SUSTAINABILITY & RESPONSIBLE INVESTING REPORT 2024

AgIS Capital

Agricultural Investment Strategies

CONTENTS

A NOTE FROM OUR PRESIDENT

I am pleased to present AgIS Capital's annual Sustainability and Responsible Investing report.

These annual reports offer us the opportunity to reflect on our progress as fiduciaries and stewards of both our clients' investments and the natural resources those investments depend on. As the permanent crop sector continues to face economic headwinds, our focus on responsibility continues to stand out as a cornerstone of sustainable investment management.

As climate conditions shift, market dynamics evolve, and societal expectations grow, our focus remains steady: to generate strong, competitive performance while applying practical and innovative strategies that create long-term value. We believe that responsible stewardship—rooted in transparency, accountability, and a deep respect for the environment and society—is key to making our clients' investments more resilient to environmental, economic, and regulatory risks.

This report reflects the hard work and dedication of our exceptional team. Their commitment to responsible investing and sustainability enables us to navigate challenges with confidence and optimism. We are grateful for their efforts, and we look forward to continuing our journey toward best-in-class agricultural investment management. We hope this year's report provides valuable insight into our priorities, progress, and purpose.

Jeffrey A. Conrad

Jeffrey A. Conrad, CFA
AgIS Capital Partner, Founder and President

INTRODUCTION TO AGIS CAPITAL

AgIS Capital Team as of February 2023

Our team offers investors decades of experience investing globally across geographies, markets and agricultural commodity groups. Our culture is entrepreneurial and grounded by core beliefs about why we exist, what we wish to accomplish, what we value and how we behave.

We focus on high-value permanent crops and associated assets.

Culture

We are entrepreneurial, goal-oriented and emphasize teamwork. We strive to be open and inclusive. We are committed to both personal and organizational empowerment and accountability.

Our Core Values, which are embodied in our Code of Ethics, define how we behave, how we invest and how we meet our environmental, social and governance obligations to our clients and others who are impacted by our activities.

Vision

AgIS Capital exists to enable institutional investors to participate in large, complex agricultural investment opportunities that have the potential to generate superior risk-adjusted returns.

Mission

AgIS Capital unlocks the value of large and complex agricultural investments for clients by utilizing an unconstrained approach to sourcing and structuring prospective transactions and by managing each asset with discipline, creativity and a focus on protecting and enhancing its societal and sustainability attributes.

Safety and Risk Management

AgIS Capital strives to provide a safe and rewarding place for our employees and contractors to work. We do this by investing in the appropriate resources to provide proper training and governance across the agricultural investment platforms we manage for our clients.

SUSTAINABILITY & RESPONSIBILITY

Sustainability and responsibility are core pillars of a resilient and successful business. At AgIS Capital, these principles are not buzzwords—they are foundational to how we manage our clients' investments in farmland. We believe that a well-executed sustainability strategy not only helps safeguard our clients' assets from environmental, regulatory, and operational risks, but also enhances long-term investment performance.

Because sustainability and responsibility touch nearly every aspect of our business, we are intentional about prioritizing initiatives that are directly aligned with our fiduciary duty to clients. We focus on actions that generate meaningful outcomes—for our investors, the environment, and the communities where we operate. Our approach is practical, goal-oriented, and designed to create lasting value.

Our sustainability efforts are anchored by the following themes:

- Harnessing symbiotic relationships to reduce costs and enhance farm productivity.
- Treating people with fairness and respect, including employees, contractors, and local community members.
- Integrating sustainability and responsibility into every stage of the investment lifecycle—from sourcing and acquisition through operations and disposition.
- Maintaining a pragmatic mindset, ensuring that environmental and social initiatives also support sound business and investment outcomes.
- Embedding these principles in our culture, making sustainability and responsibility core values of our organization.
- Equipping employees and contractors with the knowledge and tools needed to effectively contribute to sustainability goals.
- Utilizing data and risk management tools to use critical resources like water and energy efficiently, while managing operational and investment-level risks, including those posed by drought and climate change.

Sustainability and responsibility are core pillars of a resilient and successful business. At AgIS Capital, these principles are not buzzwords—they are foundational to how we manage our clients' investments in farmland.

