



**BLESSED GROUP  
INVESTMENT  
MANAGEMENT**

## **Investments & Loans**

Property Finance | Development Finance  
Private Funding | Business Finance  
First Mortgage Investments

[www.bgimcapital.com](http://www.bgimcapital.com)





## Corporate Directory:

### **Blessed Group Investment Management Pty Ltd**

Trading as BGIM Capital

ABN: 26 633 019 753

#### **Sydney:**

Suite 3, Level 27, 1 Farrer Place Sydney NSW 2000  
DX 10216 Sydney Stock Exchange

#### **London, UK:**

20-22 Wenlock Rd, Hoxton, London N1 7GU

**1300 031 112**

[www.bgimcapital.com](http://www.bgimcapital.com)

[hello@bgimcapital.com](mailto:hello@bgimcapital.com)

### **Auditors & Accountants:**

#### **Deloitte Australia**

Eclipse Tower, 60 Station St E,  
Parramatta NSW 2150

Phone: (02) 9840 7000  
[www2.deloitte.com](http://www2.deloitte.com)

### **Solicitors:**

#### **Piperalderman**

Level 23, Governor Macquarie Tower,  
1 Farrer Place,  
Sydney NSW 2000

Phone: (02) 9253 9999

[www.piperalderman.com.au](http://www.piperalderman.com.au)



## *Our Services*

*BGIM Capital provides debt and equity solutions to its clients Australia wide, specialising in bridging finance and construction loans.*

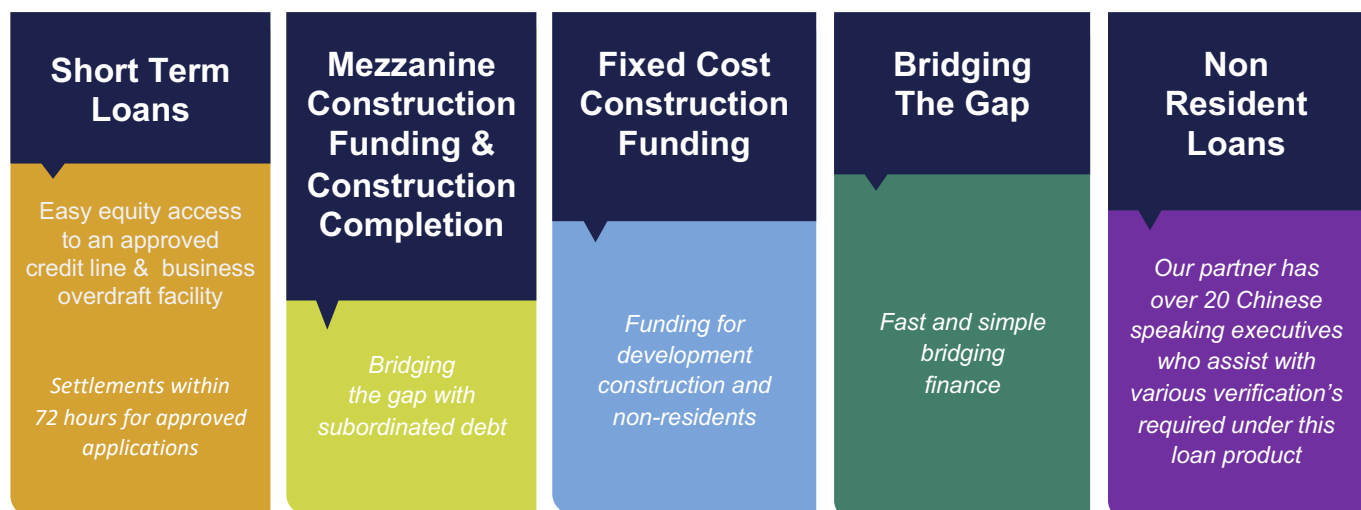
The main business activity of BGIM Capital is the origination and facilitation of direct mortgage investments for sophisticated clients. In doing so BGIM Capital introduces sophisticated lenders to lending opportunities (mainly construction finance) involving mortgages over real property.

We ensure our borrower clients receive industry leading products, by working with our investors and lenders to develop new and innovative solutions,

delivered with service that sets us apart.

We continuously seek new products that match all our investor's and lender's terms of lending to ensure availability of funds.

