

Financial Statements  
(Expressed in U.S. dollars)

# **WAYPOINT PRIVATE CREDIT FUND LP**

June 30, 2024 (Unaudited)

## MANAGEMENT RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited interim financial statements have been prepared by **Waypoint Investment Partners Inc.** in its capacity as the Manager of the Partnership. The Manager is responsible for the information and representations contained in these financial statements.

The Manager maintains appropriate processes to ensure that relevant and reliable financial information is produced. The unaudited interim financial statements have been prepared in accordance with International Financial Reporting Standards and include certain amounts that are based on estimates and judgements made by the Manager. The material accounting policy information which the Manager believes are appropriate for the Partnership are described in Note 3 to the unaudited interim financial statements.

On behalf of the Manager

:  \_\_\_\_\_

\_\_\_\_\_  
August 27, 2024  
Date

## NOTICE TO UNITHOLDERS

**The Auditors of the Partnership have not reviewed these financial statements.**

Waypoint Investment Partners Inc., the Manager of the Partnership, appoints an independent auditor to audit the Partnership's annual financial statements. Applicable securities laws require that if an auditor has not reviewed the Partnership's interim financial statements, this must be disclosed in an accompanying notice.

# WAYPOINT PRIVATE CREDIT FUND LP

## Statement of Financial Position

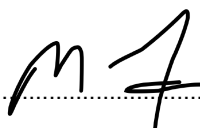
(Expressed in U.S. dollars)

As at June 30, 2024 (Unaudited)

	June 30, 2024	December 31, 2023
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 2,747,126	\$ 251,171
Investments owned, at fair value through profit or loss (note 7)	23,312,358	28,003,604
Interest receivable	116,583	150,165
Expense reimbursement receivable (note 8)	7,895	21,069
	<u>26,183,962</u>	<u>28,426,009</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	51,104	43,997
Management fees payable (note 5)	76,492	273,444
Distributions payable	251,366	273,568
Redemptions payable	1,100,000	—
	<u>1,478,962</u>	<u>591,009</u>
<b>Net assets attributable to holders of redeemable units</b>	<b>\$ 24,705,000</b>	<b>\$ 27,835,000</b>
<b>Number of redeemable units outstanding (note 6)</b>	<b>2,470,500</b>	<b>2,783,500</b>
<b>Net assets attributable to holders of redeemable units per unit</b>	<b>\$ 10.00</b>	<b>\$ 10.00</b>

See accompanying notes to financial statements.

Approved on behalf of the Manager

:  ..... Waypoint Investment Partners Inc.

# WAYPOINT PRIVATE CREDIT FUND LP

## Statement of Comprehensive Income

(Expressed in U.S. dollars)

For the period ended June 30, 2024 (Unaudited)

	2024	2023
<b>Income</b>		
Interest income for distribution purposes	\$ 1,694,501	\$ 2,202,734
Net realized gain (loss) on sale of investments, including foreign exchange adjustments	<u>1,415</u>	<u>(589)</u>
	<u>1,695,916</u>	<u>2,202,145</u>
<b>Expenses</b>		
Management fees (note 5)	195,658	294,414
Operating costs	21,429	21,803
Custodian fees	10,600	10,586
Audit fees	8,888	14,947
Interest and bank charges	<u>—</u>	<u>55</u>
	236,575	341,805
Expense reimbursement (note 8)	<u>(34,214)</u>	<u>(47,336)</u>
	202,361	294,469
<b>Increase in net assets attributable to holders of redeemable units</b>	<u>\$ 1,493,555</u>	<u>\$ 1,907,676</u>
<b>Increase in net assets attributable to holders of redeemable units per unit (note 9)</b>	\$ 0.55	\$ 0.55

# WAYPOINT PRIVATE CREDIT FUND LP

## Statement of Changes in Net Assets Attributable to Holders of Redeemable Units

(Expressed in U.S. dollars)

For the period ended June 30, 2024 (Unaudited)

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	Net assets attributable to holders of redeemable units, beginning of period	Proceeds from redeemable units issued	Redemption of redeemable units	Distributions to holders of redeemable units	Increase in net assets from operations attributable to holders of redeemable units	Net assets attributable to holders of redeemable units, end of period
June 30, 2024	\$ 27,835,000	\$ —	\$ (3,130,000)	\$ (1,493,555)	\$ 1,493,555	\$ 24,705,000

