VERIPATH FARMLAND FUNDS

VERIPATH INVESTOR LETTER Q4 2024

Farmland – Diversifying, Durable & Defensive

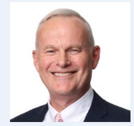
INTRODUCTION:

It has been said that "there are decades where nothing happens; and there are weeks where decades happen". The start of 2025 is starting to fall into the latter camp. In this quarter's update we will discuss why Veripath focuses on row-crop farmland versus permanent crop investments, Canada's row-crop exposure to US export markets and US tariffs and share what we hope you will find are some interesting charts.

> *"It is the mark of an educated mind to be able to entertain a thought without accepting it"*
> **— Aristotle**

Row Crops Versus Permanent Crops: It's an important element of Veripath's low return volatility that we have avoided deploying capital outside of the row-crop market.

It goes without saying that we believe investing in row crop farmland generates better risk adjusted returns versus permanent crop land. This behaviour is caused by five key metrics: depreciation, capital intensity, weather, water dependency and labor intensity. The Canadian farmland/permanent crop land breakdown is roughly as follows:



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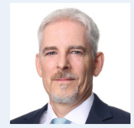

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FARMLAND

~160M acres (mostly wheat, canola, barley, pulses & corn)

Total investible market size ~$750 billion:

- AB, SK, MB: ~110M acres
- ON and QC: ~30M acres
- BC: ~6M acres
- Atlantic provinces: ~ 5M acres

PERMANENT CROP LAND

~0.5M acres (mostly fruit trees, vineyards & blueberries)

Total investible market size ~$15 billion:

- BC: ~150,000 acres
- ON: ~150,000 acres
- QC and other regions: ~200,000 acres

Understanding the risk behaviours of row crop farmland versus permanent crop land is essential when you are allocating to an agricultural fund manager. Some managers have pure play portfolios of only farmland or only permanent crop land while other managers are agnostic between the two land types. The first and most conspicuous difference is that the Canadian farmland/row crop market is much larger (320 times more acres) and more investible (50 times greater market capitalization) with commensurately greater liquidity. The purpose of this paper is to go beyond liquidity and discuss the risk profiles of the two assets classes across five additional dimensions that impact risk: asset depreciation, capital intensity, weather resilience, water dependency, labor intensity.

Depreciation: Permanent crops have a much more operational return profile and have a large component of depreciating capital investment. Once an orchard or vineyard is planted, the investor is locked into that crop for many years. Market fluctuations, disease, or pest infestations can lead to significant losses, as seen with the citrus greening disease that caused nearly $2.9 billion in losses in Florida's orange groves from 2007-2014. According to NUVEEN, "Roughly 40% to 70% of the value of the permanent crop is above the ground in the form of a tree or vine that makes replanting annually cost-prohibitive. These crops historically have delivered higher average income returns than row crops, but they also have experienced higher volatility on a year-to-year basis." In contrast, row crop farmland is a non-depreciating asset, that offers superior flexibility as the crops are replanted each year. If the market for one crop is unfavorable, the farmer can switch to another crop the next season. NCREIF data shows that row crop farmland has consistently appreciated, even in challenging economic times, due in part to this flexibility.

> *"The first lesson of economics is scarcity: There is never enough of anything to satisfy all those who want it. The first lesson of politics is to disregard the first lesson of economics."*
> **— Thomas Sowell**

Capital Intensity: Investing in permanent crops is capital intensive due to high capital costs for planting perennial crops and then establishing and maintaining necessary infrastructure, such as irrigation. For instance, planting an almond orchard can cost up to $6,000 per acre, and investors often must wait 3-5 years before seeing any returns.

Row crops, on the other hand, demand significantly less upfront and ongoing capital investment. The costs are primarily tied to working capital (seeds, fuel and fertilizers) which yield returns within a single season. This lower capex reduces financial risk. As seen in USDA data, row crops typically require less than half the upfront costs compared to permanent crops.

