



# Sagard Private Credit Fund

September 2024

# Sagard & Our Credit Capabilities

Sagard is a global multi-strategy alternative asset manager with \$25B+ in AUM<sup>2</sup>

Capital.	Culture.	Network.
<p><b>\$25.7B</b> AUM<sup>2</sup></p> <p>Across PE, VC, Credit and Real Estate</p> <ul style="list-style-type: none"> <li>Institutional shareholders with <b>high alignment</b> – \$4B+ of commitments</li> <li><b>200+</b> corporate, institutional and family office LPs from 10+ countries</li> <li><b>15</b> strategies across 4 asset classes in operation on the platform</li> </ul>	<p><b>350+</b></p> <p>Professionals<sup>3</sup></p> <ul style="list-style-type: none"> <li>Partner groups with <b>deep asset class and sector expertise</b></li> <li>Highly <b>entrepreneurial, performance-focused culture</b> <ul style="list-style-type: none"> <li><b>90%+</b> of partners are shareholders of the firm</li> <li><b>\$100M+</b> of employee commitments to Sagard funds</li> </ul> </li> </ul>	<p><b>7</b></p> <p>Offices in North America, Europe, and the Middle East</p> <ul style="list-style-type: none"> <li>Proven ability to drive <b>repeatable value creation</b> for our portfolio companies</li> <li><b>Connecting is in our DNA: 300+</b> commercial introductions in 2023</li> </ul>

## Sagard's credit platform is led by an experienced team

Years of experience

**Adam Vigna**  
Co-Founder, Chief Investment Officer



20 years

**Dev Gopalan**  
Partner & PM, Sagard Sr. Lending Partners



19 years

**Mustafa Humayun**  
Partner & PM, Sagard Credit Partners



17 years

**Lynn Hopton**  
CIO & PM, Sagard | HalseyPoint



18 years

**Yvonne Stevens**  
COO, Sagard | HalseyPoint



18 years

**David MacNaughtan**  
Partner & Head of Sagard Healthcare Partners



27 years

Who've been leaders at global brands including



Our leaders are supported by a robust team of 24 investment professionals

## Sagard's institutional private credit strategies are performing well

### Sagard Credit Partners

Non-sponsor direct lending strategy focused on the North American middle market

#### SCP I

- 2017 vintage
- \$557M committed capital
- 14.3% gross IRR<sup>4</sup>
- 11.1% net IRR<sup>5</sup>

#### SCP II

- 2021 vintage
- \$1,367M committed capital
- 16.8% gross IRR<sup>4</sup>
- 12.1% net IRR<sup>5</sup>

### Sagard Senior Lending Partners

Senior non-sponsor direct lending strategy focused on the North American middle market

#### SSLP I

- 2022 vintage (final close: May 30, 2024)
- \$816M committed capital\*
- 7-9% unlevered target net IRR<sup>1,5</sup>

All data as of June 30, 2024. All references to "dollars" or "\$" are to U.S. dollars unless otherwise stated. Past performance not a guarantee of future results and there can be no assurance that historical trends continue. Please refer to "Performance Reporting" in the Appendix. \* Includes \$315M of capital from separately managed accounts dedicated to invest alongside certain SSLP transactions.

# Fund Overview

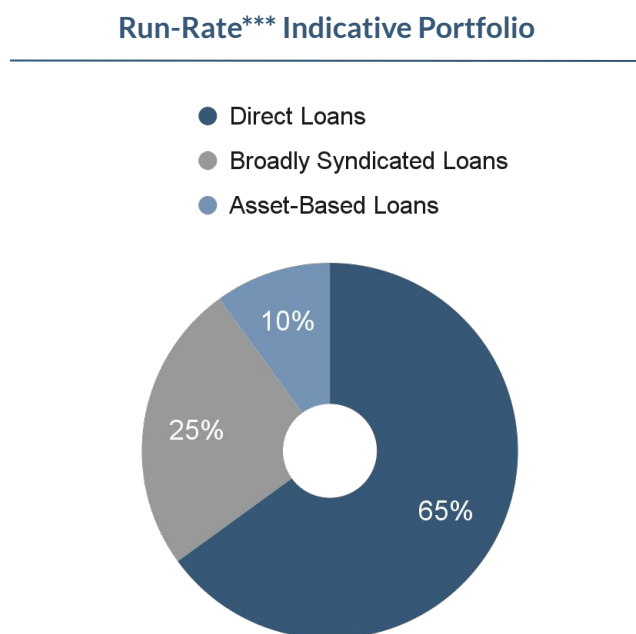
Sagard Private Credit Fund (“the Fund”) harnesses Sagard’s institutional-calibre credit capabilities to offer Canadian investors the opportunity to participate in this attractive asset class.

