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SPATIUM x IIF AGRICULTURAL PRODUCTION FUND (SIAPF)

MAY 2026 FACTSHEET APIR CODE: TOI7548AU ISIN: AU60TOI75482

INVESTMENT STRATEGY

The Spatium x IIF Agricultural Production Fund (SIAPF) is a joint venture between Invest Inya Farmer Pty Ltd (IIF) and Spatium Capital. Combining the award-winning quantitative skills of Spatium Capital and IIF's greenfield access to agricultural production assets, this relationship builds on the success of the IIF Co-Operative model for wholesale, accredited and sophisticated investors.

The SIAPF invests in Livestock, Aquaculture, Broadacre and Horticulture production assets of farmers across Australia and New Zealand.

PERFORMANCE SUMMARY

	1 MONTH	3 MONTHS	1 YEAR	3 YEARS p.a.	7 YEARS p.a.	INCEPTION P.A.
SIAPF[1]	0.9%	-5.7%	-	-	-	11.1%

ARTIFICIAL INTELLIGENCE IN AGRICULTURE

3-part series

Agriculture feeds the world, yet remains one of the last industries that capital markets truly understand. Over the course of the next three months, we examine the forces - the structural, the technological, and the human - that are finally closing that gap, and what it means for investors willing to look where others haven't.

Agriculture is one of the oldest industries on earth, responsible for feeding eight billion people, and yet - according to the World Bank - it employs roughly 26% of the global workforce while contributing only around 4% of global GDP[1]. When waves of technological innovation arrive - electrification, computing, mobile banking, artificial intelligence - farming is almost always last in line. This is not by accident. It is a structural problem, and understanding it is the first step toward fixing it.

The reasons are layered. Geographic dispersion is the most obvious: farms are, by definition, remote. Infrastructure that urban industries take for granted - reliable connectivity, power grids, logistics networks, financial services - thins out considerably the further you move from city centres. Independent research confirms that limited access to reliable connectivity, electricity, and technology remains one of the principal barriers to digital integration in agriculture[2]. When a new digital platform launches, it is designed for the connected world first. Agriculture waits.

Then there is the nature of the industry itself. Farming is fragmented, informal, and deeply variable. Research consistently shows that government, healthcare, hospitality, construction, and agriculture are the five sectors most behind on digital adoption efforts[3]. The kind of standardised data that technology platforms depend on; clean records, consistent formats, verifiable histories etc. is often simply absent in farming contexts.

Capital follows confidence. Investors and lenders need to understand what they are backing. In agriculture, information asymmetry is endemic: farmers often cannot demonstrate their creditworthiness in terms that formal capital markets recognise, even when their operations are fundamentally sound[4]. The result is a persistent gap between agricultural potential and the investment it receives.

There is also a cultural dimension. After decades of being sold solutions that did not fit - technology designed elsewhere, for different scales and different contexts - many farmers have developed a reasonable scepticism toward outside innovation. Trust takes time to build, and it cannot be engineered from the top down.

None of this is cause for despair; it is rather, a diagnostic. The barriers to technology adoption in agriculture are real, but they are not insurmountable. The question is not whether technology can add value in agriculture. It clearly can. The question is whether we are building the right kinds of tools, in the right ways, for the people who actually work the land. That distinction shapes everything that follows in this series.

COMPARATIVE ANALYSIS: OPERATING VS HOLDING

FEATURE	Land Holding (Passive Ownership)	Agricultural Production (Operating Model)
CAPITAL INTENSITY	**Very High**: high up-front costs to acquire title and illiquid	**Mid**: capital is de-ployed seasonally and focussed on output
FIXED COSTS	**High**: subject to land taxes, council rates, interest repayments	**Low**: no land-holding 'drag' on the return profile. Assets are seasonal in nature and priced accordingly
REVENUE VELOCITY	**Low**: reliant on capital (land value) gains, lease yields	**High**: regular revenue events dictated by harvest cycles and seasonality
RISK FACTORS	**Mid**: interest rate sensitivity, foreign investment restrictions, illiquidity	**High**: famine, disease, weather, commodity price compression, poor seasonal yield
CORRELATION	**High**: correlated to real estate markets and interest rates	**Low to NIL**: driven by biological cycles and food demand
PRIMARY ALPHA	Asset appreciation (real estate market trends upwards, interest rates decline etc.)	Production efficiency, farming process, nutri-tional optimisation (i.e. a 'math moat')

Kinsela – Canola, NSW

The Kinsela canola crop has responded well to recent rainfall, with strong establishment and early growth across most paddocks. While there are a few patchier areas in high-traffic sections near gateways, the overall crop is tracking well and the season outlook has improved significantly since sowing. With the crop now up and growing, the team is preparing to apply urea to support canopy development and maximise yield potential heading into winter. Early-season nitrogen is an important step in setting the crop up for a strong season, with the paddocks now moving into the key vegetative growth phase ahead of flowering later in the year.

Daintree – Watermelons, QLD

The Daintree watermelons are off to a strong start, with fruit now setting on the oldest block and new plantings continuing to go into the ground. Recent paddock inspections from Saun show healthy, vigorous plants across all stages of growth, with no signs of nutrient stress and seasonal development tracking in line with expectations. One of the highlights this month is the first watermelon fruit beginning to form in Block 15, an important milestone as the crop transitions from vine growth to fruit production. Behind the scenes, the team is also using smart planting and pest management strategies, including positioning new blocks upwind of older plantings to help minimise disease and insect pressure as the season progresses.

