Confidential Offering Memorandum

This Offering Memorandum constitutes an offering of securities only in those jurisdictions and to those persons where and to whom they may lawfully be offered for sale. This Offering Memorandum is not, and under no circumstances is to be construed as, a prospectus or an advertisement for a public offering of these securities. No securities commission or similar authority in Canada or elsewhere has in any way passed upon the merits of the securities offered in this Offering Memorandum and any representation to the contrary is an offence. Persons who acquire securities pursuant to this Offering Memorandum will not have the benefit of the review of this document by any securities commission or similar authority.

This Offering Memorandum is for the confidential use of only those persons to whom it is transmitted in connection with this offering. By their acceptance of this Offering Memorandum, investors agree that they will not transmit, reproduce or make available to any person, other than their professional advisors, this Offering Memorandum or any of the information contained herein. No person has been authorized to give any information or to make any representations about the Fund not contained in this Offering Memorandum. Any such information or representation which is given or received must not be relied upon by any investor.

Continuous Offering
Private Placement Offering
(Prospectus Exempt)

March 24, 2021

Accredited Investors

Canadian Resident Only

AGF SAF Private Credit Limited Partnership

(a limited partnership constituted under the laws of the Province of Ontario)

Head Office: Toronto-Dominion Bank Tower, 66 Wellington Street West, Toronto, Ontario, M5K 1E9
E-mail address: AGFSAFinvestorservices@agf.com

Limited Partnership Units

Class A-1 Units (CAD)

Class A-2 Units (CAD)

Class A-3 Units (CAD)

Class B-1 Units (USD)

Class B-2 Units (USD)

Class B-3 Units (USD)

Class C Units (CAD)

Price per security: NAV per Unit

These securities do not trade on any exchange or market.
The Issuer is not a reporting issuer.
The Issuer is not a SEDAR or EDGAR filer.

This offering is made only to accredited investors within the meaning set out in NI 45-106.

Securities Offered:	AGF SAF Private Credit Limited Partnership (the "**Fund**" or the "**Issuer**") by its general partner AGF SAF Private Credit GP Inc. (the "**General Partner**") proposes to issue limited partnership units (the "**Units**") at a price equal to the net asset value per unit (the "**Offering**"). See "Units of the Fund". The Units are being offered on a private placement basis pursuant to exemptions from the prospectus requirement and, where applicable, the registration requirements under applicable securities laws. Units are being offered to subscribers who qualify as "accredited investors" under applicable Canadian securities laws as defined in NI 45-106 and to eligible subscribers who are prepared to invest a sufficient amount to meet the minimum initial subscription requirements. Units will be issued in classes ("**Classes**") and series ("**Series**"), as determined by the General Partner. Each Class and/or Series of Units of the Fund has the specific attributes as described herein. This Offering is for the initial Class A-1 Units (CAD), Class A-2 Units (CAD), Class A-3 Units (CAD), Class B-1 Units (USD), Class B-2 Units (USD), Class B-3 Units (USD), and Class C Units (CAD). Further Units may be authorized and issued in the discretion of the General Partner. Further Classes of Units will be described in an amendment or supplement hereto or other offering document for such Class or Series. The Class A-1 Units, Class A-2 Units, and Class A-3 Units (collectively, the "**Class A Units**") and the Class C Units are Canadian dollar denominated. Class B-1 Units, Class B-2 Units and Class B-3 Units (collectively, the "**Class B Units**") are U.S. dollar denominated and are suitable for investors who want to invest in the Fund using U.S. dollars. As the revenue of the Fund is primarily denominated in Canadian dollars and, investors who purchase Class B Units will be exposed to fluctuations in the Canadian/U.S. dollar exchange rate. To offset this exposure, the manager of the Fund, AGF SAF Private Credit Management LP (the "**Manager**") will use commercially reasonable efforts to hedge against fluctuation caused by changes in exchange rates between the U.S. and Canadian dollars. If the Manager is successful, the gross returns excluding applicable fees, of the Class B Units as measured in U.S. dollars will be similar to the returns of the Class A Units as measured in Canadian dollars. Without regard to the movement in the currency exchange rate as between the Canadian and U.S. dollar, several factors may result in the returns not being equal, including, but not limited to, the expenses incurred by Class B in hedging the currency and the timing of an investor's investment relative to when the Manager is able to hedge the currency. There is no guarantee the Manager will be successful in fully hedging this currency exposure. All currency hedging expenses will be borne by the Class B Units.
Investment Objective and Strategy:	The Fund's investment objective is to achieve attractive risk-adjusted returns with low correlation to traditional asset Classes by constructing and maintaining a portfolio of private and public income-generating credit securities. The Fund will allocate capital through various credit strategies to a diverse set of middle and lower-middle market companies, primarily within Canada and the United States, to construct a portfolio of private and public income-generating private debt instruments. Portfolio investments will generally be structured as one or a combination of the following: (i) first and second lien senior loans, (ii) unitranche loans, (iii) mezzanine loans, (iv) bridge loans, (v) joint ventures, or (vi) sale-leasebacks.
Minimum/Maximum Offering:	The minimum investment in Class A-1 Units (CAD) and Class B-1 Units (USD) is $1,000,000.

The minimum investment in Class A-2 Units (CAD) and Class B-2 Units (USD) is $5,000,000.

The minimum investment in Class A-3 Units (CAD) and Class B-3 Units (USD) is $10,000,000.

These minimum amounts may be waived by the General Partner in its sole discretion, and there is no minimum subscription amount for investment in Class C Units.

Following the required initial minimum investment in the Fund, Unitholders may make additional investments in the Fund of not less than $25,000 provided that, at the time of the subscription for additional Units, the Unitholder is an "accredited investor" as defined under applicable securities legislation. Unitholders who are not individuals who are not "accredited investors", but previously invested in, and continue to hold, Units having an aggregate initial acquisition cost no less than the minimum investment per Series of a Class, will also be permitted to make subsequent investments in the Fund of not less than $25,000. Subject to applicable securities legislation, the Manager, in its sole discretion, may from time to time permit additional investments in Units of lesser amounts. Unitholders subscribing for additional Units must complete the subscription form prescribed from time to time by the General Partner.

See "Details of the Offering - Additional Subscriptions".

Valuation Date for NAV:

The net asset value ("**NAV**") of the Fund and the NAV per Class will be calculated on the last business day (that, is the last day on which banks are open for business) of each calendar quarter, on December 31 of each year, and on such other business day or days as the General Partner may in its discretion designate (each, a "**Valuation Date**").

Units may be purchased as at the close of business on each Valuation Date if a duly completed subscription form and the required payment reaches the General Partner no later than 4:00 p.m. (Toronto time) on such Valuation Date. See "How to Subscribe".

Unit Rights:

Each Unit represents a beneficial interest in the Fund. The Fund is authorized to issue an unlimited number of Units and may issue fractional Units so that subscription funds may be fully invested. Series may be created within any Class and provide for attributes that differ from the other Classes and Series, provided only that no Series may be issued that is issued other than on a NAV basis, has one vote per Unit for the same matters to be voted by the other Units, and does not have a priority as to distribution over the other issued Units.

Price and Proposed Closing Date(s):

Units will be offered at a price equal to the NAV per Unit (determined in accordance with the LP Agreement) for the applicable Class of Units on each Valuation Date. Units may be purchased as at the close of business on a Valuation Date if a duly completed subscription form and the required subscription price are delivered to the General Partner no later than 4:00 p.m. (Toronto time) on such Valuation Date.

The General Partner will, at least 10 days prior to each Valuation Date set a maximum amount of subscriptions that will be accepted on such Valuation Date. In the event that subscriptions are received by the General Partner in excess of such pre-defined amount, subscriptions will be accepted by the General Partner at the General Partner's discretion and the General Partner may give priority to subscriptions for larger amounts. Any subscriptions not accepted on such Valuation Date will be held until the following Valuation Date.

The NAV per Unit for subscriptions which are received and accepted by the General Partner prior to 4:00 p.m. (Toronto Time) on a Valuation Date, will be calculated as of that Valuation Date. The NAV per Unit for subscriptions received but held until the next Valuation Date, or that are received and accepted after 4:00 p.m. (Toronto Time) will be calculated on the next Valuation Date.

The General Partner reserves the right to accept or reject orders, provided that any decision to reject an order must be made promptly and any monies received with a rejected order will be refunded immediately after such determination has been made by the General Partner.

Redemption:

An investment in Units is intended to be a long-term investment. However, Unitholders who have held Units for at least 24 months may request that Units be redeemed at their NAV per Unit on any Valuation Date, provided the written request for redemption, in form satisfactory to the General Partner and all necessary documents relating thereto, is submitted to the General Partner at least 180 days prior to such Valuation Date.

See "Redemption of Units".

Redemption requests must be received by the General Partner prior to 4:00 p.m. (Toronto time) on a business day which is at least 180 days prior to a Valuation Date. If a redemption request is received, and deemed acceptable, by the General Partner at such time, Units will be redeemed at the NAV per Unit determined on the first Valuation Date which is at least 180 days following receipt of the redemption request. Payment of the redemption amount (the "**Redemption Amount**") will be paid to the redeeming Unitholder not later than the 30th day following the applicable Valuation Date (or 60 days if such Valuation Date is the Fund's fiscal year-end) for which such redemption is effective.

If on any Valuation Date the General Partner has received from any Unitholder a request to redeem outstanding Units representing 25% or more of any Unitholder's total investment in the Fund, or requests from one or more Unitholders representing, in aggregate, 5% or more of the NAV of the Fund in aggregate, the General Partner may, in its discretion, limit redemptions on such Valuation Date. Any redemption requests not accepted by the General Partner on such Valuation Date will be held until the following Valuation Date.

Notwithstanding and without limiting any of the provisions contained herein and in the LP Agreement, (i) the Class C Units are not subject to the redemption provisions set forth herein; and (ii) the General Partner may require the redemption of all or any part of the Units held by a Unitholder at any time in its absolute discretion.

The General Partner shall, upon any redemption of Units, deduct from the Redemption Amount an amount equal to any accrued and applicable fees and taxes payable by the Unitholder in connection with such redemption.

The General Partner may suspend or limit the redemption of Units during any period in which (i) calculation of NAV is unable to be calculated; (ii) there exists a state of affairs under which liquidation by the Fund of part or all of its investments is not reasonable or practicable or would be prejudicial to the Fund; or (iii) if not postponing or suspending such effective date would materially adversely affect the existing Unitholders.

The suspension will terminate on the first day on which the condition giving rise to the suspension ceases to exist, provided that no other condition under which a suspension is authorized to be imposed then exists. To the extent not inconsistent with official rules and regulations promulgated by any government body having

jurisdiction over the Fund, any declaration of a suspension of redemptions made by the General Partner is conclusive.

Subscriptions for Units (including Units of any affected Class) may be accepted during any period when the ability of the Fund to redeem Units is suspended.

Early Redemption Fee: The General Partner may, in its sole discretion, accept redemption requests from Unitholders who have held Units for less than 24 months and may impose an early redemption fee equal to 5% (plus sales tax and applicable fees and/or expenses) of the aggregate NAV of Units (calculated at the next Valuation Date) redeemed if such Units are redeemed within 24 months of their date of purchase (the "**Early Redemption Fee**"). The Early Redemption Fee will be deducted from the Redemption Amount otherwise payable to a Unitholder and will be paid to the Fund. No Early Redemption Fee will be charged in respect of the redemption of Units which were acquired by a Unitholder through the automatic reinvestment of all distributions of net income or capital gains by the Fund or where the General Partner requires a Unitholder to redeem some or all of the Units owned by such Unitholder. This Early Redemption Fee is in addition to any other fees a Unitholder is otherwise subject to under this Offering Memorandum. See "Fees and Expenses – Early Redemption Fee."

Management Fees: As compensation for providing management and administrative services to the Fund, the Manager receives a quarterly management fee (the "**Management Fee**") from the Fund. The Management Fee differs for each of the Class A Units (CAD), Class B Units (USD) and Class C Units. Each Class of Units is responsible for the Management Fee charged for that Class. The Manager may agree to decrease, but not increase, the Management Fee for any Class or Series. See "Fees and Expenses – Management Fees".

Class A-1 Units (CAD) and Class B-1 Units (USD)

The Fund will pay the Manager a Management Fee that is calculated and accrued quarterly on each Valuation Date and payable quarterly in arrears equal to ¼ of 1.5% per annum of the aggregate NAV of the Class A-1 Units and Class B-1 Units, plus any applicable federal and provincial taxes, calculated and payable as of each Valuation Date.

Class A-2 Units (CAD) and Class B-2 Units (USD)

The Fund will pay the Manager a Management Fee that is calculated and accrued quarterly on each Valuation Date and payable quarterly in arrears equal to ¼ of 1.25% per annum of the aggregate NAV of the Class A-2 Units and Class B-2 Units, plus any applicable federal and provincial taxes, calculated and payable as of each Valuation Date.

Class A-3 Units (CAD) and Class B-3 Units (USD)

The Fund will pay the Manager a Management Fee that is calculated and accrued quarterly on each Valuation Date and payable quarterly in arrears equal to ¼ of 1.00% per annum of the aggregate NAV of the Class A-3 Units and Class B-3 Units, plus any applicable federal and provincial taxes, calculated and payable as of each Valuation Date.

Class C Units (CAD)

There will be no Management Fees attributable to the Class C Units.

Operating Expenses:

The Fund is responsible for the payment of all routine and customary fees and expenses incurred relating to the administration and operation of the Fund including, but not limited to: custodial and safekeeping fees and expenses; registrar and transfer agency fees and expenses; audit, legal and record-keeping fees and expenses; communication expenses; printing and mailing expenses; all costs and expenses associated with the qualification for sale and distribution of the Units including securities filing fees; investor servicing costs; costs of providing information to Unitholders (including proxy solicitation material, financial and other reports) and convening and conducting meetings of Unitholders; taxes, assessments or other governmental charges of all kinds levied against the Fund; and interest expenses. In addition, the Fund will be responsible for the payment of all expenses associated with ongoing investor relations and education relating to the Fund.

The Manager may from time to time waive any portion of the fees and reimbursement of expenses otherwise payable to it, but no such waiver shall affect its right to receive fees and reimbursement of expenses subsequently accruing to it.

