

**Maple Rock Capital Partners, Inc.**

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**March 31, 2017**

This brochure (“Brochure”) provides information about the qualifications and business practices of Maple Rock Capital Partners, Inc. If you have any questions about the contents of the Brochure, please contact the Chief Compliance Officer at 416-619-0705. The information in the Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Any reference to or use of the terms “registered investment adviser” or “registered,” does not imply that the adviser or any person associated with the adviser has achieved a certain level of skill or training.

Additional information about the adviser is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **ITEM 2 - MATERIAL CHANGES**

This Maple Rock Capital Partners, Inc. Brochure has been materially updated since the last version of the Brochure dated March 30, 2016 to include the following:

Item 4 - Effective December 21, 2016, Lennard Kipp and the Investment Manager entered into an agreement pursuant to which Mr. Kipp has ceased to be a “Principal” of Maple Rock and has transferred his ownership interest in the Investment Manager to Xavier Majic. Mr. Kipp is no longer actively involved in the day-to-day operations of Maple Rock.

As a result, Mr. Majic now owns 100% of the Investment Manager (through a personal holding company of which he is the sole owner). Mr. Majic is also the sole Principal of Maple Rock.

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## **Item 4 – Advisory Business**

### **A. Overview of Maple Rock**

Maple Rock Capital Partners, Inc. (the “Investment Manager” or “Maple Rock” or “Firm”) was formed as a corporation in Canada in April of 2014. The Investment Manager launched its pooled investment vehicles and commenced trading in January of 2015. Xavier Majic is the Firm’s Founding Partner and Chief Investment Officer (CIO). The Firm is based in Toronto, ON, Canada, with its head office located at 45 St. Clair Avenue West, Suite 903, Toronto, ON, Canada, M4V 1K9.

#### **1. Funds**

The Investment Manager provides discretionary investment advice to pooled investment vehicles (the “Funds”). The Funds are currently organized as a master feeder structure with each of Maple Rock US Fund LP, a Delaware limited partnership (the “Onshore Fund”); Maple Rock Offshore Fund LP, a Cayman Islands limited partnership (the “Offshore Fund”); and Maple Rock Fund LP, an Ontario limited partnership (the “Canadian Feeder” and together with the Onshore Fund and Offshore Fund, the “Feeder Funds”) investing all or a portion of their assets in Maple Rock Master Fund LP, a Cayman Islands limited partnership (the “Master Fund”).

Each Fund is governed by a limited partnership agreement or similar governing document (each, a “Fund Agreement”) that specifies the investment guidelines and investment restrictions applicable to the Fund. In addition, investors in each Fund (“Investors”) are provided with a confidential offering memorandum prior to their investment, which contains information regarding the intended investment program for such Fund.

Affiliates of the Investment Manager serve as the general partners of the Onshore Fund, the Offshore Fund, the Canadian Feeder and the Master Fund (the “General Partners”). The General Partners are under common control with, and are related persons of, the Investment Manager. The General Partners retain management authority over the business and affairs of the Funds for which they serve as general partners, but have delegated the responsibility of managing the Master Fund’s investment portfolio to the Investment Manager. This Brochure sometimes refers to the General Partners and the Investment Manager, together with their management affiliates, as “*Maple Rock*.”

In the future, Maple Rock may provide investment advisory services to additional private funds, including feeder funds to the above Master Fund.

#### **2. Managed Accounts**

To the extent appropriate for a large or strategic investor, the Investment Manager may provide discretionary investment advisory services to separately managed accounts in the future, although it has no plans to do so at this time.

### **B. Advisory Services Offered**

Maple Rock intends to pursue a value oriented and opportunistic strategy focusing on compounding capital at high rates of return with lower volatility and risk to principal than usually associated with equity markets. Please see Item 8 of this Brochure for a more detailed description of Maple Rock’s investment strategy, methods of analysis, and the types of securities Maple Rock will generally invest in and the material risks of loss.

## **1. Funds**

The Investment Manager has full discretionary authority to manage the Funds. Among other things, this means that the Investment Manager is authorized to make purchase and sale decisions for the Funds.

The Investment Manager has wide latitude in choosing investments and trading activities. Although the Investment Manager intends to pursue the strategy and processes described in the “Fund Agreements” (the confidential offering memoranda for the Funds and the MF Investment Management Agreement) such agreements do not expressly require it to do so. The Fund Agreements specify certain investment limitations that are intended to limit the Funds’ risk exposure.

Maple Rock does not tailor its advisory services to the individual needs of Investors and does not accept Investor-imposed investment restrictions on the Master Fund. Notwithstanding the above, Maple Rock and/or the Funds have entered and may in the future enter into side letter arrangements (“Side Letters”) with certain Investors prior to investment. Although it has not done so, as a result of such Side Letters the Funds could issue new interests providing for those additional or different rights or terms without the approval of existing Investors. Maple Rock will not enter into Side Letters that provide Limited Partners with different management fees, incentive fees or allocations, and/or liquidity terms than those described in this memorandum. Managed Accounts

If Maple Rock offers advisory services to Managed Accounts in the future, it is anticipated that the Investment Manager will also have full discretionary authority to manage the Managed Accounts. Typically, Managed Accounts will be managed according to strategies that are similar to those of the Funds. However, it is anticipated that the Investment Manager will tailor its investment advisory services for each Managed Account to the investment objectives and/or restrictions established by the underlying investor.

