

PRESS RELEASE

Tonus Capital selected by QEMP for a traditional U.S. small cap equity mandate

Montréal, Québec, March 24, 2021

The Quebec Emerging Manager Program (“QEMP”) is proud to announce that Tonus Capital Inc. (“Tonus”) has been selected to manage a U.S. small cap equity mandate. Tonus employs an active management approach based on the search for value in North American small cap securities. Relying on independence and in-depth knowledge of its investments, Tonus conducts its own analyses and financial modelling to identify equities trading below their intrinsic value.

The investment objective of the Tonus U.S. Small Cap Equity Fund L.P. is to earn superior returns compared to the reference index, the Russell 2000, over a 3 year horizon, through a concentrated portfolio of equities with a market capitalization below US\$5 billion.

Founded in 2007, Tonus Capital is led by Philippe Hynes, President and CEO, who is also one of the firm’s founding members. An actively engaged entrepreneur in the Québec financial industry, Philippe has over 15 years of experience in the areas of fundamental financial analysis, structuring North American investment strategies and small cap equity portfolio management.

“We are pleased to join the QEMP, whose support is a testament to the success of our sound approach as an emerging manager. Our strength lies in our in-depth knowledge of small cap value stocks and we aim to leverage it on the institutional side. As such, this mandate granted by the QEMP will have a significant impact on our firm. We will now have a product that can meet institutional requirements while maintaining our investment philosophy.”

– Philippe Hynes, President and CEO, Tonus Capital

“The QEMP is proud to pursue its growth and to welcome Tonus Capital, a firm with a track record based on over 10 years of returns. Its approach is perfectly aligned with our mission of offering strategies to institutional investors seeking to diversify their sources of alpha while investing locally. Following the \$110 million impact investment by our investors, we will continue to promote the growth of Québec’s emerging managers and build an institutional strategy backed by a rigorous governance structure. In order to invest in the next generation of Québec financial professionals, we encourage other potential investors to contribute to this unique and innovative project.”

– Carolyn Cartier-Hawrish, Manager, QEMP

The PGEQ Fund L.P. has close to \$400 million of assets under management as at March 1st, 2021. Just recently, the QEMP announced a strategic investment totalling \$110 million to propel the development of Québec emerging managers and to support the local asset management ecosystem. This impact investment stems from the Government of Québec as well as additional contributions from three initial investors supporting the QEMP since 2016. It enables the program to accelerate its impact by adding new managers such as Tonus, granting new mandates, launching new strategies, and generating greater visibility for its players on a local and international scale.

About the QEMP

The QEMP's mandate is to promote the growth of financial entrepreneurship in Québec by offering institutional investors a well-balanced investment strategy managed by Québec emerging managers. This project was developed in connection with the work of Finance Montréal's Entrepreneurship Work Group, in collaboration with established portfolio management firms. For more information about the QEMP, visit www.qemp.ca or consult our [LinkedIn](#) page.

About Innocap

Since 1996, the Innocap Group has offered managed account solutions to a global institutional client base seeking high standards of governance. In addition to its structuring and due diligence expertise during manager selection, the group provides daily supervision of fund operations, customized risk management services and independent governance. Innocap's model provides investors with in-depth data transparency, including a breakdown of their assets, investment strategy compliance and centralized monitoring of service providers. Innocap sets itself apart in the industry through its expertise, flexibility and state-of-the-art technology. For more information about Innocap, visit www.innocap.com or consult our [LinkedIn](#) page.

About Tonus Capital Inc.

Founded in 2007, Tonus employs an approach based on its own search for value in small cap securities. Tonus has a track record based on over 10 years of returns in a North American investment strategy. To learn more about Tonus, visit www.tonuscapital.com.

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Allocators interested in learning more about the QEMP should contact Caroline Bergeron, Managing Director, Business Development & Investor Relations, Innocap, for additional information.

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