

MANZIL

Balancing financial pursuits with spiritual needs

A Problem Worth Solving



This is the Abbasi family.

As Muslims they are restricted from entering into financial transactions that pay or receive interest because money has no intrinsic value.

Not only is usury impermissible in Islam, it also is a principle among all Abrahamic faiths including Judaism and Christianity. This includes financial instruments including but not limited to:

- Equity & Fixed Income Investments
- Mortgages
- Prepaid Visa Cards
- Insurance

Principles of Islamic Finance

- Socially Responsible Purpose
- Shared Risk
- Asset Backed/Based transaction
- Clear & Transparent Contracts

Canada: The Opportunity

2.6 million

Muslims in Canada by 2030

\$20 Billion

Spending Power of Canadian Muslims

Lowest

Participation of Home Ownership in Canada

Double

The National Average in University Education

The UK: A Case Study

2.66 Million

Muslims in the UK

20 IFI's

Offering Islamic Financial Services

\$5+ Billion

Value of the Islamic Finance Industry in the UK

52%

Adoption Rate of Islamic Financial Products

The Opportunity

Manzil will create the first Challenger/NEO Bank that will cater to the Canadian Muslim & Ethically Conscious demographic through:



First Shariah-compliant financial solutions in Canada



Scalable back-office solution that enables many financial products



Service hub for education and exceptional customer experience

Market Research

73%

Likelihood to use Islamic Financial Products

42%

Willing to pay a faith based premium on all financial products

81%

Of current Muslim households would switch their mortgage given the opportunity

61%

Willing to absorb switching fees and costs associated with investment and mortgage transfers

Manzil Mortgage Traction

\$1.33M

Angel Round Closed 2019

The logo for Holt Fintech Accelerator features a stylized, handwritten-style signature of the word "Holt" in black ink, positioned above a thin horizontal line.

FINTECH ACCELERATOR

— est. 2017 —

Holt Accelerator 2019 Cohort

\$400M

Current Mortgage Funding Pipeline growing at 15M per week.

