



semper
SECURED

Information Memorandum No. 1



For the issue of A Class Units
in the Semper Secured Mortgage Fund

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Introduction

A Class Units

This Information Memorandum ('**IM**') relates specifically to the Offer of A Class Units ('**Offer**') in the Semper Secured Mortgage Fund ('**Fund**') and is dated Monday, 9 October 2023.

The purpose of this IM is to provide information for prospective Investors to decide whether they wish to invest in the Fund.

The trustee of the Fund is MG Corporate Services Pty Ltd ACN 661 943 237 ('**Trustee**'). This IM has been issued by Alpha Securities Limited ACN 124 327 064 ("**Licensee**") (AFSL No. 330757) pursuant to an arrangement (an **intermediary authorisation**) between the Trustee as the product provider and the Licensee under which the Licensee or its authorised representatives may make offers to arrange for the issue of the Units in the Fund and the Trustee is to issue the Units in the Fund in accordance with such offers if they are accepted.

The Trustee has appointed Semper Secured Investments Pty Ltd ACN 138 752 824 as the Fund Manager ('**Manager**') of the Fund under a Fund Management Agreement ('**FMA**'). The Fund Manager is also an authorised representative ("**AR**") of the Licensee being AR No. 1306113.

The Manager has appointed Semper Mortgage Management Pty Ltd as Loan Manager ('**Loan Manager**') under a Loan Management Agreement ('**LMA**'). Throughout this IM the Manager and Loan Manager may be referred to collectively as '**Semper**'.

Interest in the Fund will be issued via Units in the Fund ('**Units**'). Interest in the Fund will only be issued if the Manager receives a validly completed application and corresponding cleared funds.

This IM relates to A Class Units only. Other unit classes may be offered under separate IMs.

The Offer to subscribe for Units under this IM is only available to persons to whom a Product Disclosure Statement (PDS) is not required to be given under Division 2 of Part 7.9 of the Corporations Act, 2001. This IM is not a product disclosure statement and has not been lodged with the Australian Securities & Investments Commission ("**ASIC**"). This IM may not contain the same level of disclosure required for registered managed investment schemes and is prepared on the express basis that it does not purport to contain all of the information that you may require in order to make an informed decision as to whether or not to invest. Nevertheless, this document is an important document and must be read in its entirety before you make an investment decision. You cannot invest in this Offer unless you complete the Application Form accompanying this IM and include payment in full.

This IM must be read in conjunction with the Trust Deed. Potential investors should read both of these documents for further information regarding their rights and obligations as holders of Units and the rights and

obligations of the Trustee. If there are any inconsistencies between this IM and the Trust Deed, the Trust Deed will prevail.

This IM is provided to each prospective investor on the following conditions:

- (1) this IM is strictly confidential and is for the sole use of prospective investors and their advisers.
- (2) it must not be provided to any other party without the written consent of the Trustee and the Company, which may be withheld by either party in its absolute discretion;
- (3) the investor will be a Wholesale Client or a Sophisticated Investor in relation to its investment in Units; and,
- (4) there is no cooling off right for investors.

This IM was prepared based on the factual circumstances and information available to the Trustee at the time and date of this IM. This also includes access to relevant third-party reports, market conditions and other professional reports that were available at the time of the preparation of this IM.

You may only invest in the Fund if you have received this Information Memorandum in Australia or downloaded it from the Manager's website www.sempersecured.com.au/investing/.

Applications will only be accepted on the basis of the Application Form attached to or accompanying this IM.

Electronic information

An electronic copy of this document and updates regarding the Fund can be accessed from within your Investor Account on the 'Semper Secured Investor Portal': <https://portal.sempersecured.com.au/>

We will provide you with free paper copies of this document and updates on request.

Definitions

Words used in this document, which are defined in the Glossary have the meanings therein set out, unless the context dictates otherwise.

Offering restrictions apply

No action has been taken to register or qualify the Units or otherwise to permit a public offering of the Units in any jurisdiction outside of Australia. This IM does not constitute an offer or invitation in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation. The distribution of this IM in jurisdictions outside Australia may be restricted by law. Persons who come into possession of this IM who are not in Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities law. In particular, the Units have not been and will not be registered under the US Securities Act of 1933, as amended, (the '**US Securities Act**') or the laws of any State of the United States and may not be offered or sold within the United States or to, or for the account or benefit of a US Person (as defined in Regulation S of the US Securities Act) except in a transaction exempt from the registration requirements of the US Securities Act or applicable US State securities laws.

Financial amounts and times

All financial amounts contained in this IM are expressed in Australian currency unless otherwise stated. Some amounts in this document have been rounded and as a result some totals may not add up exactly. A reference to time in this IM is a reference to Sydney, Australia time.

Updating the IM

Information contained in this IM is subject to change from time to time and may be updated by the Trustee. Any updated information (which is not materially adverse to investors) will be available from within your Investor Account on the 'Semper Secured Investor Portal': <https://portal.sempersecured.com.au/>

Where updated information is materially adverse to investors, the Trustee will issue a supplementary IM.

How to Apply for a Unit in the Fund

Before you can invest in the Fund you must register on the 'Semper Secured Investor Portal':

<https://portal.sempersecured.com.au/py/sys.pyc?app=all>

Once your application is reviewed and accepted, investors will obtain access to the Investor Portal from where they can view and select units and attend to digital payment.

Applications must be a minimum of \$50,000 for A Class Units.

If you require any assistance with the registration process or Investor Portal, please contact the Fund Information line on 1800 736 737, or email at enquiries@sempersecured.com.au.

Privacy and Personal Information

The completed Application Form provides personal information about you to the Trustee. The Trustee collects your personal information to process and administer your investment in Fund and to provide related services to you. If you do not complete the Application Form in full, The Trustee may not accept your Application Form. The Trustee may disclose your personal information, for purposes related to your investment, to its agents or service providers, including the sponsoring broker and registry. You can obtain access to personal information that the Trustee holds about you. To make a request for access, please contact the Manager on enquiries@sempersecured.com.au.

Disclaimer

You should not act or fail to act on the basis of information appearing in this IM without first seeking advice appropriate to your circumstances. Prospective investors should make their own enquiries and evaluations they consider appropriate to determine the suitability of any investment, including their investment objectives, financial situation, and particular needs and should seek all necessary financial, legal, tax and investment advice. Past performance is not indicative of future performance. Forecasts, projections and forward-looking statements are by their nature subject to significant uncertainties and contingencies. Statements contained in this IM should not be considered as a recommendation in relation to an investment in the Trust or that an investment in any Trust is a suitable investment for any specific person.

The information provided in this IM is not investment advice and has been prepared without taking into account your investment objectives, financial circumstances and needs. You should read the whole of this IM and consider all of the risk factors that could affect the performance of the Fund and other information concerning the Units in light of your own particular investment objectives, financial circumstances and particular needs (including financial and taxation issues) before deciding whether to invest in the Fund.

An investment in the Fund is subject to investment risk and other risks, including possible loss of income and principal invested. Neither the Licensee nor the Trustee nor the Manager nor the Loan Manager, nor any other person, gives any guarantee or assurance as to the performance of the Fund or the repayment of capital. Some of the risk factors that should be considered by potential investors are set out in section 3.2. If you have any questions or are uncertain as to whether the Fund is a suitable investment for you, you should seek professional advice from your stockbroker, accountant, financial adviser or other professional adviser before deciding whether to invest in the Fund.

Past performance information provided in this IM is given for illustrative purposes only and should not be relied on as (and is not) an indication of future performance.

To the maximum extent permitted by law, the Licensee, the Trustee, the Manager, the Loan Manager and their respective directors or employees accept no responsibility or liability for the contents of this IM. No representation or warranty, express or implied, is made as to the fairness, accuracy, adequacy, validity, correctness or completeness of the information, opinions and conclusions contained in this IM. To the maximum extent permitted by law, none of the Licensee, the Trustee, the Manager, the Loan Manager and their respective directors or employees accept any responsibility or liability including, without limitation, any liability arising from fault or negligence on the part of any person, for any loss whatsoever arising from the use of this IM or its contents or otherwise arising in connection with it.

