



NATIONAL BANK OF CANADA & BNP PARIBAS

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Part 2A of Form ADV: Firm Brochure

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This brochure provides information about the qualifications and business practices of Innocap Investment Management Inc. ("**Innocap**"). If you have any questions about the contents of this brochure, please contact us at (514) 390-7388 or investorrelations@innocap.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "**SEC**") or by any state securities authority.

Additional information about Innocap is also available on the SEC's website at: www.adviserinfo.sec.gov.

Innocap is registered as an investment adviser with the SEC under the Investment Advisers Act of 1940 (the "**Advisers Act**"). Registration as an investment adviser with the SEC does not imply a certain level of skill or training.

Item 2: Material Changes

A material change to this Brochure dated July 9, 2014 has been made since Innocap's initial Brochure dated January 24, 2014. This update has been made to reflect Disciplinary Information on Item 9 related to Plea Agreements (as such term is defined in Item 9) between the Department of Justice and BNP Paribas S.A. ("**BNPP**") and the District Attorney of New York County and BNPP. The Plea Agreements settle actions pursuant to which BNPP pleaded guilty in federal court to conspiracy to violate U.S. sanctions laws and in New York state court to conspiracy and falsifying banking records, both of which actions cover the time period 2004 through 2012. No other changes have been made in this Brochure.

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Item 4: Advisory Business

Innocap Investment Management Inc.

Innocap Investment Management Inc. ("**Innocap**") is the result of more than a decade of investments in hedge fund strategies with approximately USD 2.255 Billion in assets under advisory as of October 31st, 2013. Innocap is jointly owned by the National Bank of Canada ("**NBC**") and BNPP, each of which owns 50% of Innocap.

Advisory Services

Innocap provides investment management and advisory services to financial institutions, pension funds, pooled investment vehicles and other accredited investors within the meaning of the laws of the relevant jurisdictions, as amended from time to time. In connection with providing these investment management and advisory services, Innocap may act as investment adviser with or without discretionary trading authority depending on the type of mandate.

(i) Customized Managed Account Platform Services

Innocap offers customized alternative investment platform services to its clients.

Innocap's platform advisory services may be provided on a discretionary basis or a non-discretionary basis and be tailored to accommodate the individual needs and profiles of clients.

When acting on a discretionary basis, Innocap generally selects and delegates the management of a client's portfolio, in accordance with the client's investment guidelines and restrictions (the "**Managed Account**"), to a sub-advisor ("**Trading Advisor**"). In addition, Innocap provides various services to its clients including risk management, asset control, reporting and due diligence and supervises the trading activities of the Trading Advisor.

In a non-discretionary relationship, Innocap solely provides recommendations to the client. A Client can choose between the various services offered by Innocap which include risk measurement and/or management, asset control, reporting and due diligence on hedge fund managers. Innocap's non-discretionary services are provided in compliance with a client's investment objectives and business models.

(ii) Advisory Services – EU Funds

Innocap serves as the investment advisor to Innocap Global Investment Management Ltd ("**IGIM**"), the investment manager of collective investment schemes established as multi-fund investment companies with variable share capital ("**SICAV**") incorporated with limited liability under the laws of Malta and licensed by the Malta Financial Services Authority ("**MFSA**") under the Investment Services Act as professional investor funds targeting qualifying investors, as defined in the offering documentation, a concept similar to U.S. accredited investors (the "**Maltese Funds**"). The Maltese Funds are divided into segregated sub-funds which are segregated patrimonies and are represented by different classes of shares.

Additionally, Innocap also acts as the investment advisor to IGIM, the investment manager of (i) an Irish open-ended umbrella investment company established as an undertaking for collective investment in transferable securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations (the "**UCITS Fund**"); and (ii) an Irish

qualifying investor fund (the “**Irish Funds**”). For the purposes of this document, Irish Funds and Maltese Funds shall be referred to as the “**EU Funds**”.

The management of the portfolio of the EU Funds is delegated by IGIM to different Trading Advisors, which implement various types of investment strategies following their respective investment approaches. Innocap provides IGIM with the following advisory services: selection, due diligence and ongoing monitoring of the Trading Advisors, risk management services and operation and middle office services. Innocap does not have discretionary authority with respect to the EU Funds and solely provides advice to IGIM in accordance with the investment advisory agreements entered into between IGIM and Innocap and in line with the disclosures set forth in the EU Fund's offering documentation.

(iii) Management Services – Canadian Funds

Innocap acts as the investment manager of limited partnerships registered under the laws of the Province of Ontario (Canada) (the “**Canadian Funds**”). The Canadian Funds are solely offered to Canadian residents and thus cannot be offered to U.S. persons. Therefore, this document will not provide additional details on the role and activities of Innocap with respect to the Canadian Funds.

Managed Account Platform Services and Investment Restrictions

Managed Accounts platform services, when offered through pooled investment vehicles, and EU Funds are offered via two programs:

- (1) Commingled Funds; and
- (2) Dedicated Funds.

