



Canada's Leader in
Small Balance
Private Credit Investing

February 2023

Executive summary

Small business credit is an excellent investment

- KiWi Business Credit Fund (the “Fund”) invests in small business loans in the US
 - Small businesses are the backbone of the economy, representing 62% of new jobs and 44% of GDP⁽¹⁾
 - The advent of fintech has made small business loans an investable asset class
 - Small business loans provide 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 loans 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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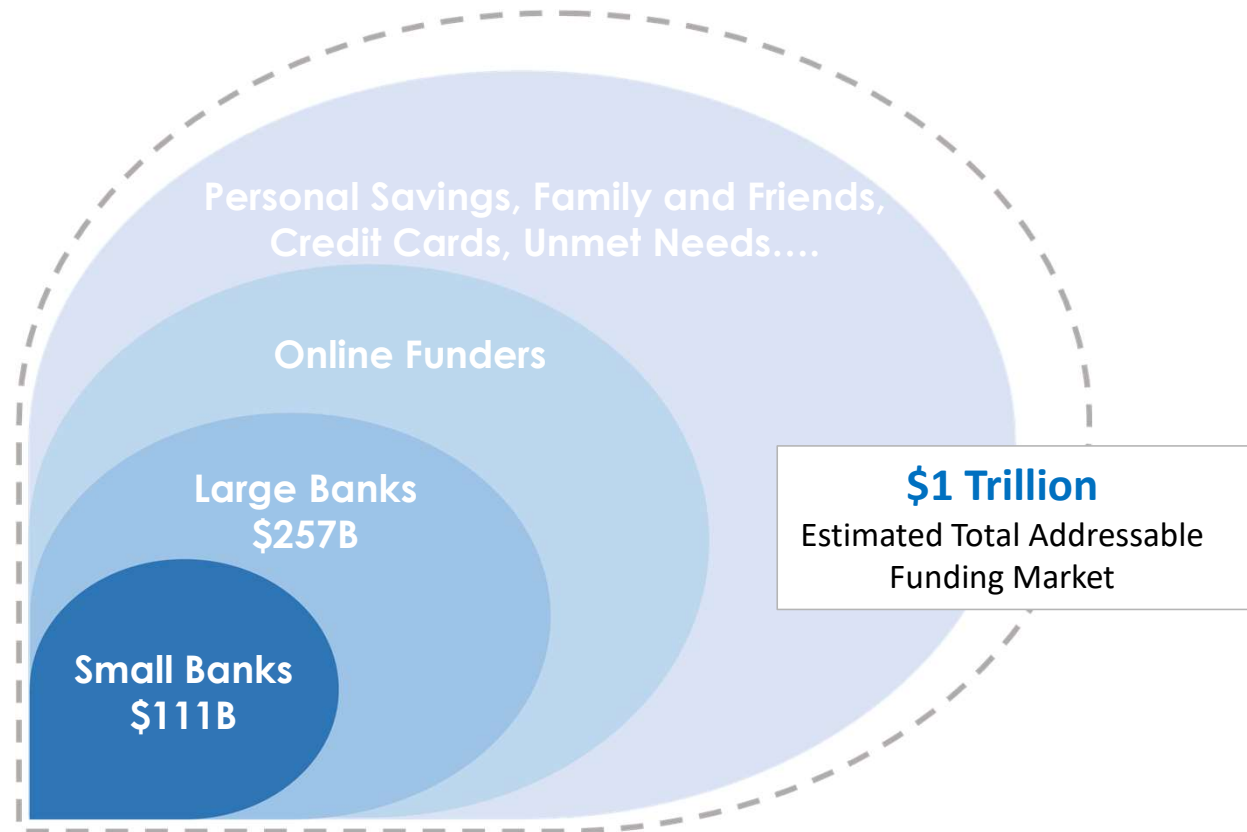
Kilgour Williams Capital is an expert in credit risk management

- Kilgour Williams Capital (“KWC”) manages the 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 advisory services to holders of structured credit investments with total mandates in excess of \$2 billion
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Small businesses are underserved by traditional lenders

Per the Fed's 2020 Small Business Lending Survey⁽¹⁾:

- 20% of SMB borrowers used an **online funder as a financing source**
- 33% report that securing debt is a **financial challenge**
- 49% that applied for credit **did not** receive all the financing they sought
- 53% report **using credit cards** as an external source of funding
- 54% of online lending applicants cited **speed of decision** as a primary factor
- 56% cited **business expansion** as the reason for funding



Biz2Credit is a market leader in small business financing

- Founded in 2007, 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
- Total loan volume since inception exceeds \$8 billion. During the pandemic, Biz2Credit was one of the largest originators of PPP loans by volume⁽¹⁾



