



## Macquarie Almond Investment 2009

### Post 30 June Investors



The Macquarie Almond Investment 2009 represents an investment opportunity which can provide diversification in your portfolio plus the potential for annual harvest income; a key requirement for many investors in the current economic environment. Macquarie has been managing retail agribusiness investments since 2003. You can feel confident that you are investing with an experienced manager with a long term commitment to managing your investment.

#### INVESTMENT OVERVIEW

The Macquarie Almond Investment 2009 provides you with an opportunity to carry on a business of cultivating, harvesting and selling almonds for commercial gain. Your business will be on a large scale, commercial almond orchard in the Sunraysia district of Victoria, Australia. As the orchard has been fully established, 100% of your investment will consist of one year old trees.

#### KEY BENEFITS OF INVESTING

- **Portfolio diversification** - agribusiness can help to provide diversification in your portfolio. <sup>1</sup>
- **Annual harvest** - almonds are an annual crop and the investment is expected to produce its first harvest in year two, which means you have the potential to begin earning annual harvest income shortly after your investment.
- **Risk management** - the investment seeks to maximise returns and is designed to manage risk through a combination of competitive upfront costs and an ongoing fee structure which (in part) varies with returns, so you pay less when returns are lower.
- **Investment Loan available** - to finance up to 100% of the application amount and subsequent payments up to 30 October 2010.<sup>2</sup>
- **Tax certainty** - potential tax deduction for eligible investors of up to 98% of upfront costs and 100% of all ongoing costs.<sup>3</sup>
- **Supporting rural Australia** - investors will be making an investment in rural Australia which will create employment opportunities and support the local rural economy.



Almonds before harvest

## ATO Product Ruling 2009/49 received

<sup>1</sup> Past performance is not a reliable indicator of future performance.

<sup>2</sup> Subject to the lender's normal lending criteria. See Section 9 'Investment Loan' of the Product Disclosure Statement (PDS).

<sup>3</sup> If the conditions in the Product Ruling are met. See Section 8 'Tax Treatment' of the PDS for details. The Product Ruling 2009/49 is only a ruling on the application of taxation law and is in no way expressly or impliedly a guarantee or endorsement of the commercial viability of the Macquarie Almond Investment 2009 or the soundness or otherwise of the Macquarie Almond Investment 2009 as an investment, or of the reasonableness or commerciality of any fees charged in connection with the Macquarie Almond Investment 2009. The Product Ruling is only binding on the Commissioner if the Macquarie Almond Investment 2009 is implemented in the specific manner provided in the Product Ruling and the circumstances of investors are as described in the Product Ruling. You can view a copy of the Product Ruling by visiting the ATO website <http://law.ato.gov.au/atolaw/findrul.htm> and typing in the Product Ruling number 2009/49.

## WHY INVEST WITH MACQUARIE?

- **Stability** - Macquarie Agribusiness is part of the Macquarie Group - a large diversified financial institution and provides a long term commitment to managing your investment. By investing in the Macquarie Almond Investment 2009 you will receive the benefit of the comprehensive risk management and operational framework of the Macquarie Group.
- **Track record** - earlier in 2009, Macquarie successfully completed its first commercial harvest of almonds and harvest revenue has been received from Almondco, the processor and marketer of the almonds.
- **Expert team** - we have an expert team with over 40 years' combined experience in managing horticultural projects.
- **Experience** - Macquarie Agribusiness has been managing retail agribusiness investments since 2003 and has successfully established and managed a large scale, commercial almond orchard during that time. As a group, Macquarie has serviced clients around the globe in the agricultural sector for more than 15 years. We now have approximately \$1 billion in funds managed or committed across forestry, almonds, viticulture, dairy and pastoral businesses. Our team is 150 strong and manages more than 3 million hectares of land.

## HOW THE INVESTMENT WORKS

As an investor you will grow, harvest and sell almonds with expert support at all stages of the process. For each almond lot invested in, you will be granted a licence to access and use ¼ hectare of land and have rights to use the orchard assets.

### Establishment

- Small seedlings are planted and almond budwood grafted on to the trees. In the Macquarie Almond Investment 2009, the trees were established in 2008.

### Growing

- The trees are managed by our expert team including training and pruning, weed spraying, supply of water and fertilisation, and management of irrigation infrastructure. In 2010, bees will be introduced for pollination and the trees should begin to bear commercial quantities of almonds. Trees should reach full maturity after approximately six to seven years from planting.

### Harvest

- The first harvest will take place in 2011 and annually thereafter.

### Processing and sale

- Almondco has been engaged to process and sell the almonds giving you comfort that even before the trees have been planted, agreements will be signed for the purchase of your almonds. Almondco is a long established processor and marketer of almonds.

## WHY INVEST IN ALMONDS?

Almonds are a versatile nut with a number of well documented health benefits and are used as an ingredient in a wide variety of foods. Globally, consumption has more than doubled over the past decade. The Australian industry is well positioned to take advantage of this growing demand; enjoying a more reliable climate than other producing countries, producing nuts of a consistent and higher quality and benefiting from counter seasonal advantages. The Australian almond industry is the fastest growing almond industry in the world.<sup>4</sup>

## WATER SUPPLY

The water for the orchard is sourced directly from the Murray river and Macquarie has purchased high-security water licences to use this water. A 400 mega litre dam is also operational at the orchard.

A state-of-the-art irrigation system is used to supply water to the almond trees. The drip irrigation system accurately places water and nutrients to the trees, which minimises run-off into waterways. This innovative system has enabled us to reduce water usage by up to 50% in some cases.



## FINANCING OPTIONS

You have the option to borrow up to 100% of the application amount (subject to approval) with the potential to receive a tax deduction for your interest payments. The interest rates below are indicative.

