

AGRINVEST: SOWING THE SEEDS FOR FUTURE PROFITS

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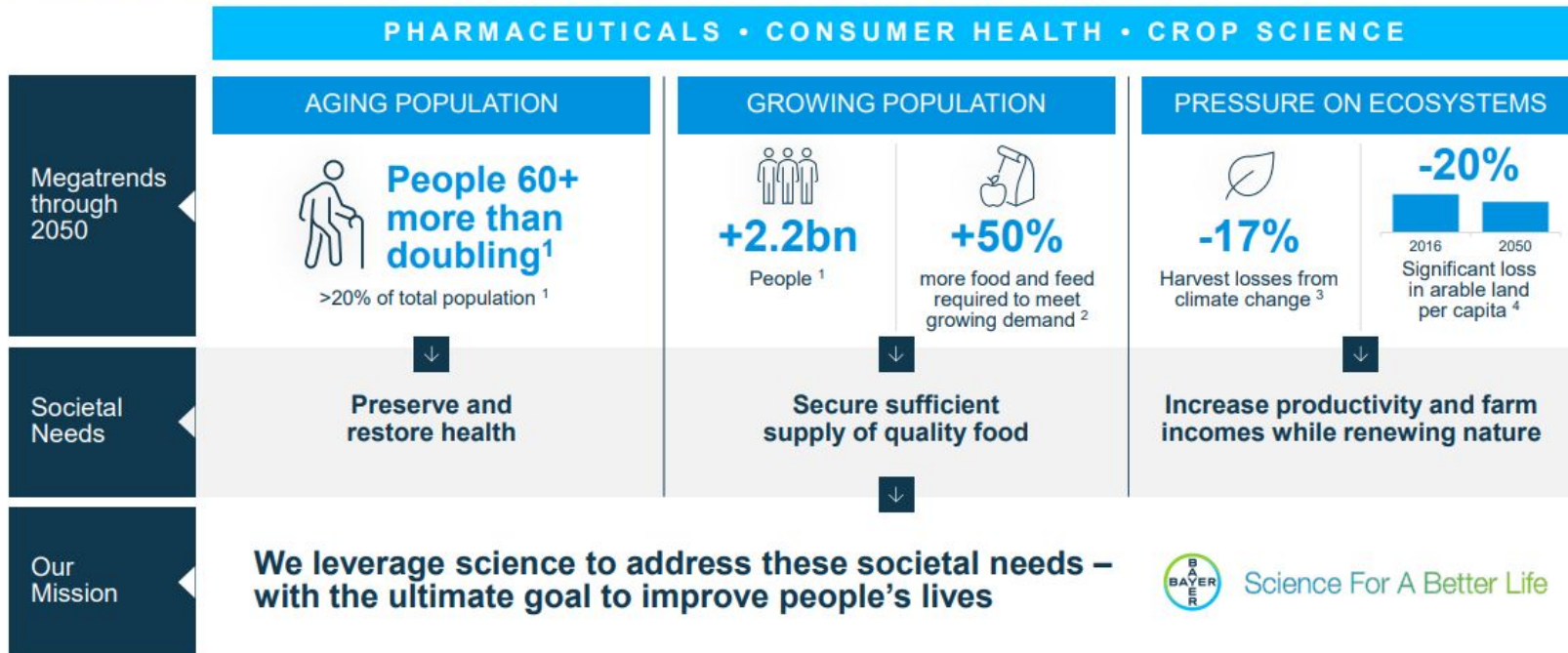
Agenda:

- Food inflation
- Investment landscape
- Margin growth
- Stocks
- Investment outlook

Macro Drivers:

Global Megatrends in Health & Nutrition

Attractive Macro Drivers of Our Strategy and Underpin the Need for Innovation



¹ UNDESA 2017 (United Nations Department of Economic and Social Affairs, Population Division (2017). World Population Prospects: The 2017 Revision)

² FAO 2017, (FAO Global Perspective Studies)

