

## Fund Overview

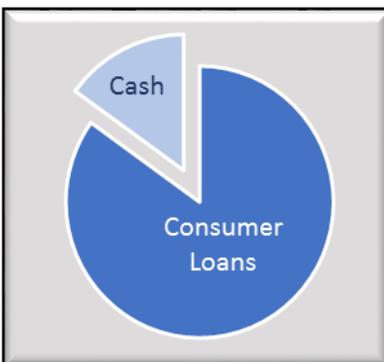
KiWi Private Credit Fund invests in prime unsecured consumer and small business loans originated and serviced by leading marketplace lending platforms. It aims to generate regular monthly distributions to investors of 6-8% per annum. The fund launched in June 2017 and is managed by Kilgour Williams Capital. As most of its assets are in the US, the fund is denominated in US Dollars.

### Team



Dan Williams, Colin Kilgour  
Portfolio Managers

### Asset Mix



### Commentary

**Background:** Marketplace loans fill a market need not fully addressed by traditional lenders. Consumers and small businesses can access loans at lower rates than credit cards or other alternatives, and investors can invest directly in loans. Loans are priced based on risk with interest rates between 6% and 30%.

KiWi Private Credit Fund commenced operations in June 2017 and began to invest in prime consumer loans originated by the two leading US-based marketplace lending platforms.

**Fund Performance:** In June and July, as it ramped up the portfolio, the fund had excess cash and certain start up expenses were realized. This resulted in a small and expected decrease in NAV. As cash continued to be deployed, the fund began generating income in August and began paying distributions in September 2017.

Average interest rates on the loans in the portfolio are 17%. As the portfolio matures we expect the fund to incur credit losses on an ongoing basis which will result in net returns being lower than the interest rate on the underlying portfolio assets.

**Fund Valuation:** As required by accounting standards, fund assets are valued monthly at fair market value which incorporates a provision for future loan losses. This approach tends to moderate fluctuations in net asset value and also ensures that future investors purchase units at fair value.

### General Information

Inception Date	June 19, 2017
Fund Assets	US\$25 million
Minimum Investment	US\$100,000
Registered Plans	No
Sold by	Offering Memo
Closing	Monthly
Liquidity	Monthly, after a 12 month hold period
Administrator	Opus Fund Services
Custodian	Millennium Trust
Auditor	KPMG

### Portfolio Statistics

Average Loan	US\$11,404
Average Interest Rate	17.13%
Weighted Average Credit Score	688
Portion of Loans Current	98.8%
Portion of Loans Late	1.2%
Portion of Loans in Default	0.00%
Portion of Portfolio in Cash	15%
Portion in Consumer Loans	85%
Portion in Small Business Loans	0%

### Fund Performance

Monthly (per unit)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Net Asset Value	n/a	n/a	n/a	n/a	n/a	10.00	9.97	10.03	10.00				
Distributions	n/a	n/a	n/a	n/a	n/a	-	-	-	0.03				0.03

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