This IM may refer to information prepared by people who are not the Licensee, the Trustee or the Manager of the Loan Manager or their respective employees or representatives. Such information is provided for your interest and convenience only. The Licensee, the Trustee, the Manager and the Loan Manager have not

independently verified (and to the extent permitted by law disclaim all liability for) its accuracy or completeness and it does not constitute our recommendation or opinion.

The Licensee, the Trustee, the Manager and the Loan Manager and any of their associates may invest in, lend or provide other services to the Fund and may be paid fees, including expenses in relation to the Offer and fees in relation to the management of the Fund.

No representations other than this IM

No person is authorised to give any information or to make any representation in connection with the Offer or the Fund which is not contained in this IM. Any information or representation that is not in this IM may not be relied upon as having been authorised by the Licensee, the Trustee, the Investment Manager or any of their associates in connection with the Offer.

Except as required by law, and then only to the extent so required, neither Licensee, the Trustee, the Investment Manager, any of their associates nor any other person warrants the future performance of the Fund or any return on any investment made pursuant to this IM.

Wholesale Investors only

This IM is provided to you on the basis that you are, and you represent and warrant that you are, a Wholesale Client or a Sophisticated Investor and therefore are exempt from the disclosure requirements of Part 7.9 of the Corporations Act. If you are not such a person, please do not read this document. Please return it immediately to the Manager and destroy or delete any copies. This IM does not constitute an offer or invitation in relation to any place in which, or to any person to whom, it would not be lawful to make such an offer.

Persons who are US taxpayers are not eligible to invest.

Not Advice

This IM or its provision is not and should not be considered as financial product advice, investment advice or a recommendation. Nothing in this document constitutes legal, financial, tax or other advice and the information in the IM does not take into account any potential investor's objectives, financial situation or needs.

No Guarantee

The performance of the Trust and the return of capital are not guaranteed by any person or organisation, including the Licensee, the Trustee, the Manager the Loan Manager or any other person or organisation mentioned in this IM. An investment in the Fund is subject to investment and other risks, including loss of income and capital invested.

Please read this document carefully before you make a decision to invest. An investment in Fund has specific risks including those set out in section 3.2 which you should consider before making a decision to invest.

Key Features

Description	Summary	Ref		
Fund	Semper Secured Mortgage Fund	S 2		
Trustee	MG Corporate Services Pty Ltd ACN 661 943 237	Introduction		
Fund Manager ('Manager')	Semper Secured Investments Pty Ltd ACN 138 752 824	S 1.1		
Loan Manager	Semper Mortgage Management Pty Ltd ACN 666 837 707	S 1.3.1		
Licensee	Alpha Securities Pty Ltd ACN 124 327 064 AFSL 330757	Introduction		
Eligibility	<p>The Offer is only available to persons who qualify as wholesale clients (as defined in section 761G(7) of the Corporations Act) or sophisticated investors (as defined in section 761GA of the Corporations Act) (collectively, Qualifying Investors).</p> <p>The Trustee will not issue units in the Fund to a person unless it is satisfied that the person is a Qualifying Investor.</p>	S 2.2		
Expressions of Interest	<p>Before you can invest in the Fund you must register on the 'Semper Secured Investor Portal': https://portal.semperssecured.com.au/py/sys.pyc?app=all</p> <p>Once your application is reviewed and accepted, investors will obtain access to the Investor Portal from where they can view and select units and attend to digital payment.</p> <p>If you require any assistance with the registration process or Investor Portal, please contact the Fund Information line on 1800 736 737, or email at enquiries@semperssecured.com.au.</p>	Website		
Investment Return Objectives	<p>The Fund aims to provide regular interest payments to investors, offering two classes of units with different levels of risk and benefit. A Class Units are offered to investors at lower risk, ranking ahead of Reserve Class Units which will assume a first loss position and therefore act as a buffer in the event of any capital losses being incurred by the Fund.</p> <p>The target returns as of the date of this IM are:</p> <table border="1" data-bbox="370 1585 1235 1666"> <tr> <td>A Class Units</td> <td>RBA Cash Rate + 350 bps (+3.5%) per annum</td> </tr> </table> <p>Interest rates are variable, and the current rates of interest paid by the Fund are quoted in your Investor Account on the 'Semper Secured Investor Portal': https://portal.semperssecured.com.au/</p> <p>These objectives are not forecasts, and the Fund may not be successful in meeting its objectives. Returns are not guaranteed, nor is the return of investment capital.</p>	A Class Units	RBA Cash Rate + 350 bps (+3.5%) per annum	S 2.4
A Class Units	RBA Cash Rate + 350 bps (+3.5%) per annum			
Units	As of the date of this IM, the fund issues two classes of Units - A Class and Reserve.	S 2.3		

Description	Summary	Ref
	<p>Reserve Class Units will assume a first loss position and therefore act as a buffer in the event of any capital losses being incurred by the Fund.</p> <p>Semper and the Trustee may in their absolute discretion issue new classes of units at any time.</p>	
Unit Prices	<p>As of the date of this IM the unit price for all classes of units is \$1.</p> <p>Unit prices will be calculated monthly. The current Unit prices for The Fund are quoted in your Investor Account on the 'Semper Secured Investor Portal': https://portal.sempersecured.com.au/</p>	S 2.8
Fund Volume Cap	<p>The Fund aims to attract the highest rate for risk in the commercial short-term mortgage market and will cap the Fund at \$250,000,000. Trustee and Manager do not intend to accept further investment once it reaches this amount.</p>	S 2.5
Minimum Investment	<p>Provided you qualify to invest in the Fund, the minimum investment amount for A Class Units is \$50,000,</p> <p>Following the minimum initial investment, Unitholders may invest any additional funds in the Fund at Semper's discretion.</p> <p>Unless otherwise agreed, A Class Unitholders will be required to maintain a minimum balance of at least \$50,000 in A Class Units in the Fund.</p>	S 2.7
Minimum Investment Term	<p>The Minimum Investment Term is a period 6 months from:</p> <ul style="list-style-type: none"> a) the date an Investor initially invests in the Fund; and b) the date of each separate investment an Investor makes in the Fund after the Investor's initial investment. 	S 2.11
Withdrawals	<p>Investors may be offered quarterly redemption windows, ending 28 February, 31 May, 31 August and 30 November each year (or business day immediately prior) which will be dependent upon available cash resources or fund redemptions wholly or in part. Requests require three months' written notice, and will be processed in order of application, with priority given to A Class Unitholders.</p> <p>If the Fund is unable to accept all requests for a given period, requests will be satisfied on a pro-rata basis by Class of Unit. All Units are redeemable by Semper at call between withdrawal cycles.</p> <p>Loans in the fund are secured over real property which is an illiquid asset class. Consequently, the Fund must be considered primarily illiquid and withdrawals are dependent upon their being surplus cash available. Withdrawals are not guaranteed.</p>	S 2.12
What risks are involved?	<p>General risk factors applicable to an investment in any Units are set out in Section 3.2 of this IM and include, among other things, the potential for a Borrower to default under an underlying Loan Contracts and the Secured Property not selling for a sufficient amount to repay a Loan.</p>	S 3.2
Fees and costs	<p>There may be fees and costs (plus GST) payable in relation to the management of the Fund. See Section 4 for more information.</p>	S 4
Taxation	<p>An investment the Fund will have taxation consequences for investors. Semper nor the Trustee do not provide any tax advice in relation to any</p>	S 5.1

Description	Summary	Ref
	Offer. Investors are encouraged to seek their own tax advice from their independent tax advisor before investing.	
Contact Us	Email: enquiries@sempersecured.com.au Phone: 1800 SEMPER (736 737) Website: www.sempersecured.com.au Registered office: Level 25, 100 Mount Street North Sydney NSW 2060	S 5.13

1. Management of the Fund

1.1. About Semper

Semper provides financing solutions to businesses across Australia and offers investors participation in these activities through investment in the Fund. Semper's business model is to advance short to mid-term commercial Loans ('**Loans**') under mortgage agreements to third party corporate ('**Borrowers**') secured by registered mortgages over real property and inviting investment in these Loans via the issue of Units in its Fund.

