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On behalf of Barometer Capital Management Inc. (“Barometer”) and Kilometre Music Group (“Kilometre”), we are pleased to provide investors with the Q3 2021 cash distribution and quarterly performance report of the **Barometer Global Music Royalty Fund LP** (the “Fund”).

Since launching April 1, 2021, the Fund has deployed a total of \$35.6 million USD in four acquisitions. The first three, totalling \$21.7 million USD were detailed in the Q2 report. The fourth acquisition closed in mid-Q3 and was acquired from hit songwriter Nasri Atweh. The 72-song catalog includes the global hit song “Rude” by his band Magic, and Justin Bieber’s early hits “As Long As You Love Me”, “Never Say Never”, and his Christmas radio staple, “Mistletoe” - the fourth largest selling Christmas song ever in digital format.

Across four acquisitions, the Fund now has co-ownership of 10 of the 100 most streamed songs of all time, and 7% of Spotify’s Billions Club, which celebrates songs with over 1 billion streams on the platform. The portfolio is over 500 songs, including co-ownership of 56 Weekend songs, 31 Drake songs, and 12 Justin Bieber songs. The Fund also has a stake in 26 Post Malone songs including his 5 biggest hits to date: “Circles”, “Sunflower”, “Wow”, “Better Now”, and “Congratulations”.

Here is a Spotify playlist featuring the key songs from all four transactions: **Kilometre Music Group playlist**. (click link).

PERFORMANCE OF THE PORTFOLIO & QUARTERLY DISTRIBUTION

During this quarter, the Fund collected approximately \$1.1 million in royalties and will pay a quarterly distribution to investors of approximately 2.8%. The distribution will be paid out in November. The cumulative distributions to date for the six-month period from April 1 to September 30 is 3.9% which puts us in line to meet or exceed the annual return target of 6%.

Note: The primary sources of royalties for the Fund are from music publishers (e.g. Warner Chappell, Sony) and Performing Rights Organizations/PROs (e.g. SOCAN, ASCAP, BMI). Music publishers generally pay royalties semi-annually, in March and September, and PROs generally pay quarterly. Therefore, royalty receipts are expected to be significantly higher in quarters where both the publishers and PROs remit their royalty payments.

ACQUISITION PIPELINE

Our pipeline of potential acquisitions remains robust, and we are preparing to close on two additional catalogs in November with a total value of approximately \$13 million. The active pipeline is well over \$90 million, and we believe the broader opportunity set within our network of artists and creators exceeds \$300 million.

WELCOME TO THE TEAM

Kilometre is excited to announce the addition of James Freeman to the team as the CFO and lead analyst for the firm. James is an accomplished financial professional with more than a decade of experience in music royalty analysis and corporate finance. His previous roles include Director, Corporate Finance & Development at SOCAN, and Director of Acquisitions at music publisher Ole (now Anthem, owned by Ontario Teachers Pension Plan). James has led acquisitions of music-publishing assets and other music IP with a total capital investment of USD \$300+ million, making extensive use of predictive music royalty modelling. James’ music-industry corporate finance experience includes treasury management, sourcing bank financing, capital market investment, foreign exchange, and reporting to stakeholders. James holds an MBA from Schulich School of Business at York University, and is a CFA Charterholder.

Thank you for your continued support. As always, if you have any questions or comments, please contact me directly.

Regards,
Mike

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KILOMETRE
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