

25th February 2016

The Board of Directors have made the following announcement:

It will be proposed that the restructuring of the GAS Agriculture Fund will consist of a conversion of the present structure into a Managed Investment Trust (MIT) registered in Australia and traded on the Irish Stock Exchange.

Investors and their SIPP companies will be given the choice of either retaining their investment in plots which will be converted into units or taking a cash option, i.e. selling. The Board stresses that it will not be advising on either course of action, but hopefully, merely presenting the option to liquidate.

At this point a digression: The Board was prompted to this restructure by a number of complaints about the illiquidity of the investment. Some investors and indeed their advisors have confused and assumed this to mean that the Fund has no cash. Therefore we quote:

'Illiquid is the state of a **security** or other asset that cannot easily be sold or exchanged for cash without a substantial loss in value. **Illiquid** assets also cannot be sold quickly because of a lack of ready and willing investors or speculators to purchase the asset.'

The farms continue to be run and most importantly their value preserved via agronomic investment with sufficient cash flow. The farms are definitely "going concerns". The returns are obviously much lower than projected initially, but with the recent interest rate changes, the perspective on this is also altered from a year or so ago.

Most of the farms have held their book price and some have made gains on present valuations. However, the Board would point out that these valuations are tentative as no farm has been marketed, nor have any express professional valuations been commissioned. Also when calculating individual valuations, the Board cannot comment on the impact of commissions charged at the outset by advisors or the fees of SIPP companies, taxation and most importantly the decline of the Australian dollar against Sterling. The impact of the foregoing on investments is outside the bailiwick of the Board.

The key points will be the valuation of the farms which will be considered and exchanged for units or cash at market value, the ability of the Board to attract new investment via the MIT and the finalisation of current legal discussions with the Australian Land Registry which would enable GAS to reregister the land without incurring stamp tax.

Because of the latter drawn out process and the imminence of the end of the agricultural year in March, the Board hope to make the abovementioned offer to investors by July.

It should be reiterated that at present no farms have been sold, nothing has changed! Every investor has a well documented period of investment and the earliest redemption is slated for 2017. It must be remarked that there have been many unforeseen pitfalls to arrive where we are now. Accordingly, if it proves the restructure is intractable then the status quo will continue and the original contracts will run their course.