Smart Farm Group - Ginger, QLD

Since the April update, IIF obtained greater clarity about the ongoing commercial viability of the ginger crop, and provide the following summary. Following successful planting and early shoot emergence across the crop the season has become increasingly challenging. IIF remained in active communication with the farmer and the associated management team. This included detailed operational discussions, reviews of agronomic reports, independent analysis of environmental data, and an on-site visit where the team conducted a full walkthrough and debrief of the programme to better understand the season outcomes and current position.The crop experienced prolonged elevated temperatures across South East Queensland, including several periods of 40°C, which materially increased substrate temperatures within the protected growing system. Based on current assessments and our direct site review, there appears to be limited commercially viable ginger remaining within the programme. The remaining crop continues to show signs of stress, reduced vigour, irregular development, and lowered commercial yield potential.

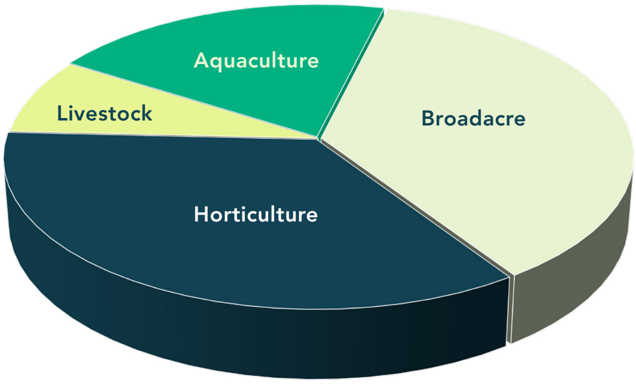
Blue Harvest – Mussels, NSW

An IIF team member recently visited Scott and the Blue Harvest team in Jervis Bay to inspect our mussel stock. The mussels are showing encouraging growth and development. As with all shellfish production, however, performance can be difficult to fully assess during the growing phase, with factors such as mortality and environmental conditions often only becoming clear as grading, sampling and harvest assessments progress over time. We'll continue to work closely with the Blue Harvest team and track the stock throughout the season.

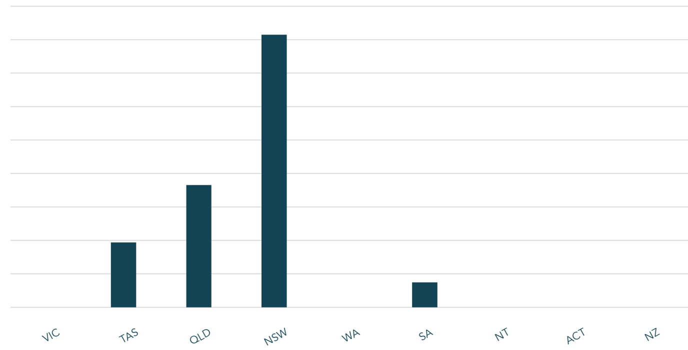
OysterLife– Sydney Rock Oysters, NSW

The OysterLife Sydney Rock Oyster programme is now nearing completion, with the final oysters currently being sold and reconciled. Late in the season, the farm experienced some mortality following a significant East Coast Low, which brought prolonged freshwater inflows, elevated water temperatures and extended periods of low salinity. These conditions can place considerable stress on oysters and impacted survival rates across parts of the region. While the programme has been affected by these seasonal conditions, mortality levels were lower than those experienced in some other growing areas. Returns are expected to be lower than initially forecast, however the programme is still anticipated to deliver a positive outcome.

ASSET EXPOSURE



STATE/TERRITORY + COUNTRY EXPOSURE



FUND DETAILS

UNIT PRICE (as at 31 MAY 2026)	$1.09
SUBSCRIPTIONS/REDEMPTIONS	Quarterly (45-day notice period)
SUGGESTED TIMEFRAME	7+ years
FEES	1.2% Management Fee 10% Realised Return Fee[5]
MINIMUM SUBSCRIPTION	AUD $100,000

PERFORMANCE HISTORY

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	**FYTD**
2025/26	-	1.3%	2.3%	1.2%	1.2%	4.9%	2.2%	1.6%	-2.2%	-4.4%	0.9	-	**9.2%**

[1]*World Bank/ILO. Employment in agriculture (% of total employment). World Bank Development Indicators, 2023. data.worldbank.org - Agriculture, forestry, and fishing, value added (% of GDP). World Bank, 2024.*

[2]*DAI Global Digital. "Unveiling the Future: State of the Digital Agriculture Sector Report." dai-global-digital.com - Infrastructure Gaps cited as a principal barrier to digital integration in agriculture.*

[3]*Whatfix. "Digital Transformation & Tech Adoption by Sector." February 2026. whatfix.com/blog/digital-transformation-by-sector — Agriculture identified among the five sectors most behind on digital adoption.*

[4]*Balana et al. (2022), cited in: "Constraints to agricultural finance in underdeveloped and developing countries: a systematic literature review." International Journal of Agricultural Sustainability, March 2024. tandfonline.com - Asymmetric information and its impact on farmer credit access.*

[5]*The realised return fee only becomes payable where the Agricultural Production Asset has yielded a positive realised return.*