

# Mo Tokens

Mortgage Financing Redefined

radius financial



# A Token Like No Others



- » Equity ownership in a fund with projected annual returns of 12-18% \*(7)
- » \$1 billion worth of token issuance. Each token (\$5) is secured against approximately \$6.50 of prime North American real estate & guaranteed by quality borrowers with good credits. (2)
- » Securitized mortgages that are insured by Government of Canada and sold to the NHA MBS program, AAA rated and are 100% guaranteed by the Canadian government (1)
- » Comfort and trust of being compliant with the SEC (USA), OSC (Canada) & regulated by several Canadian government agencies (CMHC, Financial Services Regulatory Authority, etc.).
- » KPMG (Auditor), SGGG (Providing fund valuation& Unitholder record keeping), Computershare (mortgage custodial trustee) and Securitize (Token administration and transfer agent) as part of this STO to make MoToken a transparent, trusted and honest token offering.



# Investment Highlights

1. Equity ownership in a fund with projected annual returns of 12-18%
2. The Radius will use 100% of the proceeds to lend mortgages. None of this money will be used for overhead and/or corporate expenses.
3. The cash will be used to lend mortgages directly and via the Government of Canada NHA MBS, Private MBS programs & Financial instruments (9)
4. Under the Canadian government NHA MBS program, Radius will receive 50x leverage. This will increase the returns significantly to projected returns of 12-18%
5. The MoToken Holders will receive the first 4% return, (net of 1% expenses). Radius will receive the next 1% return as a "catch up". All returns after the 4% preferred return and the 1% catch up will be split 80/20 in favor of Token Holders
6. The interest returns will be dividend out to Token holders on a quarterly basis.



# How it Works

The Radius will use 100% of the proceeds for lending & investments. None of this money will be used for overhead and/or corporate expenses.

Under the Canadian government NHA MBS program, Radius will receive 50x leverage. Ability to use this leverage will assist Radius to achieve the projected returns of 12-18%

The interest returns will be dividend out to Token holders on a quarterly basis.



Investor purchases MoToken. Each MoToken represents One equity share in "Radius Mortgage LP"



The cash will be used to lend mortgages directly and via the Government of Canada NHA MBS, Private MBS programs & Financial instruments\*<sup>(9)</sup>



The LP investors will receive the first 4% return, (net of 1% expenses), Radius will receive the next 1% return as a "catch up". All returns after the 4% preferred return and the 1% catch up will be split 80/20 in favor of Token Holders





# Why Security Token



## **LIQUIDITY**

Thanks to fractional ownership and secondary markets, security tokens make traditionally illiquid assets like real estate and Mortgages more liquid for asset owners.



## **INCLUSION**

Breaking ownership down into tiny fractions - rather than just being owned by a single person or entity - democratises access to wealth creation for smaller investors.



## **TRANSPARENCY**

The status of a security token transaction can be monitored all the way from initiation to settlement, and all relevant parties have access to an up-to-date golden source of truth on-chain.



## **EFFICIENCY**

Blockchain's automation, speed and transparency make creating, issuing and transferring securities faster and cheaper and reducing the risk of manual errors.



## **REDUCED RISK**

Security tokens enable compliance rules and controls to be programmed into them. By automatically finding problems before the trade is initiated, the risk of wrongdoing decreases.



# Why Canadian Mortgage Market?

1. In the last 20 years, Canadian real estate has been one of the best performing and safest real estate markets in the world. <sup>(5)</sup>

2. In October of 2020, Canada's government said it planned to admit 1.2 million new residents from 2021 to 2023, equivalent to 3% of the population. <sup>(6)</sup>

3. Strong immigration (over 400,000 individuals per year are projected from 2022-2026) and a shortage of supply due to infrastructure and a strong economy will foster demand for Canadian real estate for years to come.

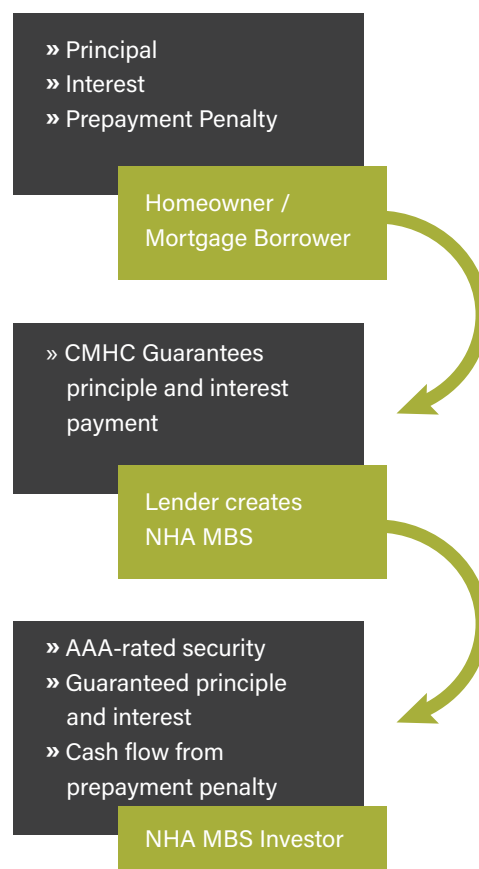
4. The rate of mortgage defaults in Canada is one of the lowest in the world.