> *"The chief evil is unlimited government, and nobody is qualified to wield unlimited power."*
> **— Friedrich August von Hayek**

Weather Resilience: Permanent crops are more vulnerable to extreme weather conditions due to their long-term growth cycle. A single year of drought or frost can devastate an entire orchard or vineyard, with long-lasting impacts. For example, California's drought from 2012-2016 caused billions in losses for almond growers. Because these crops cannot be replanted annually, recovery from extreme weather events is slow and costly. Row crops are more resilient in this regard, as they can be replanted annually. If a crop fails one year due to adverse weather, farmers can try again the following season with limited long-term damage. This annual reset lowers the overall weather-related investment risk, as illustrated by data from USDA showing consistent recovery in row crop production post-drought.

> *"It is a part of probability that many improbable things will happen."*
> **— Aristotle**

Water Dependency: Water availability is critical in agriculture, but permanent crops tend to have the highest water requirements. Almonds, for example, require about 1.1 gallons of water per almond produced. In drought-prone regions, this can significantly increase the risk of investing in permanent crops, as water scarcity drives up operating costs and materially affects yields. Row crops, especially those in rain-fed regions, depend far less on irrigation systems. Most rely on natural rainfall, reducing the dependency on external water sources and, consequently, the financial risk associated with water shortages.

> *"There is no means of avoiding the final collapse of a boom brought about by credit expansion. The alternative is only whether the crisis should come sooner as the result of voluntary abandonment of further credit expansion, or later as a final and total catastrophe of the currency system involved."* **— Ludwig von Mises**

Labor Intensity: Permanent crops require more labor inputs, especially for tasks like harvesting, pruning, and pest management. Rising labor costs have made permanent crop farming increasingly expensive. For example, almond orchards require intensive manual labor throughout the growing season, leading to higher operational risks as labor shortages become more common. Row crops, in contrast, are more mechanized and less labor-intensive. Planting and harvesting are largely automated, reducing labor costs significantly. This lower reliance on human labor inputs reduces operational risk.

We believe investing in row crop farmland presents significantly lower overall risk compared to permanent crop land. Row crop farms benefit from lower capital expenditure, reduced labor intensity, and less dependence on water, while also offering flexibility in terms of crop choice. These factors, combined with the ability to recover quickly from weather-related setbacks, make row crop farmland a less volatile and more adaptable investment. Permanent crop investments, while potentially offering higher income linked returns, come with greater volatility due to their operational complexity, higher capex, and greater vulnerability to environmental factors.

CANADA'S ROW CROP FARMLAND EXPOSURE TO US TARIFFS:

The Trump administration's threats? or plans? to impose sweeping tariffs on Canadian exports has been a topic of constant discussion for the last few weeks. You may have questions about Canadian row-crop farmland's exposure to such tariffs.

The bad news is that US tariffs, if implemented, undeniably present a serious challenge for the overall Canada economy given our dependence on the US market to sell our goods and services. Unless your Canadian investments are properly hedged to the inflationary and recessionary forces that tariffs and counter-tariffs will worsen, your returns may suffer.

> *"Wrong does not cease to be wrong because the majority share in it."* **— Leo Tolstoy**

