

# **AgAmerica Lending LLC**

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## **FORM ADV PART 2A BROCHURE**

This brochure provides information about the qualifications and business practices of AgAmerica Lending LLC. If you have any questions about the contents of this brochure, contact us at 863-607-9500. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

Additional information about AgAmerica Lending LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

AgAmerica Lending LLC is a registered investment adviser. Registration with the SEC or any state securities authority does not imply a certain level of skill or training.

## **Item 2 Summary of Material Changes**

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Since the last updating amendment dated March 21, 2023, we have no material changes to report.

## Item 3 Table of Contents

Item 2 Summary of Material Changes .....	2
Item 3 Table of Contents.....	3
Item 4 Advisory Business.....	4
Item 5 Fees and Compensation .....	4
Item 6 Performance-Based Fees and Side-By-Side Management .....	5
Item 7 Types of Clients .....	5
Item 8 Methods of Analysis, Investment Strategies and Risk of Loss .....	6
Item 9 Disciplinary Information.....	7
Item 10 Other Financial Industry Activities and Affiliations .....	7
Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	8
Item 12 Brokerage Practices.....	8
Item 13 Review of Accounts.....	8
Item 14 Client Referrals and Other Compensation.....	9
Item 15 Custody.....	9
Item 16 Investment Discretion.....	9
Item 17 Voting Client Securities .....	9
Item 18 Financial Information.....	10
Item 19 Additional Information .....	10

## Item 4 Advisory Business

### Description of Firm

AgAmerica Lending LLC ("AgAmerica Lending", the "Firm" or ("we/us/ours")), a Delaware limited liability company, is an investment adviser registered with the SEC. The Firm is based in Lakeland, Florida and, has provided investment advisory services since May 2018. AgAmerica Lending is led by Brian G. Philpot, President & CEO and McAlpin T. Miller, EVP, Chief Revenue Officer. We are owned by AgAmerica Holding, LLC.

### Investment Management Services

AgAmerica Lending LLC, and AgAmerica Land Fund Investment Manager, LLC, a relying advisor, provides discretionary investment management services to two Delaware organized, private pooled investment vehicles (the "Funds") and a separately managed account ("SMA") for high net worth individuals, family offices and institutional clients, including but not limited to pension funds, foundations, insurance companies and asset managers.

The advisory services for the Funds are described in the Funds' offering memorandum, limited partnership agreement ("LPA") or LLC Operating Agreement (collectively, the "Documents"). We do not vary our investment advice from the terms of the Documents. Additionally, the Documents detail the various investment restrictions that govern the types of investments the Funds may and may not make. The advisory services for the SMA are described in its investment management agreements (the "IMA").

All information contained in this brochure is based on the advisory services that AgAmerica Lending offers. No disclosure or other statement contained in this brochure serves as a substitute or shall supersede any of the terms and conditions in the Documents or IMA. To the extent any of the statements herein conflict with the Documents, such Documents shall govern, and investors in the Funds will be bound by the terms, fees, conditions, risks and other relevant information contained therein.

### Assets Under Management

As of December 31, 2023, we had \$1,462,000,000 in discretionary assets under management and \$310,000,000 in non-discretionary assets under management.

## Item 5 Fees and Compensation

The specific manner in which management fees are charged to the Funds is established in the Documents. Each Fund's management fee structure is negotiated between the Firm and the Investors. The management fees are charged on a quarterly basis, and paid directly out of each Fund's assets or paid directly from the Investor.

As more fully described in the Documents, each fund will bear all expenses in connection with its investment activities and operations, including, but not limited to: (i) legal, accounting, audit, custodial, compliance, consulting and other professional fees relating to services rendered to the Funds that could not reasonably have been rendered by the General Partner or the Managing Member; (ii) banking, brokerage, broker dealer, registration, qualification, finders, depositary or similar fees or commissions; (iii) transfer, capital and other taxes, duties and costs incurred in acquiring, holding, selling or otherwise disposing of Fund assets; (iv) insurance premiums, including officers' and directors' insurance, (v) costs of financial statements and other reports to shareholders as well as costs of all governmental returns, reports and other filings; (vi) costs of meetings of the partners; (vii) interest expenses; and (viii) legal fees and expenses, judgments, fines, damages or costs paid or incurred in

prosecuting or defending administrative or legal proceedings brought by or against the Funds or, with respect to its activities on behalf of the Funds, the General Partner or Managing Manager (or paid in any settlement thereof). The additional expenses for which each fund is responsible are set forth in the documents.

