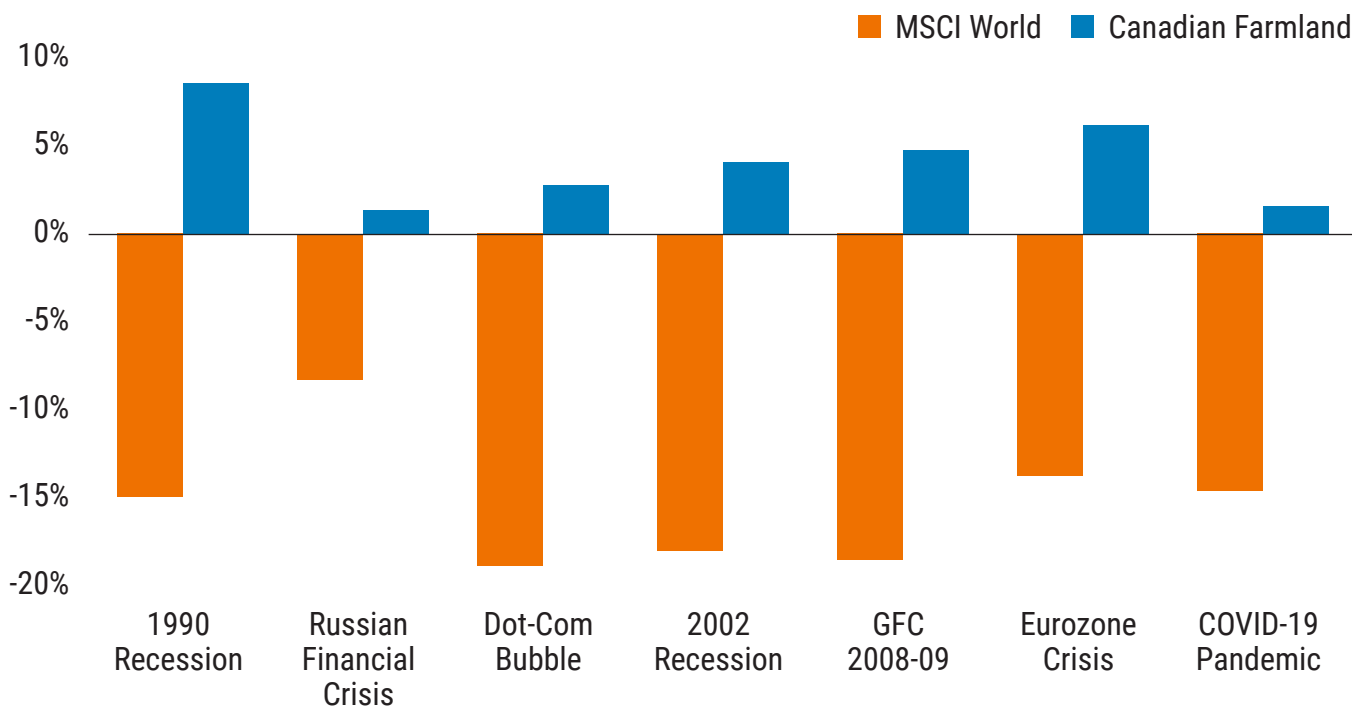


Unlocking Returns in the Undervalued and the Novel

Preserving Capital in Volatile Markets

Adding farmland to your traditional 60/40 asset mix can provide material downside protection during market events.



Source: Statistics Canada, Bank of Canada, MSCI, NCREIF Cropland. 1990 recession: Q1-Q4 1990; Russian Financial Crisis: Q3 1998; Dot-Com Bubble: Q2-Q1 2000-2001; 2002 recession: Q1-Q3 2002; GFC (Global Financial Crisis) 2008-2009: Q4 2007-Q1 2008; Eurozone-Crisis: Q1-Q3 2009; Covid-19 period is Q1 2020

Key Highlights

Stagflation Insurance:

Farmland appreciated ~300% in real terms during the 1970s when public equities, CRE and bonds experienced high volatility and negative real returns.

Reliable Diversifier:

Farmland is a diversifier with low long- and short-term correlation to public equities and bonds and it diversifies when you need it most during public market events.

Volatility Damper:

Farmland dampens portfolio volatility while providing public market-like returns. Over the 60-year period from 1954 to 2021 farmland had approximately the same rate of return as the S&P, but with ~50 percent less volatility.

Upside versus Downside Capture:

Farmland has provided strong positive returns in both S&P down and up markets (using the 30-year period from 1992 to 2022 - upside capture = 39.1, downside capture = -44.1). Farmland outperforms many other conventional and alternative asset classes in both this defensive and upside performance.



May 9, 2025

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