Entitlement:

As set forth below in (b) and (c), AGF SAF Private Credit Performance LP, a founding Limited Partner of the Fund, is eligible to receive from the Fund a quarterly entitlement in respect of all Classes of Units, other than Class C Units (the "**Entitlement**"), as follows:

(a) first, 100% of the return is attributable to the Unitholders, other than defaulting partners, or if so determined by the General Partner, non-conforming partners, on an equal per Class and per Unit basis (adjusting for any Management Fee and expenses applicable and payable by such Class), until each Unitholder has received a return equal to ¼ of the Hurdle Rate for each fiscal quarter and then for the fiscal year end, an annual return, equal to the Hurdle Rate of six percent (6%);

(b) second, if the Hurdle Rate has been achieved in a fiscal quarter, and other than in respect of Class C Unitholders, one hundred percent (100%) of any incremental return is attributable to AGF SAF Private Credit Performance LP until such time as AGF SAF Private Credit Performance LP is attributed an amount equal to twenty per cent (20%) of the return attributable to the Unitholders under item (a) (above) for that fiscal quarter, and then for the fiscal year end as to an aggregate amount equal to twenty per cent (20%) of the return attributable to the relevant Unitholders for the entirety of the fiscal year; and

(c) third, any remaining returns in excess of the outlined under (a) and (b), shall be allocated and paid *pari passu* with payment to Classes of all Units, other than Class C Unitholders, to the extent of 20% to AGF SAF Private Credit Performance LP.

For clarity, (i) the Entitlement shall be calculated for each relevant fiscal year, without consideration given to any other fiscal year, provided that any loss, as it relates to a specific Class and Series held by Unitholders, shall carry forward to the following fiscal year; and (ii) the amounts which would otherwise be payable to AGF SAF Private Credit Performance LP hereunder that are stated to be other than with respect to the Class C Unitholders, will be paid to the Class C Unitholders as their entitlement for holding Class C Units.

See "Entitlement".

Leverage:

The Fund may enter into loan facilities with one or more lenders and secure these borrowings with liens or other security interests in its assets (or the assets of any of its intermediary vehicles), provided that the Fund may not, at any point in time, incur a level of borrowing in excess of 100% of the NAV of the Fund in the aggregate.

	Subject to the foregoing restriction on the use of leverage, the Fund may obtain letters of credit/financial guarantees instead of cash borrowings. The Fund may make use of loan facilities from one or more lenders to (i) provide liquidity in the event of Unitholder redemptions; (ii) to manage working capital; (iii) to facilitate investments, (iv) improve returns; (v) cover the Fund expenses, (vi) to address available cash flow resulting from the timing difference between the closing of potential new private debt loans and cash availability of the Fund; and (vi) for any other purpose, as determined by the Manager, provided the aggregate borrowings outstanding never exceed 100% of the NAV of the Fund in the aggregate.
Personal Investment Capital:	Certain directors, officers and employees of the Manager and/or its affiliates and associates may purchase and hold Units and the securities of certain of the portfolio companies from time to time up.
Distributions:	Distributions on Class A Units and Class B Units will be made in cash, unless a Unitholder elects, by written notice to the Manager, to have distributions automatically reinvested in additional Units of the same Class at the NAV of such Class on the date of distribution at the time of such Unitholder's initial subscription or at least 180 days prior to any Valuation Date. Subject to applicable securities legislation, distributions on Class C Units will be automatically reinvested in additional Class C Units at the NAV, adjusted to exclude any Management Fees or other non-applicable fees and/or expenses, of such Class of Units on the date of distribution, unless a Unitholder elects, by written notice to the Manager, to receive such distributions in cash at the time of such Unitholder's initial subscription or at least 180 days prior to any Valuation Date. The Fund intends to make quarterly distributions, calculated and payable in arrears, on each Class of Units to holders of such Units (other than defaulting partners or at its discretion, non-conforming partners) based on the cash available for distribution of the Fund. See "Distributions".
Income Tax Consequences:	There are important tax consequences to these securities. Each investor is responsible to obtain their own tax advice as to all consequences of an investment in Units. Units are not "qualified investments" under the Tax Act for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit-sharing plans, registered disability savings plans, registered education savings plans or tax-free savings accounts.
Selling Agent:	Units will be sold in certain Provinces of Canada using an exempt market dealer or investment advisor registered in such Provinces or its sub-advisors, dealers or agents. The Issuer will retain AGF Investments Inc., a registered Exempt Market Dealer (**"EMD"**) to help effect sales of the Fund.
Related Parties:	The Fund and any related issuers that are managed by the Manager or its affiliates from time to time may be considered to be a "related" or "connected" issuer (as such terms are defined in National Instrument 33-105 – *Underwriting Conflicts* ("**NI 33-105**") of the EMD. See "Conflict of Interest Notification".
Resale Restrictions:	You will be restricted from reselling Units for an indefinite period other than pursuant to an available prospectus exemption and in accordance with applicable securities laws and the terms of the LP Agreement. See " Resale Restrictions" and "Risk

Factors". If Units of a Class/Series are listed on an exchange, these restrictions may not apply.

Ownership Restrictions: Subscribers are required to represent to the General Partner and other Unitholders that each Unitholder, among other things, is (i) not a "non-resident" of Canada and, if a partnership, is a "Canadian Partnership" for the purposes of the Tax Act and (ii) not a person or partnership an interest in which is a "tax shelter investment" for the purposes of the Tax Act.

Each Unitholder is required, upon request by the General Partner, to provide evidence of the above representations. In the event that a Unitholder fails to comply with such a request, or if the General Partner otherwise determines that a Unitholder no longer satisfies such representations, the General Partner, by written notice to such Unitholder (a "**Sell Notice**") will require that Unitholder to sell his, her or its entire interest in the Units at the NAV per Unit to some other qualified person within the date specified in the Sell Notice.

In the event that the Unitholder has not sold its Units to some other qualified person within the date specified in the Sell Notice, the General Partner may, subject to compliance with applicable securities laws, elect to either sell such Units on behalf of the Unitholder or redeem such Units, in each case, at the Redemption Price without further notice.

In the event of any such sale or redemption, a Unitholder will have the right only to receive net proceeds after deduction of any commissions, taxes, or other costs of sale including, without limitation, any deduction or withholding that may be required under the Tax Act or applicable provincial tax legislation.

In addition, the Unitholder will be deemed to have ceased to be a partner of the Fund, with effect immediately before the date that a Unitholder fails to comply with such a request, or if the General Partner otherwise determines that a Unitholder no longer satisfies such representations, and will not be entitled to vote on any matters that he, she or it would otherwise have been entitled to vote on pursuant to the LP Agreement and will not be entitled to receive any distributions on Units held by him, her or it. Such Units will be deemed not to be outstanding until acquired by the Fund or a party that does not contravene the requirements of the LP Agreement.

Subscription Agreement: Each subscriber is required to execute a subscription agreement for Units (the "**Subscription Agreement**") and agree to become a party to and be bound by the LP Agreement. Pursuant to the Subscription Agreement, each subscriber acknowledges, among other things, that the investment portfolio and trading procedures of the Fund are proprietary in nature and agrees that all information relating to such investment portfolios and trading procedures will be kept confidential by such subscriber and will not be disclosed to third parties (excluding the subscriber's professional advisors) without the written consent of the General Partner. See "How To Subscribe".

Purchasers' Rights: You have two business days to cancel your Subscription Agreement to purchase Units. If there is a misrepresentation in this Offering Memorandum, including the applicable Offering Supplement(s) you receive related to your purchase of a Class/Series of Units, you have the right to sue either for damages or to cancel the Subscription Agreement with respect to the applicable Series of Units, subject to the securities legislation applicable in your province or territory. See "Purchasers' Rights".

No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this offering memorandum. Any representation to the contrary is an offence. See "Risk Factors."

CONFLICT OF INTEREST NOTIFICATION

In accordance with National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations* and its Companion Policy, the Issuer is disclosing the following material conflicts of interest:

Various potential conflicts of interest exist between the Fund, the Manager and the General Partner. These potential conflicts of interest may arise as a result of common ownership and certain common directors, partners, officers and personnel and, accordingly, will not be resolved through arm's length negotiations but through the exercise of judgment consistent with the standard of care required to be satisfied in exercising their duties with respect to the Fund and Unitholders generally.

The services of the Manager and its affiliates are not exclusive to the Fund and nothing in the Management Agreement (as defined herein) prevents the Manager or any of its affiliates from providing similar services to other funds and other clients (whether or not their investment objectives, strategies or criteria are similar to those of the Fund) or from engaging in other activities. The Manager, therefore, will have conflicts of interest in allocating investment opportunities, management time, services and functions among the Fund and such other persons for which it provides services. However, the Manager will undertake to act in a fair and equitable manner as between the Fund and its other clients and at all times the Manager will ensure a fair and equitable allocation of its management time, services, functions and investment opportunities between the Fund and any other such persons it provides services to. The selection and investment by the General Partner and Manager for the Fund will be on the basis that available target investments will be identified in the usual course for the Fund allowing the Fund to acquire portfolio investments to the level intended by the investment objective and investment strategy as reflected in this Offering Memorandum.

As outlined in the investment strategy, the Fund may invest in Underlying Funds (as defined herein) which may or may not be managed by the Manager or one of its affiliates. However, as indicated, there will be no duplication of asset management fees payable to the Manager if an investment is made into an Underlying Fund which is managed by the Manager or any of its affiliates.

The Manager has been engaged to direct the business, operations and affairs of the Fund and is paid fees for its services as set out herein. In addition, affiliates of the Manager may participate in the offering of the Units to its clients for which it may receive an initial sales commission. The Fund and any related issuers that are managed by the Manager or its affiliates from time to time may be considered to be "connected issuers" and "related issuers" under applicable securities legislation

ABOUT THIS OFFERING MEMORANDUM

The following terms appear throughout this Offering Memorandum. Care should be taken to read each term in the context of the particular provision of this Offering Memorandum in which such term is used. Not all defined terms used in this Offering Memorandum are included in the list below.

In this Offering Memorandum:

- "**Borrower**" means a portfolio company as described in the Investment Strategy.
- "**Fund**" or "**Issuer**" means AGF SAF Private Credit Limited Partnership.
- **"General Partner**" means AGF SAF Private Credit GP Inc., who acts as general partner to the Fund.
- **"Hurdle Rate"** means a preferred rate of return to Limited Partners calculated from the beginning of a quarter (or pro-rated to the inception date of the Class of Units) to the end of such quarter, equal to ¼ of six per cent (6%) per annum (adjusting for any Management Fee and expenses applicable and payable by such Class); provided that if the return of the Partnership in the immediately prior quarter is less than ¼ of six per cent (6%) per annum, the Hurdle Rate shall be ¼ of six per cent (6%) per annum plus the amount by which the previous quarter's return was less than six per cent (6%) per annum, in each case within a fiscal year, without carry over in to any other fiscal year.
- "**Investments**" means the debt-based securities described in the Investment Strategy.
- "**Investor**" means a person or an entity purchasing Units from time to time and becoming a Unitholder.
- "**LP Agreement**" means the limited partnership agreement governing the Fund dated as referenced therein, between the General Partner and the Initial Limited Partner (as defined therein) and any other Person that may be admitted to the Fund as a Unitholder.
- "**Management Agreement**" means the management agreement dated as referenced therein, between the Fund and the Manager.
- "**Manager**" means AGF SAF Private Credit Management LP".
- "**NAV**" means the net asset value of the Fund as determined in accordance with the LP Agreement.
- "**Non-Residents**" means a Person who is a non-resident for the purposes of the Tax Act.
- "**Offering**" has the meaning set forth above under Item 5: Securities Offered.
- "**Offering Memorandum**" means this confidential offering memorandum and its appendices, including Offering Supplement(s), and amendments which may be published notified to Investors from time to time.
- "**Offering Supplement**" has the meaning set forth below.
- "**Person**" means an individual person, or an entity organized as a partnership, corporation, co-operative, or trust.
- "**Subscription Agreement**" means any subscription agreement made between the Fund, the General Partner and Investors which governs the purchase of Units.
- "**Tax Act**" means the *Income Tax Act* (Canada) and the regulations thereunder, as amended.
- "**Unit**" or "**Units**" has the meaning set forth above.
- "**Unascertainable Assets**" means, in each case as determined by the General Partner, acting reasonably in its sole discretion, assets (i) the value of which are unascertainable; or (ii) entities holding such assets, whose financial position and/or prospects are impaired or unknown such that (x) consensus, by professional judgment as to valuation is materially challenged, not readily gleaned or is materially wide in range; (y) entities holding such assets are no longer, or are anticipated in the immediate future to longer be, a going concern; or (z) the value of which are materially contingent on outcomes or events that are substantially unknown or not readily foreseeable.

- "**Limited Partners**" or "**Unitholders**" means holders of the Units, as limited partners of the Fund.
- "**Valuation Date**" means the last business day of each quarter, or if not a business day, the following business day, December 31 of each year, and such other day or days as determined from time to time by the General Partner.
- "**Website**" means the website created by the General Partner from time to time and notified to the Unitholders.

When subscription for Units close, the applicable exempt trade report will be filed with the applicable securities regulatory authorities. It is expected that Offerings will close on each Valuation Date.

Before any further Class or Series of Units is made available for investment, the Issuer and EMD will prepare and post, an offering schedule to this document, which is referred to as a "**Offering Supplement**" which will describe the specific terms applicable to the Class and/or Series of Units.

The Issuer may prepare amendments to update this Offering Memorandum for other purposes, such as to disclose changes to the terms of an Offering. The Issuer will file these Offering Memorandum amendments with the applicable securities regulatory authorities, as required, and post them on the Website. When required by regulation, such as when there is a "Fundamental change" in the offering of Units or the information contained in this Offering Memorandum, the Issuer will file applicable amendments to the Offering Memorandum on SEDAR. The Issuer will disclose these changes in the Offering Memorandum amendments by posting them on the Website at or prior to the time the amendment becomes effective.

The Units are securities offered hereunder that have not been qualified for distribution in Canada by the filing of a prospectus with any securities commission or other securities regulatory authority. The securities are being offered pursuant to certain exemptions from prospectus and registration requirements contained in the securities legislation of the provinces of Canada. Such exemptions relieve the Issuer from provisions under applicable securities legislation requiring the Issuer to file a prospectus and therefore, purchasers of Units do not receive the benefits associated with a subscription for securities issued pursuant to a filed prospectus, including the review of material by a securities commission or similar regulatory authority.

