

Warakirri Diversified Agriculture Fund
Information Memorandum



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Information Memorandum

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Warakirri Diversified Agriculture Fund

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1. TRUST SUMMARY

Key Information	
Fund	The Warakirri Diversified Agriculture Fund (Fund) has been established with the intent to buy, develop and own a diversified portfolio of investment grade Australian agricultural assets for the primary purpose of leasing to high quality agricultural businesses (tenants) - a 'Core Agriculture Property' investment strategy.
Target Investment Return	<p>The Fund aims to generate a total internal rate of return (IRR) of 7% to 11% per annum (after fees, expenses and Fund level tax, but before investor tax and performance fees).</p> <p>Please note, however, there can be no assurance that such returns will be achieved. Please see section 2.2 for further details.</p>
The Investment	<p>An investment in the Fund may consist of stapled Units in the Warakirri Diversified Agriculture Land Trust (Land Trust) and Warakirri Diversified Agriculture Trading Trust (Trading Trust), each being interests in an unregistered managed investment scheme offered and issued by Warakirri Asset Management Ltd ABN 33 057 529 370 under its Australian Financial Services License (AFSL) No 246782.</p> <p>Please see section 5 for further details.</p>
Trustee/Manager	Warakirri Asset Management Ltd ("Warakirri", "Trustee" or the "Manager") is the trustee and manager of the Fund. Please see section 3 for further details.
Fund Raising Stages	<p>Stage 1 The Fund launched in 2019 with a capital raising in advance of the Fund securing its foundation assets, with the initial Units issued at \$1.00 per Unit. The First Close for the Fund occurred on 30 October 2020 with the settlement of the first of three foundation assets for the Fund. The Trustee continued to accept additional applications for Units in the Fund (Committed Amount) after the First Close with these Units subject to a 'cost of carry' (refer to section 4.4). The Fund's Stage 1 capital raising period has now closed.</p> <p>Stage 2 Further capital raising beyond Stage 1 has now commenced following the investment of significant funds raised in Stage 1. Units in Stage 2 will be issued at a price based on the Net Asset Value of the Fund, divided by the number of Units on issue, adjusted by certain transaction costs in connection with the issue (Unit Price) or at such other price determined by the Trustee in accordance with Fund terms.</p> <p>Please see sections 4.3 and 4.4 for further details.</p>
Target Fund Scale	<p>The target Fund size over the longer term is \$300m.</p> <p>Please see section 4.2 for further information.</p>
Issue of Units	<p>Units will typically be priced and available for issue on a monthly basis.</p> <p>Please see sections 4.4 and 4.5 for further information.</p>
Fund Term	Open ended.
Minimum Commitment Amount	<p>Minimum application amount of A\$100,000 subject to investors meeting the wholesale client/ sophisticated investor requirements outlined in sections 761G and 761GA of the Corporations Act 2001 (Cth) (the Act).</p> <p>Please see section 4.1 for further information.</p>

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1. TRUST SUMMARY - CONTINUED

Key Information	
Distributions	<p>Income distributions from the Fund are expected to be paid quarterly, with capital distributions from the sale of assets, if any, expected to be paid annually.</p> <p>Please see section 5.6 for further details.</p>
Fees	<p>Management Fee: 1% of the Gross Asset Value of the Fund, paid quarterly in arrears.</p> <p>Performance Fee: A 15% performance fee of any outperformance of the Fund over a high water mark internal rate of return (IRR) of 8% p.a.</p> <p>Transaction Fee: A Transaction Fee of up to 1% of the gross purchase or sale price (excluding legal costs and stamp duty) of each asset acquired or divested by the Fund.</p> <p>Fund Expenses: Fund related expenses will be paid for by the Fund, including establishment costs and operational costs (such as professional fees, third party due diligence and annual valuations).</p> <p>Please see section 5.7 for further details.</p> <p>The above fees are exclusive of GST.</p>
Liquidity	<p>Given the nature of the assets of the Fund, an investment in the Fund should be seen as a long-term illiquid investment. However, liquidity windows will be provided on the seven year anniversary of the Fund's Stage 1 First Close date, and every five years thereafter. Investors will typically be given subject to 18 months' notice of each liquidity window.</p> <p>Please see section 2.7 for further details.</p>
Gearing	<p>The Fund is permitted to take a long term gearing position of 25% with a maximum cap of 50% of gross assets. Please see section 2.5 for further detail.</p>
Custodian	<p>Warakirri Asset Management Ltd.</p>
Auditor	<p>Deloitte Touche Tohmatsu (Deloitte)</p> <p>Please note that Deloitte has not been involved in the preparation of this Information Memorandum and has not caused or authorised this issue of the Information Memorandum.</p>
Legal Advisor	<p>Piper Alderman</p> <p>Please note that Piper Alderman has not been involved in the preparation of the Information Memorandum and has not caused or authorised this issue of the Information Memorandum.</p>
Information Memorandum Dated	<p>1 November 2021</p>

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2. THE INVESTMENT

2.1 Warakirri Diversified Agriculture Fund

The Warakirri Diversified Agriculture Fund (Fund) will invest in a diverse portfolio of investment grade Australian agricultural assets and lease to high quality agricultural businesses (tenants) - a 'Core Agriculture Property' investment strategy.

2.2 Target Investment Returns

The Fund aims to generate a total internal rate of return (IRR) of 7% to 11% per annum (after fees, expenses and Fund level tax, but before investor tax and performance fees).

Target returns assume a long term gearing position of 25% of gross assets under management.

