



September 2021

KARTESIA – PRIVATE DEBT MARKET OVERVIEW AND STRATEGIES



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Investment performance information shown herein is intended solely to provide investors with information about the transactions and performance of investments made by Kartesia through its existing managed fund vehicles.

The performance information includes data about prior investment performance, including gross compounded annual internal rates of return (which are referred to herein as “IRRs”) before management fees, organisational expenses and the general partner’s allocation of profit, but in some instances (where indicated), net of the underlying general partner’s fees and expenses. The net annual rate of return represents the IRR after management fees, organisational expenses and the general partner’s allocation of profit. Information about prior performance, while a useful tool in evaluating Kartesia’s investment activity, is not indicative of future results, and there can be no assurance that Kartesia Credit Opportunities V and Kartesia Senior Opportunities I (the “Funds”) will generate results comparable to those previously achieved.

If one or more of the underlying assumptions upon which the targeted returns are based prove to be incorrect, then actual returns may differ materially from the targeted returns. Such specific events that could cause actual returns to differ from targeted returns include overall economic conditions, poor performance within the credit markets, poor performance by underlying funds and companies, the lack of attractive exit options for the Fund’s investments, and difficulty in finding attractive investment opportunities. Accordingly, the actual realized returns on these unrealized investments may differ materially from the returns indicated herein and there can be no assurance that all relevant factors have been taken into account in establishing the targeted returns or that the assumptions used herein are accurate in light of actual changes in the market and/or economic conditions affecting the investments.

The information contained in this section is also based in part on the valuation of such investments, determined by Kartesia in accordance with International Private Equity and Venture Capital Valuation Guidelines (“IPEV”) and Kartesia’s internal valuation policies and procedures. There can be no assurance that the valuations for unrealised investments accurately reflect the amounts for which such investments could be sold.

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Unless otherwise specified, performance figures reported herein are as of December 2020 and any projections included herein are based on assumptions made as of that date. There has been an outbreak of a novel and highly contagious form of coronavirus (“COVID-19”), which the World Health Organization formally declared in March 2020 to constitute a global “pandemic.” This outbreak has caused a world-wide public health emergency, significantly constrained global economic production and activity of all kinds and contributed to both volatility and a severe decline in all financial markets. As a result, economic and market conditions have significantly deteriorated since March 2020. The investment performance presented herein cannot completely take into account these subsequent events and the long-term effects of this outbreak on the aggregate investment performance of the Funds and to certain or all of the individual investments described herein are unknown as at the date of this document.

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KARTESIA'S STRATEGIC PARTNERSHIP WITH CANDRIAM

Entering the New York Life universe

- **175 years of stability**
- Core value of “mutuality”: focus on **creating long-term value** for clients
- **30th** Asset Manager in the world
- **\$500bn+** of AUM



Source: Individual third-party ratings reports. Ratings pertain to both New York Life Insurance Company and New York Life Insurance & Annuity Corporation as of 08/08/11.



NYL Investors



PRIVATE DEBT – A RISING ASSET CLASS

Private Debt offers distinct advantages through its risk-adjusted return profile and defensive attributes

