



MERCHANT OPPORTUNITIES FUND

Merchant Opportunities Fund

A private credit fund launched in 2010 delivering **double-digit returns** and **monthly liquidity** by investing in short-term, high-yielding, fully-amortizing private loans to under-served small business and consumer borrowers.

STRONG INVESTMENT RETURNS

12.7% average net return from 2021-2024

9.2% compound annual net return since inception (November 2010)

8% annual distribution paid quarterly

MONTHLY LIQUIDITY

Short-term amortizing private loans provide significant monthly cash-flow

UNCORRELATED RETURNS

0.06 Beta vs the TSX

0.08 Beta vs iShares CAD Corp Bond Index

NICHE CREDIT EXPOSURE

Proprietary origination and underwriting of private loans from an otherwise inaccessible segment of the credit market

SUPERIOR DOWNSIDE PROTECTION

10,000+ individual loans

Personal recourse

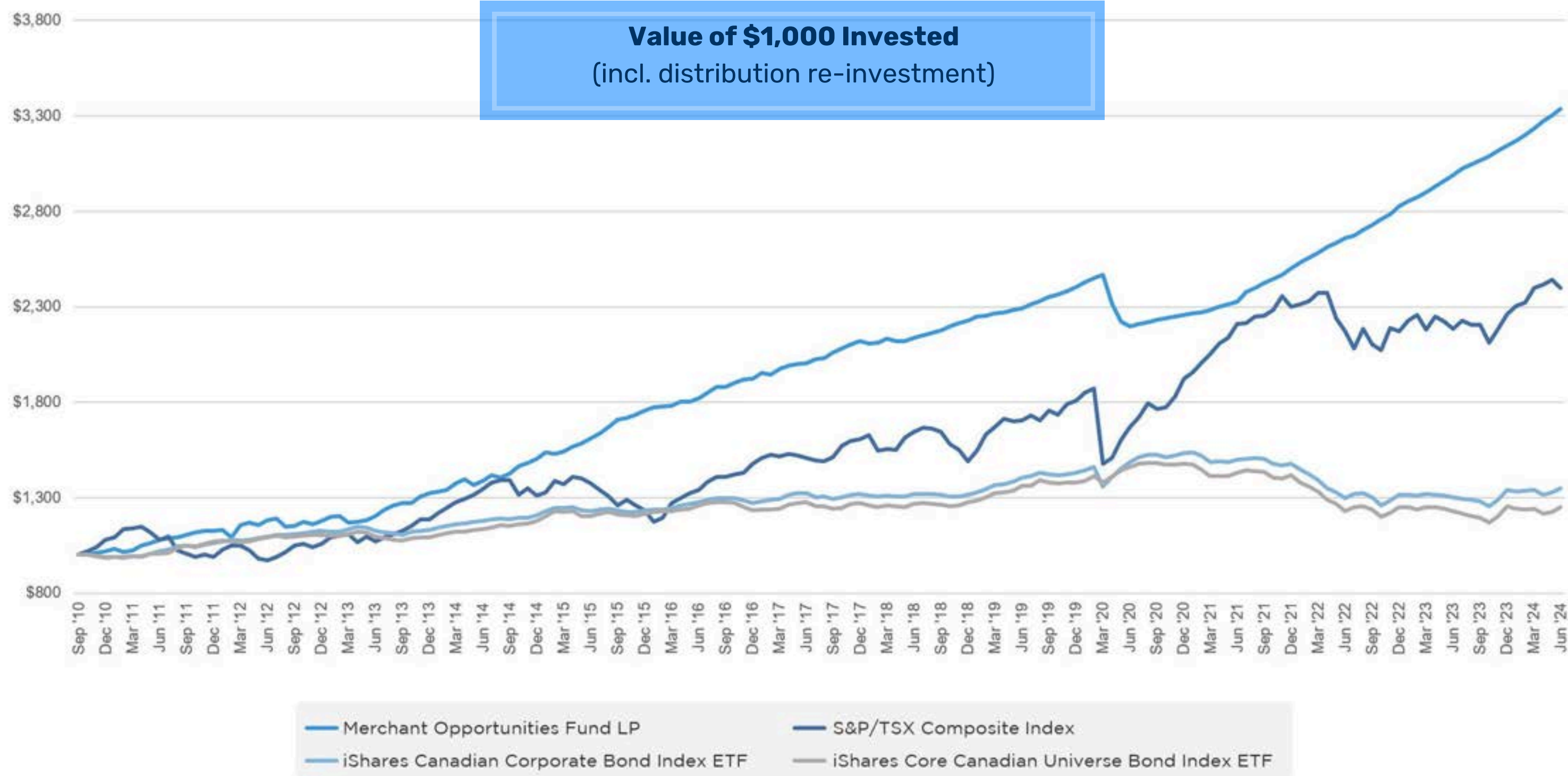
4.2% annual standard deviation

TAX FAVOURABLE RETURNS

Eligible for registered accounts

Returns may be classified as active business income

Our Consistent Performance



ANNUALIZED NET RETURNS: 1 YEAR: 11.3% | 3 YEAR: 12.7% | 10 YEAR: 9.2% | SINCE INCEPTION: 9.2%

Total Net Investment Returns

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	FULL YEAR
2024	0.8%	1.0%	1.1%	1.2%	1.0%	1.1%	1.1%	1.1%					
2023	0.8%	0.8%	0.8%	1.0%	1.0%	1.1%	1.1%	0.8%	0.6%	0.7%	1.0%	0.8%	11.3%
2022	1.1%	1.0%	1.0%	1.2%	0.7%	1.0%	1.0%	1.2%	1.0%	1.0%	1.0%	1.5%	13.7%
2021	0.1%	0.7%	0.7%	0.5%	0.5%	0.8%	0.9%	0.9%	1.0%	0.9%	0.9%	1.3%	9.8%
2020	0.9%	0.9%	-6.1%	-4.2%	-1.1%	0.6%	0.3%	0.6%	0.4%	0.5%	0.4%	0.3%	-6.7%
2019	0.2%	0.7%	0.1%	0.6%	0.3%	0.9%	0.8%	0.9%	0.7%	0.6%	1.0%	1.0%	8.0%
