

# Newsletter

from Rural Funds Management Limited

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*Front cover: Almond bloom, Moorral orchard, Hillston, NSW, 2019.*

*Inside cover: Wheat crop, Lynora Downs, central Qld, July 2019.*

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## **Productivity: key to improving world food supply**

An article by David Bryant, RFM Managing Director

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## Productivity: key to improving the world food supply

David Bryant, RFM Managing Director

Cattle grazing, Rewan, central Qld, June 2019.

### Meeting the challenge of feeding more people better food.

If you are 60 years old, or claim to be 40 and a Monty Python fan, these lyrics should ring a bell:

*Just remember that you're standing on a planet  
that's evolving  
And revolving at 900 miles an hour.  
It's orbiting at 19 miles a second, so it's reckoned,  
The sun that is the source of all our power.*

Eric Idle and John Du Prez, *The Galaxy Song*,  
Performed by Eric Idle in *The Meaning of Life*, 1983

Idle's reckoning of 19 miles per second, is correct, which means our planet is moving at 110,000 km/h so that it can complete its journey around the sun every 365.25 days.

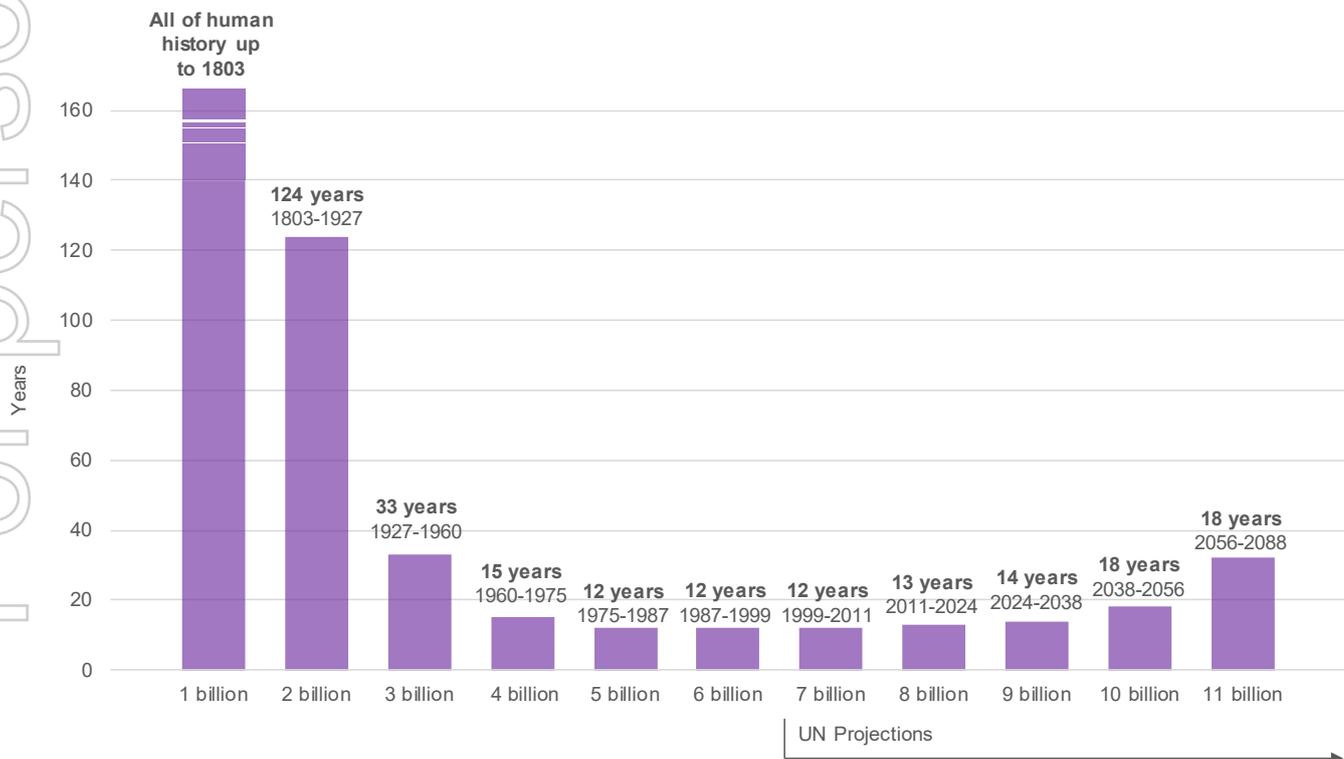
While all of this is going on, we will experience the four seasons, the growth and senescence of the plants that sustain us.... and get one year older.

During the 52 weeks and 6.15 hours that it will take us all to complete our next circumnavigation, an additional 82 million people will join us here as permanent residents on planet earth. As an added bonus, the average wealth of all of us here on this speeding orb, will have increased by around 3.5%<sup>1</sup>, driven by the fairly constant economic growth that is the product of the collective striving and inventiveness of what will soon be eight billion people.

These two forces, population and economic growth, are having profound, but differing effects on the agricultural systems required to feed us. They also have enduring effects on the value of agricultural land and the increasing productivity we must derive from it.

Figure 1 presents the past and future growth of mankind by presenting the period of time it takes to double our population. From 1800 to the 1970's, population growth

Figure 1: Time it took for the world population to increase by one billion<sup>2</sup>



1. OECD: OECD sees global economy strengthening, but says further policy action needed to catalyse the private sector for stronger and more inclusive growth, <<https://www.oecd.org/economy/oecd-sees-global-economy-strengthening-but-says-further-policy-action-needed-to-catalyse-the-private-sector-for-stronger-and-more-inclusive-growth.htm>>
2. Our World in Data: How long did it take for the world population to increase by one billion?, <<https://ourworldindata.org/world-population-growth>>

accelerated with the time to double, compressing as better nutrition and medicine increased the health of mankind. The acceleration in population growth, as US economist Nicholas Eberstadt noted, “was not because we were breeding like rabbits, but because we stopped dying like flies”. In 1962, mankind’s population growth rates plateaued and then went into decline, with fertility rates now half of that time. Interestingly, a period that coincided with the advent of distractions like television and now smart phones.

