



# KiWi Alternative Income Fund (Feeder)

May 2025

# Kilgour Williams Capital

The firm was founded in 2007 as a credit advisory firm, advising Canadian investors burdened with restructured asset-backed commercial paper on risk assessment, valuation, and liquidity access. The firm advised on more than \$2 billion of these structured notes before pivoting to asset management in 2017.



**Colin Kilgour**

*Principal*

- Colin previously founded a company that provided accounts receivable financing to North American companies. After factoring more than \$300M of receivables, the company was sold to Coventree Capital prior to the global financial crisis
- Early in his career, Colin spent 10 years as a management consultant for financial institutions in Canada, the US, the UK, and Europe



**Daniel Williams**

*Principal*

- Former Chief Investment Officer of Dundee Bank, where he managed a portfolio of long-term investments in middle market loans and sat on the bank's Investment Committee and Asset/Liability Committee
- Daniel is also the former Head of Credit Portfolio Management for National Bank of Canada with oversight on \$4 billion of corporate loans
- He began his career in strategy consulting with Oliver, Wyman & Co and other consulting firms

# Executive summary

**KiWi Alternative Income Fund provides attractive monthly income with minimal volatility driven by small business credit facilities**

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## **Small business credit is an excellent investment**

- KiWi Alternative Income Fund (the “Fund”) invests in small business credit
  - Small businesses are the backbone of the economy, representing 62% of new jobs and 44% of GDP<sup>(1)</sup>
  - The advent of fintech has made small business credit an investable asset class
  - Small business financing provides high, risk-adjusted returns through an inherently diversified pool
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## **Biz2Credit is a leading fintech platform for small business**

- The small business financings in the Fund’s portfolio are originated, underwritten and serviced by Biz2Credit
  - Since 2007, Biz2Credit has provided \$8 billion of direct funding to more than 200,000 small businesses across the US
  - During the pandemic, the company was one of the largest originators of PPP loans by volume
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## **Kilgour Williams Capital is an expert in credit risk management**

- Kilgour Williams Capital (“KWC”) manages KiWi Alternative Income Fund
  - Principals at KWC have decades of credit risk management experience
  - Since 2017, KWC has managed two private credit funds
  - From 2007 to 2017, KWC provided investment management services to holders of structured credit investments with total mandates in excess of \$2 billion
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# Why are traditional banks ill-equipped to lend to small businesses?



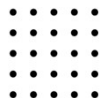
**Non-traditional collateral.** Small businesses generally lack bankable collateral such as real estate, fixed assets (equipment and vehicles) or working capital assets like receivables.



**High capital costs.** Regulatory capital requirements for risk-weighted assets (Basel III).



**High operational costs.** Requires large teams to originate and service small loans.



**Deals are too small.** Underwriting a \$100K loan requires the same efforts as a \$1M loan.

# How Kilgour Williams invests in small business credit

- Kilgour Williams works with multiple fintech platforms, including its main partner Biz2Credit, that originate and underwrite small business credit
- Kilgour Williams provides fintech platforms with specific criteria, such as maximum term, minimum credit score, and maximum size. While the financings presented by Biz2Credit are already underwritten, Kilgour Williams uses proprietary models and the expertise of the investment team to make specific investment decisions
- Kilgour Williams manages portfolio-level risk by optimizing diversification to create a massively diversified portfolio with the potential for strong returns. If the risk/return profile of a financing is considered compelling on a standalone basis, Kilgour Williams then considers the impact it would have on the overall portfolio construction before deciding to include it in the portfolio
- Servicing, from ACH collections to enforcement, is administered by Biz2Credit



# Biz2Credit is a market leader in small business financing

- Biz2Credit helps entrepreneurs to get credit financing with a quick approval process
- Proprietary platform matches small businesses to the best sources of capital for their needs based on each company's unique profile. Completed in just a few minutes, the whole process is secure, efficient, and prices are transparent
- Since 2007, Biz2Credit has provided \$8 billion of direct funding to more than 200,000 small businesses across the US
- During the pandemic, Biz2Credit was one of the largest originators of Payroll Protection Program loans by dollar volume and the number of loans<sup>(1)</sup>



