



*2007 Grain Co-Production Project*  
**Investor Summary**

# 2007 GCP Project Features

## *Access to a Major Australian Industry*

Private investors have largely been unable to directly invest in the Australian wheat industry due to the capital requirements and lack of opportunity. The 2007 Project provides investors with direct access to one of Australia's largest and most established industries.

## *No Over Supply or Market Distortions*

The WA Wheat-belt is restricted to rainfall zones and as such the majority of available land to produce wheat is currently being utilised. The Project will only be growing wheat on established wheat properties and is therefore not expected to be growing any more wheat than is already currently grown.

## *Short Term Investment Timeframe*

The Project is unique in that it aims to provide investors with an **annual return** commencing Year 1, whilst their investment period is **for three seasons only**.

## *Domestic & Export Markets*

Mature and established domestic and international markets exist in order to sell wheat giving investors a degree of certainty in regards to sale and payment for their produce.

## *Independent Research – 4 Star Rating*

An independent research report by Australia's leading agricultural research company, Adviser Edge, has rated the 2007 Project **4 stars** (out of 5). Copies of the report are available on the Macro website or by contacting Macro or AACL.

## *100% Tax Deductible*

A Product Ruling is expected to be issued by the Australian Taxation Office in the near future. It is expected that all costs associated in the Project including the initial investment will be 100% tax deductible in the year in which they are incurred.



# Investing in Wheat Production

## 2007 Grain Co-Production Project

Grain Co-Production is an innovative investment opportunity that brings together professional wheat farmers and investors.

The 2007 Project will enable investors to invest in the production of wheat crops on various properties located across the Western Australian Wheat-belt "WA Wheat-belt".

The Project will operate for three seasons with each season commencing from planting in approximately April / May of each year and finishing at harvest, typically in November / December of the same year. Investors will plant a wheat crop for each of the 2007, 2008 & 2009 seasons.

Professional wheat farmers will provide the land, equipment, inputs and expertise in order to plant, manage and harvest the investor's crops. The farmers benefit from the access to additional cash-flow and the sharing of risk with investors, as well as sharing in any upside returns from the investor's crops – an extension to the Australian ethos of share farming.

The wheat produced from each property will be pooled from across various production zones to form the Project Pool. The Project Pool is a key component to managing the investor's production and price risk.

The wheat in the Project Pool will be managed and sold by Macro to various established domestic buyers for on-sale to domestic and international markets.

Investors are expected to receive annual returns from the sale of wheat in the Project commencing in Year 1, with the majority of their investment capital and returns received at the completion of the 2009 season.

The aim of the Project is to achieve consistent and attractive annual returns to investors from the sale of the harvested crops each year.

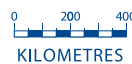
*"Investors in the Project benefit from the superior productivity factors provided by the contracted farmers in WA, while the Project provides benefits to the farmers which, in turn benefits the Project."*

Adviser Edge – 2007 Project Research Report

## WA Wheat-belt Facts

- W.A. is Australia's major wheat production state producing on average 40 % of Australia's annual crop.
- Comprising an area of approximately 155,000 square kilometres - the WA Wheat-belt is twice the size of Tasmania.
- W.A. is Australia's most reliable growing region for wheat and W.A. farmers are on average the largest and most advanced in terms of cropping methods and technology usage in the country.
- W.A. has one of the most advanced freight, storage and handling facilities for grain in the world, comprising approximately 200 receival bins and four ports (Kwinana (Perth), Geraldton, Albany and Esperance).
- Approximately 90% of W.A.'s wheat production is exported internationally each year.

### Wheat-Belt





## Domestic & International Markets

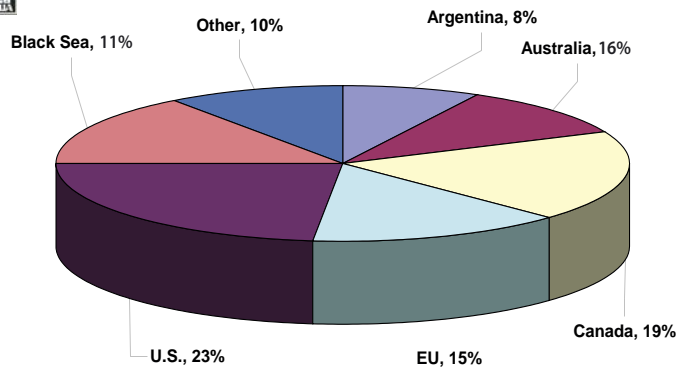
Wheat is grown and traded globally with the "Big 5" the U.S., Australia, Canada, Argentina and the E.U. normally accounting for approximately 80% of internationally traded wheat each year. Australia is a key player in the international wheat market, accounting for approximately 16% of internationally traded wheat each year.

The Australian wheat market operates with a highly competitive domestic market and a regulated export market. For over 60 years the 'single desk' has operated to provide Australian wheat farmers with a single point of sale for the development of key international markets. In addition to this the domestic market also provides wheat producers with established, consistent and secure buyers for their wheat.