We offer a range of commercial finance products to our clients and referrers, every deal starts with a clean sheet of paper, generally, they fall into one of 5 categories:



### **Your Non Bank Funding Alternative**

BGIM Capital offer alternative capital to what banks can offer. As a commercial property financier our role is to understand your needs and ensure you get the best access to capital for that project bank or non-bank.

Real estate debt capital markets are very fluid (particularly at this time), and evolving quickly. Banks will always have a place with our clients in particular servicing those relatively lower on the risk spectrum.

This has created the opportunity for non-bank financing to emerge and the growth has been rapid and we expect it to continue over the medium to long term. If you're looking for a flexible funding alternative, we have the market knowledge and partnerships to provide you with some options.

We'd love to hear from you.

# Our Numbers

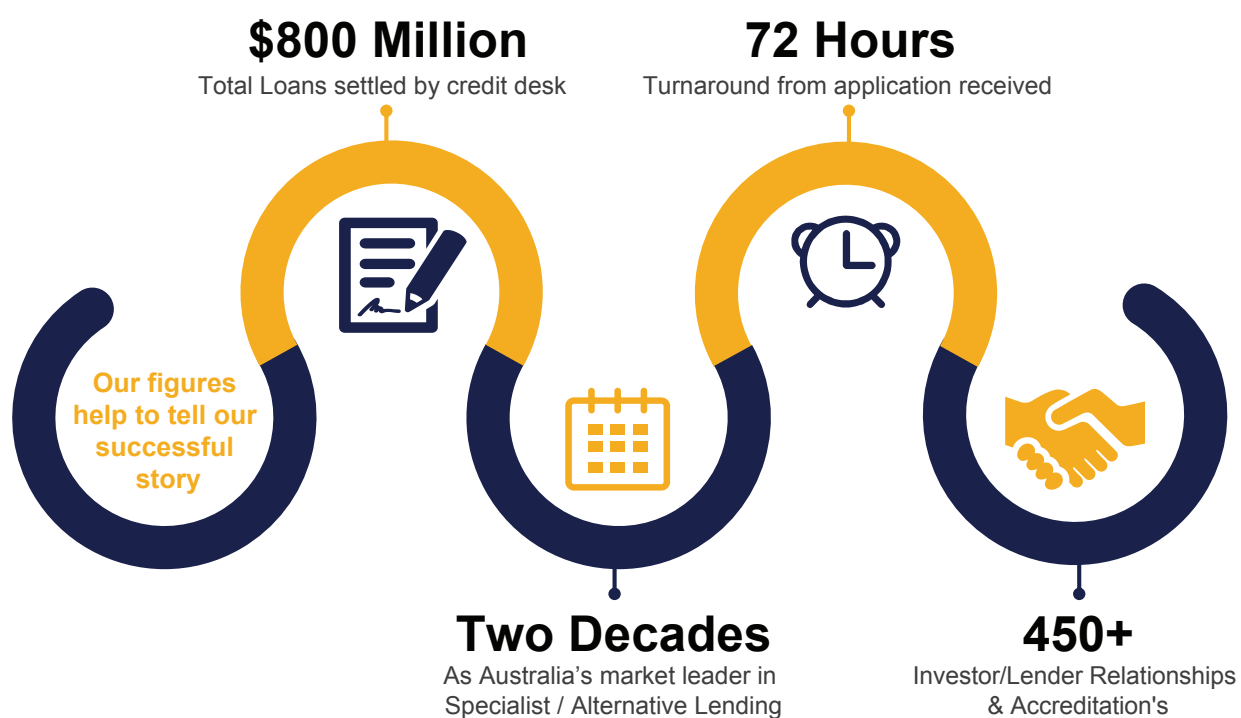
*A brief visual summary of our experience in commercial lending.*

We ensure our borrower clients receive industry leading products, by working with our investors and lenders to develop new and innovative solutions, delivered with service that sets us apart.

We continuously seek new products that match all our investors and lenders terms of lending to ensure availability of funds.

We value the trust placed in us by our clients and always seek to repay that trust by maximising their outcomes always striving to be better.

Since inception, brokers, lenders, investors and borrowers across the country have received the benefits of working with BGIM Capital.





