



Sagard Private Credit Fund

Q4 2024

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 invests in a broadly 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. In essence, the Fund makes loans to private companies, receive interest payments on those loans and then distributes the net proceeds to its investors in the form of distributions.

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



Monthly distributions, driving initial indicative annual net returns* of **9-10%¹**



Capital preservation & NAV stability with senior secured, first-lien priority



Inflation protection via floating-rate loans



Convenient evergreen structure with monthly subscriptions & quarterly liquidity



Currency hedged to CAD\$ to minimize foreign exchange risk

The terms and conditions set forth herein are speculative and subject to change. ¹Over the course of a full 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.

About Sagard



Sagard is a global multi-strategy alternative asset manager



Capital.

\$25.7 B AUM²

Private Equity

Credit

Venture Capital

Real Estate

- Institutional shareholders with **high alignment** – **\$4B+** of commitments
- **200+** corporate, institutional and family office LPs from 10+ countries

Culture.

350+

Professionals³

- Partner groups with **deep asset class and sector expertise**
- Highly **entrepreneurial, performance-focused culture**
 - **90%+** of partners are shareholders of the firm
 - **\$100M+** of employee commitments to Sagard funds

Network.

7

Offices in North America, Europe, and the Middle East

- Proven ability to drive **repeatable value creation** for our portfolio companies
- **Connecting is in our DNA: 300+** commercial introductions in 2023

Entrepreneurship

Innovation

Collaboration

Rigor

Authenticity

We operate investment strategies across 4 asset classes

US\$AUM

Private Equity

\$8.6B

- Sagard Private Equity Canada
- Sagard Midcap
- Sagard NewGen
- Performance Direct Investments

Venture Capital

\$6.9B

- Portage Ventures
- Portage Capital Solutions
- Performance Venture Capital
- Diagram

Real Estate

\$4.8B

- Sagard Real Estate⁴

Credit

\$4.2B*

- Sagard Credit Partners
- Sagard Senior Lending Partners
- Sagard Healthcare Partners
- Sagard | HalseyPoint

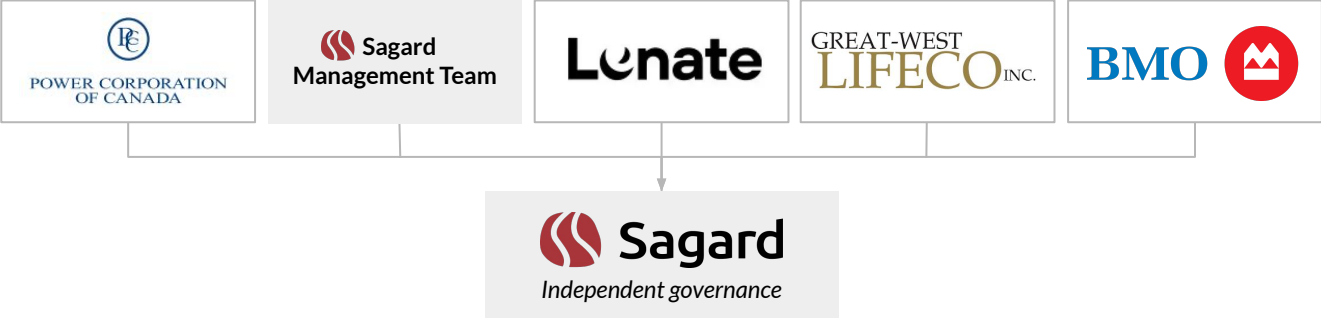
As of June 30, 2024.

Sagard's total AUM is \$25.7B as of June 30, 2024. This page does not include AUM from legacy assets, funds where Sagard has an advisory role, and Grayhawk.

*Excludes 3.1B of AUM held by Sagard | HalseyPoint

Sagard has a robust shareholder and affiliate network

- Power Corporation of Canada (PCC), Sagard’s majority shareholder, is a publicly-listed holding company controlled by the Desmarais family with a market capitalization of \$24.7B⁵ and \$3.1T of AUA⁶
- A number of PCC ecosystem partners have become Sagard’s LPs over the past few years and support its development



All references to “dollars” or “\$” are to U.S. dollars unless otherwise stated. Please refer to “Performance Reporting” in the Appendix.

Why Invest in Private Credit?



What is private credit?

Broadly defined, private credit is lending by non-bank institutions. The borrower may be a public or private company that requires financing for any number of potential objectives, from funding business expansion to optimizing its balance sheet.

Generally, the borrower lacks access to traditional bank financing and/or might prefer to work with a lender who can offer more flexible terms and faster loan processing.

For the investor, private credit offers the potential for higher yield and increased protections vs. traditional fixed income, thanks to more tightly negotiated terms, covenants and pricing.

This being said, private credit covers a broad range of strategies, each offering different risk-return profiles.