During the 1980s the earth added 90 million permanent residents each year. This growth rate in absolute numbers, has now declined to 82 million this year, and is expected to decline by one million per year from now on. If all goes to plan, the population of mankind will peak at around 11 billion by the end of this century. Figure 2 sets out the past and future composition of the world’s population by region, with Africa’s share increasing from 17% today, to 39% by end of the century. While most developed countries will experience near zero population growth, North America is projected to add another five Australias over that time.

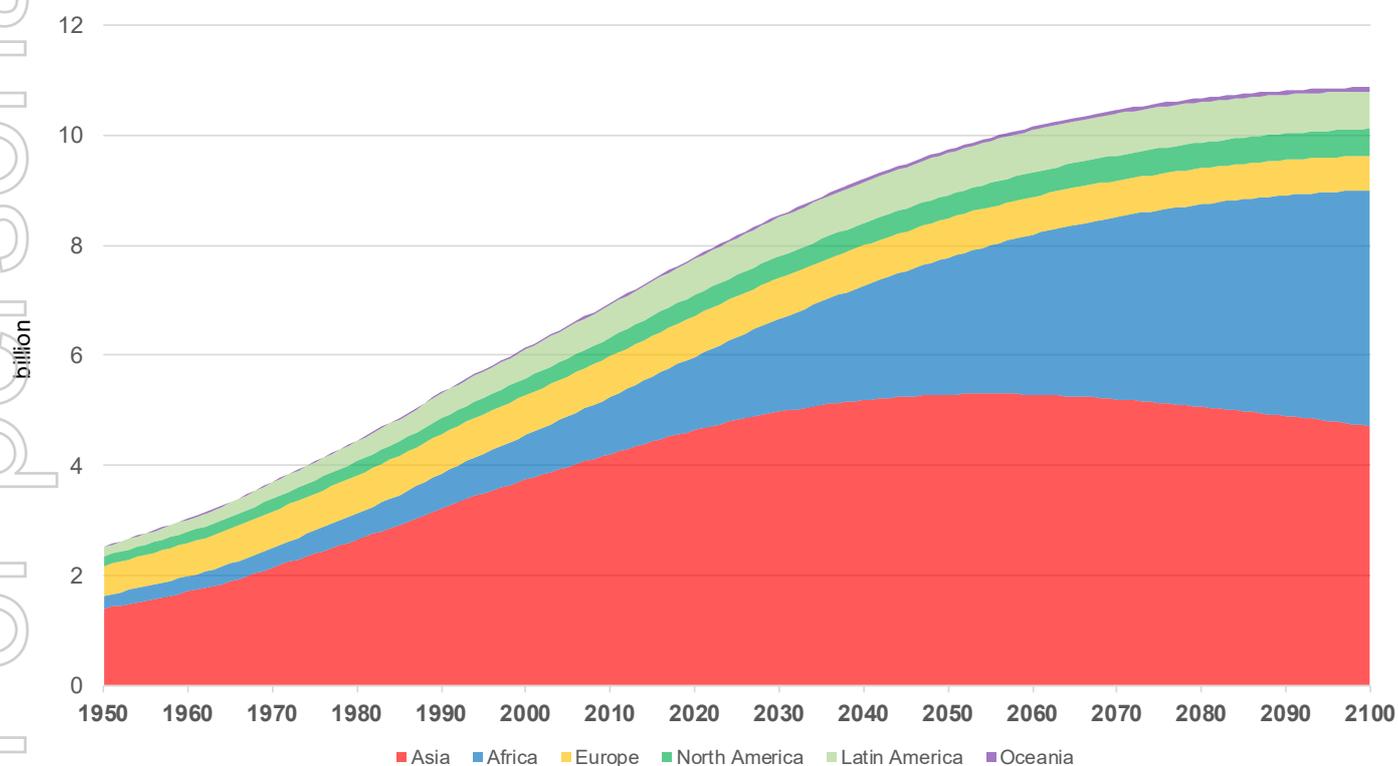
More people means more food, as the average person on earth consumes 2,884 kilo calories of food per day (kcal). Like population growth, food energy consumption is not evenly distributed, with North Americans consuming

3,663 kcal and Africans consuming 2,624 kcal. For this reason, the quantity and types of food required to feed growing populations will differ by region. Nevertheless, the additional 82 million people that will join us this year, will require a considerable amount of additional food, an amount roughly equal to the annual food production of Australia.

Figure 3 sets out the diets of people from different regions with the differences largely explained by household income. Those fortunate enough to live in high income Western countries, consume nearly twice as much fruit and milk, and 70% more meat than those from poorer countries. People in the poorer countries of Africa consume considerably more beans and legumes because they have less money to spend.

The financial cost of these differing consumption patterns is revealing: Australians spend around 17% of household income on food and non-alcoholic beverages, or about \$12,500 per annum<sup>3</sup>, while a household in Kenya will spend 53%<sup>4</sup>, but just \$800 per annum. While these are just two examples, data gathered from across the globe verifies an economic principle first described by German statistician Ernst Engel (1821 – 1896). Engel observed that as income rises, the proportion of income spent on food falls, even if absolute expenditure increases.