## **2. Wrap Fee Programs**

Maple Rock does not participate in wrap fee programs.

## **C. Assets under Management**

As of December 31, 2016, the Investment Manager had approximately \$562,564,085 of client regulatory assets under management all of which are managed on a discretionary basis.

## **Item 5 – Fees and Compensation**

A brief summary of Maple Rock’s fee structure is provided below. Investors and prospective Investors should refer to the applicable confidential offering memorandum and Fund Agreements for a more fulsome description.

### **A. Management Fees and Incentive Allocation**

The General Partners of the Funds and/or the Governance Committee may waive or reduce the management fee or incentive allocation paid as to particular Investors at any time. Employees, members, and other related persons of Maple Rock will generally be subject to the same liquidity terms and limitations as unaffiliated Investors holding Class A Interests, except with regard to amounts attributable to Incentive Allocations (and earnings on those amounts) within the first 12 months as specified in the Fund Agreements. The Principals are subject to liquidity terms concerning their initial invested capital that vary from those of Investors in the Funds, as further explained in the Fund Agreements.

#### **1. Funds**

The Master Fund pays Maple Rock a management fee 1.5% per annum, quarterly in advance based on the net asset value of the Fund (the “Management Fee”). Although the Management Fee will initially be 1.5% per annum, if, as of the beginning of a quarter, the total net assets under the Investment Manager’s management exceed \$500 million, the Management Fee Rate will be a blended rate of 1.5% to \$500 million and a reduced rate for the amount which at the time exceeds \$500 million, between 1% per annum and 0.5% per annum, based on the Class of Interests. Employees of Maple Rock will generally not be subject to management fees or incentive allocations.

Maple Rock also receives an incentive allocation ranging from 15%-20% of the net profits of the Master Fund, on a high-watermark basis (the “Incentive Allocation”).

Generally, Maple Rock deducts the Management Fee and Incentive Allocation directly from the Master Fund. Clients are not billed by Maple Rock for such fees. Please refer to the **Item 5.C.** below for information on the allocation of the Management Fee between the Feeder Funds.

#### **2. Managed Accounts**

Should Maple Rock advise Managed Accounts in the future, Managed Accounts would generally be subject to Management Fees and an Incentive Allocation, however fee arrangements and terms for each Managed Account would be individually negotiated. Accordingly, each Managed Account could be subject to different terms and fees than those of the Funds and other Managed Accounts.

### **B. Fees Payable in Advance**

As noted above, Management Fees are payable quarterly in advance. Due to the limitations on withdrawals and redemptions from the Funds (as detailed in the Fund Agreements), Investors are typically not able to withdraw or redeem from a Fund during the middle of the quarter. If an Investor were required or otherwise permitted to redeem or withdraw from a Fund during the middle of a quarter, the Investor could be eligible for a refund on any Management Fees paid in advance for that quarter under certain circumstances, such as the occurrence of a key man event, as further specified in the Fund Agreements.

## **C. Expenses**

### **1. Funds**

Expenses and fees will generally be paid by the Master Fund or the Feeder Funds directly or the Investment Manager may advance costs and be reimbursed by the Funds. The Master Fund will generally allocate the economic effects of its activities between the Feeder Funds in proportion to the Feeder Funds' ownership interests, but it will specially allocate certain expenses differently, to reflect the proportions in which the Feeder Funds would bear them if the Feeder Funds had incurred and paid them directly, as specified in the Fund Agreements. The Investment Manager's decision to bear any expenses out of its own assets or revenues as to some expenses or for some periods will not obligate it to do so as to any other expenses or to continue doing so for any other periods. Each of the Feeder Funds will generally bear its ongoing operating costs, as well as its share of the Master Fund's operating costs, either directly or by reimbursing Maple Rock. The Funds' operating costs include but are not limited to:

- brokerage commissions and other transaction-related compensation and charges arising out of transactions involving Fund assets, including outsourced trading costs;
- interest and borrowing charges on securities sold short and margin and other borrowings;
- custodial and bank service fees;
- auditing, accounting, third-party-administration (including the administrator's), bookkeeping, tax preparation and reporting, third-party legal, and other professional fees and costs (including fees and costs paid to Maple Rock's counsel for services relating to the Funds' legal affairs);
- fees and costs in connection with any lawsuits, arbitrations, or other controversies and in connection with, among other things, the Funds' indemnification obligations owed to Maple Rock and its affiliates;
- costs of the Funds' and its affiliates' (other than the Investment Manager's) registration and filings with and licensing by governmental and self-regulatory organizations and costs associated with regulatory and other filing and reporting requirements by the Feeder Funds and/or the Master Fund;
- transfer, withholding, income, stamp, and other taxes and duties (which may in certain circumstances be specially charged by the Fund to one or more Investors);
- costs of reporting to Investors and of Fund meetings and other governance activities
- fees of the Governance Committee Members ("GC Members") that are not affiliated with Maple Rock, reimbursable expenses of GC Members, and the cost of D&O, E&O and possibly other types of insurance attributable to the GC Members;
- costs directly related to acquiring, holding, and/or monitoring and administering Master Fund investments, including research related expenses, reasonable travel expenditures that are solely investment related, costs of third party investigative services and costs of membership on creditors' or equity-holders' committees (both formal and informal) and participating in deliberations and negotiations regarding Master Fund investments; and
- all other costs related to the Fund's operation or to the purchase, sale or transmittal of Fund assets, all in the Investment Manager's discretion.

