

Rural Funds Group

ASX:
RFF



Asia Investor Roadshow

May 2017

Managed by:



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1. The manager
2. Portfolio and performance
3. Strategy
4. Portfolio updates and conclusion
5. Appendices

RFM presenter



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The manager

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Baled raw cotton on 'Lynora Downs' Queensland, ready for delivery to Qld Cotton for ginning, March 2017

Rural Funds Management

RFM is a fund and farm manager with 20 years experience in Australian agriculture

Key information

Established	1997
Assets under management	\$608m
Ownership	Directors & staff
Assets under management (by fund)	Rural Funds Group: \$552m RFM Poultry: \$8m Almond Funds 06-08: \$38m 2007 Macgrove Project: \$10m
Farm & operations staff	50
Funds management staff	35
RFM direct operational experience	Cotton: since 1998 Vineyards: since 2000 Poultry: since 2003 Almonds: since 2006 Livestock: since 2010 Macadamias: since 2006
Management team tenure	12+yrs (avg.)
RFF fee structure	1.05% p.a. adjusted gross assets ¹ & cost recovery
RFF key responsibilities	<ul style="list-style-type: none"> Identifying investment opportunities capable of meeting RFF's investment criteria and strategy Executing acquisitions, identifying new lessees and managing asset developments. Ongoing asset and lessee management Monitoring and management for compliance to environmental and other regulatory requirements Managing project capex and developments Water asset management including obtaining approvals, engagement with government

Board and management team contacts



Guy Paynter
Non-executive
Chairman



David Bryant
Managing
Director



Michael Carroll
Non-Executive
Director



Julian Widdup
Non-Executive
Director



Stuart Waight
Chief Operating
Officer



Andrea Lemmon
Executive Manager,
Funds Management



Daniel Yap
Financial Controller



James Powell
Investor Relations &
Distribution Manager

Farm management



Tim Sheridan
National Manager
- Cattle



Adriaan Shields
National Manager
- Poultry



Daryl Winter
National Manager
- Almonds



Matthew Mitchell
National Manager
- Cropping and Livestock

Note:

¹Adjusted gross assets incorporates most recent property valuations, inclusive of water entitlements held at fair value.

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Portfolio and performance

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Rural Funds Group (RFF)

RFF is an ASX-listed REIT which owns a diversified portfolio of high quality Australian agricultural assets

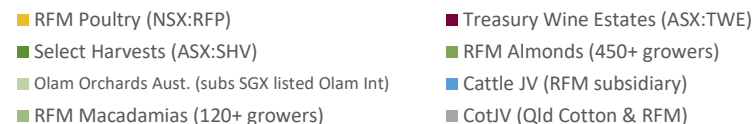
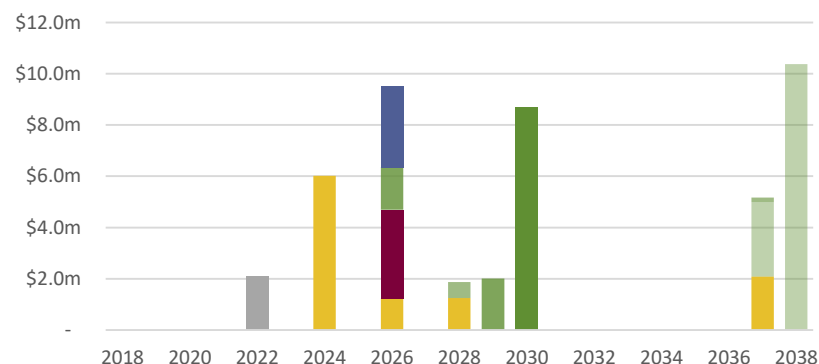
Key information as 31 December 2016

Adjusted total assets ¹	\$552.4m
Adjusted net assets ¹	\$311.2m
Adjusted NAV per unit ¹	\$1.50
Market capitalisation (\$1.745 per unit)	\$361.8m
Number of properties	35
Property locations	Qld, NSW, Vic, SA
Number of agricultural sectors	6
Weighted average lease expiry (WALE) ²	13.1 years
Gearing ³	40.1%
Distribution payment frequency	Quarterly

Forecasts

FY17 AFFO per unit	12.42 cents
FY17 Distributions per unit	9.64 cents
FY17 Payout ratio	78%
FY17 Tax deferred component of distributions	>50%
Forecast income yield ⁴	5.8%
FY18 distribution growth rate	4%

Weighted average lease expiry (WALE) profile²



Notes:

¹ Adjusted assets incorporates most recent property valuations, inclusive of water entitlements

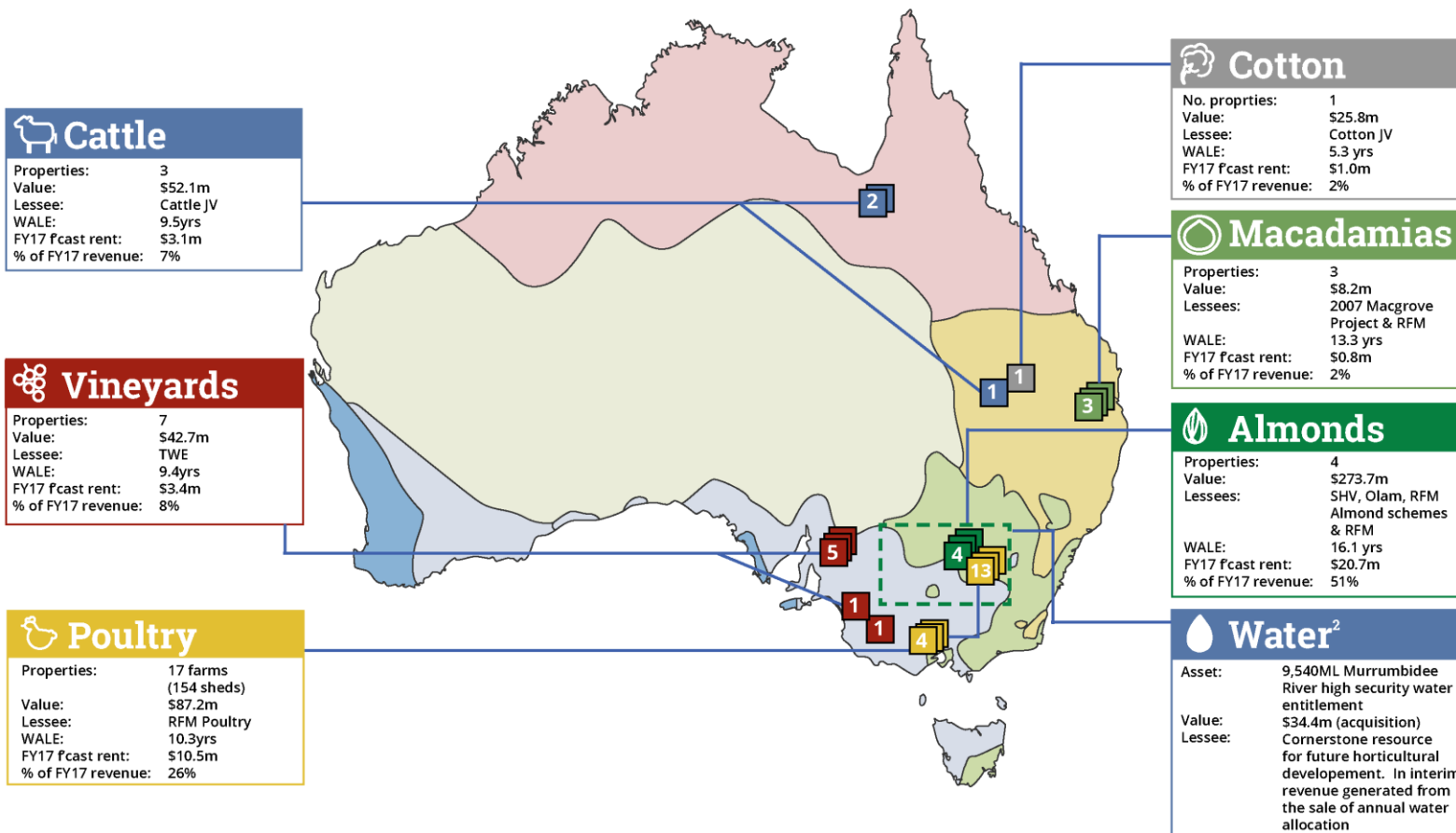
² Lease expiries weighted by forecast FY17 rental income, expressed in years from 31 December 2016

