



**BDH Leaders Webinar Series:**

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**Achieving High Yield  
at Low Risk**

Wednesday 08 June 2022

Presented by Andrew Way, Director of Semper

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 **semper**

Diversified Mortgage  
Investment Platform  
(MARKETPLACE)

Semper Asset Management Pty Ltd  
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# Introduction



- The original Semper Capital was founded in 2005 using proprietary risk and investment management systems. Semper began managing funds for the Costa Family Office in 2011.
- The Costa story in Australia is one of success. From humble beginnings in 1895 to modern day philanthropists, conservationists, and proponents of fairness in every industry in which they are invested.
- Following the Costa IPO in 2016, we were honoured when Rob Costa invited us "To do something bigger [with them] to bring investor fairness and democratize the RMBS and CMBS Market".
- Semper Group was launched in 2019 and began developing a world-class end-to-end mortgage origination and securitisation platform.
- Today, we are 3 years into a 5-year plan to create a liberal, transparent and liquid secondary market for a mortgage-secured and asset-backed fixed income investment platform. And you are among the first to see it.

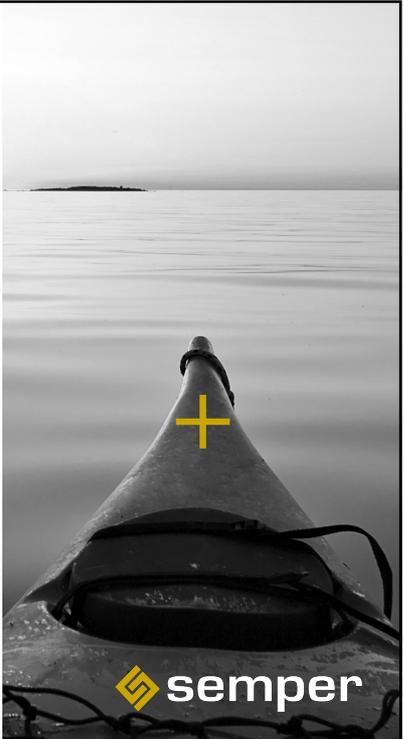


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# A closed market

1. **Australians lack access to trustable fixed income yield investments** – the bond market is dominated by institutions and, apart from a junk bond and XTB market there is little opportunity to invest in truly asset-backed fixed income.
2. **This makes it difficult for every day investors to diversify investment portfolios** - investors are heavily equity-centric in a volatile market.
2. **Private and SMSF investors cannot access decent risk-adjusted returns** – The size of loans in the commercial lending space makes it unfeasible to access the returns that are available to larger wholesale investors like asset managers, institutions and family offices.




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# The Costa Solution



**Turn Semper from lender to lender / investment manager and invite investors to benefit by the opportunity to sit behind the Costa's first risk capital via a truly transparent and simple-to-use platform.**

- The Semper Diversified Mortgage Investment Platform in an online homogeneous Origination to Market platform that provides investors a single source of truth.
- Costa originates loans with its own funds via the Semper Platform then offers other investors to sit behind them on loans of their choosing.
- To improve investor confidence, all loans are 'pre-funded' and Costa's warehouse retains the top 10% of each loan. As the highest LVR is 70%, an investor's highest ever exposure is only 63%.
- In August we will launch Phase 2, where each loan will offer investors a slice of LVR with rates that suit their chosen amount of asset coverage.

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# The Marketplace

Investment Opportunities [How to Invest ?](#)

Search by property name:

Sort by:

**QLD**  
Property Type – Farm Land



**Total Property Value: \$21,700,000**

Loan Amount	\$4,300,000	Priority	1st mortgage
LVR ⓘ	19.82%	Note Interest Rate	5.00% p.a.
Term (months)	12	Term Remaining (months)	5
Postcode	4467		

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Minimum Investment Amount	Available Investment Amount
\$10,000	\$3,658,321

Why we like this loan? The Borrowers are long-standing clients. The LVR is less than 22%. The main borrower operates a water drilling operation creating monthly revenues of \$600,000.