Semper understands that there are many circumstances in the life of a business where there is an urgent need for finance that banks cannot provide due to timing or circumstance. Semper seeks to work closely with businesses to provide effective and efficient financing solutions through asset-backed and mortgage secured Loans. The Fund does not offer any form of unsecured lending.

1.2. Our Team

Andrew Way – Founder, Chief Executive Officer



Andrew has 30 years' banking, finance and investment management experience. Specialising in credit risk, he has managed mortgage-secured investment risk for finance companies, family offices and super funds since 2005. He was the founding Chairman of the Mortgage and Short-Term Lending Association under the AFC, Australia's 2nd largest banking association, and in this capacity participated as an Industry Advisor to ASIC and Treasury during the Government's introduction of the National Consumer Credit Protection Act. He remains an advocate for regulatory reform in the unregulated commercial lending sector.

Originally from the UK, Andrew worked in Hong Kong and Singapore for 12 years before moving to Australia in 1999 as CEO International Ratings for Ernst & Young. He has worked in the private sector and as a Consultant and Advisor to Governments and Non-Governmental Organisations including participation as an Expert Group Adviser to the United Nations and co-founder of its Asia Infrastructure Development Alliance (AIDA).

Grahame Woods, Chief Financial Officer



Grahame is an experienced Chartered Accountant (CA), consultant and tax advisor with over 40 years' business experience. Commencing his business career at KPMG, in both Sydney and London, Grahame later worked for ASX-listed and US Fortune-500 businesses, in a wide-range of industries, before entering private practice where he was able to apply his specialist skills in tax compliance, financial controls, audit review and reporting.

Grahame has worked with Semper's Directors and their businesses since 2009 in an advisory capacity before taking the position of Chief Financial Officer providing oversight for Accounting and Treasury aspects of the business as well as participating as a standing member of its Regulatory Compliance and Credit Committees.

Grahame holds a Bachelor of Economics from Macquarie University, is a Member of Chartered Accountants Australia and New Zealand (CA) and an Affiliate Member of the Tax Institute of Australia.

Jessica Vozzo, Chief Operations Officer



After graduating with a Bachelor of Business from UWS in 2009, Jessica started her career managing customer-facing and operations teams in a number of FMCG industries. Moving into finance in 2016, Jessica has developed a broad experience of operations, from application management, credit, and risk analysis to legal coordination, settlements and post loan management.

Since joining Semper in 2022 Jessica has added AFS licensing and compliance to her set of skills. Jessica heads up all aspects of Semper's lending operations and is a member of the Regulatory Compliance and Credit committees.

1.3. How Semper lends to Borrowers

1.3.1. Loan Manager

While the Manager will be ultimately responsible for the approval and execution of all Loans on behalf of the Trustee, the Loan Manager will provide all administrative, back office and managerial services for the Fund.

The Loan Manager undertakes a detailed due diligence process in reviewing investment opportunities on behalf of the Fund to assess the risk / reward profile of each Loan. Each Loan will be properly documented, prepared and reviewed by a legal firm experienced in mortgage finance, and appropriately secured following an assessment of the purpose, servicing capability of the Borrower, valuation, insurance and management protocols proposed for each Loan. The analysis will also take into account the precise nature of the security property, the loan to value ratio, evidence of capacity to service and repay the Loan, and the prospective Borrower's creditworthiness and character.

After a Loan is made, the Loan Manager is responsible for the management of the Loan. It will provide regular reports to the Manager and Trustee in relation to individual Loan performance, including in respect of payment and collection of interest, compliance with Loan covenants and conditions.

If a Borrower defaults, any enforcement proceedings commenced against a defaulting Borrower will be decided by the Loan Manager in consultation with the Manager.

1.3.2. Lending Policy

The Loans provided by Semper to Borrowers are granted in accordance with Semper's credit principles ('**Lending Policy**'), which outlines the lending conditions, policies and procedures adopted by Semper when granting Loans and includes an assessment of the Borrower's financial capacity at the time of making the Loan to ensure that the Borrower has the financial capability to service the Loan.

The Lending Policy is reviewed by Semper as market conditions require, but no less than annually. A summary of the key elements of the Lending Policy is set out in Appendix A.

1.3.3. Credit Committee

Semper's Credit Committee meets weekly, or as otherwise required. The members of the Credit Committee include senior representatives of the Manager, the Loan Manager, and Trustee.

The Credit Committee is tasked with assessing each Loan application according to an agreed set of lending and due diligence criteria that determines asset coverage, serviceability / capacity to repay, use of funds, benefit of borrowings and suitability of the applicant, among others. Loan approval requires that all Loans meet the Lending Policy.

1.4. About the Trustee

MG Corporate Services Pty Ltd provides specialist corporate trustee services and is the professional trustee of the Fund. MG Corporate Services Pty is an authorised representative of the Licensee.

1.5. About the Licensee

Alpha Securities Pty Ltd is a provider of investment solutions and offers financial services to its various clients. Alpha Securities Pty Ltd holds Australian Financial Services License No. 330757.

2. Fund Overview

2.1. Fund structure

The Fund is an unregistered, pooled managed investment scheme, structured as a unit trust, that offers you the opportunity to invest in Loans sourced by Semper. All Loans will be secured by registered Mortgages. Because the Fund is pooled, you will not have the opportunity to select specific Loan investments.

Loans must be used for commercial and business purposes only and may not be used for consumer purposes. Loan proceeds may be used for acquisition of assets, refinance of existing lending facilities, access to equity for worthwhile business purposes, short-term business cash-flow or bridging finance. All Loans made by the Fund will be in accordance with the Lending Policy (see Appendix A)

We do not intend to register the Fund with ASIC as a registered managed investment scheme or to list the Fund on a secondary market such as the ASX.

Investment in the Fund is governed by the Fund's Trust Deed and the general law of Australia. Please refer to Section 5.2.1 of this IM for a summary of Investor's rights and obligations under the Trust Deed.

2.2. Wholesale investors only

The Offer is only available to persons who qualify as wholesale clients (as defined in section 761G(7) of the Corporations Act) or sophisticated investors (as defined in section 761GA of the Corporations Act) (collectively, Qualifying Investors).

The Manager will not issue units in the Fund to a person unless it is satisfied that the person can:

- a) invest at least the Minimum Investment Amount into the Fund for the requested Class of Units (see 2.6),
- b) meet the minimum asset requirement (\$2,500,000 of net assets) or income (\$250,000 of gross income for the last two financial years) requirements, or you otherwise satisfy us you are a wholesale client for the purposes of Chapter 7 of the Act (including being a professional investor within the meaning of the Act).

2.3. Classes of Units

As at the date of this IM, the Fund issues two classes of Units:

- a) A Class Units and
- b) Reserve Class Units.

Reserve Class Units will assume a first loss position. The fund will rely on recovery against the equity in real property securities to recover loans in default. This means any such capital losses would first be incurred by the Reserve Class Units, before being incurred by A Class Units.

Semper and the Trustee may in their absolute discretion issue new classes of units at any time.

Different classes of units may have different terms and rights attached such as different fees and minimum investment amounts.

2.4. Investment return objectives

The investment return objectives of the Fund are as follows:

- a) To provide regular interest payments to investors;
To provide an opportunity for wholesale investors to directly access secured investments in **A Class Units** through a professionally managed structure, at a low entry level, with numerous benefits.

As at the date of this IM, the target return (income and capital) for A class Units (annualised, and after all fees and costs but before tax) is:

A Class Units	RBA Cash Rate + 350 bps (+3.5%) per annum
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Interest rates are variable, and the current rates of interest paid by the Fund are quoted in your Investor Account on the 'Semper Secured Investor Portal': <https://portal.sempersecured.com.au/>

We are obliged to advise that these interest rate objectives are not forecasts, and the Fund may not be successful in meeting its objectives. Returns are not guaranteed, nor is the return of investment capital.

