



Homestead
Capital

Homestead Capital

September 2022

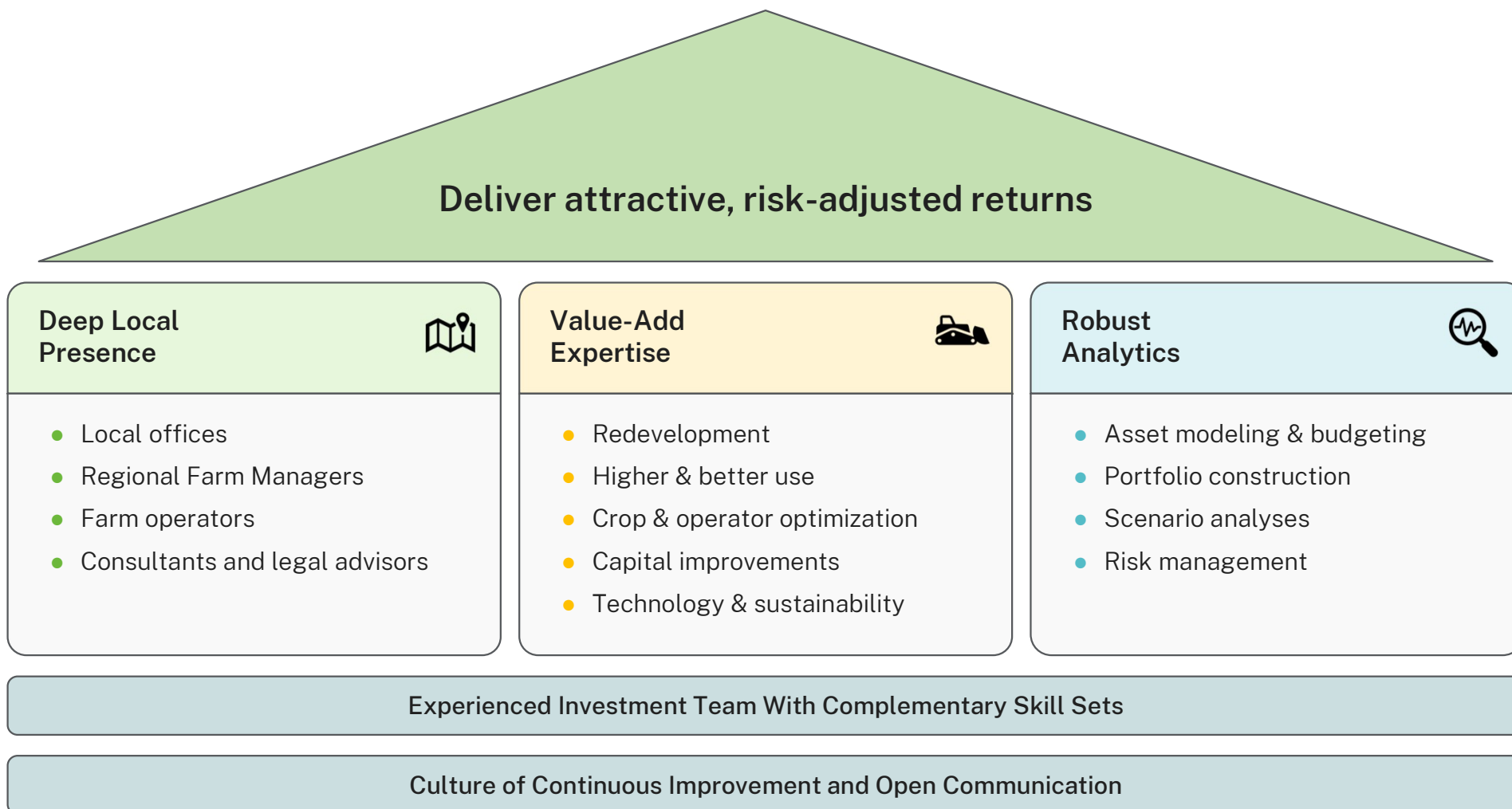


Table of Contents

- 1 Firm Overview**
- 2 Our Strategy
- 3 Case Studies
- 4 Homestead Fund IV



Homestead's Building Blocks



Best-in-Class Team with Broad Reach and Local Roots

Leadership

Daniel Little
Co-CEO

Gabe Santos
Co-CEO

Investment Team

Patrick Trainor
MD, Head of Investments

Finance & Operations

Andrea Davidson
VP, Finance and
Operations

Annie Luong
Finance Manager

Alex Mascia
Fund Accounting
Manager

Justin Burns
General Counsel
and Head of Credit

Permanent Crops

Jacob Bieze
Vice President

