

# IFC CORE INVESTMENT MANAGEMENT LLC

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## FORM ADV PART 2A – DISCLOSURE BROCHURE

March 28, 2024

This Brochure provides information about the qualifications and business practices of IFC Core Investment Management LLC (the “Adviser”). If you have any questions about the contents of this Brochure, please contact us at (252) 523-0800 or email [info@intlframing.com](mailto:info@intlframing.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

IFC Core Investment Management LLC is a registered investment adviser. Registration as an investment adviser does not imply any level of skill or training. Additional information about IFC Core Investment Management LLC is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Material Changes**

This Brochure contains no material changes from the Adviser's previous Brochure, dated March 29, 2023.

The Adviser updated its regulatory assets under management reflected in Item 4.E. All other updates made to this Brochure were routine and unsubstantive and were made in connection with the Adviser's annual Form ADV amendment filing submitted on March 28, 2024.

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## **Item 4 – Advisory Business**

### **4.A. Advisory Firm Description**

IFC Core Investment Management LLC (the “Adviser”) is a Delaware limited liability company that was formed in 2018. The Adviser’s principal place of business is located in Raleigh, NC. The Firm also maintains an office in Kinston, NC, which is the Firm’s registered office and used solely for administrative functions. No investment advisory services are conducted in the Kinston office. The manager of the Adviser is Charlie McNairy. The Adviser is owned by International Farming Corporation Core, LLC. The principal owners of International Farming Corporation Core, LLC are John McNairy, Charlie McNairy and Mary Elizabeth McNairy. Mary Elizabeth McNairy and Charlie McNairy are also managing members of International Farming Corporation Core, LLC.

### **4.B. Types of Advisory Services**

The Adviser provides investment advice to a single, privately held pooled investment vehicle, IFC Core Farmland Fund, LP, a Delaware limited partnership formed to invest primarily in U.S. farmland (the “Partnership,” and together with its subsidiaries (except as otherwise noted), the “Fund”). The Adviser currently does not have any other types of clients and provides investment advice only to the Fund.

The Fund expects to hold its farmland investments through one or more real estate investment trust (“REIT”) subsidiaries of the Partnership, though certain assets may be held in non-REIT subsidiaries of the Partnership. The Fund may also invest in farmland through ownership of shares or other interests in publicly traded REITs owning farmland.

### **4.C. Client Investment Objectives/Restrictions**

The Fund’s investments are managed in accordance with the strategy, investment objectives, restrictions and guidelines of the Fund, including any restrictions in the limited partnership agreement of the Partnership, and are not tailored to the individualized needs of any particular investor in the Partnership (each an “Investor” or “Limited Partner”). Therefore, Investors should consider whether investing in the Partnership meets their investment objectives and risk tolerance prior to investing. Information about the Fund can be found in the Partnership’s offering documents, which will be available to certain qualified Investors. The Adviser’s investment advisory services to the Fund will be tailored to the needs of the Fund. The Partnership’s limited partnership agreement places certain restrictions on the Partnership’s General Partner (the “General Partner”) and the Adviser relating to the Fund’s investments.

### **4.D. Wrap-Fee Programs**

The Adviser does not participate in, nor is it a sponsor of, any wrap fee programs.

#### **4.E. Assets Under Management as of December 31, 2023:**

Discretionary Assets: \$649,874,076 in regulatory assets under management

Non-Discretionary Assets: \$0

### **Item 5 – Fees and Compensation Advisory Contracts and Fees**

#### **5.A. Adviser Compensation**

The Adviser's fees and other compensation for providing advisory services, including the "Management Fee" and the "Outperformance Payment" payable to the Adviser or its affiliates, are detailed in the Partnership's limited partnership agreement.

#### **5.B. Direct Billing of Advisory Fees**

The Management Fees and Outperformance Payments separately calculated for each Limited Partner are charged to the Limited Partner by reducing the Units owned by the Limited Partner by a number of Units equal to the amount of the Management Fee or Outperformance Payments, as applicable, chargeable to the Limited Partner divided by the Fund's net asset value per Unit determined as of the date such Management Fee or Outperformance Payment, as applicable, is due and payable. Alternatively, the General Partner may elect that any or all of the Management Fee or Outperformance Payment be charged to the Limited Partner by withholding the amount from any distribution otherwise payable by the Fund to the Limited Partner.