Downside protection

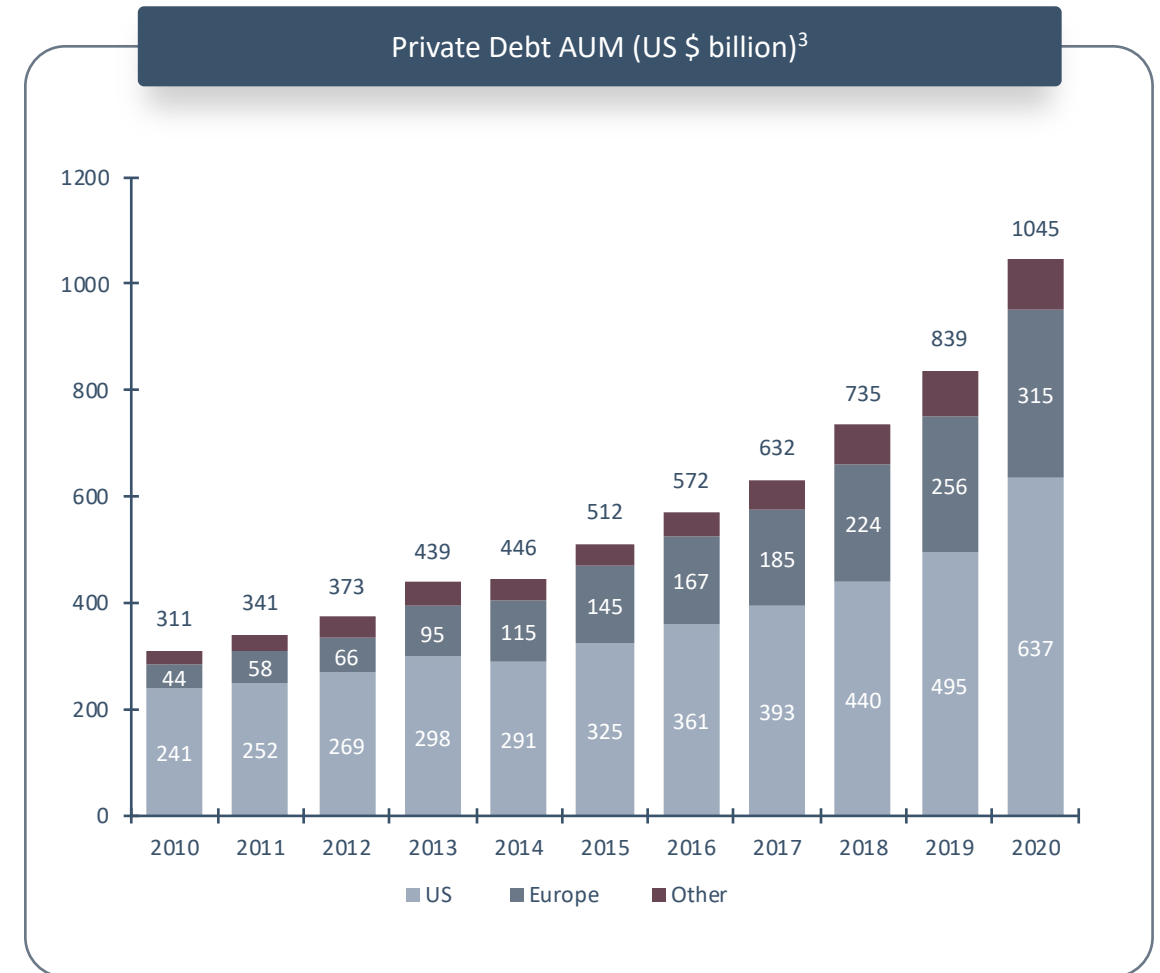
- Structural protection (covenants) and conservative structures help manage through cycles
- Senior debt is at the top of capital structure
- Conservative risk level relative to cash flow and enterprise value of the borrower
- Low relative volatility/losses

Yield

- Attractive relative returns
- Predictable earnings based on contractual interest payments
- Low correlation to the general stock market
- Significant fee income enhances yields (fees, default interest, etc)

Access to Information

- Access to Management
- Monthly financial reporting
- Board Observer rights
- Ability to conduct primary due diligence similar to a private equity investor



1. Source: European Central Bank's Lending Survey, January 2021

2. Source: Deloitte Alternative Direct Lending Tracker, Autumn 2020

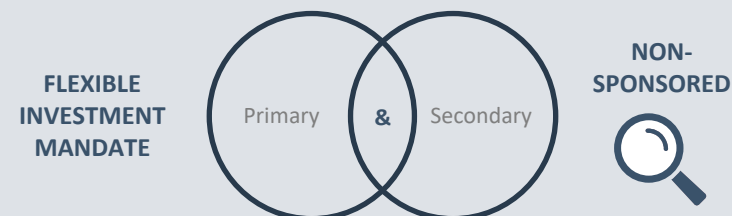
3. Source: Preqin

STRONGLY DIFFERENTIATED SOURCING APPROACH

Kartesia has built a strong local presence across Europe, translating to substantial deal flow on primary and secondary markets, both sponsored and sponsorless

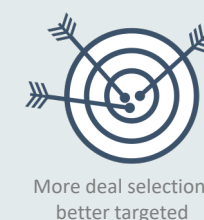
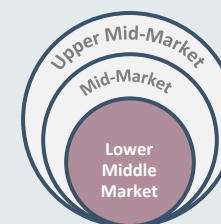
SPONSORLESS & DUAL-TRACKING ORIGATION MODEL...