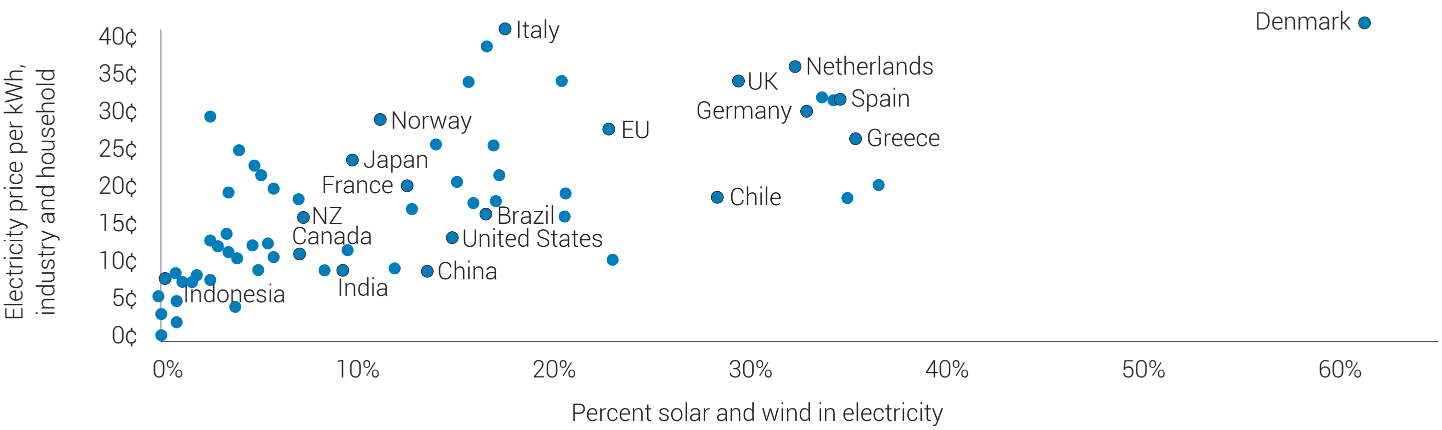
The good news is that Canadian row-crop farmland appears likely to provide such a hedge as it does not share this risk of over-reliance on the US market and provides strong returns in inflationary/stagflationary macro environments. The Canadian agriculture market is largely export driven to non-US economies with have the added advantage of having more robust growth prospects than both the Canadian and US markets. For example, Canada exports it's wheat to 64 different countries, with only 8% going to the US.

Export values by crop: Cereal $33 billion, Canola $16 billion, Pulse $1.2 billion, Corn $0.7 billion. The largest markets for Canadian row crops are outside of the US.

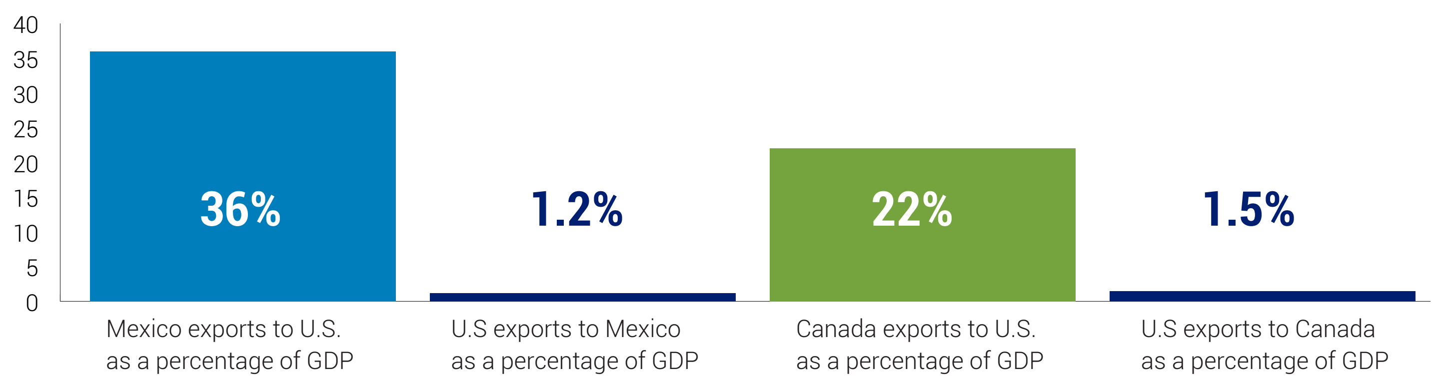
Export markets by Country: China 17% of Canada's wheat exports (1st), Japan 9% of Canada's wheat exports (2nd), Asia 65% of Canada's canola exports, India 29% of Canada's pulse exports (1st).

SOME INTERESTING CHARTS AND DATA:

Renewables Intensity in Grid and Electricity Costs



Canada, Mexico, US – Relative Import/Export Exposures



FINAL THOUGHTS:

Veripath continues to grow its landholdings and generate compelling returns with our low leverage, non-operated, row-crop investment model. Our decision to invest in demonstrably discounted row-crop farmland versus other parts of the Canadian agricultural land space should prove to be useful in the face of potential US tariffs, over and above the strong risk adjusted returns this choice has generated to date.