³ Gearing calculated as external borrowings/adjusted total assets

⁴ Calculated forecast FY18 distribution of 10.0 cpu divided by 5 May 2017 closing price of \$1.73

Portfolio snapshot¹

A growing, diversified portfolio of assets and lessees



Notes:

¹ Shaded areas denote different climatic zones. Source: Bureau of Meteorology (BOM). Valuations at 31 December 2016 include water entitlements held at fair value, independent valuations for almonds, cattle and cotton, poultry farms use directors valuation consistent with management's approach to depreciate assets. FY17 forecast rent includes cattle properties settled July-August 2016 and the Lynora Downs cotton property settled December 2016. Valuations at 31 December 2016 include water entitlements held at fair value. Macadamia's valued at \$8.4m, FY17 forecast rent \$0.8m. Independent valuations for almonds, cattle and cotton. Poultry farms use directors valuation consistent with managements approach to depreciate assets

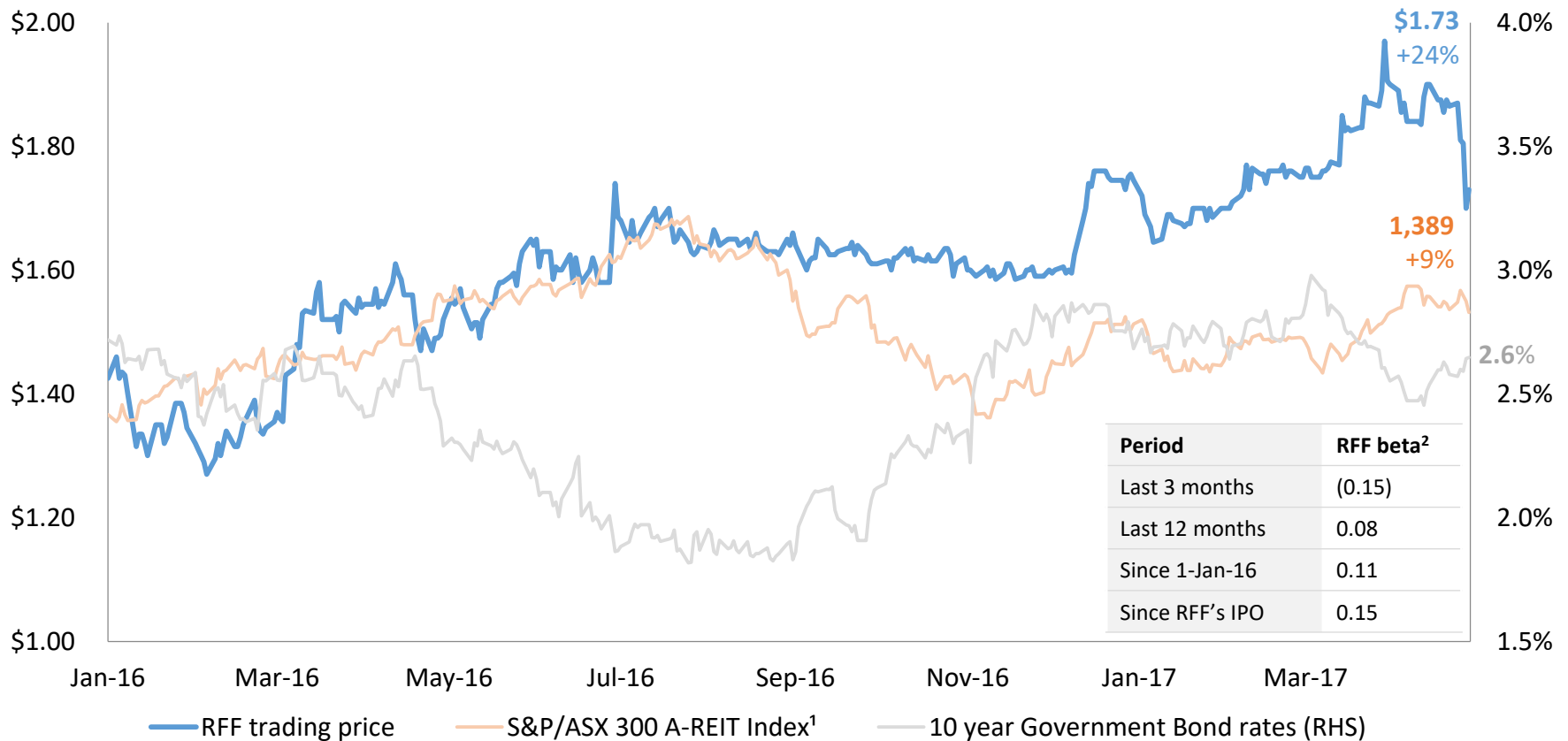
² An additional 99,565 ML of water is owned and leased by RFF and is reflected in the respective asset valuation, predominantly almonds.