The Commingled Funds provide investors with access to various investment strategies while dividing the costs and expenses between a large number of investors. The Dedicated Funds offer investors a tailored and dedicated approach to their investment needs subject to additional requirements which may notably consist of a higher minimum subscription amount. Investors in the Dedicated Funds may be granted a broader role than investors in Commingled Funds, including inputs on investment guidelines and restrictions.

Investors in the Dedicated Funds may impose restrictions on investments in certain securities or types of securities.

Investors in the Commingled Funds are generally not permitted to impose restrictions or investment in certain securities or types of securities.

Clients' Assets

As of October 31st, 2013, Innocap manages USD 482,880,268.54 on a discretionary basis (Canadian Funds only) and USD 1,775,801,578.38 on a non-discretionary basis (EU Funds).

Item 5 - Fees and Compensation

Management Fees

With respect to the EU Funds, Innocap is generally paid an advisory fee ranging from 0.15% to 1.25% (both annualized) of the net asset value (“**NAV**”) of each class of shares of the EU Funds.

The management fees are payable monthly or quarterly in arrears at the end of each relevant payment period from the fees of IGIM which are deducted from each class of shares of the EU Funds. EU Funds initiated or terminated during the relevant monthly or quarterly period will be charged a pro-rated fee. The fees payable by each EU Funds are set forth in detail in each of the EU Fund's respective offering documents.

Innocap generally charges each Managed Account a management or advisory fee ranging from 0.20% to 1.25% (both annualized) of the assets under management or assets under advisory, payable in arrears at the end of each relevant payment period, either (i) deducted from the NAV of each pooled investment vehicle or (ii) as invoiced by Innocap to clients. Management fees are notably based on the complexity of the Managed Account's investment strategy, the size of the mandate and the reporting requested by the client.

Additional Fees

EU Funds and Managed Accounts managed or advised by Innocap (the "**Investment Vehicles**") may also bear the following fees:

Trading Advisor Fees

Fees paid to Trading Advisors generally include a management fee ranging from 0.5% to 2.5% (annualized) based on the NAV of the relevant Investment Vehicle and a performance fee ranging from 10% to 30% (annualized) based on the net trading gain of the Investment Vehicle. Further details can be obtained from Innocap or IGIM and are disclosed in the relevant offering documentation (where applicable).

Administration Fee

The Investment Vehicles also bear administrative fees and expenses generally ranging between 0.05% to 1.00% (annualized) based on the NAV of the Investment Vehicle, sometime subject to a minimum fee, which may include administration fees, registrar and transfer agent fees and expenses, accounting, audit and legal costs, custodial fees, bookkeeping and recordkeeping costs, communication and promotional expenses, other professional fees and expenses, any trading and investment-related costs and expenses and dissolution costs, regardless of whether profits are realized.

Trading Fees

Certain types of strategies employed in the Investment Vehicles, or in underlying investment vehicles in which the Investment Vehicles invest, may require frequent changes in trading positions and consequent portfolio turnover. This may involve brokerage commission expenses exceeding those of other investment schemes of comparable size. In relation to such Investment Vehicles, they must therefore make meaningful profits from their investments to avoid depletion or exhaustion of their assets from these and other expenses.

Other Fees

Investment Vehicles may be subject to other types of fees including administration services and related software fees, banking commissions and charges, custodian fees, legal fees, auditing fees and other professional advisory fees, company secretarial fees, registration and statutory fees, regulatory fees, translation and accounting expenses, interest on borrowings, insurance costs and/or premiums, directors and officers fees and expenses, licensing and government filing fees, taxes and governmental expenses applicable to the Investment Vehicles, costs of preparation, translation, printing and distribution of reports and notices, marketing material and advertisements and periodic update of the offering documentation, stock exchange filing fees, expenses in connection with registration, listing and distribution of the Investment Vehicles issued or to be issued, expenses in connection with obtaining and maintaining a credit rating for any Investment Vehicle, expenses of shareholders meetings, expenses of the publication and distribution of the

NAV, clerical costs of issue or redemption of shares, postage, telephone, facsimile and telex expenses, costs of litigation, brokerage, research and market data expenses (except to the extent that all or a portion of its costs in respect of brokerage or research-related services or products are paid through the use of "soft dollars") and any other expenses in each case together with applicable value added taxes.

Except as stated above, the Investment Vehicles will reimburse Innocap, IGIM and/or the administrator, as applicable, for all costs and expenses incurred or paid by them associated with the authorisation fees for the Investment Vehicles and the Investment Vehicles' ongoing operations. This will include all ordinary and customary expenses including, but not limited to, maintaining the Investment Vehicles' registered office in the relevant jurisdiction, annual governmental registration and authorisation fees, legal and auditing expenses, administrative, custodian, rating agency fees, pricing services fees, costs and expenses of third-party risk management products and services (including but not limited to the costs of risk management software or database packages) consultant and other service provider expenses and fees, background checks and other due diligence fees, printing, mailing, costs relating to communication with investors, tax consultation, compliance services, administrative costs in relation to annual reports and financial information, and similar ongoing expenses. The fees and expenses payable to service providers may change from time to time.

Fees and charges which are identifiable with a particular Investment Vehicle shall be charged to it and other charges will be borne pro-rata to the net assets in each Investment Vehicle and other organization and operating fees as described in further details in the relevant offering documentation.