#### **5.C. Other Non-Advisory Fees**

The Fund pays or reimburses the General Partner, the Adviser, their affiliates, or any partner, member, stockholder, director, manager, officer, employee or agent of any of the foregoing for, the operating and administrative expenses of the Fund including, without limitation: (i) financial, audit, and tax accounting services, (ii) appraisal services, (iii) banking fees and expenses, (iv) legal services, (v) the compensation and expense reimbursement payable to any third party administrator if such administrator is hired, (vi) the Management Fees and Outperformance Payments, (vii) ad valorem taxes, income taxes, and any other taxes (except to the extent attributable to a partner of the Partnership unless such payment is otherwise required by law), (viii) premiums to insure farmland and other assets against loss or damage and to insure the Fund, the General Partner, the Adviser, the advisory committee and their respective affiliates against liabilities arising from Fund operations and affairs, (ix) the costs of creating, maintaining, managing and disposing of any Partnership subsidiaries, including, but not limited to any and all costs and fees associated with the offering, issuance, administration and

redemption of securities in the REIT(s), including fees of third-party consultants and administrators with respect to the REIT(s) and fees, dividends, interest or other amounts payable to the REIT shareholders, (x) Fund debt service and other costs incurred in connection with indebtedness, including loan fees and interest rate hedging fees and expenses, (xi) advisory committee member expense reimbursement (including premium travel) and costs of operating the advisory committee, (xii) expenses incurred in investigating and negotiating the Fund's acquisition (or potential acquisition, including without limitation as in kind contributions in whole or in part) or disposition (or potential disposition) of farmland investments whether or not such transactions are consummated, other than the costs of personnel of the General Partner, the Adviser and any Adviser affiliate that are to be borne by them as described below; provided that in the case of any such expenses that were incurred prior to the Fund's first investor closing on January 22, 2019, such expenses will be limited to the Fund's acquisitions of farmland investments that are later consummated, (xiii) compensation and expense reimbursement paid to sales agents and brokers, engineers and consultants, (xiv) the compensation (including employee benefits), expense reimbursement (including premium travel), and related overhead (including office and administrative expenses) of the Adviser's or any of its affiliates' personnel providing services in the implementation of actions related to the improvement, sustainable maintenance, leasing or other management of the Fund's farmland investments that have been planned, provided that the total amount paid or reimbursed by the Fund each calendar year with respect to any such services provided by personnel of the General Partner, the Adviser, and any Adviser affiliate entities providing services to the Fund, shall not exceed one-fifth of one percent (0.2%) of the daily average sum of the gross fair market values of all of the Fund's farmland investments during the year, (xv) amounts paid to acquire, improve, sustainably maintain, lease, manage or dispose of the Fund's farmland investments, (xvi) amounts paid to indemnify persons, (xvii) amounts paid to settle or pay any claims asserted against the Partnership or any of its subsidiaries, and (xviii) expenses incurred in making any filings with respect to the Partnership and/or its subsidiaries with regulatory authorities or other governmental authorities.

The General Partner, the Adviser, and their affiliates are responsible for the compensation (including employee benefits), expense reimbursement (including premium travel), and related overhead (including office and administrative expenses) of their own personnel, including such costs of their personnel and related overhead when engaged in (A) the Fund's acquisition or potential acquisition of farmland investments, (B) the Fund's disposition or potential disposition of the Fund's farmland investments, and (C) the planning of the improvement, sustainable maintenance, leasing, or other management of the Fund's farmland investments, provided that the costs of personnel and related overhead that are attributable to their participation in the implementation, but not the planning, of such improvement, sustainable maintenance, leasing, or other management shall be reimbursed by the Fund as provided above subject to the limitation provided above.

The Fund also bears or reimburses the General Partner, the Adviser, or their affiliates for, all expenses incurred in connection with the Fund's organization and the Fund's offering and issuance of limited partner interests from time to time, which are being amortized over a fifteen (15) year period, and provided that the Fund does not bear expenses in connection with the Fund's organization and initial offering of limited partner interests through January 31, 2022 ("Organization Expenses") in an aggregate amount in excess of the greater of \$1,500,000.00 or 0.10% of the capital commitments associated with such limited partner interests issued on or prior to January 31, 2022. The General Partner and the Adviser bear any Organization Expenses beyond the limitation provided above. The General Partner and the Adviser may elect to effect such bearing of any Organization Expenses in excess of such limitation by having the Fund pay all or any portion of such excess and the Fund receiving for the amount so paid a dollar for dollar credit against the Management Fees and/or Outperformance Payments then or thereafter otherwise becoming payable to the Adviser or its affiliates.