Leading Harvest Tour

Putting Principles into Practice

Throughout this report, we share specific practices and case studies that illustrate these priorities in action. These examples show how sustainability and responsibility are not separate from investment management—but integral to it. We will continue to highlight both ongoing initiatives and new efforts that contribute to continuous improvement in these areas in future reports.

Our goal with such reporting is to share the progress we are making toward achieving continuous improvement under this strategy.

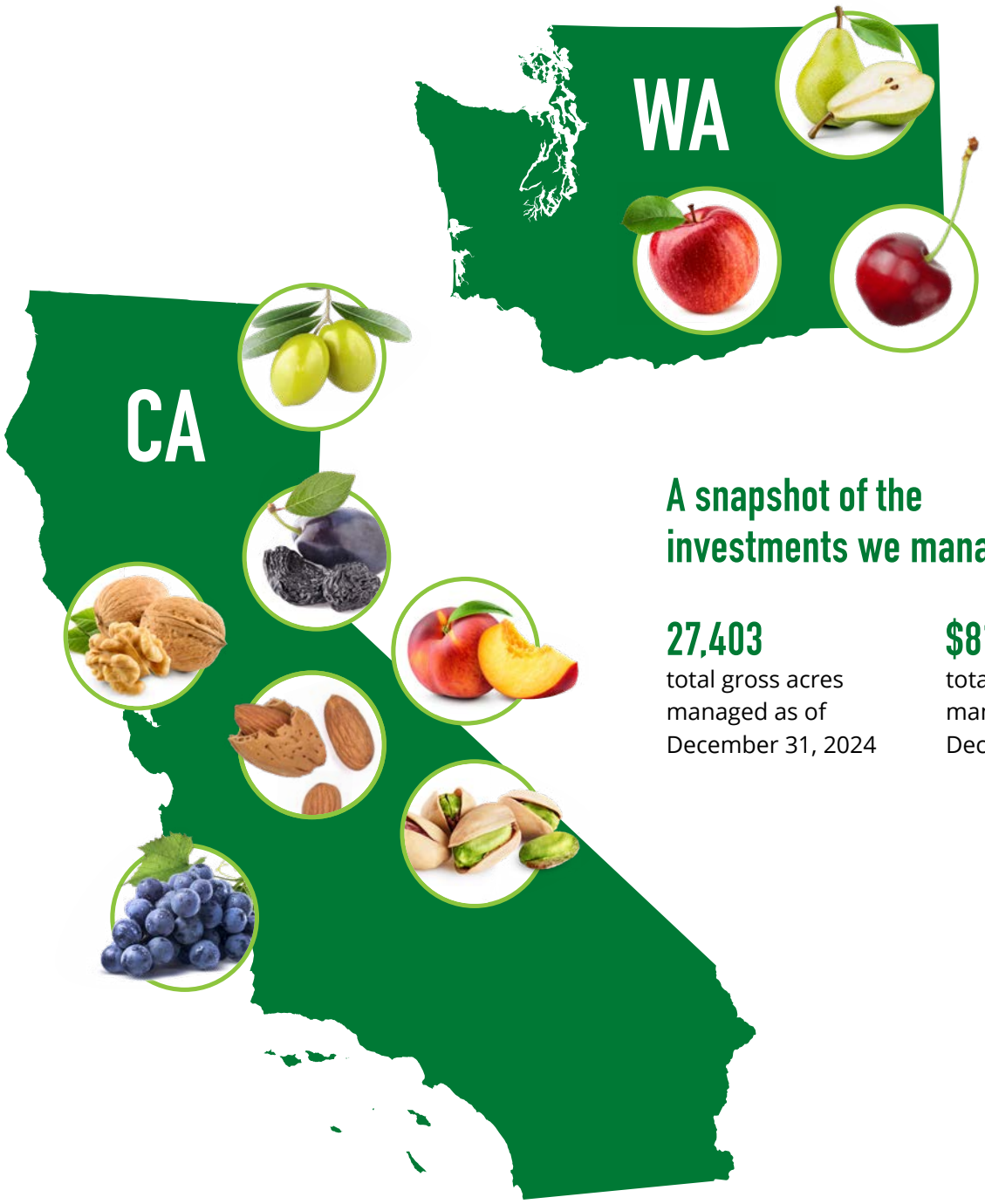
Addressing Climate Risk

Climate change presents both immediate and long-term risks to farmland investments. Rising temperatures, shifts in precipitation patterns, declining snowpack, extreme weather, and water scarcity are amongst the challenges that we must understand and plan for. These factors influence not only how we manage existing farmland portfolios but also how we assess future investment opportunities.