5. The Canadian real estate market is \$5.9 trillion, with an MBS market size of \$500 billion in principle amount outstanding as of the end of March 2020. <sup>(9)</sup>

6. Mortgages in MBS are fully insured by the Canada Mortgage and Housing Corporation (CMHC) and NHA MBS are assigned the same AAA rating as the agency.

7. New government regulations (B20, Stress Test) make it extremely difficult for high quality clients such as doctors, dentists, lawyers, business owners, and entrepreneurs - even with great credit and a 25-50% down payment - to obtain mortgages.

**FIGURE 1. MORTGAGE SECURITIZATION PROCESS**





# Residential Housing Market

## ANNUAL STATE OF THE RESIDENTIAL HOUSING MARKET IN CANADA

Data highlights from our year-end 2020 consumer report which explores consumer choices, attitudes, and expectations in the Canadian mortgage market in 2020. Reported is prepared by Chief Economist Will Dunning.

### WHAT CANADIANS THINK



### HOUSING MARKET

**56%**

display optimism in the economy.

**83%**

believe real estate to be a good investment.

**78%**

classify mortgages as good debt.

**50%**

think it's a good time buy a home in their community.

**\$5.8 trillion**

Estimated total value of owner-occupied primary residences in Canada.

**\$1.59 trillion**

Estimated associated finance (mortgages and HELOCs) on owner-occupied dwellings.

**\$4.22 trillion**

Estimated homeowner equity in Canada at the end of 2020.

### CONSIDERATIONS AFFECTING MORTGAGE PRODUCT CHOICE (OTHER THAN RATE):

**30%**

Familiarity and comfort level with the lender.

**28%**

Payment schedule comfort.

**19%**

Prepayment options

**21%**

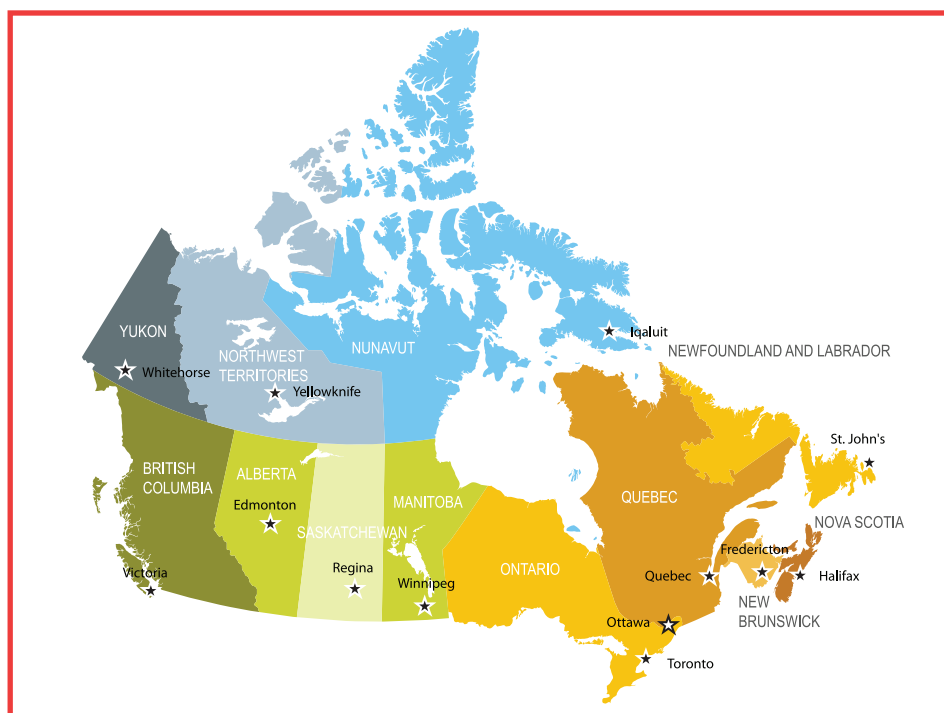
Amortization periods

**19%**

Recommendation and advice from family or friend

**23%**

Advice of the mortgage professional



**10.01 million**

Owner-occupied dwellings in Canada.

