

SHORT FORM POOL PROVIDERS DISCLOSURE GUIDE (PPDG)



advantage

1. Who

Item	Description
Aim of Mandate of the pool	Indexed Sales Program
Legal entity operating the pool	Agfarm Unit Trust
Years this legal entity has run pools	10 Years
Legal Entity owning the pooled grain	Agfarm Unit Trust
Name of responsible Pool Manager	Chris Coore
Pool manager's years of relevant experience	8 Years

2. What

Item	Description
Aim of the pool	To sell an average portion of grain per month over the period determined by the grower and return at least the average price of the month.
Period open for deliveries/contracts	From mid October 2017 – closing dates TBA
Length of pool - refer to page 3 and 4	Determined by grower between November 2017 and October 2018. Please see our website for more information
Area where pool is offered	Queensland, NSW, Victoria, South Australia and Western Australia. Please refer to our website for a list of storage providers where Advantage is offered.
Commodities/Grades accepted	Wheat, Barley and Canola (all grades major bulk handlers and private sites offer as segregations)
Hedging tools used (if any)	None used
Payment options	<p>Advance Payment: Non-recourse advance paid within 3 business days.</p> <p>Monthly Payment: As Agfarm sell the grain, get paid the following month.</p> <p>Deferred Payment: One payment in July.</p>
Fees charged by the pool manager	Pool Management fee: Wheat and Barley \$5.90/MT or 2.50%, whichever is higher. Canola is a flat \$7.90/MT
Other Charges - refer to page 5	Agfarm Advantage passes on all other charges we receive for you grain including all storage fees, end point royalties, levies, interest on receival fee and advance fee's. Please refer to our Advance prices for advance fees and your local storage provider for storage and handling fees.
When will the final audit be complete?	Within six months of the closing of the pool on the 31/10/18

3. Key Details

Item	Y/N	Further Information
Will the pool be offered according to the GTA operating standard for pool providers?	Y	
Does the pool provide participants with an Estimated Pool Return (EPR*)?	Y	
Does the pool provide participants with an Estimated Silo Return (ESR*)?	Y	ESR's are calculated by converting the CBOT (for wheat and barley) & ICE (for canola) futures for the 5 or 10 months of the sales program into Australian dollars per tonne and working out the average price from those months. Rather than using our own view of the market we use the openly traded futures market place as our guide. You can view our ESR's at www.agfarm.com.au/ESR
Does the pool provide participants with a Final Pool Return (FPR*)?	Y	You can view these at www.agfarm.com.au/advantageresults
Does the pool provide participants with a Final Silo Return (FSR*)?	Y	
Does the Pool provide a Guaranteed Pool Return (GPR*)?	N	
Does the Pool provide an Underwritten Pool Return (UPR*)?	Y	Advantage harvest, 2, 4, 5 and 10 month program advances are non-recourse. The Advantage flexi advance is a loan and therefore the amount is recourse.
Is there a potential for conflict between the pool manager and related entities?	N	
Are the pool assets owned in a separate entity from the pool manager's assets?	N	Agfarm does however maintain separate accounts at all BHC's and internally manages stock, accounting and audits separately from the businesses other activities.
Are the pool activities conducted separately from the pool managers activities	Y	
Key Benefits of Agfarm Advantage		<ul style="list-style-type: none"> • Allows growers to separate their cashflow and grain marketing decisions • Selling grain post-harvest gives exposure to northern hemisphere grain markets which typically create an increase in volatility • Managed by professional and experienced team • Dedicated to only selling the bes possible market
Key Risks of Agfarm Advantage		The risk for Agfarm Advantage is the market has no volatility and wheat, barley and/or canola prices remain unchanged over the chosen time period.