Several key types of private credit include:

Senior direct lending - *Sagard's exclusive focus*

Senior secured loans made directly to middle-market companies that typically offer relatively stable spreads. Loans are 'first lien', meaning that the lender gets paid back first if the borrower gets in trouble

Junior/mezzanine debt

Subordinated loans that combine elements of debt and equity, with the expectation of higher returns than traditional senior debt

Distressed debt

Lending to insolvent or distressed borrowers, which typically involves more risk but potential for higher upside as companies are restructured

Specialty finance

Non-corporate lending in areas like equipment leasing, consumer finance, commercial real estate finance or asset-based finance

Sagard believes private credit is an attractive asset class

Private credit is one of the fastest growing private asset classes, forecast to grow to \$2.8 trillion in assets globally by 2028.* While institutional investors are allocating ~5-8% of their assets to private credit, more than half plan to increase their allocations.** The asset class can offer several core benefits, including:



Attractive Risk/Return Potential

In our view, private credit can offer returns comparable to equity benchmarks with the potential for lower downside risk



Income Via Monthly Distributions

Loans typically offer floating rate coupons, paid on a quarterly or monthly basis



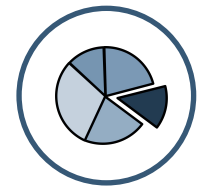
Attractive Spreads Support Loan Coupons

Private credit is typically priced off a floating rate benchmark, with spreads offering a generous coupon



Focus on Capital Preservation

Senior secured, first lien priority in the capital stack, supported by robust loan covenants and intensive due diligence

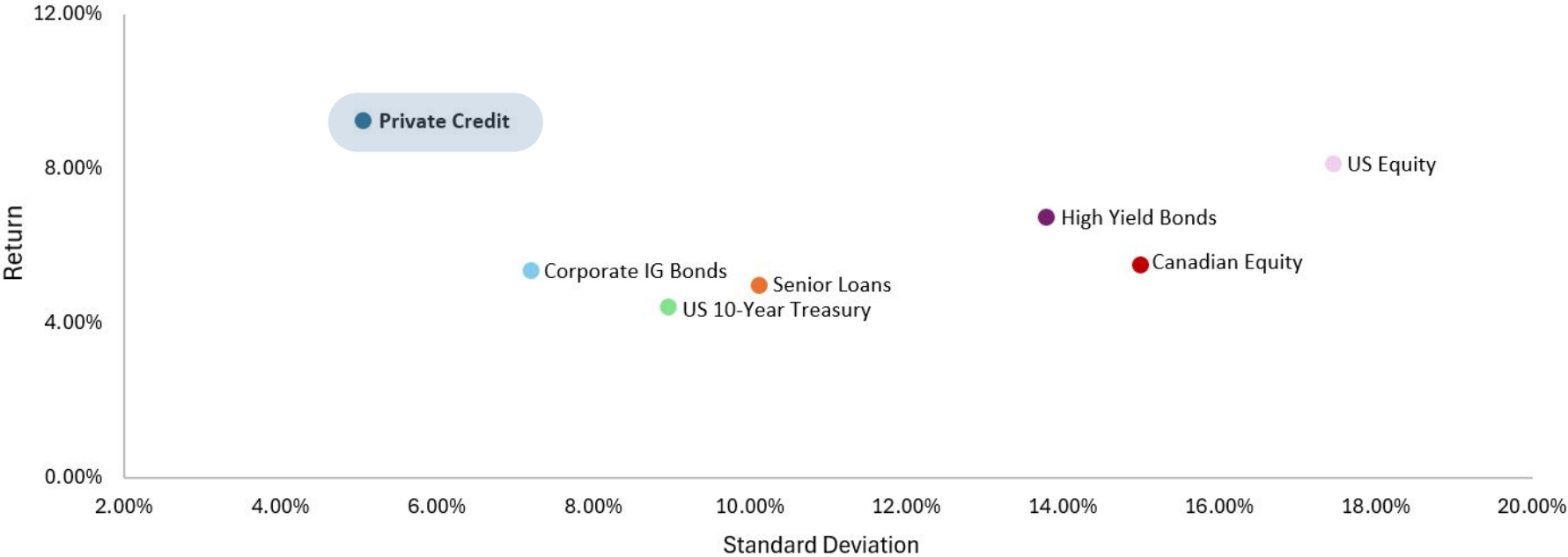


Actively Managed, Diversified Portfolio

Adding private credit to a traditional portfolio of equity and fixed income can diversify returns

* Preqin Special Report: The Future of Alternatives in 2028 (Oct 2023) / ** Goldman Sachs, "Balancing Act: Building Private Credit Portfolios" (Oct 2023); Bloomberg, "Investors to Increase Allocation to Private Credit" (Dec 2023)
There can be no assurance that any distributions will be made to investors.

