

Prime Value Dairy Trusts

Income Securities, Equities and Property are core to our investment philosophy but in our volatile and changing investment landscape, resilient portfolios require new thinking and different approaches. Prime Value Alternative Investments are part of our strategic approach to bring new diversification opportunities to investors.

Our alternative investments are focused on areas where we see income and capital growth potential with lower volatility and lower correlation to traditional investments. Dairy farming, in strategically located areas, offers all of the characteristics we seek.



Fund Facts

Trustee	Prime Value Asset Management Ltd
Objectives	To acquire, develop and manage a premium dairy farming enterprise. To provide investors with returns uncorrelated to traditional investments via regular capital growth potential income distributions from milk sales and capital growth from the eventual sale of a substantial portfolio of premium, irrigated farms in high rainfall areas.
Commencement	December 2019
Investment Period	7 - 10 years from the Commencement Date with limited liquidity
Target Returns	12%+ p.a. over the life of the investment through a combination of income and capital growth
Target Distributions	5-7% p.a payable quarterly

Why Australian Agriculture?

Key supply and demand factors underpinned our decision to invest in Australian agriculture:

- a global scarcity of arable land;
- severely declining worldwide clean water supplies;
- global food security;
- a rising world population; and
- the rapidly expanding Asian middle class.

In the context of these factors, the demand outlook for food is strongly supported.

Australia is also one of only 11 net food exporting nations in the world with a well earned reputation

for producing premium quality, non-contaminated agricultural products.

For these reasons, we believe Australian agriculture is very well positioned now and for the future.

Why Australian dairy?

The Australian dairy industry has been through several challenging years with low milk prices and high input costs linked to ongoing drought conditions. Milk supply has been significantly impacted across Northern Victoria, NSW and Queensland with herd reductions and farmers in drought affected areas exiting the industry. These conditions have heralded a change in industry dynamics.



In light of the reduced supply situation, combined with extensive lobbying, the \$1.00/litre supermarket discounted milk policy finally came to an end in February 2019. The likelihood of it ever being reinstated is low and milk prices paid to farmers have since continued to move higher as processors compete with each other for the falling milk supply.

For those farms that are irrigated and located in high rainfall areas, profitability has strengthened and it is farms with these characteristics that we seek to acquire.

Our Objectives

- To develop a financially and environmentally sustainable dairy farming enterprise;
- To acquire dairies that are irrigated and/or in high rainfall areas for pasture based farming;
- To engage in active pasture management and target self-sufficiency;
- To produce premium quality milk while operating under the highest standards of health, safety and animal welfare;
- To implement value-add opportunities; and
- To select farms that are geared for climate change.

Strategic Locations

Inexpensive and plentiful water is the key to successful dairy farming. To meet this requirement for water, our farming assets will be strategically located in the high rainfall regions of SW Victoria and Tasmania. Additionally our properties will have irrigation to further secure our pasture production and ensure our input costs can be contained. Furthermore, we believe access to reliable water secures the long term capital growth potential for our farms.

How to Invest

Due to strong investor interest and to take advantage of excellent farm buying opportunities, we are currently raising a further \$15M. To become a part of Australia's agricultural future, please contact your Relationship Manager or our Client Services Team on 03 9098 8088.



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Investment Opportunity

The Trusts commenced operating in December 2019 and as at July 2020, we had acquired two farms in South West Victoria and one in North West Tasmania. Combined, these three farms will milk 1900 cows in FY20/21 and produce more than 11 million litres of milk.

We intend to build the portfolio to hold 5-8 dairy farms across SW Victoria and Tasmania over the course of FY20/21 and invite you to join us in our next acquisitions.

As with all Prime Value investments, we invest alongside our investors and our goals are always aligned with yours.



James Everist



Elizabeth Blackhurst



Kirsti Keightley

Portfolio Managers

Australian Agriculture and Infrastructure

James and Elizabeth as joint Portfolio Managers for our alternative assets have many years of experience in financial markets, commodities and risk management. Kirsti Keightley as our Dairy Manager brings a wealth of dairy farming and farm management experience to the investment team.

**Please find link to the
Dairy Trusts application:**