



# An Advisor's Essential Guide to Alternative Funds in Canada

Presented by:

**Scotiabank**<sup>TM</sup>



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AIMA is pleased to offer a number of public resources to help investors and advisors navigate the Alternative Fund landscape in Canada.

Alternative investments are an essential part of long-term asset allocation, long incorporated by Canada's leading institutional allocators to provide risk reduction, non-correlated returns and diversification to investment portfolios.

Canada is proud to be home to a robust community of alternative investment firms, managing hedge funds, alternative mutual funds, alternative ETFs and private debt funds. These strategies can be implemented on an evergreen basis to reduce portfolio volatility and provide diversified return streams in retail investor portfolios.

While allocations should always be fully informed by the KYP & KYC process with proper due diligence, these strategies can provide downside protection, acting as portfolio insurance through inevitable market volatility and improving wealth preservation, a testimony to the value of active management. Short selling can be an excellent tool for mitigating undesired ESG risk as well.

AIMA Canada, first founded in 2003 as part of a global network, represents our local alternative investment industry with regulatory advocacy & guidance, thought leadership and educational resources for investors in the form of research, events and media communication.

Whether you are a new or veteran investor in alternative investment funds, this AIMA Advisor Guide highlights key resources for wealth advisors and their clients alike, providing due diligence questions, investor education videos, continuing education presentations and more. For more detailed reading on the alternative investment industry, we encourage you to reference the [AIMA Canada Handbook 2019](#) and visit [aima.org](http://aima.org) for more research and education.

We look forward to leading and supporting your educational journey as alternative investments play a crucial role in investor portfolios, today and going forward.



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Director,  
Head of Canada,  
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Compliance  
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2018-2022



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AIMA Canada  
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Member  
2018-2022

## Key Reference Links

1. [Global Alternative Industry Data](#)  
(presented quarterly by Preqin)
2. [Canadian Industry Data](#)  
(presented quarterly by Fundata)
3. [Advisor Due Diligence Considerations for Hedge Funds, Liquid Alternatives & Private Credit](#)
4. [AIMA Canada Handbook: Canadian Alternative Investment Landscape](#)
5. [AIMA Canada Investor Education Video Series](#)
6. [Infographic: Putting Alternatives to Work in Your Portfolios](#)
7. IIROC CE Credit Presentations  
(available also at [www.cecorner.ca](http://www.cecorner.ca))
  - [Introduction to Alternative Investments & Benefits of Adding to your Portfolio](#)
  - [Seeking Alpha Managers Webinar, by Dr Randy Cohen \(Harvard\)](#)
  - ["The Evolution of Portfolio Management"](#)
  - [Alternative Strategies to Diversify Your Portfolio: Merger Arbitrage, Market Neutral and Private Equity Replication](#)
  - [Report on Liquid Alternatives in Canada](#)
  - [The Case for Managed Futures](#)
  - [Why Alternative Investments Matter in Portfolio Construction](#)
  - [Levered Credit Demystified](#)
  - [AIMA Hedge Fund Primer](#)
8. [Canadian Indices: Hedge Funds & Alternative Mutual Funds](#) (presented monthly by Scotiabank Global Banking and Markets)
9. [Canadian Member Fund Directories: Hedge Funds & Alternative Mutual Funds/ETFs](#)  
(presented quarterly by Fundata)
10. [Product Comparison Chart](#)  
(presented by McMillan LLP)
11. [AIMA & CAIA Risk Rating Guidelines for Hedge Funds & Alternative Mutual Funds](#)
12. AIMA Research:
  - [AIMA/CAIA: The Way Ahead: Helping Trustees Navigate the Hedge Fund Sector](#)
  - [AIMA/CAIA: Portfolio Transformers – Examining the role of Hedge funds as substitutes and diversifiers in investor portfolios](#)
  - [AIMA/CAIA: Made to Measure - Understanding the use of leverage in alternative investment funds](#)
  - [AIMA/CAIA: Efficient Flows - Understanding liquidity in alternative investment funds](#)
  - [AIMA: An Introduction to Short Selling](#)
  - [AIMA In Harmony: Alignment of Interests between Investors and Managers](#)
  - [AIMA Perspectives & Future of the Hedge Fund Industry](#)
  - [AIMA Alternative Credit Council Private Credit & Financing the Economy](#)
  - [A Year into the Liquid Alternative Fund Market in Canada](#) (presented by Third Eye Capital)
  - [AIMA Canada Launching Alternative Mutual Funds Handbook](#)
  - [Canada Hedge Fund Primer](#)
  - [Long/Short Equity Strategy – AIMA Canada](#)
13. Further Education:
  - [CAIA & CFA: Alternative Investments: A Primer for Investment Professionals](#)
  - [CAIA: The Next Decade in Alternatives](#)





# Putting Alternatives to Work in Your Portfolio

AIMA



## Think of your balanced portfolio like a HOCKEY TEAM

### 3-4 lines of talent

- ✓ 2 wingers
- ✓ 1 balanced/all-around centre
- ✓ 2 defence
- ✓ 1 goalie



Similar to a team, an investment portfolio requires that you balance who is playing offence (getting returns) versus defense (protecting on the downside).

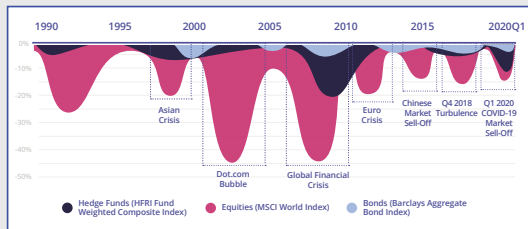
**Most hedge funds act like your defence or goalie. They can still score goals, but are mostly working to protect the downside.**

?

**Did you know?** Investors value the broader toolkit available to alternative investment managers for the diversification, volatility reduction, downside protection and non-correlated return benefits they can provide.

## Market volatility happens. Then what?

Hedge funds and alternative investments provided better protection than equities and bonds in periods of extreme market volatility.



## Hedge funds and alternative investments helped protect on the downside.

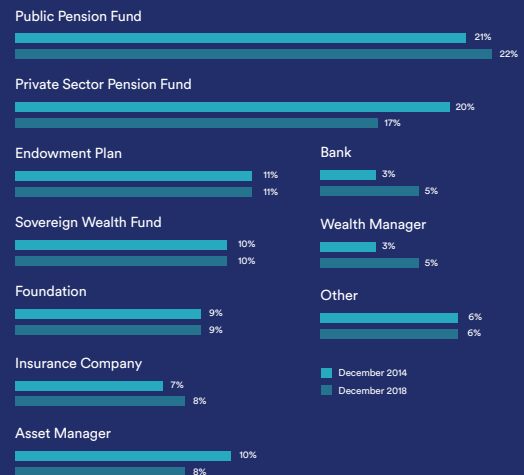
Think of it as buying insurance for your home: Alternatives can act as insurance to minimize losses during market corrections.



## You're in good company.

### Who invests in alternative investments globally?

Hedge funds play a vital role globally for the institutions that look after everyone's pension and savings.



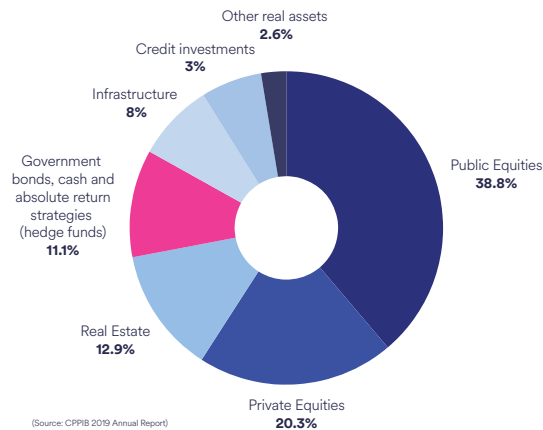
Average allocation to alternatives by advisors globally: **10%**

(Source: Preqin)

## Alternatives are closer to home than you think.

Everyday Canadians already invest in alternative investments.

### CPPIB Portfolio and Performance



## Popular hedge fund strategies in Canada.

Alternative CIFSC Category	Offering Memorandum	Prospectus
Equity Focused	85	21
Credit Focused	23	8
Multi-Strategy	27	17
Market Neutral	16	4
Other	49	12

\*Reporting to Fundata, as at August 8, 2019

## Before you allocate, what should you look for in a hedge fund manager?

### Investment Manager



What is the background and experience of the investment manager & the investment team?