The Fund launched in September 2024 with over \$50M, of which Sagard, its affiliates and employees invested \$25M.

<p>Monthly distributions, driving initial indicative annual net returns of <b>9-10%*</b></p>	<p>Capital preservation &amp; NAV stability with senior secured, first-lien priority</p>	<p>Inflation protection via floating-rate loans</p>
<p>Evergreen structure with monthly subscriptions &amp; quarterly liquidity</p>	<p>Currency hedged to CAD\$ to minimize foreign exchange risk</p>	<p>0.3% discount on credit services fees for subscribing by Nov. 1, 2024</p>

The Fund invests in a diversified portfolio of private credit investments, comprised mainly of floating-rate, senior secured, first-lien loans originated by Sagard, together with traded and asset-based loan opportunities.

Investment Guidelines**	
North America mid-market focus	With up to 20% for ROW (targeting Western Europe & Australia)
Non-sponsor finance focus	To capitalize on market need and drive superior spread & credit protections
60-65%	Run-rate*** allocation to direct private loans
\$5-500M	Target EBITDA range
0.25%-10%	Target position size range; 2%-4% per deal on average



The terms and conditions set forth herein are speculative and subject to change. \* Indicative annual returns of 9-10% over an investment cycle (assuming the fund’s portfolio is fully invested and stable market conditions), comprised mainly of distributions. There can be no assurance that any distributions will be made to investors. For information regarding calculation of performance information, please refer to “Performance Reporting” in the Appendix. \*\* This table outlines the initial indicative portfolio construction as it relates to the fund’s investments in broadly syndicated loans only. \*\*\* Run-rate expected at 12 months post launch

# Summary of Key Terms

<b>Structure</b>	Sagard Private Credit Fund (“Access Fund”) is an Ontario trust managed by iCapital Network Canada Ltd. (“iCapital”). The underlying fund is Sagard Private Credit LP (“Master Fund”), an Ontario limited partnership, with Sagard Private Credit GP Inc. (“Sagard”) as its general partner		
<b>Offering</b>	The Access Fund offers Series F, A and X Units, all of which are hedged back to the Canadian dollar		
<b>Investor Eligibility</b>	Canadian accredited investors under applicable securities laws		
<b>Min. Investment</b>	\$25,000 initial; \$500 subsequent		
<b>Distributions</b>	Expected monthly, though not guaranteed. Distributions are reinvested unless the investor advises otherwise		
<b>Subscriptions &amp; Valuations</b>	Monthly subscriptions accepted at NAV on the first day of each month; must be submitted 12 business days prior. Monthly valuations on the last business day of each month		
<b>Redemptions</b>	Redemptions are accepted quarterly at quarter-end NAV, with 75 calendar days’ notice. No limit on redemptions at Access Fund; however, Master Fund redemptions are limited to 5% of Master Fund NAV per quarter. Access Fund may charge an early redemption fee of 2% of NAV for redemptions made within one year. Manager has discretion to suspend redemptions		
<b>Launch &amp; Term</b>	The Access Fund launched in September 2024 as a perpetual vehicle		
<b>Leverage</b>	Expected portfolio leverage of 1.5x, with max of 2.0x		
<b>Registered Plan Eligibility</b>	Units are eligible for investment by registered plans such as RRSPs, RRIFs, DPSPs, RESPs, RDSPs, and TFSAs		
<b>Performance Fees</b>	Quarterly performance fee of 15% subject to 1.25% per quarter total return soft hurdle with high water mark		
<b>Funserv Codes &amp; Other Fees</b>	<b>Access Fund Administration Fee</b>	<b>Master Fund Credit Services Fee</b>	<b>Fundserv Codes</b>
<i>Series F</i>	0.2% p.a. of NAV	1.3% p.a. of NAV	ICN100LF
<i>Series A</i>	1.2% p.a. of NAV (incl. 1.0% advisor servicing fee)	1.3% p.a. of NAV	ICN100LA
<i>Series X</i>	0.2% p.a. of NAV	1.0% p.a. of NAV, including a 0.3% discount for subscribing by Nov. 1, 2024	ICN100LX

