

EXECUTIVE SUMMARY

- As of March 2021, the Fund has deployed \$48.5m million across four assets, with a Weighted Average Rental Yield of 8.24% and a 14.9 year Weighted Average Lease Expiry.
- The Fund settled on its fourth asset during the last quarter, a strategic agriculture infrastructure investment in Victoria.
- A first quarterly income distribution has been paid for the period ended 31 March 2021, returning a total of 1.86 cents per unit, equating to an annualized yield of 7.4% pa on called capital (net of fees and fund costs).
- This first payment is in line with the Fund’s policy of distributing all surplus income and is in line with the 6%+ yield target we expect to deliver to unit holders in the Fund.
- The Fund has established strong and valued Tenant relationships with four sector leading businesses operating and leasing Fund assets in Vic, Qld and WA.
- Emerging from the disruption of 2020, we are impressed by the resilience of the agricultural sector and the way our Tenant Partners and other stakeholders have managed a range of challenges over the last 12 months.
- Although Covid-19 will continue to influence the industry, it seems the worst of the storm has passed, and agriculture has emerged as a shining light of the economy.
- The Warakirri network is presenting good deal flow and opportunities for further investment.
- As we work to grow and build out diversification in the portfolio, we continue to accept capital commitments from both new and existing investors.
- Our Sector Focus on the berry category below provides an insight into the fundamentals behind the Fund’s investment exposure to this crop.

Capital Called	100%	Capital Deployed	\$48.5m
Fund Assets	4 Agri Sectors	Tenant Partners	4
Fund Assets	4 Production Regions	Distribution (quarter ended 31 March 2021)	1.86 cpu



“Southbrook” Lemons



“Drinan Farms” Baby Spinach



Portfolio Manager Update

As we continue through the formation phase of the Warakirri Diversified Agriculture Fund, I'm pleased to report good steady progress in terms of both profit performance and deployment. During this last quarter the Fund reached two important milestones. Firstly, our fourth acquisition was secured for the Fund, which including capex commitments will take us beyond \$50m of deployment. And secondly, we have made our inaugural quarterly distribution payment from earnings of the Fund, which was paid during the last week.

The newest addition to the portfolio is a strategic agriculture supply chain investment. The asset is a modern livestock feed mill, situated on 5.52 ha of industrial land at Cobden, in the Western Districts of Victoria.

Commissioned in 2009, the facility produces a diverse range of nutritionally designed, tailor-mix feed rations for livestock producers in the dairy, poultry, pork, beef and lamb sectors. With capacity of 240,000 tonnes of production per annum, the site is estimated to account for approximately 20% of stockfeed production capacity in Victoria's west and, as a mash style feed producer (as opposed to pellet feed), is the largest of its kind in Australia. Cobden is regarded a strong strategic location for the asset, central to the customer base it services across Western Victoria and SE South Australia, as well as to grain, meal and fibre producers that supply inputs for the various feed products manufactured in the facility.

The vendor in the transaction, remains in occupation of the property as another best-in-class Tenant Partner of the Fund, entering a lease back agreement that will see this business continue to operate the asset for at least a further 20 years. From five production facilities in Victoria, they are in the top 5 national producers of stockfeed and a key player in the Vic, Riverina and SE SA markets they operate in.

This new asset is highly accretive to the income profile of the existing Portfolio, while adding further, valuable diversification to the Fund's sector and counterparty exposures.

We are delighted to add this quality asset to the Fund and to commence a new lease partnership with such a well-respected, growing business with a strong track record in the stockfeed industry.

The Fund has recently paid its inaugural quarterly income distribution. The profit position for the quarter ending 31 March 2021 has allowed for 1.86 cents per unit to be distributed, equating to an annualized yield of 7.4% pa on called capital (net of fees and fund costs).

This first payment is in line with the Funds policy of distributing all surplus income and the 6%+ income distribution we expect to deliver unit holders in the Fund. We are committed to continuing our disciplined approach, to carefully select new assets and Tenant Partners, and ensuring this is not only a rewarding income investment but a valuable, low volatility, total return exposure for all clients investing with us.

Emerging from the disruption of 2020, we are impressed by the resilience of the agricultural sector and the way our Tenant Partners and other stakeholders have managed the challenges over the last 12 months.

Although Covid-19 will continue to influence the industry, it seems the worst of the storm has passed and agriculture has emerged as a shining light of the economy. There are definitely some residual impacts for certain sectors and in points of the supply chain, however, the broader tail winds we are seeing in demand and favourable seasonal conditions provide great confidence that agriculture is well positioned to meet the short term challenges and continue to perform strongly in 2021 and beyond.

Thank you again for your interest and investment in the Fund. The Warakirri network is offering good deal flow and opportunities for further investment. As we work to grow and build on the diversification of the portfolio, we continue to accept capital commitments from both new and existing clients.

Please get in touch with us on 1300 927 254 to discuss further investment or any queries you may have.

Steve Jarrott
Portfolio Manager

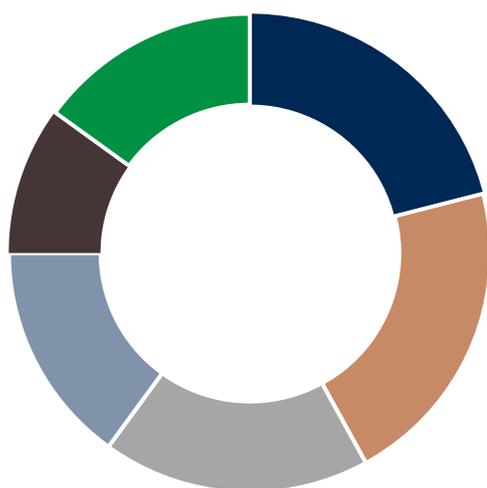


INVESTMENT OVERVIEW

The Warakirri Diversified Agriculture Fund (“DAF” or the “Fund”) has been established to purchase and develop a diversified portfolio of investment grade Australian agricultural assets and lease to high quality agricultural businesses (tenants) - a ‘Core Agricultural Property’ investment strategy.

