



Commodities trading environment – footprint and challenges

Presentation for the Conference

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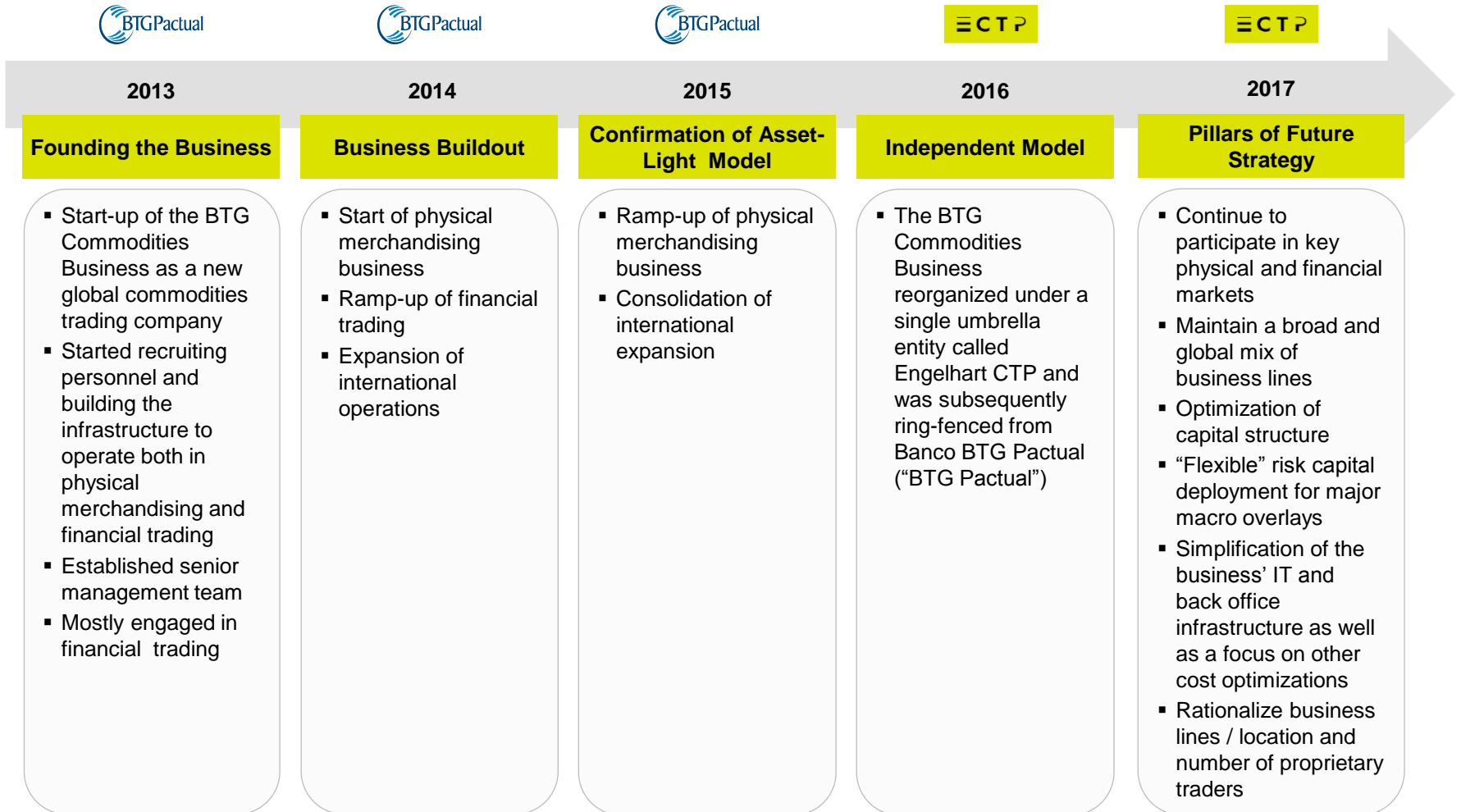
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Global Commodities Trading

Founded in 2013, Engelhart CTP has established 34 offices in 18 global locations with over 700 employees ⁽¹⁾



