BLENDED 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 to organic family farmers, with a focus on the next generation. Established in 2007, Iroquois Valley uses private investment capital to facilitate farmers’ expansion plans through leasing or mortgage financing. Through its 10-year track record, the company has maintained stable growth, which has resulted in a diverse portfolio of over 50 farm investments in fourteen states within the US. Through February 2019, Iroquois Valley had purchased or financed nearly 12,000 acres of farmland representing over $50MM in value, all of which is either USDA certified organic or in the process of transitioning to organic. Iroquois Valley is a Certified B Corporation that was awarded “Best for Community” in 2014 and “Best for the World” from 2016-18.

ABOUT THE VENTURE IMPACT PROGRAM (VIP)

VIP is an innovative new 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.
**FUND SUMMARY**

**ASSET CLASS**
Private debt

**SECTOR**
Sustainable Agriculture

**INTEREST RATE**
Year 0-3: Blended rate of 2.7%
- (25%) Soil Restoration Note: 1.5%
- (75%) Long-term Note: 3.1%

Beyond year 3: 3.1%

**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

**MATURE**
Principal amortizations due as follows:
- 25% of principal balance on January 15, 2020
- 25% of principal balance on January 15, 2023
- 25% of principal balance on January 15, 2024
- 25% of principal balance on January 15, 2025

**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 50 farm investments in 14 states within the U.S.
States include: Iowa, Illinois, Indiana, Kentucky, Maine, Michigan, Minnesota, Montana, New York, Ohio, Vermont, West Virginia, Virginia, Wisconsin

**INVESTMENT THESIS**
- Deploys private investment capital through secure lease or mortgage financing to facilitate farmers’ expansion plans.
- Funded over 50 farm investments within fourteen states within the US, covering nearly 10,000 acres of farmland representing $45MM in value.
- Stable revenue base ensures continued cash flows to cover debt repayments.

**IMPACT THESIS**
- 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 57% of the farms supported by Iroquois Valley and farmland transfer from one generation to the next is occurring on 35%.
- Soil Restoration Note further enhances impact as 50 basis points from total capital raised will go into an “organic transition pool” to support farmers undergoing a transition to organic farming.

**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 senior management team (over 80 years of combined experience), well capitalized balance sheet, strong social and environmental impact thesis, IA 50 fund manager since 2012.

**WEAKNESSES**
Concessionary returns to investors (mitigated by strong social impact), limited track record in mortgage financing as a new business line (although portfolio capped at 20%), unsecured debt is subordinate to mortgage (with recourse to balance sheet).

---

LEGAL AND PROGRAM DISCLAIMER: This is not a solicitation to buy or sell securities, nor a private placement offering pursuant to any private placement memorandum that must be issued to qualified investors. It is an informational description of charitably oriented, social purpose investment options that have been approved by ImpactAssets only for use by its donors. The minimum commitment per account per option is $10,000. 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.