\$24M+

Current Halal Mortgage Fund pipeline

Super Prime Borrowers

\$519K

Manzil Applicant Average Mortgage Size

\$141K

Manzil Applicant Average Salary

\$111K

Manzil Applicant Average Down Payment

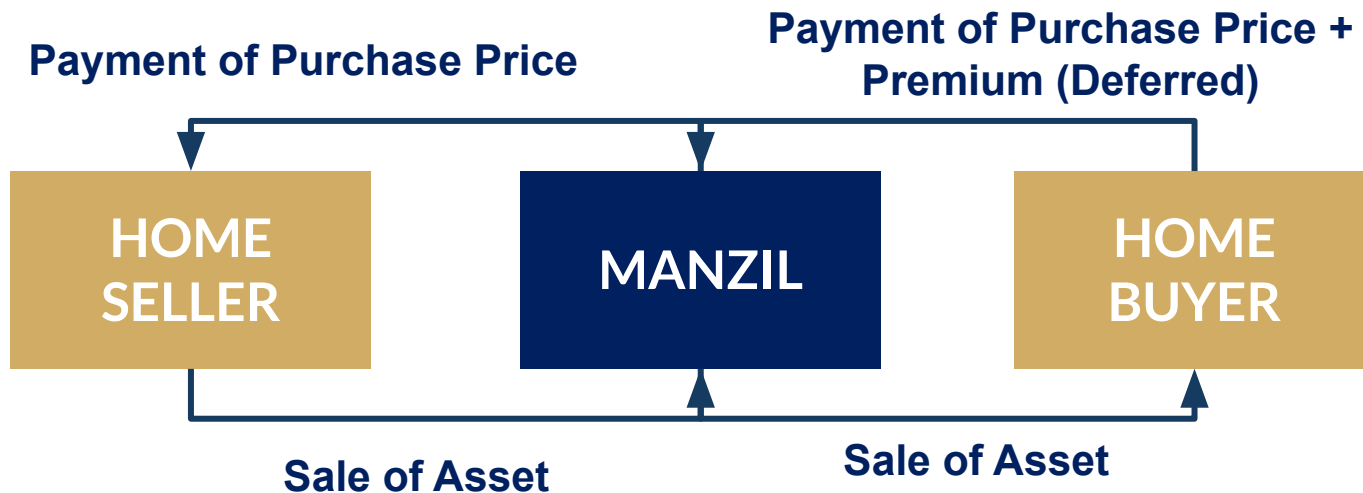
\$95K

Manzil Applicant Average Investable Assets

Murabaha Transaction

Manzil Mortgages

Through our Mortgage Fund we will be able to provide Shariah compliant mortgages through a Murabaha (Profit) structure. This model emphasises fairness above all else, and is based on principles where everyone involved in the transaction make informed decisions.



Conventional VS Manzil Mortgage

OTHER LENDERS		MANZIL
PURCHASE PRICE	\$500,000	MANZIL FUND BUYS
DOWN PAYMENT	- \$100,000	DOWN PAYMENT
MORTGAGE	\$400,000	FINANCE AMOUNT
LOAN INTEREST (5.49%)	+ \$334,658	FINANCING PROFIT (5.49%)
PRINCIPLE & INTEREST	\$734,658	RESALE PRICE - DOWN PAYMENT
MORTGAGE PAYMENT	\$2,422/MONTH	FINANCING PAYMENT

Product Features



Only Mortgage Product to meet this standard in NA

3.49% - 5.49%

Term specific underlying financing rate

Patent

Patent Pending Status with USPO

25 yr Term

Only product that carries terms up to 25 years

Product Features

FEATURES & BENEFITS	MANZIL	OTHER LENDERS
NON-COMPOUNDED RATES	✓	x
NON-RECOURSE MORTGAGE	✓	x
OPEN FIXED RATES FOR UP TO 25 YEARS	✓	x
NO RENEWAL RISK	✓	x
NO PREPAYMENT PENALTY	✓	x
NO PENALTIES ON DEFAULT	✓	x
NO LATE PAYMENT PENALTY	✓	x

Where Do We Fit In?

LENDER	MANZIL	CHARTERED BANKS	ALTERNATIVE LENDERS	ISLAMIC LENDERS	PRIVATE LENDERS (MIC)
TERMS	1 - 25 YEARS	1 - 10 YEARS	1 - 5 YEARS	1 - 5 YEARS	1 YEAR
REPAYMENT	PRINCIPAL & FINANCING	PRINCIPAL & INTEREST	PRINCIPAL & INTEREST	PRINCIPAL & INTEREST	INTEREST ONLY
RISK PROFILE	PRIME/SUPER PRIME	PRIME/SUPER PRIME	NEAR PRIME	PRIME/NEAR PRIME	NEAR PRIME/SUB PRIME
MORTGAGE POSITION	1ST ONLY	1ST ONLY	1ST & 2ND	1ST	1ST/2ND/3RD
RATES	3.49% - 5.49%	3.00% - 6.50%	5.00% - 9.00%	7.00% - 10.00%	8.00% - 15.00%

Why now?