The information contained in this Offering Memorandum is intended only for the persons to whom it is transmitted for the purposes of evaluating the securities offered thereby. Prospective Investors should only rely on the information in this Offering Memorandum and Offering Supplement(s) applicable to their investment in Units.

This Offering is a private placement and is not, and under no circumstances is to be construed as, a public offering of the securities described herein. The securities are being offered in reliance upon exemptions from prospectus requirements set forth in applicable securities legislation. Further, the Issuer is not an investment fund and therefore the specific statutory and regulatory investor protection terms applicable to an investment fund will not apply for investments in the Issuer.

Forward-Looking Information

This Offering Memorandum contains forward-looking information, including expected use of proceeds of the Offering, and regulatory approvals. Forward-looking information includes statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as "expects", "anticipates", "intends", "plans", "believes", "estimates" or negative versions thereof and similar expressions. In addition, any statement that may be made concerning future performance, and strategies or prospects is also a forward-looking statement. Forward-looking information is based on current expectations and projections about future events and are inherently subject to, among other things, risks, uncertainties and assumptions and economic factors.

Forward-looking information is not a guarantee of future performance, and actual events and results could differ materially from those expressed or implied in any forward-looking information. Any number of important factors could contribute to these digressions, including, but not limited to, business, economic, competitive, political and social factors in North America and internationally, general capital market conditions and market prices for securities, competition, changes in legislation, conclusions of economic evaluations and appraisals, loss of key individuals, changes in operating and capital costs, the availability of investment opportunities, interest and exchange rate changes, unexpected judicial or regulatory proceedings, unforeseen potential liabilities of the investment opportunities, and

other factors, many of which are beyond the control of the Issuer, which are discussed under the section "Risk Factors" in this Offering Memorandum.

The above-mentioned list of important factors is not exhaustive. You are encouraged to consider these and other factors carefully before making any investment decisions and you are urged to avoid placing undue reliance on forward-looking information. Further, you should be aware of the fact that the Issuer has no specific intention of updating any forward-looking information whether as a result of new information, future events or otherwise, unless required by applicable securities legislation.

French Language

The parties hereto confirm their express wish that this Offering Memorandum and all documents and agreements directly or indirectly relating hereto be drawn up in the English language. *Les parties reconnaissent leur volonté expresse que la présente ainsi que tous les documents et contrats s'y rattachant directmente ou indirectmente soient rédigés en anglais.*

Table of Content

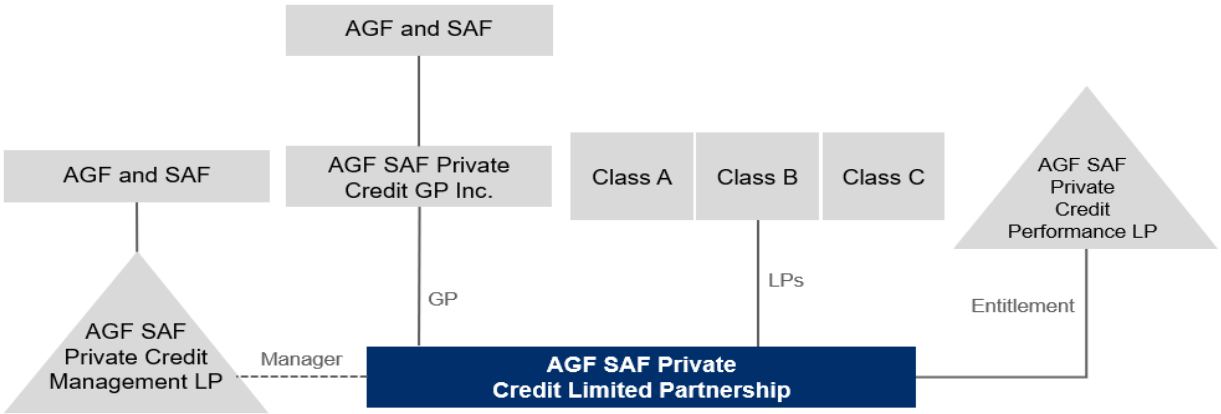
THE FUND

The Fund is a limited partnership created by the registration filing and the LP Agreement and governed by the laws of the Province of Ontario. The principal offices of the Fund are located at Toronto-Dominion Bank Tower, 66 Wellington Street West, Toronto, Ontario, M5K 1E9. The structure is illustrated below. The day-to-day business and affairs of the Fund are managed by the General Partner pursuant to the LP Agreement. The Manager has been retained by the General Partner to carry out certain management and administrative functions for the Fund primarily related to the origination and management of the Investments.

The capital of the Fund is divided into an unlimited number of Units issuable in one or more Classes of Units. The Fund currently offers seven Classes of Units: Class A-1 Units (CAD), Class A-2 Units (CAD), Class A-3 Units (CAD), Class B-1 Units (USD), Class B-2 Units (USD), Class B-3 Units (USD), and Class C Units. Additional Classes and Series of Units may be offered in the future.

The Class A-1 Units, Class A-2 Units and Class A-3 Units (collectively, the "**Class A Units**") and the Class C Units are Canadian dollar denominated and the Class B-1 Units, Class B-2 Units and Class B-3 Units (collectively, the "**Class B Units**") are U.S. dollar denominated. The Class A Units and Class B Units are offered to "accredited investors" within the meaning of NI 45-106, who are Canadian resident. Class C Units are offered to certain employees and members of the management team (and others) of the Fund, at the General Partner's discretion.

Upon acceptance of subscriptions for the Units, the initial closing of the Offering and the required filings being made, subscribers for Units will become Unitholders of the Fund. The LP Agreement will set out rights, duties and obligations of the General Partners and the Unitholders, in supplement to the Act.



INVESTMENT OBJECTIVE AND STRATEGY

Investment Objective

The Fund's investment objective is to achieve attractive risk-adjusted returns with low correlation to traditional asset Classes by constructing and maintaining a portfolio of private and public income-generating credit securities.

Investment Strategy

The Fund will allocate capital through various credit strategies to a diverse set of middle and lower-middle market entities and/or assets primarily in Canada and the United States ("**Borrowers**") to construct a portfolio of actively

managed private and public income-generating debt-based securities. Portfolio investments will generally be structured as one or a combination of the following: (i) first and second lien senior loans, (ii) unitranche loans, (iii) mezzanine loans, (iv) bridge loans, (v) joint venture partnerships, or (vi) sale-leasebacks. The Fund may also participate in syndicated private credit offerings and allocate capital to future partnerships of AGF and SAF to achieve its investment objectives, with a focus on being syndicate lead or co-lead providing greater control that should result in more favorable covenant structures, leverage levels, pricing, other credit terms and general influence during workouts. The Fund will opportunistically allocate assets across the following credit strategies: (i) direct lending (credits that may be sponsored or non-sponsored to companies with annual EBITDA of $10 million to $100 million and will include securities as described above such as first and second lien loans, unitranche loans, mezzanine loans, bridge loans, and secured/unsecured notes), (ii) special situations credit (credits intended to capitalize on complex, often inefficient, special situations where the Manager will privately negotiate directly with Borrowers on these highly structured instruments, with an expectation for the investments to reduce exposure to market cycles and economic volatility, and the Manager will invest across the capital structure in the form of senior credits, structurally or collateral subordinated credit, and certain equity hybrid or linked securities), and (iii) liquid credit (seeking credits with robust liquidity profiles in an effort to enhance the funds duration and liquidity profile, and will include instruments such as broadly syndicated loans, high yield bonds, convertible securities, and notes).

The Fund's primary focus, direct lending, will be on middle/lower-middle market entities and/or assets primarily situated in North America, with a focus on Canadian opportunities, who have limited access to traditional capital due to size, complexity, timing, or perceived risk. The Fund will seek to construct a diversified portfolio of qualifying investments with a view to providing investors with risk-adjusted investment returns, with features that may include robust downside protection and upside economic participation through equity grants, warrants and/or options.

Through strategic portfolio construction, the Fund will seek to reduce overall volatility and minimize idiosyncratic risk of any single investment. The Fund will, over various capital deployment periods, attempt to manage exposures with respect to investment size, industry, and geographic concentration of its portfolio investments; provided however, there will be no geographical or sector concentration limits.

The Fund will execute its investment strategy through the Manager's investment process, which, in sequential order, includes (i) origination and screening, (ii) structuring, (iii) underwriting and approval, and (iv) monitoring and optimization.

Each investment opportunity selected for the Fund will undergo a due diligence period focused on evaluating a potential Borrower's (i) financial and operational performance, (ii) ability to meet financial obligations, (iii) underlying collateral value, (iv) liquidity position, (v) leadership competency, (v) access to capital, and (vii) stakeholder alignment. Once an investment is made, the Manager will regularly monitor the counterparty for any credit quality changes, and as necessary, effect proactive risk mitigation strategies and restructuring solutions.

The Fund may make use of loan facilities from one or more lenders to (i) provide liquidity in the event of Unitholder redemptions; (ii) to manage working capital; (iii) to facilitate investments, (iv) improve returns; (v) cover the Fund expenses, (vi) to address available cash flow resulting from the timing difference between the closing of potential new private debt loans and cash availability of the Fund; and (vi) for any other purpose, as determined by the Manager, provided the aggregate borrowings outstanding never exceed 100% of the NAV of the Fund in the aggregate.

The Fund may use derivatives to reduce certain risks by hedging exposure to currencies, commodities, specific securities, and interest rates. Derivatives may include but are not limited to forward sales, swaps, and options. During periods when the Manager cannot find suitable investment opportunities, any un-allocated cash will be held by the Fund ("**Reserved Cash**"). Any Reserved Cash held by the Fund will be used to manage cash flow, pay expenses, and facilitate redemptions. The Fund may hold Reserved Cash in short-term debt instruments, money market funds, or similar temporary instruments. Derivatives may not be employed by the Fund for speculative purposes.

The Fund may invest in investment funds, exchange-traded funds and mutual funds and/or other investment vehicles which are consistent with the investment strategy of the current offering (collectively referred to as the "**Underlying Funds**") which may or may not be managed by the Manager or one of its affiliates. However, there will be no duplication of asset management fees payable to the Manager if an investment is made into an Underlying Fund which is managed by the Manager or any of its affiliates.

The General Partner may, from time to time, and one more than one time, determine to transfer assets that do not meet the investment criteria for the Fund ("**Non-Conforming Assets**") to special purpose vehicles that are wholly owned by the General Partner as to the voting securities and the then Unitholders as to the equity participation rights in the same percentage as the Unitholders then hold Units. The transfer will be at the value determined by the General Partner acting reasonably, in its own discretion, for the assets transferred and the NAV for the Units will be adjusted by removing the transferred Non-Conforming Assets from the NAV calculation for the next calculation period. The General Partner will determine in its sole discretion that assets have become Non-Conforming Assets, the value of the Non-Conforming Assets and whether to transfer the Non-Conforming Assets. The securities issued to the then Unitholders will be non-voting, non-transferable and non-redeemable. The economics of the special purpose vehicle will be wholly allocated to the Unitholders receiving the securities and such Unitholders will be entitled to the distribution of funds from the transferred Non-Conforming Assets as determined by the General Partner when received. The General Partner may retain specialized managers and advisors to manage the restructuring and management of these Non-Conforming Assets. No more than 7.5% of the value of assets of the Fund, excluding Unascertainable Assets to which no such limit applies, may at any time be transferred for nil or nominal consideration, and held in the special purpose vehicles created for this purpose.

The securities issued to the Unitholders may be purchased for cancellation by the special purpose vehicle on the completion of the realization of the distressed assets transferred for nominal consideration and the special purpose vehicle then wound up.

The Fund will follow the investment strategies outlined herein. The Manager may adjust the investment strategies of the Fund from time to time to realign with changing market conditions. Unitholders will be provided not less than 30 days written notice of any material changes to the investment strategies.

Private Debt Market

The private debt market provides a source of financing for small to mid-sized public and private businesses and projects in Canada, the United States, as well as globally. It is an important alternative to bank financings, which are most often floating rate demand loans with short or medium terms to maturity, and the public bond market, which is generally only available to large borrowers.

Borrowers in the private debt market are typically established businesses that are smaller than issuers in the public bond market and larger than businesses that obtain financing only from banks. These are companies who have sufficient assets, and a financially successful track record, such that they do not need to look to the asset based lending and similar finance providers, which are generally more expensive than the private debt market. The private debt market often involves private and public companies, and projects, that have unique, and occasionally complex financing needs, requiring a custom designed loan which can be better accommodated by the private debt market.

Loan amounts in the Canadian private debt market normally range in size from $5 million to $100 million and are used for such purposes as:

- Refinancing of bank debt and term loans
- Capital spending and plant expansion
- Acquisition financing
- Management buyouts

The key components to success in the private debt market are a more direct interface between the lenders and the borrowers, and the ability to source, assess credit, monitor and manage a loan on a more direct basis. The private debt market generally consists of transactions where the lender and the borrower maintain a direct relationship throughout the term of the loan, eliminating the many layers of intermediaries in the public debt market. As a result, it is necessary, in the view of management, to invest through an investment manager who has the experience, organizational structure and active management capabilities to manage the loan from its inception until its repayment. Generally, the attributes of a successful manager of private debt investments include:

- A strong and proven credit culture;
- A clearly defined management succession plan;
- A pro-active process for direct origination of investment opportunities;
- Skill and expertise in credit analysis;

- Skill and expertise in negotiating loan terms;
- Skill and expertise in negotiating enforceable loan documentation;
- A systematic process for monitoring investment exposures;
- Comprehensive and disciplined investment administration; and
- Expertise in dealing with, and resolving, problem investments.

Interest rates are generally higher in the private debt market compared to the public market for borrowers of the same credit quality. The primary contributors to the higher rates are that private debt is illiquid and that borrowers in the private market are willing to pay a higher interest rate to obtain custom designed loans with minimal or no public disclosure of information about their businesses. Offsetting the higher interest rates for borrowers are lower transaction costs and the convenience of avoiding layers of intermediaries and instead dealing directly with the lender.

Covenants are typically more restrictive, and more extensive, in the private debt market than in the public market. The covenants are, however, designed to permit the borrower to carry on its business without interference by the lender while providing protection for investors by limiting the borrower's ability to engage in activities which may lead to deterioration of financial status or asset quality. The covenants provide investors with a mechanism for early intervention if credit deterioration occurs. Management's experience indicates that using a strong covenant package identifies deterioration earlier in a default situation and combining that with active investment management, results in higher capital recovery rates and lower loss ratios than is frequently the case in other debt market sectors. This has particularly been the experience of management in the managing of similar funds to the Fund, where the objective is to continue to design effective covenant packages combined with active hands on investment management.