Please see the Partnership's offering documents, including the Partnership's limited partnership agreement, for additional details and information related to expenses.

See also item 12 of this Brochure regarding brokerage.

#### **5.D. Advance Payment of Fees**

Management Fees are calculated and paid in advance based on the Fund's net asset value at the beginning of each calendar quarter. In the event that an Investor withdraws prior to the conclusion of a quarter, the purchase price payable by the Fund for the Investor's limited partner interest will be increased by any unearned portion of the Management Fee.

While the Outperformance Payment for a year is not payable until after the end of the year, if an Investor withdraws during the year, the Fund may withhold from the purchase price for the Investor's limited partner interest an estimate of the Outperformance Payment payable with respect to the Investor for such year, subject to settling up with the Investor after the actual amount is known following year end.

Please see the Partnership's offering documents for additional details and information related to circumstances surrounding Investor withdrawal.

The Outperformance Payment for a year, if any, with respect to each Limited Partner is due and payable in full in cash on a date after year-end selected by the General Partner that is as soon as possible but not later than the thirtieth (30th) day following the date that the Fund receives the auditor's report with respect to the consolidated financial statements for the Fund for such year.

#### **5.E. Compensation for the Sale of Securities or Other Investment Products**

Neither the Advisor nor any of its supervised persons accepts compensation for the sale of securities or other investment products to the Fund.

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

As mentioned in the Partnership's offering documents, including the Partnership's limited partnership agreement, in addition to receiving the "Management Fee" (as defined in the Partnership's limited partnership agreement) which is based on the Fund's net asset value, the Adviser (and/or its affiliates) is also eligible to receive an annual "Outperformance Payment" (as defined in the Partnership's limited partnership agreement).

The Adviser currently does not have any clients other than the Fund and provides investment advice only to the Fund. Accordingly, the questions in this item regarding side-by-side management are not applicable to the Adviser. Certain of the Adviser's affiliates manage other real estate investment funds that have performance and non-performance based fees, but those funds are not making additional new investments with the exception that certain of those funds may still make (i) further investments in farmland and other investments acquired prior to November 24, 2019, and (ii) farmland investments identified for acquisition prior to November 24, 2019.

While the General Partner believes that the Outperformance Payment provisions help align the interests of the Fund and the Adviser, the Outperformance Payment provisions may create an incentive to make more speculative investments than would otherwise apply.

Because the Fund will pay the compensation, expense reimbursement and related overhead of personnel providing certain services relating to the management of farmland investments, subject to certain limitations, the Adviser has an incentive to have its or its affiliates' personnel perform such services rather than utilizing a third party.

## **Item 7 – Types of Clients**

The Adviser provides investment advice only to the Fund. There are no requirements for the Fund to open an account with the Adviser.

Each investor is required to meet certain suitability qualifications, such as being an "accredited investor" within the meaning set forth under the federal securities laws and either a "qualified purchaser" within the meaning set forth under the Investment Company Act of 1940, as amended (the "Investment Company Act") or another person permitted to own investments in a fund meeting the requirements of Section 3(c)(7) of the Investment Company Act.

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

### **8.A. Methods of Analysis and Investment Strategies**

The Fund will seek to generate attractive risk-adjusted returns, offering distributable cash income, inflation protection, and long-term capital appreciation through investments in a



diversified portfolio of U.S. farmland. Generally, the farmland will be leased by the Fund to growers. To achieve its investment objective, the Fund will invest in a portfolio of farmland investments that will be diversified by geographic region and crop type. The Fund's portfolio will be actively managed over time and include both staple and specialty crops.

Investing in farmland and farming related assets and in securities of REITs or other entities holding such farmland and farming related assets involves risk of loss that the Fund and the Investors should be prepared to bear.

For more information on the Fund's strategy, please refer to the Partnership's offering documents.

## **8.B. Material Risks Related to Assets of the Fund**

*General Economic and Market Conditions:* An investment in the Partnership is subject to risks inherent in real estate investments generally as well as risks inherent in farming and in agricultural businesses.

Volatility in the markets may weaken business and consumer confidence, may reduce the availability of potential investment opportunities at favorable prices, and may restrict the ability of the Fund to earn net operating income from its investments and/or dispose of its investments at favorable prices.

