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July 15, 2024

Qualified Investment Consultation
c/o Director General, Tax Legislation Division
Department of Finance Canada
90 Elgin Street
Ottawa ON K1A 0G5

Re: Consultation on Qualified Investments for Tax-Advantaged Savings Plans (the Consultation)

INTRODUCTION AND POSITIONS

Thank you for the opportunity to provide comments in response to the Consultation. We believe this is an exciting time to re-examine the qualified investment rules and modernize them for the current state of the alternative investment industry in Canada. Our comments are limited to specific questions posed in the Consultation, and which relate to collective investment vehicles with which our members are concerned, as described below. Other than with respect to crypto-based funds, our comments do not address publicly offered collective investment vehicles.

As a Canadian focused industry organization supporting Canadian alternative investment managers, investors and industry service providers, we wish to specifically address the questions of whether (i) the conditions that certain pooled investment products must meet to be a qualified investment are appropriate; (ii) whether and how qualified investment rules can promote an increase in Canadian-based investments; and (iii) whether crypto-backed assets are appropriate as qualified investments for registered savings plans.

We would propose that collective investment vehicles as described below, distributed based on a private placement exemption, should be permitted as a qualified investment for registered plans provided the specified conditions are met. We respectfully submit that the proposed new category will not raise any concerns with respect to other provisions of the *Income Tax Act* (Canada) relating to mutual fund trusts as it would be limited to the qualified investment definition and would help promote important government objectives such as the investment in Canadian based assets as well as capital formation in Canada. It will also assist with the democratization of private market products to certain retail investors.

Similarly, we propose that crypto-backed assets remain as qualified investments for registered plans. We are of the view that for assets such as crypto-based exchange traded funds (**ETFs**), there are sufficient legal safeguards in place by the securities regulators to help ensure that these types of investments are suitable for registered plans and are concerned that their removal would cause harm to the Canadian ETF industry.

ABOUT CAASA

The Canadian Association of Alternative Strategies & Assets (**CAASA**) was established in 2018 to unite alternative investment managers, investors, and service providers, fostering an environment for information sharing, discussion, networking, and collaboration.

CAASA represents a diverse group of public and private market participants, whose offerings are available to retail investors, accredited investors, family offices, endowments, foundations, public and private pension plans, and sovereign wealth funds.

Public market participants include hedge/alternative strategy asset managers, such as managed futures/CTAs, long-short equity, equity market neutral, credit and fixed income funds, multi-strategy, special situations, and others dealing predominantly in publicly priced/quoted markets.

Private market participants include private lending, such as factoring and revolvers and long-term financing, direct and fund-structured real estate and development investments including infrastructure, private equity including PE debt and PE real estate, venture capital, agriculture, and other alternative assets such as weather derivatives.

CAASA operates across Canada, engaging in all major financial hubs and regions with significant investor or service provider concentrations. These include Toronto, Montréal, Québec City, Halifax, Ottawa, Vancouver, Victoria, Calgary, Edmonton, and Winnipeg. This national presence allows CAASA to gather market intelligence and tailor its offerings to provide valuable insights to its members and stakeholders.

CAASA believes that Canada is a leader in many areas of investment management and can both contribute to and learn from global best practices. The association provides opportunities for domestic and international professionals to exchange ideas, collaborate on current issues, and discuss industry trends.

Of primary importance to CAASA is education, including the education of both its members on areas such as regulatory requirements and considerations, as well as education of the regulators and other market participants with respect to the benefits of growing the Canadian alternative investment industry and working together to address any emerging issues.

CAASA Governance and Structure

CAASA is member-driven, created, and controlled by its members and local staff for the benefit of the Canadian alternatives industry.

The Member Advisory Panel (**MAP**) collaborates with CAASA staff to develop and adapt strategies, initiatives, event themes and formats, and to create various Member Initiative Groups (**MIGs**) focused on specific aspects or geographical areas within the Canadian alternatives industry. The MAP serves CAASA members and the industry by planning strategic initiatives and guiding the association's direction and programming. CAASA staff support the MAP and MIGs by attending meetings and providing logistical, thematic, and operational assistance for their activities.

All CAASA meetings and activities adhere to the principles of inclusiveness, collaboration, fairness, and transparency.

