

## Financial results presentation

**Half year ended 31 December 2017**

21 February 2018

Managed by:



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1. Financial results
2. Capital management
3. Portfolio update
4. Acquisition strategy and outlook
5. Appendices
  - Glossary and table of abbreviations
  - Financial statements

## RFM attendees



**David Bryant**  
*Managing Director*



**Stuart Waight**  
*Chief Operating Officer*



**Daniel Yap**  
*Financial Controller*



**James Powell**  
*Investor Relations &  
Distribution Manager*



# 1

# Financial results

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*Natal, northern Queensland, October 2017*

# Half yearly financial results FY18

## Income and earnings metrics

	6mths ended 31 Dec 2017	6mths ended 31 Dec 2016
Property revenue	24,141,000	19,642,000
Total comprehensive income (TCI)	16,749,000	19,814,000
Earnings per unit (EPU) <sup>1</sup>	6.58 cents	8.55 cents
Adjusted funds from operations (AFFO)	15,406,000	12,634,000
AFFO per unit	6.0 cents	6.3 cents

## Distributions and forecasts

	6mths ended 31 Dec 2017	6mths ended 31 Dec 2016
Total distributions per unit	5.02 cents	4.82 cents
AFFO payout ratio	84%	77%
	FY18	FY17
AFFO per unit forecast	12.7 cents	12.4 cents
AFFO payout ratio forecast	79%	78%
DPU forecast	10.03 cents	9.64 cents

- Property revenue 23% higher due to rent on development capital expenditure, rent from new acquisitions and lease indexation
- TCI and EPU lower mainly due to non-cash changes in the fair value of derivatives
- AFFO per unit lower in HY18 following the issue of new units as part of a \$78.6m Entitlement Offer. Funds raised reduced debt, creating balance sheet capacity to fund the Natal acquisition<sup>2</sup>
- AFFO per unit is forecast to be higher in the second half of FY18 due to revenue from Natal acquisition<sup>2</sup> (commenced 8 Dec 2017) and Murrumbidgee HS water allocation sales (predominantly Jan/Feb 2018)
- FY18 AFFO and DPU forecasts reaffirmed
- Forecast FY19 DPU of 10.43 cents, consistent with 4% annual DPU growth target
- Refer to pages 20 to 24 for further information

### Notes:

1. Calculated TCI / weighted average units (see slide 20)
2. 'Natal acquisition' includes \$53m cattle property acquisition, \$10m loan to secure first-mortgage security over two additional properties. \$5m cattle financing facility remains undrawn

# Half yearly financial results FY18

## Balance sheet metrics

	As at 31 Dec 2017	As at 30 Jun 2017
Total assets	641,118,000	543,003,000
Adjustment for water at fair value	46,284,000	44,543,000
Adjusted total assets <sup>1</sup>	687,402,000	587,546,000
External borrowings	256,760,000	167,704,000
Gearing <sup>2</sup>	37.4%	28.5%
Net asset value (NAV)	362,794,000	357,678,000
NAV per unit	1.42	1.41
Adjusted NAV <sup>1</sup>	409,078,000	402,221,000
Adjusted NAV per unit <sup>1</sup>	1.60	1.58

- Increase in total assets predominantly due to Natal acquisition, almond capital expenditure and revaluations (see slide 7)
- Gearing of 37% remains within target range of 35% plus/minus 5%, with sufficient capacity for committed capital expenditure
- WALE of 12.5 yrs provides stability of income and long term structured rental growth via a mix of indexation mechanisms
- Refer to pages 20 to 24 for further information

## Key portfolio metrics

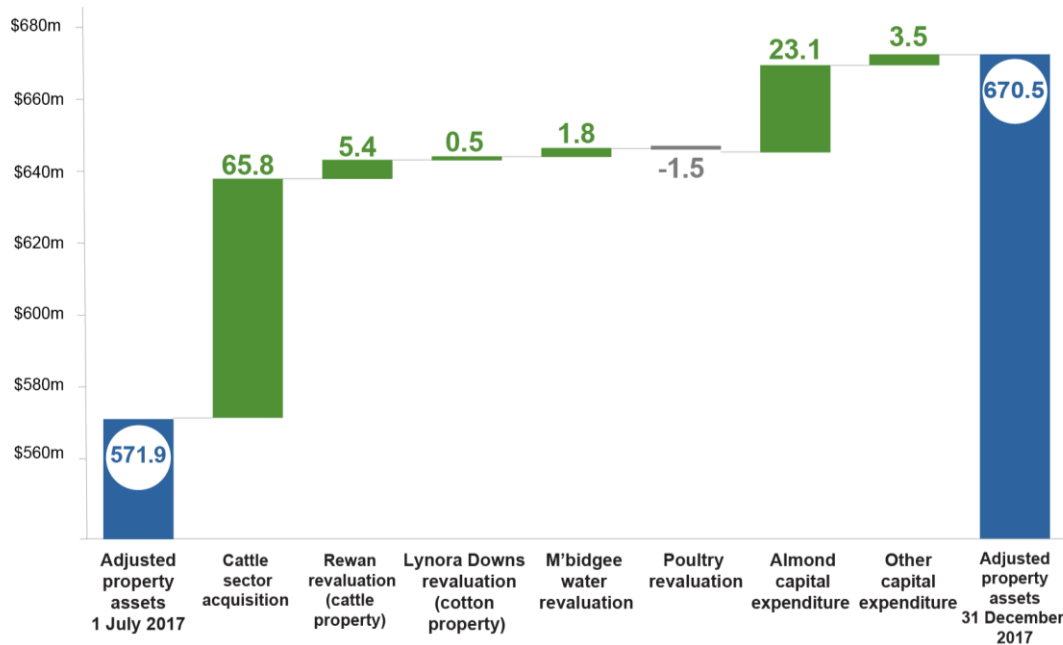
	As at 31 Dec 2017	As at 30 Jun 2017
Number of properties	38	35
Weighted average lease expiry (WALE)	12.5 yrs	13.2 yrs
CPI linked vs fixed indexation	58% / 39%	63% / 35%
Units on issue	255.0m	254.4m

