

# TRADEFLOW CAPITAL MANAGEMENT

## Generating Innovative Digital Trade Solutions

TradeFlow Capital Management (TradeFlow) is the world's first Fintech-powered commodities trade enabler focused on SMEs. TradeFlow consists of a diverse team of experts with the focused mission of addressing the increasing trade finance gap faced by global SMEs operating as producers, traders, or end-users in the bulk commodity trading space. By performing an enabling role in international trade and globalisation, TradeFlow creates growth opportunities for businesses and economies.

To date, TradeFlow has successfully invested in more than US\$2.3 Bn of physical commodity trade through 2000+ transactions across 18+ countries and 30+ commodity types, and reviewed more than 1400 SME counterpart entities KYC reviewed. As part of its unique business model, The TradeFlow Funds, advised by TradeFlow, were conceived in 2016 and launched in 2018.

### PROPRIETARY SYSTEMS AND APPLICATIONS

TradeFlow utilises a unique Digital Transaction and Risk Transformation Engine (DTRTE) to enable global physical commodity trade for SMEs via its innovative non-credit, non-lending model. TradeFlow's DTRTE architecture provides the added advantage of superior risk-adjusted returns and capital preservation for investors, and is highly complementary to traditional lending institutions like banks.

TradeFlow has automated and digitised most of the steps involved in their trade finance operations. The company is constantly improving their CTRM System (Commodity Trade Risk Management System), using API to connect different modules in real time. The company is currently working with AI for bots in the CTRM system. TradeFlow's CTRM also is integrated with DocuSign to enable the documentation and management of international cargo transitions. As such, TradeFlow is constantly improving their proprietary CTRM system to ultimately manage client relationships.

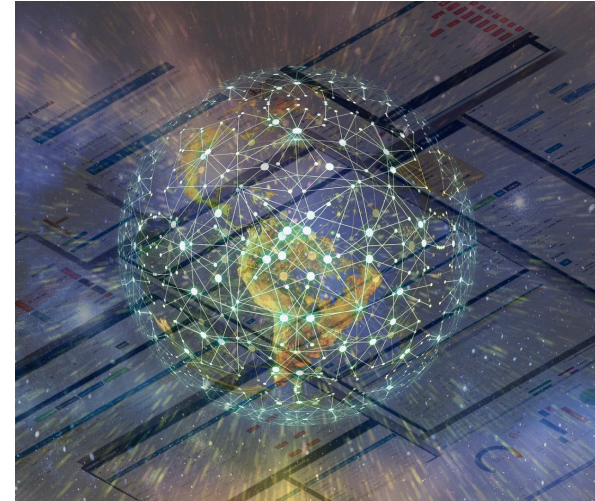
For increased efficiency in decision-making, TradeFlow uses their own proprietary Score Card System to generate initial assessments on trades. Using Big Data as a source, this system analyses multiple variables simultaneously and uses machine learning sys-

tems-powered data extraction techniques to produce relevant information.

### DIGITALISATION TO MINIMISE ERROR AND MAXIMISE CAPITAL

Key to TradeFlow's operations is a culture of open communication where staff members are consistently made aware of new innovations so that they can test, improve and adopt the new initiatives effectively. The TradeFlow team benefits from the digitalisation process by enjoying real time access to trades information, automated tasks, and an integrated cloud system that is operational 24/7.

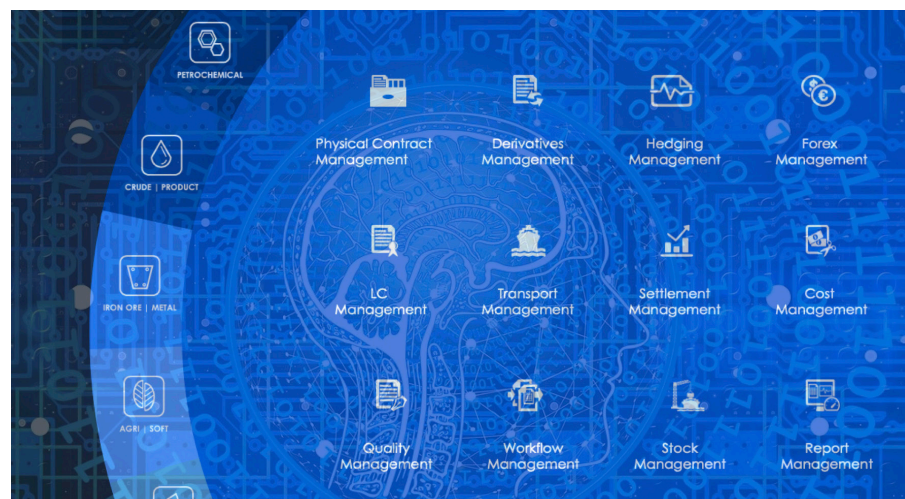
TradeFlow's constant efforts to digitalise every possible step in their business oper-



ations are driven by a need to be scalable and to offer an enhanced service to investors and customers. To that end, TradeFlow has automated 100% of the KYC and AML (anti-money laundering) process of potential customers, digitalised 100 % of their trade documents, and automated the invoicing process and tracking of cargoes and emissions footprints. The ultimate goal is a complete digital transformation that minimises time and human error while maximising the use of capital for enabling trade and making a stable investment grade return for their investors.

### OVERCOMING BARRIERS

Trade Finance has traditionally been an industry that is highly reliant on paper. The





industry has often entailed the large-scale inefficient movement of papers with multiple copies, manual approvals, and redundant checks required. The primary barriers to digitalisation are the lack of common adoption principles to digitalise documentation and the absence of a single standard-setting authority. While there are different efforts led by private conglomerates and associations like the International Chamber of Commerce (ICC), these endeavours are slow and have yet to be broadly accepted. TradeFlow encourages their clients to use Electronic Bills of Lading (eBLs) as a first step to automate the process. The company also digitises clients’ documentation for them and automates most of the trading process. This allows clients to overcome the heavy use of paper whilst reducing the terms of their payments.

### DEMURRAGE PROJECT

In 2021, the Singapore Institute of Technology (SIT) and TradeFlow entered into a collaboration to enhance shipping industry

efficiency with Artificial Intelligence (AI). The collaboration aimed to apply AI and machine learning to monitor, measure, analyse, predict, and eventually manage the risk that a company would incur demurrage on shipments of bulk commodities around the world. The demurrage project also worked to maximise routes with the goal of reducing fuel consumption. As such, once implemented, this AI-driven solution will be able to predict and reduce risk in International Shipping to increase operational efficiencies and reduce cost.

### DIGITALISATION FOR SUSTAINABILITY

One of TradeFlow’s key priorities is the monitoring and reduction of its operational carbon footprints whilst reducing risks and increasing profits for its stakeholders. To this end, the company has used several digital tools. For one, TradeFlow went paperless in 2020. By one estimate, DocuSign has reduced their carbon usage by more than 1000 Kgs of carbon and 200Ls of water annually. Similarly, the use of eBLS has re-

duced processing and approval times from days to minutes, saving tonnes of paper and cutting down vessels’ fuel consumption. By using “Internet of Things” (IoT) devices to monitor variables like volume, temperature, humidity etc, TradeFlow generates precise information to better manage operations, and ensure that resources are not wasted. Digitalisation also allows for a tighter control of data and figures, allowing TradeFlow to extract the information necessary to assess their sustainability efforts. Furthermore, by persuading all the members of their value chain to go paperless, TradeFlow aspires to achieve a stronger collective difference to the carbon equation and contribute to NetZero goals by 2030.



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