

ASX Release

6 February 2019

Subject: Victorian cattle property acquisition

Rural Funds Management Limited (RFM), as responsible entity and manager for the Rural Funds Group (RFF), has contracted to acquire 'Cobungra', a 6,486 hectare (ha) cattle property located in Victoria.

Stone Axe Pastoral Company, a Wagyu producer that leases two other properties from RFF, has entered a ten-year lease with a rent review in year five. The lease rate is consistent with existing RFF cattle property leases.

The property has the potential for productivity enhancements with development capital expenditure attracting additional rent.

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.

The purchase price of \$35.0m (exclusive of stamp duty) will be funded from RFF's debt facility. The property is expected to settle in March 2019.

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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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