2.5. Fund Volume Cap

The Fund aims to attract the highest rate for risk in the commercial short-term mortgage market and will cap the Fund at \$250,000,000. Trustee and Manager do not intend to accept further investment once it reaches this amount.

2.6. Minimum investment amount

Provided you qualify to invest in the Fund, the minimum investment amount for A Class Units is \$50,000.

Following the minimum initial investment, Unitholders may invest any additional funds in the Fund at Semper's discretion.

Unless otherwise agreed, A Class Unitholders will be required to maintain a minimum balance of at least \$50,000 in A Class Units in the Fund.

2.7. Price of Units

As at the date of this IM, all Fund Units, regardless of Class, are priced at \$1.00 per Unit.

Semper and the Trustee, at their absolute discretion, may later determine this price does not appropriately reflect the value of the Fund's underlying assets. Therefore, if there is a loss in the value of the Fund's assets (e.g., in the event of defaults under the Loans, or circumstances outside of the Fund's control) then the Unit price may be altered.

2.8. Issue of Units

Units will be priced monthly, after both the Application Form and Application Money have been received from each applicant and accepted on behalf of the Trustee.

If the Trustee does not receive the Application Money in cleared funds and/or is not satisfied that it has received all relevant information required to process the Application Form, then the Trustee may refuse to accept a prospective Investor's application.

Interest payments will be paid to Unitholder's nominated Australian domiciled bank accounts.

2.9. Interest Payments

Interest will be calculated daily, paid monthly and payments processed within seven Business Days, paid to Unitholder's nominated Australian domiciled bank accounts.

You may elect to participate in the interest reinvestment plan via the online investor portal. You can change your election at any time by updating your preference on the online investor portal or by providing 30 days written notice. Semper may waive this notice period at their discretion.

2.10. Minimum Investment Term

The first 6-month period of an investment in the Fund by an Investor is referred to as the Minimum Investment Term. No Unitholder can withdraw any Class of Unit during the Unit's Minimum Investment Term.

When you invest in the Fund, the Minimum Investment Term for each Unit you subscribe for begins on the first day of the month following the quarter in which that Unit is issued and runs for 6 months. If you invest on multiple occasions, then each investment will have its own Minimum Investment Term.

2.11. Withdrawal Requests

Once a Minimum Investment Term has expired, a Unitholder may apply to withdraw some or all of their Units by submitting a request in writing to the manager. Requests will be processed in order of application, in the following priority:

- a) firstly, requests from holders of A Class Units, then
- b) requests from holders of Reserve Class Units.

Unitholders must provide at least three months' written notice to withdraw Units from the Fund in accordance with the following withdrawal cycle. Withdrawals are dependent upon whether there is sufficient liquidity available. The following table illustrates the withdrawal cycle of the Fund, and the relevant cut-off dates each year:

Period ending:	Withdrawal request cut-off dates*:
28 February 202X	5.00pm on 30 November in the year prior (202X minus 1)
31 May 202X	5.00pm on 28 February 202X
31 August 202X	5.00pm on 31 May 202X
30 November 202X	5.00pm on 31 August 202X

*Where the cut-off date for a period is not a Business Day, then the cut-off date will be the Business Day immediately prior.

To make a withdrawal request (after the Minimum Investment Term), investors must write to to investments@sempersecured.com.au. The Fund aims to pay any withdrawals within 30 Business Days after the end of the relevant period. Withdrawal proceeds will be paid to Unitholder's nominated Australian domiciled bank account.

If a withdrawal request is made and the Fund is unable to accept all withdrawal requests from Investors for a given period, then the following will apply:

- a) Withdrawal requests for a period will be satisfied on a pro-rata basis by Class of Unit. Therefore, some Unitholders may continue to hold Units in the Fund. Investors with unsatisfied or partially satisfied withdrawal requests may, at their election, participate in future period withdrawals by lodging a new request in the manner described above.
- b) Semper may in its absolute discretion issue new Units in existing Classes, or new Classes of Units at any time. New Classes of Units may be issued at different terms, rights, fees and amounts to satisfy withdrawal requests.
- c) Should withdrawal requests in any period exceed the capacity of the Fund to achieve the requisite level of liquidity required to meet redemptions, without impairing the capacity of the Managers to manage the Fund efficiently and effectively, the Manager may appeal to ASIC for relief to suspend redemptions until the Fund can return to liquidity or until loans are repaid or expire.

Please note: while Semper maintains active treasury processes to meet the projected needs of withdrawal requests, neither the Trustee nor Semper guarantee there will be sufficient liquidity available at any specific time to meet all withdrawal requests, and you may be unable to withdraw some or all of your investment at the time that you request a withdrawal.

Loans in the Fund are short-term in nature, providing for regular liquidity events. However, the loans are secured over real property which is an illiquid asset class. As such, the Fund must be considered primarily illiquid, and the ability to withdraw from the Fund is entirely dependent on whether there is surplus cash available.

Semper may, at its absolute discretion, apply the repayment of Loan capital to meet withdrawal requests or redeem units at call, between withdrawal cycles.

2.12. Loan Losses

Despite Semper's diligent processes and procedures for selecting and assessing Loans, we recognise the possibility that Borrowers may be late in paying interest or in meeting their repayment obligations or may be unable to do so. In these circumstances, the Fund will pursue enforcement action to recover amounts from the Borrowers. However, the amounts recovered from Borrowers from enforcement action (if any) may not be sufficient to meet the losses on individual Loan assets, once enforcement costs and expenses are paid.

As the Loan to Value Ratio of the Fund is generally low, Semper would expect to recover losses in default against the Loan assets. However, it is our obligation to advise that failure to do so (i.e. recover losses) could result in the loss of capital.

A Class Unitholders' capital is afforded a level of protection because of the subordinate first loss afforded by the Reserve Class Units. This means any capital losses will first be incurred by Reserve Unitholders before being incurred by A Class Investors.

2.13. Transfer of Units

As of the date of this IM, there will not be any established secondary market for the sale of Units. If investors want to sell Units, we may endeavour to assist; however, we are not required to do so. We may, at our discretion, refuse to register any transfer of Units.

3. Benefits & Risks of Investing

3.1. Benefits

There are several possible benefits of making an investment in the Fund which include:

- Participation in the lucrative short-term, asset-backed and mortgage-secured loan market;
- Participation in pooled risk exposures;
- Regular liquidity windows to enable redemptions;
- Fully transparent dynamic reporting of the Fund key performance indicators including, but not limited to:
 - a. Asset to liability coverage (being the total loans as a percentage of total property asset security values).
 - b. Loan portfolio performance data such as aged receivables, percentage of loan book in good standing versus default and, for loan in default, access to action recovery reports.

Semper has a long and credible history of managing lending to self-employed and SME borrowers by way of security against real property. While past history is no indication of future performance Semper has a zero-loss record of principal and interest as a Mortgage and Fund Manager.

3.2. Risks

Investing in the Units carries risk which could impact on the performance of Semper and the Fund. 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 Units. This is not an exhaustive list of all possible risks associated with investing in the Fund. 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 Fund.

3.2.1. Liquidity risk

Units in the Fund are an illiquid investment, without a formal secondary market on which they can be traded. This means Unitholders are only able to withdraw from their investment at the quarterly redemption windows (excluding any Minimum Investment Term).

Whilst Unitholders will generally not be able to withdraw funds invested until the quarterly redemption window, Semper may take advantage of loan maturity cycles to support redemption requests (see S2.12 above). Also Semper may be able to find a willing investor to replace the investment of a Unitholder seeking to withdraw (see S2.13). However, Semper does not guarantee that it will be able to find a willing replacement investor.

3.2.2. Capital and return risks

Returns on investments in the Fund are not guaranteed. The risk to capital is primarily determined by the ability of Borrowers to repay Loans to the Fund. If a Borrower is unable to repay a Loan, then the Fund may need to enforce its security and sell the security property. If that were to occur, then the Fund may not be able to recover all amounts owing to it under the Loan and would therefore suffer a loss. Returns are not guaranteed.