To address this, we engage expert consultants, employ experienced professional managers, and regularly evaluate our strategies at the senior leadership level with climate risk in mind. For example, in California, we support the Water Education Foundation, an impartial organization dedicated to educating the public on water issues in the state and throughout the Southwest. We also engage with regional water agencies in our operating areas where appropriate.

Climate and water-related risks are key considerations during both initial property evaluations and ongoing asset management, including hold-sell analyses. By proactively addressing these challenges, we aim to build farmland portfolios that are not only productive but also resilient and future-ready.

PORTFOLIO OVERVIEW



A snapshot of the investments we manage:

27,403
total gross acres managed as of December 31, 2024

$816,628,595
total assets under management as of December 31, 2024

CERTIFICATION & ASSURANCE

AgIS Capital remains committed to sustainable farmland management and is proud to maintain certification to the Leading Harvest Farmland Management Standard across 100% of the farms we manage on behalf of our clients. In 2024, we successfully completed our triennial re-certification audit with no non-conformities and several commendable practices noted.

The audit process, managed by an independent third-party, is both rigorous and outcomes-based, ensuring our operations meet high standards for sustainability while allowing flexibility in how we achieve those results based on site specific conditions.

About Leading Harvest

Leading Harvest offers a unique third-party sustainability certification tailored to agricultural investors, operators, and landowners. AgIS Capital is a founding member and achieved certification for all managed acres in 2021.

The standard was modeled after the widely respected Sustainable Forestry Initiative® and is designed to be adaptable—enabling farm managers to apply best practices that are tailored to each property's unique characteristics. Unlike prescriptive programs, Leading Harvest provides the flexibility to manage multiple farms across diverse regions while still achieving strong sustainability outcomes.

Anyone interested in reviewing our audit performance and certification status can view our publicly available reports on the Leading Harvest website here.

The Leading Harvest Farmland Management Standard is built around 13 core principles that define comprehensive, outcome-based sustainability in agriculture:

1. Sustainable Agriculture
2. Soil Health and Conservation
3. Protection of Water Resources
4. Protection of Crops
5. Energy Use, Air Quality and Climate Change
6. Waste and Material Management
7. Conservation of Biodiversity
8. Protection of Special Sites
9. Local Communities
10. Employees and Farm Labor
11. Legal and Regulatory Compliance
12. Management Review and Continual Improvement
13. Tenant-Operated Operations

Leading Harvest enables farm managers like AgIS Capital to achieve strong sustainability results across diverse farmland while tailoring practices to each property.

Certification in Practice

Each year, a representative selection of AgIS Capital-managed properties—spanning various crops and geographies—is audited by an accredited third-party firm. The process includes document reviews, interviews with staff and tenants, and on-site field visits to verify practices. The result is a detailed report evaluating our conformance with each of the 13 principles. These audits not only validate our sustainability efforts but also identify opportunities for continuous improvement, helping us raise the bar each year.

Advancing Sustainable Agriculture Through Collaboration

We are proud to collaborate with Leading Harvest on their mission of advancing sustainable agriculture by actively engaging in their initiative to develop a metrics module into its Farmland Management Standard (FMS) that allows members across the value chain to layer consistent data and metrics into their certification that can quantify outcomes, third-party validate improvement, and identify the highest ROI for on-farm interventions. Our director of sustainability also participates on Leading Harvest's independent review panel which reviews Leading Harvest's standards, auditing procedures, training, and education to ensure continued success in its efforts.

