

Brochure for Integrated Private Debt Corp. per Part 2 of Form ADV

Item 1: Cover Page

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This brochure provides information about the qualifications and business practices of Integrated Private Debt Corp. If you have any questions about the contents of this brochure, please contact us at 416-360-7667 or info@iamgroup.ca. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Item 2: Material Changes

None.

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Item 4: Advisory Business

Integrated Private Debt Corp. (“IPD”) is Canada’s leading independent manager of investment grade private senior debt for institutional investors. Founded in 1987, IPD (formerly First Treasury) became the private debt investment team of alternative asset investment manager Integrated Asset Management Corp. in 2000. The team of 14 seasoned professionals has a combined 200 years of experience and has made more than \$2 billion in senior private placement loans.

IPD was founded in 1987 by David Elliott and John Robertson along with Coronet Trust (a subsidiary of Crownx) and Guardian Trust. IPD was formed to originate and manage term loans for a syndicate of financial institutions. In 1989, Imperial Life also became a shareholder. In 1993, IPD acquired the shares of the institutional investors and in 2000 control of IPD was sold to Integrated Asset Management, (“IAM”), a Canadian alternative asset management company with approximately \$1.9 billion in assets and committed capital under management and over 50 employees. Control of IAM rests with the management of IAM, including the senior officers of IPD.

IPD’s primary purpose is to act as the General Partner to the Partnership and each of Integrated Private Debt Funds LP. In November 2004, IPD closed the Integrated Private Debt Fund LP with total commitments of \$600,000,000. In March 2008, IPD closed the Integrated Private Debt Fund II LP with commitments of \$425,000,000. In October 2010, IPD closed the Integrated Private Debt Fund III LP with commitments of \$275,000,000. In October 7, 2013, IPD closed the Integrated Private Debt Fund IV LP (“Fund IV”), with commitments of \$387,000,000.

Item 5: Fees and Compensation

For Fund IV, IPD typically receives an annual management fee of 0.50%, calculated and paid monthly based on the book value of its outstanding loans. This is up from an annual management fee of 0.35% for Funds I-III.

For Fund IV, IPD also charges the borrowers Underwriting/Application/Commitment Fees which do not exceed 1% of the principal amount of an investment (on a loan by loan basis).

On occasion, restructuring fees will be charged and shall be paid by the borrowers for restructuring loans.

Item 6: Performance-Based Fees and Side-By-Side-Management

Not applicable

Item 7: Types of Clients

All of IPD's clients consist of Canadian institutions such as pensions and endowments, insurance companies and banks.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

The private placement debt market provides a source of financing for mid-sized public and private business and projects in Canada. It is an important alternative to bank financings, which are most often floating rate demand loans with short or medium terms to maturity, and the public bond market, which is generally only available to large borrowers.

The following chart explains the primary debt markets in Canada, and the differing attributes for transactions for each of those debt markets.

Comparison of Debt Markets			
	Bank Loans	Private Placements	Public Bonds
Average Size	Small	Medium	Large
Term to Maturity	Short	Medium/Long	Medium/Long
Interest Rate	Floating	Fixed	Fixed
Covenants	Many/Tight	Many	Few/Loose
Collateral	Usually	Usually	Rarely
Liquidity	Low	Low	High

Borrowers in the private placement debt market are typically established businesses that are smaller than issuers in the public bond market and larger than businesses that obtain financing only from banks. These are companies who have sufficient assets, and a financially successful track record, such that they do not need to look to the asset based lending and similar finance providers, which are generally more expensive than the private debt market. The private placement debt market often involves private and public companies, and projects, that have unique, and occasionally complex financing needs, requiring a custom designed loan which can be better accommodated by the private placement debt market.