Private credit can deliver strong risk-adjusted returns



Annualized Data	Private Credit	Corporate IG Bonds	Senior Loans	US 10-Year Treasury	High-Yield Bonds	Canadian Equity	US Equity
Return	9.25%	5.35%	4.96%	4.42%	6.72%	5.49%	8.11%
Standard Deviation	5.05%	7.20%	10.12%	8.96%	13.78%	14.99%	17.46%
Sharpe Ratio	1.08	0.21	0.11	0.07	0.21	0.11	0.25

Source: Bloomberg, Cliffwater.
 For illustrative purposes only. Total Returns and Risk: December 30, 1994 through June 28, 2024 (30 years) for all asset classes except for Private Credit, which has data shown since the inception of the *Cliffwater Direct Lending Total Return Index* December 30, 2004 through June 28, 2024 (20 years). Annual Return is periodic returns rescaled to a period of one year. Volatility represents the standard deviation of the annual returns.
 Corporate Investment-Grade Bonds represented by Bloomberg U.S. Corporate Total Return Index (LUACTRUU), Senior Loans represented by Credit Suisse Leveraged Loan Total Return Index (CSLLLTOT), U.S. 10-Year Treasury represented by S&P US Treasury Bond Current 10-Year Index (SPBDU1BT), High-Yield Bonds represented by Bloomberg US Corporate High Yield Total Return Index (LF98TRUU), Private Credit represented by Cliffwater Direct Lending Total Return Index (CDLI), Canadian Equity represented by S&P/TSX Composite Index (Total Return), US Equity represented by S&P500 Index (Total Return). Risk free rate defined by Government of Canada Long Term Bond (10-year) as of June 28, 2024.

Sagard's Private Credit Platform



Sagard's credit platform is led by an experienced investment team, many of whom have worked together prior to joining the firm



Adam Vigna
(Co-Founder,
Chief Investment Officer)

- Former Global Head of CPPIB's credit business, which over his 8-year tenure (2008-2016, became group head in 2013) grew to an \$18 billion portfolio*
- Previously was a VP at Goldman Sachs in the Special Situations Group
- 20 years investing experience



Dev Gopalan
(Partner & PM, Sagard
Senior Lending Partners)

- Former Head of US Private Credit at KKR and CEO of Angel Island Capital
- Previously worked at CPPIB and Goldman Sachs' respective credit businesses
- 19 years investing experience



Mustafa Humayun
(Partner & PM, Sagard Credit
Partners)

- Former Managing Director in CPPIB's credit business and led multiple sector teams across North and South America
- 17 years investing experience



Lynn Hopton
(Chief Investment Officer &
PM, Sagard | HalseyPoint)

- Former Co-Head and Senior Managing Director of Leveraged Debt at Columbia Management
- Previously worked at AIG/SunAmerica and Security Pacific Merchant Bank
- 18 years investing experience



Yvonne Stevens
(Chief Operating Officer,
Sagard | HalseyPoint)

- Former Co-Head and Senior Managing Director of Leveraged Debt at Columbia Management
- Previously worked at AIG/SunAmerica
- 18 years investing experience



David MacNaughtan
(Partner & Head of Sagard
Healthcare Partners)

- Former Head of Intellectual Property investment strategy at CPPIB; EVP & Co-Head, Royalty Monetization at DRI Capital
- 27 years investing experience

Our leadership is supported by a robust team of seasoned investment professionals



* This investment activity represents the estimated amount of capital structured and sourced, at CPPIB, in which Adam Vigna and team played an instrumental role. This investment activity is not representative of investment activity at Sagard. Sagard has not independently verified this information and it is provided solely for informational purposes. A number of different team members at CPPIB were involved in the investment activity described herein and these individuals will not be involved at Sagard. Certain statements contained herein are based on the subjective views and opinion of Sagard and cannot be independently verified.

Sagard's institutional private credit strategies

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 IRR¹⁶
- 11.1% net IRR¹⁷

SCP II

- 2021 vintage
- \$1,367M committed capital
- 16.8% gross IRR¹⁶
- 12.1% net IRR¹⁷

