

# The bushidocommmerce Fund

## E-Commerce Distressed Inventory Digital



**Arbitrage Strategy**

February, 2019

# Strategy Introduction

- **Disintermediation of Traditional, Multi-Layered, Wholesale/Retail Distribution Network.**
- **Overcomes "Factor-Based" Lending Expenses & Credit Risks by Middlemen & Brokers-Price Improvements, Lower Costs**
- **Utilizes E-Commerce Engines for Gateway Distribution**
- **Synthesizes Algorithmic & Technological Sophistication Dynamically in Real Time**
- **Consumer "Big Data" Analytics**
- **Blockchain Compliant Format**
- **Artificial Intelligence Platform: Strategy Execution .**
- **Global Distribution Capability**

Innovative Marketing Solutions ("Liquidity Provider") to Struggling Manufacturers with Distressed/Stagnant Inventory.



# The Dual Arbitrage

## ① Price Arbitrage:

THROUGH E-COMMERCE DIGITAL PORTALS & SEARCH ENGINES, STAR DATA CAN IDENTIFY:

Stagnant Inventory & then Sells Such Inventory Simultaneously at Different Prices Globally to Different Consumers Digital E-Commerce Prices are Higher than Traditional Retail Distribution "Factored" Prices. BushidoCommerce Captures the Price Differential Spread & Splits Price Improvement with Manufacturer. If Star Data Cannot Lock-In Profitable Spread, It Does Not Do the Trade!

## ② Time Arbitrage:

BushidoCommerce Sells Distressed Inventory & Receives Guaranteed Same Day Revenue from Portal Vendor, Yet Pays Manufacturer for Inventory Within Three Days. BushidoCommerce Earns a Return on the Float.



# Investment Opportunity

## ① DIGITAL ARBITRAGE OF DISTRESSED INVENTORY

- Compelling Monthly/Annual Returns
- Low Risk
- Profitable in Any and All Market Environments and Cycles

## ② PRIVATE EQUITY OWNERSHIP IN DISTRESSED CORPORATE MANUFACTURERS

- BushidoCommerce's Digital E-Commerce: Increased Sales and Company Valuation of Manufacturer
- Capture Up to 50% of the incremental Sales and Valuation Improvement
- Enable the Manufacturer to Avoid Bankruptcy
- Credit Line Facilitator



# BushidoCommerce Structural Advantages

①

## No Competition

## Bushido Edges ②

- Proprietary Marketing Database of > **116MM Consumers Globally**
- Latino Online Media Properties
- Social Media Portals in Music and Cinema
- Proprietary **Blockchain** Platform (via IBM) / Intellectual Property
- Connects Consumers to E-Commerce Search Engine Vendors
- Ownership of DMP (Direct Marketing ..) Rights .
- Analysis of Consumer Activity on E-Commerce Search Engines
- Google and Amazon Predictive Shopper **Pattern Analysis**.
- Convert Analyses to Optimization **Algorithms** via AI Engine
- Price Points
- Volume
- Frequency of Purchase
- Match Optimization with Dynamically Programmatic Ads & Media - Increased Conversion Through
- Media Exposure Efficiency
- Unique Relationship with Online Search Engine Vendors (Tag Authorization)
- **Google/ Yahoo /EBay/ Jet.com /Facebook /. Walmart/ Amazon /Alibaba / JD/**
- Special Distribution Networks in Latin America Markets



# BushidoCommerce Structural Advantages

③

## Manufacturer Gets Better Terms/Prices for Selling Distressed Inventory

- Incentivized to Do Business with Bushido Commerce
- Shortened Receivables Cycle
- Higher Prices (No Middlemen)
- Lower Credit Risk
- Blockchain Encryption and Compliance

④

## Full Privacy for the Consumer



# Portfolio Construction

## ① Identify the Arbitrage Opportunity: Scan Manufacturer's Inventory (E-Commerce Feed Reader)

- Product is a "single manufacturer item"
- Product has a long term, predictable demand pattern online .
- Product has proper insurance liability .
- Product has distribution capability on all major online distribution portals (**i.e. Amazon, Ebay, Google, Walmart, etc.)** .
- Product has direct, same day payment compliance
- Product already sells across multiple marketplaces globally

## ② BushidoCommerce "Digital Drop Shipping" Application Layer and Manufacturer's CRM-PGM Platform.

- We Use Our Proprietary Intellectual Property + Database Marketing Connectivity
- Consumer Search and Purchase Activity & Historical Behavior (Blockchain)
- Social Media Portals & Digital Search Engines: Finds Higher Prices for E-Commerce
- Different Portals of the Same Distributor (i.e. Amazon) Simultaneously Offer Different Prices in Different Parts of the World on the Same Product .
- Ownership of DMP Rights/Platforms
- Run Optimization Algorithms on Consumer Data (AI) .
- Dynamically Targeted Advertisements in Specific Media Outlets





# Portfolio Construction

## ③ Results:

- EDI (Electronic Data Interchange): Automates Consumer Demand Estimates .
- Drop Ship Agreements: BushidoCommerce Disintermediates Sale of Distressed Inventory
- Better Prices than MAP (Master Accredited Pricing) with Traditional Merchant Distribution .
- BushidoCommerce Sells Inventory First, Pays Later -- Same Day Revenue, 3 Day Delivery = Time Arbitrage
- Alternative to Factor Based Lending
- More Efficient than Forced Liquidations
- Sale Data Converted to Blockchain Compliant Format + Connected to Platform
- Preserve Privacy of Consumer (Encryption)