



Mackenzie Northleaf Private Credit Fund

Why invest in private credit?

Delivering attractive returns from traditional fixed income assets has become increasingly difficult, especially without taking on increased risk. Utilizing private credit – and specifically senior, secured, midmarket floating rate private loans – can potentially help by providing:

1. Attractive expected yields

Historically, mid-market private loans have offered higher yields than high yield bonds and broadly syndicated loans.

2. Capital preservation

Senior in the capital structure, secured by borrowers' assets and cash flows, historically lower default rates and higher recovery rates versus high yield bonds and broadly syndicated loans.

3. Diversification

Access to proprietary lending opportunities not available in public markets in a structure less susceptible to market volatility.

The benefits of private lending previously available only to institutional investors.

*The projected yield above is included for illustrative and informational purposes only and is based on various assumptions, any of which may prove to be incorrect. The actual yield of the Fund could differ materially from the projected yield shown.

The Mackenzie Northleaf Private Credit Fund provides investors with:

- The ability to invest in an established portfolio of senior secured, global private credit loans with a focus on middle market transactions.
- The opportunity to benefit from investments that have historically offered attractive yields, floating rate structures, with an element of downside protection.
- A variable quarterly distribution: Currently projected ~6-8% per annum.*

Investment approach

Our fund seeks to accomplish this by:

- Investing in a well-established global private credit fund focused on senior secured lending to the private middle market.
- Utilizing publicly traded securities (accessed via Mackenzie ETFs) to deliver an enhanced liquidity profile, manage capital calls and assist with navigating the market cycle.

Key terms

Fund structure	Open-ended trust available under OM
Launch date	December 23, 2020
AUM	\$
Currency	CAD
Registered plans	Not eligible
Min. initial investment	\$25,000 accredited \$150,000 non-accredited
Min subs. investment	\$5,000
Purchase frequency	Monthly
Redemption frequency	Quarterly
Redemption notice	30 days prior to valuation date
Redemption gate	Up to 5% of fund NAV may be redeemed per quarter
Soft lock	2% early redemption fee if redeemed within first year
Distributions	Variable, paid quarterly
Management fee	A: 2.25% F: 1.25%
Admin fee	0.15% (A&F)
Performance fee	None at the top-fund level; 10% on the illiquid portion with a hurdle rate of 5%
Fund codes	A: MFC8213 F: MFC8214



The Northleaf advantage

Private markets are only accessible via specialized investment firms. Northleaf Capital Partners has top-tier capabilities across private credit, private equity and private infrastructure, managing over US\$20 billion of capital commitments. Northleaf sets itself apart as a successful private credit fund manager by:

Sourcing deals

A steady deal flow of 500+ opportunities per year coming from their global team and private equity investing platform, relationships with over 100 mid-market private equity firms and strategic partnerships with leading providers of financing solutions in North America and Europe.

Executing deals

As a preferred lending partner with a reputation of success and mid-market specialty, Northleaf is able to be highly selective and typically undertakes 20-30 investments per year that demonstrate strong relative value and optimal portfolio fit, based on deep due-diligence and all-weather investment themes.

Building better portfolios

A focus on delivering attractive income and returns through actively managing risk exposures, broadly diversifying, and maintaining ongoing dialogue with management teams.

What sets our fund apart?

The Mackenzie Northleaf Private Credit Fund brings the benefits of private market loans previously reserved for large institutions to individual investors. Our fund offers accredited investors exposure to an established private credit fund, managed by a market leader, through an actively managed and accessible vehicle with enhanced liquidity terms.

1. Strong risk-adjusted yield and total return potential

We seek to capitalize on the decentralized, inefficient and illiquid aspects of the private mid-market loan space to capture a return premium while creating additional value through deep due diligence, customized loan terms and favourable lender safeguards.

2. Innovative engineering

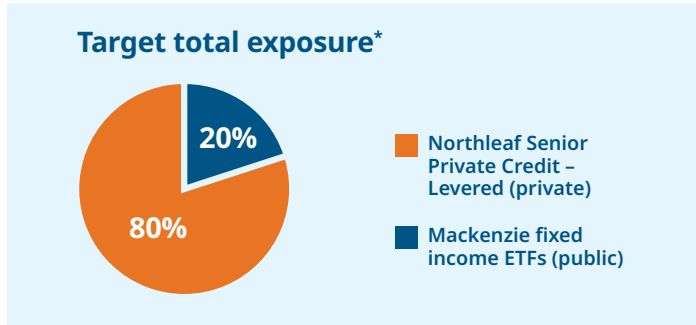
Our fund combines the benefits of private credit exposure with liquid public market investments. The result is a diversified solution with an accessible minimum investment threshold that manages capital calls for you. It aims to maximize total return through active management across credit and interest rate cycles while investing in a proven and established private credit mandate.

3. Access to Northleaf expertise

Benefit from the expertise of Northleaf Capital Partners, a premier private markets investment manager available to individual investors through Mackenzie. With over 150 professionals in seven international offices, mid-market specialty and strong ties to private equity, Northleaf is uniquely positioned to manage private loans.