	Net assets attributable to holders of redeemable units, beginning of period	Proceeds from redeemable units issued	Redemption of redeemable units	Distributions to holders of redeemable units	Increase in net assets from operations attributable to holders of redeemable units	Net assets attributable to holders of redeemable units, end of period
June 30, 2023	\$ 29,880,000	\$ 7,000,000	\$ (2,280,000)	\$ (1,907,676)	\$ 1,907,676	\$ 34,600,000

# WAYPOINT PRIVATE CREDIT FUND LP

## Statement of Cash Flows

(Expressed in U.S. dollars)

For the period ended June 30, 2024 (Unaudited)

	2024	2023
<b>Cash provided by (used in):</b>		
<b>Operating Activities</b>		
Increase in net assets attributable to holders of redeemable units	\$ 1,493,555	\$ 1,907,676
Adjustments for non-cash items		
Change in non-cash balances		
Decrease (increase) in interest receivable	33,582	(8,870)
Decrease (increase) in expense reimbursement receivable	13,174	(5,620)
Increase in accounts payable and accrued liabilities	7,107	5,102
(Decrease) increase in management fees payable	(196,952)	66,309
Proceeds from sale of investments	4,699,065	9,992,605
Purchase of investments	(7,819)	(13,000,000)
Cash provided by (used in) operating activities	<u>6,041,712</u>	<u>(1,042,798)</u>
<b>Financing Activities</b>		
Proceeds from redeemable units issued	–	7,000,000
Redemption of redeemable units	(2,030,000)	(2,230,000)
Distributions to holders of redeemable units	(1,515,757)	(1,861,114)
Cash (used in) provided by financing activities	<u>(3,545,757)</u>	<u>2,908,886</u>
Increase in cash during the period	2,495,955	1,866,088
Cash, beginning of period	251,171	343,062
<b>Cash, end of period</b>	<u>\$ 2,747,126</u>	<u>\$ 2,209,150</u>
<b>Supplemental information*</b>		
Interest received	\$ 1,961,249	\$ 2,519,166

# WAYPOINT PRIVATE CREDIT FUND LP

## Schedule of Investment Portfolio

(Expressed in U.S. dollars)

As at June 30, 2024 (Unaudited)

Number of shares/units	Investments owned	Average cost	Fair value	% of net asset value
	<b>U.S. fixed income</b>			
7,465,470	PLC Equipment Finance Fund LLC 11.5% - Tranche 2	\$ 7,465,470	\$ 7,465,470	30.22
15,846,888	PLC Equipment Finance Fund LLC 13.5% - Tranche 1	15,846,888	15,846,888	64.14
		<u>23,312,358</u>	<u>23,312,358</u>	<u>94.36</u>
	<b>Total investments owned</b>	23,312,358	23,312,358	94.36
	<b>Net investments owned</b>	<u>\$ 23,312,358</u>	23,312,358	94.36
	<b>Other assets, net</b>		<u>1,392,642</u>	<u>5.64</u>
	<b>Net Assets Attributable to Holders of Redeemable Units</b>		<u>\$ 24,705,000</u>	<u>100.00</u>

# WAYPOINT PRIVATE CREDIT FUND LP

Notes to Financial Statements  
(Expressed in U.S. dollars)

June 30, 2024 (Unaudited)

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## 1. Establishment of Partnership:

Waypoint Private Credit Fund LP (the "Partnership") is a limited partnership established on December 11, 2020, under the laws of the Province of Ontario and is governed by a limited partnership agreement, as amended, restated or supplemented from time to time (the "Limited Partnership Agreement"). The Partnership commenced active operations on January 6, 2021.

Waypoint Private Credit GP Inc., a corporation incorporated under the laws of the Province of Ontario, is the general partner (the "General Partner") of the Partnership. The General Partner is responsible for the day-to-day business and affairs of the Partnership and for approving and monitoring the Partnership's various service providers, including the manager. The General Partner has engaged Waypoint Investment Partners Inc. (the "Manager"), a corporation incorporated under the laws of Ontario, as the manager of the Partnership to direct the affairs of the Partnership, to provide day-to-day management services to the Partnership, management of the Partnership's portfolio on a discretionary basis and distribution of the units of the Partnership.

SGGG Fund Services Inc. (the "Administrator") acts as the administrator of the Partnership. Canadian Western Trust Company acts as the custodian (the "Custodian") of the Partnership.

The address of the Partnership's registered office is 1133 Yonge St, Suite 603, Toronto, Ontario, M4T 2Y7, Canada.