Side Letters

Where permitted under applicable laws and regulations, Innocap may enter into side letter agreements with certain strategic investors granting different business and investment terms which may not be available to the other investors, provided that doing so does not adversely affect other investors.

Item 6 - Performance Based Fees and Side-by-Side Management

Innocap does not charge performance based fees to its clients.

Item 7 - Types of Clients

Innocap primarily provides investment management/advisory services to clients that are financial institutions, pension funds, pooled investment vehicles and accredited investors. In respect of the Maltese Funds, investors may include some or all types of qualifying investors, as set forth in the relevant offering documentation. The Irish Funds are available to retail and institutional investors, as set forth in the relevant offering documentation. Innocap may also provide investment management and advisory services to Canadian accredited investors within the meaning of National Instrument 45-106 - Prospectus and Registration Exemptions (Canada), as may be amended from time to time ("**NI 45-106**").

The minimum subscription amount in an EU Fund is generally set at USD 150,000.00¹. With respect to a Managed Account, the minimum initial investment is generally set at USD 25 million but may vary depending of the investment objectives and particular circumstances of a specific account.

¹ The minimum subscription amount for specific classes of shares of sub-funds of the UCITS Fund is set at USD 100.

Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Innocap offers advice about hedge fund investments and Trading Advisors, each of which is in charge of the trading of the portfolio of a specific Investment Vehicle, and specializes in various strategies which are outlined hereinafter. Innocap identifies, researches, assesses and monitors the Trading Advisors. Innocap generally evaluates potential Trading Advisors by considering, to the extent such information is available, a variety of different factors including, without limitation: education, experience, background and reputation of key personnel, investment philosophies, risk management techniques employed, operational capabilities, risk/reward attributes of each Trading Advisor's strategy, portfolio composition, information obtained through personal interviews and literature, as well as political and economic factors.

Innocap or the Trading Advisors may also invest on behalf of the client in (or provide advice with regards to) different financial instruments including equity, fixed income, commodity, foreign exchange, credit and cash market instruments.

Investment Strategies

Innocap may notably advise and/or provide investors access, through the Managed Accounts, to the following strategies:

- Multi-Strategy;
- Convertible Arbitrage;
- Dedicated Short Bias;
- Emerging Markets;
- Equity Market Neutral;
- Event Driven – Distressed;
- Event Driven - Multi-Strategy;
- Event Driven – Risk Arbitrage;
- Fixed Income Arbitrage;
- Global Macro;
- Long/Short Equity;
- Hedge Fund Index Replication; and
- Managed Futures.

Risk of Loss

There can be no assurance that the investment strategies implemented in the Investment Vehicles will be successful and that their investment objective(s) will be achieved. The Investment Vehicles could realize substantial or total losses rather than gains, and investors should be prepared to bear this risk.

Profitable trading is often dependent on anticipating trends or trading patterns. In addition, markets experiencing random price fluctuations, rather than defined trends or patterns, may generate a series of losing trades. There have been periods in the past when the markets have been subject to limited and ill-defined price movements, and such periods may recur. Any factor which may lessen major price trends (such as, but not limited to, governmental controls affecting the markets) may reduce the prospect for future trading profitability. Any factor which would make it difficult to execute trades, such as reduced liquidity or extreme market developments resulting in prices moving the maximum amount allowed in a single day could also be detrimental to profits or cause losses. Increases in margin levels on securities (including options) may occur in the future.

Such increased margin and other potential regulatory changes may adversely impact the trading strategies. No assurance can be given that the trading techniques and strategies of the Investment Vehicles will be profitable in the future.

The following is a non-exhaustive list of the more common risks that investors should consider in connection with an investment in the Investment Vehicles:

- Investments in or linked to hedge funds are highly speculative and may be highly volatile;
- Transferability and withdrawals of shares in the Investment Vehicles may be restricted or suspended;
- Although the hedge fund strategies implemented by Innocap or the Trading Advisors may provide the opportunity for positive returns, investors in such strategies may also experience significant volatility and incur the risk of permanent capital loss;
- Investors shall bear the financial risk and limited liquidity of underlying investments;
- Multiple level of fees and expenses may be payable by the Investment Vehicles which can reduce a client's returns;
- Underlying instruments may be hard to value;
- There can be no assurance that the hedge fund strategies implemented by Innocap or the Trading Advisors will achieve the investment objective.

Investors should carefully review the sections regarding the investment strategy and approach, the risk factors and the conflicts of interests contained in the offering documentation of the Investment Vehicle in which they intend to invest. Investors should also consult their financial, legal and tax advisors before making an investment decision.

Item 9 - Disciplinary Information

Innocap and its employees have not been involved in any legal or disciplinary events that would be material to a client's or a prospective client's evaluation of Innocap's advisory business or the integrity of its management.