Note:
 (1) Data as of September 30, 2016

Overview

ECTP business model and strategy at a glance

Premised on bottom-up fundamental research to identify market opportunities which we seek to monetize through both physical and financial trading

Fundamental Research

Dedicated research team with approximately 15% of front office headcount focused on research:

- Supply/demand analysis
- Price analysis
- Macro analysis
- Country analysis
- Field research

Secure Physical Commodities from Major Origins/Destinations

- Build and maintain a relevant physical trading presence across most commodities
- Provide physical trading returns
- Provide information/intelligence for proprietary trading
- Only operate in liquid markets that have hedgeable depth. On average, 95% of the portfolio is hedged

Credit Portfolio

Focused on long term physical flows intended to provide a combination of intelligence and physical trading returns and is premised on the close relationship between the following separate revenue streams:

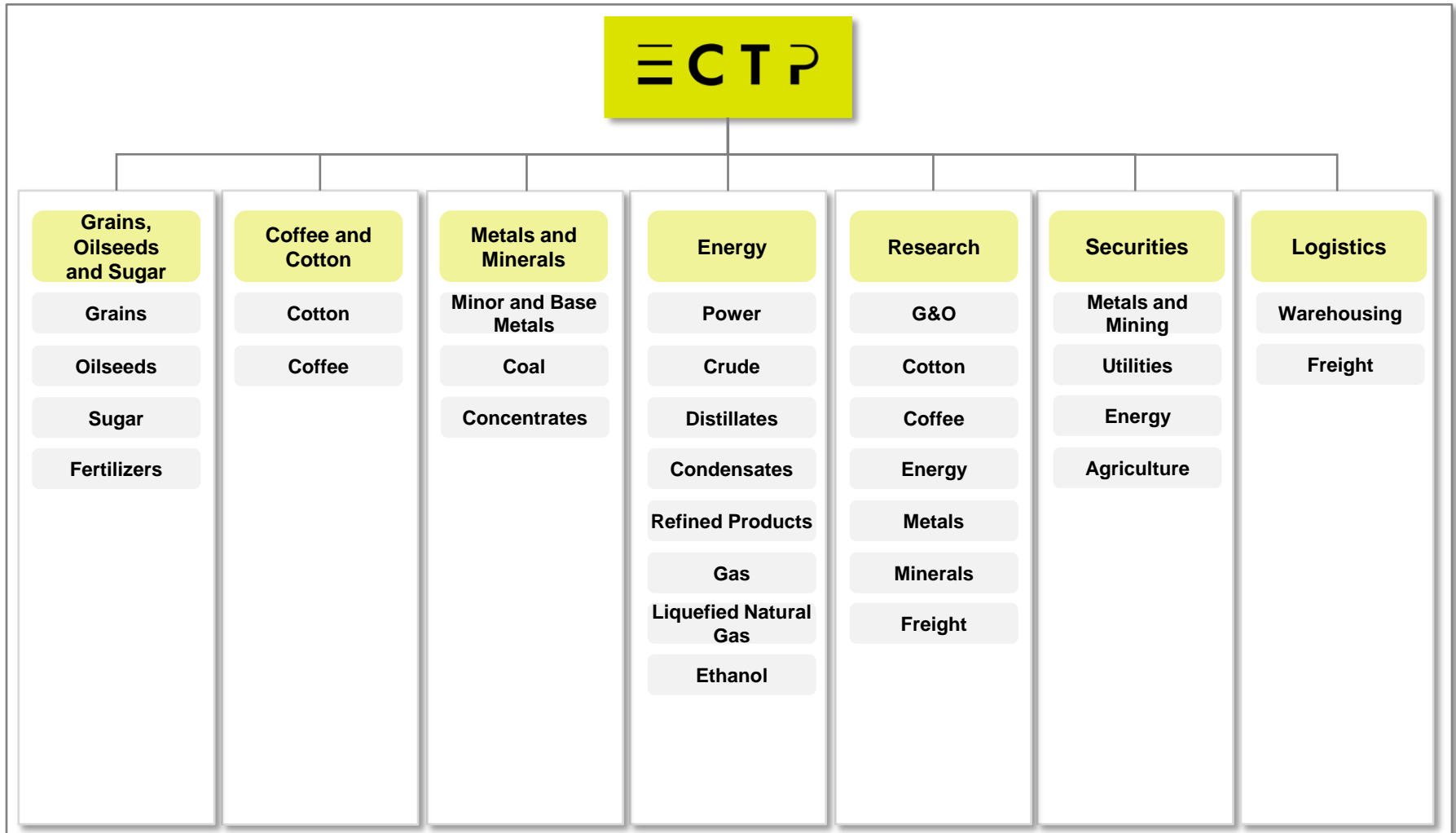
- Utilize the provision of financing to unlock long term physical commodity flows intended to secure physical trading returns
- Provide financing to commodity producers to secure credit returns