Jeremy Menkhaus
Vice President

Row Crops

Tony Windham
Vice President

Daniel Riewerts
Vice President

Due Diligence

Kyle Jacobs
Vice President

Max Prager
Associate

Portfolio Management

Chad Wong
Vice President

Ryan Latham
Associate

Regional Farm Managers*

Midwest

Ray Brownfield

Jason Lestina

David Thien

Adam Thien

Sandy Nehring

Mountain West

Skye Root

Brent Lawson

Jim Redmond

Maryellen Zeise

Delta

Steve Brunson

Dan Spencer

Michael Andrews

Ardith Morgan

Pacific

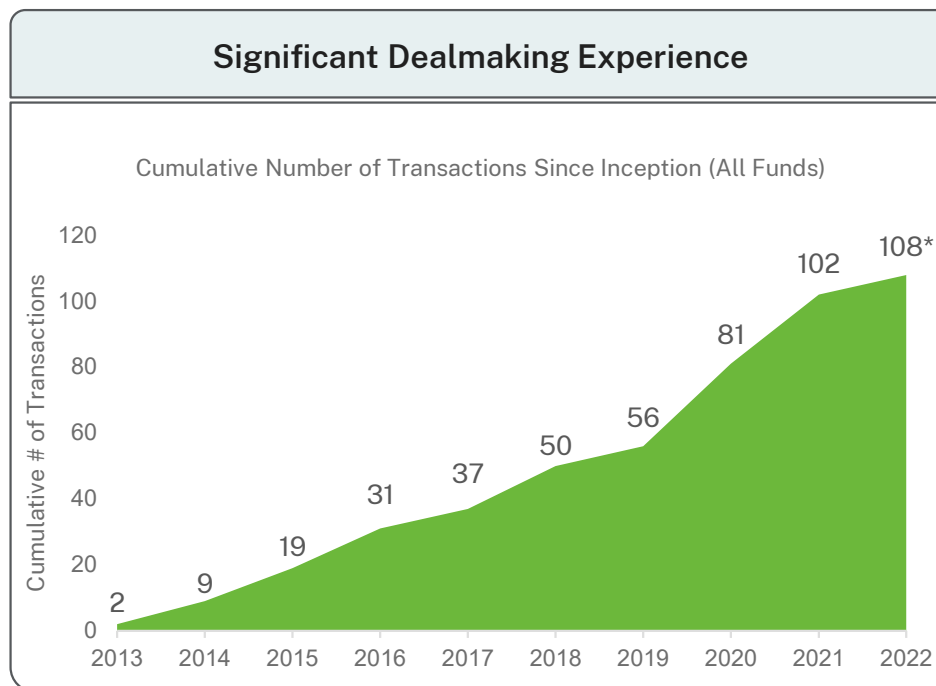
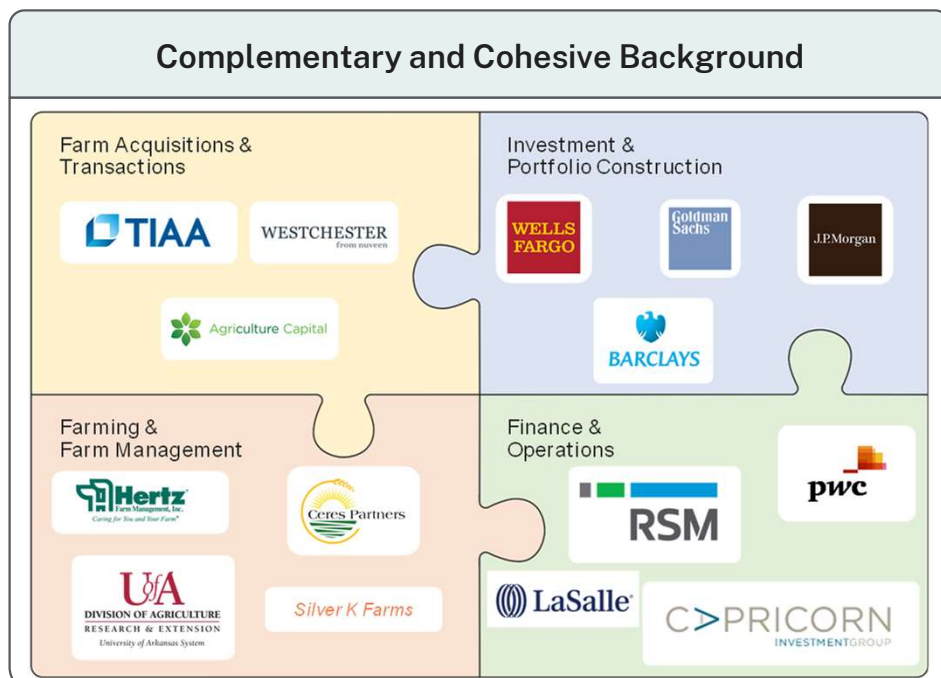
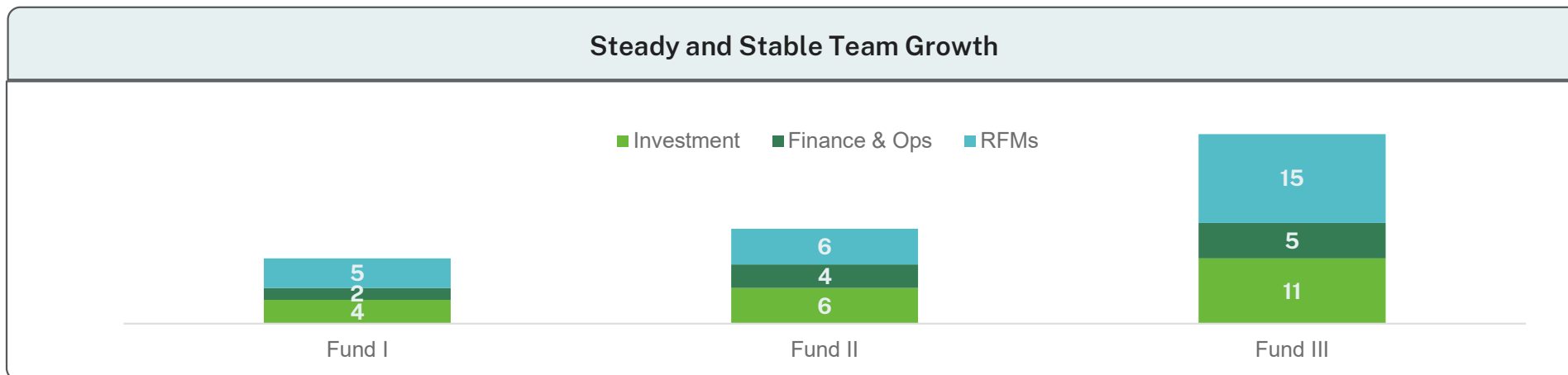
Scott Bozzo

