

**MD** PLATINUM™

Bond-like stability.  
Equity-like returns.

Introducing MD Platinum™  
Global Private Credit Pool

Getting better outcomes from your portfolio may require broadening your investments beyond just traditional assets.

With yields on traditional fixed income sitting near record lows, investors are looking for ways to boost returns. The challenge: traditional investment options offering higher returns often require taking on substantially more risk.

MD Private Investment Counsel (“MDPIC”) introduces MD Platinum™ Global Private Credit Pool, an exclusive, institutional-quality investment solution that provides the potential for increased returns with the stability of fixed income.



**MD Private  
Investment Counsel**



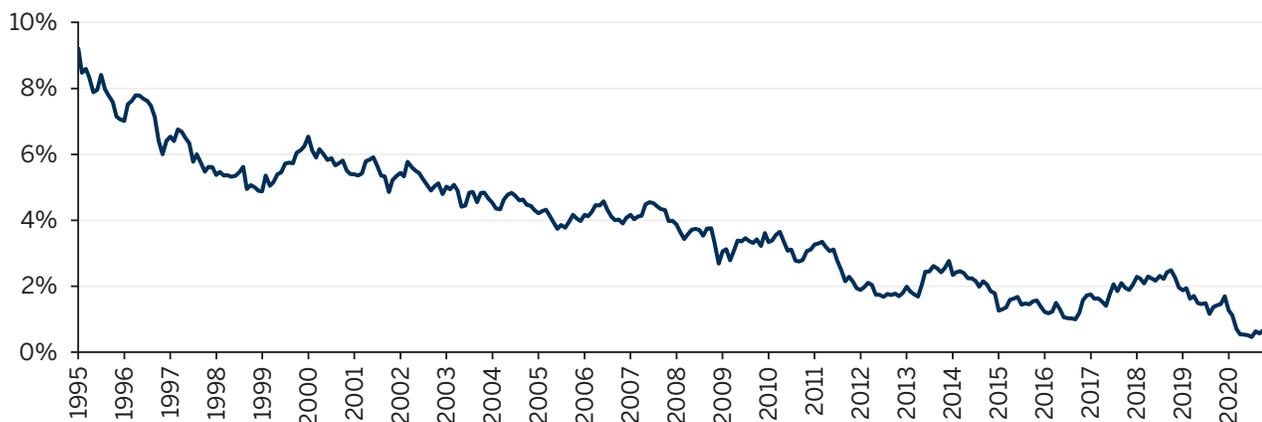
# Low rates, weaker returns from traditional investments

Traditional sources of income, such as Canadian government bonds, are good sources of portfolio stability and diversification. However, due to low bond yields, they may be unable to deliver the returns many investors expect. The situation is unlikely to change anytime soon with central banks expected to keep interest rates low for an extended period.

Investors wanting to generate higher returns have traditionally had a single option: increase their risk level substantially by investing more into higher-volatility securities like stocks.

## Declining yields in traditional fixed income investments

### 10-year Government of Canada bond yields in decline



Source: Bloomberg L.P., as of December 2020.



## Looking beyond ordinary bonds

A possible solution might be looking outside traditional fixed income for a portion of your portfolio. Alternative investments can offer investors stronger returns without exposure to additional undue investment risk.

In today's markets, **private credit**, a fast-growing alternative asset class, can provide the potential for higher income, better portfolio outcomes and capital preservation.

# Private credit: a solution to low rates

Private credit refers to a broad range of non-traditional investments that are based on negotiated credit lending agreements with borrowing companies. Such lending doesn't trade on public markets and does not typically originate from a bank.