Source: Advance Trading Australia



Forecast World Wheat Trade 2006/07



Source: USDA

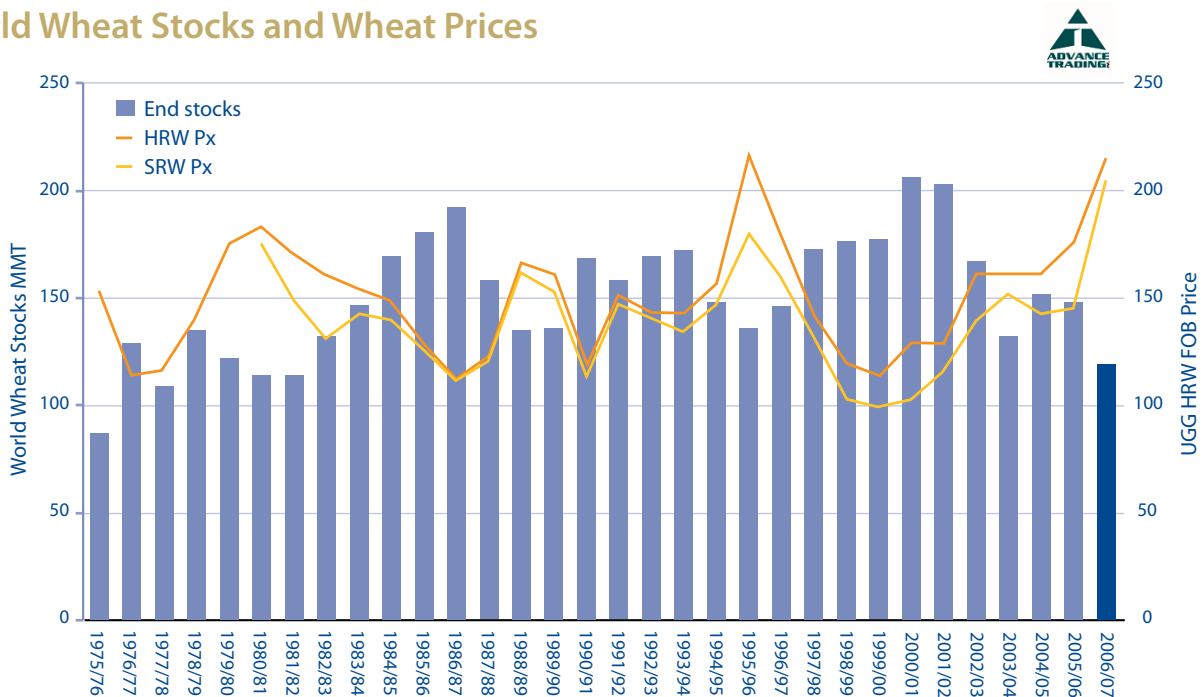
## Demand for Australian Wheat

Australian wheat has a reputation as some of the best quality wheat in the world with the majority of Australia's wheat sold and exported to Asian and Middle Eastern buyers. Western Australia's proximity to Asia gives wheat growers an advantage to capitalise on the ever expanding markets of Indonesia, China and India.

In recent years, a combination of factors has seen a sharp decrease in world wheat stocks. Currently, world wheat stocks are at their lowest levels in 30 years as demonstrated in the chart below (bars).

Wheat consumption is forecast to remain steady whilst new demand for the use of grain to produce bio-fuels is adding pressure to international grain prices (red & orange lines).

## World Wheat Stocks and Wheat Prices



Source: Advance Trading Australia

# Experienced Managers

## *Macro Funds & AACL*

Macro is the Responsible Entity for the 2007 Grain Co-Production Project and is a major shareholder in the Project Manager - AACL. Macro is a funds management business with extensive experience in investment management, financial compliance and investor services and reporting. For further information on Macro, please visit their website at [macrofunds.com.au](http://macrofunds.com.au)

AACL is the developer of Grain Co-Production and will manage the day to day operations of the Project. AACL will source suitable farmers and land for the Project as well as monitor and report on the progress of investor's crops during the season.