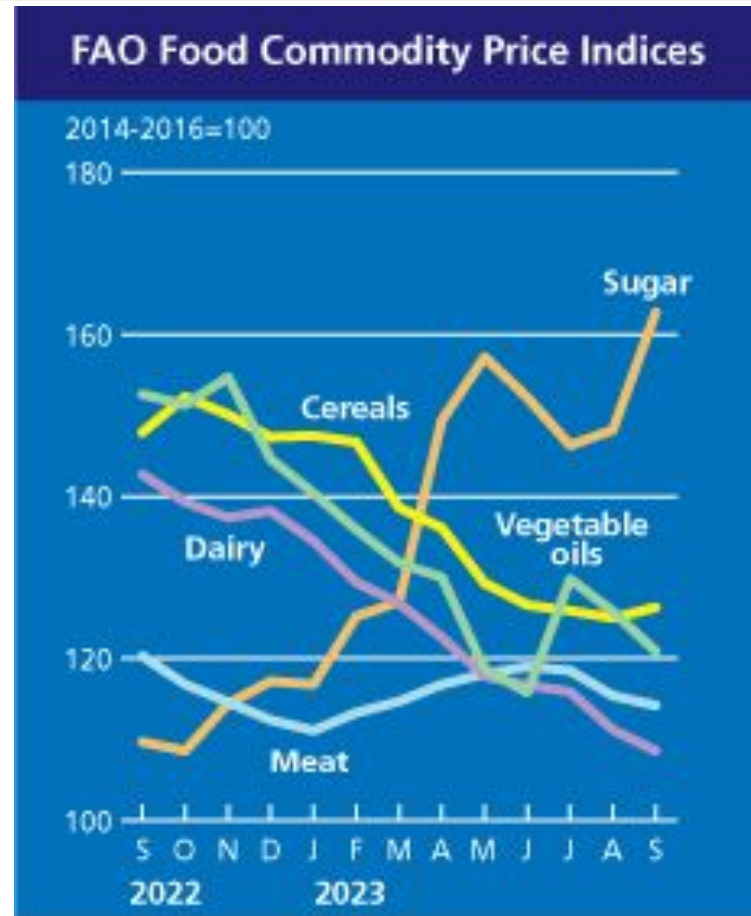
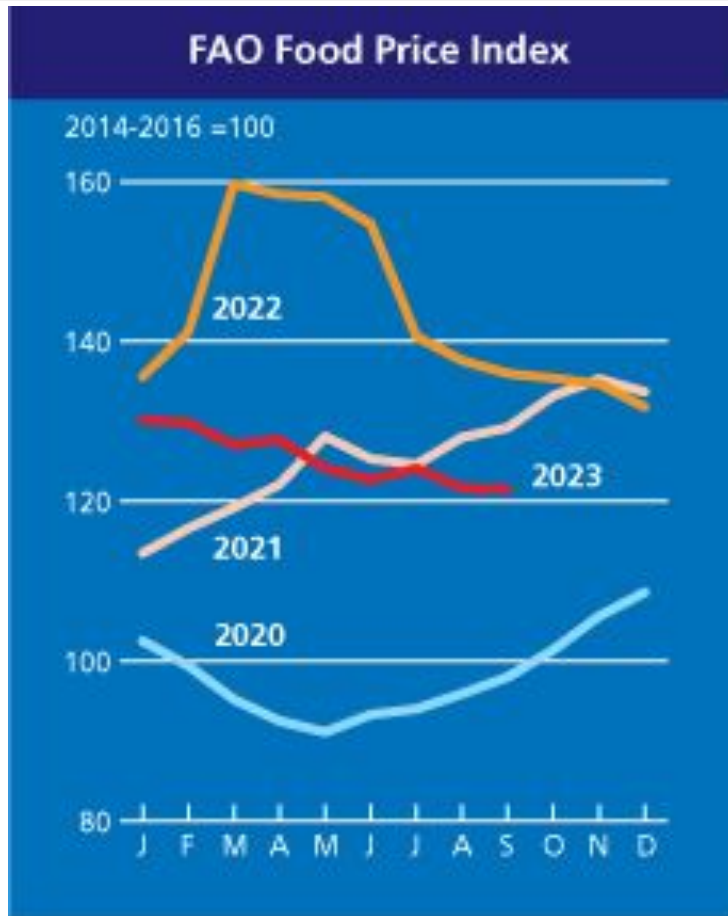
³ Nelson et. al, (2014); FAO 2016 "Climate change and food security"