MANAGEMENT

AGF SAF Private Credit Management LP is the manager of the Fund (the "**Manager**"). The Manager is a limited partnership formed under the *Limited Partnerships Act* (Ontario). The general partner of the Manager is AGF SAF Private Credit Management GP Inc., which is a corporation incorporated under the laws of the Province of Ontario.

Directors and Officers of Manager

Set out below are the particulars of the professional experience of the directors and senior officers of the Manager:

Ryan Dunfield: Mr. Dunfield is the CEO & Principal of SAF Group. Prior to founding SAF, Mr. Dunfield worked with FrontFour Capital Corp., covering the hedge fund's Canadian investments. Previously, Mr. Dunfield was a Vice President of Second City Capital Partners and its affiliate, Gibralt Capital Corp where he worked on energy and energy services investments focused on junior credit products and structured equity investments. Mr. Dunfield was a Director, Loan Syndications & Trading with ATB Financial where he structured and distributed first and second lien bank loans and was also responsible for developing strategies for trading syndicated credits of issuers. Mr. Dunfield has a B.A. in Economics from the University of Calgary with a minor in Commerce.

Aaron Bunting: Mr. Bunting is a founder and is the COO &CFO of SAF Group, and its related entities. Prior to SAF Mr. Bunting served as an energy portfolio manager for K2 & Associates, a Canadian-based event driven hedge fund and a Calgary-based mutual fund complex, where he was responsible for idea origination, execution and ongoing management of investments, both in equity and structured/hybrid debt. Prior to investment management, Mr. Bunting worked at an energy-focused M&A boutique. Mr. Bunting is a Chartered Accountant and holds a CFA. Mr. Bunting has a Commerce degree from the University of Calgary.

Adrian Basaraba: Mr. Basaraba was appointed Chief Financial Officer of AGF Management Limited in July 2016. He is a member of the Executive Management Team and oversees AGF's financial management, corporate development, reporting, treasury, taxation and investor relations functions. Since joining AGF in 2004, Mr. Basaraba has been an integral part of AGF's senior leadership team holding various positions within the firm and serving most recently as Senior Vice-President of Finance. Mr. Basaraba has been instrumental in the development of AGF's alternatives business including the formation of InstarAGF and the partnership with SAF Group in 2014. He is currently Chairman of Stream Asset Financial, a member of the InstarAGF Essential Infrastructure Fund Limited Partner Advisory Committee, and sits on various alternatives investment committees. Mr. Basaraba served as a Member of the Board of Directors for Toronto Finance International (TFI) from January 2013 to February 2019, and was the Chair of the Audit Committee for TFI from December 2016 until February 2019. Prior to joining AGF, Mr. Basaraba held progressive roles with increased responsibility at PricewaterhouseCoopers and Canada Life. Mr.

Basaraba received his chartered accountant designation in 1998 and is also a CFA® charterholder. He graduated from The University of Western Ontario with a degree in Finance and Economics.

The Manager will receive, as compensation for providing services to the Fund, a quarterly Management Fee from the Fund allocated between Class A Units and Class B Units. Each Class of Units is responsible for the Management Fee attributable to that Class. Management Fees in respect of each Class of Units will be calculated and payable quarterly as of each Valuation Date.

See "Fees and Expenses – Management Fees".

UNITS OF THE FUND

The interests in the Fund are divided into classes of Units and each such class is identified as Class (date of issue) Unit ("**Class**"). Each Class may be issued in series ("**Series**").

The Fund is authorized to issue an unlimited number of Units in Classes or Series. Issued and outstanding Units may be subdivided or consolidated from time to time by the General Partner without notice to or approval of the holders thereof.

The General Partner may issue such Classes and Series as it shall determine in its sole discretion. All of the Classes have the same investment objective, strategy and restrictions but differ in respect of one or more of their features, including, but not limited to, management fees, form of distributions, expenses, redemption fees or commissions. The General Partner may create Series within any Class and provide for attributes that differ from the other Classes and Series, provided only that no Series may be issued that is issued other than on a NAV basis, has one vote per Unit for the same matters to be voted by the other Units, and does not have a priority as to distributions over the other issued Units. The Units will be subject to the specific terms attached thereto as set out in the Unit Certificate for such Class and Series and disclosed in an offering supplement.

The Units represent a fractional interest in the Fund and do not represent a direct investment in the Fund's assets and should not be viewed by investors as direct owners of the Fund's assets. The rights of Unitholders are based primarily on the terms of the LP Agreement. The statute governing the affairs of the Fund (the *Limited Partnerships Act* (Ontario)) is not equivalent to the *Business Corporations Act* (Ontario) which sets out the rights and entitlements of shareholders of corporations in various circumstances.

Units will not have preference or priority over one another within the Class/Series. No Unitholder will have or be deemed to have any right of ownership of any of the assets of the Fund. Each Unit will represent a Unitholder's proportionate undivided ownership interest in the Class/Series issued by the Fund. Only Unitholders of record are entitled to vote, and each Unit shall entitle the holder or holders of that Unit on a poll vote at any meeting called and held in the circumstances outlined in the LP Agreement. Units will be fully paid and non-assessable when issued and are transferable subject to compliance with applicable securities law which will generally require the use of a prospectus and registration exemption.

Although the money invested by Investors to purchase Units of any Class of the Fund is tracked on a Class by Class basis in the Fund's administration records, the assets of all Classes of Units will be combined into a single pool to create one portfolio for investment purposes.

Initial Classes of Units are:

Class A-1 Units (CAD) and Class B-1 Units (USD) will be issued to qualified purchasers resident in Canada who subscribe for at least $1,000,000 of Units.

Class A-2 Units (CAD) and Class B-2 Units (USD) will be issued to qualified purchasers resident in Canada who subscribe for at least $5,000,000 of Units.

Class A-3 Units (CAD) and Class B-3 Units (USD) will be issued to qualified purchasers resident in Canada who subscribe for at least $10,000,000 of Units.

Class B Units are suitable for investors who want to invest in the Fund using U.S. dollars. As the Fund is denominated in Canadian dollars, investors who purchase Class B Units will be exposed to fluctuations in the Canadian/U.S. dollar

exchange rate. To offset this exposure, the Manager will use commercially reasonable efforts to hedge against fluctuations caused by changes in exchange rates between the U.S. and Canadian dollars. If the Manager is successful, the gross returns, excluding applicable fees, of the Class B Units as measured in U.S. dollars will be similar to the returns of the Class A Units as measured in Canadian dollars. Without regard to movement in the currency exchange rate as between the Canadian and U.S. dollar, several factors may result in the returns not being equal, including, but not limited to, the expenses incurred by the Class B in hedging the currency and the timing of an Investor's investment relative to when the Manager is able to hedge the currency of the Class B Units. There is no guarantee the Manager will be successful in fully hedging this currency exposure. All currency hedging expenses will be borne by the Class B Units.

Class C Units will be issued to certain employees and members of the management team (and others) of the Fund, at the discretion of the General Partner. The Class C Units will have no priority with respect to distributions as the Class A and Class B Units, but will not be subject to Management Fees, the Entitlement obligation, minimum subscription amounts or the redemption restrictions.

The General Partner, in its sole discretion, determines the number of Classes of Units and establishes the attributes of each Class, including investor eligibility, the designation and currency of each Class, the initial offering price for the first issuance of Units of the Class, any minimum initial or subsequent investment thresholds, any minimum redemption amounts or minimum account balances, valuation frequency, fees and expenses of the Class, sales or redemption fees payable in respect of the Class, redemption rights, convertibility among Classes and any additional Class specific attributes. The General Partner may establish additional Classes or Series of Units at any time without prior notice to or approval of Unitholders, provided that such additional Classes or Series shall not be economically prejudicial to the existing Classes, as determined by the General Partner, acting reasonably. The General Partner does not have the authority to revise the attributes of the Class A Units, Class B Units or Class C Units without the approval of Unitholders holding at least 75% of the Units of that Class.

DISTRIBUTIONS

The Fund intends to make quarterly distributions, calculated and payable in arrears, on each Class of Units to holders of such Units based on the cash available for distribution of the Fund.

Cash available for distribution will be determined by the Manager as amounts held as cash in relation to the amounts received directly or indirectly from the ownership and exploitation of the portfolio investments and activity of the Fund, less the aggregate of (i) all expenses incurred in connection with the ownership of the portfolio investments (including all amounts payable under the Management Agreement and any related agreements), (ii) Fund expenses; (iii) amounts payable to lenders and guarantors on account of principal, interest and other amounts payable under third party financing facilities in each case on a current basis; (iv) the amount of such reserves, expenses or liabilities as the Manager or the General Partner, acting reasonably, shall determine to hold or pay.

Distributions on Class A Units and Class B Units will be made in cash, unless a Unitholder elects, by written notice to the Manager, to have distributions automatically reinvested in additional Units of the same Class at the NAV of such Class on the date of distribution at the time of such Unitholder's initial subscription or at least 180 days prior to any Valuation Date.

Subject to applicable securities legislation, distributions on Class C Units will be automatically reinvested in additional Class C Units at the NAV of such Class of Units, subject to any adjustments in respect of any Management Fee and/or other expenses not attributable to Class C Units, on the date of distribution, unless a Unitholder elects, by written notice to the Manager, to receive such distributions in cash at the time of such Unitholder's initial subscription or at least 180 days prior to any Valuation Date.

Distributions will be made on an equal per Unit basis in each fiscal quarter in accordance with the specific terms of the LP Agreement.

FEES AND EXPENSES

Management Fees

As compensation for providing management and administrative services to the Fund, the Manager receives a quarterly management fee (the "**Management Fee**") from the Fund allocated to the Class A Units (CAD) and Class B Units (USD). The Manager may agree to decrease, but not increase, the Management Fee for any Class or Series. Each Class of Units is responsible for the Management Fee attributable to that Class.

Class A-1 Units (CAD) and Class B-1 Units (USD)

The Fund will pay the Manager a Management Fee that is calculated and accrued quarterly on each Valuation Date and payable quarterly in arrears, in an amount equal to ¼ of 1.5% per annum of the aggregate NAV of the Class A-1 Units and Class B-1 Units, plus any applicable federal and provincial taxes, calculated and payable as of each Valuation Date.

Class A-2 Units (CAD) and Class B-2 Units (USD)

The Fund will pay the Manager a Management Fee that is calculated and accrued quarterly on each Valuation Date and payable quarterly in arrears, in an amount equal to ¼ of 1.25% per annum of the aggregate NAV of the Class A-2 Units and Class B-2 Units, plus any applicable federal and provincial taxes, calculated and payable as of each Valuation Date.

Class A-3 Units (CAD) and Class B-3 Units (USD)

The Fund will pay the Manager a Management Fee that is calculated and accrued quarterly on each Valuation Date and payable quarterly in arrears, in an amount equal to ¼ of 1.00% per annum of the aggregate NAV of the Class A-3 Units and Class B-3 Units, plus any applicable federal and provincial taxes, calculated and payable as of each Valuation Date.

Class C Units (CAD)

There will be no Management Fees attributable to Class C Units.

Operating Expenses

The Fund is responsible for the payment of all routine and customary fees and expenses incurred relating to the administration and operation of the Fund including, but not limited to: custodial and safekeeping fees and expenses; registrar and transfer agency fees and expenses; audit, legal and record-keeping fees and expenses; communication expenses; printing and mailing expenses; all costs and expenses associated with the qualification for sale and distribution of the Units including securities filing fees; investor servicing costs; costs of providing information to Unitholders (including proxy solicitation material, financial and other reports) and convening and conducting meetings of Unitholders; taxes, assessments or other governmental charges of all kinds levied against the Fund; interest expenses. In addition, the Fund will be responsible for the payment of all expenses associated with ongoing investor relations and education relating to the Fund.

The Fund is responsible for, and the Manager is entitled to reimbursement from the Fund for, all costs associated with the creation and organization of the Fund. Such set up costs are charged to the Fund over a period of five years after the launch of the Fund.

The Manager may from time to time waive any portion of the fees and reimbursement of expenses otherwise payable to it, but no such waiver shall affect its right to receive fees and reimbursement of expenses subsequently accruing to it.

Early Redemption Fee

The General Partner may, in its sole discretion, accept redemption requests from Unitholders who have held Units for less than 24 months, and may, in its discretion, impose an early redemption fee equal to 5% (plus sales tax and applicable fees and/or expenses) of the aggregate NAV of Units redeemed if it accepts a redemption request for Units

which have been held by a Unitholder for less than 24 months (the "**Early Redemption Fee**"). The Early Redemption Fee will be deducted from the Redemption Amount otherwise payable to a Unitholder and will be paid to the Fund. No Early Redemption Fee will be charged in respect of the redemption of Units which were acquired by a Unitholder through the automatic reinvestment of all distributions of net income or capital gains by the Fund or where the Manager requires a Unitholder to redeem some or all of the Units owned by such Unitholder. This Early Redemption Fee is in addition to any other fees a Unitholder is otherwise subject to under this Offering Memorandum.

ENTITLEMENT

As set forth below in (b) and (c), AGF SAF Private Credit Performance LP, a founding Limited Partner of the Fund, is eligible to receive from the Fund a quarterly entitlement in respect of all Classes of Units, other than Class C Units (the "**Entitlement**"), as follows:

(a) first, 100% of the return is attributable to the Unitholders, other than defaulting partners, or if so determined by the General Partner, non-conforming partners, on an equal per Class and per Unit basis (adjusting for any Management Fee and expenses applicable and payable by such Class), until each Unitholder has received a return equal to ¼ of the Hurdle Rate for each fiscal quarter and then for the fiscal year end, an annual return, equal to the Hurdle Rate of six percent (6%);

(b) second, if the Hurdle Rate has been achieved in a fiscal quarter, and other than in respect of Class C Unitholders, one hundred percent (100%) of any incremental return is attributable to AGF SAF Private Credit Performance LP until such time as AGF SAF Private Credit Performance LP is attributed an amount equal to twenty per cent (20%) of the return attributable to the Unitholders under item (a) (above) for that fiscal quarter, and then for the fiscal year end as to an aggregate amount equal to twenty per cent (20%) of the return attributable to the relevant Unitholders for the entirety of the fiscal year; and

(c) third, any remaining returns in excess of the outlined under (a) and (b), shall be allocated and paid *pari passu* with payment to Classes of all Units, other than Class C Unitholders, to the extent of 20% to AGF SAF Private Credit Performance LP.

