


# Why invest in *farmland?*





Investor interest and demand for natural capital solutions continue to rise, positioning farmland as an increasingly valuable real asset opportunity. For decades, farmland has demonstrated its potential to generate stable returns, provide protection against inflation, and lower overall portfolio volatility. Beyond financial performance potential, sustainable farmland management practices provide measurable environmental and socio-economic benefits, reinforcing farmland's appeal in today's investment landscape.



## Agricultural investment opportunities: meeting growing demand

Global demand for agricultural products is steadily increasing as population growth and rising incomes intensify the need for more products derived from farmland. In the face of inherent challenges posed by limited arable land, heightened geopolitical risks, shifts in domestic policy, supply chain adjustments, and climate risks, agricultural products remain crucial for basic human needs, such as food, feed, fiber, and energy, as the increasingly complex and interconnected global economy expands. These dynamics present investors with a compelling opportunity to invest in sustainably managed farmland and food production systems to support rising global demand.

Farmland investments have a long historical record of generating steady income, providing capital preservation and portfolio diversification, while producing competitive risk-adjusted returns.<sup>1</sup> These financial characteristics are supported by durable underlying demand fundamentals. Agricultural crops are used to meet basic human food and nutritional needs, as well as to provide a sustainable, renewable resource for fuel, energy, and fiber.

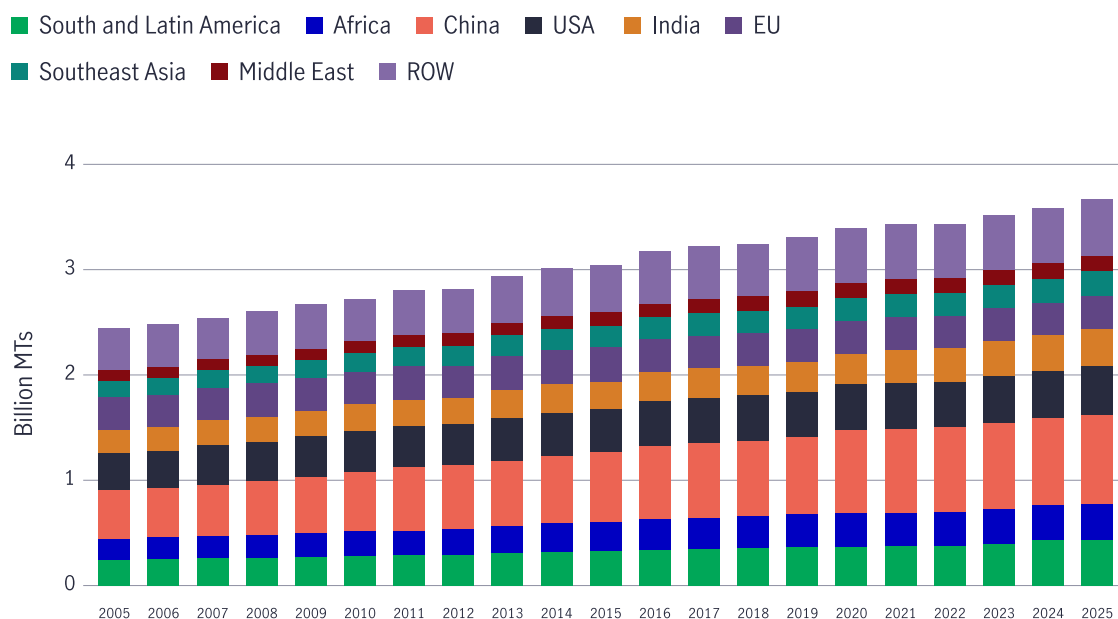
Ongoing product innovation is opening new, underserved end-markets for agricultural outputs. Oilseeds now anchor growth in renewable diesel and sustainable aviation fuels (SAF); starch and sugar crops supply feedstocks for bioplastics and next-generation biofuels; high-oleic varieties unlock premium industrial uses; pulses power the expanding plant-protein category; and fiber crops are finding roles in low-carbon construction materials. Together, these developments—alongside growing recognition of the economic value of responsible land stewardship—expand the optionality for farmland to generate diversified income, strengthen long-term asset value, and meet a wide range of investor objectives.

<sup>1</sup> *Is farmland a good investment? Comparing risk and returns to other asset classes.* Purdue University, Aug 19, 2025.



Demand for agricultural products has continued to expand across multiple geographies, including both developed and developing nations, supported by its provision of basic human needs for an expanding world population with rising incomes. The combined consumption of grains and oilseeds has increased by 2% per year over the last two decades (2005-2025), with China, the United States, India, and the European Union accounting for more than 50% of current demand. Looking ahead, Manulife Investment Management (Manulife IM) expects nutrition-led consumption to sustain steady, measured growth in developed markets—such as the United States, the European Union, and Japan—while rising incomes, urbanization, and evolving dietary preferences drive faster expansion in both value and volume of consumption across emerging markets in Asia, Latin America, the Middle East, and Africa.