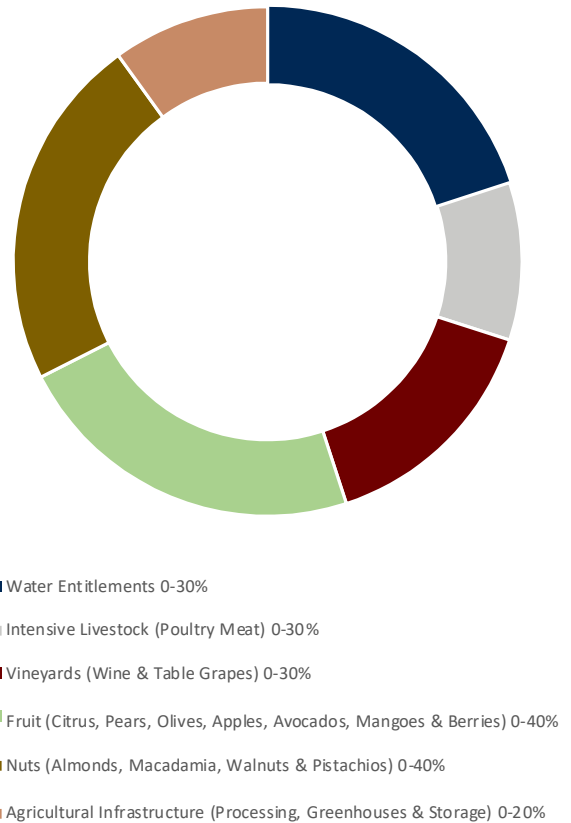
2.3 Investment Strategy

The Fund's investment strategy is to buy, develop and own a diverse portfolio of agricultural assets aligned with the Fund's long-term strategic asset allocation strategy.

The investment portfolio will be developed over time within the strategic portfolio asset allocation, with individual investments and portfolio weighting subject to opportunities and value.

The Fund will focus on higher value sectors with attractive lease terms and quality tenants. Examples of likely assets in higher value sectors are nuts, fruit, vineyards, intensive livestock, agriculture infrastructure and water. An indicative long-term portfolio asset allocation is provided in Figure 1.

Figure 1: Indicative long-term portfolio asset allocation



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2. THE INVESTMENT - CONTINUED

2.4 Portfolio Construction

The Fund's investment portfolio will be developed over time. During the Formation Phase, the concentration of assets will be higher, with diversification to increase as the Fund grows. The Manager will aim to manage this concentration risk with the portfolio construction framework outlined in Figure 2.

2.5 Gearing

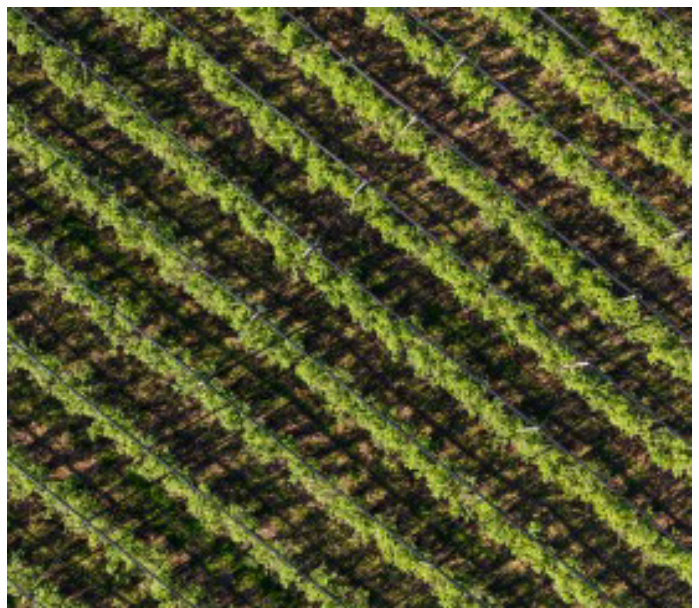
The Fund will be permitted to adopt a long-term gearing position of up to 25% with a maximum cap of 50% of gross assets under management (excluding uncalled capital commitments) in order to provide capacity to act on investment opportunities.

2.6 Valuation Policy

The Manager will engage an independent valuer to value each asset in the Fund annually on a rolling quarterly basis, in line with the Fund's Asset Valuation Policy. The valuations will be approved by Warakirri's majority independent Board of Directors (Board). The Manager will ensure that independent valuers for each asset are rotated every three years and no single valuer will value 100% of the portfolio (once two assets are within the Land Trust) or the same property in more than three consecutive financial years.

Figure 2: Portfolio Construction Framework

Formation Phase <\$100m	<ul style="list-style-type: none"> Portfolio construction framework used to manage concentration and tenant risk in the formation phase. In the formation phase, subject to opportunities, the Fund will seek to: <ul style="list-style-type: none"> Carefully select initial assets and high-quality counterparties; Acquire the second asset in a different sector; After second acquisition no sector greater than 80% of portfolio; After third acquisition no sector greater than 60% of portfolio.
Consolidation Phase \$100m - \$300m	<ul style="list-style-type: none"> Further capital raising. Additional assets identified / acquired with new units in the Trust issued by the Trustee. Diversification will increase as the Fund grows and assets are added in line with the long-term strategic asset allocation.
Optimisation >\$300m	<ul style="list-style-type: none"> Potential for further capital raisings for investments that improve the Fund's returns and/or diversification.



2. THE INVESTMENT - CONTINUED

2.7 Liquidity Windows

Given the nature of the assets of the Fund, investors should regard their investment in the Fund as long-term and illiquid.