The investment objective of the Partnership is to achieve a steady stream of income with minimal volatility by obtaining exposure primarily to a diversified portfolio of U.S. and Canadian based equipment finance receivables and related rights (the "Equipment Receivables Portfolio") and securities that provide exposure to the equipment financing sector.



# WAYPOINT PRIVATE CREDIT FUND LP

Notes to Financial Statements (continued)  
(Expressed in U.S. dollars)

June 30, 2024 (Unaudited)

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## **1. Establishment of Partnership (continued):**

To achieve its investment objective, the Partnership will initially make secured loans (the “SPV Loans”) to PLC Equipment Finance Fund LLC, a U.S. special purpose corporation (the “SPV”), proceeds of which will be used by the SPV to acquire the Equipment Receivables Portfolio. The Partnership will obtain exposure to an Equipment Receivables Portfolio that the Manager believes provides a favourable risk versus return profile. The Equipment Receivables Portfolio will be comprised of receivables related to equipment leases with terms of 18-60 months and will be diversified in terms of industry, maturity and quality. The Partnership may also invest in other debt instruments that provide exposure to the equipment financing sector. The Partnership may hold a portion of its assets in cash, cash equivalents or short-term debt instruments pending investment or redemption or if determined to be advisable by the Manager given certain loan conditions.

## **2. Basis of presentation:**

These interim financial statements have been prepared in compliance with International Financial Reporting Standards (“IFRS”) as published by the International Accounting Standards Board (“IASB”) and International Accounting Standard 34, Interim Financial Reporting. The Partnership reports under this basis of accounting as required by Canadian securities legislation and the Accounting Standards Board.

The policies applied in these interim financial statements are based on IFRS issued and outstanding as of August 27, 2024, which is the date on which the interim financial statements were authorized for issue by the Manager.

The financial statements of the Partnership are expressed in U.S. dollars.

# WAYPOINT PRIVATE CREDIT FUND LP

Notes to Financial Statements (continued)  
(Expressed in U.S. dollars)

June 30, 2024 (Unaudited)

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### 3. Material accounting policy information:

The following is a summary of the accounting policies applied by the Partnership:

(a) Classification of financial instruments:

The Partnership classifies its investments as financial assets and financial liabilities at fair value through profit or loss ("FVTPL").

The Partnership classifies its investments at FVTPL based on the Partnership's business model for managing those financial assets in accordance with the Partnership's documented investment strategy. The portfolio of investments is managed and performance is evaluated on a fair value basis and the portfolio of investments is neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets. The Partnership is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

All other financial assets and financial liabilities are classified as subsequently measured at amortized cost and recorded at cost or amortized cost. Under this method, financial assets and financial liabilities reflect the amount required to be received or paid, discounted, when appropriate, at the contract's effective interest rate, minus any reduction for impairment. A financial asset is classified as subsequently measured at amortized cost only if both of the following criteria are met:

- (i) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows, and
- (ii) the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

The Partnership recognizes financial instruments at fair value upon initial recognition, plus transaction costs in the case of financial instruments measured at amortized cost. Regular way purchases and sales of financial assets are recognized at their trade date. The Partnership's obligation for net assets attributable to holders of redeemable units is presented at the redemption amount.

The Partnership's accounting policies for measuring the fair value of its investments and derivatives are identical to those used in measuring its net asset value ("Trading NAV") for transactions with unitholders.

# WAYPOINT PRIVATE CREDIT FUND LP

Notes to Financial Statements (continued)  
(Expressed in U.S. dollars)

June 30, 2024 (Unaudited)

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### 3. Material accounting policy information (continued):

(b) Recognition/derecognition:

The Partnership recognizes financial assets and financial liabilities at FVTPL on the trade date - the date it commits to purchase or sell short the instruments. Other financial assets and liabilities are recognized at fair value, including transaction costs, on the date on which they are originated. From this date, any gains and losses arising from changes in fair value of the assets or liabilities are recognized in the statement of comprehensive income.

Other financial assets are derecognized when, and only when, the contractual rights to the cash flows from the asset expire or the Partnership transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Partnership derecognizes financial liabilities when, and only when, the Partnership's obligations are discharged or cancelled or they expire.

(c) Net assets attributable to holders of redeemable units per unit:

The net assets attributable to holders of redeemable units per unit is calculated by dividing the net assets attributable to holders of redeemable units of a particular class of units by the total number of units of that particular class outstanding at the end of the period.