AgIS Capital Area Manager inspecting an almond windrow during harvest

KEY METRICS*

Below are some key metrics to convey actions and initiatives taking place on the farms we manage for our clients.

Certification and Assurance

100%
of the farms we manage are certified under the Leading Harvest Standard

1,361
acres of the tree fruit assets we manage for our clients are certified under Global GAP

363
acres certified under Harmonized GAP

Precision Agriculture

10,058
acres of our orchards utilize pest mating disruption technology to reduce pesticide use

100%
of farms we manage utilize precision irrigation equipment and technology such as: efficient application methods, remote sensing, or variable frequency drives

Clean Energy

1.03MW
megawatts of solar output

12,564
acres utilize software to track energy efficiency at pumps and other significant meters

*as of December 2024

PRACTICE AND PROJECT HIGHLIGHTS

Sheep herd used for Sustainability Project on wine grape asset

01

Regenerative Practices That Improve Soil Health, Property Performance, and Conserve Resources

There continues to be considerable public interest in regenerative agricultural practices. While the topic can sometimes be polarizing or contentious, it is difficult to argue with management approaches that emphasize healthy, productive soils, reduced reliance on chemical inputs, and the integration of natural biological systems into farmland management. Although we are not currently pursuing any official regenerative certifications for our clients' assets, we would like to highlight several efforts underway that align with regenerative principles.

Animal Integration

We have featured this practice in previous reports, and its benefits remain closely aligned with regenerative values. Integrating animals into crop systems contributes organic matter to the soil, enhances nutrient cycling, supports weed management with fewer chemicals, and prevents erosion by maintaining cover crops.

Cover cropping in California

Use of Biologicals to Reduce Chemical Fertilizers

On several properties, we have successfully used compost and biologically active products containing beneficial organisms to reduce the need for synthetic fertilizers. This shift not only supports soil health but also helps lower input costs and environmental impact.

Maintaining Cover Crops or Vegetative Cover in Orchards

We strive to maintain either natural vegetation or planted cover crops in our orchard and vineyard rows. Vegetative covers provide habitat for beneficial insects, potentially reducing pesticide use. Their root systems help prevent erosion and compaction, and when mowed or grazed, they return organic matter and nutrients to the soil, stimulating microbial life. Cover crops also help suppress dust during harvest, which improves air quality and enhances worker safety.

Reincorporating Woody Debris and Crop Residue into Fields

Whether it is pruned wood or unharvested crop remnants, these materials hold biological value. Rather than removing them, we mow or shred this residue in place so it can be reincorporated into the soil, supporting the following season's crop with added organic matter and nutrients.

On-Site Compost Leases Using Local Materials

On some farms, we lease land to local compost producers. These arrangements provide a readily available source of compost with minimal transportation costs or environmental impacts. This mutually beneficial setup promotes soil health and is a key sustainable practice implemented across many of our properties.

Whole Orchard Recycling – Manure and Cover Crop Trial

We are refining our approach to whole orchard recycling and are currently partnering with Sustainable Conservation and other local collaborators on a California farm to trial the use of manures and cover crops in this practice. We look forward to sharing results and data in next year's report.

Cover crop project on permanent crop asset in California

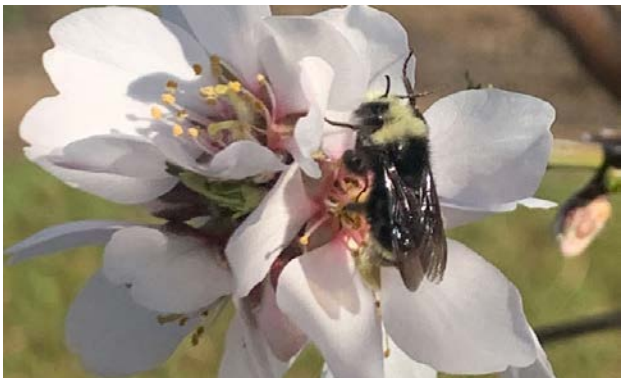
Of course, these efforts represent just a portion of the common-sense practices we implement to prioritize soil health, reduce inputs, and improve operating margins across our clients' properties. We hope this list not only highlights the meaningful work happening on AgIS Capital-managed farms but also inspires others to explore practical, regenerative strategies on their own operations. What matters most is that these practices make sense—enhancing soil health and farm productivity while avoiding negative impacts on the environment and surrounding communities.

