



USD & EURO TradeFlow Funds

March 2020

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TradeFlow Capital Management Pte Ltd

Singapore Company Number: 201920511H

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I. OVERVIEW

The Trade Finance Funding Gap continues to grow...

“

...chronic shortfall of trade finance for small business – as recently recognised by the United Nations. Addressing the trade finance gap must be a central priority for the G20 to deliver on its commitment to support inclusive growth and enhanced job creation

- *John Danilovich, ICC Secretary General, 2017* -

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.... Mission to take advantage of the funding gap.

I. OVERVIEW

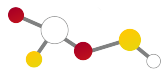
Founded in 2016 by Tom James & John Collis

James has over 30 yrs of commercial exposure gained through a broad range of senior executive roles in trading, investment management, commodity finance (Trade and Project) & advisory.

Collis is a commercial lawyer with extensive expertise in regulatory, compliance, fund management structuring, as well as transactional matters.

I. STRATEGY SUMMARY

- **Focused Trade Enablement Opportunity**
 - Target SME Trade Finance Market (under \$500m annualized trade volume)
 - Target US\$500k to US\$15m transaction size, under 90 days in tenor
 - Restricted to liquid Bulk Commodity (non-perishable) markets with reliable market pricing
- **Address the Challenges of Scalability and Capital costs**
 - Collaborate with Banks to access client franchises
 - Deliver fully integrated and digitised deal processing system
 - Banks issue LCs to Trade Flow Fund – 1 client, against cash – rather than SMEs – multiple, low credit quality clients
- **Minimise Risk**
 - Deal structure where TradeFlow Fund takes full title to commodity to maximise control and minimise risk
- **Funded through a Liquid Alternative Investment product**
 - Targeted US\$ 3M LIBOR + 500bp net return
 - <1% volatility

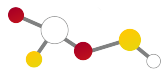


II. MANAGEMENT TEAM

- Portfolio Manager focused on managing the portfolio, not people.
- Experienced commodity team, including General Partner with 20+ years experience investing and managing risk positions trading across diversified commodity markets.
- Three experienced commodity industry executives, two trade support analysts, one maritime advisor, and an in-house IT Specialist.
- Chief Operating Officer and Chief Financial Officer/Chief Compliance Officer to manage all non-investment related aspects of the business.
- Administrative staff to ensure efficient and effective response to investor inquiries.
- Employees' compensation tied to fund performance.

II. MANAGEMENT TEAM

- Tom James, Founder - CEO & CIO - TradeFlow Capital Management - Singapore
 - 2018 - Current Visual Assessment - Artificial Intelligence Systems USA - Asia Pac Advisor
 - 2009-2017 Founder & Senior Partner - Navitas Resources Group - Singapore, UK, Dubai
 - 2014 -2014 US Department of Defense - Senior Energy Advisor
 - 2007-2008 Head of Commodity Trading & Fund Management - Liquid Capital Group
 - 2004-2007 Deloitte - Principal & Co-Head of Energy Market Group
 - 2003-2004 Bank of Tokyo - Director of Commodity Markets Group
 - 2001-2003 Credit Agricole Indosuez Bank - Director, Traded Energy Markets
 - 1998-2001 SwapNet - Fintech online Commodity trading platform - Founder
 - 1992-1998 Credit Lyonnais Bank - London & Singapore - Asia Pacific Manager Commodities
 - 1990-1991 Mocatta Commercial - Commodity Market Analyst & Broker
 - 1989-1990 Floor Broker International Petroleum Exchanges
- John Collis, Founder - Chief Operating Officer
 - 2003-2016 JCS, solicitors, London
 - 1999-2003 Cresswell & Co., solicitors London
 - 1997-1999 BPP Law School - I.C.C
 - 1995-1996 C.P.E. Polytechnic Of Central London
 - 1992-1994 Ernst & Young
 - 1989-1992 BA - Oxford University



