



Innocap Investment Management Inc.

1555 Peel Street, Suite 600
Montreal, Québec, Canada
H3A 3L8
www.innocap.com

Part 2A of Form ADV: Firm Brochure

Updated: January 26th, 2021

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) 390-7446 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 also is 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

This Brochure dated January 26th, 2021 reflects the following changes since the last version dated January 21st, 2020.

- *General update of information contained in the Brochure.*

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Item 4: Advisory Business

Innocap Investment Management Inc.

Innocap is owned by BNP Paribas S.A. (“**BNPP**”) (50%), CDP Investissements Inc. (30%), a wholly-owned subsidiary of la Caisse de dépôt et placement du Québec (“**CDPQ**”) and Innocap’s management, via 10313157 Canada Inc. (20%). Innocap has been in the managed account platform industry since 1996.

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 acts as investment adviser with or without discretionary trading authority depending on the type of mandate. Innocap also offers customized alternative investment platform services to its clients. These services are provided on a discretionary basis and be tailored to accommodate the individual needs and profiles of clients.

When acting on a discretionary basis, Innocap either delegates the management of a client’s portfolio, in accordance with the client’s investment guidelines and restrictions, to a sub-advisor (a “**Trading Advisor**”) or portfolio management is delegated to the Trading Advisor directly by the Fund (as such term is defined below). 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 provides recommendations or other services to its 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. These services are provided according to a client’s investment objectives and business model.

In addition, the platform services are offered under two types of fund structures:

- (1) Funds in which the assets of several investors are pooled (“**Commingled Funds**”); and
- (2) Funds dedicated to a sole investor (“**Dedicated Funds**”).

The Commingled Funds provide investors with access to various investment strategies while dividing the costs and expenses between several 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 input on investment guidelines and restrictions.

Innocap currently offers non-discretionary advisory services to IGIM and acts as investment fund manager to the Innocap Funds, as defined below. These services are detailed hereinafter.

(i) Advisory Services to IGIM

Innocap serves as the investment advisor to Innocap Global Investment Management (Ireland) Ltd (“**IGIM**”), its wholly-owned subsidiary, acting in various capacities, as detailed below:

- as investment manager and portfolio manager of an Irish open-ended umbrella investment company established as undertakings for collective investment in transferable securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations¹ and management company and portfolio manager to an Irish open-ended umbrella investment company established as undertakings for collective investment in transferable securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations (together, the “**UCITS Funds**”);
- as alternative investment fund manager and portfolio manager to two Irish qualifying investor alternative investment funds and one French general-purpose investment fund (along with the UCITS Funds and the Luxembourg fund as defined below, the “**European Funds**”); and
- as platform manager to several funds established as (1) Delaware limited partnerships which are dedicated to Canadian investors, (2) a Massachusetts limited liability company which is dedicated to a sole US investor (together the “**US Funds**”) and (3) sole investor exempt companies incorporated and limited partnerships formed in the Cayman Islands (the “**Cayman Funds**”).

In addition, Innocap supports IGIM in connection with its offering of investment management services to a fund of a Luxembourg SICAV (the “**Luxembourg Fund**”, and together with the other European Funds, the US Funds and the Cayman Funds, the “**IGIM Funds**”).

The management of the portfolio of the IGIM Funds is delegated to different Trading Advisors, which implement various types of investment strategies following their respective investment approaches. Innocap provides IGIM with advisory services relating to the selection, due diligence and ongoing monitoring of the Trading Advisors, risk management services, operation and middle office services and legal and compliance services. Innocap does not have discretionary authority with respect to the IGIM 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 IGIM Funds’ offering documentation where applicable. Innocap does not make recommendations to IGIM as to specific securities or investments the IGIM Funds may purchase or sell.

(ii) Investment Management Services – Innocap Funds

Innocap acts as the investment fund manager of a limited partnership registered under the laws of the Province of Ontario (Canada) and as investment manager and investment fund manager of limited partnerships registered under the laws of the Province of Quebec (Canada) (the “**Innocap Funds**”, and along with the IGIM Funds, the “**Funds**”). The Innocap Funds are solely offered to Canadian residents and are not offered to U.S. persons.