Blue Ocean

Completely Untapped Market

No Products

There are No Bonafide Halal Products in the Market

High Barriers

Multiple Barriers to Entry

No Experts

Lack of Islamic Finance Experts in Canada

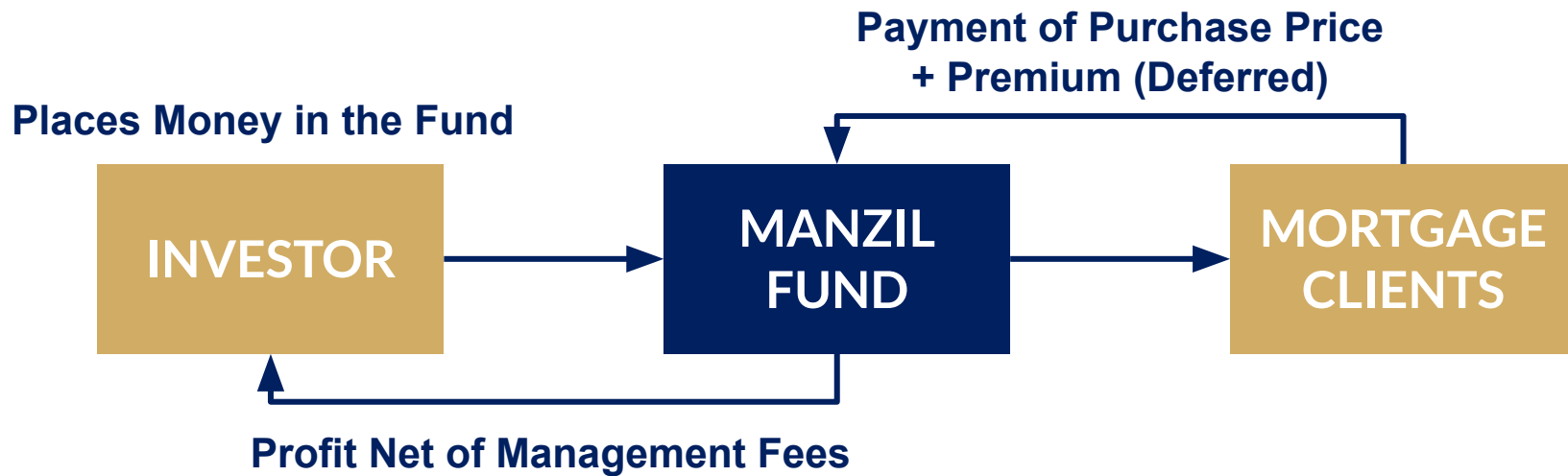
In House Built Tech Platform

- ✓ Digital Onboarding (Origination)
- ✓ AI Enabled Decision Making (Underwriting)
- ✓ Modern Treasury Administration Platform (Payments)
- ✓ White Label Ready



Balancing Your Financial Needs with Your Spiritual Obligations
Start earning a halal return on your investments

Wakala (Agency Contract)



Manzil Mortgage Portfolio

80%

Maximum LTV

25 yrs

Maximum Loan
Term

4.00%

Targeted Net
Return

Manzil Investment Traction

\$10.25M

Investor Commitments

\$42.08K

Average Investment per lead

244

Investor Leads

\$0

Client Acquisition Cost

How Do We Compare?

FINANCIAL INSTITUTION	MANZIL FUND	CHARTERED BANKS	ALTERNATIVE LENDERS	BANK OF CANADA	CHARTERED BANKS
PRODUCT TYPE	MUTUAL FUND	GIC	GIC	30 YEAR BOND	MUTUAL FUND
TERM	< 1 YEAR	5 YEARS	5 YEARS	30 YEARS	< 1 YEAR
RETURN TYPE	VARIABLE	FIXED	FIXED	VARIABLE	VARIABLE
RETURN %	3.50% - 4.50%	2.55%	3.00%	1.65%	1.00% - 2.00%
REPAYMENT	INCOME	INTEREST	INTEREST	INTEREST	INTEREST

- Rates as of October 9, 2019

Manzil Mortgage Fund Returns

- Projected annual rate of return of 4.00% (net of fees)
- 21.75% over 5 years (4.35% average per year)
- Pool of first position mortgages at minimum LTV (loan-to-value) of 80% secured against prime real estate
- Monthly income distribution via cash or through a Distribution Reinvestment Program (DRIP)

\$100,000 Invested for 5 Years

■ Estimated Profit ■ Principle



*Effective return rate based on average effective financing rate of 5.50% for the fund with a default rate on the portfolio of approximately 0.23% (National Average) and a management expense ratio (MER) of 1.50%