02

Biodiversity

Biodiversity is essential in agriculture, as it supports resilient ecosystems and farms that can better withstand pests, diseases, and climate-related stress. Diverse plant and animal species contribute to soil health, water retention, and pollination—natural processes that are critical for productive and sustainable farming. By preserving and enhancing biodiversity, agricultural operations can reduce input dependence and improve long-term environmental and economic outcomes. In supporting biodiversity on farms, three primary areas of focus emerge: plant life, pest management, and soil health.

A bumblebee hive in an AgIS Capital almond orchard during bloom



An almond blossom being pollinated by a bumblebee

By preserving and enhancing biodiversity, agricultural operations can reduce input dependence and improve long-term environmental and economic outcomes.

Plant Life

Improved Soil Health: Different plant species contribute unique root structures and organic matter to the soil, which supports a more diverse microbial community. This microbial diversity improves nutrient cycling, soil structure, and water retention, all of which are critical for plant growth.

Pest and Disease Resistance: Diverse plantings reduce the spread and severity of pests and diseases by interrupting host-specific life cycles and providing habitat for natural enemies of pests. This makes it harder for any single pest or pathogen to dominate.

In our orchards or vineyards, we mix crops and varieties, encourage cover crops and pollinator habitat to encourage plant biodiversity on the assets.

By supporting biodiversity in the soil, we help the soil support an economically productive farm.

Pest Management

Natural Predation: A diverse ecosystem supports a variety of predatory insects, birds, and other organisms that feed on crop pests. For example, ladybugs and lacewings consume aphids, while birds and bats feed on caterpillars and beetles, naturally reducing pest populations.

Disruption of Pest Life Cycles: Increasing plant diversity can confuse or deter pests by interfering with their ability to locate host plants. Practices like intercropping or maintaining non-crop vegetation help mask the chemical cues pests rely on to identify specific crops, thereby reducing infestations.

Habitat for Beneficial Insects: Biodiversity, especially through cover crops and hedgerows, provides habitat and food sources for beneficial insects, which help keep pest numbers in check.

Reduced Monoculture Risk: Diverse systems are less vulnerable to large-scale pest outbreaks than monocultures, which can provide a uniform, abundant food source for a single pest species, allowing populations to explode unchecked.

Encouraging plant biodiversity, using mating disruption and other pesticide alternatives, creating habitat for predatory birds and integrating animal grazing are all practices we employ to leverage biodiversity against the risk of pest pressure.

Soil Health

Soil microorganisms play a crucial role in nutrient cycling by breaking down organic matter and converting nutrients into forms that plants can absorb. Bacteria, fungi, and other microbes decompose plant and animal residues, releasing nutrients such as nitrogen, phosphorus, and sulfur through mineralization—transforming organic compounds into inorganic, plant-available forms. Some microbes also form symbiotic relationships with plants: for example, nitrogen-fixing bacteria in legume root nodules convert atmospheric nitrogen into ammonium, while mycorrhizal fungi extend root systems and help absorb phosphorus and other nutrients more efficiently.

Applying compost, reincorporating plant and crop residue, adding microorganism rich fertilizer materials, maintaining cover crops, using animal grazing, minimizing tillage and amending soils to correct for nutrient imbalances are all ways we support biodiversity in the soil so that the soil can support an economically productive farm.

