

## Fund Overview

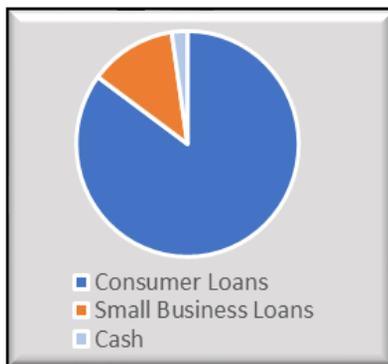
KiWi Private Credit Fund invests in prime unsecured consumer and small business loans originated and serviced by leading marketplace lending platforms. It aims to generate regular monthly distributions to investors of 6-8% per annum. The fund launched in June 2017 and is managed by Kilgour Williams Capital.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

In February we continued to increase the allocation to Small Business loans and expect to continue to do this until we reach the fund's near term target allocation to small business of at least 20%.

Portfolio assets continue to perform in line with expectations. That said, two factors contributed to a reduced distribution for the month. Most significantly with the month being only 28 days, interest income is reduced by ~10% while fund expenses remain constant.

Also, an anticipated seasonal uptick in delinquencies that occurred during the recent holiday season continues to age through various stages of delinquency. As these assets age, additional loan loss provisions are taken. It is noteworthy though that overall delinquencies declined marginally in February.

#### Outlook:

With interest rate hikes imminent in the US, we may see increased volatility and a potential correction in equity and fixed income markets in the coming months. However, as the fund's portfolio is exclusively short duration private loans, we do not expect similar price volatility.

As rates rise, we expect to reinvest principal receipts in new loans priced at the new prevailing rates. Inasmuch as the portfolio duration is just over 12 months the fund is well-positioned to capitalize on these rate increases when they occur.

### 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\$12,691
Average Interest Rate	17.28%
Weighted Average Credit Score	690
Portion of Loans Current	96.0%
Portion of Loans Late	3.8%
Portion of Loans in Default	0.2%
Consumer Loans	85%
Small Business Loans	13%
Cash	2%

### Fund Performance (Class I units)

Distribution (%)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2017	n/a	n/a	n/a	n/a	n/a	-	-	-	0.3%	0.3%	0.1%	0.4%
2018	0.7%	0.2%										

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