



Merchants Plus

Program Overview



Introduction to Merchants Plus Pricing

All updates and information about our pricing programs is always available on our website at: <https://brokers.intlfcstone.com/MerchantPlus/>

What is the Merchants Plus Grain Program (MPGP) and why should I use it as a business strategy?

Merchants Plus helps independent elevators originate more bushels, sooner, by offering a valuable producer pricing program to farmers. Farmers can commit production to the elevator and the futures portion of their risk will be priced by a professional pricing team drawing on years of experience and sophisticated trade execution capabilities. The program takes the uncertainty and worry out of pricing a portion of your crop and allows you to participate in OTC and option strategies.

Are my competitors using programs similar to the MPGP?

Most of the major grain traders now offer similar programs, typically through cash contracts that require delivery to their own elevators. The FCStone Merchant Services (FMS) program allows independent elevators to compete and originate bushels that they would otherwise lose and allows farmers to diversify their pricing and counterparty risk.

Is the MPGP difficult or time consuming to manage?

No, farmers can contract to deliver grain with the elevator as usual. Simply notify the elevator within the signup window that you would like to participate, or proceed according to whatever processes the elevator has arranged. The elevator will notify FMS of the total volumes and FMS will go to work pricing. Regular updates will be available but nothing else is required until the program is completed and you receive your final futures price.

Why should I work with FCStone Merchant Services, LLC (FMS)?

FMS is an established Agribusiness service provider and part of an INTL FCStone Inc. family of businesses with decades of experience in the Ags sector from freight to futures brokerage to OTC markets. We pride ourselves in knowing our customers' business and sitting with them on the same side of the table as we help manage price, volatility, and liquidity risk. FCStone was the first non-bank swap dealer and has vast knowledge of the global OTC and options space. We have a proven track record of expert execution and insightful analysis—and have earned a reputation as a trusted and transparent partner. Dealing with the FCStone name provides the confidence that you are dealing with a stable industry leader and Fortune 500 company.

What strategies will you use and how will I keep track of my pricing?

We offer several strategies for farmers to diversify their marketing strategy. There are two internally run strategies with different risk profiles: moderate (Enhanced Average +) and aggressive. The moderate strategy is a rules-based, automated program while the aggressive strategy is discretionary - managed by a team of professionals that opportunistically trade around prevailing market conditions. We are also introducing our first third-party advisor strategy, Roach Ag, bringing decades of experience advising farmers on their pricing decisions. All strategy prices will be available on the website daily along with regular market updates and charts showing your potential range of price outcomes, the rate at which the program is being priced, and how it is being priced.

What are the fees associated with the MPGP?

The program fees are 10 cents per bushel for corn and wheat, 15 cents per bushel for soybeans. The program fee will be deducted from the final published Merchants Plus board price when your cash contract is settled with the elevator.

Merchants Plus programs do not have any margin requirements for producers or elevators.

How do I get started?

Simply contact your merchandiser or cash grain trading professional for complete details, which will include contract examples and customer sign up requirements.



2018 Strategies

After continued success in 2017, FCStone will again be offering two internal pricing strategies for customers in 2018. We're also excited to introduce our first strategy priced by a third-party advisor: Roach Ag, a long-standing and trusted advisor in the Ag sector.

- 1. Aggressive:** Our team of experienced market professionals will dynamically assess market conditions and utilize a full range of strategies and products to achieve the best possible price for our customers. The trading team can utilize OTC swaps, options and structured products in addition to typical futures and options. In addition to your daily price, you can expect to receive periodic market updates with some insight into their strategies.
- 2. Enhanced Average+:** A rules-based program that uses a proprietary algorithm to execute a patient marketing plan. The algorithm sells slowly in low price environment and ramps up into market rallies. It is designed to outperform in markets with mid-season weather markets and strong downtrends.
- 3. Roach Ag+:** Roach Ag utilizes their proven Sell Signals & Key Market Indicators to drive a cash and hedging strategy for U.S. farmers growing corn, soybeans and wheat. Roach Ag results have caught the crop year highs in corn 13 of the past 15 years and in soybeans, 15 of the past 16 years. Roach analysts will apply the same strategies to the Roach Ag Plus program while using option strategies to defend sales and or protect unsold bushels.