**NYC**  
Headquarters,  
tech based in  
India



**450**  
Team members,  
250+ engineers  
and data  
scientists



**\$8Bn**  
Total  
originations  
to date



**Awarded**  
Financial Times  
Inc 5000  
Deloitte Fast  
500



# Kilgour Williams Capital's credit box

## Typical borrower



Annual revenue: \$1-\$10M



Operating history: 3+ years



Based in all 50 states



Examples: grocery store, liquor store, auto repair shop, dental office, etc.



Operates from rented premise



Has non-traditional collateral



Mostly cash business

## Typical loan

- Average interest rate: 15-25%
- Size: \$25,000 - \$500,000
- Term: 6-24 months (fully amortizing, mostly daily/weekly pay)
- Use of proceeds:
  - Building a car wash for a gas station
  - Dental office buying another practice
  - Funding A/R for IT/software developers

## Security package

- General security over the business under UCC filing (typically first position)
- Performance guarantees from owners (all with prime credit ratings)

# Fintech enables rigorous & efficient due diligence of loans

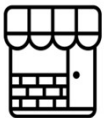
- Biz2Credit, the Fund's main partner for business credit, conducts rigorous underwriting of loans before offering them to Kilgour Williams for review. Applicant-submitted documents are verified independently and often from multiple sources, including:



**Bank statements.** Verified by electronically connecting to bank accounts via open banking protocol services such as Yodlee or DecisionLogic. KWC has statements digitized using optical character recognition software to detect alterations and to flag transactions such as personal expenditures, luxury goods purchases, gambling, crypto, etc.



**Tax returns.** PDFs of accountant-prepared filings, verified by electronically accessing IRS transcripts. B2C runs a TaxGuard report on the business, which provides a rating of the timeliness of their tax filings and payments.



**Site visit.** Conducted by B2C via local agencies, includes taking photos of the premises, inventory, business licenses, and payment processing machines.



**Credit bureau reports.** Obtained for both the business and all equity owners. Includes legal name, address, and date of birth for verification.



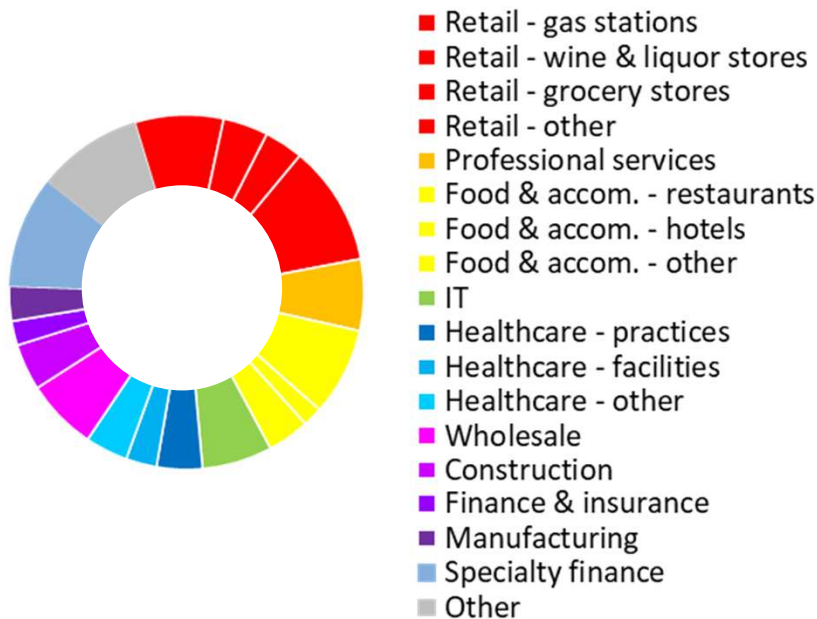
**Government-issued photo IDs.** Provided and verified by a notary at the time of signing loan documents.