From at least 2004 through 2012, BNPP, knowingly and willfully moved over \$8.8 billion through the U.S. financial system on behalf of Sudanese, Iranian, and Cuban sanctioned entities, in violation of U.S. economic sanctions, including more than \$4.3 billion in transactions involving entities that were specifically designated by the U.S. Government as being cut off from the U.S. financial system. BNPP engaged in this criminal conduct through various sophisticated schemes designed to conceal from U.S. regulators the true nature of the illicit transactions. On June 30, 2014, the U.S. Department of Justice (the "**Department of Justice**") and the Office of the U.S. Attorney for the Southern District of New York (the "**SDNY**", and together with the Department of Justice, the "**DOJ**") filed a notice of intent to file a one-count criminal information in the District Court for the Southern District of New York (the "**District Court**"), and the New York County District Attorney's Office ("**DANY**") filed a two-count criminal information in the Supreme Court of the State of New York, County of New York (the "**Supreme Court**") against BNPP. The DOJ's information, which was filed on July 9, 2014, charged BNPP with conspiracy to commit violations of the International Emergency Economic Powers Act and the Trading with the Enemy Act, and regulations issued thereunder. DANY's information charged BNPP with the crime of falsifying business records in the first degree and conspiracy in the fifth degree. BNPP agreed to resolve the action brought by DANY through a plea agreement dated June 30, 2014 and the action brought by the DOJ through a plea agreement dated June 28, 2014 (the "**Plea Agreements**"). The Plea Agreements required BNPP to plead guilty to the charges set out in the respective information and to pay over \$6.2 billion to the U.S. and New York state governments. The Plea Agreements also required BNPP to lawfully undertake certain remedial actions to address the conduct

described in the Plea Agreements and the attachments thereto (the “**Conduct**”). BNPP also entered into regulatory settlements relating to the Conduct. BNPP agreed to enter into a Cease and Desist Order Issued Upon Consent with the Board of Governors of the Federal Reserve System (the “**Federal Reserve**”) and the French Autorité de Contrôle Prudentiel et de Résolution (the “**ACPR**”) to resolve certain findings by the Federal Reserve and ACPR relating to the Conduct. BNPP also agreed to enter into an Order to Cease and Desist and Order of Assessment of a Civil Money Penalty Issued Upon Consent with the Federal Reserve to resolve certain findings by the Federal Reserve relating to the Conduct. BNPP and the New York State Department of Financial Services (the “**DFS**”) entered into a Consent Order to resolve certain findings by the DFS relating to the Conduct. Additionally, BNPP entered into a Settlement Agreement with the United States Department of the Treasury’s Office of Foreign Assets Control (“**OFAC**”) to resolve certain findings by OFAC relating to the Conduct. The settlement with the Federal Reserve required BNPP to pay \$508 million to the Federal Reserve, while the settlement with the DFS required BNPP to pay \$2.2434 billion to the DFS.

Neither Innocap nor any other affiliate of BNPP registered with the SEC as an investment adviser under the Investment Advisers Act or a broker-dealer under the Securities Exchange Act of 1934 was named in any of these settlements or involved in the Conduct underlying these settlements. Innocap is committed to observing the highest standards of integrity and regulatory compliance in all aspects of its work.

Item 10 - Other Financial Industry Activities and Affiliations

Innocap intends to have some of its employees registered as registered representatives of a U.S. broker-dealer solely in relation with marketing the EU Funds to U.S. investors.

Innocap has retained NBC, an important shareholder of Innocap, to provide certain middle office and back office functions to Innocap. Innocap has arrangements that are material to its advisory business or its clients with NBC. NBC has been retained by Innocap in order to provide:

- Market Risk calculation services (including VaR);
- Daily Market Risk monitoring services;
- Credit risk calculation services (including credit analysis);
- Daily reconciliation of trades, positions and P&L ;
- NAV validation services;
- Investment guidelines monitoring services in addition to Innocap’s monitoring;
- Support to Innocap with accounting matters;
- Internal audit services;

The services listed above should not be construed as being an exhaustive but rather as being a summary of the services provided by NBC to Innocap.

Please also take note that Innocap has relationships and arrangements that are material to its advisory/management/business and/or its clients with the following entities that are related persons (the “**Related Persons**”):

NBC: NBC is a bank incorporated under the *Bank Act* (Canada) and is a reporting issuer that holds indirectly 50% of the voting and equity shares of Innocap.

Hexavest GTAA Fund L.P: Innocap holds 100% of voting and participating shares of Innocap GTAA GP Inc., which acts as the general partner of this fund. Innocap is the investment manager of Hexavest GTAA Fund L.P.

Innocap Casgrain Bond Fund L.P.: Innocap holds 100% of voting and participating shares of Innocap CBF GP Inc., which acts as general partner of this fund. Innocap is the investment manager of Innocap Casgrain Bond Fund L.P.

Innocap Perseus Fund L.P.: Innocap holds 100% of voting and participating shares of Innocap PRS GP Inc. which acts as general partner of this fund. Innocap is the investment manager of Innocap Perseus Fund L.P.

Innocap Sigma Alpha GM+ Fund L.P.: Innocap holds 100% of the voting and participating shares of Innocap SAGM GP Inc., which acts as general partner of the fund. Innocap is the investment manager of Innocap Sigma Alpha GM+ Fund L.P.

Innocap Akira Commodity Fund L.P.: Innocap holds 100% of the voting and participating shares of Innocap ACF GP Inc., which acts as general partner of the fund. Innocap is the investment manager of Innocap Akira Commodity Fund L.P.