**New York City
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

How Kilgour Williams invests in business loans

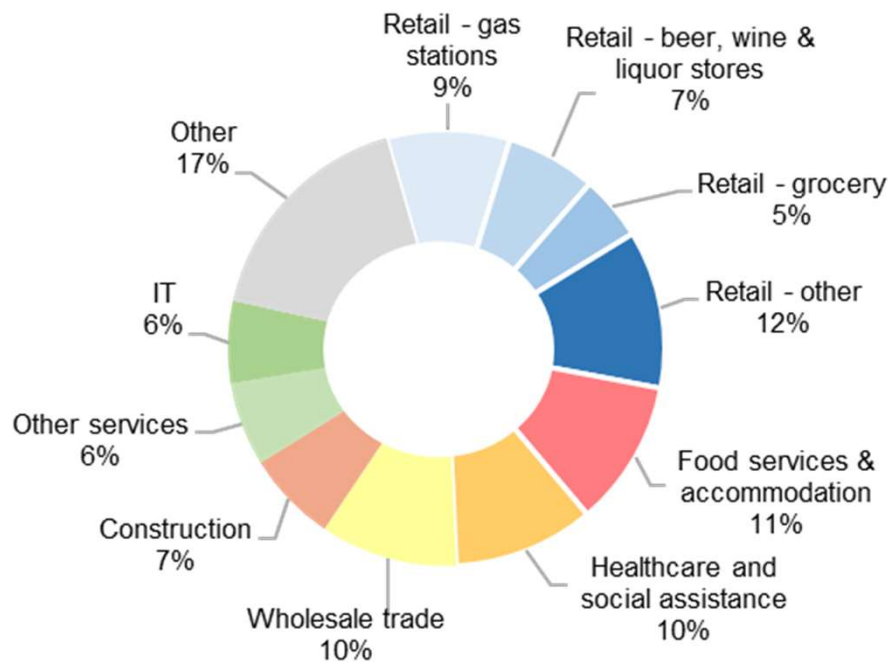
- Kilgour Williams Capital (“KWC”) purchases loans that are originated, underwritten, and serviced by marketplace lending platforms. Biz2Credit is our main partner for business loans
- KWC provides Biz2Credit with specific criteria, such as maximum term, minimum credit score, and maximum size
- While the loans presented by Biz2Credit are already underwritten, KWC uses proprietary models and the expertise of the investment team to review them
- Beyond individual loan selection, KWC manages portfolio-level risk by optimizing diversification to create a massively diversified portfolio with the potential for strong returns. Before purchasing a loan, KWC also considers the impact it would have on the overall portfolio construction before including it in the portfolio



KiWi Business Credit Fund overview

- Our current portfolio is heavily skewed to sectors that have been well-positioned throughout the pandemic, such as auto repair and maintenance, gasoline stations, liquor stores, and professional services such as finance, insurance, and IT
- In advance of a potential economic downturn in the US, our loan selection continues to prioritize diversification and cycle-neutral or counter-cyclical industries. We are also avoiding sectors with risk exposure to inflated input costs, such as transportation and construction/contracting

Portfolio Diversification by Sector⁽¹⁾



Portfolio Statistics

Loan Type	Avg FICO ⁽²⁾	Avg Loan Balance	Avg Duration (months)
Small business	723	\$134,535	15.3