- Flexible dual-track, primary-secondary origination model
- Proven unrivalled access to sponsorless opportunities; 50%+ deals sponsorless in active funds



... WITH A FOCUSED LOWER MID-MARKET APPROACH...

- Focused on pan-European corporate credit in the lower mid-market; most illiquid segment with lower levels of competition
- Maximizes deal flow and optimizing deal selectivity



... WITHIN A EUROPEAN INSTITUTIONAL & INDEPENDENT PLATFORM

- Pure-play pan-European independent platform (AIFM and onshore EU regulated) operating from 7 European offices
- Built for purpose with strong local networks

LOCAL PRESENCE



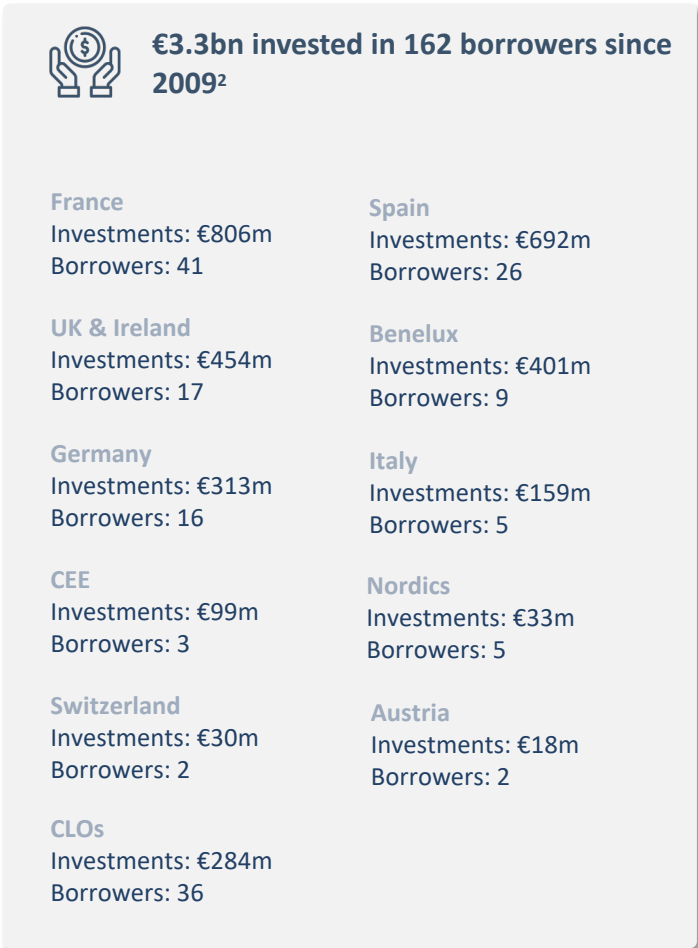
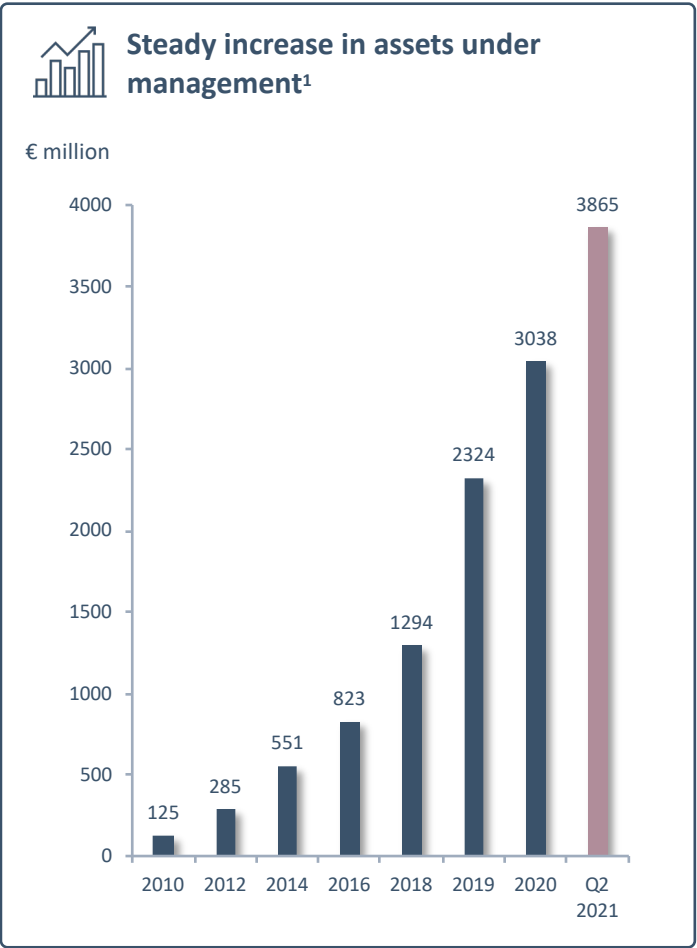
Strong local
networks