## Grains and oilseeds demand by region (2005-2025)



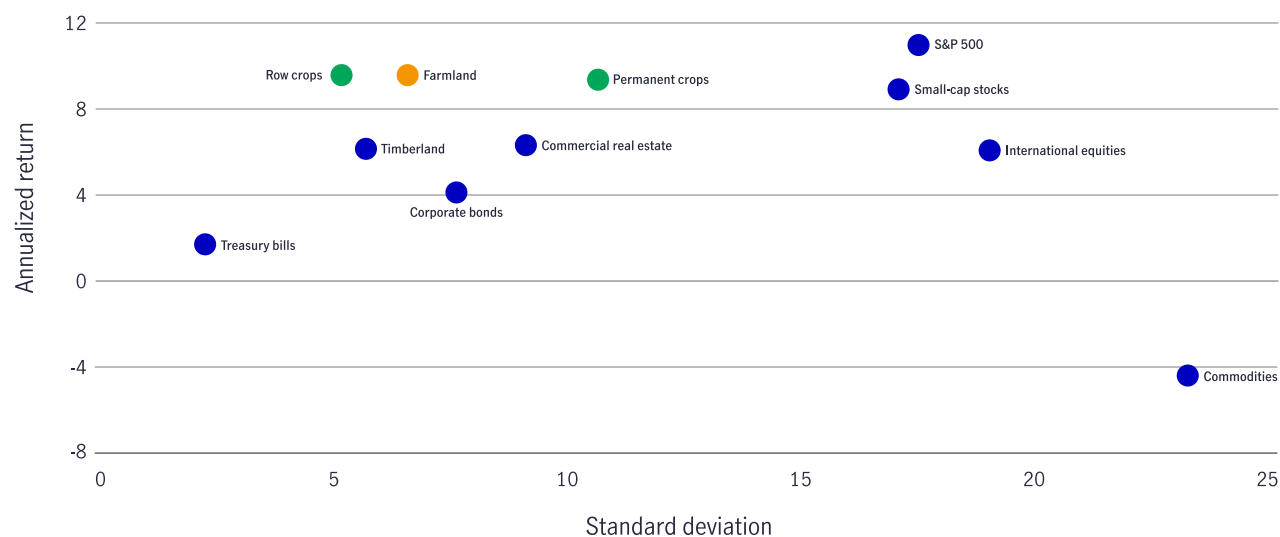
Source: USDA PSD, as of January 2026.

These dynamics can broaden end-use demand for agricultural outputs, from fresh produce, nuts, and higher-protein diets (including both plant- and animal-based proteins) to value-added categories like healthy snacks and functional ingredients. Additional opportunities exist in the energy and industrial sectors, with agricultural crops used to produce renewable diesel and SAF, feedstocks, and other bio-based materials. These ongoing developments can expand the optionality for sustainably managed farmland to diversify income streams, strengthen long-term value, and meet varied investor objectives.

# Delivering returns comparable to public equities with much lower associated volatility

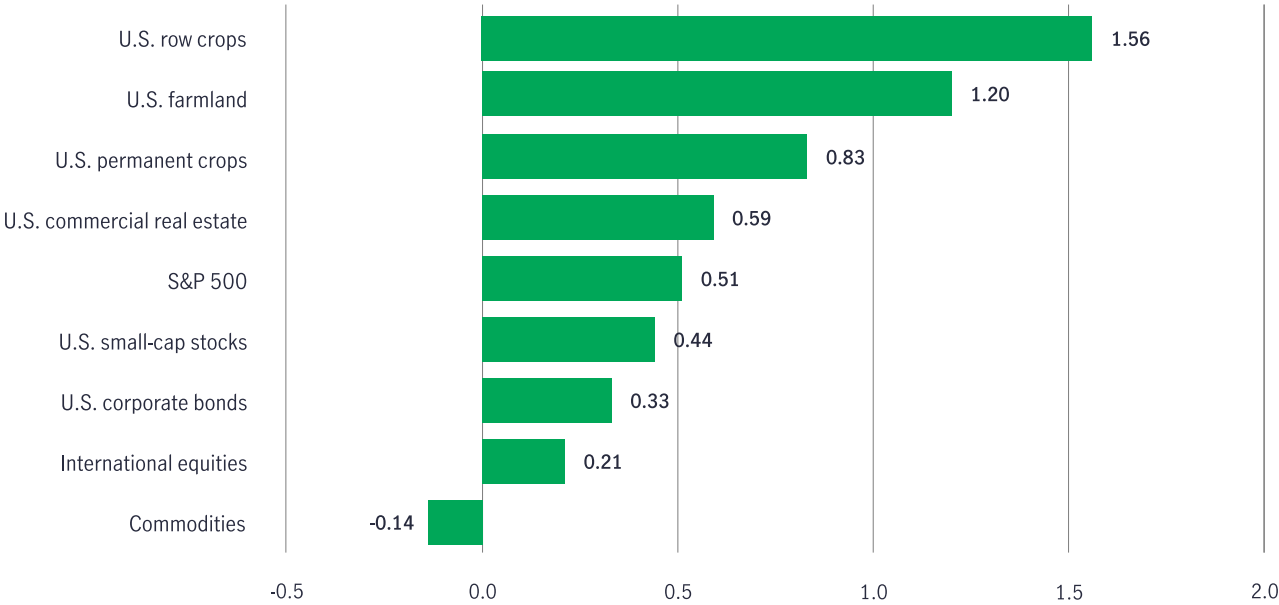
Farmland has historically delivered competitive risk-adjusted returns within institutional portfolios. It functions as a total-return asset that blends dependable current income, from lease payments generated from row crop investments and crop revenues from directly operated permanent cropland, along with long-term capital appreciation tied to productivity gains and land value to augment total returns. U.S. farmland investments averaged total annualized real US\$ returns (net of inflation) of 7.1% and nominal returns of 9.6% between 2006 and 2025. Within farmland, row crop strategies (e.g. annual crops that need replanting every year) posted real US\$ returns of 7.0% (9.5% in nominal terms), while permanent cropland investments (e.g. perennial crops that bear fruits or nuts for multiple years) delivered an average of 6.9% in real returns (9.4% nominally). Farmland returns for combined (row + permanent), and row and permanent crops individually, are comparable to other major asset classes but with lower associated volatility. This results in private farmland, as well as row and permanent crops separately, generating competitive risk-adjusted returns as measured by the Sharpe ratio. These higher risk-adjusted total returns are key to both the advantages of standalone farmland investments and their benefits when adding the asset class to a larger diversified multi-asset portfolio.

