



**Relationship Disclosure Information**  
**Sagard Holdings Manager (Canada) Inc.**

**October 4, 2024**

**1. General**

National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (“**NI 31-103**”) requires securities dealers to disclose information that a reasonable investor would expect to know about the client’s relationship with the dealer, including any material conflicts the dealer or its representatives may have with a client. These regulations require dealers to provide this disclosure to clients prior to making any trades.

**2. Registration and Business Activities**

Sagard Holdings Manager (Canada) Inc. (“**SHM Canada**”) is registered in the provinces of British Columbia, Alberta, Manitoba, Ontario, Quebec and Nova Scotia in the category of exempt market dealer. The Ontario Securities Commission (“**OSC**”) is the principal regulator for SHM Canada.

SHM Canada provides dealing services solely for its affiliates. Specifically, SHM Canada provides dealing services to certain private funds, including private funds which pursue private equity, venture capital, private credit and healthcare strategies, each of which is managed by Sagard Holdings Manager LP or an affiliate of Sagard Holdings Manager LP (the “**Sagard Funds**”). Therefore, as part of a suitability determination, SHM Canada will not recommend or offer for investment to its clients products other than the Sagard Funds.

SHM Canada raises capital commitments for the Sagard Funds from permitted clients and accredited investors that qualify to purchase prospectus exempt securities pursuant to National Instrument 45-106 – *Prospectus Exemptions*. SHM Canada acts as an intermediary and does not hold or have access to client funds or securities. SHM Canada will not establish or maintain client accounts for ongoing trading activity or for the custody of client funds or securities. Investments in the Sagard Funds will be evidenced in the books and records maintained by the applicable funds and their service providers.

**3. Related Entities**

The parent corporation of SHM Canada is Sagard Holdings Management Inc. (“**SHMI**”). SHMI is controlled by Power Corporation of Canada (“**PCC**”). PCC is a publicly-traded international management and holding company that focuses on financial services in North America, Europe and Asia. Its core holdings are leading insurance, retirement, wealth management and investment businesses, including a portfolio of alternative asset investment platforms. Great-West Lifeco Inc., a subsidiary of PCC, and an international financial services holding company with interests in life insurance, health insurance, retirement and investment services, asset management and reinsurance businesses, also holds an interest in SHMI.

**4. Proprietary Products and Conflicts of Interest**

Securities legislation requires SHM Canada to take reasonable steps to identify existing material conflicts of interest and material conflicts of interest that are reasonably foreseeable between

SHM Canada, including each individual acting on its behalf, and clients, for which SHM Canada acts as an exempt market dealer.

A conflict of interest is any circumstance where (i) the interests of different parties are inconsistent or divergent, (ii) SHM Canada or its designated representatives may be influenced to put their interests ahead of the client; or (iii) monetary or non-monetary benefits available to SHM Canada or its designated representatives (or potential detriments to which SHM Canada or its designated representatives may be subject) may compromise the trust that a reasonable client has in SHM Canada or its designated representatives.

Conflicts of interest are deemed to be material if the conflict may be reasonably expected to affect the decisions of the client and/or SHM Canada's recommendations or decisions or the recommendations or decisions of SHM Canada's designated representatives in the circumstances. Actual, potential and perceived conflicts of interest may exist, and SHM Canada will manage these conflicts by controlling the conflict, disclosing the conflict to the client, or avoiding the conflict if it is prohibited by law or there are no appropriate controls available in the circumstances sufficient to address the conflict in the client's best interest.

Under NI 31-103, a proprietary product is defined as a security of a connected issuer or related issuer of a registered firm, or where a registered firm (or an affiliate) is the investment fund manager or portfolio manager of the issuer. Where a registered firm deals in a proprietary product with a client, there is conflict of interest with the client as the firm may directly or indirectly benefit from the transaction beyond a typical agency relationship between a dealer and an issuer. This could lead to a representative selling the client an unsuitable investment or overlooking risks of the investment.

The securities of the Sagard Funds are proprietary products. The relationship between SHM Canada and the Sagard Funds creates a material conflict of interest. A material conflict of interest exists between SHM Canada's and its affiliates' financial incentive to sell clients securities of the Sagard Funds, and SHM Canada's regulatory obligations to know-your-client, know-your-product, only recommend suitable investments to clients and duty to act fairly, honestly and in good faith with its clients and act in the best interest of the client. Please see below for a full list of the Sagard Funds.

SHM Canada has policies and procedures in place to identify, disclose and address existing and foreseeable material conflicts of interest with clients in the best interest of clients. Prior to any purchase of securities of a Sagard Fund by a client, SHM Canada is required to and shall inform the client of the existence of the relationship between SHM Canada and the applicable fund, its manager and other related parties, explain the nature and extent of the conflict of interest, either through receipt of this disclosure or otherwise, and explain how it could affect the services SHM Canada provides to clients. The offering documents for a particular Sagard Fund will also include a description of the relationships between the fund, its manager and SHMI and their affiliates and personnel.