Target fund structure



*Prospective investors should note that the fund will be subject to a significant ramp-up period and that the fund is not expected to achieve the stated target asset allocation for a number of months. Also, actual portfolio construction may differ from that shown above from time to time and over time.

Northleaf Senior Private Credit – Levered (NSPC-L)

- Evergreen fund that employs a global strategy focused on senior secured lending to established mid-market private equity-backed companies.
- Launched in 2018, NSPC has raised more than US\$1.3 billion of capital commitments to date across levered and unlevered vehicles.
- NSPC-L uses leverage to increase exposure to private credit.

NSPC-L targets borrowers with

- Defensive businesses in attractive, non-cyclical industries, with strong management teams.
- Conservatively levered capital structures with a significant equity cushion.
- Stable cash flow with EBITDA of US\$10-150 million.

The portfolio seeks

- Significant industry diversification with a targeted borrower concentration of <3%.
- Geographic diversification across North America and Europe.
- 9-12% target gross yield achieved through the use of leverage.

Mackenzie Fixed Income ETFs

- Actively managed Mackenzie ETFs will be used as a liquidity sleeve to allow for flows into and out of NSPC-L.
- To attempt to maintain the high internal yield of the overall fund, a 50/50 high yield bond/floating rate loan mix will be targeted.
- The manager reserves the right to deviate from this asset mix on a short-term basis for risk management or other purposes.

Currency management overlay

- An actively managed currency overlay will keep the portfolio predominantly hedged back to Canadian dollars.



MACKENZIE
Investments

Northleaf

Expertise

Portfolio Manager, Mackenzie Northleaf Private Credit Fund



Steve Locke, CFA, MBA.

Steve Locke, Senior Vice President, Investment Management is Chief Investment Officer (CIO) of Fixed Income and Multi-Asset Strategies. Steve oversees approximately 40 investment professionals involved in the day-to-day management of all institutional and retail fixed income and multi-asset mandates at Mackenzie Investments. As CIO, Steve is responsible for more than \$60 billion in fixed income expertise and \$23 billion in multi-asset capabilities. Steve is also Chair of Mackenzie's Global Investment Committee, which oversees global investment strategy recommendations across the organization.

Steve began his investment career in 1994 as a bond trader and credit analyst, with these roles encompassing rates and credit trading, and fundamental corporate credit analysis for public and private debt. In 1998, Steve took a role as an associate portfolio manager, with management responsibilities covering pension, retail, and balance sheet mandates. In 2003, Steve joined Howson Tattersall Investment Counsel (HTIC) as a portfolio manager, managing both retail and institutional fixed income portfolios, and in 2005 Steve became head of the fixed income team at HTIC. Steve came to Mackenzie through the acquisition of HTIC in 2008, and he was appointed Head of the Fixed Income Team in 2010. In 2021, Steve was appointed to his current role as CIO of fixed income and multi-asset strategies.

Steve is a holder of the Chartered Financial Analyst designation, and he has a Bachelor of Arts degree in economics, and an MBA degree from the Schulich School of Business, both from York University.

Managing Director & Head of Private Credit, Northleaf Capital Partners



David Ross

David Ross is the Head of Northleaf's US\$3 billion private credit program and leads a team of more than 25 private credit professionals across offices in Canada, the US and Europe. David oversees the origination, evaluation and monitoring of Northleaf's private credit investments globally. In addition, David is a member of the Investment Committees for Northleaf's private credit and private equity programs.

Prior to joining Northleaf, David was at Bain Capital Credit, a leading global credit specialist, as a Managing Director, Global Head of Sourcing and a member of Bain Capital's Opportunistic Credit and Private Credit team. Previously, David served as the Co-Head of Bain Capital Credit's London office from 2009 to 2013. David began his career with Credit Suisse First Boston in Investment Banking before joining Bain Capital Credit in 2003.

David received a B.A. from Harvard College.

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This document may contain "forward-looking" information that is not purely historical in nature, and such information may include, among other things, projections, forecasts or estimates of cash flows, yields or returns, volatility, scenario analyses and proposed or expected portfolio composition. The words "anticipates", "assumes", "believes", "budgets", "could", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "projects", "schedule", "should", "will", "would" and similar expressions are often intended to identify forward-looking information, although not all forward-looking information contains these identifying words. The forward-looking information contained herein is based upon certain assumptions about future events or conditions and is intended only to illustrate hypothetical results under those assumptions (not all of which will be specified herein). Not all relevant events or conditions may have been considered in developing such assumptions. The success or achievement of various results, targets and objectives is dependent upon a multitude of factors, many of which are beyond the control of the investment advisor. No representations are made as to the accuracy of such estimates or projections or that such projections will be realized. Actual events or conditions are unlikely to be consistent with, and may differ materially from, those assumed.

Due to the illiquid nature of private assets, the Fund is subject to a "ramp-up" period that is expected to last many months meaning exposure to public assets will be higher (and exposure to private assets will be lower) than indicated by any target asset allocation.

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