For clarity, (i) the Entitlement shall be calculated for each relevant fiscal year, without consideration given to any other fiscal year, provided that any loss, as it relates to a specific Class and Series held by Unitholders shall carry forward to the following fiscal year; and (ii) the amounts which would otherwise be payable to the AGF SAF Private Credit Performance LP hereunder that are stated to be other than with respect to the Class C Unitholders, will be paid to the Class C Unitholders as their entitlement for holding Class C Units.

DETAILS OF THE OFFERING

Investors wishing to subscribe for Units will be required to enter into a Subscription Agreement with the General Partner for the Fund which will contain, among other things, representations, warranties and covenants by the Investor that they are duly authorized to purchase the Units, that they are purchasing the Units as principal and for investment and not with a view to resale, as to its corporate or other status to purchase the Units and that the General Partner for the Fund is relying on an exemption from the requirements to provide the Investor with a prospectus and as a consequence of acquiring the securities pursuant to this exemption, certain protections, rights and remedies, provided by applicable securities laws, including statutory rights of rescission or damages, will not be available to the Investor.

The General Partner will, at least 10 days prior to each Valuation Date set a maximum amount of subscriptions that will be accepted on such Valuation Date. In the event that subscriptions are received by the General Partner in excess of such pre-defined amount, subscriptions will be accepted by the General Partner at the General Partner's discretion, and the General Partner may give priority to subscriptions for larger amounts. Any subscriptions not accepted on such Valuation Date will be held until the following Valuation Date.

Units will be offered at a price equal to the NAV per Unit for the applicable Class on each Valuation Date (determined in accordance with the LP Agreement). Units may be purchased as at the close of business on a Valuation Date if a duly completed subscription form and the required payment reaches the General Partner no later than 4:00 p.m. (Toronto time) on such Valuation Date. The issue date for subscription orders received and accepted after 4:00 p.m. (Toronto time) on a Valuation Date will be the next Valuation Date.

The General Partner, on behalf of the Fund, may approve or disapprove a subscription for Units in whole or in part. If the subscription (or part) is not approved, the General Partner will so advise the subscriber, and will forthwith return to the subscriber the subscription price tendered by the subscriber in respect of the rejected subscription without interest or deduction.

The Units will be issued only in registered form and only in electronic form. A Unitholder's ownership of Units will be recorded on the records of the Fund. The Issuer will not issue physical certificates for the Units. Investors will be required to hold their Units through the Issuer's electronic Unit register. The Issuer will treat the Investors in whose names the Units are registered as the owners thereof for the purpose of receiving payments and for any and all other purposes whatsoever with respect to the Units.

There is no condition to any closing.

Additional Subscriptions

Following the required initial minimum investment in the Fund, Unitholders may make additional investments in the Fund of not less than $25,000 provided that, at the time of the subscription for additional Units, the Unitholder is an "accredited investor" as defined under applicable securities legislation. Unitholders who are not individuals who are not "accredited investors", but previously invested in, and continue to hold, Units having an aggregate initial acquisition cost equal to the minimum investment per Series of a Class, will also be permitted to make subsequent investments in the Fund of not less than $25,000. Subject to applicable securities legislation, the General Partner, in its sole discretion, may from time to time permit additional investments in Units of lesser amounts. Unitholders subscribing for additional Units should complete the subscription form prescribed from time to time by the General Partner.

Limitation on Non-Resident Ownership

In order for the Fund to maintain its status as a "Canadian partnership" for the purposes of the Tax Act, there can be no Non-Residents holding Units. Any Unitholder who becomes a "non-resident" within the meaning of the Tax Act shall disclose such status to the General Partner at the time such status changes. The General Partner may require a registered holder of Units to provide the General Partner with a declaration as to the jurisdictions in which beneficial owners of the Units registered in such Unitholder's name are resident and as to whether such beneficial owners are Non-Residents (or in the case of a partnership, whether any of the partners of the partnership is a Non-Resident). If the General Partner becomes aware, as a result of the Unitholder advising the General Partner of such fact, the General Partner acquiring such declarations as to beneficial ownership or as a result of any other investigations, that the beneficial owners are, or may be, Non-Residents or that such a situation is imminent, the General Partner may immediately redeem such Unitholders Units or may send a notice requiring such Unitholder to sell their Units.

REDEMPTION OF UNITS

An investment in Units is intended to be a long-term investment. However, Unitholders who have held their Units for at least 24 months may request that Units may be redeemed at their NAV per Unit on any Valuation Date, provided the written request for redemption, in form satisfactory to the General Partner and all necessary documents relating thereto, is submitted to the General Partner at least 180 days prior to such Valuation Date.

Redemption requests must be received by the General Partner prior to 4:00 p.m. (Toronto time) on a business day which is at least 180 days prior to a Valuation Date. If a redemption request is received, and deemed acceptable, by the General Partner at such time, Units will be redeemed at the NAV per Unit for the applicable Class determined on the first Valuation Date which is at least 180 days following receipt of the redemption request. Payment of the redemption amount (the "**Redemption Amount**") will be paid to the redeeming Unitholder not later than the 30th day following the applicable Valuation Date (or 60 days if such Valuation Date is the Fund's fiscal year-end) for which such redemption is effective.

If on any Valuation Date the General Partner has received from any Unitholder requests to redeem outstanding Units representing 25% or more of such Unitholder's total investment in the Fund, or requests from one or more Unitholders representing, in aggregate, 5% or more of the NAV of the Fund in aggregate, the General Partner may, in its discretion, limit redemptions on such Valuation Date. If the General Partner limits redemptions to ensure that Units representing, in aggregate, less than 5% of the NAV of the Fund in aggregate are redeemed on a particular Valuation Date, the

General Partner will honor all redemption requests received in respect of such Valuation Date, pro rata to the total number of Units to be redeemed on such Valuation Date. Any redemption requests not accepted by the General Partner on such Valuation Date will be held until the following Valuation Date.

Notwithstanding and without limiting any of the provisions contained herein and in the LP Agreement, (i) the Class C Units are not subject to the redemption or early redemption provisions set forth herein; and (ii) the General Partner may require the redemption of all or any part of the Units held by a Unitholder at any time in its absolute discretion.

The General Partner shall, upon any redemption of Units, deduct from the Redemption Amount an amount equal to any accrued and applicable fees and taxes payable by the Unitholder in connection with such redemption.

The General Partner may suspend or limit the redemption of Units during any period in which (i) calculation of NAV is unable to be calculated; (ii) there exists a state of affairs under which liquidation by the Fund of part or all of its investments is not reasonable or practicable or would be prejudicial to the Fund; or (iii) if not postponing or suspending such effective date would materially adversely affect the existing Unitholders.

The suspension will terminate on the first day on which the condition giving rise to the suspension ceases to exist, provided that no other condition under which a suspension is authorized to be imposed then exists. To the extent not inconsistent with official rules and regulations promulgated by any government body having jurisdiction over the Fund, any declaration of a suspension of redemptions made by the General Partner is conclusive.

Subscriptions for Units (including Units of any affected Class) may be accepted during any period when the ability of the Fund to redeem Units is suspended.

RESALE RESTRICTIONS

As the Units offered by this Offering Memorandum are being distributed pursuant to exemptions from the prospectus requirements under applicable securities legislation, the resale of these Units by subscribers is subject to restrictions. Subscribers are advised to consult with their legal advisors concerning restrictions on resale and are further advised against reselling their Units until they have determined that any such resale is in compliance with the requirements of applicable securities legislation. There is no market for these Units and no market is expected to develop, therefore, it may be difficult or even impossible for a purchaser to sell their Units other than by way of a redemption of their Units on a Valuation Date.

Subject to applicable securities legislation a Unitholder shall be entitled to transfer all or, subject to any minimum investment requirements prescribed by the General Partner, any part of the Units registered in the Unitholder's name at any time by giving written notice to the General Partner. The proposed transferee will be required to make representations and warranties to the Fund and the General Partner in form and substance satisfactory to the General Partner. The General Partner may prescribe the minimum dollar value of Units which may be transferred but has not currently done so.

Notwithstanding the foregoing, the General Partner has the right, in its sole and absolute discretion, to reject any transfer of Units to a Non-Resident, a partnership that is not a "Canadian partnership" for the purposes of the Tax Act, or an entity an interest in which is a "tax shelter investment" for the purposes of the Tax Act.

COMPUTATION OF NET ASSET VALUE

The NAV will be determined by Class and Series taking into account the date of subscription, redemption and the allocation of expenses, fees and distributions in relation to the redeemed Units by the Manager, who may consult with the General Partner, any custodian and/or the auditors of the Fund. The NAV will be determined for the purposes of subscriptions and redemptions on each Valuation Date. The Class NAV per Unit for a particular Class of Units as at any Valuation Date is the quotient obtained by dividing the applicable Class NAV as at such Valuation Date by the total number of Units of that Class outstanding at such Valuation Date. The detailed NAV valuation calculation is in the Valuation Principles and is available for review upon request.

REPORTING

The General Partner shall forward to Unitholders a copy of the audited annual financial statements of the Fund within 90 days of each fiscal year-end as well as unaudited interim financial statements of the Fund within 60 days of the end of each fiscal quarter. Within 60 days of the end of each fiscal quarter, the Manager will make available to Unitholders an unaudited schedule of NAV per Unit and may provide a short, written commentary outlining highlights of the Fund's activities. The General Partner will provide reporting to each Unitholder as required for such Unitholder to prepare their tax filing based on the usual investor filing on or before March 15 in each year.

LIABILITY AND REGISTRATION OF THE PARTNERSHIP

The General Partner has unlimited liability for the debts, obligations and liabilities of the Fund. However, the General Partner shall not be personally liable for the return of any contributed capital of a Unitholder, whether by redemption or otherwise, or for payment of an amount to provide the Hurdle Rate return.

Neither the General Partner nor its officers, directors, shareholders, employees or agents are liable, responsible for or accountable in damages or otherwise to the Fund or a Unitholder for an action taken or failure to act on behalf of the Fund within the scope of the authority conferred on the General Partner by the LP Agreement or by law unless the act or omission was performed or omitted fraudulently, negligently or in bad faith or constituted willful or reckless disregard of the General Partner's obligations under the LP Agreement.

The General Partner, its officers, directors, shareholders, employees and agents are entitled to be indemnified by the Fund from and against any costs, expenses, damages or liabilities incurred by reason of any acts, omissions or alleged acts or omissions arising out of their activities on behalf of the Fund, where such acts or omissions were believed by the actors to be within the scope of the authority conferred by the LP Agreement and were not attributable to fraud, bad faith, willful misfeasance or reckless disregard of their obligations to the Fund.

The General Partner will indemnify the Fund from and against any costs, expenses, damages or liabilities suffered or incurred by the Fund as a result of an act of gross negligence or willful misconduct by the General Partner or of any act or omission not believed in good faith to be within the scope of the authority conferred on the General Partner by the LP Agreement.

A limited partner of a limited partnership organized under the laws of the Province of Ontario generally will not be liable, subject to certain exceptions, for the obligations of the partnership except in respect of the amount of property that such limited partner contributes or agrees to contribute to the capital of the partnership. A limited partner may not have such limited liability: (i) if he or she is also a general partner of the limited partnership; (ii) if he or she takes part in the management of the business of the limited partnership; (iii) if a certificate of the limited partnership contains a false statement which is relied upon by a person suffering a loss and such limited partner became aware that the statement was false or misleading and failed within a reasonable time to take steps to have the record of limited partners corrected, or where the limited partner signed the certificate or declaration or later became aware of its falsehood and did not amend the certificate or declaration within a reasonable time; and (iv) if the limited partnership fails to comply with the formal requirements of applicable limited partnership legislation. As well, a limited partner may not have such limited liability where a limited partner holds, as trustee for the limited partnership, specific property stated in the certificate or record of limited partnership as contributed by such limited partner, but which has not in fact been contributed or which has been wrongfully returned and money or other property wrongfully paid or conveyed to him or her on account of his or her contribution. Where a limited partner has rightfully received the return, in whole or in part, of the capital of his or her contribution, the limited partner is nevertheless liable to the limited partnership for any sum, not in excess of that returned with interest, necessary to discharge the limited partnership's liabilities to all creditors who extended credit or whose claims arose before such return.

TERM OF THE FUND

The Fund will be dissolved on the first to occur of any of the following:

(a) December 31, 2100;

(b) the authorization of a dissolution by Resolution of 75% of the Units, voting together as a single Class; or

(c) if the Fund no longer has any interest in any material assets, whether real or personal, then on thirty (30) days' written notice to the Unitholders; and

in any case, after the completion of the liquidation of the Fund and distribution to the Unitholders of all funds remaining after payment of all debts, liabilities and obligations of the Fund to its creditors. Notwithstanding any rule of law or equity to the contrary, the Fund will not be terminated except in the manner provided for in the LP Agreement.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Cassels Brock & Blackwell LLP, counsel to the Issuer, the following is a summary of the principal Canadian federal income tax considerations under the Tax Act generally applicable to a Unitholder who acquires Units as beneficial owner pursuant to the Offering and who, for purposes of the Tax Act and at all relevant times, is resident in Canada, deals at arm's length with the Issuer, the General Partner and the Manager, is not affiliated with the Issuer, the General Partner or the Manager and holds the Units as capital property (a "**Holder**"). Generally, Units will be considered to be capital property to a Holder provided such Units are not held in the course of carrying on a business and have not been acquired in one or more transactions considered to be an adventure or concern in the nature of trade.

This summary is not applicable to a Holder (i) that is a "financial institution" as defined in subsection 142.2(1) of the Tax Act, (ii) that reports its "Canadian tax results", as defined in the Tax Act, in a currency other than Canadian currency, (iii) an interest in which would be a "tax shelter investment" as defined in the Tax Act, (iv) that has at any relevant time, directly or indirectly, a "significant interest" as defined in subsection 34.2(1) of the Tax Act in the Issuer, (v) of which any affiliate of the Issuer is or becomes at any relevant time a "foreign affiliate" for any purpose of the Tax Act (including for purposes of any "specified provision" within the meaning of paragraphs 93.1(1.1)(a)-(d) of the Tax Act) to such Holder or to any corporation that does not deal at arm's length with such Holder for the purposes of the Tax Act, or (vi) that has entered into or will enter into, with respect to the Units, a "derivative forward agreement" as that term is defined in the Tax Act. Such Holders are urged to consult their own tax advisors. In addition, this summary does not address the deductibility of interest expense or other expenses incurred by a Holder in connection with debt incurred in connection with the acquisition or holding of Units.