⁴ FAOSTAT (accessed Oct 30, 2018) for 1961-2016 data on land, FAO 2012 for 2030 and 2050 data on land, and UNDESA 2017: World Population Prospects for world population data

Inflation:

	To Dec 2019 (annualised)			To Aug.2023 (annualised)				Recent months (not annualised)			Trend	
	10y	5y	3y	3y	12m	6m	3m	Jun	Jul	Aug	10yr	12m
Food at home	1.1%	-0.1%	0.7%	6.3%	3.0%	0.0%	1.7%	0.0%	0.3%	0.2%		
Cereals and bakery products	0.9%	0.3%	0.3%	7.8%	6.0%	2.6%	2.2%	0.1%	0.0%	0.5%		
Meats, poultry, fish, and eggs	1.9%	-0.7%	1.5%	6.1%	0.0%	-4.2%	3.3%	-0.4%	0.5%	0.8%		
Meats, poultry, and fish	2.0%	-0.5%	1.4%	6.2%	1.6%	1.9%	7.2%	0.1%	0.7%	1.0%		
Meats	2.2%	-0.7%	1.5%	6.1%	2.6%	2.8%	7.7%	-0.3%	1.2%	1.0%		
Poultry	1.4%	-0.3%	0.9%	7.4%	-0.1%	3.7%	5.8%	0.8%	-0.4%	1.0%		
Fish and seafood	2.0%	0.5%	1.4%	5.0%	0.1%	-3.2%	7.3%	0.8%	0.1%	0.9%		
Eggs	0.9%	-3.5%	4.0%	6.3%	-18.2%	-55.3%	-39.0%	-7.3%	-2.2%	-2.5%		
Dairy and related products	1.1%	-0.7%	0.9%	4.9%	0.3%	-4.4%	-1.1%	-0.3%	0.5%	-0.4%		
Fruits and vegetables	0.7%	0.0%	0.7%	4.6%	2.1%	0.8%	4.0%	0.8%	0.4%	-0.2%		
Fresh fruits and vegetables	0.7%	0.1%	1.1%	3.7%	0.8%	0.9%	3.8%	0.8%	0.3%	-0.2%		
Fresh fruits	0.6%	-0.1%	-0.1%	4.3%	0.6%	0.3%	3.4%	1.0%	0.1%	-0.3%		
Fresh vegetables	0.8%	0.4%	2.4%	3.1%	1.0%	1.7%	4.2%	0.7%	0.5%	-0.1%		
Processed fruits and vege	0.6%	-0.4%	-0.7%	7.3%	6.2%	0.5%	4.7%	0.5%	0.9%	-0.2%		
Nonalcoholic beverages and b	0.5%	0.4%	0.7%	6.5%	4.8%	1.4%	-0.9%	-0.1%	0.0%	-0.2%		
Other food at home	1.1%	0.3%	0.2%	7.2%	4.5%	2.4%	0.8%	-0.2%	0.2%	0.2%		
Sugar and sweets	1.0%	1.0%	1.1%	7.9%	8.0%	6.1%	10.8%	1.8%	0.2%	0.6%		
Fats and oils	0.8%	-0.7%	-0.3%	10.1%	4.7%	-2.5%	-1.8%	-0.5%	-0.2%	0.2%		
Other foods	1.1%	0.3%	0.1%	6.6%	3.9%	2.5%	-0.5%	-0.5%	0.2%	0.2%		

Food Prices:



Farmer Costs:

	Manitoba Agriculture Cost Guidelines					Proportion			
	Wheat - Hard Red Spring					% Change		of change	
	2019	2020	2021	2022	2023	5 year:	1 year	5 year:	1 year
A. Operating Costs									
Seed & Treatment	\$24	\$24	\$29	\$33	\$34	42%	5%	4%	3%
Fertilizer	\$71	\$64	\$77	\$184	\$164	131%	-11%	38%	-34%
Pesticide	\$47	\$47	\$47	\$53	\$55	17%	4%	3%	4%
Fuel	\$26	\$23	\$22	\$29	\$46	76%	56%	8%	28%
Machinery Operating & Lease	\$13	\$13	\$13	\$23	\$25	94%	9%	5%	4%
Labour - Hired	\$4	\$5	\$5	\$5	\$5	16%	4%	0%	0%
Crop Insurance	\$8	\$8	\$7	\$9	\$14	78%	52%	2%	8%
Hail Insurance	\$6	\$6	\$6	\$9	\$13	95%	33%	2%	5%
Drying & Other Costs	\$8	\$8	\$8	\$18	\$18	129%	0%	4%	0%
Land Taxes	\$15	\$15	\$15	\$18	\$18	17%	0%	1%	0%
Storage Costs	\$7	\$7	\$7	\$10	\$11	72%	13%	2%	2%
Interest on Operating	\$6	\$6	\$5	\$10	\$18	194%	89%	5%	15%
Total Operating	\$235	\$224	\$240	\$400	\$421	79%	5%	75%	35%
B. Fixed Costs									
Land Costs	\$60	\$67	\$69	\$78	\$97	61%	24%	15%	32%
Machinery Costs	\$67	\$67	\$67	\$68	\$86	30%	27%	8%	31%
Total Fixed	\$127	\$134	\$137	\$146	\$184	44%	26%	23%	64%
C. Owners - Labour & Living									
Total Costs	\$384	\$380	\$401	\$572	\$630	64%	10%	100%	100%

Source: Manitoba Agriculture, Nucleus Wealth

Industry Structure:

- Farmland: Alternative Assets
- Food Products
- Agricultural Products & Services
- Fertilizers & Agricultural Chemicals
- Agricultural & Farm Machinery
- Pharmaceuticals & Animal Health
- ESG

Choose themes to screen from your portfolio away from (i.e. remove stocks)