Member Initiative Groups (MIGs)

CAASA's Member Initiative Groups (**MIGs**) are open to all members and meet monthly or bi-monthly to focus on specific topics or regions within the Canadian alternatives industry. Current MIGs include:

- **Compliance & Operations Group (COG)**: Covers a range of compliance-related topics within the asset management industry, creating interactive sessions that address practical compliance issues faced by CAASA members.

- **Liquid Alternatives Working Group (LAWG):** Composed of industry professionals, this group aims to reduce regulatory burdens for liquid alternative funds and enhance best practices, drawing on methods from the United States, Europe, and Australia.

- **Family Office Group (FOG):** A subgroup of the broader Investor Group, this group includes single and multi-family office members who discuss due diligence, trading and operations, investment and allocation strategies, and emerging trends in alternative assets.

- **Young Professionals Group (YPG):** Designed for rising stars and trailblazers in the industry, this group fosters a sense of community and connectivity among young professionals through events, mentorship opportunities, and industry-focused sessions.

CAASA Membership Composition

As of July 10, 2024, CAASA had 424 members, comprised of the following:

- 223 Asset Managers (52.6%)
- 98 Investors (23.1%)
- 64 Service Providers (15.1%)
- 39 Start-ups (pre-seed / series a) (9.2%)

DISCUSSION ON POOLED FUNDS

Investment Funds and Collective Investment Vehicles

Many of CAASA's members either manufacture, advise on or distribute collective investment vehicles on a private placement basis in the exempt market. For this purpose, we are referring to the distribution of investment products without the use of a prospectus, relying on an exemption from the prospectus requirements.

CAASA is strongly of the view that the type of collective investment vehicles described below, which may or may not qualify as an investment fund for securities law purposes or a mutual fund for tax purposes, should be permitted as a new category of qualified investment for registered savings plans (other than new acquisitions by registered retirement income funds).

The definition of an investment fund can be found in various securities rules. National Instrument 81-106 *Investment Fund Continuous Disclosure* (**NI 81-106**) includes the following relevant definitions:

> "*investment fund"* means a mutual fund or a non-redeemable investment fund, and, for greater certainty in British Columbia, includes an EVCC and a VCC;
>
> "*non-redeemable investment fund"* means an issuer, (a) whose primary purpose is to invest money provided by its securityholders, (b) that does not invest, (i) for the purpose of exercising or seeking to exercise control of an issuer, other than an issuer that is a mutual fund or a non-redeemable investment fund, or (ii) for the purpose of being actively involved in the management of any issuer in which it invests, other than an issuer that is a mutual fund or a non-redeemable investment fund, and (c) that is not a mutual fund;

> *"EVCC"* means an employee venture capital corporation that does not have a restricted constitution, and is registered under Part 2 of the Employee Investment Act (British Columbia), R.S.B.C. 1996 c. 112, and whose business objective is making multiple investments;
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> *"VCC"* means a venture capital corporation registered under Part 1 of the Small Business Venture Capital Act (British Columbia), R.S.B.C. 1996 c. 429 whose business objective is making multiple investments.

The definition of a mutual fund for securities law purposes is found in securities legislation. For illustrative purposes, the definition in the *Securities Act* (Ontario) is as follows:

> *"mutual fund"* means an issuer whose primary purpose is to invest money provided by its security holders and whose securities entitle the holder to receive on demand, or within a specified period after demand, an amount computed by reference to the value of a proportionate interest in the whole or in part of the net assets, including a separate fund or trust account, of the issuer.

There is also currently a definition of a "collective investment vehicle" in *National Instrument 45-106 Prospectus Exemptions*. The definition is required because there is a prospectus exemption that is available to distribute securities of such a vehicle on the basis that an offering memorandum, in prescribed form, is provided to the purchasers of the securities, among other conditions. In certain jurisdictions, including Ontario, this exemption is not available for all or certain types of investment funds (as defined under securities legislation). However, part of the definition could be used for purposes of identifying additional permitted qualified investments, as follows:

> "*collective investment vehicle*" means either of the following:
>
> (a) an investment fund;
>
> (b) any other issuer, the primary purpose of which is to invest money provided by its security holders in a portfolio of securities other than securities of subsidiaries of the issuer.

The types of collective investment vehicles that would not be an "investment fund" for securities law purposes are typically those with at least a partial active investment mandate where the fund exercises or seeks to exercise control of its investees.