II. MANAGEMENT TEAM

- Todd Esse – CEO, TradeFlow Capital Management Americas
 - 2014-2020 Founding Partner, President - Southport Energy, LLC
 - 2008-2014 Founding Partner, CIO – Sasco Energy Partners LLP
 - 1998-2008 Founding Manager- Sempra Energy Trading
 - 1994-1998 Head of Natural Gas Trading- AIG Trading
 - 1992-1994 Energy Trader- Enron Corporation
 - 1990-1992 Marketing Representative- Panhandle Trading Co.
 - 1985-1989 BA- Southwestern University
- Sam Kingston – COO TradeFlow Capital Management Americas
 - 2017-2020 Partner, COO – Southport Energy, LLC
 - 2005-2017 Partner, COO – Pemigewasset Capital (Family Office)
 - 2003-2004 Portfolio Manager – Washington Asset Management
 - 2000-2003 Vice President – Dresdner Kleinwort Wasserstein
 - 1997-2000 Associate – Donaldson, Lufkin & Jenrette
 - 1996-1997 Research – Smith Barney
 - 1994-Present Shareholder/Board Member – Sociedad Agricola Santa Sara (Chile)
 - 1990-1994 BA – Connecticut College

III. INVESTMENT OPPORTUNITY

Key differentiators from other peer group Trade Finance funds are:

- **No** direct balance sheet lending to the seller/buyer
- **No** financing / credit facilities to the seller/buyer
- **No** direct credit risk exposure with our client counterpart (end buyer)
- **Trade Support Fee** from our client counterpart mitigates commodity price risk (10%-30% of transaction value)
- **Control** of the underlying commodity asset via ownership as a principal in the transaction
- **No** risk of having to prove a lien or control over a financed asset
- Trade Flow Fund as a **neutral principal to the transaction** has more flexibility & security versus peers

III. INVESTMENT OPPORTUNITY

- **Banks give us their customers:** Origination Channel is a partnering business model with Trade Finance banks to secure pools of long term, stable, high quality transaction supply alongside our own network of counterparts
- **Standardisation enabling Scalable & Digital Platform:** digital end-to-end platform for transactions with exchange-like architecture; enables us to be **scalable** and handle the large deal flows, reduce costs, and cut operational risks in traditional paper processes
- **Fast Market Entry:** Barrier to entry and a **competitive advantage** for the Trade Flow Funds - they do **not require** a finance or banking license and so can quickly enter new jurisdictions as a trading principal buying and selling physical commodities to facilitate TradeFlow transactions

IV. FUND PERFORMANCE

Historical Monthly Net Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	
2020	0.45%	0.45%											0.90%	
2019	0.69%	0.70%	0.45%	0.45%	0.25%	0.42%	0.46%	0.43%	0.52%	0.54%	0.48%	0.46%	6.01%	
2018					-0.38%	0.15%	0.24%	0.18%	0.18%	-0.20%	0.29%	0.49%	0.97%	
	1M	3M	12M	YTD								Trailing 12 Month	Since Inception	
	0.45%	1.37%	5.49%	0.90%								Sharpe Ratio	16.1	3.19
												Sortino Ratio	9.21*	6.46
												Calmar	14.49*	11.31

NAV Share Price

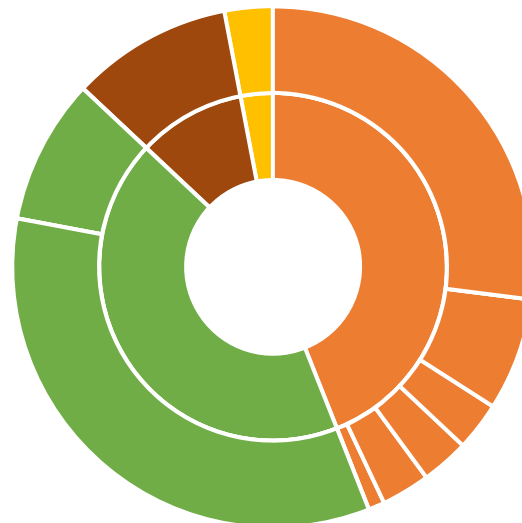
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2020	1075.16	1079.97										
2019	1016.63	1023.80	1028.44	1033.11	1035.72	1040.05	1044.81	1049.32	1054.75	1060.40	1065.50	1070.37
2018				1000.00	996.21	997.75	1000.11	1001.96	1003.76	1001.78	1004.71	1009.67

* The fund has experienced no losses through defaults. In May 2018 and Oct 2018 the fund experienced cash drag. As a result please note that the trailing 12 month Sortino and Calmar ratios are calculated for illustration purposes only. The Calmar is calculated by using the cash drag max draw-down (MDD) from the first trading month of the fund back in May 2018

Note: Returns are net of 1.5% management fee and a 15% performance fee. Past performance is not indicative of future results.