Securities legislation also requires SHM Canada and its dealing representatives to deal with clients fairly, honestly and good faith. Their duties include conducting a suitability determination on any securities recommended to clients. SHM Canada collects know-your-client information from clients through a meaningful interaction when clients first transact with SHM Canada, and this information is updated periodically. SHM Canada conducts independent and thorough due diligence on the Sagard Funds to understand the risks, fees and costs, features and benefits the investments offer. The dealing representatives apply their professional judgement and experience

to ensure that any security recommended is suitable for the client, with regard to the client's interests.

### **Sagard Funds**

SHMC raises capital commitments for the following Sagard Funds, together with their related feeder funds and any co-investment vehicles, and may in the future raise capital commitments for other Sagard Funds:

- **Sagard Healthcare** is building a portfolio of investments primarily in approved and commercialized biopharmaceutical products, biotechnology, medical devices, laboratory and diagnostic products, tools and equipment companies, with such investments underpinned by strong intellectual property.
- **Sagard Private Equity Canada** is a private equity fund focused on the Canadian middle market.
- **Sagard Senior Lending Partners** invests primarily in first lien non-sponsored credit opportunities in public and private middle market companies.
- **Performance Direct Investments** will seek to provide investors with superior risk-adjusted returns and long-term capital appreciation from a diversified portfolio of private equity investments in management buyouts, recapitalizations, growth equity and turnaround financings.
- **Portage Ventures** is a global fintech venture capital investment strategy focused on seed to series C opportunities in insurance, consumer & SMB finance, wealth & asset management, and fintech enablers.
- **Portage Capital Solutions** invests globally in direct structured equity investments and other capital solutions in the financial technology and financial services sectors.
- **Portage Web3** invest in long-term venture capital investments in the web3, digital asset and blockchain spaces.

### **5. Investment Risks**

As an exempt market dealer, SHM Canada can trade and underwrite exempt market securities. There are risks associated with exempt market securities. Exempt market securities may not be listed on any stock exchange which could restrict an investor's ability to resell them. There could be a lockup period or other transfer restrictions that apply to the security which restricts an investor from trading, selling or transferring the security. Securities of the Sagard Funds will be illiquid investments for which there is no public market, and they will be subject to transfer restrictions and will not typically be redeemable by holders; clients should carefully read the offering documents for details of the transfer restrictions and other limitations on the liquidity of a particular Sagard Fund investment.

Issuers of exempt market securities generally do not have to file a prospectus. A prospectus describes the investment in detail and gives investor some legal protections. Furthermore, the securities could be from a non-reporting issuer. This type of issuer does not have to publish financial information on an ongoing basis nor notify the public of changes in its business. None of the Sagard Funds is, or is expected to become, a reporting issuer.

Investors are advised to consider their investment goals, risk profile and the risks associated with a proposed investment. Investment risks vary depending on the type of investment and can include the following:

- **Market risk.** The risk of losses due to factors that affect the overall performance of the financial markets in which issuer is involved.
- **Liquidity risk.** The risk that such securities may not be listed on any stock exchange and could be subject to lock-up or hold periods that restrict your ability to trade, sell or transfer the securities.
- **Capital risk.** The risk that the sale value of an investment may be significantly lower than the amount invested.
- **Exchange risk.** The risk that securities denominated in a currency other than Canadian dollars will be affected by changes in the value of the Canadian dollar in relation to the value of the currency in which the security is denominated.
- **Interest rate risk.** The risk to the earnings or market value of a portfolio due to uncertain future interest rates.
- **Business risk.** The risk inherent in the operations and results of the issuer.

A description of the specific risks associated with each particular investment which SHM Canada recommends will be set out in the offering documents of the applicable Sagard Fund. Clients should carefully read the offering documents and, in particular, the description of the risks, prior to making any investment decision.

The contractual agreement regarding the investment is between the investor and the applicable Sagard Fund. The Sagard Fund, through SHM Canada or another agent, provides the investor with a subscription agreement and other information (including offering documents) relating to an investment. As a result, clients do not make payments to SHM Canada but to the applicable Sagard Fund. SHM Canada does not hold, control or have access to any cash or securities of a client.

## 6. Suitability of Investments

An investment in a Sagard Fund may not be suitable for all clients. SHM Canada is obligated under section 13.3 of NI 31-103 to make a suitability determination to ensure the proposed investment is suitable for each prospective investor and puts the interests of the prospective investor first. Certain investors may, at their option, waive this suitability obligation.

To assess the suitability of proposed investments, SHM Canada will obtain information relating to the investment objectives, risk profile, investment knowledge, financial position, personal circumstances and other relevant information of the prospective investor. Section 13.2 of NI 31-103 also requires SHM Canada to obtain information related to an investor's identity. All this information is collected through the subscription documentation provided to each investor.