Manzil Fund Features

	MANZIL	Other Private Lenders
RRSP, RRIF, TFSA, LIRA, AND RESP ELIGIBLE	✓	✓
OUTPERFORMS GIC'S AND OTHER GOVERNMENT BONDS	✓	✓
ETHICAL AND INTEREST FREE INVESTING	✓	✗
SHARIAH COMPLIANT	✓	✗
RISK SPREADS ACROSS POOL OF MORTGAGES	✓	✗
OWN UNITS OF A MUTUAL FUND TRUST	✓	✗
ANNUAL AUDITED FINANCIAL STATEMENTS (MNP LLP)	✓	✗
VERTICAL INTEGRATION FOR INCREASED SECURITY AND CONTROL OVER RETURNS	✓	✗

Mortgage Fund Operations

DIRECT DISTRIBUTION MODEL

FUND ADMINISTRATOR	 SGGG FUND SERVICES INC.
AUDITOR	
ACCOUNT ADMINISTRATOR	
EXEMPT MARKET DEALER	 FUNDSCRAPER

Mortgage Fund Operations

BROKERAGE DISTRIBUTION MODEL

FUND ADMINISTRATOR	 SGGG FUND SERVICES INC.
AUDITOR	
CUSTODIAN	 BBS Securities Inc.
EXCHANGE	 NEO CONNECT
TRANSFER AGENT	 ODYSSEY

Matches Made For Heaven



Manzil is the Halal Investment Product Manufacturer where WealthBar & DealSquare Act as the National Distribution Partner

The Team



MOHAMAD
REVENUE



SAM
OPERATIONS



OUSAMA
MARKETING



FARIDA
MEDIA/PR



MUSTAFA
FINANCE



CHAYIM
TECHNOLOGY

Revenue Model

2.00%

Lender & Broker Fee

\$3.5M

Potential First Year Revenue

1.50%

Mortgage Fund MER

\$17.5K

First 12 Month Revenue Based on Average Deal Size of \$500K

Client Lifetime Value

~\$188K CLV

Halal Mortgage Total Addressable Market



Halal Investments Total Addressable Market



Partners

SHARIAH BOARD

IFAAS
ISLAMIC FINANCE ADVISORY & ASSURANCE SERVICES

LEGAL

OSLER

Stikeman Elliott

ACCELERATORS



FINTECH ACCELERATOR

- est. 2017 -



MaRS

AUDIT

MNP

SERVICE PROVIDERS

Computershare

neo|connect

SGGG FUND
SERVICES INC.



FUNDSCRAPER



ODYSSEY



BBS Securities Inc.

MANZIL

Revenue Lines

FINANCING

- Mortgages*
- Cars Loans**
- Student Loans
- Business Loans

WEALTH MANAGEMENT

- Alternative Funds*
- Equity Funds
- Sukuk Funds

OTHER

- Credit Cards**
- Deposits

* Products currently available

** Products in development

Seed Round

\$5M USD

- Q1 2020
- Canada Expansion
- Product Expansion
- Build more tech
- More Marketing
- More Operations