## *Contract Farmers*

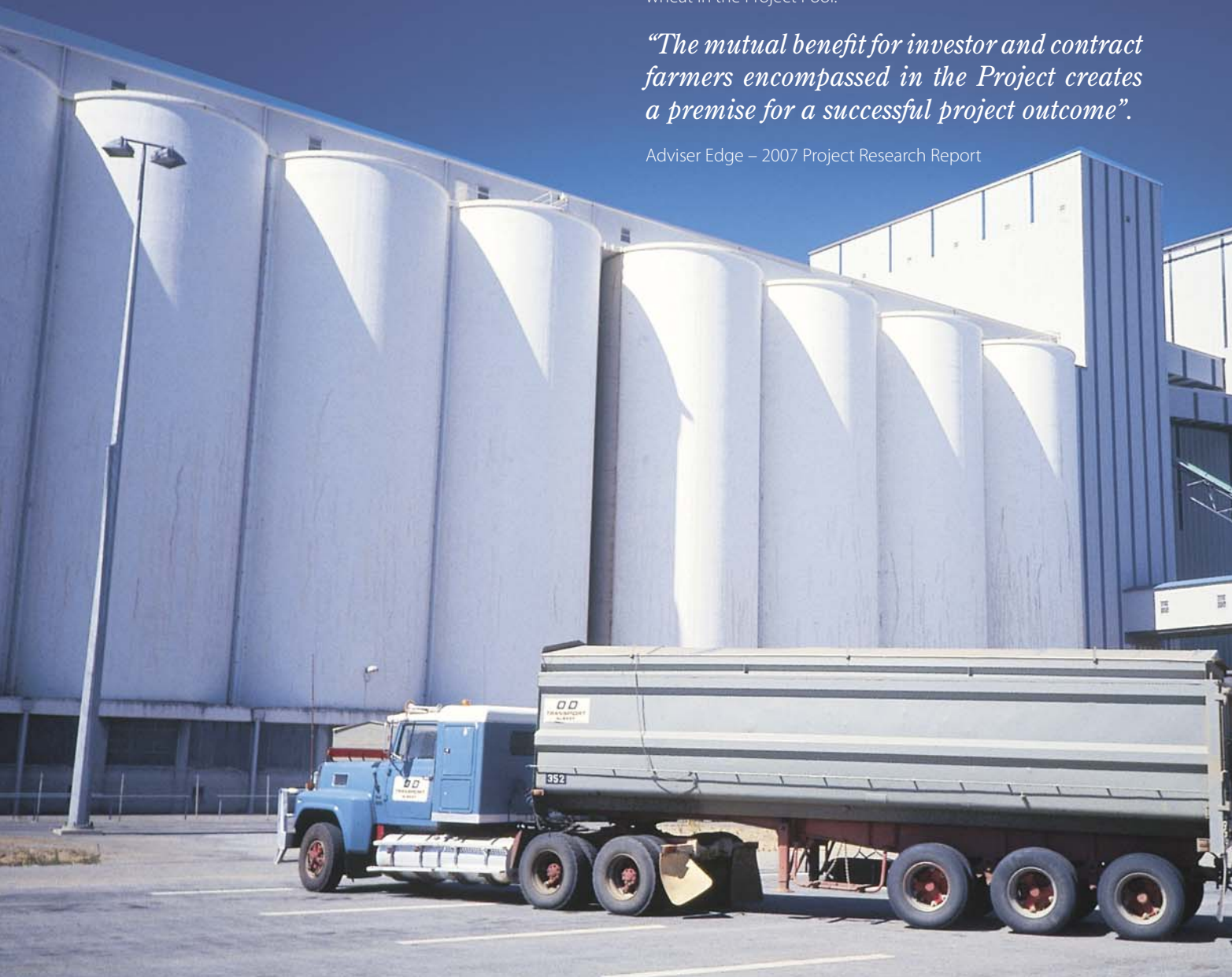
Experienced professional wheat farmers are sourced to provide the land, equipment, inputs and expertise to produce the crops in the Project. The Contract Farmers share in the upside returns of the crops with investors

## *Expert Advisers*

Expert agricultural consultants will provide ongoing crop inspections, reports and advice to AACL in relation to the crops in the Project each season. Macro has also engaged Advance Trading Australia to provide expert price risk management advice in regards to the protection and enhancement of the value of the wheat in the Project Pool.

*“The mutual benefit for investor and contract farmers encompassed in the Project creates a premise for a successful project outcome”.*

Adviser Edge – 2007 Project Research Report



## Investment Summary

Unit of Investment	A Co-Production Unit or CPU	A CPU is an area expected to produce 40 tonnes of wheat.
Investment per CPU	\$4,389 incl GST	Covers the costs to plant the 2007 season wheat crop.
Minimum Investment	4 CPU's or \$17,556 incl GST	Investors can increase their investment by 1 CPU at a time.
Term	3 growing seasons – 2007, 2008, 2009	A wheat crop will be planted each season with the investors commitment ending after the harvest and sale of the 2009 season's crop.
Ongoing Costs	There are various ongoing costs including the planting of the 2008 & 2009 season crops.	The ongoing costs, including the 2008 & 2009 planting costs are expected to be funded from the proceeds of the sale of wheat in the Project.
Finance Available	Preferred Finance offers are available financing 100% of the investment.	10 months interest-only followed by 31 months P & I at fixed rates.
Taxation	100% Tax Deductible	Product Ruling expected to be issued by the ATO.
Research	4 Star Rating	Independent Research by Adviser Edge.

## How To Invest

### *Request a PDS*

An investment in the 2007 Project can only be made on the Application Form that accompanies the 2007 PDS.

You can download the PDS from Macro's website, order a hard copy from the website by filling out the form on-line or you can contact Macro or AAFL directly.

It is recommended that all potential investors consult a licensed professional adviser before making a decision to invest in the 2007 Grain Co-Production Project.

### *Investment Calculator*

An investment calculator is available for download from Macro's website. The calculator allows investors and advisers to estimate a potential return from the 2007 Project by inputting some basic assumptions.

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