

## Katch Fund Solutions – European Secured Lending Fund

Share Class I : USD (Acc)

The Fund invests in private markets focusing on investment and corporate funding opportunities that offer strong guarantees, such as first lien real estate assets. It allocates capital to high-yielding areas, where traditional lenders are retreating, with a focus on the UK, Benelux, DACH, Nordic regions, France and Spain. The fund targets stable returns with low volatilities, emphasizing on high quality collaterals, as well as thematic and geographic diversification.

### KEY TERMS

<b>Target return*</b>	12% per annum	<b>NAV*</b>	115.86
<b>Liquidity</b>	Quarterly + 180-day notice	<b>Launch Date</b>	August 2021
<b>Min. Investment**</b>	\$250,000	<b>Min. Sub. Investment**</b>	\$100,000
<b>Management Fee**</b>	1.25%	<b>Performance Fee**</b>	10% (above SOFR, High Watermark)

\* For I USD only \*\* For USD institutional share classes only

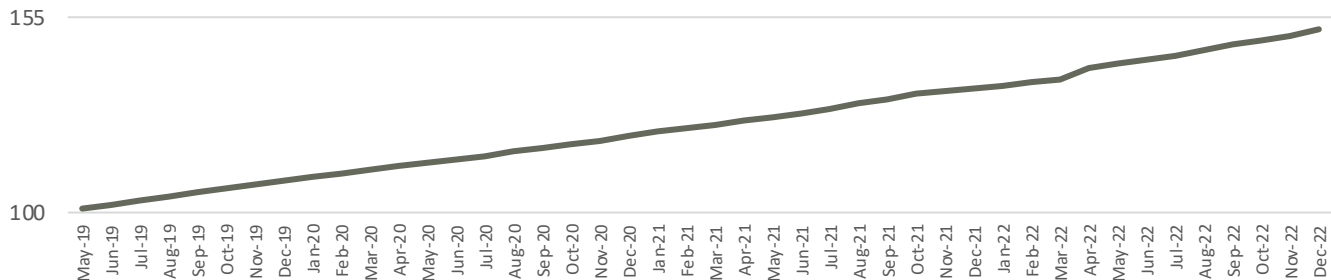
### TARGET ALLOCATION

Mitigating risks by achieving higher degree of diversification, we aim to maximize returns by investing across different regions of Europe and different real estate sectors, meanwhile focusing on the highest degree of security, senior first lien, granting the highest level of protection to our investors.



We favor countries that present favorable jurisdiction to lenders and where access to capital is scarce. This allows us to capitalize on lucrative deals with high return profiles and high level of protection.

### NET PERFORMANCE TO INVESTORS



	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2022	0.59%	0.82%	0.48%	2.39%	0.85%	0.72%	0.78%	1.15%	1.14%	0.71%	0.88%	1.25%	12.38%
2021	1.09%	0.69%	0.74%	1.02%	0.74%	0.86%	0.98%	1.26%	0.83%	1.15%	0.51%	0.58%	10.95%
2020	0.99%	0.90%	0.96%	0.86%	0.81%	0.80%	0.83%	1.24%	0.81%	0.83%	0.82%	1.18%	11.59%
2019					1.11%	1.09%	1.13%	1.12%	1.09%	1.10%	0.97%	1.00%	*13.41%

The performance of Katch Fund Solutions – European Secured Lending Fund is live starting August 2021. The above track record is based on the actual performance of an internally funded loans, net of all fees and costs 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.

\*Annualized return.



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 financing opportunities backed by real estate collaterals. An area where the capital supply is scarce that offers relatively high and stable returns for investors.



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 12% in USD.

## PORTFOLIO REVIEW

The Fund closed its 10th loan in December, a EUR 6.44M 12-month acquisition bridge loan with first-ranking security against a residential/mixed-use building at Rue de la Grande Truanderie, Paris. The entry LTV of 72% is mitigated by the value-add refurbishment project, funded by the sponsor, which would reduce the exit loan to GDV to 56% on sale. The loan was funded at a 13% p.a. interest rate, fully retained up front, which represents an IRR to term of 14.9%.

The portfolio is now comprised of ten loans, with an average duration to term of 0.78 years, average entry LTV of 61%, current LTV of 65% and exit LTV of 61%.

In December, the Fund also agreed on a 6-month (+ 6-month additional optional) extension, ahead of the January 2023 repayment date, for its Fund Finance Facility to Luxembourg domiciled Operational Real Estate Impact Fund. The Fund originally advanced the loan in August 2021. The Extension will allow for the Fund to obtain the required regulatory clearance to finalize the exit of its underlying pooled fund assets which is already underway. The extension was completed on good terms, with a 3% cash pay extension fee, received by the Fund in January 2023. A further 6-month extension is available in June for an additional 1.5% cash pay fee. The interest rate remains at 12.7% cash pay quarterly in arrears. Katch remains senior ranking as a Fund Liability and repayable ahead of LP Investors in the repayment waterfall under any scenario. The Loan to NAV at Fund level is < 5% with a total debt (including that of underlying portfolio companies) to GAV of < 30%. We obtained both a capacity and facility legal opinion for the extension.

The Fund is in execution for two further new facilities in January for a total expected deployment of c. EUR 16M. The remaining pipeline of opportunities of c. EUR 50M is focused on recession-resilient prime residential refurbishment and value add projects.

## FUND CHARACTERISTICS

<b>Sub-Fund Name</b>	Katch Fund Solutions European Secured Lending			
<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>	Bolder Group			
<b>Auditor</b>	KPMG			
<b>Custodian</b>	Creand			
<b>Legal Advisor</b>	CMS Luxembourg			
<b>Currencies</b>	USD – EUR – CHF			
<b>Management Fees</b>	Class I:	1.25%		
<b>Performance Fees (High Watermark)</b>	Class I:	10%		
<b>Hedging</b>	All non-EUR currencies are hedged			
			<b>ISINs</b>	<b>Bloomberg</b>
<b>Class I</b>	USD	Acc	LU2383815763	KAESLIU
<b>Class I</b>	EUR	Acc	LU2383815680	KAESLIE
<b>Class I</b>	CHF	Acc	LU2404205382	KAESLIC

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