MANZIL

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Appendix: Milestones



Appendix - Canadian Competition

Entity	IF Structure	Funding Source	AAOIFI	\$ Limit	Surplus Capital	Province(s)	Status	Term	Loan Type	Penalties	Shariah Board
UM Financial	Musharaka (Partnership)	Credit Union	No	N/A	No	Ontario	Inactive	5 years	Closed	Yes	No
Ansar Co.	Ijara (Rent-to-Own)	Co-Op	No	\$225,000	No	Ontario	Active	5 years	Closed	Yes	No
ISNA Housing Corp (IHC)	Musharaka (Partnership)	Co-Op	No	\$500,000	Limited	Ontario	Active	5 years	Closed	Yes	No
Ijara CDC	Ijara (Rent-to-Own)	Co-Op	No	\$1,000,000	Limited	Ontario	Active	1 - 5 years	Closed	Yes	Yes
An-Nur Coop	Musharaka (Partnership)	Co-Op	No	\$1,000,000	Limited	Ontario & Alberta	Active	5 years	Closed	Yes	No
Aya Financial	Musharaka (Partnership)	Credit Union	No	\$1,000,000	No	Ontario	Active	2 or 5 years	Closed	Yes	No
Assiniboine Credit Union	Musharaka (Partnership)	Credit Union	No	\$1,000,000	Limited	Manitoba	Active	1 - 5 years	Closed	Yes	No
Zero Mortgage	Musharaka (Partnership)	Bank Money	No	\$1,000,000	Limited	Ontario	Active	5 years	Closed	Yes	No
Manzil	Murabaha (Credit Sale)	Private Pools of Capital	Yes	\$4,000,000	Unlimited	Canada including Quebec	Active	Up to 25 years	Open	No	Yes