Figure 2: World population by region projected to 2100<sup>5</sup>



3. Australian Bureau of Statistics: *Average Household Spending*, <<https://www.abs.gov.au/ausstats/abs@.nsf/Latestproducts/6530.0Main%20Features32015-16>>  
 4. Knoema: *Expenditures spent on food*, <<https://knoema.com/atlas/topics/Food-Security/Expenditures-Spent-on-Food/Expenditures-spent-on-food>>  
 5. Our World in Data: *World population by region projected to 2100*, <<https://ourworldindata.org/grapher/historical-and-projected-population-by-region>>

**Figure 3: Mean intakes by world region<sup>6</sup>**

Intaker category	Sub-Saharan Africa	Asia	High Income/ Western
Fruit	84.5	149.4	160.1
Vegetables	117.8	176.0	148.4
Beans and legumes	119.1	20.2	15.5
Nuts and seeds	7.6	39.6	5.2
Whole grains	89.4	86.8	72.2
Unprocessed red meat	43.9	33.6	63.9
Processed meat	8.3	11.2	25.5
Fish	26.2	45.7	35.7
Milk	91.6	69.3	173.9
Sugar-sweetened beverages	141.7	92.3	110.8
100% fruit juice	14.9	29.3	71.2

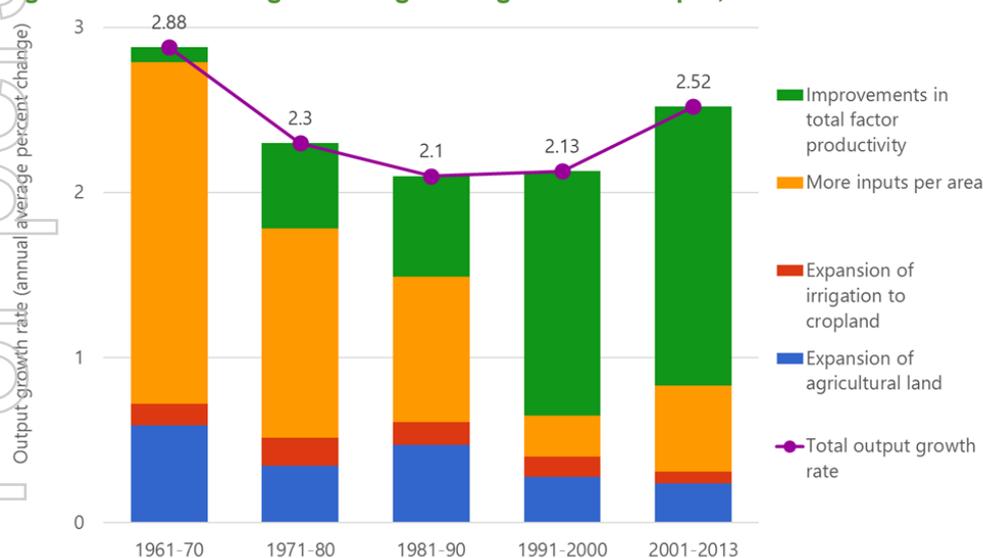
The implications of Engel's law, assuming economic growth, is enormous. While population growth will drive higher world food demand until the end of this century, increasing household income in almost all countries, is lifting demand for higher value foods. Consequently the task set for agricultural productivity is compounded by the twin demands of rising population and rising prosperity.

Figure 4 shows how the world's agricultural industry is meeting this challenge. The chart plots five decades of growth in agricultural output that has averaged around 2.5% per annum. The chart segments the source of this growth and demonstrates that the expansion of agricultural land and irrigation have played only a small part. The largest contributor to this impressive industry performance has been improvements in productivity,

being the large and increasing green portion of each bar. Productivity gains have been achieved through multiple pathways, such as genetic gain in livestock, higher yielding plant varieties, precision farming and minimum tillage designed to maximise crop yield per millimetre of rainfall. Importantly, these productivity gains have been experienced in developing countries as well as rich ones, as improved agricultural policies have enabled more science based farm practices and better post-harvest distribution of produce. An exemplar of this approach, is Chinese reforms post 1961 (see Figure 5), which have driven an eight-fold increase in output over this time.

Engel's law also has implications for the investment strategies that should be pursued by the Rural Funds Group. As increasing household income drives purchases

**Figure 4: Sources of growth in global agricultural output, 1961 - 2013<sup>7</sup>**



6. National Center for Biotechnology Information: <<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5717967/table/T1/>>

7. USDA, Economic Research Service, *International Agricultural Productivity data product*, <<https://www.grainsinnovation.org/blog/2017/7/31/7-agricultural-productivity-is-helping-feed-the-world>>

of higher value foods, it is sensible to consider the production of commodities, where Australian farms can competitively produce high quality foods where demand is likely to rise.

In the two decades to 2018, walnut and chestnut consumption rose a staggering 240% and 195% respectively, driven by Chinese demand and production. Looking at high value commodities where Australia enjoys comparative advantage, over the same period world almond consumption increased by 40%, cotton 35%, grapes 30% and beef 25%<sup>8</sup>. Further growth is certain in these high value commodities and staples such as wheat, soybeans and oilseeds, driven by the twin forces of population and economic growth.

RFF's record of acquiring and leasing out natural resource intensive assets will be greatly assisted over the coming years, due to the twin drivers of humanity's growing demand for more and higher quality food. Furthermore, the requirement for continued productivity gains within the agricultural sector, will support RFF's focus on acquiring assets that can be improved by further investment. Investment that is delivered through retained cash flow and the application of the expertise of RFM personnel.

As our globe speeds through space towards our destiny of accommodating and feeding 11 billion people, whose nature is to improve their lives, it is a good time to work in agriculture – or contemplate investing in it.