Sagard Senior Lending Partners

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

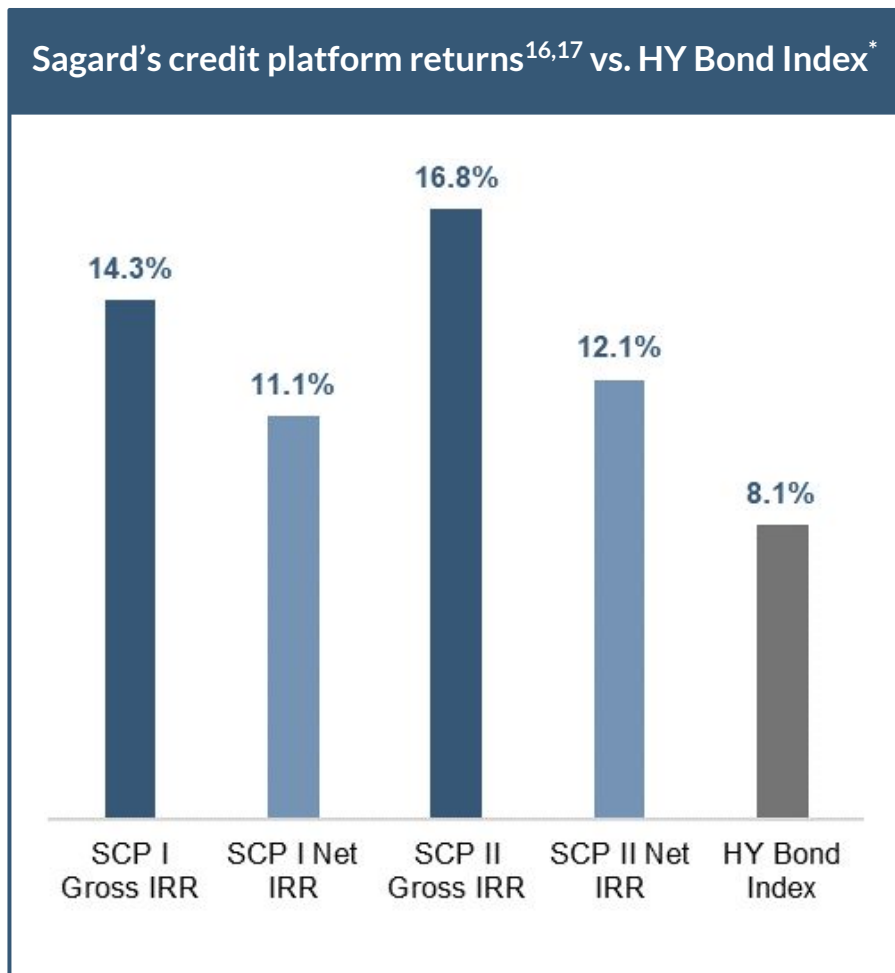
SSLP I

- 2022 vintage (*final close May 30, 2024*)
- \$816M committed capital*
- 7-9% unlevered target net IRR^{1,17}

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.

Sagard's credit platform track record and key metrics



Platform metrics

\$2.7B+ Committed capital	\$1.3B+ Capital deployed
37 Primary investments	+300-400 bps Outperformance vs. HY Bond Index

Fund-level performance

	SCP I	SCP II	SSLP I
Weighted Average			
Net Leverage	5.9x	3.3x	3.4x
LTV (%)	50%	39%	36%
Spread / Coupon	S + 734	S + 919	S + 637

As of June 30, 2024. Past performance not a guarantee of future results and there can be no assurance that historical trends continue.

HY Bond Index is based on Bloomberg Barclays US Corp HY Index as of June 28, 2024.

* Excludes Sagard Senior Lending Partners I, as the fund is early in its life

Sagard's robust and systematic approach to sourcing



We have access to abundant deal flow

From 800+ deals sourced/year...



We are highly selective in our investments

...to ~10 deals (~1%) closed/year

800-1,000

Sourcing

Weekly pipeline meetings to review opportunities from CEOs and management teams, advisory firms, banks, and conferences

120-150

Posting Memo

After initial review, high-potential deals are assigned to a senior credit team member who develops a posting memo for the investment committee (IC) outlining transaction, terms, and proposed diligence plan

60-80

Term Sheet

If approved by the IC, initial due diligence is completed (including identifying merits/risks and defining full diligence plan), and non-binding term sheet presented

10-15

Deep Diligence / Final IC

Once term sheet is agreed upon, Sagard credit team lead completes DD with third-party support and develops financial model; final IC memo is completed and presented for final approval by CIO

Represents illustrative pipeline for SCP I, SCP II, and SSLP I funds only

What Sagard looks for across the sourcing process

Borrowers with 2+ of these attributes...

