



AGinvest Farmland Properties
Canada

QUARTERLY REPORT

Q3 2021

Q3 - Shareholder Update

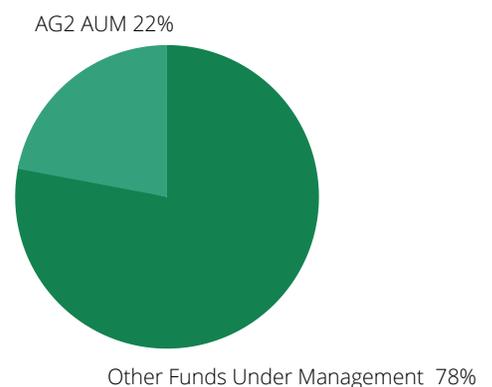
NET ASSET VALUE

The current AUM of AG2 is approximately \$15.4M which has increased substantially since the end of 2020. As reported in early February 2021, the 2020 adjusted Net Asset Value per share was \$1.02, which was calculated very shortly after our initial acquisitions took place.

The next NAV adjustment will take place following year-end, December 31st, 2021 when independent appraisals will be done on each farm in the portfolio. We look forward to a full year of strong performance. Interest in real assets across the country has created an environment whereby farmland is in very short supply at a time where demand is increasing. As your farmland investment manager, we will continue to optimize and surface value on the farms in the portfolio as well as maintaining strong relationships with our base of growers.

FUND FACTS

Farm Properties	13
Farm Property Change (Q2)	0
Total Acres	≈1233
Workable Acres	≈995
Inception Date	Q4 2020
2020 NAV (per share)	\$1.02CAD
Current Growers	7
Current Investors	48



*NAV is shown before deducting performance fees. Performance fees are deducted every three years, based on the 3-year CAGR.

A Message to our Investors

The third quarter of 2021 has been a very busy time at AGinvest. Farmers across the province are well into the harvest season and for the most part, the crops across the province look very good. There is an old farmer saying "*Rain makes Grain*" and Ontario has been more than blessed with consistent and at times annoying amounts of rainfall. For some farmers, the timing and amount of rainfall damaged some of the fresh market vegetable crops, however grain farmers, for the most part, are looking towards another record yield with the added benefit of record commodity prices.

These wet conditions in Ontario are in sharp contrast to the drought conditions experienced by many of the farms in the Western United States and most of the Canadian prairie provinces. As I have stated in the past, it is the combination of soil quality, heat and rainfall that provides such a wonderful opportunity in Ontario. This is the key reason why we want to continue to specialize and focus on the Ontario Farmland geography. Of course, wet years like this have really exposed the need for proper farm drainage and we have seen farms without tile, completely submerged after heavy rain. Optimizing farmland to maximize productivity and minimize the risk of crop failure is key!

AGinvest was also busy growing its team of people, as well as the policies and procedures required to broaden the base and capacity of AGinvest. The addition of the new AGinvest advisory board, new employees and professional partners have been a great step forward. We are blessed to welcome Karen Azlen, Dave Baute, Brian D'Costa and Oliver Wolf to the team. [AGinvest Team](#)

From all of the team at AGinvest, we look forward to a safe and bountiful fall harvest season.

Kent Willmore

Kent Willmore, President

\$75

million (CAD) in AUM

Consistently surfacing value for investors and farm partners, AGinvest continues to grow across the province.



Thanks for Coming out!

This fall we had several successful farm tours. The tours provided investors with an opportunity to see crops being harvested firsthand, to witness the impact of the optimization projects that we undertake and the value (alpha) that we take pride in creating. In addition to learning about the optimization measures, investors were able to learn about the measures we take to ensure that their farmland remains healthy, productive and is operated in a sustainable fashion. If you missed the tour but would like to attend a future tour, please let us know. Tours will begin again during Q2 of 2022.



Q3 Commentary

We continue to be excited about the prospects for Ontario farmland. While our strategy of buying farmland well and optimizing it to surface value continues, successful farming has increasingly become about scale. Ownership of Ontario farmland is very fragmented, and we believe we can surface additional value by consolidating ownership in one of the best farming regions in the world. We believe this combination of factors will contribute to strong returns for investors for many years to come. But this year we seem to be getting a little help from our friends at the central banks, who have gone on an unprecedented money printing binge helping to fuel higher levels of inflation than we have seen in North America for years.