(d) Increase in net assets attributable to holders of redeemable units per unit:

Increase in net assets attributable to holders of redeemable units per unit is based on the increase in net assets attributable to holders of redeemable units attributed to each class of units, divided by the weighted average number of units outstanding of that class during the period. Refer to note 9 for the calculation.

(e) Use of estimates:

The preparation of financial statements in accordance with IFRS requires management to use accounting estimates. It also requires management to exercise its judgment in the process of applying the Partnership's accounting policies. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from those estimates.

# WAYPOINT PRIVATE CREDIT FUND LP

Notes to Financial Statements (continued)  
(Expressed in U.S. dollars)

June 30, 2024 (Unaudited)

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### 3. Material accounting policy information (continued):

(f) Valuation of investments:

The fair value of financial assets and financial liabilities that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Partnership uses a variety of methods and makes assumptions that are based on market conditions existing at each statement of financial position date. Valuation techniques used include the use of comparable recent arm's length transactions, discounted cash flow analysis and other valuation techniques commonly used by market participants.

The process of valuing investments for which no published market exists will inevitably be based on inherent uncertainties and the resulting values may differ from values that would have been used had a ready market existed for the investment. Determination of fair value will take into consideration a variety of factors including, but not limited to, the term to maturity of the loan, the market interest rate of similar loans, the value of any participation rights, whether it has a fixed or floating rate, any known impairment, the creditworthiness and status of a borrower, including its payment history and the value of any property securing the long term loans, overall economic conditions and other conditions specific to the underlying holding.

(g) Investment transactions and revenue recognition:

Investment transactions are accounted for on the trade date. Interest income is accrued daily. Realized gain (loss) on sale of investments and unrealized appreciation (depreciation) in value of investments are determined on an average cost basis. Average cost does not include amortization of premiums or discounts on fixed income securities with the exception of zero-coupon bonds.

# WAYPOINT PRIVATE CREDIT FUND LP

Notes to Financial Statements (continued)  
(Expressed in U.S. dollars)

June 30, 2024 (Unaudited)

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### 3. Material accounting policy information (continued):

(g) Investment transactions and revenue recognition (continued):

The interest income for distribution purposes shown on the statement of comprehensive income represents the coupon interest received by the Partnership accounted for on an accrual basis. The Partnership does not amortize premiums paid or discounts received on the of fixed income securities except for zero-coupon bonds, which are amortized on a straight-line basis.

(h) Translation of foreign currency:

The functional and presentation currency of the Partnership is the U.S. dollar. The fair value of foreign investments and other assets and liabilities denominated in foreign currencies are translated into U.S. dollars at the exchange rates prevailing at 4:00 pm Toronto Time (the "closing rate") on each Valuation Date (the last business day of each month, the business day before each subscription date, each redemption date, and on such other day as the Manager may approve). Purchases and sales of foreign securities denominated in foreign currencies and the related income are translated into U.S. dollars at rates of exchange prevailing on the respective dates of such transactions.

(i) Transaction costs:

Transaction costs related to financial assets and liabilities are expensed as incurred.

# WAYPOINT PRIVATE CREDIT FUND LP

Notes to Financial Statements (continued)  
(Expressed in U.S. dollars)

June 30, 2024 (Unaudited)

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## 3. Material accounting policy information (continued):

### (j) Purchase and redemption of redeemable units:

The value at which units are listed or redeemed is determined by dividing the net assets attributable to holders of redeemable units at fair value of the Partnership by the total number of units outstanding on the Valuation Date. Units of the Partnership are valued monthly on the Valuation Date. Amounts received on the issuance of redeemable units and amounts paid on the redemption of redeemable units are added to or deducted from the statement of changes in net assets attributable to holders of redeemable units.

### (k) Cash:

Cash is comprised of cash on deposit.

### (l) Other assets and liabilities:

Interest receivable and expense reimbursement receivable are classified as financial assets, subsequently measured at amortized cost and recorded at cost or amortized cost. Accounts payable and accrued liabilities, management fees payable, redemptions payable and distributions payable are classified as financial liabilities and reported at amortized cost. Financial liabilities are generally settled within three months of being incurred. Other assets and liabilities are short term in nature, and are carried at amortized cost, which approximates fair value.

### (m) Income taxes:

These financial statements include the assets and liabilities and results of operations of the Partnership and do not include the assets, liabilities, revenue and expenses of the Limited Partners. Income taxes are not payable at the Partnership level and, accordingly, no provision is recorded in these financial statements. Each limited partner will generally be required to include, in computing his or her income or loss for tax purposes for a taxation year, his or her share of the income or loss allocated to such limited partner for each fiscal year of the Partnership.