What is the governance surrounding the investment manager & investment team?



How do they manage risk? (independent reporting lines, operational risk management, conflicts of interest, etc.)?



What is their compliance culture?



Are members of the senior investment management team personally invested in the fund?



## Investment Strategy



- ✓ What is the fund's investment objective and principal investment strategies?
- ✓ From where are the underlying positional data, market data and any underlying models sourced for this strategy?
- ✓ Are there position limits and how are they monitored?
- ✓ How much financial leverage does the fund use on average? Limits? Sources?
- ✓ Are there any capacity constraints?
- ✓ Performance history? In what type of markets would this strategy be expected to outperform or underperform?
- ✓ How long would it take in normal market conditions and stressed market conditions to liquidate the fund without incurring unusual costs?
- ✓ Have the objectives of the investment strategy changed in the past 5 years? Has there been any style drift?
- ✓ Who makes the portfolio management decisions and how are they made?
- ✓ What method(s) does the investment manager use to measure the total risk of a portfolio using this strategy?
- ✓ Offering documents, subscription agreements, and process for purchases and redemptions? Fees? Performance fees and calculation methodology?
- ✓ What is the fund's valuation policy and the frequency of valuation?
- ✓ What portfolio data does the investment manager provide to investors, and with what frequency and time lag?
- ✓ Who are the outsourced service providers of the fund (i.e., prime broker, auditor, custodian, administrator, legal)?

## Not all alternatives are alike. To learn more about alternative investments:



Visit [aima.org](http://aima.org) for more information and resources

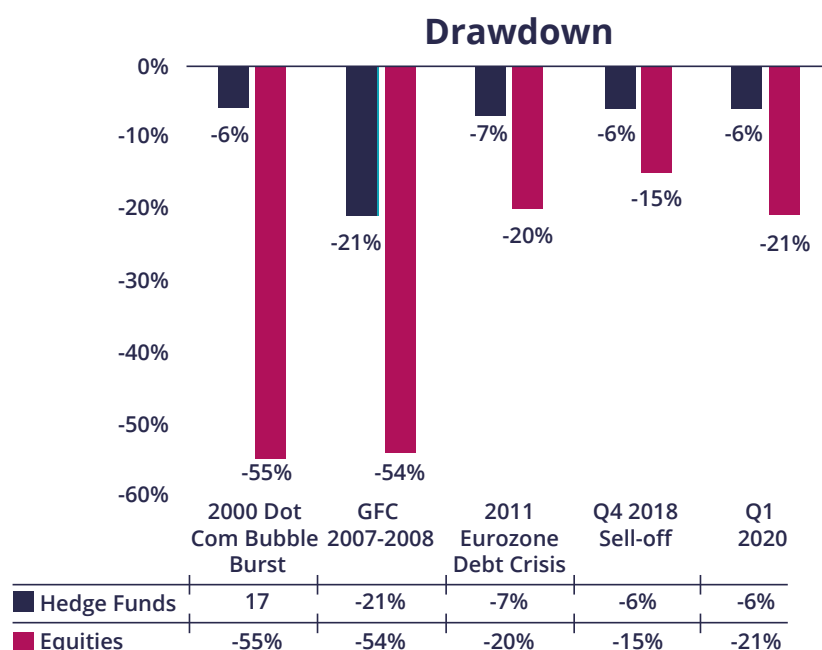


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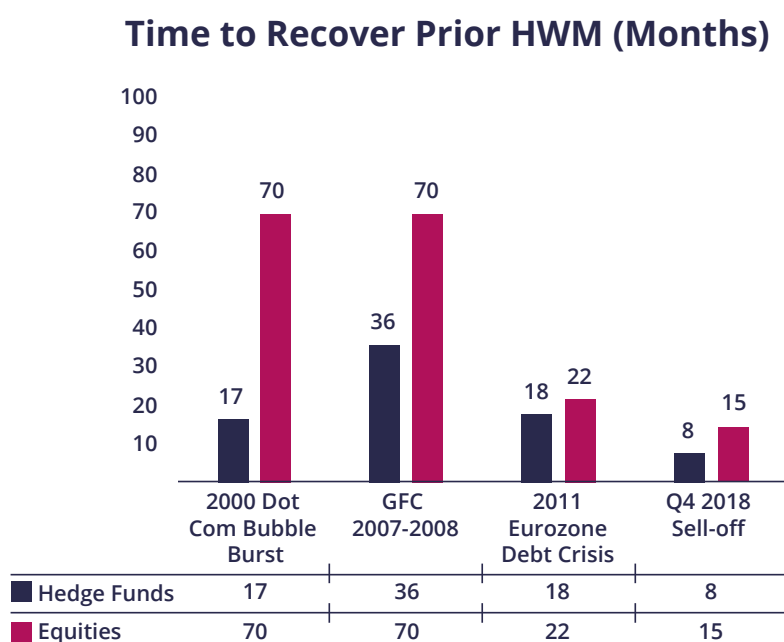


## 3

## Hedge Fund Performance During Market Corrections



- Putting Q1 performance into historical context, and the biggest drawdowns over the past twenty years, hedge funds have preserved investor capital and mitigated the downside better than an investment in equities.



- After prior market sell-offs, hedge funds have consistently been quicker to make recovery.

Source: Hedge Fund Research Inc. MSCI. AIMA Research

## Investor Education Video Series

### Key Terms & Explanations



- Fund Structures
- Common Myths in Hedge Funds & Liquid Alternatives
- CIFSC Categories
- Risk Measures
- Key Service Providers
- Intro to Short Selling
- Investor (Fund) Liquidity
- Fee Overview
- Leverage in Alternatives (Fixed Income & Equity)
- Liquidity in Alternatives
- AIMA/CAIA Risk Ratings
- Reporting/Transparency

### Asset Allocation & Trends



- Setting the Stage
- Implementing Alternatives
- Introduction to Alternative Data
- Risk/Return Expectations
- Alternative Approach to ESG
- Why Canadian Alternatives in Asset Allocation
- Introduction to ESG
- Choosing a Fund Structure

### Hedge Fund & Liquid Alternative Strategies



- Introduction to Hedge Fund Strategies
- Global Macro
- Equity Long/Short
- Market Neutral
- Risk Parity for an Uncertain Future
- Long/Short Credit
- Event Driven
- Convertible Arbitrage
- Relative Value Arbitrage
- Risk Premia
- Multi-Strategy
- CTAs/Managed Futures
- Distressed Securities
- Risk/Merger Arbitrage
- Special Situations
- Volatility Overlay
- Real Estate
- SPACs
- Quant Funds
- Alternative ETFs

### Due Diligence



- Due Diligence Overview
- Due Diligence – Private Credit

### Private Credit & Private Equity



- Introduction to Private Credit
- Debunking Common Myths in Private Lending
- Private Debt: Direct Lending
- Common Terms in Private Debt
- Introduction to Private Equity
- Venture Debt





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## AIMA Due Diligence Considerations for Retail Investment Advisors: Hedge Funds, Alternative Mutual Funds & ETFs, Private Credit Funds

### Investment Manager

- What is the background and experience of investment manager & the investment team?
- What is the governance surrounding the investment manager & investment team?
- What are the features of the investment manager's compliance culture?
- What risk management frameworks are in place? For example, independent reporting lines, operational risk management, conflicts of interest, etc.?
- Are the members of senior management of the investment manager, the portfolio manager and/or the fund directors personally invested in the fund?
- Are there any capacity constraints?
- Offering documents, subscription agreements, and process for purchases and redemptions? What are the fees, including performance fees and calculation methodology?
- What is the valuation policy and frequency of valuation?
- How long would it take in normal market conditions and stressed market conditions to liquidate the fund without incurring unusual costs?
- What portfolio data does the investment manager provide to investors, and with what frequency and time lag?
- Who are the outsourced service providers of the fund? For example, prime broker, auditor, custodian, administrator, legal counsel, etc.?