FULLY INDEPENDENT



ESTABLISHED EUROPEAN PLATFORM SINCE 2009

Invested €3.3 billion into 162 SMEs across Europe over the past decade



Source: Kartesia, September 2021
1. Information as of 1 September 2021
2. Information as of 31 March 2021

KARTESIA STRATEGIES

Four complementary strategies focused on superior risk-adjusted returns and downside protection

Investment committee & firm management are overseen by the 4 Managing Partners

KCO

KARTESIA CREDIT OPPORTUNITIES

6 dedicated Investment
Team Members

- ▶ Opportunistic / Special Situations / Direct Lending
- ▶ 1st lien, mezzanine, CLOs allowed
- ▶ Primary & secondary, Sponsored & sponsorless
- ▶ Cash coupon, discount, PIK/equity upside returns
- ▶ The team pioneered LMM secondary market investing in Europe
- ▶ SFDR Article 8

KCO III KCO IV KCO V

KSO

KARTESIA SENIOR OPPORTUNITIES

4 dedicated Investment
Team Members

- ▶ More “plain-vanilla” Direct Lending
- ▶ 100% 1st lien secured loan
- ▶ Mainly primary deals (80%+)
- ▶ Returns generated by cash coupon primarily (Euribor + c.6%)
- ▶ Flexible dual-track, primary-secondary origination model
- ▶ SFDR Article 8

KSO I

KSC

KARTESIA STRUCTURED CREDIT

2 dedicated Investment
Team Members

- ▶ Diversified strategies across the capital structure
- ▶ Demonstrated ability to deploy at a sustained pace at superior risk adjusted returns
- ▶ EURIBOR floored at zero: full coupon regardless negative rates
- ▶ Attractive spreads compared to rated asset classes
- ▶ Proprietary technology – *Kogito*
- ▶ SFDR Article 6

KSC I

KIF

KARTESIA IMPACT FUND

4 dedicated Investment
Team Members

- ▶ “Plain-vanilla” Direct Lending
- ▶ Two core themes: a better society on a healthier planet
- ▶ Impact tools to measure the progress of borrowers over time
- ▶ Financial incentives through interest rate discounts for borrowers, while still targeting 4% target return
- ▶ Ongoing support to portfolio companies to drive ESG improvement and generate impact (“impact advisory”)
- ▶ SFDR Article 9

KIF I

18 Junior Investment Team members

4 Investor Relations

1 ESG &
CSR

4 Legal & Compliance

5 Portfolio
Management

9 Finance
& Operations

5 Office Managers





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