Operationally, AUM increased $90M TTM with 11%+ TTM returns for investors (Series W3) as you will see in the Fund Factsheet attached.

> *"A fool contributes nothing worth hearing and takes offense at everything".* **— Aristotle**

VERIPATH FARMLAND FUNDS

FUND FACT SHEET | Q4 | 2024
SERIES W3, A1, A2, A3, A4

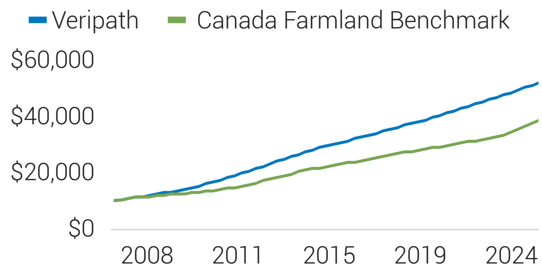
FUND DETAILS

Fund Manager:	Veripath Farmland Partners LP
Currency:	CAD
Fund Size:	$460M[1]
Man. Fee:	1.75%
Total Acres:	130,000[1]
Inception Date:	2019 (Fund R), 2020 (Fund UR)

INVESTMENT OBJECTIVE

Veripath's objective is to generate attractive, consistent, inflation hedged returns and to preserve capital by investing in a non-operated, geographically diversified portfolio of farmland. The Veripath team has been investing in farmland continuously since 2007. Veripath has developed a leading-edge technology platform to evaluate, monitor and manage farmland including the use of satellites, artificial intelligence tools and factor-based portfolio screening and construction models.

$10,000 INVESTMENT IN VERIPATH VS CANADIAN FARMLAND BENCHMARK*



SERIES RETURNS

		2023 Q4	2024 Q1	2024 Q2	2024 Q3	2024 Q4	Inception	TTM	NAVS
Veripath (R)	W	2.2%	2.2%	2.8%	2.5%	3.0%	8.8%	11.0%	$1.6045
	W2	2.1%	2.2%	2.8%	2.5%	3.0%	10.6%	10.9%	$1.5867
	P	1.8%	1.9%	2.4%	2.1%	2.7%	8.4%	9.4%	$1.5009
	A	1.8%	1.8%	2.4%	2.1%	2.6%	8.4%	9.1%	$1.4806
	W3	2.2%	2.2%	2.8%	2.5%	3.0%	10.8%	11.0%	$1.6045
	A1	1.7%	1.8%	2.3%	2.1%	2.5%	9.7%	9.1%	$1.4796
	A4	1.8%	1.9%	2.4%	2.1%	2.6%	10.1%	9.4%	$1.4855
Veripath (UR)	W	3.3%	2.3%	3.1%	2.3%	2.9%	8.9%	11.0%	$1.4981
	W2	3.2%	2.3%	3.1%	2.2%	2.8%	9.8%	10.9%	$1.4921
	P	2.7%	2.0%	2.7%	1.9%	2.5%	7.7%	9.4%	$1.4343
	A	2.7%	1.9%	2.6%	1.9%	2.4%	7.8%	9.1%	$1.4200
Veripath (UR) – RRSP	W3	3.3%	2.3%	3.1%	2.3%	2.9%	11.7%	11.0%	$1.4981
	A1	2.7%	1.9%	2.6%	1.9%	2.4%	10.7%	9.1%	$1.4212
	A2	2.9%	1.8%	2.6%	1.9%	2.4%	10.8%	9.0%	$1.4232

TOP 10 HOLDINGS

RM /County	Acres	RM /County	Acres
St. Paul	7,765	Two Hills	3,903
N. Sunrise	5,735	Coteau	3,896
Newell	5,508	Souris Valley	3,051
Popular Valley	4,445	Old Post	2,991
Saddle Hills	4,110	N. Lights	2,830

