



MATRIX

G L O B A L

FUNDAMENTALLY TRANSFORMING HOW THE ENERGY INDUSTRY TRANSACTS



Vision and Industry Transformation

Founded in 2014, **Matrix Global Holding**'s first initiative was the highly successful launch of the world's first futures contract on crude oil storage capacity, developed jointly by the management of Matrix, the Chicago Mercantile Exchange (CME) and the Louisiana Offshore Oil Port (LOOP), the largest privately held crude storage facility in the U.S.

The Matrix Global family of companies includes:

Matrix Markets is an innovative financial products development company and a trusted strategic advisor for clients who include the world's leading energy merchants and commodity trading firms, as well as owners and operators of infrastructure assets.

Matrix Cushing is currently developing storage futures contracts and partnering with TransCanada to build storage using TransCanada's interconnected facilities at Cushing, Oklahoma, the world's most active crude oil trading hub and the delivery point for CME's WTI futures contract.

Matrix Commodity Finance offers a non-invasive financing solution to enable commodity market participants to structure, finance, purchase and sell their trade receivables in an environment with predictable liquidity and a simplified process. MCF builds on Matrix's proven technology to significantly reduce costs, enhance price transparency, and rapidly expand new liquidity sources.

A Notable Team of Industry Talent

With a deep concentration in crude oil trading, derivatives, infrastructure and energy logistics, the executive leadership provides a vision and executional roadmap for success. The team's preeminent legal and financial experts established, approved and worked with regulators to meet all compliance requirements. The company's distinguished IT team developed the platform, which has operated flawlessly. An unparalleled customer focus permeates the entire organization, evidenced by a strong onboarding process, training and support to ensure all participants are capable and confident in their use of the Matrix platform.

Innovation

“You have liquidity, transparency, ease of use, and credit mitigation. All of those factors have never existed before. That truly is the key to our innovation.”

Bo Collins

Founder, Matrix Global

A Complete Break from Tradition

The Matrix model has radically transformed the way energy customers transact today, delivering unique and unprecedented benefits:



Transparency

The Matrix auction platform gives immediate price discovery to the value of storage.



Credit Disintermediation

Through the CME clearing process, counterparty risk is removed between the lessee and the lessor.



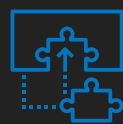
Increased Liquidity

By removing credit barriers and improving the ease of acquisition, the Matrix model significantly increases the number of participants.



Optionality

The financial nature of a storage futures contract is mathematically similar to a calendar spread option.



Flexibility

Being able to acquire storage on an as-needed basis provides users the ability to match their acquisition with their financial or physical requirements.

Matrix Markets

A unique, innovative model and auction platform scalable across markets, regions and commodities.

The Matrix model at LOOP was developed to optimize the value of the facility's storage assets through the creation of proprietary short-term physical bilateral agreements and financial derivatives products.

Through the introduction of a monthly auction, using Matrix's proprietary auction platform, LOOP has greatly increased the utilization and value it receives for the 7.2

million barrels of storage capacity it has committed to the CME/Matrix program.

At LOOP, traders have been as aggressive in their bidding as the international majors and refiners. Traditional storage customers have readily adopted the electronic storage auction program, and have been active participants in each sale by LOOP to date.

Success at a glance



Significantly increased revenue on LOOP's asset



Substantially increased the number of customers



Materially reduced the credit exposure for both LOOP and its customers



Provided a transparent method by which customers can transact, establishing a market reference price



Successfully reintroduced a physically deliverable Gulf Coast medium sour crude contract (LOOP Sour)

What's Next

The Matrix model at LOOP has been operating since 2015 and is presently ranked in the top 10 CME crude oil contracts, as measured by open interest. This unparalleled success brings transparency to a historically opaque market and has all the potential to become an industry standard for such transactions. Matrix looks to expand on this success by creating other derivative instruments that will provide comparable benefits to the market.



Matrix Commodity Finance

Offering alternatives to traditional bank financing

Matrix Commodity Finance (MCF) facilitates the sale of trade receivables and related financial assets between commodity merchants and institutional buyers through dynamic auctions. The auction process provides an efficient and transparent low-cost alternative to traditional commodity trade finance.



Auction Programs

For our clients, we develop tailored preferred vendor programs whose key benefits include:

- Minimal resource burden. Our programs strive to achieve standardization of structure that creates efficiency gains.
- Financial flexibility. Alternative financing sources may allow our clients to preserve relationship bank lines for other uses.
- Increased liquidity. MCF introduces new liquidity sources and relationships to our clients.
- Competitive. The auction promotes market-based competition and financing cost improvement.
- Scalable. Our programmatic approach intends to provide financing solutions for a series of transactions.
- Private and secure. Client information is protected and secured.

Alternative Financing

Not every transaction lends itself to an auction-based financing solution. Our experienced team has the structural expertise and market connectivity to craft bespoke commodity finance alternatives.



Key Benefits

Our customers receive unprecedented access to an extensive investor base, creating a transparent, competitive marketplace.

Commodity Buyer & Supplier Benefits

The MCF model can provide a committed maximum financing cost (“ceiling price”) that grants our clients cost predictability and assurance of funding.

- Expanded liquidity sources
- Cash flow/balance sheet management
- Streamlined and standardized structure and documentation
- Pricing transparency
- Market-based competition
- Dynamic scalability
- Privacy and security

Providing an entry point to qualified institutional participants, with the objective to achieve stable, non-correlated returns to a short-term self-liquidating asset class.

Commodity Trade Finance Asset Buyer Benefits

- Unique investment opportunities
- Enhanced short-term yields
- Low correlation of returns with other asset classes
- Historically low default rates (0.02% between 2008 and 2011)*
- Sustainable and scalable investment opportunities
- Reduced traditional commercial dispute and commodity price risk

* ICC 2013 Global Risks Trade Finance Report.



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