However, in accordance with the Trust Deed, the Trustee will provide liquidity by making a Withdrawal Offer on or about the date that is 18 months prior to each Review Date (with a Review Date occurring on the seven (7) year anniversary of the Stage 1 First Close date, and every five years thereafter). Unit Holders will have a period of 3 months following receipt of that notice to make a Withdrawal Request (each such period being a Liquidity Window).

Should the Trustee receive Withdrawal Requests for any Units at any of the Liquidity Windows, it will consider appropriate strategies over the following 18 month period to meet the requests (subject to protecting the best interests of Unit Holders across the Fund). Potential strategies will include:

- Arranging for an existing or new investor to purchase some or all of the Units;
- Undertaking a new issue of Units to fund redemption of the Units (which may be by way of public offer or listing);
- Increasing gearing over one or more of the Fund assets (subject to gearing limits); and/or
- Realising one or more of the Fund assets.

Should the Trustee receive Withdrawal Requests from 75% or more of Unit Holders, the Trustee will, if deemed in the best interest of Unit Holders across the Fund, seek to wind-up the Fund in an orderly manner.

Please refer to section 4.5 for more information on withdrawal from the Fund.

Outside of the designated Liquidity Windows, Units may be transferred (subject to Trustee's approval). The Trustee will facilitate a six monthly 'grey market' on a best endeavours basis if required to facilitate transfers.

2.8 Warakirri's Agricultural Capabilities

Warakirri has a proven capability and track record of investment management in Australian agriculture spanning over 25 years.

Warakirri currently manages discrete agriculture investment portfolios and diversified agriculture funds with assets under management and commitments totalling approximately \$2billion for Australian and global pension funds. Warakirri has a strong track record in identifying, valuing, negotiating, purchasing, aggregating, developing and managing agricultural assets within a diverse portfolio. Warakirri's ability to identify opportunities and develop tailored investment vehicles is supported by:

- Dedicated investment management team;
- Independent governance structures;
- Health, safety & environment resources and systems;
- Accounting and management systems;
- Risk management practices and procedures;
- Strong network of national service providers;
- Procurement resources and systems; and
- Information Technology and Human Resources support.

2. THE INVESTMENT - CONTINUED

2.9 Governance & Management

Warakirri will act as the Trustee / Manager of the Fund and will be responsible for the Fund's investment strategy, portfolio construction and management, governance, accounting, investor relations and reporting.

Where an acquisition is recommended for investment, the management team will seek approval from Warakirri's majority independent Board. Please see section 3 for biography of directors serving on the Board.

Warakirri Transaction Committee

The Committee, comprised of senior agriculture and investment executives, will be responsible for the oversight of the investment process and evaluation of opportunities. The Committee reviews of the investment team's acquisition proposal will include detailed due diligence, third party reports and investment modeling.

Management

The Fund will be overseen by an experienced Portfolio Manager responsible for the portfolio construction and ongoing management oversight of the assets. The Portfolio Manager will be supported by Warakirri's agriculture investment team.

The Portfolio Manager in conjunction with the agriculture investment team will be responsible for identifying potential assets, conducting comprehensive due diligence, asset modeling and preparing acquisition proposals for consideration by the transaction committee.

Investment Due Diligence & Approval Process

A summary of Warakirri's established investment identification, due diligence and approval process is illustrated in Figure 3 and outlined below:

- Portfolio Manager and agriculture investment team identify potential assets for consideration via established networks.
- Portfolio Manager and agriculture investment team undertake initial due diligence on potential investments.
- If deemed worthy of further work, a proposal for full due diligence is put to transaction committee for approval, including a due diligence budget.
- Full due diligence, including third party due diligence reports, completed and negotiations undertaken to acquire property and enter lease arrangements are completed subject to final approvals.
- Counter-party risk assessment, including third party credit check completed.
- Asset due diligence reports completed and presented to transaction committee for approval.
- Final approval by Warakirri's majority independent Board.

Figure 3: Investment due-diligence and approval process



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3. ABOUT US

Warakirri is a multi-boutique asset management firm established in 1993 with specialist investment offerings for institutional and retail investors across multiple asset classes, including agriculture, equities, cash and specialised U.S real estate. Warakirri is also a leading provider of after-tax benchmarking, reporting and performance analytics and passive and active currency solutions for Australian institutional investors.

Warakirri is 100% owned by its directors and employees. Warakirri is an aboriginal word meaning “to grow”. Warakirri creates and manages investment vehicles designed to facilitate investment in specialised assets and asset classes not generally available from other sources.

3.1 Warakirri Transaction Committee

Warakirri Transaction Committee - Voting Members

Jim McKay	Chairman
Adrian Goonan	Head of Cropping & Diversified Agriculture
Steve Jarrott	Portfolio Manager - Diversified Agriculture
Luke Carey	General Manager - Agriculture Investments
Ben James	CEO - Aurora Dairies
Dale O'Neill	CEO – Daybreak Cropping

3.2 Warakirri Diversified Agriculture Fund Management & Investment Team

Key members of the Warakirri management & investment team for the Fund are provided in this section.

Steve Jarrott, Portfolio Manager - Diversified Agriculture

Steve Jarrott joined Warakirri in 2019 as Portfolio Manager of the Diversified Agriculture Fund. Steve is one of Australia's leading Agricultural Investment professionals with a decade of high-quality experience as Portfolio Manager with Westchester, the agriculture investment arm of the US based TIAA-Nuveen Group, the world's largest farmland investment manager. Steve is an experienced Portfolio Manager, highly skilled in investment strategy and asset allocation, deal origination and negotiations, valuation and analysis, portfolio management, governance, risk management and ESG programs. Steve holds a Bachelor of Agriculture and Graduate Certificate in Applied Finance and Investment and maintains an active personal interest in agriculture via his family farm in New South Wales.