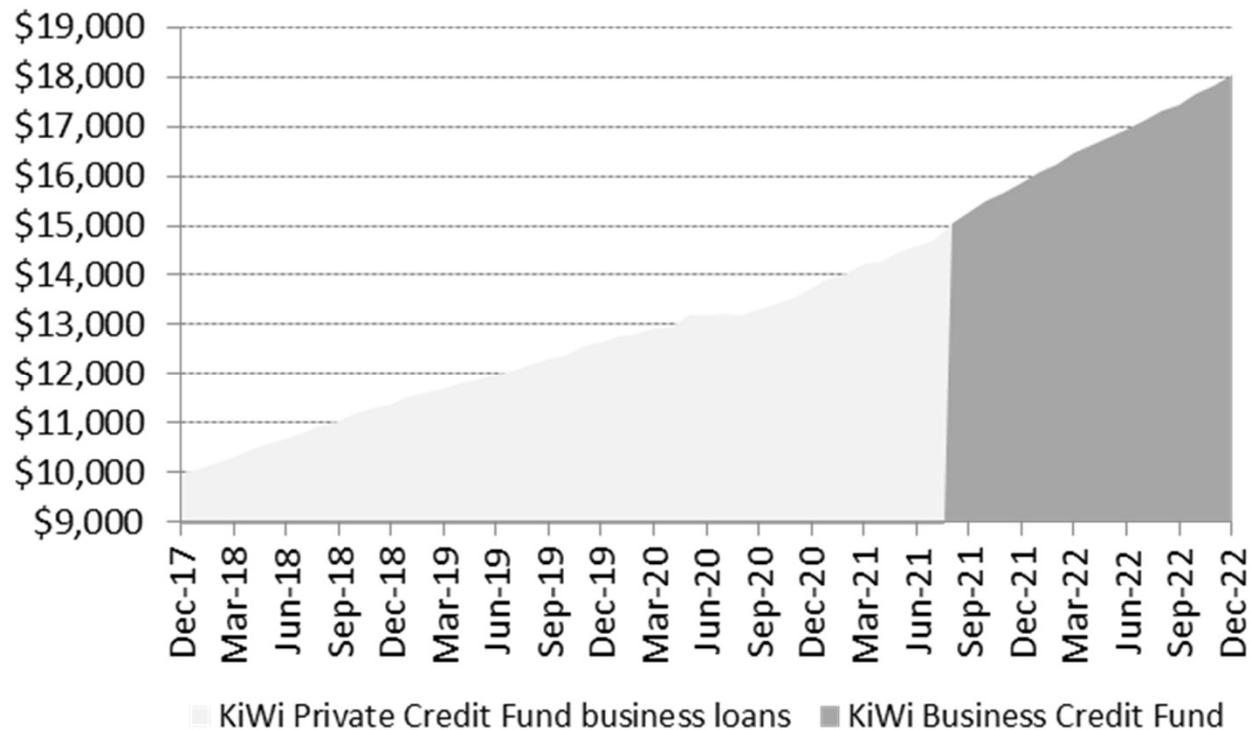
(1) As of December 31, 2022. "Other services" exclude public administration. "Other" includes finance and insurance, transportation and warehousing, professional / technical services, manufacturing, real estate and rental/leasing, agriculture, and utilities.

(2) Reflects FICO score of personal guarantors.

KiWi Business Credit Fund performance

KiWi Business Credit Fund⁽¹⁾⁽²⁾

Value of \$10,000 since inception



Annualized returns: 1-yr: 13.6% 3-yr: 12.5% 5-yr: 12.5%

(1) Based on Class I units. Performance net of management fees and all other expenses, realized losses and loan loss provisions. Full year returns assume reinvestment of distributions. (2) KiWi Private Credit, launched in June 2017, invests in small balance loans, including small business loans. KiWi Business Credit Fund was launched in August 2021. Returns above reflect performance of the small business loans segment of KiWi Private Credit Fund from December 2017 to July 2021 and performance of KiWi Business Credit Fund from August 2021 to December 2022.

KiWi Private Credit Fund overview

- In addition to the Fund, KWC manages KiWi Private Credit Fund which has a slightly more conservative strategy, focused on Prime consumer and real estate loans in addition to small business loans



Prime consumer loans

- Prime borrowers using proceeds for unexpected life events or debt consolidation
- \$5,000 - \$40,000 loans amortizing over 36 or 60 months



Small business loans

- Small businesses with principals who qualify as prime borrowers
- General security under UCC filing and personal guarantee pledged by the principals
- \$25,000 - \$400,000 loans amortizing over 6 to 24 months



Short-term residential development loans

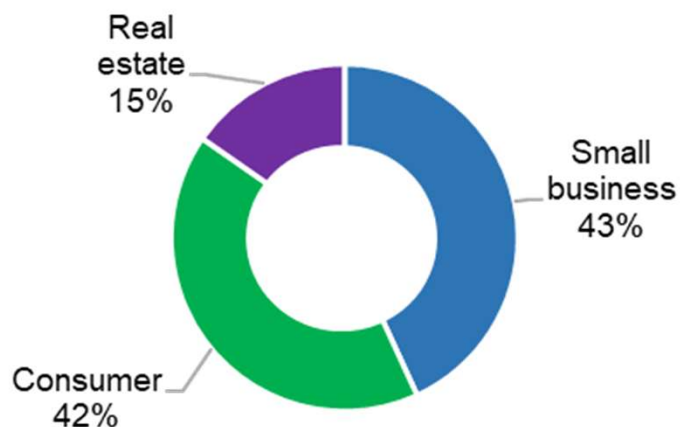
- Experienced real estate developers who are prime borrowers
- First lien mortgage against the property
- \$50,000 - \$400,000 loans with up to 18-month maturity

KiWi Private Credit Fund overview (cont'd)