## *The Lending Team*

*The lending team is experienced (two decades), ethical and known across Australia as go to property financiers. We do NOT lend to the borrowers that the banks refuse, we ONLY lend to the borrowers that banks would like to have.*

All borrowers face and pass a personality test as well as demonstrate proven ability to be able to do what they say they will do and to deliver all documentary evidence within an agreed time-frame. All lending is done in concert with the specialist property legal house, located in each state/territory.

*Shane Reynolds*

**Shane Reynolds**  
Managing Director



Shane is a specialist in commercial mortgage lending (2001-2018) and his field of expertise is in construction finance. His primary focus is to help clients maximise return on investment quality while minimising risk.

He has specialist expertise in delivering project funding for multi-million-dollar developments and experience across a range of industry sectors including commercial and residential.

Shane has held roles with leading firms across Australia. Shane supports various NGO's and charities in board positions and is an advocate for the finance broking industry and published Australia's first book in June 2017 on the subject of commercial finance.

Shane's publications include 'GET A SECOND OPINION BEFORE YOU SIGN' Lifting the Curtain on Lending Practices & the Australian Financial Services Industry ([www.getasecondopinion.com.au](http://www.getasecondopinion.com.au)). The publication is endorsed by the President of the Finance Brokers Association and 100% of the profits of the same are directed to Aussie Farmers.

The publication is an informative, accessible guide to navigating the Australian lending/borrowing process. The book offers advice for individuals and is enriched by background information about both the history of banking and current regulations and practices.

The essential borrowers guide to 1st & 2nd tier lending, commercial finance, construction finance, preferred equity & distressed debt transactions in Australia.

Shane was recently involved in contributions to the Royal Commission into Misconduct in the Banking, Superannuation, and Financial Services Industry to support Australian Farmers and mortgage brokers.

In 2018 Shane directed the film Four Generations For Nothing an entrant in Sydney Short Film Festival intended to promote the financial, emotional and psychological pressures that families in rural Australia face and promote financial literacy. refer: ([saveourfarmers.org.au](http://saveourfarmers.org.au)).



# First Mortgage Investments

*If you're an investor looking for capital stability, yield and portfolio diversity, consider BGIM Capital.*

Providing investors with exposure to returns available through loans secured by first mortgages over Australian property. Direct Mortgage investments, our funds are not pooled. Receive income from 9.5% per annum at far better rates of return than term deposits.

- **Higher returns than term deposits**
- **Less volatility than the stock markets**
- **Predictable monthly income or capitalised interest secured by conservatively-valued property**

## Benefits

Earn Monthly Cash-flow or Capitalised Interest at attractive rates of return. Choose from a variety of loan investment opportunities to match your retirement and investment goals.

**Capital Security.** Your capital is secured by a first mortgage against real property.

**Conservative lending ratios.** We only lend up to 65% of the value of the security property. Independent valuation is carried out by members of an approved panel of valuers.

**Transparency and Control.** Know exactly where your funds are being invested with the freedom to undertake your own due diligence. Select the individual loan type, size, term, location, and borrower you are most comfortable with.

**Set and forget.** We collect interest payments and deal with the borrower on your behalf. Your privacy is of paramount importance to us and your details are never shared with the borrower.



# *First Mortgage Property Lending Opportunities in Australia*

*Loans placed and managed by BGIM Capital*

## **Categories**

**P: Commercial Properties**

**Q: Development/Construction**

**R: Land/land development**

The four pillar banks in Australia are amongst the most profitable banks in the world.

**Commonwealth Bank of Australia (CBA)**

**Westpac (WBC)**

**National Australia Bank (NAB)**

**Australia and New Zealand Banking Group (ANZ)**

The four pillar banks enjoy a greater market share of property lending in Australia ahead of the second-tier banks and the growing non-bank lending sectors. Australia has enjoyed a record 27 years of economic and population growth without a recession.

The Australian banking sector has recently endured a Royal Commission into the lending and service standards of the banks. The four pillar banks have come under heavy fire from all government and opposition government authorities for failing their Australian public and business clients across the board.

The pillar banks are also talking up 'Principal & Interest' loans to replace 'Interest Only' loans to the property investment sector. This is creating massive shifts by borrowers to the second-tier banks and to corporate non-bank lenders.

The Australian banks are dithering and delaying mortgage loan decisions to even their best customers for up to three months. This is driving quality borrowers to the non-bank sector.