The Funds will also bear all initial offering and organizational expenses (other than travel and travel-related expenses incurred by Maple Rock in connection with investment or ongoing offering activities). The Funds may treat organization and initial offering costs as an asset and amortize them over 60 months, and the Master Fund may employ a similar convention in maintaining its partner accounts, which is not consistent with generally accepted accounting principles.

## **2. Managed Accounts**

If in the future the Investment Manager advises any Managed Accounts, all fees and expenses will be individually negotiated and therefore may vary from client to client. However, each Managed Account would generally also bear all fees and expenses incurred in relation to the maintenance and operation of the Managed Account and the purchase and sale of assets in the Managed Account.

*Please refer to Item 12 of this Brochure for a description of Maple Rock's brokerage practices.*

**It is critical that Investors refer to a Fund's confidential offering memorandum and Fund Agreements for a complete understanding of how Maple Rock is compensated for its advisory services and the associated fees and expenses. The information contained in this Brochure is a summary only and is qualified in its entirety by those documents.**



## **Item 6 – Incentive-Based Compensation and Side-by-Side Management**

As described in Item 5, Maple Rock may receive an Incentive Allocation from each of the Funds and/or Managed Accounts (if any are established in the future).

It should be noted that the potential to receive incentive-based compensation, creates a potential conflict of interest in that Maple Rock may have the incentive to make investments that are riskier or more speculative than it would make in the absence of incentive-based compensation. And, because incentive-based compensation is calculated on a basis that includes unrealized appreciation of the Funds' (and/or Managed Accounts') assets, the incentive-based compensation may be greater than if it were based solely on realized gains. Investors are provided with disclosures in the relevant Fund Agreements and confidential offering memoranda as to how incentive-based compensation is charged with respect to a particular Fund and the risks associated with such incentive-based compensation prior to making an investment.

Currently, all advisory clients pay an Incentive Allocation.

## **Item 7 – Types of Clients**

Maple Rock provides discretionary investment advisory services to the Funds, which are pooled investment vehicles operating as private investment funds (i.e., hedge funds). It is not anticipated at this time that the Investment Manager will provide discretionary investment advisory services to separately managed accounts.

### **1. Funds**

Admission to the Funds is not open to the general public, and each Investor must meet the eligibility provisions and minimum contribution amounts described in each Fund's confidential offering memorandum. Investors in the Onshore Fund and Offshore Fund must generally be "qualified purchasers" (as defined in the Investment Company Act of 1940, as amended), and may include, without limitation, high net worth individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, limited partnerships and limited liability companies.

Generally, Investors in the Feeder Funds are subject to a minimum investment of \$1,000,000, subject to waiver by the General Partner and / or Governance Committee, as the case may be (but not below Cayman Islands minimums in the case of the Offshore Fund). The General Partner and / or Governance Committee intends to waive most such requirements for Maple Rock, its affiliates, employees, and owners, and those affiliates', employees', and owners' family members.

### **2. Managed Accounts**

As noted in Item 4, in the future the Investment Manager may provide discretionary advice to Managed Accounts, though it is not contemplated at this time. Any such Managed Account would be subject to a significant account minimum.

## **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss**

### **A. Investment Strategy**

#### **1. Funds**

The Master Fund’s investment objective is to compound capital at high rates of return with lower volatility and risk to principal than usually associated with equity markets. Maple Rock will focus on mispriced assets and complex situations in areas where the firm believes it has meaningful edges due to pattern recognition, company-specific knowledge and situational analysis. The Funds will take both long and short positions in equities, fixed-income securities, and/or derivatives. The Master Fund may invest in a wide range of instruments and opportunities, including currencies, commodities, futures, forward contracts, and investments in special purpose and co-investment vehicles. The Investment Manager’s investment style is value oriented and opportunistic. The Investment Manager has a disciplined investment process for investment ideas from sourcing, analyzing and decision making. Potential investment opportunities are prioritized based on the Maple Rock’s history and experience of seeing similar opportunities, also known as pattern recognition. The Investment Manager sources ideas from internally and externally generated sources. The next step in the Investment Manager’s investment process is identification of the various investment traits that the Investment Manager has identified as typical drivers of superior risk adjusted returns. The Investment Manager believes mispricings are typically driven by either fundamental (e.g. earnings) or technical causes (e.g. psychology) and both offer ample investment opportunities. When a mispricing is caused by an event where the outcome is “unknowable”, it is critical to understand what probability the market is pricing into these types of situations. The market tends to discard “unknowable” investment opportunities creating potential mispricings.

#### **2. Managed Accounts**

The Investment Manager does not advise Managed Accounts at this time. Typically, Managed Accounts would be managed according to strategies that are similar to those of the Funds. Therefore, the investment risks described below may also apply to the activities of Managed Accounts. However, in the future, additional risks may be relevant to Managed Accounts whose investment strategies differ from those of the Funds.

