

YCAP Asset Management Part 2A of Form ADV The Brochure

37 avenue Pierre 1er de Serbie, 75008 Paris - France

www.ycapam.fr

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This brochure provides information about the qualifications and business practices of YCAP Asset Management (“YCAP” or the “Firm”). If you have any questions about the contents of this brochure, please contact us at +33 1 75 77 47 12. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

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

Material Changes

This is the initial Form ADV Part 2A for YCAP and therefore there are no material changes to be reported.

Table of Contents

Material Changes	2
Table of Contents	2
Item 4. Advisory Business	3
Item 5. Fees and Compensation	3
Item 6. Performance Based Fees and Side-by-Side Management.....	3
Item 7. Types of Clients	4
Item 8. Methods of Analysis, Investment Strategies and Risk of Loss.....	4
Item 9. Disciplinary Information	5
Item 10. Other Financial Industry Activities and Affiliations	5
Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	6
Item 12. Brokerage Practices	6
Item 13. Review of Accounts	8
Item 14. Client Referrals and Other Compensation	8
Item 15. Custody	8
Item 16. Investment Discretion	8
Item 17. Voting Client Securities	8
Item 18. Financial Information.....	8

Item 4. Advisory Business

YCAP Asset Management (“YCAP” or the “Firm”) is based in Paris, France and is a 90%-owned subsidiary of YCAP Holdings, a holding company based in Luxembourg. YCAP is 10%-owned by a former YCAP employee, Nathaniel Amsellem. YCAP Holdings is owned by Yariv Elbaz.

YCAP’s President and Chief Compliance Officer is Lionel Tangy Malca; the Managing Directors are Jean-Jacques Ohana and Julien Benitah; the Portfolio Managers are Roberto Pacault and Tage Altoukhi; and the Risk Manager is Christian Witt. All personnel are based in YCAP’s Paris office.

The Firm focuses on developing and implementing tailored asset management solutions primarily for institutional investors. YCAP’s clients include separately managed accounts, UCITS funds, and AIF funds. Certain of the UCITS funds are open to both institutional and retail investors. YCAP employs a multi-assets approach to managing client portfolios. Its aim is to produce a performance in accordance with the investment objectives and risk profile of each client as set forth in the relevant advisory agreement or fund offering documents. YCAP is regulated in France by the Autorité des Marchés Financiers (AMF).

As of January 31, 2017, YCAP had approximately \$692m (€641m) in assets under management, of which \$578m (€536m) were invested in dedicated funds unavailable to retail clients.

Item 5. Fees and Compensation

YCAP enters into investment advisory agreements primarily with institutional clients. YCAP also offers fund interests primarily to institutional investors. All fees and compensation to be received by YCAP are disclosed in the relevant advisory agreements or the relevant prospectus. YCAP does not receive any compensation other than stated above.

In general, for advisory services provided to clients, YCAP will charge an investment management fee based on a percentage of the market value of the assets under management. YCAP also may charge a performance fee, subject to a High Watermark provision. All fees are negotiated with each client and invoiced on a quarterly basis, in arrears.

The fees mentioned above do not include brokerage commissions, transaction fees, custody fees, and other expenses paid by clients and incurred in connection with securities transactions executed for client accounts.

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

As noted above, certain YCAP clients may be charged a performance fee with a High Water Mark Provision.

The presence of certain clients with incentive-based compensation could create a potential conflict of interest for YCAP in that it could have an incentive to allocate more favorable investments to incentive-based clients over non-incentive-based clients. To address this potential conflict of interest,

YCAP has adopted allocation procedures and controls to ensure that all clients are treated fairly in the portfolio management process.

All fees and compensation, including performance based fees to be received by YCAP, will be outlined in the relevant investment advisory agreements.

YCAP employees may invest alongside clients in regulated open-ended investment funds. For further information about Side-by-Side Management of client accounts, please see Item 12 Brokerage Practices below.

Item 7. Types of Clients

YCAP provides investment management or advisory services primarily to institutional clients through separately managed accounts. YCAP also provides advisory services to a small percentage of non-institutional clients, also through separately managed accounts. The Firm also had fund clients including UCITS funds and AIF funds. In addition, YCAP provides asset allocation advice as a sub-adviser on fund allocation for a French life-insurance product sponsored by a French life insurance company.