Figure 5: Daily per capita supply of calories<sup>9</sup>

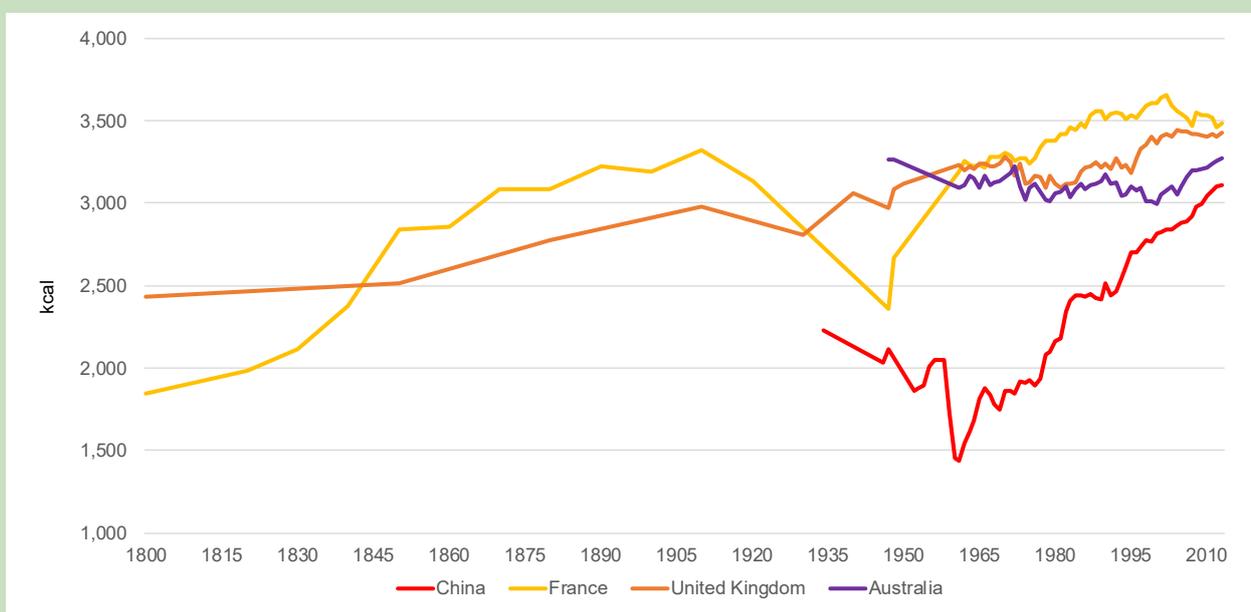


Figure 5 presents daily calorie intake for several nations. Shortly after the French Revolution, daily intake in France was 1,846 kcal, compared to the UK at 2,436 kcal. This was similar to Chinese energy intake in the midst of the Great Depression. Chinese energy intake plummeted to 1,439 kcal per day by 1961 due mainly to agricultural policies dictated in *The Great Leap Forward*, when it is estimated 36 million people died from malnutrition. Since then Chinese economic growth

and agricultural reforms have enabled daily calorie consumption to increase to within 5% of Australian consumption.

Australian calorie consumption only ever dipped below 3,000 kcal as we got in shape for the Sydney 2000 Olympics – the same year that the country's first Boost Juice Bar opened in King William Street, Adelaide. Since that year, calorie consumption has risen steadily.

8. Food and Agriculture Organization of the United States: *Crops*, <<http://www.fao.org/faostat/en/#data/QC>>  
 9. Our World in Data: *Daily per capita supply of calories*, <<https://ourworldindata.org/food-per-person>>

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*Irrigated cotton, Mayne land, central Qld, March 2019.*



# RURAL FUNDS GROUP UPDATE

*Irrigated cotton harvest, Lynora Downs, central Qld, March 2019.*

**The Rural Funds Group (ASX:RFF) is an agricultural real estate investment trust (REIT). RFF's aim is to generate distribution growth of 4% per annum and capital appreciation. It achieves this by owning and improving farms that are leased to good counterparties.**

## In this section:

- Poultry asset sale
- Redeployment of capital
- Additional benefits of the transactions

## Poultry asset sale

Recently Rural Funds Management (RFM) as responsible entity of RFF entered into agreements to sell RFF's poultry assets for \$72.0m. The poultry sale is expected to complete by 31 December 2019 and will provide capital for redeployment. Two main reasons led to the decision to sell the poultry assets and exit the sector.

Firstly, over 60% of the poultry farms have old infrastructure that will require redevelopment. Due to changes in the poultry industry dynamics, the returns on this future capital outlay would be significantly lower than is being generated under the current agreements.

Secondly, RFM believes that natural resource predominant investment opportunities, or 'growth' assets are more compelling as they have the potential for higher investment returns. These returns are achieved using two strategies which are described in detail below.

## Redeployment of capital

Funds realised from the poultry asset sale will be partially used to acquire three cattle properties in Western Australia (\$22.6m including transaction costs), and to convert a recently acquired sugar cane property (\$1.6m including transaction costs) to a macadamia orchard. These acquisitions are examples of the two

types of investment strategy RFM is pursuing, being the development of assets for:

1. productivity gains; or
2. higher and better use.

Both strategies aim to lift the value and income earning potential of an asset. The productivity strategy achieves this objective by enhancing a property's ability to produce a given commodity. Whereas, the higher and better use strategy aims to transform the use of an asset to a different, more profitable commodity. Put simply, increased productivity or production of a more valuable commodity enhances the ability of the operator to generate higher profits, leading to a higher valuation and enabling the landlord to charge more rent.

The first of these strategies will be applied to the WA properties by: developing land for new improved pastures and forage crops, improving existing grazing areas with fertiliser and other inputs, increasing irrigable area, and improving operational functionality with new fences and cattle handling infrastructure.

The WA properties will increase the number of natural resource predominant assets to 16, comprising 14 cattle properties and two cotton properties. Figure 1 details RFF's natural resource predominant assets where productivity development programs are underway. Capital spent on productivity improvements attracts

**Figure 1: Natural resource developments**

 Cattle	Acquisition date	Rent review	Productivity improvements <sup>1</sup>	Initial	FY17	FY18	FY19	FY20f	FY21f
<b>Mutton Hole and Oakland Park</b>	July & August 2016	Year 5	Water points	102	4	5	2	6	-
			Pasture improvements	20,000 ha	20,000 ha	-	-	-	-
<b>Rewan</b>	August 2016 (re-leased October 2019)	Year 5	Water points	42	10	30	-	-	-
			Cultivation area	1,830 ha	668 ha	554 ha	380 ha	287 ha	-
<b>Natal aggregation</b>	December 2017	Year 5	Pasture improvements	485 ha	-	160 ha	-	125 ha	320 ha
			Water points	96		8	2	13	20
<b>Cerberus</b>	September 2018	Year 5	Cultivation area	-			-	-	200 ha
			Pasture improvements	-			-	250 ha	250 ha
<b>Comanche</b>	July 2018	Year 5	Cultivation area	1,000 ha			-	-	500 ha
			Pasture improvements	172 ha			-	-	500 ha
<b>Dyamberin</b>	October 2018	Year 5	Grazing area	1,175 ha			-	-	-
<b>Woodburn</b>	January 2019	Year 5	Grazing area	802 ha			-	-	-
<b>Cobungra</b>	March 2019	Year 5	Grazing area	4,221 ha			-	-	-
<b>Petro, High Hill &amp; Willara<sup>2</sup></b>	January 2020	Year 5	Irrigated area	200 ha					-
			Grazing area	5,459 ha					-

 Cotton	Acquisition date	Rent review	Productivity improvements	Initial	FY17	FY18	FY19	FY20f	FY21f
<b>Lynora Downs</b>	December 2016	See note 3	Water storage	10,405 ML	-	4,142 ML	-	-	-
			Irrigated cropping	779 ha	-	177 ha	174 ha	-	-
<b>Mayneland</b>	September 2018	See note 4	Water storage	5,700 ML			-	-	2,900 ML
			Irrigated cropping	485 ha			-	-	246 ha

additional rent as it is deployed. The improvements are also expected to increase asset values which is monetised via a market rent review. The acquisition date and rent review date for each of the properties is listed in figure 1.