### **B. Risk of Loss**

**There can be no assurance that the Funds will achieve their investment objective. An investment in the Funds may be deemed speculative and is not intended as a complete investment program. Neither the Funds nor the Investment Manager can provide any assurance that the Funds will achieve their objectives over any particular period or at all, or that the Funds will not incur losses. Investments in the Funds are designed only for experienced and sophisticated persons who are able to bear the risk of substantial impairment or total loss of their investment. For a complete explanation of all relevant risks, Investors and potential Investors should review the applicable confidential offering memorandum, which discusses the factors below as well as other risk factors.**

#### **GENERAL INVESTMENT RISKS**

**Market Conditions and Disruptions; Interconnected Markets.** Market disruptions could cause the Funds to incur major losses, particularly if they cause historical pricing relationships to become materially distorted or previously liquid positions to become illiquid. Market disruptions can result in otherwise historically low-risk strategies performing with unexpected volatility and risk.

**Changes in Investment Strategies.** The Investment Manager has broad authority to expand, contract, or otherwise change the Funds' activities without notice to, or the consent of, the Investors. Over time, the strategies the Funds implement can be expected to expand, evolve, and change, perhaps materially. Any change in strategies could expose the Funds' capital to additional risks.

**Concentration of Investments.** The Funds will not be as diversified as many other investment funds. While the Investment Manager intends to limit investments that could create excessive concentration in a particular company or industry sector in accordance with the exposure limits described in the Fund Agreements, it is not required to do so. The Funds may at times have a relatively large portion of their capital exposed to a relatively small number of positions and/or a particular industry. Losses in one or more large positions, or a downturn in an industry in which the Funds are concentrated, could materially adversely affect the Funds' performance and could have a materially adverse effect on the Funds' overall financial condition.

**Information Sources.** The Investment Manager relies heavily on the accuracy and completeness of information on which it bases investment decisions, but as to much of that information it is not in a position to confirm that completeness or accuracy: critical, and apparently reliable, information may be inaccurate or incomplete. Reliance on erroneous or incomplete information could cause the Investment Manager to make investments that lead to losses in the Funds' portfolio or to refrain from making investments that would have resulted in gains.

#### **RISKS ARISING FROM PARTICULAR ACTIVITIES OR TYPES OF SECURITIES**

All investment and trading activities risk the loss of capital. The following describe some of the risks to which the Funds' portfolios will, or may, be subject.

**Investments Based on Valuation.** The Funds will invest in securities the Investment Manager believes are undervalued and may sell short securities the Investment Manager believes are overvalued. Identifying investment opportunities of these kinds is a difficult task, and neither the Funds nor the Investment Manager can provide any assurance that the Investment Manager will succeed at it. While investments in undervalued securities offer opportunities for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses and short sales based on expectations that market participants will come to agree that a stock is overpriced can theoretically involve even higher risks. The Funds may be required to hold positions for a substantial period before market prices reflect the Investment Manager's beliefs about their value. Returns generated from the Funds' investments may not adequately compensate for the business and financial risks assumed.

**Equity Investments.** The Funds' equity investments may involve substantial risks and may be subject to wide and sudden fluctuations in market value, with a resulting fluctuation in the amount of profits and losses.

**Small and Medium Capitalization Stocks.** The Funds may invest in stocks of companies with relatively small- or medium-sized market capitalizations. While the Investment Manager believes these stocks can provide significant potential for appreciation, they can involve higher risks than investments in stocks of larger companies.

**Timing of Gains and Losses; Volatility.** The Funds may need to hold some of their positions for significant periods before their success or failure becomes apparent or any gains can be realized. It may take longer for successful positions to realize their potential than for unsuccessful ones to reveal their weaknesses. Market prices of portfolio positions may be expected to fluctuate significantly over the Funds' holding periods, causing the Funds' performance to be volatile over the short term.

**Limited Liquidity of Investments.** Many of the Funds' investments may be relatively illiquid. An investment may be illiquid because it is thinly traded or because the Funds' position in it is large in relation to the overall market for the security. The Funds may own (or have a short position in) securities that are relatively liquid when acquired (or sold short) but that later become illiquid. The Funds may not be able to liquidate illiquid positions if the need were to arise; rapid sales of such securities could depress the market value of those securities, reducing the Funds' profits, or increasing their losses, in the positions (and rapid purchases to cover short positions could have the corollary effect). In addition, the Funds may buy securities that are not immediately saleable in the public markets.

**Short Selling.** The Funds may sell securities short as a regular part of their investing activities. In a short sale, the Funds sells securities it does not own, in the expectation that the market price will decline and the Funds will be able to buy replacement securities later at a lower price. The Funds may experience losses on short positions that are not offset by gains on long positions.

**Non-Controlling Investments; Investments with Third Parties.** The Funds may hold a non-controlling interest in certain investments and, therefore, may have a limited ability to protect their position in such investment. The Funds may co-invest with third parties through consortiums of private equity investors, joint ventures or other similar arrangements.

**Distressed Investments.** The Funds may invest in "distressed" securities – claims and obligations of issuers that are experiencing significant financial or business difficulties. Investments may include loans, loan participations, trade claims held by trade or other creditors, stocks, partnership interests and similar financial instruments, executory contracts, and options or participations therein not publicly traded. The Funds may lose a substantial portion or all of their investments in a distressed situation or may be required to accept cash or securities with a value less than their investments.