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

Methods of Analysis and Investment Strategies

YCAP's investment process is based on both quantitative and qualitative methods of analysis. The quantitative analysis is based on proprietary models which analyze market risks and decode the behavior of market participants. The qualitative analysis relies on a fundamental research to anticipate economic or political risks. Limiting downside risk is the priority in YCAP's investment process.

As part of its portfolio management process, YCAP ensures the compliance with investment restrictions set out by the regulatory framework as well as the specific investment advisory agreements. YCAP does not typically restrict portfolio management discretion based on environmental, social and governance criteria.

Risk of Loss

The investment strategies pursued by YCAP will be subject to normal market fluctuations and other risks inherent in investing in securities. There can be no assurance that any appreciation in the value of investments will occur. The value of investments and the income derived from them may fall as well as rise and investors may not recoup the original amount they invest.

The descriptions contained below are a brief overview of associated risks related to YCAP's investment strategies; however, they are not intended to serve as an exhaustive list or a comprehensive description of all risks and conflicts that may arise in connection with the

management and operations of YCAP. Clients are advised to refer to the pertinent investment advisory agreement for a more fulsome discussion of the associated risks for a particular strategy.

Currency Exchange Rates

Currency fluctuations may adversely affect the value of a client's investments and the income thereon and, depending on an investor's currency of reference, currency fluctuations may adversely affect the value of the investment.

Derivatives risks and volatility

The prices of derivative instruments, including futures, options and swap prices, can be highly volatile. Price movements of forward contracts, futures contracts and other derivative contracts are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies.

Counterparty Risk

Clients will be subject to the risk of the inability of any counterparty to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes.

Liquidity

In extreme market conditions, it may be difficult for a client to realize an investment at short notice without suffering a discount to market value. In such circumstances the investor may suffer a delay in realizing his investment or may incur a dilution adjustment. Depending on the types of assets invested in, there may be occasions where there is an increased risk that a position cannot be liquidated in a timely manner at a reasonable price.

Leverage

A proportion of the capital may be leveraged. While leverage presents opportunities for increasing the capital return, it has the effect of potentially increasing losses as well. Any event which adversely affects the underlying vehicles would be magnified to the extent the capital is leveraged. The cumulative effect of the use of leverage in a market that moves adversely to the underlying investment vehicles could result in a substantial loss to capital that would be greater than if capital were not leveraged.

Item 9. Disciplinary Information

In 2016, YCAP received a sanction from the AMF involving irregular recourse to a management delegation and receipt of irregular retrocessions of management fees in 2012. In imposing the sanctions the AMF recognised that YCAP clients had not been harmed and that YCAP has implemented internal policies to address the compliance issues.

Item 10. Other Financial Industry Activities and Affiliations

As mentioned previously, the Firm is a 90%-owned subsidiary of YCAP Holdings, which has majority or 100% ownership interests in four other money management firms in addition to YCAP. These other firms are: YCAP AM Europe, YCAP Partners, Agriland Management, and Infrastructure PPP

Africa Management. YCAP does not have any material business dealings with any of these YCAP Holdings entities. YCAP has no affiliations with any broker-dealer.

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

YCAP has adopted a Code of Ethics policy which, among other things, contains provisions designed to (i) prevent improper personal trading by employees; (ii) prevent improper use of material, non-public information about securities recommendations made by YCAP or securities holdings of advisory clients and (iii) identify conflicts of interest, including monitoring of gifts and pay-to-play issues that could arise due to political donations by YCAP or its personnel.

Personal Trading Policy and Procedures

YCAP has policies and procedures designed to prevent its employees from misusing material nonpublic information (which may include information regarding YCAP's clients) in their personal trades. YCAP maintains a Restricted List of securities as necessary subject to sales or trading activity prohibitions which shall also apply to the Firm, and employees must request pre-approval to execute personal securities transactions. If a company is listed on the Restricted List, employees are generally prohibited from trading in that company's securities.

A copy of YCAP's Code of Ethics shall be provided to any client or prospective client upon request.

Item 12. Brokerage Practices

Best Execution

YCAP maintains a list of approved counterparties with whom orders are typically placed. Subject to the terms of the applicable investment management agreement, YCAP has full discretion to choose a counterparty from the Firm's current list of approved counterparties for executing any order or orders, but in doing so shall assess and balance a range of all relevant factors, including those set out in its best execution policy which YCAP considers (in its reasonable determination) relevant to achieving the best result for the clients.