Innocap TOBAM Anti-Benchmark World Equity Fund L.P.: Innocap holds 100% of the voting and participating shares of Innocap TAWA GP Inc., which acts as general partner of the fund. Innocap is the investment manager of Innocap TOBAM Anti-Benchmark World Equity Fund L.P.

Innocap Globevest Capital AG Fund L.P.: Innocap holds 100% of the voting and participating shares of Innocap GCAG GP Inc., which acts as general partner of the fund. Innocap is the investment manager of Innocap Globevest Capital AG Fund L.P.

Razorbill Credit Dislocation Fund L.P.: Innocap holds 100% of voting and participating shares of Innocap CDF GP Inc., which acts as general partner of Razorbill Credit Dislocation Fund L.P. Innocap is the investment manager of Razorbill Credit Dislocation Fund L.P.

Innocap Fund SICAV p.l.c.: Innocap Global Investment Management Ltd., a wholly owned subsidiary of NBC, acts as the investment manager of Innocap Fund SICAV p.l.c. Innocap is affiliated with IGIM.

NBCG Fund SICAV p.l.c.: Innocap Global Investment Management Ltd., a wholly owned subsidiary of NBC, acts as the investment manager of NBCG Fund SICAV p.l.c.. Innocap is affiliated with IGIM.

InRIS UCITS PLC: Innocap Global Investment Management Ltd., a wholly owned subsidiary of NBC, acts as the investment manager of InRIS UCITS PLC. Innocap is affiliated with IGIM.

InRIS QIF PLC: Innocap Global Investment Management Ltd., a wholly owned subsidiary of NBC, acts as the investment manager of InRIS QIF PLC. Innocap is affiliated with IGIM.

Innocap Global Investment Management Ltd.: Innocap Global Investment Management Ltd. a wholly owned subsidiary of NBC, which holds 50% of voting and participating shares of Innocap, acts as investment manager for the EU Funds and has hired Innocap as its investment advisor in respect of such funds.

Fiera Capital Corporation: Fiera Capital Corporation is a registered portfolio

manager 35% of its shares are held by NBC.

BNPP: BNPP is a French Société anonyme (S.A.) that holds indirectly 50% of the outstanding voting and equity securities of Innocap.

Conflicts of Interest

Innocap is subject to significant conflicts of interest in managing or providing advice to the Investment Vehicles, which could impact Innocap's objectivity and the performance of its obligations. Innocap has adopted a Code of Ethics (see Item 11) which includes policies and procedures designed to monitor, manage and reduce the potential conflicts of interest.

Relation with Innocap's shareholders

Innocap's affiliation with NBC, BNPP and their respective subsidiaries makes it necessary to put in place policies as contained herein aimed at addressing any potential conflicts of interest and ensuring that all investment decisions and their execution are made in the best interest of Innocap's clients.

- (a) Except the involvement of NBC and BNPP in relation with the Product and Investment Committee ("**PIC**") as described in paragraph (c) below, all investment decisions relating to purchases and sales of client portfolio securities will be made in the ordinary course of business without the involvement of NBC or BNPP. Innocap will maintain operational and decision-making autonomy in the management of client's funds and the selection of portfolio investments.
- (b) Investment decisions will be made on the basis of the judgment of responsible portfolio managers uninfluenced by considerations other than the best interest of the clients.
- (c) The PIC is formed of two representatives of BNPP and two representatives of NBC. The PIC's mandate is to make final determinations as to recommendations to be made to clients of Innocap regarding Trading Advisors and sub-investment managers, investment decisions and allocations and the development of new products. The potential conflict of interest is minimized with the repartition of the votes preventing BNPP or BNC from having the majority.
- (d) Innocap may, from time to time, advise its clients with respect to the purchase and sale of any of the related persons. However, Innocap will only do so if:
 - it considers a purchase or sale to be in the best interests of its clients;
 - any purchase will not give rise to any duplication of management fees; and
 - the client's prior consent has been obtained in accordance with to applicable securities legislation.

Outside Business Activities and Directorships

Conflicts of interest can notably arise when a director, an officer or employee of Innocap engages in outside business activities or serves on the board of directors of another entity, including, without limitation, another investment company. Before approving any outside business activities, Innocap will consider potential conflicts of interest and, if it believes that such potential conflict of interest cannot be managed, the outside activity or directorship will not be permitted. Innocap requires that its directors, officers and employees seek permission before participating in any external activity or accepting a directorship that could raise any conflict, and has adopted strict policies with regards to participation in external activities and directorships. In the event that

Innocap or a related person (i) obtains material non-public information in such capacity with respect to any such company or (ii) is subject to trading restrictions pursuant to the internal policies of Innocap, Innocap may be prohibited from engaging in transactions with respect to the securities or instruments of such company, which prohibition may have an adverse effect on clients of Innocap.

Directors' and Officers' Conflicts of Interest

Directors and officers of Innocap may have a direct or indirect financial interest in entities (including, without limitation, NBC, BNPP, IGIM, the Trading Advisors, and their affiliates) that provide services for compensation for Innocap. Thus, such directors may have a conflict of interest between their duty to act for the benefit of Innocap and their financial interest in increasing compensation or fees to be paid to such entities.