There is a significant possibility that tariffs may be levied by one or more other countries on U.S. agricultural products in response to or in anticipation of U.S. tariffs on such countries' products. As a result, the price to consumers or others of such U.S. agricultural products may increase and no longer be competitive with the price of such products from non-U.S. sources, which in turn may decrease demand for U.S. agricultural products. A decrease in demand for U.S. agricultural products may result in lower valuations and reduced rents for U.S. farmland and could negatively impact the Fund.

*Agricultural Real Estate and Businesses Risks:* Farmland investments are subject to various risks, including (i) adverse changes in national or international economic conditions, (ii) adverse local market conditions, (iii) adverse natural conditions such as storms, floods, drought, windstorms, hail, temperature extremes, frosts, soil erosion, infestations, hurricanes, tornados, and blights, (iv) financial condition of tenants, (iv) ability of tenants to operate in a profitable manner, (v) marketability of any particular kind of crop that may be influenced by changing consumer preferences, (vi) import and export restrictions or tariffs (see previous discussion),

(vii) governmental subsidy or production programs, (viii) availability of excess supply of property relative to demand, (ix) changes in availability of debt financing, (x) changes in interest rates, (xi) real estate tax rates and other operating expenses, (xii) environmental laws and regulations, (xiii) governmental regulation of and risks associated with genetically-engineered crops and the use of fertilizers, herbicides and other chemicals used in commercial agriculture, (xiv) zoning laws and other governmental rules and fiscal policies, (xv) energy prices, (xvi) risks due to dependence on cash flow, (xvii) acts of God, (xviii) uninsurable losses and (xix) other factors which are beyond the control of the Fund. Many states have laws that restrict the ownership of agricultural land by entities. In addition, many states restrict the ability of non-United States persons or aliens from directly or indirectly owning, leasing or operating agricultural land or interests in agricultural land; the Partnership may admit non-United States persons or aliens, or entities owned or managed by such persons, as Limited Partners. The Fund's ability to acquire, lease, and sell farmland investments in certain jurisdictions will be restricted by these various laws.

**Certain Leasehold Income Risks:** The value of the Fund's farmland may depend on the credit and financial stability of the farm operators who lease properties from the Fund. The Fund's financial performance would be adversely affected if such farm operators were to become unable to meet their obligations under their leases. Upon the expiration of any lease, there can be no assurance that the lease will be renewed, or the farm operator replaced. The terms of subsequent leases may be less favorable to the Fund than prior leases. In the event of default by a farm operator, delays or limitations in enforcing the Fund's rights as lessor may be experienced, and significant costs may be incurred in protecting the Fund's investment. Furthermore, farm operators may seek the protection of bankruptcy, insolvency or similar laws that could result in the rejection and termination of such farm operator's lease and thereby adversely affect the financial performance of the Fund.

Certain expenditures, including property taxes, maintenance costs, insurance costs, and other expenditures including debt service on any mortgage, must be made throughout the period of ownership of the farmland regardless of whether the farmland is producing any income.

The Fund expects to seek for many of its farmlands "flex-rent" leases that provide for a baseline rent and participation by the Fund in increased gross revenue above a predetermined threshold. However, there is no assurance that the Fund will be successful in negotiating such "flex rent" leases. Failure to negotiate such "flex rent" leases could prevent the Fund from participating in increased farming revenues of its operators and could materially adversely affect the income of the Fund.

To the extent the Fund has such "flex rent" leases, the Fund's income will be dependent in part on crop yields and other factors that are beyond the control of the Fund, such as weather, crop diseases, governmental policy (including tariffs), and economic factors affecting demand for crops.

**Agriculture Industry Cyclicity:** The value of and revenues from farmland investments will be largely dependent on the performance of the agricultural industry, which has historically been a cyclical business. To the extent that the agricultural sector declines or experiences a downturn, the Fund's operations and financial performance could be materially adversely affected.

**Commodity Prices and International Trade:** The business of the Fund is dependent on the health of the agricultural industry, which in turn is dependent on the price of grain and other agricultural commodities. The price of grain and other agricultural commodities is influenced by a variety of unpredictable factors that are beyond the control of the Fund, including weather, government (United States, state, and other) farm programs and policies, changes in global demand, international trade policies (including tariffs), global political conditions and other economic factors.

