



BLUESTRIPE  
FINANCIAL LTD.

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## Investor Presentation

September 2021

### Important Disclosure

*All investments, including Blue Stripe Financial Ltd., carry risks. Past returns are not an indication of future returns and all charts/information in this brochure are for illustrative purposes only and are not intended to imply risk profiles. The Office of the Registrar of Mortgage Brokers at the Financial Institutions Commission regulates the mortgage brokering and lending activities of Mortgage Investment Corporations (MICs) under the Mortgage Brokers Act. The Registrar and the Mortgage Brokers Act do not regulate the capital raising and investment marketing activities of MICs which are subject to securities legislation and regulation.*

**Contact:** Investor Relations - 1-866-888-4139 or [invest@amurgroup.ca](mailto:invest@amurgroup.ca)

## Terminology



**MIC:** Mortgage Investment Corporation as defined by the Canadian Revenue Agency (CRA)

**Loan to Value (LTV):** The primary risk metric in the mortgage industry. It represents the total loans owing divided by the value of the property (*at the time the mortgage was issued*). For example, assume a client has a property worth \$750k. The same client has a 1<sup>st</sup> mortgage of \$550k and a 2<sup>nd</sup> mortgage of \$35k. The LTVs would be as follows:

$$\begin{array}{l}
 \text{1}^{\text{st}} \text{ Mortgage LTV:} \quad \frac{\$550,000}{\$750,000} = \mathbf{74.00\%} \\
 \text{2}^{\text{nd}} \text{ Mortgage LTV:} \quad \frac{(\$550,000 + \$35,000)}{\$750,000} = \mathbf{78.00\%}
 \end{array}$$

**Annual Return:** Always net to shareholder (i.e. after financial services fee).

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## Blue Stripe Financial Ltd. - Introduction

- Blue Stripe Financial Ltd. (Blue Stripe) is managed by the **Amur Financial Group**.
- The Amur Group has over 90 financial professionals focused on diversified financial products - Private Mortgages, Unsecured Loans, Wealth Management.
- Amur is controlled by the Larson Financial Group.
- The principals of the Larson Group have been involved in the private mortgage market since 1969.

### Mortgage Origination



**Alpine Credits**  
homeowners get approved

- Established in 1969.
- Licensed to lend in BC, Alberta and Ontario.
- Over \$2 Billion in loans since inception.

### Mortgage Administration



- Currently administers in excess of 6,000 private mortgages.
- Other services include: bankruptcy & credit counselling, unsecured loans, and credit enhancement

### Fund Management



- Over \$600 Million total assets under management including three funds with different risk/reward profiles.
- Over 1,400 investors.

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## Blue Stripe Overview



- Blue Stripe Financial (BSF) was founded in 2015, by the Directors of Amur Financial Group.
- Amur Financial Group is the parent company of Alpine Credits & manages in excess of \$600 Million in private mortgage investments.
- Relative to the other funds managed by the Directors, Blue Stripe's investment objective is to offer a higher return profile.

Fund	Year Est.	Funds Managed	Investment Strategy	Most Recent Return	Average Mortgage Exposure
Manchester	2009	\$134 Million	Capital Preservation, Stable Growth	6.23%	\$221,030
Ryan Mortgage	1984	\$500 Million	Capital Preservation, Balanced Growth	9.79%	\$109,868
<b>Blue Stripe</b>	<b>2015</b>	<b>\$11.3 Million</b>	<b>Aggressive Growth</b>	<b>13.09%</b>	<b>\$37,401</b>

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# Objectives & Guidelines



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## Investment Objectives

- To earn the preferred shareholders a *net* return of 13.00%.
- Maintain a weighted average LTV of not greater than 80% of the total mortgage portfolio (current loan to value is 73.6%).
- To keep an average mortgage size not exceeding \$45,000

## Underwriting Guidelines

- Loans are to be on client's primary residence.
- Home ownership length to be a minimum of 2 years.
- The term on any mortgage is not to exceed 5 years, amortizations not to exceed 15 years.
- Credit history to determine (i) size of loan and (ii) LTV maximum.
- Verification of income is required.

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# Mortgage Origination Strategy



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- Blue Stripe is administered by Amur Financial (the parent company of Alpine Credits).
- Alpine Credits has been involved in “peer to peer” lending since 1969 with a successful track record in private mortgage administration, fund management & origination:
  - Proprietary IT and business systems.
  - Centralized infrastructure: Ability to administer large volumes of mortgages.
  - “Geographically Agnostic” marketing strategy - allowing us to shift markets based on current market conditions:
    - Advertising can be used in any province.
    - Loans officers are licensed in multiple provinces.
  - Through Ryan Mortgage and Manchester, a solid track record on investment management.

