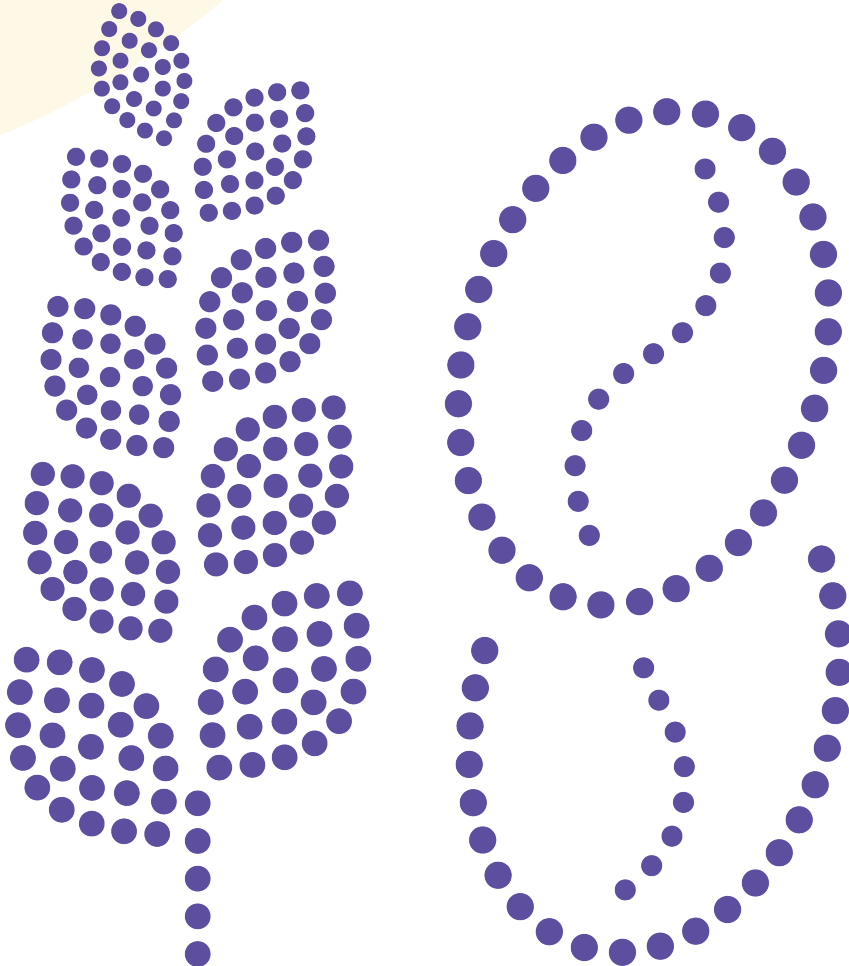


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Solutions for Physical Commodity Trading and Risk Management

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BRADY.





The most complete physical trading software in the market

In modern commodity trading, the systems you use can make all the difference to the success of your company. The right system can help you maximise the efficiency of your team and your capital, provide visibility to management on key metrics and monitor and minimise your risks. You cannot afford to run manual processes, keep data off-system, duplicate information or spend time sourcing and aggregating data to compile reports, and management should not have to wait for up-to-date information about P&L, inventory, cashflow and risk.



This is where Brady plc can help. Brady provides solutions to commodity trading companies from smaller start-ups to some of the largest traders in the world to:

- Manage and optimise their full chain of operations
- Provide management with an up-to-date view of position, P&L, inventory and cashflow forecasts
- Plan and control inventory and logistics across a range of physical commodities
- Control and improve costs incurred throughout the supply chain
- Reduce the time to present clean documents for letters of credit
- Implement effective risk control processes across physical and derivative positions
- Ensure complete visibility of commodity price, premium, volatility and currency risk
- Streamline operations through fully integrated accounting processes

By providing rapid access to accurate and consistent information users can make informed decisions at any time in any situation, improve productivity and profitability, minimise costs, control risks, and offer a complete trading service to their customers' needs.

Brady's solution is able to cover most physical commodity types with rich functionality to support the specifics of base, precious and ferrous metals, concentrates, raw materials, alloys, grains, oilseeds, softs and other agricultural commodities, scrap and recycled materials, the oil complex and coal.

Brady's physical trading solution

Brady physical trading solution is a powerful platform that provides simple and effective management of the most common trading transactions for physical commodities. The solution is a multi-commodity, multi-company, multi-currency system that is recognised as the market leading system for commodity trading.

The workflow models the lifecycle of a deal closely, starting from the contractual phase, to the execution phase and finally generating the data for accounting and financial reporting.

Specific functionality is provided for each department of the trading organisation to facilitate its supply chain management, thereby increasing efficiencies.

Logistics

Brady's solution ensures the complete traceability of the delivered product and assists departments to organise all the logistics processes involved in commodity deliveries. The profitability of the operation can then be accurately reconciled by profit centre, in the balance sheet and against individual budgets.

Functions include:

- Logistics planning
- Inventory management and forecasting
- Inventory splitting and merging
- Selecting the best costing for a deal
- Chartering a vessel
- Managing trucks, railcars, containers, packaging (pallets, bales, bundles, etc.)
- Managing shipping instructions
- Transport documents
- Inspecting and insuring the goods
- Linking related expenses to the profit centre
- Issuing the invoice and the required documents

Trade finance

Brady's solution provides the relevant information necessary to evaluate the best ways of financing all aspects of an operation so that the finance department can minimise the overall risk and cost of the transaction.