This summary assumes that: (i) the Issuer (and each Unit) is not a "tax shelter" or "tax shelter investment", each as defined in the Tax Act, (ii) Units that represent more than 50% of the fair market value of all interests in the Issuer are held at all relevant times by Unitholders that are not "financial institutions" as defined in the Tax Act, and (iii) no interest in any Unitholder is a "tax shelter investment" as defined in the Tax Act. However, no assurances can be given in this regard.

This summary is based on the current provisions of the Tax Act, the regulations made thereunder (the "**Regulations**"), all specific proposals to amend the Tax Act and the Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**") and counsel's understanding of the current administrative policies and assessing practices of the Canada Revenue Agency ("**CRA**") made publicly available prior to the date hereof. This summary assumes that the Tax Proposals will be enacted as proposed, but no assurance can be given that this will be the case. Modification or amendment of the Tax Act, the Regulations or the Tax Proposals could significantly alter the tax status of the Issuer and the tax consequences of holding Units.

This summary is not exhaustive of all possible Canadian federal income tax consequences and, except for the Tax Proposals, does not take into account or anticipate any changes in law, whether by legislative, governmental, administrative or judicial action or decision, nor does it take into account provincial or foreign tax legislation or considerations, which may differ materially from the Canadian federal income tax considerations described herein. This summary is not intended to be, nor should it be construed to be, legal or tax advice to any prospective Unitholder. Accordingly, prospective Unitholders should consult their own tax advisors with respect to the tax consequences to them having regard to their own particular circumstances.

Taxation of the Partnership

This summary assumes that the Issuer is not a "SIFT Partnership" (as defined in the Tax Act). If the Issuer were to become a SIFT Partnership, the income tax considerations described below would, in some respects, be materially and adversely different.

The Issuer is generally not subject to tax under the Tax Act. Each partner of the Issuer is required to include (or entitled to deduct) in computing its income for a particular taxation year, its share of the income (or loss) of the Issuer (subject, in the case of a loss, to the application of the "at risk rules" described below) for the fiscal period of the Issuer ending in, or coincidentally with, such taxation year, whether or not such partner has received any distributions from the Issuer in the year (including distributions automatically reinvested in additional Units). For this purpose, the income or loss of the Issuer from any source will be computed for each fiscal period as if the Issuer were a separate person resident in Canada and will be allocated to its partners on the basis of their respective shares of that income or loss as provided for in the agreement governing the Issuer. The fiscal period of the Issuer ends on December 31 of each year. In computing the income or loss of the Issuer, the Issuer is entitled to deduct its reasonable administrative and other expenses incurred by it to earn income. In addition, the Issuer will generally be entitled to deduct reasonable costs and expenses incurred by the Issuer and not reimbursed in connection with the issuance of Units on a five-year basis at a rate of 20% per taxation year, subject to pro-ration for short taxation years.

To the extent that any "controlled foreign affiliate" ("**CFA**") of the Issuer earns income that is characterized as "foreign accrual property income" ("**FAPI**") (as such terms are defined in the Tax Act) in a particular taxation year of the CFA, the amount of such FAPI allocable to the Issuer must be included in computing the income of the Issuer for purposes of the Tax Act for the fiscal period of the Issuer in which the taxation year of the CFA ends, whether or not the Issuer actually receives a distribution of that FAPI.

If an amount of FAPI is included in computing the income of the Issuer for purposes of the Tax Act, an amount may be deductible in respect of the "foreign accrual tax" ("**FAT**") (as defined in the Tax Act) applicable to the FAPI. Any amount of FAPI that is included in the income of the Issuer (net of the amount of any applicable FAT deduction) will be added to the adjusted cost base to the Issuer of its shares of the particular CFA. At such time as the Issuer receives a dividend of this type of income that was previously included in the Issuer's income as FAPI, the amount of that dividend will effectively be reduced by any amount(s) so added to the adjusted cost base to the Issuer of its shares of the CFA (for clarity, net of any applicable FAT deduction), and there will be a corresponding reduction in the adjusted cost base to the Issuer of its shares in the particular CFA.

The Tax Act contains rules (the "at-risk rules") which, in general, will limit the ability of a limited partner of a partnership to deduct in a taxation year its share of any loss of the partnership (other than a capital loss) for a fiscal period ending in that taxation year to its "at-risk amount" in respect of such partnership at the end of that fiscal period. In general, the "at risk amount" of an investor in respect of a limited partnership at the end of any fiscal period will be the adjusted cost base of the investor's partnership interest at the end of the fiscal period, plus any income (including the full amount of any capital gain) allocated to the limited partner for the fiscal period and minus the amount of any guarantee or indemnity provided to the limited partner (or a person not dealing at arm's length) against the loss of the limited partner's investment.

A partner's share of any loss of a partnership that is not deductible by the partner as a result of the application of the "at-risk" rules is considered to be a "limited partnership loss" in respect of the partnership for that year. A limited partnership loss of a partner (other than a partner that is itself a partnership) in respect of a limited partnership may generally be carried forward and deducted by the partner in a subsequent taxation year against income for that year to the extent that the partner's at-risk amount at the end of the partnership's last fiscal period ending in that year exceeds the partner's share of any loss of the limited partnership for that fiscal period, subject to and in accordance with the provisions of the Tax Act. Where the partner is itself a partnership, the partner's limited partnership loss in respect of the limited partnership generally may not be carried forward and deducted in future years, but may, in certain circumstances, reduce the partner's share of any loss of the partnership.

The Issuer will enter into transactions denominated in currencies other than the Canadian dollar. The cost and proceeds of disposition of such investments, the amount of any dividends (including deemed dividends), interest distributions received thereon, and all other amounts will be determined for the purposes of the Tax Act in Canadian dollars using the appropriate exchange rates in accordance with the detailed rules in the Tax Act. The amount of income, gains and losses realized by the Issuer may accordingly be affected by fluctuations in the value of foreign currencies relative to the Canadian dollar.

Taxation of Holders

For purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of Units must be expressed in Canadian dollars. Amounts denominated in another currency generally must be converted into Canadian dollars based on the exchange rate quoted by the Bank of Canada on the date such amounts arise, or such other rate of exchange as is acceptable to the Minister of National Revenue (Canada). Holders of Units may realize gains or losses by virtue of fluctuations in the value of foreign currencies relative to the Canadian dollar.

Allocation of Income or Loss

In computing its income for each taxation year, each Holder will be required to include (or entitled to deduct) its share of the income (or loss) of the Issuer from each source for the fiscal period of the Issuer ending in the taxation year subject, in the case of a loss, to the application of the "at-risk" rules described above. A Holder's share of the Issuer's income must (or loss may, subject to the at-risk rules) be included (or deducted) in determining the Holder's income (or loss) for the year, whether or not any distribution has been made by the Issuer (including a distribution automatically reinvested in additional Units).

The adjusted cost base of the Units held by a Holder at any time will be increased (or decreased) at the particular time by such Holder's share of the amount of income (or losses, other than losses the deductibility of which was denied by the at-risk rules), including the full amount of any capital gain (or capital loss), of the Issuer for a fiscal period of the Issuer ended before that time, and will be reduced by all distributions of cash or other property made by the Issuer to such Holder on the Units before that time. If at the end of any fiscal period of the Issuer, the adjusted cost base of the Units held by a Holder would otherwise be a negative amount, the Holder will be deemed to have realized a capital gain equal to such negative amount and the adjusted cost base of the Units held by such Holder will be increased by the amount of such deemed capital gain.

In general, a Holder's share of any income or loss of the Issuer from a particular source will be treated as if it were income or loss of the Holder from that source, and any provisions of the Tax Act applicable to that type of income or loss will apply to the Holder with respect thereto.

Disposition of Units

Upon the disposition or deemed disposition of Units by a Holder, including on a redemption of Units, the Holder generally will realize a capital gain (or a loss) equal to the amount by which the proceeds of disposition are greater (or less) than the aggregate of the Holder's adjusted cost base of the Units immediately before such disposition and any reasonable costs of disposition.

The adjusted cost base to a Holder of a Unit acquired pursuant to this Offering generally will include (i) all amounts paid by the Holder for the Unit (excluding any portion thereof financed with limited recourse indebtedness); plus (ii) the pro rata share of the income (including the amount of any capital gain) of the Issuer allocated to the Holder pursuant to the terms of the LP Agreement for fiscal periods of the Issuer ending before the relevant time; less (iii) the aggregate pro rata share of losses (including the amount of any capital losses) of the Issuer allocated to the Holder (except to the extent the Holder was precluded from deducting such losses in computing income due to the application of the at-risk rules) for the fiscal periods of the Issuer ending before the relevant time; and less (iv) distributions from the Issuer received by the Holder before the relevant time. For purposes of determining the adjusted cost base to a Holder, when a Unit is acquired, the cost of the newly-acquired Unit will be averaged with the adjusted cost base immediately before that time of all Units owned by such holder as capital property.

Where a Holder disposes of all of its Units, it will no longer be a partner of the Issuer. If, however, a Holder is entitled to receive a distribution from the Issuer after such disposition, then such Holder will be deemed to dispose of the Units at the later of: (i) the end of the fiscal period of the Issuer during which the disposition occurred, and (ii) the date of the last distribution made by the Issuer to which such Holder was entitled. The pro rata share of income (or loss), including the full amount of any capital gain or loss, of the Issuer for tax purposes for a particular fiscal period which is allocated to a Holder who has ceased to be a partner will generally be added (or deducted) in the computation of the adjusted cost base of the Holder's Units immediately prior to the time of disposition. These rules are complex, and Holders should consult their own tax advisors for advice with respect to the specific tax consequences to them of disposing of Units.

Termination of the Issuer

Upon the termination of the Issuer, generally, property that is distributed to a Holder will be deemed to have been disposed of by the Issuer for its fair market value and acquired by the Holder at a cost equal to the same amount. Generally, each Holder will be deemed to dispose of his or her Units at that time for proceeds of disposition equal to the fair market value of the property received from the Issuer in respect of those Units.

A capital gain (or capital loss) will be realized by a Holder on the disposition of such Units to the extent that such proceeds, net of reasonable disposition costs, exceed (or are less than) the adjusted cost base of the Holder's Units, calculated as described above. In addition, the amount, if any, by which the adjusted cost base to a Holder of his or her Units is negative, will be deemed to be a capital gain of the Holder from a disposition of those Units.

Any income, capital gain or loss realized by the Issuer on the disposition of property in the fiscal period ending as a result of the termination of the Issuer will be included in calculating the income, gain or loss of the Issuer for that fiscal period and allocated to the partners in accordance with the LP Agreement.

Gains and Losses

One-half of any capital gain realized by a Holder from a disposition, or deemed disposition, of Units will be included in the Holder's income under the Tax Act as a "taxable capital gain". One-half of any capital loss (an "allowable capital loss") realized on the disposition, or deemed disposition, of a Unit must generally be deducted against any taxable capital gains realized by the Holder in the year of disposition. Any excess of allowable capital losses over taxable capital gains for the year may generally be carried back to the three preceding taxation years or carried forward to any subsequent taxation year and applied against net taxable capital gains in those years, subject to the detailed rules contained in the Tax Act.

Alternative Minimum Tax

A Holder who is an individual or trust (except for certain trusts) may have an increased liability for alternative minimum tax as a result of capital gains realized on a disposition of Units or the allocation of income or capital gains by the Issuer.

Refundable Tax

A Holder that is a Canadian-controlled private corporation (as defined in the Tax Act) may be subject to a refundable tax in respect of certain income and capital gains allocated to the Holder by the Issuer and capital gains realized on a disposition of Units.

Reporting Requirements

Each Unitholder will generally be required to file an income tax return reporting such Unitholder's share of the income or loss of the Issuer. While the Issuer will provide each Unitholder with information required for income tax purposes pertaining to such Unitholder's investment in Units of the Issuer, the Issuer will not prepare or file income tax returns on behalf of any Unitholder.

Each person who is a Unitholder at any time in a fiscal period of the Issuer is required to make an information return in prescribed form containing specified information for that period, including the income or loss of the Issuer and the names and shares of such income or loss of all the partners of the Issuer. The filing of an annual information return by the General Partner on behalf of the Unitholders will satisfy this requirement, and the General Partner has agreed to make such filings.

INTERNATIONAL INFORMATION REPORTING

Part XVIII of the Tax Act, which was enacted to implement the Canada-United States Enhanced Tax Information Exchange Agreement, imposes due diligence and reporting obligations on "reporting Canadian financial institutions" in respect of their "U.S. reportable accounts". The Issuer, and/or dealers through which Unitholders hold their Units, may be subject to due diligence and reporting obligations. If a Unitholder is a U.S. person (including a U.S. citizen), or the Unitholder is controlled by a U.S. person, Units are otherwise "US reportable accounts" or if a Unitholder does not provide the requested information, Part XVIII of the Tax Act will generally require information about the

Unitholder's investment in the Issuer to be reported to the CRA. The CRA is expected to provide that information to the U.S. Internal Revenue Service.

Reporting obligations in the Tax Act have been enacted to implement the Organization for Economic Cooperation and Development Common Reporting Standard (the "CRS Rules"). Pursuant to the CRS Rules, "reporting financial institutions" (as defined the CRS Rules) are required to have procedures in place to identify accounts held by residents of foreign countries (other than the U.S.) or by certain entities any of whose "controlling persons" are resident in a foreign country (other than the U.S.) and to report the required information to the CRA. Such information is exchanged on a reciprocal, bilateral basis with countries that have agreed to a bilateral information exchange with Canada under the Common Reporting Standard and in which the account holders or such controlling persons are resident. Under the CRS Rules, Unitholders are required to provide certain information, including information as to their residence status for the purpose of such information exchange.

Tax Advice

You must consult your own professional advisers to obtain advice on the income tax consequences of acquiring and holding Units. No advice or summary of tax consequences is provided by the Issuer.

RISK FACTORS

An investment in the Units involves a high degree of risk. In deciding whether to purchase Units, you should carefully consider the following risk factors. Any of the following risks could have a material adverse effect on the value of the Units you purchase and could cause you to lose all or part of the initial purchase price of your Units or future principal and interest payments you expect to receive.

