

Investment fund manager category

Investment fund managers direct the business, operations or affairs of an investment fund. They organize the fund and are responsible for its management and administration. The general nature of an investment fund is that the money invested in it is professionally managed on the basis of a stated investment policy, usually expressed in terms of investment objectives and strategies, and is invested in a portfolio of securities.

The fund has the discretion to buy and sell investments within the constraints of its investment policy. Investment decisions are made by a manager or portfolio adviser acting on behalf of the fund.

An investment fund provides a means whereby investors can have their money professionally managed rather than making their own decisions about investing in individual securities. An investment fund generally does not seek to obtain control of or become involved in the management of companies in which it invests.

An Investment fund manager will need to be registered with the Nova Scotia Securities Commission.

This registration will mean that an individual of the firm will need to be registered as the Chief Compliance Officer (“CCO”). The CCO will need to have the one of following proficiencies:

(a) the individual has

(i) earned a CFA Charter or a professional designation as a lawyer, Chartered Accountant, Certified General Accountant or Certified Management Accountant in a jurisdiction of Canada, a notary in Québec, or the equivalent in a foreign jurisdiction,

(ii) passed the PDO Exam or the Chief Compliance Officers Qualifying Exam and, unless the individual has earned the CFA Charter, the Canadian Securities Course Exam, and

(iii) either

A) gained 36 months of relevant securities experience while working at a registered dealer, a registered adviser or an investment fund manager, or

B) provided professional services in the securities industry for 36 months and also worked in a relevant capacity at an investment fund manager for 12 months;

(b) the individual has

(i) passed the Canadian Investment Funds Course Exam, the Canadian Securities Course Exam, or
the Investment Funds in Canada Course Exam,

(ii) passed the PDO Exam or the Chief Compliance Officers Qualifying Exam, and

(iii) gained 5 years of relevant securities experience while working at a registered dealer, registered
adviser or an investment fund manager, including 36 months in a compliance capacity;

(c) the individual has met the requirements of section 3.13 [portfolio manager – chief compliance officer

The firm will also have to register an individual as the Ultimate Designated Person (“UDP”). This person will be responsible for supervising the activities of the firm that are directed towards ensuring compliance with securities legislation by the firm and each individual acting on the firm’s behalf and promote compliance by the firm, and individuals acting on its behalf, with securities legislation.

Along with the requirement to register a CCO & UDP, the firm itself will be required to operate within many requirements of NATIONAL INSTRUMENT 31-103 -REGISTRATION REQUIREMENTS, EXEMPTIONS AND ONGOING REGISTRANT OBLIGATIONS (NI 31-103”) such as maintaining a minimum working capital of \$100,000, maintaining the proper insurance coverage, keeping the prescribed books and records and ensuring that clients are dealt with in a suitable manner.

Parts 11, 12, 13 and 14 of NATIONAL INSTRUMENT 31-103 - REGISTRATION REQUIREMENTS, EXEMPTIONS AND ONGOING REGISTRANT OBLIGATIONS (“NI 31-103”) contain the detailed requirements.

Anyone who is thinking of registration as an Investment Fund Manager must first review all of NI 31-103 to determine if they would have the required proficiencies, capital and other requirements needed in order to submit an application