Loan amounts in the Canadian private debt market normally range in size from \$5 million to \$100 million and are used for such purposes as:

- Refinancing of bank debt and term loans
- Capital spending and plant expansion

- Acquisitions financing
- Management buyouts

The key components to success in the private placement debt market are a more direct interface between the lenders and the borrowers, and the ability to source, credit assess, monitor and manage a loan on a more direct basis. The private placement debt market generally consists of transactions where the lender and the borrower maintain a direct relationship throughout the term of the loan, eliminating the many layers of intermediaries in the public debt market. As a result, it is necessary, in the view of management, to invest through an investment manager who has the experience, organizational structure and active management capabilities to manage the loan from its inception until its repayment. Generally the attributes of a successful manager of private placement investments include:

- A strong and proven credit culture
- A clearly defined management succession plan
- A pro-active process for direct origination of investment opportunities
- Skill and expertise in fundamental credit analysis
- Skill and expertise in negotiating loan terms
- Skill and expertise in negotiating enforceable loan documentation
- A systematic process for monitoring investment exposures
- Comprehensive and disciplined investment administration
- Expertise in dealing with, and resolving, problem investments

Interest rates are generally higher in the private placement debt market compared to the public market for borrowers of the same credit quality. The primary contributors to the higher rates are that private placement debt is illiquid and that borrowers in the private market are willing to pay a higher interest rate to obtain custom designed loans with minimal or no public disclosure of information about their businesses. Offsetting the higher interest rates for borrowers are lower transaction costs and the convenience of avoiding layers of intermediaries and instead dealing directly with the lender.

Covenants are often more restrictive, and more extensive, in the private debt market than in the public market. The covenants are, however, designed to permit the borrower to carry on its business without interference by the lender while providing protection for investors by limiting the borrower's ability to engage in activities which may lead to deterioration of financial status or asset quality. The covenants provide investors with a mechanism for early intervention if credit deterioration occurs. IPD's experience indicates that using a strong covenant package identifies deterioration earlier in a default situation and combining that with active investment management, results in higher capital recovery rates, and lower loss ratios, than is frequently the case in other debt market sectors. This has particularly been the experience of management in the managing of similar funds to the Fund, and the objective is to continue to design effective covenant packages, and to combine that with active hands on investment management.

In order to achieve its investment objectives, the investment strategy of the Fund is to invest in internally rated investment grade instruments of Canadian issuers with the following credit quality characteristics:

- an established product or service;
- clear prospects for continued financial success;
- a reliable and predictable source of cashflow to consistently service the debt; and
- a proven and reputable management team.

Each investment by IPD will not exceed 7.5% of the committed capital of any current IPD fund. Investments will range in size from \$5,000,000 to 7.5% of the committed capital of any current IPD fund.

The debt securities will be investment grade based on internal ratings developed and assessed by IPD. These internal ratings are those developed by IPD, in the course of the management of private debt obligations over a period of several years. These internally developed criteria will be consistently applied to the investments made available to the IPD funds. IPD believes that these internal ratings criteria are comparable to the rating criteria routinely used by financial institution investors in their assessments of non-rated instruments. IPD's funds will generally not have received an independent, third party, public rating. IPD does not intend to invest in debt securities unless it determines that such securities are investment grade based on its internally developed criteria. Each loan agreement will generally contain covenants relating to credit quality including, but not limited to:

- minimum debt service ratio;
- maximum amount of debt leverage;
- limitations on asset distributions; and
- preservation of priority position in the event of liquidation.

Principal risk factors of IPD are as follows:

Possible Loss of Limited Liability - Limited Partners in the IPD funds may lose their limited liability in certain circumstances. Limited Partners may lose the protection of limited liability as a result of taking part in the control or management of the business of an IPD Fund. Limited Partners considering any act or activity in relation to the Fund except as expressly permitted in the Partnership Agreement should consult with their own legal advisors as to the consequences on limited liability status before engaging in such act or activity.

Competition for Investments - Other funds and investors, both Canadian and foreign, may be active in pursuing investment opportunities in the same companies as IPD. Competition from these investors may reduce the number of investment opportunities available to IPD's Funds.

Reliance on the Manager and Others - Limited Partners in the IPD Funds will necessarily be relying upon the business judgment and expertise of IPD to source, evaluate and make investments and decisions respecting Fund investments.

No Public Ratings - The IPD Funds will make investments in debt securities which have not been rated by a public rating agency. While IPD will rate the investments internally based upon similar criteria as those used by public rating agencies, there can be no assurance that such internal ratings would accurately reflect the ratings made by public rating agencies.

