



## High Yield Credit Fund

Access 11% Returns in Our HYCF Starting at \$5K

# Disclaimer

The information contained in this Investor Presentation (“Presentation”) has been prepared by Sharestates, Inc., its affiliates and subsidiaries (together “Sharestates” or the “Company”), for investors, solely for informational purposes. The Presentation has been prepared to assist prospective investors in making their own evaluation of the Company and does not purport to be all-inclusive or to contain all of the information a prospective or existing investor may desire. The Presentation shall not form the basis of any contract or commitment. In all cases, interested parties should conduct their own investigation and analysis of the Company and the data set forth in this Presentation. This Presentation does not constitute investment, legal, tax or other advice, and does not take into consideration the investment objectives, financial situation or particular needs of any particular investor. Although reasonable care has been taken to ensure that the information contained in this presentation is accurate, it has not been independently verified. Accordingly, no representation or warranty, expressed or implied, is made in relation to the accuracy or completeness of the information and opinions expressed in this Presentation and, to the maximum extent permitted by law, any and all liability in respect of such information and opinions is hereby expressly excluded, including, without limitation, any liability arising from fault or negligence, for any loss arising from the use of this information or otherwise arising in connection with it. Prospective investors will be expected to have conducted their own due diligence investigation regarding these and all other matters pertinent to investment in the Company. Sharestates makes no representation or warranty, expressed or implied, as to the accuracy or completeness of the information contained in this Presentation, and nothing contained herein is, or shall be relied upon as a promise or representation of past or future performance. The information contained in this Presentation is entirely qualified by the documents available for review by qualified potential investors and any subsequent private placement or investor memorandum provided by the Company to qualified potential investors. Nothing contained in this Presentation shall be construed as an offer to sell or a solicitation of an offer purchase securities of the Company.

The **High Yield Credit Fund** was created to provide a more straightforward and convenient way to invest in real estate

- Diversified pool of assets
- Uncorrelated to equity markets
- Institutional quality loans
- Low investment minimum
- Predictable monthly income



# High Yield Credit Fund Overview

The Sharestates **HYCF**\* finances mortgages that Sharestates originates and temporarily owns before they are sold to the company's network of investors.



The Fund offers a fixed **11%**<sup>(1)</sup> return and makes **monthly distributions**, giving investors the return profile of 1<sup>st</sup> lien mortgages. The Fund has added structural protection from quickly selling loans, thereby minimizing performance and payoff risk.

# High Yield Credit Fund Key Benefits

Built on an attractive asset class of 1<sup>st</sup> lien real estate loans, the Sharestates High Yield Credit Fund offers safety and reliability with attractive monthly income.

## Velocity

Loans owned by the HYCF are typically sold or syndicated within weeks of origination, limiting performance exposure.

## Quality

All loans are rigorously underwritten in an institutionally approved credit process, yielding the highest quality loans.

## Diversification

Investments are spread across borrowers, properties, loan types, and Sharestates' national lending footprint to mitigate risk.

## Uncorrelated

Returns from loans are uncorrelated to the traditional bond and stock markets providing more diversified returns.

## Stable Income

Earn 11%<sup>(1)</sup> annualized interest with consistent monthly distributions.

(1) Based on 12-month commitment.

# High Quality Underwriting & Strong Credit Performance

Sharestates utilizes a proprietary underwriting system that takes into account real estate developer and property level assessments to enable a lower risk exposure and target strong credit performance.



## Property Assessment

- Loan-to-Value Ratio (LTV)
- Loan-to-Cost Ratio (LTC)
- Loan-to-After Repair Value Ratio (ARV)
- Third Party Appraisal
- Property Location
- Quality of Market
- Development Phase
- Occupancy



## Borrower Assessment

- Track Record
- Experience in Market/Location
- Experience in Project Type
- Experience in Development Phase
- Credit Score
- Delinquency History
- Personal + Corporate Guarantee

# Successful Track Record

Sharestates has loaned billions of dollars across 39 states, with a low loss ratio and a personalized service that keeps both borrowers and investors coming back.

**\$3.6+**  
Billion

Total dollars loaned since inception in 2015.

**4,000+**  
Loans

Number of loans originated since inception.