**6.08 million**

of these have mortgages

**77%**

fixed rate mortgages

**18%**

variable rate mortgages

**5%**

combination



# Why Radius?



- » Radius has a successful 16-year track record. In 2021 Radius was selected Mortgage Lender of the year in Canada by winning 9 Gold Medals and 1 Bronze out of 10 possible Medals. (Canada Mortgage Professional Magazine survey by Mortgage brokers in Canada)
- » The Radius senior management team has over 80+ years cumulative experience in the mortgage industry. The Radius executives have overseen the funding of more than \$220 billion in mortgages.
- » Radius has strong institutional investors and partners, including Merrill Lynch/Bank of America, MCAP, Bank of Montreal. Laurentian Bank, Computershare and Finastra just to name few.
- » Radius has funded over \$7 billion in mortgages since inception and has a \$1.5 billion assets under administration.
- » Radius is an approved lender by the Canadian government and has a great relationship and track record with Canada's top two mortgage insurance companies, CMHC & Sagen (Genworth).
- » Radius' mortgage portfolio is performing exceptionally well! With defaults (90+ days late in payments) at just 0.31% (approximately)



# CMP

Canadian Mortgage Professional

MORTGAGEBROKERNEWS.CA  
ISSUE 16.10

**RESPONDING TO  
MARKET MAYHEM**  
Ways to help clients navigate economic  
fears and off-the-charts prices

**THE POWER OF  
RELATIONSHIPS**  
How one lender's connections paid  
off at the height of the pandemic

**THE BANK OF CANADA  
STAYS THE COURSE**  
But could it be moving too  
slowly in raising rates?



## CANADA'S TOP MORTGAGE LENDER

Radius Financial makes history by being awarded  
more gold medals than any other lender - ever!

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4



# Management team



**ALEX HADITAGHI**  
CHAIRMAN & FOUNDER

- » Award Winning Tech & Fintech Serial Entrepreneur
- » Ernest & Young Canadian entrepreneur of the year finalist.
- » His companies have originated, processed or loaned over \$45 billion in Mortgages.
- » 20+ years experience in Mortgage and real estate industry.



**RON SWIFT**  
CEO RADIUS FINANCIAL

- » 30+ years experience in Canadian Mortgage market.
- » Recipient of Canadian mortgage Hall of Fame award.
- » Recipient of Canadian mortgage industry lifetime achievement award.
- » Past Chair of Canadian Mortgage Lenders & Brokers Association (MPC)



**JENNIFER IRWIN**  
DIRECTOR MORTGAGE FUNDING & ADMINISTRATION

- » 25+ Years in the mortgage industry
- » Worked with Radius 15+ Years
- » Worked with Major Global Lenders and Banks



**GARY CILEVITZ**  
CFO

- » 25+ years experience in Accounting, Audits, Public Co & Capital markets
- » CFO of Radius & related companies for 14+ years.
- » Previous CFO of USA based publicly traded real estate company
- » Previous CFO of a publicly traded mining company



# Management team



**LAUREN ZERALDO**  
NATIONAL RELATIONSHIP  
MANAGER

- » 4+ year in Mortgage & Credit
- » Worked with one of Canada's largest mortgage lenders
- » Manager relationship with 1200+ select brokers



**GEORGE ZHANG**  
TREASURER & EVP CAPITAL  
MARKETS

- » 30+ years experience in Capital Markets, Banking and Asset Management.
- » 15+ Years with Radius as the head of Capital markets & Treasury.
- » Senior Management role with CIBC (Canada's Top 5 Bank)
- » Senior Management role with BMO (Canada's Top 5 Bank)



**ALFONSO CASCIATO**  
EVP OF STRATEGIC  
INITIATIVES

- » 25+ years experience in Canadian Mortgage market.
- » Vice President of Credit at CIBC (Canada's Top 5 Bank)
- » Co-Founder, SVP Credit & Sales, Street Capital Bank.
- » Over \$138 Billion in Mortgages funded under his leadership.



**MICHELLE CAMILLERI**  
DIRECTOR, QUALITY AND  
RISK ASSURANCE

- » 18+ Year Experience in Mortgage industry.
- » Extensive experience in Credit & Risk.
- » Worked with 3 of the largest financial Institutions & banks in Canada.