**Farm Legislation:** The U.S. farm bill is the primary agricultural and food policy tool of the U.S. government. This comprehensive omnibus bill is generally passed every several years by the United States Congress, and it affects both agriculture and all other affairs under the purview of the United States Department of Agriculture. Farm bills can be highly controversial and can impact international trade, environmental preservation, food safety, and the well-being of the agricultural sector of the United States economy in rural communities. The agricultural subsidy programs provided by the farm bills are often subject to intense debate. The Fund and the farmers leasing the Fund's farmlands may receive agricultural subsidies and may be negatively impacted by adverse changes in agricultural subsidies.

**Illiquidity of Farmland Investments:** Like other real property investments and investments in privately held businesses, farmland investments are illiquid. Such illiquidity may tend to limit the Fund's ability to vary its portfolio promptly in response to changing economic or investment conditions or to liquidate farmland investments to fund purchases of limited partner interests or upon any dissolution of the Fund. The illiquidity of a farmland investment may increase when the Fund acquires a farmland investment with co-investors and/or when the Fund acquires a farmland investment as part of the acquisition of a portfolio of related agricultural assets by the Fund and other parties. If the Fund is required to liquidate farmland investments, the proceeds to the Fund might be significantly less than the value of such property reflected in the Fund's financial statements.

**Accuracy of Public Information:** The General Partner and the Adviser expect to select farmland investments for the Fund partially on the basis of information and data filed by and with various government agencies. Although the General Partner and Adviser may seek independent corroboration, the General Partner and the Adviser are not in a position to confirm completeness, genuineness or accuracy of such information and data, and, in some cases, complete and accurate information is not available.

**Potential Environmental Liability:** Under various United States federal, state and local laws, ordinances and regulations, an owner of real property may be liable for the costs of removal or

remediation of certain hazardous or toxic substances on or in such property. Such enactments often impose liability without regard to whether the owner knew of, or was responsible for, the presence of such hazardous or toxic substances, such as environmental problems caused by a past owner. The cost of any required remediation and the owner's liability therefor is generally not limited and could exceed the value of the property and/or the aggregate assets of the owner. The presence of such substances, or the failure to properly remediate such substances, would likely adversely affect the owner's ability to sell the real estate or to borrow using such property as collateral. In addition, remediated property may attract a more limited number of potential purchasers because of the property's history of contamination and potentially affect the owner's ability to sell the property. Further, a transfer of property does not relieve from liability a person who owned the property at a time when hazardous or toxic substances were disposed on, or released from, or present on, such property. Noncompliance with environmental regulations may allow a governmental authority to order the owner / operator to cease operations at the property or to incur substantial costs and expenses to bring the property into compliance through the implementation of burdensome remediation or prophylactic measures. The occurrence of any one or more of the foregoing with respect to any of the Fund's farmlands could materially adversely affect the Fund.

**Potential Tort Liability:** Parties suffering injuries or other damages caused by any crop grown or other activities on the Fund's farmlands may seek to hold the Fund liable for the damages. Any such damages could be substantial in amount and could include punitive and/or consequential or similar damages, in addition to any direct damages. In addition, any incident giving rise to any such damages could injure the reputation, value and viability of the Fund's investments.

**Competition:** The Fund's business of identifying and acquiring attractive farmland investments is competitive and involves a high degree of uncertainty. Competition generally may reduce the number of suitable farmland investment acquisition opportunities available to the Fund and increase the bargaining power of sellers or other parties with whom the Fund deals. The Fund may face increasing competition for farmland investment acquisition opportunities from such existing and new real estate and/or business investors with similar investment objectives. Accordingly, there can be no assurance that the Fund will be able to identify and acquire farmland investment acquisition opportunities in the future or that it will be able to invest fully its committed capital.

**Possible Lack of Diversification:** While the Fund's investment limitations impact how much of the Fund's committed capital that can be invested in a single farmland investment and the Fund expects to acquire farmland investments in multiple geographic regions and across multiple crop types, it is possible that the Fund's farmland investments may not be sufficiently diversified. Poor performance by a few of the Fund's farmland investments could materially adversely affect the total returns to the Fund.

Minority/Non-Controlling Investments: The Fund may acquire non-controlling interests in farmlands or related assets. In such situations, the Fund's lack of control may limit the Fund's ability to determine how the assets are leased and operated and may make the Fund's interest less marketable for sale.

The Fund may acquire farmland investments as part of the acquisition of a portfolio of related agricultural assets by the Fund and other parties which may or may not be affiliated with the Adviser. This may make these farmland investments less marketable for sale except in conjunction with the other portfolio assets.

