SPATIUM x IIF AGRICULTURAL PRODUCTION FUND (SIAPF)

spatiumcapital.com

SEPTEMBER 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%	3.0%	9.5%	-	-	11.5%

IN THE SPOTLIGHT: OPERATING, NOT OWNING

3-part series

A common understanding amongst investors into Agriculture is the ownership/financing of the underlying land. Over the next three months we ask whether that is the same thing as owning the return (i.e. the production): what land has actually delivered, what the failures of 2009 taught the industry, and why, in production, who farms matters more than what is farmed.

Land Is Not the Return. Production Is.

The Fund returned +1.0% in September, taking the return since inception to +13.5%, or +11.5% p.a.

For most of the past decade, the simplest way to make money in Australian agriculture was to own the ground. The national median farmland price rose 201% in the ten years to 2023, a compound 11.6% a year, and reached a record $10,516 a hectare in 2025 - although growth slowed to 2.8%, the weakest in a 12-year run[1].

The more useful question is where that return came from. ABARES data for 2021-22 to 2023-24 shows that, with capital appreciation excluded, one-half of broadacre farms would have earned a negative rate of return; many smaller farms, it notes, are profitable only because their land has risen in value[2]. For a large part of the sector, the business on top of the land was close to break-even. The land was carrying it.

Institutional farmland shows the same pattern. The ANREV Australian Farmland Index has returned 8.73% a year since 2015, split almost evenly between income and capital growth. But over the three years to December 2025, as values stalled, its total return was -1.28% a year: an income return of 0.97% overwhelmed by a 2.25% annual decline in capital value[3]. Meanwhile the Reserve Bank has raised the cash rate four times this year, to 4.60% in September[4]. Prime farmland has been earning under 1% a year in income at a time when cash pays more than four times that.

None of this makes land a poor asset. It is scarce, durable and has been an excellent store of wealth. But it is capital-intensive and illiquid, it carries rates, taxes and interest, and its value moves with property markets and interest rates rather than with what the paddock produces. Owning farmland has largely been a bet on farmland prices. That is a property return, not an agricultural one.

The SIAPF is built on the other half of the equation. It does not buy land. It funds the production on it - a crop, a herd, a season of oysters - at a fixed entry price, and is repaid from what is grown and sold. Capital is committed for the length of a biological cycle rather than locked into title, and the return depends on output and the farmer's skill, not on the next valuation of the property. That brings its own risks - weather, disease, price and, above all, the operator - and we will come to them.

Next month: we look at what happened the last time Australian investors were sold agriculture as a structure rather than as a business.

COMPARATIVE ANALYSIS: OPERATING VS HOLDING

FEATURE	Land Holding (Passive Ownership)	Agricultural Production (Operating Model)
CAPITAL INTENSITY	**Very High**: high upfront costs to acquire title and illiquid	**Mid**: capital is deployed 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 and pricing are seasonal
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, nutritional optimisation (i.e. a 'math moat')

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Canola – NSW

The Kinsela canola crop is progressing well, having moved through flowering and into the important pod development and seed-filling stage. The paddocks are showing strong pod formation, with the crop now directing its energy into developing the oil-rich seeds that will ultimately be harvested. Over the coming weeks, the focus will shift to seed fill and crop maturity as the farmer and the team monitor conditions and prepare for harvest. While there is still some season to play out, the crop is tracking nicely as it moves towards these final stages of production.

Oats – SA

The oats crop at Tiv Park remains healthy and continues to thicken, with the farmer pleased with its overall condition. The crop is progressing well, although further rainfall would be beneficial to support additional growth and maximise production before cutting. The final outcome will depend on how seasonal conditions develop over the coming weeks, particularly the amount of additional moisture received before harvest.

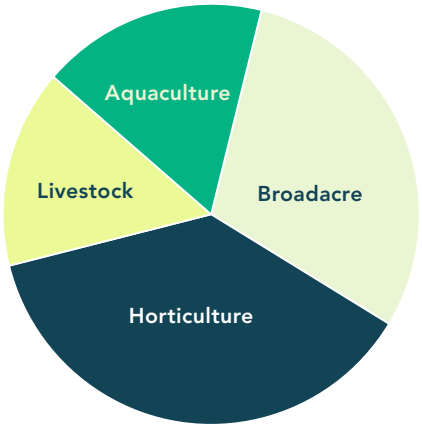
Watermelons – QLD

The watermelon crops at Daintree Fresh are progressing well, with strong plant growth, excellent fruit set and melons developing towards the target 8–10kg range. Following a three-week break from harvesting, the team is preparing to resume picking, with market prices currently looking favourable. Multiple plantings are progressing at different stages, providing a steady pipeline of fruit for the coming weeks. With healthy crops, encouraging demand and preparations underway for improved on-farm packing facilities, the team is well positioned for the next stage of the harvest season.

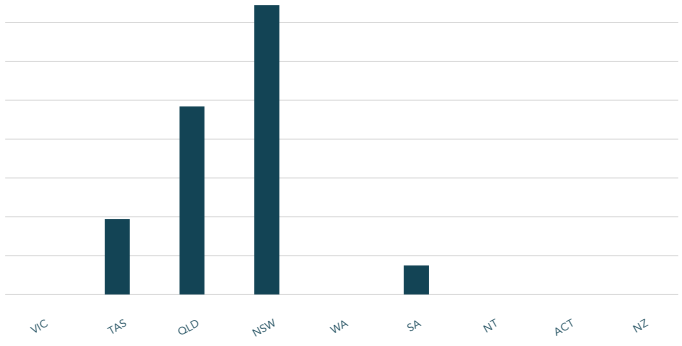
Charolais Cross PTIC Cows – NSW

The PTIC cows have settled in well following their arrival near Bendemeer in the NSW Northern Tablelands. The herd has completed its initial induction, with each animal scanned, visually identified and treated for internal and external parasites to support herd health ahead of calving. With induction complete, the cows have returned to pasture and are progressing well. The focus now shifts to the upcoming calving period, with the cows expected to be sold as cow/calf units later in the programme.

ASSET EXPOSURE



STATE/TERRITORY + COUNTRY EXPOSURE



FUND DETAILS

UNIT PRICE (as at 30 SEP 2026)	$1.14
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%	0.9%	**10.2%**
2026/27	0.7%	1.3%	1.0%	-	-	-	-	-	-	-	-	-	**3.0%**

[1]*Rural Bank. "Australian Farmland Values 2024." May 2024; Bendigo Bank Agribusiness. "2026 Australian Farmland Values Report." May 2026. bendigobank.com.au - national median up 201% in the ten years to 2023 (11.6% p.a.); $10,516/ha in 2025, up 2.8%, the slowest of 12 consecutive years of growth.*

[2]*ABARES. "Disaggregating farm performance statistics by size." September 2025 update. agriculture.gov.au - 2021-22 to 2023-24; excluding capital appreciation, one-half of broadacre farms would have earned a negative rate of return.*

[3]*ANREV. "Australian Farmland Index, Q4 2025." March 2026, via IREI. irei.com - 8.73% p.a. since January 2015 (income 4.40%, capital 4.22%); three years -1.28% p.a. (income 0.97%, capital -2.25%).*

[4]*Reserve Bank of Australia. "Cash Rate Target." rba.gov.au - increased to 4.60% effective 30 September 2026, the fourth increase of 2026.*

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

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