# What Will Radius Provide?

- » All the expenses listed below will be covered by the initial 1% Radius will receive.
- » Currency swaps & Interest rate swaps (Hedge)
- » Mortgage servicing (3rd party)
- » Audit, legal and government filings & professional fees
- » Token platform (Securitize)
- » Computershare trust services
- » Warehouse & credit facilities
- » Marketing & sales
- » Mortgage Application Delivery platform (Provided by Finestra)
- » Underwriting and cost associated with underwriting (Equifax reports, appraisals, underwriting platform, Title search, quality control & assurance)





# Lending Products

## **RESIDENTIAL MORTGAGES:**

- » Owner-occupied houses
- » Rental houses
- » Multiplex & apartment buildings
- » Condominiums
- » Co-ownership apartments
- » Lakefront homes and cottages
- » Co-op apartment blanket loans

## **CONSTRUCTION FINANCING:**

- » Infill and subdivision residential construction loans for freehold and condominium projects
- » Land servicing and building lot loans
- » Construction loans for mid-rise & high-rise condominium projects
- » Construction lending for custom homes & renovation programs
- » Land loans for residential and commercial sites, parking lots and hi-rise sites
- » Commercial plaza and industrial construction loans
- » Mezzanine financing



# Prudent Risk Management

- » Radius originates prime mortgages – the highest quality in Canada.
- » While not an OSFI regulated entity, Radius has adopted a Residential Mortgage Underwriting Policy which complies with B-20 and requires the highest underwriting standards in Canada.
- » Low residential arrears rates consistent with those of the Canadian Bankers Association.
- » Every Mortgage file gets reviewed by QC/QA department prior to funding.
- » Funded mortgages get reviewed and audited by a third party company quarterly (TAO) for investors.
- » For the past 10 Years Radius consistently meet or exceed industry standards on audits conducted by CMHC & Sagen.





# Use of Proceeds



## 100% of the proceeds to lend mortgages & access Mortgage-Backed Securities.

- » None of this money will be used for overhead and/or corporate expenses.
- » Targeted 70% LTV (Loan to Value Average) on portfolio.
- » Targeted 700+ credit score on portfolio
- » Equity ownership in a fund with projected annual returns of **12-18%**



## 50X Leverage with Government of Canada MBS Program.

- » That is 2% from Radius & 98% advance from the Government program.
- » Mortgages in MBS are fully insured by the Canadian Government.
- » Mortgages in these pools have AAA ratings.
- » Canada mortgage default insurance protects lenders 100% in the event a borrower defaults on their mortgage.
- » The 50X Leverage allows radius to earn returns of 12-18%



## 80% Of Returns to The Token Holders.

- » 1% expense charge to cover all the direct operating expenses.
- » The MoToken holders receive the first 4% return, net of expenses.
- » Radius will receive the next 1% return as a "catch up".
- » All returns after the 4% preferred return & the 1% catch up will be split 80/20 in favor of MoToken holders.



## 100% of all Expenses Covered by the Initial 1%, expenses such as

- » Mortgage origination & servicing.
- » Interest rate hedge & Currency swap costs.
- » Securitize platform & token administration
- » Audit, legal and government regulatory fillings.
- » Computershare trust services.
- » Marketing & sales, technology, Underwriting.
- » Costs associated with underwriting (Equifax reports, appraisals, underwriting platform, Title search, quality control & assurance

# Token features

## TOKEN FEATURES

**MoToken** (Built on Algorand ) consensus mechanism is permissionless and PURE PROOF OF STAKETM. It ensures full participation, protection, and speed within a decentralized network. With blocks finalized in seconds.

**The Raise:** 200,000,000 tokens @ \$5 per token, \$1,000,000,000 USD raise

Just 1% expense charge to cover direct operating & program expenses.

The LP investors will receive the first 4% return, net of expenses.

Radius will receive the next 1% return as a “catch up”

All returns after the 4% preferred return & the 1% catch up will be split 80/20 in favor of preferred share investors

Projected annual returns of 12-18%





# Securitize



» Securitize, Inc. operates as a compliance platform for issuing and managing digital securities.

» A digital marketplace, modernizing capital markets by enabling digital securities and making it easier for eligible investors to own, manage, and trade digital securities within designated capital markets for equity, funds, fixed income, and real estate.

» Offers KYC/AML, capital management,

and various issuer and investor support services.

» Securitize is the only SEC Registered Transfer Agent integrated with multiple regulated US-based marketplaces with a working protocol and live issuers on the platform.