## U.S. historical return and standard deviation, %/year (2006 to 2025)

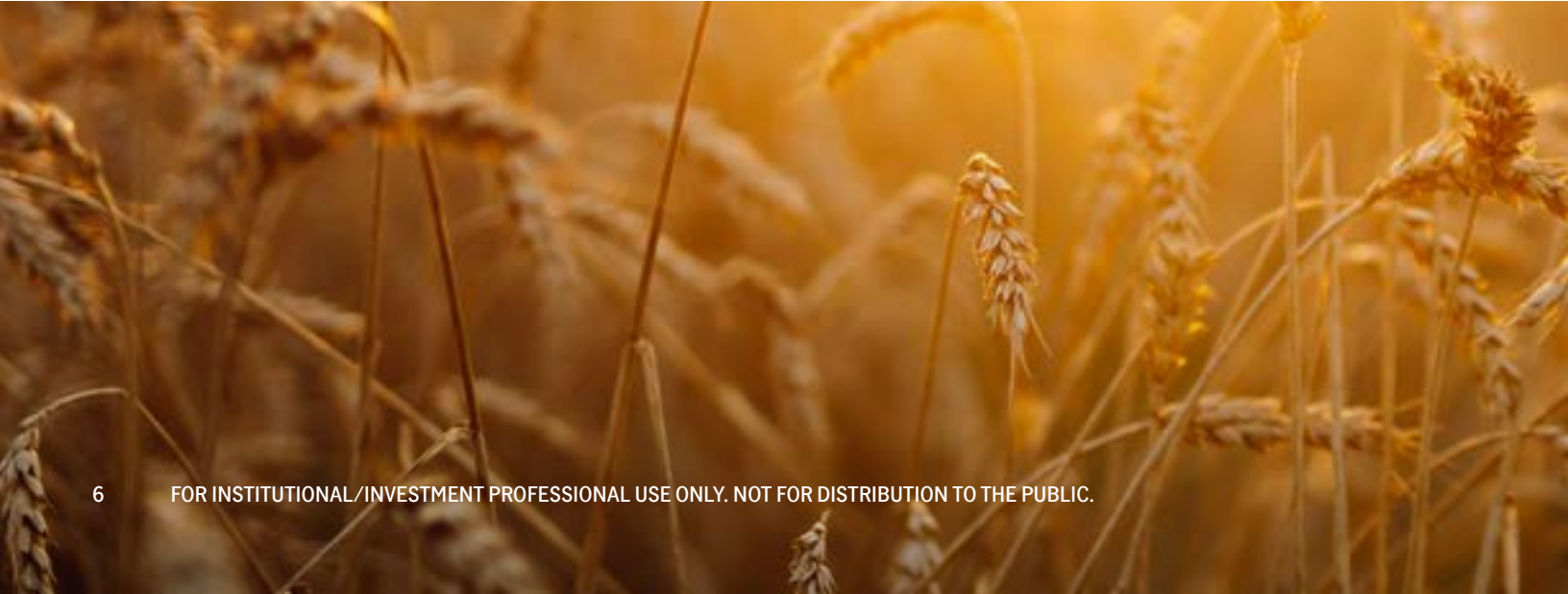


Source: Data for farmland refer to the NCREIF Farmland Property Index as of 12/31/25. Data for commercial real estate refer to the NCREIF Property Index as of 12/31/25. Data for small-cap stocks refer to the S&P 600 Index from Standard & Poor's Financial Services LLC as of 12/31/25. Data for international equities refer to the MSCI EAFE International Equities Index as of 12/31/25. Data for corporate bonds refer to the Bloomberg U.S. Corporate Bond Total Return Value Unhedged USD LUACTRUU Index as of 12/31/25. Data for Treasury bills refer to the Ibbotson series IA SBBI U.S. 30 Day T-bill TR USD as of 12/31/23, Manulife Investment Management research as of 12/31/2025. Data for commodities refer to the S&P GSCI (Goldman Sachs Commodity Index) as of 12/31/25. The S&P 500 series is from Standard & Poor's Financial Services LLC as of 12/31/25. Data for permanent crops refer to NCREIF Permanent Cropland sub-index as of 12/31/25. Data for row crops refer to NCREIF Annual Cropland sub-index as of 12/31/25. Data for timberland refer to the NCREIF Timberland Property Index as of 12/31/25. Data for public forest products refer to the S&P Composite 1500 Paper and Forest Products series as of 12/31/2025. Past performance is not indicative of future results. Diversification does not guarantee a profit or protect against the risk of loss in any market.

# Sharpe ratios of various asset classes (2006 to 2025)



Source: Data for farmland refer to the NCREIF Farmland Property Index as of 12/31/25. Data for commercial real estate refer to the NCREIF Property Index as of 12/31/25. Data for small-cap stocks refer to the S&P600 Index from Standard & Poor's Financial Services LLC as of 12/31/25. Data for international equities refer to the MSCI EAFE International Equities Index as of 12/31/25. Data for corporate bonds refer to the Bloomberg U.S. Corporate Bond Total Return Value Unhedged USD LUACTRUU Index as of 12/31/25. Data for Treasury bills refer to the Ibbotson series IA SBBI U.S. 30 Day T-bill TR USD as of 12/31/23, Manulife Investment Management research as of 12/31/2025. Data for commodities refer to the S&P GSCI (Goldman Sachs Commodity Index) as of 12/31/25. The S&P 500 series is from Standard & Poor's Financial Services LLC as of 12/31/25. Data for permanent crops refer to the NCREIF Permanent Cropland sub-index as of 12/31/25. Data for row crops refer to the NCREIF Annual Cropland sub-index as of 12/31/25. Past performance is not indicative of future results.