V. PORTFOLIO CONSTRUCTION

- Focused Trade Enablement Opportunity
 - Target SME Trade Finance Market (under \$500m annualized trade volume)
 - Target US\$500k to US\$15m transaction size, under 90 days in tenor
 - Restricted to liquid Bulk Commodity (non-perishable) markets with reliable market pricing
- Portfolio Diversified Across Multiple Sectors and Commodities – *February Sample*

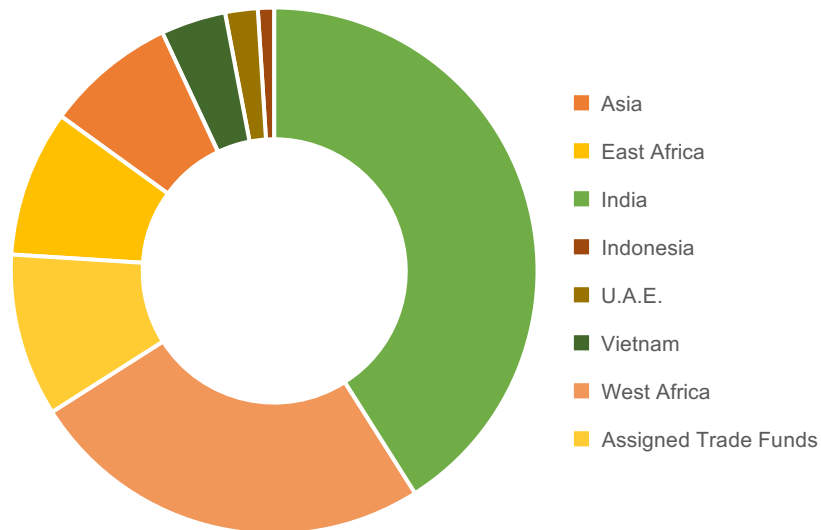


■ Agri ■ Chemicals ■ Energy ■ Assigned Trade Funds

Cashew Nuts	3%
Rice	27%
Hybrid Maize Seeds	3%
Sasame Seeds	3%
Mixed Beans	1%
Soya Beans	7%
Chemicals	3%
Thermal Coal	34%
Gasoil	9%
Assigned Trade Funds	10%

V. PORTFOLIO CONSTRUCTION

- Diversified Tenors – *February 2020 Sample*
 - 46% Up to 30 Days
 - 21% Up to 60 Days
 - 33% Up to 90 Days
- Portfolio Diversified by Delivery/Storage Country – *February 2020 Sample*