Darrell Atkinson

Richard Brockmeyer

*Regional Farm Managers will not be employees, members or partners of Homestead Capital or any of its affiliates. Regional farm managers are independent contractors retained to assist in the identification, management and disposition of Fund assets in their respective regions. They are not expected to receive a carried interest in the Fund or any Fund portfolio investment. They will, however, receive fees from the farms they manage, which will typically be calculated as a percentage of the net farm income generated on such farms, which will vary depending on the region, lease type and the demands of the particular farm project. Such fees will be in addition to and will not offset any management fees.

Attracting Talent and Enhancing Investment Capabilities



*Includes farms closed and under PSA as of 7/15/22. 2022 numbers reflect cumulative transactions as of 7/15/22.

Environmental, Social, and Governance

Our Approach in the Farmland Asset Class

Homestead's ESG Priorities

- Farmland Health and Productivity
- Crop Quality and Nutrition
- Reduction of Greenhouse Gas Emissions
- Water Efficiency
- Reduction of Chemicals
- Worker Health and Safety
- Prosperity of the Farming Community

We approach ESG in farmland investment with respect for science and accountability to our principles.

- Working with technology-driven partners



- Adhering to best-in-industry ESG standards for asset management

Signatory of:



Investing in Sustainability

Sustainability-focused and climate-smart farming initiatives are key to our nationwide diversified strategy and allow us to make the highest and best use of our farms.

- Climate-smart farming and carbon sequestration, regenerating and improving soil quality and yields
- Conversion to organic production, maximizing profit through premium pricing of organic and specialty crops
- Wetland mitigation and the generation of wetland and environmental credits
- Improving energy, input, and operational efficiency with autonomous tractors and advanced imaging technology
- Working with Homestead's sister company **Revive Ag**, a technology-enabled, climate-smart farm operating company

Culture and Worker Well-Being

Our approach to operator selection and engagement with the farming community allows us to emphasize worker wellbeing.

- Familiarizing ourselves with the local farming community
- Partnering with top operators who prioritize working conditions and wages and maximize opportunities for farm workers, including training and advancement
- Ensuring that workers feel they have a voice and are empowered to raise any issues



Performance Overview

Funds I, II and III

Fund	I	II	III
Fund Size (\$mm)	\$173.0	\$401.5	\$596.0
Fund Term	10 years	15 years	15 years
Gross IRR	3.2%	7.5%	17.3%
Net IRR	1.4%	5.0%	8.3%
Gross MOIC	1.19	1.26	1.17
Net MOIC	1.08	1.17	1.09

Note: Data as of 6/30/2022.
Please see Appendix 1 for Definitions.

Dispositions to Date

Farm	Realized Returns	Acquisition / Disposition
Silver Maple Partial Sale*	10 - 12% IRR*	<ul style="list-style-type: none"> Acquired April 2016 / under verbal agreement to be sold January 2023 Sale price is equal to appraised and prior quarter carrying value
Chiesl (Blue Oak)	6.6% IRR / 1.54x EM	<ul style="list-style-type: none"> Acquired July 2014 / sold January 2022 Sale price was 15% above 9/30/2021 appraised value
Gold Oak	16.8% IRR / 2.53x EM	<ul style="list-style-type: none"> Acquired March 2015 / sold December 2021 and April 2022 Sale price was 6.9% below 9/30/2021 appraised value
Brown Oak	10.1% IRR / 1.62x EM	<ul style="list-style-type: none"> Acquired April and May 2016 / sold October 2021 Sale price was 12% above 9/30/2021 appraised value
Blue Spruce	12.9% IRR / 1.22x EM	<ul style="list-style-type: none"> Acquired May 2016 / sold November 2016 and July 2018 Sale prices were 14% above prior quarter carrying value for 2016 sale and 10% above prior quarter carrying value before signing contract for 2018 sale.
Green Bravo II**	12 - 13% IRR**	<ul style="list-style-type: none"> Acquired January 2020 / signed contract (with DD contingency period) in August 2022 with expected closing in December 2022 Sale price is 14% above 6/30/2022 internal carrying value and 23% above the most recent appraised value from 9/30/2021
Maroon Charlie II	11.8% IRR / 1.46x EM	<ul style="list-style-type: none"> Acquired December 2018 / sold June 2022 Sale price was 13% above 12/31/2021 internal carrying value and 20% above the most recent appraised value from 9/30/2021
Ricchiuti (Yellow Hotel II)	21.4% IRR / 1.26x EM	<ul style="list-style-type: none"> Acquired August 2020 / sold December 2021 Sale price was 31% above 9/30/2021 appraised value

All returns listed above are defined in Appendix 1. *Silver Maple is under a verbal agreement for a partial sale of 9 pivots / returns are subject to change following finalized financial data expected in 1Q 2023. **Green Bravo II is under contract to be sold and buyer has DD contingency period / returns are subject to change following finalized financial data expected in 4Q 2022.