Risks upon Disposition of Investments: In connection with the disposition of an investment by the Fund, the Fund may be required to make representations about such investment. The Fund may also be required to indemnify the purchasers of such investment to the extent that any such representations turn out to be incorrect, inaccurate or misleading. These arrangements may result in actual or contingent liabilities for the Fund.

Availability of Farmland Investments: The Fund's investment strategy is based, in part, upon the premise that farmland and related assets will become available for purchase by the Fund at prices that the General Partner or Adviser considers favorable. Further, the Fund's acquisition of particular farmland investments may rely upon the continuation of existing market conditions (including, for example, supply and demand characteristics) or upon a recovery or improvement in market conditions over the projected holding period for the farmland investment. No assurance can be given that farmland investments can be acquired or disposed of at favorable prices or that the market for such investments will either remain stable or, as applicable, recover or improve, since this will depend upon events and factors outside the control of the Fund.

Acquisition and Development Risks: Acquisitions entail risks that investments may not perform in accordance with expectations and that anticipated costs of improvements necessary to bring an acquired property up to the performance standard intended for that property may exceed budgeted amounts. The Fund may not be successful in identifying suitable properties or other assets that meet its investment criteria or in consummating acquisitions or investments on satisfactory terms.

Valuations: Unlike exchange listed and other readily tradable securities, real estate assets such as farmlands generally cannot be marked to an established market. Instead, an appraisal or other valuation is only an estimate of value and not a precise measure of realizable value. Real estate valuations are subject to numerous assumptions and limitations. Ultimate realization of the value of a farmland investment depends to a great extent on economic and other conditions beyond the control of the Fund. Further, appraised or otherwise determined values do not necessarily represent the price at which a farmland investment would sell. Valuations of farmland investments should be considered only as estimates of value and not measures of realizable value with respect to such properties. As a result, if the Fund were to liquidate a particular farmland investment, the realized value may be more or less than the carrying value

of such farmland investment reflected on the Fund's financial statements. Broker charges and other selling expenses may also contribute to the net realized value being less than the carrying value.

As a result of the foregoing, determination of the gross fair market values of the Fund's farmland investments (and any other investments) and the Fund's net asset value includes subjective analysis, and there can be no assurance that determinations or valuations will prove to be accurate. In making such determinations, certain events assumed to occur may in fact not occur and other events assumed not to occur, may in fact occur. These events, as well as other changes affecting valuations may materially impact the gross fair market values of the Fund's farmland investments (and any other investments) and the Partnership's net asset value. In acquiring farmland investments (and any other investments), the General Partner and the Adviser may rely on valuations to determine the price paid for such investment; if these valuations end up not being correct this may negatively impact the Fund's return on such investments. The purchase price paid by the Fund for an investment may be in excess of an independent consultant's valuation of such investment on the date of purchase or thereafter. As a result, the gross fair market values of the Fund's farmland investments (and any other investments) and the Partnership's net asset value may not be accurate on any given day. Further, any sale by the Fund of an investment may not be at a price equivalent to the most recent estimated value of such investment. If the gross fair market values of the Fund's farmland investments (and any other investments) as determined by the General Partner are lower than their actual value, then those Limited Partners whose limited partner interests are purchased by the Fund based in part on such gross fair market values will be underpaid and Limited Partners who retain their limited partner interests would be adversely affected if more limited partner interests are issued at such low price than are purchased by the Fund at such low price. On the other hand, if the gross fair market values of the Fund's farmland investments (and any other investments) as determined by the General Partner are higher than their actual value, then those Limited Partners whose limited partner interests are purchased by the Fund based in part on such gross fair market values will be overpaid and Investors who purchase limited partner interests at such price will pay more than fair value for such limited partner interests. In addition, if the gross fair market values of the Fund's farmland investments (and any other investments) as determined by the General Partner are higher than their true value, then the Adviser may receive more in Management Fees and/or Outperformance Payments than it would have if the gross fair market values of the Fund's farmland investments (and any other investments) as determined by the General Partner were equal to or lower than their actual value, and Management Fees and outperformance payments paid to the Adviser will not be subject to refund for this reason.