**Special Situations.** The Funds expect that among their distressed securities investments will be investments in companies involved in or undergoing work-outs, liquidations, spin-offs, reorganizations, bankruptcies or other catalytic changes or similar transactions. As with other distressed company investments, The Funds could lose their entire investments in special situation investments.

**Debt Instruments.** The Funds may invest significantly in debt or other fixed-income instruments, including bonds and debentures. Particular types of debt instruments are subject to various risks that are specific to the ways in which they are structured, the industries and markets in which their issuers participate, the assets underlying the instruments, the impact of applicable tax or regulatory factors, and numerous other specific factors.

**Convertible Securities, Rights and Warrants.** The Funds may invest in hybrid securities that may be exchanged for, converted into, or exercised to acquire a predetermined number of shares of an issuer's common stock at the option of the holder during a specified time period (such as convertible preferred stocks, convertible debentures, stock purchase rights, and warrants). Convertible securities generally pay interest or dividends and provide for participation in the appreciation of the underlying common stock but at a lower level of risk because the yield is higher and the security is senior to common stock. Convertible debt securities purchased by the Fund that are acquired for their equity characteristics are not subject to minimum rating requirements.

**Active or Suggestive Investing.** Particularly in connection with distressed investments, the Investment Manager may communicate with the issuer of a security in an attempt to influence the issuer's decisions or strategies and enhance the value of the Funds' investment. This could occur when the Funds and other Accounts, together, have or seek to take a position in an issuer's securities that is material relative to other

holders of the issuer's outstanding securities. The Funds may be unable to exit their position at a favorable price.

**Hedging.** The Investment Manager may use hedging strategies to the extent it considers appropriate in light of current circumstances and portfolio composition. Hedges are often imperfectly inversely correlated with the underlying exposure the Fund seeks to hedge and, to the extent that is the case, can subject the Fund to additional risk, if prices involved in the hedging position move against the Fund.

**Portfolio Leverage.** Leverage in the Funds' portfolio could increase both the possibilities for profit and the risk of loss. If the Funds were to borrow to leverage their investments (margin borrowing), that borrowing would probably be secured by the Funds' securities and other assets. Margin borrowings typically allow the lender to demand an increase in the collateral that secures the Funds' obligations, and if the Funds were unable to provide additional collateral, the lender could liquidate the collateral to satisfy the Funds' obligations. Forced liquidation could have extremely adverse consequences, including sales at disadvantageous times and prices and the acceleration of tax consequences.

**Risks of Investing in Non-U.S. Securities.** The Funds may invest and trade in securities of non-U.S. companies or governmental entities, and in securities, commodity interests, and derivative contracts and instruments denominated in currencies other than U.S. dollars, which can subject the Funds to risks not typically associated with investing in securities and commodity interests in the United States. Investments in non-US securities, especially in those of developing economies, may present certain special risks, including: political or economic instability; the possibility of governmental actions such as expropriation, nationalization or confiscatory taxation; currency controls; withholding taxes on dividends, interest and gains; less robust bankruptcy laws and practice; fluctuating currency exchange rates and restrictive regulations. As compared to U.S. entities, some non-US entities may generally disclose less financial and other information publicly, and may be subject to less stringent and less uniform accounting, auditing and financial reporting standards.

**Currencies and Foreign Exchange.** The Funds may take positions in currencies, either directly or through the use of derivative instruments. The foreign exchange markets can be news-driven, can be unexpectedly volatile, and can be affected by non-market forces such as actions of various governments, as described elsewhere in this memorandum.

**Options.** Trading options is highly speculative and may entail risks greater than investing in other securities. Option prices are generally more volatile than other securities' prices.

**Derivatives in General.** The Funds' investments in derivative instruments could include, among other things, options, contracts for differences, participatory notes, swaps (including on interest rate, credit default, total return and equity swaps), futures and forward contracts. While specific types of derivatives involve specific risks, all derivative instruments can involve a variety of material risks, including leverage, limited liquidity, and correlation error and change.

**Over-the-Counter Derivatives.** Over-the-counter or "OTC" derivatives have historically been individually-negotiated, non-standardized agreements entered into directly and privately between two parties—rather than on an exchange—to make/receive payments based on changes in underlying reference instruments or values. OTC derivatives involve risks such as counterparties' failure to perform, loss in counterparties' creditworthiness, payment obligations periodically or upon changes in the prices of underlying instruments or rates or indices, less liquidity than listed options or futures and difficulties in interpreting legal terms of the relevant agreements.

**Futures/Commodities Activities.** The Funds could buy futures on securities indices, commodities, or currencies, and trade in other commodity interests. Trading in futures is highly speculative and may entail risks that are greater than investing in securities, including: increased volatility relative to other securities; increased exposure resulting from the leverage aspects of futures trading; and the potential illiquidity of futures positions. The Investment Manager is not registered as either a “commodity pool operator” or a “commodity trading adviser.”

**Securities Lending.** The Funds may lend portfolio securities either directly or through programs operated by financial intermediaries. As a creditor, the Funds run the risk that borrowers of their securities may fail to return borrowed securities on demand or at all.