2018	0.1%	1.1%	-0.5%	-0.1%	0.9%	0.6%	0.6%	0.7%	0.9%	0.8%	0.7%	0.9%	6.6%
2017	-0.5%	1.7%	0.8%	0.5%	0.2%	1.0%	0.3%	1.4%	1.1%	1.0%	0.9%	-0.6%	7.9%
2016	0.2%	0.3%	1.2%	0.0%	0.8%	1.7%	1.5%	0.0%	1.3%	0.9%	0.2%	1.5%	10.1%
2015	-0.5%	0.8%	1.8%	1.1%	1.4%	1.7%	2.1%	2.3%	0.5%	1.2%	1.1%	1.0%	15.4%
2014	0.4%	2.5%	1.6%	-2.0%	1.3%	2.3%	-1.0%	1.6%	2.6%	1.2%	1.6%	2.1%	15.2%
2013	0.2%	-2.8%	0.5%	0.7%	1.7%	3.0%	1.6%	1.1%	0.0%	2.8%	1.1%	0.9%	11.1%
2012	-3.3%	5.8%	1.0%	-1.0%	2.2%	0.7%	-3.6%	0.3%	1.7%	-1.0%	1.4%	2.0%	6.2%
2011	-1.7%	0.0%	3.2%	1.3%	1.6%	0.8%	0.6%	1.8%	0.4%	0.7%	0.1%	0.3%	9.5%
2010	-	-	-	-	-	-	-	-	-	1.8%	0.2%	1.8%	-

CONSISTENT TRACK RECORD: 151 of 167 (90%) months have delivered a positive return

As of August 31, 2024

Benefits of Our Unique Approach to Private Credit

TYPICAL PRIVATE CREDIT FUNDS

Large multi-year term loans with interest-only payments throughout the term and a large bullet payment due at maturity:

- Increased credit risk
- Decreased investor liquidity
- Concentrated portfolio positions
- Opaque investment values

MERCHANT OPPORTUNITIES FUND

Small short-term loans (less than 12 months on average) with frequent amortizing (daily or weekly) payments throughout the term and zero due at maturity:

- Decreased credit risk
- Increased investor liquidity
- Diversified portfolio positions
- Transparent investment values

Merchant Growth - Origination Engine

Merchant Growth is our in-house, market-leading, small business financing platform, originating over \$700,000,000 of private loans to 10,000+ borrowers since 2010. These loans are originated **exclusively** for the benefit of Merchant Opportunities Fund.