RFF trading performance

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 Rural Funds Management

RFF's trading price remained resilient through rises in interest rates in late 2016, and has outperformed the S&P/ASX A-REIT Index by 14% since the beginning of January 2016

RFF trading price vs. S&P/ASX 300 A-REIT Index and 10 year Government Bond rates



Source: IRESS as at 5 May 2017

Notes:

¹ S&P/ASX 300 A-REIT Index rebased to RFF's close price of \$1.40 on 31 December 2015

² RFF beta relative to the S&P/ASX 300 A-REIT Index

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Strategy

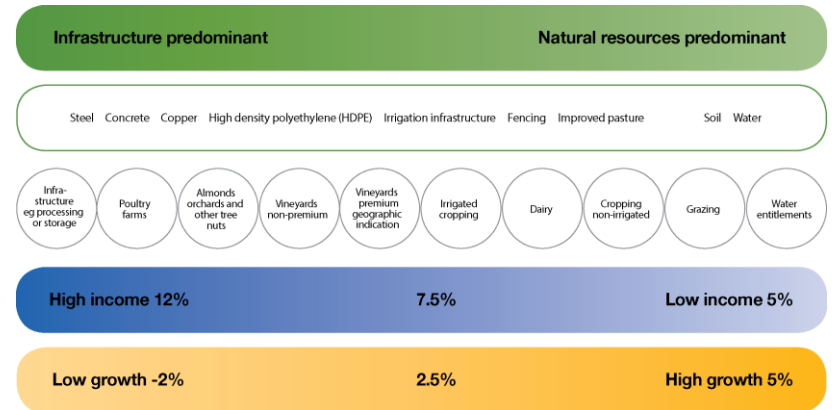
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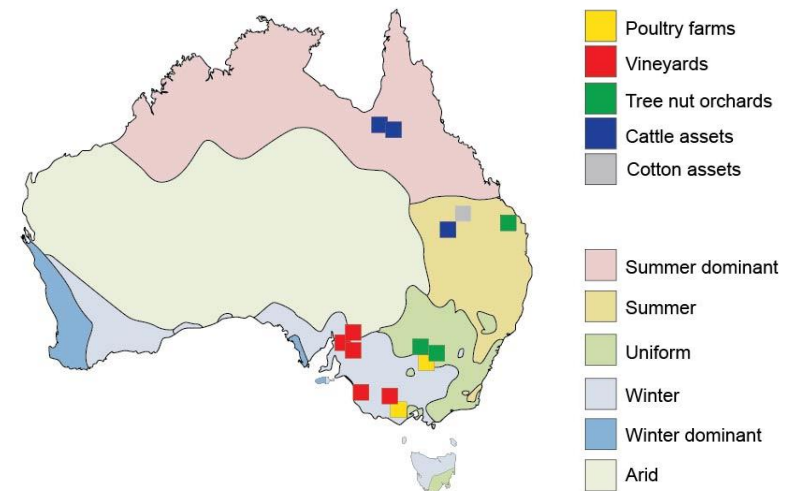
Diligent management of existing assets and examination of growth opportunities

- RFM will continue to execute on strategy:
 - focusing on existing portfolio; and
 - expanding scale through selective acquisitions
- The purpose of this strategy is to:
 - increase earnings and distribution growth;
 - enhance diversification;
 - improve liquidity and maximise returns to unitholders; and
 - lower operating costs per unit
- RFM has outlined a number of principles which underpin our approach to the assessment of new investments (see appendices for further details):
 - Agricultural REIT structure
 - Manage good assets with good people
 - Sector diversification
 - Climatic diversification
 - Productivity capex opportunities
 - Sectors where RFM has operational knowledge

Sector diversification



Climate diversification



Diversification

RFM will continue to assess acquisition opportunities which improve diversification and scale

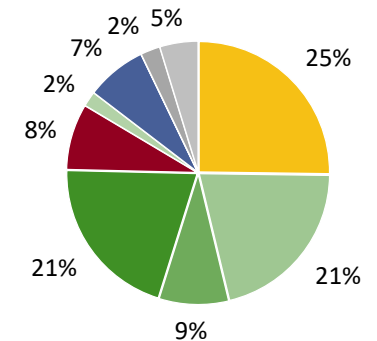
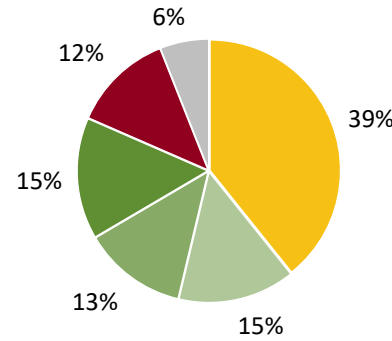
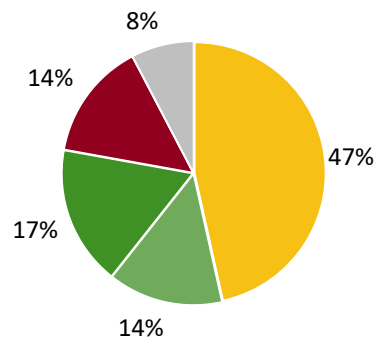
FY15: revenue \$22.3m²

FY16: revenue \$26.6m²

FY17f: revenue \$41.7m²

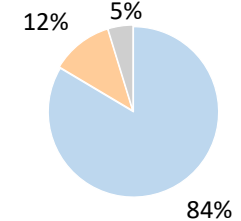
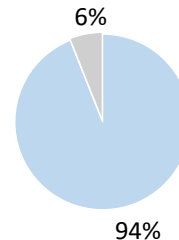
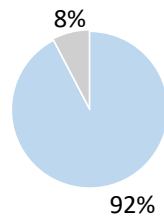
Lessees:

- RFM Poultry (NSX: RFP)
- Olam Orchards Australia
- RFM Almonds
- Select Harvests (ASX: SHV)
- Treasury Wine Estates (ASX: TWE)
- RFM Macadamias
- Cattle JV
- Cotton JV
- Other



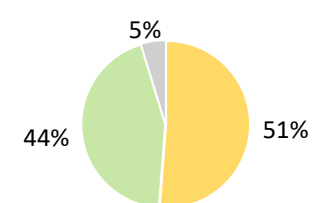
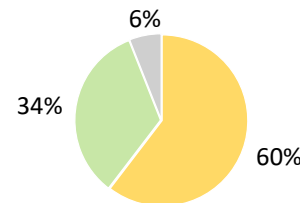
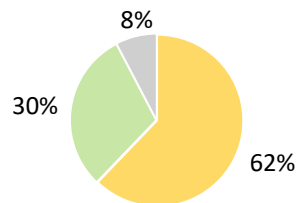
Climatic zone:

- Southern
- Northern
- Other



Sector type¹:

- Infrastructure predominant
- Natural resource predominant
- Other

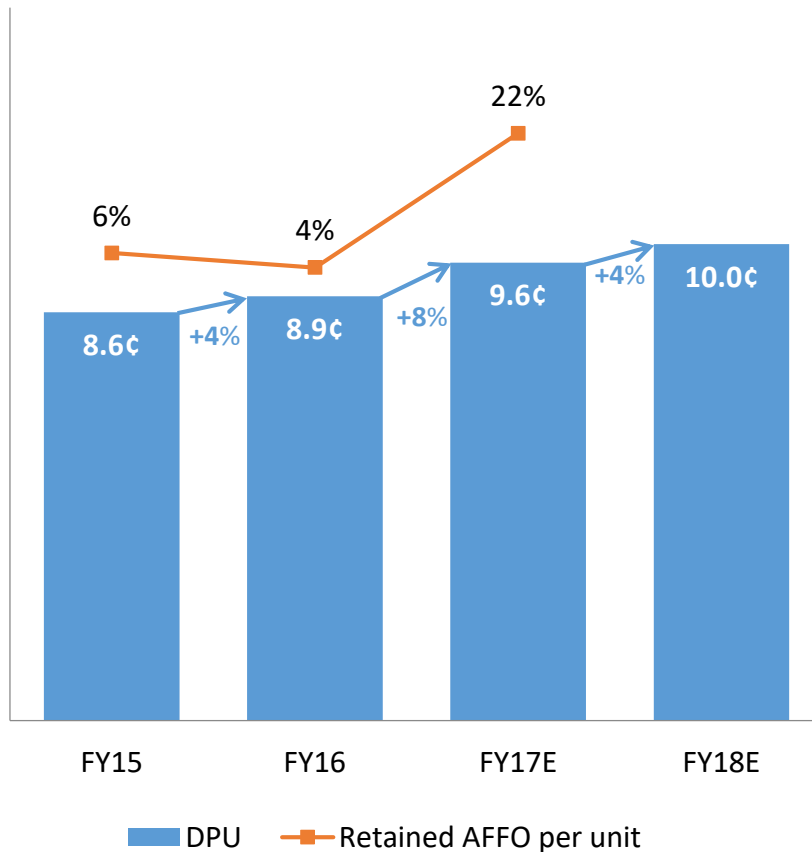


Notes:
¹ Assumes poultry is infrastructure predominant, vineyards and cattle natural resource predominant and almond / macadamia orchards split equally
² Revenue shown inclusive of other income

Distribution growth target

RFF's conservative AFFO payout ratio supports investment into growth assets, which are natural resource predominant, whilst maintaining the DPU growth target of 4% per annum

DPU and AFFO payout ratio



- Distribution growth of 4% per annum is supported by :
 - Structured rent indexation
 - Conservative AFFO payout ratio providing capacity for development and productivity capex spend, which is expected to assist asset values and future income growth through market rent reviews

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Portfolio updates and conclusion

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Mooral almond orchard, Hillston, Dec 2016

Development and other capex

Development and other capex attracts additional lease income¹

Development and capex timetable⁶

			1H17	2H17	FY18	FY19	FY20	Total (\$m)
 Almonds: Kerarbury	Development	2,500 ha orchard ²	\$23.7	\$18.4	\$31.1	\$13.7	\$26.9	\$113.8
 Almonds: Tocabil	Development	600 ha orchard ³	\$2.2	\$5.1	\$3.4	\$0.7	-	\$11.4
 Almonds: Yilgah & Moorabool	Capex	Water infrastructure, other	\$1.2	\$0.7	\$0.3	-	-	\$2.2
 Cattle	Capex	Water infrastructure, pasture improvements ⁴	\$0.7	\$0.3	\$0.5	-	-	\$1.5
 Cotton	Capex	Water infrastructure, field development ⁴	-	\$2.7	\$3.2	-	-	\$5.8
 Vineyards	Capex	Grafting ⁵	\$0.1	\$0.3	\$1.3	\$0.1	-	\$1.9
 Macadamias	Capex	Water infrastructure, machinery	\$0.2	\$0.8	\$0.3	-	-	\$1.3
Total (\$m)			\$28.2	\$25.8	\$40.0	\$14.5	\$26.9	\$137.6

Notes:

¹ Development and capex activities are undertaken by lessees. Capital deployed accrues rent

² Capital expenditure of \$80.6m to 31 December 2016, 1,218 ha planted and 21,093 HSEML water acquired (6,907 HSEML required in staged acquisitions by 30 Sept 2020)

³ Capital expenditure of \$24.4m to 31 December 2016, plantings complete (CY16) and 5,717 HSEML water acquired (1,483 HSEML forecast to be acquired by 30 June 2017).

Remaining capital expenditure to be deployed for further irrigation infrastructure, and planned initial maintenance costs

⁴ Capital expenditure for productivity improvements attracts additional rent, and aims to increase property values and improve counterpart profitability

⁵ Grafting and redevelopment program agreed with TWE

⁶ Development and capex timetable as of 31 December 2016

Almond developments

Tocabil and Kerarbury almond developments progressing, contributing to NAV and AFFO growth

2015 Tocabil plantings



600 ha planting complete CY16 (planted in two stages). Tree development is exceeding expectations. Image taken Dec 2016



Water storage and pump station. Remaining capex will be applied to further irrigation infrastructure, water entitlements and planned initial maintenance costs. Image taken Dec 2016

2016 Kerarbury plantings



1,218 ha of almond trees planted CY16. Approx. a further 1,282 ha forecast to be planted CY17. Image taken Dec 2016



First pumping station for Kerarbury. Pumps can deliver 2,400 litres per second to the orchard. Image taken Dec 2016

Cattle capex

RFF is funding capex with the aim of improving asset values and performance

- Capex (forecast \$1.5m) is being deployed for watering infrastructure and pasture improvements (Fig 1). Designed to improve productivity of the properties as measured by carrying capacity (stocking rate), weight gain and calving rates. See page 25 for details
- RFM's observation of productivity to date is that it will exceed initial assumptions (Fig 2), specifically:
 - Gulf properties (Mutton Hole & Oakland):
 - calving rate and weaning weight are expected in CY17 to exceed Scenario 1 assumptions (to be confirmed in April-June muster); and
 - carrying 13,700 head of breeders
 - Central Qld (Rewan):
 - daily weight gain higher than Scenario 1 assumptions; and
 - carrying capacity approx. 15% higher
- The Eastern Young Cattle Indicator (EYCI) is at slightly higher levels compared to July 2016 of \$3.22/kg lwt