[View More](#)

**NSW**  
Property Type – Residential



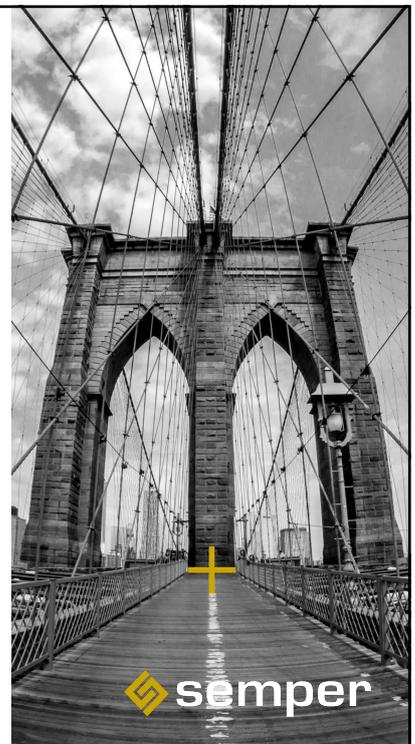
**Total Property Value: \$2,500,000**

Loan Amount	\$1,600,000	Priority	1st mortgage
LVR ⓘ	64.00%	Note Interest Rate	6.50% p.a.
Term (months)	12	Term Remaining (months)	12
Postcode	2516		

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Minimum Investment Amount	Available Investment Amount
\$10,000	\$1,440,000

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# Investment Selection



- From a minimum single investment of \$10,000, to a maximum single investment of \$500,000, Semper offers high-yielding investment opportunities which are fully asset-backed and mortgage-secured and sit behind Costa as first risk. Semper and its partners are first-in and last-out of every investment position in every loan.
- Funds are applied via BPAY, and go straight to an issuance of Secured Notes. There is no Cash management Account. Interest is paid to the nominated Investor account monthly.
- Sample of Investment Opportunities

Description	Property Value	Loan Amount	LVR	Term	Remaining Months	Interest Rate
Homestead 15,000ha - QLD	21,700,000	4,300,000	19.82%	12	5	5.00%
Resi Development - NSW	2,500,000	1,600,000	64.00%	12	12	6.50%
Hoestead 899ha - NSW	18,170,000	12,000,000	63.51%	12	6	6.00%
Resi-Comm - QLD	4,080,000	2,150,000	65.00%	12	6	6.50%
Resi Sydney CBD - NSW	8,690,000	5,480,000	45.67%	6	1	4.50%
Commercial/ Resi - WA	14,000,000	6,459,000	46.00%	12	12	4.85%

<https://www.semper.com.au/investing-diversified-investment-model/>

<https://www.semper.com.au/investing-how-to-invest/>

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# Semper Team



### Andrew Way – Executive Director - Credit

Andrew has worked in banking and finance for 30 years, specialising in risk management. Originally from the UK, he worked in Asia for 12 years before moving to Australia in 1999 as CEO International Ratings for Ernst & Young. He was an Expert Group Adviser to the United Nations and co founder of its Asia Infrastructure Development Alliance (AIDA). He Found Semper in 2005 and is a shareholder and strong advocate of regulatory reform in the currently non-regulated commercial finance.



### Jamie Mazoudier – Distribution Manager

Jamie has worked in banking and financial services for over 20 years, specializing in Private Wealth, and has worked across Dealer Group services and in leadership roles in recruitment and HR. Jamie was previously a CFP qualified Private Wealth adviser, and worked with BDO Private Wealth, which became Grant Thornton Private and Chimaera Capital. In addition to this, Jamie worked with AMP and managed enterprise Banking & Financial Services accounts for Randstad. He completed a Masters of Business Administration (MBA) at RMIT in 2008 and has deep experience in the advice industry in Melbourne and Sydney.

Jamie runs the Concierge Program for Semper Investor Onboarding for those who abhor even the simplest of administration!



### Jess Vozzo – Loans Operations Manager

Jess brings a dedication to administrative perfection and old school credit principle to what is essentially a very tech-centric Fintech. Jess has 13 years experience in Operational Management, Registry and Record Administration, Credit Preparation and Loan and Investor Oversight.