Climate Change

War

Human Rights

Health

Vices

Animal Rights

Religion

Asset Class

Thematic

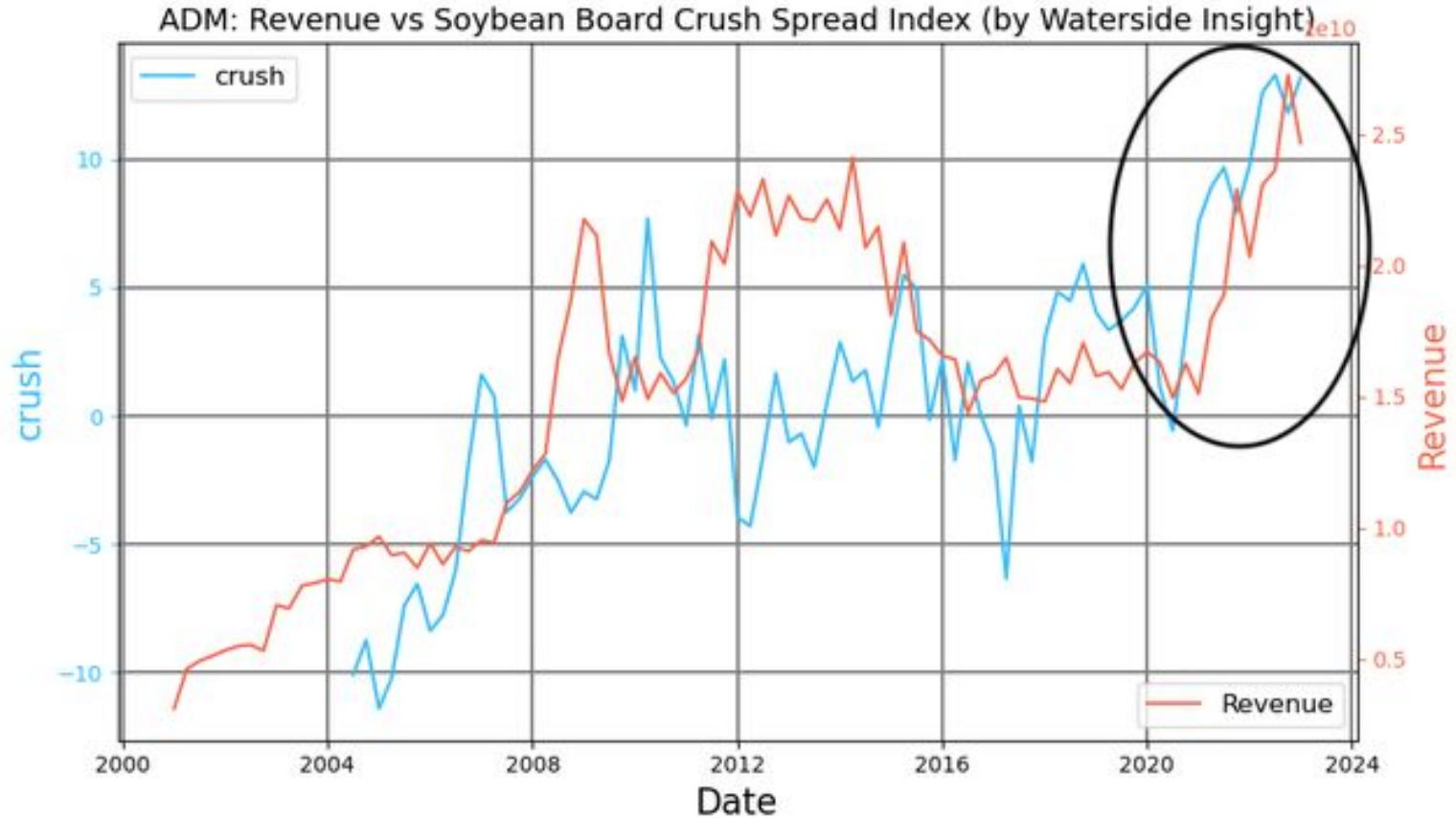
Climate Change

- No Fossil Fuels (Worst Offenders) ⌵
- No Fossil Fuels (Any) ⌵
- No Coal Seam Gas or Fracking ⌵
- No Nuclear Power ⌵
- No Old Growth Forest Logging ⌵

Agricultural Products & Services:

- Seeds: Bayer, Corteva, Syngenta
- Refining (crushing, milling etc): Archer-Daniels-Midland, Bunge
- Storing, Transport: Archer-Daniels-Midland, Bunge
- Trading, Distribution: Archer-Daniels-Midland, Bunge, Glencore, Cargill

Agricultural Products & Services:



Agricultural Products & Services:

Coreteva 1H2023

Seed Operating EBITDA (\$ in millions)



Agricultural Fertilizers & Crop Protection:

- Seeds: Bayer, Corteva, Syngenta
- Refining (crushing, milling etc): Archer-Daniels-Midland, Bunge
- Storing, Transport: Archer-Daniels-Midland, Bunge, Viterra
- Trading, Distribution: Archer-Daniels-Midland, Bunge, Glencore, Cargill

Crop Protection:

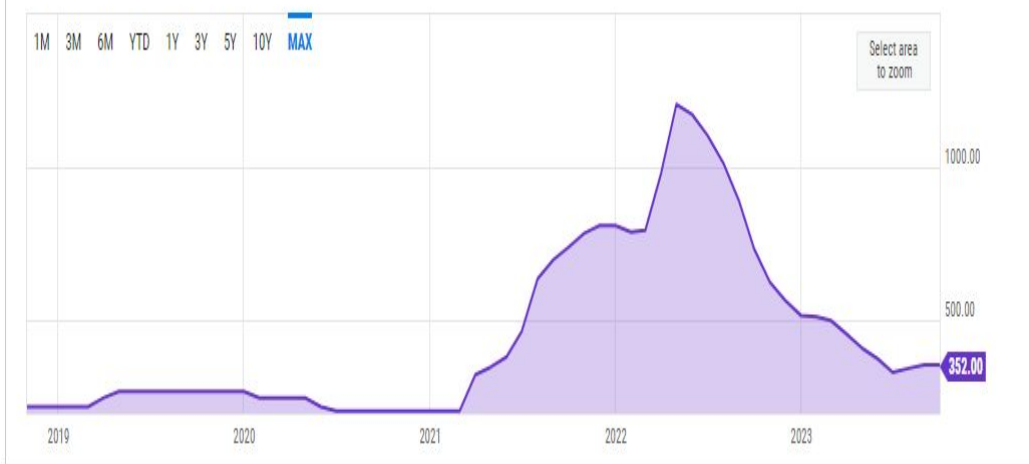


Fertilizers:

Urea (Nitrogen)

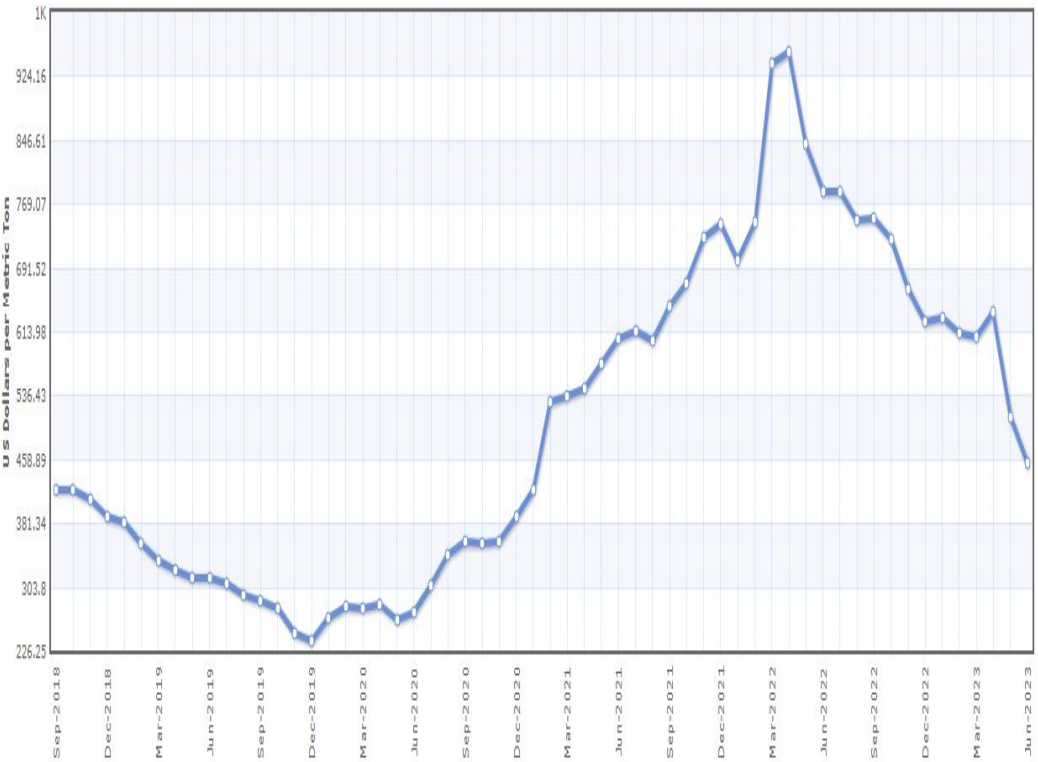


Potash (Potassium)