4. Defined terms (in brief)*

Estimated Pool Return (EPR)	Means an estimate of the Pool Return in \$/t excl of GST provided by the Pool Provider to Pool Participants. The EPR must also be quoted at Track or track equivalent level for East Coast and SA or FIS for WA and net of all costs, management fees, any other fees (including estimates of any costs and fees) where possible, otherwise explicitly define what costs, fees and charges are included and excluded in the published figure.
Estimated Silo Return (ESR)	Means an Estimated Pool Return quoted at up country silo level. It shall be the EPR (ie quoted at Track level on East Coast/SA, or FIS level in WA) less the applicable freight and any other costs for the respective silo.
Final Pool Return (FPR)	Means a final Pool Return in \$/t excl of GST provided by the Pool Provider to Pool Participants. The FPR must also be quoted at Track or track equivalent level for East Coast and SA or FIS for WA and net of all costs, management fees, any other fees (including estimates of any costs and fees) where possible, otherwise explicitly define what costs, fees and charges are included and excluded in the published figure.
Final Silo Return (FSR)	Means a Final Pool Return quoted at up country silo level. It shall be the FPR (ie quoted at Track level on East Coast/SA, or FIS level in WA) less the applicable freight and any other costs for the respective silo.
Guaranteed Pool Return (GPR)	Means the guaranteed minimum payment (\$/t) (excl GST) the Pool Provider will pay Pool Participants net of all Pool Provider charges at a designated price basing point, i.e. country silo, track, free in store ("FIS") excl of GST. A GPR is in effect a guaranteed minimum FPR.
Underwritten Pool Return (UPR)	Means the guarantee by a Pool Provider that a payment or loan made to a Pool Participant, if nominated as "Underwritten", is non-recourse should the subsequent proceeds, of Final Pool Return from the Pool be less than the Underwritten amount. Consequently, the Pool Participant shall have no further debt or liability to the Pool Provider (or associated provider) with respect of the Underwritten amount and that the Pool Provider guarantees the FPR paid to the Pool Participant will not be less than the Underwritten return.
Ring Fencing of Assets	Means the activities undertaken by the Pool Provider to quarantine or separate pool participants net assets, and equity from the assets and liabilities of the Pool Provider for the purpose of protecting the Pool Participants net assets, and equity from any administration or liquidation proceedings or actions should the Pool Provider become insolvent or be subject to administration or liquidation proceedings
Ring Fencing of Activities	Means the clear identification of grain belonging to a Pool and the separation of Pool assets and liabilities from other Pools and that of the Pool Provider. The fiduciary responsibility should be prioritised to Pool Participants at all times.

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advantage 2 PROGRAM

% OF GRAIN SOLD IN:	JAN	FEB	MAR	APR	MAY	JUN	JUL
	50%	50%					
MONTHLY PAYMENT STRUCTURE							
PROCEEDS PAID		15 Feb	15 Mar				
ADVANCE PAYMENT STRUCTURE							
PROCEEDS PAID	Advance (paid 3 days after delivery)		Remainder (15 Mar)				
DEFERRED PAYMENT STRUCTURE							
PROCEEDS PAID							15 July (1 payment)

advantage 5 PROGRAM

% OF GRAIN SOLD IN:	JAN	FEB	MAR	APR	MAY	JUN	JUL
	20%	20%	20%	20%	20%		
MONTHLY PAYMENT STRUCTURE							
PROCEEDS PAID		15 Feb	15 Mar	15 Apr	15 May	15 Jun	
ADVANCE PAYMENT STRUCTURE							
PROCEEDS PAID	Advance (paid 3 days after delivery)					Remainder (15 Jun)	
DEFERRED PAYMENT STRUCTURE							
PROCEEDS PAID							15 July (1 payment)

advantage 10 PROGRAM

% OF GRAIN SOLD IN:	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV
	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	
MONTHLY PAYMENT STRUCTURE											
PROCEEDS PAID		15 Feb	15 Mar	15 Apr	15 May	15 Jun	15 Jul	15 Aug	15 Sep	15 Oct	15 Nov
ADVANCE PAYMENT STRUCTURE											
PROCEEDS PAID	Advance (paid 3 days after delivery)										Remainder (15 Nov)
DEFERRED PAYMENT STRUCTURE											
PROCEEDS PAID							15 July (payment for 6 months)	15 Aug	15 Sep	15 Oct	15 Nov