3.2.3. Loan loss risk

Unrecoverable losses from interest and/or principal from any Loan, caused as a result of Borrower default or otherwise, may have to be met from the Fund's capital. This may impact upon the Fund's rate of interest repayments to unitholders and/or the Fund's Unit prices. This could result in a capital loss being incurred by Investors.

3.2.4. Vacant land and non-income earning properties

There are particular risks associated with Loans in respect of vacant land and other non-income earning properties. Where a default occurs under these Loans, there is no income to assist in rectifying the default. Semper restricts Loans to non-income earning properties and reduces loan-to-value ratio exposures on non-income earning property to provide an equity buffer for costs of recovery in the event of default.

There are other types of Loans that may attract a greater degree of risk in a default situation where the market for such properties may fluctuate or where the demand for such properties is lower than other types of property such as highly specialised properties. It is rare for Semper to consider specialised securities unless supported by ancillary residential or municipal commercial property with higher levels of marketability. Semper also reduces loan to value ratio exposures to allow a significant buffer to for costs if recovery in the event of default.

3.2.5. Default and credit risk

There is a risk that a Borrower may fail to meet their financial obligations under a Loan or otherwise fail to meet the terms of a Loan made by the Fund. This may be for a wide range of reasons, including:

- a) A change in the individual financial or other circumstances of the Borrower.
- b) A change in the economic climate generally that adversely affects all Borrowers.

This could adversely affect the income attributable to the Loan and the recoverability of the principal and interest. If a Borrower ultimately defaults on the Loan, then this may result in the Fund losing money if the security property is sold for less than the outstanding Loan amount together with arrears of interest, default interest, enforcement and realisation costs. Although the Fund will target asset coverage of 150% (see Appendix A) we are obliged to advise you that a default and credit risk event occurs, this may lead to Investors losing some or all of their investment.

3.2.6. Enforcement risk

If a Borrower defaults under a Loan, then the Fund may have to enforce its Mortgage to recover the Loan, any unpaid interest and costs. This will involve incurring enforcement costs (such as the costs of appointing a receiver, legal fees in enforcing against the Borrower, agent's commissions for sale of the security property etc.).

If funds held are insufficient to meet these costs and expenses then this will most likely lead to a reduction in profit and therefore interest payable to Investors and, depending on whether the enforcement costs can ultimately be repaid out of the proceeds from the sale of the security property, may result in Investors suffering a loss.

It is possible Semper will undertake a further capital raising to raise the capital required to pay for the expenses associated with enforcing the Loan. There is therefore a risk that Investors may be requested to contribute further capital to the Loan. It is highly likely that any such future capital raising will be undertaken at a price less than the original issue price for the Units and may therefore dilute the proportional holdings of those Investors that decide not to contribute further capital.

3.2.7. Junior lender risk

At the time of writing second mortgages account for 0% of the Net Asset Value of its Fund.

Loans associated with real property will always be secured by a Registered Mortgage. However, if the Fund is a second mortgage lender, then its Mortgage will rank in priority behind a senior lender's mortgage. Therefore, in the event of a default by the Borrower the ability to recover the amount owing under the Loan agreement will be affected by the actions of the senior lender.

Generally, a senior lender will have the right to take possession of, and deal with, the security property and assets of the Borrower if various covenants of the senior lender's loan facility are not met. Where the Fund holds a second mortgage the Fund's security will rank behind the senior lender. If the Borrower defaults under any of the loan facilities and the senior lender exercises its security, then the Trustee will not have

day-to-day control over the Borrower's assets. This will generally mean that the Trustee cannot exercise the Fund's security until the senior lender has been paid in full. In addition, any monies available to the Fund in these circumstances would be limited to what is recovered after the senior lender has been paid in full.

3.2.8. Borrowing risk

While it is not currently envisaged the Fund will borrow, it may do so from time to time where the Trustee determines, at its discretion and in consultation with the Manager, that it is in the interests of Investors to do so.

Depending on the arrangements with the financier, security may be pledged or granted over part or all of the assets of the Fund. A default under the terms of a facility agreement may result in the financier enforcing its security.

3.2.9. Concentration risk

There is an increased risk associated with loans that are highly concentrated in terms of particular types of loans, location, activities or Borrowers. However, it is Semper's policy to trade concentration for lower Loan to Value Ratios and only for first mortgage purposes. While this may not assist in the production of revenue during a period of large-loan default, the availability of additional equity allows for a greater surety of outcome at a conclusion of enforcement.

3.2.10. Documentation risk

A deficiency in documentation could, in certain circumstances, adversely affect the return on a Loan. This may make it difficult for the Fund to enforce its Mortgage in respect of the Loan and may also affect the ability to recover any penalties imposed against the Borrower.

3.2.11. Valuation risk

The valuation of the security property for a Loan may be inaccurate or not accurately reflect its true value at the time the valuation is undertaken. If the valuation of the security property for a Loan is incorrect, then the amount realised on the sale of a security property may not cover the amount lent to the Borrower. Security property is valued by a valuer under instructions Semper and in accordance with the Lending Policy (See Appendix A).

3.2.12. Due diligence risk

In all investments there exists a risk that material items that could affect the performance of individual investments are not identified during the investment analysis process and that these risks are not mitigated by the Manager or Loan Manager.

3.2.13. Disaster risk

Disasters such as natural phenomena, acts of God and terrorist attacks may damage or destroy the property in relation to which the Fund holds a Mortgage. It is not possible to insure a security property against some of these events. Occurrence of these events could also lead to insurance becoming unavailable for such events in the future, or premiums increasing above levels expected. Semper ensures that properties in Fire and/or Flood prone zones are covered by adequate replacement Fire and/or Flood Insurance for the term of the Loan.

3.2.14. Trustee, Licensee and Key Personnel risk

There is a risk the Trustee may be replaced as trustee of the Fund. There is also a risk our authorisation under Alpha Securities Pty Ltd's AFS licence may be suspended or revoked, or that the Trustee, Licensee or Semper's key personnel may change.

3.2.15. Loan Manager performance risk

The success of the Fund is dependent on the Loan Manager identifying suitable Loans for the Fund to make and then managing those Loans to ensure that the Loans are repaid. If the Loan Manager is unable to identify suitable Loans for the Fund to make, then this will impact upon the Fund's return to investors.

The Fund's performance also depends upon the Loan Manager conducting regular audits of the performance of the Loans and undertaking enforcement action against defaulting Borrowers. Failure by the Loan Manager to undertake these tasks properly may result in an adverse impact on the Fund and on its performance.

3.2.16. Insolvency risk

If Semper either becomes insolvent or encounters financial difficulties, then the Trustee would either need to find a replacement Manager or wind up the Fund. This could result in Investors suffering a loss or a diminished return on their investment in the Fund.

3.2.17. Manager strategy risk

The risk that the Manager or the Manager's investment strategy will not achieve its performance objectives or produce returns that compare favourably against its peers. Many factors can negatively impact the Manager's ability to generate acceptable returns e.g., loss of key staff.

3.2.18. Limited track record risk

While the Fund is a newly established managed investment scheme and has no track record or past performance, Semper's management team have over 50 years' combined experience in the lending industry and in managing lending and investment risk. Past performance is no guarantee of future performance, but Semper's Managers currently have a 15-year history of no losses of principal.

3.2.19. Liquidity and withdrawal risk

Investors cannot withdraw Units from the Fund during the Minimum Investment Term, which may represent a risk in the event that they require the return of their investment more urgently. Further, after the expiry of a Minimum Investment Term, withdrawals will be dependent upon there being sufficient liquidity in the Fund. A lack of sufficient liquidity may result in investors being unable to withdraw any or all of their investment for a period of time.

3.2.20. Market risk

The Fund will make Loans secured by Mortgages in respect to real property and other Security Interests in respect to business loans. Therefore, factors which affect the property market may impact upon the value of Fund assets.