The second strategy, to develop for higher and better use, generally involves planting higher value crops that suit the topography and climate. Part of this process may also include improving water access and utilising new technology to maximise efficiency.

A recent example of this strategy is the purchase of Cygnet, a property located near Bundaberg in Queensland, which will be developed into a macadamia orchard. The property was previously used for growing sugar cane, a lower value commodity than macadamias. Development planning for water and irrigation has already commenced.

RFM has successfully completed investments using these two investment strategies in numerous instances. Following is a discussion of specific properties where each of the strategies has been deployed.



*Development of almond orchard, Tocabil, Hillston, NSW, March 2016.*

1. Pasture development refers to stylo on RFF's North Qld properties, and intensive pastures including Leucaena on Central Qld properties. Cultivation area refers to development of additional areas for planting forage crops, such as oats. Development of grazing area for southern properties involves investments such as fertiliser to improve production of the existing area.
2. The Petro, High Hill and Willara cattle property acquisitions are expected to settle in January 2020.
3. The Lynora Downs lease has a five-year term with an option to continue the lease for an additional five years at which point lease income is based on an independent valuation.
4. RFM will lease Mayneland for FY20 and commence development to improve the productivity of this asset. A third-party lessee will be sought for FY21 and beyond.

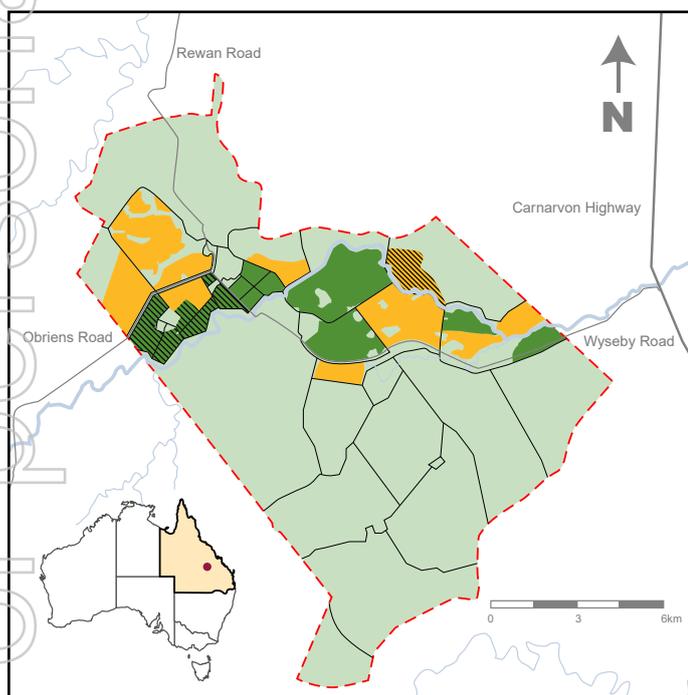
### Productivity gain example: Rewan

Rewan was acquired for \$31.6m (including transaction costs) in August 2016. It was one of the first cattle properties acquired by RFF. RFF has funded \$1.3m for capital improvements including 40 water points, developing 1,602 ha of additional cultivation area for planting forage crops such as oats, and planting 160 ha of improved pasture in the form of Leucaena (see figure 2).

The initial lessee of Rewan was Cattle JV, a subsidiary of the manager, RFM. During this initial period, Cattle JV staff worked with RFM management to rollout the improvements described above. In June 2019 the property was independently valued at \$43.1m and then leased to Australian Agricultural Company (ASX:AAC) for 10-years. AAC was attracted to Rewan in part due to its ability to provide high quality backgrounding area to support its branded beef production.

The AAC lease has provided a material uplift in revenue. The lease also includes a rent review in year five as further productivity gains are expected to be achieved.

Figure 2: Rewan developments



- 14,047 ha grazing land
- 1,830 ha existing cultivation area
- 1,602 ha developed cultivation area
- 485 ha existing Leucaena
- 160 ha new Leucaena
- 17,479 ha total area

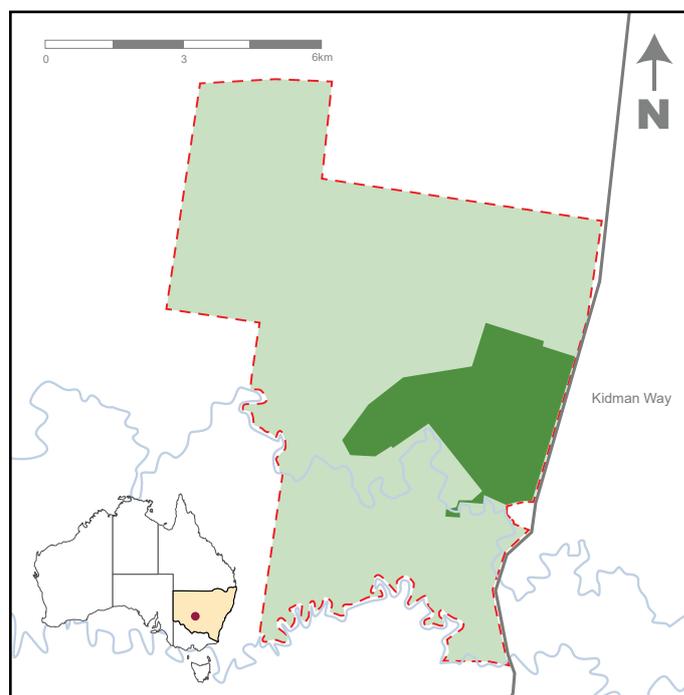
### Higher and better use example: Tocabil

An example of the higher and better use strategy is the development of Tocabil, a 6,900 ha property located near Hillston in the Riverina area of New South Wales. Approximately twenty years ago Tocabil was operated as a sheep property and then partially developed to irrigated cropping, being a higher and better use of the asset. RFF acquired Tocabil in October 2014 for \$5.2m when it was primarily being used for cotton production. Drawing on knowledge from developing and operating almond orchards, RFM identified the property as being suitable for a 600 ha almond orchard (see figure 3).