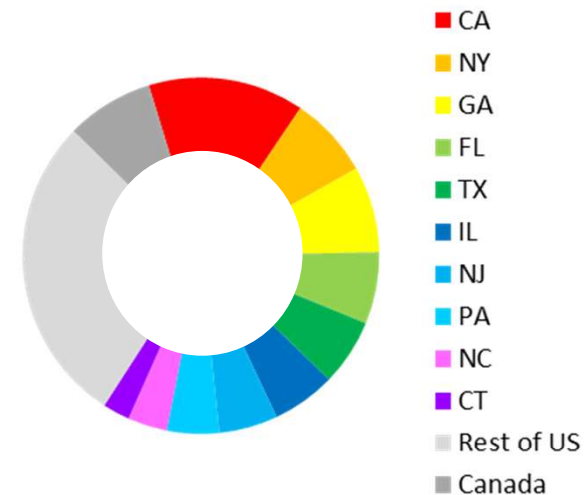
# Portfolio diversification

- The portfolio currently has 800+ loans. Single loan concentration is limited to 2% of the portfolio. Single state concentration is limited to 20% of the portfolio
- The portfolio is currently focused on counter-cyclical or cycle-neutral sectors, such as gas stations, liquor stores, auto repair shops, and professional services such as finance, insurance, and IT
- Companies that are active in tariff-sensitive sectors (automotive, steel, industrial, etc.) are generally not small businesses and therefore not represented by the loans in our portfolio.
- We are actively avoiding sectors and businesses with cross-border supply chains (e.g. importers of Chinese manufactured products) and those with exposure to inflated input cost (e.g. transportation and construction/contracting)

