vs SD - Alt Multi-Strategy



All data as of March 31st, 2023

# 5-year Up/Down Capture: CIFSC Alternative Categories

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All data as of March 31<sup>st</sup>, 2023

# Underlying sector holdings

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Alternative Equity focused			
Sector		Asset	
Energy	20.87%	Canadian Equity	43.02%
Financial Services	14.13%	US Equity	27.86%
Fixed Income	13.78%	International Equity	19.16%
Exchange Traded Fund	13.52%	Domestic Bonds	14.56%
Consumer Services	10.43%	Foreign Bonds	6.54%
Technology	8.81%	Cash and Equivalents	6.46%
Basic Materials	8.50%	Income Trust Units	4.82%
Industrial Services	8.43%	Other	3.92%
Mutual Fund	7.06%		
Cash and Cash Equivalent	6.72%		
Consumer Goods	5.45%		
Industrial Goods	4.87%		
Healthcare	4.60%		
Other	4.47%		
Real Estate	3.39%		
Utilities	2.55%		
Telecommunications	2.42%		

Source: Fundata, as at Aug 8 2019.

Alternative Credit focused			
Sector		Asset	
Fixed Income	72.84%	Domestic Bonds	48.83%
Cash and Cash Equivalent	15.82%	Foreign Bonds	36.75%
Financial Services	6.33%	Canadian Equity	16.22%
Utilities	5.37%	Cash and Equivalents	15.82%
Energy	4.23%	International Equity	6.13%
Real Estate	3.31%	Income Trust Units	2.61%
Telecommunications	2.83%	Other	2.39%
Technology	2.26%	US Equity	2.35%
Mutual Fund	1.62%		
Basic Materials	0.98%		
Consumer Services	0.84%		
Healthcare	0.65%		
Industrial Goods	0.53%		
Other	0.44%		
Consumer Goods	0.16%		
Industrial Services	0.05%		

Source: Fundata, as at Aug 8 2019.

Alternative Multi-Strategy			
Sector		Asset	
Fixed Income	50.18%	Foreign Bonds	48.66%
Mutual Fund	43.76%	Other	38.53%
Cash and Cash Equivalent	17.98%	US Equity	18.31%
Financial Services	16.35%	Cash and Equivalents	18.04%
Other	7.72%	International Equity	11.31%
Technology	2.58%	Domestic Bonds	5.91%
Real Estate	2.52%	Canadian Equity	3.62%
Healthcare	2.29%	Income Trust Units	1.32%
Industrial Services	1.73%		
Consumer Services	1.68%		
Utilities	1.54%		
Exchange Traded Fund	1.52%		
Basic Materials	1.49%		
Energy	1.34%		
Consumer Goods	1.14%		
Telecommunications	1.05%		
Industrial Goods	0.68%		

Source: Fundata, as at Aug 8 2019.



# Terms and Fees: Canadian vs. Global Hedge Funds

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- **Global Hedge Fund Fee Average:** Management Fee: 1.39%, Performance Fee: 17.3% (AIMA Alignment of Interests, 2023)
- **Canadian Hedge Fund Fee Average:** Management Fee: 1.48%, Performance Fee: 16.3% (Fundata 2022)
  - 58% of Canadian hedge funds have performance fees with at least 24% of these including a hurdle rate
- **Canadian Hedge Fund Liquidity:** Most are monthly, some weekly and rest not specified

# State of Hedge Funds in Canada

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The AIMA logo consists of the letters "AIMA" in white, sans-serif font, centered within a dark blue square. A horizontal magenta bar is positioned directly below the square.

## Speakers:

- **Raj Kohli**, Associate Director, Absolute Return Strategies, **University Pension Plan Ontario**
- **Aaron Stern**, Managing Partner & Chief Investment Officer, **Converium Capital**
- **Chris Callahan**, Principal, **Traynor Ridge Capital**
- **Justin Jacobsen**, Portfolio Manager, **PenderFund Capital Management**

## Moderator:

- **Sara Mackasey**, Director, Prime Brokerage, **TD Securities**



# AIMA Canada Hedge Fund Resources

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AIMA

- [AIMA Canada Handbook](#)
- [Canadian Hedge Funds & Alternative Mutual Funds Directories](#)
- [Starting a Hedge Fund in Canada](#)
- [Canadian Industry Data](#)
- [Educational Resources on Hedge Funds, Alternative Funds & Private Credit](#)
- [AIMA Canada Investor Education Video Series](#)
- [Canadian Hedge Fund & Alternative Mutual Fund Indices](#)



# Upcoming AIMA Events

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- June 1: State of Liquid Alts in Canada
- June 19: AIMA Charity Golf Tournament, Eagles Nest Golf Club, Toronto
- June 21: Montreal Alternative Investment Forum
- July 27: Alternative Industry Summer Social, presented by AIMA, 100WF & EMB, Toronto
- August 24: FIAMtl Mechoui, Montreal
- October 12 & 13: AIMA Global Investor Forum, Toronto
- October 24-26: AIMA Wealth Advisor Summit

# AIMA Canada Contacts

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