

# INVESTING IN WORKING CAPITAL FINANCE ASSETS

Accounts Receivable Finance | Supply Chain Finance | Purchase Order Finance | Flex Pay | Virtual Cards

# OVERVIEW

## HISTORY & VISION

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Raistone was born with the vision of equalizing access to working capital and meeting the demand for structured finance on a global scale. We combine deep trade finance experience, legal/regulatory knowledge, and enterprise-grade technology to provide operational and financial servicing, enabling companies of all sizes to improve their cash collection cycles and access incremental sources of non-debt working capital.

## ROBUST STAKEHOLDERS

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A world-leading fintech collaboratively owned by a \$30-billion-plus family office, a \$900 billion asset manager, a global broker dealer and a multinational bank, Raistone enables the financing of billions of dollars in transactions every year. We provide facilities from \$50,000 to over \$500 million.

## PROVEN LEADERSHIP

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The collective expertise of our accomplished leadership team, comprised of industry veterans hailing from the world's largest trade finance institutions, amounts to over \$500 billion of receivable assets purchased and 150 Supply Chain Finance programs created over the last 15 years.

## DIVERSIFIED PARTICIPANT BASE

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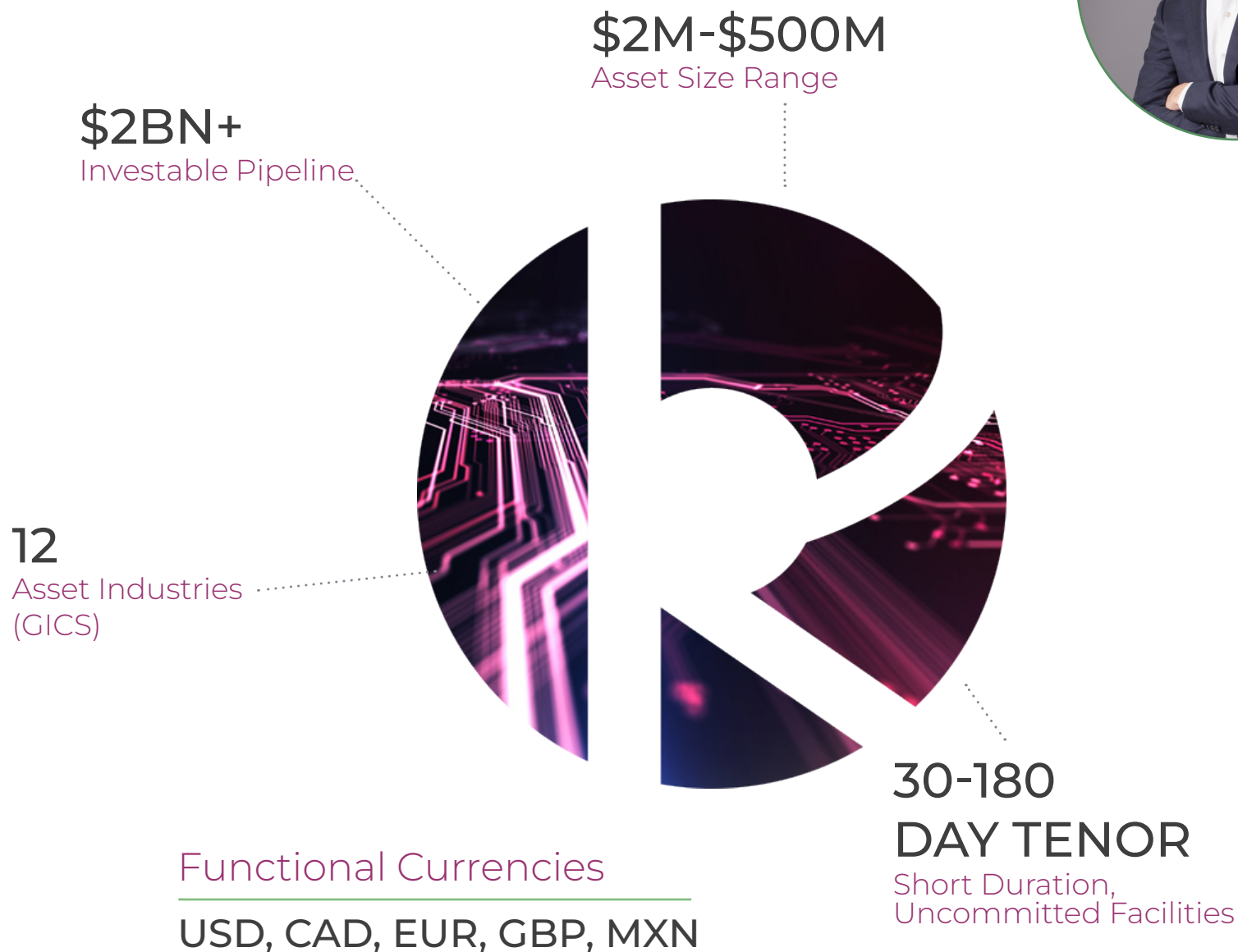
We actively originate and service structured trade finance transactions, onward selling the originated assets to banks and non-bank institutional investors, such as asset managers, hedge funds, family offices, and retail platforms (each a "Participant").