Investment Risks

No Guarantee that Investment in Units will be Successful

The success of the Issuer and its objectives will depend on the efforts and abilities of the Fund and on a number of other external factors such as, among other things, the general market, the general political and economic conditions that may prevail from time to time and many others, which factors are out of the control of the Issuer and the Fund. There are no guarantees that the estimated and budgeted costs and timelines will be met.

No Market for the Units

This Offering Memorandum constitutes a private offering of the Units by the Issuer only in those jurisdictions where, and to those persons to whom, they may be lawfully offered for sale under exemptions in applicable securities laws. This Offering Memorandum is not, and under no circumstances is to be construed as a prospectus, advertisement or public offering of these Units. Unitholders to this Offering Memorandum will not have the benefit of a review of the material by any regulator or regulatory authority.

As the Units are being offered without the benefit of a prospectus, the Units will be subject to a number of resale restrictions, including a restriction on trading. The Units may not be resold or otherwise transferred unless the trading restriction expires or unless the Unitholder complies with very limited exemptions from the prospectus and registration requirements under applicable securities legislation. As the Issuer has no intention of becoming a reporting issuer in any jurisdiction in Canada, these restrictions in trading will not expire. Therefore, there is significant risk that Unitholders may be unable to liquidate their investment in the Units at any time prior to the end of the term of the Units. An investment in Units should only be considered by prospective Investors who do not require liquidity. See "Resale Restrictions".

In executing the Subscription Agreement, an investor agrees to comply with applicable securities legislation in connection with the purchase, holding and resale of any Units purchased.

Debt Security Risk

The Investments will have a security interest tied to them. However, the existence of a security interest does not guarantee you will not suffer losses in the event of a default. The obligation that a Borrower incurs as part of an Investment transaction will be secured by at least one of:

- A specific security interest in one or more assets of a Borrower;
- A general security interest in all assets of a Borrower;
- A guarantee of a corporation; or
- A guarantee of an individual.

Furthermore, a Borrower may obtain additional debt financing which may negatively affect the Borrower's ability to repay the loan from the Fund. In addition, the additional debt may adversely affect the Borrower's creditworthiness generally, and could result in the financial distress, insolvency, or bankruptcy of the Borrower. To the extent that the Borrower has or incurs other indebtedness and cannot pay all of its indebtedness, the Borrower may choose or be required to make payments to creditors other than the Fund. An Investor may not be advised of any additional debt incurred by a Borrower or whether such debt is secured.

Prepayment Risk

In some instances, Borrowers may have the ability to repay their loan early with no repayment penalty. If a loan is repaid early, the Issuer will not be entitled to any interest that would have accrued over the remainder of the life of the Investment as opportunity. Prepayment occurs when a Borrower pays some or all of the principal amount on an investment asset earlier than originally scheduled. A Borrower may decide to prepay all of the outstanding principal amount of its investment asset at any time without penalty. In the event of a prepayment of the outstanding principal amount of an Investment as opportunity on which your Units are dependent, you will receive your share of such prepayment, but further interest will not accrue after the date on which the prepayment is made. If a Borrower prepays a portion of the outstanding principal balance, the term of the investment asset will not change, but interest will cease to accrue on the prepaid portion and future monthly payment amounts, including interest, will be reduced. If a Borrower prepays, the Fund may not be able to find a similar rate of return on another investment at the time at which the Investment is prepaid in full or in part.

Diversification Risk

The ability of the Fund to diversify its investments will depend on the ultimate size of the Fund relative to the size of the available investment opportunities. The Fund expects to make investments in diverse industries but unforeseen circumstances may cause it to limit the number of investments, which would affect the Fund's ability to meet its investment objective. Furthermore, the General Partner may take more concentrated investment holdings in specialized industries, market sectors or in a limited number of companies. Investment in the Fund involves greater risk and volatility since the performance of one particular sector, market or company could significantly and adversely affect the overall performance of the Fund. Investors should assume that the insolvency of any of these companies would result in the loss of all or a substantial portion of the Fund's assets held by or through such companies and/or the delay in the payment of distributions and redemption proceeds.

The composition of the loans in the Fund may vary widely from time to time and may be concentrated by type of loan, industry or geography, resulting in the portfolio of loans being less diversified than anticipated. A lack of diversification may result in the Fund being exposed to economic downturns or other events that have an adverse and disproportionate effect on particular types of security, industry or geography.

Borrower Fraud Risk

While the Fund takes precautions to prevent Borrower fraud, it is possible that fraud may occur and adversely affect the ability to receive the principal and interest payments expected to be received by the Fund. The Fund uses identity and fraud checks from a third-party provider to verify each Borrower's identity and credit history. Notwithstanding these efforts, there is a risk that fraud may occur and remain undetected by the Fund.

Information Verification Risk

Information supplied by Borrowers may be inaccurate, misleading or false and should generally not be relied upon. The Fund verified this information in accordance with industry practice but it may be inaccurate, misleading or false. Investors have a limited ability to obtain or verify Borrower information either before or after they purchase a Unit.

Investors recourse in the event that information provided by the Borrower is false, misleading or inaccurate may be extremely limited. As the Issuer is not able to fully assess the veracity of this information, the information should not be considered as being factual nor should it be used as material in determining the market price and value of the Units. You should not assume that a Unit is appropriate for you as an investment just because it corresponds to a loan posted on the investments section of the Website.

Reliance on Key Personnel

The Issuer depends on the services of certain key personnel of the Manager. The loss of the services of any of these key personnel could have a material adverse effect on the Issuer. In addition, such key personnel of the Manager will continue to be employed by entities owned or controlled by Manager or it affiliate and will not be required to devote their time exclusively to the affairs of the Issuer.

Operational Risks

Operational risk is the risk that a direct or indirect loss may result from an inadequate or failed technology, from a human process or from external events. The impact of this loss may be financial loss, loss of reputation or legal and regulatory proceedings. The Issuer endeavors to minimize losses in this area by ensuring that effective infrastructure and controls exist. These controls are constantly reviewed and if deemed necessary improvements are implemented.

Litigation Risks

In the normal course of the Issuer's operations, whether directly or indirectly, it may become involved in, named as a party to or the subject of, various legal proceedings, including regulatory proceedings, tax proceedings and legal actions. The outcome with respect to outstanding, pending or future proceedings cannot be predicted with certainty and may be determined in a manner adverse to the Issuer and as a result, could have a material adverse effect on the Issuer's assets, liabilities, investments, financial condition and results of operations. Even if the Issuer prevails in any such legal proceeding, the proceedings could be costly and time-consuming and may divert the attention of management and key personnel from the Issuer's investment operations, which could have a material adverse effect on the Issuer's investments, cash flows, financial condition and results of operations, and ability to make distributions to Unitholders.

Priority

Some of the debt invested in will have a subordinate position as to the security held. This can increase risk of recovery and of control.

Borrower Default

If a Borrower fails to repay, the Fund would seek to recover by selling the collateral and passing the proceeds on to the Units. The secured nature of an investment asset does not, however, mean that repayment of such is assured because the amount owed outstanding may exceed the property's net sale proceeds. Where appropriate the Fund will also look to rely upon the personal guarantees from the Borrower or others to ensure the loan is fully repaid.

Financial crime risk

While every effort will be made to verify the identity of a Borrower and the existence and validity of security held, financial crimes are increasingly prevalent and may pose a risk of loss on loans made.

Leverage Risk

The Fund may use financial leverage by borrowing funds with respect to a particular Borrower, and may secure any such borrowing by the assignment of security granted to the Fund by a Borrower to its lender. The use of leverage increases the risk to the Fund and subjects the Fund to higher current expenses. The Fund's security interest will be subordinated to such lender in respect of such Borrower. If there is a shortfall between the cash flow from that Borrower and the cash flow needed to service the debt, then the amount of cash available for distributions to Unitholders may be reduced. In addition, incurring debt increases the risk of loss of an asset since defaults on indebtedness secured may result in lenders initiating foreclosure actions.

Currency risk

Exchange rate fluctuations could cause the value of the Fund to diminish or increase. Where possible, the Fund will attempt to mitigate foreign exchange risks, however, no assurance can be given that such efforts will be successful.

Investments of the Fund that are denominated in a foreign currency are subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments. The Fund may, but is not obligated to, hedge these risks by investing directly in foreign currencies, buying and selling forward foreign currency exchange contracts and buying and selling options on foreign currencies, but there can be no assurance such strategies will be effective.

Issuer Risks

Fund Specific Risks

The Fund's limited operating history means that the Issuer's investment in the Fund may be negatively affected by unintended or known certainties, risks or expenses.

Pricing Risk

The Fund's underwriting has not been tested through an entire credit cycle. In the event economic conditions deteriorate defaults on corresponding Investments may increase. Investment default rates may be significantly affected by economic downturns or general economic conditions beyond the Fund's control and beyond the control of Borrowers. In particular, default rates may increase due to factors such as prevailing interest rates, the rate of economic growth, the level of consumer confidence, commercial real estate values, the value of the Canadian dollar, energy prices, changes in consumer spending, and other factors.

Competition Risk

The alternative investing market in Canada is hyper-competitive. The small and mid-business market is competitive and rapidly changing. With the introduction of new technologies and the influx of new entrants, the Issuer expect competition to the Issuer's investments to persist and intensify in the future, which could harm the ability to increase Investment volume. The Issuer's principal competitors include major banking institutions, credit unions, credit card issuers and other finance companies, as well as other peer-to-peer investing platforms. Competition could result in reduced volumes, reduced fees or the failure of the Platform to achieve or maintain more widespread market acceptance, any of which could harm the Issuer's investments. Some of the Fund's current or potential competitors have significantly more financial, technical, marketing and other resources than the Fund does and may be able to devote greater resources to the development, promotion, sale and support of their platforms and distribution channels. These potential competitors may also have longer operating histories, more extensive customer bases, greater brand recognition and broader customer relationships than the Fund. These competitors may be better able to develop new products, to respond quickly to new technologies and to undertake more extensive marketing campaigns. The industry is driven by constant innovation. If the Fund is unable to compete with such competitors and meet the need for innovation, the demand for the Fund's services could stagnate or substantially decline.

Loan Servicing Risk

In the event that the Fund becomes insolvent, it may take several months for a loan administrator to facilitate the flow of repayments between the Borrowers and Investors. If the Fund became insolvent, the Manager will assist the loan administrator in servicing its obligations. The replacement loan administrator may impose additional servicing fees, reducing the amounts available for payments on the Units.

Data/Privacy Breach Risk

A security vulnerability that results in a data or privacy breach may introduce significant complications to servicing and maintaining accurate records.

Human Capital Risk

Competition for skilled finance employees in Canada is intense. The Manager may not be able to recruit and retain skilled employees who are needed to support its activities. The Manager may not be able to hire and retain these personnel at compensation levels consistent with its existing compensation and salary structure. Many of the companies with which the Manager competes for experienced employees have greater resources and may be able to offer more attractive terms of employment. In addition, the Manager invests significant time and expense in training its employees, which increases their value to competitors who may seek to recruit them. If the Manager fails to retain its employees, it could incur significant expenses in hiring and training their replacements and the quality of services and ability to serve Borrowers and Investors could diminish, resulting in a material adverse effect on the business.

Cybersecurity Risk

The Fund's ability to service the Investments or maintain accurate accounts may be adversely affected by computer viruses, physical or electronic break-ins and similar disruptions.

There may be risk of fraud or loss from cyber security incidents.

COVID-19.

The consequences of the government and financial system reaction to COVID-19 on the proposed assets and business of the General Partner and/or Manager is unknown and may lead to loss.

We cannot, at this point, determine the extent to which the COVID-19 outbreak will impact business or the economy as both are highly uncertain and cannot be predicted.

THE OUTBREAK OF COVID-19 HAS RESULTED IN A WIDESPREAD HEALTH CRISIS THAT COULD ADVERSELY AFFECT THE ECONOMIES AND FINANCIAL MARKETS WORLDWIDE, AND COULD INCREASE THE RISK FACTORS DESCRIBED HEREIN.

Tax Risks

Allocation of Income and Loss

In general, a Unitholder who is a resident of Canada for purposes of the Tax Act must include in computing the Unitholder's income, its proportionate share of income of the Fund from each source allocated to the Unitholder pursuant to the LP Agreement for the fiscal period of the Fund ending in or coincidentally with the Unitholder's taxation year, whether or not any distribution has been made by the Fund (including a distribution automatically reinvested in additional Units). See "Certain Canadian Federal Income Tax Considerations". However, the cash distributed to a Unitholder may not be sufficient to pay the full amount of such Unitholder's tax liability in respect of its investment in the Fund because each Unitholder's tax liability depends on such Unitholder's particular circumstances. In addition, the actual amount and timing of distributions by the Fund will be subject to the discretion of the General Partner, and there can be no assurance that the Fund will in fact make cash distributions as intended. Even if the Fund is unable to distribute cash in amounts that are sufficient to fund a Unitholder's tax liability, such Unitholder will nonetheless be required to pay income taxes on its proportionate share of the Fund's income.

The SIFT Rules

The provisions of the Tax Act applicable to SIFT trusts, SIFT partnerships and their unitholders, as applicable, (the "**SIFT Rules**") apply to a partnership that is a "SIFT partnership" as defined in the Tax Act. Provided that a partnership does not own "non-portfolio property" (as defined in the Tax Act) at any relevant time, it will not be subject to the SIFT Rules. Based on the limitations imposed on the Fund under the LP Agreement, the Fund will not be subject to the SIFT Rules. However, there can be no assurance that the SIFT Rules or the administrative policies or assessing practices of the CRA with respect thereto will not be changed in a manner that adversely affects the Fund or the Unitholders.

Change of Law

There can be no assurance that Canadian federal income tax laws, the judicial interpretation thereof, or the administrative policies and assessing practices of the CRA will not be changed in a manner that adversely affects Unitholders. Any such change could increase the amount of tax payable by the Fund or its affiliates or could otherwise adversely affect Unitholders by reducing the amount available to pay distributions or changing the tax treatment applicable to Unitholders in respect of such distributions.