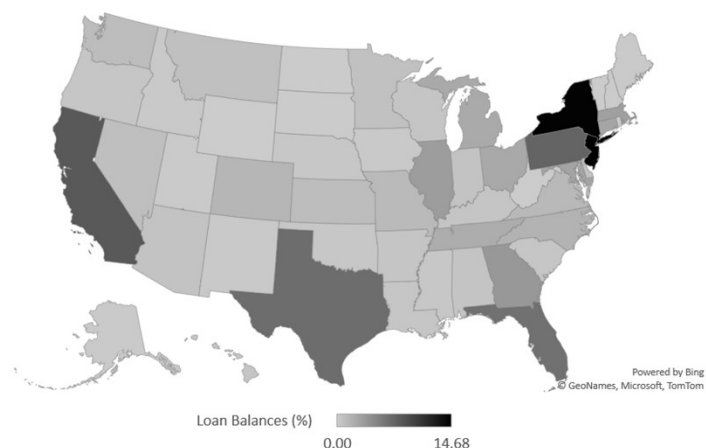
Portfolio Statistics⁽¹⁾

Loan Type	Avg FICO	Avg Loan Balance	Avg Duration (months)
Small business	723	\$134,535	15.3
Prime consumer	707	\$11,664	21.0
Secured real estate	699	\$102,037	9.8
Total	712	\$24,801	13.3

Portfolio Diversification by Loan Type⁽¹⁾



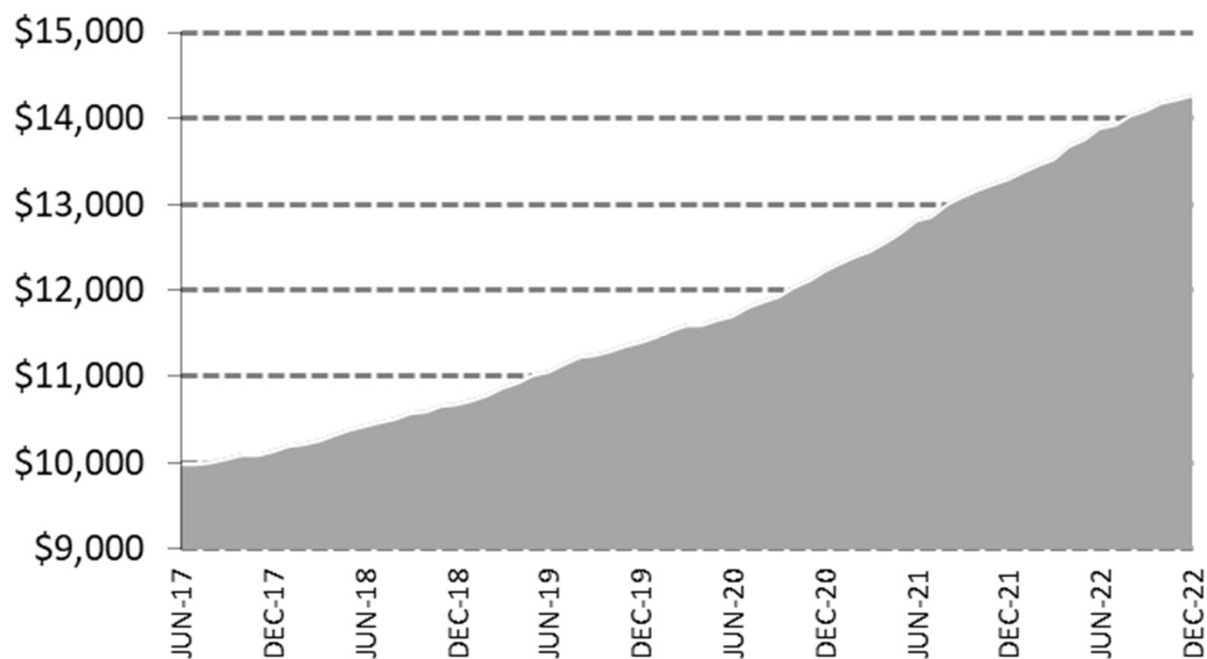
Portfolio Diversification by Geography⁽¹⁾



KiWi Private Credit Fund performance

KiWi Private Credit Fund⁽¹⁾

Value of \$10,000 since inception



Annualized returns: 1-yr: 7.2% 3-yr: 7.7% 5-yr: 7.1%

Fees and key terms

	KiWi Business Credit Fund	KiWi Private Credit Fund
Management fee	1.25%	1.25%
Performance fee	15% on 8% hurdle	None
Minimum investment	\$100,000	\$10,000
Minimum investment (registered accounts)	\$20,000	\$10,000
Minimum hold period	None	None
Redemption penalty	None	None
Redemption terms	Monthly	None



Colin Kilgour

Principal

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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
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

Disclaimer

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