



ESG Government
Smart Loans™

“Antidote to the Low Interest Rate Pandemic”

“The Government of Malaysia fully supports initiatives of Seagate Global Capital through its Smart Loan/Partnership Program...and stands ready to give any needed support...”

*Endorsement Letter to Seagate Global Capital Sdn Bhd, from,
The Office of the Prime Minister, Teraju, Government of Malaysia, January 25, 2017*

Overview: The prize winning fixed income experts at Seagate Global, partnering with the Government of Malaysia, have developed an antidote to the low interest rate pandemic infecting global markets: The Seagate Global ESG Government Smart Loan™ (“Smart Loan”). Smart Loans™ are actively managed short-term investment grade government backed bridge loans used to help finance the construction of Malaysia government employee affordable housing. Seagate Global’s local risk management team de-risks the loans through insurance, onsite inspections, good governance, credit analysis, currency hedging and other risk reduction techniques. Seagate, a leader in ESG investing in Asia, adds sustainable features such as solar power and rainwater recapture systems to homes, a first for affordable homes. While Smart Loan™ principal risk is low, return is 9%-15% in US\$’s due to numerous market inefficiencies.

Smart Loans™ - Smarter by Design

Investment Grade Country: Malaysia’s sovereign rating is A3 by Moody’s, and A- by Standard & Poor’s.

Double Safety of Principal: Smart Loans™ are secured by the legal obligation of Malaysia’s government backed housing bank to repay the loan *and* are collateralized by the underlying real estate. This provides double safety.

High Interest Rate: Senior Smart Loans™ pay **9% per year**, Mezzanine Smart Loans™ pay **15% per year**.

Term: Each project term is between 12 months and 30 months. Progressive pay loans are rolled over roughly every six months until project completion. Investors may invest from 1 to 5 years based the current pipeline.

Low Loan-to-Value: Smart Loans™ have a loan-to-value ratio well under 50% which equates to lower risk.

Socially Responsible Loans: Smart Loans™ finance affordable solar homes for Heroes (nurses, teachers, military, firefighters, etc.), helping to reduce the affordable housing crisis as well as the climate change crisis.

Large Pipeline: Seagate has a pipeline of over \$1 billion in projects for the next several years with deal size from \$1 mm to over \$50 mm.

Top Rated Country to Invest In: Malaysia ranked #1 country to invest: US News/Wharton School annual survey, 2017; CEO World Magazine, 2018; Bloomberg, 2019.

Government 10%-30% Co-Investment Reduces Risk: The Government of Malaysia co-invests with Seagate from 10%-30% of the selling price of each home, aligning Government interests with investor interest.

Limited Market Risk: All homes are pre-sold to government employees prior to construction, thus no market risk.

Limited Construction Risk: Smart Loans™ are designed such that the construction risk, cost overruns and product liability are all borne by other parties, not the Lender.

Minimum Investment: US\$250,000.

Reason for the Opportunity: Despite government backing, there is a lack of funding available locally as non-government projects offer a higher margin and therefore draw most of the available funding.

Track Record: Seagate Global has a 5 year Smart Loan™ performance track record completing over 60 transactions. Monthly gross returns* have been more than adequate to cover “interests payments”;

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Inception
Ave/Yr														26.39%
2020	1.51%	1.51%	1.51%	1.51%	1.37%	1.31%							8.70%	368.86%
2019	1.55%	1.55%	1.55%	1.55%	1.54%	1.55%	1.56%	1.62%	1.63%	1.67%	1.51%	1.51%	18.78%	339.34%
2018	1.39%	1.35%	1.37%	1.36%	1.35%	1.45%	1.45%	1.54%	1.54%	1.51%	1.51%	1.54%	17.36%	285.68%
2017	1.97%	1.97%	1.74%	1.74%	1.52%	1.52%	1.42%	1.43%	1.43%	1.42%	1.39%	1.39%	18.94%	243.42%
2016	16.43%	12.93%	3.23%	3.23%	3.23%	3.14%	3.14%	3.14%	3.14%	3.14%	2.35%	1.97%	59.08%	204.65%
2015							17.33%	17.33%	21.43%	29.54%	36.62%	6.41%	128.65%	128.65%

Lower Risk: While delivering a higher return, the Smart Loan™ is lower risk than a typical bridge loan;

Seagate Smart Loan™ vs Typical Bridge Loan				
			Seagate Smart Loan™	Typical Bridge Loan
1	High return (9%-15%)		YES	NO
2	Lower risk due to investment grade related sovereign borrower		YES	NO
3	Partnership with the government		YES	NO
4	Government co-invests 10%-30% in deals with Seagate		YES	NO
5	Government employee affordable solar homes		YES	NO
6	Automatic repayment upon completion of milestones		YES	NO
7	Program structured as a government receivable		YES	NO
8	2X Collateral: 1) government contract; 2) underlying assets		YES	NO
9	Loan-to-value <50%		YES	NO
10	Government approved project with permits		YES	NO
11	Government approved developers, contractors, suppliers, materials		YES	NO
12	Limited exposure to cost overruns and product liability		YES	NO
13	Government controlled lockbox for all funds		YES	NO
14	All profits contractually locked in		YES	NO
15	No market risk, homes pre-sold to government employees		YES	NO
16	Government guaranteed take-out financing and/or repayment		YES	NO

Seagate Global, a Respected Name in Asia: Seagate Global was founded in the US in 1996 with China’s central bank as its first client. Seagate has a prize winning track record. The Smart Loan™ program was launched in Malaysia in 2014 at the invitation of the Malaysian Government. Seagate is fully licensed and regulated in Malaysia as a Registered Money Lender, Registered Solar Investor and Registered Bumiputera Company.

For additional information:

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