Up To  
**\$100**  
Million

monthly loan volume.

**< 1%**  
Losses

Principal losses by investors since inception.

Sharestates works with a variety of institutional investors - validating the quality of our investment vehicles.

‣ REITs ‣ Asset Managers ‣ Investment Banks ‣ Bond Issuers ‣ Family Offices ‣ High Networth Individuals ‣ International Investors



## About



Founded in 2015, Sharestates is now one of the largest private real estate lenders in the country.

**Mission:** Make Real Estate Investing accessible to all Investors, so a wider group can share its benefits.



# Management Team

Seasoned leadership team brings world-class lending and asset management experience



**Allen Shayanfekr, Esq.**

Co-Founder & CEO

Structuring and real estate law authority; entrepreneurial FinTech leader with responsibility for firm's cutting-edge technological solutions and strategic execution throughout origination lifecycle.



**Radni Davoodi**

Co-Founder & CCO

Real estate and compliance professional; Co-founder of Sharestates and Atlantis Organization – national title insurance provider; architect behind firm's 42 state regulatory and legal compliance.



**Raymond Davoodi**

Co-Founder & CSO

Sales and marketing specialist; Co-founder of Sharestates and Atlantis Organization – national title insurance provider; responsible for national sales and partnership strategy.



**Richard Wisniewski**

Chief Investment Officer

Founding Partner of Brooklyn Park Asset Management; Co-Head of Rediscount Lending at Fortress; Launched LendingClub's near-prime loan funding program.

# High Yield Credit Fund: Summary Terms

Minimum Investment	\$5,000
Eligible Collateral	U.S. 1st lien* real estate mortgages originated by Sharestates and affiliated entities 6-to-360-month maturities Maximum loan size: \$30,000,000 Maximum loan LTV: 80%
Investment Structure	The High Yield Credit Fund is formed in the name of Pre-Origination Note Fund, LLC. Clients receive a series note when investing. The Fund invests capital raised via series notes into an origination pool used to fund first-position mortgage loans secured by residential or multi-use real estate.  Each series note has a fixed maturity date, as well as a fixed interest rate.
Target Net Yields	8.0% to 11.0%, depending on term commitment, paid monthly.
Term	6-, 9-, or 12-month term commitments are available.
Fees	No fee
Liquidity	The Fund guarantees no early liquidity, and any early liquidity is at management's sole discretion.

\*Under rare circumstances will a 2<sup>nd</sup> lien be eligible, not to exceed a combined LTV of 90%

# Relationships Begin with a Conversation

Reach out to get started with our Investor Relations Team

## **Matthew Moore**

Director, Private Client Relations

mmoore@sharestates.com

[sharestates.com/high-yield-credit-fund/](https://sharestates.com/high-yield-credit-fund/)



# Appendix

# Bridge Loans

Real estate bridge loans are forms of short-term financing provided by private (previously, "hard money") lenders to developers for the purchase, rehabilitation, or construction of residential and multifamily real estate.

- Typical loans require 1st lien mortgage protection, short 12-24 month terms, and attractive 9-14% interest rates.
- Flippers are typically experienced contractors or developers with 700+ FICO scores.
- Borrowers trade swift access to capital for higher interest rates.

Yesterday's niche "Hard Money" has grown into the enormous Private Lending industry:

- Fix and Flip
- Cash-Out Refinance
- Ground Up Construction
- MultiFamily
- Portfolio Loans

# Term Loans

The DSCR loan products is just another way Sharestates fills a gap for real estate developers who traditional banks are unwilling to lend to:

- ↘ Qualify on Property Income
- ↘ Long and Short Term Rentals
- ↘ Max LTV 75%

Term loans or Debt-Service Coverage Ratio (DSCR) loans are longer-term financing for real estate investors who want to qualify for a mortgage based on the cash flow generated by the investment property instead of personal income.

- ↘ Typical loans require 1st lien mortgage protection, 360 month terms, with varying amortization schedules and interest only periods.
- ↘ DSCR must meet 1.00x within six (6) months of loan origination.
- ↘ Borrowers with complex incomes from various investment properties are able to gain access to financing not normally available from traditional banks.



[investors@sharestates.com](mailto:investors@sharestates.com)