

AIMA CANADA FOUNDER INTERVIEWS

AIMA

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

In 2018, I was motivated to take on an active leadership role within AIMA Canada as I saw a pressing need to enhance the understanding of alternative investments in Canada. The investment landscape was evolving, there was a growing demand for education and knowledge-sharing, in the context of National Instrument 81-102, with new regulations being developed around alternative mutual funds (commonly referred to as liquid alternatives). My goal was to contribute to the industry by collaborating with AIMA Canada, while leveraging CIBC Capital Market's strengths, to assist in the education and the successful development of liquid alternatives in Canada. We felt this work was important as our clients were asking for guidance and assistance in this area. It was an opportunity to make a meaningful impact on the Canadian alternative investment space and promote its growth in a responsible and informed manner.

2 What were your key successes during this leadership?

During my leadership within AIMA Canada, I'm proud to highlight several key successes that we achieved in the realm of alternative investments. When I say we, I refer to the AIMA Canada Executive Committee, Claire Van Wyk-Allan's leadership, and CIBC Capital Markets working collaboratively with our clients to navigate this changing environment:

- **Educational Initiatives:** We first developed and executed a series of comprehensive educational programs, conferences, and a video series that aimed at improving the understanding of alternative investments among investors, regulators, and industry professionals with a focus on the developing liquid alternatives market. CIBC Capital Markets, working with AIMA Canada, was front and center on these important markets discussions. These initiatives helped bridge knowledge gaps and fostered a more informed investment community. Notably around risk ratings and market discussions on how alternative investments are managed and handled from an operational and risk perspective.

- Collaboration with Canadian regulators focusing on advocacy and thought leadership: The second critical area of focus was thought leadership related to regulation. For instance, as part of AIMA Canada, we established a regular dialogue with the OSC that provided important guidance that assisted in rule development on liquid alternatives in Canada. Furthermore, CIBC Capital Markets submitted and discussed important commentary on this changing liquid alternative market that was key to implementing updates for our clients to be able to launch and effectively manage their liquid alternatives offerings. We worked with our clients to understand the important issues (and challenges) and used the burden reduction initiative in Ontario to continue the dialogue. Our discussions and submissions facilitated a number of tangible developments to the alternative investment regulatory regime, including clarifying rehypothecation rights and increasing leverage mix flexibility for alternative funds. The collaboration helped create a more conducive environment for the growth of liquid alternatives, while ensuring investor education continued.

These successes collectively contributed to a more informed, transparent, and robust alternative investment ecosystem in Canada, positioning the industry for sustainable growth and positive impact.

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

Looking ahead, the Canadian alternative investment space presents both opportunities and challenges:

Opportunities:

- Continued Growth. There is ample room for further growth and expansion of the alternative investment market in Canada, as investors seek diversified strategies to enhance their portfolios' risk-adjusted returns.
- Evolving Regulatory Environment. As regulations evolve and adapt to the changing investment landscape, alternative investment managers have the opportunity to work collaboratively with regulators (with the help of AIMA Canada) to shape favorable and supportive frameworks.

Challenges:

- Educational Efforts. Despite progress, further educational initiatives are needed to enhance investors' understanding of alternative investments and demystify complex strategies, especially among retail investors.
- Regulatory Complexity. The regulatory landscape can be intricate, and alternative investment managers must navigate evolving regulations while ensuring compliance and effective risk management. A healthy dialogue is important with all market participants.

Addressing these challenges and capitalizing on the opportunities will require collaboration among industry participants, regulators, and stakeholders to create a vibrant, transparent, and accessible alternative investment ecosystem in Canada.

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

As we look at the current and future state of alternative investments in Canada, it's important to recognize the vital role that AIMA Canada plays in shaping the industry. AIMA serves as a critical bridge between industry participants, regulators, investors, and other stakeholders. Here are some closing thoughts and advice:

- Continued Advocacy, Thought Leadership, and Education. AIMA's role in advocating for regulatory clarity, investor education, and best practices is paramount. The organization should continue its efforts to promote the benefits of alternative investments while ensuring that investors have the knowledge they need to make informed decisions about the benefits of alternatives in a diversified portfolio.
- Collaboration and Networking. AIMA's platform for networking and collaboration fosters the exchange of ideas, experiences, and insights. This sense of community strengthens the industry's ability to adapt to new challenges and capitalize on emerging opportunities.
- Regulatory Evolution. The regulatory environment continues to evolve, with a focus on enhancing investor protection, transparency, and regulatory clarity. The introduction of alternative mutual funds within National Instrument 81-102 played a significant role in shaping the alternative investment landscape in Canada.

In closing, the future of alternative investments in Canada holds great promise, driven by innovation, collaboration, and an increasing understanding of these strategies. AIMA's role in fostering a transparent, informed, and resilient industry will be pivotal in shaping a vibrant and successful landscape for years to come.