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## Why Blue Stripe?



- In 2015 the Amur Financial Group investigated entering the unsecured lending segment (similar to MOGO, EasyFinancial, Progressa, Borrowell, the list goes on...).
- **The Conclusion:** Why lend unsecured when it is possible to lend to the same borrowers secured?
- Relative to Amur Financial Group's other investment funds, the loan parameters are more strict:
  - Loans are much smaller.
  - Credit history of client is more relevant.
  - Amortization of loan tends to be less than 15 years.
  - All properties must be residential.
  - Client requires proof of income.

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## Portfolio Composition



### Portfolio LTV & Average Exposure Per Loan (as of September 1<sup>st</sup>, 2021)

Position	# of Mortgages	Total Value Mortgages	Yield	Loan to Value	Average Mortgage Size
<b>1<sup>st</sup> Mortgage</b>	2	\$126,690	10.41%	45.4%	\$63,345
<b>2<sup>nd</sup> Mortgage</b>	268	\$9,748,240	14.23%	74.6%	\$36,374
<b>Other Mortgage</b>	32	\$1,420,200	13.48%	68.8%	\$44,381
<b>TOTALS</b>	<b>302</b>	<b>\$11,295,129</b>	<b>14.09%</b>	<b>73.6%</b>	<b>\$37,401</b>

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## Fund Details (as at September 1<sup>st</sup>, 2021)



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- **Fund Type:** Mortgage Investment Corporation (MIC)
- **Inception Date:** 2015
- **Funds Under Management:** \$11,295,129
- **Minimum Investment:** \$10,000
- **Annual Return 2020:** 13.09%
- **Financial Service Fee:** 2% of AUM
- **Auditor:** MNP, LLP
- **Mortgage Type:** Residential / Owner Occupied
- **Geographical Diversification:** BC, AB, ON
- **Total Number of Mortgages:** 302
- **Average Mortgage Size:** \$37,401
- **Weighted Average LTV:** 73.6%
- **Registered Investment Qualified:** Yes
- **Directors' Investment:** \$1.9 Million

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## Board of Directors



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### **Kurt Wipp, President & Director**

Kurt has over 20 years of experience in finance, marketing and business operations including roles involving private equity investments, structured finance, capital allocation and investment banking. He holds an MBA from studies at the University of British Columbia and Universita Bocconi (Italy), a Joint Honors degree in Economics and Business from Simon Fraser University and has studied at various world class business schools including the Wharton School of Business, Columbia University, Chicago School of Business and the Oxford Said Business School (UK).

### **Brent Wipp, Director**

Brent has been involved in the Western Canadian private mortgage market and consumer finance business since 1983 and has been on Manchester Investments and Ryan Mortgage Income Fund's board as a director since its inception. He holds a mortgage brokers license in Alberta and British Columbia and received his Diploma of Technology from Selkirk College.

### **Kevin Budd, Director**

Kevin is President of Pacific Southshore Ventures Inc., with investments in a number of private businesses. Kevin is also President of Monashee Capital Corp.; a firm that provides M&A advisory and general corporate finance advisory. Prior to this, Mr. Budd was a Senior Officer and Vice President of Methanex Corporation whose responsibilities were leading transaction and capital markets activities. He holds an MBA from studies at the University of British Columbia and the London Business School (United Kingdom). He is a professional engineer and received an honors degree in Mechanical Engineering from Waterloo University.

### **Wade Nesmith, Director**

Wade co-founded Creation Capital Corp. in 2018 and led that company through its acquisition of Greenlane Biogas in 2019, with the resulting company, Greenlane Renewables Inc., being listed on the TSX Venture Exchange. Greenlane is now listed on the main board of the TSX and Wade chairs the company. Wade founded Primero Mining Corp. in 2008, acting as CEO until 2010 and Chairman until 2018. He was founding Board member of Westport Innovations Inc. and Silver Wheaton Corp. and was previously Superintendent of Brokers (Executive Director) of the British Columbia Securities Commission (1989 – 1992), and then a senior partner, specializing in securities law with Lang Michener LLP (now McMillan LLP) (1993 to 1998). He has been a director of more than 20 companies since 1993. Wade obtained his LLB from Osgoode Hall Law School.

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- **CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS:** This presentation includes information, statements, beliefs and opinions that are forward-looking information and forward-looking statements under applicable Canadian securities laws (collectively, "forward-looking statements"), and that reflect current estimates, expectations and projections about future events. Forward-looking statements are often, but not always, identified by the words "believe", "expect", "anticipate", "intend", "estimate", "may" and other similar expressions or future or conditional verbs such as "will", "should", "would" and "could".
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