# SHINING A LIGHT ON THE...... Semper Total Return Fund

### AT A GLANCE

Investment Objective
The investment objective of the Fund is to generate capital growth over the medium to longer term.

Inception Date	29 March 2018	
Fund Factsheet Link	https://www.morningstar.co.uk/uk/funds/snap	
	shot/snapshot.aspx?id=F000010E7X	

Management		
Manager Name	Start Date	
-	29 March 2018	

Investment Style Details		
Equity Style		
Market Capitalisation	% of Equity	
-	-	
-	-	
-	-	
-	-	
-	-	

Top 10 Holdings			
Total number of holdings	281		
Assets in Top 10 Holdings	11.74%		
Name		Sector	% of Assets
United States Treasury Bills 0%		-	3.54%
Tricon American Homes 2015-SFR1 Trust		-	1.05%
LSTAR SECURITIES INVESTMENT LTD 2.87%		-	1.00%
Federal National Mortgage Association		-	0.97%
Freddie Mac Stacr Remic Trust 2019-Dn		-	0.96%
COREVEST AMERICAN FINANCE TRUST 4.82%		-	0.93%
Volt Lxxxvi Llc 2020-Npl2 3.67%		-	0.85%
Fhlmc Wlst 4.14%		-	0.84%
LSTAR SECURITIES INVESTMENT LTD 2.67%		-	0.80%
American Home Mtg 0.37%		-	0.80%

Volatility Measurements	
3-Yr Std Dev (volatility)	-
3-Yr Mean Return (average)	-

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#### **FUND PERFORMANCE**

Performance from 29 March 2018 to 30 June 2020:

	2018	2019	2020
Semper Total Return Fund	11.94%	0.90%	-11.34%
Vanguard Global Bond Index	0.39%	6.63%	3.41%

Performance over 12 months, and since launch.

	1 year	Since launch
Semper Total Return Fund	-13.06%	0.15%
Vanguard Global Bond Index	4.80%	10.70%

You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation, but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.

#### **UPDATE....**

These updates have been written at the time of the Coronavirus Pandemic of 2020, which has impacted the global financial markets in a way that has never been seen before.

This was a brief introduction to the fund and the team. Semper is a US based company founded in 1992 and manging \$2.5 billion. The strategy was launched in the UK in 2018 but has been running in the US since 2013. There is currently circa \$320 million invested across the different strategies.

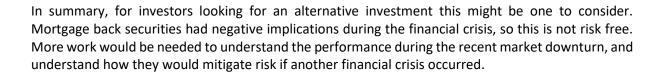
For investors searching for alternatives this might be a strategy to consider. It is uncorrelated to equity markets as it invests in US mortgage backed securities. They see this as an extremely strong relative value proposition and although it has underperformed in the recent market, they feel this has increased the opportunities available to them.

This fund provides direct exposure to the US real estate eco system. Built over many years they understand which are safe mortgages i.e. those that will be repaid and those that will not. The focus is on the health and quality of the underlying borrower and this involves drilling into the underwriting for these loans.

There are \$8 trillion of loans and they look to provide direct exposure to this space by diversifying across different structures to deliver the best returns. The types of areas they invest in are legacy loans which makes up about 39% of the portfolio, next generation issued post the financial crisis which makes up 35% of the portfolio and the balance is in new issues.

They are active managers looking for the best opportunities sets and constantly model the different potential returns as well as looking to minimise risk for investors. The portfolio has just over 250 securities and 400,000 individual home loans.

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The source of information in this note has been provided by Semper and is correct as at July 2020. These are notes from meeting the fund manager or representative and should not be seen as a recommendation to purchase any fund mentioned. Any reference to shares is not a recommendation to buy or sell. Should you wish to make a decision based on these notes we cannot take responsibility for this and you should carry out your own research before making a decision. We would also recommend that you receive advice before following up on any decision.