Adrian Goonan, Head of Cropping & Diversified Agriculture

Adrian joined Warakirri in 2008 and holds a Bachelor of Applied Science Project Management and is a graduate of the Australian Institute of Company Directors. Adrian's background and blend of professional experience is across three main areas; project management, funds management and agriculture (particularly agricultural investments).



3. ABOUT US - CONTINUED

Luke Carey, General Manager - Agriculture Investments

Luke joined Warakirri in 2015 in the role Investment Manager, Agribusiness. During his time at Warakirri he has overseen the identification, deployment and on-boarding of significant capital into agricultural investments, coordinated valuations of \$800m+ assets annually, an attendee of the Daybreak and Warakirri Cropping and Warakirri Dairy Boards, as well as a member of a number of internal committees, including overall responsibility of the Agriculture Transaction Committee.

Prior to joining Warakirri, Luke was employed by Australian Unity Investments for 6 years as the Investment Operations Manager. Previous roles were in external audit and corporate advisory, in Melbourne, Perth and New York. Luke is a Certified Practising Accountant (CPA) and holds a Bachelor of Commerce from Deakin University.

Luke has gained practical agricultural experience from his family interests in sheep, potatoes and broadacre cropping in the Ballarat and Western District regions.

Tim Smith, Asset Manager, Diversified Agriculture

Tim was appointed as Asset Manager, Diversified Agriculture in July 2021. He joined Warakirri in 2018 as part of the firm's Agribusiness Investment Management team and has been a key contributor to the recent growth and development of the Aurora Dairies entity, which is managed by Warakirri.

Tim's background has been primarily in professional services with a focus on trade and cross-border transactions between Australia and Asia. He also spent time in Hong Kong for four years. Prior to joining Warakirri, Tim worked at a boutique agribusiness advisory and transactions firm working with institutional and private investors on growth and acquisition opportunities across the agribusiness sector.

Tim has a Bachelor of Business from Swinburne University and is currently completing his Master of Agribusiness from The University of Melbourne.

3.3 Board of Directors

A brief biography of the Warakirri Board of Directors is provided in this section.

Jane Tongs, Non-Executive Chair



Jane is Chair of the Board and was originally appointed as a non-executive director in 2010. Jane has over 30 years of management expertise, serving on the boards of insurance, funds management, property and other financial services entities. She developed her leadership and management experience earlier in her career, specifically as Partner at PricewaterhouseCoopers. Along with her deep expertise in finance, her board experience is vast with over 20 years' experience as a Chair, Chair of Audit and Risk Committees and Non-executive Director. Ms Tongs is the former Chair of Netwealth Group Limited. She is currently Chair of Columbus Capital Pty Ltd and of the Lendlease Australian Prime Property Fund Investors Committee and a Non-executive Director of Cromwell Property Group, Hollard Insurance Company Pty Ltd and Brighton Grammar School. Ms Tongs is a Fellow of Chartered Accountants Australia and New Zealand and of CPA Australia and a member of the Australian Institute of Company Directors.

Jim McKay, Managing Director



Jim was appointed as Managing Director of Warakirri in 2017. Prior to joining Warakirri, he was most recently Head of Distribution for Franklin Templeton Investments, Managing Director of the wealth management division of Challenger, and the CEO of Boss Software International. Jim holds a Bachelor of Economics from the University of Tasmania, a Post Graduate Degree in Finance and Investments, and an MBA from the Melbourne Business School. Jim is a member of the Australian Institute of Company Directors and a Graduate of their Company Directors program.



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3. ABOUT US - CONTINUED

Peter Promnitz, Non-Executive Director



Peter was appointed as a non-executive director in 2016. He is currently Chair of Nulis Nominees (Australia) Limited, appointed in July 2018. In addition, he is currently the Chair of Australian Unity Limited and the CareerMoneyLife Advisory Board. Previously, Peter held the role of CEO for Mercer Australia/NZ from

2004 – 2010 and the role of Regional Head, Mercer Asia Pacific from 2007 – 2012. Peter holds a Bachelor of Science (Hons) from the University of Adelaide and is a Fellow (and Graduate) of the Australian Institute of Company Directors. Peter is also an actuary and is an Associate of the Actuaries Institute.

Dan Mangelsdorf, Non-Executive Director



Dan was appointed as a non-executive director in 2017. He is currently Chairman of the Warakirri Cropping Trusts and is a board member of GrainCorp Limited. Dan holds a Bachelor of Agricultural Economics (Hons) from the University of New England and is a Fellow of the Australian Institute of Company Directors. Dan owns and operates farming interests in New South Wales, and is an

experienced company director with agricultural, supply chain, international trade and risk management expertise. He is a Fellow of the Australian Institute of Company Directors and has a Bachelor of Agricultural Economics (Honours) from the University of New England.



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4. FUND RAISING

4.1 Applications & Minimum Investment Size

The minimum investment in the Fund from an investor is A\$100,000 subject to satisfying the wholesale client/sophisticated investor requirements of sections 761G or 761GA of the Act.

To apply for Units in the Fund, investors are required to complete an application form which can be obtained by contacting the Manager.

4.2 Target Fund Scale

In order to achieve further portfolio diversification and return, it is expected an expansion will take place over time in Stage 2 with the aim of achieving a Fund size of over \$300m.

4.3 Fund Raising Stages

Fund raising for the Fund has been structured to occur over two stages, as outlined below.