(Please see FCStone disclaimer regarding third party advisor on last page.)

2017 Sign Up & Pricing Dates:

1st Round

Program	End-date for Sign-up	Pricing Period	M+	Roach Ag+	Futures Reference
Summer Corn	12/18/2017	12/19/2017 - 5/31/2018	✓	✓	CN
Summer Beans	12/18/2017	12/19/2017 - 5/31/2018	✓	✓	SN
New Crop Corn	12/18/2017	12/19/2017 - 9/17/2018	✓	✓	CZ
New Crop Beans	12/18/2017	12/19/2017 - 9/17/2018	✓	✓	SX
Spring Corn	12/18/2017	12/19/2017 - 2/1/2019	✓	✓	CH
Spring Beans	12/18/2017	12/19/2017 - 2/1/2019	✓	✓	SH
Summer Wheat 2019	12/18/2017	12/19/2017 - 5/31/2019	✓		KWN9
New Crop Corn 2019	12/18/2017	12/19/2017 - 9/17/2019	✓	✓	CZ9

2nd Round

Program	End-date for Sign-up	Pricing Period	M+	Roach Ag+	Futures Reference
New Crop Corn	3/30/2018	4/2/2018 - 9/17/2018	✓	✓	CZ
New Crop Beans	3/30/2018	4/2/2018 - 9/17/2018	✓	✓	SX



Transparent Pricing & Risk Analysis

Receive daily price updates on our website

- Read timely market analysis from our committee:
 - Recent market behavior
 - Fundamental and technical analysis
 - Position descriptions and insight into how the committee manages risk

The screenshot displays the INTL FCStone Merchants Plus website. At the top, the logo "INTL FCStone" is visible on the left, and navigation links for "Dashboard", "Product Risk Disclosure", "Learn More", and "Login" are on the right. A large blue banner with the text "MERCHANTS PLUS" is centered. Below this, the "LIVE PRICING" section features a filter for "Commodity: Corn" and a "Select Chart Type: MP vs Market" dropdown. A table lists various trading programs with their respective pricing periods, final sign-up dates, contracts, futures prices, and MP prices. Below the table, a note states "ALL MERCHANTS PLUS STRATEGY PRICES ARE BEFORE FEES". The "Market Update" section is active, showing a "Market Update from the MP Trading Team" dated 8/21/2017, with a summary of market conditions and a date change to 8/24/2017. The update discusses the USDA's yield estimates, weather conditions, and the committee's trading strategy.

INTL FCStone Dashboard Product Risk Disclosure Learn More Login

MERCHANTS PLUS

LIVE PRICING

Filter Programs by Commodity:

Select Chart Type:

Program	Charts	Pricing Period	Final SignUp	Contract	Futures	MP Price	Posted
New Crop Corn Aggressive 1		2/2/2017 - 9/29/2017	1/31/2017	C Z7	\$3.5350	\$3.9912	8/28/2017 8:59:58 AM
New Crop Corn Aggressive 2		4/3/2017 - 9/29/2017	3/31/2017	C Z7	\$3.5350	\$3.8411	8/28/2017 9:00:09 AM
New Crop Corn Conservative		4/3/2017 - 9/29/2017	3/31/2017	C Z7	\$3.5350	\$3.8310	8/28/2017 9:00:19 AM
Old Crop Corn		2/2/2017 - 7/12/2017	1/31/2017	C U7	\$3.8550	\$3.8983	7/13/2017 9:17:35 AM
Spring Corn Aggressive		6/5/2017 - 2/15/2018	5/31/2017	C H8	\$3.4650	\$3.8475	8/28/2017 9:01:01 AM

ALL MERCHANTS PLUS STRATEGY PRICES ARE BEFORE FEES

Market Update Fundamental & Technical Analysis Positions

Market Update from the MP Trading Team

8/21/2017
No big changes as the markets continued to fall. It seems the bulls headed for the exits. The committee thinks the selloff might have been a bit overdone as stop-loss orders were triggered and we are selectively using strategies to benefit from a small technical bounce back.

