

# MPL USA -Beyond Consumer Lending

Mr. Blake Coler-Dark  
CEO, NSR Invest

# NSR Invest



# Team Comprised of Industry Veterans



## Co-Founders



**Bo Brustkern, Co-founder, CCO**  
Veteran entrepreneur & complex securities valuation expert



**Rocco Galgano, Chief Engineer**  
First to develop API-based trading system for p2p lending

## New Key Members



**Blake Coler-Dark**  
FundersClub, Echelon Asset Management, Lending Club, Bank of America



**Rana Mookherjee**  
Funding Circle, JP Morgan, Credit Suisse, Morgan Stanley



**Yosef Becher**  
Echelon Asset Management, Odeon Capital, Man Group

## Advisors



**Jason Jones, Strategic Advisor**  
Co-Founder of LendIt FinTech



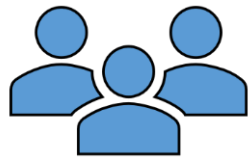
**Peter Renton, Strategic Advisor**  
Founder of Lend Academy, Co-Founder of LendIt FinTech



**Brian Lucas, Technology Advisor**  
Credible, Optimizely, Sling Media, Hoopla, Sun Microsystems



# Active Fund Management Value



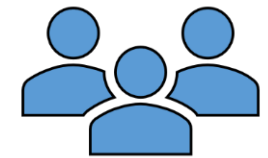
Borrowers



Alternative Lenders



- ✓ 100% Client Focus
- ✓ Diverse Management, Deep Industry relationships
- ✓ Data Driven Portfolio Construction and Management
- ✓ Loan Diversification
- ✓ Proprietary Credit Models
- ✓ Real Time Credit Analytics
- ✓ Enhanced Yields
- ✓ Consistent Performance



NSR Investors



# Online Lending Value



## Borrowers



Consumer Loans Small  
Business Loans Real  
Estate Loans



Underserved markets  
accessing needs-based loans



- Instant Loan Approval / Rejection
- Consistent Underwriting
- Risk-Based Pricing
- Little-to-No Operational Pain Points
- National vs. Regional Reach



## Investors

Commercial Banks  
Pension & Endowments  
Independent Wealth Managers  
Single and Multi-Family Offices  
Fund of Funds



# Alternative Lending Timeline



## Lend Core, Inc and its subsidiaries dates back to 2010



■ **2010:** Peter Renton launched Lend Academy



■ **2011:** Rocco Galgano and Michael Phillips create analytics tool, Nickel Steamroller



■ **2012:** Jason Jones launches the world's first online lending focused conference, Lendit