### Strategy

- What is the fund's investment objective and principal investment strategies?
- Have the objectives of the investment strategy changed in the past 5 years?
- From where are the underlying positional data, market data and any underlying models sourced for this strategy? Are there position limits and what are they?
- Who makes the portfolio management decisions and how are they made?
- What is the performance history? In what type of markets would this strategy be expected to outperform or underperform?
- What method(s) does the investment manager use to measure the total risk of a portfolio using this strategy?
- How much financial leverage does the fund use on average? What are the limits? What are the sources of leverage?

### Private Credit Strategy

- How does the investment manager source potential borrowers? Direct relationships with the borrower (e.g. in-house advisory), private equity sponsors, banks, via corporate debt advisors (e.g. audit firms/lawyers, consultants etc.), marketplace lending platforms?
- What is the typical target range of maturities sought?
- How are repayment terms on originated loans typically structured?
- Describe the investment manager's credit assessment and due diligence process.
- What types of representations, warranties and covenants are the borrowers required to give and what collateral is required? How is this monitored?
- What is the investment manager's policy towards impaired/stressed loans or bad debts and what track record does they have?



## Fund Structures

By: **Michael A. Burns**, Partner & Co-Chair, Investment Funds and Asset Management Group, McMillan LLP

Chair, AIMA Canada Executive Committee, 2014-2018



### Modernization of Investment Funds Under NI 81-102 Investment Fund Product Comparisons

#### Overview of the Modernization Project

The amendments to NI 81-102 consolidated the regulation of publicly offered mutual funds, closed-end funds, commodity pools and Exchange Traded Funds (ETFs) under one rule.

The differences between alternative mutual funds and privately offered investment funds (hedge funds) as well as the distinguishing features between alternative mutual funds, closed-end funds and conventional mutual funds are summarized in the tables below.

### Key Differences Between Alternative Mutual Funds and Privately Offered Hedge Funds – at a Glance

Even though alternative mutual funds provide investment flexibility when compared to conventional mutual funds, they are relatively limited compared to the diverse investment strategies that may be utilized by privately offered investment funds (hedge funds). In addition, the Canadian securities regulatory regime imposes obligations on alternative mutual funds that are significantly different from those applicable to hedge funds.

The key restrictions and reporting obligations applicable to alternative mutual funds relative to hedge funds are set out in the following table:

	ALTERNATIVE MUTUAL FUNDS	HEDGE FUNDS
<b>Eligible Investors</b>	Available to the retail investors.	May only be distributed on a “private placement” basis in reliance on a prospectus exemption and are typically sold to high net worth investors that qualify as “accredited investors”.
<b>Key Documents/ Ongoing Disclosure Requirements</b>	Publicly filed simplified prospectus, annual information form, fund facts document, audited annual and interim financial statements and management reports of fund performance. Mandated leverage disclosure in annual and interim financial reports. Top 25 portfolio holdings disclosed quarterly.	Investors typically receive an offering memorandum and audited annual and interim financial statements (which are not publicly filed). No mandated leverage disclosure or disclosure of top portfolio holdings.
<b>Governance</b>	Independent Review Committee requirement.	No specific governance requirements.
<b>NAV Calculation</b>	Alternative Mutual Funds: Daily.	Hedge Funds: Daily, Weekly, Monthly (most common) or Quarterly depending on frequency of subscriptions and redemptions.



	ALTERNATIVE MUTUAL FUNDS	HEDGE FUNDS
<b>Redemption Rights</b>	Daily (most common) or weekly as specified in Prospectus.	Weekly, monthly (most common) or quarterly. Monthly redemptions typically require a minimum of 30 days advance notice prior to the applicable redemption date.
<b>Initial Holding Period</b>	None, although managers may utilize Short Term Trading Fees as a disincentive and new alternative mutual funds have the ability to have an initial freeze on redemptions for the first 6 months from date that the fund is first offered, all as specified in the prospectus.	Generally none, but may be 4, 6 or 12 months or longer.
<b>Redemption Proceeds</b>	T+2	T+2
<b>Risk/Compliance Management</b>	Daily monitoring of portfolio vs permitted limits in NI 81-102 and any other investment restrictions described in the prospectus.	Regular monitoring of portfolio vs investment restrictions of fund and restrictions generally imposed under applicable securities laws.
<b>Performance/ Incentive Fees</b>	Permitted, subject to the requirement that a performance fee may only be paid based on performance which has occurred since the time that a performance fee was last paid.	Permitted (no limitations)
<b>Borrowing (cash and / or securities)</b>	Limited to 50% of NAV (subject to an aggregate 50% of NAV limitation on short-selling and borrowing).	No limit
<b>Short-Selling</b>	Limited to 50% of NAV (subject to an aggregate 50% of NAV limitation on short-selling and borrowing), no cash cover required.	No limit
<b>Leverage</b>	Maximum of 3X (excludes hedging via specified derivatives).	No limit

	ALTERNATIVE MUTUAL FUNDS	HEDGE FUNDS
<b>Concentration Limit – issuer level</b>	20% of NAV, subject to carve-outs (does not apply to short sale of government securities).	No limit
<b>Illiquid Assets</b>	10% of NAV at initial investment; 15% hard-cap.	No limit
<b>Restrictions on Investment</b>	No investment in: real property; mortgages, other than guaranteed mortgages; or Loan syndications / participations if any responsibility to administering loan.	No limit
<b>Risk ratings</b>	As per NI 81-102, all Funds must have a risk rating as per the CSA's methodology.	No risk rating requirement
<b>Fund of Fund investments</b>	May invest up to 100% of NAV in underlying alternative mutual funds, non-redeemable investment funds, conventional mutual funds and ETFs funds. Underlying funds must be NI 81-102 Funds and a reporting issuer in at least one Canadian jurisdiction. Investing in private pooled funds prohibited.	No limit



## Comparison of Alternative Mutual Funds, Closed-End Funds and Conventional Mutual Funds

	ALTERNATIVE MUTUAL FUNDS	CLOSED-END FUNDS	CONVENTIONAL MUTUAL FUNDS
<b>Definition:</b>	<p>A mutual fund, other than a precious metals fund, that has adopted fundamental investment objectives that permit it to invest in physical commodities or specified derivatives, to borrow cash or engage in short selling in a manner not permitted under NI 81-102.</p> <p>Investment funds that were formerly referred to as "commodity pools" and were governed by NI 81-104 are now designated as alternative mutual funds and are governed by NI 81-102.</p>	N/A	N/A
<b>Concentration Limit:</b>	20% of NAV	20% of NAV	10% of NAV
<b>Investments in Physical Commodities:</b>	May invest in precious metal certificates, permitted precious metals, physical commodities or specified derivatives of which the underlying interests are physical commodities.	May invest in precious metal certificates, permitted precious metals, physical commodities or specified derivatives of which the underlying interests are physical commodities.	May invest up to 10% of NAV in permitted precious metals, permitted precious metal certificates or specified derivatives of which the underlying interests are physical commodities.
<b>Illiquid Assets:</b>	10% of NAV with hard cap of 15% of NAV.	20% of NAV with hard cap of 25% of NAV.	10% of NAV with hard cap of 15% of NAV.
<b>Short Selling Limit:</b>	50% of NAV	50% of NAV	20% of NAV
<b>Single Issuer Short Sale Limit:</b>	Market value of 10% of NAV excluding shorting of "government securities".	Market value of 10% of NAV excluding shorting of "government securities".	Market value 5% of NAV.

	ALTERNATIVE MUTUAL FUNDS	CLOSED-END FUNDS	CONVENTIONAL MUTUAL FUNDS
<b>Limit on portfolio assets pledged as security with a borrowing agent (other than the custodian or a sub-custodian) in connection with Short Sale Transactions:</b>	25% of NAV	25% of NAV	10% of NAV
<b>Cash Borrowing Limit:</b>	Up to 50% of NAV	Up to 50% of NAV	Not permitted for investment purposes.
<b>Combined Short-selling and Cash Borrowing Limit:</b>	50% of NAV	50% of NAV	N/A
<b>Use of Specified Derivatives:</b>	May be used for investment purposes (including hedging) and/or to create synthetic leverage.	May be used for investment purposes (including hedging) and/or to create synthetic leverage.	Primarily for hedging purposes.
			Limited to 10% of NAV for purposes other than hedging.
<b>Derivative Counterparty Rating and Exposure Limits:</b>	Can deal in specified derivatives (OTC) or with counterparties that do not have a designated rating.	Can deal in specified derivatives (OTC) or with counterparties that do not have a designated rating.	Must deal in specified derivatives and/or counterparties that have a designated rating.
	Mark to market value of exposure under specified derivatives positions (other than cleared specified derivatives) with a counterparty that does not have a designated rating must not exceed 10% of NAV for a period of 30 days or more.	Mark to market value of exposure under specified derivatives positions (other than cleared specified derivatives) with a counterparty that does not have a designated rating must not exceed 10% of NAV for a period of 30 days or more.	Mark to market value of exposure under specified derivatives positions with any one counterparty must not exceed 10% of NAV for a period of 30 days or more unless: (i) the specified derivative is a cleared specified derivative, or (ii) the counterparty/guarantor of counterparty's obligations has a designated rating.