Loan term	Repayment type	Indicative interest rate <sup>5</sup>	Repayment	Loan establishment fee
1 year	Principal only	0%	12 equal monthly instalments	1.00% of the loan amount <sup>6</sup>
5 years	Principal and interest	10.25% p.a.	Monthly instalments <sup>7</sup>	Nil
7 years	Principal and interest	10.45% p.a.	Monthly instalments <sup>7</sup>	Nil

## WHO MAY BE INTERESTED IN THIS INVESTMENT?

Investors who:

- are looking to diversify their investment portfolio;
- want potential for annual harvest income — possible after year two;
- have adequate cashflow to meet ongoing payment obligations;
- are looking for potentially tax efficient investment solutions;<sup>8</sup>
- want the potential to earn income outside superannuation;
- have a long term investment horizon;
- have reliable income stream but limited upfront capital (if borrowing to invest);
- would like to share the investment with a non-working spouse or SMSF.

## RISKS

As with any investment there are risks to be considered, and as this is a long term agricultural investment, many variables may affect the performance of the investment. As well as general investment risks, risks specific to the project include demand and price risk, foreign exchange risk and agricultural risks resulting in loss of crops or trees such as pests, frost, water availability and drought and fire. The risks are set out in the Product Disclosure Statement and investors should read this document and obtain their own financial, legal and tax advice.



Almond blossoms

## MAKING AN APPLICATION

**Minimum investment** \$9,300 per Interest

**Amounts payable in 2009** The fees below are applicable for the first year of the project only. Additional annual fees apply to subsequent years including variable costs.

Payable	Amount per interest (incl GST)	Tax deductible <sup>9</sup>	Can be financed
On application (on or before 15 June 2010)	\$9,300	Yes <sup>9</sup>	Yes — up to 100%
31 October 2010	\$2,500	Yes	Yes — up to 100%

**Applications close 15 June 2010**

<sup>5</sup> These interest rates are indicative only. The actual interest rate applied to an investment loan will be the rate indicated at [www.macquarie.com.au/almonds](http://www.macquarie.com.au/almonds) on the day on which the loan is approved.

<sup>6</sup> Your Loan Establishment Fee will be included in your Investment Loan amount.

<sup>7</sup> The monthly repayment instalments for each drawdown shall be in equal amounts over the term or in such other amounts for each month as Macquarie notifies the investor in writing. The allocation of monthly payments between principal and interest will be as determined by Macquarie and notified to the Investor from time to time.

<sup>8</sup> If the conditions in the Product Ruling are met. See Section 8 'Tax Treatment' of the PDS for details. The Product Ruling 2009/49 is only a ruling on the application of taxation law and is in no way expressly or impliedly a guarantee or endorsement of the commercial viability of the Macquarie Almond Investment 2009 or the soundness or otherwise of the Macquarie Almond Investment 2009 as an investment, or of the reasonableness or commerciality of any fees charged in connection with the Macquarie Almond Investment 2009. The Product Ruling is only binding on the Commissioner if the Macquarie Almond Investment 2009 is implemented in the specific manner provided in the Product Ruling and the circumstances of investors are as described in the Product Ruling. You can view a copy of the Product Ruling by visiting the ATO website <http://law.ato.gov.au/atolaw/findrul.htm> and typing in the Product Ruling number 2009/49.

<sup>9</sup> The Fixed License Fee of \$440 incurred in the 2009-2010 income year will not be deductible in full and deductibility will be reduced at the rate of \$36.67 per month that the investor is not an investor in the 2009-2010 income year.

**For more information contact  
Macquarie Agribusiness**



1800 617 900



agribusiness@macquarie.com



macquarie.com.au/agribusiness

**IMPORTANT INFORMATION**

This information has been prepared by Macquarie Alternative Assets Management Limited ABN 30 103 237 181, AFSL 225758, ("MAAML") and is current as at 29 September 2009.

An invitation to apply for interests in the Macquarie Almond Investment 2009 is made by MAAML in the Product Disclosure Statement dated on or around 6 April 2009 (PDS). The PDS is available from No.1 Martin Place, Sydney or by phoning 1800 617 900. In deciding whether to acquire or continue to hold an investment in the Macquarie Almond Investment 2009, investors should obtain the PDS and consider its contents.

The loans are offered by Macquarie Bank Limited ABN 46 008 583 542 and are subject to approvals.

This information is prepared by MAAML is general information and does not take account of any investor's objectives, financial situation or needs. Before acting on this general information, investors should therefore consider the appropriateness of the information having regard to their situation. We recommend investors obtain financial, legal and taxation advice before making any financial investment decision.

The Macquarie group does not give, nor does it purport to give, any taxation advice. The taxation discussion in this document is based on laws current at the time of writing. Those laws and the level of taxation may change. The application of taxation laws to each investor depends on that investor's individual circumstances. Accordingly, investors should seek independent professional advice on taxation implications before making any investment decisions.

MAAML or its associates, officers or employees may have interests in the financial products referred to in this information by acting in various roles including as investment adviser, broker, or lender. MAAML or its associates may receive fees, brokerage or commissions for acting in these capacities. In addition, MAAML or its associates, officers or employees may buy or sell the financial products as principal or agent. Investors may contact MAAML on 1800 617 900.

Investments in the Macquarie Almond Investment 2009 are not deposits with, or other liabilities of, Macquarie Bank Limited ABN 46 008 583 542 or of any Macquarie Group company, and are subject to investment risk, including possible delays in repayment and loss of income or principal invested. None of Macquarie Bank Limited, MAAML or other member companies of the Macquarie Group of companies guarantees any particular rate of return, the performance of, or the repayment of capital from this managed investment scheme.

© Macquarie Group