### Notes:

1. Assets adjusted for the independent valuation of water entitlements which are recognised at the lower of cost or fair value on balance sheet
2. Gearing calculated as external borrowings / adjusted total assets

# Half yearly financial results FY18

## Adjusted property assets movements (\$m)<sup>1</sup>



- Cattle acquisition includes Natal transaction (\$63m) settled 8 Dec 2017 and Cattle JV breeder acquisitions (\$3m)
- Rewan valuation 17% higher than acquisition price plus deployed capital expenditure, primarily due to increased carrying capacity
- Lynora Downs valuation reflects increased irrigation area and infrastructure. Expansion of irrigation area ongoing (see slide 11)
- Murrumbidgee water valuation a result of increased price of entitlements traded on market
- Almond and other capital expenditure – see slide 11 for attribution

Note:

1. During the period independent valuations were sought for Rewan, Lynora Downs and Murrumbidgee water. Directors' valuation for poultry infrastructure (consistent with management's approach to reflect increasing average age of infrastructure). Valuation policy updated to allow for independent valuations at least every two years

# 2

## Capital management

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*New water storage on Natal, constructed as part of program to increase the number of stock water points. Natal, northern Queensland, January 2018*



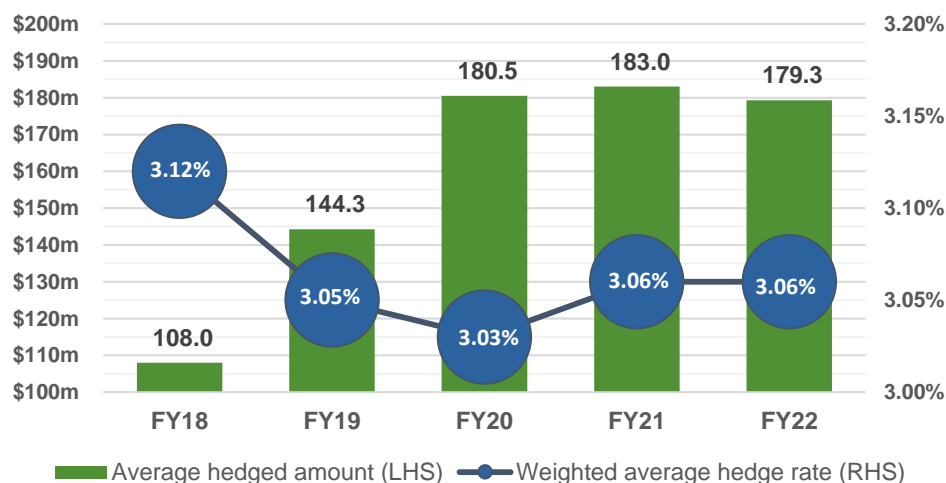
# Debt facility

## Debt metrics

		31 Dec 2017 (6 mths)	30 Jun 2017 (12 mths)
<b>Debt facility</b>	Term debt facility limit <sup>1,2</sup>	275.0m	250.0m
	Term debt drawn	253.5m	164.5m
	Headroom	21.5m	85.5m
	Debt facility expiry	19-Dec-19	19-Dec-19
	Total interest rate on drawn debt <sup>3</sup>	4.20%	4.08%
<b>Covenants</b>	Loan to Valuation Ratio (LVR) <sup>4</sup>	40.1%	29.0%
	Interest Cover Ratio (ICR) <sup>3</sup>	4.87x	5.29x
	Net Tangible Assets (NTA) <sup>1</sup>	409.1m	402.2m
<b>Hedging</b>	Total amount hedged <sup>5</sup>	108.0m	88.0m
	Proportion of debt hedged <sup>6</sup>	42.6%	53.5%
	Weighted average duration (yrs) <sup>7</sup>	7.8	7.6

- Debt facility increased to \$275m following Natal acquisition; a further \$50m remains approved for future acquisitions
- Debt facility within lending covenants (LVR, ICR, NTA)<sup>1</sup>
- Hedges entered into but not yet commenced will increase hedging proportion to within covenant by July 2018
- Additional interest rate hedges entered into during the period total \$30m (commencing Nov 2019, 10 yrs duration, 3.11% weighted fixed rate)

## 5 year hedged (fixed rate) position



### Notes:

1. Key financial covenants for FY18: LVR <50%, ICR >2.95x, with distribution permitted at >3.15x, NTA including water entitlements >\$200m, 50% hedging requirement
2. Security: Real property mortgages, general security agreement, cross guarantees between RFF and subsidiaries
3. 31 December 2017 effective cost of total debt and ICR are for 6 mth period
4. LVR calculated as term debt drawn/directly secured assets based on independent valuations
5. Current hedges only
6. Proportion hedged calculated as current hedges/term debt drawn, and may vary from covenant with bank consent
7. Duration remaining as at 31 December 2017 and includes forward start hedges

# 3

## Portfolio update

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*Almond trees, one year after planting at Kerarbury, Darlington Point, New South Wales, October 2017*

# Development and capital expenditure update

	1H18 (\$m)	2H18 (\$m)	FY19 (\$m)	FY20 (\$m)	Total (\$m)	Development update	Lease term remaining & indexation
<b>Kerarbury (almonds)</b>	20.2	9.1	19.4	18.3	67.0	2,500 ha land and irrigation development complete. 300 ha of trees to be planted 2018, remaining capital expenditure for establishment costs and water	20 yrs; CPI
<b>Tocabil (almonds)</b>	2.7	0.8	3.1	-	6.6	Remaining capital expenditure for infrastructure and water	19 yrs; CPI
<b>Yilgah &amp; Moorai (almonds)</b>	0.2	0.7	0.3	-	1.2	Irrigation	8-12 yrs; fixed (2.5%) + rent review (Select Harvests Ltd lease)
<b>Gulf properties &amp; Rewan (cattle)</b>	0.7	0.5	-	-	1.2	Additional 34 water points, 554 ha cultivation area and 190 ha improved pasture	8 yrs; CPI + rent review
<b>Natal aggregation (cattle)</b>		1.0	2.1	-	3.1	Additional 47 water points and fencing	10 yrs; fixed (2.5%) + rent review
<b>Lynora Downs (cotton)</b>	1.8	2.2	-	-	4.0	4,142 ML water storage cell completed, ongoing 400 ha expansion of irrigated cotton area	4 yrs; CPI
<b>Kleinig, Murphy and Mundy (vineyards)</b>	0.9	0.2	0.2	-	1.3	Grafting and redevelopment	8 yrs; fixed (2.5%) + rent review
<b>Moore Park, Bonmac (macadamias)</b>	0.1	0.3	-	-	0.4	Irrigation	10 yrs; CPI/fixed component + rent review (RFM lease)
<b>Total (\$m)</b>	<b>26.6</b>	<b>14.8</b>	<b>25.1</b>	<b>18.3</b>	<b>84.8</b>		