Stage 1 (Completed)

The Fund launched in 2019 and the First Close for the Fund occurred on 30 October 2020 with the settlement of the first of three foundation assets for the Fund.

Stage 1 Units in the Fund prior to First Close were issued at \$1.00 per Unit.

Stage 1 Units in the Fund issued after the First Close were issued at \$1.00 per Unit plus a 'cost of carry' at 8% p.a. which was an additional payment to account for the timing of the issue of Units.

The Fund's Stage 1 capital raising period has now closed and the Fund has moved to Stage 2 capital raising.

Stage 2: Capital Raising

Warakirri is seeking to raise further capital under Stage 2 following the close of Stage 1.

Stage 2 fund raising is open-ended and available for investment by existing or new investors.

The aim for the capital raising in Stage 2 is to achieve a minimum Fund size of \$300m to further improve the portfolio diversification and outcome for investors.

All Stage 2 Units will be issued on a fully paid basis (i.e. application funds are to be paid in full (cleared funds) to the Fund at the time of making the application).

4.4 Issuance of Units

An applicant for Units during Stage 2 of the Fund is required to complete an application form and submit the same to the Trustee for approval.

The Trustee anticipates that Unit issues during Stage 2 will take place on a monthly basis. Applications for investment and cleared funds will typically need to be received by the Trustee before any month end for investment in the following month (i.e. applications for an October unit issue and cleared funds must be received by the end of September).

The price for Units in Stage 2 will be based on the Net Asset Value of the Fund, divided by the number of Units on issue (Unit Price) for the month end immediately prior to the issue of those units (e.g. October unit issue is based on 30 September NAV per unit), or at such other price determined by the Trustee in accordance with the terms of the Fund (this may include where the Trustee is aware of exceptional circumstances that would cause an NAV-based unit pricing to be inappropriate in the circumstances). Unit pricing will be completed on a monthly basis and calculated at each month end.

Certain transaction costs may be taken into account by the Trustee in determining the Unit Price. Examples of transaction costs are stamp duty, legal fees and other acquisition or disposal related costs. Transaction costs will typically be capitalised at the time they are incurred and amortised, on a straight-line basis, over a 5 year period. See item 5.7.6 for more information relating to the treatment of transaction costs.

The current Unit Price can be obtained by contacting the Trustee.

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4. FUND RAISING - CONTINUED

4.5 Withdrawal from the Trust

As noted in section 2.7, the Fund will provide certain 'Liquidity Windows' during which Unit Holders can seek to withdraw from the Fund.

The Trustee will make a Withdrawal Offer to all Unit Holders on or about the date that is 18 months prior to each Review Date (with a Review Date being the seven (7) year anniversary of the Stage 1 First Close date and then every five (5) years thereafter). Unit Holders will have a Liquidity Window of three (3) months from the date of the Withdrawal Offer to make a Withdrawal Request in a form approved by the Trustee at the time.

The Trustee will use its best endeavours to satisfy a Withdrawal Request within the 18 months following the applicable Liquidity Window, however this will be subject to the Trustee being satisfied that the steps required to fund a withdrawal are in the best interests of all Unit Holders. There is no guarantee that a Withdrawal Request will be met.

Where a Withdrawal Request is able to be met, the Withdrawal Price will be calculated by the Trustee at the appropriate time prior to making a withdrawal payment to the Unit Holder as determined by the Trustee in accordance with the terms of the Fund (Withdrawal Price). The Withdrawal Price will typically be determined by reference to the current Net Asset Value, less any unamortised transaction costs.

Withdrawals will typically be processed and paid once the applicable Withdrawal Price calculation has been completed. Generally, the Withdrawal Price will be based on the Net Asset Value calculated for the month end immediately preceding the withdrawal payment to the Unit Holder (i.e October Withdrawal Price based on 30 September Net Asset Value)

Where the Trustee is required to dispose of assets of the Fund to satisfy Withdrawal Requests, the transaction costs will typically include the costs of such asset disposals (e.g. seller commissions and legal fees).

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5. STRUCTURE & ADDITIONAL INFORMATION

5.1 Structure

The Fund is established pursuant to the trust deeds of each of the Land Trust and Trading Trust (collectively "Trust Deeds") and the rights of Unit holders in the Fund are governed by the terms of the Trust Deeds and the terms contained in this Information Memorandum (IM).

The Fund may comprise interests in these two unregistered managed investment schemes under a stapled trust structure whereby units issued by the Land Trust may be stapled to units issued by the Trading Trust in a ratio determined by the Trustee to create a stapled Unit in the Fund. Where stapling applies, a stapled Unit will comprise units in both the Land Trust and Trading Trust in a ratio determined by the Trustee and the stapled Units will be contractually bound and cannot be separately transacted, and the Trustee will administer the Fund in such a way as to ensure that the stapling is maintained in the prevailing stapling ratio.

For the avoidance of doubt, where stapling applies the Issue Price will be in respect of a stapled Unit in the Fund (i.e. an aggregate price for investment in both the Land Trust and Trading Trust) and the Trustee will allocate the Issue Price to acquisition of units in each of the stapled trusts in the prevailing stapling ratio.

The Land Trust will own land and infrastructure, including water rights associated and used in connection with the land primarily for the purpose of leasing to third parties. The Trading Trust will hold other assets and undertake any activities which may be considered as a 'trading activity' for tax purposes, for example, owning water rights (not incidental to land assets to be leased) that may be traded separately.

A stapled trust structure has been adopted in order to ensure tax effective holding of the assets (in particular any water entitlements that are held separately).