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# Board of Directors



## Robert Costa - Chairman

Co-founder of the Australia's largest grower and marketer of fresh fruit and vegetables, Robert has extensive experience in the commercial aspects of the horticultural industry. Throughout the development years of the Costa Group, Robert managed the Group's asset base and liquidity. This experience formed a strong knowledge base for his current position as Chairman of Costa Asset Management.



## Liza Whitmore – Non-Executive Director

Liza is the Managing Director and Chief Executive Officer of Costa Asset Management and has been leading CAM since 2011. Previously she held a senior management role with the Costa Group having begun working with the Costa Family in 2002. Liza is responsible for leading the investment strategy, managing the rapid growth of the business and engaging with our partners to achieve the highest results.

Liza also serves as a non-executive director on the boards of CAM's partner companies and the Anthony Costa Foundation.

Liza is a member of CPA Australia, holds a Bachelor of Commerce degree and has a Graduate Certificate in Accounting.



## Andrew Way – Executive Director

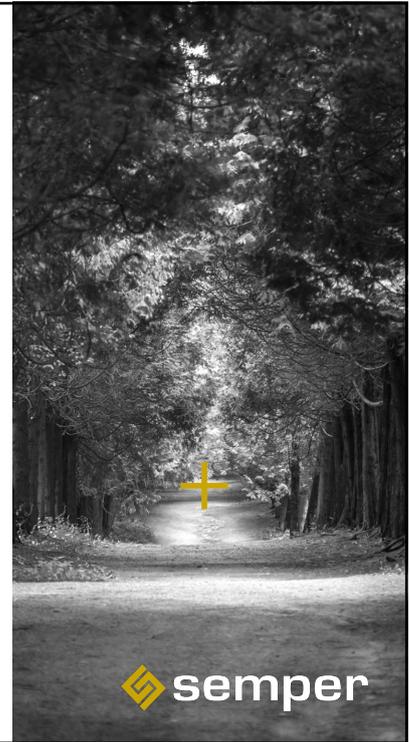
In addition to being CEO, Andrew serves as an Executive Director on the Semper board.



## Andrew Hahn – Executive Director

In addition to being COO, Andrew serves as an Executive Director on the Semper Board.

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# Risks

Investing in the Notes carries risk which could impact on the performance of Semper and the individual Semper Notes. These risks can range from general economic risks to the specific risks associated with an individual Borrower or Secured Property.

This section describes several risks associated with investing in the Notes. This is not an exhaustive list of all possible risks associated with investing in the Notes. However, they are each provided as a guide to the risks associated with investing. Each risk could, if eventuated, have an adverse impact on the performance of your investment. Investors should make their own assessment of the risks based on their own independent legal, financial and taxation advice. Semper does not guarantee any return of capital and interest income, or performance of the Notes.

### a) Borrower risk

If a Borrower is an individual and becomes bankrupt, or dies, or if the Borrower is a company, and becomes insolvent or under external administration, then the relevant Loan will go into default. If the Loan goes into default, or if there has been a payment default by the Borrower, the payment of interest by the Borrower is likely to cease, and the recoverability of the payments to Semper will depend upon the money that can be realised from enforcing the Loan Security (eg: by taking possession as mortgagee and selling the relevant Secured Property, and/or pursuing the Borrower and any guarantor). Given the limited recourse nature of the Notes, depending on the class of Notes you hold and the amount recoverable by Semper (less costs), you may suffer a loss on your original investment in the Notes.

Where a Borrower may delay or stop payment on a Loan, or defaults on the Loan and Mortgage Agreement, the Master Note Deed provides for an automatic deferral of Note Interest payments to Noteholders and automatic extension of the Note Maturity Date (with interest continuing to accrue). There is no guarantee as to any protection from late payment and/or default by the Borrower, and as such you may suffer financial loss of both Note Interest and Note Principal if the amount recovered under the Loan is insufficient (eg: if the Secured Property(s) is sold for less than the total amount owing on the Loan).

### b) Valuation risk

Applicants should make their own assessment on whether a Valuation remains relevant for the purposes of the Applicant's investment under an Offer and in particular the effluxion of time between the Loan settlement date, the date of an application for Notes and any other risks that may impact the Valuation.