# Portfolio assets and lessees<sup>1,2</sup>

## Cattle<sup>3</sup>

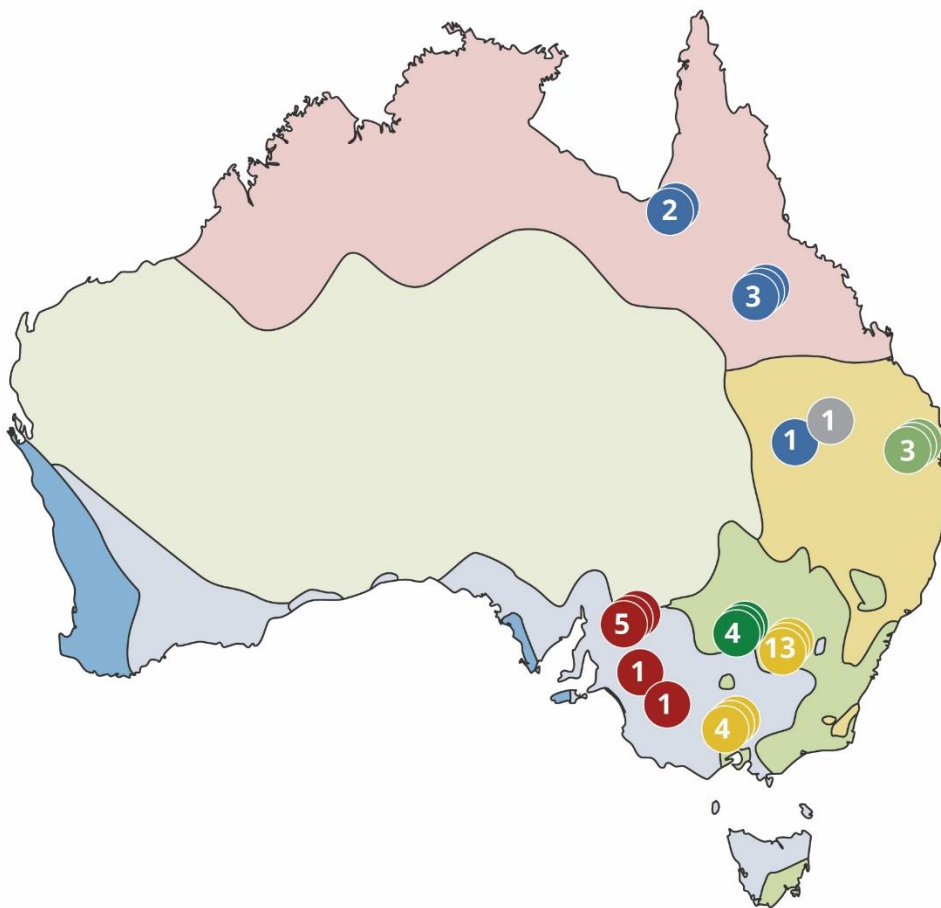
Properties:	6
Value:	\$127.2m
Lessee:	Cattle JV & Camm
WALE:	9.1 yrs
FY18 fcast rent:	\$6.9m
% of FY18 revenue:	13%

## Vineyards

Properties:	7
Value:	\$47.7m
Lessee:	TWE
WALE:	8.4 yrs
FY18 fcast rent:	\$3.6m
% of FY18 revenue:	7%

## Poultry

Properties:	17 farms (154 sheds)
Value:	\$84.2m
Lessee:	RFM Poultry
WALE:	9.8 yrs
FY18 fcast rent:	\$10.7m
% of FY18 revenue:	20%



## Cotton

Properties:	1
Value:	\$30.1m
Lessee:	Cotton JV
WALE:	4.3 yrs
FY18 fcast rent:	\$2.0m
% of FY18 revenue:	4%

## Macadamias

Properties:	3
Value:	\$10.1m
Lessee:	2007 Macgrove Project & RFM
WALE:	12.2 yrs
FY18 fcast rent:	\$1.2m
% of FY18 revenue:	2%

## Almonds

Properties:	4
Value:	\$337.9m
Lessee:	SHV, Olam, RFM Almond Schemes & RFM
WALE:	15.9 yrs
FY18 fcast rent:	\$26.5m
% of FY18 revenue:	51%

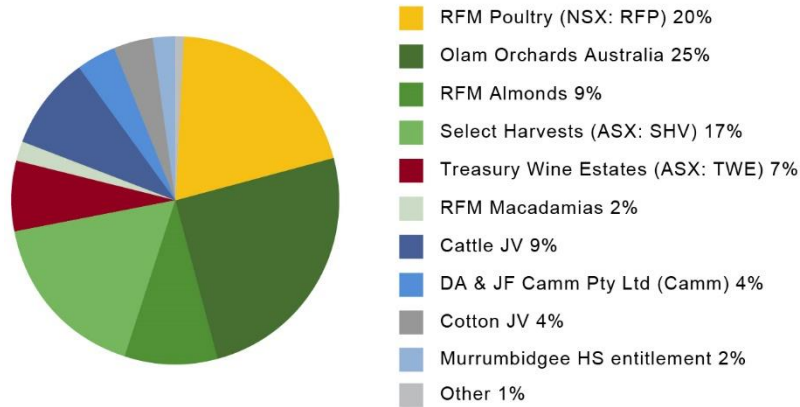
Notes:

1. Shaded areas denote climatic zones differentiated by rainfall seasonality. Source: Bureau of Meteorology. Climatic diversification reduces lessee concentration in any one climatic zone and introduces new commodities and counterparts. See RFF Climatic Diversification discussion paper, 20 June 2016
2. Murrumbidgee High Security (HS) water entitlement valued at \$35.8m not shown in above map. FY18 revenue \$1.1m
3. Includes cattle properties, Cattle JV breeder herd lease, Camm loan and plant and equipment

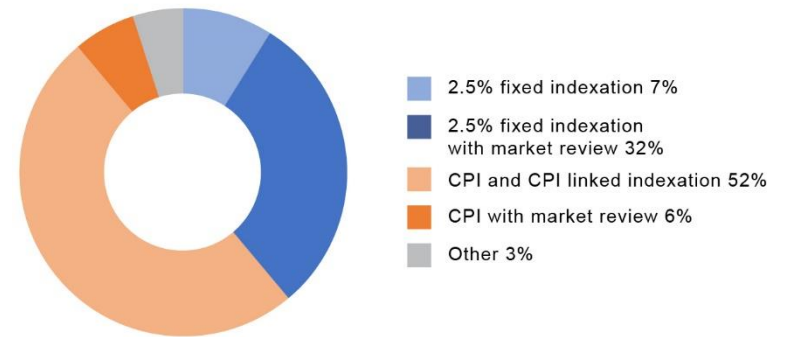


# Portfolio diversification by FY18 revenue

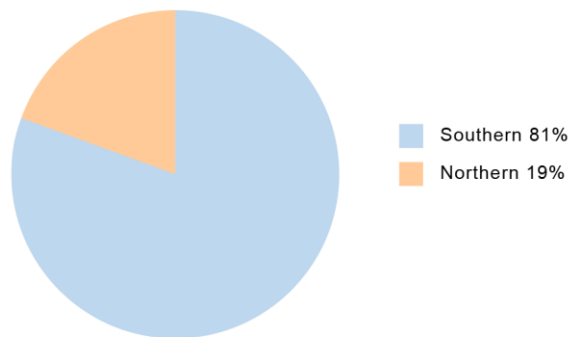
## Lessees



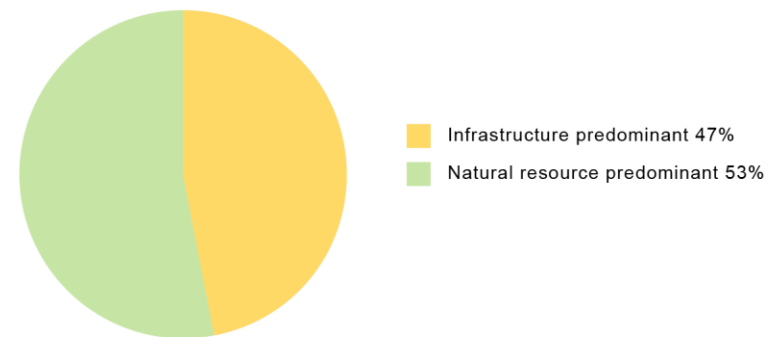
## Lease indexation mechanisms<sup>1</sup>



## Climatic zone



## Sector type<sup>2</sup>



Notes:

1. CPI linked indexation refers to RFM Poultry which is 65% of CPI, capped at 2%
2. Sector type assumes poultry is infrastructure predominant, vineyards, cattle and cotton natural resource predominant, and almond/macadamia orchards split equally

# 4

## Acquisition strategy and outlook

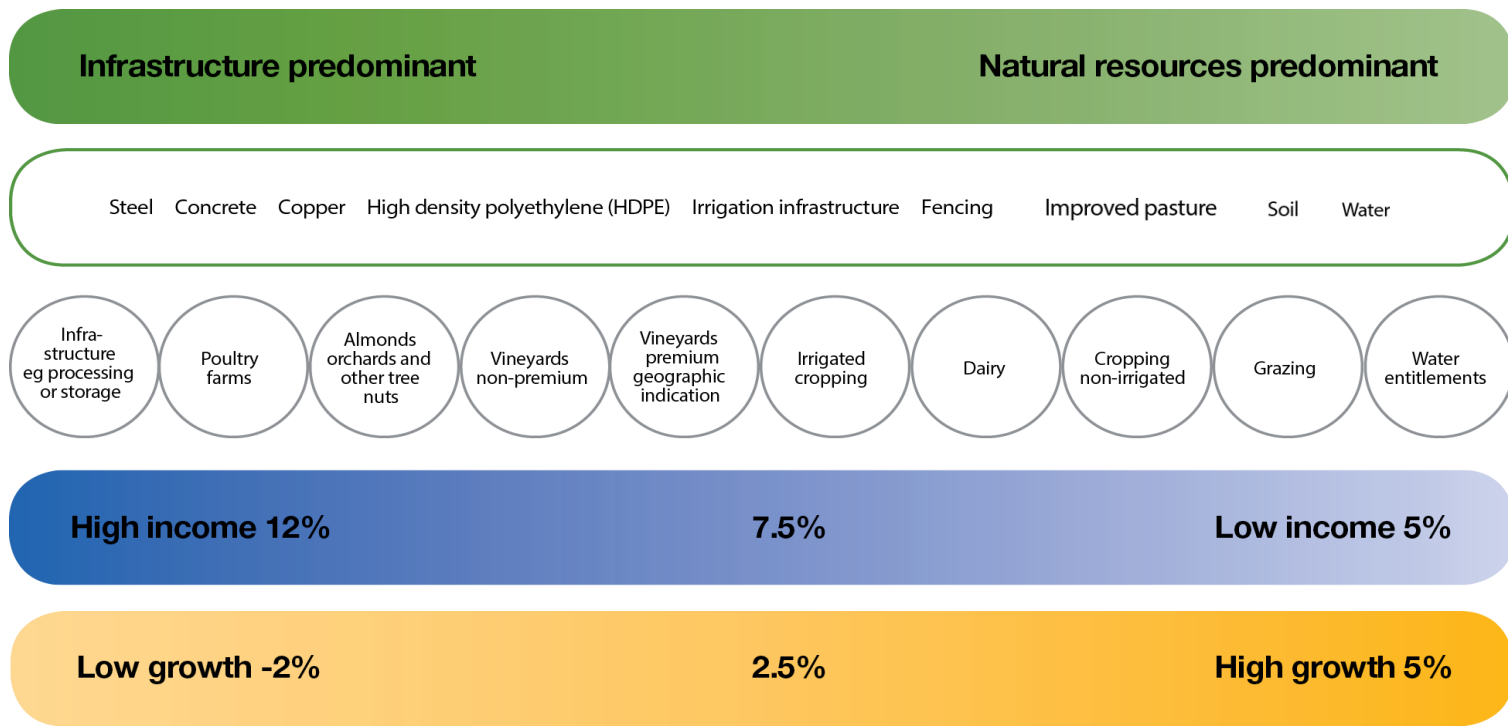
Managed by:



*Elevating scrapers working on the construction of the now complete 4,142 ML water storage at Lynora Downs, Emerald, Queensland, July 2017*

# Acquisition opportunities

## Spectrum of investment opportunities<sup>1</sup>

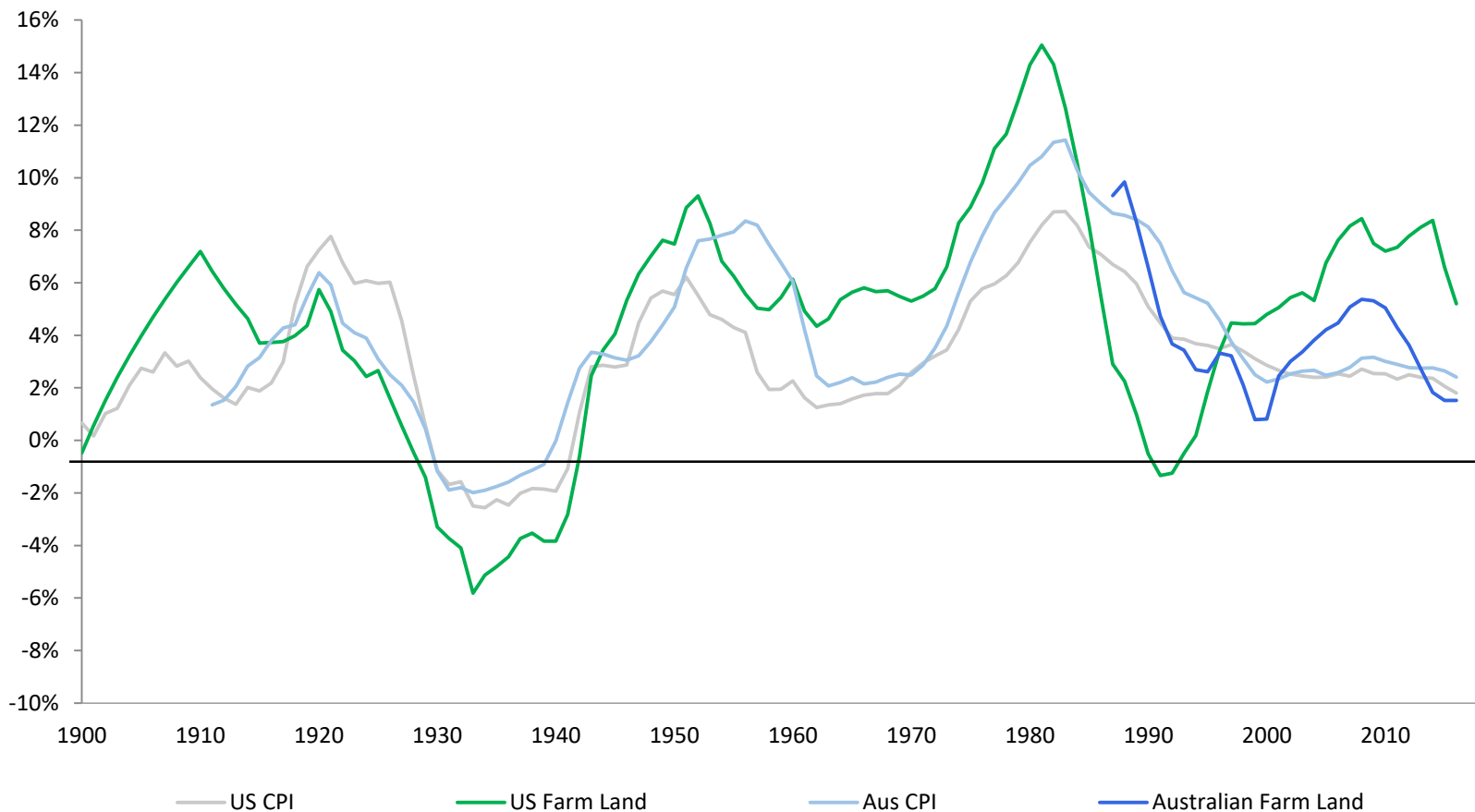


Note:

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

# Inflation and farmland values

CPI, commodities and farm land values (1890 to 2016) – 10 yr rolling average % price change<sup>1,2</sup>



Notes:

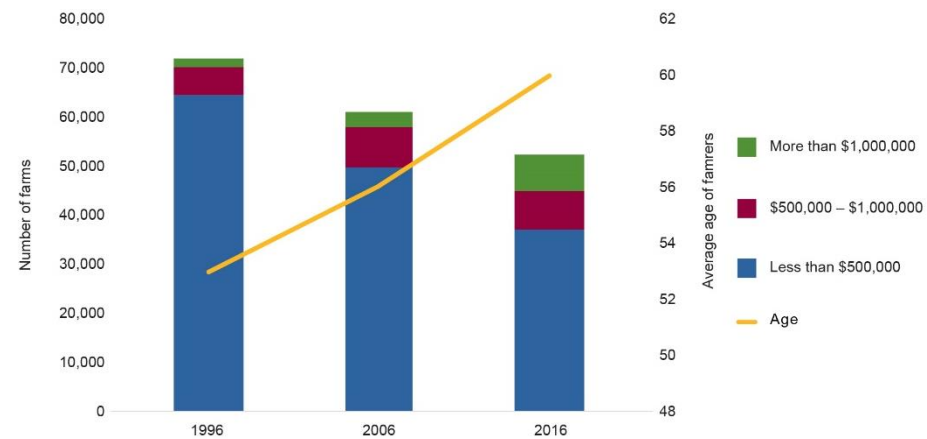
1. Sources: US Bureau of Labor Statistics, PPI for Farm Products - BLS Series ID WPU01 (US Ag commodities). U.S. Stock Markets 1871-Present, R Shiller (US CPI). USDA Land Values 2017 Summary (US farm land). RFM research, ABARES Farm Returns (Australian farm land)
2. Compound annual growth rate: US CPI 3.1% p.a., US farm land 4.4% p.a., Australian farm land 4.4% p.a., Australian CPI 3.8% p.a.



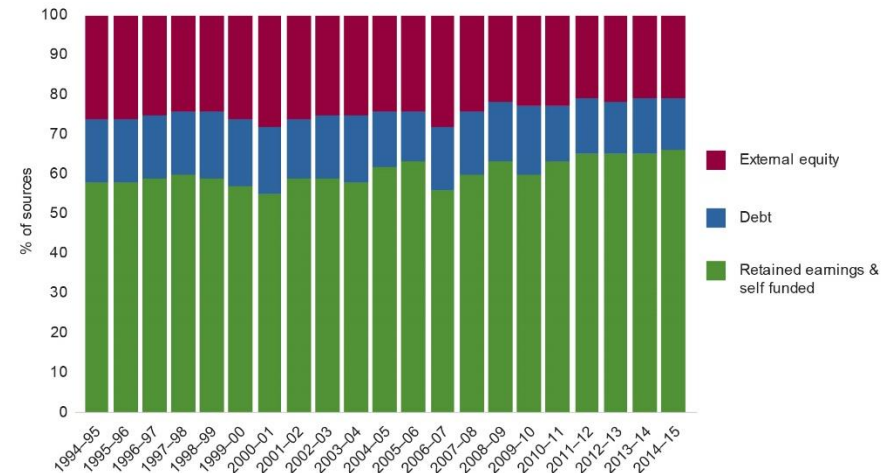
# Outlook and conclusion

- RFM's focus is on the ongoing management of the existing portfolio and expansion through acquisitions with the aim of increasing:
  - earnings/distribution growth;
  - diversification;
  - liquidity; and
  - lowering operating costs per unit
- Circumstances supporting the acquisition strategy:
  - restructuring requirements of family businesses to fund intergenerational asset transfer as farmers age; and
  - farms operating sub optimally due to capital constraints
- Infrastructure predominant assets can provide immediate AFFO accretion
- Natural resource predominant assets have historically been an inflation hedge and have productivity improvement potential (e.g. Rewan and Lynora Downs)
- FY18 AFFO 12.7 cpu and DPU 10.03 cents reaffirmed
- Forecast FY19 DPU of 10.43 cents

**Farms by size and average age of farmers<sup>1</sup>**



**Capital sources for investment<sup>2</sup>**



Notes:

- As defined by Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES), AGSURF Data 2017. Data represents ABARES defined Broadacres sector of Australian agriculture (cropping, livestock and mixed operation thereof). Size of farm is defined as gross turnover (total cash receipts plus build up of trading stocks)
- ABARES, AGSURF Data 2017

# 5

## Appendices



# Glossary and table of abbreviations

TERM	DEFINITION
<b>Adjusted NAV</b>	Net Asset Value (NAV) adjusted for the independent valuation of water entitlements
<b>Adjusted total assets</b>	Total assets adjusted for the independent valuation of water entitlements
<b>ASX</b>	Australian Securities Exchange
<b>AFFO</b>	Adjusted funds from operations - a financial metric used in the REIT sector to measure available cash flow from operations (adjustment relates to non-cash tax expense)
<b>CPI</b>	Consumer Price Index
<b>DPU</b>	Distributions per unit
<b>EBITDA</b>	Earnings before interest, tax, depreciation and amortisation
<b>EPU</b>	Earnings per unit - calculated as Total Comprehensive Income (TCI) divided by weighted average units
<b>Fair value</b>	Value of an asset as determined by an independent valuation
<b>Gearing</b>	Calculated as external borrowings divided by adjusted total assets
<b>ha</b>	Hectare(s)
<b>HY18</b>	First 6 months of the 2018 financial year
<b>ICR</b>	Interest cover ratio - a bank covenant, calculated earnings before interest and taxes, depreciation and amortisation (EBITDA) divided by interest expense
<b>LVR</b>	Loan to valuation ratio - a bank covenant, calculated as debt divided by tangible assets
<b>ML</b>	Megalitre
<b>HS</b>	High security - a water entitlement that ranks above other types (e.g. general security) and has a historically high level of reliability
<b>m</b>	Million(s)
<b>NAV</b>	Net asset value - calculated as assets less the value of liabilities (does not recognise fair value of water entitlements)
<b>NTA</b>	Net tangible assets - a bank covenant, calculated as total tangible assets (including water entitlements) minus liabilities
<b>Other comprehensive income</b>	Items of income and expense that are not recognised in profit or loss, such as unrealised gains/losses
<b>Total assets</b>	Total value of assets as presented on the balance sheet (water entitlements recorded at the lower of cost or fair value)
<b>TCI</b>	Total comprehensive income – net profit after tax and other comprehensive income recognised during the period. Representing the financial performance during the period including any unrealised gains/losses
<b>RFF</b>	Rural Funds Group (ASX:RFF)
<b>RFM</b>	Rural Funds Management Limited – manager and responsible entity for the Rural Funds Group
<b>REIT</b>	Real Estate Investment Trust – an investment trust that leases real estate
<b>WALE</b>	Weighted average lease expiry – calculated as the average lease term remaining to expire across the portfolio weighted by rental income
<b>Water allocation</b>	The amount of water to which the holder of a water entitlement is entitled to extract in a defined period as determined by state water authorities based on factors including seasonality
<b>Water entitlement</b>	A legal right to extract water for a defined water system. Classified as an intangible asset according to accounting standards. Delivery entitlements have a historically lower annual allocation and are less tradeable