- Market leadership and/or pricing power
- Recession resilience (e.g., excess free cash flow)
- Management alignment (e.g., major equity ownership, exit incentives)

...Sourced from our broad network

- Direct connection to borrower (e.g., relationship with management, previous borrower)
- Long-term relationship with intermediary, who usually comes from our database of 300+ channels

Examples of Sagard's credit investments



ROCKY MOUNTAINEER

Canadian passenger rail transport

15.7%

GROSS UNDERWRITTEN IRR
(2 year holding period)

17.6%

GROSS REALIZED IRR*

1.33x

GROSS REALIZED MOIC

- Sagard's term loan refinanced the company's existing bank debt and provided liquidity to help finance the company's cash burn as they resumed operations post-COVID shutdowns
- Since then, the company has fully recovered and outperformed pre-COVID levels, with 2022 having been their most-traveled rail season in its 33-year history



American fast food restaurant

18.0%

GROSS UNDERWRITTEN IRR
(3.5 year holding period)

23.7%

GROSS REALIZED IRR*

1.70x

GROSS REALIZED MOIC

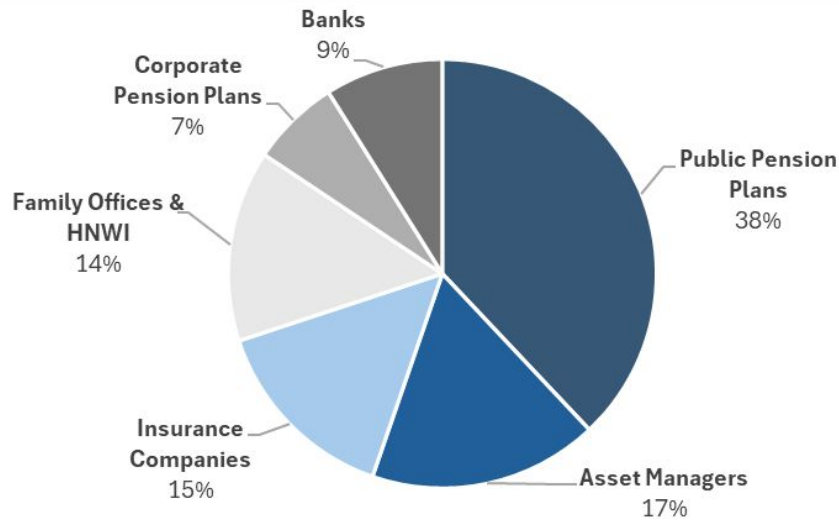
- Sagard provided financing to support High Bluff Capital's acquisition of the company, with the bespoke credit agreement providing added downside protection to Sagard
- After successfully navigating a challenging 2022 that faced inflationary headwinds, the company returned their focus to international expansion and sought a refinancing

* Gross Portfolio IRR on Realized Investments is based on portfolio cash flows, including the investment amount at inception, income earned, and realized proceeds of the investments that have been fully exited to date.

A number of major institutions invest in Sagard's credit platform

Total Institutional Investors & Commitments

Fund Name	Institutional Investors*	Committed Capital (US\$M)
SCP I	21	557
SCP II	24	1,367
SSLP I	8	816***
Total	34**	2,740



Examples of Investors



The aggregated capital committed by each LP over the course of the LP's relationship with the firm unless otherwise specified.

* Includes institutional LPs only. / ** This total shows the unique number of institutional investors. Some LPs are invested in more than one Sagard credit fund.

*** Includes \$315M of capital from separately managed accounts dedicated to invest alongside certain SSLP I transactions.

Sagard Private Credit 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



Monthly distributions, driving initial indicative annual net returns* of **9-10%**¹



Capital preservation & NAV stability with senior secured, first-lien priority



Inflation protection via floating-rate loans



Eligible for investment by registered plans, such as RRSPS and TFSAs



Evergreen structure with monthly subscriptions & quarterly liquidity



Currency hedged to CAD\$ to minimize foreign exchange risk



0.3% discount on credit services fees for subscribing by Jan. 1, 2025

¹ Over the course of a full 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.

Overview of initial indicative portfolio

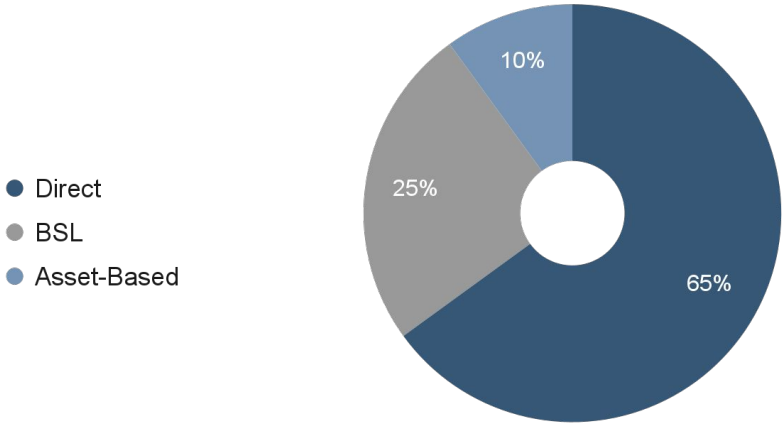
Investment Guidelines*	
North America mid-market focus	With up to 20% for ROW (targeting Western Europe & Australia)
Non-sponsor finance focus	To capitalize on market need and drive superior spreads & credit protections
60-65%	Run-rate** allocation to direct private loans
\$5-500M	Target EBITDA range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