## DIFFERENTIATED DEAL FLOW

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We provide Participants access to deal flow across a range of industries and credits. We are a large player in the non-investment grade space and structure each opportunity to fit both the needs of our Clients and Participants, with tenors averaging from 2 weeks to 180 days, and advance rates up to 100% dependent on historical dilution.

# BY THE NUMBERS



*"At Raistone, we believe that access to capital markets should not be restricted merely to the few 'in the know' — it should be accessible for every business looking to grow and effectively manage their working capital."*

David Skirzenski  
CEO of Raistone



# MARKETPLACE DYNAMICS

Problem: A growing supply of unfunded trade finance assets

## 2.5x

Longer payment terms vs '09

- Large corporates extending supplier payment terms
- Suppliers don't want to wait up to 120 days or longer
- Cash flow problem for supply chains
- Increasing demand from suppliers to finance their trade flows
- Global trade financing gap greater than \$2.5TN<sup>1</sup>



## 35%+

Extreme interest rate charged

- Basel III constraining banks from providing liquidity to supply chains
- Banks are less willing to hold trade finance assets on their balance sheets
- Expensive capital has stepped in: 35% APR, i.e., OnDeck and Kabbage
- Market Place / P2P lenders offer limited facility size (~\$35,000)

## GAP

IN EXPERTISE

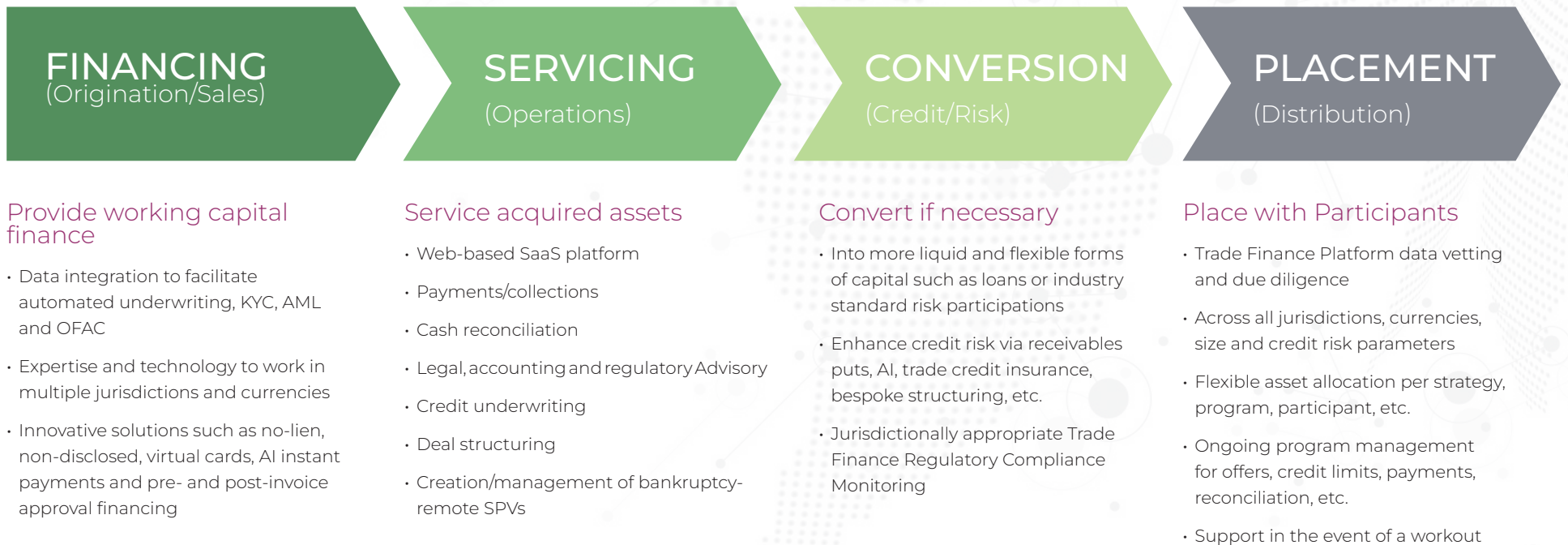
B2B Commerce Networks (ERPs, payment processors, e-Invoice networks, credit card networks) connect the global supply chains and are seeking to offer trade finance services...