A look back at 70 years of farmland returns shows farmland values have increased steadily, reflecting the improved productivity and efficiencies of farming. But the truly spectacular returns occurred during periods of inflation, where farmland had shone as a hedge against inflation and an asset that protected investors' purchasing power. In North America, the last real sustained period of inflation was during the 1970s. The current environment is causing many to draw comparisons and to speculate that we are headed for another such period. A recent article in *The Economist*, "Is the world economy going back to the 1970s?" warns of exactly that. Ontario farmland appreciated materially during that period, outperforming almost all other assets. During the period from 1970 to the end of 1982, the compound annual growth rate (CAGR) for Ontario farmland was 15.5% as compared to a CAGR of just 2.2% for the S&P 500.



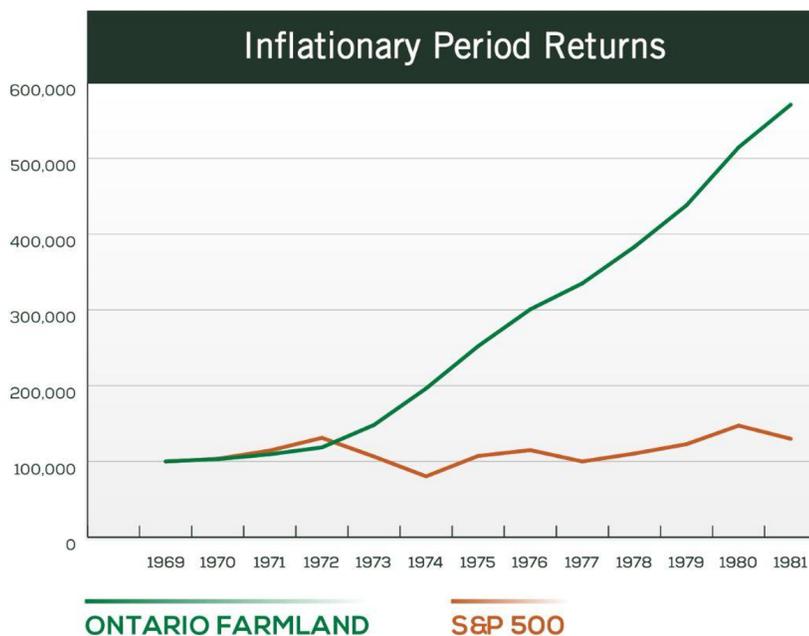
*Anthony Faiella,
Senior Vice President*



Q3 Commentary con't

We don't believe the inflation we are experiencing will turn out to be transitory, in fact, we expect it will be with us for years to come. The world is awash in debt. Historically, a period of high inflation coupled with low-interest rates is the formula used by central banks to make the debt more manageable. We believe the best investments to own during such periods are productive, real assets. We believe Ontario farmland also has a scarcity value. As some of the world's most productive farming regions struggle with water issues, our farmland continues to be blessed with an abundance of water. That advantage can't help but become more valuable over time.

For all of these reasons and many more, we continue to be very confident in the assets we manage, and we are grateful for the trust our investors have shown in us. We look forward to continuing to work with you and ensuring your investment is protected.



Operations Update

The third quarter represented a period of careful planning and documentation management for the AGinvest team. While the crops were in the ground, we were hard at work preparing and maintaining policies and developing infrastructure that will support our organization and better serve both our grower and investment partners.

We are also excited to have committed to becoming a PRI (Principles for Responsible Investment) signatory. Over the next 18 months, we will be working with PRI to adopt policy and develop practices that will set a gold standard for farmland investing.

Continued severance projects are also a focus during this quarter, working diligently with our municipal partners over the winter months should position us well for surfacing that value early in 2022. We take great pride in optimizing each of the farms under our management and look forward to a busy fourth quarter of work ahead that will stretch into 2022.



*Ron Stevens,
Operations Manager*

Please Welcome, Oliver Wolf



Please join us in welcoming Oliver Wolf to the AGinvest Farmland Properties Canada team! Oliver joins us from the University of Waterloo, where he graduated with a Bachelor of Mathematics in Combinatorics and Optimization. We are excited about what he brings to the table and he has already proven to be a valuable member of the team.

Oliver will be focusing on Operations for a portion of AGinvest's portfolio. He will also be helping the team continue to build out acquisition and management models, along with supporting the company as it moves towards its sustainability targets.



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