Diversification by Sector

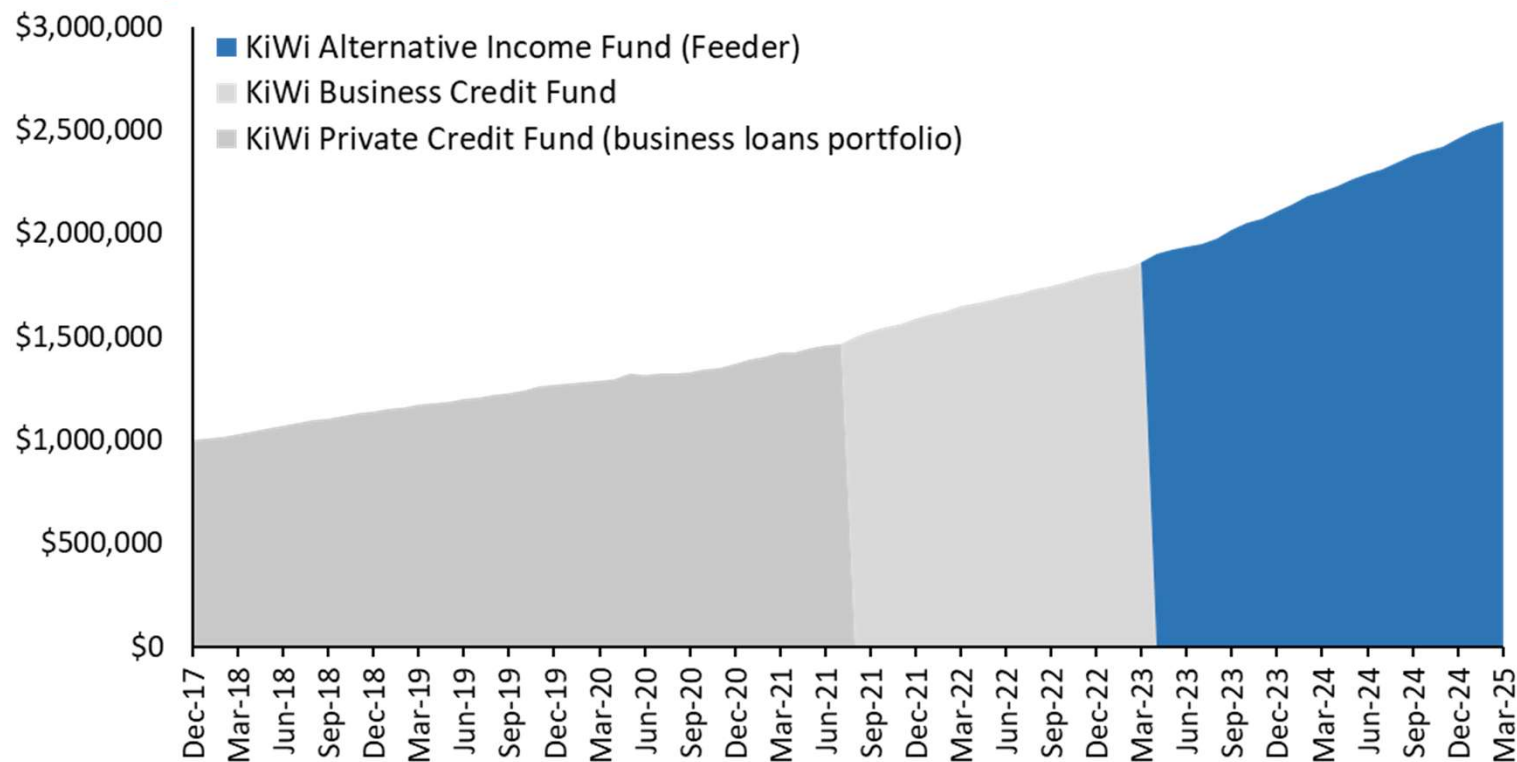


Diversification by State



# Historical performance of small business loans portfolio

Value of \$1M<sup>(1)</sup>



(1) In December 2017, Kilgour Williams Capital began investing in small business loans as part of its flagship KiWi Private Credit Fund. In August 2021, these loans were moved into a standalone vehicle to launch KiWi Business Credit Fund. In April 2023, KiWi Alternative Income Fund (Feeder) was launched as a US-domiciled offering of the small business credit strategy. Track record reflects performance of: (i) small business loans of the flagship fund (Class I) from December 2017 to July 2021; (ii) KiWi Business Credit Fund (Class I) from August 2021 to March 2023; and (iii) KiWi Alternative Income Fund (Class F) from April 2023 to present). Performance net of management fees and all other expenses, realized losses and loan loss provisions and assumes reinvestment of distributions.

# Monthly returns

## KiWi Alternative Income Fund<sup>(1)(2)</sup>

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
<b>2025</b>	1.38%	1.22%	0.72%										<b>3.4%</b>
<b>2024</b>	1.63%	1.81%	0.81%	1.49%	1.32%	1.34%	0.98%	1.36%	1.50%	0.92%	0.82%	1.53%	<b>16.7%</b>
<b>2023</b>	n/a	n/a	n/a	2.12%	1.23%	0.78%	0.71%	1.32%	1.90%	1.66%	1.22%	1.65%	<b>13.3%</b> <sup>(4)</sup>

**1-yr return: 15.6% (net)    Since inception: 16.9% (net)**

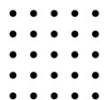
## Historical portfolio performance<sup>(1)(3)</sup>