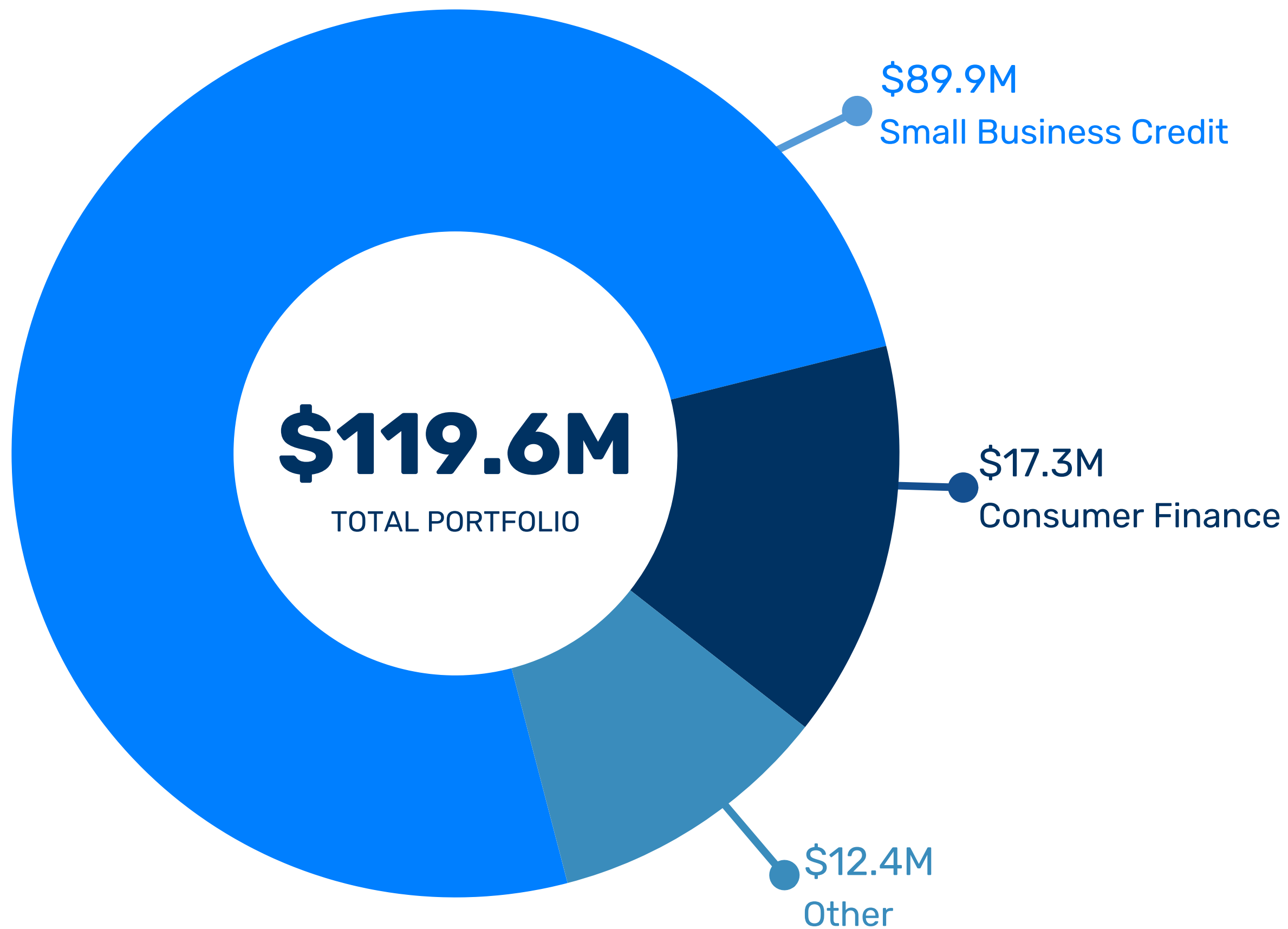
Typical Borrower

- **\$40,000** average amount funded
- **\$900,000** median annual revenue
- **689** average credit score
- **7 years** median time in business
- **>70%** repeat customers