BUT require firms such as Raistone to provide trade finance experience, access to sources of capital, daily operations and legal/regulatory knowledge.

[1] <https://www.adb.org/publications/2023-trade-finance-gaps-growth-jobs-survey>

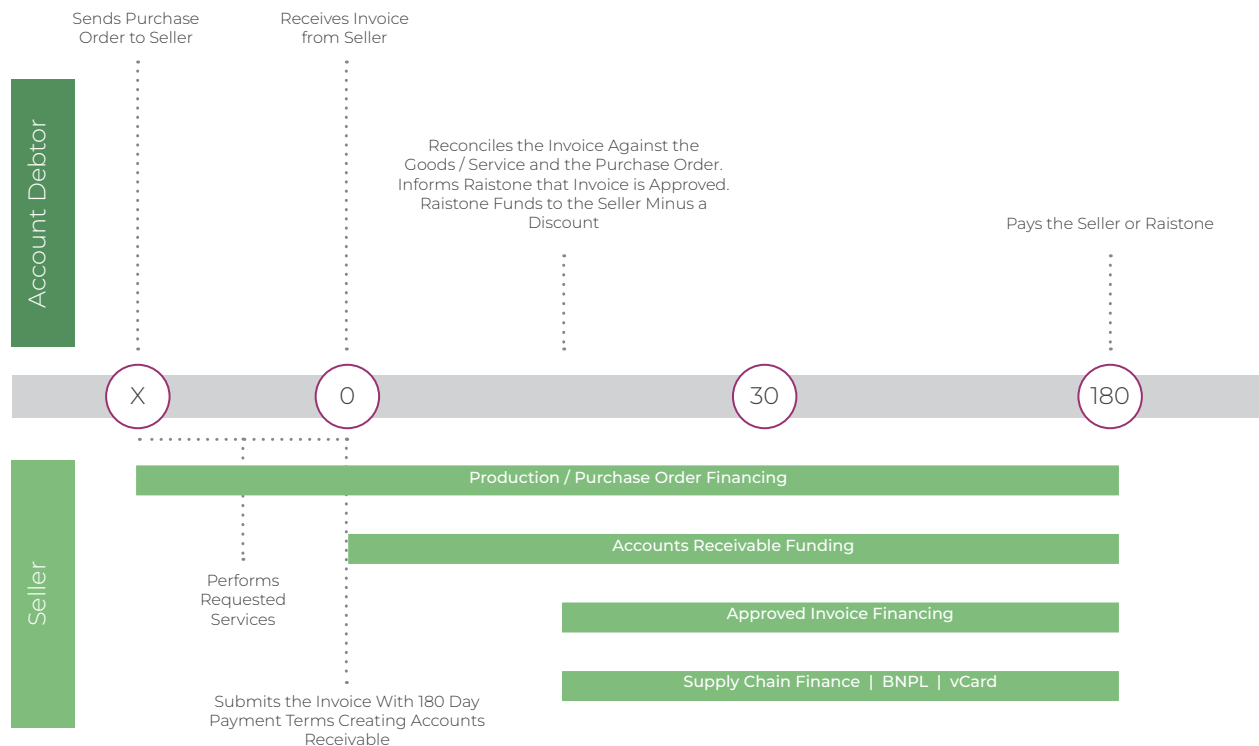
# RAISTONE PRODUCTION SUITE

Our solution:  
Fully integrated trade finance asset distribution



# FINANCING TRADE FINANCE

Illustrative trade finance transactions supported by Raistone



## Overview

### Seller-Centric:

#### Accounts Receivable Financing

- Finance (factor) the Seller Invoice
- Risk of Account Debtor (Buyer) insolvency
- Risk of Seller performance mitigated by invoice approval information

#### Production / PO Financing

- Finance the production of the goods
- Risk of Account Debtor insolvency
- Risk of Seller performance to manufacture and ship goods or perform the service

### Buyer-Centric:

#### Supply Chain Finance | Buy Now, Pay Later | Virtual Cards

- Finance the Seller Invoice / Buyer Payable
- Risk of Account Debtor (Buyer) insolvency
- No risk of Seller performance as Account Debtor has guaranteed the payment

# TRADE FINANCE ASSETS OVERVIEW

## Attractive asset class for institutional Participants

### PORTFOLIO YIELD ENHANCING CREDIT INSTRUMENT WITH UNIQUE MONEY MARKET-LIKE LIQUIDITY PROFILE

By rolling a corporate's trade finance asset facility across successive payment cycles, a similar risk-adjusted return can be achieved in comparison to that from holding its respective corporate bond to maturity.