## Benefits of private credit:

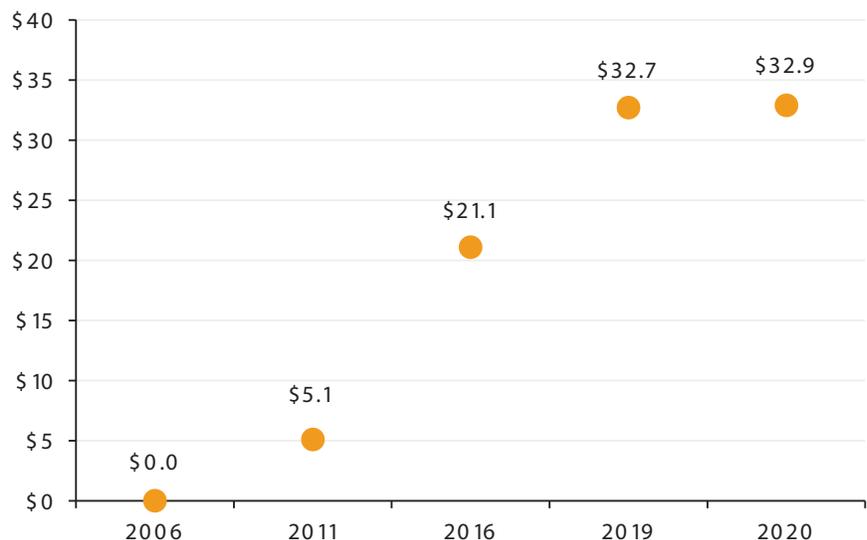
-  **Higher return potential** – Private credit borrowers, who often cannot access favourable terms through bank lending, are willing to accept higher costs of capital
-  **Managed risk/capital preservation** – Provides many of the same risk management, volatility-reducing characteristics of traditional fixed income
-  **Added diversification** – Lower historical correlation to traditional stocks and bonds, leading to improved risk-adjusted return potential
-  **Exclusivity** – Benefitting from an asset class generally reserved for institutional investors
-  **A timely opportunity** – Current economic conditions have created an even more lender-friendly environment that benefits private credit investors

## Popularity growing in the institutional market

Between 2020–2025, private credit assets are expected to grow at a rate of 11.4% per year.<sup>1</sup> Institutional investors are increasingly turning to private credit for income and stronger portfolio returns.

For example, the Canada Pension Plan has increased its private credit holdings from virtually zero to \$30 billion+ over the past 15 years.

**Growth of private credit in the Canada Pension Plan<sup>2</sup> (\$ billions)**



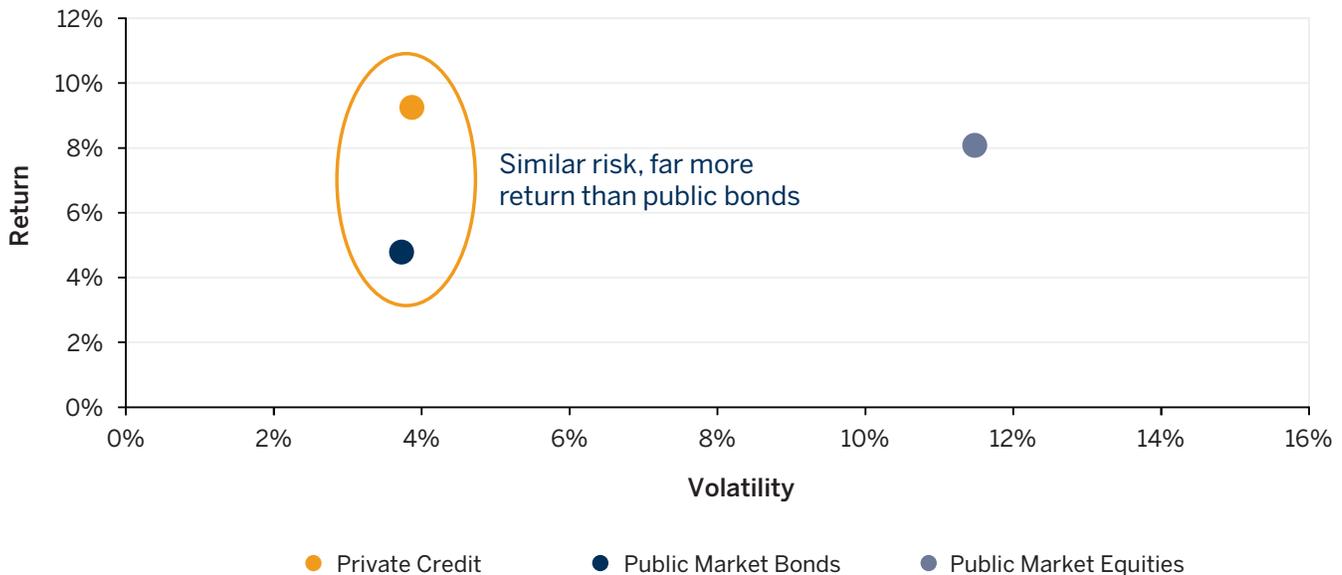
<sup>1</sup> Prequin Special Report: The Future of Alternatives 2025, November 2020.

<sup>2</sup> Source: CPP Investments, 2020 Annual Report.

# Enhanced risk–return characteristics

Compared with historical risk and return characteristics of traditional investments, private credit offers equity-like returns, with lower volatility that's closer to bonds.