Although Semper takes precautions to ensure that all internal property value assessments and external valuations it relies on are accurate, there is a risk that estimated property values or values provided by external valuers will be fundamentally flawed.

If the estimated value or external value is wrong, then the Loan may not be effectively secured to the full value of the Loan. This means that in the event of default by the Borrower on the Loan and if the Secured Property has to be sold to repay Semper, there may be a partial or total loss of your investment (depending on the class of Notes you hold and the amount recovered by Semper).

Further, as with any investment, there is always risk that the value of the Secured Property falls and no longer represents the value as assessed at the time of foreclosure or default by the Borrower. Should this occur, this may diminish the amount of Note Principal and outstanding Note Interest that can be repaid to Noteholders.

Finally, enforcement and recovery costs may be very high, and as such Semper may still suffer a loss on the Loan after costs of enforcement, even if the value of the Secured Property has not decreased.



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# Risks

## c) Developer risk

If the Loan in question is a development loan, then much depends upon the developer remaining solvent and completing the development. If the developer cuts corners (leading to the need for extensive rectification works before the Secured Property can be sold), or becomes insolvent, then Semper may have to take control and complete the project or otherwise protect its and Noteholder's interests.

There are usually delays associated with this, and very often the site is shut down while negotiations with the builder and contractors take place. This incurs extra expenses, which must be recovered from the sale of the Secured Property. These delays may also increase holding costs, including interest costs. These extra costs may erode the money that is finally recovered from the sale of the Security Property, and this can cause loss of repayment of Note Principal and accrued Note Interest.

## d) Market change risk

As the recoverability of Note Principal on the Notes depends on the value of the Secured Property by which the relevant Semper Notes is secured, the return on investment of the Notes will be subject to the risks affecting the overall real estate market. Accordingly, there are several factors outside of the control of Semper which could affect Noteholders' return on investment negatively, including a downward turn in the real estate market, change in legislation, changes to monetary policy, natural or manmade disasters in Australia or overseas, including for example pandemics. Any negative change in property market sentiment during the construction of a project, or the economy in general may affect the earnings achieved on an investment in the Notes including the return of Note Principal.

## e) Liquidity risk

Notes will be an illiquid investment, without a formal secondary market on which they can be traded. This means Noteholders are only able to withdraw from their investment when their Notes are redeemed, which will correspond with the maturity of the underlying Loan (subject to any automatic extensions of the Note Maturity Date pursuant to the Master Note Deed).

Whilst Noteholders will generally not be able to withdraw funds invested in Notes until their maturity, Semper may be able to find a willing investor to replace the investment of a Noteholder seeking to withdraw their investment in the Notes. However, Semper does not guarantee that it will be able to find a willing replacement investor.

Further, in circumstances where the Borrower is in default and Semper seeks to enforce the Secured Assets to recover funds and repay monies (if any) to Noteholders, because the underlying Secured Property is real property, the ability of Semper to quickly wind up a Borrower in default or realise the value of the Secured Property may be limited, and therefore in these circumstances there may be a delay of payment of both Note Interest and Note Principal.

## f) Priority risk

If a Borrower is in default of a Loan and Semper is required to enforce the Secured Assets, where there is a shortfall, the order of priority of repayment of recovered funds on Notes within a Semper Notes might create a scenario where the Noteholders share in a small

## g) Income risk

Income received from your investment in the Notes will be in the form of the Note Interest. However, because Semper has the right under the Master Note Deed and the terms of the Notes to defer Note Interest payments to Noteholders (with interest continuing to accrue) if the Borrower defaults on the Loan, a Noteholder's ability to receive Note Interest will be dependent upon the ability of the Borrower on a particular Loan to pay the Loan Interest as and when it falls due, and to repay the Loan Principal on the due date for repayment. Any non-payment by the Borrower is likely to result in Noteholders not receiving Note Interest until payment of Loan Interest by the Borrower has been secured or resumed. Percentage or none of the funds recovered.



# Disclaimer

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FOR MORE INFORMATION

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