■ **2014:** Lend Academy Investments (LAI) becomes an RIA

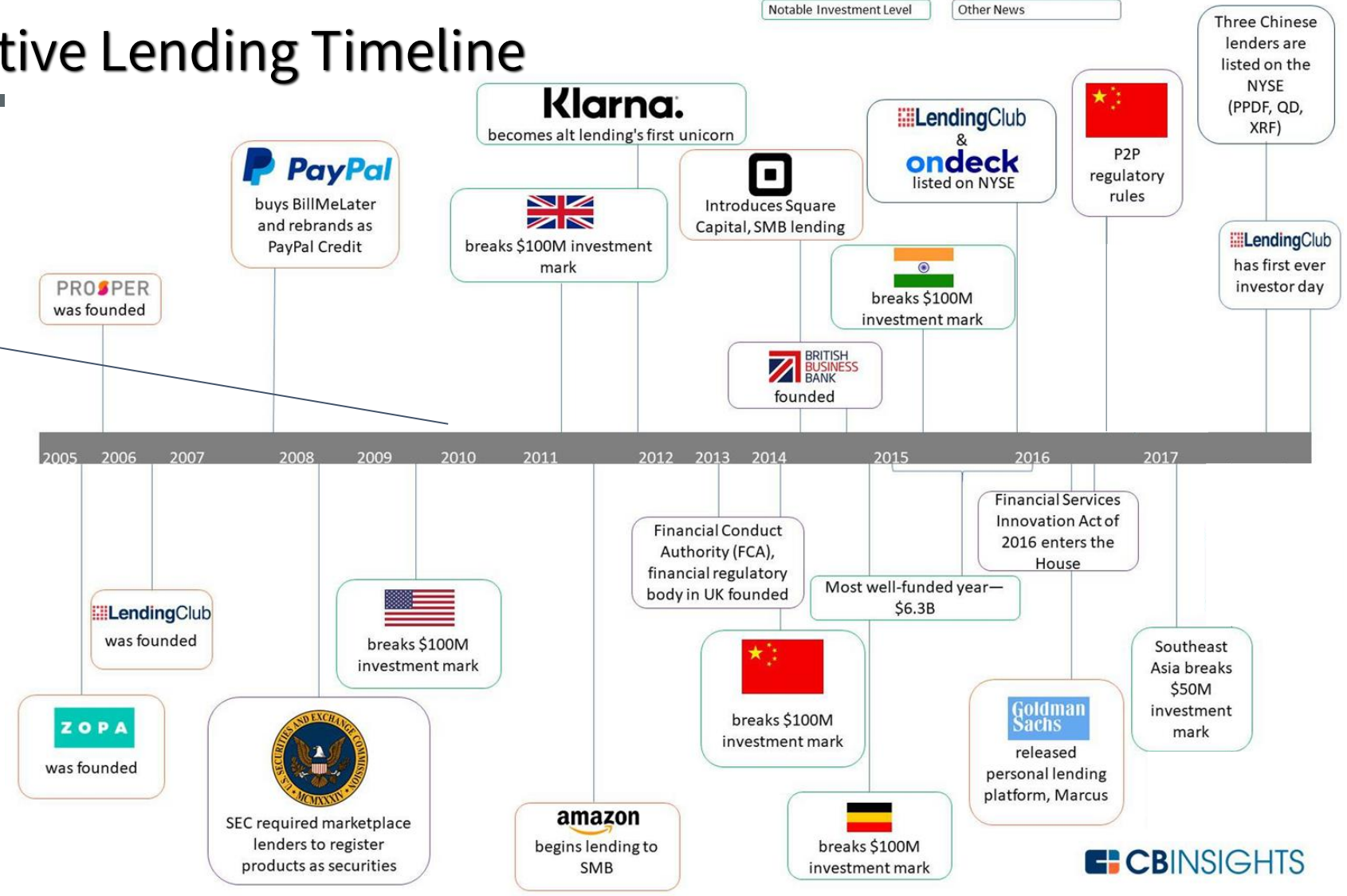


■ **2015:** LAI merges with Nickel Steamroller, creating NSR Invest



■ **2017:** NSR Invest acquires Lending Robot

Company/ department birth	IPO
Regulations	Regulations
Notable Investment Level	Other News



# RICH DATA SETS → SOPHISTICATED ALGOS



## Credit Bureau 400~)variables(

- Experian FICO
- Bureau Underwriting Data
  - Inquires
  - History of Trades
  - Mix of Trade Types
  - Bal and Credit Limit
  - Current and Past Delinquencies
  - Public Records

## Product Terms

- Loan Amount
- Scheduled Monthly Payment

## Borrower Profile

- Employment Status
- Self-report Income
- Home Ownership
- Loan Purpose

## Attributes

- Debt to Income Ratio
- Net Disposable Income
- Occupation Risk Index

## Prior Relationship

- Prior Lender Relationship
- Prior Loans

