

**Rabo Farm**

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**Rabo Farm Europe Fund II is a closed-end fund, targeting EUR 300m of commitments to invest in agricultural assets, with a focus on Central and Eastern Europe. The main strategy of the fund will be on increasing farm yields. This provides for a sound foundation under the returns we can achieve for our investors. Rabo Farm offers you an opportunity to invest in a fertile future and contribute actively to solving one of the major challenges of the decades to come.**

**Why Food & Agri?**

**Rabo Farm Europe Fund II Strategy**

Rabo Farm plays an active role in responding to the challenges that face global food security. In the next 40 years – with less access to scarce land, water and mineral resources – the agricultural sector will need to double agricultural production.

Rabo Farm focuses on increasing earning capacity as the primary driver for performance by

- > Increasing farm yields and thereby farm income
- > Local economic and social development
- > Generating return driven by macro, local economic and farming results.


**Investment Thesis**

The earning capacity of arable crop farms is the prime driver of our return potential. The earning capacity, or the per hectare profit, is driven by the physical crop yield per hectare (q), the price per ton of produce (p), the costs of farm inputs plus the costs of operations (c) and other income (s), such as EU subsidies.

An increase in earning capacity contributes to farming income and income stability (direct yields) and to farm value at exit (indirect yield).

With our focus on investing in an efficient “q” we are contributing to the overall food security challenge whilst providing our farms and investors with sustainable and long-term income potential.

*“Adding real value will facilitate sustainable growth in the earning capacity of the farm”*

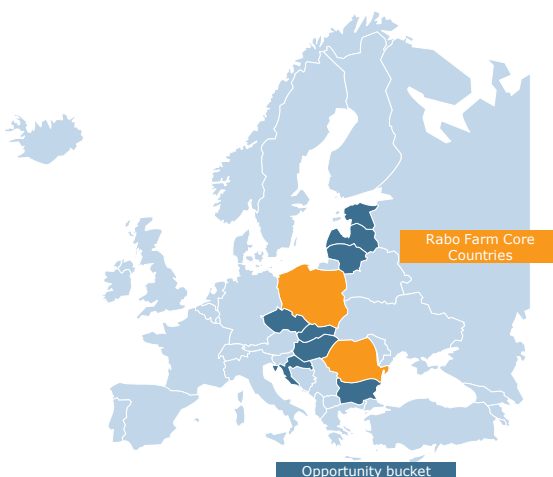
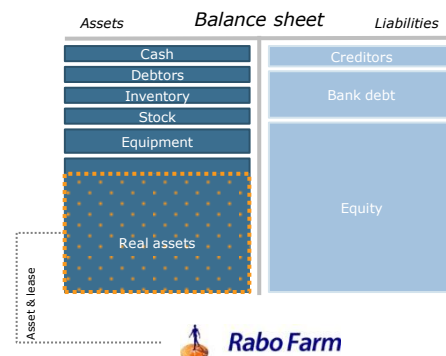
		Base Case	Δ	Investment Case
Yield per Hectare	q	7.0	+7%	7.5
Price per tonne	p	200		200
Farm input costs	c	-650		-650
Operational costs	c	-450	+10%	-495
Other income	s	250		250
Earnings per hectare	E	550		605
Discount rate		6%		6%
<b>Land Value</b>		<b>6875</b>		<b>7563</b>
% of Base		100%		110%



## How to invest

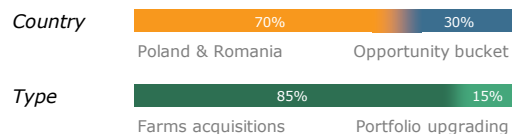
Rabo Farm believes in a strategy whereby investments add real value. To optimise opportunities to add real value, Rabo Farm needs to invest where it has the maximum impact. Rabo Farm Europe Fund II focuses on investments in the farms' assets to guarantee alignment between the investors and the farms. The investments of Rabo Farm Europe fund II will be allocated to real farm assets and to improving these assets.

The asset class has historically shown a steady increase in value with stable cash flows and limited downside risks.



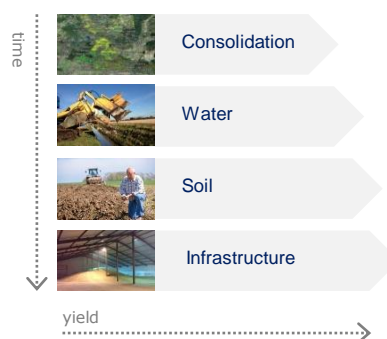
## Portfolio Allocation

Rabo Farm will invest in rural agriculture, concentrating its investment on real assets. The fund strategy is to close the yield gap by improving the farms' productivity. The core focus is to invest in those countries where we can actively contribute to closing the yield gap.



## Adding real value with a low risk profile

The focus of Rabo Euro Fund II will be on adding real value to the farm. Improving the farm will contribute to the farm's sustainability and profitability. Adding real value to the farm enables exposure to the heart of the farmer's business. Consolidation, water management, soil efficiency and infrastructure will be the main focus for improvements.



## Terms & Conditions

Targeted Fund sizes	EUR 315 million
Minimum commitment	EUR 50 million
Fund life	10-14 years (initial term of 10 years, 2x2 years extension)
Fund currency	Euro denominated
Target launch date	1-6-2014



## ***Rabo Farm leverages Rabobank's position in global Food & Agri***

- > The origins of Rabobank Group lie in the local credit cooperatives that were founded in the Netherlands nearly 110 years ago by enterprising local farmers.
- > Today, Rabobank Group's aim is to be the leading global bank in the Food & Agribusiness sector with a presence in 46 countries.
- > Rabobank Group has a high credit rating awarded by international rating agencies Standard & Poor's (AA-) and Moody's Investor Service (Aa2).
- > Rabo Farm has adopted Rabobank's high standards on Corporate Social Responsibility and has signed the UN Principles for Responsible Investment and the Farmland Principles and promotes acceptance and implementation of the Principles within the investment industry.
- > More information can be found at [www.rabobank.com/rabofarm](http://www.rabobank.com/rabofarm)

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