	ALTERNATIVE MUTUAL FUNDS	CLOSED-END FUNDS	CONVENTIONAL MUTUAL FUNDS
<b>Fund of Fund Investments:</b>	May invest up to 100% of NAV in conventional mutual funds, other alternative funds or non-redeemable investment funds that are subject to NI 81-102.	May invest up to 100% of NAV in conventional mutual funds, other non-redeemable investment funds or alternative mutual funds that are subject to NI 81-102.	May invest up to 10% of NAV in alternative mutual funds or non-redeemable investment funds that are subject to NI 81-102.  May invest up to 100% of NAV in another conventional mutual fund that is subject to NI 81-102.
<b>Leverage and Leverage Calculation Formula:</b>	300%, calculated as aggregate value of indebtedness under borrowing agreements + aggregate market value of short positions + aggregate notional value of all specified derivative positions minus specified derivatives used for hedging purposes.	300%, calculated as aggregate value of indebtedness under borrowing agreements + aggregate market value of short positions + aggregate notional value of all specified derivative positions minus specified derivatives used for hedging purposes.	N/A
<b>Incentive Fees:</b>	Permitted, provided that the basis of calculation must be described in the simplified prospectus and subject to the requirement that a performance fee must only be paid based on performance that has occurred since the last time a performance fee was paid.	Permitted, provided that the basis of calculation must be described in the simplified prospectus and subject to the requirement that a performance fee must only be paid based on performance that has occurred since the last time a performance fee was paid.	Permitted provided that the basis of calculation must be described in simplified prospectus and incentive fee must be calculated in reference to a total return benchmark or index.

	ALTERNATIVE MUTUAL FUNDS	CLOSED-END FUNDS	CONVENTIONAL MUTUAL FUNDS
<b>Redemption of Securities:</b>	If disclosed in simplified prospectus, permitted to suspend redemptions for first 6 months after date of final simplified prospectus.	Redemption price must not be more than the NAV determined on a redemption date specified in the prospectus or annual information form.	Redemption price must be NAV next determined after receipt of the redemption order.
	Otherwise, may redeem at NAV determined on the first or second business day after date of receipt of redemption order and pay redemption proceeds within 15 business days.	Redemption proceeds must be paid no later than 15 business days after the valuation date on which the redemption price was determined.	Redemption proceeds must be paid within two business days after the determination of the redemption price.
<b>Custodial Arrangements:</b>	Removes requirement for affiliates of domestic and foreign banks and trust companies to have “publicly available” financial statements showing minimum level of equity.	Removes requirement for affiliates of domestic and foreign banks and trust companies to have “publicly available” financial statements showing minimum level of equity.	Removes requirement for affiliates of domestic and foreign banks and trust companies to have “publicly available” financial statements showing minimum level of equity.
<b>Seed Capital:</b>	\$150,000 that may be redeemed once \$500,000 from outside investors is received.	\$150,000 that may be redeemed once \$500,000 from outside investors is received.	\$150,000 that may be redeemed once \$500,000 from outside investors is received.
<b>Ability to Charge Organizational Costs and Preparation of Initial Offering Documents to the Fund:</b>	No	Permitted for exchange-traded mutual funds that are not in continuous distribution.	No
<b>Offering Documents:</b>	Simplified Prospectus, Annual Information Form and Fund Facts.	Long Form Prospectus, Annual Information Form and Fund Facts/ETF Facts.	Simplified Prospectus, Annual Information Form and Fund Facts.

Source: McMillan LLP



# 7

## Alternative Funds, Your Firm and You: Advisor Questions for the Dealer Head Office

By:

**Alana Johnston Gould**

Director, Prime Services Capital Introduction  
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**Alison Marsh**

Associate Director, Prime Services Capital Introduction  
Scotiabank Global Banking and Markets

**No two firms will be exactly alike in their approach to recommendations and requirements around the purchase alternative funds, but there are common questions an advisor can ask their dealer head office to help determine what the right next step for them is.**

Alternative funds can include traditional hedge funds and private credit that are sold through an Offering Memorandum, and alternative mutual funds (also called 'liquid alts') that are offered through a prospectus. Here are some common questions an advisor can ask their head office to help them learn more about these products.

### **What is an appropriate portfolio allocation to alternative funds?**

Some Canadian firms provide guidance for advisors on allocations to alternative funds. Recommended sizing might range from 0 – 25%+ of a portfolio, depending on a clients' risk tolerance, time horizon and objectives. Advisors can lean on their firm's portfolio advisory team to provide assistance on the tactical allocation model that may be appropriate for a client's goals.

### **What funds are approved at our firm and do we have an alternative funds recommended list?**

Many firms publish an approved list of alternative funds on their shelf as well as a more concentrated recommended list, which can be excellent starting points for advisors exploring the use of alternative funds. These funds are generally pre-screened for advisors using quantitative and qualitative models. Portfolio advisory groups may also provide detailed information about how to use these products within the firm's tactical allocation model.

### **What are the qualitative and quantitative factors used at our firm to screen alternative funds?**

Each firm has their own process and preferences. Some of the factors commonly used are:

#### **Quantitative**

- Fund size (Assets Under Management)
- 5-year and/or 3-year performance
- Sharpe ratio
- Volatility (standard deviation)
- Correlation/beta to a benchmark
- Upside/downside-capture ratios

#### **Qualitative**

- Governance
- Organizational resources
- Investment philosophy
- Mandate and objective
- Risk management framework
- Fund terms
- Fund liquidity
- Brand recognition and manager pedigree

### **What is the internal risk rating of the product?**

Many dealers place an internal risk rating on alternative funds. While many dealers typically accept the prospectus risk rating for alternative mutual funds and alternative ETFs, historically, many private alternative funds have been rated high risk by firms, which had a significant impact on investment allocated to Offering Memorandum products in client portfolios. This high risk rating may not necessarily reflect the historical risk-adjusted return of the specific fund or strategy. Internal risk ratings have been slowly adopting more favorable ratings to better reflect the historical risk metrics of the funds being reviewed. Many firms now have alternative funds on their product shelves with medium, and low risk ratings, opening up more portfolio space for these investments. AIMA & CAIA have published further research and guidance on risk ratings [here](#).

### **How can I buy an alternative fund and it what format?**

There are several formats for buying alternative funds including the traditional Offering Memorandum (OM) format and many funds can offer bulk e-subscription and e-signature documentation where relevant. Alternative mutual funds can also be purchased through Fundserv in the same manner as traditional mutual funds. Some alternative funds now also offer ETF versions available, further allowing for block orders and splits across discretionary accounts. Different fund structures offer unique benefits and constraints from an investment, risk and liquidity perspective. It is important to work with the fund company and the client to determine the best fit. AIMA & McMillan LLP have published more information on fund structure differences [here](#).

### **What paperwork might be required to purchase alternative funds?**

Some dealers and investment management firms require additional documentation to be signed by either the advisor, investor or both, to adhere to regulatory and compliance practices. Become familiar with these templates, which are often straightforward to complete.

### **What additional resources are available on alternative funds?**

There are several ways to learn more about alternative funds. Firstly, firms may have white papers and internal training programs on alternatives. Some are running educational presentations, webinars, and panels on alternative funds. Secondly, capital introduction services and educational events provided by prime brokers are available. Thirdly, industry organizations like AIMA publish valuable education on the alternative sector and can provide resources including CE Credit courses, due diligence checklists and more. Finally, many alternative managers are open to arranging branch visits and one-on-one meetings or, more recently, Zoom calls to give in-depth information on their funds and how they can be used in a portfolio. Other managers offer detailed portfolio analytics that will model the effects of adding alternative funds to an advisor's portfolio.