# HY18 results – comprehensive income

## Summarised statement of comprehensive income

	6 mths ended 31 Dec 2017 \$	6 mths ended 31 Dec 2016 \$
Property revenue	24,141,000	19,642,000
<b>Revenue</b>	<b>24,141,000</b>	<b>19,642,000</b>
Other income	86,000	120,000
Share of net profit – equity accounted invest's	-	1,707,000
Property expenses	(568,000)	(626,000)
Other expenses	(1,350,000)	(1,073,000)
Management fees	(2,886,000)	(2,091,000)
Property revaluations – Investment property	4,051,000	(2,194,000)
Property revaluations – Bearer plants	-	527,000
Finance costs	(4,017,000)	(3,503,000)
Change in fair value of derivatives	(1,970,000)	5,622,000
Depreciation and impairments	(440,000)	(620,000)
Gain/(loss) on sale of assets	12,000	22,000
<b>Profit before tax</b>	<b>17,059,000</b>	<b>17,533,000</b>
Income tax expense	(310,000)	(374,000)
<b>Profit after tax</b>	<b>16,749,000</b>	<b>17,159,000</b>
Other comprehensive income	-	2,655,000
<b>Total comprehensive income</b>	<b>16,749,000</b>	<b>19,814,000</b>
Earnings per unit	6.58 cents	8.55 cents

- Property revenue has increased primarily as a result of deployment of almond development capital expenditure, cattle and cotton acquisitions and lease indexation
- Property expenses relates to costs directly attributable to the properties (e.g. insurance, rates, applicable cost recovery). Other expenses relates to non-property related overheads (e.g. ASX/bank/audit/registry fees, cost recovery)
- Scale advantages being achieved on property and overhead expenses on a per unit basis
- Investment property revaluations primarily relates to cattle and cotton properties, offset by depreciation of poultry assets
- Management fees equates to 0.97% for HY18 (annualised)
- Income tax relates to RF Active and AWF<sup>1</sup>. RFT treated as a flow through trust for tax purposes

Note:

1. RFM Australian Wine Fund (AWF) is a subsidiary of Rural Funds Trust (RFT) that has formed a tax consolidated group



# HY18 results – AFFO

## Composition of AFFO (pre-tax)

	6 mths ended 31 Dec 2017 \$	6 mths ended 31 Dec 2016 \$
Property revenue	24,141,000	19,642,000
Property expenses	(568,000)	(626,000)
<b>Net property income</b>	<b>23,573,000</b>	<b>19,016,000</b>
Other income	86,000	120,000
Share of net profit – equity accounted investments	-	165,000
Other expenses	(1,350,000)	(1,073,000)
Management fees	(2,886,000)	(2,091,000)
<b>EBITDA</b>	<b>19,423,000</b>	<b>16,137,000</b>
Finance costs	(4,017,000)	(3,503,000)
<b>AFFO</b>	<b>15,406,000</b>	<b>12,634,000</b>
AFFO per unit <sup>1</sup>	6.0 cents	6.3 cents
DPU	5.02 cents	4.82 cents

- AFFO is pre-tax and excludes fair value adjustments, depreciation and impairment to represent RFF's property rental business
- Adjustment to funds from operations (FFO) only pertains to tax expense of \$0.3m for HY18 (see slide 22)
- Property leases are largely triple net

Note:

1. Based on the weighted average number of units on issue during the half year

# HY18 results - reconciliation of net profit

## Reconciliation of net profit after tax to AFFO

	6 mths ended 31 Dec 2017 \$	6 mths ended 31 Dec 2016 \$
Net profit after income tax	16,749,000	17,159,000
Adjusted for:		
Property revaluations	(4,051,000)	1,667,000
Property revaluation - associate	-	(1,542,000)
Change in fair value of derivatives	1,970,000	(5,622,000)
Depreciation and impairment	440,000	620,000
Gain on sale of assets	(12,000)	(22,000)
<b>FFO</b>	<b>15,096,000</b>	<b>12,260,000</b>
Adjusted for income tax expense	310,000	374,000
<b>AFFO</b>	<b>15,406,000</b>	<b>12,634,000</b>
AFFO per unit <sup>1</sup>	<b>6.0 cents</b>	<b>6.3 cents</b>

- Non cash items added back to reconcile net profit after tax to AFFO
- Major items for HY18:
  - \$4.1m property revaluations largely due to revaluation of cattle and cotton property
  - (\$2.0m) unrealised loss on interest rate hedges

Note:

1. Based on the weighted average number of units on issue during the half year

# HY18 results - summarised balance sheet

## Summarised balance sheet

	As at 31 Dec 2017 \$	As at 30 Jun 2017 \$
Cash	2,553,000	3,838,000
Property investments	624,262,000	527,398,000
Plant and equipment	5,538,000	5,127,000
Other assets	8,765,000	6,640,000
<b>Total assets</b>	<b>641,118,000</b>	<b>543,003,000</b>
Interest bearing liabilities		
- Current	3,260,000	3,204,000
- Non-current	253,500,000	164,500,000
Derivative financial liabilities	5,849,000	3,878,000
Deferred tax liabilities	911,000	603,000
Other liabilities	14,804,000	13,140,000
<b>Total liabilities</b>	<b>278,324,000</b>	<b>185,325,000</b>
<b>Net assets</b>	<b>362,794,000</b>	<b>357,678,000</b>
Units on issue	254,959,086	254,380,898
NAV	1.42	1.41
Adjustment for water entitlements fair value	0.18	0.17
Adjusted NAV	1.60	1.58