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Full Year
<b>2023</b>	1.04%	0.70%	1.39%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	<b>3.2%</b> <sup>(4)</sup>
<b>2022</b>	1.37%	1.15%	1.37%	0.96%	0.84%	1.02%	1.13%	1.02%	0.66%	1.33%	0.94%	1.15%	<b>13.6%</b>
<b>2021</b>	1.50%	0.88%	1.13%	0.29%	1.42%	0.83%	0.85%	2.30%	1.60%	1.56%	0.89%	1.46%	<b>15.6%</b>
<b>2020</b>	0.84%	0.29%	0.88%	0.51%	1.72%	-0.13%	0.24%	-0.11%	0.71%	1.10%	0.67%	1.47%	<b>8.5%</b>
<b>2019</b>	1.08%	0.76%	0.85%	0.88%	0.68%	0.85%	0.77%	0.94%	0.84%	0.80%	1.57%	0.50%	<b>11.0%</b>
<b>2018</b>	0.73%	1.01%	1.39%	1.24%	1.13%	1.18%	1.15%	1.22%	0.90%	1.25%	1.08%	0.83%	<b>13.9%</b>

(1) Performance net of management fees and all other expenses, realized losses and loan loss provisions and assumes reinvestment of distributions. (2) In December 2017, Kilgour Williams Capital began investing in small business loans as part of its flagship KiWi Private Credit Fund. In August 2021, these loans were moved into a standalone vehicle to launch KiWi Business Credit Fund. In April 2023, KiWi Alternative Income Fund (Master) was launched as a US-domiciled offering of the small business credit strategy. (3) Historical portfolio performance reflects performance of: (i) small business loans of the flagship fund (Class I) from December 2017 to July 2021; and (ii) KiWi Business Credit Fund (Class I) from August 2021 to March 2023. (4) Partial year.

# Small business credit strategy highlights

Since 2017, Kilgour Williams Capital's small business loans portfolio has generated **14% (net) annualized**<sup>(1)</sup>



**Massive diversification.** No single loan can represent more than 2% of the portfolio.



**Short duration.** Amortizing loans with terms of 6-24 months (portfolio duration of 16 months).



**Tactical sector allocation.** Currently invested in a range of counter-cyclical / cycle-neutral sectors, ex. gas stations, takeout restaurants, auto repair shops, dental offices.



**Flexible terms.** Fund is open monthly for new subscriptions (no minimum hold) and redemptions (no penalty).



**Independent valuation.** Monthly mark-to-market of each loan by independent firm. Delinquency is recognized as it occurs, with markdowns beginning after first day of delinquency.

(1) In December 2017, Kilgour Williams Capital began investing in small business loans as part of its flagship KiWi Private Credit Fund. In August 2021, these loans were moved into a standalone vehicle to launch KiWi Business Credit Fund. In April 2023, KiWi Alternative Income Fund (Feeder) was launched as a US-domiciled offering of the small business credit strategy. Track record reflects performance of: (i) small business loans of the flagship fund (Class I) from December 2017 to July 2021; (ii) KiWi Business Credit Fund (Class I) from August 2021 to March 2023; and (iii) KiWi Alternative Income Fund (Class F) from April 2023 to present). Performance net of management fees and all other expenses, realized losses and loan loss provisions and assumes reinvestment of distributions.

# APPENDIX

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## Biographies

# Colin Kilgour



## Colin Kilgour

Principal

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ck@kilgourwilliams.com

### Education

- B.Sc. in Computer Science, University of Manitoba
- MBA, Ivey Business School

*Colin Kilgour has been a leader in the Canadian credit market for over 20 years.*

### Overview

- Founded Kilgour Williams Group (KWG) in 2007 and, together with Daniel Williams, developed Canada's leading structured credit advisory firm with a particular reputation for advising investors holding restructured Asset Backed Commercial Paper.
- Since 2007, KWG has advised on over \$2 billion of structured notes – roughly 20% of the Canadian market – providing education, risk assessment, litigation support, valuation, and asset management.
- Colin is a nationally recognized expert in structured credit. He speaks regularly on the securitization and ABCP markets and is frequently sought out by the financial print and broadcast media