8/24/2017
The USDA surprised the market late last week with its yield estimates on corn and beans. Some not so surprised given the USDA doesn't make big changes to its estimates throughout the year. The market made YTD lows during trading on Thursday after the report. Weather has also turned cooler and more favorable for most of the corn/bean growing belt. NW Iowa is still in need of the rain that is supposed to materialize during the week.

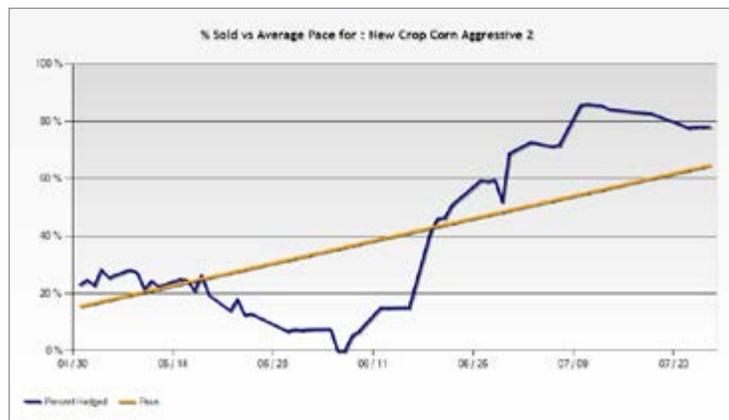
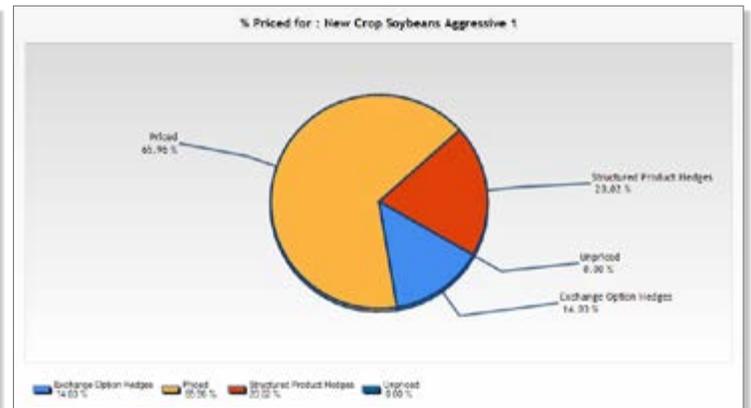
Our heavy selling early and opportunistic trades have paid off in the programs. Before Thursday's sell off we were at least on pace if not farther ahead of pace for each of the programs. This has allowed us to take some P&L and lift some of the trades as we see the market might have overreacted to the USDA number. We



Transparent Pricing & Risk Analysis

Analyze your risk with interactive charts that:

- Assess the range of prices you would end up with in extreme market moves
- Visualize how quickly or slowly the strategy is pricing your crop
- Understand what products are going into your risk management portfolio