## Agricultural crop demand is bolstered by uses integral to the functioning of the global economy and daily life

Growing demand for nutritious, diverse diets	Rising demand for bio based and functional products	Sustainably managed farmland provides environmental benefits
<ul style="list-style-type: none"><li>✔ Population growth, urbanization, and rising incomes lift consumption of fruits, vegetables, grains, and proteins across regions.</li><li>✔ Premiumization trends favor nuts, berries, avocados, specialty grains, and “better for you” processed foods.</li><li>✔ Convenience formats, e.g. fresh-cut, ready-to-eat, and healthy snacks, expand food service channels.</li><li>✔ Greater focus on food safety and traceability raises demand for certified and responsibly sourced produce.</li></ul>	<ul style="list-style-type: none"><li>✔ Oilseeds (soy, canola) supply renewable diesel/SAF feedstocks; starch/sugar crops feed bioplastics and bio-based materials.</li><li>✔ Pulses (pea, fava, soy) power plant-protein ingredients for alternative meats/dairy and sports nutrition.</li><li>✔ Fiber and specialty crops (hemp, flax) support low-carbon materials and natural fiber composites.</li></ul>	<ul style="list-style-type: none"><li>✔ Regenerative practices (cover crops, reduced tillage) enhance soil health and sequester carbon, supporting long-term productivity while limiting inputs.</li><li>✔ Efficient irrigation and water stewardship improve watershed outcomes and drought resilience.</li><li>✔ On-farm habitat (hedgerows, pollinator strips) and landscape stewardship support biodiversity and ecosystem services.</li><li>✔ Waste valorization (residue utilization, manure management) reduces emissions and advances circularity.</li></ul>



# Farmland is a total return investment

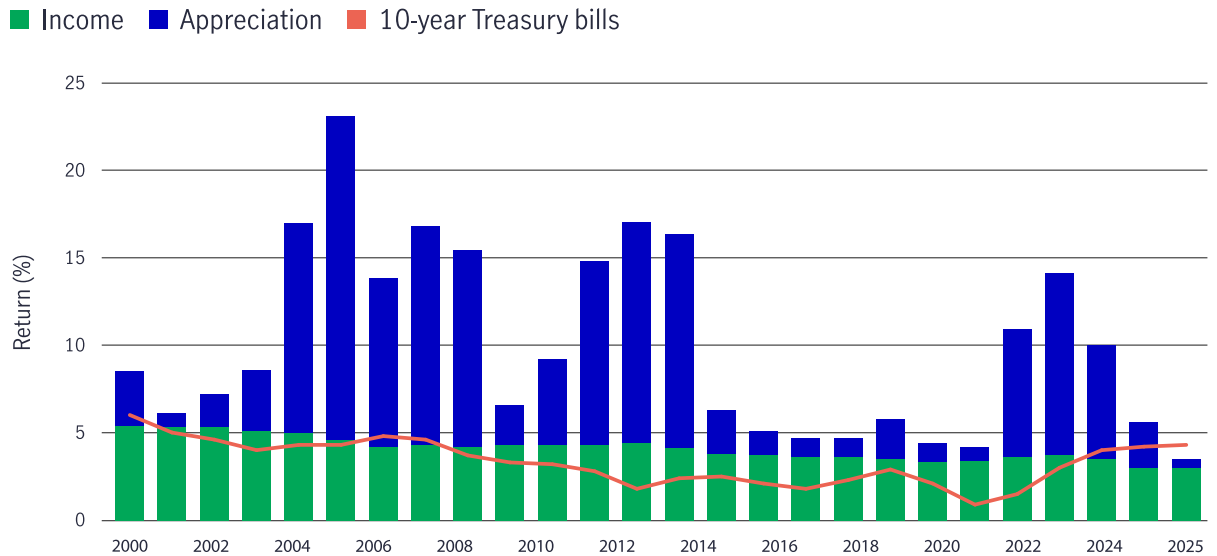
**Operating income** in farmland typically comes from two models, namely leasing acres to operators and collecting cash rent, and selling crop production harvested from directly operated acres, supplemented by ancillary non-crop revenue streams. Annual row crops have historically produced steady, consistently positive income returns that are often comparable to 10-year Treasury yields, providing durable cash flows that align well with institutional liability needs. Permanent crop strategies have also generated attractive income historically, but with more pronounced year-to-year variability: strong pricing and yields can deliver double-digit income in some years, while softer commodity prices or elevated operating costs (e.g., labor, water, inputs) can compress results in others.

**Capital appreciation** in farmland is the second component of total return, reflecting gains in underlying land and asset values. Appreciation is supported by improvements in productive capacity and by expanding end-use demand across a finite, high-quality land base.

## Operating income examples

- Row crop acres (leased): Cash rents produce steady, consistently positive cash yields with low sensitivity to annual commodity price swings.
- Permanent crops (operated): Revenue from fruit and nut sales; higher upside in strong price/yield years and greater variability when prices soften or costs (labor, water, inputs) rise.
- In addition to crop production, farmland investors can gain access to other income streams, including ground leases for solar/wind or batteries, easements/towers, water leasing/transfers, conservation programs, apiary/grazing, and carbon-related revenue.