The Fund’s focus is on higher value sectors with attractive lease terms and quality tenants. Examples of assets in higher value sectors are nuts, fruit, vineyards, intensive livestock, agricultural infrastructure and water entitlements.

LONG TERM PORTFOLIO ASSET ALLOCATION



- Nuts (Almonds, macadamia, walnuts & pistachios) (0-40%)
- Fruit (Citrus, pears, olives, apples, avocados, mangoes & berries) (0-40%)
- Vineyards (Wine & table grapes) (0-35%)
- Intensive Livestock (Poultry meat) (0-30%)
- Agricultural Infrastructure (Processing, greenhouses & storage) (0-20%)
- Water Entitlements (0-30%)

FUND SNAPSHOT

Investment Type	Diversified Agriculture
Investment Style	Active
Target Returns	IRR after fees, expenses and Fund level tax of 7% to 11% per annum
Liquidity	Liquidity windows will be available on the seven-year anniversary of the Fund
Target Fund Size	\$300m
Gearing	Neutral long-term gearing position of 25%
Assets Held	4
Distributions	Quarterly

INVESTMENT GUIDELINES

At steady state, the Fund will seek to have:

Individual Asset Exposure	▪ No individual asset >25% of the portfolio by value
Individual Sector Exposure	▪ No sector exposure >40% of the portfolio by value
Individual Commodity Exposure	▪ No individual commodity exposure >25% of the portfolio by value
Regional Exposure	▪ No regional exposure >40% of the portfolio by value
Counterparty Exposure	▪ No individual counterparty exposure >30% of the portfolio by value



“Southbrook” Blueberries

SECTOR IN FOCUS - BERRIES

The Australian berry sector consists of strawberries, blueberries, and a family referred to as rubus berries, which most notably include raspberries and blackberries.

This category of the fruit market is experiencing strong sector growth and has good future value potential on the back of recent genetic advancement in new varieties and research which has placed berries in the “superfood” category.

The value of Australian berry production grew at a compound annual growth rate of 10% p.a. between 2013 and 2020 and Australian consumption per capita has risen by almost 7% over the past five years. Over this time the Australian industry moved from being a net-importer to being a net exporter, though international trade is still relatively minimal.

Australian berries are produced primarily for local, fresh market consumption, with only 4% (\$42m out of the total production value of \$1,041m) exported annually. And only a minor percentage (2.9%) of berries consumed in Australia are imported. Approximately 75% of Australian households today purchase fresh berries on a regular basis.

Strawberries are the largest category in the sector, produced in most states. Blueberry production is the next largest, centred in north-east New South Wales, with smaller market specific production zones close to local markets. And there are an estimated 120 growers producing raspberries (85% of the rubus family) and blackberries (15%) across all states and territories except the Northern Territory.

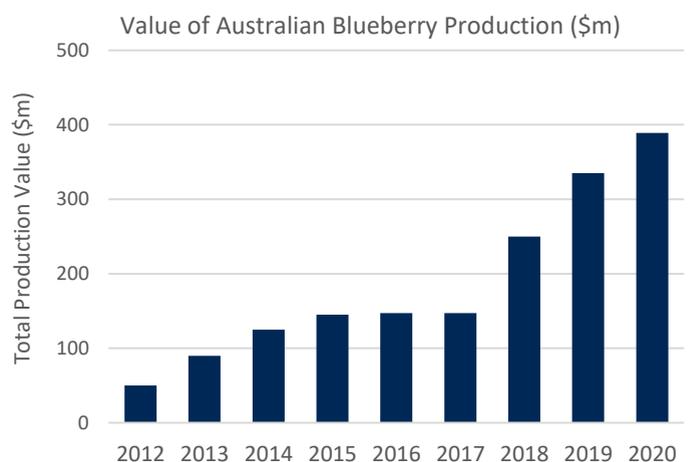
Investment by key Australian industry players has fuelled sector growth in recent times and with the recognised health benefits a key factor driver on the demand side, berries have evolved into a strong investment prospect. Blueberries, in particular, are extremely high in antioxidants, which are shown to help neutralise the ‘free radicals’ that cause cancer, heart disease and other age-related illnesses. They are also low in calories and high in potassium, provide a high source of Vitamin C, E and fibre, are anti-inflammatory and have a low GI value, which helps to regulate blood sugar levels.

While growth through the berry category has been predominately domestic to date, international demand is intensifying. Australia is well placed to supply fresh fruit to key Asian markets, where blueberries are reportedly the fastest growing fruit category with recognition of their nutritional values proving particularly attractive to

the rising middle-income class in China. Australian berries entering this market have seen particularly high demand due also to relatively quality. While there has been insufficient production to reach international markets at significant scale to date, good opportunities remain for Australian berry production to grow with stronger export relationships.

Given the fragile and perishable nature of rubus berries (raspberries and blackberries), export potential for these crops is limited. Consequently, growth projections in the berry sector are focused predominately on blueberries and strawberries.

Depending on the type of berry and production system, berries are either grown in-field or hydroponically in elevated substrate soil. The more modern substrate soil production system provide meticulous control over the application of water and fertilisers and allows for greater crop monitoring. Furthermore, the use of substrate soils expands the area suitable for berry production, as soil and climate become only a minor factor in determining where to grow. Blueberry and Rubus berries are in many cases produced in covered tunnels to protect against from extreme weather events and pests. This control reduces the normal agricultural risks associated with farming these fruits, making it an even more attractive sector of the Ag asset class.



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