Fig 1: Cattle property capex

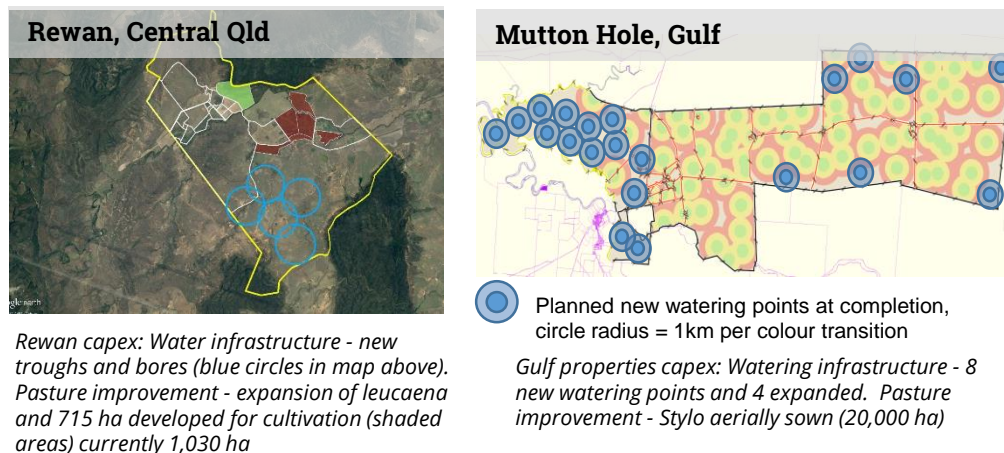


Fig 2: Initial forecast cost of production¹

Breeder assumptions: Gulf properties (Mutton Hole & Oakland)	Scenario 1	Scenario 2
Calving rate (% p.a.)	55.0%	62.5%
Weaning weight (kg/hd)	175	175
Breeders (total hd)	12,000	12,000
Backgrounding assumptions: Central Qld (Rewan)		
Weight gain (kg/day)	0.6	0.7
Stocking rate (total hd)	8,500	8,500
Consolidated cost of production		
Total kg produced	3,016,500	3,484,250
Cost of production (\$/kg lwt)	\$2.04	\$1.77

Note:

¹ RFM disclosed the forecast cost of production for the lessee (CJV) on 5 July 2016. Scenario 1 reflects initial expectations and Scenario 2 following productivity capex

Other capex and investment

RFF is funding capex with the aim of improving asset values and performance

- Cotton property - Stage 1 development (forecast capex \$5.8m):
 - increase the water storage capacity and expand the area for irrigated cotton to improve the property's production capacity and reliability
 - Construction of water storage well progressed with development of expanded irrigated cotton area to follow (next planting window commences August 17)
- Vineyards (forecast capex \$1.9m):
 - grafting of 70 ha to Cabernet Sauvignon and Shiraz at lessee's request
- Macadamia orchards (forecast capex \$1.3m):
 - automation of irrigation infrastructure to seek yield improvements and necessary upgrades to processing infrastructure
- Perth Markets Ltd securities (PML):
 - PML have been divested given the absence of opportunities to materially increase the size of this investment
 - Acquired for \$5,275,000 (\$1 per security) in February 2016 and realised at \$1.147 per security in March 2017. RFF also received distributions totalling \$322,863 during the period held. Proceeds were used to reduce debt

Lynora Downs (cotton property)



The irrigated cropping area will be expanded from 780 ha to 1,420 ha. Additional water storage will be developed (from 10,400 ML to 14,650 ML capacity) to enable the full utilisation of water entitlements. Left: Existing siphon irrigation (Jan 17). Right: Scrapers prepare dryland cropping area for new irrigated fields (Feb 17)

Swan Ridge (macadamia orchard)



Automation of irrigation infrastructure consistent with the approach to water and nutrient application on RFF almond orchards, aiming to lift yields and reduce costs

Conclusion

- RFF is an agricultural REIT designed to generate stable rental income and capital growth from a portfolio of quality agricultural assets
- DPU growth target of 4% per annum, supported by a low AFFO payout ratio (forecast 78% FY17) and structured rental indexation mechanisms
- Source of diversification: drivers of rural asset values differ to commercial real estate
- Significant expansion potential due to a low level of institutional ownership of agricultural assets when compared to traditional property sectors
- Strategy to actively increase asset values and in time, rental income, through productivity improvements
- Experienced and focused management team

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Appendices

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HY17 results summary

Acquisitions, developments and rent indexation have improved key metrics

Metrics as at 31 December 2016

Income	Net profit before income tax	17,533,000
	Total comprehensive income	19,814,000
	Adjusted funds from operations (AFFO)	12,634,000
	AFFO per unit ¹	6.29 cents
	Earnings per unit	8.55 cents
Portfolio	Net asset value (NAV)	277,279,000
	Adjusted NAV ²	311,200,000
	NAV per unit	1.34
	Adjusted NAV per unit	1.50
Balance sheet	Total assets	518,445,000
	Adjusted total assets	552,366,000
	External borrowings	221,549,000
	Gearing ³	40.1%
Debt Facility	Term debt facility	\$250.0m
	Term debt drawn	\$218.5m
	Facility expiry	December 2019
	Portion hedged	40.3%
	Weighted average hedge expiry	March 2022
	Effective cost of total debt	4.16%
Distributions	Total distributions	9,984,000
	CPU per distribution per quarter	2.41 cents
	Total distributions per unit	4.82 cents
	Payout ratio	76%

- Total comprehensive income \$19.8m up from \$4.9m (at 31 Dec 15) primarily due to:
 - revenue increase primarily as a result of acquisitions, planned capital expenditure and rent indexation
 - equity accounted investments, fair value of derivatives and property revaluations
- AFFO \$12.6m (pre-tax) and AFFO per unit 6.29 cents in line with previous forecast
- Adjusted total assets \$552.4m up from \$407.5m (at 30 June 2016) primarily due to:
 - planned capital expenditure;
 - new acquisitions; and
 - unrealised gain on Kerarbury property following 31 Dec 16 independent valuation
- Gearing of 40.1% following HY17 acquisitions
- \$20m hedge entered into January 2017, commencing July 2017
- \$50m existing interest rate hedges expire March 2017, replaced with \$50m new hedges at lower rates
- Increase in distributions of 8% from FY16 as per forecast
- HY17 financial results presentation released on the ASX on 21 February 2017