Innocap is also the platform manager of a Delaware LP (the “**Delaware LP**”), this Delaware LP is a fund of funds investing in funds managed by IGIM. Innocap also holds a nominal investment in that Delaware LP.

Clients’ Assets

As of October 30th, 2020, Innocap managed USD 973,688,177 on a discretionary basis (Innocap Funds only).

¹ It is expected that the mandate for this UCITS Fund will be terminated in March 2021.

Item 5 - Fees and Compensation

Compensation

Innocap generally charges each Innocap Fund a management fee based on the net asset value ("NAV") of each fund. Management fees are notably based on the complexity of the fund's investment strategy, the size of the mandate and the reporting requested by the client.

With respect to the limited services it provides the Delaware LP, Innocap charges a nominal flat fee.

With respect to the IGIM Funds, Innocap charges an overall fee to IGIM which takes into consideration the costs associated with its provision of services.

Additional Fees

The Innocap Funds may also bear the following fees:

Trading Advisor Fees

Fees paid to Trading Advisors vary and generally include a management fee based on the NAV of the relevant Innocap Fund and a performance fee based on the net trading gain of such Fund. Further details can be obtained from Innocap and are disclosed in the relevant offering documentation (where applicable).

Administration Fee

The Innocap Funds also bear administrative fees and expenses based on their NAV, sometimes 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 Innocap Funds, or in underlying investment vehicles in which they 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 Innocap Funds, they must therefore make meaningful profits from their investments to avoid depletion or exhaustion of their assets from these and other expenses.

Other Fees

The Innocap Funds may be subject to other types of fees including initial set-up fees, liquidation or redemption fees, administration services and related software fees, banking commissions and charges, custodian fees, legal fees, audit 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 Innocap Funds, costs of preparation, translation, printing and distribution of reports and notices, marketing material and advertisements and periodic updates of the offering documentation, stock exchange filing fees, expenses in connection with registration, listing and distribution of the Innocap Funds issued or to be issued, operating and structural expenses of general partners acting for limited partnerships, expenses in connection with obtaining and maintaining a credit rating for any Innocap Fund, 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**", where permitted) and any other expenses in each case together with applicable value added taxes. For more details on brokerage practices, please refer to Item 12.

Except as stated above, the Innocap Funds will reimburse Innocap and/or the relevant service providers, as applicable, for all costs and expenses incurred or paid by them associated with the authorisation of the Innocap Funds and the Innocap Funds' ongoing operations. This will include all customary expenses including, but not limited to, maintaining the Innocap Funds' registered office in the relevant jurisdiction, annual governmental registration and set up costs, legal and audit 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 applicable to a particular Innocap Fund shall be charged to it and other charges will be allocated to the Innocap Funds in a manner which Innocap believes is fair and equitable. Some charges may be split equally among Innocap Funds or may be allocated pro rata to the net assets in each relevant fund.

Side Letters

Where permitted under applicable laws and regulations, Innocap may enter into letter agreements with certain 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. These business and investment terms include "most favorable nation" clauses, a requirement to provide compliance certificates or a requirement to notify the investor of certain material events.

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

Type of clients

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.

Currently, Innocap offers non-discretionary advisory services to IGIM and acts as investment manager and/or investment fund manager to the Innocap Funds.

Minimum account size

The minimum subscription amount in an Innocap Fund varies. With respect to a Dedicated Fund, the minimum initial investment is generally higher than in Commingled Funds, but may vary depending on the investment objectives and particular circumstances of a specific account.

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

Methods of Analysis

Innocap offers advice on the selection and appointment of Trading Advisors. Innocap performs due diligence on, and monitors, the Trading Advisors' activities relating to the Funds. Innocap generally evaluates potential Trading Advisors by considering 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 the Trading Advisor's strategy, portfolio composition, information obtained through personal interviews and literature, as well as economic factors.

