

Agro-Ecological Investment Management

AGRO-ECOLOGICAL NZ FARMLAND FUND



INVESTMENT SUMMARY

- An array of underlying investment strengths including returns uncorrelated to other asset classes, capital preservation, inflation hedge and excellent long term performance.
- Strong long term underlying fundamentals, including a growing and wealthier population, increasing protein consumption and available land (and water) declining.
- New Zealand - an efficient, low risk and major food exporter with material geographical and climatic advantages. See - Security and Performance: New Zealand Farmland Investment
- An extremely attractive risk/return profile from organic pastoral based production.
- Rare investment environments currently offering significant value.
- Steady income from farming operations combined with upside from land appreciation.
- Target IRR of 10-13% from income and capital appreciation.
- A secure real asset, managed for exceptional and measurable ecological performance, resilience and positive, long term investment outcomes.

FARMLAND INVESTMENT

Agro-Ecological NZ Farmland is focused on investment in, and the ecological management of farmland in New Zealand.

This offers investors the opportunity to access a secure, tangible asset class, in a stable location, with an attractive risk/return profile and compelling climatic and agronomic advantages.

It is our considered view that the developments in the agriculture sector will necessitate (and significantly advantage) a new ecologically literate and resilient approach to farmland investment and management.



No one has ever sought to deliberately identify and convert those properties best suited to organic production.

THE MANAGEMENT TEAM

Agro-ecological scientific and management knowledge is not widespread, well understood or easily achieved, creating a marked and serious barrier to entry.

Agro-Ecological offers a highly experienced and knowledgeable management team. The key personnel have been active in organic agriculture and the business of farming for a combined 50 plus years.

- An unrivalled pool of organic farmland conversion and management knowledge and expertise.
- Knowledge and understanding of organic/ecological agriculture and its complexities are critical for agronomic and investment performance.
- The level of technical excellence that Agro-Ecological is able to apply is unrivalled and in many cases exclusive to our team.
- Our extensive experience of organic agriculture is critical to identifying the most appropriate properties to convert and in achieving superior performance.
- Experience in organic conversion and farmland asset management.
- Exceptional connections throughout the sector with scientists, sector experts, farmers, rural bankers etc.
- A demonstrable long-term, strategic commitment to agro-ecological land investment.
- An asset management business solely and exclusively focusing on investment in sustainable, responsible and ecological/organic agriculture.

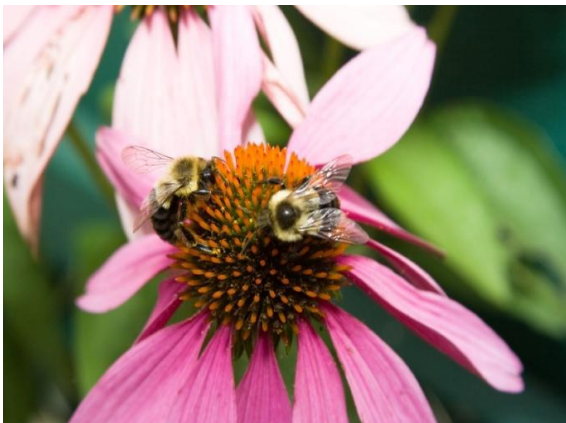
NEW ZEALAND

- A climatically advantaged grass factory.
- A major global food exporter; notably dairy, lamb, venison and horticultural products across the world (Europe, Asia, Middle East and North America).
- Outstanding infrastructure, political stability and a transparent, enforceable system of land law.
- A market driven (subsidy free), efficient and productive agriculture industry.
- Protein production (dairy & meat) from pasture alone, i.e. no exposure to the (rising) cost of cereals as feed.
- Geographically well positioned for growing Asian markets.
- Provides 33%-35% of all globally traded dairy products.
- Abundance and reliability of water resource.

ORGANIC OUTPERFORMANCE

- Organic farming derisks and enhances returns from farming.
- Knowledge intensive and requires deep understanding - accessing such knowledge is a key limitation/barrier to entry.
- Organic management is a measurably more resilient and energy efficient approach in the face of global climate change. See [Climate Change and Investment in Ecological Agriculture](#)
- Organic food is the fastest growing segment in the food sector.
- Organic products achieve excellent market premiums which can deliver higher farm incomes.
- The environmental superiority of organic production is becoming increasingly financially significant as environmental impacts/costs increase and environmental markets (carbon, biodiversity) develop. See [Sustainability](#)
- Organic pastoral production is competitively advantaged in the face of resource constraints and rising input prices, e.g. feed, fertiliser and chemical sprays etc. See [Resilience, Sustainability and Performance: The Investment Advantages of Organic Agriculture](#)
- In key targeted enterprise classes organic production is able to achieve at or around conventional production levels but with lower costs and higher prices received.

SOCIAL AND ENVIRONMENTAL BENEFITS



“Through its holistic nature, organic farming integrates wild biodiversity, agro-biodiversity and soil conservation, and takes low-intensity, extensive farming one step further by eliminating the use of chemical fertilizers, pesticides and genetically modified organisms (GMOs), which is not only an improvement for human health, but also for the fauna and flora associated with the farm and farm environment. Organic farming enhances soil structures, conserves water and ensures the conservation and sustainable use of biodiversity.” (See [IFOAM](#))

"Agro-Ecological represents a new 21st century type of investment that is commercially attractive, while ecologically sound. UNEP Finance Initiative promotes innovation in the investment domain that stimulates businesses that deliver both financial and ecological returns."

Ivo Mulder, Programme Manager - Biodiversity & Water, UNEP FI.

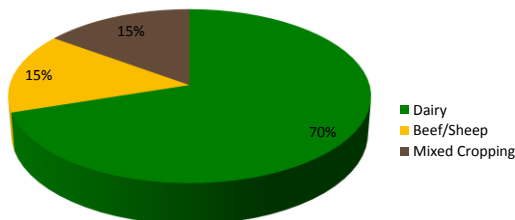


ORGANIC DAIRY PRODUCTION

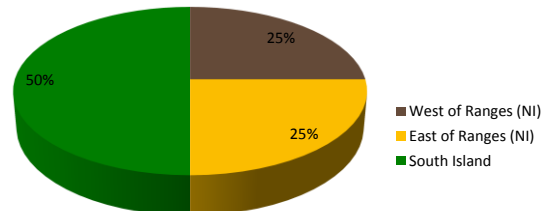
- The global organic dairy market is materially undersupplied.
- Demand for organic product is growing at around 15% p.a. globally.
- Pastoral organic production is doubly favoured by low exposure to the increasing cost of cereal based feed and also chemical/fertiliser (fossil fuel based) inputs.
- Livestock grazing outside all year round.
- Organic milk production generates a similar yield to conventional, with lower costs and higher prices received.



Asset Allocation by Enterprise



Asset Allocation by Geography



STRUCTURE

- Genuinely active management at the paddock level.
- Co-investing alongside farm managers for alignment of interests.
- Investment through a NZ SPV for simplicity and transparency.

Contact

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**Whata ngarango he tangata toitū he whenua.
Man disappears but the land remains.**

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