Table of Contents

- 1 Firm Overview
- 2 Our Strategy**
- 3 Case Studies
- 4 Homestead Fund IV



What are Value-Add Strategies in Farmland? A Hands-on, Operational Mindset

<p>Capital Improvements</p>	<p>Identify and Implement Capital Improvements:</p> <ul style="list-style-type: none"> • Improve irrigation systems • Install drainage tiles and improve surface water drainage to mitigate effects of extreme weather events • Precision leveling to increase efficiency and yield
<p>Operator and Lease Type Selection</p>	<p>Partner with Top Farming Talent and Utilize Optimal Leases:</p> <ul style="list-style-type: none"> • Farmers with the newest and most efficient equipment and technology • Farmers who are experienced yet up to speed with latest techniques • Negotiate leases that optimize risk/return profile
<p>Economies of Scale</p>	<p>Identify Assets That Could Benefit From Economies of Scale:</p> <ul style="list-style-type: none"> • Acquire assets that can be farmed by existing top tenants/operators • Invest in on-site/nearby storage to help with marketing • Look for opportunities to purchase contiguous acreage
<p>Crop Selection and Rotation</p>	<p>Select the Best Crops for Each Asset:</p> <ul style="list-style-type: none"> • Identify the most profitable and efficient crop rotations based on market value and soil health (row crop farms) • Redevelop less productive or out-of-favor varieties with higher-value crops (permanent crops) • Consider changes in market demand that can drive premiums (e.g., food grade grains/oilseeds, non-GMOs)
<p>Technology</p>	<p>Leverage Advancements in Technology:</p> <ul style="list-style-type: none"> • Utilize variable rate technology to efficiently apply nutrients, seed, water, herbicide, insecticide and fungicide • Implement GPS technology to allow for precision tilling, planting, spraying and fertilizing • Leverage mechanized farming to reduce labor costs
<p>Government Programs</p>	<p>Identify Opportunities to Benefit from Regulatory Knowledge and Government Network:</p> <ul style="list-style-type: none"> • Understand government subsidies to improve farm profitability and risk management • Identify avenues for additional income generation (e.g., mitigation bank credits)

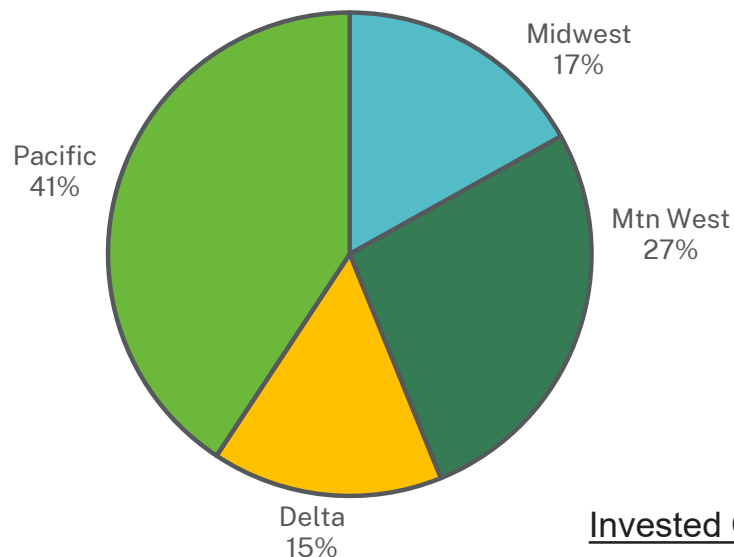
Our Approach to the Opportunity Set: Thoughtful Portfolio Construction

- Certain risks inherent to agricultural production are impossible to eliminate at the farm level, but through disciplined portfolio construction, we can manage our exposure to these risks at the portfolio level.
- We evaluate each pipeline opportunity in the context of the broader portfolio. After acquisition, factors such as lease structure and crop insurance allow us to dynamically adjust for risk factor exposures and income volatility.
- We strive to arrive at our return targets more efficiently by blending higher risk, higher returning farms (e.g., a greenfield development permanent crop farm) with lower risk, lower returning farms (e.g., a Midwest cash rent farm).

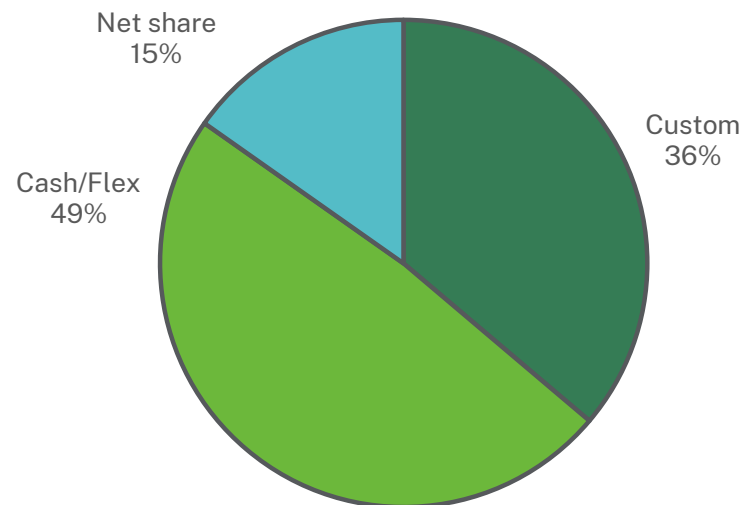
Risk Factor	Illustrative Portfolio Construction Solution
Liquidity	Focus on mix of small and medium-size farms that can be sold off individually or as a portfolio
Cash flow	Balance lower-risk, lower return farms that offer immediate, steady income with higher-risk, higher reward development projects
Regulation	Geographic diversification
Climate/ weather	Geographic diversification, crop insurance
Water regulation/ availability	Geographic diversification, crop insurance
Commodity price volatility	Crop type diversification, lease type diversification