Investment Strategies

The Funds may deploy various strategies, including:

- Multi-Strategy;
- Credit;
- Structured Credit;
- Credit – Multi-Strategy;
- Commodity – Relative Value;
- Convertible Arbitrage;
- Dedicated Short Bias;
- Emerging Markets;
- Equity Market Neutral;
- Event Driven – Distressed;
- Event Driven - Multi-Strategy;
- Event Driven – Risk Arbitrage;
- Fixed Income Arbitrage;
- Fixed Income Long Only;
- Volatility Arbitrage;
- Global Macro;
- Europe High Yield;
- US High Yield;
- Long Only;
- Long/Short Equity;
- Systematic;
- Hedge Fund Index Replication;
- Infrastructure; and
- Managed Futures.

Risk of Loss

There can be no assurance that the investment strategies implemented in the Funds will be successful and that their investment objective(s) will be achieved. The Funds 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 reoccur. 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 responsible for maximum increase in price allowed in a single day could also be detrimental to profits or cause losses. Increases in margin levels on financial instruments 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 Funds 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 Funds:

- Investments in, or linked to, hedge funds are highly speculative and may be highly volatile;
- Transferability and withdrawals of shares in the Funds may be restricted or suspended;
- Although the hedge fund strategies implemented by 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 levels of fees and expenses may be payable by the Funds which can reduce a client's returns;
- Underlying instruments may be hard to value;
- There can be no assurance that the strategies implemented by the Trading Advisors will achieve the investment objective.
- There can be no assurance that the due diligence conducted on a Trading Advisor will uncover all relevant facts regarding the Trading Advisor or the proposed strategy;
- Increased reliance upon internet-based programs and applications to conduct transactions and store data creates growing security and operational risks. Targeted cyberattacks, as well as accidental events, can lead to a breach in computer and data systems security and subsequent unauthorized access to sensitive transactional or personal information. Data taken in breaches may be used by criminals in committing identity theft, obtaining loans or payments under false identities, and in other crimes that could affect the value of assets in which the Funds invest. Cybersecurity breaches at the Firm or its vendors and service providers may also lead to theft, data corruption, or overall disruption in operational systems. These threats may also directly or indirectly affect the Funds through cyber incidents with third party service providers or counterparties. Cybersecurity risks can disrupt the Firm's ability to engage in investment-related and transactional business, cause direct financial loss or reputational damage, or lead to violations of applicable laws, including those related to data and privacy protection. These risks also result in ongoing prevention and compliance costs.

Investors should carefully review the sections regarding the investment strategy and approach, risk factors and conflicts of interests contained in the offering documentation of the Fund 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, one of Innocap's shareholders, 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**"). On April 15, 2015, BNPP was sentenced by the Supreme Court to a three-year conditional discharge, in line with the DANY Plea Agreement, while requiring BNPP to implement compliance procedures and training, among other things. On May 1, 2015, the District Court entered a final judgment of conviction against BNPP, while requiring remedies that are materially the same as those set forth in the DOJ Plea Agreement, including a term of probation of five years and an obligation of continued cooperation.

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.

In addition, pursuant to a decision by the Finansinspektionen (Sweden) on April 29th, 2013, CDPQ had to pay a penalty fee of SEK 1 million (approximately USD 104 000) for failure to report, within

the time limit prescribed by law, an increase in its holding of shares in Semafo Inc. which exceeded 5% of the total shares and 5% of the number of votes for all shares in Semafo Inc.

Item 10 - Other Financial Industry Activities and Affiliations

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**”):

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

Cayman domiciled single investor exempted companies/limited partnerships: IGIM, a wholly-owned subsidiary of Innocap, acts as the platform manager of the Cayman Funds. The beneficial owner of one of these structures is a related person of Innocap and IGIM.

Delaware Funds: Innocap acts as platform manager of the Delaware Fund in which it also holds a nominal investment.

Furthermore, IGIM, a wholly-owned subsidiary of Innocap, acts as the platform manager of certain funds governed by the laws of Delaware. These funds are structured as limited partnerships or limited liability companies. The beneficial owner of one of these structures is a related person of Innocap and IGIM.

Icare Investment Solutions PLC: IGIM, a wholly-owned subsidiary of Innocap, acts as the management company to Icare Investment Solutions PLC. A person related to Innocap is invested in Icare Investment Solutions PLC.

Innocap Funds: Innocap acts as investment fund manager of an Innocap Fund in which a related party of Innocap is invested.