## Logistic regression:

probabilistic classification model  
often used to predict binary  
outcomes

**Stepwise variable  
selection:** P-value <0.01  
were retained

**Strong and consistent  
variables:** Intuitive indicators  
were added

**Developed in JMP:**  
statistical software  
developed by SAS.



# NSR Invest – Track Record



The Balanced Strategy targets a moderate return with economic resilience.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Full Year
2016										0.94%	1.09%	1.03%	3.09%
2017	1.13%	0.97%	1.21%	-1.03%	1.04%	0.71%	1.05%	-0.51%	0.92%	0.92%	0.92%	0.70%	8.29%
2018	1.07%	0.66%	0.75%	0.93%	0.36%	0.88%	0.46%	0.70%	0.79%	0.79%	0.76%		8.44%

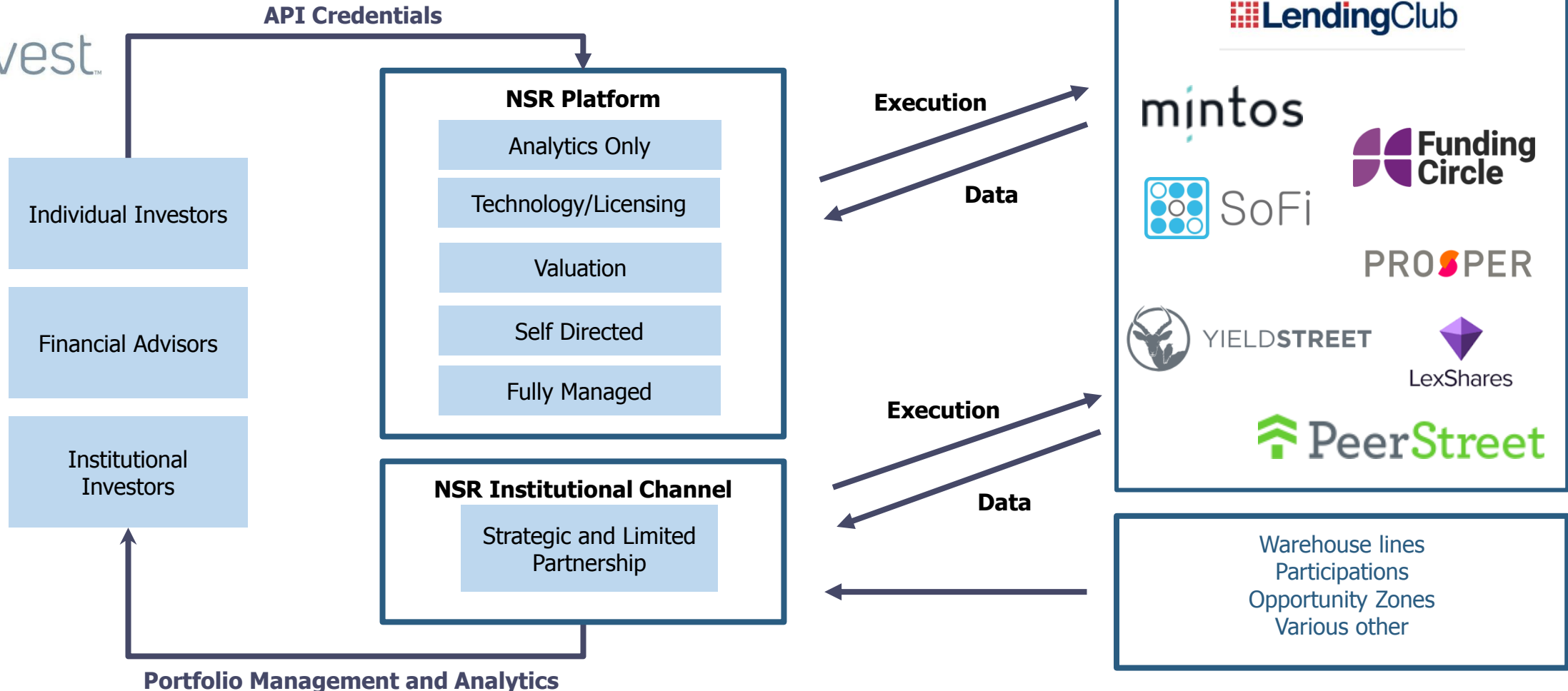
Since Inception		Year-to-date 2018		Last Three Months		Last Month	
Nominal	Annualized	Nominal	Annualized	Nominal	Annualized	Nominal	Annualized
21.06%	9.22%	8.44%	9.24%	2.35%	9.73%	0.76%	9.45%