Although it is not the intention of the Trustee/Manager, it may, where appropriate, operate assets acquired by the Fund.

The opportunity to invest in the Fund is an "excluded offer" under the Corporations Act for wholesale investors only. The Trustee may contemplate registering the Fund as a registered managed investment scheme and open the Fund to retail investors in the future.

5.2 Trust Deed

The main operative provisions outlined in the Trust Deeds include:

- Establishment of the Fund
- Creation and the period of the Fund
- Applications, redemptions, and transfer of units
- Rights of Unit holders
- Valuation of assets
- Register of Unit holders
- Trustee's power and indemnity
- Confidentiality
- Termination of the Fund
- Stapling
- Annual financial statements and audit

A copy of the Trust Deeds are available by contacting Warakirri's Investor Relations team (refer to page 1).

Definitions used in this IM have the same respective meanings as are given to them in the Trust Deeds unless the contrary intention otherwise appears. If there is any inconsistency between the Trust Deeds and the IM, the terms of the Trust Deeds will prevail.

As the Trustee/Manager of the Fund, Warakirri is responsible for establishing the investment vehicle, strategy, portfolio construction and management, governance, accounting, investor relations and reporting.

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5. STRUCTURE & ADDITIONAL INFORMATION - CONTINUED

5.3 Custodian

Warakirri Asset Management Ltd.

5.4 Auditor

Deloitte Touche Tohmatsu.

5.5 Tax Advisor

Deloitte Tax Services Pty Ltd.

Distributions will be calculated based on the Unit Holders' proportional Unit Holding and will be distributed quarterly (annually at June for capital gains) following the end of March, June, September and December. Distribution payments will only be made to the investor's nominated Australian bank, building society or credit union account.

Please note that if the Trustee has not been provided with a Unit Holder's ABN, TFN or an exemption category, or if the application shows a country of residence other than Australia, a relevant amount of tax will be deducted from distribution payments.

5.6 Distributions & Taxation

5.6.1 Income

A distribution by the Land Trust and the Trading Trust (when it is a flow through trust) represents the Unit Holders' share of distributable income and capital (if any) of the Fund. The distributable income of the Fund will generally consist of interest, rent and, from time to time, the realisation of any of the Fund's underlying assets, after deducting fees.



5. STRUCTURE & ADDITIONAL INFORMATION - CONTINUED

5.6.2 Taxation

It is important to note that tax implications of investing can be complex and are particular to each individual's personal circumstances. The taxation information provided in this IM is of a general nature, assumes an Australian resident investor and should not be regarded as specific or personal taxation advice. Investors are encouraged to obtain independent professional advice if uncertain about their tax position.

The precise taxation treatment of the Fund will depend on whether the Land Trust and Trading Trust are regarded as 'public trading trusts'.

The Land Trust is expected to be a 'flow through trust' which means that the net income from the Land Trust is anticipated to be taxed at the investor level, at the investors' marginal rate. The activities of the Land Trust should be regarded as an 'eligible investment business' which is, broadly, a business that invests in land for the primary purpose of deriving rental income. Although the Land Trust may become a 'public' unit trust (for example, by having more than 50 unitholders), it is not expected to undertake 'trading' activities and should therefore not be regarded as a public trading trust.

The Trustee anticipates that the Trading Trust will hold water rights, separate to the water rights which are incidental to the land assets being leased by the Land Trust. A trust holding separate water rights (i.e. not incidental to land being leased) is not expected to meet the definition of an eligible investment business. Therefore, the Trading Trust will be regarded as a 'trading' trust. As mentioned above, trading trusts can also qualify as a flow through trust so long as it does not become 'public' and therefore a 'public trading trust'.

Therefore, the Trading Trust is likely to have two different tax treatments during its life:

1. A flow through trust and taxed at investors' marginal tax rate (before it is considered a 'public' unit trust e.g. up to 50 unitholders).
2. A public trading trust and taxed at corporate tax rate (after it is considered a 'public' unit trust e.g. exceeding 50 unitholders).

If redeeming part or all of your Units in the Fund, a Unit Holder needs to consider the tax implications that may arise. It should be noted that capital gains may arise should Units in the Fund be sold or redeemed. Generally, if Units in the Fund are sold or redeemed for an amount greater than the Unit Holders current cost base, a gain would arise. A relevant discount percentage may be applied to a capital gain provided the Units have been held for greater than 12 months. It is the investors' responsibility to maintain records of cost base and calculate the capital gain or loss.

Under current law, should the Land Trust or the Trading Trust (while it is not a public trading trust) make a capital gain on the sale of an asset it has held for more than 12 months, a 50% capital gains discount should apply to the capital gain by the Fund. Where capital gains are distributed to Unit Holders, it will be included as part of the Unit Holders' annual tax statement. Unit Holders are required to gross up the net capital gain shown in the annual tax statement and apply their relevant discount percentage to this gross capital gain in the calculation of their taxable income.

The Trustee will provide Unit Holders with an annual tax statement (indicatively by the end of July each year) which will be accompanied by a taxation guide.

5.6.3 Stamp Duty on new issue or transfer of Units

In addition to the duty payable on the acquisition of the underlying assets of the Fund, the issue of Units or transfer of Units in the Fund, may also be subject to stamp duty if the Fund holds property in certain jurisdictions (e.g. Queensland and South Australia) until such time the Fund satisfies the stamp duty requirements in each State (i.e. being a registered managed investment scheme for South Australia and a public unit trust for Queensland stamp duty purpose (which includes a requirement that it is a registered managed investment scheme)).