More specifically, a director of Innocap, François Bourassa, is a director of IGIM and of the Maltese Funds. In addition, François Jacques, Innocap's General Counsel, is a director of the Irish Funds. As a result of these affiliations, it could be said that the agreements between Innocap and such entities were not negotiated on arm's length terms. However, the directors and officers have fiduciary duties to Innocap and consequently have exercised and will continue to exercise good faith and integrity in handling all Innocap's affairs.

Services not Exclusive

Innocap may perform investment advisory and/or management services for various clients. This may create a conflict of interest as the time and effort of Innocap's officers, key employees and principals will not be devoted exclusively to any one client as they must devote a portion of their time to the other clients and investments. Innocap may give advice and take action in the performance of its duties with respect to one client which may differ from advice given, or the timing or nature of action taken, with respect to other clients, so long as it is Innocap's policies, to the extent practicable, to allocate investment opportunities among all clients for which such investment would be appropriate on a fair and equitable basis.

Compensation Practices

Innocap is very careful with any particular benefits, compensation or remuneration practices that are inconsistent with its obligations towards its clients. It is Innocap's policy to never accept commission-based remuneration. In connection with the services rendered to the EU Funds, Innocap has no revenues other than those specifically disclosed in the relevant offering documentation. In connection with the Managed Accounts Platform Services, all revenues will be stated in the agreement with the relevant client.

Transactions with Affiliates

Innocap may cause the Managed Accounts to enter into transactions, including, without limitation, securities transactions, derivative contracts, and other transactions of a similar nature, with its affiliates or certain of its clients. Conflicts of interest may be inherent in the fact that NBC and BNPP are important shareholders of Innocap. Innocap may enter into such dealings provided that they are on an arm's length basis and on terms no less favourable to the Managed Accounts than could reasonably have been obtained had the dealing been effected with an independent third party.

Services provided by Affiliates

Innocap has retained NBC to provide certain middle office and back office functions as specified under Item 10 entitled "Other Financial Industry Activities and Affiliations".

The information provided to NBC under these agreements is shared under strict confidentiality and on a need-to-know basis. Innocap has obtained reasonable assurance that NBC has implemented physical and technological information barriers between its middle and back office functions and its front office functions.

On behalf of an Investment Vehicle, Innocap, IGIM following advice from Innocap, or a Trading Advisor may use an executing broker-dealer affiliated with Innocap, IGIM or a Trading Advisor. Innocap, IGIM or the Trading Advisor will do so only if the transaction is consistent with their respective duty to obtain best execution.

On behalf of an Investment Vehicle, Innocap, IGIM or a Trading Advisor may retain a prime broker, exchange traded derivatives clearer or custodian affiliated with Innocap, IGIM or the Trading Advisors for clearing, custody and such other auxiliary services under limited circumstances. Innocap, IGIM or a Trading Advisor will do so only if terms and conditions of such services are negotiated on an arm's length basis and are no less favourable to the Investment Vehicle than could reasonably have been obtained if the services were provided by an independent third party. In particular, Innocap, IGIM or a Trading Advisor may retain as prime brokers, futures clearers and custodians affiliates of NBC and BNPP who hold the totality of interests in Innocap or are under common control with IGIM.

Side Letters - Waivers

Innocap has a conflict of interest in approving side letters providing certain investors with different terms regarding their investment in the Investment Vehicles, or a waiver of certain terms in a specific instance.

Innocap intends to strictly limit both the use of side letters and the granting of waivers, but retains the right to do both in accordance with applicable laws and regulations. Innocap has permitted, and may permit in the future, certain investors to invest in the Investment Vehicles on more favourable economic terms to those applicable to other investors in such Investment Vehicles. Side letters and waivers will be permitted by Innocap so long as such preferential treatments do not adversely affect other investors.

Information Provided to Affiliated Entities

Where permitted by applicable laws and regulations, Innocap's affiliates may be provided with enhanced transparency in relation to assets comprised in the Investment Vehicles. Investors wishing to invest in such Investment Vehicles should be aware that they may not necessarily benefit from the same level of transparency as such affiliates and, consequently, from the same possibility to assess the global risk of such Investment Vehicles. However, Innocap's affiliates will not be granted a preferential treatment with respect to the liquidity to redeem or subscribe from the Investment Vehicles.

Recommendation or Selection of Trading Advisors

From time to time, Innocap may cause clients to invest in Investment Vehicles that are managed or advised by its Related Persons or its affiliates or have other business relationships (such as fee sharing agreements) with Innocap or its affiliates. This conflict of interest is mitigated by Innocap's fiduciary duty to place the interest of its clients first.

Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

Pursuant to Rule 204A-1 of the Advisers Act, Innocap has adopted a Code of Ethics (the “**Code**”) which incorporates the following general principles that all employees are expected to uphold: employees must at all times place the interests of clients first; all personal securities transactions must be conducted in a manner consistent with the Code and any abuse of an employee's position of trust and responsibility must be avoided; employees must not take any inappropriate advantage of their positions; information concerning the identity of securities and financial circumstances of the Investment Vehicles and clients must be kept confidential; and independence in the investment decision-making process must be maintained at all times. The Code is also designed to address and mitigate potential conflicts of interest.