Proprietary Underwriting

- Proprietary credit model built using 13+ years of data from 100+ industries
- Data science supported automation augmented by human underwriters
- Dynamic risk-based pricing
- Personal guarantees from business owners

Our Portfolio



As of August 31, 2024

PORTFOLIO CONSTRUCTION



Term: 11-months (on average)



Average Loan Size: ~\$8,000



Diversification:

- Number of outstanding loans: ~10,000
- 100+ industries across Canada



Repayment:

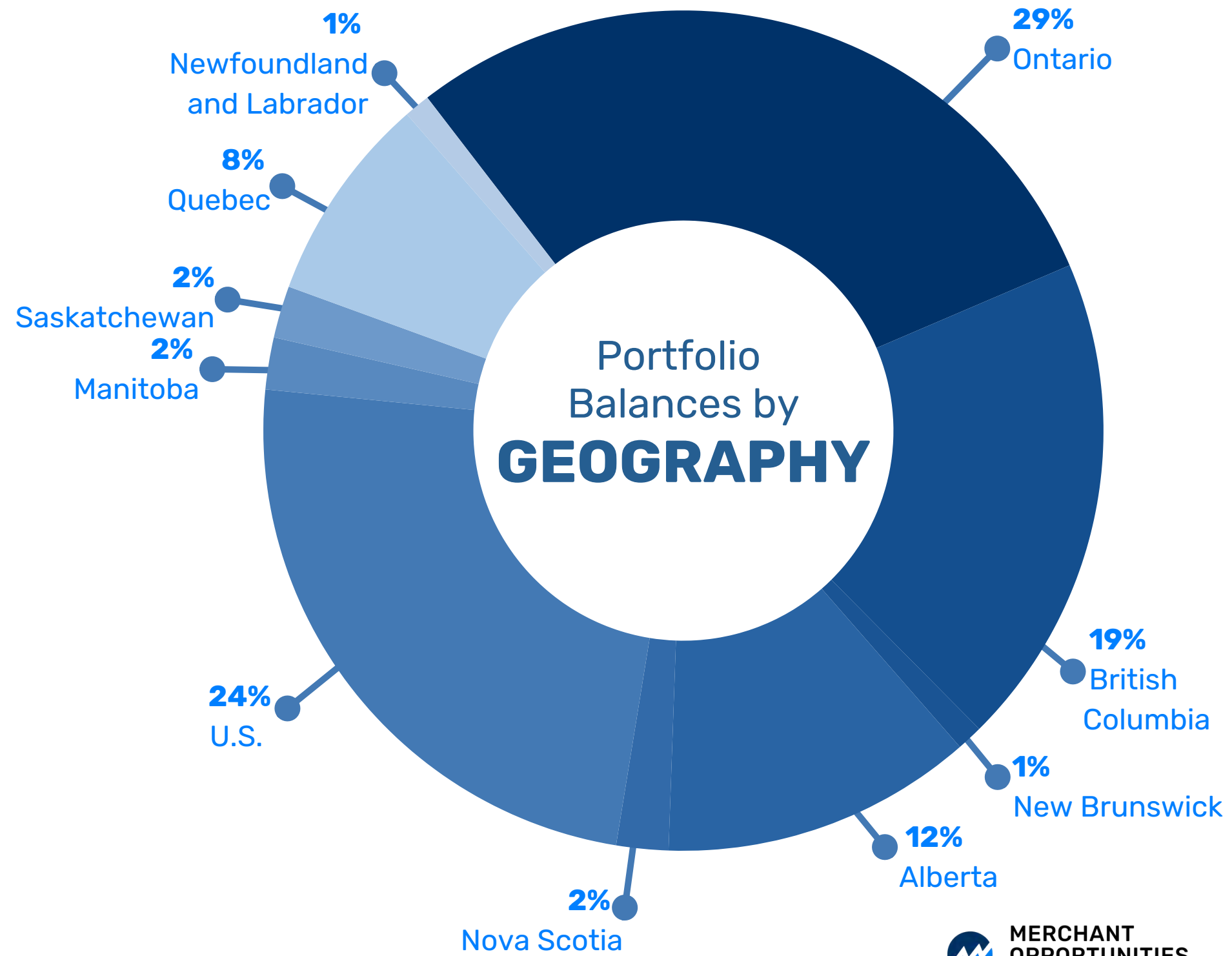
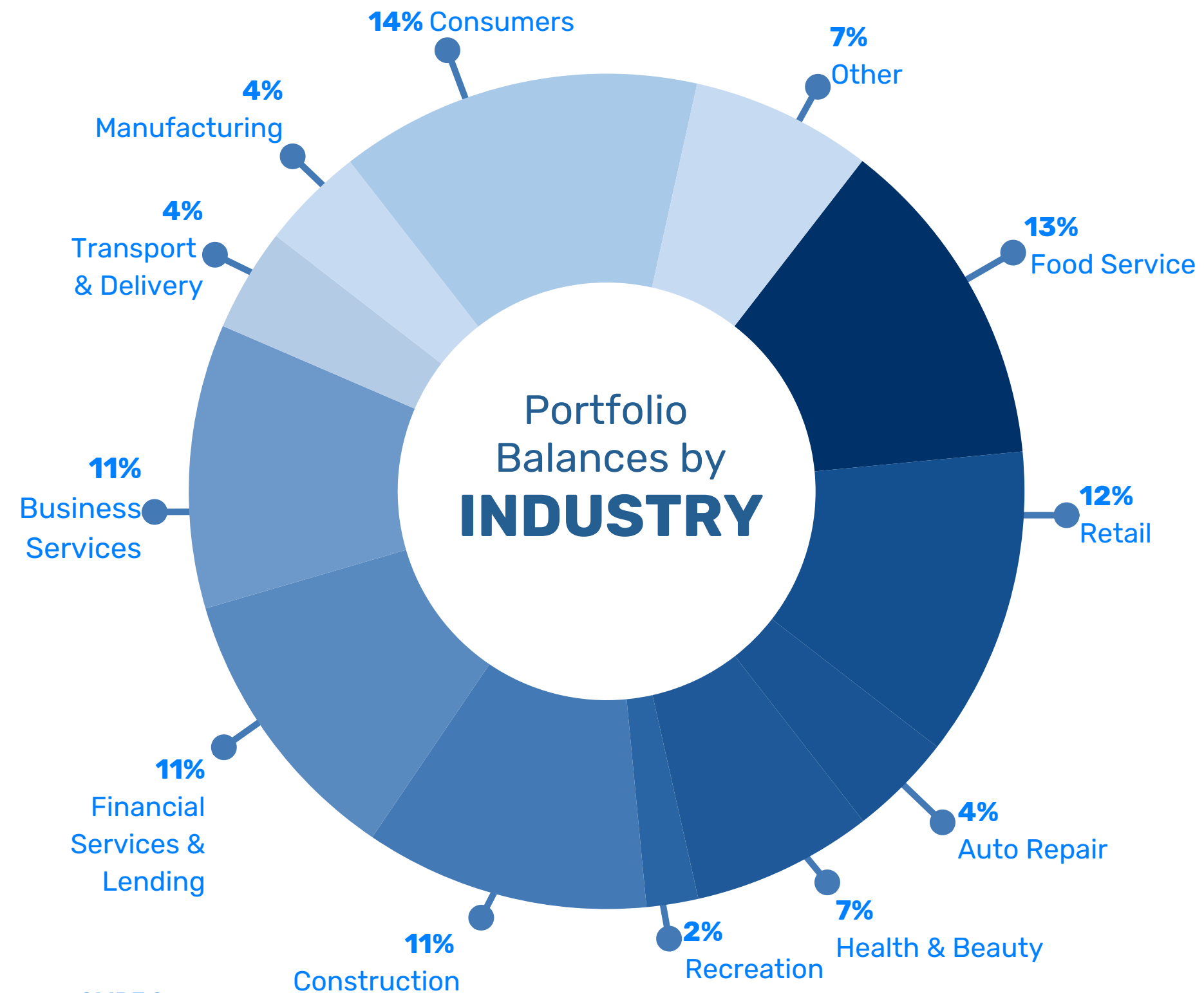
- Amortizing payments (principal and interest)
- 75% of payments are on automated daily or weekly schedules