Proprietary Trading

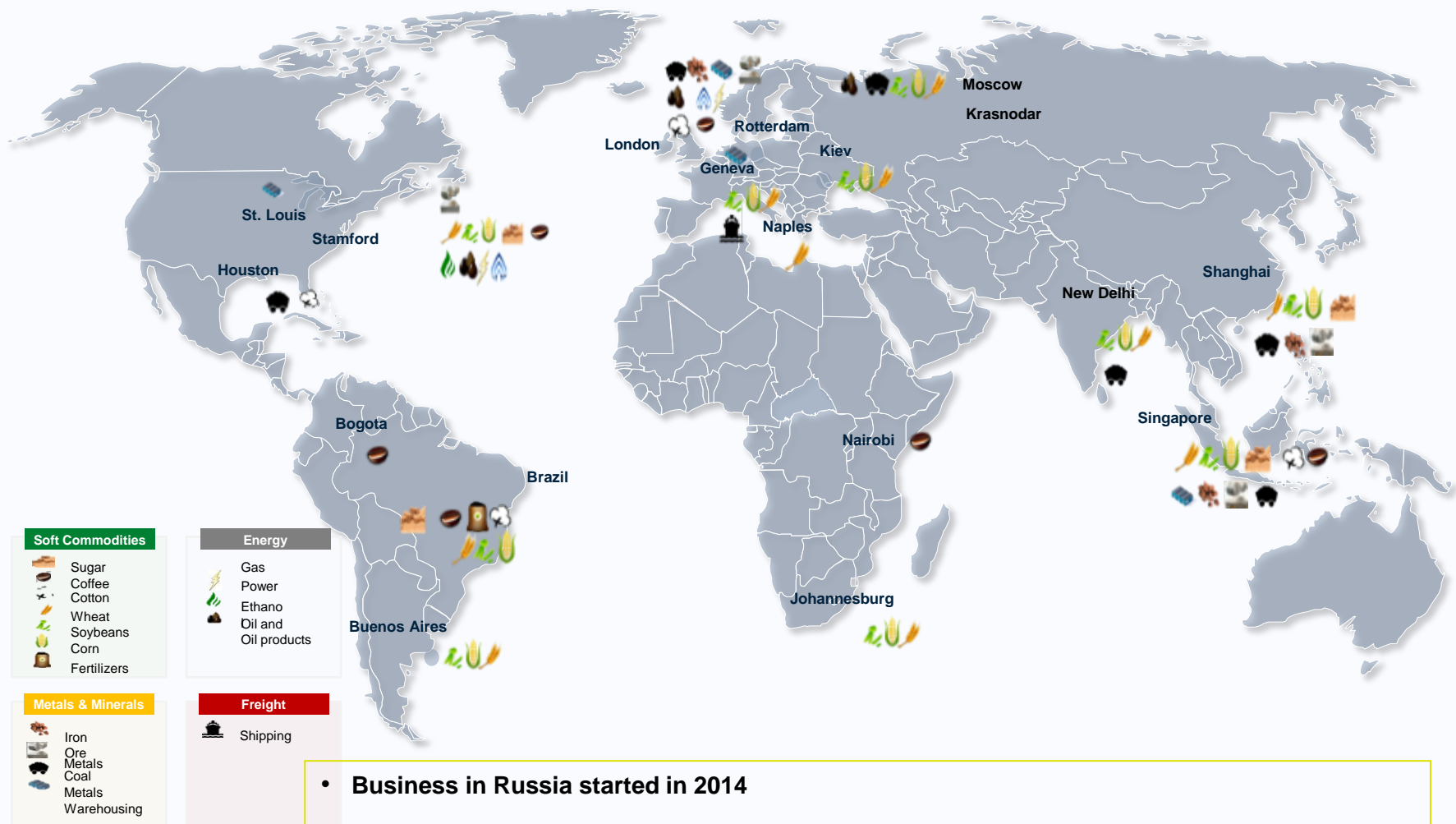
- Financial trading to provide risk mitigation for physical trading
- Proprietary trading based on research and physical trading intelligence
- Maintain flexibility to take advantage of market conditions