- External borrowings \$256.8m
- Gearing 37.4%
- Accounting standards and ASIC guidance require water entitlements to be recorded as intangible assets, and held at the lower of cost or fair value. The adjustment for water entitlements shows the difference between book value and fair value (based on current independent valuations)
- Water entitlements totalling 98,682 ML and 21,430 ML of water delivery entitlements representing a fair value of \$166.0m or 24% of total adjusted assets

# HY18 results - total assets reconciliation

## Total assets reconciliation

	Investment property	Bearer plants	Intangible assets <sup>1,3</sup>	Financial assets - property <sup>2,3</sup>	Other assets	Total	Adjustment for water entitlements at fair values <sup>1,3</sup>	Adjusted total assets
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance as at 30 June 2017</b>	<b>273,783,000</b>	<b>121,193,000</b>	<b>108,738,000</b>	<b>23,684,000</b>	<b>15,605,000</b>	<b>543,003,000</b>	<b>44,543,000</b>	<b>587,546,000</b>
Additions – Cattle (Natal)	53,156,000	-	-	-	-	53,156,000	-	53,156,000
Additions – Cotton	1,747,000	-	-	-	-	1,747,000	-	1,747,000
Additions – Almond orchard (Kerarbury)	8,008,000	14,014,000	(1,853,000)	-	-	20,169,000	-	20,169,000
Additions – Almond orchard (Tocabil)	1,485,000	1,258,000	-	-	-	2,743,000	-	2,743,000
Additions net of disposals	919,000	946,000	8,000	-	-	1,873,000	-	1,873,000
Depreciation and impairments	-	-	54,000	-	(493,000)	(439,000)	-	(439,000)
Fair value adjustment <sup>4</sup>	4,051,000	-	-	-	-	4,051,000	1,741,000	5,792,000
Breeder herd lease <sup>5</sup>	-	-	-	3,071,000	-	3,071,000	-	3,071,000
Term loan – Camm	-	-	-	10,000,000	-	10,000,000	-	10,000,000
Other movements	-	-	-	-	1,744,000	1,744,000	-	1,744,000
<b>Balance as at 31 December 2017</b>	<b>343,149,000</b>	<b>137,411,000</b>	<b>106,947,000</b>	<b>36,755,000</b>	<b>16,856,000</b>	<b>641,118,000</b>	<b>46,284,000</b>	<b>687,402,000</b>

### Notes:

- Accounting standards and ASIC guidance require water entitlements to be recorded as intangible assets, and held at the lower of cost or fair value. The adjustment for water entitlements shows the adjustment to the fair value of the water entitlements held
- Relates to water entitlements held as part of the investment in Barossa Infrastructure Limited, Coleambally Irrigation Co-operative Limited, breeder herd finance lease and loan to Camm, which are accounted for as financial assets
- Water entitlements of 98,682 ML and 21,430 ML of water delivery entitlements held by the Group representing a fair value of \$166.0m
- Fair value adjustments as part of 31 December 2017 valuations
- Breeder herd lease structured as a finance lease with no price risk impact on lessor associated with movements in value of the breeder herd (approx. 11,000 head). Herd dynamics must be maintained during lease term (measured primarily by independent value, average age and livestock condition) tracked by National Livestock Identification System

## Key information

Established	1997
	Total \$743m
Assets under management	Rural Funds Group: \$687m RFM Poultry: \$9m Almond Funds 06-08: \$35m 2007 Macgrove Project: \$12m
Ownership	Directors & staff
Farm & operations staff	50
Funds management staff	35
RFM direct operational experience	Cotton: since 1998 Vineyards: since 2000 Poultry: since 2003 Almonds: since 2006 Macadamias: since 2006 Livestock: since 2010
RFF fee structure	1.05% p.a. adjusted total assets & cost recovery
RFF key responsibilities	<ul style="list-style-type: none"> <li>• Compliance to financial, farming and reporting requirements of leases</li> <li>• Water asset management including obtaining approvals, engagement with government</li> <li>• Management of infrastructure e.g. ongoing and development capital expenditure</li> <li>• Coordination of regular independent valuations</li> <li>• Facilitating acquisitions</li> <li>• Managing lessee/customer relationships</li> </ul>

## Board and management team contacts and tenure



**Guy Paynter**  
Non-Executive Chairman

8 yrs



**David Bryant**  
Managing Director

21 yrs



**Michael Carroll**  
Non-Executive Director

8 yrs



**Julian Widdup**  
Non-Executive Director

1 yr



**Stuart Waight**  
Chief Operating Officer

15 yrs



**Andrea Lemmon**  
Executive Manager, Funds Management

21 yrs



**Daniel Yap**  
Financial Controller

6 yrs



**Dan Edwards**  
Business Manager Rural Funds Group

13 yrs



**Tim Sheridan**  
Snr Analyst & Nat. Mgr. Cattle

10 yrs



**James Powell**  
Investor Relations & Distribution Manager

10 yrs



# Corporate information



ACN 077 492 838  
AFSL 226701

Canberra Office  
Level 2, 2 King Street  
Deakin ACT 2600

**Telephone:** +61 2 6203 9700

**Facsimile:** +61 2 6281 5077

**Website:** [www.ruralfunds.com.au](http://www.ruralfunds.com.au)



managing good assets with good people

## Further information:

David Bryant  
Managing Director  
Rural Funds Management  
T 02 6203 9700  
E [DBryant@ruralfunds.com.au](mailto:DBryant@ruralfunds.com.au)

## Media enquiries:

Stuart Waight  
Chief Operating Officer  
Rural Funds Management  
T 0419 126 689  
E [SWaight@ruralfunds.com.au](mailto:SWaight@ruralfunds.com.au)

## Investor relations enquiries:

James Powell  
Investor Relations and Distribution Manager  
Rural Funds Management  
T 0420 279 374  
E [JPowell@ruralfunds.com.au](mailto:JPowell@ruralfunds.com.au)