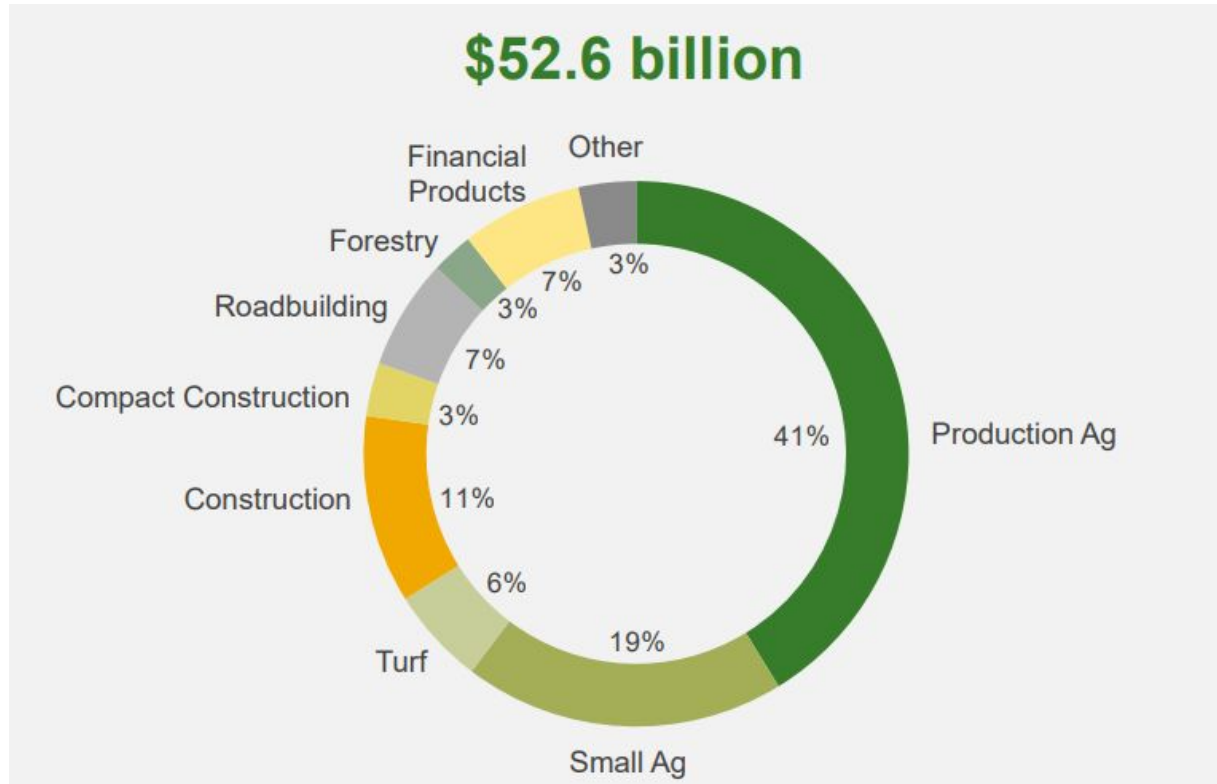


Fertilizers:

DAP (Phosphate)



Agricultural & Farm Machinery



Personalise Your Portfolio

Screens

You can exclude the below to customise your portfolio

Climate Change	War	Human Rights	Health	Vices
Animal Rights	Religion	Asset Class	Thematic	

- No Fossil Fuels (Worst Offenders) ?
- No Fossil Fuels (Any) ?
- No Coal Seam Gas or Fracking ?
- No Nuclear Power ?
- No Old Growth Forest Logging ?

Tilts

You can add the below to customise your portfolio

Investment Style Factors	Climate Change	Technology	
Consumption	Commodities	Military	GICS Sectors

- Quality Stocks ?
- Value Stocks ?
- Growth Stocks ?
- Defensives ?