## U.S. annual cropland returns and U.S. 10-year Treasuries (% , 2000 to 2025)

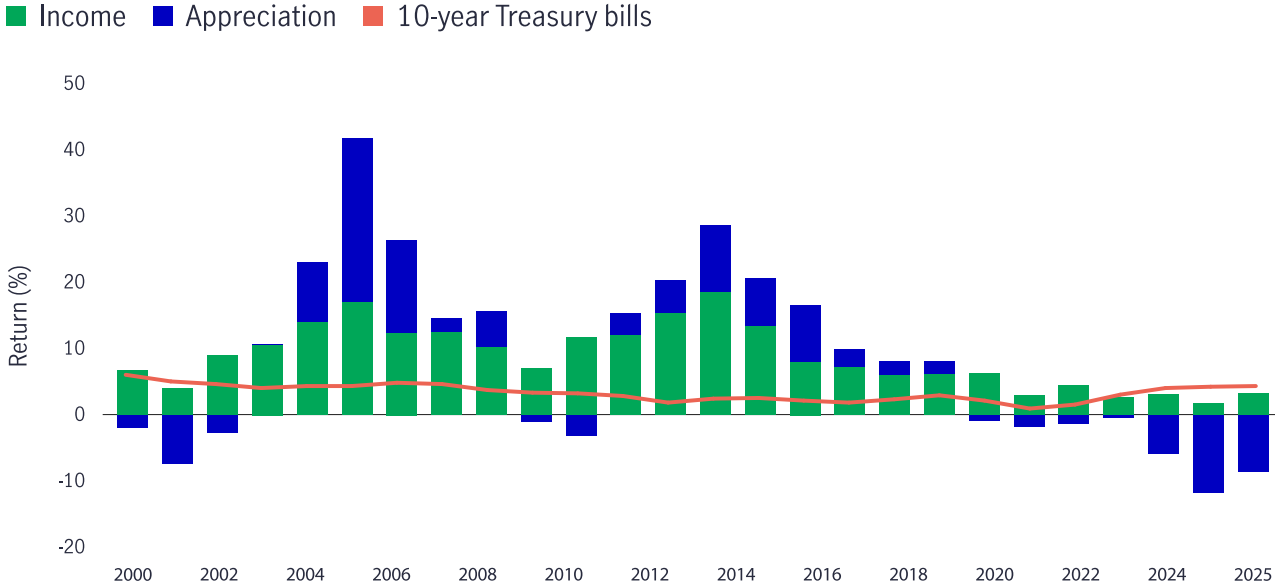


Source: NCREIF Farmland Property Index (FPI), as of December 2025. Note: annual cropland investment returns are represented by the Annual Cropland sub-index of NCREIF (FPI). Past performance is not indicative of future results. Market Yield on U.S. Treasury Securities at 10-Year Constant Maturity, retrieved from FRED, Federal Reserve Bank of St. Louis, on March 1, 2026.

For row crops, appreciation is primarily driven by rising farmland values, which are primarily a function of enhanced revenue-producing capacity, measured as yields per acre, together with steady end-market demand for grains and oilseeds, and a finite supply of high-quality acres in core producing regions. In practice, stronger operator competition and infrastructure access to elevators, processing, and transport support rent growth and capitalization rates that translate operating improvements into higher land values. In addition, U.S. farm safety net programs have played an important role in helping preserve value during weak commodity prices or adverse weather years through federally subsidized crop insurance (the centerpiece of the safety net) and commodity support programs. In recent years, ad hoc disaster and trade-related programs have also played a significant role. While institutional landowners on cash-rent leases typically do not qualify for these payments, the support they provide to producers can stabilize rents, reduce forced sales, and indirectly underpin land values at the market level.

Over the 2000–2025 period, while U.S. agriculture experienced several market cycles, multiple episodes of significant positive row cropland appreciation demonstrate that these forces made appreciation a durable complement to the stable lease income characteristic of row crop portfolios, reinforcing total-return potential over long holding periods.

# U.S. permanent cropland returns and U.S. 10-year Treasuries (% , 2000 to 2025)



Source: NCREIF Farmland Property Index (FPI), as of December 2025. Note: Permanent cropland investment returns are represented by the Permanent Cropland sub-index of NCREIF (FPI). Market Yield on U.S. Treasury Securities at 10-Year Constant Maturity, retrieved from FRED, Federal Reserve Bank of St. Louis, on March 1, 2026. Past performance is not indicative of future results.

For permanent crops, such as orchards and vineyards, appreciation reflects both land value and biological asset values. As plantings progress from pre-bearing to peak-bearing years, expected cash flows rise, which are capitalized into higher appraised values; periodic replanting, varietal upgrades (e.g., higher-yielding or premium cultivars), trellising and canopy systems, and investments in water security (rights, storage, efficient irrigation) further enhance productive capacity. Unlike traditional real estate investments, for permanent cropland, appraisals often attribute explicit value to the trees/vines separate from land and site improvements, and that contribution changes predictably over the lifecycle, increasing through establishment and ramp-up, stabilizing during peak productivity, and then declining as stands approach senescence. Similar to common income-generating assets, market prices of crops are a key component of permanent cropland value. Because fruit and nut prices and yields are cyclical, the path of appreciation is more variable than in leased row crop land: favorable pricing and strong yields can drive outsized valuation gains, while softer commodity conditions or rising input costs can temper year-to-year marks. Over a long holding period, these drivers make appreciation a significant share of permanent crop total returns, complementing operating income and reinforcing long-term value creation.

## Farmland as an inflation hedge— capital preservation

Farmland returns are positively correlated with inflation and can help preserve value in a portfolio. This generally positive relationship during three of the four periods (shown in the nearby table) demonstrates the propensity of farmland returns to increase as inflationary pressure builds. Farmland returns are linked to essential food demand, so farmland has tended to respond in higher-inflation regimes: crop prices, input-cost pass-through, and periodic rent resets (especially on row crop leases) can support revenue, while productive-land scarcity underpins values.



## Farmland's dynamic and largely positive correlation with inflation

	U.S. inflation (%)	Farmland correlation with U.S. inflation
1991–1999	2.58	0.20
2000–2008	2.54	0.28
2009–2015	1.70	-0.04
2016–2025	3.22	0.48

Source: Farmland returns refer to the total return on the NCREIF Farmland Property Index (FPI), as of December 2025. U.S. Bureau of Labor Statistics, Consumer Price Index for All Urban Consumers, as of December 2025.

At the same time, the relationship between farmland returns and inflation is dynamic rather than uniformly positive. As the table shows, certain periods exhibit low or even negative correlations without implying weak performance. For example, in the post-Global Financial Crisis (GFC) expansion (2009–2015), U.S. inflation was subdued while farmland delivered strong total returns, producing a negative correlation that reflects growth and productivity gains outpacing general price levels. In higher-inflation environments, returns have historically strengthened due to market-specific positive momentum in permanent crop sectors, leading to high nut and fruit prices, and periodic lease rate adjustments that help to stabilize real outcomes. Taken together, these period-dependent patterns suggest farmland can contribute to capital preservation and real return potential across economic cycles, even when the headline correlation with inflation varies in sign and magnitude.