ECTP's Main Businesses

The ECTP asset light business model has been extremely successful in providing the company with the flexibility to respond to all market conditions



Operating Regions



- **Business in Russia started in 2014**
- **Offices currently operational Krasnodar (grains focused) and Moscow (coal, oil and gas, metals focused)**
- **Key principle applied - profitable growth in the relevant segments**

Global Financing Opportunities

ECTP continues to seek solutions for a range of financing opportunities

SBLC, Letters of Credit and Guarantees

- Issuance of documentary letters of credit and payment guarantees

Pre-export Finance

- Financing of inputs secured against physical production
- Price risk management

Inventory Finance Repo Structure

- Working capital secured by title over physical inventory

Transactional Facilities

- Financing of inputs secured against title or transit documentation

Receivable Discounting

- Sale of receivables with or without recourse

Margin Financing

- Margin, TPA and pre-hedge facilities

Services

- Clearing and cash management services, trading (futures, FX and derivatives)

A Truly Flexible Player

A number of industry players are struggling with legacy assets. Our asset-light model creates exceptional flexibility to take advantage of the commodity cycle

		CORN	WHEAT	OILSEEDS	COTTON	SUGAR	COFFEE	INDUSTRIAL METALS	IRON ORE	PETROLEUM	COAL	NATURAL GAS	POWER
ECTP	TRADING	X	X	X	X	X	X	X	X	X	X	X	X
	UPSTREAM												
	MIDSTREAM	X	X	X	X	X	X	X	X	X	X	X	X
	DOWNSTREAM												
ADM	TRADING	X	X	X									
	UPSTREAM												
	MIDSTREAM	X	X	X									
	DOWNSTREAM	X	X	X									
BUNGE	TRADING	X	X	X		X							
	UPSTREAM												
	MIDSTREAM	X	X	X		X							
	DOWNSTREAM		X	X		X							
CARGILL	TRADING	X	X	X	X	X		X	X	X	X	X	X
	UPSTREAM	X	X	X									
	MIDSTREAM	X	X	X	X	X							
	DOWNSTREAM	X	X	X		X							
LOUIS DREYFUS	TRADING	X	X	X	X	X	X	X					
	UPSTREAM	X	X	X									
	MIDSTREAM	X	X	X	X	X	X	X					
	DOWNSTREAM	X	X	X		X	X						
GLENCORE	TRADING	X	X	X	X	X		X	X	X	X		
	UPSTREAM												
	MIDSTREAM	X	X	X		X				X	X		
	DOWNSTREAM			X		X			X	X			
TRAFIGURA	TRADING							X	X	X	X	X	
	UPSTREAM							X					
	MIDSTREAM							X	X	X	X		
	DOWNSTREAM												
VITOL	TRADING									X	X	X	X
	UPSTREAM									X	X		
	MIDSTREAM									X	X	X	
	DOWNSTREAM									X			

Source:
(Open source data. Company websites)

Current industry challenges

Key challenges and industry calls

- High volatility of commodities markets driven by uncertainty
- Increased competition from the existing industry traders
- Focus of producers on direct B2B sales strategies – new requirements for traders to offer even more tailored and broad service
- Even stronger competition for capital
- Logistics constraints specifically explicit in bulks (example Coal, Iron Ore)

ECTP's Strengths & Answers to the industry challenges

- ECTP's strengths include:
 - Strong independent balance sheet
 - Focus on high growth and return business
 - Hedging and insurance strategies
 - Independent and skilled management team

Thank you for your attention

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