

ASX Release

24 September 2018

Subject: New South Wales cattle property acquisition

Rural Funds Management Limited (RFM), as responsible entity and manager for the Rural Funds Group (RFF), has contracted to acquire 'Dyamberin', a 1,728 hectare cattle property located in the New England region of New South Wales. The purchase price will be \$13.4m and is expected to settle in October 2018.

Stone Axe Pastoral Company, a Wagyu producer that operates two properties in the region, have entered into a ten year lease. The lease rate is consistent with existing RFF cattle property leases. A security deposit equal to six months rent will be provided by the lessee.

Dyamberin has the potential for productivity developments. Development capital expenditure will attract additional rent and the lease includes a rent review in year five.

The acquisition is consistent with RFF's strategy to acquire assets which may benefit from productivity improvements, add to the frequency of rent reviews, are in sectors in which RFM has expertise and enhance diversification.

Current FY19 forecast adjusted funds from operations of 13.2 cents per unit and distributions of 10.43 cents per unit remain unchanged.

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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.

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