» Founded in 2017, Securitize is financed & backed by some of the world's biggest financial institutions including Morgan Stanley

## TURN-KEY COMPREHENSIVE DIGITAL SOLUTION



Formation



Structuring



Digitization



Fund  
Administration

## SELECT SERVICE OFFERINGS

» Primary Issuance of Digital Securities

» Alternative Trading System for Secondary Market of Digital Securities

» Investor Onboarding & Management

» Full-Service Fund Liquidity Solution

» Transfer Agent Services

» Compliance

» Investor Dashboard

» Blockchain Support

# Radius Partners





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Prospective investors should be aware that the acquisition of securities of the Partnership will have tax consequences, whether adverse or otherwise. Such tax consequences are not described herein. Prior to investing in the securities of the Partnership, prospective investors should consult with their legal, invest-



ment, accounting and tax advisors to determine the consequences of an investment in the Partnership, including with respect to their particular circumstances.

Prospective investors, and each beneficial purchaser for whom they are acting, should not rely upon the agents of the Partnership to conduct any due diligence investigation on behalf of such investors regarding the Offering, the Units (or Mo-Tokens) or the Partnership's business, management, financial position, condition or prospects, and the agents of the Partnership do not make any representation or warranty as to, or assume any responsibility or liability of any nature whatsoever for, the accuracy or adequacy of any of the information furnished to such investors herein.

### **CAUTION CONCERNING FORWARD LOOKING STATEMENTS:**

Our public communications, including this White Paper, may contain "forward-looking statements" – that is, statements related to future, not past, events. In this context, forward-looking statements often address our expected future business and financial performance, and often contain words such as "expect," "anticipate," "intend," "plan," "believe," "seek," "see," "will," "would," "estimate," or "forecast." These forward-looking statements may include projections and estimates concerning the timing and success of strategies, plans or intentions. We have based these forward-looking statements on our current expectations and assumptions about future events. While we consider these expectations and assumptions to be reasonable, they are inherently subject to significant business, economic, competitive, regulatory and other risks, contingencies and uncertainties, most of which are difficult to predict and many of which are beyond our control and could cause actual results to differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements. Readers should not place undue reliance on our forward-looking statements. We undertake no obligation to update any forward-looking statements to conform to actual results or changes in our expectations, unless required by applicable law.

1. DBRS Limited (DBRS) has today assigned a new platform rating of AAA to the Canada Mortgage Bonds™

<https://www.dbrsmorningstar.com/research/303505/dbrs-assigns-aaa-rating-to-canada-mortgage-bondstm>

[benchmarking the canadian mortgage-backed securities market final v3.pdf \(ftserussell.com\)](#)

» Radius is not planning to rate this investment product at the present or near future time with any of the rating agencies.

2. The \$1 Billion in Tokens refers to the size of the Radius MoToken Offering. The \$1.5 Billion real estate, this number refers to our projected LTV of the entire portfolio which we expect to be around 65% LTV (Loan to Value).

» Radius **PRIME PROPERTY** definition refers to the marketable and in demand, properties in major Canadian Cities and urban centres. Commonly, but not exclusively, prime property markets will be areas where demand has a significant international bias. Radius will generally lend in major Urban centres with a minimum population of 100,000+ people within 50 Km radius and expected days in the market of 60 days or less, should property need to be resold. m population of 100,000+ people within 50 Km radius and expected days in the market of 60 days or less ,should property needs to be resold.

3. Radius mortgage fund has been established as a Canadian limited partnership. Limited partnerships are by their nature flow through entities for tax purposes. The limited partnership itself is not subject to income tax and all of its income and expenses are allocated to its investors for inclusion in their tax returns. In this case, due to the potential participation of non-resident investors, certain additional criteria will be implemented in order to mitigate against the potential for withholding taxes to apply to distributions of partnership income to these investors.

4. The tokens will be restricted and non tradeable for a period of 12 months following of their issuance.

5. <https://www.globalpropertyguide.com/North-America/Canada/Price-History>  
<https://voxeu.org/article/mortgage-delinquency-rates-cross-country-perspective>

6. <https://www.economist.com/the-americas/2021/04/24/canada-wants-to-attract-more-immigrants>

7. The 12-18% returns are a projected and targeted returns by our company

8. **Prime Mortgages** under Radius definition mean “mortgages that are given to quality borrowers with good credit and net worth on Prime properties”

9. <https://www.dbrsmorningstar.com/research/303505/dbrs-assigns-aaa-rating-to-canada-mortgagebondstmbenchmarking the canadian mortgagebacked securities market final v3.pdf> (ftserussell.com)