Almond orchard with cover crop

03

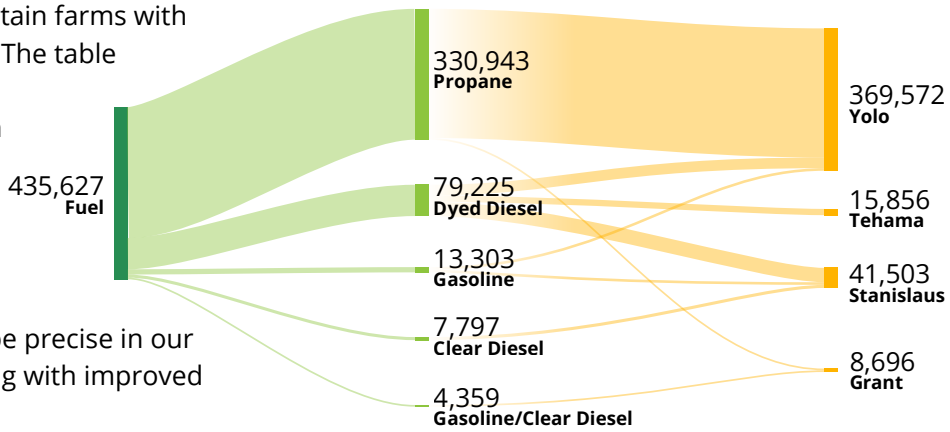
Progress Update: Improving Data Collection and Analysis

From our prior reports, you may recall that we have been working closely with AgMonitor to improve our collection and analysis of water and energy data to optimize farm performance. We have continued to improve upon our existing targeted metrics such as irrigation precision and optimization of energy usage. In 2024, we added preliminary tracking of fuel and emissions metrics for selected assets and water accounting that should be in line with required disclosures in the future. This first year essentially established a baseline for these metrics, and we can track trends and progress of certain initiatives in subsequent years. Below is a quick summary of the process and some of the baseline data we have generated.

Energy and Emissions

The selected farms use energy primarily in the forms of electricity, propane, and diesel/gasoline. Data was gathered from a combination of fuel receipts and utility meter readings. Propane was a much larger fuel source due to it powering several water pumps on certain farms with limited access to electricity. The table below summarizes the total usage of each input, with an emissions calculation based on factors from the US Enivornmental Protection Agency.

Our efforts on the farm to be precise in our use in these resources, along with improved tracking of annual totals and trends, provide us the ability to identify issues and opportunities quickly and run our clients properties in an efficient and responsible manner.