Portfolio Construction

The fund allocates to three major types of assets:

- **Direct private credit** originated by Sagard, including co-investments with other Sagard credit strategies, partnerships with banks, healthcare/royalty lending, and other private credit opportunities
- **Asset-based opportunities**, such as whole loans and collateralized loan obligations (CLOs) that have the potential to generate attractive yields with downside protection
- **Broadly syndicated loans (BSLs)**, to provide a degree of liquidity within the portfolio; the allocation to BSLs will be higher initially to deploy seed capital quickly and start generating returns

Run-Rate** Indicative Portfolio



While Sagard targets the portfolio above, there is no assurance that such results can be achieved. There can be no assurance that Sagard will be able to implement its investment strategy or achieve its investment objective.
 * 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

Structure	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	
Offering	The Access Fund offers Series F, A and X Units, all of which are hedged back to the Canadian dollar	
Investor Eligibility	Canadian accredited investors under applicable securities laws	
Min. Investment	C\$25,000 initial; C\$500 subsequent	
Distributions	Expected monthly, though not guaranteed. Distributions are reinvested unless the investor advises otherwise	
Subscriptions & Valuations	Monthly subscriptions accepted at NAV on the first day of each month; must be submitted no later than 12 business days prior. Monthly valuations on the last business day of each month	
Redemptions	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	
Launch & Term	The Access Fund launched in September 2024 as a perpetual vehicle	
Leverage	Expected portfolio leverage of 1.5x, with max of 2.0x	
Registered Plan Eligibility	Units are eligible for investment by registered plans such as RRSPs, RRIFs, DPSPs, RESPs, RDSPs, and TFSAs	
Performance Fees	Quarterly performance fee of 15% subject to 1.25% per quarter total return soft hurdle with high water mark	
Management Fees & Fundserv Codes	Management Fees*	Fundserv Codes
<i>Series F</i>	1.5% p.a. of NAV	ICN100LF
<i>Series A</i>	2.5% p.a. of NAV (incl. 1.0% advisor servicing fee)	ICN100LA
<i>Series X</i>	1.2% p.a. of NAV, including 0.3% discount for subscribing by Jan. 1, 2025	ICN100LX

The terms and conditions set forth herein are speculative and subject to change

*Includes admin fees at the Access fund and credit services fees at the Master fund levels

Why invest with Sagard



Proven Canadian firm – Sagard has an established track record as a Canada-based asset manager with over **\$25B of AUM**



Deeply rooted ecosystem – We have a strong shareholder and affiliate network, including majority ownership by the Power Corporation of Canada with **\$3.1T of AUA**



Experienced investment team – Our leadership team brings extensive experience from CPPIB, KKR, and Goldman Sachs to manage our **\$4B+** credit platform



Differentiated approach to private credit – The Fund targets higher yields via **mid-market** and **non-sponsor** opportunities often overlooked by traditional lenders



Robust deal sourcing and diligencing engine – We employ a highly selective and tailored approach to achieve greater spreads, investing in only **~1%** of the deals we consider



Strong track record - Our flagship private credit strategies are delivering between **11-12% net IRR***

* Includes Sagard Credit Partners I and Sagard Credit Partners II only, given that Sagard Senior Lending Partners I is early in its life.

Appendix



Key differentiating investment targets

	Middle market focus	Non-sponsor lending focus
What it is	<ul style="list-style-type: none"> Middle market companies have annual revenues between \$10M and \$1B They are the backbone of our economy - it is estimated there are 200,000+ in the US and Canada 	<ul style="list-style-type: none"> Non-sponsored lenders work directly with borrowers (often the company founders) without an intermediary This contrasts to sponsor finance lending, where a PE firm helps facilitate the loan for the company
Why it matters	<ul style="list-style-type: none"> Middle market companies may have more complex financing needs than large companies, and often look for more flexible options to scale their business Today, we believe that there are fewer providers who service these companies; given the current environment, many lenders have moved to the upper middle market as funds have grown 	<ul style="list-style-type: none"> Post-pandemic, we see that banks have become more risk-averse; sponsor-led loans are quicker and easier, as the sponsor expedites the underwriting process As such, we believe that many entrepreneurs who are looking for flexible financing options are overlooked by traditional lenders, creating an opportunity for non-sponsor lenders
What it means for our investors	<ul style="list-style-type: none"> In our view, fewer competitors lending to these companies allows for enhanced pricing and improved downside protection (i.e., advantageous terms on first-lien loans, tighter covenants) Non-sponsored deals typically offer yields of ~1-2%* above comparable sponsored credits Our core business is the tight management of risk; we are extremely selective and take the time we need to diligence our deals and obtain the highest risk/return profile possible 	

*"Understanding Private Credit: Sponsored vs. Non-Sponsored Financing", Brookfield Oaktree White Paper 2023

Sagard has team members experienced in investing across cycles, with exposure in workouts and restructurings

Experienced in Navigating Stressed & Distressed Situations

The team has experience investing in distressed situations and achieving favourable outcomes throughout their careers.

