



Pre-Harvest Optimiser

Product Disclosure Guide

RISK vs
REWARD

	GrainCorp
Pool Product Name:	Pre-Harvest Optimiser
Aim of Mandate of the pool:	<ol style="list-style-type: none"> 1. Pre-harvest price protection plus participation to pre-harvest rallies 2. Capped \$25/mt washout 3. Post-harvest market exposure
Legal entity operating the pool:	GrainCorp Ltd
Years this legal entity has run pools:	17
Legal Entity owning the pooled grain:	GrainCorp Ltd
Period open for deliveries/contracts:	Contracting in July 2018 + Delivery Open till end of month January 2019, unless delayed delivery confirmed at contracting
Length of pool:	Market Exposure ceases on 30th June 2019 Pool finalises by 31st July 2019
Area where pool is offered:	Nationally, in the bulk handling sites across the GrainCorp, Viterra and CBH networks
Commodities/Grades accepted:	Wheat and Barley for most segregated grades in the above mentioned Bulk Handler Systems
Hedging tools used (if any):	Futures + options in: CBOT Wheat + Corn, Matif Wheat, KBOT Wheat, Minneapolis Wheat, ASX Wheat/Barley. Currency forward exchange contracts and options
Freight rates:	<ol style="list-style-type: none"> 1. For grain delivered into the GrainCorp system, payments are made based off GrainCorp Export Direct execution (rail) rates or GTA location differentials, whichever is cheapest. 2. In the Viterra system, payment are made based off GTA location differentials. 3. In the CBH system, all payments are made at the FIS Port level.
Payment options:	<ol style="list-style-type: none"> 1. Harvest: 70% paid 2DEOW transfer + 100% paid at finalisation in July 2019 2. Distribution: 3 payments free of interest (30% at Delivery + 30% April + 100% at finalisation in July 2019) 3. Deferred: 100% paid at finalisation in July 2019 <p>* interest is paid at market rates for deferred payment option + charged at market on Harvest payment option</p>
Fees Charged by the Pool:	Management Fee: \$5/mt
Key Benefits:	<ol style="list-style-type: none"> 1. Reduced exposure to market downside 2. Upside market participation 3. Access to expert intel from our 7 global offices 4. \$5/mt fee for 12 months of managed exposure 5. Transparent with an online calculator + update 6. Quick Cashflow 7. Wheat and Barley accepted 8. \$25/mt capped washout 9. Security of Australia's largest ASX listed Agri-business

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**5 Day
Payment
Terms**

Key Risks:	Returns are always a function of market behaviour and reward is often associated with some level of risk. GrainCorp's active management strategy aims to limit these risk whilst maximising reward. Downwards movements in flat price and/or basis are the key risk to this pool.
When will the Final Audit be Completed:	Within 6 months of the final payment being made
Will the pool be offered according to the GTA operating standard for pool providers:	Yes
Does the pool provide participants with an Estimated Pool Return (EPR*):	Yes, please refer to the calculator on www.graincorppools.com.au for the latest EPR's and the news section for previous updates. As per the <i>GTA Operating Standards for Pool Providers</i> , EPRs are set within +/- 10% of the liquidation value of the pool.
Does the pool provide participants with an Estimated Silo Return (ESR*):	Yes, please refer to the calculator on www.graincorppools.com.au for the latest EPR's and the news section for previous updates
Does the pool provide participants with an Final Pool Return (FPR*):	Yes, please refer to http://www.graincorp.com.au/grains/pool-with-us/harvest-10 to view the 2016/17 Final Pool Returns
Does the pool provide participants with an Final Silo Return (FSR*):	Yes, please refer to http://www.graincorp.com.au/grains/pool-with-us/harvest-10 to view the 2016/17 Final Pool Returns
Does the Pool provide an Underwritten Pool Return (UPR*):	Yes, when the Harvest payment option is selected
Ring Fencing of Assets	Yes, separate ABN's, bank accounts, grain buyer accounts and broker accounts are utilised for Harvest 10
Ring Fencing of Activities	Yes

Definitions as per GTA

Free In Store (FIS)	The term "Free In Store" or "FIS" shall have the same meaning as per the GTA Trade Rules as available on the GTA website http://www.graintrade.org.au/
GTA Arbitration and Dispute Resolution Rules	Means the GTA Arbitration and Dispute Resolution Rules as at the date of the commencement of any Arbitration, and available from GTA (www.graintrade.org.au)
Pool	Means a grouping of grain treated collectively by a Pool Provider for the purposes of marketing grain, grouped according to time of delivery, location, quality, grade or variety of grain or such other matters as determined by the Pool Provider. Sales and outcomes from other activities such as (but limited to) hedging and other risk management activities, are made in respect of each Pool and profits (and losses) are shared between the Pool Participants.
Pool Provider	Means a commercial organisation conducting a Pool for the benefit of Pool Participants.
Pool Return	Means the financial return paid to Pool Participants net of all costs, fees and charges including Pool Provider charges at a designated price basing point, i.e. country silo, port, track or free in store ("FIS") excl of GST

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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 exclusive 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 Return	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. Pool Providers may charge a fee to provide Underwriting. Any such fee must be disclosed in the terms and conditions and/or other relevant documentation
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 This should include, where possible, the identity and Australian Business Number (ABN) of the entity holding the pool assets, and the identity and ABN of the provider of Pool Management Services.
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.
Track	The term "Track" shall have the same meaning as per the GTA Trade Rules as available on the GTA website http://www.graintrade.org.au/