

## Katch Fund Solutions – Factoring Fund

Share Class I : 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

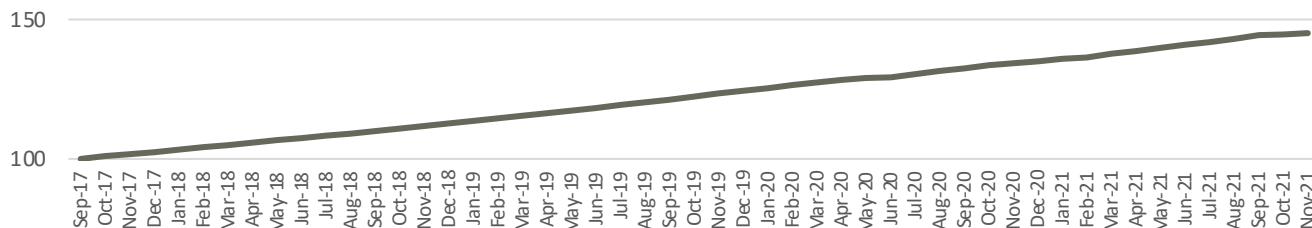
The highly concentrated Brazilian banking sector is not providing sufficient funding to small- and medium-sized enterprises that are the backbone of the economy. Therefore, Brazilian authorities implemented an investor-friendly regulatory framework to incentivize private lending. Katch invests and manages 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>	10%
<b>NAV*</b>	113.11
<b>Liquidity</b>	Monthly + 90-day notice
<b>Launch Date</b>	May 2020

\*For I USD Acc only

### NET PERFORMANCE TO INVESTORS

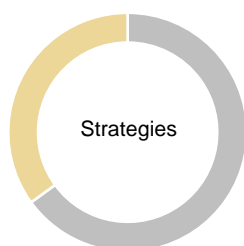


	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2021	0.74%	0.29%	1.05%	0.68%	0.70%	0.91%	0.65%	0.70%	0.95%	0.26%	0.31%		7.48%
2020	0.81%	0.81%	0.73%	0.73%	0.56%	0.11%	0.95%	0.83%	0.75%	0.84%	0.53%	0.56%	8.52%
2019	0.82%	0.83%	0.82%	0.82%	0.83%	0.82%	0.83%	0.85%	0.86%	0.83%	0.88%	0.81%	10.45%
2018	0.78%	0.80%	0.77%	0.80%	0.83%	0.79%	0.78%	0.77%	0.75%	0.79%	0.80%	0.79%	9.88%
2017										0.99%	0.77%	0.72%	2.51%

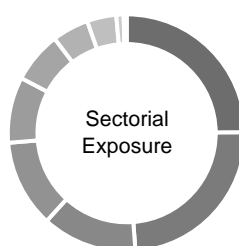
The track record is based on the actual performance of our local management team in Sao Paulo. Performances were adjusted with our management fees, performance fees, and hedging costs; representing net performance to investors. Past performance should not in any circumstances be taken as an indication 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%



- Consumer goods - 25%
- Oil and Gas - 24%
- Industrial - 13%
- Agribusiness - 12%
- Construction - 9%
- Food & Beverage - 7%
- Transportation - 5%
- Real Estate - 4%
- Marketing - 1%
- Packaging - 0.4%
- Tech - 0.1%

### 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 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 10% in USD, with a dividend of 6% p.a. paid on a quarterly basis, for the distributing share class.

## PORTFOLIO REVIEW

In November, 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 performance was a bit lower than in recent months due to higher hedging costs, as well as a higher level of cash in comparison with the historical average, caused by supply chain shortages faced by some of our clients, which reduced their capacity to originate and consequently to trade receivables with the Fund. However, the paying discipline of our clients has remained very strong with almost all collections on time.

Despite the challenging economic environment, the private sector remains relatively healthy. Brazilian companies managed to secure funding, increase cash flows, cut costs, and optimize operations early on in the pandemic. Rising inflation and interest rates have been a headwind. Next year, however, inflation is likely to fall back to around 5%, helped by higher rates, an economic slowdown, as well as stabilizing commodity prices and exchange rates.

## 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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