

31 October 2019

## MARKET UPDATE – MNOTES LAUNCH

### Highlights

- **MNotes™ trading platform to commence live 1 November 2019;**
- **MNotes area fractionalised ownership in a property credit bond;**
- **Fixed income based on selected credit bond 5.25%pa to 9.25%pa;**
- **MNote platform allows investment section 24 hours a day;**
- **Secondary market allowing the buying and selling of MNotes openly;**
- **MNote Exclusive distribution arrangement with BIR Financial**

### MNotes launch

BIR Financial Limited is pleased to announce the MNotes trading platform will be going live on 1 November 2019. MNotes is a product that delivers investors a Fixed income stream secured by property.

The MNotes™ platform is a comprehensive Fintech Framework that was developed to issue fractionalised security instruments settling a new benchmark in fixed income investments.

The web-based platform is synchronized across multiple data sources integrating a more personalised solution for investors providing an easy-to-use customer experience. From an investor's perspective:

$$\text{MNotes}^{\text{TM}} = \text{Income} + \text{Security}.$$

This Platform is the first of its kind in the Australasian region. BIR is the exclusive distributor for this region.

### Background

In its 5 April 2018 Prospectus and the 30 June 2019 Annual Report, BIR Financial Limited ("BIR" or "the Company") outlined its plan for the exclusive distribution of a fractionalised fixed income security instrument named MNotes. An MNote is a fractional ownership in a property credit bond, providing investors with Income and Security.

BIR Financial Limited has entered into an exclusive distributor partnership agreement with Moshav Financial Wholesale Pty Limited (AFSL: 439903) (a company affiliated with Mr Tal Silberman, a director of the Company) for BIR to be the exclusive distributor of MNotes.

### MNotes

An MNote is a secured mortgage investment instrument which gives the note holder the opportunity to fund loans to creditworthy borrowers through a fractionalised loan structure. Each loan is secured by a registered first ranking mortgage over real property<sup>1</sup> and is typically provided for construction funding and short-term finance (for example, 2 years). MNotes are structured to pay regular returns to investors, at rates between 5.25%pa and up to 9.25%pa - higher than that offered by institutional banks for savings or term deposit accounts, subject to the terms of the investment.

<sup>1</sup> BIR is neither the borrower nor lender on any of the properties involved with MNotes.

The platform will allow investors to select which MNote instrument(s) they wish to hold, and therefore which underlying loans they wish to invest in.

Under the distributor agreement, BIR Financial will receive a fee of 2% of all application moneys received for MNotes distributed BIR and its authorised representatives.

*"We know that we have exceeded what we wanted to achieve when we saw the reaction from our test audience. MNotes is the foundation for what we have set for the use of powers of artificial intelligence in Dynamic Learning and Predictive Analytics to improve investment returns and mitigate and manage risks."* said Mr Tal Silberman, leader of the MNotes Project Team and BIR Chairman.

With industry-best-practice solutions at its foundation, MNotes™ was born out of global collaboration and has evolved to deliver the ever-increasing investor demands of faster, easier and more secure transactions with maximised and predictable returns.


As a platform the MNotes can offer:

- real-time tracking on transactions with easy to access client authentication;
- smart contracts with digital eSignatures enabling fast, efficient and documented transactions;
- stamped digital records of deal activity which are validated through blockchain (DLT) ensuring unparalleled security and audit trail
- open market trading ensure investors can trade on their positions to deliver their desired liquidity

Mr Silberman continues: *"...in simple terms we now have access to use software which we helped develop since 2000 when I first started in the lending industry. We have added some of the most sophisticated technologies through working with leading global companies and have delivered what we feel will be at the centre of what investors are looking for - to securely invest capital earning returns between 5.25% and up to 9.25% per annum".*

Further details on MNotes can be found at **mnotes.com.au** and in the attached presentation.

Yours faithfully



Gregory Starr  
Director and Company Secretary  
BIR Financial Limited



MNotes™ = Income + Security  
Fixed income secured by property

# MNotes™ features



MNote represent a fractional ownership in a property credit bond.



Fixed income based on selected credit bond 5.25% to 9.25%



MNote platform allows investment selection 24 hours a day



Secondary market allowing investors the opportunity to buy and sell MNotes openly

[www.mnotes.com.au](http://www.mnotes.com.au)

# MNotes<sup>TM</sup> Property as security

All credit bonds are secured by a by real property;

All bonds have an individual gearing with a maximum of 70% of the valuation of the property;

Typical credit bond length is from 6 to 24 months;

MNote accrues income from the moment your invest;

# MNotes™ process to invest

Interested investors will create an account on [www.mnotes.com.au](http://www.mnotes.com.au)

Investors will download and electronically sign the information memorandum through the Platform

Investors will browse the platform and search for MNotes with desired attributes such as Terms, Return, property valuations

Investor will purchase MNotes on the platform and receive fractional ownership and accrue income immediately.

[www.mnotes.com.au](http://www.mnotes.com.au)



INVESTMENT AMOUNT

TERM

STATE

SORT BY



## MNotes™ Platform



### Lindfield Apartments

MNotes • Lindfield, NSW, AUS

\$2,835,000.00

**191**  
Days left

Category	Residential
Ann. Return	7.00 %
Term	12 Months
LVR	70%
MNote Price	\$1



### Hurstville Construction

MNotes • Hurstville, NSW, AUS

\$2,785,000.00

**121**  
Days left

Category	Construction
Ann. Return	8.50 %
Term	12 Months
LVR	65%
MNote Price	\$1



### Elderslie Land

Elderslie, NSW, AUS

\$1,380,000.00

**336**  
Days left

Category	Land
Ann. Return	10.00 %
Term	12 Months
LVR	59%
MNote Price	\$1

[www.mnotes.com.au](http://www.mnotes.com.au)

# MNotes™ Strength

Fixed Monthly Income Return.;

Secured by real property

Fixed Term

Your choice of credit bond

Independent valuations

Liquidity

[www.mnotes.com.au](http://www.mnotes.com.au)



# MNotes™ Investor Profile

Self Managed Super Funds

High Net Worth Investors

Family Offices

Charitable Institutions