The acquisition and development included purchasing 10,149ML of water entitlements from Lachlan Regulated River and Lower Lachlan Groundwater, installation of three bores which direct water to a 700ML storage dam, a pump station and drip irrigation.

As at 31 March 2019, Tocabil had an independent valuation of \$40.0m. Significant capital expenditure has been deployed at Tocabil and it is expected that in time RFF will benefit from a development gain. Furthermore, as a result of the development, RFF is able to receive a higher lease income than would be received if it were continued to be operated as a cotton property. The property is leased to Olam Orchards Australia under a 22-year agreement.

Figure 3: Tocabil almond development



- 600 ha developed almond orchard
- 6,900 ha total area

## Additional benefits of the transactions

The poultry asset sale and the lease of Rewan to AAC, will continue to improve the mix of lessees from which RFF receives rental income. Figure 4 shows the revenue by sector in FY19 compared to the FY20 forecast.

Figure 4: FY19 actual and FY20 forecast revenue by sector

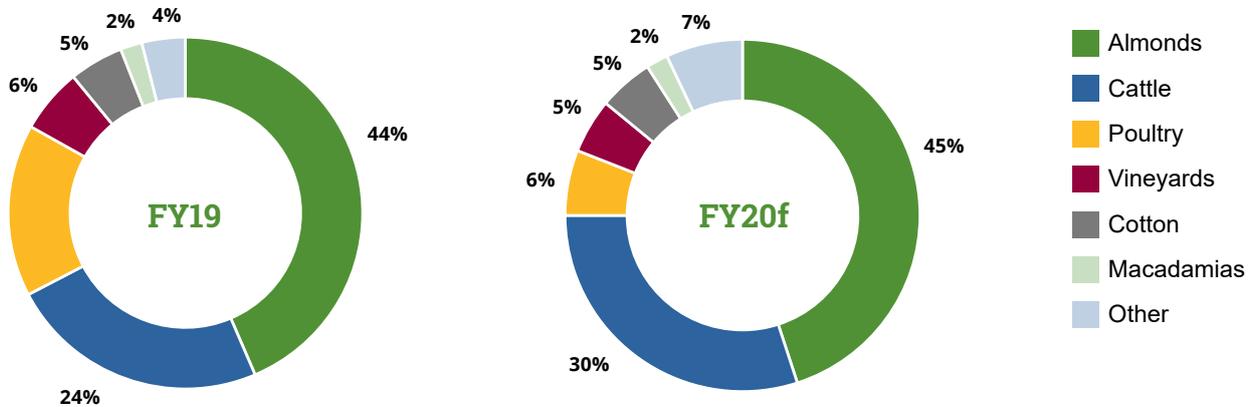
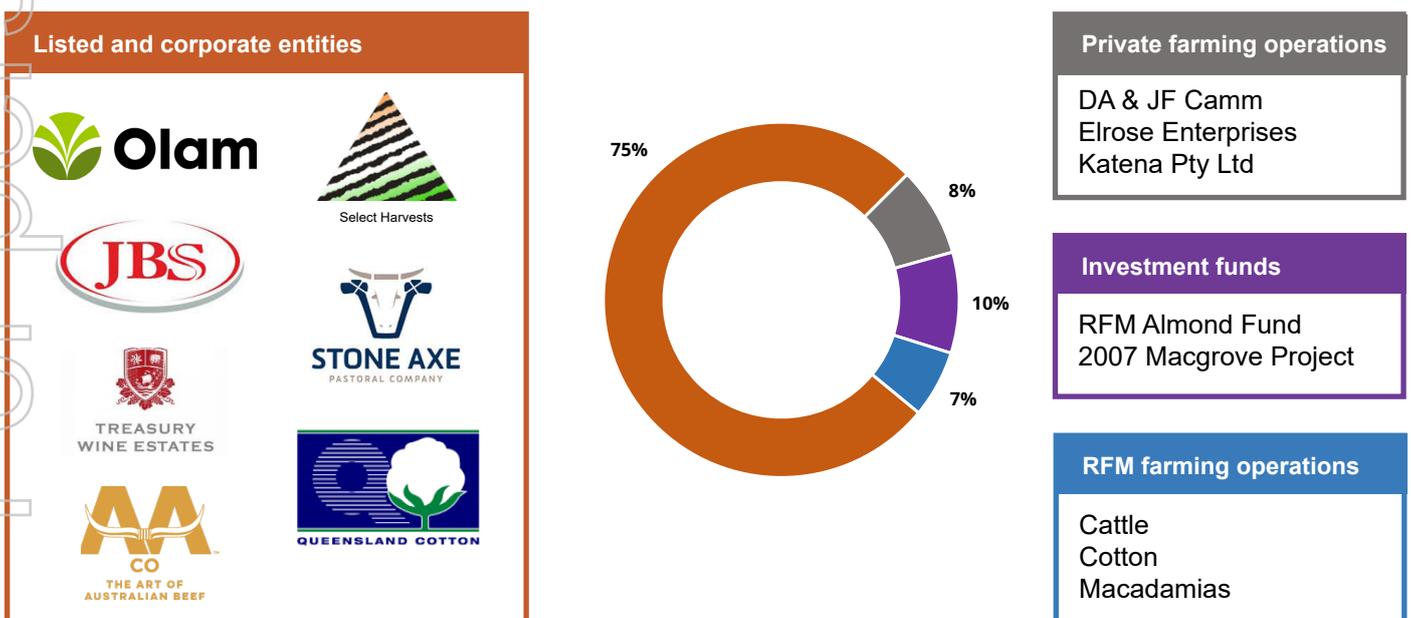


Figure 5 demonstrates that RFF lessees predominantly consist of corporate entities, representing 75% by FY20 forecast income<sup>5</sup>. Many of these corporate entities are also listed on domestic or international securities exchanges, either directly or via their parent entity. Private farming operations of varying sizes represent 8% of lease income.