Typical options include:

- Bank commission and LC cost
- Bank guarantee cost
- Pre-financing
- Credit limit by bank and type of operation
- Current account balance
- Cash forecast including trading commitments

The Trade Finance module enables the generation of all key documents required by the LC opening operation. Support of the Swift format (MT7xx) allows instructions to be imported electronically into the database, saving time and ensuring consistency.

Invoicing

Brady's solution automatically generates invoices as well as all predefined accounting entries (account receivables, General Ledger and Analytical Accounting) and can be set up to automatically generate the broker commission, the credit insurance premium and the intercompany transactions or advance payments reduction. In addition to the invoice, all required documents can be produced, such as the letter of presentation, shipping advice, Certificate of Quantity, Certificate of Origin, and insurance certificate.

Derivatives

Brady's solution handles all the most common derivative trading instruments, including futures, averages, swaps and options. Trade capture, position and exposure management and risk reporting are fully embedded and integrated into the core platform, providing full reporting capabilities.

Derivative contracts can also be linked to physical contracts for effective hedge management.

Risk reporting

The risk management module prices all floating price contracts and marks to market all contracts, based on the latest market prices.

Key features include:

- Support for custom pricing formulae, including monthly average, date interval, and five quotations for the bill of lading. All quotations are stored with the physical contract
- Handling of trigger pricing: the quantity can be fixed manually or by the exchange of futures contracts. Comparison of the futures contract position to closed market price
- Automatic calculation of swap prices
- Generation of the MTM P&L report
- Daily exposure risk reporting to the different markets, based on the quantities fixed and any associated hedges

Document management module

Brady's Document Management module offers a suite of integrated components that provide a single interface for handling, organising, storing, sharing and retrieving all of a company's messages, contacts and documents to improve business communication workflow.

The suite delivers:

- Integrated Document Management system to automatically store business documents
- Client Relationship Management system to organise and maintain effective client relationships and communications
- Document Communication Engine to automatically publish and receive documents and communications, maximising efficiency

Document management

Brady's Document Management module is designed to handle an organisation's documents database:

- External documents in any format (Word, PDF, etc) can be stored in the database
- Enables full text search of documents
- Integration with scanning facilities
- Configurable validation and approval workflow

Business documents can be shared directly in Brady Communication and Document Manager, Brady Accounting or any other compatible application.

Document communication engine

Compatible with Microsoft and Lotus Notes message servers, Brady's Document Communication Engine handles multiple inbound and outbound communications and financial messaging methods within a secure environment:

- Multi-protocol message handling (email, fax, SMS, Swift)
- Automatic filing and archiving of messages in either public or private folders
- Facility to add notes and follow-up action lists
- Secure transmission, with optional internal validation process
- Automatic transmission of documents created by users or an application

Accounting module

Brady's Accounting module is an integrated multi-company, multi-currency, multi-language accounting solution. It is specifically designed to provide immediate access to key financial information in order to optimise risk monitoring, treasury management and overall business control.

Delivered with a comprehensive suite of standard accounting reports, the solution is also designed to interface to

downstream accounting solutions and Microsoft Excel.

The module includes:

General ledger

- Fully configurable and maintainable Chart of Accounts
- Support for simple and complex debit/credit vouchers
- Data-entry integrity checks (balances and voucher verifications, temporary and permanent vouchers)
- Comprehensive end of fiscal period processes
- Consolidated financial statements (full consolidation method)
- Full history of accounting transactions
- Bank reconciliation from the MT940 file import

Sales (receivables) and purchase (payables) sub ledger

- Multiple due dates per invoice
- Flexible set-up of fees, discounts and taxes
- Conforms to European VAT regulations
- Client account and supplier account journals
- Ageing debtors lists

Multi-axis analytical accounting

- Automatic booking of multiple analytical accounts simultaneously
- Independent analytical Chart of Accounts for revenues/expenses

Treasury

- Outstanding or confirmed simple or multiple movements with several currencies
- Multiple categories applicable to each movement
- Account to account transfer vouchers

- Interest rate simulator
- Automatic re-evaluation and booking of account balances in multiple currencies
- Bank balances, account balances, daily account balances, detailed movements by bank account
- Cash forecasts including future commitments

Treasury

- Automatic and manual creation of valuable assets
- Depreciation calculation and posting to the general ledger
- Several reporting options for inventory management and analysis

About Brady plc

Brady plc is the largest European-headquartered provider of trading and risk management software to the global commodity and energy markets. Brady combines fully integrated and complete solutions supporting the entire commodity trading operation, from capture of financial and physical trading, through risk management, handling of physical operations, back office financials and treasury settlement, for energy, refined and unrefined, ferrous and non-ferrous metals, soft commodities and agricultural products.

Brady has over 30 years' expertise in the commodity markets with more than 10,000 users at over 200 companies worldwide, who depend on Brady's software solutions to deliver vital business transactions across their global operations. Brady clients include many of the world's largest financial institutions, trading companies, miners, refiners, scrap processors, producers, tier one banks and a large number of London Metal Exchange (LME) Category 1 and 2 clearing members and many leading European energy generators, traders and consumers.

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**Brady Physical
Commodity Trading
Risk Management**

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Telephone
+44 (0) 203 301 1200

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Website
bradyplc.com

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Centennium House, 1st Floor,
100 Lower Thames St,
London. EC3R 6DL

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