

## Katch Fund Solutions – Factoring Fund

Share Class R : USD (Acc)

The fund's main strategy is to provide short-term funding for Brazilian small- and mid-sized companies by buying receivables at a discount, a common practice called factoring. Invoices typically mature within 30 to 90 days and come with strong guarantees. In addition, with a smaller part of the portfolio, the fund provides working capital loans to Brazilian companies that are fully backed by real estate assets.

### INVESTMENT OPPORTUNITY

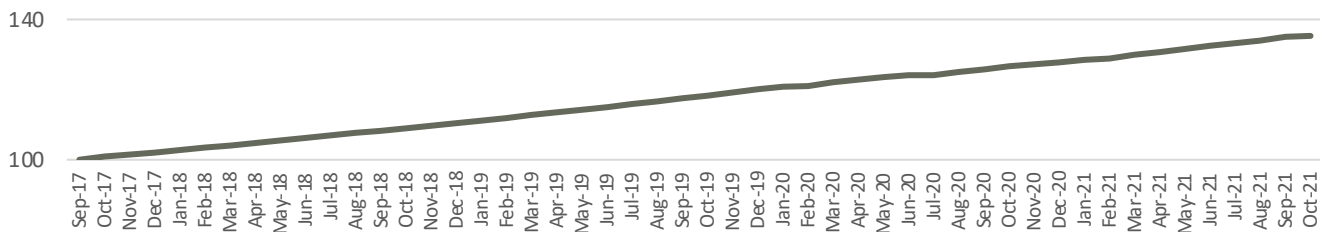
The highly concentrated Brazilian banking sector is not providing sufficient funding to small- and medium-sized enterprises that are the backbone of the economy. Therefore, Brazilian authorities implemented an investor-friendly regulatory framework to incentivize private lending. Katch invests and manages receivables-backed funds called Fundo de Investimento em Direitos Creditórios (FIDCs) that are fully regulated and monitored by the Brazilian Securities Commission (CVM) with high levels of transparency and accountability. Investors get access to a diversified portfolio of invoices that combines attractive investment returns, low correlation to traditional asset classes and low credit risk, thanks to several layers of protection, such as real estate collaterals and personal guarantees.

### FUND CHARACTERISTICS

|                       |                            |
|-----------------------|----------------------------|
| <b>Target Return*</b> | 8.5%                       |
| <b>NAV*</b>           | 107.66                     |
| <b>Liquidity</b>      | Monthly +<br>90-day notice |
| <b>Launch Date</b>    | May 2020                   |

\*For R USD only

### NET PERFORMANCE TO INVESTORS

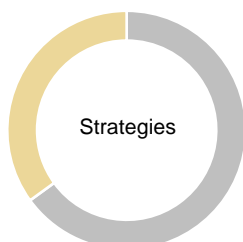


|      | JAN   | FEB   | MAR   | APR   | MAY   | JUN   | JUL   | AUG   | SEP   | OCT   | NOV   | DEC   | YTD   |
|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| 2021 | 0.66% | 0.16% | 0.95% | 0.56% | 0.60% | 0.78% | 0.53% | 0.58% | 0.81% | 0.16% |       |       | 5.94% |
| 2020 | 0.68% | 0.69% | 0.60% | 0.60% | 0.44% | 0.02% | 0.81% | 0.69% | 0.62% | 0.76% | 0.42% | 0.44% | 6.97% |
| 2019 | 0.68% | 0.69% | 0.69% | 0.68% | 0.69% | 0.68% | 0.69% | 0.71% | 0.72% | 0.69% | 0.74% | 0.68% | 8.69% |
| 2018 | 0.65% | 0.67% | 0.63% | 0.67% | 0.69% | 0.66% | 0.65% | 0.64% | 0.62% | 0.66% | 0.67% | 0.66% | 8.16% |
| 2017 |       |       |       |       |       |       |       |       |       | 0.85% | 0.64% | 0.60% | 2.10% |

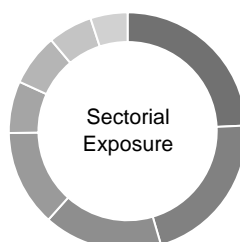
The track record is based on the actual performance of our local management team in Sao Paulo. Performances were adjusted with our management fees, performance fees, and hedging costs; representing net performance to investors. Past performance should not in any circumstances be taken as an indication of future performance. Investors and prospective investors should refer to the official documents of the Fund, including the Private Placement Memorandum, for further information about the risk of investing in this investment fund. Track record assumes, when applicable, monthly rebalancing between the strategies.

The performance of Katch Fund Solutions – Factoring Fund is live starting May 2020.

### TARGET ALLOCATION



• Accounts Receivables - 65%  
• Asset Backed Lending - 35%



- Oil and Gas - 24%
- Consumer Goods - 21%
- Agribusiness - 16%
- Industrial - 13%
- Food & Beverage - 7%
- Transportation - 7%
- Construction - 6%
- Real Estate - 5%

### Accounts Receivables

A very well-diversified portfolio of commercial invoices that are purchased at a discount. The full amount of the invoice is paid within 30 to 90 days by the purchaser, which is typically a larger company.

