

Fund Overview

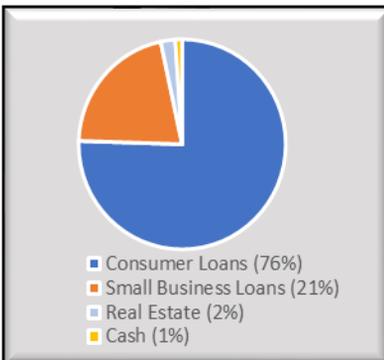
KiWi Private Credit Fund invests in prime unsecured consumer and small business loans originated and serviced by leading marketplace lending platforms. It aims to generate regular monthly distributions to investors of 6-8% per annum. The fund launched in June 2017 and is managed by Kilgour Williams Capital.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

Distributions for May were 0.4% for the month, or 5.1% annualized (5.9% for the trailing 3 months) as loan loss provisions were increased as a result of a slight increase in delinquency.

In May the fund added real estate secured lending as an asset class and will continue to allocate to that asset class until a target allocation is achieved. These are short term first lien mortgage loans that tend to have low double digit yields and very low loss rates.

Outlook: With the Fed rate hike in June, we have seen at least one of our lenders increase interest rates on new loans. We expect others to follow suit and this will ultimately increase the overall yield of the portfolio as we reinvest principal receipts in new, higher priced loans.

The US economy remains strong with very low unemployment. While we expect to add Canadian assets in the near term, we remain comfortable with US assets and US currency exposure in the fund.

General Information

Inception Date	June 19, 2017
Fund Assets	US\$27 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\$11,870
Average Interest Rate	17.58%
Weighted Average Credit Score	694
Current Loans	95.4%
Late Loans	4.6%
Portfolio Duration	13.75 months

Cumulative Loan Loss Charge - Pro-Forma vs Actual



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%	0.4%	0.6%	0.4%							

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