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advantage march 4 PROGRAM

% OF GRAIN SOLD IN:	JAN	FEB	MAR	APR	MAY	JUN	JUL
			25%	25%	25%	25%	
MONTHLY PAYMENT STRUCTURE							
PROCEEDS PAID				15 Apr	15 May	15 Jun	15 Jul
ADVANCE PAYMENT STRUCTURE							
PROCEEDS PAID		Advance (paid 3 days after delivery)					Remainder (15 Jul)
DEFERRED PAYMENT STRUCTURE							
PROCEEDS PAID							15 July (1 payment)

Advantage 2, 5, 10 and March 4 all charge a fee of 2.5% of the sale price for the grain sold each month or \$5.9 per tonne, whichever is greater for all grades except canola which is a flat fee of \$7.9 per tonne

advantage harvest PROGRAM

% OF GRAIN SOLD [^]	w/c 2 NOV	w/c 9 NOV	w/c 16 NOV	w/c 23 NOV	w/c 30 NOV	w/c 7 DEC	w/c 14 DEC	w/c 21 DEC	w/c 18 JAN	w/c 18 JUL
Advance Payment*	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	Remainder \$	Remainder \$
Advance Payment*	14.3%	14.3%	14.3%	14.3%	14.3%	14.3%	14.3%	14.3%	Remainder \$	Remainder \$
Advance Payment*	16.7%	16.7%	16.7%	16.7%	16.7%	16.7%	16.7%	16.7%	Remainder \$	Remainder \$
Advance Payment*	20%	20%	20%	20%	20%	20%	20%	20%	Remainder \$	Remainder \$
Advance Payment*	25%	25%	25%	25%	25%	25%	25%	25%	Remainder \$	Remainder \$
Advance Payment*	33.3%	33.3%	33.3%	33.3%	33.3%	33.3%	33.3%	33.3%	Remainder \$	Remainder \$
Advance Payment*	50%	50%	50%	50%	50%	50%	50%	50%	Remainder \$	Remainder \$
Advance Payment*	100%	100%	100%	100%	100%	100%	100%	100%	Remainder \$	Remainder \$

[^]Percentage of grain sold depending on when you join the program. *Advance payments are paid 3 business days after delivery.

Your grain will be sold either over 8 weeks or as little as 1 week, depending on when you transfer your grain to Agfarm Advantage Harvest. You will be paid for the weeks your grain is sold in.

The Program runs from 2nd Nov to 31st Dec but you can deliver throughout this time

YOUR CHOICE

At Agfarm we understand your needs. That's why we offer solutions that are simple, secure, and add value to your business.

Available at all major bulk handling companies such as CBH, Viterra, Emerald, AWB Grainflow and GrainCorp. We also have storage and handling agreements with some privately owned storage sites.

