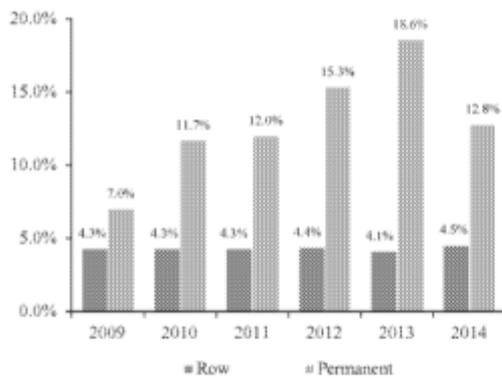


Appreciation trends differ by crop type, creating potential crop specific opportunities

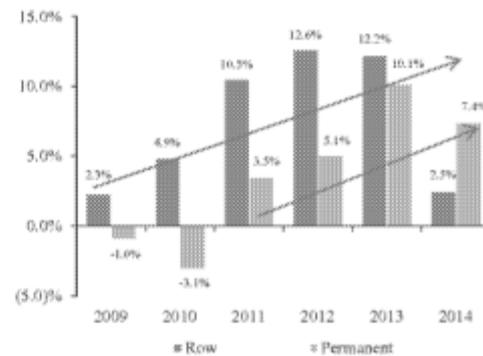
We believe crop types that are less commoditized than row crops, such as mature permanent crops and specialty/vegetable crops, provide a meaningful opportunity to generate higher income than if we concentrated our portfolio solely on farms suitable only for commodity row crop production. Mature permanent crops have generated greater income in recent years, with the rate of change in farmland appreciation outpacing that of row crops and providing an outsized opportunity for capital appreciation. We believe that our diversified portfolio of crop types and farms diversified by region will generate higher levels of appreciation and income returns, and we have the flexibility to opportunistically focus on crop segments and regions where we see the most promising high quality properties.

NCREIF Farmland Index Income and Appreciation

NCREIF Farmland Index Income 2009-2014



NCREIF Farmland Index Appreciation 2009-2014



Note: Appreciation data shown above does not include returns from income.
Source: NCREIF

Global and domestic trends benefiting farmland

We expect that farmland as an asset class will benefit from several global and domestic long-term trends. We believe that as global population continues to grow (according to the U.S. Census Bureau worldwide population is expected to grow by over 1 billion people from 2014 to 2028), there will continue to be increased demand for agricultural products and increased incomes in emerging markets will lead to rising global demand for biofuels. Additional trends that we believe will positively benefit farmland include that U.S. agricultural exports are projected to continue to increase and arable land per capita will continue to decline (due to a number of factors, including population growth and an increase in urbanization converting farmland to other uses). Historically, there have been relatively few available options for publicly traded investments in U.S. farmland. We believe farmland is an attractive investment opportunity both due to its return profile and its relatively newer position as an alternative asset class for institutional investors.

Increasing demand for crops

Demand for U.S. agricultural crops is forecasted to increase over the long-term, due to increasing global population, rising emerging market incomes, growing demand from improving diet and nutrition and continued demand for biofuels. While short-term declines occurred as demand for agriculture products was negatively affected by the recent global downturn, according to USDA projections, demand is expected to have recovered in the 2014 calendar year.