

Innocap and BNY Mellon's HedgeMark to create the industry's leading alternative investment platform

innocap **MONTREAL AND NEW YORK,
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Innocap Investment Management Inc. ("Innocap") announced today that it has entered into a definitive agreement to acquire BNY Mellon's HedgeMark business to create a single technology-enabled alternative investment platform and become the global industry leader. The consideration for the sale will be a combination of cash and Innocap shares, allowing BNY Mellon to own a minority equity stake in Innocap's combined US\$50 billion global platform, which focuses on helping institutional allocators access their investments through managed account services providing customized investment solutions, meaningful control, increased transparency, and operational alpha over their investment portfolios.

BNY Mellon will join tenured Innocap reinvesting shareholder Caisse de dépôt et placement du Québec (CDPQ), BNP Paribas and management of both Innocap and HedgeMark as shareholders at closing. In addition, the shareholder base will include new institutional investors Fonds de solidarité FTQ and Walter Global Asset Management. Through this transaction, this reputable group of shareholders recognizes that platform investing is an increasingly important way to access alternative investments.

Better serving their long-standing world-renowned client base is the true driving force behind this transaction. It has inspired both HedgeMark and Innocap to build best-in-class organizations focused on the highest levels of client service over the last three decades. Clients will most benefit from the combined talent, scale, flexibility, technology, innovation and global presence while joining an extended group of like-minded peers.

This transaction will combine Innocap's agile global alternative investment business with BNY Mellon's scalable HedgeMark, the industry's largest hedge fund managed account platform and leading risk services business.

The combined organizations' 300 experienced professionals, extensive industry expertise and proprietary technology systems will accelerate its growth by integrating best-in-class complementary capabilities. In addition, HedgeMark's current management is expected to join the Innocap team in senior roles. Operating as an independent, focused, agile and scalable business will advance Innocap and HedgeMark's shared focus of offering institutional allocators a superior approach to structuring, accessing and monitoring their investments.

"We are excited to welcome HedgeMark employees onboard upon closing. This strong combination will create an agile and scalable industry-leading institutional investment platform. It puts us in an enviable position to transform the industry and welcome the massive shift underway from co-mingled investing towards platform investing driven by institutional allocators' desire for



more control and transparency over their investments. Clients will benefit from our combined technological and governance capabilities to serve their stakeholders more effectively,” said François Rivard, President and Chief Executive Officer at Innocap.

“We are extremely excited about this powerful combination. This transaction will allow us to further innovate and collectively accelerate the industry transformation that Innocap and HedgeMark have begun to advance over the course of many years, leading institutional allocators to invest their alternative allocations through platforms to improve control and transparency over their assets and benefit from mandate customisation. Our combined platform can offer even greater scale and additional flexibility to innovate and invest while maintaining the institutional backing of BNY Mellon and other leading institutional shareholders. Our current and future clients as well as our employees will be the biggest winners in this transaction as it allows for continued investment in our business and greater product flexibility,” said Josh Kestler, who will become Innocap’s President.

“We are very pleased to collaborate with an innovative organization such as Innocap, and remain committed to being a leading provider in the alternative investment space. Our clients will benefit from a robust suite of managed account solutions through the combined platform, and we will work closely to ensure a smooth transition for our clients,” said Alan Flanagan, Global Head of Fund Services at BNY Mellon. “Today’s announcement is yet another example of our commitment to our digital strategy and an open architecture model that allows clients to leverage industry-leading solutions across the fintech ecosystem to address their evolving and increasingly complex needs.”

“This additional investment is in step with our objective of helping portfolio companies expand and reach the next stage in their growth. With this transformative acquisition, we are extremely proud to help create the new global leader in its sector,” said Kim Thomassin, Executive Vice-President and Head of Investments in Québec and Stewardship Investing at CDPQ.

Innocap and BNY Mellon will continue to leverage each other’s capabilities to support the needs of clients through the use of their respective core services, such as custody and administrative services. The move reflects BNY Mellon’s purpose-driven growth agenda to continue to deliver trusted and innovative solutions that power the global financial ecosystems now and in the future.

The transaction is subject to normal closing conditions and regulatory approval, and is expected to close in the first half of 2022.

About Innocap

Innocap is a transformative leader in the financial industry focused on helping institutional allocators access their investments through managed account services/platform providing customized investment solutions, meaningful control, increased transparency, and operational alpha over their alternative investment portfolios. For the past two decades, Innocap has been a trusted partner of some of the most sophisticated institutional allocators in the world. Innocap is backed by BNP Paribas, CDPQ and the management team, to which other reputable and long-term shareholders will be added through this transaction.

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