In addition, RFM entities (7%) and investment funds (10%) lease properties from RFF. Both of these

arrangements provide RFF operating experience which can benefit RFF, as exemplified via the productivity developments on Rewan and the conversion of Tocabil to higher and better use. Another benefit of this structure is that operational risk is quarantined from RFF, enabling it to maintain its REIT structure.

Figure 5: Lessee type by FY20 forecast lessee income<sup>5</sup>



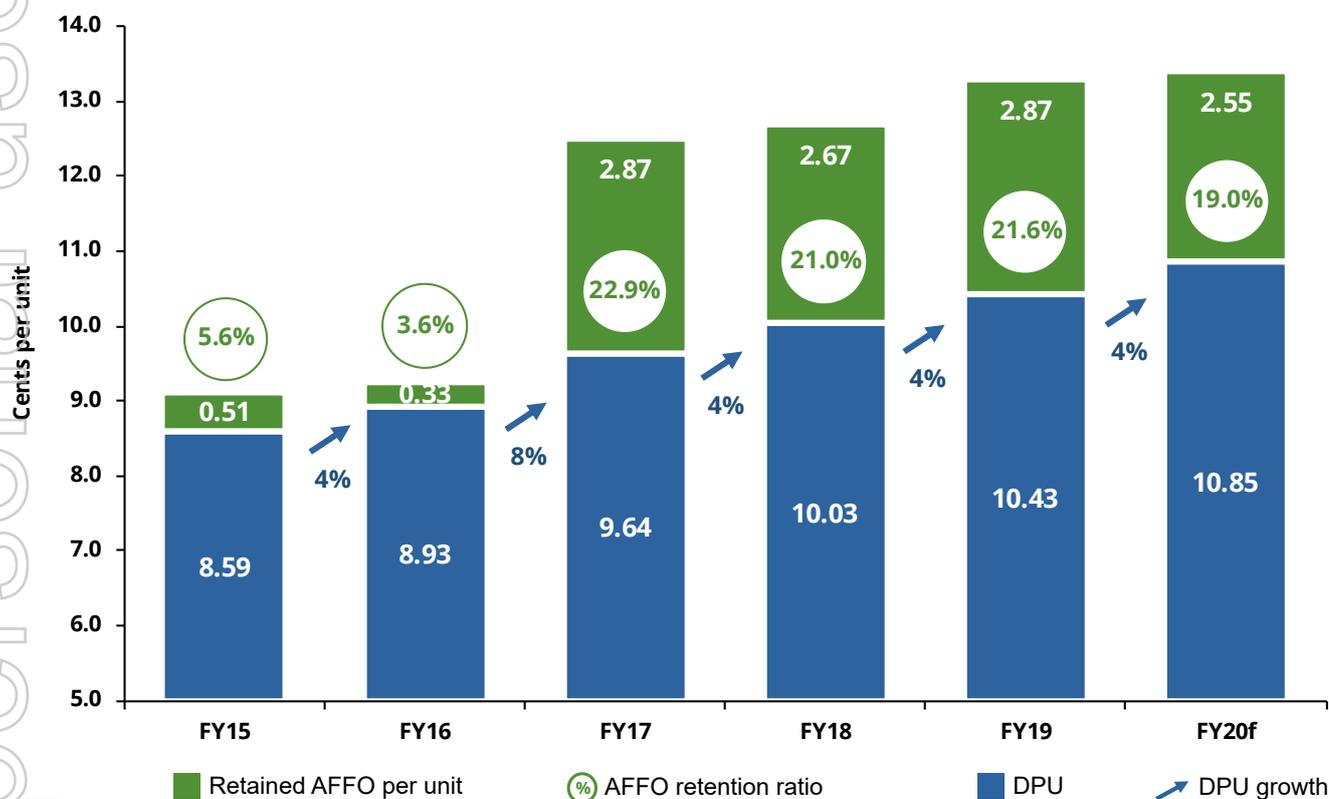
5. Lessees shown by annualised FY20f revenue and reflecting the sale of the poultry assets and settlement of Petro, High Hill and Willara cattle properties. Olam refers to Olam Orchards Australia Pty Ltd, a wholly owned subsidiary of SGX-listed Olam International Ltd (SGX: O32). Excludes non-lessee income e.g. annual water allocation sales. Income from J&F Australia Pty Ltd attributed to JBS Australia. Cotton JV income split 50% RFM and 50% listed and corporate (Queensland Cotton Corporation Pty Ltd).

The redeployment of capital into the two above mentioned strategies will also contribute to increased cash generation (referred to as adjusted funds from operations, or AFFO) for the medium to long term. This is because the acquisitions are expected to deliver higher AFFO growth as asset values are improved and monetised at rent reviews. This continuing AFFO growth supports target distribution per unit (DPU) growth of 4% per annum.

Figure 6 demonstrates RFF has consistently achieved DPU growth in-line with the 4% per annum target, with surplus AFFO able to be retained within the fund. The portion of AFFO retained can be redeployed into new acquisitions or used to fund developments, both of which generate additional income.

Figure 7 provides additional key metrics of RFF.