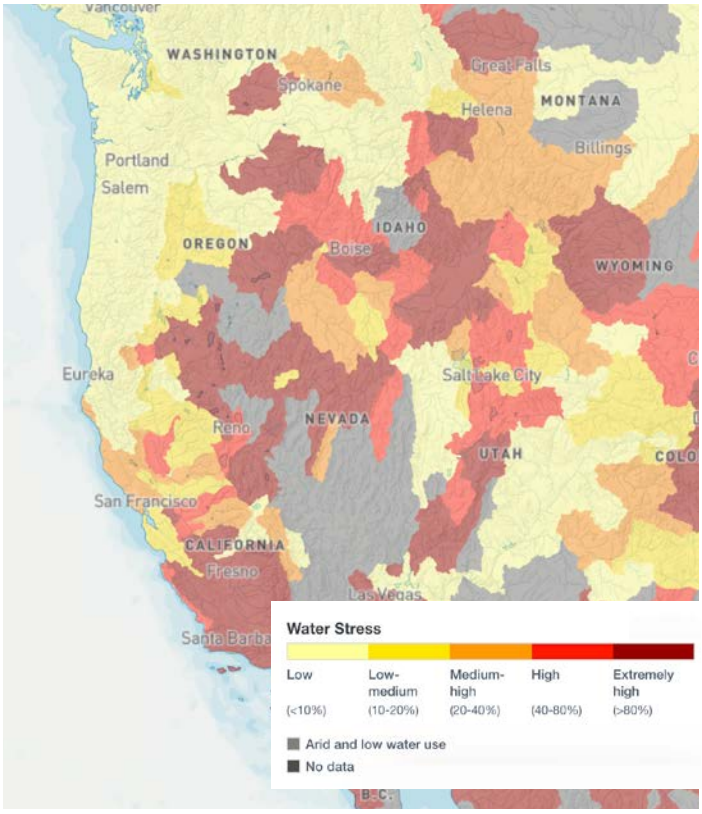


Energy Type	Amount Used	Emissions Factor	GHG Emissions	Type
Dyed Diesel	79,225 gallons	10.53 kg CO2 eq per gallon	834,210 kg CO2 eq	Scope 1
Clear Diesel	7,797 gallons	10.38 kg CO2 eq per gallon	103,588 kg CO2 eq	Scope 1
Gasoline	13,303 gallons	9.15 kg CO2 eq per gallon	141,740 kg CO2 eq	Scope 1
Propane	330,943 gallons	5.74 kg CO2 eq per gallon	1,899,760 kg CO2 eq	Scope 1
Electricity (WA)	32 MWh	605.78 lbs CO2 eq per MWh	8,790 kg CO2 eq	Scope 2
Electricity (CA)	3,937 MWh	499.34 lbs CO2 eq per MWh	891,723 kg CO2 eq	Scope 2
Grand Total	**435,237**		**3,879,811**	

Water

While we already track water use annually and deploy many technologies to optimize precision of day-to-day use, we wanted to put this data into a more formalized reporting framework to better track long term trends and risks against publicly generated information. We took a sampling of properties representing approximately 11,000 acres of orchards and vineyards, and totalized the annual groundwater use, and total water use (surface and groundwater), and then overlaid the location of these properties on the latest version of "**Aqueduct**", an interactive mapping tool provided by the World Resources Institute, that uses open source data to map predicted water risks.

While this first year's data is informative, it creates some reflection on the importance of understanding the unique and nuanced aspects of water resources management in our business. Water management risks stem from drought, regulations, competing user demands, and aging infrastructure that can fail without warning. Effective risk management begins with rigorous due diligence to identify properties whose water rights, infrastructure, and local dynamics align with client risk/return profiles—recognizing that individual properties can differ significantly from regional risk levels. Ongoing engagement with water agencies and stakeholders, along with targeted investments in infrastructure or water rights, helps build long-term resiliency. As we continue to track this information, we hope to use it to inform management of current investments and screening of future investments for our clients.



Baseline water stress map from Water Risk Atlas (Aqueduct)

Total Groundwater Withdrawn across AgIS Capital Properties (acre-ft), Labeled By County

	Monterey	Colusa	Yolo 1	Stanislaus	Yolo 2	Tehama	Douglas	Grant	Total
2023	387	360	199	5,474	1,046	1,487	0	0	**9,022**
2024	179	4	314	4,584	1,970	1,787	0	0	**8,939**

Total Water Withdrawn across AgIS Capital Properties (acre-ft), Labeled By County

	Monterey	Colusa	Yolo 1	Stanislaus	Yolo 2	Tehama	Douglas	Grant	Total
2023	387	5,517	2,381	5,474	2,160	1,487	591	466	**18,466**
2024	179	5,517	3,895	4,584	2,561	1,787	1,259	457	**20,244**

04
Water Management

Water, soil, and climate are some of the most important characteristics to understand when evaluating a potential new farmland investment, and when managing an existing asset. A reliable water supply of sufficient quantity and quality, that is not significantly at risk from external factors, is a major driver of farmland sustainability and value. We find this to be especially true when managing irrigated permanent crops in the arid west region of California and Washington. To successfully navigate these risks and create value, having a team with comprehensive knowledge and experience in water resources, such as ours, is vital. Below is a summary of the efforts we put forth to ensure that our clients' assets are supported by sustainable water supplies.

A reliable water supply of sufficient quantity and quality, that is not significantly at risk from external factors, is a major driver of farmland sustainability and value.

Acquisition Screening

We have developed a specific strategy for screening opportunities in California to focus our efforts on areas we believe to be sustainable and hold opportunities, while avoiding regions that would have an inadequate supply or risk profile for our cropping objectives long-term. Whenever we are considering a property for investment, water resources is one of the first screening criteria that is looked at.

Precision of Use and Measurement

Precision water application is not just important for making the most of a finite resource. Overuse of water can contribute to increased disease pressure in orchards and vineyards, and there for, increased cost, energy, and emissions; leading to implications of waste. It is important to have experienced and skilled farm managers equipped with the necessary tools and technologies to make the most "crop per drop" on every farm we manage. Our team refines their knowledge and skills in water management by attending industry and continuing education seminars and utilizing high quality tools and advisors to inform their decision-making.

