



Private Credit

A Compelling Opportunity





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Private credit is an institutional quality asset class with attractive investment characteristics centered around consistent income production and risk management. With the introduction of new investment structures, private credit investment strategies have become accessible to a broader set of investors with features that include greater liquidity privileges and ongoing investment accessibility.

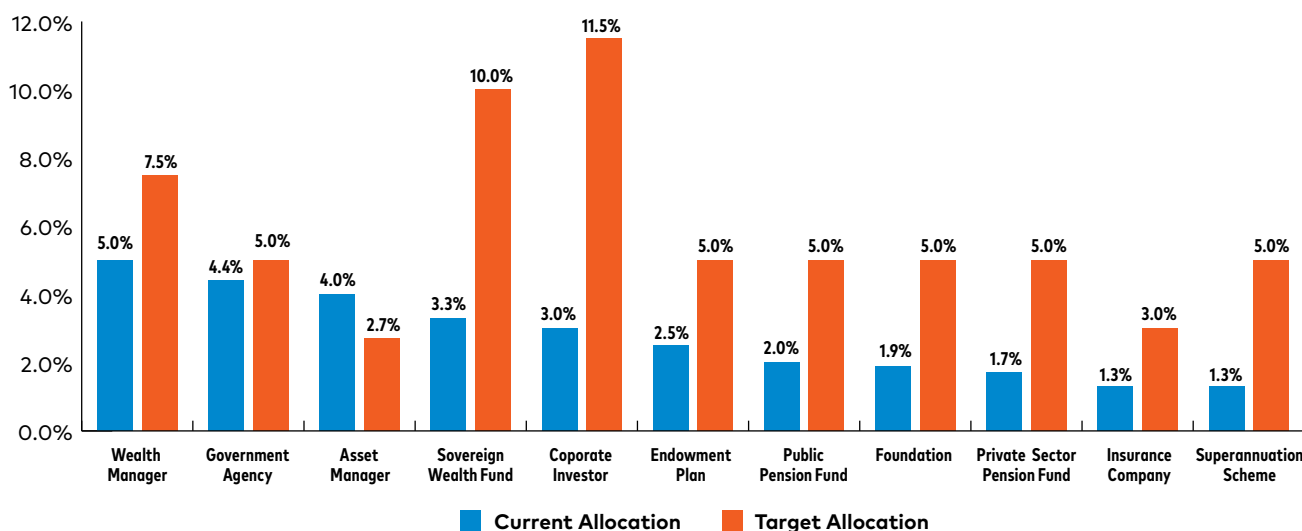
Growing Demand

Private credit offers investors the potential for reliable income streams and attractive returns, which have become increasingly unavailable in public credit markets. This has made private credit one of the fastest growing sub-categories of alternative investments. According to Preqin's 2020 survey, and looking at the graph below, we see that a broad range of managers are looking to increase their Private Credit allocation over the coming years.

Since 2008, Private Credit assets under management have grown by more than 250%, making it the fastest growing alternatives sub-products.

– Preqin Survey (2020)

Investor Private Credit Current and Target Allocations



Source: 2020 Preqin Global Private Debt Report

Why Private Credit Now?

The current market environment presents a compelling case for investors to consider an allocation to private credit within their portfolios. Market crises typically provide a period of low competition and distorted asset prices allowing experienced managers to be highly selective of opportunities. At the same time, traditional sources of capital, namely large banks, continue to retreat from lending into the middle market.

The impact of these combined dynamics are market conditions that are highly favourable for private lenders. An experienced team, with expertise in the management of private credit investments, can help investors gain access to these opportunities with portfolios constructed to provide an attractive yield with robust downside protection.

Private credit may offer investors:

- Consistent, reliable income streams
- Diversification and uncorrelated sources of return
- Robust risk management through customized, secure lending arrangements
- Complimentary investment characteristics when paired with public equity and fixed income exposure

Why AGF SAF Private Credit Trust?

The Trust offers access to sophisticated private credit strategies targeting a diverse portfolio of asymmetric risk-return opportunities that aim to provide investors with an attractive yield and robust downside protection without forgoing upside optionality.

Compelling Opportunity

- Application of mega-fund credit strategies to mid-market opportunities
- Mid-market inefficiencies drive attractive credit returns to investors
- Market crises typically provide a period of low competition and distorted asset prices allowing experienced managers to be highly selective of opportunities

Strong Track Record*

- Investment team has consistently generated attractive returns across various industries and materially outperformed comparable benchmarks
- Since inception in 2014, SAF has allocated >\$2.0bn of capital across more than 30 transactions
- Formalized underwriting and investment committee approval process refined with mega-fund co-investors

Robust Deal Pipeline

- Active \$1bn global deal pipeline with opportunities in multiple industries
- Proprietary corporate banking relationships allow for joint/coexisting financing arrangements
- Demonstrated ability to close and fund a broad range of investments makes SAF a 'first call' for IB teams

*Past performance is not indicative of future results.

How AGF SAF Private Credit Trust Works

AGF SAF Private Credit Trust (the "Trust") has been established for the purposes of primarily making investments in limited partnership units of AGF SAF Private Credit Limited Partnership ("LP Units") and in investments (including AGF Funds) selected to provide liquidity, timing flexibility and enhanced returns. The Trust intends to maintain a strategic asset mix of 85% LP Units and 15% public fixed income, via AGF mutual funds and ETFs.





The objective of the AGF SAF Private Credit Limited Partnership (LP) is as follows:

The LP 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.



Why Invest?

AGF SAF Private Credit Trust provides access to a differentiated private credit strategy that aims to deliver attractive risk-adjusted returns with low correlation to traditional asset classes by allocating capital through various credit strategies to middle-market companies, primarily within Canada and the U.S. The Trust offers eligible investors:

 <h3>Income</h3>	 <h3>Diversification</h3>
<p>The Trust offers the potential for higher yields when compared to traditional fixed income and will pay quarterly distributions</p>	<p>When combined with traditional equities and fixed income, the Trust may enhance portfolio diversification and improve risk adjusted returns.</p>
 <h3>Expertise</h3>	 <h3>Liquidity</h3>
<p>The SAF Group, a Canadian alternative capital provider, offers institutional quality private credit strategies that are characterized by attractive yields, downside protection and the opportunity for equity upside participation.</p>	<p>The Trust provides eligible investors with greater liquidity when compared to traditional private credit vehicles.</p>



Founded in 1957, **AGF Management Limited** is an independent and globally diverse asset management firm. AGF brings a disciplined approach to delivering excellence in investment management through its fundamental, quantitative, alternative and high-net-worth businesses.

The **SAF Group** is a private equity and credit investment firm, with an objective to provide flexible and long-term capital solutions to public and private corporates while providing stable returns for investors.



Visit AGF.com for more information on AGF SAF Private Credit Trust

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No securities regulatory authority has assessed the merits of, or expressed an opinion about, these securities or the information contained in this document. The securities referred to herein will only be offered and sold in such jurisdictions where they may be lawfully offered for sale and, in such jurisdictions, only by persons permitted to sell such securities. The securities referred to herein may only be sold to prospective investors who reside in certain provinces of Canada and who meet certain eligibility criteria on a basis which is exempt from the prospectus requirements of applicable Canadian securities laws. No sales of the securities of the Trust shall be made until the Trust and a potential investor enter into a subscription agreement for such securities.

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