

Rural Funds Management Ltd

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ASX Release

12 July 2018

Subject: Rural Funds Group (ASX: RFF) Accelerated Non-Renounceable Entitlement Offer Cleansing Notice under section 1012DAA Corporations Act 2001 (Cth)

On 12 July 2018, Rural Funds Management Limited ABN 65 077 492 838 (**RFM**) (AFSL No. 226701) in its capacity as responsible entity of Rural Funds Trust ARSN 112 951 578 and RF Active ARSN 168 740 805, collectively Rural Funds Group (**RFF**), announced a 3 for 10 accelerated non-renounceable entitlement offer of 76,689,155 fully paid stapled securities in RFF (**New Units**) at \$1.95 per New Unit to raise A\$149.5 million (**Entitlement Offer**).

The offer is fully underwritten by Joint Lead Managers UBS AG, Australia Branch, Bell Potter Securities Limited and Wilsons Corporate Finance Limited (**Underwriters**). RFF will offer the New Units for issue without disclosure to investors under section 1012DAA(7) Corporations Act 2001 (Cth) (**Corporations Act**) as notionally modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84.

For the purposes of section 1012DAA(7) Corporations Act, RFF advises:

- (a) the New Units will be issued without disclosure to investors under Part 7.9 of the Corporations Act and without a product disclosure statement;
- (b) this Notice is given under section 1012DAA(2)(f) Corporations Act as notionally modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84;
- (c) as a disclosing entity, RFF is subject to regular reporting and disclosure obligations;
- (d) as at the date of this Notice, RFF has complied with:
 - i. the provisions of Chapter 2M Corporations Act as they apply to RFF; and
 - ii. section 674 Corporations Act as that section applies to RFF; and
- (e) as at the date of this Notice, there is no excluded information of the type referred to in section 1012DAA(8) and 1012DAA(9) Corporations Act as notionally modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 in relation to RFF; and
- (f) the potential effect that the Entitlement Offer will have on the control of RFF, and the consequences of that effect, is that, in the likely event that some unitholders do not take up their full entitlement, those unitholders' percentage holdings in RFF will be diluted by those other unitholders who take up some or all of their entitlement.

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The Underwriters will either place the shortfall to sub-underwriters or take up the shortfall themselves. Having regard to the number of New Units to be issued under the Entitlement Offer, even if a substantial shortfall eventuated, the Underwriter or sub-underwriters would not be in a position to exercise any substantive control in RFF, and therefore no material consequences are expected.

Signed



Andrea Lemmon
Company Secretary

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About Rural Funds Group (RFF)

RFF owns a diversified portfolio of high quality Australian agricultural assets. RFF's investment objective is to generate a stable income stream derived from leasing its assets to suitable counterparts and capital growth through any appreciation in the value of those assets. RFF is a stapled security, incorporating Rural Funds Trust (ARSN 112 951 578) and RF Active (ARSN 168 740 805), trading under the ASX code 'RFF'. Rural Funds Management Ltd (RFM) is the responsible entity of RFF.

For further information:

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