Diversification Across the Homestead Portfolio

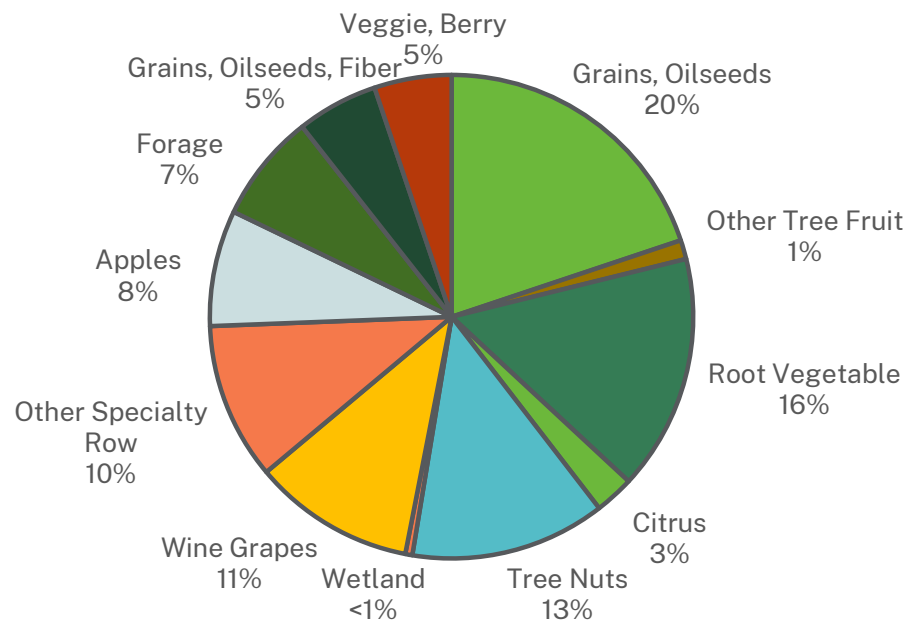
Invested Capital¹ by Region (All Funds)



Invested Capital¹ by Lease Type (All Funds)



Invested Capital¹ by Crop Type (All Funds)



Information as of 4Q 2021.
¹Invested Capital is defined in Appendix 1.

