

AAM Investment Group raises \$60m for AAM Diversified Agriculture Fund

- AAM has successfully raised \$60m to use in the acquisition of seed assets in the poultry, mixed livestock and cropping sectors for the AAM Diversified Agriculture Fund
- The invitation to invest in the Diversified Fund has been very well supported and is now taking oversubscriptions
- AAM expects to achieve critical scale and further diversity in the new Fund over the next two years

Brisbane, 16 December 2019 – Agriculture investment specialist AAM Investment Group Pty Ltd (“AAM”) has closed its initial Offer to invest in the AAM Diversified Agriculture Fund (“Fund”), after surpassing its \$60 million minimum subscription amount.

The Fund will feature diverse, large-scale quality Australian agricultural assets. AAM’s focus on precision management, sustainable practices and renewable energy technologies will enable it to enhance the operations of existing assets and do more with increasingly scarce resources.

AAM Investment Group Managing Director Garry Edwards says the investor response to the Diversified Fund exceeded expectations and attracted solid cornerstone investment. A large percentage of AAM investors who hold interests in AAM’s other funds invested in the new Diversified Fund.

“Those investors are telling us that this asset class has been difficult to access, but we are simplifying it by having one diversified fund across several mainstream agricultural sectors,” says Mr Edwards.

The Southern Portfolio Manager for the Diversified Fund, Nathan Morris, says the clear feedback from AAM’s investors is they like the fact that AAM is an active manager and that it has managers on the ground operating the assets.

“We’re not passive property investors,” says Mr Morris, who lives in the Forbes area of central western NSW where AAM will acquire some of the seed assets (Sunshine Farms Aggregation) for the Diversified Fund.

AAM’s investment pipeline is significant, and critical scale and further diversity in the new Fund will build quickly over the next two years.

AAM believes that investors recognise the need for significant investment in the Australian agricultural sector. That investment will enable the sector to make the best use of the precious natural resources available to it and help the sector satisfy the growing global demand for high-quality food and fibre products.

The Diversified Fund’s core strategy is to develop sustainable, integrated operations within the key animal protein sectors of chicken, beef and lamb as well as cereal grains and plant proteins. The Fund will acquire grazing, dryland and irrigated farming land with associated water licences, and develop on-farm infrastructure to enhance land uses and increase asset value.

Mr Edwards says private investment can work alongside public infrastructure spending— such as the Wyangala Dam upgrade in NSW — to more sustainably support regional Australia.

“The government is investing \$650m in dam capacity upgrades to increase utilisation and water reliability, and AAM is investing in on-farm infrastructure to increase the productive capacity and sustainability of our land assets,” Mr Edwards says.

AAM will use the \$60 million raised in the initial Offer to acquire the Fund’s seed assets in the poultry infrastructure, mixed livestock and cropping sectors:

- A 44.1 per cent equity stake in AAM’s Southern Cross Poultry Fund (SCPF) to allow SCPF to increase its annual production to 20 million chickens across multiple farms in South Australia.
- One hundred per cent ownership of the Sunshine Farms Aggregation. The Sunshine Farms Aggregation is a diversified portfolio of properties in central western NSW, which AAM will develop into a mixed livestock and broadacre cropping operation.

AAM will now manage over \$260 million of diversified assets across the poultry, pastoral, cropping and timber industries.