

# OWI-RAMS DTSCF Deep Tier Supply Chain Finance

**Record Financial Group (Record), the specialist asset manager with over USD 100bn in AuM, and OWI Group PLC (OWI), a global institutional sharia-compliant investment platform, to launch the world’s first Sharia-compliant Deep Tier Supply Chain Finance (DTSCF) platform with a target of USD 1bn in initial commitments.**

Our new USD 1 billion AAOIFI<sup>1</sup> Sharia-compliant DTSCF investment strategy will empower a diverse range of financial institutions, including banks, asset managers, pension funds, and family offices, across the Middle East, Europe, and the Far East, to bridge the trade finance gap by directing much-needed liquidity to underserved borrowers with high-quality credit and attractive return profiles. The strategy aligns Sharia principles with the UN Sustainable Development Goals, providing a comprehensive solution that expands Islamic financing access for Deeper-Tier suppliers. This approach specifically supports SMEs in Tiers 2, 3, and 4 of global supply chains, driving inclusive growth and resilience in underserved markets.

The unique and innovative investment strategy will be managed with support from Khalij Group (Khalij), a premiere, award winning Islamic investment and advisory boutique, authorised and regulated by the FCA<sup>2</sup>. Khalij is headquartered in the UK with a global clientele and footprint.

SMEs make up over 95% of all businesses and provide 60% of private-sector jobs worldwide, forming the backbone of continued economic growth and stability<sup>3</sup>. Currently, only 20% of lower-tier SMEs have access to formal finance, which hinders their growth and resilience<sup>4</sup>. According to the Bankers Association for Finance and Trade<sup>4</sup> (“BAFT”) and the Asian Development Bank (“ADB”)<sup>5</sup>, DTSCF is an innovative financial solution which increases transparency and security across the entire value chain while offering attractive risk-adjusted returns to investors.



Cross-border trade is currently valued at an estimated USD 24 trillion annually<sup>5</sup>, while the global trade finance gap stands at USD 2.5 trillion<sup>6</sup>. Both are expected to increase over the next decade (see Figure 1). Deeper-tier suppliers, however, disproportionately affected by rejected applications (see Figure 2), face significant challenges.



CEO of Record, Dr Jan Hendrik Witte, said: “We are excited about the launch of our innovative Sharia-compliant Deep Tier Supply Chain Finance strategy, which not only supports real economic growth but also delivers attractive returns, aligning with our commitment to impactful and ethically sound investment solutions.”

Figure 1: Global Trade Value & Finance Gap (US\$ trn, 2014-2022)

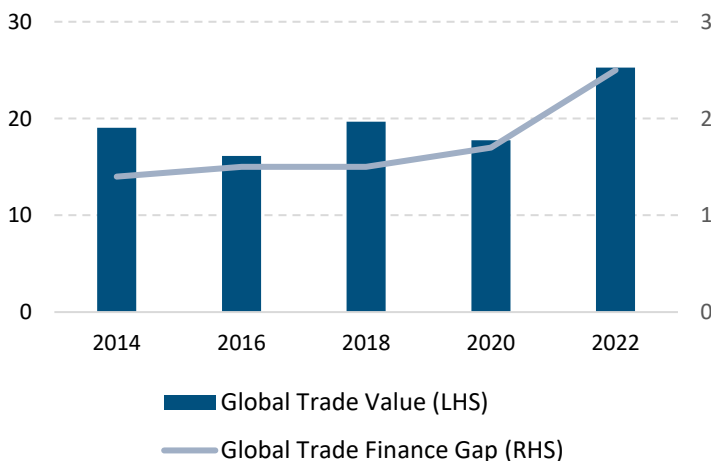
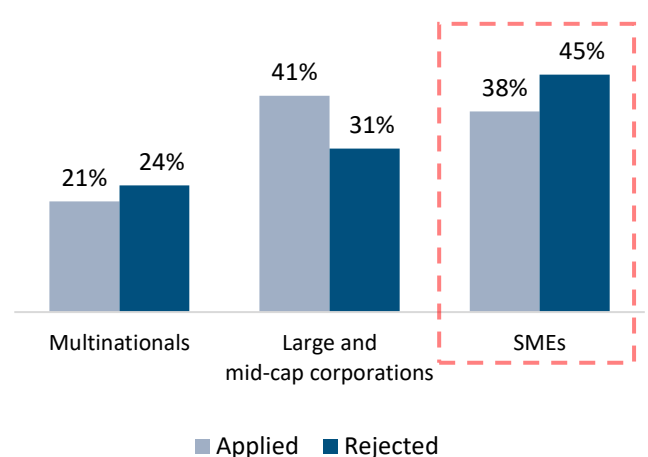


Figure 2: Trade Finance Applications & Rejections (% , 2022)



Source: Fig. 1 - ADB DTSCF Brief (September 2023) and WTO Stats database (accessed October 2024). Fig. 2 - ADB DTSCF Brief (September 2023)

1 Accounting and Auditing Organization for Islamic Financial Institutions / 2 Financial Conduct Authority in the United Kingdom / 3 OECD SME and Entrepreneurship Outlook 2019 / 4 Bankers Association for Finance and Trade, Deep-Tier Supply Chain Finance (White Paper), May 2024 / 5 World Trade Organization Global Trade Outlook, April 2024 / 6 Asian Development Bank Deep Tier Supply Chain Finance Brief, September 2023.