Innocap Global Investment Management (Ireland) Ltd.: IGIM, a wholly-owned subsidiary of Innocap, acts as investment manager/platform manager for the IGIM Funds and has hired Innocap as its investment advisor in respect of such funds.

Conflicts of Interest

Innocap may be subject to conflicts of interest in managing or providing advice to the Funds, which could impact Innocap’s objectivity and the performance of its obligations. Innocap has adopted a Compliance Manual and a Code of Ethics (see Item 11) which include policies and procedures designed to monitor, manage and reduce potential conflicts of interest.

Affiliation with Innocap’s shareholders

Innocap’s affiliation with BNPP, CDPQ and their subsidiaries makes it important to put in place policies 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, notably:

- (a) Innocap will maintain operational and decision-making autonomy in the exercise of its activities.
- (b) Decisions will be made in the best interest of the clients.
- (c) Innocap does not advise on stock selection as this is delegated to Trading Advisors, but does provide cash management services to certain Funds. When providing such services, Innocap might advise clients with respect to the purchase and sale of securities issued by a related person. However, Innocap will only do so if:
 - it considers a purchase or sale to be in the best interests of its clients;
 - the purchase or sale will not give rise to any duplication of management fees; and
 - the client's prior consent has been obtained according 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 conflicts of interest cannot be managed, the outside activity or directorship will not be permitted. Innocap requires that its officers and employees seek permission before participating in any external business activity or accepting a directorship that could raise any conflict and has adopted strict policies with regards to participation in external business 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, CDPQ, BNPP, IGIM, the Trading Advisors, and their affiliates) that provide services for compensation for Innocap. Thus, such directors or officers 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. As a result of these affiliations, it could be said that the agreements between Innocap and such entities, directly or through IGIM, were not negotiated at arm's length. However, Innocap's directors and officers have the duty to exercise their activities in good faith and with integrity.

Services not Exclusive

Innocap performs 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. Innocap may give advice and take action in the performance of its duties with respect to one client or Fund which may differ from advice given, or the timing or nature of action taken, with respect to other clients or Funds, 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 does not receive commission-based remuneration. In connection with the services rendered to the Funds, Innocap has no revenues other than those specifically disclosed in the relevant documentation.

Transactions with Affiliates

Innocap causes certain Innocap Funds 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. There may be perceived conflicts of interest in the fact that BNPP, which acts as counterparty to certain Funds, is a shareholder of Innocap. Innocap will enter into such dealings provided that they are on an arm's length basis and on terms no less favourable to the Innocap Funds than could reasonably have been obtained had the dealing been effected with an independent third party, provided that such activity complies with applicable legislation.

More specifically, Innocap may cause a fund it manages to invest excess cash in shares of registered money market funds managed by BNPP, an affiliate of Innocap. This presents a conflict of interest for the adviser, because BNPP will earn management fees from the money market fund that it would not otherwise earn if the fund invested in shares of a third party money market fund. Innocap mitigates this conflict through disclosure in this Form ADV.

Services Provided by Affiliates

On behalf of a Fund, 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 seek best execution and applicable legislation.

On behalf of a Fund, 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 Fund 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 affiliates of BNPP as prime brokers, futures clearers and custodians.

Side Letters – Waivers

Innocap may have a conflict of interest in approving side letters providing certain investors with different terms regarding their investment in the Innocap Funds, or a waiver of certain terms in a specific instance, in accordance with applicable laws and regulations. Innocap has permitted, and may permit in the future, certain investors to invest in the Innocap Funds on more favourable economic terms to those applicable to other investors in such Innocap Funds. Side letters and waivers will be permitted by Innocap so long as they are permitted by applicable laws or where such preferential treatment does 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 Funds as they may need more transparency to assess global risk (unrelated to investment decision in a Fund). However, Innocap's affiliates will not be granted preferential treatment with respect to the liquidity to redeem or subscribe from the Funds.

Recommendation or Selection of Trading Advisors

From time to time, Innocap may cause clients to invest in Innocap Funds 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 the fact that Innocap has a fiduciary duty to place the interest of its clients first and does not receive different compensation from the same source (i.e. double-dipping).

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

Code of Ethics

Pursuant to Rule 204A-1 under 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 position; information concerning the identity of securities and financial circumstances of the Funds 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’s CCO on a periodic basis. The Code also includes an 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.