- Adam Vigna and Mustafa Humayun have led several successful workouts and invested in various distressed situations involving restructurings during their time at Goldman Sachs Special Situations Group (“GS SSG”) and CPPIB
- Dev Gopalan invested in distressed situations (loans priced in the 70s and 80s) with Sensata and PQ, where the underwriting case envisioned a bankruptcy for both positions, but they were ultimately realized at par
- Collectively, Sagard has developed relationships with key service providers involved in these situations, including high-profile restructuring lawyers in Canada & the US, as well as restructuring advisors such as FTI, Alvarez & Marsal, Moelis, Houlihan Lokey, TD Special Situations, Rothschild, and BMO

PlyGem (at GS SSG)



Vinyl siding and window manufacturer

Invested in the company’s debt at distressed levels during financial crisis; led debt exchange negotiations and ultimately was taken out at a meaningful gain

Ally Financial / Rescap (at KKR)



Residential mortgage originator

The Rescap position was sold even dollar and moved into the Ally complex at a senior subordinated bond; Rescap recoveries resulted at 70 cents, while the Ally position realized at par

Laricina Energy (at CPPIB)



Oil sands exploration

Event of default due to missing minimum production covenant; led a restructuring that ultimately resulted in a creditor protection filing and favourable exit under CCAA

Just Energy (at Sagard)



Energy retailer

Led a recapitalization transaction in 2020 that resulted in C\$500M of face value debt being extinguished with Sagard Credit Partners having zero capital impaired

Our sourcing system

Active Pipeline

- Personal networks of SSLP and SCP
- Referrals from other Sagard strategies and the broader Sagard ecosystem
- Direct outreach to Sagard Leadership
- Long-term relationships with advisors/recurring updates
- Benefiting from strong relationships with borrowers who become references for future deal flow
- Thematic sourcing

Rigorous Monitoring & Dynamic Portfolio Management

- Monthly reporting packages from borrowers to actively monitor performance and liquidity
- Regular touch points with management to receive “real-time” business updates
- Allows for a proactive approach to predict potential covenant issues
- Utilize data from Sagard’s firm-level portfolio for sourcing and to underwrite new opportunities



Disciplined, Focused Screening

- SSLP and SCP Deal Screen
- Support from bi-weekly Sagard pipeline review
- Timely Pass/Move

Established Due Diligence Process

- Private equity style due diligence focused on identifying key drivers and risks
- Utilizing Sagard’s internal resources & advisors, as well as Sagard’s established external network
- Sagard Value Creation team considered a key resource in evaluating KPIs for each business

Deal pipeline should not be relied upon as an indicator of future deal sourcing.

Our underwriting process

The following summarizes key elements of our due diligence process:

Customer, Supplier, and Competitor Diligence

In addition to access to the PCC network, we may also use expert networks to find consultants and advisors with specific expertise in a target industry or company

Legal Review

We, along with a third-party law firm, will conduct full legal due diligence, including corporate structure review, litigation review, review of collateral, as well as analysis of organizational documents and board minutes

Quality of Earnings Reports

We will typically hire an accounting firm to analyze the reported earnings and cash flows of the potential borrower to assess any adjustments or add-backs

Projections and Cases

Based on its diligence, we will prepare base, upside and crash case (recovery analysis) financial forecasts

Review of Major Contracts

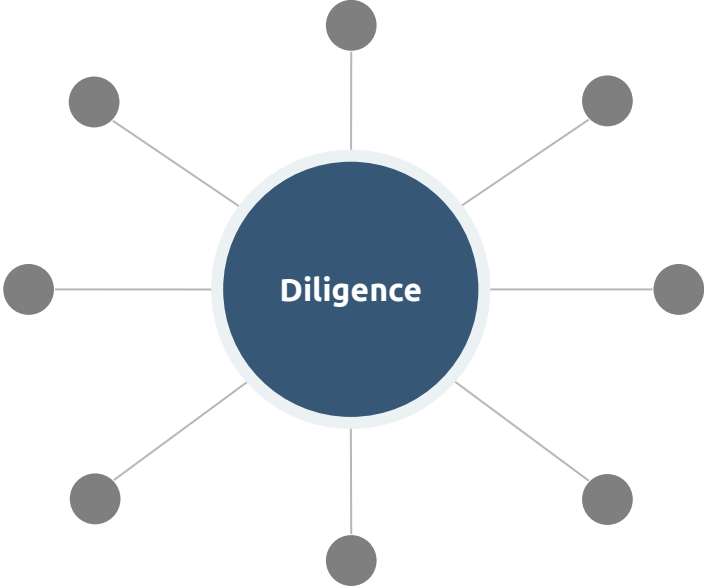
Customer, supplier, employment and other contracts/ agreements are analyzed by lawyers and the deal team to understand any potential risks