On a periodic basis, the list of approved counterparties will be reviewed (ratings and other available financial data having been updated) by members of Risk, Compliance, and Portfolio Management and, where appropriate, the list will be amended. Any amendments to the list will be reflected in the Firm's portfolio management system.

Subject to any specific instructions that the Firm may receive from a client, the typical factors that are considered to determine the manner in which an order will be executed include the following:

- Price
- Costs
- Size and nature of the order
- Speed
- Quality of back-office
- Counterparty risk

- Together with any other consideration relevant to the execution of the order, such as availability of liquidity, and the market impact of the order.

In determining the relative importance of these factors the Firm will take into account a client's instructions and investment objectives, together with the nature of the order, the characteristics of the financial instruments to which the order relates and the characteristics of the available execution venues. In the absence of specific instructions from a client, the Firm will exercise its discretion to determine which of these factors, or combination of them, will be most relevant to achieve best execution.

Ordinarily, price will merit a high relative importance in obtaining the best possible result for clients. The next most importance factor is likely to be liquidity. However, in certain circumstances, for some client orders, financial instruments or markets, the Firm, at its absolute discretion, may decide that other factors may be more important in determining the best possible result in accordance with this policy.

The Firm is required to monitor the effectiveness of the order execution arrangements and assess on a regular basis whether the execution venues included in the 'Counterparty approved list' provide for the achievement of the best results for clients.

Where the Firm "executes" transactions on behalf of a client it will monitor the result of transactions against the result that could be obtained in the market and keep itself aware of developments in the market place that may impact the results obtained. In the event that the Firm identifies any deficiencies it will make appropriate changes to this Policy.

Allocation and Aggregation

Investment opportunities will be allocated on a basis believed to be fair and equitable; no portfolio will receive preferential treatment over any other. The portfolio management team will take steps to ensure that no Client portfolio will be systematically disadvantaged by the aggregation, placement, or allocation of trades.

The Firm's policy is to aggregate portfolio transactions where possible and when advantageous to all clients involved. In these instances clients participating in any aggregated transactions will participate at the average price per security. Where aggregation does occur and the aggregated order is partially executed then the Firm must allocate the trades in accordance with its Trade Allocation policy.

Where an investment opportunity is suitable for two or more portfolios, the Portfolio Managers will allocate such trades equitably in order to ensure that portfolios have equal access to the same quality and quantity of investment opportunities.

Transactions are allocated promptly, usually on the trade date, and no reallocations are permitted from one account to another except where the original allocation was done in error.

Cross Trading

Where appropriate, a security may be bought on behalf of one client's portfolio from another client's portfolio and the trading bid/offer spread thereby largely eliminated. Prior to effecting any such transaction, the relevant Portfolio Manager must present the rationale for the transaction to Chief Compliance Officer including why the cross trade is in the best interest of both clients, and how the

price will be fair to both clients, and the cross trade may not proceed without the written consent of the Compliance officer.

Trade Errors

The Firm endeavours to detect trade errors prior to settlement and correct them in an expeditious manner. YCAP's general policy is to seek to investigate and resolve trade errors in a timely manner. The Firm's clients will not bear any loss arising from such an error and will retain any gains.

Soft Dollars/Client Commission Usage

The Firm has not entered into any soft dollar or client commission sharing agreements. However, YCAP may receive research from the counterparties with which it executes as part of the relationship, but the Firm does not request, nor "pay up" to obtain research from the counterparties.

Item 13. Review of Accounts

YCAP reviews all client accounts on an ongoing basis and will provide client reporting as set forth in the investment advisory agreement.

Item 14. Client Referrals and Other Compensation

YCAP does not receive any compensation from anyone with regard to the services provided to clients. Similarly, the Firm has not engaged any third parties to solicit clients or investors.

Item 15. Custody

Client assets and securities are held by third party custodians and YCAP does not have any clients for which it would be deemed to have custody.

Item 16. Investment Discretion

YCAP exercises investment discretion with regard to client portfolios, subject to any restrictions or obligations outlined in the relevant investment advisory agreement.

Item 17. Voting Client Securities

YCAP has adopted policies and procedures regarding its voting responsibilities for proxies, which will govern the voting process. A copy of such policies and procedures will be available upon request, as well as a record of all votes cast on behalf of the Firm's clients.

Item 18. Financial Information

YCAP has never filed for bankruptcy and is not aware of any financial condition that is likely to impair its ability to provide services to clients.