# WAYPOINT PRIVATE CREDIT FUND LP

Notes to Financial Statements (continued)  
(Expressed in U.S. dollars)

June 30, 2024 (Unaudited)

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## 4. Critical accounting estimates and judgments:

The preparation of financial statements requires management to use judgment in applying its accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgments and estimates that the Partnership has made in preparing the financial statements.

In classifying and measuring financial instruments held by the Partnership, the Manager is required to make significant judgments about whether or not the business of the Partnership is to manage its portfolio of investments and evaluate performance on a fair value basis and that the portfolio of investments is neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets. The most significant judgments made include assessing and determining the appropriate business model that enables the decision that the Partnership's investments are classified as FVTPL, per IFRS 9.

## 5. Related party transactions:

### (a) Management fees:

The Partnership pays the Manager a monthly management fee on each Valuation Date in an amount that is equal to 1/12 of 1.5% of the net asset value of the Class F units. Management fees are subject to applicable taxes, including HST.

Management fees for the period ended June 30, 2024, were \$195,658 (2023 - \$294,414), with \$68,597 payable as at (December 31, 2023 - \$273,444).

### (b) Related party holdings:

As at June 30, 2024, directors and employees of the General Partner and the Manager held 0.0% (December 31, 2023 - 0.11%) Class F redeemable units of the Partnership.

### (c) The Partnership invests its assets in debt issued by the PLC Equipment Finance Fund LLC, a special purpose vehicle established as a Limited Liability Corporation ("the SPV"). The SPV is wholly owned by Pawnee Leasing Corp, which is wholly owned by Chesswood Group Ltd, the parent company of the Manager. As at June 30, 2024, the Partnership had \$23,312,358 (December 31, 2023 - \$28,003,604) invested in the debt of the SPV. During the period ended June 30, 2024, the Partnership purchased and sold \$7,819 and \$4,699,065, respectively, (December 31, 2023 - \$9,000,000 and \$10,978,112) of these investments.

# WAYPOINT PRIVATE CREDIT FUND LP

Notes to Financial Statements (continued)  
(Expressed in U.S. dollars)

June 30, 2024 (Unaudited)

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## 6. Redeemable Units of the Partnership:

An investment in the Partnership is represented by units. The Partnership is authorized to issue an unlimited number of classes (each, a "Class"). The Partnership is authorized to issue an unlimited number of units within each Class. The Manager may create additional classes of redeemable units from time to time. Holders of the units of a Class are limited partners (the "Limited Partners"). The Manager has the power to determine the terms and conditions of each Class. Each unit of a Class represents an undivided ownership interest in the net assets attributable to that Class of units of the Partnership.

Each issued and outstanding redeemable unit of a class shall be equal to each other unit of the same class with respect to all matters. Each redeemable unit carries with it a right to vote, with one vote for each \$1.00 of net asset value attributed to such unit. Each class may be subject to different fees may have a different profit-sharing arrangement with the General Partner, and may have such other features as the Manager may determine. The Manager may re-designate a redeemable unit from one class to another in accordance with the Limited Partnership Agreement.

Units may only be transferred with the consent of the Manager in its sole discretion, and transfers will generally not be permitted. There is no market for these units and no market is expected to develop, therefore it may be difficult or even impossible for the purchaser to sell the units. Fractional units may be issued. As June 30, 2024, only Class F has been issued.

Class F Units are available to all investors who meet the minimum investment criteria and who purchase Units directly from the Manager as dealer, through a fee-based account with their own dealer or otherwise as approved by the Manager. The minimum initial investment is \$500,000 but may be reduced to a lesser amount in the discretion of the Manager at any time. Each subsequent investment must be not less than \$100,000 or such lesser amount as the Manager may permit.

Units of a class are issued on the third Thursday of each month and such other days as the Manager may permit (each a "Subscription Date"), provided that a fully completed subscription agreement and subscription monies are received by the Manager by 4:00 pm (Toronto time) on the previous business day. Units will be issued at the net asset value per unit of the Class of redeemable units as at the business day immediately preceding the relevant Subscription Date.