Notes:











¹ AFFO is pre-tax and excludes fair value adjustments, depreciation and impairment to represent RFF's property rental business

² Adjusted assets incorporates most recent property valuations, inclusive of water entitlements

³ Gearing calculated as external borrowings / adjusted total assets

Key assets and counterparts






Counterparts include ASX listed agricultural companies and major food processors

	 Almond orchards	 Poultry farms	 Vineyards	 Cattle Assets	 Cotton Assets
					
Brief description:	1,814 ha mature almond orchards and 3,100 ha of orchards under development ¹	154 sheds on 17 farms	666 ha mature vineyards on seven properties	Three cattle properties and breeding herd	4,880 ha cropping property
Water:²	78,640 ML HSE: 65,974 ML	1,432 ML HSE: 915 ML	936 ML HSE: 936 ML	70 ML HSE: 70 ML	18,487 ML HSE: 12,085 ML
Key lessees/ counterparts:	<p>Olam Orchards Australia Pty Ltd</p> <ul style="list-style-type: none"> - Wholly owned subsidiary of SGX-listed Olam International Ltd, A\$5.1b, 2nd largest global almond grower <p>Select Harvests (ASX:SHV)</p> <ul style="list-style-type: none"> - Australia's largest vertically integrated nut and health food company <p>RFM & RFM Almond Funds</p>	<p>RFM Poultry (NSX: RFP)</p> <ul style="list-style-type: none"> - RFP has grower contracts with Baiada Poultry Pty Ltd and Turi Foods Pty Ltd <p>Baiada Poultry Pty Ltd³</p> <ul style="list-style-type: none"> - One of two largest processors in Australia. Key brands: Steggles, Lilydale <p>Turi Foods Pty Ltd³</p> <ul style="list-style-type: none"> - Largest processor in Victoria, third in Australia 	<p>Treasury Wine Estates (ASX:TWE)</p> <ul style="list-style-type: none"> - World's largest listed pure-play wine company, A\$6.8b - Key brands: Penfolds, Wolf Blass, Seppelt 	<p>Cattle JV Pty Ltd</p> <ul style="list-style-type: none"> - Wholly owned subsidiary of RFM (step-in obligation in the event of lessee default) - RFM's internal cattle expertise (7 yrs) enhanced by external consultants 	<p>Cotton JV Pty Ltd</p> <ul style="list-style-type: none"> - 50:50 joint venture between Queensland Cotton and RFM - Queensland Cotton is a wholly owned subsidiary of the Olam Group, one the world's largest cotton companies - RFM has been farming cotton for approx. 20 yrs

Notes:
¹ In addition to almond orchards, RFF owns 259ha of macadamia orchards located at Bundaberg, Queensland
² HSE = high security equivalent water entitlements, calculated by applying RFM's assessment of the average annual allocation received based on historical data. Other key water assets include a 9,549 ML Murrumbidgee high security water entitlement, see ASX disclosure 10 Oct 2016
³ Lessee RFM Poultry (NSX: RFP), has grower contracts with Baiada Poultry Pty Ltd and Turi Foods Pty Ltd

Key assets and leases further details

Property leases are largely triple net in nature

	 Almond orchards	 Poultry farms	 Vineyards	 Cattle assets	 Cotton assets
Description:	<p>1,814 ha across two mature almond orchards located near Hillston, NSW. Leased to SHV (1,221 ha), RFM Almond Funds (551 ha) and RFM (42 ha).</p> <p>3,100 ha of orchards under development in two locations; Hillston & Darlington Point, NSW. Developed and leased by Olam Orchards Australia Pty Ltd.¹</p>	<p>154 sheds on 17 farms consisting of 134 sheds on 13 farms in Griffith, NSW, and 20 sheds on 4 farms in Lethbridge, VIC. Aged between 8 and 32 years.</p> <p>Griffith assets located within a 8km radius of the processing facility and contribute ~50% throughput.</p> <p>RFM has managed growing operations since 2003.</p>	<p>Seven vineyards with 666 ha planted to vines leased to TWE. Principally located in the Barossa Valley (499 ha planted primarily to Shiraz) as well as Adelaide Hills, Coonawarra and Grampians.</p> <p>Vineyards have historically contributed essential quantities of Icon, A and B grade fruit for key premium labels.</p>	<p>Three cattle properties forming an integrated breeding to finishing system. Two breeding properties located in the Gulf of Carpentaria, Qld (225,800 ha) and breeding herd. High value backgrounding and finishing property (17,500 ha) located in central Qld.</p>	<p>4,880 ha cropping property located at the northern end of the Arcadia Valley in central Queensland, approximately 130 radial km from Olam cotton gins in Emerald and Moura.</p>
Capital commitments:	<ul style="list-style-type: none"> – R&M on account of lessee – Development and replacement capital items on account of lessor subject to additional lease income 	<ul style="list-style-type: none"> – R&M and ongoing capital expenditure on account of lessee 	<ul style="list-style-type: none"> – R&M on account of lessee – Development and replacement capital items on account of lessor subject to additional lease income and rent review 	<ul style="list-style-type: none"> – R&M (inc herd maintenance) on account of lessee – Capital expenditure on account of lessor subject to additional lease income 	<ul style="list-style-type: none"> – R&M on account of lessee – Capital expenditure on account of lessor subject to additional lease income
Indexation / market review:	RFM & SHV: 2.5% p.a. & SHV 3 yearly market review. Olam: CPI	65% of CPI capped at 2%	2.5% p.a. and market review on 1 July 2017	CPI + EYCI based indexation & market review at yr 5 (property)	CPI
Payment freq:	Quarterly in advance ²	Quarterly in advance	Quarterly in advance	Quarterly in advance	Quarterly in advance
Valuer:	CBRE Valuations Colliers International (Tocabil only)	Opteon Property Group	Gaetjens Pickett Valuers	CBRE Valuations (Central Qld) Herron Todd White (Gulf)	CBRE Valuations
Valuation methodology:	Primary: Encumbered Secondary: DCF grower cash flows & comparative sales	Primary: Encumbered Secondary: Multiple direct farm profit & comparative sales	Primary: Encumbered Secondary: Comparative sales	Primary: Encumbered Secondary: Comparative sales	Primary: Encumbered Secondary: Comparative sales

Notes:

¹ In addition to almond orchards, RFF owns 259ha of macadamia orchards located at Bundaberg, Queensland

