

**For Immediate Release  
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### **Canadian Regulators Release Results of Hedge Fund Review**

**Toronto** – The Canadian Securities Administrators (CSA) today issued Staff Notice 81-316 *Hedge Funds*, summarizing the findings of a sample-based review of hedge funds in Canada.

The CSA conducted the review in response to increased retail interest in hedge funds. The review was done through a combination of compliance reviews of fund managers and advisers, disclosure reviews and industry consultations. Based on the review, the CSA determined that while an appropriate securities regulatory framework exists for hedge funds in Canada, certain areas can be improved.

“Regulators in Canada recognize the increased popularity of hedge funds among retail investors,” said Jean St-Gelais, Chair of the CSA and President & Chief Executive Officer of the Autorité des marchés financiers (Québec). “While we feel the necessary regulatory framework is in place, it is important to continually examine the framework against new products in our evolving markets.”

The review identified areas for improvement, including issues with principal protected notes (PPNs), referral arrangements, distribution, disclosure and registration of fund managers. The notice sets out the CSA’s views on how these areas will be monitored or improved.

CSA Staff Notice 81-316 *Hedge Funds* is available on several CSA members' websites.

The CSA, the council of the securities regulators of Canada’s provinces and territories, co-ordinates and harmonizes regulation for the Canadian capital markets.

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