This duty, if any, is payable by the acquirer of the Units. As the Trustee / Manager, in order to reduce the administrative burden for investors, Warakirri undertakes that it will, on behalf of the holder of acquirer of the Units, complete necessary applications and make required lodgements with the revenue office in the relevant jurisdictions. For the avoidance of doubt, the duty payable to the revenue office in the relevant jurisdiction remains the responsibility of the acquirer of the Units and holders and acquirers will need to complete forms for lodgements to occur.

5. STRUCTURE & ADDITIONAL INFORMATION - CONTINUED

5.7 Fees

The Fund will be offered with the following fee structure. All fees quoted in the section are exclusive of GST.

5.7.1 Management Fee

The management fee payable to Warakirri as the Manager/ Trustee of the Fund will be calculated as outlined in the Trust Deeds and payable quarterly in arrears on the gross assets of the Fund at a rate of 1% p.a.

5.7.2 Performance Fee

The Manager / Trustee will be entitled to a 15% performance fee of any outperformance of the Fund over a high water mark internal rate of return (IRR) of 8% p.a. Performance fees are calculated and accrued in the Unit Price, paid and re-set at each Review Date (i.e. at the Fund's seven-year anniversary and every five years thereafter).

5.7.3 Transaction Fee

The Manager is entitled to and may charge a transaction fee of up to 1% of the gross purchase or sale price of each asset acquired / divested by the Fund (excluding legal costs and stamp duty) which will be paid by the Fund to the Manager upon settlement.

5.7.4 Termination Fee

In the event that the Manager is terminated or the Fund wound up, the Manager will be entitled to receive a termination fee equivalent to one (1) year of management fee based on the Gross Asset Value of the Fund as at date of termination. The Manager will also be entitled to receive any accrued performance fee, calculated as at the termination date.

5.7.5 Fund Expenses

Fund related expenses will be paid for by the Fund, including establishment costs, acquisition costs and operational costs (such as professional fees, third party due diligence and annual valuations).

5.7.6 Transaction Costs - Capitalisation and Amortisation

At any given time, the Net Asset Value of the Fund will include a proportion of transaction costs incurred in dealing with the assets of the Fund, including stamp duty, legal fees and other fees related to the acquisition or disposal of assets. Transaction costs will typically be capitalised (from the time they are incurred) and amortised, on a straight-line basis, over a 5-year period. This is to ensure that the transaction costs incurred are equitably applied to new, existing and exiting investors.

The Fund may take certain transaction costs into account when determining the Unit Price for the issue and withdrawal of Units in the Fund to ensure that all investors are treated equitably in relation to transaction costs.



5. STRUCTURE & ADDITIONAL INFORMATION - CONTINUED

5.8 Reporting

On a quarterly basis Warakirri will provide Unit holders with an investment valuation and a written quarterly report. A distribution statement, when applicable, will be provided to Unit holders.

A tax statement will be provided to Unit holders annually, generally by the end of July each year.

5.9 Anti-Money Laundering & Counter Terrorism Financing Requirements

In order to meet Warakirri's obligations under Anti-Money Laundering and Counter-Terrorism legislation (AML/CTF Laws), further information may be required from applicants, at any time prior or during an investment in the Fund. We may request further information about an investor, any beneficial owner (or third parties) and source of funds (and other similar matters), if we believe that information is reasonably required to comply with AML/CTF Laws. We may be required to disclose that information to our related bodies corporate, service providers or as otherwise obliged by law to regulators of AML/CTF Laws. If you do not provide this information, Warakirri may not be able to process transactions or provide other services.

5.10 US Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standards (CRS)

FATCA was introduced by the United States of America (US) Internal Revenue Service (IRS) in order to identify and collect tax from US persons who invest in US assets through non US entities. The Australian government has entered into an Inter-Governmental Agreement (IGA) with the US for reciprocal exchange of taxpayer information in respect of FATCA. Under the FATCA legislation, Warakirri is classified as a Foreign Financial Institution (FFI) and is registered as a Model 1 IGA Reporting Entity with the IRS. Warakirri is therefore required to identify, document and report to the IRS, through the Australian Taxation Office (ATO), all US persons who invest in the financial products for which Warakirri acts as trustee and manager.

Similarly the Organisation for Economic Cooperation and Development (OECD) has established the Common Reporting Standard (CRS) reporting regime, which requires participating jurisdictions to obtain information from their financial institutions (including investment entities) for exchange with other participating jurisdictions. The Australian government has adopted a wider approach which is to record the jurisdiction in which a person is a tax resident regardless of whether the jurisdiction has signed to participate in the OECD's CRS regime.



5. STRUCTURE & ADDITIONAL INFORMATION - CONTINUED

Under the CRS regime, Warakirri is classified as an Investment Entity that is a Reporting Financial Institution and therefore required to identify, document and report to the relevant jurisdictions, through the ATO, all non-Australian residents who invest in the financial products for which Warakirri acts as trustee and manager.

As such, Warakirri may require information or documents from its investors as necessary to identify and verify the investors' FATCA and CRS status, including, but not limited to, self-certification forms containing personal information such as the investors' full name, tax file number, date of birth and residential address. Warakirri may disclose this information to the ATO who may in turn exchange the information with the IRS and other authorities within the relevant jurisdiction.

5.11 Privacy

Warakirri respects your privacy. Any personal details provided to Warakirri at any time in relation to an investment, will be used to administer and report on the investment, and for related purposes. For example, personal details may be used to establish and process an initial investment, process ongoing transactions, respond to any queries you may have, provide an investor annual tax statement, and to provide information on the performance of an investment, change in product features, fund commentary and other topical information.