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# Frequently Asked Questions

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## □ Why should I invest in private credit?

The key advantages include attractive risk-adjusted returns, portfolio diversification, and access to a unique asset class with low correlation to traditional equity and fixed-income investments.

## □ What differentiates Sagard Private Credit Fund from its peers?

The Fund taps into a robust funnel of senior secured, first-lien loan opportunities that the Sagard team rigorously diligences across its institutional product shelf. Like other Sagard Credit products, the Fund focuses on direct lending to North American middle market companies, capitalizing on what we view as a less crowded lending space, with opportunities for enhanced pricing and improved downside protection.

## □ What measures are in place to mitigate default risk?

The Fund employs a rigorous due diligence process to assess the creditworthiness of potential borrowers. We carefully evaluate factors such as financial performance, industry dynamics, management quality, and collateral coverage. Furthermore, the Fund structures loans with tight covenants, collateral, and exit strategies to protect investors' interests in case of adverse events.

## □ How are returns generated for investors in the Fund?

Returns are generated primarily through interest income, origination fees, and potential capital appreciation from the underlying portfolio of loans and investments. The investment team employs a disciplined and selective approach to sourcing, underwriting, and managing investments to maximize risk-adjusted returns for investors.

## □ When can I subscribe to the Fund?

The Fund accepts subscriptions monthly on the 1st of the month. A purchase order must be placed and executed subscription documents must be submitted to iCapital no later than 12 business days prior to the subscription date. Subscriptions must be funded 8 business days prior to the targeted subscription date.

## □ What if I want to sell my units of the Fund?

The Fund offers quarterly liquidity with 75 calendar days' notice; payment will occur approximately 45 days after quarter-end. Redemptions are limited to 5% of the aggregate NAV of the Master Fund; any redemption requests above that will be paid on a pro rata basis. The Fund may charge an early redemption fee of 2% of NAV on any units redeemed within the first year of subscription.

## □ When will I receive my first distribution and how often will I receive future distributions?

The Fund expects to pay distributions on a monthly basis, with the first distribution payable approximately three months after the first closing. For more information on the Fund's distribution policy, please refer to the Fund's Offering Memorandum.

# Performance Reporting

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<sup>1</sup> The projected returns, forecasts and estimates (including, without limitation, any projected rates of return) included herein are necessarily speculative in nature, involve elements of subjective judgment and analysis and are based upon various assumptions made by Sagard in relation to the investment strategy being pursued by the fund referenced herein. It can be expected that some or all of such assumptions may prove to be incorrect or may vary significantly from actual results. Any change or inaccuracy in such assumptions will impact actual results. Accordingly, actual results may differ materially from those projected returns herein. Moreover, while Sagard (the "Firm") generally focuses on investments that are anticipated to provide such projected returns, it is not the case that every investment made will yield such returns. Projected returns are hypothetical and do not reflect the actual returns of any Firm client or investor. No assurance, representation or warranty is made by any person that the projected returns will be achieved and undue reliance should not be put on them. Additional information about the key assumptions used in determining the projected returns and the factors that could cause actual results to differ materially from the projected returns are available upon request.