Description of Distribution of Securities of Collective Investment Vehicles

Under securities legislation across the country, the distribution of an issuer's securities, which includes the trade of the securities of an issuer that have not been previously issued, is prohibited unless a preliminary prospectus and a prospectus have been filed and receipts issued therefor or an exemption from the prospectus requirements is available.

The commonly used exemptions from the prospectus requirement are consolidated across the country in National Instrument 45-106 *Prospectus Exemptions* (**NI 45-106**). In Ontario, there are some equivalent exemptions directly in the *Securities Act* (Ontario), for example the accredited investor prospectus exemption is in Section 73.3 of that Act and found in Section 2.3 of NI 45-106. The accredited investor exemption is available to sell securities of an issuer to a purchaser who qualifies as an accredited investor who purchases (or is deemed to purchase) the securities as principal, provided that all the conditions to the exemptions are met.

Individuals who qualify as accredited investors typically must meet the specified financial tests based on metrics such as income or financial assets. We understand that registered plans could typically purchase privately placed securities because one category of accredited investor includes "a person [which includes a trust] in respect of which all of the owners of interests, direct, indirect or beneficial, except the voting securities required by law to be owned by directors, are persons that are accredited investors." There are other ways for such plans to be considered an accredited investor depending on the circumstances, as well as other prospectus exemptions that would be available.

With respect to the registration requirement under securities legislation, in general any person or entity engaged in, or holding themselves out as engaging in, the business of trading in securities or the business of advising anyone with respect to the investing in securities in Canada must register as a dealer (or adviser, as applicable), in the relevant Canadian jurisdictions, unless an exemption is available.

Most of the obligations relating to registered dealers are found in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**). Among many other safeguards, when recommending securities for a client, dealers are required to:

- Know-your-client (**KYC**), including ensuring that the dealer has collected sufficient information to enable it to make a proper suitability determination, including the client's personal circumstances, financial circumstances, investment needs and objectives, investment knowledge, risk profile and investment time horizon (Section 13.2(2) of NI 31-103);

- Know-your-product, which means that a dealer is not permitted to make securities available to its clients unless it has taken reasonable steps to assess the relevant aspects of the securities, including the securities' structure, features, risks, initial and ongoing costs and the impact of those costs, approve the securities to be made available and monitor the securities for significant changes (Section 13.2.1 of NI 31-103); and

- Meet their suitability obligation, which entails putting a dealer's clients' interests first and determining on a reasonable basis that prior to purchasing securities for a client, or taking any other investment action, that the action is suitable for that client (Section 13.3 of NI 31-103).

The Canadian Securities Administrators (**CSA**) have stated that a suitability determination should be based on:

- The client's KYC information;
- the registrant's assessment of the security;
- the impact of the action on the client's account, including concentration and liquidity considerations;
- the actual and potential impact of costs on the client's returns; and
- a reasonable range of other alternatives available through the dealer at the time the determination is made.

As part of a typical dealer due diligence process, dealers often utilize comprehensive due diligence questions on all aspects of a fund vehicle prior to permitting the vehicle's securities to be placed on their shelves for distribution, including to registered plans.

Fund vehicles that are investment funds for securities law purposes must be managed by an investment fund manager unless an exemption is available. Investment fund managers are also subject to numerous requirements set out in NI 31-103. In addition, in certain jurisdictions, including Ontario, investment fund managers have a statutory duty to unitholders of the funds which they manage. For example, s. 116 of the *Securities Act* (Ontario) provides as follows:

"Every investment fund manager,

(a) shall exercise the powers and discharge the duties of their office honestly, in good faith and in the best interests of the investment fund; and

(b) shall exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances."

These safeguards under securities laws built into the prospectus exemptions and the registration requirements (and for investment funds, the investment fund manager requirement) provide comfort that an additional category of qualified investments for registered plans in the form of a collective investment vehicle as described below should be permitted.

Proposal for Collective Investment Vehicles

We would propose that a new definition of collective investment vehicle (modified from the definition used for the purpose of the offering memorandum prospectus exemption defined above), distributed on the basis of a private placement exemption, should be permitted as a qualified investment for registered plans other than new acquisitions by registered retirement income funds, provided that:

(A) either:

(i) the collective investment vehicle is managed by a registered investment fund manager; or

(ii) the securities of the collective investment vehicle are distributed to the registered plan account through a registered dealer who is permitted to distribute such securities under applicable securities legislation and who has a suitability obligation with respect to the trade; and

(B) the collective investment vehicle's assets are valued at fair market value at least once per year and are subject to an independent audit.