## 8.C. Material Risks Related to the Structure and Operation of the Fund

*Reliance on Key Executives:* The “Key Executives” are as defined in the Partnership’s limited partnership agreement. The success of the Fund will be highly dependent on the financial and managerial expertise of the Key Executives and their expertise in the relevant real estate markets. Death, illness, disability, change in career or new employment of such personnel could adversely affect results of the Fund. The Key Executives are required to devote time necessary for the prudent management of the Fund’s business and affairs by the General Partner and the Adviser, which will vary over time as the Fund’s requirements vary. Key Executives are permitted to engage in outside activities of varying time commitments.

*Uncertainty of Distributions:* Although the General Partner intends to cause the Partnership to distribute on a semi-annual basis the Partnership’s cash flow from operations available for distribution after debt service and after funding such reserves as the General Partner may determine in its discretion, it is uncertain if and when the Partnership will realize operating profits so as to generate cash available for distribution after debt service and after funding reserves.

Distributions of proceeds from the Fund’s disposition of farmland investments are in the discretion of the General Partner and subject to the right of the General Partner to retain such proceeds for reinvestment or for other Fund purposes. However, prior to investing any sale gain proceeds in a new farmland investment, the General Partner will cause the Partnership to distribute to each requesting Investor such Investor’s share of the sale gain proceeds in purchase of limited partner interests of such Investor instead of investing such amount in a new farmland investment.

All distributions are subject to solvency restrictions imposed by law and any restrictions to which the General Partner may agree on the Fund’s behalf with lenders or other third parties.

There is no requirement that the Fund make distributions sufficient to result in the Limited Partners receiving amounts at least equal to the income taxes imposed on them with respect to the Fund’s taxable income.

*Delay in Acquiring Farmland Investments:* As proceeds of the limited partner interests become available, the Fund intends to work promptly toward acquiring farmland investments to satisfy its investment goals. However, the Fund’s exact timing of acquisition of farmland investments cannot be predicted with certainty. Delays in acquiring farmland investments could result in delays in the generation of income from such farmland investments and negatively impact performance.

*Debt Leverage:* The General Partner may cause the Fund to borrow amounts subject to the investment limitations on indebtedness described in the Partnership’s offering documents. Inability of the Fund to timely pay any of its indebtedness may result in the foreclosure or other sale of the Fund’s farmland investments at unfavorable times, prices, and/or terms, and/or

cause the General Partner to make commitment calls sooner than, and for a different purpose than, the General Partner would have otherwise determined, in either case thereby potentially materially adversely affecting the Fund's investment strategy.

*Absence of Regulatory Oversight:* Limited Partners will not be accorded the protections of the Investment Company Act.

*Liability of Limited Partners:* The Partnership has been organized as a Delaware limited partnership. Under Delaware law, a Limited Partner will not be personally liable for the obligations of the Partnership unless the Limited Partner participates in the control of the Partnership's business (or guarantees such obligations). However, in the event that the Partnership is otherwise unable to meet its obligations, each Limited Partner may, under the limited partnership agreement and Delaware law, be obligated to repay amounts previously received by such Limited Partner.

*Variations in Terms:* The Partnership has entered into separate written agreements with one or more Limited Partners that alter or supplement the terms of the Partnership's limited partnership agreement only with respect to, and for the benefit of, such Limited Partners ("side letters"). The Partnership's limited partnership agreement does not require the Partnership to disclose the terms of such separate written agreements to Investors prior to their subscribing for LP Interests. As a result of the foregoing, such Investors have purchased LP Interests with more favorable terms than the terms received by other Investors. The Adviser is permitted to continue this practice going forward and is likely to enter into additional side letters in the future.

#### *Potential Conflicts of Interest*

The Fund may engage in farmland investment transactions with the General Partner, the Adviser, or Key Executives, or their respective affiliates that present potential conflicts of interest for the General Partner, the Adviser, or the Key Executives, subject to complying with any restrictions applicable thereto as described in the next paragraph. The presence of such potential conflicts of interest may cause the Fund to incur expense to comply with such restrictions and/or to take other actions as the General Partner may determine to address such conflicts. Despite compliance with such restrictions and the taking of such other actions (if any), there is a risk that such conflict of interests may result in such transactions being materially less favorable to the Fund than if such transactions had been with persons not affiliated with the General Partner, the Adviser, or Key Executives.