### Farmland returns and inflation in different economic environments

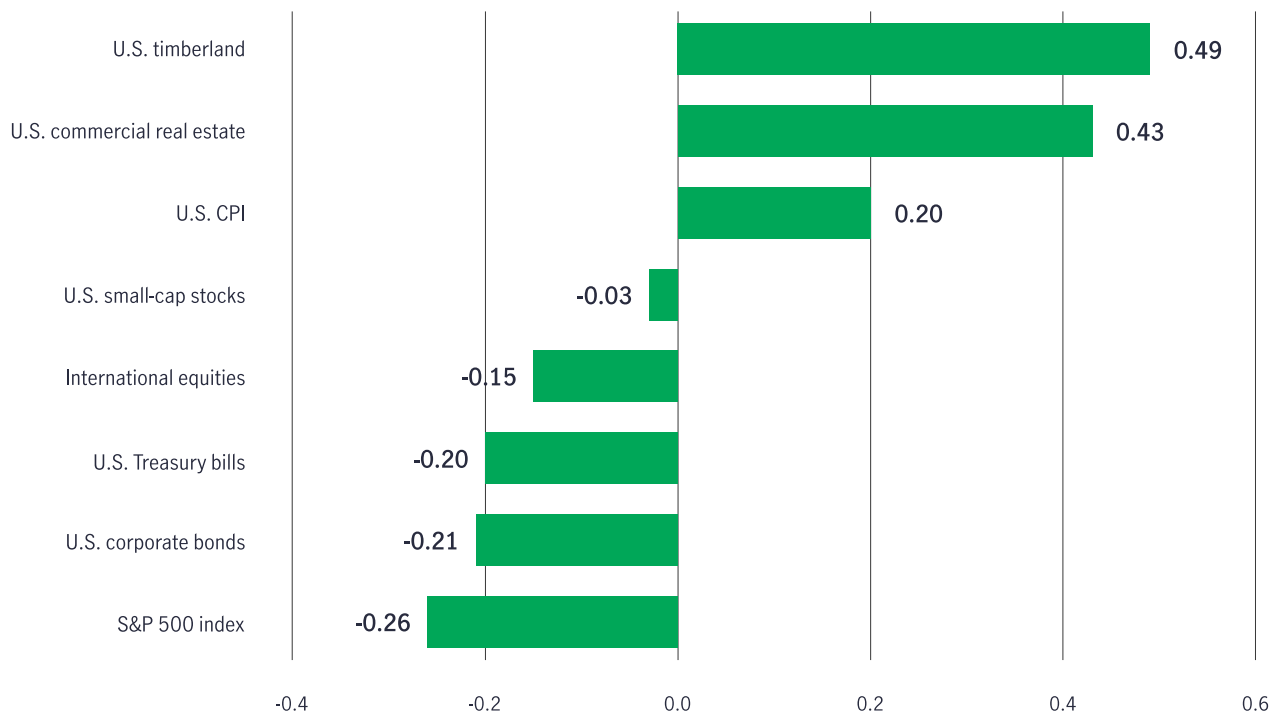
- 1991–1999:** Following the resolution of the 1980s farm debt crisis, U.S. agriculture entered a period of balance-sheet repair and productivity-driven recovery. Inflation averaged a moderate 2.58% annually, and farmland performance was driven by steady income and incremental real asset repricing, resulting in a modest but positive correlation with inflation as land values stabilized and selectively appreciated over the decade.
- 2000–2008:** U.S. energy policy expanded ethanol blending (supporting corn demand), and global trade deepened—lifting grain and oilseed consumption and supporting land values and rents. With commodity and energy prices firming through much of the decade, farmland performance often moved in step with broader price levels, yielding a modestly positive inflation relationship in many markets.
- 2009–2015:** In the post-GFC recovery, headline inflation remained subdued, yet farmland returns were strong—supported by China's accelerating soybean imports, ethanol's growing share of U.S. corn use, and supply-side shocks (notably the 2012–2014 drought period) that buoyed crop prices. The result was a negative correlation with inflation: real asset performance outpaced general price gains even as the Consumer Price Index stayed low.
- 2016–2025:** As growth re-accelerated and, later, pandemic-era demand and supply disruptions took hold, row crop prices strengthened—particularly in 2020–2023 amid large Chinese corn purchases and war-related Black Sea supply shocks—while lease resets and improved realizations flowed through to income. In the high-inflation phase of 2021–2022, farmland returns generally tracked higher alongside rising price levels, reinforcing the asset class's capital-preservation role; as inflation cooled into 2024 and 2025, returns moderated over this period.

# Diversification benefits of farmland

Farmland has shown limited correlation with traditional asset classes, providing diversification from equities, fixed income, and even other real assets. This stems from agriculture's biological production cycles and the durable, need-based demand for food and ingredients, which are influenced more by weather, yields, and crop markets than by broader financial market cycles.

Farmland itself offers multiple avenues for intra-asset diversification, including geography, climate, water regimes, infrastructure, crop types (row vs. permanent), end-use channels (fresh, processed, ingredients, and bio-based fuels), and operating models (leased vs. directly operated). This breadth allows investors to calibrate exposures and build resilient portfolios aligned to specific risk/return and impact objectives.