The Investment Pipeline

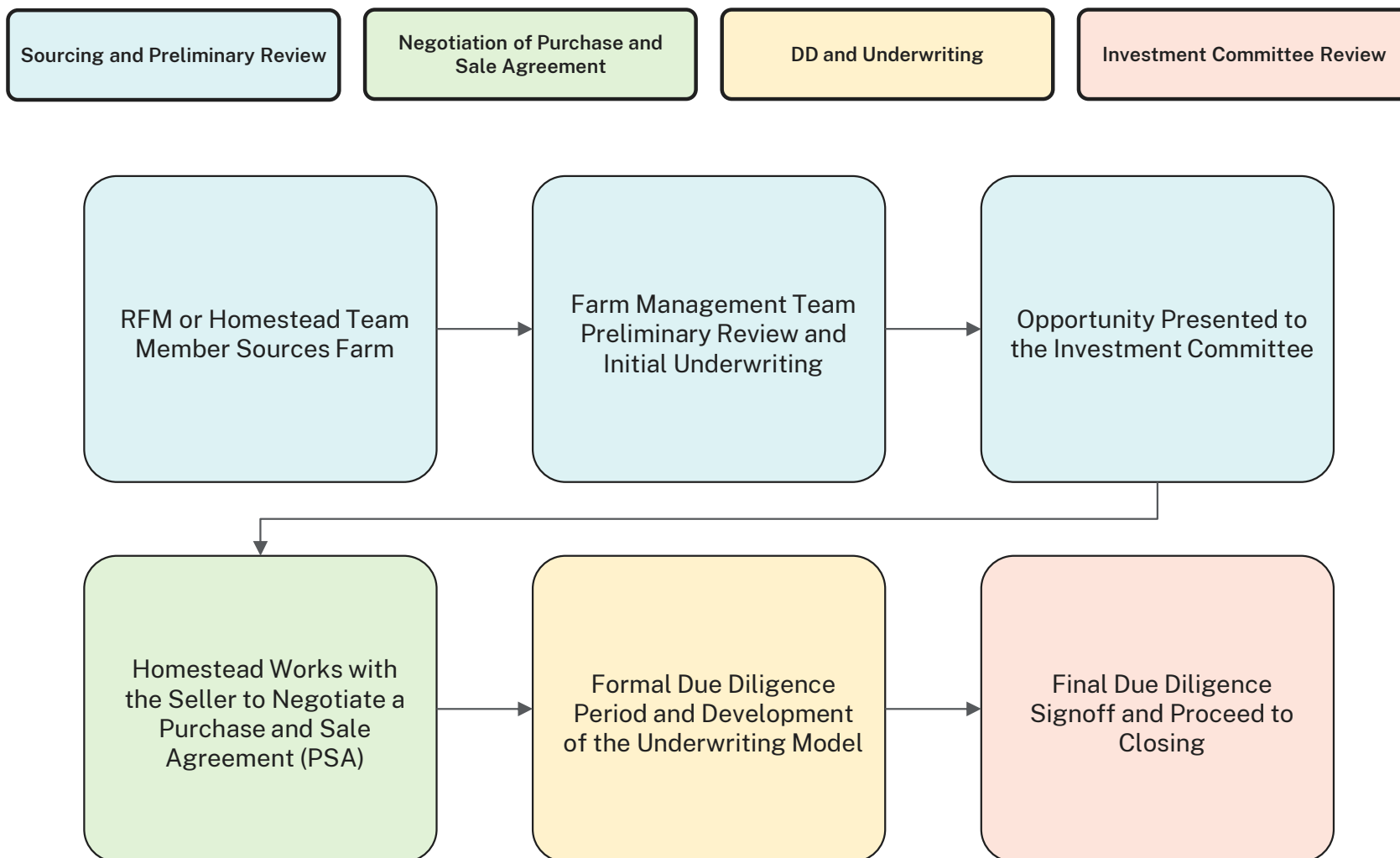


Table of Contents

- 1 Firm Overview
- 2 Our Strategy
- 3 Case Studies**
- 4 Homestead Fund IV



Value-Add Investing in Action

Case Studies

Wetland Mitigation Banking

Project Gold Whitten III

- 60+ acres of ancillary woodland and creek acres with hydric soils well-suited for conversion to a stream mitigation bank
- Stream mitigation bank development expected to begin in 2022 and last through 2023
- Creation of a stream mitigation bank expected to include ~90k stream credits valued at \$50-\$100 per credit
- Total of ~253 tillable acres located in a prime region for seed corn and soybean production expected to generate returns in line with other farmland

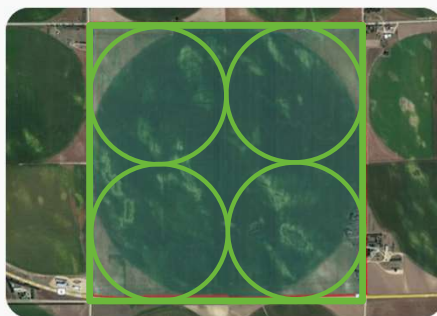


Gold Whitten stream

Organic Conversion

Project Black Lamar III

- Full conversion to organic production with an experienced organic farming tenant; no soil chemical applications; livestock manure as fertilizer source
- Primary market for organic crops is a large organic dairy within 20 miles of farm; additional organic markets include popcorn, edible beans, and others
- Significant capex to upgrade irrigation infrastructure and install smaller, more efficient center pivots; more efficient irrigation is required in this area to maximize organic production of the higher value crops



640 acres of Black Lamar showing new pivots

Strategic Vineyard Development

Project Yellow Foxtrot II

- 225-acre wine grape vineyard in a premium area of Santa Barbara County
- At acquisition 41% of vineyard planted to young vines with near-term cashflow-generation potential; 59% comprised of bare ground with high quality soils for wine grape development
- Strategic early sourcing of ~95 acres of vines post-close expected to lead to an incremental \$2mm of cash flow over the life of the investment
- New vineyard manager for Homestead leading to additional acquisition opportunities



