



# COMMERCIAL REAL ESTATE EQUITY-BACKED DEBT FUND

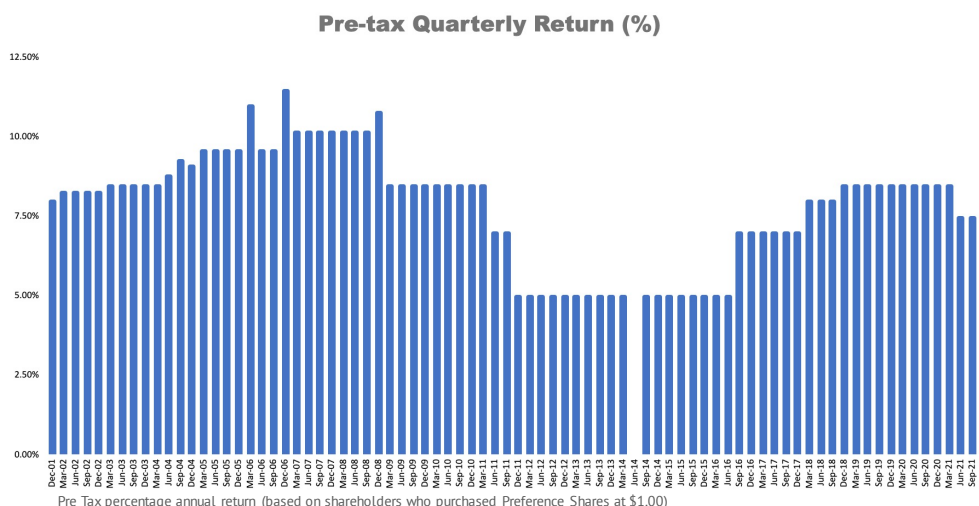
For Eligible Investors Only

As at Q1 2022

**Investment Opportunity:** KC Securities Limited Partnership ("The Fund") is an 8-year Limited Partnership commencing 1 April 2018. The Fund's primary investment objective is to deliver consistently high levels of income and sustainable income growth over an initial 5-year life, and to seek preservation of capital. The Fund seeks to deliver an income of 7.5-9.5% p.a. comprising of quarterly distributions plus 3-5% p.a. uplift through investing in (i) direct lending – secured mortgage loans to borrowers with equity and (ii) direct ownership – select Commercial Real Estate properties with strong returns. The Fund has a limited term and will dissolve in 8-years, absent of Limited Partners approval to extend such term.

Founded in 2001, KC Management Ltd ("KCM") is a New Zealand based investment manager who is the General Partner (The GP) of KC Securities Limited Partnership ("KCS"). From 1 April 2018 we have opened our offering to offshore investors. Prior to this KCM guided KC Securities Ltd through the GFC with no loss of capital and payment of consistent quarterly dividends.

## PAST PERFORMANCE (PREDECESSOR TO THE FUND)



## DIRECTORS, GENERAL PARTNER



Cameron Dargaville



Kerry Knight



Elliot Knight



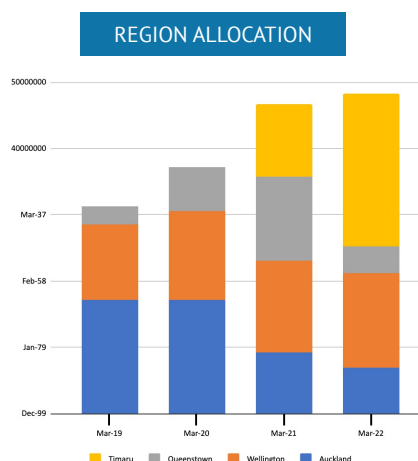
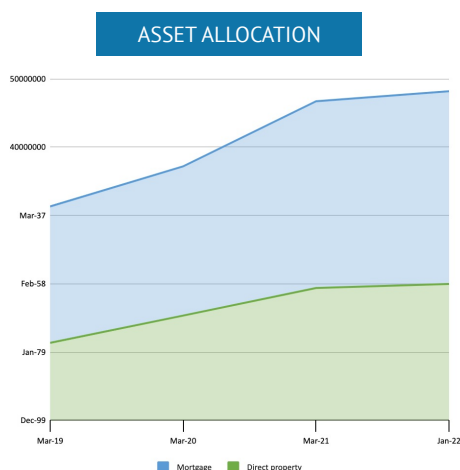
Shane Crawford

**The GP**, maintains a disciplined and efficient investment management approach with a rigorous investment process based on thorough due diligence and experienced judgement. The GP's investment mandate allows it to invest across the capital structure in both Commercial Real Estate debt and equity. Investments are made in mortgages over property (usually within first mortgage criteria), investment property that The Fund owns and actively manages, and other property opportunities whereby it can buy and sell and make a profit. Lending decisions are asset-based that focus on the financial strength and underlying value of the collateral that secures the loan.