	advantage harvest	advantage 2	advantage 5	advantage 10	advantage flexi	advantage march 4
KEY POINTS	<p>Lock in market prices.</p> <ul style="list-style-type: none"> Spread risk over harvest period Don't have to pick the right day to sell No advance fee 	<p>Fast cash flow</p> <ul style="list-style-type: none"> Simple and short term 	<p>Spread income, lower risk</p> <ul style="list-style-type: none"> Increased market exposure to spread risk Regular cashflow 	<p>Risk minimisation</p> <ul style="list-style-type: none"> Lowest Risk Participation in potential late-year market lifts Regular cashflow up until next harvest 	<p>Flexibility and control</p> <ul style="list-style-type: none"> Still get the averaging effect over 4 weeks or up to 10 months. Decide how much grain to sell each month Ultimate cash flow flexibility with loan options 	<p>Post Harvest Program</p> <ul style="list-style-type: none"> Regular cashflow Increased time to make your grain marketing decision Exposure to northern hemisphere weather volatility
MONTHS OF MARKET EXPOSURE	<p>1-3 weeks (Date of delivery determines your sales period)</p>	<p>2 months January – February (50% of total tonnage sold per month)</p>	<p>5 months January – May (20% of total tonnage sold per month)</p>	<p>10 months January – October (10% of total tonnage sold per month)</p>	<p>Flexible Work with your Account Manager to decide how much and when to sell (You determine grain % allocation)</p>	<p>4 Months March – June (25% of total tonnage sold per month)</p>
GRAIN DELIVERED BY	21 December 2017	End of harvest	End of harvest	End of harvest	End of harvest	Early March
PAYMENT OPTIONS	<p>Advance: Paid in 3 business days with the balance on 15th January</p> <p>Deferred: Payment in July</p>	<p>Advance: Paid in 3 business days with the balance paid March 15th</p> <p>Monthly: Paid on 15th of February and March</p> <p>Deferred: Payment in July</p>	<p>Advance: Paid in 3 business days with the balance paid June 15th</p> <p>Monthly: February 15th through to June 15th each month</p> <p>Deferred: Payment in July</p>	<p>Advance: Paid in 3 business days with the balance paid November 15th</p> <p>Monthly: February 15th through to November 15th each month</p> <p>Deferred: Payment in July (Resumes monthly payments August)</p>	<p>Monthly: Paid on 15th following the month of your sales</p> <p>Deferred: Payment in July</p> <p>Loan: Loan against grain (unsold); Up to approx 50%; can be drawn down incrementally</p>	<p>Advance: Paid in 3 business days with the balance paid June 15th</p> <p>Monthly: February 15th through to June 15th each month</p> <p>Deferred: Payment in July</p>
FEES	<p>2.5% administration and management fee* with \$5.9/tonne min for wheat and barley; \$29/tonne flat fee for canola</p> <p>Advance Fee \$0/MT</p> <p>Paid on behalf of grower (deducted from payments):</p> <ul style="list-style-type: none"> Storage and Handling fees End point royalties DAFF and other levies Receival fees <p>*of port price, not FOB</p>	<p>2.5% administration and management fee* with \$5.9/tonne min for wheat and barley; \$79/tonne flat fee for canola</p> <p>Advance Fee \$0/MT</p> <p>Paid on behalf of grower (deducted from payments):</p> <ul style="list-style-type: none"> wheat & barley \$3/MT; canola \$6/MT Storage and Handling fees End point royalties DAFF and other levies Receival fees <p>*of port price, not FOB</p>	<p>2.5% administration and management fee* with \$5.9/tonne min for wheat and barley; \$79/tonne flat fee for canola</p> <p>Advance Fee \$0/MT</p> <p>Paid on behalf of grower (deducted from payments):</p> <ul style="list-style-type: none"> wheat & barley \$4/MT; canola \$7/MT Storage and Handling fees End point royalties DAFF and other levies Receival fees <p>*of port price, not FOB</p>	<p>2.5% administration and management fee* with \$5.9/tonne min for wheat and barley; \$79/tonne flat fee for canola</p> <p>Advance Fee \$0/MT</p> <p>Paid on behalf of grower (deducted from payments):</p> <ul style="list-style-type: none"> wheat & barley \$5/MT; canola \$8/MT Storage and Handling fees End point royalties DAFF and other levies Receival fees <p>*of port price, not FOB</p>	<p>2.5% administration and management fee* with \$5.9/tonne min for wheat and barley; \$79/tonne flat fee for canola</p> <p>Loan Fee \$0/MT</p> <p>Paid on behalf of grower (deducted from payments):</p> <ul style="list-style-type: none"> wheat & barley \$4/MT; canola \$7/MT Storage and Handling fees End point royalties DAFF and other levies Receival fees <p>*of port price, not FOB</p>	<p>2.5% administration and management fee* with \$5.9/tonne min for wheat and barley; \$79/tonne flat fee for canola</p> <p>Advance Fee \$0/MT</p> <p>Paid on behalf of grower (deducted from payments):</p> <ul style="list-style-type: none"> wheat & barley \$4/MT; canola \$7/MT Storage and Handling fees End point royalties DAFF and other levies Receival fees <p>*of port price, not FOB</p>
CONTRACTS	Not required	Not required Available upon request	Not required Available upon request	Not required Available upon request	Contract required Must call Agfarm: 1300 243 276	Not required Available upon request

Why not choose a few different programs? That way, you can spread your risk, and optimise your cash flow.