<sup>1</sup> Reflects the underlying loan performance of Lending Club loans purchased through the NSR platform. Performance considerations such as platform fee, idle cash drag, or NSR fee are unique to each investor and therefore omitted from performance figures. Since inception returns assume the reinvestment of all capital. Past performance does not guarantee future results. Returns are not guaranteed. Please carefully read all disclosures.

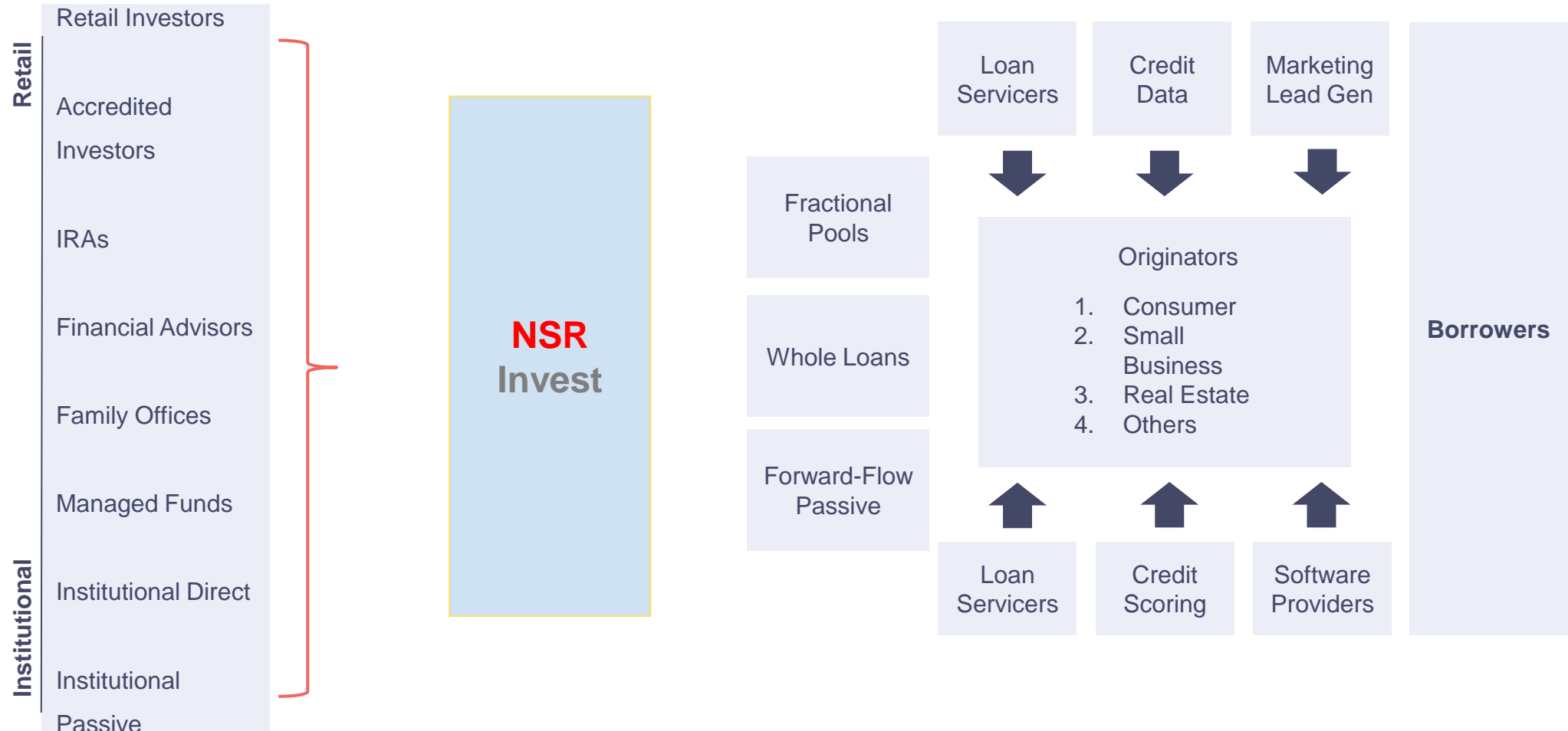




# Business Model



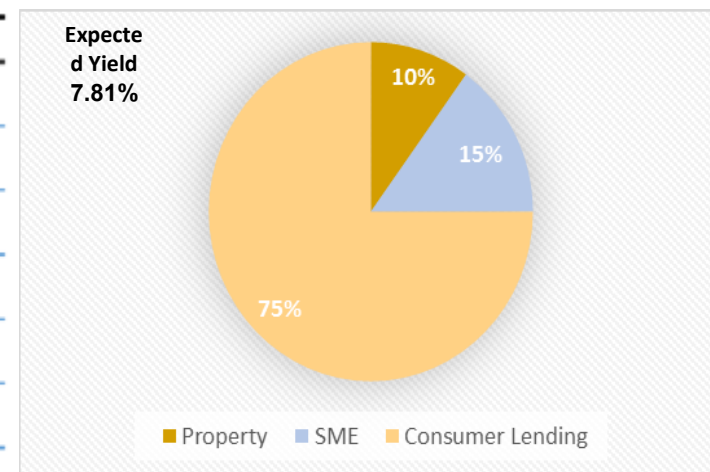
# Alternative Lending Ecosystem



# NSR Invest – Suggested Portfolio of \$100 million



Asset Class	Initial Investment of \$100M	Average Interest Rate	Average Expected Loss	Platform Fee	Expected Return <sup>2</sup>	NSR Fee	Expected ROI	Portfolio Weight	Initial Term <sup>3</sup>	Monthly Allocation					
										1	2	3	4	5	6
Short-term Small Business	15.00	N/A	N/A	N/A	10.00%	0.25%	9.75%	15.00%	24	-	-	3.75	3.75	3.75	3.75
Real Estate	10.00	10.3%	1.9%	N/A	8.44%	0.25%	8.19%	10.00%	12	-	-	2.50	2.50	2.50	2.50
Consumer Near-prime	20.00	27.0%	15.4%	2.0%	9.66%	0.25%	9.41%	20.00%	46	3.33	3.33	3.33	3.33	3.33	3.33
Consumer Prime	15.00	16.2%	8.1%	1.5%	6.59%	0.25%	6.34%	15.00%	46	2.50	2.50	2.50	2.50	2.50	2.50
Consumer Near-prime	20.00	20.8%	12.5%	1.1%	7.20%	0.25%	6.95%	20.00%	40	3.33	3.33	3.33	3.33	3.33	3.33
Consumer Prime	20.00	10.6%	4.0%	1.1%	5.53%	0.25%	5.28%	20.00%	48	3.33	3.33	3.33	3.33	3.33	3.33
	100.00				7.81%		7.56%	100%	38	12.50	12.50	18.75	18.75	18.75	18.75

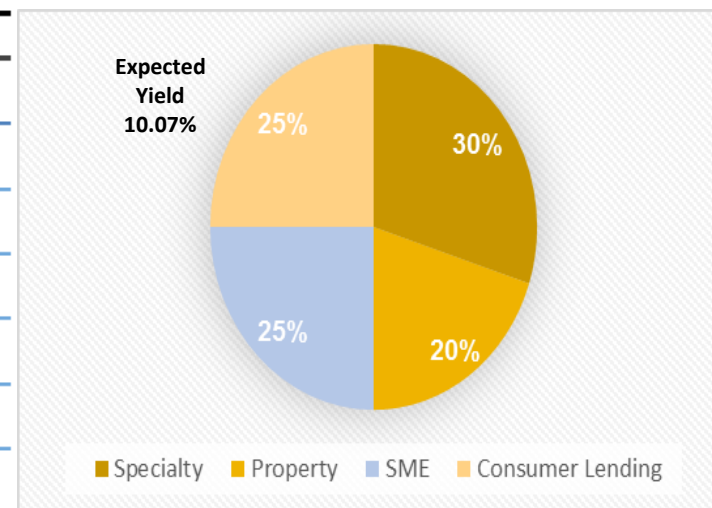


1 - Model portfolio and interest rates used herein are hypothetical and take into consideration conditions in past and current markets and other factual information such as the issuer/originators current and past statistics, geographic location and market sector. Interest rates applied herein are hypothetical, based on past and current market information and should not be viewed as rates that NSR Invest will achieve for you should we be selected to act as your investment adviser.