Property market risk is inherent in the real estate securing the Fund's assets. A fall in property values may affect the ability to fully recover the amount owing under a Mortgage where a Borrower defaults. If the Borrower defaults and the security property is sold for less than the outstanding Loan amount (including the costs of the sale and interest), then this may result in the Investors suffering a loss if the Borrower cannot repay the balance of the outstanding debt from other assets of the Borrower.

3.2.21. Taxation risk

Changes to tax law and policy (including any changes in relation to how income of the Fund is taxed or to the deductibility of expenses or stamp duty law) might adversely impact the Fund and your returns. You should obtain independent tax advice in respect of an investment in the Fund.

3.2.22. Regulatory and economic risk

There is the risk that the value of an investment may be affected by changes in domestic or international policies, regulations or laws (including taxation laws). There is also a risk that a downturn in domestic or international economic conditions may adversely affect investments.

These factors are outside the control of Semper and the Trustee, but they may have a negative impact upon the operation and performance of the Fund.

3.2.23. General investment risks

In addition to the specific risks identified above, there are also other more general risks that can affect the value of an investment in the Fund. These include the following:

- a) The state of the Australian and world economies.
- b) Interest rate fluctuations.
- c) Legislative changes (which may or may not have a retrospective effect) including taxation and accounting issues.
- d) Inflation.
- e) Negative consumer sentiment which may keep the value of assets depressed.
- f) Natural disasters and man-made disasters beyond Semper's control.
- g) The illiquidity and cost of capital markets.

We strongly recommend you obtain independent financial advice before investing in the Fund.

4. Fees and costs

4.1. Establishment Fee

The Manager has paid a Fee of \$5,500 to the Trustee for the establishment of the Fund and is entitled to recover this from the Fund.

4.2. Authorised Representative License Fee

The Licensee shall be entitled to receive a fee of \$2,500 plus GST per month for the Authorised Representative acting as a Corporate Authorised Representative, and \$1,000 plus GST per month for each sub-authorisation of an Individual Authorised Representative, plus a compliance fee of \$500 plus GST per month.

These fees may be reviewed from time to time without further notice. The Manager is entitled to recover these fees from the Fund.

4.3. Trustee fee

The Trustee is entitled to a fee based on the quantum of investor funds under management as follows:

Where the funds under management are:

- (a) \$1 - \$10,000,000, then \$1,000 per month,
- (b) \$10,000,001 - \$20,000,000, then \$2,000 per month,
- (c) \$20,000,001 - \$30,000,000, then \$3,000 per month,
- (d) \$30,000,001 - \$40,000,000, then \$4,000 per month,
- (e) \$40,000,001 - \$50,000,000, then \$5,000 per month,
- (f) \$50,000,001 - \$60,000,000, then \$6,000 per month,
- (g) \$60,000,001 - \$70,000,000, then \$7,000 per month,
- (h) \$70,000,001 - \$80,000,000, then \$8,000 per month,
- (i) \$80,000,001 - \$90,000,000, then \$9,000 per month,
- (j) \$90,000,001 - or more, then \$10,000 per month,

The Trustee's Fees are exclusive of GST.

The fees may be reviewed from time to time without further notice. The Trustee is entitled to recover these fees from the Fund.

4.4. Fund Management fees

The Manager is entitled to an annual management fee of no less than 1.75% of the net asset value of the Fund. This fee is calculated and is payable monthly in arrears from the Fund's assets. However, this fee will accrue monthly in arrears for each month where the gross value of the Fund's assets are less than \$4 million. Any accrued fee will be payable on the first Business Day of a month following the month in which the Fund's gross assets are equal to or more than \$4 million.

The Fund must also reimburse the Manager on demand all costs, charges and expenses incurred by or on behalf of the Manager which may be payable from time to time in connection with the provision of services and carrying out its duties and obligations under the FMA. Unitholders are not liable for any fees to the Manager.

4.5. Loan Management fees

As consideration for providing the services under the LMA, the Manager must reimburse the Loan Manager on demand all costs, charges and expenses incurred by or on behalf of the Loan Manager which may be payable from time to time in connection with the provision of services and carrying out its duties and obligations under the LMA. Unitholders are not liable for any fees to the Loan Manager.

4.6. Operating costs and expenses

The Trustee, the Manager and the Loan Manager are each entitled to be paid or reimbursed for operating costs and expenses associated with the operation of the Fund, such as the costs associated with the administration or distribution of income, fees to other service providers and other expenses properly incurred in connection with performing their duties and obligations in the day-to-day operation of the Fund.

Semper has incurred legal costs associated with the establishment of the Fund and is entitled to reimbursement of these costs from the Fund either in a single payment or numerous partial payments.

4.7. Fees payable by Borrowers

Semper will receive fees directly from Borrowers in relation to individual Loans, such as commitment fees, establishment fees, loan management fees and line fees. These fees will be paid for by the relevant Borrower and not from the Fund's assets.

4.8. Third party referral fees

Semper may pay an introductory fee or commission rebate to a party that has referred you to the Fund and/or arranging for you to invest in the Fund. Such fees and rebates are negotiated between that third party and the Manager. Please ask your advisors for details of the payments (if any) that they will receive from Semper.

4.9. Fee changes

The Trust Deed allows for higher fees to be charged than those detailed and specifies circumstances where additional fees may be charged. We will provide Investors with at least 30 days' written notice of any such fee imposition or increase.

4.10. Waiver, deferral or rebate of fees

Semper may, in our absolute discretion, accept lower fees and expenses than we are entitled to receive, or may defer payment of those fees and expenses for any time. If payment is deferred, then the fee will accrue until paid. In addition, Semper may waive, negotiate or rebate our fees, for example, in the case of a large investment amount.

4.11. Goods and services tax

All fees quoted in this IM are quoted exclusive of GST unless otherwise noted. The Fund may not be entitled to claim a full input tax credit in all instances.

5. Additional Information

5.1. Taxation Information

Neither Semper or the Trustee are qualified to provide financial or tax advice, and neither Semper or the Trustee have obtained taxation advice specific to the Offer. As such, this IM does not address taxation issues which may be relevant to you. You must take full and sole responsibility for your investment in the Fund, the associated taxation implications arising from your investment and any changes in those taxation implications during the course of your investment.

Before investing in the Fund, you should obtain your own independent tax advice, which takes into account your own circumstances. In particular, you should seek advice on income tax and interest withholding tax liabilities arising out of the investment.

5.2. Summary of material documents

The following is a summary of material documents relevant to the Fund. You should consider whether it is necessary to obtain independent advice on any of the documents.

5.2.1. Trust Deed

The Trust Deed is the primary document governing the relationship between the Investors and the Trustee. It contains extensive provisions about the legal obligations of the parties and the rights and powers of each.

Subject to the Trust Deed, we draw your attention to the following provisions:

- a) The Trustee, in its absolute discretion, can amend the Trust Deed at any time without Investors' approval.
- b) All Unit Holders have a proportional beneficial interest in the fund, however, do not own or have any interest in any particular assets of the fund.
- c) The Trustee may determine to create and issue new units at any time, with their own special rights or restrictions.
- d) Each Unit Holder must pay the Issue Price for each Unit in order to acquire an interest in the fund. The issue price shall be \$1 per unit or amended subject to clauses 6.2 and 6.3. Different classes of units may be priced separately.
- e) The Trustee shall not be responsible for any losses provided it acts in good faith.
- f) The Trustee manages and controls the fund as it deems fit, for the benefit of Unit Holders, free from all control by the Unit Holders, as fully and to the same extent as though the Trustee was the sole legal and equitable owner thereof and shall not be subject to any obligations to the Unit Holders other than such as are expressly assumed in this Deed.
- g) Unitholders do not have an automatic right to withdraw from the Trust, nor the right to require the trustee to buy Units.
- h) The Trustee has the power to appoint an agent or engage any person to do anything that it is authorised to do in connection with the Fund.
- i) The Trustee must process all application monies and application forms, and as soon as practicable receipt and account for funds and applications on account of the Trust and the applicant. In relation to the application monies and application forms:
 - a. Within thirty (30) days of delivery of the completed application and monies, The Trustee must notify the applicant of acceptance or non-acceptance and enter the name of the person as the Unit Holder in the Register.
 - b. Upon acceptance, the Trustee must transfer the relevant application monies to the operating account of the Fund and assign the Units to the applicant.
 - c. The Trustee may issue certificates for Units to Unit Holders.
 - d. Where an application is not accepted by the Trustee, the Trustee must return any application monies received to the applicant.