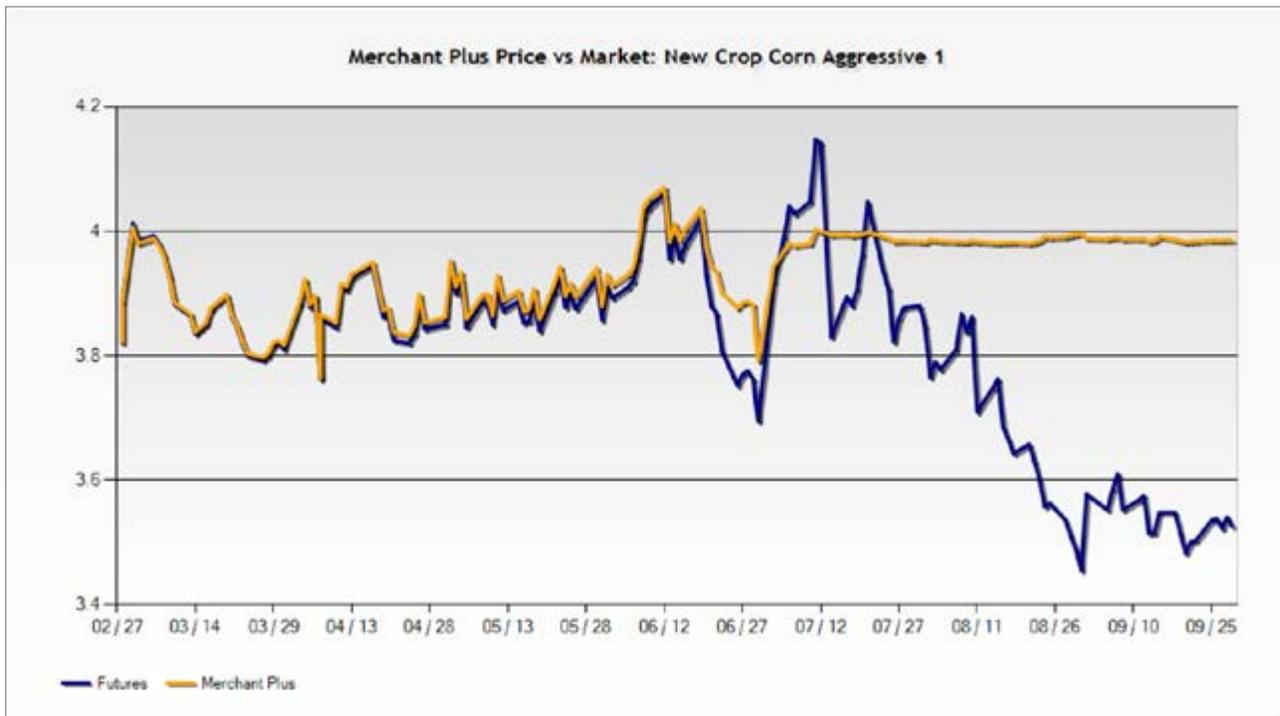
2017 Performance

We are proud to announce that every one of our corn and soybean pricing programs in 2017 settled higher than the market average before fees. While that won't always be the case, we look forward to 2018 and the opportunity to provide strong performance to our participants while always offering transparent, margin-free, and hassle-free marketing plans.

Corn

Program	Charts	Pricing Period	Final SignUp	Contract	Futures	MP Price
New Crop Corn Aggressive 1		2/2/2017 - 9/29/2017	1/31/2017	C Z7	\$3.5250	\$3.9850
New Crop Corn Aggressive 2		4/3/2017 - 9/29/2017	3/31/2017	C Z7	\$3.5250	\$3.8405
New Crop Corn Conservative		4/3/2017 - 9/29/2017	3/31/2017	C Z7	\$3.5250	\$3.8275

The committee felt corn could lose acres to soybeans in addition to the always present weather risk. Initially, we were very patient and limited our selling to some short volatility strategies in order to collect option premium. The combination of upward pressure from soybeans and downward pressure from farmer selling pinned corn prices in one of the tightest trading ranges in recent history, making our short volatility strategies very successful. When the summer time rally eventually came, the committee moved quickly to price the rest.



The MP Price closely tracked the market until June when we aggressively moved to fully hedged, fixing the price towards the high of the range.