**Advisors should consult their firm's requirements to recommend or facilitate the purchase of alternative funds. For more information, contact your dealer head office.**

# 8

## Integrating Alternative Funds in Asset Allocation: AIMA Member Case Studies

### AGF Investments: Case Study

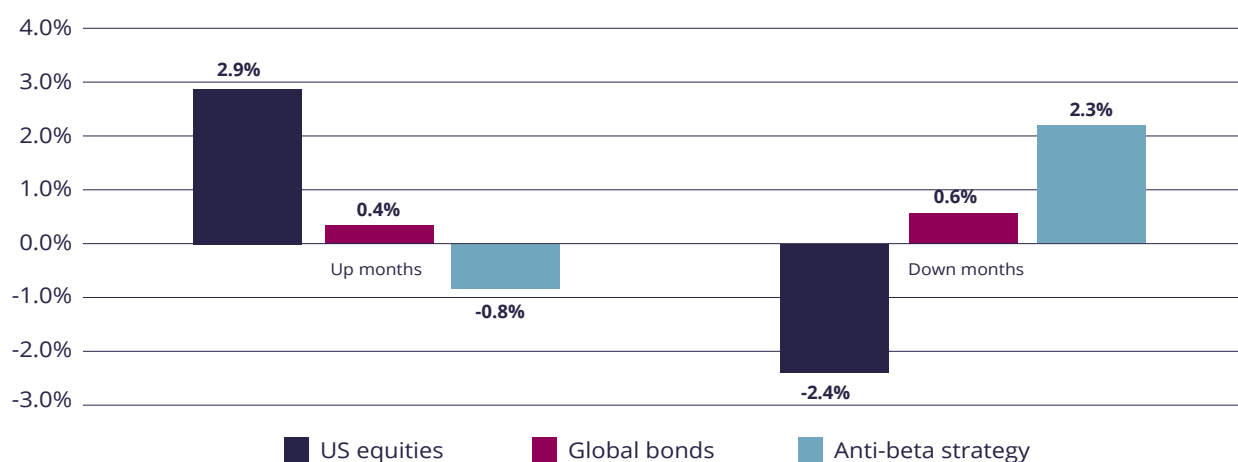


#### Incorporating an Anti-Beta Strategy into a Portfolio AGF Investments Inc.

An anti-beta strategy that allocates to U.S. equities in both long and short positions provides the potential to generate positive returns regardless of the direction of the general market. Adding a strategic hedge in the form of an anti-beta strategy can smooth out the return profile, lower volatility and reduce the impact of drawdowns.

Correlations	Anti-Beta Strategy	US Equities	Global Equities	Global Bonds
Anti-Beta Strategy	1.00			
US Equities	-0.42	1.00		
Global Equities	-0.53	0.94	1.00	
Global Bonds	0.61	-0.03	-0.07	1.00

#### Average of Historical Monthly Returns



Source: Morningstar Direct & Bloomberg. Period: September 2011 – December 2020. In Canadian Dollars. S&P 500 Index (US Equities), MSCI ACWI Index (Global Equities), Bloomberg Barclays Global Aggregate Bond Index (Global Bonds), Dow Jones US Thematic Anti-Beta CAD-Hedged Index (Anti-Beta Strategy). For illustrative purposes only. One cannot invest in an index.



## Implementation Considerations for an Anti-Beta Strategy: Strategic and Tactical benefits to a traditional balanced 60/40 portfolio

An anti-beta strategy that allocates to U.S. equities in both long and short positions provides the potential to generate positive returns regardless of the direction of the general market. Adding a strategic hedge in the form of an anti-beta strategy can smooth out the return profile, lower volatility and reduce the impact of drawdowns.

		Model 1	Model 2	Model 3
<b>Model 1</b>	60% Global Equities + 40% Global Bonds			
<b>Model 2</b>	60% Global Equities + 35% Global Bonds + 5% Anti Beta Strategy			
<b>Model 3</b>	55% Global Equities + 35% Global Bonds + 10% Anti Beta Strategy			
	<b>Annualized Return</b>	10.33	10.08	9.42
	<b>Standard Deviation</b>	6.73	6.46	5.95
	<b>Sharpe Ratio</b>	1.36	1.38	1.39
	<b>Max Monthly Drawdown</b>	-6.54	-6.32	-5.18
	<b>Beta vs. Equities</b>	0.58	0.55	0.46
	<b>Up Capture vs. Equities</b>	65.96	63.40	56.54
	<b>Down Capture vs. Equities</b>	50.41	46.66	36.80
	<b>Up/Down Capture Spread</b>	15.56	16.74	19.74

Source: Morningstar Direct & Bloomberg. Period: September 2011 – December 2020. In Canadian Dollars. MSCI ACWI Index (Global Equities), Bloomberg Barclays Global Aggregate Bond Index (Global Bonds), Dow Jones US Thematic Anti-Beta CAD-Hedged Index (Anti-Beta Strategy). For illustrative purposes only. One cannot invest in an index.

### The Outcome

As illustrated, an allocation reduced overall portfolio risk while smoothing out the effects of volatility. This is seen in lower portfolio standard deviation and beta, lower drawdowns, an improved spread between upside and downside capture versus equities and stronger risk-adjusted returns.

Publication date: April 5, 2021.

The model performance shown is hypothetical and for illustrative purposes only. Past performance does not guarantee future results. One cannot invest in an index. Indexes are unmanaged and do not charge management fees, trading costs or other expenses that would otherwise subtract from the total return.

*Disclosure: This information is provided for information purposes only. All content (including any links to third party sites) is provided for informational purposes only (and not for trading purposes), and is not intended to provide legal, accounting, tax, investment, financial or other advice and should not be relied upon for such advice. Please seek professional advice to evaluate specific securities, funds or other content on this site. Neither AIMA or AIMA Canada Ltd. nor any of its affiliated companies guarantees the completeness of the information and we are not responsible for any errors or omissions in or your use of, or reliance on, the information. The information provided is not an invitation to purchase securities. AIMA and its affiliated companies do not endorse or recommend any securities or funds referenced here. Commissions, trailing commissions, management fees and expenses all may be associated with investments. Please carefully read the subscription documentation of any fund before investing. Alternative investment performance is not guaranteed and past performance may not be repeated.*



## CI Global Asset Management : Case Study



### Colleen Redmond

Manager, Investment Fund Research & Analytics  
CI Global Asset Management

### Michael Locke

CFA, CAIA, Manager, Investment Fund Research & Analytics  
CI Global Asset Management

### Diversify away from traditional fixed income risks with long/short credit

In this lower for longer interest rate environment, investors may be forced to reach for yield by investing in lower quality securities (increasing default risk), adding duration (increasing interest rate risk) or embracing additional liquidity risk in the private markets. A rate neutral long/short credit strategy may offer investors a safe haven from these risks within a liquid investment grade tolerance. Key benefits include enhanced portfolio diversification through reduced correlation to equities and traditional fixed income, a consistent return profile independent of the direction of interest rates and an attractive yield with a low risk profile.

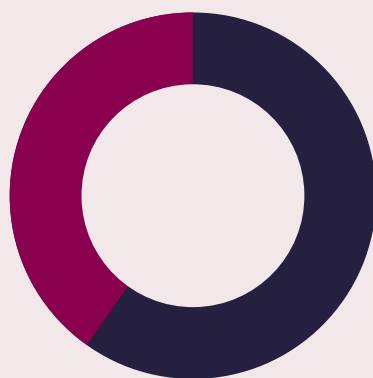
### Improve client outcomes with long/short equity

Long/short equity strategies are a natural fit for the equity portion of all investors up to and including those with a low-medium risk tolerance. With flexibility to employ sophisticated tools like short-selling and derivatives, long/short equity strategies deliver the benefits of equity ownership with potential for lower volatility, lower correlation to broad equity markets, and better downside protection. For clients investing over the short or medium term, substituting a portion of a plain vanilla equity allocation into a long/short mandate may lead to better investment outcomes within their target holding period. A long/short equity allocation may also provide a smoother ride by delivering better risk management than a long only equity position while generating a similar 'end return.'