Even more, the uncommitted and self-liquidating nature of trade finance assets enables participants to exit deteriorating credit names over a defined roll off period (typically 30-90 days). This feature compares favorably to MTM loss exposure when trading out of corporate bonds.

### TRADE ASSETS PERFORM VERY WELL

The International Chamber of Commerce's<sup>3</sup> 2021 Trade Register Report, which contains data up until the end of 2020, states that trade finance products present low credit risk.

- Exposure-weighted default rates for SCF in 2020 were 0.18%, and in 2019 they were just 0.02%
- Defaults without warning are uncommon so default risk exposure on trade finance assets can be dialed back relatively quickly by halting new purchases and allowing receivables to roll off

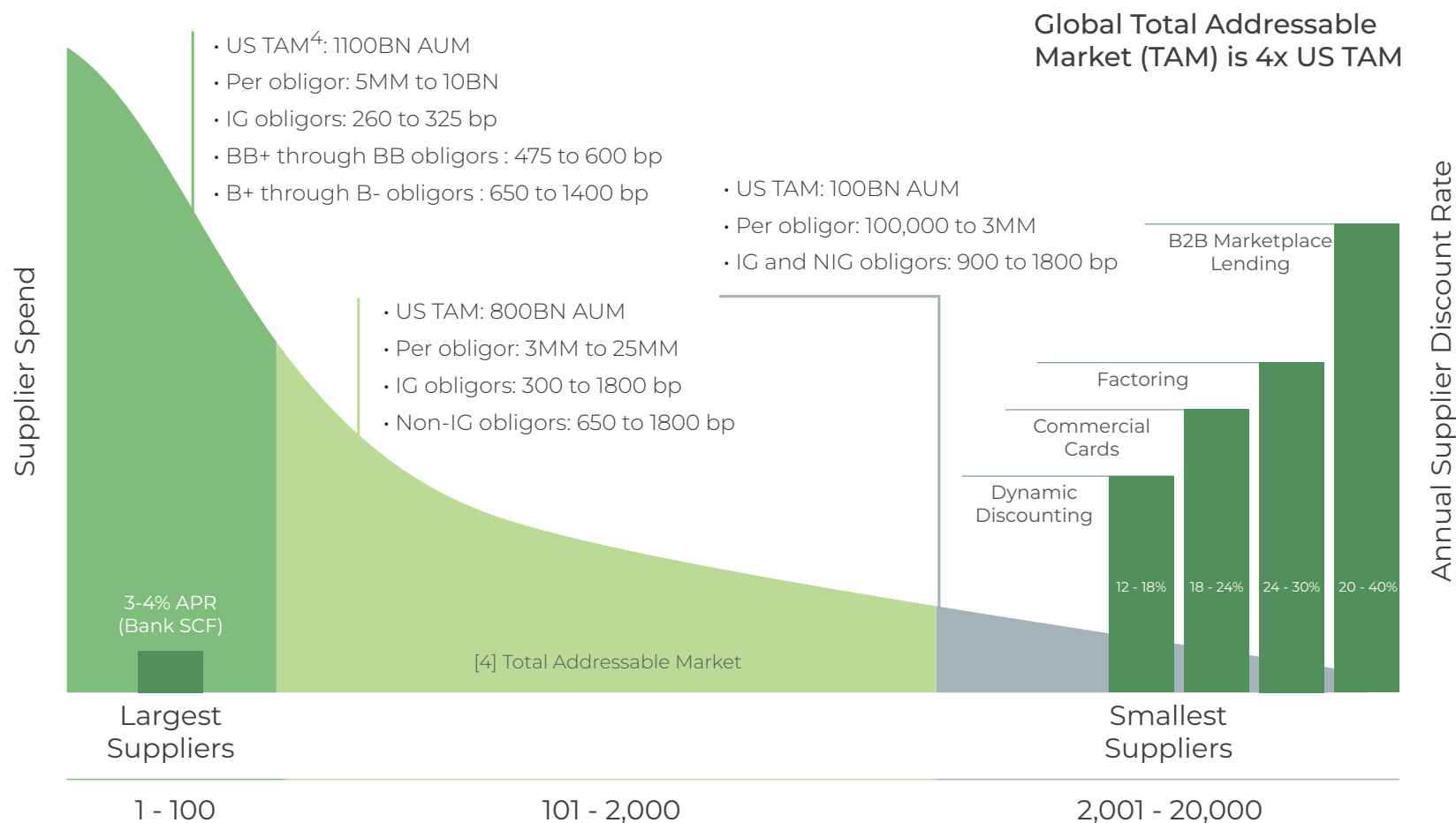
[3] <https://iccwbo.org/publication/icc-trade-register-report/>