Given the specific withdrawal requirements of a registered retirement income fund, we would propose that those plans not be permitted to acquire securities of a collective investment vehicle directly but may hold such securities upon conversion from an RRSP.

We note that in certain circumstances, the suitability requirement would not apply to a registrant in respect of a "permitted client" (generally, an ultra-high net worth individual) who requests in writing that the registrant not make a suitability determination for the client's account. These would be included in proposed branch (A)(ii) of the definition above as the obligation still exists but is waived by the permitted client.

The definition of "collective investment vehicle" for this purpose would be expanded from the definition currently utilized in NI 45-106 as follows [new provisions emphasized in italics]:

"collective investment vehicle" means either of the following:

(a) an investment fund; or

(b) any other issuer, the primary purpose of which is to invest money provided by its security holders in a portfolio of securities other than securities of subsidiaries of the issuer; or

(c) any other issuer, the primary purpose of which is to invest money provided by its security holders, and the issuer is engaged in one or more of:

(i) investing for the purpose of exercising or seeking to exercise control of one or more issuers;
(ii) investing for the purpose of being actively involved in the management of one or more issuers; or
(iii) holding one or more assets in addition to or other than securities, including real estate or infrastructure assets.

The second branch of the definition in (b) above is intended to reflect the current intention of the types of vehicles included in the definition in NI 45-106, which includes mortgage investment entities, issuers that act as lender for a portfolio of non-mortgage loans and in some cases issuers that invest in receivables. The new clause (c) above is intended to include vehicles that invest in private equity, venture capital, infrastructure, real estate and other assets.

We would not propose that collective investment vehicles be entitled to any benefits that would be afforded to mutual fund trusts (for example, with respect to tax deferred mergers). The category would include collective investment vehicles structured other than as trusts, such as limited partnerships.

The CSA and individual securities commissions have implemented a robust regulatory regime. We are proposing that the trade of securities of a collective investment vehicle in the exempt market, which is made through a registered dealer that has a myriad of compliance obligations including know-your-client, know-your-product and suitability obligations, and/or a collective investment vehicle with a registered investment manager that itself is subject to numerous requirements and standards, are sufficient protections for retail investors.

We note as well the new requirement as of January 1, 2024 for payers (issuers/carriers) to file an information return reporting the total fair market value at the end of the year of all property held in a registered retirement savings plan (**RRSP**) or registered retirement income fund. We understand that for this purpose, "fair market value" is generally considered to mean

the highest price expressed in terms of money that can be obtained in an open and unrestricted market between informed and prudent parties, who are dealing at arm's length and under no compulsion to buy or sell. The proposed definition of "collective investment vehicle" would include an annual valuation at fair market value that complies with this requirement.

The proposed definition of "collective investment vehicle" would apply to a subset of the Canadian public who utilize registered plans, being those who qualify as an accredited investor or who are otherwise able to qualify for the use of an exemption from the prospectus requirements. Furthermore, the purchase of the securities for the registered plan for collective investment vehicles that do not have a registered investment fund manager must be made through a registered dealer with a suitability obligation. We believe such a result is equitable, as currently the same group of individuals would be able to purchase the same securities outside of a registered plan.

We submit that the new category would not raise any new concerns about "self-dealing" or other similar potentially abusive tax planning opportunities with respect to closely held investments because of the existing prohibited investment rules.

Similar Products and Jurisdictional Analysis

There are examples in jurisdictions with similar capital market oversight where additional asset classes are permitted investments for registered plans.

We understand that in the United States, a Roth IRA is a tax-advantaged individual retirement account funded with after-tax dollars. There is a list of prohibited investments, such as collectibles and certain disqualified loans, but if the investment option is not explicitly prohibited, it is allowed. Some trustees and custodians may not allow certain asset classes even if they are not otherwise prohibited, but we understand further that some providers of these accounts even allow digital tokens to be held directly as there is no specific prohibition in doing so.

