

MEDIA RELEASE
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NEW PRIMEWEST FUND ENTERS AGRICULTURAL SECTOR WITH PLANS TO INVEST UP TO \$100 MILLION

National property fund manager Primewest has made its first investment in Australia's globally successful agricultural sector with its Primewest Agricultural Trust No 1 purchasing "Pinegatta" in the NSW southern riverine region.

The newly established trust managed by Primewest paid \$4.8 million to acquire the 425 hectare property from the Rennie family. The property is leased to blue chip tenant Kagome – Australia's largest fruit and vegetable processor with a market capitalisation in excess of \$2 billion.

The Pinegatta property, near the town of Deniliquin, primarily produces carrots and potatoes, most recently servicing contracts to the Smith Snack Food Company (Pepsico).

It consists of fertile, rolling loam soils with a state-of-the-art irrigation system that is connected to highly reliable water resources via deep bores and the Mulwala Canal - Australia's largest irrigation canal which is less than a kilometre away.

Primewest director David Schwartz said Pinegatta was a high quality, investment grade, agricultural asset leased to a blue chip tenant and was well positioned to benefit from the anticipated improvement in the Australian agricultural sector.

He said Primewest has taken a counter-cyclical approach to investing in the agricultural sector, with plans to acquire a range of properties in its new trust totalling up to \$100 million.

"Kagome has invested around \$700k on capital improvements to the property in the last 12 months and it also features \$1 million worth of central irrigation pivots that span 259 hectares of land," Mr Schwartz said.

"It provides a net passing income of \$300k per annum and we expect investors will receive a total return on investment of 8% pa (IRR)."

Mr Schwartz said the Triple-Net Lease provided a WALE (by income) of 6.4 years.



ASX listed Primewest (PWG) is one of Australia's most active and successful property fund managers with over \$4 billion of assets under management across all mainland states of Australia and the west coast of the USA. Established in 1995 PWG is a value-add and often counter-cyclical manager, operating in the retail, industrial, commercial, residential and large format retail property sectors to achieve maximum returns for holders of its stapled securities and investors in the underlying funds it manages.

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