## Return correlation between U.S. farmland and other financial assets, 2006–2025



Source: Data for farmland refer to the NCREIF Farmland Property Index as of 12/31/25. Data for commercial real estate refer to the NCREIF Property Index as of 12/31/25. Data for small-cap stocks refer to the S&P 600 Index from Standard & Poor's Financial Services LLC as of 12/31/25. Data for international equities refer to the MSCI EAFE International Equities Index as of 12/31/25. Data for corporate bonds refer to the Bloomberg U.S. Corporate Bond Total Return Value Unhedged USD LUACTRUU Index as of 12/31/25. Data for Treasury bills refer to the Ibbotson series IA SBBI U.S. 30 Day T-bill TR USD as of 12/31/23, Manulife Investment Management research as of 12/31/2025. Data for commodities refer to the S&P GSCI (Goldman Sachs Commodity Index) as of 12/31/25. The S&P 500 series is from Standard & Poor's Financial Services LLC as of 12/31/25. Data for permanent crops refer to the NCREIF Permanent Cropland sub-index as of 12/31/25. Data for row crops refer to the NCREIF Annual Cropland sub-index as of 12/31/25. Diversification does not guarantee a profit or protect against the risk of loss in any market. Past performance is not indicative of future results.

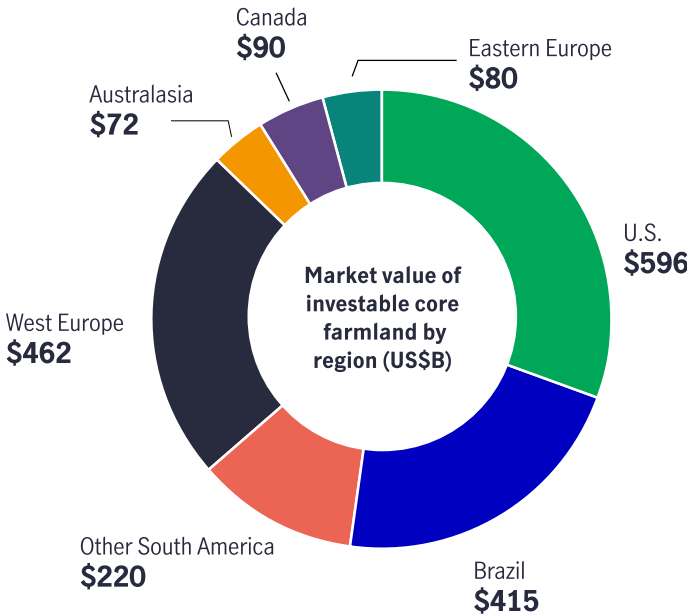
# The expanding opportunity set of institutional farmland investment

Building a globally diversified portfolio of farmland assets requires an understanding of the total scope of the investable universe available to institutional investors. The current estimated value of this universe is around US\$1.9 trillion and spans multiple global geographies, with exposure to varied crop types, end-use markets, and value drivers. The scope of the investable universe continues to evolve and expand, offering investors opportunities to invest in distinct markets and diversify their agricultural portfolio to meet individual investment objectives.

Institutional investments originally focused on key crop-producing regions in the United States, Canada, and Australia, which became cornerstone investment geographies within a globally diversified portfolio. Over the last three-plus decades, the investable universe has continued to expand outside the core regions, supported by favorable long-term market fundamentals such as population growth, economic development, and increasing urbanization, driving demand growth and unlocking new geographies for farmland investment. In addition, strategic presence in various regions can further enhance the resilience of overall portfolios by optimizing trade supply chains and de-risking potential trade disruptions.

Within this landscape, at Manulife IM we prioritize core geographies and ownership structures that support large-scale operations and robust governance, enabling purposeful diversification by climate, water, crop mix, and market access.

## Market value of investable core farmland by region (US\$B)

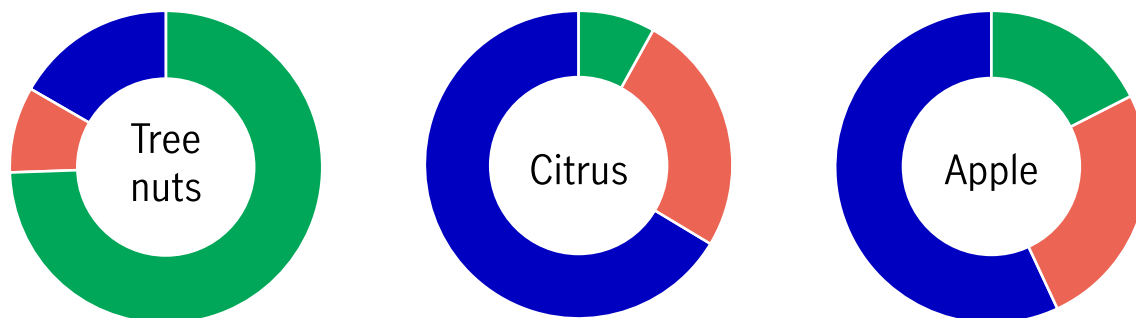


Source: Manulife Investment Management research, as of March 2021, Australasia includes Australia, New Zealand; other South America includes Argentina, Chile, and Uruguay; Western Europe includes Belgium, Denmark, Germany, Ireland, Greece, Spain, France, Italy, Luxembourg, Netherlands, Austria, Portugal, Finland, Sweden, and the United Kingdom; Eastern Europe includes Bulgaria, Czech Republic, Poland, and Romania. The United States: Agriculture Census 2017, USDA Land Values 2020, NCREIF 2020; Canada: Agriculture Census 2016, 2018 Statistics Canada; Australia: ABARES, Manulife Investment Management 2018; Western and Eastern Europe: Agriculture Census 2017, Eurostat 2019; Brazil: Agriculture Census 2017, Secretary of Agriculture and Supply 2020, Argentina Agriculture Census 2018, Savills Global Farmland Index; Uruguay: Agriculture Statistics 2020; New Zealand: Agriculture Census 2017, Reinz January 2021, Stats NZ 2017; Chile: Annual Statistics 2019/2020, GPS Property 2019, Manulife Investment Management 2020, ODEPA 2019/2020.