In the United Kingdom, the Financial Conduct Authority (**FCA**) has authorized the use of Long-Term Asset Funds, which are intended to facilitate access to long-term, illiquid assets, including private debt, private equity, venture capital, infrastructure and real estate. The purchase and redemption features of these regulated funds can thus be more consistent with the liquidity of the funds' assets. We understand the rationale behind the use of such funds included the fact that long-term, illiquid assets can provide a useful alternative investment opportunity for the appropriate investors and having an FCA authorized fund would broaden the choice to investors by increasing the options available and help the UK compete globally.

Labour-sponsored investment funds are examples of similar vehicles used in Canada. These corporate vehicles, sponsored by labour organizations, are generally eligible to be held in RRSPs, and are designed to invest in small and mid-sized Canadian businesses subject to specified criteria. Typically, the risk exposure to venture capital is reduced through the investment in a fund holding a diversified portfolio of smaller companies, which may be specialized in a particular sector such as information technology.

The foregoing are only some examples of alternative asset classes being held in registered plans, despite potential illiquidity.

Policy Discussion

Currently, institutional clients, including those in defined benefit (**DB**) plans, have access to alternative private assets for retirement savings, while many retail individual investors do not. This creates an unfair two-tier system that needs to be addressed.

Many of the private assets that are held in collective investment vehicles invest in asset classes such as Canadian-based real estate, infrastructure, early-stage companies and private credit. Such vehicles may not qualify as mutual fund trusts or quasi-mutual fund trusts because they do not meet one or more of the requirements (e.g. they do not have the requisite number of unitholders or are illiquid for a period).

Encouraging investment in Canada requires both expertise (professionals evaluating deals) and scale, because the cost of transactions, audits and ongoing monitoring is best spread over several investors. Allowing collective investment vehicles that invest in a variety of alternative assets will both permit a sub-set of Canadian retail investors access to this class and support capital formation and investment in these underlying industries.

Provinces have been examining initiatives to modernize capital markets and increase investments. For example, as described in the 2024 Ontario Budget: Building a Better Ontario, the provincial government is working with the Ontario Securities Commission on the establishment of a long-term asset fund framework. The framework is intended to increase both institutional and retail investor access to capital intensive assets like infrastructure, natural resource projects and other relatively less liquid assets. Opening an additional category of qualified investment such as collective investment vehicles would further this objective.

We wish to note as well that private mutual fund trusts may cease to qualify as a qualified investment for a variety of reasons which are not the fault of the registered plan beneficiary, and yet individual taxpayers may be subject to a penalty as a result. As an example, pooled funds may in unusual circumstances be forced to gate or cease redemptions due to underlying illiquidity. An additional category of qualified investment as proposed for the new "collective investment vehicle" category, which still has a readily ascertainable value but may be illiquid for

some period, would solve for this issue. We would also submit that any issue of requiring liquidity when an RRSP is converted into a registered retirement income fund would be factored into a dealer's suitability determination when considering whether any particular security is suitable for an investor's RRSP given their investment time horizon.

DISCUSSION ON CRYPTO-BACKED ASSETS

We would strongly encourage the retention of crypto-backed assets, including crypto-based ETFs, as appropriate qualified investments for registered plans.

We are aware that in the 2023 Fall Economic Statement[1], concerns were expressed with respect to the volatility of crypto assets. To that end, additional disclosure on exposure to the sector is being sought, including by the federal government which has been working on measures to require disclosures of crypto asset exposures in federally regulated pension plans (and with its provincial counterparts with respect to provincially regulated pension plans).

Currently, qualified investments include those crypto-backed funds that are either "mutual fund trusts" for tax purposes that are redeemable on demand and/or listed on a designated stock exchange, such that redemptions are required frequently. We respectfully submit that the current qualified investments in this asset class, including crypto-based ETFs, are subject to a myriad of safeguards required by the Canadian securities regulators, and thus concerns about volatility of the sector should be sufficiently addressed such that access to the asset class should not be removed for middle-class Canadians in their registered plans.

As recently outlined in a press release[2] by research and consulting provider ETFGI, crypto ETFs and exchange traded products (**ETPs**) listed globally had net inflows of USD$2.23 billion in May of 2024, with year-to-date net inflows of USD$44.5 billion (the highest on record). As of May 31, 2024, assets of USD$82.27 billion were invested in crypto ETFs and ETPs listed globally. Figures such as these illustrate the importance of this asset class to the global market. The removal of the ability to purchase a sub-set of these investments for Canadian registered plans would leave Canadian investors at a disadvantage.