Foreign Currency

For purposes of the Tax Act, Unitholders are generally required to compute their Canadian tax results using Canadian currency. Where an amount that is relevant in computing a taxpayer's Canadian tax results is expressed in a currency other than Canadian currency, such amount must be converted to Canadian currency using the rate of exchange quoted by the Bank of Canada on the day such amount first arose, or using such other rate of exchange as is acceptable to the CRA. As a result, Unitholders may realize gains and losses for tax purposes by virtue of the fluctuation of the value of foreign currencies relative to Canadian dollars.

Tax Treatment of Derivatives

In general, gains and losses realized by the Fund in respect of foreign currency hedges will be on income account, except in the case of foreign currency hedges entered into in respect of investments or other transactions on capital account where there is sufficient linkage, subject to the DFA Rules (defined below). The CRA's practice is not to grant advance income tax rulings on the characterization of items as capital or income and no advance income tax ruling has been applied for or received from the CRA. Gains and losses realized by the Fund in respect of foreign currency hedges will be recognized for tax purposes at the time they are realized by the Fund.

The Tax Act contains rules (the "**DFA Rules**") that target certain financial arrangements (referred to as "derivative forward agreements") that seek to reduce tax by converting, through the use of derivative contracts, the return on an investment that would otherwise have the character of ordinary income to a capital gain. The DFA Rules are broadly drafted and could apply to various agreements or transactions. The DFA Rules generally do not apply to currency forward contracts or certain other derivatives that are entered into in order to hedge foreign exchange risk in respect of an investment held as capital property.

Lending Industry Risks

Regulatory Risk

Non-compliance with laws and regulations may impair the Fund's ability to arrange or service investment opportunities. Generally, failure to comply with the laws and regulatory requirements applicable to the Fund's business may, among other things, limit its, or a collection agency's, ability to collect all or part of the principal or interest on the Investments on which the Units are dependent and, in addition, could subject the Fund to damages, revocation of required licenses or other authorities, class action lawsuits, administrative enforcement actions, and civil and criminal liability, which may harm the Fund's business and ability to operate and may result in Borrowers rescinding their debt obligations.

Emerging Industry Risk

Alternative investing is an emerging industry in Canada and may become subject to increasing regulation over time. Complying with new regulations and additional compliance requirements may add significant costs to the Issuer's investments. As the alternative financing industry in Canada grows, regulation of the industry will continue to develop. The Fund will continue to be diligent in adapting the business model to new and changing regulations. However, in some circumstances, new regulations may impose material barriers and obstacles to operating the Issuer's investments.

HOW TO SUBSCRIBE

Units are being offered for sale by the Fund on a continuous basis through registered brokers and dealers. Units may be purchased as at the close of business on each Valuation Date. Units will be issued at the NAV per Unit determined on a Valuation Date after receipt of the Subscription Agreement by the General Partner. The minimum

initial investment is $1,000,000. Unitholders may make subsequent subscriptions for lesser amounts.

In order to purchase Units subscribers must deliver to the General Partner:

1. a duly completed Subscription Agreement, including any required certificates confirming a Unitholder's status as an "accredited investor" under applicable securities laws; and

2. the total price of the Units being subscribed for by such subscriber.

Closings may occur at the discretion of the General Partner on each Valuation Date if a duly completed subscription form and the required payment reaches the General Partner of the Fund no later than 4:00 p.m. (Toronto time) on such Valuation Date. No certificates evidencing ownership of Units will be issued to a Unitholder.

Subscriptions for Units are subject to acceptance or rejection in whole or in part by the General Partner or the Manager in its sole discretion.

Pursuant to the subscription agreement, a subscriber, among other things:

(a) consents to the disclosure of certain information to, and the collection and use by, the General Partner and its service providers, including such subscriber's full name, residential address or address for service, social insurance number or the corporation account number, as the case may be, for the purpose of administering such subscriber's subscription for Units;

(b) acknowledges that the subscriber is bound by the terms of the LP Agreement and liable for all obligations of a Unitholder;

(c) makes representations and warranties, including without limitation, representations and warranties as to the investor's residency set out in the LP Agreement, including the representations and warranties to the effect that the subscriber is not a "non-resident" of Canada for the purposes of the Tax Act, a "non-Canadian" within the meaning of the Investment Canada Act or if a partnership, is a "Canadian partnership" for the purposes of the Tax Act and that the subscriber is not an investor who is a person or partnership an interest in which is a "tax shelter investment" or which is acquiring its Units as a "tax shelter investment", within the meaning of the Tax Act;

(d) irrevocably nominates, constitutes and appoints the General Partner as such subscriber's true and lawful attorney with the full power and authority as set out in the LP Agreement; and

(e) covenants and agrees that all documents executed and other actions taken on behalf of the Unitholders pursuant to the power of attorney set out in the LP Agreement will be binding upon such subscriber, and each subscriber agrees to ratify any of such documents or actions upon request by the General Partner.

A subscriber who is not an individual may be obliged to provide the General Partner with a declaration that it is not a "financial institution" as that term is defined in subsection 142.2(1) of the Tax Act.

PURCHASERS' RIGHTS

If you purchase these securities you will have certain rights, some of which are described below. For information about your rights, you should consult a lawyer.

Two Day Cancellation Right

You can cancel your Subscription Agreement to purchase Units. To do so, you must send a notice to the Issuer by midnight on the second business day after you commit to buy a Unit.

Statutory Rights of Action for Damages or Recission

Securities legislation in certain of the provinces of Canada provides purchasers with certain statutory rights of action for damages or rescission, in addition to any other rights they may have at law, where the offering memorandum or any amendment thereto contains an untrue statement of a material fact or omits to state a material fact that is required to be stated or is necessary to make any statement contained therein not misleading in light of the circumstances in which it was made (a "**Misrepresentation**"). These rights, or notice with respect thereto, must be exercised or delivered, as the case may be, by purchasers within the tie limits prescribed and are subject to the defences and limitations contained under the applicable securities legislation.

The following summaries are subject to the express provisions of the securities legislation applicable in each of the provinces and territories of Canada and the regulations, rules and policy statements thereunder. Purchasers should refer to the securities legislation applicable in their province or territory along with the regulations, rules and policy statements thereunder for the complete text of these provisions or should consult with their legal advisor. The statutory rights of action described herein are in addition to and without derogation from any other right or remedy that purchasers may have at law.

Alberta

Section 204 of the *Securities Act* (Alberta) provides that if an offering memorandum contains a Misrepresentation, an investor who purchases a security offered by the offering memorandum is deemed to have relied on the representation, if it was a Misrepresentation at the time of the purchase, and has a right of action (a) for damages against (i) the issuer, (ii) every director of the issuer at the date of the offering memorandum, and (iii) every person or company who signed the offering memorandum, and (b) for rescission against the issuer, provided that:

(a) if the investor elects to exercise its right of rescission, it shall cease to have a right of action for damages against the person or company referred to above;

(b) no person or company referred to above will be liable if it proves that the investor had knowledge of the Misrepresentation;

(c) no person or company (other than the issuer) referred to above will be liable if it proves that the offering memorandum was sent to the investor without the person's or company's knowledge or consent and that, on becoming aware of its being sent, the person or company promptly gave reasonable notice to the issuer that it was sent without the knowledge and consent of the person or company;

(d) no person or company (other than the issuer) referred to above will be liable if it proves that the person or company, on becoming aware of the Misrepresentation in the offering memorandum, withdrew the person's or company's consent to the offering memorandum and gave reasonable notice to the issuer of the withdrawal and the reason for it;

(e) no person or company (other than the issuer) referred to above will be liable if, with respect to any part of the offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, the person or company proves that the person or company did not have any reasonable grounds to believe and did not believe that:

(i) there had been a Misrepresentation; or

(ii) the relevant part of the offering memorandum

(A) did not fairly represent the report, opinion or statement of the expert, or

(B) was not a fair copy of, or an extract from, the report, opinion or statement of the expert;

(f) the person or company (other than the issuer) will not be liable if with respect to any part of the offering memorandum not purporting to be made on the authority of an expert and not purporting

to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company

(i) did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no Misrepresentation, or

(ii) believed there had been a Misrepresentation;

(g) in no case shall the amount recoverable exceed the price at which the Units were offered under the offering memorandum; and

(h) the defendant will not be liable for all or any part of the damages that the defendant proves do not represent the depreciation in value of the security as a result of the Misrepresentation;

Section 211 of the *Securities Act* (Alberta) provides that no action may be commenced to enforce these rights more than:

(i) in the case of an action for rescission, 180 days from the day of the transaction that gave rise to the cause of action, or

(j) in the case of any action, other than an action for rescission, the earlier of

(i) 180 days from the day that the plaintiff first had knowledge of the facts giving rise to the cause of action, or

(ii) 3 years from the day of the transaction that gave rise to the cause of action.

The foregoing summary is subject to the express provisions of the securities legislation referred to above and the rules, regulations and other instruments thereunder, and reference is made to the complete text of such provisions. Such provisions may contain limitations and statutory defences on which the issuer may rely.

British Columbia

The *Securities Act* (British Columbia) does not provide purchasers who are not purchasing securities pursuant to the offering memorandum exemption under NI 45-106 with statutory rights. If there is a Misrepresentation in this Offering Memorandum, purchasers have a contractual right to sue the issuer:

(a) to cancel the subscription agreement to buy the securities, or

(b) for damages.

This contractual right to sue is available to you whether or not you relied on the Misrepresentation. However, in an action for damages, the amount you may recover will not exceed the price that you paid for your securities and will not include any part of the damages that the issuer proves does not represent the depreciation in value of the securities resulting from the misrepresentation. The issuer has a defense if it proves that you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the subscription agreement within 180 days after you signed the subscription agreement to purchase the securities. You must commence your action for damages within the earlier of 180 days after learning of the misrepresentation and three years after you signed the subscription agreement to purchase the securities.

The contractual rights of action are in addition to and without derogation from any other right or remedy that purchasers may have at law.

Prince Edward Island

In Prince Edward Island, the *Securities Act* (PEI) provide a statutory right of action for damages or rescission to purchasers resident in Prince Edward Island, respectively, in circumstances where an offering memorandum (such as

this Offering Memorandum) or an amendment hereto contains a Misrepresentation, which rights are similar, but not identical, to the rights available to Ontario purchasers.

Ontario

Section 130.1 of the *Securities Act* (Ontario) provides that every investor of Units pursuant to an offering memorandum (such as this Offering Memorandum) shall have a statutory right of action for damages or rescission against the issuer in the event that the offering memorandum contains a Misrepresentation. An investor who purchases Units offered by the offering memorandum during the period of distribution has, without regard to whether the investor relied upon the Misrepresentation, a right of action for damages or, alternatively, while still the owner of the Units, for rescission against the issuer provided that:

(a) if the investor exercises its right of rescission, it shall cease to have a right of action for damages as against the issuer;

(b) the issuer will not be liable if they prove that the investor purchased the Units with knowledge of the Misrepresentation;

(c) the issuer will not be liable for all or any portion of damages that it proves do not represent the depreciation in value of the Units as a result of the Misrepresentation relied upon; and

(d) in no case shall the amount recoverable exceed the price at which the Units were offered.

Section 138 of the *Securities Act* (Ontario) provides that no action shall be commenced to enforce these rights more than:

(a) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or

(b) in the case of an action for damages, the earlier of:

(i) 180 days after the date that the investor first had knowledge of the facts giving rise to the cause of action; or

(ii) three years after the date of the transaction that gave rise to the cause of action.

This Offering Memorandum is also being delivered to Ontario investors in reliance on the exemption from the prospectus requirements contained under section 2.3 of NI 45-106 (the "accredited investor exemption"). The rights referred to in section 130.1 of the *Securities Act* (Ontario) do not apply in respect of an offering memorandum (such as this Offering Memorandum) delivered to a prospective investor in connection with a distribution made in reliance on the accredited investor exemption if the prospective investor is:

(c) a Canadian financial institution or a Schedule III bank (each as defined in NI 45-106)

(d) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada); or

(e) a subsidiary of any person referred to in paragraphs (a) and (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary.

Quebec

Under the *Securities Act* (Quebec) (the "QSA"), if this Offering Memorandum is delivered to you in Quebec and contains a misrepresentation, you, as a resident of Quebec, have a statutory right to sue:

> (a) the Issuer for rescission of the purchase contract or revision of the price at which the securities were sold to you, without prejudice to a claim for damages, and
>
> (b) for damages against (i) the Issuer, (ii) every Person acting in a capacity with respect to the Issuer which is similar to that of a director or officer of a company, (iii) any expert whose opinion, containing a misrepresentation, appeared, with their consent, in this Offering Memorandum, (iv) the dealer (if any) under contract to the Issuer, and (v) any Person who is required to sign the certificate of attestation in this Offering Memorandum.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action for rescission or revision of price within three years after the date of the purchase. You must commence your action for damages by the earlier of three years after the purchaser first had knowledge of the facts giving rise to the cause of action, except on proof of tardy knowledge imputable to the negligence of the purchaser, and five years from the filing of this Offering Memorandum with the Autorité des marchés financiers de Quebec.

The QSA provides various defences to the persons or companies that you have a right to sue. In particular, they have a defence if:

> (a) they prove that the purchaser purchased the securities with knowledge of the misrepresentation; or
>
> (b) in an action for damages, they prove that they acted prudently and diligently (except in an action brought against the issuer).

No Person will be liable for a misrepresentation in forward-looking information if the Person proves that:

> (a) this Offering Memorandum contains, proximate to the forward-looking information (i) reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and (ii) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection; and
>
> (b)the Person had a reasonable basis for drawing the conclusion or making the forecasts and projections set out in the forward-looking information.

An investor resident in Quebec may purchase securities under the Offering relying on a prospectus exemption that provides them with the statutory rights described above. However, if you purchase Securities under the Offering in reliance upon a prospectus exemption that does not provide you with such statutory rights, the Issuer hereby grants you the same rights, on a contractual basis, as the statutory rights that are described above.

General

The foregoing summary is subject to the express provisions of the securities legislation referred to above and the rules, regulations and other instruments thereunder, and reference is made to the complete text of such provisions. Such provisions may contain limitations and statutory defences on which the Partnership may rely.

The statutory and/or contractual rights of action discussed above, as applicable, are in addition to, and without derogation from, any other right or remedy which investors may have at law.

DATE AND CERTIFICATE

Dated March 24,2021

This offering memorandum does not contain a misrepresentation.

AGF SAF PRIVATE CREDIT GP INC.
as general partner and on behalf of
AGF SAF PRIVATE CREDIT LIMITED PARTNERSHIP