Risk of Default - There can be no assurance that borrowers will not default on loan payments required to be made to the IPD Funds. There can be a number of factors which affect the ability of a borrower to satisfy its payment obligations, including general economic conditions.

Security - As part of the investment strategy of the IPD Funds, the funds will obtain security on its investments in the form of security interests in the assets of the borrower. There can be no assurance that the realization value of such assets will be sufficient to secure the IPD's investment in the event of a default by the borrower.

Rate of Return - The results of operations of the IPD Funds may, for the foregoing and other reasons, differ materially from those results anticipated. Such differences may adversely affect the return on the IPD Funds.

Liquidity of Fund Investments – IPD's investments will typically consist of privately placed securities. There can be no assurance that such investments can be liquidated on or before dissolution of the Fund at prices which fairly reflect the value of such investments.

Lack of Marketability for Units - There is no public market for the Units of the IPD Funds nor is any expected to develop. Resale of the Units is restricted by applicable securities legislation.

Item 9: Disciplinary Information

There have not been any, and currently are no material civil, administrative or criminal actions, pending, concluded or on appeal against IPD or its principals.

Item 10: Other Financial Industry Activities and Affiliations

IPD is a subsidiary of Integrated Asset Management Corp. ("IAM"), a Canadian alternative asset management company with approximately \$1.9 billion in assets and committed capital under management and over 50 employees. One of IPD's Principals – John Robertson – is also the president and CEO of IAM. His time is divided between IAM and IPD on an as-needed basis.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Integrated Asset Management Corp. and all its subsidiary companies (including IPD) have also adopted the Code of Ethics and Standards of Professional Conduct established by the CFA Institute. All IAM employees, including all employees of the subsidiaries (including IPD) must sign off annually on the Code. As part of the Code, all employees, officers and directors any of the IAM companies have a fiduciary duty to clients to act honestly, in good faith and in their best interest, and to exercise the degree of care, skill and diligence that a prudent manager would exercise. This standard of care extends to the services provided by all employees, officers and directors of the all of IAM companies in each and every facet of their business operations. Copies of the IAM Code of Ethics can be supplied to any client upon request.

Furthermore, the IPD Offering Memoranda and other relevant investment documents provide that all investment opportunities introduced to IPD and that conform to the investment criteria of the relevant IPD fund will first be offered to said fund. In the event the IPD Investment Committee rejects an investment opportunity, IPD may then consider the investment opportunity for alternative investors.

Item 12: Brokerage Practices

Not applicable.

Item 13: Review of Accounts

Each investment of each of the IPD funds is reviewed quarterly. The quarterly analysis of the individual loans made by the IPD funds will include a review of the financial performance of the borrower, adherence to the loan terms and conditions and commentary on the borrower's continuing payment ability. Annual and first quarter reviews may be combined as statements are generally received simultaneously.

Item 14: Client Referrals and Other Compensation

IPD has from time to time paid third-parties a finder's fee equal to a percentage of the commitment fee paid by the borrower on the transaction brought to it by that third-party.

Item 15: Custody

Not applicable.

Item 16: Investment Discretion

Not applicable.

Item 17: Voting Client Securities

Not applicable.

Item 18: Financial Information

Please see the attached balance sheet at Appendix A” to this brochure.

Item 19: Requirements for State-Registered Advisers

Not applicable.

Appendix "A"

Balance Sheet of Integrated Private Debt for the period ended September 30, 2014

Integrated Private Debt Corp.

Non-Consolidated Balance Sheet (unaudited)

	30-Sep-14
Assets	
Cash	1,121,279
Accounts receivable	70,040
Prepaid expenses	20,616
Tax installments	200,000
Due from related parties	-
	<hr/> 1,411,935
Capital assets	77,345
Investment in First Treasury Management Inc.	215,129
	<hr/> 1,704,409
Liabilities	
Employee bonus payable	274,999
Accounts payable and accruals	52,357
GST payable	77,527
Corporate tax payable (receivable)	59,034
Future income tax liability	7,022
Due to related parties	21,621
	<hr/> 492,560
Shareholders equity	
Share capital	250,500
Retained earnings	961,349
	<hr/> 1,211,849
	1,704,409