SHM Canada conducts independent and thorough due diligence on the Sagard Funds. SHM Canada collects information from the management of the issuers and other sources. SHM Canada relies on its team's professional judgement, knowledge and expertise to assess the quality of these investment vehicles against industry best practices and returns for products with a similar risk profile.

A suitability determination does not guarantee a particular client outcome.

## 7. Fair allocation of investment opportunities

Under section 14.3 of NI 31-103, the Firm must provide clients opening an account a summary of its policies and procedures relating to the fair allocation of investment opportunities.

The Firm allocates investment opportunities in a manner that ensures all clients are treated fairly. No individual client is given preferential treatment in the execution of trades made for more than one client. Client orders, including the Sagard Funds, will always be filled before those of employees of the Firm.

### **8. Use of Borrowed Funds**

Using borrowed money to finance the purchase of securities involves greater risk than a purchase using cash resources only. If you borrow money to purchase securities, your responsibility to repay the loan and pay interest as required by its terms remains the same even if the value of the securities purchased declines.

### **9. Fees and Compensation**

As an exempt market dealer, SHM Canada does not charge a fee or commission to clients for securities it sells, and there are no deferred sales charges or trailing commissions associated with investments in the Sagard Funds. SHM Canada will receive compensation from the investment manager of the Sagard Funds that may be based on the proceeds of the offering raised through SHM Canada. This compensation will be paid from the management fee applicable to the securities of the particular Sagard Fund and will not represent an additional fee to investors. The management fee will impact the returns on a client's investment; details of the management fee, performance fees and other charges borne by investors in a particular Sagard Fund are described in the offering documents of the Sagard Fund.

### **10. Documents Related to Our Relationship**

The know-your-client obligations are foundations of securities law. SHM Canada will ask clients a series of questions and collect information in order to assess client identity, client suitability and investor status (such as accredited investor or other exemptions).

Upon investing through SHM Canada, the client shall provide the following:

- evidence of their identity
- a valid subscription agreement which confirms that the client is an accredited investor and, as applicable, a permitted client
- a completed and executed Know Your Client form ("**KYC**"). The KYC obliges that the client provide, at a minimum, information about the client's investment objective, risk tolerance, time horizon and investment restrictions.

Clients should notify SHM Canada as soon as possible to any changes to the KYC information collected by SHM Canada so that SHM Canada and the applicable Sagard Fund can assess the client's investment relative to the changes in its information.

In addition to the foregoing information and this Relationship Disclosure Information, we will provide each of our new clients with the following signed documents on completion: subscription agreement, limited partnership agreement or other applicable constating document of the relevant fund and a copy of the client's KYC information described above.

### **11. Trade Confirmations**

In accordance with section 14.12 of NI 31-103, SHM Canada provides trade confirmations for purchases of securities made by its clients. The confirmation provides information about your

transaction including: date, quantity, price, and name of the SHM Canada dealing representative. SHM Canada will send trade confirmations electronically. Sagard will provide other statements and reporting as required by NI 31-103.

## **12. Benchmarks**

Investment benchmarks generally provide a broad measure of return generated by specific asset classes over a given period. An investment benchmark can be used as a standard against which performance of a security or investment portfolio can be measured. The most common form of investment benchmark is an index such as a stock or bond index, for example the S&P/TSX Composite Index. SHM Canada does not provide benchmarks for performance reporting. The securities sold by SHM Canada or comparable entities are not listed on any stock exchange. As a result, SHM Canada does not believe there are meaningful benchmarks for the securities it sells.

## **13. Dispute Resolution**

Clients wishing to report a complaint about SHM Canada may contact Sagard at [compliance@sagardholdings.com](mailto:compliance@sagardholdings.com).

SHM Canada offers independent dispute resolution or mediation service through the Ombudsman for Banking Services and Investments (**OBSI**), at its own expense, to clients to resolve client complaints. SHM Canada may be required to make the independent service available when a complaint:

- relates to a trading activity of SHM Canada or its representatives, and
- is received by SHM Canada within six years of the date when the client knew or ought to have known of the activity or omission that caused or contributed to the complaint.

The client may escalate an eligible complaint to the independent service made available by SHM Canada in two circumstances:

- SHM Canada failed to give the client notice of its decision in relation to the complaint within 90 days of receiving the complaint. The client is entitled to escalate the complaint to the independent service immediately or at any later date until SHM Canada has notified the client of its decision. Informing the client that SHM Canada plans to take more than 90 days to make its decision does not change this deadline.
- SHM Canada has given the client notice of its decision about the complaint and the client is not satisfied with the decision. The client then has 180 days in which to escalate the complaint to the independent service.

In either instance, the client may escalate the complaint by directly contacting the independent dispute resolution or mediation service.

In accordance with section 13.16 of NI 31-103, SHM Canada will inform a client how to contact OBSI and use the dispute resolution service or mediation service, when a complaint has been made by the client about any trading activity of SHM Canada or its representatives.

Clients that are Québec residents may consider the free mediation service offered by the Autorité des marchés financiers.