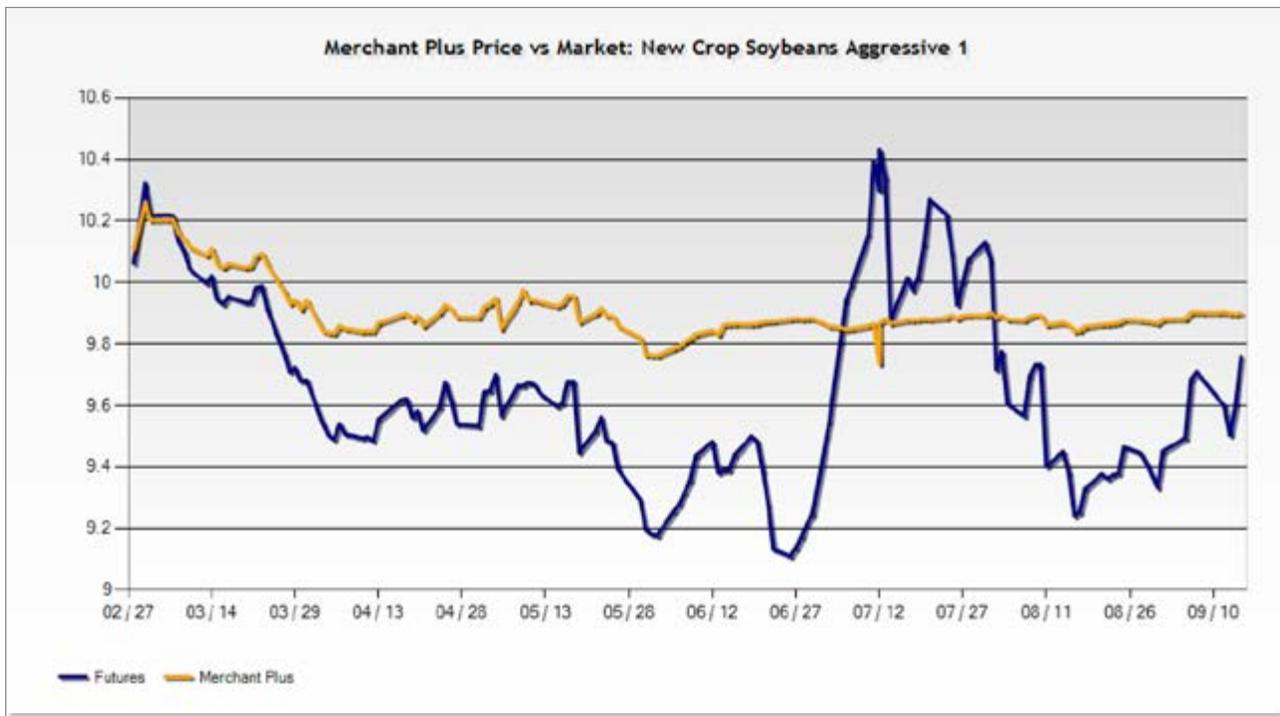


2017 Performance

Soybeans

Program	Charts	Pricing Period	Final SignUp	Contract	Futures	MP Price
New Crop Soybeans Aggressive 1		2/2/2017 - 9/15/2017	1/31/2017	S X7	\$9.7600	\$9.9006
New Crop Soybeans Aggressive 2		4/3/2017 - 9/15/2017	3/31/2017	S X7	\$9.7600	\$9.7185
New Crop Soybeans Conservative		4/3/2017 - 9/15/2017	3/31/2017	S X7	\$9.7600	\$9.8116

Soybean prices started very high in February and the committee made the decision to price a large percentage at the start of the first program and stayed ahead all year. Later programs started in a lower price environment and required patience before catching up to pace, similar to corn. The committee relied on a mix of products to hedge this year, but the most popular tools were producer collars designed to lock in downside protection while allowing soybean prices the opportunity to run higher in a volatile environment.



Pricing early gave our customers peace of mind through the volatile summer months.



INTL · FCStone®

We open markets for our customers, guiding them to opportunities they wouldn't ordinarily have a chance to seize. We empower them to take full advantage of today and propel them toward new opportunities in the future.

intlfcstone.com

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