



# WHY AGRICULTURE ?

Agriculture has become an attractive investment destination for a number of reasons. Most important of all being the strong market fundamentals in support of the sector on both the demand and supply side. An increasing population, changing demographics, reductions in arable land and climate change have led to an urgent need of more productive methods of growing food.

*"There will be 9.6 billion people in the world by 2050, that will require more than 70% more crops than we have today. This combined with a reduction in arable land and the effects of climate change will result in sector over-performance."*









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# STRONG RETURNS !

|                            |  AGRICULTURE |  GOLD |  STOCKS |  PROPERTY |  BONDS |  FIXED BANK DEPOSITS |
|----------------------------|---|--|--|---|---|---|
| Tangible Asset             | ✓   | ✓  | ✗  | ✓   | ✗   | ✗   |
| Low Volatility             | ✓   | ✗  | ✗  | ✗   | ✓   | ✓   |
| Equity Build Up            | ✓   | ✗  | ✓  | ✓   | ✗   | ✗   |
| No Leverage                | ✓   | ✓  | ✗  | ✗   | ✓   | ✓   |
| Hedge Against Inflation    | ✓   | ✓  | ✗  | ✓   | ✗   | ✗   |
| Average Annualized Returns | <b>15.76%+</b>  | <b>6.5%</b>  | <b>11%</b>   | <b>8%</b>   | <b>6.5%</b>   | <b>2.5%</b>   |



## INFLATION PROTECTION

As food prices are closely linked to inflationary trends, owners of agricultural assets and those exposed to farming businesses possess a hedge against inflation. This is one key diversification benefit of the asset class.

Agriculture has been shown to have low correlation with many other asset classes such as equities and corporate debt, which dominate the investment market. This means that including agricultural in a portfolio can provide significant diversification benefits, resulting in an increase in portfolio return or reducing overall portfolio risk.



## LOW CORRELATION WITH OTHER ASSETS



## LOW RELATIONSHIP WITH ECONOMIC CYCLES

Population driven food demand remains the core base of demand for agricultural commodities. The demand for food is relatively inelastic to income, making demand for agricultural commodities less subject to an economic slowdown.

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