



CONGRESS STREET BUSINESS TRUST

July 15th, 2020

Dear Congress Street investor:

As you recall from our original Zoom presentation, we promised a monthly portfolio commentary by the 15th day following the close of any month. Today is almost the 15th business day. By now you've already received your first monthly NAV packet which showed a nominal gain for June. I have already touched on that in a prior email, and the point of these monthly commentaries is to elaborate and provide you with detail on portfolio performance.

I am very happy with how we've done so far, as we are exceeding expectations. In the month of June, we advanced \$172,838 to 104 different merchants at a factor rate averaging 1.49. The average term of the June disbursements was 96 days. Currently, that \$172,838 gives us the Right to Receive \$257,240 gross for June if everyone pays in full. Currently of the 104 merchants to whom we've advanced monies, three are paused, one is impaired, one is in collections and one has settled. Interestingly, the merchant that settled did so at a high enough pay rate that equated to 80%, so he turned out to be profitable (remember our breakeven collections rate is 75%). After adjusting for the slow pays or impaired merchants, the Right to Receive balance stands at \$244,512 currently.

As expected, we have been receiving a steadily increasing remittance amount since we launched, which is precisely what one wants to see. For example, yesterday July 14th, we collected \$2,830.80 net after commissions. The daily number just one week prior (7/7/2020) was \$2,366.50, and the week before that \$1,795.24. Our daily pay rate for the June pool finished at \$2,680 gross. That means every day going forward until the June pool completes, if we collect 100%, we will be collecting \$2,680 every day. The reason why the 7/14/2020 file shows a higher number is because the July pool is starting to pay in.

You'll recall we guided you back in May that a successful outcome would be a collections rate in the mid to low 80's, which would equate to about a 5% return on that pool for the 90-day period, or, knock on wood, 20% annualized (we expect to turn the pools four times annually). We are slightly ahead of that pace currently. Every day so far, I have seen our Right to Receive balance tick up and every day so far, we have collected at a gross rate slightly in excess of expectations.

Just so everyone understands the economics of these pools, the Right to Receive balance quoted above (\$244,512, net) is what the fund will receive if everyone pays off. So almost \$54,000 in net profit just for the month of June. We obviously won't continue at this pace as it is simply historical fact to expect more impairments, but we wanted you to understand exactly where we are today. This has the potential to be a very successful outcome.



July is off to an equally good start, and we've advanced \$61,625 to 38 new merchants as of yesterday, so if you are keeping a running tally, we have spent in total about \$255,000 and have an expected Right to Receive at 100% collections of approximately \$333,000. Currently, all merchants in the July pool are performing at 100% (as they should be this early in).

In a week or two, we will have a very good handle on expectations for June and we will of course provide an update. If you'd like any additional detail, please don't hesitate to reach out. When we close out the first pool with finality, we plan on hosting another Zoom call, so you can ask us any manner of questions. Hope you all remain well, and I look forward to speaking with you soon.

Best,

Peter DeCaprio

President