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State Street



- **Growth of emerging alternative managers supported:** State Street is seeing a growing trend from our client base consisting of traditional asset managers and asset owners who are looking to enter the Alternatives market by launching funds of their own. We are able to partner with them effectively given our established experience and expertise in this growing area.
- **Percentage or number of established alternative managers supported:** State Street services over 215 alternative managers, including more than 90 hedge fund managers and over 120 private markets managers, based in North America with a collective US\$930 billion-plus in assets under administration. We also provide direct account services to limited partners in North America with over US\$830 billion in assets. Our service model is designed to support the evolving needs of both funds and investors, helping them achieve their strategic goals.

1 How does your firm support emerging alternative managers?

As a trusted partner, we support our clients' alternative investment fund strategy through advanced technology, an experienced team of professionals, and scalable solutions that minimize disruption and enhance operational resilience. By leveraging our scale and deep alternatives expertise, managers can reduce the complexities that come with diversifying into multiple asset classes, entering new markets and attracting different investor types who seek a more customized approach.

Canada in particular is witnessing growing interest from traditional asset managers looking to launch alternative products. With our experience, market knowledge and client servicing expertise, we enable our clients to develop a better understanding of the complex distribution networks and the nuances of the Canadian Alternatives market.

2 What challenges do emerging alternative managers face in Canada?

The Canadian market poses a unique challenge for managers looking to launch alternative products as distribution channels are narrow and highly consolidated with large financial institutions who dominate the retail distribution by imposing strict fund setup requirements. Shifting investment trends, changing regulatory requirements and the ever-present demand for better returns compel alternative managers to seek new resources and solutions every day. Fragmented data and legacy operating models that do not work seamlessly across multiple asset classes also impact growth in this market. Through the growth of our industry's first front-to-back, public-to-private platform, Alpha™, State Street has been at the leading edge of developing a solution that allows our clients access to view all assets from public to private on a single data layer allowing for total portfolio views and streamlined exposure management.

3 What does it take to succeed in Canada as an emerging alternative manager?

As an emerging alternative manager in the Canadian market, it is essential to have innovative strategies that generate scalable, consistent and sustainable returns. Companies need to invest in the latest technology to create robust reporting tools that aggregate data, quickly identify issues, spot trends and improve turnaround. It is also important to have the right partner that provides managers access to a broad range of relationships across the community, enabling them to stay ahead of regulations and build a network with other industry peers.

4 What advice do you share with emerging alternative managers (before launch or through their growth journey)?

Whether you are a traditional asset manager looking to broaden your scope or a new manager entering the market, having the right partners by your side is crucial to success, especially in the early pre-launch stages. An experienced partner will have knowledge across all asset classes and can provide you with a view of the operational complexities associated with non-traditional assets. Subject matter experts and partners can help managers navigate the regulatory challenges and provide insights into the best market practices.

One of the testimonials from a client, Nick Mawhinney of Mawer Investment Management, explains the benefits of our partnership. "Since 2015, State Street has been a trusted partner for our traditional fund products. As we have explored alternative asset solutions, they have served as a valuable resource—their global reach and depth of knowledge across all asset classes have provided us with a better understanding of the operational complexities associated with non-traditional assets."

5 How has being an AIMA member benefited your firm and your clients?

State Street has been a sponsoring partner of AIMA since 2015 and through this partnership, we are able to:

- Gain valuable market insights, explore new opportunities and identify challenges that the other key players face
- Establish valuable relationships across the alternatives industry by attending AIMA's events and networking receptions, and participating in focused working groups and active involvement in the AIMA Canada Executive Board
- Share our perspectives with our peers by hosting/attending panels and workshops
- Influence the industry by providing feedback on proposed government regulations
- Shape the growth and future of the industry through mentor programs and university outreach programs