# WAYPOINT PRIVATE CREDIT FUND LP

Notes to Financial Statements (continued)  
(Expressed in U.S. dollars)

June 30, 2024 (Unaudited)

## 6. Redeemable Units of the Partnership (continued):

Redemptions of Units are permitted on a quarterly basis, on the last business day of March, June, September and December of each year and on such other date as the Manager may permit in its absolute discretion (each, a “Redemption Date”) pursuant to a written notice that must be received by the Manager at least ninety days prior to the applicable Redemption Date (the “Notice Period”) that is on or after the first anniversary of their issue (the “Lock-up Period”). The redemption price shall equal the net asset value per unit of the applicable Class of Units being redeemed, determined as of the close of business on the relevant Redemption Date. Payment of the redemption amount will be paid to the redeeming Limited Partner not later than fifteen days following the applicable Redemption Date. If the Partnership does not have sufficient cash to meet redemption requests on a particular Redemption Date, the Manager may satisfy redemption requests in excess of available cash by way of unsecured subordinated notes of the Partnership, at its option, as determined by the Manager in its sole discretion. In addition, redemptions may be deferred or suspended in certain circumstances. The Manager will not permit redemptions (either in whole or in part) and/or may elect to pay redemption proceeds partly in cash and partly in kind at any time where the Manager is of the opinion, in its sole discretion, that there are insufficient liquid assets in the Partnership to fund such redemptions entirely in cash or that the liquidation of assets would be to the detriment of the Partnership generally.

The Manager has the right to require a Limited Partner to redeem some or all of the units owned by such Limited Partner on a Redemption Date at the Net Asset Value per unit thereof, by notice in writing to the Limited Partner given at least 14 days before the designated Redemption Date.

The unit activity for the period ended June 30, 2024 and 2023, is as follows:

	Redeemable Units, beginning of period	Redeemable Units Issued	Redemptions of Redeemable Units	Redeemable Units, end of period
June 30, 2024	2,783,500	–	(313,000)	2,470,500
June 30, 2023	2,988,000	700,000	(228,000)	3,460,000

# WAYPOINT PRIVATE CREDIT FUND LP

Notes to Financial Statements (continued)  
(Expressed in U.S. dollars)

June 30, 2024 (Unaudited)

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## 6. Redeemable Units of the Partnership (continued):

### Allocation of income and losses

Net income for taxation purposes, ordinary income, dividends and taxable capital gains of the Partnership in each fiscal year will be allocated as at the last day of such year to Limited Partners who held units at any time during such year based on the number and class held by such Limited Partners, the dates of purchase and/or redemption, the respective net asset values of each class of units, the fees paid or payable in respect of each class of units, distributions made to the Limited Partners in respect of each class and class of units, income, gain and loss attributable to currency hedging investment techniques allocable to certain classes of units, and the date of realization of each such item of income, gain or loss, as the case may be. The Limited Partners will be allocated 99.999% of income or net losses; the remaining 0.001% shall be allocated to the General Partner.

### Distributions

Monthly distributions of allocated income will be paid in cash in an amount determined by the Manager from time to time. There can be no assurance that the Partnership will make any distributions in a particular month.

### Capital disclosure

The capital of the Partnership is represented by issued and redeemable units. The units are entitled to distributions, if any, and to payment of a proportionate share based on the Partnership's net asset attributable to holders of redeemable units per unit upon redemption. The Partnership has no restrictions or specific capital requirements on the subscriptions and redemptions of units. The Partnership endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions.

## 7. Financial instruments:

### (a) Management of financial instrument risks:

In the normal course of business, the Partnership is exposed to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk, currency risk and other price risk). The value of investments within the Partnership's portfolio can fluctuate on a frequent basis as a result of changes in interest rates, economic conditions and the market and company news related to specific securities within the Partnership. The level of risk depends on the Partnership's investment objective and the types of securities in which it invests.

# WAYPOINT PRIVATE CREDIT FUND LP

Notes to Financial Statements (continued)  
(Expressed in U.S. dollars)

June 30, 2024 (Unaudited)

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## 7. Financial instruments (continued):

### (b) Credit risk:

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Partnership.

Where the Partnership invests in debt instruments and derivatives, this represents the main concentration of credit risk. The fair value of debt instruments and derivatives includes consideration of the credit worthiness of the issuer. As at June 30, 2024, 94.36% (December 31, 2023 – 100.61%) of the net assets of the Partnership was invested in debt instruments that were not rated by credit rating agencies.

### (c) Liquidity risk:

Liquidity risk is defined as the risk that the Partnership may not be able to settle or meet its obligation on time or at a reasonable price.