### Other professional experience

- Prior to KWG, Colin co-founded Efficient Capital Corporation (ECC) in 2001, which provided securitization-based accounts receivable financing to corporations and funded that credit through a commercial paper conduit which ECC administered
- As co-founder and CEO, Colin led ECC's origination efforts: pitching clients; conducting due diligence; structuring deals; and closing transactions
- ECC was sold in 2006 and the ECC conduit was one of the very few non-bank ABCP issuers that was not affected by the market disruption in 2007
- After selling ECC, Colin partnered with Connor, Clark & Lunn to establish a structured credit based ABCP conduit; this conduit was ready to launch in the summer of 2007 – with an S&P rating and 'global style liquidity' – but was not initiated due to the market disruption in August 2007. The result was that Colin was perhaps the only truly independent and untarnished expert available to provide advice to the affected investors during the Montreal Accord Restructuring process
- Prior to 2001, Colin worked for 10 years as a management consultant principally serving global financial institutions in Canada, the US, and the UK

# Daniel Williams



## Daniel Williams

Principal

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### Education

- Bachelor of Commerce, Queen's University

*Daniel Williams has 20 years of leadership experience in Canadian corporate credit*

### Overview

- Daniel joined KWG as a partner in May 2009, providing structured credit advisory and management to the firm's clients
- Experience and expertise in fundamental credit analysis, portfolio credit risk management, and structured credit investing

### Other professional experience

- Prior to joining KWG, Daniel was the Chief Investment Officer of Dundee Bank of Canada
  - He managed a portfolio of structured credit investments, specifically slices of portfolios of middle market loans
  - Daniel served on the bank's Investment Committee and Asset/Liability Committee
  - Dundee Bank was newly formed and began operation in 2006 and grew in one year to \$2.5 Billion of assets prior to being sold to ScotiaBank
- From 2001 to 2006, he was the Head of Credit Portfolio Management for National Bank of Canada
  - He managed the bank's \$4 billion portfolio of corporate loans and was responsible for maximizing the risk-adjusted return on the portfolio
  - Daniel established the bank's centralized Credit Portfolio Management function and sat on the Deals Committee, which reviewed and adjudicated every corporate loan. New measurements of bank-wide loan value were introduced that enabled efficient capital allocation decisions. Advanced portfolio-level risk models were implemented to identify industry and geographic risks, which were then hedged using an overlay of credit default swaps
  - During this time, National Bank went from a laggard to an industry leader in terms of the quality of information and analytics applied to managing its corporate loan portfolio
- Prior to 2001, Daniel worked for 8 years as a management consultant for Oliver Wyman & Co. and other firms, principally advising global financial institutions in Canada, the US, and the United Kingdom



# Sarah Cheng



## Sarah Cheng

Head of IR

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### Education

- MBA, Columbia Business School
- Honours Business Administration, Ivey Business School

*Sarah Cheng has 13 years of investor relations and capital markets experience*

### Overview

- Sarah joined KWC as Head of Investor Relations & Business Development in May 2022
- Experience in investor relations covering a range of private markets funds, including real estate private equity, middle market buyout, PE secondaries, and long/short equity hedge fund

### Other professional experience

- Sarah is a passionate storyteller who has honed her ability to educate the investor community on various investment strategies since graduating from Columbia Business School in 2014
- The investor relations chapter of her career began at Apollo Global Management in New York where she collaborated with the global sales team to raise Apollo US Real Estate Fund II LP (USD \$750M)
- Later on, Sarah headed west to Marlin Equity Partners in Los Angeles where she helped to concurrently raise Marlin Equity V LP (USD \$2.5Bn) and Marlin Heritage II LP (US \$750M), two middle market buyout funds with a focus on tech/software
- Sarah returned to Toronto in 2018 to join Whitehorse Liquidity Partners as the Director, Investor relations and helped to build the investor relations function and support the capital raise for the firm's third secondaries fund (USD \$2Bn)
- She also worked at Donville Kent Asset Management, long/short small cap fund
- Her career began at CIBC World Markets, where she spent three years on the infrastructure team within debt capital markets, working on advisory mandates for various public-private partnership (P3) bids



# Disclaimer

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