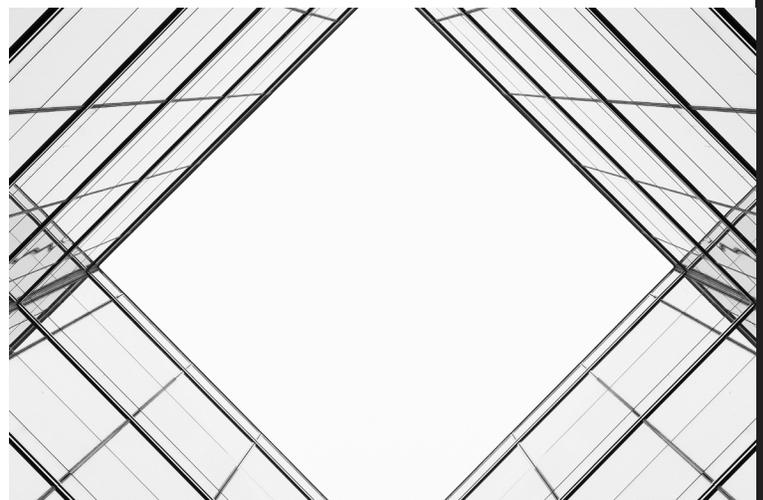
## Higher potential returns without excessive risk



Bonds and equities data shown in \$CAD terms. Private credit data shown in \$USD hedged (\$CAD terms) and data is net of hedging fees. Public Market Bonds represented by FTSE TMX Canada Universe Bond Index, Public Market Equities represented by MSCI World Index, Private Credit represented by Cliffwater Direct Lending Index. Based on annualized returns from September 2005 to September 2020. Volatility represented by standard deviation.

Offering strong risk-adjusted returns, private credit can enhance an investor's portfolio outcomes.

However, as with any alternative asset class, investing with the right partner is key.



# MD Platinum™ Global Private Credit Pool: Part of your complete wealth management plan

MDPIC is pleased to introduce an exclusive, institutional-quality private credit solution.

**MD Platinum™ Global Private Credit Pool** offers the benefits of a portfolio primarily composed of carefully selected senior secured loans as part of our exclusive wealth planning services.<sup>1</sup>

**Part of your complete wealth management plan** through the specialized portfolio management of MD Private Investment Counsel

**Capital preservation** through a disciplined focus on conservative, well-secured loans

**Enhanced diversification** for the uncertain economic times ahead for public markets.



**A sophisticated, institutional-quality solution** available to select investors in an accessible, convenient package

**Higher potential returns** in a low-interest-rate world

**Competitive fees** with a mandate that seeks cost-effective investments for enhancing yield

<sup>1</sup> In order to enable the pool to take advantage of the best possible opportunities for MD Platinum™ clients, there will be a limited subscription period (to August 31, 2021) for new investment into the pool, with a 10-year lock-in period.

# Seeking to enhance returns while preserving capital through private credit

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The new economic reality means investors need to consider investing beyond traditional assets for stronger portfolio outcomes.

Private credit offers the potential benefits of higher returns without the volatility of stocks. The MD Platinum™ suite offers exclusive opportunities through a dedicated wealth management plan crafted with you in mind.



**MD Private  
Investment Counsel**

Contact your MD Advisor\* to learn more about MD Platinum™ Global Private Credit Pool and how private credit can help you increase your income and manage risk.

1.800.267.2332  
[www.md.ca](http://www.md.ca)

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There are additional risks associated with investing in private investments that are not applicable to typical investments in the public securities markets. These risks include, but are not limited to, the following: private investment funds are speculative and involve a high degree of risk; an investor could lose all or a substantial amount of his or her investment; interests in private credit investments are illiquid and there is no secondary market, nor is one expected to develop, for interests in such investments; there are significant restrictions on transferring private credit investments; private credit investments experience volatile performance; private credit funds are often concentrated and lack diversification and regulatory oversight. Leverage may be employed, which can make investment performance volatile. Private credit investments are sensitive to factors such as changes in equity values of borrowing companies, interest rates, cash flow of underlying borrowing companies, loan documentation and structuring, and a manager's skill as well as credit risks and tax and regulatory requirements.

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For further information on the structure, features and risks of the MD Platinum™ Global Private Credit Pool Limited Partnership, please consult the MD Platinum™ Global Private Credit Pool Limited Partnership Term Sheet and your MD Private Investment Counsel Portfolio Manager.

\* MD Advisor refers to an MD Management Limited Financial Consultant or Investment Advisor (in Quebec), or an MD Private Investment Counsel Portfolio Manager.