- j) A Unitholder may not transfer or sell any Units in the Fund except to a person approved by the Trustee, as defined in clause 18.
- k) Unitholders have a right of inspection of the Unitholder register, free of charge, during reasonable operating hours.
- l) Unitholders must notify the Trustee of any changes to their details (such as address) in writing (or by updating their account on the investor portal).
- m) Matters of Trust income and taxation are addressed in Clause 20.
- n) Matters of Unitholder income and taxation are addressed in Clause 21.
- o) Matters pertaining to Meetings of Unitholders are addressed in Clause 24.
- p) The Trustee must keep written financial records and retain these for 7 years.
- q) The Trust Deed is governed by the law of New South Wales.

There are numerous other conditions within the Trust Deed that may affect you and your investment. We advise that you read the Trust Deed carefully.

A copy of the Trust Deed is available free of charge by calling the Fund Information line on 1800 736 737 or writing to enquiries@sempersecured.com.au.

5.2.2. Fund Management Agreement

The Trustee has appointed the Manager to provide fund management services to the Fund pursuant to a Fund Management Agreement ('**FMA**'). The FMA contains provisions dealing with matters such as the Manager's obligations to report to the Trustee, and the fees payable to the Manager for its services.

The FMA will remain in force until the Fund is wound up, unless the agreement is terminated earlier in accordance with its provisions. The agreement can be terminated by the Trustee if the Manager is in material breach of the agreement, and that breach has not been remedied after a certain time. There are also provisions allowing the Trustee to terminate if, for example, the Manager becomes insolvent.

5.2.3. Loan Management Agreement

The Manager has appointed the Loan Manager to provide loan management services to the Fund pursuant to a Loan Management Agreement ('**LMA**'). The LMA contains provisions dealing with matters such as the Loan Manager's obligations to report to the Manager, and the fees payable to the Loan Manager for its services.

The LMA will remain in force until the Fund is wound up, unless the agreement is terminated earlier in accordance with its provisions. The agreement can be terminated by the Manager if the Loan Manager is in material breach of the agreement, and that breach has not been remedied after a certain time. There are also provisions allowing the Manager to terminate if, for example, the Loan Manager becomes insolvent.

5.3. Manager's authorised representative appointment

The Manager will be appointed as an authorised representative of the Licensee on or about the date of the IM. The Manager's authorisation is limited to its role as manager of the Fund, and does not extend to any other business that the Manager conducts, or services that the Manager provides.

5.4. Reporting

Fund reporting will comprise the following:

- a) Periodic performance update reports, at Semper's discretion.
- b) An annual income distribution statement detailing any distributions paid to you, including an annual tax statement detailing information required for inclusion in your annual income tax return which will be provided within 90 days of the end of each financial year.

Annual financial reports of the Fund will be made available if requested.

5.5. Related party transactions

At the time of writing there are no related party transactions such as loans to staff or associated entities but if the Fund were to extend a facility to a related party it would do so on the same terms as to other Borrowers and would report these transactions to the Trustee.

The Trustee may from time-to-time face conflicts between its duties to the Fund as trustee, duties to other funds it manages and its own interests. The Trustee will manage any conflicts in accordance with its conflicts of interest policy, the Trust Deed, ASIC policy and the law.

Loans made by the Fund may constitute the refinancing of existing Business Loans made by the Manager or its related or associated parties. All such Loans must comply with the Lending Guidelines.

Semper may from time to time enter into transactions with related entities. All transactions will be affected at market rates or at no charge.

5.6. Assignment

Semper may, at its absolute discretion, transfer or assign the rights and title of any Loan out of the Fund provided it does so on a dollar par value.

5.7. Direct Investment

The Fund may also directly make Loans with other co-lenders (which may include related parties of the Semper or Trustee). Whenever the Fund provides such a Loan, the Fund will hold the security interest jointly with one or more co-lenders. The terms of such co-investment arrangements will be governed by appropriate co-lending agreements and must satisfy the Lending Policy (See Appendix A).

5.8. Conflicting Investor interests

Investors may have conflicting investment, tax, and other interests with respect to their investments in the Fund, including conflicts relating to the structuring of acquisitions and disposals of the Fund's assets. Conflicts may arise in connection with decisions made by Semper regarding an investment that may be more beneficial to one Investor than another, especially with respect to tax matters. In structuring, acquiring and disposing of investments Semper may consider the investment and tax objectives of the Fund and its Investors as a whole, not the investment, tax, or other objectives of any Investor individually.

5.9. No-cooling off rights

There are no cooling-off rights or cooling-off period that apply in respect of your investment in the Fund.

5.10. Privacy

Semper, the Trustee and Licensee will collect personal information about investors from their Application Form. We use this information primarily to verify your identity and establish your investment in the Fund. We will also collect and may use and disclose personal information to process applications, manage investments, comply with obligations under applicable laws and regulations, and improve products and services. We may also use this information to provide investors with details of future investment offers. If investors do not provide all the personal information requested, then we may be unable to establish and manage their investment in the Fund.

The types of organisations to which Semper may disclose personal information include the Trustee and its related parties, external parties which provide services in relation to the Fund (e.g. custodial and registry service providers and providers of printing and postal services), government authorities when, and to the extent, required by law, and professional advisors (including legal and accounting firms, auditors, consultants and other advisors).

Under the Privacy Act 1988 (Cth), investors are entitled to access the personal information we hold about themselves, except in limited circumstances. Investors also have the right to ask us to correct information which is inaccurate, incomplete or out of date.

Please contact us if you have any questions about how we handle your personal information, or if you wish to access the personal information we hold about you.

5.11. Anti-money laundering law

The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) requires us to verify the identity of an Investor and any underlying beneficial owner of Units in the Fund and the source of any payment. Investors will be required to provide the identification information set out in the Application Form. We will not issue Units unless satisfactory identification documents are provided.

We reserve the right to reject any application where such documents are not provided to us prior to, or accompanying, your application or if we believe on reasonable grounds that processing the application may breach any law in Australia or any other country. We will incur no liability to you if we do so.

5.12. Foreign Account Tax Compliance Act (FATCA)

FATCA is United States (US) tax legislation that enables the US Internal Revenue Service (IRS) to identify and collect tax from US residents that invest in assets through non-US entities. If you are a US resident for tax purposes, you should note that the Fund is or is expected to be a 'Foreign Financial Institution' under FATCA and it intends to comply with relevant FATCA obligations, as determined by either the FATCA regulations or any inter-governmental agreement (IGA) entered into by Australia and the US for the purposes of implementing FATCA. Under these obligations, the Fund will have to obtain and disclose information about certain Investors to the Australian Taxation Office. In order for the Fund to comply with relevant obligations, we will also request that you provide certain information about yourself, including your US Taxpayer Identification Number (TIN). We will only use such information for this purpose from the date the Fund is required to do so.

5.13. Common Reporting Standard (CRS)

CRS is the single global standard set by the Organisation for Economic Co-operation and Development (OECD) for the automatic exchange of information with revenue authorities for tax non-residents that invest in certain financial accounts. The standard covers both the identification of tax non-residents and reporting on the applicable financial accounts. We will be a 'Reporting Financial Institution' under CRS and intend to comply with our CRS obligations under any relevant Australian laws and regulations, including obtaining and disclosing information about certain investors to the ATO or other foreign tax authorities as required. To facilitate these disclosures, Investors will be required to provide certain information such as that relating to their country of tax residence and their relevant taxpayer identification number (if applicable).