### Alternatives in action

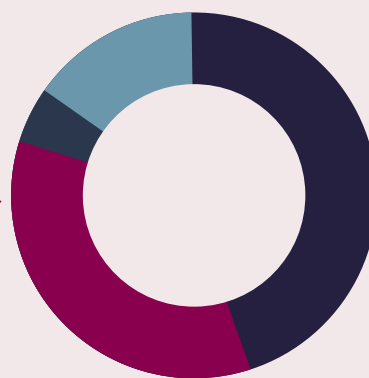
In the following example, a traditional global 60/40 portfolio is enhanced with a 20% alternatives sleeve comprised of 15% long/short equity and 5% long/short credit. The resulting portfolio offers improved returns (absolute and risk-adjusted), lower volatility and better downside protection.

Traditional 60/40



■ Global equities - 60%  
■ Global bonds - 40%

Enhanced 60/40



■ Global equities - 45%  
■ Global bonds - 35%  
■ Global long/short equity - 15%  
■ Long/short credit - 5%

## HYPOTHETICAL PERFORMANCE AND FOR ILLUSTRATIVE PURPOSES ONLY

	Return	Standard Deviation	Sharpe Ratio	Sortino Ratio	Worst Month	Worst Quarter	Max Drawdown
Traditional 60/40	10.48	7.36	0.85	1.35	-3.35	-4.52	-6.53
<b>Enhanced 60/40</b>	<b>11.71</b>	<b>6.55</b>	<b>0.99</b>	<b>1.62</b>	<b>-2.61</b>	<b>-2.70</b>	<b>-5.03</b>

Source: Morningstar Research Inc. for the period 12/1/2018 – 2/28/2021. Global equities = MSCI World GR CAD, Global Bonds = Bloomberg Barclays Global Aggregate TR CAD, Global Long/Short Equity = CI Munro Alternative Global Growth Fund (Series F); Long/Short Credit = CI Lawrence Park Alternative Investment Grade Credit Fund (Series F)

The hypothetical performance assumes reinvestment of dividends and capital gains. All model entry and exit prices are based the volume-weighted average price for the day orders are executed. Fund expenses, including management fees and other expenses, were deducted. Performance is calculated in CAD dollars. Unlike an actual performance record, simulated results do not represent actual performance and are generally prepared with the benefit of hindsight. In addition, hypothetical trading does not involve financial risk. There are frequently differences between simulated performance results and the actual results subsequently achieved by any particular fund. In addition, since trades have not actually been executed, simulated results cannot account for the impact of certain market risks such as lack of liquidity.

There are numerous other factors related to the markets in general or the implementation of any specific investment strategy, which cannot be fully accounted for the in the preparation of simulated results and all of which can adversely affect actual results. No representation is being made that any person will or is likely to realize profits or losses similar to those presented above.

Munro Partners and Lawrence Park Asset Management Ltd are portfolio subadvisors to certain funds offered and managed by CI Global Asset Management.

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## Adding a 20% Allocation to a Long/Short Credit Strategy

### RPIA: Case Study



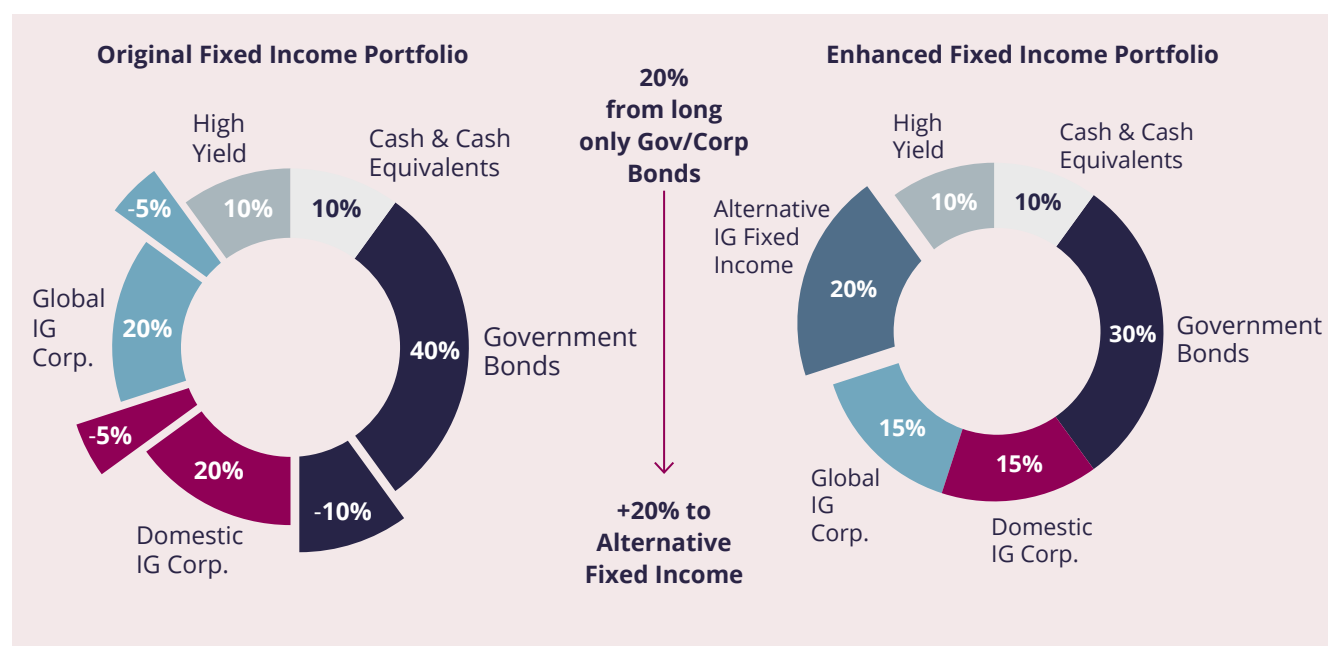
An anti-beta strategy that allocates to U.S. equities in both long and short positions provides the potential to generate positive returns regardless of the direction of the general market. Adding a strategic hedge in the form of an anti-beta strategy can smooth out the return profile, lower volatility and reduce the impact of drawdowns.

#### What are the risks of investing in traditional fixed income

- Rising yields leading to negative performance in bonds
- Tight credit spreads and minimal opportunity for capital gains
- Default risk associated with bonds that provide higher yields
- Rising inflation leading to losses in purchasing power

#### How does a Long/Short Credit strategy help Mitigate risks?

- Ability to manage duration risk and limit losses from increasing yields
- Can offer capital appreciation without the need for broad spread tightening
- Default risk associated with bonds that provide higher yields
- Can generate reasonable returns while investing primarily in investment grade credit



## The Outcome

The addition of a long/short credit strategy can allow for higher absolute returns to enhance investment goals without introducing equity or lower quality credit into the portfolio.

### Historical Performance<sup>1</sup>

	YTD	1 Year	3 Year	5 Year	7 Year	10 Years
<b>Enhanced FI Portfolio*</b>	<b>-0.5%</b>	<b>3.8%</b>	<b>4.6%</b>	<b>3.6%</b>	<b>3.8%</b>	<b>4.5%</b>
<b>Traditional FI Portfolio</b>	-1.7%	0.6%	4.2%	2.9%	3.2%	3.8%
<b>FTSE Canada Universe Bond Index</b>	-3.5%	-2.4%	4.2%	2.6%	3.5%	3.9%

- Higher absolute returns relative to Canada bond index and traditional fixed income portfolio.

### Historical Portfolio Stats<sup>2</sup>

	Average Monthly Return	Sharpe Ratio <sup>3</sup>	Beta <sup>4</sup>	Average Monthly Drawdown
<b>Enhanced FI Portfolio*</b>	<b>0.37%</b>	<b>1.03</b>	<b>0.63</b>	<b>1.32</b>
<b>Traditional FI Portfolio</b>	0.31%	0.98	0.70	1.42
<b>FTSE Canada Universe Bond Index</b>	0.33%	0.76	1.00	1.65

### Correlation Matrix

	Canada Universe	Global Bonds	US Equities	Global Equities
<b>Enhanced FI Portfolio*</b>	<b>0.72</b>	<b>0.68</b>	<b>0.43</b>	<b>0.51</b>
<b>Traditional FI Portfolio</b>	0.93	0.88	0.30	0.35
<b>FTSE Canada Universe Bond Index</b>	1.00	0.83	0.21	0.22

- Increased efficiency of returns (Sharpe ratio) and average monthly return.
- Decreased the average drawdown and beta to the index.
- Decreased correlation to traditional Canadian Bonds while maintaining a low correlation to equity indices.