Investors and clients may request a copy of the Code by contacting Innocap at the address or telephone number listed on the first page of this document.

Personal Trading

The Code also places restrictions on personal trades by employees, including the disclosure of their personal securities holdings and transactions to Innocap on a periodic basis. The Code also includes an insider trading policy (the “**Insider Trading Policy**”) that is designed to prevent the misuse of material, non-public information. Innocap's employees are required to certify their compliance with the Code, including the Insider Trading Policy, on a periodic basis.

Officers and employees of Innocap may from time to time serve as members of the boards of public and non-public companies. Such employees must obtain the approval of Innocap prior to accepting such role.

Item 12 - Brokerage Practices²

Innocap may have full discretionary authority with regard to the Managed Accounts, including authority to make decisions with respect to which securities are bought and sold, the amount and price of those securities, the brokers or dealers to be used for a particular transaction, and commissions or markups and markdowns paid. Even in cases where Innocap has full discretionary authority, Innocap's authority is limited by its own internal policies and procedures and each Managed Account's investment guidelines.

With regards to the EU Funds, Innocap does not actively trade in individual equities or fixed income securities. Innocap typically recommends asset allocation strategies for the EU Funds to be managed by the Trading Advisors; thus, it does not have the same duty to seek best execution as an adviser that invests directly in equities and fixed income securities. The Trading Advisors typically request that accounts be opened with the prime brokers through which their own investment funds trade and Innocap proposes the prime brokers to the board of directors of the EU Funds. Such proposed prime brokers are evaluated by IGIM's Risk Oversight Committee and the board of directors of the EU Funds in accordance with the criteria set forth below. To ensure that Trading Advisors are seeking to obtain best execution, Innocap recommends that each investment management agreement with Trading Advisors contains obligations for the Trading Advisors to comply with applicable guidance regarding best execution and soft dollars.

² Innocap does not offer brokerage services.

Criteria for recommendation of Broker-Dealers³

When evaluating a proposed broker-dealer, IGIM, with advice from Innocap, will generally look for the following criteria:

- understanding of the business and the investment objective, strategy and approach of the funds for which the broker-dealer will act;
- capacity to provide services for the daily activities of a fund, day after day and without material failures even when transactions become more complex;
- strong financial situation and good capitalization, in particular, broker-dealers (the corporate group which they belong to, or their guarantor, if applicable) will be assessed based on criteria such as:
 - total assets;
 - tier 1 capital;
 - loan loss reserves to total loans ratio;
 - risk weighted assets;
 - credit ratings provided by rating agencies; and
 - market value of shareholder's equity greater than five hundred million U.S. Dollars (USD 500,000,000).
- strong global securities lending presence;
- strong technological capabilities;
- cash management capabilities in order for the fund to obtain better returns for any cash holdings.

IGIM, while evaluating broker-dealers, will also give major importance to the broker-dealer's back office, because a strong and experienced operations department is essential to handle difficult situations and problems should they arise.

Soft Dollars

It is Innocap's policy not to enter in any soft dollar arrangements.

With regards to the EU Funds, portfolio transactions are allocated by IGIM or the Trading Advisors to brokers (which may include brokerage firms affiliated with Innocap or IGIM or the Trading Advisors), on a basis consistent with best execution. In selecting brokers and dealers to execute portfolio transactions, IGIM or the Trading Advisors have authority to and may consider several different factors, including, among others, a broker's or dealer's ability to provide best execution, its willingness to commit capital, its financial stability, its systems, facilities and recordkeeping and its experience in handling similar transactions (based on size, market conditions and type of security, among other factors). IGIM and the Trading Advisors may also take into account a broker's and dealer's relative performance on industry surveys and studies of execution quality, the broker's and dealer's rates of commission, mark-ups and mark-downs, its applicable margin levels and financing rates and other applicable fees and charges, its overall responsiveness, and the broker's or dealer's provision of research, brokerage and other products and services pursuant to soft dollar arrangements.

Brokerage for Client Referrals

³ Prime brokers, exchanged traded derivatives clearer or custodian.

Innocap may enter into, or may recommend entering into, agreements on behalf of Investment Vehicles managed or advised by it with certain brokers-dealers that act as prime brokers on behalf of such Investment Vehicles. From time to time, Innocap's personnel may speak at conferences and other events for potential qualified investors interested in investing in Investment Vehicles which are sponsored by those prime brokers. These conferences and events may be a means by which Innocap can be introduced, subject to the applicable laws and regulations, to potential qualified investors interested by the Investment Vehicles. Currently, neither Innocap nor the existing EU Funds compensate prime brokers for organizing such "capital introduction" events or for any investments ultimately made by prospective qualified investors attending such events (although either may do so in the future). While such events and other services provided by a prime broker may influence Innocap in deciding whether to use such prime broker in connection with brokerage, financing and other activities of the Investment Vehicles, Innocap will not commit to allocate a particular amount of brokerage to a broker-dealer in any such situation.

