

Iroquois Valley Farmland Notes

A HIGH IMPACT FUND



Photo credit: Lucas Gallone

BLENDING PRIVATE DEBT NOTE INVESTING IN U.S. ORGANIC FARMLAND

ImpactAssets is offering a blend of two Iroquois Valley Farmland Notes: a long-term note (7.5 year average duration) and the recently offered Soil Restoration Note. The long-term note will support Iroquois Valley's new sustainable farmland investments. Iroquois Valley launched the Soil Restoration Note in 2017 to offer lower lease rates for its current and future farmers transitioning their farming practices to organic and sustainable practices. For our direct impact fund clients, ImpactAssets has structured a unique offer which blends 25% of the Soil Restoration Note and 75% of the longer term note in order to optimize financial return with high impact for clients. Through this structure, ImpactAssets will use best efforts to offer liquidity to investors after 1 year with 90 days notice.

WWW.IROQUOISVALLEYFARMS.COM

ABOUT IROQUOIS VALLEY FARMLAND REIT

Iroquois Valley Farmland REIT (Iroquois Valley) is a restorative farmland finance company providing land access and working capital to organic family farmers and ranchers, with a focus on the next generation. Established in 2007, Iroquois Valley uses private investment capital to facilitate farmers' expansion plans through leases, mortgages and operating lines of credit.

Through its 15-year track record, the company has maintained stable growth, which has resulted in a diverse portfolio of over 117 farm investments in 19 states within the US. Through May 2023, Iroquois Valley had purchased or financed more than 30,000 acres representing over \$95M in value, all of which is either USDA certified organic or in the process of transitioning to organic. Iroquois Valley is a Public Benefit Corporation and a Certified B Corporation that was awarded "Best for Community" in 2014 and "Best for the World" from 2016-19.

ABOUT THE VENTURE IMPACT PROGRAM (VIP)

VIP is an innovative way for MCF donors to engage in impact investing through philanthropy. Via a partnership with ImpactAssets — a market leader in impact investing — VIP enables philanthropic dollars to be directed towards both non-profit and for-profit companies that are seeking to make positive social or environmental impact.

For further information, contact Safia Kryger-Nelson at MCF, 415.464.2515 or skryger-nelson@marincf.org.



ImpactAssets		RISK RETURN MATRIX		
RISK LEVEL	HIGH RISK			
	MODERATE RISK			
	LOW RISK		X	
		NON-MARKET RATE	NEAR-MARKET RATE	MARKET RATE
RELATIVE RETURN				



ImpactAssets		FUND SUMMARY
ASSET CLASS	Private debt	
SECTOR	Sustainable Agriculture	
INTEREST RATE	Blended rate of 2.89%*	
INTEREST PAYMENT	Paid semi-annually on July 15 and January 15 of each year	
SECURITY	Unsecured promissory notes; pari passu to existing unsecured promissory notes	
LIQUIDITY	ImpactAssets will use best efforts to offer liquidity to investors after 1 year with 90 days notice.	
USE OF PROCEEDS	To fund farmland investments, which Iroquois Valley will subsequently lease to farm tenants for 5-year initial leases with evergreen renewal options.	
INVESTMENT MINIMUM	\$10,000	
INVESTMENT FEES	This recommendation will incur an additional fee of 0.40%. The fee is calculated on current asset balance.	
GEOGRAPHY	Domestic: Over 117 farm investments in 19 states within the U.S. States include: Arizona, Iowa, Illinois, Indiana, Kansas, Kentucky, Maine, Michigan, Minnesota, Missouri, Montana, New York, North Carolina, Ohio, Vermont, West Virginia, Virginia, Washington, Wisconsin	
INVESTMENT THESIS	<ul style="list-style-type: none"> • Deploys private investment capital through secure leases, mortgages and operating lines of credit to facilitate farmers' expansion plans. • Funded over 117 farm investments within 19 states within the US, covering over 30,000 acres of farmland representing more than \$95M in value. • Stable revenue base ensures continued cash flows to cover debt repayments. 	
IMPACT THESIS	<ul style="list-style-type: none"> • Focus on supporting sustainable food production and mid-sized family farms. Prioritizes farmland preservation, organic land management practices, local food markets, land access opportunities and values-based agriculture investment opportunities. • Supports young farmer land access. Millennials are farming on 60% of the farms supported by Iroquois Valley and 5% of the portfolio is now made up of Gen Z farmers. Farmland transfer from one generation to the next is occurring on 43%. • Soil Restoration Note further enhances impact as 50 basis points from total capital raised will go into a "soil restoration pool" to fund farmer-proposed soil-building, conservation, and organic transition projects. • Women are involved in 70% of farms supported by Iroquois Valley. 	
ILLUSTRATIVE INVESTMENT	Creambrook Farm is a 215 acre farm located in the Shenandoah Valley of Virginia which was originally a 100% grass-fed Angus beef operation. Iroquois Valley purchased and leased the farm to a young 2nd generation family in order to scale operations and expand into dairy through retrofitting a milk parlor. Through this purchase, Iroquois Valley was able to diversify and strengthen the family farm's product offering to include yogurt, kefir, and other grass-fed dairy products, which have higher nutritional content.	
STRENGTHS	Impressive and stable growth, strong 4-person senior management team (over 100 years of combined experience), well-capitalized balance sheet, strong social and environmental impact thesis, IA 50 Fund Manager (2012-2020) and IA 50 Emeritus Fund Manager (2021-2022).	
RISKS	Concessionary returns to investors (mitigated by strong environmental and social impact); unsecured debt is subordinate to mortgage (with recourse to balance sheet); farm operation risk (loans secured by crop insurance, inventory and/or real estate); recent leadership transition for CEO position (mitigated by management team experience and stability of the Board and other roles)	

There is no guarantee that any projection, forecast or opinion around any given investment will be realized with respect to impact, performance or liquidity. Past performance does not guarantee future results

ImpactAssets Legal and Program Disclaimer: This is not a solicitation to buy or sell securities, nor a private placement offering. It is an informational description of charitably oriented, social purpose investment options that have been approved by ImpactAssets only for use in its donor advised fund asset base. It is only for use by its donors. Any allocation to private debt and equity investment options may result in losses and illiquidity that will be borne solely by each donor advised fund account with investment in these options, as will associated program fees. Investment minimums apply. Grant making from the principal value will not be possible until distributions are returned to The ImpactAssets Donor Advised Fund. There is no guarantee of any recovery of capital. The Fund Manager has not approved the information contained in this Fund profile, including the assignment of risk ratings contained herein. The Units may be offered solely to, and subscriptions will be accepted only from "Accredited Investors," as defined in Rule 501(a) of Regulation D promulgated under the authority of the Act, who are also "Qualified Clients," as defined in Rule 205-3 of the United States Investment Advisers Act of 1940, as amended.