KEY PERFORMANCE INDICATORS

Financial KPIs	FUND R[2] Q4 24	FUND R[2] Q4 23	FUND R[2] Change (%)	FUND UR[2] Q4 24	FUND UR[2] Q4 23	FUND UR[2] Change (%)	FUND II Q4 24	FUND II Q4 23	FUND II Change (%)
Assets Under Management	$169M	$116M	46%	$180M	$152M	16%	$111M	$102M	9%
Leverage (Loan to Value)[3]	44%	25%	19%	32%	36%	-4%	14%	15%	-1%
Rent/Cultivated Acre ($)	$67	$63	6%	$96	$88	9%	$61	$59	3%
Portfolio KPIs	**Q4 24**	**Q4 23**	**Change (%)**	**Q4 24**	**Q4 23**	**Change (%)**	**Q4 24**	**Q4 23**	**Change (%)**
Geographies	26	25	4%	8	6	33%	19	19	0%
Operators	26	25	4%	12	10	20%	23	23	0%
Acres	57K	48K	19%	32K	31K	3%	41K	41K	0%
Cultivation Ratio	91%	91%	0%	92%	89%	2%	94%	94%	0%

Offering Memorandums of Veripath Farmland LP and Veripath (UR) Fund dated May 24, 2024 (collectively, the "Funds") contain important information relating to the units of each of the Funds, have or will be filed with the securities regulatory authorities in each of the jurisdictions where a distribution has occurred or will occur pursuant to the Offering Memorandums. A copy of the Offering Memorandums are required to be delivered to you at the same time or before you sign the agreement to purchase any of the securities described in this document pursuant to the Offering Memorandums. This document does not provide disclosure of all information required for an investor to make an informed investment decision. Investors should read the Offering Memorandums, especially the risk factors relating to Veripath, before making an investment decision. 1. Fund Size, Total Acres are aggregate values of all farmland portfolios managed by the management team. 2. Veripath Farmland (UR) LP invests in all of Canada (excluding SK and MB) and Veripath Farmland LP invests only in Saskatchewan and Manitoba. 3. Leverage is calculated as percentage of debt to total FMV of all farmland acres in each fund, excluding all infrastructure assets.

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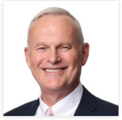
FUND FACT SHEET | Q4 | 2024
SERIES W3, A1, A2, A3, A4

SENIOR TEAM



Stephen Johnston (Partner): Stephen has over 25 years experience as a fund manager. He was the head of the Société Générale Asset Management Emerging Markets – UK private equity team with approximately C$500 million of assets under management. He founded a series of alternative funds prior to Veripath including a farmland strategy, an SME PE strategy, an energy strategy and a private credit strategy. Stephen has a BSc. (1987) and a LLB from the University of Alberta (1990) and an MBA (1994) from the London Business School.

Barclay Laughland (Partner): Barclay has over 25 years of experience in the areas of corporate finance, investment fund management, mergers and acquisitions, debt/equity financings and business management. More than half that time has been spent in direct involvement with private equity, and he was most recently vice-president, corporate affairs for a publicly-traded investment company. In addition to the farmland strategy, Barclay has been a co-founder in alternative funds focused in energy and healthcare. Barclay received both a BCom. (1991) and JD (1994), University of Saskatchewan.

Carmon Blacklock (Partner): Carmon has over 25 years of experience in the agriculture industry, including owning and operating his own row crop farming operation in Canada. In addition, he has over 15 years experience in the investment and finance industry working with various mutual fund and private equity companies. He received his BA. in International Economics (2005) University of Ryerson, and MSc. Quantitative Finance (2006) University of Westminster.

