

Gary Ostoich

President

Spartan Fund Management Inc.



Spartan Fund Management Inc.



1 What was the market backdrop and alternative landscape in Canada at the time of your AIMA leadership position?

I was involved in leadership positions twice at AIMA Canada. Once in 2003 with Jim McGovern and David Jarvis, we decided to establish AIMA Canada. At the time, the Canadian hedge fund industry was just developing – we were able to start with 12 members. The second opportunity was becoming chair in September 2009 following the financial crisis – the hedge fund industry, including Canada, was being reshaped. Prior to the financial crisis, the Canadian hedge fund industry was dominated by levered long strategies focused on the resource industry. Following the crisis, the strategies broadened considerably, with new entrants primarily coming from institutional backgrounds.

2 What motivated you to take on a leadership position with AIMA Canada, at that time?

In 2003, the three of us thought that Canada needed an industry group to be established in Canada and felt AIMA would be an ideal association to bring to Canada. In 2009, I felt that the financial crisis would reshape the industry in many ways, including the need for transparency and better governance. I thought I could contribute positively to moving forward the association during this pivotal time.

3 What were AIMA Canada's primary goals, at that time?

In 2003, our goal was to create a framework to launch an industry association from ground zero. In 2009, it was to remind investors of the need for hedge funds but also recognize that hedge funds had to continue to grow from small businesses to industry-leading asset managers within Canada. Institutional quality participants were continuing to enter the Canadian industry.

4 What key successes did you achieve during your leadership? (What are you most proud of?)

In 2003, I was very proud of helping to establish the association in Canada. It is hard to believe that it has been 20 years. In 2009, I thought it was important to carry the message out to the industry through a range of speaking engagements/meetings with regulators that, despite the setbacks of the financial crisis that the Canadian industry would continue to evolve and become stronger.

5 How has AIMA Canada and the Canadian alternative industry evolved since then, in your opinion?

AIMA Canada has continued to attract a broad range of participants, including some of the largest most sophisticated hedge funds in Canada. Institutional participation has continued to reinforce the strength and depth of the Canadian industry. The breadth of strategies offered within Canada over the years further demonstrates its growth and maturation.

6 What key challenges did you face during your leadership? (How did you overcome?)

In 2003, the challenge was building an association from scratch – it was accomplished by having strong people in the executive and committees with a real passion for the industry. In 2009, the challenges were different. The financial crisis of 2008 caused a lot of people to rethink the value of the alternative investment industry. The Canadian industry was hit hard as it was dominated at that time by resource-centric managers. It was important to carry out a strong and consistent message to the industry. I ended up speaking at a broad range of industry events to carry a consistent message regarding how the Canadian hedge fund industry was changing to respond to challenges brought about by the financial crisis. Governance and transparency became important areas to focus on.

7 Looking ahead, what opportunities and challenges do alternatives in Canada still face?

Alternatives need to continue to demonstrate their relevance to investors. Liquid alts have allowed a number of strategies to become available to the retail investor. This remains a great opportunity for managers. The introduction of more private market strategies for retail investors is also a good reminder of the importance of governance, process, and transparency.

8 How has AIMA Canada benefitted the local ecosystem? The global industry?

As an industry association, AIMA Canada continues to bring together the industry with a common voice. Regulation continues to evolve and, for the most part, becomes more demanding for all asset managers, including alternative managers. AIMA Canada is in an ideal position to continue to maintain and thoughtful and constructive dialogue with regulators.

9 Any advice or closing thoughts on the current or future state of alternatives in Canada and the important role that AIMA plays?

I remain optimistic about the alternative industry in Canada. There is no doubt that the industry will continue to grow and present opportunities for talented managers and investors.