**Figure 6: DPU, DPU growth and AFFO retention**



**Figure 7: Key metrics<sup>6</sup>**

Balance sheet summary (as at 30 June 2019)		FY20 forecasts	
Proforma adjusted total assets <sup>7</sup>	\$919.0m	AFFO per unit	13.4 cents
Proforma adjusted net assets <sup>7</sup>	\$598.8m	Distributions per unit	10.85 cents
Proforma adjusted NAV per unit <sup>7</sup>	\$1.79	AFFO payout ratio	81.0%
Proforma gearing <sup>8</sup>	29.6%	Weighted average lease expiry (WALE) <sup>9</sup>	11.0 years

6. Disclosed 28 October 2019. Includes Beef City feedlot \$12.7m (settled Aug 2019), Riverina feedlot \$11.6m (expected to settle Feb 2020), Cygnet macadamia development \$1.6m (settled Oct 2019), Petro, High Hill and Willara cattle property acquisitions \$22.6m (expected to settle Jan 2020) and the sale of poultry assets \$72.0m (expected to settle Dec 2019).

7. Adjusted assets incorporates most recent independent property valuations, inclusive of water entitlements.

8. Gearing calculated as external borrowings/adjusted total assets.

9. Lease expiries weighted by forecast FY20 rental income.



# THE TAHEN PROJECT

*Rice crop, Tahen, Battambang prefecture of western Cambodia.*

## **Applying RFM's agricultural expertise in Cambodia**

In May 2019, RFM committed to providing resources to establish an agricultural project in the Cambodian village of Tahen. Tahen is located in the Battambang prefecture of western Cambodia, approximately 350km north west of the capital Phnom Penh, and RFM's commitment includes the provision of both agricultural expertise and financial resources to improve farming practices in the village.

Battambang is known as the rice bowl of Cambodia, and agriculture is the main industry in Tahen. In addition, the village is home to a boarding school that provides lodging, food and education for around 120 children, some of whom are orphaned. The agricultural nature of the village, together with the location of the boarding school, make this village an ideal site to benefit from RFM's agricultural expertise.

The need to fund education and mentoring services here is very high. The standard of education is slowly increasing, however the country is still affected by the devastating impacts of the Khmer Rouge regime and the mass genocide that was inflicted on its citizens some 40 years ago.

The agricultural project will be implemented in conjunction with Catholic Mission, which has a permanent presence in the Battambang prefecture. Catholic Mission manages a number of projects designed to improve the standard of living of each community where it operates, with a focus on social engagement and employment

opportunities. The common underlying aim of each project is to become self-sufficient after a period of external funding, and consequently deliver a permanent, sustainable improvement to the lives of those involved.

The aim of the Tahen project is to educate local farmers to develop sustainable and diversified agricultural enterprises, and RFM has committed to providing \$1 million over three years, as well as ongoing advice and support to achieve this aim.

## **Improving rice production – Tahen's main staple**

Rice is the main crop grown at Tahen, and one of the key objectives of the project is to increase production by improving farming practices. It is critical to the success of the project that local farmers permanently adopt the updated farming practices and to assist with this aim, some fields are being farmed under the traditional practices, with adjoining fields being farmed with updated practices. This simple, visual comparison generates clear evidence of how updating practices can provide positive outcomes for the village. RFM is directing funds to employ a full time agricultural engineer, as well as provide access to expertise from a locally based agronomic consultancy firm comprised of two experienced Australian agronomists who are overseeing the rollout of updated farming practices.



*Machine planted rice crop inspected by RFM associates and agricultural consultants.*



*Agricultural consultant inspects the rice crop with a local farmer. Top left of screen shows area not farmed with RFM.*

RFM's funding has also enabled structural changes to farming operations, such as farming co-operatively in larger areas rather than operating small individual blocks. Additionally, after the current rice harvest, 15 ha of irrigation will be installed. The aim is to increase the number of rice crops grown each year and thus the amount of rice produced.

RFM has funded new equipment to assist with the planting and maintenance of rice and other crops. Machine planting has already reduced the seeding rate from 120 kg/ha to 80 kg/ha and the crop is also benefiting from the mechanised application of herbicide and fertiliser. These strategies aim to increase the yield from 1.5 t/ha to 5.0 t/ha over the next three years. The first rice harvest will commence shortly and is expected to be finalised in January.

### **Other agricultural and community impacts**

Previously unutilised land has been planted to forage crops, attracting significant local interest. These crops will be consumed by newly purchased cattle via a

cut and carry system. An additional area has now also been planted to legumes, similar to those planted on RFM's Queensland cattle properties, to increase carrying capacity and weight gain.

Other agricultural operational improvements are planned to benefit existing banana and mango production.

RFM's management team receive a monthly report outlining project developments and budget reporting enabling RFM to maintain an ongoing and active involvement in the project. By providing education, mentoring, expertise and funding, it is hoped that RFM can provide sustainable economic and social benefits to the community. Opportunities are now arising for locals to provide services, such as laser levelling, to the farm.

Although the structure and funding of this project is designed specifically for the Taken village, RFM hopes that the lessons of this project can also be applied to other communities.

RFM looks forward to providing ongoing updates to our investors on the key achievements of this exciting project.



*Local farmers meeting with RFM.*

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*Gulf muster, Mutton Hole, Qld, July 2019.*



Management team, December 2018.

## About Rural Funds Management

Rural Funds Management Limited (RFM) is one of the oldest and most experienced agricultural fund managers in Australia.

Established in 1997, RFM manages approximately \$1.2b of agricultural assets (as at June 2019). This includes \$972m of assets in six investment funds for which RFM is the responsible entity. Assets are located across New South Wales, Queensland, South Australia and Victoria.

RFM's largest fund under management, the Rural Funds Group (RFF), is an ASX-listed real estate investment trust. RFF owns a \$946m portfolio of diversified agricultural assets including almond and macadamia orchards, commercial-scale poultry farms, premium vineyards, water entitlements, cattle and cotton assets, all of which are leased to quality tenants.

RFM has a 22-year history and operates from a head office in Canberra, and offices in Sydney, regional New South Wales and Queensland. The company employs more than 140 staff in fund and asset management activities.

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## To make an investment

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## Provide us with your email address

We use email to communicate with our investors. Every month we provide an email only update for investors. Please take the time to contact our Investor Services team at [investorservices@ruralfunds.com.au](mailto:investorservices@ruralfunds.com.au) and provide your email address so that you don't miss out on any additional information.

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