

Decrease risk.  
Increase return.



## Katch Global Lending Opportunities Fund (“GLO”)

### Executive Summary

We aim to generate 8% net per annum in USD, with no negative month, lending short-term with high levels of protection to the private sector.

## GLO – Accessing Liquid Private Debt

### Katch Investment Group

Katch Investment Group was created to answer a market demand for sophisticated, liquid and high yielding strategies. Due to new regulations, such as Basel III, the Dodd-Frank Act, and the Volcker rule, traditional lenders (banks) are lending less to small- and mid-sized companies. This boosts demand from an increasing number of small companies that are willing to pay premium rates and offer solid guarantees to finance short-term business opportunities.



**\$850M**  
Firm-wide AUM



**27**  
Employees



**6**  
Global Locations

### Katch Global Lending Opportunities Fund

The fund offers exposure to factoring, trade finance, bridge loan, and other receivables which we consider the most interesting sub-categories in terms of risk/ reward within the private debt sphere. Additionally, the diversification of our fund's investment strategies amongst different segments and geographies combined with low correlation with traditional asset classes minimizes risk and volatility without sacrificing returns.



**8%**  
Target return (USD)



**100%**  
“Up-months” since inception



**Monthly**  
Liquidity

### Historical Track Record



	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2020	0.6%	0.7%	0.2%	0.4%	0.3%	0.3%							2.4%
2019	0.6%	0.6%	0.8%	0.7%	0.7%	0.6%	0.8%	0.4%	0.7%	0.7%	0.4%	0.8%	8.0%
2018	0.5%	0.5%	0.5%	0.7%	0.6%	0.7%	0.5%	0.7%	0.7%	0.7%	0.7%	0.9%	8.0%
2017							0.4%	0.8%	0.5%	0.5%	0.7%	0.6%	3.6%

The track record is based on the actual performance of the underlying strategies (ISINs: LU1004414204, LU1077652421, LU1265972742, LU1717563164), 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. The performance of Katch Fund Solutions – Global Lending Opportunities Fund is live starting December 2018.

## Investment Strategies



### Bridge Loan

Bridge loans are loans provided to real estate developers. The fund focuses on the German and British real estate markets, which have been stable for decades. Both countries stand for disciplined culture when it comes to leverage with relatively low debt levels.

- » Average return of 8% per annum.
- » 1<sup>st</sup> lien on the project and guarantees from the developer.
- » Focus on residential and commercial properties.
- » When available, personal guarantees from the developer are taken.
- » Average loan duration of 8 months.
- » Loan to Value (LTV): 65% of the official appraisal value of the asset.



### Factoring

Factoring is a financial transaction in which a business sells its account receivables (i.e. invoices) to a third party, called the factor, at a discount. It is a common practice for businesses to improve their cash flows and meet immediate cash needs such as wage payables, utility bills, and others.

- » Average return of 10% per annum.
- » Loan is backed up by the invoice, and hard assets owned by the factor.
- » Focus on North and South America.
- » Collaterals usually equal to 130% of the loan value.
- » Average duration of < 2 months.
- » Personal guarantees from the business owner might be required.



### Credit Opportunities

Credit opportunities are private direct loans that present excellent credit/risk characteristics with high returns. These typically come with strong recourse such as first-lien collateral, personal guarantees and/or credit insurance. Origination is heterogeneous and typically leaves Katch with the ability to structure a given deal to the best of its interests.

- » Strict due diligence applied to each potential investment.
- » Internal origination and structuring.
- » Focus on jurisdictions favorable to lenders.



### Trade Finance

Trade finance is the financing of international trade flows from one country to another. The fund finances the transportation of commodities with various guarantees, and focus on smaller cargos in the Mediterranean basin.

- » Average return of 7% per annum.
- » Shipped commodities (non-perishable commodities) are used as collateral.
- » Focus on smaller cargos in the Mediterranean basin.
- » The shipment is insured against any possible accidents.
- » Average duration of 2 months.
- » A letter of credit from an international bank might be required from the purchaser.

## Portfolio Overview (targeted allocation)



- Bridge Loan - 35%
- Factoring - 30%
- Credit Opportunities - 16%
- Trade Finance - 15%
- Cash - 4%