<sup>2</sup> Assets Under Management ("AUM") As of June 30, 2024 is the sum of:

- i. net asset value of private equity, venture capital, private credit and healthcare funds, including uncalled capital commitments of those funds and unused leverage,
- ii. gross asset value of the underlying real estate of Sagard Real Estate funds and separate accounts,
- iii. fair value of assets held in co-investment vehicles managed by Sagard and uncalled capital commitments of those co-investment vehicles,
- iv. AUM of other managers controlled by Sagard, including fund of funds AUM of the previous quarter, adjusted for subsequent closes during the current reporting quarter (expected AUM pro-forma for the acquisition of PEM), and
- v. fair value of all other assets managed by Sagard that are not otherwise included in the clauses above.

Our definition of AUM is not based on any definition contained in our fund management agreements. Furthermore, our calculation may differ from the manner in which the SEC defines "Regulatory Assets Under Management" on Form ADV and from the AUM definition used by other asset managers.

<sup>3</sup> Includes employees employed by Sagard Holdings Inc. and Sagard SAS, as well as affiliates of Sagard Holdings Management Inc., Grayhawk Investment Strategies Inc. and EverWest Real Estate Investors, LLC.

<sup>4</sup> Gross IRR is a measure of the discounted cash flows (inflows and outflows) related to an investment. Gross Portfolio IRR is based on the portfolio cash flows, including the investment amount at inception, income earned, realized proceeds and carrying value of the portfolio as of June 30, 2024. Gross performance information does not reflect inception-to-date management fees, any fund expenses borne indirectly by investors in a fund, carried interest charged by the Firm or its affiliates or, to the extent applicable, expected credit losses, which will reduce returns and in the aggregate are expected to be substantial.

<sup>5</sup> Net Fund ITD IRR represents the annualized IRR on the total Limited Partners' capital contributions, distributions, and the Fund's net asset value after management fees, fund expenses, and carried interest as of June 30, 2024. Net Fund ITD IRR incorporates the performance results of certain investors who pay no or reduced management fees and/or no or reduced carried interest, and accordingly some investors may earn lower returns than those set out herein.

## **Past Performance Disclaimer**

Past performance contained herein is not necessarily indicative of future results and there can be no assurance that any fund referenced herein will achieve comparable results or that such fund will be able to implement its investment strategy or achieve its investment objective.

## **Target Returns Disclaimer**

The target returns, forecasts and estimates (including, without limitation, any targeted rates of return) included herein are necessarily speculative in nature, involve elements of subjective judgment and analysis and are based upon various assumptions made by the Firm in relation to the investment strategy being pursued by the fund referenced herein. It can be expected that some or all some or all of such assumptions may prove to be incorrect or may vary significantly from actual results. Any change or inaccuracy in such assumptions will impact actual results. Accordingly actual results may differ materially from those targeted returns herein. Moreover, while the Firm generally focuses on investments that are anticipated to provide such target returns, it is not the case that every investment made will yield such returns. Target returns are hypothetical and do not reflect the actual returns of any Firm client or investor. No assurance, representation or warranty is made by any person that the target returns will be achieved and undue reliance should not be put on them.

## **Recycled Capital Disclaimer**

The returns presented herein include all return generated by reinvested capital and profit. Without such reinvested capital, the returns presented herein could be materially lower.

## **Credit Facility Disclaimer**

Certain funds borrow under a credit facility (sometimes referred to as a "subscription line") to make investments and pay expenses and for other purposes to the extent permitted by the fund's partnership agreement. Such fund-level borrowing to fund investments impacts net IRR calculations because net IRR is calculated based on investor cash outlays to, and returns from, the funds and as such, returns depend on the amount and timing of investor capital contributions. To the extent, a fund uses borrowed funds in advance or in lieu of calling capital, investors make correspondingly later or smaller capital contributions. Accordingly, this fund-level borrowing results in higher net IRR than if capital had been called to fund the investments, even after taking into account the associated interest expense of the borrowing.

# Acknowledgement and Disclaimer

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By accepting receipt of this document and reviewing the content set forth herein, you acknowledge having read and agreeing with the following terms.