Our Investment Approach

We invest in private loans that are:

- High-yielding
- Short-term
- Amortizing

Portfolio Breakdown



Our Fund Managers

Our Fund Managers have decades of experience and unique market knowledge allowing the Fund to apply a proprietary and disciplined risk management process. Management, directors, and family members own roughly 25% of total fund equity.



DAVID GENS

Managing Partner & CEO

- Founded Merchant in 2009
- Previously, Analyst at CAI Capital Partners, a New York based mid-market private equity firm
- Named Top 40 under 40 in Business in Vancouver in 2014
- Named Top 30 under 30 in BC Business Magazine in 2015
- Named a finalist in EY's Entrepreneur of the Year in 2016 and 2018
- Graduate of the prestigious UBC Portfolio Management Foundation



PELEG BARTFELD

Managing Partner

- Previously, Senior Financial Services Analyst at RBC Global Asset Management
- Winner of the Brendan Wood International TopGun Investment Minds Award in 2017
- Chartered Financial Analyst (2013)
- Graduate of the prestigious UBC Portfolio Management Foundation



AARON LIGHTMAN

Managing Partner

- M&A, Finance and Commercial Lawyer
- Previously, Lawyer at Morgan Daniels Slager LLP and Lawson Lundell LLP
- Called to the British Columbia Bar in 2009
- Juris Doctor from the University of Alberta



KEVIN CLARK

Managing Partner

- Previously, Founder Lendified.com (SMB Lending) / JUDI.AI (credit adjudication software)
- Co-Founder / Past Chair / Director of the Canadian Lenders Association
- Previously, Executive Roles within a 30 year history with Scotiabank

Our Fund Directors

Our Fund Directors bring expertise across private lending verticals. Directors are not paid and all are substantial investors in the Fund.



DAVID GENS

Managing Partner & CEO
Merchant Growth

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- Previously, Analyst at CAI Capital Partners, a New York based mid-market private equity firm
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CODY GREEN

Founder & Co-CEO
Canada Drives

- Founder & Co-CEO
- Placed 1st on the PROFIT500 list in 2016
- 2016 EY Entrepreneur of the Year FinTech Category Winner
- Named 2017 Canada's Top 40 Under 40



KELLY KLATIK

Partner
Cypress Hills Partners

- Co-founder of Cypress Hills Partners, an alternative fund management company
- 27 years of experience in investment banking and alternative asset sectors – specializing in strategy, finance, and operations
- Previously Director, Investment Banking at M Partners
- Master of Business Administration from Royal Road University, Institute of Corporate Directors designation from Rotman School of Business



DIMITRI KOSTUROS

COO
VWR Capital

- COO of mortgage company with over \$700M in assets
- Former President, BC MIC Managers Association
- Director of the Shewan Foundation
- Director of the Canadian Alternative Mortgage Lenders Association
- Bachelor of Science Honors Computer Science from California State University, Los Angeles



KEVIN SANDHU, CFA

Co-Founder & CEO
Control HQ

- Co-Founder of Control HQ, a platform empowering independents with flexible financial solutions
- Previously, Founder & CEO of Grow Technologies, a fintech platform providing customer origination and engagement solutions to a wide range of banks, credit unions, and other financial services providers (acquired by ATB Financial in 2019)
- 10 years of private equity / investment banking experience prior to becoming a fintech entrepreneur



Merchant Opportunities Fund - Summary

**Strong
Investment
Returns**

**Monthly
Liquidity**

**Superior
Downside
Protection**

**Proprietary
Credit
Exposure**

**Tax
Favorable
Returns**



**MERCHANT
OPPORTUNITIES
FUND**

THANK YOU

**For more information about
Merchant Opportunities Fund please contact us at:**



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Important Notice & Disclaimer