For the SMA, we may charge a management fee, and/or transactions fees as agreed upon with the institutional client.

### **Additional Fees and Expenses**

As part of our investment advisory services we will provide recommendations on how to fund each investment transaction. The utilization of securitized instruments as part of the capital stack to fund certain loan transactions may be part of this recommendation. Other fees include loan origination fees, loan purchase fees, real estate commissions, property management fees, and securitization/participation servicing fees.

As previously mentioned in Item 4, the Documents shall set forth with specificity the full terms regarding fees and expenses. No disclosure or other statement contained below shall serve as a substitute or shall supersede any of the terms and conditions as outlined in the Documents.

### **Side Letters**

The Firm has, and may in the future, waive or modify certain terms of the Documents in side letters or otherwise, in its sole discretion, including but not necessarily limited to (i) different or more favorable withdrawal or transfer rights, (ii) greater information than may be provided to other Fund investors and/or more frequent or varied formats or modes of portfolio reporting and (iii) different management fee or incentive distribution terms.

## **Item 6 Performance-Based Fees and Side-By-Side Management**

As more fully described in the Documents, generally, the Funds compensate the General Partner after net distributions to investors. A capital account is maintained for each investor and is adjusted to reflect any allocations of net gain or loss.

### **Performance-Based Fees**

Performance-based fees may create an incentive for our Firm to overvalue investments. In order to address such conflict, we have adopted Valuation policies and procedures to fairly value our investments. Performance-based fees give rise to instances where the interests of the General Partner or Managing Member may potentially or actually conflict with the interests of the Funds and the Limited Partners or Members. For example, the fact that an incentive distribution is based on a percentage of the Funds profits may create an incentive for the General Partner or Managing Member to cause the Funds to make riskier or more speculative investments than would otherwise be the case.

Performance based fees are not applicable to the separately managed account.

### **Side-By-Side Management**

In general, the investment types of the two funds do not overlap. However, should an allocation of investment opportunity issue arise among the Funds, we have adopted policies and procedures to mitigate this conflict of interest.

## **Item 7 Types of Clients**

The Firm provides discretionary investment management services to two pooled investment vehicles and not to the underlying investors. The Firm also provides non-discretionary services to a SMA.

The Funds have minimum investment requirements. We reserve the right to decrease minimums in our sole discretion. Generally, the Funds will accept investments only from persons who qualify as (1) "Qualified Purchasers" as defined in Rule 205-3 of the Advisers Act, (2) "Accredited Investors" as defined in Regulation D under the Securities Act of 1933, as amended ("Securities Act") and (3) "Qualified Clients". This is the minimum suitability standard for investing in the Fund. The Firm may decline to admit an investor even if it meets such suitability requirements.

## **Item 8 Methods of Analysis, Investment Strategies and Risk of Loss**

Generally, the Funds objectives are to provide attractive risk adjusted returns to its investors through (1) dividends on originated loans and secondarily through capital appreciation on asset purchases and (2) investments in agricultural land. In an effort to achieve these objectives, the Firm focuses on originating conventional agricultural loans, originating higher yielding agricultural loans, purchasing agricultural loans and equity investments in agricultural land on an opportunistic basis. The Firm's objective in originating, pricing and managing loans is to balance a portfolio across commodities, geographies, and probability of default.

The Firm focuses on opportunities that it believes exist in the U.S. agricultural mortgage loan market, agricultural mortgage backed security market, and farmland acquisition. As market conditions change over time, the Firm may adjust the Funds strategies to take advantage of changes in interest rates and credit spreads as well as economic and credit conditions and prevailing market conditions. The Firm believes that the diversification of the Funds' portfolio of assets, the management team's experience with the target asset classes, and the flexibility of the Funds' strategy positions the Funds to potentially generate attractive risk-adjusted returns for the Funds in a variety of assets and market conditions.