SERIES TERMS

Issuer:	Veripath Farmland LP and Veripath (UR) Fund				
Target Markets:	Fund R – Saskatchewan and Manitoba only Fund UR – All of Canada excluding Saskatchewan and Manitoba.				
Security:	Series W3	Series A1	Series A2	Series A3	Series A4
RRSP Eligible:	UR Fund Only	UR Fund Only	UR Fund Only	UR Fund Only	UR Fund Only
Target Return:	CPI plus 5%	CPI plus 5%	CPI plus 5%	CPI plus 5%	CPI plus 5%
Hold Period[2]:	3 years	1 year	2 years	3 years	4 years
Management Fee:	1.75%	1.75%	1.75%	1.75%	1.75%
Performance Fee:	12%	20%	19%	18%	17%
Hurdle:	8%	4%[1]	5%[1]	6%[1]	7%[1]
Minimum Investment:	Manager Discretion	$1,000	$1,000	$1,000	$1,000
NAV:	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly
Pre-maturity Redemptions[3]:	3% Quarterly	3% Quarterly	3% Quarterly	3% Quarterly	3% Quarterly
Post-maturity Redemptions[4]:	up to 100%	up to 100%	up to 100%	up to 100%	up to 100%

1. Blended Hurdle. 2. Hold period redemption penalties – Year 1 = 6%, Year 2 = 5%, Year 3 = 4%, Year 4 = 3%. 3. Cash within 45 days (subject to minimum 45 days notice prior to quarter end) or redemption notes with duration for remainder of hold period – rates as follows – NTD <1 year @ 2%, >1 year @ appropriate duration BOC prime rate. 4. Cash within 45 days (subject to minimum 45 days notice prior to quarter end).

FUNDSERV CODES

Fund R *(Non-Registered accounts only)*			Fund UR *(Registered and Non-Registered accounts)*		
Series W3	QWE630	F-Class	Series W3	QWE631	F-Class
Series W3	QWE629	A-Class	Series W3	QWE628	A-Class
Series A1	QWE647	F-Class	Series A1	QWE632	F-Class
Series A1	QWE626	A-Class	Series A1	QWE627	A-Class
Series A2	QWE646	F-Class	Series A2	QWE633	F-Class
Series A3	QWE648	F-Class	Series A3	QWE634	F-Class
Series A4	QWE649	F-Class	Series A4	QWE635	F-Class

VERIPATH FARMLAND FUNDS

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LEGAL NOTICE

An investment in Veripath Farmland LP, Veripath Farmland (UR) LP and Veripath (UR) Fund (collectively, "**Veripath**") is highly speculative and involves a number of risks, including due to the nature of Veripath's business, the risks inherent in Veripath's investment strategies and the fact that Veripath has limited operating history. Only investors who are willing to rely solely upon the ability, expertise, judgment, discretion, integrity and good faith of Veripath Farmland Partners LP, the manager of Veripath (the "**Manager**"), who do not require immediate liquidity of their investment and who can afford a total loss of their investment, should consider an investment in Veripath. Prospective investors should read the Offering Memorandums **in their entirety** and consult with their own professional advisors to ascertain and assess the income tax, legal, risks and other aspects of their investment in Veripath. There is no guarantee of performance and past or projected performance is not indicative of future results. No reliance should be placed on the completeness of the information contained in this document. This document is not intended to be a comprehensive review of all matters concerning the Funds. Past performance does not guarantee future results. The AUM is calculated as of January 31, 2025 and includes all assets contracted for acquisition under a binding contract (and takes into account management's expectation as to the debt/equity financing for such acquisitions). Number of acres includes farmland contracted for acquisition which is under a binding contract. NAVs are calculated as of the date at which the NAVs are published following the quarter end.

No securities regulatory authority has assessed the merits of, or expressed an opinion about the securities described in this document (collectively, the "**Securities**"), or the information contained in this document, or the Offering Memorandums. The Securities referred to herein will only be offered and sold in such jurisdictions where they may be lawfully offered for sale and, in such jurisdictions, only by persons permitted to sell such Securities. The Securities referred to herein may only be sold to prospective investors who reside in certain provinces and territories of Canada and who meet certain eligibility criteria on a basis which is exempt from the prospectus requirements of applicable Canadian securities laws. The Securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or the securities laws of any state of the United States and may not be offered or sold within the United States or to or for the account or benefit of U.S. persons (as such term is defined in Regulation S under the U.S. Securities Act).

No Certainty of Performance: The data contained in the table titled 'Series Returns' and '$10,000 Investment in Veripath vs Canadian Farmland Benchmark' is historical only and is not indicative of future results. There is no guarantee of performance and past performance is not indicative of future results.