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Asset Class	Initial Investment of \$100M	Average Interest Rate	Average Expected Loss	Platform Fee	Expected Return <sup>2</sup>	NSR Fee	Expected ROI	Portfolio Weight	Initial Term <sup>3</sup>	Monthly Allocation					
										1	2	3	4	5	6
Short-term Small Business	25.00	10.0%	N/A	1.0%	9.00%	0.25%	8.75%	25.00%	24	-	-	6.25	6.25	6.25	6.25
Specialty Lending	30.00	15.0%	N/A	1.0%	14.00%	0.25%	13.75%	30.00%	36	-	-	7.50	7.50	7.50	7.50
Real Estate	20.00	10.3%	1.9%	N/A	8.44%	0.25%	8.19%	20.00%	12	-	-	5.00	5.00	5.00	5.00
Consumer Near-prime	10.00	27.0%	15.4%	2.0%	9.67%	0.25%	9.42%	10.00%	46	1.67	1.67	1.67	1.67	1.67	1.67
Consumer Prime	5.00	16.2%	8.1%	1.5%	6.59%	0.25%	6.34%	5.00%	46	0.83	0.83	0.83	0.83	0.83	0.83
Consumer Near-prime	5.00	20.8%	12.5%	1.1%	7.20%	0.25%	6.95%	5.00%	40	0.83	0.83	0.83	0.83	0.83	0.83
Consumer Prime	5.00	10.6%	4.0%	1.1%	5.53%	0.25%	5.28%	5.00%	48	0.83	0.83	0.83	0.83	0.83	0.83
	100.00				10.07%		9.82%	100%	30	4.17	4.17	22.92	22.92	22.92	22.92



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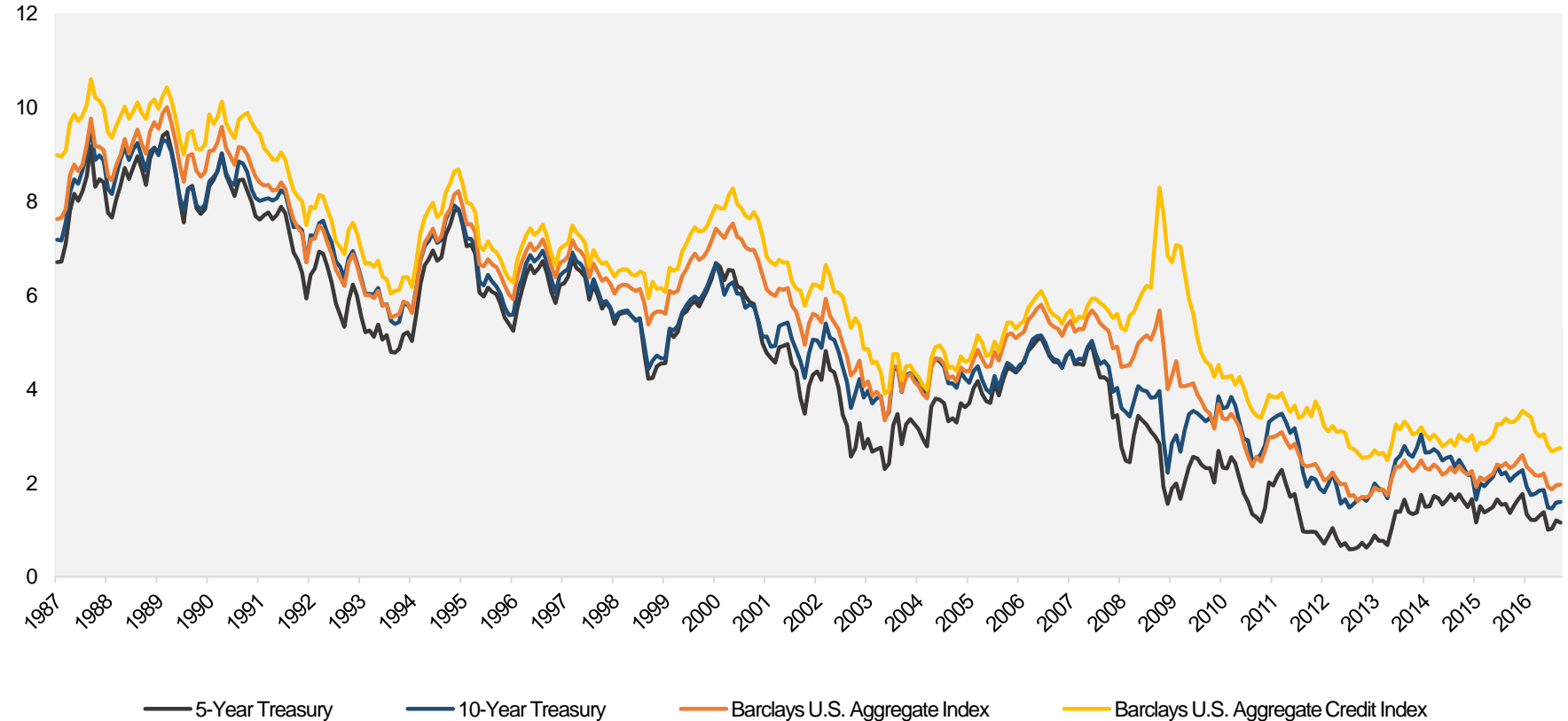


# Markets



Yield (%)