Item 12 - Brokerage Practices²

While Innocap has discretionary authority with regards to the Innocap Funds, it generally delegates this authority to Trading Advisors, except for cash management purposes in certain situations. This delegation includes the 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 Fund’s investment guidelines.

Where assets are managed by a Trading Advisor, Innocap aims to ensure that Trading Advisors seek to obtain best execution by requiring that each investment management agreement with a Trading Advisor contains obligations for the Trading Advisor to comply with applicable guidance

² Innocap does not offer brokerage services.

regarding best execution and soft dollars. The Trading Advisors typically request that accounts be opened with the brokers through which their own investment funds trade. The proposed brokers are evaluated by Innocap's Risk Oversight Committee in accordance with the criteria set forth below.

With regards to the Funds, Innocap does not actively trade in individual equities or fixed income securities. Innocap typically makes recommendations to IGIM for the IGIM Funds' strategies 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. For more information on IGIM's brokerage practices, please refer to IGIM's Form ADV Part 2A, Item 12.

Criteria for evaluating Broker-Dealers

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

- understanding of the business and the investment objective, strategy and approach of the fund(s) 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:
 - FDIC tier 1 common capital ratio;
 - Basel III minimum capital requirement;
 - Credit ratings;
 - Credit default swap spread; and
 - Stock performance.
- strong global securities lending presence;
- strong technological capabilities; and
- cash management capabilities in order for the fund to obtain better returns for any cash holdings.

Innocap, while evaluating broker-dealers, will also consider the broker-dealer's back office capabilities.

Soft Dollars

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

Trading Advisors may enter into soft dollar arrangements, subject to Innocap's or the Fund's prior approval and in compliance with applicable laws.

Brokerage for Client Referrals

Innocap may enter into, or may recommend entering into, agreements on behalf of Funds managed or advised by it with certain broker-dealers that act as prime brokers on behalf of such Funds. From time to time, Innocap's personnel speaks at conferences and other events for potential qualified investors interested in investing in Funds 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 Funds. Currently, neither Innocap nor the existing 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 in accordance with applicable laws and regulations). 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 Funds, Innocap will not commit to allocate a particular amount of brokerage to a broker-dealer in any such situation and does not request or instruct Trading Advisors to do so.

From time to time, the Funds 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.

Item 13 - Review of Accounts

The Funds are monitored on an ongoing basis by IGIM's and Innocap's Investment & Risk Management team. These reviews are subject to the Chief Compliance Officers' oversight. On a daily, weekly and monthly basis, where applicable, IGIM and Innocap's Investment & Risk Management team review a number of reports that are designed to identify the Funds that are outside the expected ranges for returns, volatility, exposure to asset classes and exposure to industry sectors.

Reviews of a Dedicated Fund will also be triggered if its investment objectives, or if the market, political, or economic environments changes materially.

Investors receive account statements directly from their chosen custodian, prime brokers or the Fund's administrator on at least a quarterly basis, and as may be required by applicable legislation. Innocap may supplement these statements with other reports at the request of the investor. In addition, investors of the Funds receive audited annual financial statements, except where exemptions are available and agreed upon with such investor.

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 Innocap Fund. 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. As of the date hereof, Innocap does not compensate any parties for client referrals.

Item 15 – Custody

Innocap does not have custody of client funds or securities.

Item 16 - Investment Discretion

The decisions regarding specific securities to buy and sell on behalf of the Funds is delegated to the Trading Advisors, except with regards to securities traded for cash management purposes.

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

Item 17 - Voting Client Securities

Proxy Voting Policies and Procedures

Rule 206(4)-6 under the Advisers Act requires registered investment advisers that exercise voting authority over client securities to implement proxy voting policies. Since Innocap does not trade securities on behalf of the Funds other than for cash management purposes, it does not vote proxies. Proxy voting is generally the responsibility of the Trading Advisors. Innocap aims to ensure that the Trading Advisor has appropriate policies in place in order to vote proxies in the best interests of the Funds.

A copy of the Policy is available to clients upon request. Since IGIM does not vote proxies there is no information about how IGIM has voted.

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.