Technical Reports

In specialized industries, we will engage best in class experts to augment its own diligence

Third Party Audits

Where necessary, we will engage third party experts to conduct field audits of a potential borrower's facilities, regulatory and environmental records



References and Background Checks

We obtain competitor and character references on a potential borrower and its management team. Our team conducts background checks in respect of criminal and civil litigation history of the potential borrower and key members of the management team, along with media and other investigative checks

Our approach to risk management



Underwriting

- Private equity style due diligence approach to private credit
- Our team has expertise required to analyze complex situations that other lenders choose not to invest time into



Portfolio Construction

- Majority of deals are expected to be bespoke and direct, depending upon size of tranche and the company
- Our team is building a Monte Carlo simulation tool to assess risk at the portfolio level



Monitoring

- Investments are monitored through regular management calls, internal review meetings, and board observation rights
- Our team has a proven ability to successfully restructure underperforming credits

1 Management Calls and Meetings

Weekly ad-hoc calls with portfolio company executives to informally monitor the health of the business. Calls with management teams typically involve some or all of the original deal team, including senior members.

2 Internal Weekly, Monthly, and Quarterly Review Meetings

Weekly and monthly group meetings to discuss financial updates and strategic initiatives. On a quarterly basis, the entire investment team reviews each investment and assesses the financial health and cash flow profile of the business.

3 Board Observation Rights and Financial Reporting

As part of the credit agreement, we typically receive board observation rights. All financial reporting, board updates and any other new information received is first analyzed amongst the deal team, then discussed in real-time during our weekly calls.

Deals from Sagard's healthcare strategy may be included in SPCF

Sagard Healthcare Partners invests in the life sciences sector with a focus on investments protected by strong intellectual property.

\$1.6B
AUM²

15
INVESTMENTS

16-19%
TARGET GROSS IRR^{1,16}

13-16%
TARGET NET IRR^{1,17}

Launched in	2019 (Series I), 2023 (Series II)
Looks for	<ul style="list-style-type: none"> • Biopharmaceutical royalties, royalty securitizations, structured credit investments globally • Investment size between US\$50-150M
Differentiation	<ul style="list-style-type: none"> • Proven team of industry experts with deep experience in a complex investment strategy and a history of working together • Flexible mandate including royalties, royalty-backed debt, and credit to enable deployment of capital to areas of higher relative value • A fund structure best suited for long-dated, cash generating assets such as royalties • Access to Sagard's operational infrastructure, business support and network, enabling team to focus and accelerate scaling

For information regarding calculation of performance information, please refer to "Performance Reporting" in the Appendix. Past performance contained herein is not necessarily indicative of future results and there can be no assurance that any Sagard fund will achieve comparable results or that such fund will be able to implement its investment strategy or achieve its investment objective.

Performance Reporting (1 of 2)

¹The 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.

²Assets 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.

³Includes 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.

⁴References herein to Sagard Real Estate are intended to refer to EverWest Advisors LLC, which is registered with the U.S. Securities and Exchange Commission as an investment advisor, EverWest Real Estate Investors LLC and their affiliates. Sagard acquired EverWest on November 19, 2021. The term "Sagard Real Estate" as used herein may refer to one or more of the following entities: EverWest Advisors, LLC dba Sagard Real Estate Advisors, which is registered with the U.S. Securities and Exchange Commission as an investment advisor; EverWest Real Estate Investors, LLC dba Sagard Real Estate Investors; EverWest Property Services, LLC dba Sagard Property Services; or their affiliates, individually or collectively, as the context requires.

⁵Data as of June 30 2024.

⁶Total assets under administration as of March 31, 2024.

⁷Consolidated assets as of June 30, 2023.

⁸AUA as of June 30, 2023.

⁹In February 2023, Personal Capital was rebranded into the Empower Retirement Brand.

¹⁰Data as of March 30, 2023.

¹¹Data as of September 30, 2023.

¹²Data as of March 30, 2022.

¹³Data as of November 21, 2023.

¹⁴As of 12/31/2020. Assets under management represent combined assets of Franklin Templeton, Legg Mason, and subsidiary investment management groups. Franklin Templeton acquired Legg Mason on 7/31/20.

¹⁵AUA as of June 30, 2024. Converted to USD from CA\$43.6B.

¹⁶Gross 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.

¹⁷Net 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.

Performance Reporting (2 of 2)

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.

Acknowledgment and Disclaimer

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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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 November 13, 2024 unless otherwise stated.

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