The Partnership's exposure to liquidity risk is concentrated in the quarterly cash redemptions of units and the monthly distribution of allocated income. The Partnership generally holds investments that are illiquid and for which no ready market exists. However, no payment may be made to a Limited Partner from the assets of the Partnership if the payment would reduce the assets of the Partnership to an insufficient amount to discharge the liabilities of the Partnership. Redemptions of units require a notice period of at least ninety days, and the Manager may satisfy redemption requests in excess of available cash by way of unsecured subordinated notes of the Partnership. The Manager may also defer or suspend redemptions in certain circumstances described in note 6.

As at June 30, 2024, all financial liabilities of the Partnership are due between one and three months.

# WAYPOINT PRIVATE CREDIT FUND LP

Notes to Financial Statements (continued)  
(Expressed in U.S. dollars)

June 30, 2024 (Unaudited)

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## 7. Financial instruments (continued):

### (d) Interest rate risk:

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments.

Interest rate risk arises when the Partnership invests in interest-bearing financial instruments. The Partnership is exposed to the risk that the value of such financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. There is minimal sensitivity to interest rate fluctuations on any cash and cash equivalents invested at short-term market interest rates.

The value of the Partnership's investments may fall if market interest rates for equipment financing rises. It is anticipated that the net asset value of the units at any given time will be affected by the level of interest rates prevailing at such time. A rise in interest rates may have a negative effect on the net asset value of the units.

The Partnership's exposure to debt instruments by maturity and the impact on net assets attributable to holders of redeemable units had the yield curve shifted in parallel by 25 basis points, with all other variables held constant ("sensitivity"), is as follows:

#### June 30, 2024

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##### Debt instruments by maturity date

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1-3 years	\$	15,846,888
3-5 years		7,465,470
Sensitivity		73,583

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#### December 31, 2023

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##### Debt instruments by maturity date

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1-3 years	\$	19,177,437
3-5 years		8,826,167
Sensitivity		129,310

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# WAYPOINT PRIVATE CREDIT FUND LP

Notes to Financial Statements (continued)  
(Expressed in U.S. dollars)

June 30, 2024 (Unaudited)

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## 7. Financial instruments (continued):

### (e) Other price risk:

Other price risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk).

All investments represent a risk of loss of capital. The Manager aims to moderate this risk through careful selection and diversification of securities and other financial instruments in accordance with the Partnership's investment objective and strategy. The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. The Partnership's overall market positions are monitored on a regular basis by the Manager. Financial instruments held by the Partnership are susceptible to market price risk arising from uncertainties about future prices of the instruments.

### (f) Currency risk:

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

Currency risk arises from financial instruments that are denominated in a currency other than the U.S. dollar, which represents the functional currency of the Partnership. The Partnership may enter into foreign exchange forward contracts for hedging purposes to reduce its foreign currency exposure or to establish exposure to foreign currencies. As at June 30, 2024, the Partnership does not have significant currency risk exposure.

# WAYPOINT PRIVATE CREDIT FUND LP

Notes to Financial Statements (continued)  
(Expressed in U.S. dollars)

June 30, 2024 (Unaudited)

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## 7. Financial instruments (continued):

(g) Concentration risk:

Concentration risk arises because of the concentration exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. The following table is a summary of the Partnership's concentration risk as a percentage of the Partnership's net assets:

Market segment	Percentage of net assets attributable to holders of redeemable units	
	June 30, 2024	December 31, 2023
<b>Investments owned</b>		
Financial	94.36	100.61
Total investments	94.36	100.61
Other assets and liabilities	5.64	(0.61)
	100.00	100.00

(h) Fair values of financial instruments:

Investments measured at fair value are classified into one of three fair value hierarchy levels, based on the lowest level input that is significant to the fair value measurement in its entirety. The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

# WAYPOINT PRIVATE CREDIT FUND LP

Notes to Financial Statements (continued)  
(Expressed in U.S. dollars)

June 30, 2024 (Unaudited)

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## 7. Financial instruments (continued):

(h) Fair values of financial instruments (continued):

The three fair value hierarchy levels are as follows:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table summarizes the levels within the fair value hierarchy in which the fair value measurements of the Partnership's investments fall as of June 30, 2024:

	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
U.S. private loans	\$ –	\$ –	\$ 23,312,358	\$ 23,312,358
	\$ –	\$ –	\$ 23,312,358	\$ 23,312,358

There were no transfers between levels during the period ended June 30, 2024.