Value Add

A benefit of having a team with extensive water resources knowledge, experience and industry involvement is being able to add value to assets by optimizing their water resources. Improvements to infrastructure, increasing water supply, and strategic land use changes are all examples of ways we have improved the water characteristics of our clients' properties.

Staying Involved and Giving Back

Water is a public trust resource, and a firm cannot expect to effectively manage their water risk without engaging with the public. Staying attuned to the concerns and needs of local communities that interface with the same water supplies is important to us. We do this by attending local water district and other water agency meetings and events, and even serving on boards of agencies when it is appropriate. In addition to this, we volunteer time and capital to important educational organizations such as the Water Education Foundation, and the American Society of Farm Managers and Rural Appraisers (ASFMRA), who facilitate quality education and opportunities for industry and lay people to expand their knowledge of water resources.

05

Investing in Communities and Education

Thriving rural communities remain a cornerstone of sustainable farmland management, and in 2024, AgIS Capital continued its commitment to supporting and engaging with the communities where we live and operate. As farmland managers, we recognize both the responsibility and the privilege of contributing to the social and economic well-being of the regions that host our clients' investments. From participating in local events to supporting educational initiatives, we remain focused on fostering meaningful relationships with our neighbors and local stakeholders.

Building on last year's efforts, our team once again took part in the annual Maxwell, CA Christmas Parade, a cherished tradition in the local community. With creativity and enthusiasm, our farm team built a festive float and brought spouses and children to celebrate the season alongside friends and neighbors. We were also able to participate in the junior livestock auction at the Colusa County fair by purchasing some animals raised by the local FFA students.

AgIS Capital farm team and families at the Maxwell, CA Christmas Parade

Carl Evers, President of AgIS Property Management and AgIS Capital Director of Sustainability, speaks at the Water Education Foundation's Toward Sustainable Groundwater in Agriculture conference at UC Davis

On the educational front, we continued our support of the Water Education Foundation, recognizing the critical role water plays in both agriculture and community sustainability. The foundation offers many insightful events and tours that offer valuable insights into California's complex water systems, as well as opportunities to engage directly with leading water experts and fellow stakeholders. We highly encourage anyone interested in California water issues to explore the Foundation's tours and resources.

At AgIS Capital, we understand that investing in farmland means investing in the broader communities that surround and support it. We remain dedicated to strengthening our presence in our operating regions, supporting local initiatives, and advancing sustainability through collaboration and education. These efforts are not just good community practice—they are essential to the long-term success of our clients' investments and the health of the lands we manage.

CLOSING REMARKS

Thank you for taking the time to read our annual Sustainability and Responsible Investing (SRI) Report.

In this year's report, we continued to emphasize the theme of responsibility, with a focus on practical approaches to achieving our sustainability goals.

Amid rising input costs, market uncertainty, and the growing impacts of climate change, it is more important than ever to understand and work with natural systems on our farms. A phrase I found myself repeating often over the past year is, "*The less you fight nature, the more money you're going to make*." It's a mindset I learned from my father, who often said, "*Good stewardship is good business*." I believe this perspective is fueling the current surge of interest in regenerative agriculture. As a society, we are turning back to nature to build food systems that are more resilient to future challenges—something I celebrate. In my experience, the most impactful sustainability initiatives are often the simplest and most rooted in common sense.

Looking ahead, we will continue to improve how we collect, analyze, and act on high-quality data related to resource use across our managed assets—whether it's water, energy, crop inputs, or biodiversity. Most importantly, our primary focus will remain on being responsible stewards of the sustainable farmland investments we manage on behalf of our clients. We prioritize initiatives that help fulfill our fiduciary duty while also increasing operational resilience and delivering benefits to society and the environment.

We hope this report is informative, thought-provoking, and even inspiring. It reflects the dedication of a team that shows up each day to manage farmland with responsibility, integrity, and care. We are grateful for your continued interest in our work and look forward to updating you on our progress in the year ahead. Wishing you a safe, prosperous year—and time spent outdoors appreciating the beauty and complexity of the nature.

I hope you all have a safe and prosperous year.

Carl Evers
President of AgIS Property Management and AgIS Capital Director of Sustainability

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