\* RP Debt Opportunities Strategy's performance used for "Alternative IG Fixed Income" in the "Enhanced FI Portfolio"

1 Returns are XXXX as of June 30th, 2021

2 Historical Portfolio Stats are for a 10 year period as of June 30th, 2021

3 Risk Free Benchmark = CIBC WM 91-Day Treasury Bill

4 Benchmark = FTSE Canada Universe Bond Index

Source Evestment. Canada Universe = FTSE Canada Universe Bond Index, Global Bonds = Bloomberg Barclays Global Aggregate Hedged (CAD), US Equities = S&P 500 Index, Global Equities = MSCI ACWI Equity Index

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# 9

## AIMA Canada Manager Members 2021

AIMA manager members can also provide investors with a full, detailed due diligence questionnaire.

MANAGER MEMBERS	FUND STRUCTURES					FUNDS BY CIFSC ALTERNATIVE FUND CATEGORIES				
	Hedge Funds	Alternative Mutual Funds	Alternative ETFs	Private Credit Funds	Other*	Equity-Focused	Credit-Focused	Multi-Strategy	Market Neutral	Other
ABERDEEN STANDARD INVESTMENTS (CANADA)	•									
ACCELERATE FINANCIAL TECHNOLOGIES INC			•			•			•	
AGF INVESTMENTS INC.	•		•			•	•		•	
ALGONQUIN CAPITAL CORPORATION	•	•					•			
ALLIANZ GLOBAL INVESTORS (CANADA)		•								
ARDENTON CAPITAL CORPORATION	•									
ARROW CAPITAL MANAGEMENT	•	•	•			•	•	•	•	

	FUND STRUCTURES					FUNDS BY CIFSC ALTERNATIVE FUND CATEGORIES				
MANAGER MEMBERS	Hedge Funds	Alternative Mutual Funds	Alternative ETFs	Private Credit Funds	Other*	Equity-Focused	Credit-Focused	Multi-Strategy	Market Neutral	Other
AUSPICE CAPITAL ADVISORS LTD.	•	•	•					•		
AVANTFAIRE CANADA LTD.				•						•
AVENUE LIVING ASSET MANAGEMENT					•					
AYAL CAPITAL ADVISORS LTD.	•					•				
BLACKROCK ASSET MANAGEMENT CANADA		•	•							
BLOOM BURTON INVESTMENT GROUP INC	•			•		•				•
BT GLOBAL GROWTH INC.	•					•				



	FUND STRUCTURES					FUNDS BY CIFSC ALTERNATIVE FUND CATEGORIES				
MANAGER MEMBERS	Hedge Funds	Alternative Mutual Funds	Alternative ETFs	Private Credit Funds	Other*	Equity-Focused	Credit-Focused	Multi-Strategy	Market Neutral	Other
CACHET CAPITAL INC.					•					
CENTURION ASSET MANAGEMENT INC.	•			•						•
CI INVESTMENTS		•	•			•	•			
CIBC ASSET MANAGEMENT		•						•		
CONVERIUM CAPITAL INC.	•							•		
CORTLAND CREDIT GROUP INC	•			•						•
CREDIT SUISSE ASSET MANAGEMENT CANADA		•								

	FUND STRUCTURES					FUNDS BY CIFSC ALTERNATIVE FUND CATEGORIES				
MANAGER MEMBERS	Hedge Funds	Alternative Mutual Funds	Alternative ETFs	Private Credit Funds	Other*	Equity-Focused	Credit-Focused	Multi-Strategy	Market Neutral	Other
CROWN CAPITAL PARTNERS INC.				•						
DELPHIA (USA) INC	•					•			•	
DESJARDINS INVESTMENTS INC.		•	•							
DYNAMIC FUNDS	•	•				•	•	•		•
EHP FUNDS	•	•				•			•	
EDGEPOINT INVESTMENT GROUP	•					•	•			
ESPRESSO CAPITAL LTD				•						



	FUND STRUCTURES					FUNDS BY CIFSC ALTERNATIVE FUND CATEGORIES				
MANAGER MEMBERS	Hedge Funds	Alternative Mutual Funds	Alternative ETFs	Private Credit Funds	Other*	Equity-Focused	Credit-Focused	Multi-Strategy	Market Neutral	Other
EVOVEST	•					•			•	
FIERA CAPITAL CORPORATION	•	•				•	•			•
FORGE FIRST ASSET MANAGEMENT INC.		•				•		•		
FORMULA GROWTH LIMITED	•					•			•	
GAPINSKI CAPITAL MANAGEMENT LLC	•									
GROUND LAYER CAPITAL INC.	•					•				
HGC INVESTMENT MANAGEMENT INC	•							•		



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MANAGER MEMBERS	Hedge Funds	Alternative Mutual Funds	Alternative ETFs	Private Credit Funds	Other*	Equity-Focused	Credit-Focused	Multi-Strategy	Market Neutral	Other
HIGHSTREET ASSET MANAGEMENT INC.	•					•				
HILLSDALE INVESTMENT MANAGEMENT INC	•					•		•		
HORIZONS ETFs MANAGEMENT (CANADA) INC			•			•		•		•
IBV CAPITAL LTD	•									
ICM ASSET MANAGEMENT INC	•			•						
INVESTMENT PARTNERS FUND INC.	•					•				
JM FUND MANAGEMENT INC.	•							•		



	FUND STRUCTURES					FUNDS BY CIFSC ALTERNATIVE FUND CATEGORIES				
MANAGER MEMBERS	Hedge Funds	Alternative Mutual Funds	Alternative ETFs	Private Credit Funds	Other*	Equity-Focused	Credit-Focused	Multi-Strategy	Market Neutral	Other
LAWRENCE PARK ASSET MANAGEMENT LTD	•	•	•				•			•
LEITH WHEELER INVESTMENT COUNSEL LTD	•									
LIONGUARD CAPITAL MANAGEMENT INC	•					•			•	
LYNWOOD CAPITAL MANAGEMENT INC.	•					•				
LYSANDER FUNDS LIMITED	•	•					•			
MACKENZIE FINANCIAL CORPORATION		•					•	•		
MARRET ASSET MANAGEMENT INC.	•						•			

	FUND STRUCTURES					FUNDS BY CIFSC ALTERNATIVE FUND CATEGORIES				
MANAGER MEMBERS	Hedge Funds	Alternative Mutual Funds	Alternative ETFs	Private Credit Funds	Other*	Equity-Focused	Credit-Focused	Multi-Strategy	Market Neutral	Other
MONTRUSCO BOLTON INVESTMENTS INC.	•	•		•	•					
NEUBERGER BERMAN	•	•	•	•		•	•	•	•	•
NEXT EDGE CAPITAL CORP		•		•						•
NINEPOINT PARTNERS LP	•	•		•			•			•
NOAH CANADA WEALTH MANAGEMENT	•			•	•	•	•	•	•	
OGAM LTD.	•									
PENDERFUND CAPITAL MANAGEMENT LTD.					•					•



	FUND STRUCTURES					FUNDS BY CIFSC ALTERNATIVE FUND CATEGORIES				
MANAGER MEMBERS	Hedge Funds	Alternative Mutual Funds	Alternative ETFs	Private Credit Funds	Other*	Equity-Focused	Credit-Focused	Multi-Strategy	Market Neutral	Other
PERISCOPE CAPITAL INC	•					•		•		
PH&N INVESTMENT MANAGEMENT	•							•		
POLAR ASSET MANAGEMENT PARTNERS INC.	•					•		•		
Q CAPITAL MANAGEMENT LTD.	•							•		
QUANTIUS INC				•						
RBC GLOBAL ASSET MANAGEMENT	•	•				•			•	
RESOLVE ASSET MANAGEMENT	•	•						•		
RP INVESTMENT ADVISORS	•	•					•			