5.14. Complaints and contacting us

We have a system for dealing with any complaints you may have as an Investor. If you have a complaint, then please contact the Fund Information line

Telephone: 1800 SEMPER (736 737)

Email: enquiries@sempersecured.com.au

Semper Complaints Officer Level 25, 100 Mount St North Sydney NSW 2060

Your complaint will be acknowledged promptly and will be dealt with within 45 days.

6. Glossary

Term/ abbreviation	Explanation
AR	Authorised Representative
AFSL	Australian Financial Services License
ASIC	Australian Securities and Investments Commission
Borrowers	Third party borrower(s) to whom Loans are granted
Trust Deed	the Trust Deed for the Fund
Dollars or \$	Australian Dollars
FMA	Fund Management Agreement
IM	This Information Memorandum issued by Semper
LMA	Loan Management Agreement
Loans	Loans made by the Fund pursuant to a Mortgage Agreement and secured by real property
Lending Policy	The policy adopted by Semper for the purposes of assessing a Borrower's capacity to service its Loan, and in accordance with which Loans are granted. See Appendix A
Dollars or \$	Australian Dollars
Loan Default	A default by the Borrower of its obligations under its Mortgage Agreement
Mortgage Agreement	The agreement entered into between the Borrower and the Fund under which Loans are advanced.
Offer	The offer of Units pursuant to this IM
Semper	The businesses of the Manager and Loan Manager
Sophisticated Investor	A person who is a sophisticated investor within the meaning of s 761GA of the Corporations Act
Units	Units issued by the Fund, pursuant to the terms of this (and other) IM(s).
Wholesale Client	A person who is a wholesale client within the meaning of s 761G of the Corporations Act

Appendix A: Lending Policy

Borrowers

Borrowers must be:

- if individuals:
 - permanent residents or Australian citizens; and self-employed (i.e., sole trader registered for GST); or
 - a trustee to a family trust; or
- if corporate entities:
 - trading as a registered Australian company and subject to company taxation; or
 - a trustee company acting on behalf of a family or unit trust; or
 - a partnership entity.

All searches of public records and compliance with Semper's Know your Customer and Anti-Money Laundering program will be undertaken for the purposes of verification of the Borrower's identity and confirmation of other information required to be provided by the Borrower.

Use of Funds

The funds advanced to the Borrower must:

- only be used for business purposes; or
- consumers for bridging purposes, where the repayment of Loan is via sale of an asset with verifiable net proceeds sufficient to cover all Loan Principal and Loan Interest.

Loan Size

The parameters of the aggregate size of a Loan is:

- minimum amount – \$200,000; and
- maximum amount – \$20,000,000.

Security

The Loan must be secured over real property by:

- registered 1st mortgage; or
- in limited circumstances, a registered mortgage subordinate to other lender(s).

A subordinated registered mortgage will only be accepted as the primary loan security where:

- the Loan to Value ratio (LVR) on the collective loans provided to the Borrower whether by Semper or otherwise does not exceed the LVRs specified below;
- the maximum Loan Principal will be no greater than one third of the total dollar volume of equity remaining in the Secured Property; and
- a "Deed of Priority" is agreed with the prior lender, or its Priority obtained in writing directly by the prior lender, and that lender being on notice.

Term

The term of the Loan must be from 1 month to 12 months. A Loan can be renewed, subject to the new Loan meeting the criteria of the Lending Policy (Refinance).

Loan to Value Ratio (LVR)

The LVR limits for a particular Loan depend on the nature of the Secured Property. Variations to LVR limits may be tolerated for short periods and specifically where an identifiable and testable event will occur occasioning a reduction in LVR.

Nature of Secured Property	LVR Limit
Residential within 20kms of a capital city; or 10Kms of a town with > 20,000 population	70%
Residential within 50kms of a capital city; or 10Kms of a town or with < 20,000 population	65%
Units/Flats/Town houses	70%
Commercial in municipal areas of capital cities – Fully Leased	65%
Commercial in municipal areas of capital cities – Predominantly Owner Occupier	60%
Commercial in rural areas (areas beyond 50km of a capital city) – Fully Leased or Owner Occupier	55%
Farming land with residential houses producing economic crops	65%
Farming land producing economic crops	60%
Farming /arable land – not producing economic crops	<50%
Land bank with Development Approvals	60%
Land bank without Development Approvals (subject to location and proximity of residential population and zoning)	50%

Maximum LVR for a Loan is the total of the maximum LVR limits for each Secured Property.

Acceptable Secured Property

Only properties for which instructions are accepted by CPP, CPV, CCPM, RPV or other certified Valuers under the API Standard Instructions for Valuations Reports.

Prohibited Loans

The following Loans will not be written:

- Loans other than for genuine buy and sale bridging written under the 62-day exclusion or within the provisions of Bridging Finance under the NCC Act;
- Loans to third party guarantors that derive no direct business benefit (not including spouses or life-partners as Joint Tenants to a security property where the business borrower provides a majority contribution to total household

income – in such cases independent legal and financial advice should be obtained);

- Loans that are predominantly for payment of personal tax liabilities;
- Loans for personal / consumer use;
- Loans that are not arm's length transactions in regard to acquisitions;
- Loans predominantly for construction purposes.

Unacceptable Secured Property

- Mobile, transportable and kit homes;
- Properties adversely affected by heritage, environmental or planning issues;
- Properties unique or unusual in character or construction or with over-capitalised improvements;
- Properties affected by high-tension power lines, frequent flooding (or flood zoning) or fire risk without fire and/or flood insurance, traffic abnormalities and industrial sites;
- Display homes;
- Properties under a 'time share' arrangement;
- Leasehold properties, other than Crown land in Australian Capital Territory;
- Land subject to a licence to occupy;
- Limited Title (any defects); or
- Properties with 'Lease for Life' covenants.

Valuation

Valuations are required and must be performed by Australian Property Institute (API), APIV Limited Liability Scheme or equivalent qualified valuers.

Valuations are to be issued within the Australian and New Zealand Valuation and Property Standards.

The Valuation reports must include comparable sales evidence within a reasonable period to classify as historically comparable to current market value. Where a Valuation is older than 90 days, an updated report is required prior to settlement.

If a pre-existing Valuation is to be assigned for the benefit of Semper, it must be assigned with acceptance of the terms of Semper's instruction.

Valuations that are more than 15% outside of the median house price for the area in which the Secured Property is located, must be valued on the basis of a forced sale within a 6-12 month selling time.

The only exclusion to the requirement for a Valuation is where a Loan is for an amount equal to

or less than 50% of the rateable value of the Secured Property.

Solvency

Corporate Entities will be identified as registered with ASIC as currently trading and be subject to company taxation portal checks, ASIC and credit checks. Individuals (including guarantors) will be subject to credit checks, credit profiling and bankruptcy searches.

Unacceptable Applicants

- Non-residents;
- Non-discharged bankrupts;
- Persons previously convicted of fraud;
- Any person subject to a Part 9 or 10 Agreement under the Bankruptcy Act.

Serviceability

Applicants must prove one or a multiple of the following:

- Where the Loan relies on monthly payment of interest and fees the Applicant must demonstrate 1.5 times interest coverage or net cash-flow capacity;
- Where a business is unable to demonstrate interest coverage or net-cashflow capacity to service, interest and fee servicing must be built into the Loan Principal for the term of the Loan;
- For bridging Loans there must be a verifiable means for repayment on the Maturity Date by either:
 1. sale of the Secured Property: asset must be verified, valued, be listed for sale within a period in which a reasonable sale is likely to correspond to the initial loan term and have sufficient free equity to meet LVR limits at the Maturity Date; or
 2. Refinance: the Applicant must be credit assessed and determined to be matched to a viable alternative funding source, prior to draw down of the Loan.

Guarantees and other Security

- Personal guarantees required from all key signatories.
- Fixed and floating charges are required against all key corporate borrowers and trusts, with personal guarantees by Trustees.
- Where the Borrower is a unit trust, each unit holder will be required to provide a personal guarantee.



Thank you for your time and consideration

For all enquiries, please contact:

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