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The Offering

Structure:	Limited Partnership or Mutual Fund Trust
Maximum Offering:	\$250,000,000
Minimum Investment:	\$5,000
Asset Management Fee:	Class F - 1%; Class C - 2%
Risks:	Please refer to the Offering Memorandum for an overview of the risks involved in this Offering.
Profit Share:	First 6% of return is allocated to investors. The next 1.5% of return is allocated to the General Partner and any additional return above 7.5% is split 80/20 between investors and the General Partner. In the event that the return is less than 6% in a given year, investors receive an additional allocation in subsequent years to make up for any shortfall to the 6% return.
Distributions:	8% annual distribution, paid quarterly
Liquidity:	Units may be redeemed monthly when the aggregate value of units being redeemed is less than 2.5% of the total value of units; quarterly when the aggregate value of units being redeemed is greater than 2.5% but less than 10% of the total value of units, in which case units will be redeemed in four tranches over the following four quarters. The General Partner may suspend redemptions of Units if aggregate redemptions are greater than 10%, or when conditions exist which render it impractical to orderly redeem units or determine of the redemption price. Certain declining early redemption penalties may also apply. Please read the Offering Memorandum for a description of the redemption policies.
Re-Investment Program:	Yes
Alignment:	Executive Management & Directors of GP currently hold more than 25% of total Fund Equity Capital.

Fund Code	Company	Fund Name	Currency	Load	Product Type
RBS 1701	Robson Capital Management Inc.	Merchant Opportunities Trust Class 2	CDN	NL	Mutual Fund
RBS 1703	Robson Capital Management Inc.	Merchant Opportunities Fund LP Class C	CDN	NL	Limited Partnership
RBS 1705	Robson Capital Management Inc.	Merchant Opportunities Trust Class FT	CDN	NL	Mutual Fund
RBS 1707	Robson Capital Management Inc.	Merchant Opportunities Fund LP Class F	CDN	NL	Limited Partnership

Credit Performance Across Market Cycles

The examples below highlight the lower variance of Non-Prime vs. Prime Credit categories in past economy downturns

Silicon Valley Post Dot.com Bubble

- Unemployment grew 2.6x from 3.5% to a peak of 9.1%
- Sub-prime delinquency declined >200bps
- Largest impact felt in Prime+ segments

Originating Risk Tier	Pre-Downturn Originations (Jan '00 - Feb '01)	Downturn Originations (Mar '01-Dec '02)
Super Prime	0.3%	1.9%
Prime Plus	1.8%	4.3%
Prime	3.2%	6.6%
Near Prime	6.0%	8.9%
Sub-Prime	17.8%	15.7%
All Personal Loans	7.8%	8.9%

Source: TransUnion, 2016 U.S. Research Study titled "Personal loan performance during times of stress"

2015 Oil Crash in Alberta

- Unemployment grew 2x from ~4.5% to a peak of 9%
- Sub-prime delinquency increased only 160bps

	Pre-Oil Crash Originations (Jan '13-Dec '14)	Post Oil Crash Originations (Jan '15 - Jun '16)
Easyfinancial	14.1%	15.7%

Source: goeasy Ltd. Q1 2018 Investor Presentation

Detroit During Financial Crisis

- Unemployment grew 2.4x from ~7% to a peak of 16.5%
- Sub-prime delinquency was flat/stable
- Largest impact felt in Prime+ segments

Originating Risk Tier	Pre-Recession Originations (Jan '00-Feb '01)	Post Recession Originations (Mar '01-Dec '02)
Super Prime	0.7%	0.9%
Prime Plus	1.5%	2.0%
Prime	3.8%	4.3%
Near Prime	5.4%	7.6%
Sub-Prime	15.2%	15.0%
All Personal Loans	7.5%	7.9%

Source: TransUnion, 2016 U.S. Research Study titled "Personal loan performance during times of stress"

In each downturn, sub-prime credit losses moved far less than prime credit.