Purchaser's Rights: Securities legislation in certain of the provinces and territories of Canada provides purchasers with a statutory right of action for damages or rescission in cases where an offering memorandum or any amendment thereto contains an untrue statement of a material fact or omits to state a material fact that is required to be stated or is necessary to make any statement contained therein not misleading in light of the circumstances in which it was made (a "**misrepresentation**"). These rights, or notice with respect thereto, must be exercised or delivered, as the case may be, by purchasers within the time limits prescribed and are subject to the defenses and limitations contained under the applicable securities legislation. The following summary is subject to the express provisions of applicable securities legislation and the regulations, rules and policy statements thereunder. Purchasers should refer to the securities legislation applicable in their province or territory along with the regulations, rules and policy statements thereunder for the complete text of these provisions or should consult with their legal advisor.

The statutory rights of action described below are in addition to and without derogation from any other right or remedy that purchasers may have at law. If you are subject to the laws of Ontario, Saskatchewan, Nova Scotia or New Brunswick, those laws provide, in part, that if there is a misrepresentation in an offering memorandum, which was a misrepresentation at the time that you subscribed for the securities, then you will be deemed to have relied upon the misrepresentation and will, as provided below, have a right of action against the issuer of the securities (and, in certain instances, other persons) in respect of the securities purchased by you for damages, or alternatively, while still the owner of any of the securities purchased, for rescission, in which case, if you elect to exercise the right of rescission, you will have no right of action for damages against the issuer of the securities provided that: (1) no person or company will be liable if it proves that you purchased the securities with knowledge of the misrepresentation; (2) in the case of an action for damages, the defendant will not be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the securities as a result of the misrepresentation; and (3) in no case will the amount recoverable in any action exceed the price at which the securities were purchased by you. In Ontario, Saskatchewan or New Brunswick, in the case of an action for rescission, no action may be commenced more than 180 days after the date of the transaction that gave rise to the cause of action. In the case of any action other than an action for rescission, (A) in Ontario, no action may be commenced later than the earlier of (i) 180 days after you first had knowledge of the facts giving rise to the cause of action, or (ii) three years after the date of the transaction that gave rise to the cause of action, and (B) in Saskatchewan or New Brunswick, no action may be commenced later than the earlier of (i) one year after you first had knowledge of the facts giving rise to the cause of action or (ii) six years after the date of the transaction that gave rise to the cause of action. In Nova Scotia, no action (for rescission or otherwise) may be commenced later than 120 days after the date on which payment was made for the securities. If you are subject to the laws of any other province or territory, reference should be made to the full text of the applicable provisions of the securities legislation in such provinces or territories or consultation should be undertaken with professional advisors.

*Statistical data begin as of 2008 and run to year-end 2023. Canadian farmland benchmark return data is raw acre weighted data from provincial returns (StatsCan) from 2008. The above quarterly return data since inception for the Veripath investment team encompasses acquisitions/dispositions/holdings across 6 close-ended funds (beginning in 2008). Veripath (collectively the "Farmland Funds") represent all the funds with an investment objective of investing in Canadian farmland managed by the Veripath investment team in such period. The returns in the table aggregate all transactions undertaken by the Farmland Funds as if they were undertaken by the same fund with returns disaggregated into quarters and dollars weighted. The return data is provided without any impact from leverage in the Farmland Funds (open-ended funds are moderately levered, close-ended funds were not) and represent returns to the Farmland Funds – land appreciation and rents (only land appreciation used above) - (i.e., it does not account for fund level fees and expenses (including management/performance fees)). Accordingly, such returns would not reflect the specific returns received by investors in the various series of the Farmland Funds. The closed-ended Farmland Funds did not produce quarterly independent NAVs while the open-ended funds do. However, the data with respect to the closed ended data is "cash to cash"" (i.e., the return is calculated using actual acquisition and disposition values averaged over the period the applicable assets were held, except for one close ended fund which continues to hold approximately $100 million in assets and determines NAV using third party appraisals on an annual basis). Past performance is not indicative of future results.

VERIPATH
FARMLAND FUNDS

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