### **Risk of Loss**

Investment in the Funds is speculative and involves a high degree of risk, including risks related to the use of leverage. The performance of the Funds and their assets may be volatile. Only prospective investors who can withstand the loss of all or a substantial part of their investment should consider investing in the Funds. Investing in loans involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify which borrowers will repay and which will default, or insulate clients from losses due to defaulted loans. Likewise, investing in agricultural land involves the risk of local real estate conditions, inability or unwillingness of tenants to pay rent increases, adverse changes in local governmental procedures and local economic climates. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance. The Funds' Documents include a more complete description of risk factors.

### **Risks Relating to Investing in the Funds**

When evaluating risk, financial loss may be viewed differently by each investor and may depend on many different risks, each of which may affect the probability and magnitude of any potential losses. The following risks may not be all-inclusive, but should be considered carefully by a prospective investor before retaining our services.

**General Economic Conditions:** The success of the Funds respective investment activities will be affected by general economic and market conditions. Specifically, the Funds investment activities will be affected by the systemic impact of inflation, the availability and cost of credit, declines in the real estate market, and geopolitical issues.

**Liquidity Risk:** The risk of being unable to sell your investment at a fair price at a given time due to high volatility or lack of active liquid markets. You may receive a lower price or it may not be possible to sell

the investment at all.

**Credit Risk:** Credit risk is inherent in each borrower. A borrower can experience a credit event that could impair the ability to repay a loan, which may, in turn, result in the loss of your investment.

**Fund Leverage:** The Funds may employ leverage in its subsidiaries.

**Tax Risks:** An investment in the Funds involves a number of complex tax considerations. No assurance can be given regarding the actual level of taxation that may be imposed upon the Funds, their investments, or Members with respect to their investments in the Funds.

**Inflation and Interest Rate Risk:** Loan interest on variable-rate loans and portfolio returns will likely vary in response to changes in inflation and interest rates. Inflation causes the value of future dollars to be worth less and may reduce the purchasing power of a borrower's future interest payments and principal. Inflation also generally leads to higher interest rates which may cause the fair market value of any fixed-rate loans to decline.

**Unconditional Obligation to Contribute Capital to Funds:** Investors will be liable for the full amount of their Capital Commitments to the Fund regardless of the economic performance of the Fund.

**Horizon Risk:** The risk that your investment horizon is shortened because of an unforeseen event. This may force you to sell investments that you were expecting to hold for a longer term. If you must sell in an unfavorable market, you may lose money.

**Evolving Regulatory Risks of Private Investment Funds:**  
Regulatory changes could occur at any time, and such changes, directly or indirectly and with or without retroactive effect, could have an adverse effect on the Funds financial condition.

**System Failure or Cyber Security Attacks:** Despite system redundancy, the implementation of security measures and the existence of a disaster recovery plan for the Funds internal and hosted information technology systems, the Manager's information systems are vulnerable to damages from any number of sources.

### **Recommendation of Particular Types of Securities**

We recommend investments, generally secured by agricultural land. Each type of investment has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. The Documents include a complete list of risks associated with agricultural land and agricultural land loans.

## **Item 9 Disciplinary Information**

We are required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of our advisory business or the integrity of our management. We do not have any required disclosures under this item.

## **Item 10 Other Financial Industry Activities and Affiliations**

### **Other Financial Products**

Our Firm is also a mortgage lender, broker and servicer; individuals associated with our Firm may also engage in related activities.

### **Arrangements with Affiliated Entities**

We are affiliated with AgAmerica Realty, LLC through common control and ownership. We will recommend that you use the services of our affiliates if appropriate and suitable for your needs. Our advisory services are separate and distinct from the compensation paid to our affiliates for their respective services.