The changes in investments measured at fair value using significant Level 3 inputs as at June 30, 2024, is reflected below:

	Total
Beginning Balance, January 01, 2024	\$ 28,003,604
Purchases	7,819
Sales	(4,699,065)
Ending Balance, June 30, 2024	\$ 23,312,358

# WAYPOINT PRIVATE CREDIT FUND LP

Notes to Financial Statements (continued)  
(Expressed in U.S. dollars)

June 30, 2024 (Unaudited)

## 7. Financial instruments (continued):

(h) Fair values of financial instruments (continued):

The following table summarizes the levels within the fair value hierarchy in which the fair value measurements of the Partnership's investments fall as of December 31, 2023:

	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
U.S. private loans	\$ –	\$ –	\$ 28,003,604	\$ 28,003,604
	\$ –	\$ –	\$ 28,003,604	\$ 28,003,604

There were no transfers between levels during the year ended December 31, 2023.

The changes in investments measured at fair value using significant Level 3 inputs as at December 31, 2023, is reflected below:

	Total
Beginning Balance, January 01, 2023	\$ 29,981,716
Purchases	9,000,000
Sales	(10,978,112)
Ending Balance, December 31, 2023	\$ 28,003,604

Significant unobservable inputs in measuring fair value:

The table below sets out information about significant unobservable inputs used in measuring financial instruments categorized as Level 3 in the fair value hierarchy:

Description	Fair value at June 30, 2024	Fair value at December 31, 2023	Valuation technique	Unobservable input	Sensitivity to changes in significant unobservable inputs
Private Debt	\$ 23,312,358	\$ 28,003,604	Discount cash flow adjusted by credit spread	Credit spread	The estimated FV of the debt would decrease (increase) if the credit spread increase (decrease)



# WAYPOINT PRIVATE CREDIT FUND LP

Notes to Financial Statements (continued)  
(Expressed in U.S. dollars)

June 30, 2024 (Unaudited)

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## 7. Financial instruments (continued):

### (i) Geopolitical risk

Terrorism, war, military confrontations and related geopolitical events (and their aftermath) can lead to increased short-term market volatility and may have adverse long-term effects on the Canadian, U.S. and world economies and markets generally. Likewise, natural and environmental disasters such as, for example, earthquakes, fires, floods, hurricanes, tsunamis and weather-related phenomena generally, as well as wide-spread disease and virus epidemics, can be highly disruptive to economies and markets into the medium term, adversely affecting individual companies, sectors, industries, markets, currencies, interest and inflation rates, credit ratings, investor sentiment and other factors impacting the value of the Fund's investments.

## 8. Expenses:

The Partnership is responsible for all costs and operating expenses, and the General Partner and the Manager are entitled to reimbursement from the Partnership for all costs and operating expenses actually incurred by them, in connection with the formation and organization of the General Partner and the Partnership.

The Partnership pays all of its operating expenses including, without limitation, expenses relating to Manager's fees, accounting, valuation, audit and legal costs, insurance premiums, custodial fees, administration fees, registrar and transfer agency fees and expenses, bookkeeping and recordkeeping costs, Limited Partner communication expenses, mailing and printing expenses, organizational and set-up expenses, the cost of maintaining the Partnership's existence and regulatory fees and expenses, expenses relating to the Partnership's portfolio investments, interest on borrowings and commitment fees and related expenses payable to lenders and counterparties, brokerage fees, commissions and expenses, banking fees and interest expenses. The Partnership is generally required to pay HST (and other applicable taxes, if any) at the applicable rate on most expenses that it pays.

Expenses attributable to a particular Class of units will be deducted from the net asset value of such class.

The Manager is entitled to reimbursement for any expenses of the Partnership incurred by the Manager but may choose to bear some of the Partnership's expenses from time to time. During the period ended June 30, 2024, the Manager agreed to absorb \$34,214 (2023 - \$47,336) of the Partnership's expenses and the expense reimbursement due from the Manager amounted to \$7,895 (December 31, 2023 - \$21,069).

# WAYPOINT PRIVATE CREDIT FUND LP

Notes to Financial Statements (continued)  
(Expressed in U.S. dollars)

June 30, 2024 (Unaudited)

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## 9. Increase in net assets attributable to holders of redeemable units per unit:

The increase in net assets attributable to holders of redeemable units per unit for the period ended June 30, 2024 and 2023, is calculated as follows:

		<b>Increase in net assets attributable to holders of redeemable units per series</b>	<b>Weighted average of redeemable units outstanding during the period</b>		<b>Increase in net assets attributable to holders of redeemable units per unit</b>
<b>June 30, 2024</b>	\$	1,493,555	2,714,967	\$	0.55
<b>June 30, 2023</b>	\$	1,907,676	3,438,829	\$	0.55

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