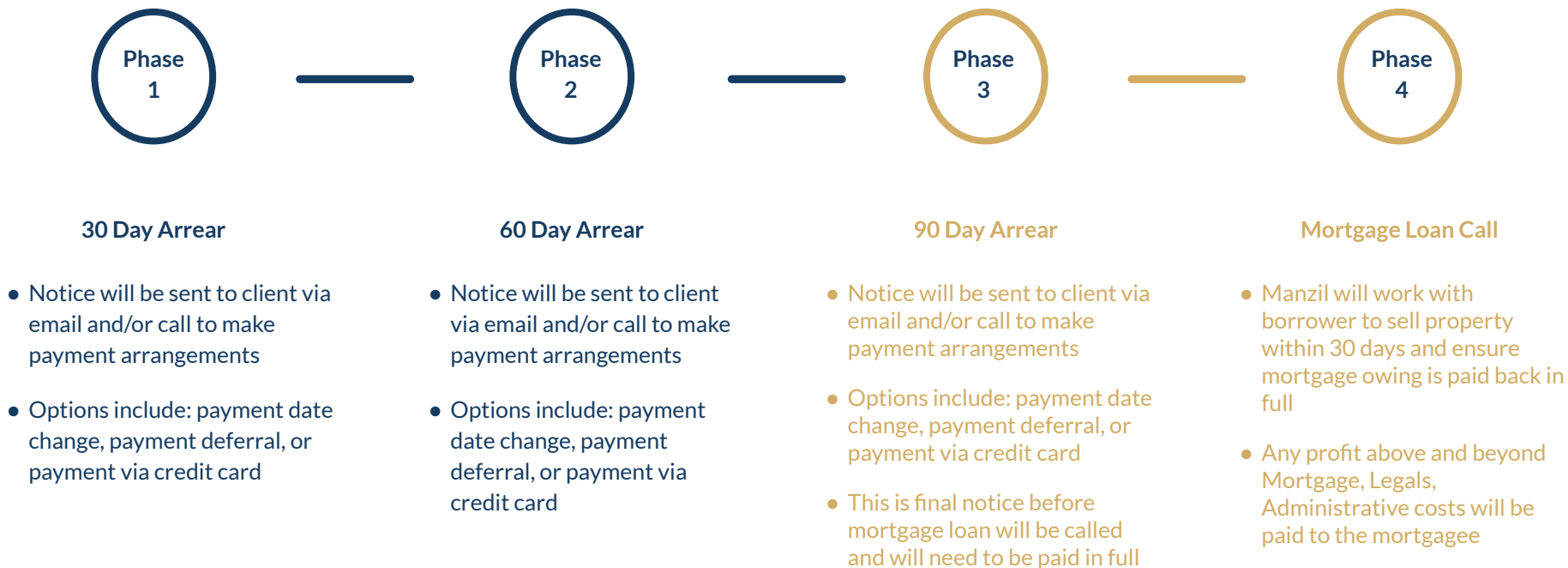
Appendix - US Competition

Entity	IF Structure	Funding Source	AAOIFI	\$ Limit	AMJA	State(s)	Status	Term	Loan Type	Penalties	Shariah Board
<u>Guidance Residential</u>	Musharaka (Diminishing Partnership)	Internally Funded	No	N/A	No	34	Active	30, 20, 15 years	Open	No	Yes
<u>Devon Bank</u>	Murabaha (Credit Sale) & Ijara (Rent-to-Own)	Community Bank	No	N/A	No	21	Active	Variable	Closed	No/Yes	No
<u>Lariba - American Finance House</u>	Musharaka (Partnership)	Bank Money	No	N/A	No	All States	Active	Up to 30 years	Open	No	Yes
<u>Ijara CDC</u>	Ijara (Lease-to-Own)	Co-Op	No	\$2,000,000	No	50	Active	30, 20, 15, 10 years	Open	No	No
<u>UIF</u>	Murabaha (Credit Sale) & Ijara (Lease-to-Own)	Bank Money	Yes	N/A	No	23	Active	N/A	N/A	No	Yes
<u>Ameen Housing Co-operative</u>	Musharaka (Partnership)	Co-Op	No	\$700,000	Yes	California	Active	Unlimited	Closed	Yes	No

Appendix - Underwriting



Appendix - Arrears



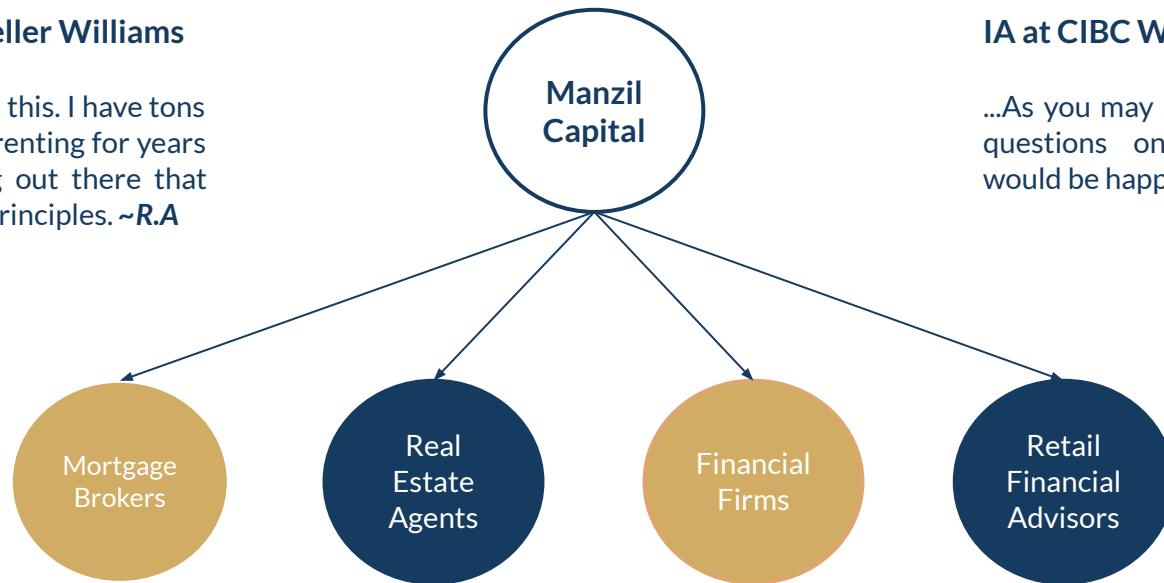
Appendix - Referral Marketing Strategy

Real Estate Agent at Keller Williams

...So glad you have started this. I have tons of clients that have been renting for years because there is nothing out there that fully complies with their principles. ~**R.A**

