

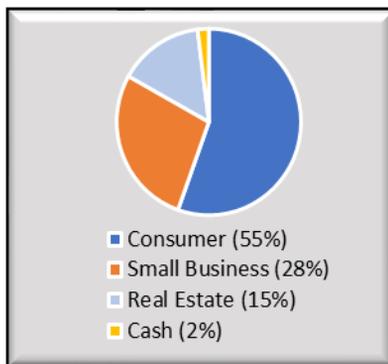
## Fund Overview

KiWi Private Credit Fund invests in prime unsecured consumer, small business, and real estate 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.

## General Information

|                           |   |
|---------------------------|---|
| <b>Portfolio Manager</b>  | Kilgour Williams Capital<br>- Dan Williams<br>- Colin Kilgour |
| <b>Inception Date</b>     | June 19, 2017   |
| <b>Fund Assets</b>        | US\$37 million  |
| <b>Minimum Investment</b> | US\$150,000   |
| <b>Registered Plans</b>   | No  |
| <b>Sold by</b>            | Offering Memo   |
| <b>Closing</b>            | Monthly   |
| <b>Liquidity</b>          | Monthly, after 12 month hold                                  |
| <b>Administrator</b>      | Opus  |
| <b>Custodian</b>          | Millennium Trust  |
| <b>Auditor</b>            | KPMG  |
| <b>Fundserv Codes</b>     | KIL101 (Class A)<br>KIL103 (Class F)<br>KIL105 (Class I)      |

## Asset Mix



## Commentary

### Fund Performance:

Distributions for September were 0.44%, slightly lower than August. While the fund continues to move gradually into higher yielding small business and real estate loans, there were only 19 business days in September, which led to lower payments to the fund. Fewer business days in the period resulted in reduced revenue, especially from SME borrowers. Comparatively, October has 23 business days.

Fund duration is now less than 12 months. This reflects the relatively shorter term of SME and Real Estate loans as well as the maturation of the consumer portfolio.

### Outlook:

Equity and bond markets have both declined recently with the TSX down 2.2% over 1 year and corporate bond returns have been flat. Private credit remains stable and we remain optimistic about overall credit conditions in the US. GDP growth and employment remain strong, while inflation remains fairly modest. September's Fed rate hike will be reflected in new loan originations and the fund will benefit from it.

## Portfolio Statistics

|                                      |             |
|--------------------------------------|-------------|
| <b>Average Loan</b>                  | US\$14,078  |
| <b>Number of Loans in Portfolio</b>  | 2,599       |
| <b>Weighted Average Credit Score</b> | 698         |
| <b>Current Loans</b>                 | 95.7%       |
| <b>Late Loans</b>                    | 4.3%        |
| <b>Portfolio Duration</b>            | 11.7 months |

## Comparative 1 year Performance of \$100 Investment (KiWi vs Equities and Corporate Bonds)



## 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% | 0.5% | 0.5% | 0.5% | 0.4% |      |      |      |

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