# A natural and sustainable resource with diverse demand

## Sources of demand for select U.S. crops

■ Exports ■ Fresh domestic consumption ■ For processing



Source: USDA Production, Supply and Distribution portal and the U.S. Apple Association, as of December 31, 2025. Citrus includes oranges, lemons, limes, grapefruit, and tangerines. Tree nuts include pistachios, almonds, and walnuts.

Diversifying into various end-product markets helps create resilience in the face of shifting consumer preferences and market dynamics. Farmland underpins a wide spectrum of real-economy markets. Row crops supply the four classic pillars, namely feed, food, fuel, and fiber. Corn and soymeal feed global livestock and aquaculture; wheat, corn, and soy contribute to staple foods and ingredients (oils, starches, flours); oilseeds and sugars are converted into low-carbon fuels (ethanol, renewable diesel, and emerging SAF pathways); and fiber crops such as cotton and industrial hemp serve textiles and natural-fiber composites. Permanent crops primarily target fresh and processed food channels: fresh fruits, nuts, and table grapes flow to retail and food service, while processed formats, e.g. juices, purees, canned and frozen fruit, dried fruit, nut butters and oils (e.g., olive, avocado), concentrates, and ingredient cuts, help extend shelf life, enable exports, and feed value-added categories like healthy snacks and functional foods. Together, these diverse end uses broaden demand sources, deepen market liquidity, and create multiple pathways for income and long-term value growth.

# Water management and soil health for maximum co-benefits

More than 50% of the world's cities and 75% of all irrigated agricultural areas experience water shortages on a recurring basis,<sup>2</sup> and access to reliable, affordable water is crucial for agriculture investments that depend on the ability to grow food, fiber, and feed. Expert management and stewardship of water resources are vital to the viability of interdependent, healthy ecosystems that provide immense value to both communities and economies and support the highest possible value outcomes for our clients.

## Case studies



### Water management case study

Using technology to irrigate crops efficiently and responsibly

[Irrigating Crops Efficiently and Responsibly | Manulife Investment Management](#)



### Soil health

Regenerative agriculture: definition, implementation, and impact

How we focus on soil health and productivity to optimize returns, productivity, and sustainability.

[Regenerative agriculture: definition, implementation, and impact | Manulife Investment Management](#)

Regenerative agricultural practices also support soil health, which in turn supports productivity, reduces input costs, and promotes biodiversity and carbon sequestration.

## Enhancing soil carbon content through operational regimes



**No-till farming:** growing crops or pasture without disturbing the soil through tillage



**Cover crops:** used to slow erosion, improve soil health, enhance water availability, and control weeds, pests, and diseases



**Incorporating biochar:** can increase soil fertility, water-holding capacity, and nutrient retention

Nature loss is consistently identified by business leaders as one of the top risks to the global economy, alongside recognition of the dual crisis of nature loss and climate change. Sustainable farming can once again offer solutions by restoring nutrient deficiencies, reducing pest and disease vulnerability, and increasing water-holding capacity.

<sup>2</sup> How distributed ledger technology is revolutionizing water markets. World Economic Forum, June 22, 2021.



# Farmland as a natural climate solution

Responsibly and sustainably managed farmland can deliver climate mitigation and adaptation benefits alongside food production. Practices such as reduced tillage, cover cropping, diversified rotations, precision nutrient management, and efficient irrigation improve soil structure and water retention, help sequester carbon in soils and perennial biomass, and lower nitrous-oxide and energy-related emissions. In orchards and vineyards, perennial plantings store carbon over multiple decades and can be paired with habitat corridors and pollinator strips that enhance biodiversity and landscape resilience. As measurement and verification standards mature, these outcomes are increasingly recognized through emerging ecosystem-service markets and corporate supply-chain initiatives—creating potential, location-dependent avenues for ancillary revenue while strengthening long-term productive capacity. In this way, farmland can support nature, climate, and people while meeting essential demand for nutritious food.

## The durable outlook for farmland investment strategies

Looking ahead, we believe farmland remains well positioned within institutional portfolios. Nutrition-led growth in both developed and emerging markets, expanding end uses across feed, food, fuel, and fiber, and the scarcity of high-quality, well-watered acreage underpin long-run demand and asset values. Through a financial strategy lens, leased row crop portfolios can provide stable cash yields with periodic rent resets, while permanent crop programs offer operational upside linked to varietal improvement, market access, and premiumization— together offering levers to tailor risk/return, inflation sensitivity, and impact objectives. Continued advances in agronomy, water stewardship, and data-driven farm management further enhance productivity and resilience, even as investors manage weather, water-policy, labor, and commodity-price risks through diversification and disciplined governance. In sum, farmland offers a combination of competitive risk-adjusted returns, diversification potential, and measurable environmental co-benefits that support a durable, multi-cycle investment case.





## Important disclosures

Investing involves risks, including the potential loss of principal. Financial markets are volatile and can fluctuate significantly in response to company, industry, political, regulatory, market, or economic developments. These risks are magnified for investments made in emerging markets. Currency risk is the risk that fluctuations in exchange rates may adversely affect the value of a portfolio's investments.

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**Agriculture:** Prices of crops and commodities can be expected to fluctuate due to shifts in demand from a number of factors, including weather conditions and natural disasters, quality of commodity, supply and demand for crops and commodities in a market that is predominately global in nature, the relative strength of local currency, government regulations, farm programs and policies, demand from the bio fuels industry, price volatility as a result of increased participation by non-commercial market participants in commodity markets, eruptions of military conflicts or civil unrest and changes in global demand resulting from population growth, pandemics and other health crises, changes in standards of living and social media postings, which have the ability to influence consumer opinion and preferences with respect to food choices across many markets. The strategy may also be subject to environmental liabilities related to its farmland, as well as losses to its Farmland Investments and crops due to adverse weather conditions, diseases and pests. Farmland Investments also rely on the availability of water, which in many jurisdictions is increasingly scarce and subject to regulation.



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