



www.ConvCap.com

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You want to become and Investor/Funder of our Trade Receivables Origination - buy quality Trade Receivables assets?

**** Please download, save, complete and email to us to become a funder**
Email to: Jonathan.Beck@ConvCap.com**

Investor Information

The Asset Class - Trade Receivables

- Typically, up to 120 days tenor, many will be 30 - 90 days, for goods and services delivered and verified by the platform.
- The Seller of the Trade Receivables determines on what basis they require funding; we advise and guide them; For example, Recourse/Non-Recourse, Credit Insured or not, % advance required, Buyer quality; We price the transaction. The transaction gets matched to relevant Investors.
- We charge a registration fee (depending on the type of facility) to the Seller on the value of the receivables for the use of the platform and we charge % of the difference between the interest rate the seller will pay and the rate of return the Investor requires. We always keep pricing locally competitive and never punitive. We will not be overly expensive. This is a service to SME's primarily, but we must also reflect workload and risk. The Investor will always obtain the RoC they require.
- The Seller or Funder to provide Credit Insurance cover if Investor needs. The Platform does not provide credit insurance as we have no financial interest in the trade receivables.
- The Platform provides full Due Diligence on the Seller and Buyer and a copy of our report on both are available upon request. Convenient Capital stands behind its Due Diligence but ultimately the Investor takes responsibility as this is simply not possible for Convenient Capital to guarantee every receivable. The Investor will be provided with top in class Due Diligence and AML and if the receivables reach our investor that carries a certain quality and reliability - please see separate Due Diligence Information Sheet
- The Investor buys the Trade Receivables directly from the Seller at the rate agreed. The interest margin payable to The Platform is paid by the Investor when the receivable is either paid or monthly in arrears whichever the latter. We collect the invoice platform registration fee from the Seller monthly
- The Buyer pays the Investor through Escrow Account held to their order. Any margin (the difference between the Invoice value and advance less charges/fees) is paid to the Seller when Buyer pays. The Platform disburses this margin payment. Therefore, on every trade receivable financed, the Investor realizes their profit straight away.

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Investor - how it works & rate of return

There are several ways for Investor to Invest.

Method 1 - Our preferred method is the Investor provides us with a Template of their Investment criteria and we source and match this to our origination pool (all comprehensively completed Due Diligence) and the trade receivable/s is purchased for that Investor automatically. This is NOT an auction platform and do not want our Investors engaging on a race to the bottom. We have used our expertise to evaluate the pricing and risk/reward. The Investor either buys it or doesn't - quite simple. But if it matches their template and we have "Auto Buy", then it gets bought by that Investor. If there are several investors whose template matches the receivables, we always sell to the same investor who already has a current outstanding balance for that Seller of Buyer on their books already. We constantly evaluate Buyer and Seller Credit Limits and notify Investors of any changes in status.

Method 2 - The Investor provides a template of the type of receivables they want to purchase, geography, size, type of transaction, etc. and they are offered the receivables as they come onto the Platform. However, Investors opting for Method 1 above are given first refusal.

Risk and Pricing - we offer a whole range of risk from small SME risk to Investment Grade risk and Emerging Market Government risk. From mature markets like UK, USA, EU to emerging and developing market risk. The pricing and rate of return to Investors reflect the credit and operational risk (which is often equal) and the geography and therefore one can safely say the RoR is between 3% for IG to 16% for small SME risk I would expect most of our origination to fall in the middle between 8% - 12% RoR.

We ask you to accept Convenient Capital will receive a % of the interest rate margin. We agree the rate with the Seller, and we agree a rate with you, and we take the difference. We are transparent on the Seller rate. Is this methodology acceptable to you? We prefer to know and agree in advance what RoR% you require enabling us to obtain the correct rate for the Seller. Our Policy is never to charge more than X% over the Investors required RoC. We are always mindful of getting the best deal for all parties, but we do need to make income ourselves to cover all our costs including full Due Diligence, processing, credit vetting on an ongoing basis and much more.

Why Trade Receivables - there are many Asset Classes?

The Trade Receivables Asset Class is unique. Because it does not have a value like property, so it does not reduce in value - well only by inflation. But given the investment is usually no longer than a 90-day period, on average, inflation can hardly get its teeth into it. It is highly liquid because your funds are not locked in for long periods. You can take your profit quarterly or even monthly or bi-monthly. You can exit quickly because there are no long contracts (unless you want); you can invest in one invoice at a time or in a portfolio. It is self-liquidating, the invoices get paid and you get your investment back. You can mitigate against default with credit insurance. The returns are uncorrelated meaning the assets generate consistent returns with limited or zero correlation to any of the other major asset classes in financial markets.

Of course, we will disclose exact costs and Interest Rates% on one-to-one basis. All our rates are the same for every investor. There is not one rate for one and another rate for someone else.

Please see the next pages for Investor Questionnaire.

Investor - Asset Purchase Template & Questionnaire

for the purchase of Trade Receivables

This Form is part of our Investor Service Agreement which will be sent to you for consideration and signing before you invest. To gauge our ability to bring you quality trade receivables assets, we would ask you to kindly complete this form which provides us with invaluable information as to which type of assets you want to invest in and our ability to meet your requirements. You will appreciate, we are not bringing you different asset classes, just one - Trade Receivables. Trade Receivables have many variables which we give below. These are the main variables - any other criteria you require please do add in the relevant place.

Notes.