The information contained herein is in summary form for convenience of presentation. It is not complete and it should not be relied upon as such. The information set forth herein was gathered from various sources which Sagard Holdings Manager LP ("Sagard"), the investment manager of Portage Ventures, Portage Capital Solutions, Sagard Credit Partners, Sagard Senior Lending Partners, Sagard Healthcare Partners, and Sagard Private Equity Canada, believes, but has not been able to independently verify and does not guarantee, to be accurate. For convenience of presentation, Sagard has included information in this presentation about certain of its affiliates and ecosystem partners, including Sagard SAS, Diagram Corporation and Grayhawk Investment Strategies Inc. which information is and incorporated herein without independent verification by Sagard.

The attached material is provided to you on the understanding that you will understand and accept its inherent limitations, you will not rely on it in making or recommending any investment decision with respect to any securities that may be issued, and you will use it only for the purpose of discussing with Sagard your preliminary interest in investing in a transaction of the type described herein. Any investment in private markets is subject to various risks; such risks should be carefully considered by prospective investors before they make any investment decision. Each prospective investor should consult its own professional advisors as to legal, tax, accounting, regulatory and related matters before investing.

Investments in any fund sponsored by Sagard have not and will not be recommended or approved by any federal, provincial or state securities commission or regulatory authority. The foregoing authorities have not passed upon the accuracy or determined the adequacy of this summary.

Sagard is registered as an investment advisor under the U.S. Investment Advisers Act, 1940, as amended; Sagard Holdings Manager LP is registered as an exempt market dealer in the provinces of British Columbia, Alberta, Manitoba, Ontario, Quebec, and Nova Scotia and will act as the dealer in respect of purchases of interests by Canadian investors in funds advised by Sagard Holdings Manager LP in the Canadian provinces in which it is registered. The Ontario Securities Commission is the Principal Regulator of Sagard Holdings Manager LP. Sagard acts as investment manager of Portage Ventures, Portage Capital Solutions, Sagard Credit Partners, Sagard Senior Lending Partners, Sagard Healthcare Partners, and Sagard Private Equity Canada.

Certain statements and certain of the information contained in these materials represents or is based upon "forward-looking" statements or information based on experience and expectations about these types of investments. The forward-looking statements in these materials include statements with respect to, among other things, projections, forecasts or estimates of cash flows, yields or returns, scenario analyses or proposed or expected portfolio composition and anticipated future events, performance or expectations. For example, such statements are sometimes indicated by words such as "expects", "estimates", "believes", "forecasts", "seeks", "may", "intends", "attempts", "will", "likely", "should" or negatives thereof and similar expressions. Forward-looking statements are inherently uncertain and are not guarantees of future performance and are subject to many risks, uncertainties and assumptions that are difficult to predict. Therefore, actual events or results or the actual performance of Portage Ventures, Portage Capital Solutions, Sagard Credit Partners, Sagard Senior Lending Partners, Sagard Healthcare Partners, and Sagard Private Equity Canada may differ materially from those reflected or contemplated in such forward-looking statements as a result of various factors. No representation or warranty, express or implied, is made as to any forward-looking statements and information and no undue reliance should be placed on such forward-looking statements and information. Sagard has no obligation and does not undertake to revise or update these materials or any forward-looking statements set forth herein, except as required by law. In addition, unless the context otherwise requires, the words "include", "includes", "including" and other words of similar import are meant to be illustrative rather than restrictive.

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An investment in a fund managed or advised by Sagard or an affiliate involves a significant degree of risk. There can be no assurance that the Fund will be able to generate returns for its investors or that the returns will be at the levels currently anticipated by Sagard. The success of the Fund will depend on many factors, including the ability of Sagard to identify, select, enter into and exit appropriate investments. The marketability and value of any such investment, and therefore the Fund's return on any such investment, will depend upon many factors beyond the control of the Fund or Sagard. There can be no assurance that the Fund or Sagard will correctly evaluate the nature and magnitude of the various factors that could affect the value of its investments. An investment in the Fund is subject to a number of material risks and material limitations which are discussed in the Private Placement Memorandum. Please consult the Private Placement Memorandum of the relevant Fund for further information.

Additional information is available upon request.

All references to "dollars" or "\$" are to U.S. dollars unless otherwise stated.

All information is presented as of September 13, 2024 unless otherwise stated.

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