### Working Capital Loans

Strategic funding for a limited number of carefully selected small and medium-sized companies. All loans are fully backed by real estate collaterals.



Stephane Prigent, CFA  
CEO

## ABOUT KATCH INVESTMENT GROUP

Katch Investment Group is a dynamic asset management boutique offering innovative investment solutions in a constantly changing and challenging financial market environment. In the aftermath of the global financial crisis, major central banks' liquidity injections have inflated traditional asset classes, while new regulations reduced the banks' appetite and capability to lend to smaller businesses.



Laurent Jeanmart, CFA  
Chairman

Katch identified these trends and decided to launch a fund that invests in short-term lending and financing opportunities. It focuses on areas where the capital supply is scarce that offer relatively high and stable returns for investors, such as factoring, receivables monetization and real estate bridge loans.



Pascal Rohner, CFA  
CIO

The fund is registered in Luxembourg and partners with recognized financial institutions. It is managed by Stephane Prigent (Ex-Managing Director & Global Head of Equity Sales Research at State Street Capital), Laurent Jeanmart (Ex-head of Investment at Platinum Capital & Ex-CIO at Fidelis Insurance Holdings), and Pascal Rohner (Ex-CIO at Private Investment Management & Ex-Credit Suisse).

The fund targets a total return of 8.5% in USD for retail share classes, with a dividend of 6% p.a. paid on a quarterly basis, for the distributing share class.

## PORTFOLIO REVIEW

In October, we deployed most of the available cash via new receivables transactions in different sectors, such as agribusiness, consumer goods, oil & gas, construction, trucking logistics and food & beverage. The achieved performance was a bit lower than in recent months due to a higher level of cash and hedging costs. Some clients were facing supply chain shortages, which resulted in somewhat less receivables transactions with our fund. More importantly, the paying discipline of our clients has remained very strong.

On the macro side, the Brazilian Central Bank continued to hike interest rates aggressively to control inflation and inflation expectations. The economic growth momentum might decelerate somewhat, which is not necessarily a negative scenario as capital supply remains relatively scarce and there is potential to buy receivables at interesting discounts in a higher rates environment.

## FUND CHARACTERISTICS

|   |                                  |              |                  |         |
|---|----------------------------------|--------------|------------------|---------|
| <b>Sub-Fund Name</b>                                | Katch Fund Solutions Factoring   |              |                  |         |
| <b>Fund Domicile</b>                                | Luxembourg                       |              |                  |         |
| <b>Legal Form</b>                                   | SICAV-RAIF S.A.                  |              |                  |         |
| <b>Advisor</b>                                      | Katch Advisors LTD               |              |                  |         |
| <b>Alternative Investment Fund Manager – "AIFM"</b> | Fuchs Asset Management           |              |                  |         |
| <b>Administrator</b>                                | Circle Partners Support Services |              |                  |         |
| <b>Auditor</b>                                      | KPMG                             |              |                  |         |
| <b>Custodian</b>                                    | Creand                           |              |                  |         |
| <b>Legal Advisor</b>                                | Van Campen Liem Luxembourg       |              |                  |         |
| <b>Currencies</b>                                   | USD – EUR – CHF                  |              |                  |         |
| <b>Min. Investment**</b>                            | \$1,000,000                      |              |                  |         |
| <b>Min. Sub. Investment**</b>                       | \$100,000                        |              |                  |         |
| <b>Management Fees</b>                              | Class R:                         | 1.50%        |                  |         |
|   | Class I:                         | 1.25%        |                  |         |
| <b>Performance Fees (High Watermark)</b>            | Class R:                         | 15%          |                  |         |
|   | Class I:                         | 10%          |                  |         |
|   |                                  | <b>ISINs</b> | <b>Bloomberg</b> |         |
| <b>Class R*</b>                                     | EUR                              | Acc          | LU1965340679     | KFSFREA |
| <b>Class I</b>                                      | EUR                              | Acc          | LU1965340752     | KFSFIEA |
| <b>Class R*</b>                                     | EUR                              | Dis          | LU1965340836     | KFSFRFD |
| <b>Class I</b>                                      | EUR                              | Dis          | LU1965340919     | KFSFIED |
| <b>Class R*</b>                                     | USD                              | Acc          | LU1965341057     | KFSFRUA |
| <b>Class I</b>                                      | USD                              | Acc          | LU1965341131     | KFSFIUA |
| <b>Class R*</b>                                     | USD                              | Dis          | LU1965341214     | KFSFRUD |
| <b>Class I</b>                                      | USD                              | Dis          | LU1965341305     | KFSFIUD |

\*Retail share classes are subject to a redemption fee (up to 5%), that is amortized over time as per the following schedule: Year 1: 5%; Year 2: 4%; Year 3: 3%; Year 4: 2%; Year 5: 1%; Year 6 and going on forward: no redemption fee. \*\*For institutional share classes only

### Important Notice:

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