With respect to the current securities regulatory environment, CSA Staff Notice 81-336 *Guidance on Crypto Asset Investment Funds That Are Reporting Issuers* (**Notice**) is instructive with respect to the requirements for public funds. The Notice references the fact that as of April

[1] 2023 Fall Economic Statement. (n.d.). https://www.budget.canada.ca/fes-eea/2023/report-rapport/FES-EEA-2023-en.pdf

[2] (2024, June 26). https://etfgi.com/news/press-releases/2024/06/etfgi-reports-crypto-etfs-and-etps-listed-globally-gathered-net-inflows

30, 2023 there were 22 public crypto asset funds in Canada with $2.86 billion in net assets. These funds currently invest only in bitcoin and/or ether, primarily through direct holdings and/or fund of fund structures. In addition to all the other public fund operational requirements, these "alternative mutual funds" under National Instrument 81-102 *Investment Funds* must compute a net asset value daily in accordance with NI 81-106.

The Notice describes the CSA's review of these funds, where it was concluded that the public crypto assets funds structured as ETFs had not experienced any material difficulties in meeting redemption requests. CSA Staff also found that most of the ETFs traded very closely to their net asset values. CSA staff confirmed several safeguards with respect to the custodians of these funds, including the segregation of a public crypto asset fund's assets from those of the custodian and its other clients, the use of offline or "cold wallet" storage, the existence of controls to validate the security, segregation and ownership of the crypto assets including verification on the blockchain, and the maintenance by the crypto custodian of a reasonably prudent amount of insurance over crypto assets.

The Notice also discusses the factors CSA staff will take into consideration of a crypto asset's market in determining whether to issue a prospectus receipt, including:

- the ability to determine a fair value of the crypto asset (through evidence of an active market, the presence of a regulated futures market and a publicly available index administered by a regulated index provider for the given crypto asset);
- the liquidity of the crypto asset (through effective liquidity risk management programs including stress testing and ongoing monitoring); and
- the classification of the crypto asset as either a security or a derivative.

The current custody requirements are also very stringent, in that the minimum expectation typically includes holding assets in "cold wallets" (other than to facilitate the purchase or redemption of securities), segregation of assets visible on the blockchain, website security measures, insurance for crime/theft of crypto assets, as well as SOC-2 Type-2 reports being provided to the funds' auditors.

Furthermore, under proposed amendments to NI 81-102 released on January 18, 2024, reporting issuer investment funds that wish to invest directly or indirectly in crypto assets will be subject to additional requirements. The proposals clarify the type of crypto assets that public crypto asset funds are permitted to hold, being those (i) listed for trading on, or being the underlying interest for a specified derivative where it trades on, a recognized exchange in Canada; and (ii) that are fungible. It also proposes to restrict the type of public fund that can invest in crypto assets to alternative mutual funds and non-redeemable investment funds and codifies the practices concerning custody of crypto assets held on behalf of a public crypto asset fund. The comment period for these proposals has ended and comments are under consideration by the CSA.

Canadian listed crypto-based ETFs will have undertaken a significant exercise to become listed on a Canadian stock exchange. The CSA has set out stringent requirements for crypto-based assets, as set out above. As public funds, these investments are managed by a registered investment manager, sold through registered dealers, utilize the services of registered portfolio managers, are redeemable at any time and have a readily ascertainable value. As such, any concerns about their safety for registered plans should be alleviated.

Prior to making any change that would have a negative market impact, we would urge a discussion with the CSA to discuss this regulatory regime further.

CONCLUSION

Thank you for this opportunity to consult on this important initiative which will have wide ranging impacts on the Canadian alternative investment industry, as well as on retail investors. We believe providing investors with increased access to collective investment vehicles through their registered savings plans, subject to the rigorous requirements of the prospectus and registration regime already overseen by the CSA, will help democratize the availability of private investment assets, particularly those that invest in Canadian businesses and hard assets.

We also believe it important to maintain crypto-backed assets as a qualified investment for registered plans, to ensure that Canadian investors do not miss out on this growing global asset class, particularly given the robust regulatory scrutiny already in place.

We would be pleased to discuss our comments further and remain open to continuing a dialogue on other matters impacting the alternative investment industry in Canada. We can be reached at (647) 953-0737.

Yours truly,

The Canadian Association of Alternative Strategies & Assets

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