**Exchange Traded Funds and Other Pooled Investment Vehicles.** The Funds may invest or trade in Exchange Traded Funds (“ETFs”), index-related instruments, and other instruments or pooled vehicles as a way of hedging risks related to particular industries, sectors, or markets in connection with their other investments. Doing so will subject the Fund to hedging-related risks and may also include the risk that an ETF or index-related instruments may not effectively reflect the performance of the index, industry, or other market it is intended to replicate.

**Trading Errors.** The Funds will bear the burdens, and enjoy the profits, from any trading errors, unless those errors constituted an act or omission as a result of gross negligence, willful misconduct, or a willful violation of law by the Investment Manager.

**Limited Liquidity.** An investment in the Fund is illiquid and is not suitable for an investor who needs liquidity. There is no public market for Interests and there are limitations on Investors’ abilities to transfer their Interests. Although Investors may withdraw capital, their ability to do so is subject to several limitations.

*The foregoing list of risk factors does not purport to be a complete statement of the risks involved in an investment in the Funds or the establishment of a Managed Account. Please refer to the confidential offering memorandum.*

**Item 9 – Disciplinary Information**

Maple Rock has no legal or disciplinary information to disclose at this time.



## **Item 10 – Other Financial Industry Activities and Affiliations**

### **A. Broker-Dealer Registration Status.**

The Investment Manager and its management persons are not registered as broker-dealers and do not have any application pending to register with the SEC as a broker-dealer or registered representative of a broker-dealer.

### **B. Futures Commission Merchant, Commodity Pool Operator or Commodity Trading Adviser Registration Status.**

The Investment Manager and its management persons are not registered as, and do not have any application to register as, futures commission merchants, commodity pool operators, commodity trading advisors or associated persons of the foregoing entities. Maple Rock will rely on the exemptions provided by the U.S. Commodity Futures Trading Commission Rules 4.13(a)(3) and 4.14.

### **C. Material Relationships or Arrangements with Industry Participants.**

The Investment Manager acts as an investment manager for various Funds as previously noted. Furthermore, as noted in Item 4, affiliates of the Investment Adviser serve as the general partners for the Funds. In addition, a prime broker or other service provider or affiliates could provide “capital introduction,” referral or placement agent services for the Funds. Further, a service provider could provide consulting services to Maple Rock or an affiliate.

### **D. Material Conflicts of Interest Relating to Other Investment Advisers.**

The Investment Manager does not recommend or select other investment advisers for its clients.

## **Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

### **A. Code of Ethics**

Maple Rock has adopted a Code of Ethics (the “Code”) which is designed to meet the requirements of Section 204A-1 of the U.S. Investment Advisers Act of 1940, as amended from time to time (the “Advisers Act”). The Code applies to the Investment Manager’s “Access Persons.” Access Persons include, generally, any partner, officer or director of the Investment Manager and any employee or other supervised person of the Investment Manager who, in relation to the advisory clients, (1) has access to non-public information regarding any purchase or sale of securities, or non-public information regarding securities holdings or (2) is involved in making securities recommendations, executing securities recommendations, or has access to such recommendations that are non-public. All of the Investment Manager’s employees and supervised persons are deemed to be Access Persons.

The Code sets forth a standard of business conduct that takes into account Maple Rock’s status as a fiduciary to its clients and requires Access Persons to place the interests of the clients above their own interests. The Code requires Access Persons to comply with applicable federal securities laws. Further, Access Persons are required to promptly bring violations of the Code to the attention of Maple Rock’s Chief Compliance Officer. All Access Persons are provided with a copy of the Code and are required to acknowledge receipt of, and agreement to abide by, the Code.

The Code also sets forth reporting and pre-clearance requirements for personal trading by Access Persons. Access Persons must provide Maple Rock’s Chief Compliance Officer with a list of their personal accounts and an initial holdings report within 10 days of becoming an Access Person. In addition, Maple Rock’s Access Persons must provide annual holdings reports and quarterly transaction reports in accordance with Advisers Act Rule 204A-1. The Code also seeks to ensure the protection of non-public information about the activities of the Funds.

Based on the Code, Access Persons are not permitted to establish new positions in equity securities, equity-linked securities or corporate bonds with less than \$20 billion in market capitalization in their personal trading accounts. Access Persons are also not permitted to trade in securities that are held in the Funds that Maple Rock manages or securities that Maple Rock is contemplating in acquiring for the Funds in their personal trading accounts. However, Access Persons may close out existing positions subject to pre-clearance approval by the Chief Compliance Officer. As such, for item 8(A)(2) in Maple Rock’s Form ADV Part 1, Maple Rock has answered in the negative.

Maple Rock’s Code of Ethics also contains policies and procedures designed to ensure that its Access Persons do not engage in insider trading. Insider trading is generally understood to be trading on the basis of material non-public information. The Code addresses the principal elements of insider trading, including materiality, and the procedures Access Persons must follow if they come into possession of material non-public information. Maple Rock maintains a Restricted List, which is a key component of its insider trading procedures.

Clients or prospective clients may obtain a copy of the Code by contacting Maple Rock’s Chief Compliance Officer at 416-619-0705.