The GP holds a strategic position in the New Zealand private loan origination market and its predecessor has been operating successfully since 2001. The GP is exposed to substantial and high quality transaction sourcing opportunities and is privy to an exclusive deal flow. The GP conducts its own asset management and administration of loans in-house, as well as has hands on experience with the ability to take possession of distressed assets and reposition them.

The Fund's Limited Partners will gain investment exposure to New Zealand Commercial Real Estate in the form of both private debt and equity that would otherwise be prohibitively difficult to access while The Fund's investment portfolio may also provide a hedge against traditional sectors, industries and companies. The GP will always seek sufficient collateral as well as superior contractual security protections, thereby mitigating risk. The GP prioritises its fiduciary obligations to its Limited Partners, with a focus on being pre-emptive rather than remedial in its actions.

## PORTFOLIO BREAKDOWN



**Who:** The Fund has its operations supported with Legal Counsel by Speakman Law and Knight Coldicutt Ltd, Tax Advisory by BDO, Audit by Staples Rodway Baker Tilly, and Governance and Independent overview by its independent Advisory Board.

**Auckland:** cameron@kcsecurities.co.nz. Tel +64 275 991063. 10-12 Federal Street, Auckland CBD 1010, New Zealand.

**Hong Kong:** shane@kcsecurities.co.nz. Tel +852 5691 4118. 19/F, Two International Finance Centre, 8 Finance Street, Central, Hong Kong.

## FUND FACTS

<b>Fund</b>	KC Securities Limited Partnership
<b>Manager/GP</b>	KC Management Ltd
<b>Advisory Board</b>	Keith Rushbrook Greg White
<b>Security</b>	Private Placement - Limited Partnership or Bond
<b>Subscription Options</b>	Limited Partner or Bond
<b>Fund Inception Date</b>	01/04/2018
<b>Manager Inception Date (prior entity)</b>	2001
<b>Minimum Subscription</b>	NZ\$250,000
<b>Distributions</b>	7.5-8% p.a. paid quarterly + profit share
<b>Investment Timeframe</b>	Target - 8 years (2x 1 - year extensions)
<b>Management Fee</b>	NZ\$250,000 base fee 1.5% p.a. gross assets
<b>Performance Fee</b>	20% p.a. (one-time at end of term)
<b>Structure</b>	Limited Partnership
<b>Contact</b>	www.kcsecurities.co.nz



**Current Gross Assets**  
NZ\$51.11M



**Minimum Investment**  
NZ\$250k



**Sector**  
Commerical Real Estate



**Structure**  
8-Year LP  
- 31 March 2026



**Track Record**  
20+ Years



**Target Return Profile**  
11-13% p.a.

KC Management Ltd is authorised and regulated by the Financial Markets Authority.

Incorporated in New Zealand, The Manager is registered under the Companies Act 1993.

The functional currency of The Manager and the presentation currency is NZD.

### Financial Markets Conduct Act Disclaimer

No regulatory authority has approved or disapproved this offering or endorsed the merits of this offering or the accuracy or adequacy of this document. This Information Memorandum is not, and is not legally required to be, a product disclosure statement (PDS) or other offer document, under New Zealand law. It is not a regulated offer under the Financial Markets Conduct Act 2013 (Act). Instead this offering is being provided only to persons where one or other of the disclosure exclusions in Schedule 1 to the Act apply. It has not been prepared to the same level of disclosure required for a PDS. In particular, no-one has independently verified or completed a due diligence exercise of the information contained in this document. The recipient acknowledges that within New Zealand any offer of shares is available only to persons who are wholesale investors or close business associates of the Issuer and they have read those definitions and qualify within one or other of them.

It is intended for distribution only to selected people to whom, under the relevant laws, it can be lawfully distributed. It cannot be distributed in any other jurisdiction, or to any other people. It is not an offer or solicitation in any jurisdiction in which such an offer or solicitation is not authorised, or in which the person making such an offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such an offer or solicitation.

Any representation to the contrary would be unlawful. No action has been taken by any person that would permit a public offering in any jurisdiction where action for that purpose would be required.

### General Disclaimer

This is an early stage investment opportunity and as such has a high degree of attendant risk. To the maximum extent permitted by law, the promoter KC Management Limited, its director and advisors do not warrant the accuracy or completeness of the information presented, and shall not be liable for any direct, indirect or consequential losses that arise as a result of any person deciding to invest in the KC Securities Limited Partnership in reliance on the information contained in this Information Memorandum or otherwise provided by the promoter, its directors or advisors.

This brief description of The Fund does not constitute an invitation or solicitation to invest in the Limited Partnership. An investment in The Fund is not appropriate for all investors and is not intended to be a complete investment program. The Fund is designed as a private placement investment and not as a trading vehicle. Investing in the Fund involves risks, including the risk that you may receive little or no return on your investment or that you may lose part or even all of your investment. Therefore, before investing you should consider carefully the Fund's investment objectives, risks, charges and expenses. For more complete information about The Fund, please contact your financial professional.