



## Master Reset Plan

**SCS Master Reset Plans** let the producer set a minimum price and average into his bushel sales, but instead of retaining all of his upside, the producer caps his upside above a certain level. However, Master Reset Plans have a trigger level attached to them. When the futures price trades at or beyond the trigger level, the additional quantity feature disappears and any unaccumulated bushels are cancelled.

**SCS Master Reset Plans** are suitable for a producer who is mildly bullish, or thinks grain will be range-bound particularly in the near term, and wants to lock in protection to the downside above a certain level.

TOOL GROUP: Min/Max

### PRODUCER BIAS:

- > Master Reset Plan— mildly bullish, thinks grain will be range bound (especially in the near term), and wants to lock in downside protection above a certain level.
- > Master Reset Plus Plan— mildly bullish (especially in the near term), OK with pricing additional bushels at the end of the contract
- > Master Reset Reserve Plan— mildly bullish to neutral, OK with pricing additional bushels on a weekly basis.

### ADVANTAGES:

- > Producer participates in upside market moves
- > Protection from downside moves (limited)
- > Cheaper than a Range plan

### DISADVANTAGES:

- > Downside protection ends beyond a certain level
- > Possibly pricing additional bushels at a predetermined level, thereby eliminating upside for those bushels as well

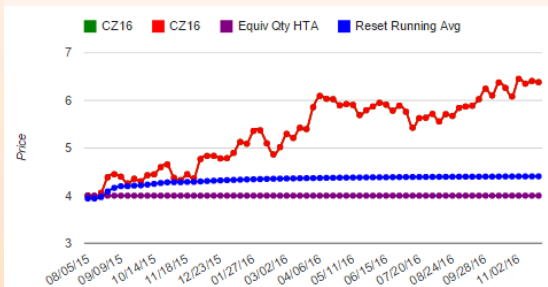
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## Examples

CZ16 Futures Price at \$4.00

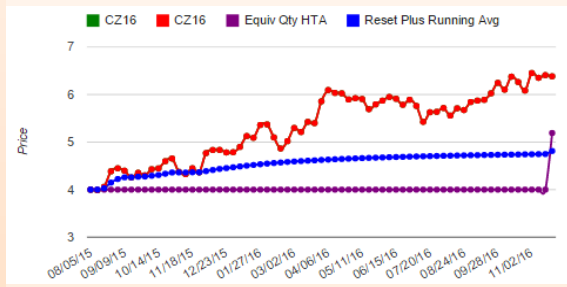
### 1. MASTER RESET

- Bushels priced weekly in CZ16 with a floor at \$ 4.00 and cap at \$ 4.50
- K/O at \$3.40
- Costs 6 cents/bu

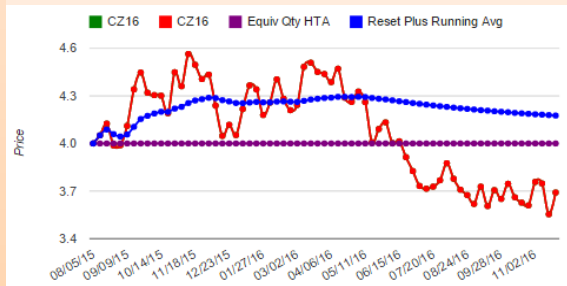
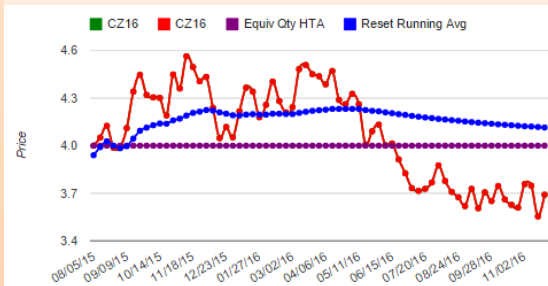


### 2. MASTER RESET PLUS

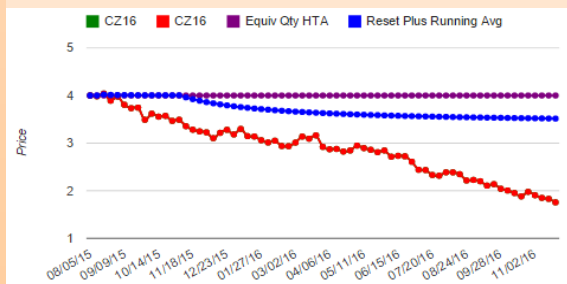
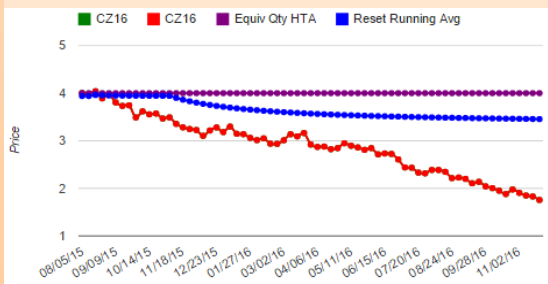
- Bushels priced weekly in CZ16 with a floor at \$4.00 and cap at \$4.875
- Double-up at the end of the contract at \$4.875
- K/O at \$3.40
- NO COST



BULL MARKET



NEUTRAL MARKET



BEAR MARKET

HYPOTHETICAL PERFORMANCE RESULTS HAVE MANY INHERENT LIMITATIONS, SOME OF WHICH ARE DESCRIBED BELOW. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. IN FACT, THERE ARE FREQUENTLY SHARP DIFFERENCES BETWEEN HYPOTHETICAL PERFORMANCE RESULTS AND THE ACTUAL RESULTS SUBSEQUENTLY ACHIEVED BY ANY PARTICULAR TRADING PROGRAM. ONE OF THE LIMITATIONS OF HYPOTHETICAL PERFORMANCE RESULTS IS THAT THEY ARE GENERALLY PREPARED WITH THE BENEFIT OF HINDSIGHT. IN ADDITION, HYPOTHETICAL TRADING DOES NOT INVOLVE FINANCIAL RISK, AND NO HYPOTHETICAL TRADING RECORD CAN COMPLETELY ACCOUNT FOR THE IMPACT OF FINANCIAL RISK IN ACTUAL TRADING. FOR EXAMPLE, THE ABILITY TO WITHSTAND LOSSES OR TO ADHERE TO A PARTICULAR TRADING PROGRAM IN SPITE OF TRADING LOSSES ARE MATERIAL POINTS WHICH CAN ALSO ADVERSELY AFFECT ACTUAL TRADING RESULTS. THERE ARE NUMEROUS OTHER FACTORS RELATED TO THE MARKETS IN GENERAL OR TO THE IMPLEMENTATION OF ANY SPECIFIC TRADING PROGRAM WHICH CANNOT BE FULLY ACCOUNTED FOR IN THE PREPARATION OF HYPOTHETICAL PERFORMANCE RESULTS AND ALL OF WHICH CAN ADVERSELY AFFECT ACTUAL TRADING RESULTS.