### **B. Personal Trading**

Maple Rock manages the potential conflicts of interest inherent in Access Person personal trading by rigorous enforcement of its Code, which contains limitations on Access Persons’ personal investment activities and specific pre-clearance and reporting guidelines for Access Persons. Access Persons’ personal securities transactions are strictly required to be made in accordance with the Code. In addition, Maple Rock receives transaction and holdings reports in accordance with Advisers Act Rule 204A-1. The Chief

Compliance Officer or his or her designee also periodically reviews Access Persons' personal transaction and holdings reports to make sure each Access Person is conducting his or her personal securities transactions in a manner that is consistent with the Code. The CCO or his designee logs and investigates any breaches and their disposition, and sanctions are applied based on the CCO's judgment consistent with the Code.

### **C. Participation or Interest in Client Transactions**

The Investment Manager and General Partner may have financial ownership interests in the Funds and will receive a Management Fee and/or incentive-based compensation for their services to the Funds.

Also as explained in Item 10 and elsewhere in this Brochure, certain affiliated investors invest in the Funds, but such investments generally are not subject to the same Management Fees or incentive-based compensation described in Item 5 that may be applicable to other Investors.

The fact that Maple Rock, its principals and employees have financial ownership interests in the Funds creates a potential conflict in that it could cause Maple Rock to make different investment decisions than if such parties did not have such financial ownership interests. Further, Maple Rock receives Management fees and/or incentive-based compensation. The Management fees are payable without regard to the overall success or income earned by the Funds and therefore may create an incentive on the part of Maple Rock to raise or otherwise increase assets under management to a higher level than would be the case if Maple Rock were receiving no management fee. Incentive-based compensation may create an incentive for Maple Rock to make investments that are riskier or more speculative than in the absence of such compensation.

Maple Rock addresses these potential conflicts through regular monitoring of client portfolios. If Maple Rock begins to manage other Advisory Clients beyond the current Funds, it will implement additional policies and procedures for allocating transactions and opportunities among the Funds and those other Advisory Clients in a manner it believes to be equitable, taking into account similarities and differences among the various accounts, and in particular relating to activities of the other Advisory Clients in which Maple Rock or its personnel or affiliates have material interests.

## **Item 12 – Brokerage Practices**

Maple Rock, with oversight of the Governance Committee as detailed in the Fund Agreements, has discretion to select the Funds' prime brokers, executing brokerage firms, counterparties, and other service providers ("Transacting Parties"), and to negotiate the terms on which the Funds engage and use those service providers, including compensation arrangements. Maple Rock recognizes its duty to obtain "best execution."

### **A. Selection Criteria**

Consistent with its duty to seek best execution, Maple Rock may take into account the full range and quality of brokerage services, including research, capital introduction and other services that benefit its clients. Maple Rock will effect transactions with brokerage firms which Maple Rock believes provide favorable net prices and are capable of providing efficient executions. The Investment Manager typically considers a range of factors, including: historical net prices (after markups, markdowns and other transaction-related compensation); Transacting Parties' execution, clearance and settlement and error correction capabilities generally and in connection with instruments of the type and in the amounts to be bought or sold; their willingness to commit capital; their reliability and financial stability; the size of the transaction; the availability of securities to borrow for short sales; the market for the instrument in question; and the nature, quantity, and quality of research and other services and products the Transacting Party provides.

The clients may at times pay more than the lowest transaction cost available in order to obtain services and products other than the execution of securities transactions.

### **B. Soft Dollars**

Section 28(e) of the 1934 Act provides a "safe harbor" to investment managers who use commission dollars generated by their advised accounts to obtain investment research and brokerage services that provide lawful and appropriate assistance to the manager in the performance of investment decision-making responsibilities. Maple Rock anticipates that it may utilize soft dollar arrangements and such use will be within the parameters of 28(e).

In acquiring services or products using soft dollars, the Investment Manager has an incentive to cause the Master Fund to pay higher compensation, use different Transacting Parties, and effect more transactions than it might otherwise do, possibly at the Funds' expense. The Investment Manager currently intends to use Master Fund soft dollars only to acquire services and products that constitute "research" and "brokerage" within the meaning of Section 28(e).

The Investment Manager may acquire, among others, the following types of "research" from Transacting Parties: reports on or other information about particular companies or industries; economic surveys and analyses; recommendations as to specific securities; financial and industry publications; portfolio evaluation services; financial database software and services; computerized news, pricing and statistical services; analytical software and services; proxy analysis services and systems; quotation services; and other products or services that may enhance the Investment Manager's investment decision-making. "Brokerage" services and products beyond "actual" execution may include computer systems and facilities (including hardware) used for such things as communicating orders and settlement related information electronically to executing Transacting Parties, post-trade matching of trade information, communicating allocation instructions, and other clearance and settlement functions.

When Maple Rock uses client commissions to buy research, it receives a benefit because it does not have to furnish or pay for the research itself. Because the relevant Funds pay somewhat higher commissions to generate soft dollars, Maple Rock faces a conflict of interest between its need to access the research and the Funds' possible interest in paying the lowest commission rates available. Maple Rock addresses this

conflict by reviewing the factors noted above when selecting the broker-dealers and electronic networks it uses, and by considering the reasonableness of the commissions paid in relation to the research or services provided.

Although the Funds may use Transacting Parties that provide recommendations or other information (e.g., about specific securities or market activity) on an ad hoc basis, Maple Rock will not enter into any cash soft dollar arrangements, such as establishing a soft dollar account with a brokerage firm, in order to acquire products or services other than transaction execution, even if those arrangements would be protected by Section 28(e).

