

# AAM DIVERSIFIED AGRICULTURE FUND



## An opportunity to invest in diversified agricultural assets presenting scale, stable yields and strong capital growth

AAM Investment Group (AAM) has established the *AAM Diversified Agriculture Fund* (Fund) to provide a unique opportunity for investors to access a portfolio of agricultural businesses and assets.

AAM aims to transform agriculture and provide investors with direct access to the favourable macro trends driving long-term growth in the sector. AAM is investing in a portfolio of high-quality agricultural assets, including poultry, livestock and cropping. AAM's aim is to create value by optimising operations through precision management and investment in technology to maximise production.

AAM employs a holistic approach to agriculture by undertaking operational practices that are economically viable, socially responsible and at the vanguard of environmental sustainability.

### Opportunity Overview

AAM invites eligible institutional, sophisticated and wholesale investors to invest in the Fund.

AAM seeks to initially raise \$60m of equity in a closed-end investment structure. The seed assets will be a portfolio of large-scale poultry infrastructure assets, mixed livestock and cropping assets.

The Fund will continue to raise capital to add premium agricultural assets that complement and diversify the portfolio.

Targeting a high proportion of income-style agriculture investments and a range of strategic opportunities, will enable the Fund to unlock further profitability, pay quarterly distributions and benefit from capital growth potential of real assets.

AAM will target a balance of investments that align into the following characteristics:

#### Income Investments

- Targeted investments that produce a higher distribution yield with regular and stable income;
- Targeting infrastructure such as agricultural investments that are supported by long-term supply or offtake agreements.

#### Strategic Investments

- An opportunity to create value by undertaking material capital works on the land or production operations;
- Targeted at increasing the capital value of the asset and the sustainability of income.

### Investment Highlights



**Access to a growing asset class dominated by institutional investors**



**Stable income and capital growth**



**Diverse agricultural and commodities footprint, with access to domestic and international markets**



**Well-established management and operations team**



**Proven, sustainable operating platform**



**Lowly correlated portfolio**

**“Considering the current investment environment, global uncertainty, historically low interest rates, food security, a rising middle class in Asia, and the values of other asset classes at historical highs, our analysis shows that the returns offered by agriculture are compelling.”**

*Garry Edwards, Managing Director - AAM Investment Group Pty Ltd*

**Target Base Case  
Distribution  
Yield of  
7% – 8% p.a.**

**Target Base Case  
Total Return of  
over 12% p.a.**

# INVESTED IN AGRICULTURE



## Favourable global trends

Agriculture is at the intersection of major long-term global trends that are transforming society. Demand for food is forecast to increase by 35% by 2030 and by 70% by 2050. Concurrently, the availability of agricultural land is decreasing due to rapid urbanisation, which is also driving significant change in consumption patterns. At the centre of this shift is Asia, where the middle class is anticipated to increase by +153% to ~3.5bn people by 2030, from ~1.3bn in 2015. The Asia-Pacific region is set to consume more than half of the world's food by 2030, and this increased demand for protein represents a market opportunity for agricultural producers

## AAM Investment Group Overview

Operating since 2007, AAM is a leading agricultural investment specialist that actively applies its expertise in strategic investment, development, operational efficiency and sustainability to develop opportunities that maximise investor returns. AAM maintains large-scale agribusiness investment projects and portfolios for wholesale and institutional investors.

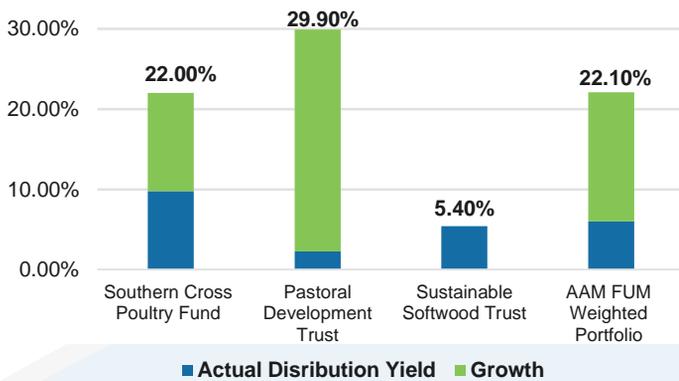


Over 370 employees across five different states



17 different sites in operation

### AAM - FY19 Total Return



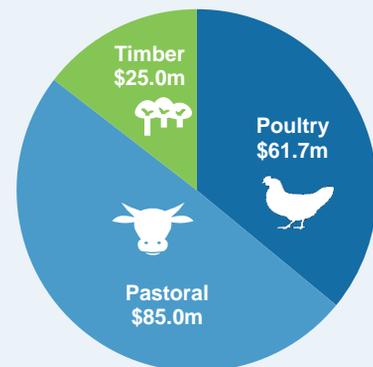
\$171.7m of Assets Under Management



Other Institutional Mandate Processes \$1bn of livestock p.a.<sup>1</sup>

<sup>1</sup> AAM manage and operate Australia's largest portfolio of livestock supply chain facilities on behalf of Palisade Investment Partners

### AAM – Total FY19 Assets Under Management (AUM)



## Contacts

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- Audited by a registered independent company auditor
- Scrutinised by specialist responsible managers.