Referral arrangements with an affiliated entity present a conflict of interest for us because we may have a direct or indirect financial incentive to recommend an affiliated firm's services. While we believe that compensation charged by an affiliated firm is competitive, such compensation may be higher than fees charged by other firms providing the same or similar services. You are under no obligation to use the services of any firm we recommend, whether affiliated or otherwise, and may obtain comparable services and/or lower fees through other firms.

## **Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

### **Description of Our Code of Ethics**

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for persons associated with AgAmerica Lending. Our goal is to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing. All persons associated with our Firm are expected to adhere strictly to these guidelines. Persons associated with our Firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about investor and Firm proprietary information.

Investors or prospective investors may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

### **Participation or Interest in Client Transactions**

Neither our Firm nor any persons associated with our Firm has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

### **Principal and Agency Cross Transactions**

Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account, buys a security from, or sells a security to, a client. In an agency cross transaction, an adviser or affiliate acts as broker for both sides of the transaction in which a client of the adviser is on one side and another person is on the other side. It is the policy of AgAmerica Lending that it may not engage in any principal or agency cross securities transactions for the Funds. Such transactions may also be restricted or prohibited by the Documents.

## **Item 12 Brokerage Practices**

### **Brokerage Practices**

The strategy employed by the Funds or the SMA do not require the use of a broker-dealer.

### **Research and Other Soft Dollar Benefits**

We do not have any soft dollar arrangements.



## **Item 13 Review of Accounts**

AgAmerica closely monitors the Funds' investment portfolios. The Firm's professionals continually review and analyze existing investments to attempt to identify issues early on and to take action when necessary. Team members focused on investment activity update each other on such investments and related matters.

We provide the following reports to investors in the Funds including:

On an annual basis:

- Audited financial statements, and
- Tax information necessary for the completion of tax returns.

On a quarterly basis:

- Capital account summary, and
- Fund and portfolio overviews.

## **Item 14 Client Referrals and Other Compensation**

AgAmerica Lending LLC has arrangements with unaffiliated third-parties to market the Funds interests to prospective investors. The third-party marketers are compensated based on a percentage of the management fee for those investors.

## **Item 15 Custody**

AgAmerica Lending LLC is deemed to have custody of the Funds assets as a result of its authority over the Funds.

It is the Firm's policy to cause the Funds with assets over which the Firm is deemed to have custody to be audited annually (and upon liquidation) by a PCAOB-registered independent accounting firm in accordance with Rule 206(4)-2 under the Investment Advisers Act of 1940 and to distribute those audited financial statements, prepared in accordance with GAAP to investors no later than 120 days after the end of the Funds fiscal year.

## **Item 16 Investment Discretion**

Investment advice is provided directly to the Funds under the direction and control of AgAmerica Lending and not individually to the investors in the Funds. The advice is in accordance with the provisions of the Documents.

## **Item 17 Voting Client Securities**

AgAmerica Lending LLC does not invest in publicly-traded securities on behalf of its Clients and thus is not required to vote proxies. If voting proxies becomes a requirement, the Firm will adopt a proxy voting policy to comply with Rule 206(4)-6 under the Advisers Act.

## **Item 18 Financial Information**

We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to the Funds and we have not been the subject of a bankruptcy proceeding.

## **Item 19 Additional Information**

### **Your Privacy**

We view protecting private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep personal information private and secure.

We do not disclose any non-public personal information to any non-affiliated third parties, except as permitted by law. We may share some information with our service providers, such as custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to non-public personal information on a need-to-know basis. We maintain physical and procedural safeguards that comply with regulatory standards to guard non-public personal information and to ensure our integrity and confidentiality. We will not sell information about our Client or Investors to anyone.

Investors will receive a copy of our privacy policy prior to or at the time they sign subscription documents. Contact our main office at the telephone number on the cover page of this brochure if you have any questions regarding this policy.

If we make any substantive changes in our privacy policy that would further permit or require disclosures of private information, we will provide written notice.

If you have questions about our privacy policies contact our main office at the telephone number on the cover page of this brochure and ask to speak to the Chief Compliance Officer.