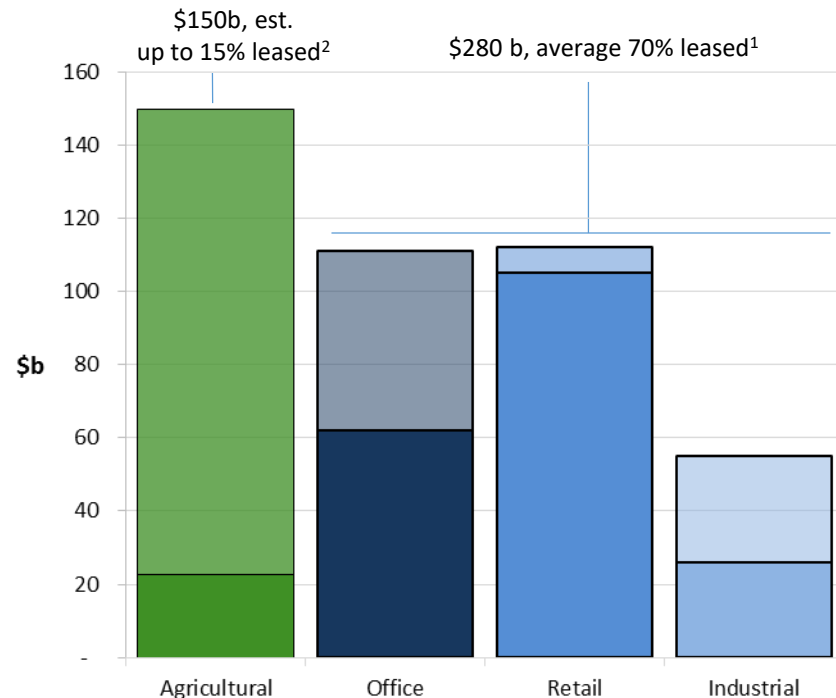
² Excludes AF06 which pays annually in October

Agricultural REIT structure

RFF's REIT model benefits from trends supporting agriculture and has significant expansion potential in Australia

- Macro economic trends supporting agriculture:
 - Population growth: world's population expected to increase 35% from 7 billion to 9.3 billion in 2050;
 - Emerging Asian middle class: rising wealth and incomes leading to increased calorie consumption / higher protein diets
 - Constrained global supply of agricultural land and water
- Agricultural property leasing observations:
 - Provides exposure to the income and capital growth (e.g. long term Australian agricultural land values 4.8% CAGR³) without the agricultural operating risks associated with a direct investment
 - Provides agricultural operators greater balance sheet flexibility
 - The sector in Australia is underserved, e.g. US and parts of Europe approx. 40% of agricultural property is leased⁴
 - A greater potential to expand than traditional property sectors

Australian property sectors estimates¹



Notes:

¹ The heavily shaded area denotes proportion of institutional ownership. Source: Higgins, Dr D.M. (2013) 'Australian Commercial Property Investment Market: Styles, Performance and Funding', RMIT University.

² RFM estimates the value of investment grade agricultural properties in Australia to be \$150b, based on available data (see RFM Newsletter April 2014). Data on the level of institutional ownership and leasing is difficult to obtain. RFM has previously estimated this level to be within 5 to 15%. Other studies include: BDO, (2015) 'An analysis: Australian Superannuation Fund Investment in Agriculture' and RIRDC (2011), Foreign investment and Australian agriculture

³ Australian agricultural land values: 1978 to 2014

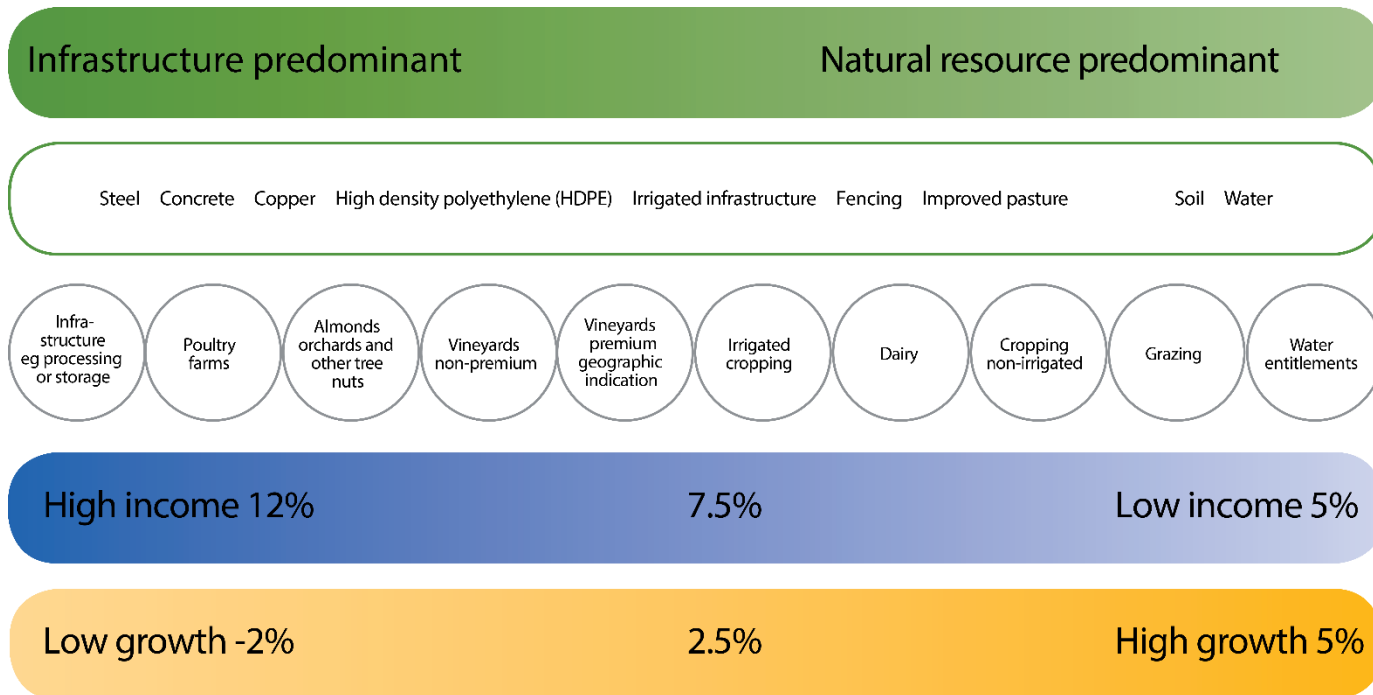
Source: ABARES - Agricultural land growth comprises growth in the value of cattle and sheep grazing properties and cropping land. Re-based to 100

