

## 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

#### Fund Performance:

We continued to ramp up our small business volume in December and almost all cash was productively deployed by the end of the month. With 96% of fund assets invested in loan assets, returns for the month are now approaching our target run rate yield of 6-8% annualized. Going forward we will attempt to minimize cash drag and keep the fund fully invested.

The addition of small business is expected to add both yield enhancement and diversity to the portfolio. Over time, the fund is targeting approximately 20% of the portfolio to be allocated to in small business loans.

We saw a slight increase in delinquency at year end which can primarily be attributed to the holiday season. Through the first two weeks of January delinquency has declined. Actual defaults continue to be minimal.

#### Outlook:

Overall, credit conditions remain strong in the US. Unemployment is low at 4.2% and GDP growth is 3%. US consumer debt burdens remain below those in Canada.

We expect to see US interest rate increases in 2018. This is expected to increase the rates on new loan originations which will benefit the fund. We would expect little effect on existing loans as they are all fixed rate amortizing loans.

### General Information

|                    |                                       |
|--------------------|---------------------------------------|
| Inception Date     | June 19, 2017                         |
| Fund Assets        | US\$25 million                        |
| Minimum Investment | US\$150,000                           |
| 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\$12,026 |
| Average Interest Rate         | 15.75%     |
| Weighted Average Credit Score | 690        |
| Portion of Loans Current      | 97.0%      |
| Portion of Loans Late         | 3.0%       |
| Portion of Loans in Default   | 0.0%       |
| Consumer Loans                | 90%        |
| Small Business Loans          | 6%         |
| Cash                          | 4%         |

### 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 | 10.00 | 10.00 | 10.00 |         |
| Distributions      | n/a | n/a | n/a | n/a | n/a | -     | -    | -     | 0.03  | 0.03  | 0.01  | 0.04  | \$ 0.11 |

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