- The Seller (the borrower - the client) is the company whose Invoice you are buying and paying the advance to (up to 100%). The Buyer is the company purchasing the goods and services from the Seller. They maybe in same country or they may be doing business on Import/Export basis.
- Country of Seller & Buyer - you put any (agnostic) or define accurately, Like USA, EU, UK, CIS Countries, OECD Countries
- Non-Recourse & Recourse: Non-Recourse risk is where the Investor takes the loss if the Buyer does not pay and/or becomes Insolvent. Credit Insurance mitigates this exposure. You have Recourse to Seller on goods disputes and goods shortages for example. Recourse risk means if the buyers does not pay, for whatever reason, the Seller must repay the advance to the Investor.
- Convenient Capital does NOT have a Credit Insurance Policy as we have no financial interest in the trade receivables. Therefore, either the Investor or Seller must Credit Insure themselves.

| # | Attribute | Yes/No and comment (if any) <small>In some cases, you must write the answer. Please do not leave blank you need to answer please.</small> |
|---|---|--|
| 1 | Geography of Seller? | |
| 2 | Geography of Buyer? | |
| 3 | Maximum Advance - state 70% - 100% of Gross Invoice Value | |
| 4 | Currency of Advance - can this be local currency of Seller? | |
| 5 | Are you prepared to buy trade receivables in local currency and use Hedging/Swaps to mitigate risk? | |
| 6 | How much is your maximum monetary advance per Invoice ? (Assuming Credit Rating allows) | |
| 7 | How much is your maximum monetary? advance per Client (Seller) ? (Assuming Credit Rating allows) | |
| 8 | How much is your maximum monetary? advance per Buyer ? (Assuming Credit Rating allows) | |
| 9 | Do you want to buy Invoices only on non-Recourse basis? e.g. - you require Credit Insurance to protect against Buyer default/Insolvency. If this is required, you either must have a Credit Insurance Policy you or the Seller must have a Policy and assigns the Loss Payee to you | |

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| 10 | How much is your desired Rate of Return on a per annum basis? | |
| 11 | Do you require Investment & Invoice Servicer assistance post investment using our portfolio management services? | |
| 12 | Apart from the obvious illegal goods are there any goods you prefer NOT to invest in? | |
| 13 | Maximum Tenor of Invoice - 0 - 180 days is the range | |
| 14 | Do you require a portfolio of Buyers or is one sufficient for you? | |
| 15 | One off transactional trades? | |
| 16 | Cross-Border Trades? | |
| 17 | Commodities - Hard & Soft? Any exclusions? | |
| 18 | Will you accept working with other Investors on same Seller and Buyer? | |
| 19 | Do you require any additional security other than simply the debt obligation and transaction - such as Personal Guarantees and Pledge over Assets? If you require these it may mean you would need to provide all the funding to the Seller excluding other investors. | |
| 20 | Do you require whole portfolio - all Buyers? for that Seller? | |
| 21 | Do you require minimum number of Buyers? per Seller? If so, how many? | |
| 22 | Are you agreeable to delegating to Convenient Capital the investment decision on your behalf to a certain fresh hold? If so, what is the monetary sum? (Provided it matches all other template criterion of course) | |
| 23. | Do you wish to see all Due Diligence and Credit Rating information on Sellers and Buyers before investing? Or are you happy to delegate to us. If so, to whom do we send the documents? | |
| 24 | Are there any other criteria you wish to lay down that we have not mentioned? | |
| 25 | Do you wish payments from Debtors to come into the Trust/Escrow Account we set up for you or do you wish payments from Buyers to come to another account of yours? | |
| 26 | Are you happy to have the Notice of Assignment placed on Sellers Invoices to be in your name or Convenient Capital which is held on your behalf to your account as per legal agreements at commencement? Which do you prefer? | |

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| 27 | Are you interested in investing in non-Trade Receivables Assets - like Plant and Machinery over a payback period of 12 - 60 months for capital goods under Vendor Finance scheme? Where you will retain title to the goods/equipment/machinery. The Buyer pays back on monthly or quarterly instalments on a Lease or Hire Purchase | |
| 28 | If your answer is yes to Q 27 above, what rate of return do you look for? over each period of 1 - 5 years. | |

Thank you for completing this. Finally, please complete this box:

| Question | Your Details |
|-----------------------------|--------------|
| Your Name | |
| Business Name/Funder | |
| Your Business Email Address | |
| Telephone number | |

The relationship with Investors is communicated through our Unison module especially designed for Investors and Funders where you can manage and view your investment and much more.

We are a new Platform and new company. We are white labelling the technology/platform from a proven platform in Asia that has been trading for five years. I have 45 years' experience in Trade Receivables. You may request my Resume or references at any time. Our COO - Cliff Entrekin also has similar experience and own another platform called Convergence Capital Group in Asia - [linkedin.com/in/cliffentrekin](https://www.linkedin.com/in/cliffentrekin)

We are fully aware of the need to carry out "top in class" Due Diligence and Credit Vetting of all Sellers and Buyers. I have never lost money through Fraud or malpractice of counterparties. Our interest is for our investors first. This is important. Our reputation relies upon us delivering quality assets in a reliable and completely trustworthy way. You may see my LinkedIn profile here: [linkedin.com/in/rogersbarry](https://www.linkedin.com/in/rogersbarry). We have highly experienced management team and shareholders who work tirelessly for you - you, our Investor.

Your faithfully



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