IA at CIBC Wood Gundy

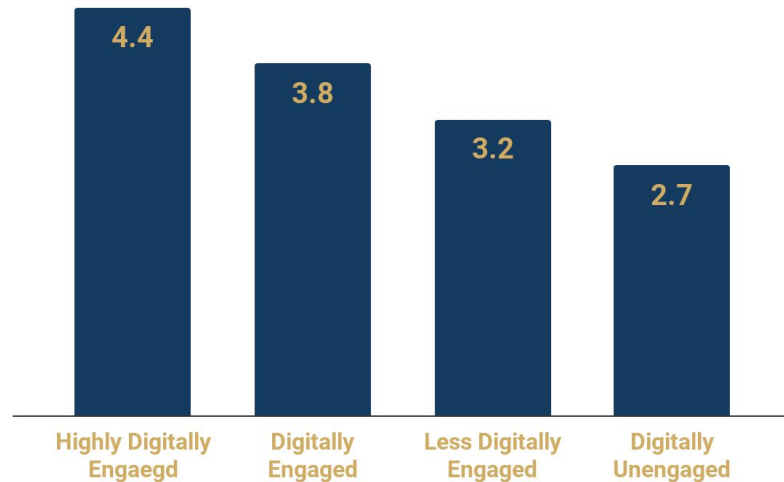
...As you may appreciate, I get a ton of questions on halal mortgages and would be happy to start referring. ~**K.S**



Appendix - Digital Origination and Fulfilment

Our goal is to provide an end-to-end digital platform that will take a prospective client through the application, underwriting and fulfilment phases seamlessly.

Average Number of Products Consumers Hold with their Main Financial Institution



Appendix: Digital Client Application

Welcome to Murabaha, Mohamad

Next Lets begin your mortgage application. You can save your progress and resume at any time.

What type of mortgage are you applying for?



Pre-Approval

In the market for a new home and want to know what I qualify for.



New Mortgage

I have purchased, or in the process of purchasing a new home and need a new mortgage.



Refinance

I want to refinance an existing mortgage and access some equity.



Transfer

I want to move my existing mortgage to Manzil.

Appendix: Back Office Tool



MURABAHA

Dashboard

Applications

Clients

Logout

Filter ▼	Applicant	Email	Phone	Created ↓	Price	Status ▼	GDS	TDS	LTV
New Mortgage	Malhar Deshpande	malhar.deshpande@scriptbrew.com	9999999999	2019-Feb-18 @ 11:23 AM	\$450,000.00	Funding	%	%	33.33333333333333%
Pre Approval	Karan Sood	karansood87@gmail.com	9999999999	2019-Feb-2 @ 1:00 AM	\$400,000.00	Pre-approved	%	%	20%
Pre Approval	Shaikh Ali	mahmud27ali@gmail.com	6475568115	2019-Jan-23 @ 2:38 PM	\$500,000.00	New	%	%	6%
Transfer	Nasreen Ali Mohamed	nasreen.gmohamed@gmail.com	call after 5 pm (416-418-0469)	2019-Jan-23 @ 12:42 PM	\$514,900.00	New	54%	54%	0%
New Mortgage	Joe Archer	joearcher1980@gmail.com	4165528970	2019-Jan-22 @ 8:35 PM	\$500,000.00	New	%	%	24%

Appendix: Back Office Tool

DashboardApplicationsClients

Log

Application

EquifaxAppraisalDocumentsNotesHistory

Mortgage Type: Pre-Approval

New

Pre-approved

Underwriting

Approved

Offer-accepted

Legal

Funding

Funded

Credit Score	000	Property Value	\$500,000.00
GDS	NaN %	Down Payment	\$30,000.00
TDS	NaN %	Income	48000
LTV	6 %	Debt	1
		Investment	0

Target Property

Tell us about your target property.

Property Address *

Brampton, ON, Canada

Property Value *

500000

Closing Date *

2019-02-28

Down Payment Amount *

30000