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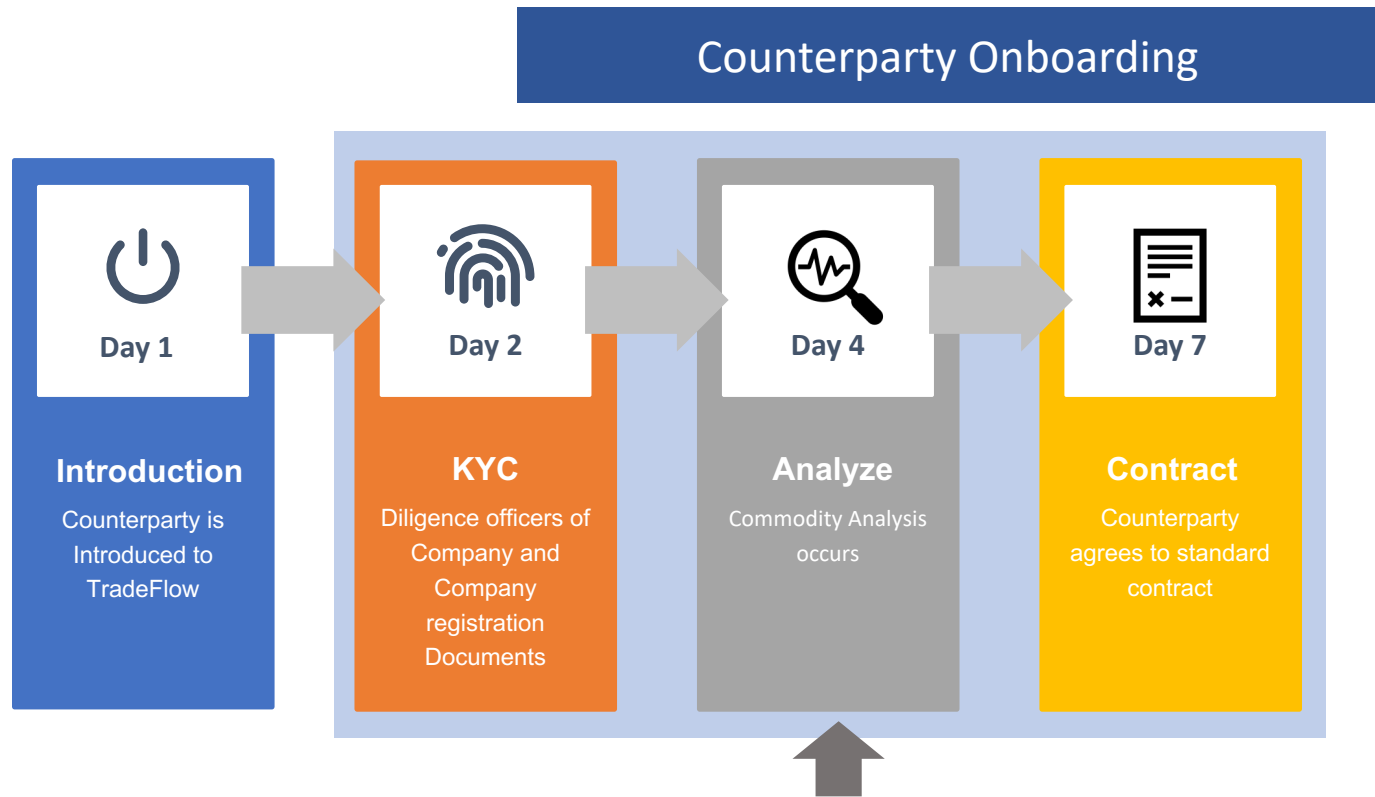
VI. TRADE EXAMPLE

A PRODUCER OF A FUNGIBLE COMMODITY HAS ARRANGED FOR THE SALE OF GOODS TO A FOREIGN BUYER. Rather than tie up capital through the logistics of storage and delivery, TradeFlow will act as FOB buyer and take title of commodity through transit. Buyer of commodity will contract directly with TradeFlow for goods, and pay trade support fee before purchase and transit.

Shipment of a Commodity

- **Producer, Buyer and TradeFlow connect**
 - *Through banking relationships or brokers*
- **TradeFlow onboards counterparties**
 - *Digital tools to perform KYC and prevent risk of fraud*
- **Commodity Risk Analysis is Performed**
 - *How volatile is the underlying commodity*
 - *How liquid are those markets*
- **Seller and Buyer sign General Terms and Conditions and standard Purchase and Sale Agreement**
- **TradeFlow executes Physical Transaction**
 - *TradeFlow Pays and Takes Title for Commodity*
 - *TradeFlow Manages Delivery Spec Tests*
 - *TradeFlow Manages Shipment*

VI. TRADE EXAMPLE



TradeFlow's proprietary digital platform streamlines this process, where the traditional banking sector may take weeks to execute.

VI. TRADE EXAMPLE

TRADE ACTIVITIES



AGREEMENT

Milestone 1

Counterparties that have been onboarded originate a trade and deliver the transaction to Tradeflow. Once GTC' and PSAs have been executed, we are ready to transact.



TESTING

Milestone 2

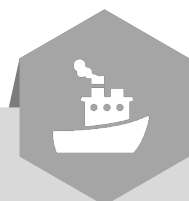
Making sure that commodity specs are aligned 100% with what our agreements provide for, TradeFlow maintains the control over international testing protocols.



DEPOSIT

Milestone 3

After review of commodity price risks, Buyer is required to pay a trade support fee never less than 10% of the value for the underlying commodity.