From time to time, the Investment Vehicles may accept investments from full-service financial firms who are investing on their own behalf or on behalf of third-parties. The financial services firms may have related entities that include broker-dealers and Innocap may from time to time utilize or recommend these broker-dealers when Innocap believes that a particular broker-dealer provides best execution for client transactions. Innocap does not take these investments into consideration when determining which broker-dealers to use to execute client transactions, and Innocap maintains various internal controls for this purpose.

Allocation of Investment Opportunities

It is the policy of Innocap to allocate or to recommend the allocation of investment opportunities for Investment Vehicles fairly and equitably, to the extent possible, over a period of time. Innocap, however, will have no obligation to purchase, sell or exchange any security or financial instrument or recommend to purchase, sell or exchange any security or financial instrument for one fund managed or advised by it or Managed Account which Innocap may purchase, sell or exchange for another fund managed or advised by it or Managed Account if Innocap believes in good faith at the time the investment decision is made that such transaction or investment would be unsuitable, impractical or undesirable for a particular fund or Managed Account.

Innocap generally makes or recommends investment decisions among Investment Vehicles on a pro rata basis in proportion to the relative value of the eligible net assets of such fund and/or Managed Account or on a pro rata basis in proportion to the actual position size held by such fund and/or Managed Account. Additional factors that Innocap may take into account include, among others, the nature and size of the proportion of a securities issue likely to be available to Innocap or the nature and size of the proposed sale; the investment objectives and restrictions on one of the Investment Vehicles; the relative size and cash availability of the applicable strategy within such fund and/or Managed Account; the ability to borrow and the cost of borrowed funds; tax consequences; legal restrictions, including those that may arise in foreign jurisdictions; the liquidity of the investment relative to the need of such fund and/or Managed Account; the degree of specialization of such fund and/or Managed Account relative to the investment offered; the relative historical participation of such fund and/or Managed Account in the investment; the difficulty of liquidating an investment for more than one fund managed or advised by Innocap and/or Managed Account; the possibility that an allocation may result in a small or odd lot; new funds managed or advised by Innocap with a substantial amount of investable cash; and other factors considered relevant.

Item 13 - Review of Accounts

The Investment Vehicles are analyzed and monitored on an ongoing basis by the Risk and Due Diligence Department. These reviews are subject to the Chief Compliance Officer's overview. Each Investment Vehicle is reviewed in detail on at least an annual basis, as well as in connection with each client meeting. On a daily, weekly and monthly basis, where applicable, the Risk and Due Diligence Department reviews a number of reports that are designed to identify Investment Vehicles that are outside the expected ranges for returns, volatility, exposure to asset classes and exposure to industry sectors.

Reviews of an Investment Vehicle will also be triggered if its investment objectives, or if the market, political, or economic environment changes materially.

Clients receive account statements directly from their chosen custodian, prime brokers or the Investment Vehicle's administrator on at least a quarterly basis. Innocap may supplement these statements with reports provided during client meetings or as requested. In addition, investors of the EU Funds receive audited annual financial statements.

Item 14 – Client Referrals and other compensation

Other than the situation described below, Innocap does not receive any other economic benefits from non-clients in connection with the provision of investment advice to clients. Innocap is very careful with any particular benefits, compensation or remuneration practices that are inconsistent with its obligations to clients. It is Innocap's policy to never accept a commission-based remuneration.

Innocap may compensate placement agents who introduce new investors that commit capital to an Investment Vehicle. The amount paid to placement agents is based on point-in-time negotiation and all placement fees will be fully disclosed to investors referred by placement agents.

Item 15 - Custody

Innocap does not have custody of client funds or securities.

Item 16 - Investment Discretion

With respect to Managed Accounts, Innocap may have full discretionary authority to manage clients' assets, including authority to make decisions with respect to which a Trading Advisor is engaged to manage the assets. Even in cases where Innocap has full discretionary authority, Innocap's authority is limited by its own internal policies and procedures and each client's investment guidelines.

Innocap provides non-discretionary investment advice to IGIM with respect to the EU Funds.

Item 17 - Voting Client Securities

Proxy Voting Policies and Procedures

Rule 206(4)-6 under the Advisers Act, which requires registered investment advisers that exercise voting authority over client securities to implement proxy voting policies. In compliance with such

rules, Innocap has adopted proxy voting policies and procedures (the “**Policies**”). The general policy is to vote proxy proposals, amendments, consents or resolutions relating to client securities, including interests in private investment funds, if any (collectively, “**proxies**”), in a manner that serves the best interests of the Investment Vehicles for which Innocap has the authority to vote or recommend IGIM to vote, as determined by Innocap in its discretion. In limited circumstances, Innocap may refrain from voting proxies where Innocap believes that voting would be inappropriate taking into consideration the cost of voting the proxy and the anticipated benefit to the Investment Vehicles.

A copy of Innocap's Policies is available upon request, as is information about how Innocap has voted.

Proxy voting for the Investment Vehicles may also be delegated to the Trading Advisors. Innocap believes that the Trading Advisors are generally fiduciaries with obligations to vote proxies in the best interests of the accounts they manage.

Item 18 - Financial Information

Innocap has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.