## Fixed Income Performance

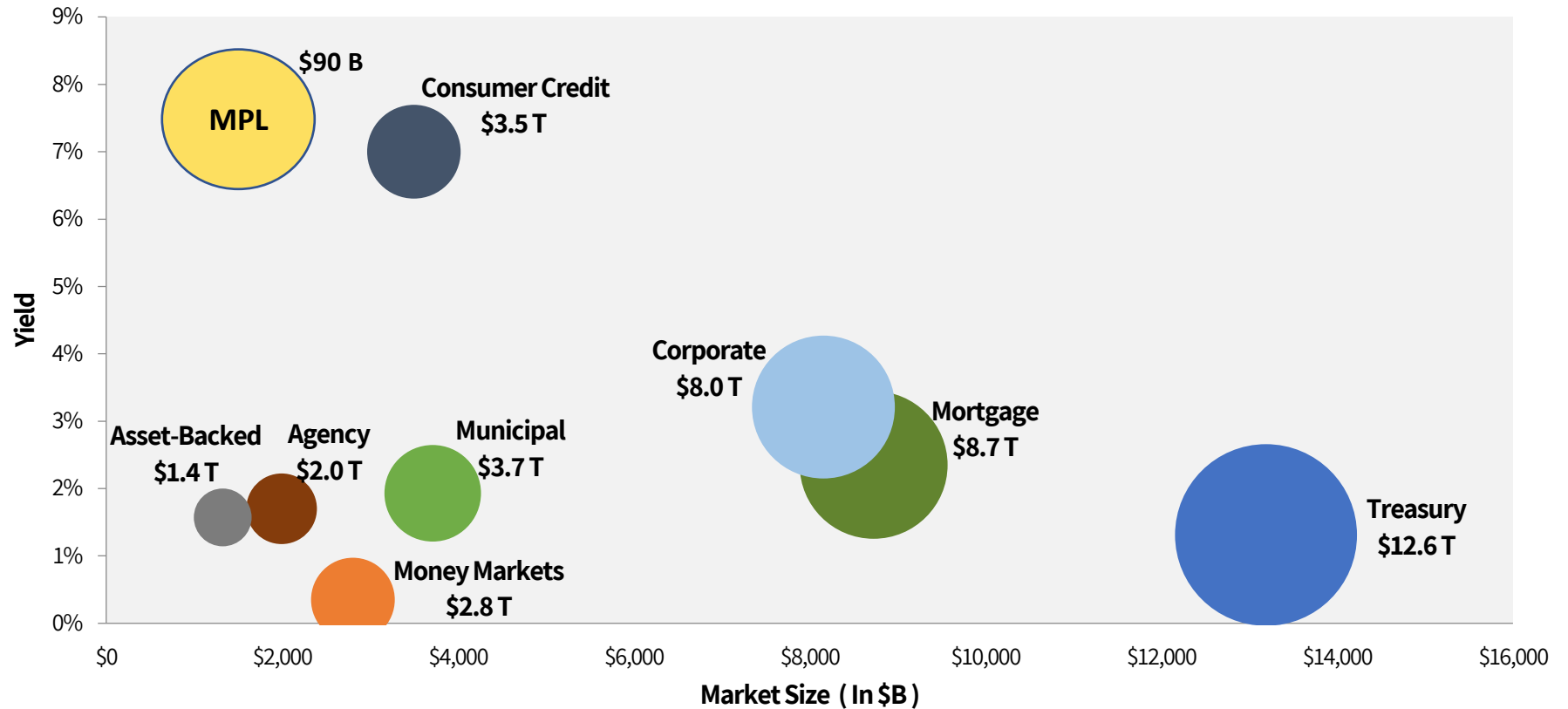


Source: Bloomberg. As of September 30, 2016. The performance quoted represents past performance and does not guarantee future results. Index returns are for illustrative purposes only. Index performance does not reflect the deduction of any fees or other expenses. One cannot invest directly in an index. Information provided is not intended as investment advice.

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# Bond Markets and Yields



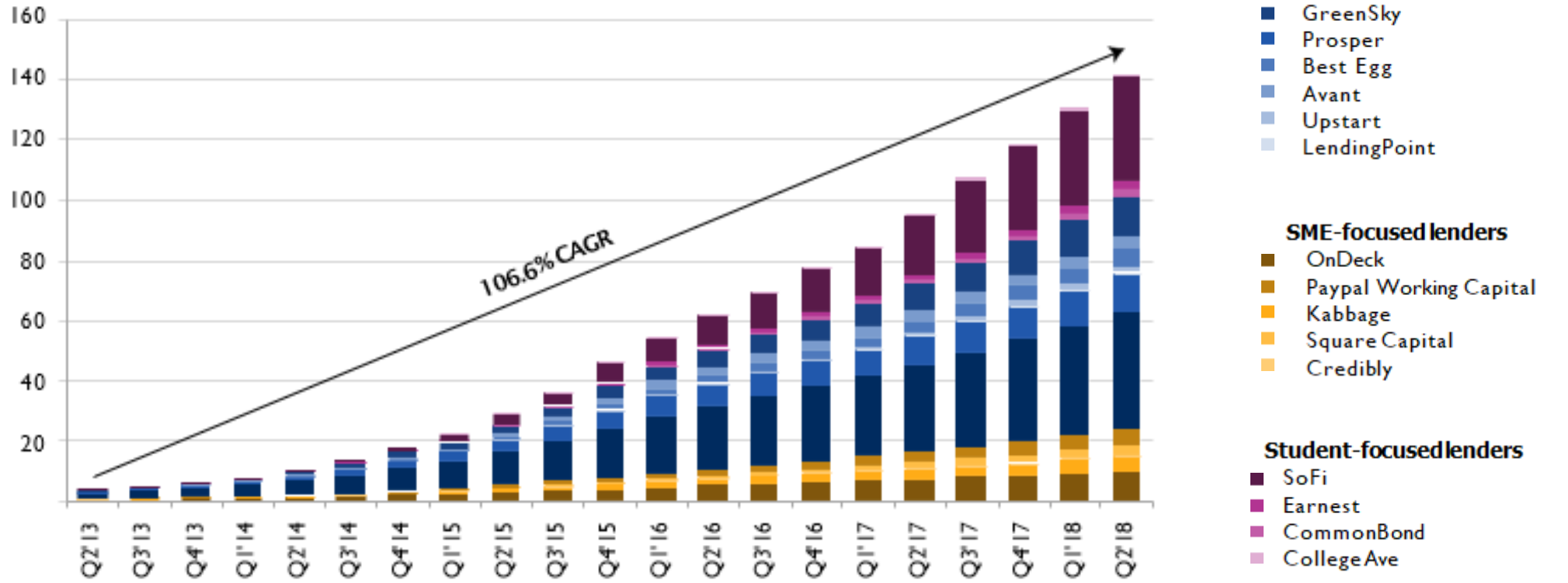
Sources: SIFMA, US Bond Market Issuance and Outstanding as of September 2015. Board of Governors of the Federal Reserve System, “Consumer Credit - G.19” as of December 2015. Bond market yields as of September 2015 from Barclays and S&P. Consumer Credit differs from other fixed income sectors in many ways. Some factors include: liquidity, transaction costs, methods of accessing the asset class, risk characteristics, and whether or not the instrument is collateralized. Historical performance is not a guarantee of future results. Actual results may vary.