As well as using personal details within Warakirri, we may disclose it to other persons to enable us to provide services to an investor. Such people include:

- Third parties we appoint as advisers, agents or service providers such as auditors, custodians, administrators or legal advisers; and
- Third parties you authorise to act on your behalf in relation to your investment such as your investment consultant, financial adviser, broker or solicitor.

Warakirri may also disclose your personal information to other persons and entities as permitted under the Privacy Act 1998. Warakirri will keep your personal details as up to date and accurate as possible. If any of your personal details are incorrect or change, please write to us. If you wish to find out what personal details we hold with respect to you, please contact us.

5.12 GST

GST is not imposed on applications or withdrawals. The fees listed in this document do not include an allowance for GST. A GST amount will be incurred on management and performance fees, investment manager fees, investment transactions, professional fees and other fees and charges.



6. RISKS

An investment in the Fund involves risks, like any other investment. There are many factors that can impact on the performance of an investment. Investors should consider carefully the suitability of this investment and risk it involves.

Market Risk

The value of assets in the Fund may increase or decrease depending on market, environmental, economic, political, regulatory and other factors affecting the Fund's investment strategy and cost of financing.

Tenancy Risk

A risk exists that tenants of the assets in the Fund may not be able to honour their lease obligations or that tenants cannot be found for the assets. Depending on the significance of the tenants to the Fund, a default or lack of tenants may adversely impact the performance of the Fund resulting in reduction in distributions of the Fund, and in extreme circumstances, a failure by the Fund to meet its interest obligations under its financing facilities.

Agricultural & Seasonal Risk

The Fund will be exposed to general agricultural risks in the capacity as landlord and, in some cases, as operator. This means that short term variations in yield, prices for produce or seasonal conditions, should not have a significant impact on the value of the assets of the Fund over the long-term. However, sustained reduction in the profitability of tenants may lead to a failure of their business and inhibit the ability of the tenant to service lease obligations and result in termination of the property leases. In addition, sustained period of adverse seasonal conditions (e.g. water shortages), disease or nature disasters may result in significant damage to properties which in turn may result in a reduction in the value of the assets in the Fund.

Counterparty & Business Risk

Where the Fund acquires assets which have an element of business risk associated with them (i.e. management contracts), the Fund will be exposed to the risk that the underlying business fails to meet its obligations under the relevant contract or suffers financial difficulties.



6. RISKS - CONTINUED

Interest Rate Risk

Interest rate movements could lead to increased interest expenses in respect of borrowings in the Fund and result in a reduction of distributions by the Fund. In extreme circumstances, the Fund may fail to meet interest obligations.

Borrowing Risk

Borrowings magnify gains and losses and increase volatility of returns. There is a risk that the Fund's loan facilities may not be renewed or renewed on less favourable terms.

Liquidity Risk

Given the nature of the assets an investment in the Fund should be seen as illiquid. A risk exists as there is no established secondary market for Units and redemptions may only take place during liquidity windows in accordance with the provision of the Trust Deeds. When redemption requests are made, there is no guarantee that requests will be granted in whole or part.

Income & Taxation Risk

The level of income if the Fund can fall as well as rise, and the tax status of such income can change. The after tax returns from an investment in the Fund may be influenced by changes in taxation laws or their interpretation.

Dilution Risk

As the Fund issues Units to new investors, existing Unit Holders proportional beneficial ownership in the underlying assets of the Fund may be reduced.

Development Risk

The Fund may, in certain circumstances, be exposed to development risk, as a result of capital improvements and development activities on its properties. However, any development is expected to be undertaken as part of an ongoing lease agreement in which the tenant will be responsible for paying an increased rent to the new development capital base.

Investment Team Risk

The performance of the Fund is largely dependent on the skill and expertise of the Manager and investment team managing the Fund. Team members may change over time.

Natural Disaster Risk

A risk exists that natural events may materially impact, or destroy the assets held in the Fund. Insurance coverage is not available for certain events.

Environmental Risk

Environmental issues, such as land contamination may have an adverse impact on the Fund.

Forfeiture of Units

If an investor fails to pay the whole of a call by the time appointed for payment then the Trustee may take action that may ultimately lead to the forfeiture of the Units held by the investor.

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Information Memorandum



7. DISCLAIMER & EXCLUSION OF LIABILITY

No financial product or taxation advice

The information contained in this document should be used as general information only and is for the exclusive use of prospective investors and their advisors. It does not take into account the particular circumstances, investment objectives and needs for investment of any investor, or purport to be comprehensive or constitute investment advice and should not be relied upon as such. You should consult a financial adviser to help you form your own opinion of the information, and on whether the information is suitable for your individual needs and aims as an investor. Warakirri is not a taxation advisor and you should consult appropriate professional advisors on any taxation, legal, stamp duty and accounting implications of making an investment in any Warakirri fund or service. Further, the content within this document is not an offer or solicitation to enter into any agreement of any kind or intended to have that effect.

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Limitation of liability

Warakirri and its associates expressly disclaim to the maximum extent allowable by law, all and any liability under contract, for negligence or otherwise for any loss or damage incurred or suffered by any person arising directly or indirectly from any person doing, or omitting to do, anything in full or partial reliance upon all or any part of the material in this document.

Fund performance

Warakirri and its associates do not guarantee the return of all or any capital invested, nor the performance or profitability of the Fund. Past performance should not be relied upon as an indication or guarantee of future performance.

Interests

Warakirri will be the Trustee/Manager of the Fund and will be entitled to receive the fees in respect of those entities disclosed in this document. The directors and shareholders of Warakirri may also receive benefits from such fees.