Personalise your portfolio now >



Build Your Portfolio

Need help with this page? Video Tutorial

Account Selection

Investment Choice

Risk Profile

Build Your Portfolio

Ethical Overlay

Review

Applicants

Bank Details

Compliance

Final Review

Portfolio Tilts



Quality Stocks

Value Stocks

Growth Stocks

Oil & Gas Stocks

Gold Stocks

Agribusiness

Large Technology Stocks

Cloud Computing Stocks

Robotics/AI

Video Gaming

Cybersecurity

Clean Energy

Defensives

Battery Supply Chain

Nuclear Power

Defense Contractors

Travel

Luxury Goods

Logistics

Global Communication Services

Global Consumer Discretionary

Global Consumer Staples

Global Energy

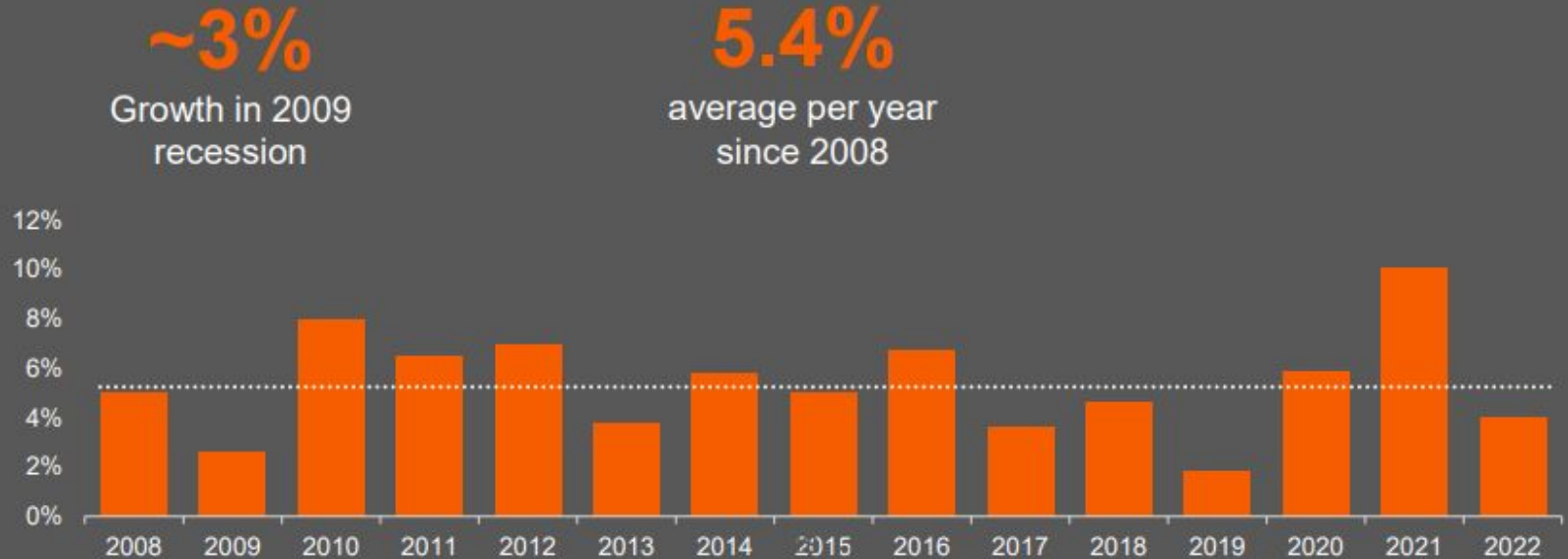
Global Financials

Global Health Care

Global Industrials

Global Information Technology

Pharmaceuticals & Animal Health



Source: Vetnosis for historical core animal health market, including Zoetis from 2013 to 2022, excludes diagnostics, genetic tests, biodevices and precision animal health.

¹ Operational growth (a non-GAAP financial measure) excludes the impact of foreign exchange.

Stocks in Agribusiness Tilt

Name	Country	Industry	Mkt Cap	Dividend Yield		Price/Earnings		EV/FCF	
				12m Fwd	24m Fwd	12m Fwd	24m Fwd	12m Fwd	24m Fwd
CNH Industrial	United States	Agricultural & Farm Machinery	16212	3.2%	3.4%	6.6	6.8	9.0	9.3
Deere	United States	Agricultural & Farm Machinery	112136	1.3%	1.4%	11.9	11.8	8.6	13.2
Archer-Daniels-Midland	United States	Agricultural Products & Services	39511	2.5%	2.7%	10.9	11.0	12.8	13.2
Corteva	United States	Fertilizers & Agricultural Chemicals	35391	1.3%	1.4%	15.6	13.7	22.2	17.5
Nutrien	Canada	Fertilizers & Agricultural Chemicals	30096	3.5%	3.6%	11.4	11.5	8.7	10.5
Tyson Foods	United States	Packaged Foods & Meats	17142	4.1%	4.3%	16.7	11.4	31.2	14.9
Bayer	Germany	Pharmaceuticals	46738	5.4%	5.6%	6.6	6.3	6.8	5.6
Zoetis	United States	Pharmaceuticals	81453	0.9%	1.1%	30.3	27.0	38.5	33.3

Source: Nucleus Wealth, S&P Capital IQ

Viewer question of the week:

Are the companies in this sector part of greedflation or a solution to it?

Drop your answers in the comments

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