## Factors Contributing to Favorable Risk-adjusted Returns

- **UNCOMMITTED:** Participant may stop purchasing new assets at any time
- **SHORT TENOR:** Self-liquidating over defined 30–180d revolving payment cycles
- **NO MTM RISK:** No risk of capital depreciation during spread widening events
- **LOW CREDIT RISK:** Exposure limited to defined payment cycle tenor
- **UNCORRELATED:** Trade finance exhibits low or negative correlation with other asset classes such as equities or bonds
- **HIGH PRIORITY OF PAYMENTS:** While rent/loan payments can be deferred, payments to suppliers are vital for continued operations and are typically made by asset-holding OpCos
- **ACCURATE & VERIFIABLE HISTORICAL TRADE PAYMENT DATA:** Data available to evidence on-time historical payment history for each credit
- **NEGLIGIBLE INTEREST RATE RISK:** Floating rate self-liquidating investments with low duration risk

# EXPLORATION OF THE INVESTMENT OPPORTUNITY SET

Typical corporate supply chain – invoice financing (all in rates)



[4] Total Addressable Market



# PARTICIPANT DAILY RECONCILIATION

Includes all cash flows, assets,  
collections & write-offs



The image shows a laptop on a wooden desk with a small potted plant. The laptop screen displays a spreadsheet titled 'PARTICIPANT ACTIVITY STATEMENT / REQUEST'. The spreadsheet is organized into columns A through E. It contains various financial data points, including participant information, cash management details, and collateral status. The data is presented in a structured table format with rows and columns clearly defined.

PARTICIPANT ACTIVITY STATEMENT / REQUEST				
PARTICIPANT NAME		11		
SELLER NAME		SGSF Master Purchasing DE LLC		
PARTICIPANT ACTIVITY STATEMENT #		1		
Issue Date		10-Feb-2020		
Effective Date (Funding Date / Draw Date) ***		11-Feb-2020		
Base Currency		USD		
CASH MANAGEMENT		COLLATERAL		
Incoming To Participant		Beginning Balance		
Collections against Collateral		Less: Collections		
Late Fees Received		Plus: New Collateral (Face Value)		
Collected Pass-throughs		Less: Chargebacks to apply as Collections		
Unapplied Collections**		Less: Write-offs		
		Plus/Minus: Other Adjustments		
		Ending Balance		
Outgoing To Supplier		Participant Capacity		
New Assets Funded (Purchase Price / Requested Amount)		Participant Utilization (%)		
Pass-throughs Re-collection				
Other / Adjustment				
Funded Balance				
Total to Supplier				
Total to Participant				
Net Flow				

Daily reconciliation  
of cash flows between  
the SPV and the  
Participant showing:

- New Collateral (receivables) purchased
- Collections against Collateral
- Written off Collateral
- Straight-through cash  
(e.g., remainders due Seller if less than  
100% advance rate, or pass through of  
non financed receivables)

# LEADERSHIP TEAM

Distinguished industry experts in finance, tech & risk



**DAVE SKIRZENSKI**

Chief Executive Officer

Former Head of Supply Chain Finance at Citibank; Greensill Capital; Morgan Stanley; Ariba; IBM



**MIKE BRUYNESTEYN**

Chief Financial Officer

Former Treasurer at Turner Construction; Lehman Brothers; Prudential Securities; General Motors



**QING FAN**

Global Head of Risk Distribution

VP of Global Trade Finance at BNP Paribas; Sumitomo Trust and Banking; Kraft Foods



**AVI NAINANI**

Chief Risk Officer

Former Head of Trade Finance Risk at Hitachi Capital; CIT



**MIKE WALKER**

Chief Technology Officer

Former Head of Technology and Global Operations for LiquidX/Receivables Exchange



**MATT MCALPINE**

General Counsel

Former Global Head of Trade Finance Compliance at Deutsche Bank; Global Head of Trade Finance Legal at Citibank and Banking Associate at Skadden Arps

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