



AGINVEST FARMLAND ONE SHAREHOLDER Q2 UPDATE

JULY 2020



WELCOME

Welcome to the AGinvest Farmland One's quarterly update. We hope you and your loved ones are safe and well, and that we will be able to see many of you in person soon. We are pleased to share this update with you and that our Fund has posted positive returns. Full details on fund performance and commentaries are below. As always, please don't hesitate to contact us if you have any questions or would like more information.



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NET ASSET VALUE

AG Farmland One does appraisals on an annual basis therefore there will be no quarterly change in NAV per share since year end. Since the establishment of AG Farmland One the NAV per share has grown from an initial \$1.00 to \$1.36 at Dec 31, 2019**. This is a compound annual growth rate of 16.2%** since inception through Dec 31, 2019.

***Performance is before incentive fee calculation*

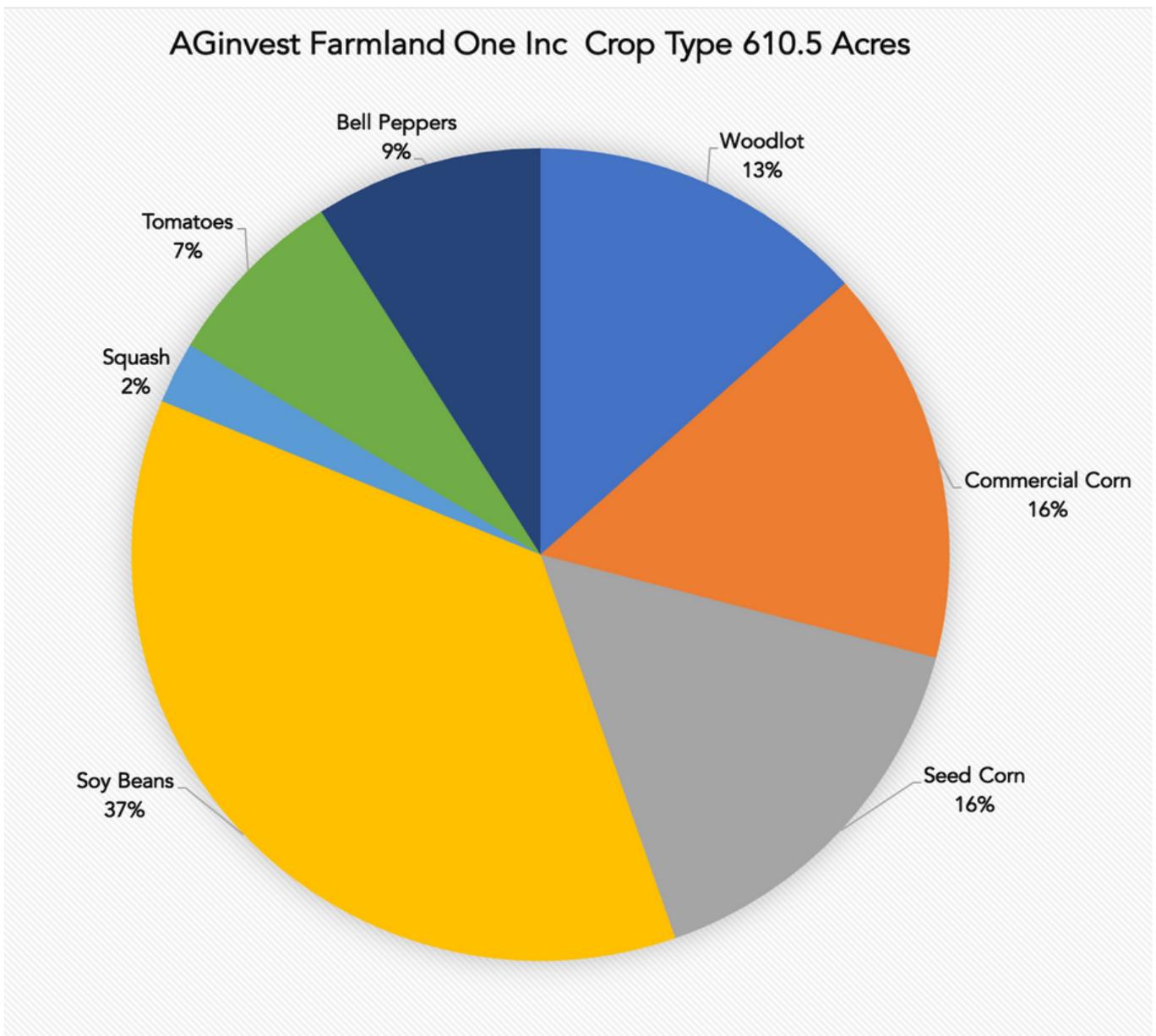


ASSET PROFILE

AG Farmland One currently owns and manages eight individual farms totaling 610.5 acres. As you will see in the chart below, the crop types and percentage on AGinvest properties are: soybeans 37%, seed corn 16%, commercial corn 16%, woodlot 13%, bell peppers 9%, tomatoes 7%, and squash 2%.



Bell peppers looking healthy on an AGinvest farm.



OPERATIONAL UPDATE

BUSY PLANTING SEASON

Spring and early summer are very busy times for farmers, and agriculture in general as fields are prepared and planted. We are happy to report that all of our AGinvest properties have been fully planted and growing progress has been excellent.