	FUND STRUCTURES					FUNDS BY CIFSC ALTERNATIVE FUND CATEGORIES				
MANAGER MEMBERS	Hedge Funds	Alternative Mutual Funds	Alternative ETFs	Private Credit Funds	Other*	Equity-Focused	Credit-Focused	Multi-Strategy	Market Neutral	Other
SCOTIA GLOBAL ASSET MANAGEMENT	•	•				•	•	•		•
SHORELINE WEST ASSET MANAGEMENT INC.	•									
SKYLINE WEALTH MANAGEMENT INC					•					
SUMMERWOOD CAPITAL CORP.										
TACTEX ASSET MANAGEMENT INC.	•									
THIRD EYE CAPITAL				•						
TIMBERCREEK ASSET MANAGEMENT	•				•					
TRANS-CANADA CAPITAL INC.	•									



	FUND STRUCTURES					FUNDS BY CIFSC ALTERNATIVE FUND CATEGORIES				
MANAGER MEMBERS	Hedge Funds	Alternative Mutual Funds	Alternative ETFs	Private Credit Funds	Other*	Equity-Focused	Credit-Focused	Multi-Strategy	Market Neutral	Other
TURTLE CREEK ASSET MANAGEMENT INC					•	•				
VISION CAPITAL CORPORATION	•	•				•			•	
WARATAH CAPITAL ADVISORS LTD	•	•			•	•			•	
WAYPOINT INVESTMENT PARTNERS		•				•				
WELLINGTON MANAGEMENT CANADA	•	•					•		•	•
XIB ASSET MANAGEMENT INC	•	•				•		•		
YTM CAPITAL ASSET MANAGEMENT LTD	•	•					•			•

To learn more about these funds, please contact the manager member firm directly.

CIFSC Alternative Fund Category Definitions:

<http://www.cifsc.org/wp-content/uploads/2019/03/CIFSC-Alternative-Fund-Categories.pdf>

## AIMA Canada Investors & Service Providers 2021

ALBERTA INVESTMENT MANAGEMENT CORP  
ALBERTA TEACHERS' RETIREMENT FUND  
ALBOURNE PARTNERS (CANADA) LIMITED  
APEX FUND SERVICES (CANADA) LTD  
BAKER MCKENZIE  
BANK OF AMERICA MERRILL LYNCH  
BLAKE, CASSELS & GRAYDON LLP  
BMO NESBITT BURNS INC  
BORDEN LADNER GERVAIS LLP  
BRK CAPITAL  
BROADRIDGE FINANCIAL SOLUTIONS, INC.  
CAISSE DE DEPOT ET PLACEMENT DU QUEBEC  
CIBC CAPITAL MARKETS  
CIBC MELLON GLOBAL SECURITIES SERVICES COMPANY  
CIBC WOOD GUNDY  
CITCO (CANADA) INC  
CORNERSTONE GROUP  
CREDIT SUISSE PRIME SERVICES  
DAVIES WARD PHILLIPS & VINEBERG LLP  
ENTERPRISE CASTLE HALL ALTERNATIVES INC.  
EXT. MARKETING INC.  
EY - CANADA  
EZE SOFTWARE CANADA INC  
FUNDATA CANADA INC  
GOLDMAN SACHS CANADA INC  
HARMONIC FUND SERVICES CANADA INC  
INDEPENDENT REVIEW INC.  
INNOCAP INVESTMENT MANAGEMENT  
INTERNATIONAL FUND SERVICES  
INTERTRUST GROUP  
INVESTMENT MANAGEMENT COMPANY OF ONTARIO  
JODDES LIMITED

KPMG LLP  
MAPLES FUND SERVICES (CANADA) INC  
MCMILLAN LLP  
MUFG FUND SERVICES (CANADA) LIMITED  
NATIONAL BANK FINANCIAL INC.  
NATIONAL BANK INDEPENDENT NETWORK  
OMERS ADMINISTRATION CORPORATION  
ONTARIO TEACHERS' PENSION PLAN  
OPTRUST - OPSEU PENSION PLAN TRUST FUND  
PRICEWATERHOUSECOOPERS - TORONTO  
PRIME QUADRANT  
PSP INVESTMENTS  
RBC GROUP RISK MANAGEMENT (GRM) WHOLESALE  
CREDIT RISK  
RICHARDSON WEALTH  
RSM CANADA  
SCOTIA GLOBAL BANKING & MARKETS  
SGGG FUND SERVICES INC.  
SOCIETE GENERALE CAPITAL CANADA INC.  
SS&C TECHNOLOGIES  
STATE STREET  
STIKEMAN ELLIOTT LLP  
TORONTO TRANSIT COMMISSION PENSION PLAN  
THE CANADIAN MEDICAL PROTECTIVE ASSOCIATION  
TD WEALTH  
TD SECURITIES  
THE AUDRA GROUP  
UNIVERSITY OF TORONTO ASSET MANAGEMENT  
CORPORATION (UTAM)  
VISTRA  
WILLIS TOWERS WATSON  
WWOODS & CO LIMITED  
WESTCOURT CAPITAL CORPORATION





# 10

## AIMA & ACC Membership Benefits, 30+ Years in the Making

**PRESENCE | INFLUENCE | CONNECTION | KNOWLEDGE**

**REGULATORY ADVOCACY & GUIDANCE | EDUCATION | COMMUNICATION**

### RESEARCH & EDUCATION

- AIMA Canada Handbook
- ACC Financing the Economy
- Hedge Fund Start-Up Guide
- Alignment of Interests & Fees
- Future of Hedge Fund Industry
- Liquidity, Leverage, Portfolio Construction, and more

### 16+ DUE DILIGENCE QUESTIONNAIRES

- Full Fund DDQs
- Operational Resilience DDQ
- Diversity & Inclusion DDQ
- Service Provider DDQs, and more

### 35+ SOUND PRACTICE GUIDES

- Operational Risk Management
- Valuation of Investments
- Cyber-security
- Outsourcing
- Expense Allocation, and more

### RESPONSIBLE INVESTING (RI) & ESG

- Primer, Policy Guide & Practice Guide
- Sustainable Finance Disclosure
- Short Selling & RI research, and more

### REGULATORY GUIDANCE

- Marketing into global jurisdictions,
- Liquidity Risk Management
- MIFID II/MiFIR, GDPR, AIFMD, and more

### REGULATOR DIALOGUE & ADVOCACY

- 150+ meetings with global regulators
- Proactive policy proposals
- Reactive policy comment letters

### 200+ EVENTS (95% member/investor only)

- Educational and networking
- AIMA Global Investor Forum
- AIMA Global Policy & Regulatory Forum
- AIMA Next Gen Manager Forum, and more

### NETWORKING OPPORTUNITIES

- AIMA Connect online chat network
- Coffee & Conversation pairings
- Peer groups and committees

### SPEAKING OPPORTUNITIES

- 200+ events per year globally
- Educational videos & presentations
- Committee presentation opportunities

### 60+ PEER GROUP & COMMITTEES

- Various by role, seniority and focus
- Options for compliance/legal, operations, sales and investor relationship, events and marketing, young professionals, etc.

### FOR INVESTORS

- Full (cost) and affiliate (free) options for resource access
- Investor Steering Committee
- ODD Peer Group
- ACC Investor Forum
- Complimentary event access

### OTHER BENEFITS

- Discounts from members services
- Discounts from partners (CAIA exams, conferences, etc.)
- All employees covered in membership\*

### BRAND/MARKETING OPPORTUNITIES

- AIMA Journal: Two articles per year
- Research/policy project participation
- Event sponsorship
- Directory listings

### IN CANADA

- Dedicated leadership (staff & AIMA Canada Executive Committee)
- 9+ Local committees & working groups
- 35+ local events per year across country
- Semi-annual meetings with local regulators (CSA, IIROC, AMF, Bank of Canada)
- Local educational initiatives for institutional allocators & advisors
- Subscription document template, and more

### LEADERSHIP OPPORTUNITIES

- AIMA Canada Executive Committee
- Committee Co-Chairs
- AIMA Council (global)
- Young Professionals engagement

**\*For more information, please contact [canada@AIMA.org](mailto:canada@AIMA.org)**



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