Yellow Foxtrot vineyard from above

Table of Contents

1 Firm Overview

2 Our Strategy

3 Case Studies

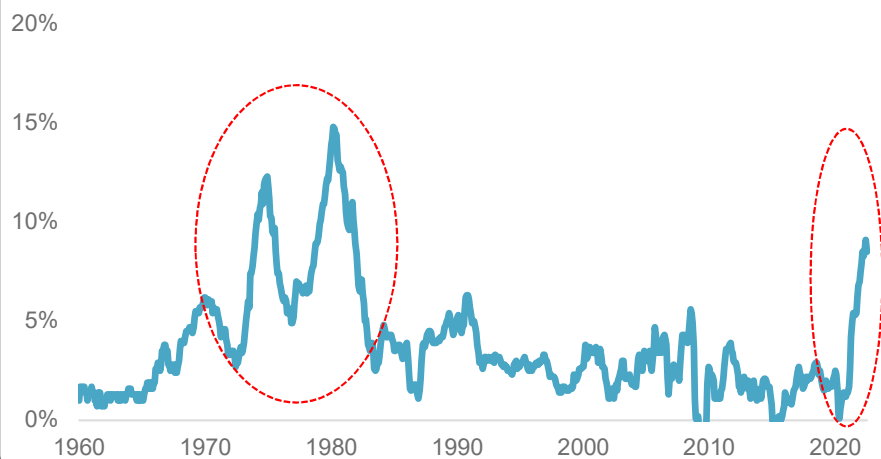
4 **Homestead Fund IV**



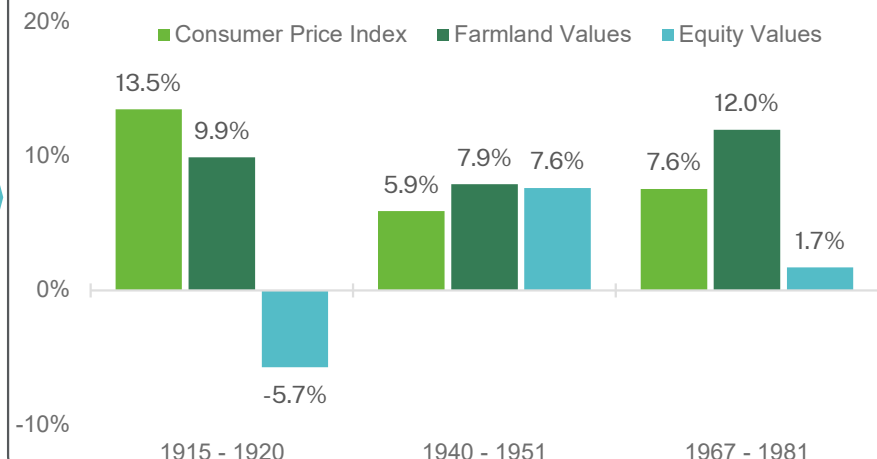
Market Outlook

Why Invest in Farmland Now

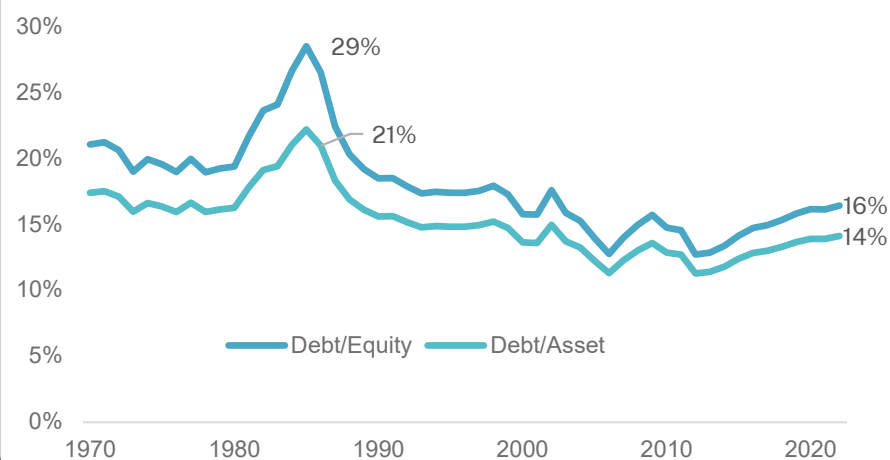
Inflation Reaching Historic Highs¹



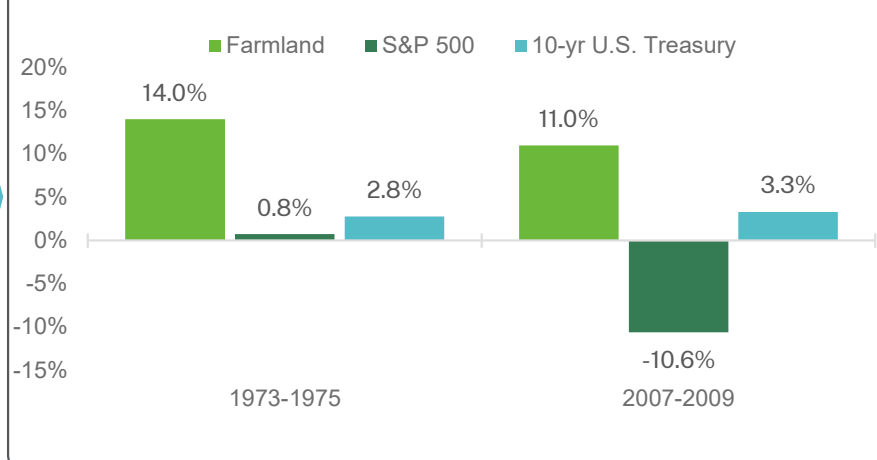
Meaningful Inflation Protection²



Farm Sector Solvency Ratios Remain in Solid Shape³



Safe Haven Asset with the Risk of a Recession⁴



1. Trailing 12-month inflation per U.S. Bureau of Labor Statistics.

2. Consumer Price Index data sourced from Federal Reserve Economic Data and refers to All Urban Consumers, All Items. Farmland values sourced from the USDA. Equity values refer for the Dow Jones Industrial Average for 1915-1920 and to the S&P 500 for all other periods.

3. Per USDA, Economic Research Service, Farm Income and Wealth Statistics.

4. Farmland total return data sourced from the USDA for the 1973-1975 period and from NCREIF for the 2007-2009 period. Real GDP data sourced from Federal Reserve Economic Data. S&P 500 and 10-yr U.S. Treasury data sourced from NYU professor Aswath Damodaran.

Homestead Capital USA Farmland Fund IV

Value-Added Investments in Domestic Farmland

Key Preliminary Terms	Fund IV
Target Fund Size (\$mm)	\$500
Fund Term	15 years
Management Fee	1.5%
Carried Interest	15%

Appendix 1- Definitions of Terms

Distributions Paid-in (DPI) is calculated as the quotient of (a) total distributions (including recallable distributions) made by the Fund, and (b) gross contributions made to the Fund (excluding management fees).

Equity Multiple of a project is equal to the quotient of (a) the sum of (i) the cash inflows from a particular project, (ii) the realized gain of such project, (iii) the return of capital of such project, and (b) the purchase price of the project (excluding acquisition costs), capital expenditures, and net operating loss of such project. Except as otherwise specified, multiples are presented on an unlevered basis, gross of Fund-level management fees, expenses and carried interest.

Fund-Level Liquidation IRR of the Fund is a compounded, annualized internal rate of return that causes the net present value of all actual cash flows with respect to such Fund to equal zero. The return is computed on the cash inflows (contributions), outflows (cash distributions) and ending net assets of the Fund's capital accounts as of each measurement date assuming all cash flows received or paid with respect to a Fund occurred on the last day of the day of each quarter. Cash flows are presented net of management fees and carried interest (as applicable).

Invested Capital is equal to the contracted price of the projects, plus acquisition costs, plus capital expenditures, reduced by the cost of any portion(s) of the asset which has been sold. Invested Capital is not adjusted for any book depreciation.