We also finalized several optimization projects during Q1 and Q2 of 2020. Building irrigation ponds, testing of soil nutrients and tiling projects were among the work successfully completed. Our efforts provide our Growers with the ability to manage water more effectively. The very warm and dry start to the summer in southern Ontario has magnified the importance of our optimization projects and has already provided substantial benefit.



Squash growing on an AGinvest farm.

COVID-19 IMPACTS:

There has been understandable concern about the spread of COVID-19 among farm labourers on some agricultural properties in Windsor-Essex. Only one of our AGinvest properties currently employs farm labourers and this farm is not located in Windsor-Essex. As part of our Grower's Agreement all farmers must commit to safe farming practices in all aspects of their farming operations as set out by the Ministry of Labour. They must also ensure that all public health and safety regulations are being followed with regards to COVID-19 protocols.



ECONOMIC UPDATE

The pandemic that gripped the world economy in the first half of 2020 has led 84 central banks globally to cut rates, providing the easiest monetary policy the world has likely ever seen. In addition to cutting rates further, we have seen the largest creation of money in history and as a percentage of existing money supplies, a rate that has exceeded anything we have seen before. We believe the argument for owning real assets and diversifying away from financial assets has never been stronger. Historically, anything even close to this level of liquidity has resulted in inflation. During past inflationary periods, farmland has shown itself to be one of the best assets to own: both to protect capital and given its increasing production profile, it has outperformed virtually all other asset classes.

In addition to the impact on economies, the pandemic has altered consumer behaviour. A Nielsen analysis of the Canadian marketplace shows that consumers are spending more on their grocery baskets, with sales of fruit and vegetables up about 10%. While it is difficult to extrapolate future behaviour, the longer we work from home, the more likely we are to continue to maintain these healthier eating habits. Our farmland is uniquely positioned to serve some of the most densely populated regions of North America and consumers who are looking to eat healthier.

CORPORATE UPDATE

A. NEW INVESTMENT PRODUCTS

We are pleased to announce AGinvest Farmland Two (AG2) and AGinvest Farmland Three (AG3) corporations are now open for investment. We are proud of our results to date and appreciate your interest and support as an early investor.



CEO Kent Willmore presenting at a farmland investment seminar in Windsor, February 2020

While we have made a few small changes, the structure for AG2 remains essentially the same as that of AGinvest Farmland One. AG3 is focused on land agreements and exchanges with farmers. The results of our first two years with the AG1 corporation were strong and we continue to see many prospects in the region where we would like to invest. Farmland remains an excellent asset class and we are well-suited at AGinvest to capitalize on these opportunities. For more information on AG1, AG2 or AG3, please do not hesitate to contact our Senior VP of Business Development, Anthony Faiella at anthony.faiella@aginestcanada.com or 416.271.6888.

B. OUTREACH AND BUSINESS DEVELOPMENT

Just a few weeks before the coronavirus impact, we joined TD Wealth Advisor Sean Linehan for a farmland investing seminar with his clients in Windsor. There were some promising connections made at this event and we will continue to work with Sean on building these relationships.

Despite the challenges brought about by COVID-19, we have been kept quite busy with virtual meetings with potential clients as well as participating on panels, webinars and related outreach. Here is a sampling of some of our recent activities.

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Our Senior VP of Business Development Anthony Faiella and CEO Kent Willmore recently joined a webinar hosted by Anthony Scilipoti, CEO of Veritas Investment Research, Canada's leading independent equity research company. The topic was "Exploring trends and investment opportunities in the agricultural industry". To view the webinar please click [here](#).

Our team continues to participate in webinars with local, regional and national organizations. Senior VP Anthony Faiella recently joined the Canadian Association of Alternative Strategies and Assets (CAASA) for a webinar discussing real assets and how they can be positioned with other investments in an investor portfolio. CEO Kent Willmore and Chairman Bill Loucks also presented to the Canadian Association of Farm Advisors speaking about "Growth and Flexibility for Today's Farm Family."

During this time of online meetings and conferences, we are always open to providing virtual presentations about our products and services. If you listen to a podcast or webinar series that you think might be an appropriate audience for an AGinvest presentation, please let us know. We would be happy to follow up.

CAASA Family Office Summit: We will be attending this virtual conference August 5 - 7, 2020. This event brings together speakers and participants from single and multi-family offices, investment dealers, Canadian and global investment management houses and affiliated service providers. View conference agenda [here](#).

10th Annual Canadian Alternative Investment Forum: Also transitioned to a virtual event, on the mornings of September 23rd and 24th we will be participating in a Spotlight Discussion at this premier alternative investment conference in Canada. Our discussion topic is: "A Farmland Perspective: How Macro Trends are Seeding the Opportunity in this Emerging Asset Class". We have attended this event for several years now and have found it very valuable for both education and connecting with others in the alternative investment space. View conference agenda [here](#).



IN CLOSING

While the last several months have presented dramatic global challenges, from an investment perspective our business is healthy and we are optimistic about our future. As my colleague Anthony mentioned above, the demand for a healthy and safe food supply means that the demand for productive farmland will continue to grow.

Thank you for trusting us with your investment and your endorsement of our activities. Many of our new investors have come from referrals from satisfied clients. If you know of someone who might be interested in learning more about the benefits of premium Ontario farmland for their investment portfolio, please let us know. We would be happy to meet with them (in a safe, COVID-respectful manner) and provide an overview of our product.

Have a safe and healthy summer,



Kent Willmore



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