The Investment Manager does not intend to choose a Transacting Party in recognition of referrals of investors, including investors in other investment funds the Investment Manager manages (including use of prime broker capital introduction services), referrals of advisory clients, or the potential for future referrals.

### **C. Aggregation of Orders**

At this time, the Investment Manager will have discretionary investment authority only with respect to the Feeder Funds and the Master Fund which invest by means of a master-feeder structure. If in the future Maple Rock manages additional clients, it may be appropriate for it to aggregate orders for the purchase or sale of securities on behalf of multiple clients. In such a situation, the Investment Manager will do so consistent with law and will endeavor to ensure that no client is systematically favored over any other client, including allocating the proceeds of those transactions (and the related transaction expenses) among the clients on an average price basis (although it may allocate partially filled orders differently).

### **Item 13 – Review of Accounts**

Members of Maple Rock’s investment team, including the Chief Investment Officer, continuously review client accounts. The Funds’ portfolios are under continuous review with regard to investment policy, the suitability of the investments used to meet policy objectives, cash availability and investment objectives. Additional or more frequent reviews may be triggered by investment performance, changes in market conditions or other non-market risk analysis.

Maple Rock’s Operations team, in conjunction with the Funds’ prime brokers, banks, counterparties and administrator, focuses on cash management, cash reconciliation, trade confirmation and reconciliation, portfolio valuation and corporate actions. Maple Rock’s Chief Compliance Officer and Chief Financial Officer, with certain designees, performs reviews covering such areas as the Firm’s restricted trading list, personal trading, beneficial ownership levels and reporting obligations, trade errors, short selling and proxy voting, preparation of monthly accounts and annual financial statements, portfolio and net asset valuation, cash management and reconciliation, books and records maintenance and other matters.

All Maple Rock Fund investors receive audited financial statements of the Funds annually in addition to account statements and reports of estimated investment performance on a monthly basis.

**Item 14 – Client Referrals and Other Compensation**

Maple Rock does not currently maintain any agreements with third parties to act as solicitors for advisory clients or for Investors, but may do so in the future. As applicable, all such compensation would be fully disclosed as consistent with applicable law. All such activities would be conducted in accordance with relevant SEC guidance.

## **Item 15 – Custody**

Under the SEC’s custody rule, as to those Funds for which an affiliate of the Investment Manager serves as general partner, the General Partner is considered to have “custody” of those Funds’ assets. To ensure compliance with Rule 206(4)-2 under the Advisers Act, Maple Rock has a reasonable belief that all Investors will be provided with financial statements for their respective Fund, audited by an independent accounting firm that is registered with and subject to review by the Public Company Accounting Oversight Board, in accordance with U.S. Generally Accepted Accounting Principles, within 120 days of the end of such Funds’ fiscal years. Investors should carefully review the audited financial statements of the Funds and compare them to the account statements sent by Maple Rock.

Maple Rock does not anticipate having custody over Managed Accounts, should any be established.



## **Item 16 – Investment Discretion**

Maple Rock has discretionary authority to manage the Funds and is authorized to make purchase and sale decisions for the Funds.

As explained in Item 4 and Item 8 above, each Fund's investment strategy is set forth in detail in a confidential private offering memorandum or similar document. Investors in the Funds do not have the ability to impose limitations on Maple Rock's discretionary authority. Prospective investors should carefully review offering documents prior to making an investment and should consult with their legal, tax, or other advisors prior to making any investment. Investors must also execute a subscription agreement and a limited partnership agreement in which they make various representations, including representations regarding their suitability to invest in a high-risk investment pool.

## **Item 17 – Voting Client Securities**

Maple Rock has authority to vote proxies on behalf of its clients. Investors do not have authority to direct Maple Rock's vote in a particular solicitation.

Maple Rock has adopted proxy voting policies and procedures that address how it votes proxies. Prior to voting any proxies, the Chief Compliance Officer and/or his designee(s) and relevant portfolio managers responsible for the investment in the subject company will determine if there are any material conflicts of interest related to the proxy in question. If no material conflict is identified, the Chief Compliance Officer and/or his designee(s) and the portfolio manager(s) will determine the manner in which to vote the proxy in question in accordance with Maple Rock's internal guidelines. If Maple Rock determines that a material conflict exists, it will hire an independent third party or will disclose to its Advisory Clients that there is a material conflict. Maple Rock may not vote every proxy. There may be times when refraining from voting is in the Funds' best interests, taking into account associated costs, benefits, and interests of the clients. In such cases, Maple Rock will document its decision not to vote the proxy.

Maple Rock keeps a record of its proxy voting policies and procedures, proxy statements received, votes cast, all communications received and internal documents created that were material to voting decisions and each request for proxy voting records and Maple Rock's response for the previous five years. Clients may obtain (i) a copy of Maple Rock's proxy voting policies and procedures and/or (ii) information on how Maple Rock has voted proxies with respect to the Funds' securities by contacting the Chief Compliance Officer.

**Item 18 – Financial Information**

Maple Rock and its affiliates do not require or solicit prepayment of fees longer than six months in advance. Maple Rock is not currently aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients or Investors. Maple Rock has not been the subject of a bankruptcy petition at any time during the past ten years.