NOI Yield refers to property-level net operating income divided by the property's **Invested Capital** at the beginning of the period. Net operating income refers to the accrued net operating income generated by productive properties excluding non-cash items (e.g. depreciation), financing costs, and any other non-operating items. Yield is calculated on a crop year basis and results should be expected to differ from calendar year performance and are subject to change as crop year income and expense can span multiple calendar years.

Projected Fund-Level Gross IRR of the Fund is a compounded, annualized internal rate of return that makes the net present value of all actual cash flows (through the date referenced in the particular schedule) and projected cash flows through the life of the Fund, other than on account of management fees, expenses and carried interest, equal to zero. The return is computed on the cash inflows (contributions), outflows (cash distributions) and ending net assets of the Fund's capital accounts as of each measurement date assuming all cash flows received or paid with respect to a Fund occurred on the last day of the day of each quarter. The calculation assumes that all projected cash flows are received or paid in the quarter in which the cash flow is projected to occur. Except as otherwise specified herein, returns are presented on an unlevered basis, gross of Fund-level management fees, expenses and carried interest.

Property-Level Liquidation IRR means a compounded, annualized internal rate of return that makes the net present value of all cash flows of a project equal to zero, assuming it was liquidated at its carrying value on the last day of the period referenced in the particular schedule. The cash outflows include the contracted purchase price of the project, net of closing adjustments (including but not limited to credits for prepaid rent), post-acquisition capital expenditures, net book loss and excludes capitalized acquisition costs. The cash inflows include all accrued unlevered net book income and the gross sales proceeds received, net of any transfer fees, broker fees, legal fees or any other transaction-related fees or expenses and the projects projected carrying value on the date referenced in the particular schedule. Liquidation IRRs are calculated assuming that all cash flows received or paid during a quarter occurred on the last day of such calendar year quarter. Except as otherwise specified herein, returns are presented on an unlevered basis, gross of Fund-level management fees, expenses and carried interest.

Time-Weighted Returns is a geometric average of the quarterly **Total Returns**. The calculation excludes performance from the project's initial acquisition quarter, excludes acquisition costs, prorates the disposition quarter on a daily basis and is unlevered.

Total Returns Includes appreciation (or depreciation), realized capital gain (or loss) and income. It is computed by adding the **Income Return** and the **Appreciation Return** on a quarterly basis.

Income Returns are calculated by dividing:

- (a) a property's net operating income (NOI) by
- (b) beginning market value + 1/2 (CapEx - partial sales + partial purchases - NOI)

Appreciation Returns are calculated by dividing:

- (a) (ending market value - beginning market value) + partial sales - CapEx - partial purchases, by
- (b) beginning market value + 1/2 (CapEx - partial sales + partial purchases - NOI)

Multiple on Invested Capital (MOIC) is calculated as the quotient of (a) the sum of (i) current NAV of the Fund and (ii) total distributions (including recallable distributions) made by the Fund, and (b) gross contributions made to the Fund (excluding management fees).

Appendix 2 - General Information

Past performance is not necessarily indicative of future results. There can be no assurance that unrealized investments will be realized at the valuations assumed herein and used to calculate performance information contained herein. While valuations of unrealized investments are based on certain assumptions that Homestead Capital believes are reasonable under the circumstances, estimates of unrealized value are subject to numerous variables that are subject to change over time. Therefore, amounts actually realized in the future may differ, perhaps materially, from the estimated unrealized values used in connection with the performance calculations presented herein, and no investor has received the stated returns.

Prospective investors should bear in mind that past performance is not a guarantee, projection or prediction of future results. There can be no assurance that the Funds and projects presented herein will achieve comparable results or that the Funds will be able to implement their investment strategies and investment approaches or achieve their investment objectives. Actual gross and net returns for the Fund may vary significantly from the returns set forth herein. The returns presented herein are also based on models, estimates and assumptions about performance believed to be reasonable under the circumstances, but actual realized returns on the investments will depend on, among other factors, the ability to consummate attractive investments, future operating results, the value of the assets and market conditions at the time of disposition, any related transaction costs and the timing and manner of sale, all of which may differ from the assumptions and circumstances on which the returns presented herein are based.

Any projections or other estimates, including estimates of returns or performance, are “forward looking statements” and are based upon certain assumptions that may change. Due to various risks and uncertainties, actual events or results or the actual performance of the Funds and their projects may differ materially from those reflected or contemplated in such forward-looking statements. Moreover, actual events are difficult to project and often depend upon factors that are beyond the control of the General Partner and its affiliates.

In considering any performance information contained herein, recipients should bear in mind that there can be no assurance that the investments by Homestead Capital and the Funds will achieve comparable results or that the projected returns, will be met. There can be no assurances or guarantees that (i) the Funds’ investment objectives will be realized, (ii) the Funds’ investment strategy will prove successful, or (iii) investors will not lose all or a portion of their investment in the Funds. The performance information summarized herein has not been audited. The ultimate returns realized will depend on numerous factors that are subject to uncertainty. Certain core assumptions and elements of the methodology related to the performance information included herein are described in the Definitions of Terms.

The performance information contained herein has been prepared in good faith and is based on sources and data believed by Homestead Capital to be reliable, but no representations are made as to the accuracy or completeness of any such information.

No assurance, representation or warranty is made by any person that any of the projected returns will be achieved, and no recipient of this Memorandum should rely on such projections. None of Homestead Capital, its affiliates or any of their respective directors, officers, employees, partners, advisers or agents make any assurance, representation or warranty as to the accuracy of any projected returns (or inputs thereto). Nothing contained herein may be relied upon as a guarantee, promise or forecast or a representation as to the future.