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# Marketplace Lending Growing Rapidly

Aggregate Originations (\$B)



**Personal-focused lenders**

- LendingClub
- GreenSky
- Prosper
- Best Egg
- Avant
- Upstart
- LendingPoint

**SME-focused lenders**

- OnDeck
- Paypal Working Capital
- Kabbage
- Square Capital
- Credibly

**Student-focused lenders**

- SoFi
- Earnest
- CommonBond
- CollegeAve

Data compiled Oct. 25, 2018.

Sources: S&P Global Market Intelligence; company-provided information and disclosures; rating agency reports; proprietary estimates







# Investment Opportunities



# Small Business / Factoring Lending



## Strategy

Veteran focused lending strategy to match borrowers with investors who share similar characteristics. Provides: term loans, invoice financing, lines of credit, specialty financing

## Sample Deal

**Asset:** Small-Business

**Expected Return:** 5-10%

**Deal Size:** Up to \$250K

**Term:** 12-24 Months

**Credit Score:** 540-600

**\$100M**

Loans Originated

**\$470M**

in Contract Financing

**90%**

of Funds Go to  
U.S. VETERAN  
Small Businesses

**7,200**

Americans Employed by  
Members

**\$1.3B**

Annual Revenue Earned by  
Members

## Veteran Small Business Owners

**40%**

ARMY

**22%**

AIR FORCE

**20%**

NAVY

**17%**

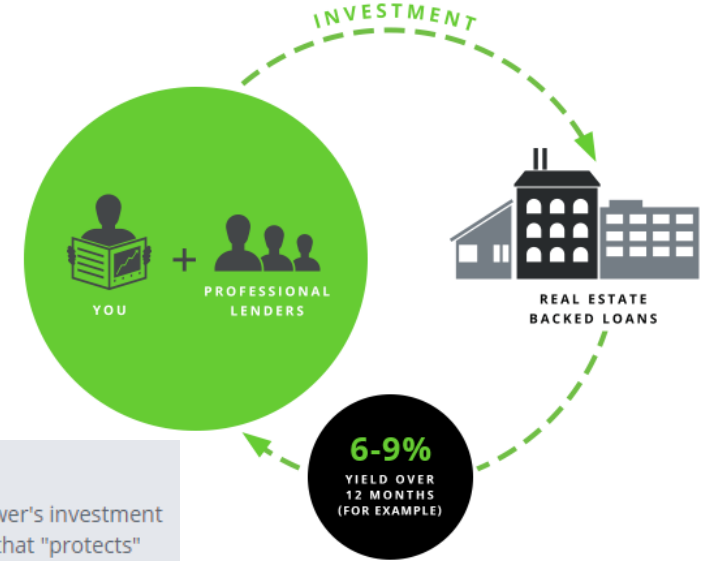
MARINE CORPS

**1%**

COAST GUARD



# Real-Estate Backed Lending



## Strategy

Allows investors to easily invest in high-yield real estate loans that were historically difficult to access.

## Sample Deal

**Asset:** Real-Estate

**Expected Return:** 6-9%

**Deal Size:** \$10k-\$250k

**Term:** 12 Months

**LTV:** 75% and Under

**EQUITY**  
Equity = borrower's investment and a cushion that "protects" the debt investment.

**DEBT**  
Debt = Your investment

**PROPERTY'S VALUE**

RISKIER  
LTV  
SAFER

**Oxnard, CA Refinance**  
Single Family Residential | 7.00% APR | 31% | 22 months | \$155,100 | Performing 22 months left

Loan Info		Property Info	
Property Type	Single-Family	BPO Value	\$495,000
Lien Position	First	BPO Date	10/21/2015
Original Loan Amount	\$155,100	Beds / Baths	2 / 1.0
Original Loan Term	24 months	Square Feet	800
Series Offering	\$154,928	Value per square foot	\$619
Remaining Term	22 months	LTV	31%

# Small Business Lending

Monthly fixed income with low volatility, stability and diversification from a portfolio of non-correlated assets to the market.