⁴ Stead, David. (2004) 'Agricultural Tenures and Tithes' & USDA Agricultural Resources and Environmental Indicators (2003)

Sector diversification

Acquiring natural resource predominant assets complements existing infrastructure predominant assets and aims to grow NAV, FFO and DPU over medium to long term

Spectrum of investment opportunities¹



Note:

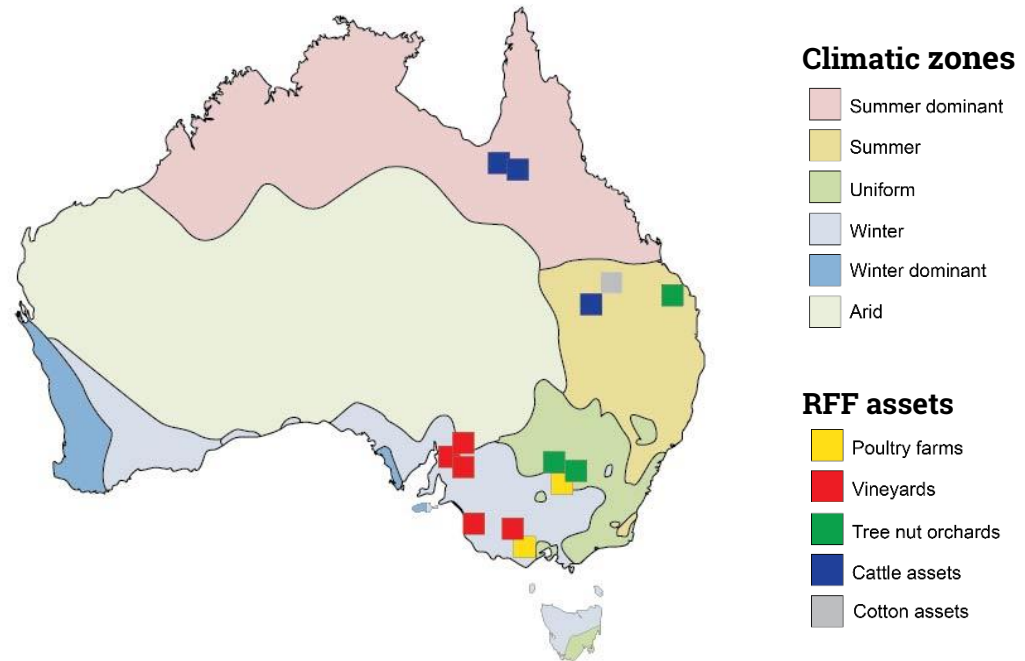
¹ The income and growth figures presented in the figure above have been provided to differentiate the profile of income and growth that can be derived from different assets. They are based on RFM's experience and observations of agricultural lease transactions and historical rates of growth. They are neither forecasts nor projections of future returns. Past performance is not a guide to future performance. See RFM Newsletters dated April 2014 and May 2016 for further information

Climate diversification strategy

Geographic diversification reduces lessee concentration in any one climatic zone and introduces new commodities and counterparts

- The benefits of climatically diversifying RFF's portfolio include¹:
 - Moderating the likelihood of multiple lessees experiencing wetter or drier conditions at the same time;
 - The introduction of new commodities with different production cycles and commodity prices;
 - Reduced exposure to the effects of large scale climatic systems (e.g. El Niño); and
 - Moderation of the long-term exposure to possible climate change impacts

Climatic zones and RFF assets²



Notes:

¹ RFM (2016), RFF Climatic Diversification discussion paper, see ASX announcements 9 and 20 June 2016

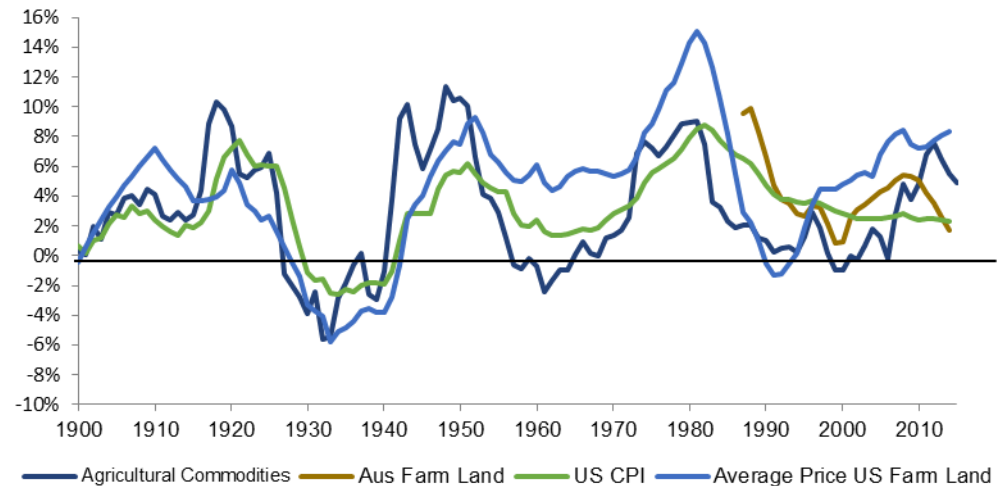
² Source: Australian Bureau of Meteorology. Based on median annual rainfall and seasonal incidence determined from the ratio of the median rainfall November to April and May to October over 100 year period from 1900-1999. RFF property locations are approximate

Productivity capex

Productivity capex aims to increase farm values, lease income and counterpart profitability

- Gains in farming productivity (e.g. via technology or science) have historically supported capital growth in farm values through increased operator profitability
- The objective of RFF's budgeted productivity capex is to:
 - increase farm values
 - increase AFFO through market rent reviews
 - improve counterpart profitability
- For example, RFM aims to increase the productivity (carrying capacity, daily weight gain and calving rates) on cattle properties through:
 - expanding existing legume plantings (see pictures right)^{2,3}
 - increasing existing watering points

125 yrs of agricultural returns (10yr moving avg of % price change)¹



Productivity capex examples



Legumes such as leucaena (above left) and stylo (above right) can provide substantial productivity gains^{2,3}

Notes:

¹ Source: Rural Funds Management, Data sources: US Census Bureau and R.J. Schiller. See RFM Newsletter dated May & November 2015 for further information

² MLA (October 2015) Bannockburn PDS report: The economic performance of beef cattle finishing systems used on the North-Eastern Downs

³ MLA (November 2011) Analysis of the potential to manipulate the rumen of northern beef cattle to improve performance

Corporate information



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