## **Interest Rates**

Australia still has amongst the highest bank cash deposit rates in the world (circa 2.5%).

Australians also have similar higher first mortgage interest rates. For example:

**Bank residential loan:** 3.75% - 5.75%

**Bank commercial loan:** 6% - 7%

**Non-bank residential/commercial loan:** 7.5% - 9%

The opportunity exists to offer the most sought-after borrowers an extremely competitive rate and take on the Australian banks!



**Commonwealth**Bank



# Property Lending in Australia

## – Full Recourse Lending

*One of the biggest problems for the lending institutions in the United States was that a property borrower could and did in fact simply leave the house keys on the bench with a note to the bank ‘it’s all yours!’*

In Australia, all bank and corporate non-bank lending is done on the basis of full recourse to the borrower. Full recourse lending on property in Australia, combined with a conservative loan to value ratio of circa 70%, makes the probability of full loan recovery very strong. Loans to borrowers are supported by borrower guarantees and, in many instances, an additional cross-collateralised property mortgage.

### Valuations

All property lending in Australia is underpinned by a fresh valuation at application by a registered valuer of the lenders choice.

### Ability to Service the Loan

All borrowers, regardless of the type of the loan (e.g. residential development, commercial property, land development etc) must demonstrate the ability to both service the loan with interest and to repay the loan. Interest can be paid by way of monthly payments or capitalised into the loan. The borrowers of loans on commercial properties with leasing tenants are required to give evidence of these tenancies being registered as real leases.

First mortgage lending documentation is relatively standard across Australia and leaves no doubt to any party to the loan of the enforceable status of the documentation.

**Note:** loan documentation, lending practices and security is pretty much identical in New Zealand.

### How it Works

1. The banks and traditional lending institutions have dramatically reduced their exposure to financing residential, commercial, construction and development property.
2. We receive loan applications from credit-worthy borrowers and our network of accredited brokers and referrers.
3. We thoroughly screen these applications and email the best of these loan investment opportunities to our registered investors for consideration.
4. Investors choose which individual loans to fund then receives monthly interest payments.





## *Do I Qualify?*

*Private investors with cash are in the best position to be able to take advantage of the most attractive of our investment opportunities. However, as defined under the Corporations Act 2001, investments can only be made by sophisticated and wholesale investors.*

### **What is a Sophisticated and Wholesale Investor?**

Sophisticated investors need to be able to show net assets in excess of \$2.5m and annual incomes over \$250,000 for the past 2 fiscal years.

Wholesale investors need to have over \$500k available to invest. If you are more comfortable initially investing a smaller sum, we accept investment amounts from \$50,000 but require a letter from your accountant certifying that you qualify as a wholesale investor.

Our wholesale investors include: High net worth individuals (HNWI), Family offices, Self managed super funds (SMSF), Religious groups, Charities, Hedge funds, and Foreign investors.

Our clients operate under a Mortgage Management Agreement for which documents our role in a mortgage investment with precision and contains provisions to ensure that the investor maintains

actual control of making commercial decision in relation to a loan. We operate a fully compliant structure that has been settled by leading mortgage law specialists.

### **Steps**

Sign up as a wholesale investor and get emailed exclusive investment opportunities.

Choose the loans that interest you. Undertake your own due diligence or seek any professional advice so you can make an informed decision.

Complete and return the paperwork provided. The mortgage is then registered.

Transfer the nominated funds to invest into a lawyer's trust account.

Receive monthly interest payments or capitalised interest on repayment of the loan.

Get your principal back at the end of the loan or choose to reinvest.





# *The Structure*

*If you would like to know more about how BGIM Capital can maximise the potential of your investments, contact us for a confidential chat today.*

## **The Legal House**

All loan documentation and loan draw-downs are issued and facilitated by a specialist law firm. All funds are held in the firm's trust account awaiting disbursement. The law firm also manages the monthly construction draw-downs and the receipt of all interest payments and fees. A licenced Quantity Surveyor (QS) verifies the work carried out and delivered prior to every monthly draw-down to a development borrower.

## **Credit Committee**

The Credit Committee approves all loans on a unanimous basis. The committee includes BGIM Capital personnel and arm's length consultants with lending experience. An independent QS is also included in the Credit Committee. The Credit Committee meets and approves/declines all loans at the earliest convenience for all parties to the loan.