## Strategy

Investments into small business loans, participating in loans, and owning credit facilities where assets serve as collateral that are high-yielding, self-liquidating and short-duration

## Sample Deal

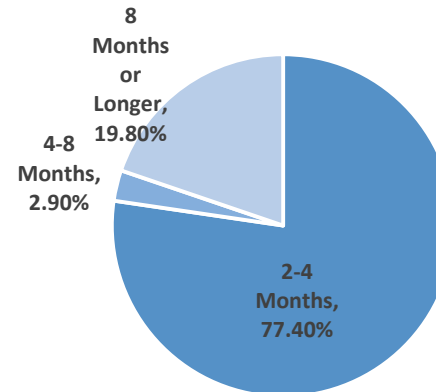
**Asset:** Small-Business

**Expected Return:** 10.0%

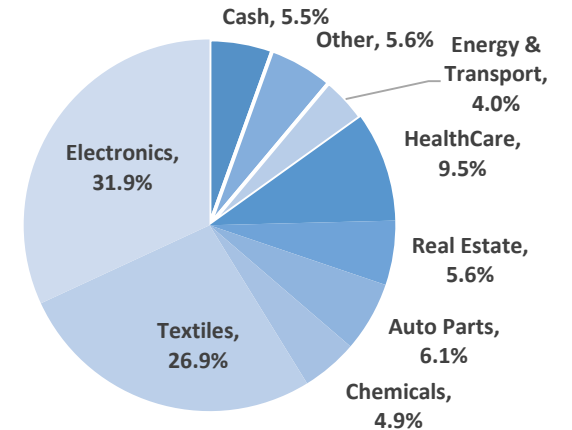
**Deal Size:** \$50k average

**Term:** 12 Months

## Portfolio Composition by Term



## Portfolio Composition by Term



# Consumer Finance for Art



## Strategy

Point of sale loans provided to art purchasers. No interest, no fee loans paid in short-term installments. Funded by gallery commission.

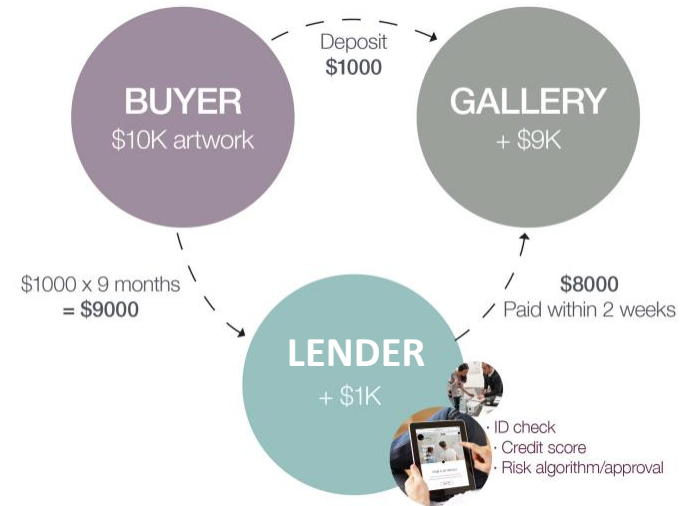
## Sample Deal

**Asset:** Art

**Expected Return:** 10.0%

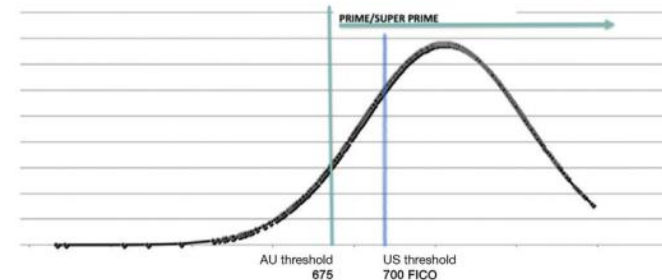
**Deal Size:** \$10K

**Term:** 10 Months

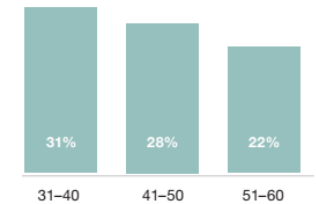


### Prime/Super Prime Credit Scores

FICO score distribution

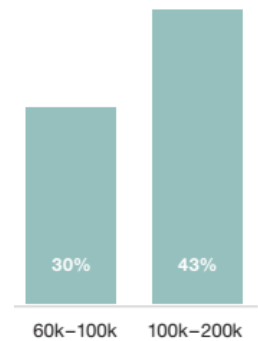


### Age



Average Age 43 years  
Female/Male: 50%

### Income



Average Income: \$123,000



# Conclusion





# Why NSR Invest?



## Trusted

- Industry Leaders

## Tested

- 5 Year track record

## Connected

- LendIt Network deal flow
- + 5,000 attend our USA event
- + 2000 unique companies
- ~ 40% are classified as FinTechs, and our strongest category is lending originators



Together we provide easy access to the Alternative Lending markets



Together we revolutionize the capital markets



Together we provide lower-cost capital to borrowers and higher returns to our clients





# Thank you