SHIPMENT

Milestone 4

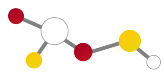
TradeFlow's shipping Department manages the entire charter process. Vetting ship owners and operators. All freight is fully insured during transit.



RISK

Milestone 5

TradeFlow performs constant market risk analysis. If commodity values change during transportation or storage period, TradeFlow has the right to call for additional trade support, or be allowed to liquidate the product.



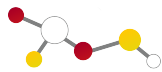
VI. RISK MANAGEMENT PROCESS

TRADEFLOW CONTROLS RISKS AROUND EACH TRANSACTION, ENSURING PERFORMANCE AND PRICE RISK MANAGEMENT THE ENTIRE PERIOD.

Our standardized processes and ability to monitor each transaction in real time means very low risk of a single act of fraud, default or loss.

TRANSACTION RISKS

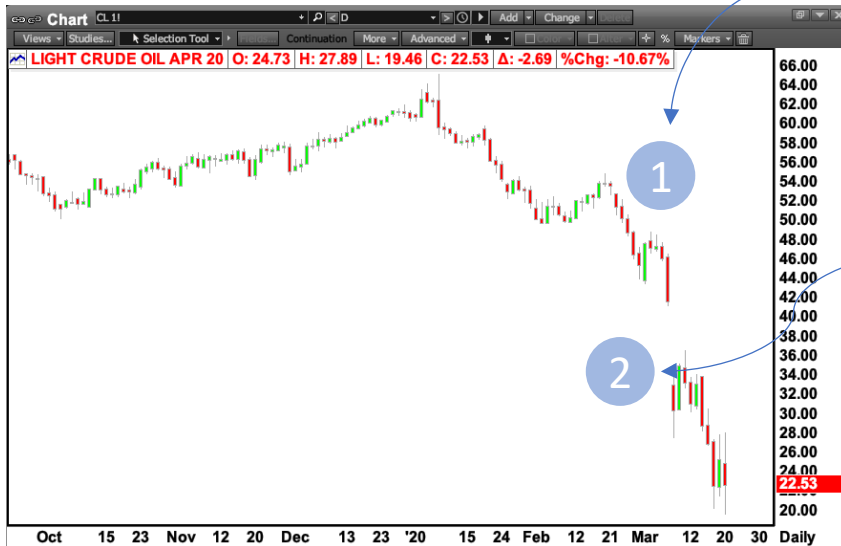
- **Fraudulent Counterparties**
 - *Through KYC process and vetting*
- **Performance**
 - *Require variable trade support from buyer*
 - *TradeFlow retains to call for additional support at ANY time*
 - *Industry standard electronic bills of lading*
- **Insurance**
 - *A+ Rated Lloyds Insurance on loss of cargo*
- **Quality**
 - *TradeFlow Controls Product Testing*



VII. RISK MANAGEMENT PROCESS

PRICE RISKS

1. **Trade Support Fee is set and paid via proprietary transaction scorecard model**
 - *Based upon proprietary analysis of underlying value and historical volatility*
2. **Markets are actively monitored intraday**
 - *If the value of the underlying commodity changes, Tradeflow will call for additional trade support, or liquidate the transaction*



VIII. FUND STRUCTURE AND TERMS

Legal structure:	Segregated Portfolio – Open Ended
Registered domicile:	Cayman Islands
Minimum Investment (USD):	1,000,000
Incremental Investment (USD):	100,000
Hurdle Rate:	3 Month USD Libor
Management Fee:	1.5%
Performance Fee:	15%
Subscription:	Monthly
Redemption:	Quarterly with 30 Days Notice

IX. SERVICE PROVIDERS

Launch Date:	<i>24th April 2018</i>
LEI:	<i>549300OFKBQOSVSZ3493</i>
Legal:	<i>Walkers</i>
Auditors:	<i>Deloitte</i>
Fund Administrator:	<i>Apex Fund Services Ltd</i>
IM:	<i>Emerging Asset Management Ltd (EAM)</i>
ISIN Code:	<i>KYG1988M6375</i>
IA:	<i>Tradeflow Capital Management Pte Ltd - Singapore</i>
CUSIP:	<i>G1988M 637</i>
Bloomberg:	<i>USDTFUS KY Equity</i>
Eurekahedge ID:	<i>EH58784</i>

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