## **Valuations**

All property lending in Australia is underpinned by a fresh valuation at application by a registered valuer of the lenders choice.

## **Compliance**

Our external compliance manager conducts monthly compliance scrutiny of credit process, loan documentation relevance and loan management procedures. The compliance report is issued twice yearly in January and July.

## **Activity Reporting**

The business operates with and reports on daily numbers. Every component of loans, pay-outs, pending loans, lending margins and fees are known daily and included into monthly reports.





## Track Record

*A Snapshot of the Range of Loans Funded by our Private Investors – we have successfully funded many properties that are to be developed, the following are a small selection for your review:*

### **\$83.7M Equity Release – Land Bank**

Our client purchased a property based in Sydney for \$138.8M and settled with a \$20M facility and the balance covered with equity.

We were approached to refinance the facility and provide additional funds to be used for additional acquisition of future development sites.

#### **Solution:**

We successfully obtained approval for a facility of \$83.7M based on 60% LVR from our private investor network.

**Amount: \$83,700,000**

**LVR: 60%**

### **\$11.5M - Development Finance**

Our client, a management investment scheme and was looking for funding for a 69 lot residential land subdivision over 3 stages in SE Queensland. They had approached their existing bankers however they could not assist as they wanted pre-sale cover over the entire subdivision rather than on a per stage basis which our client believed was unreasonable.

#### **Solution:**

Our credit desk facilitated an approval for a land subdivision loan through a private non-bank lender which could cover the costs of the entire subdivision as one stage. Construction on stage 1 could commence with no pre-sales required however the second stage could only commence once 50% of stage 1 was pre-sold.

**Amount: \$11,500,000**

**LVR: 65% of GRV**

**Rate: 11.50%**

### **\$35.75M - Land Bank**

Our client was looking to purchase a residential property which would be used as a future development site. The client planned to settle on the property then obtain DA after acquisition for over 350 dwellings to either sell or occupy. The Developer was of Chinese origin and the local banks and as a result they were unwilling to help.

#### **Solution:**

We secured a 12-month facility at 65% LVR of purchase price at market leading rates all within the time requested from our private investor network.

**Amount: \$35,750,000**

**LVR: 65%**

### **\$10.45M Equity Release – Construction Loan**

Our clients are a family which inherited a residential property on the harbour of Sydney's Inner West. Since then they have bought the adjoining property and obtained development approval for 11 residential units which would yield an expected end value of \$15.5M (Ex GST).

#### **Solution:**

Our credit desk was successful in obtaining approval for a low doc construction loan via a private lender for a facility of \$10.45M for a period of 18 months representing an LVR of 65% of GRV. This enabled repayment of the existing land facility and provided construction funding to enable completion of the development with no pre-sales required.

**Amount: \$10,450,000**

**LVR: 65% of GRV**

**Rate: 11.50%**





## *Giving Back to the Community*

*We have been incredibly blessed to have grown as much as we have, and are strong believers in sharing what we have with others.*

We support Prosperity House Community Centre Inc A.B.N 88 489 948 128 (Charitable fundraising number 25048) which was founded on St Patrick's Day in March 2017 and is a not-for-profit organisation.

Our CEO Shane Reynolds is the President of this not-for-profit organisation. Prosperity House reaches out to those most in need in the community by offering no-cost health, well-being and support services to its patrons.



BGIM Capital have a deep knowledge of the industry and are driven to provide top quality service to our customers and are available to come and meet with you at your convenience. Brokers and referrers welcome.

Note: Pricing, loan amount and maximum LVR will vary depending on the quality of the proposal with some key factors being location, strength of the borrower and quality of the overall transaction. Any investment is subject to general investment risks, specific risks of investing in a managed fund such as the Trust, as well as all the risks of investing in a portfolio of first ranking mortgages over real property and any other assets that the Trust invests in from time to time.

\*In considering these returns, investors should bear in mind that past performance is not a reliable indicator of future performance. Returns shown are net of fees and management costs and assume no reinvestment of distributions. The rate of your return or the return of your capital invested is not guaranteed. As all investments carry risk, a detailed explanation of the risks involved when investing.

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If you would like to know more about how **BGIM Capital** can maximise the potential of your investments or loans, contact us for a confidential chat today on 1300 031 112

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Management Pty Ltd**

Trading as BGIM Capital

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