



# COMMERCIAL REAL ESTATE EQUITY-BACKED DEBT FUND

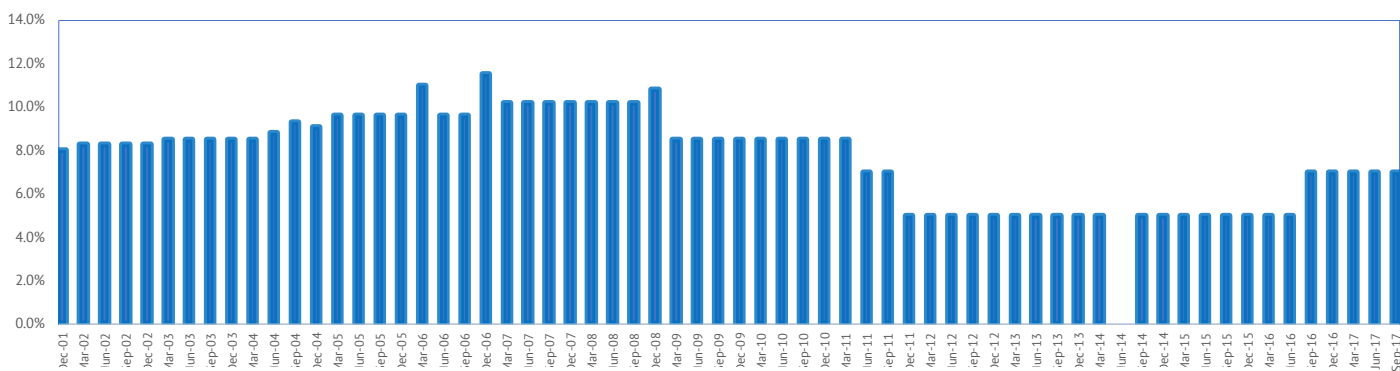
## For Hong Kong Eligible Investors Only

KC Securities Limited Partnership ("The Fund") is a Commercial Real Estate and Equity-backed Debt Fund that holds a hybrid of private debt (55-60%) & private equity (40-45%) portfolio of New Zealand Commercial Real Estate assets.

**Investment Opportunity:** The Fund is a 5-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 7-11% p.a. comprising of quarterly distributions 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 5-years, absent of Limited Partners approval to extend such term. It is intended that subsequent funds will be opened during this time.

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

### PAST PERFORMANCE (PREDECESSOR TO THE FUND)



Pre Tax percentage annual return (based on shareholders who purchased Preference Shares at \$1.00)

## DIRECTORS, GENERAL PARTNER



Cameron Dargaville



Kerry Knight



Elliot Knight



Shane Crawford

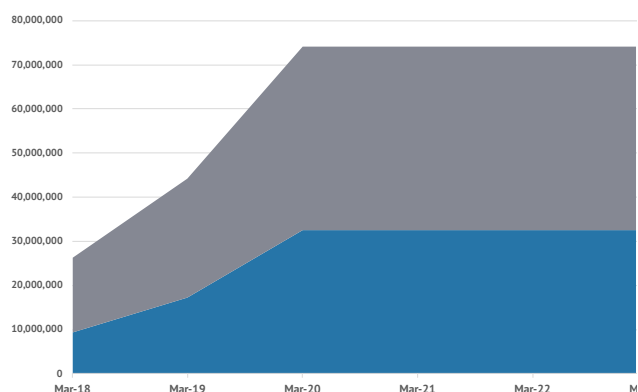
The GP, maintains a disciplined and efficient investment management approach with a rigorous investment process based on thorough due diligence and experienced judgement. The GP's investment mandate allows it to invest across the capital structure in both Commercial Real Estate debt and equity. Investments 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.

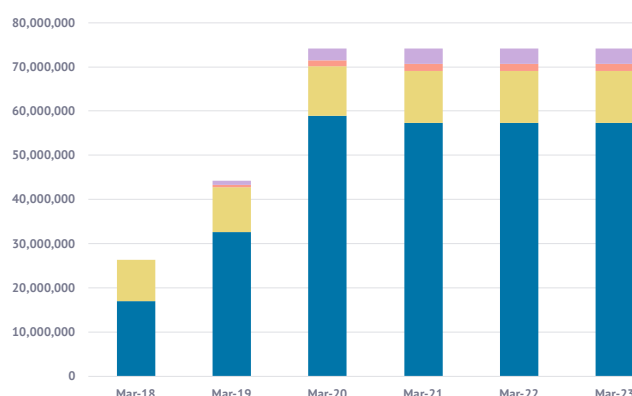
The Fund's Limited Partners will gain investment exposure to New Zealand Commercial Real Estate in the form of both private debt and equity that would otherwise be prohibitively difficult to access while The Fund's investment portfolio may also provide a hedge against traditional sectors, industries 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

### ASSET ALLOCATION



### REGION ALLOCATION



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

**Fund Size.** \$75m assets, Current LP commitment \$23m. Projected Further LP contribution \$27m. Minimum investment \$250,000.

**Contact.** [www.kcsecurities.co.nz](http://www.kcsecurities.co.nz). [Cameron@kcsecurities.co.nz](mailto:Cameron@kcsecurities.co.nz). Tel +64 275 991063. Head Office: Ground Floor, Shed 20, Princes Wharf, 139 Quay st, Auckland 1143.

## 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>Current Raise</b>	NZ\$22,500,000
<b>Target Raise</b>	NZ\$51,500,000
<b>Minimum Subscription</b>	NZ\$250,000
<b>Distributions</b>	8.00% p.a. paid quarterly + profit share
<b>Investment Timeframe</b>	Target - 5 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>	<a href="http://www.kcsecurities.co.nz">www.kcsecurities.co.nz</a>



**Current Gross Assets**  
NZ\$32m



**Target Fund Size**  
NZ\$75m gross asset



**Sector**  
Commerical Real Estate



**Asset Class**  
Equity-backed Debt



**Minimum Investment**  
NZ\$250k



**Return Profile**  
7-11% Gross 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.*

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### 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 if 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.*