If the General Partner proposes (i) that the Fund sell a farmland investment to, or purchase a farmland investment from, a Limited Partner, the General Partner, or any of their respective affiliates, (ii) that the Fund purchase or sell a farmland investment in conjunction with a purchase or sale made by another fund or account managed by the General Partner or its affiliates, or (iii) that the Fund sell a farmland investment and the General Partner or its affiliates provide management services to the purchaser with respect to the farmland investment, the General Partner will take steps to assure that the price is at fair market value in consultation



with the advisory committee, which may include (but are not limited to) obtaining valuations by qualified third parties that are not affiliates of the General Partner or Adviser. The General Partner and its affiliates are permitted to lend the Fund money only on an unsecured, short term basis, with interest not to exceed prime, and interest to cease after 180 days. Such loans only may be made for the purpose of covering short-falls in commitment calls arising from a Limited Partner failing to pay a commitment call.

Entities affiliated with the Adviser may provide services and goods to the Fund other than those to be provided by the Adviser pursuant to the Management Services Agreement or as provided in Item 5.C. Other Non-Advisory Fees (e.g., personnel of the Adviser or its affiliates providing services in the implementation of actions relating to the improvement, sustainable maintenance, leasing or other management of the Fund's farmland investments). There can be no assurance that any such entities affiliated with the Adviser will be successful or will have a positive impact on the Fund's business operations, finances or performance.

Except with respect to the referral of investment opportunities to the Fund during certain times as required by the limited partnership agreement of the Partnership, the General Partner, the Adviser, the Key Executives, and their respective affiliates may provide investment management or other services to other collective investment vehicles or separate accounts that pursue the same or a substantially similar investment strategy as the Fund, may refer investment opportunities to any person, and may otherwise conduct activities that are potentially competitive with the Fund and thus present potential conflicts of interest for such parties.

The Adviser will be entitled to certain compensation and expense reimbursement as described in the partnership's limited partnership agreement. While the General Partner believes that such arrangements generally align the interests of the Fund and the Adviser, there is a risk that such compensation and expense reimbursement arrangements may create potential conflicts of interest between the Fund, on the one hand, and the General Partner, the Adviser, and Key Executives, on the other hand, by providing incentives for such parties to exercise their authority or perform their duties with respect to the Fund in a manner that is materially less favorable to the Fund as such exercise would be in the absence of such incentives. For example (but without limitation), the Outperformance Payments may provide an incentive to the Adviser and its affiliate, the General Partner, to make more speculative investments or other decisions than would otherwise apply.

For tax or other reasons, actions or omissions made by or with respect to the Fund may have different impacts on Limited Partners, with an action having a favorable impact on some Limited Partners while having a less favorable or adverse impact on other Limited Partners. The General Partner, the Adviser, and the Key Executives are permitted, but not required, to take such differing impacts into consideration in their determination of what is in the best interests of the Partnership as a whole in making management decisions or other actions with respect to the Fund, and will not have any liability with respect thereto as a result of any such difference

in impact. For example (but without limitation), the Partnership may dispose of a farmland investment through sale of its interest in the REIT subsidiary owning the farmland investment in order to provide better U.S. tax consequences to only some of the Limited Partners even though such a sale may have disadvantages when compared to sale by the REIT subsidiary of the farmland investment, such as making the farmland investment less marketable.

With respect to all the potential conflicts of interest described above or otherwise arising, under the Partnership's limited partnership agreement neither the General Partner, the Adviser, the Key Executives, nor their affiliates will have any liability to the Fund or any Limited Partner except for actions or omissions that constitute gross negligence, fraud, or willful misconduct, as provided in the Partnership's limited partnership agreement.

The General Partner may, but is not required to, except as provided in the second paragraph of this Potential Conflicts of Interest section (in Item 8.C), consult with the advisory committee regarding any conflict of interest involving the General Partner, the Adviser, the Key Executives, any Limited Partner, or any of their respective affiliates. The advisory committee's determination with respect to any conflict of interest submitted by the General Partner to the advisory committee for resolution shall be binding on all the partners of the Partnership. There is a risk that any such determination could be materially less favorable to the Fund than a determination made by a court, arbitrator, or other third party.

Because the Fund will pay the compensation (including employee benefits), expense reimbursement (including premium travel), and related overhead (including office and administrative expenses) of personnel of the Adviser or its affiliates providing certain services relating to the management of farmland investments, subject to certain limitations, the Adviser has an incentive to have its or its affiliates' personnel perform such services rather than utilizing a third party. There can be no assurance that the charges, rates and other terms to the Fund for such services provided by the personnel of the Adviser or its affiliates will not exceed arm's length, competitive market charges, rates and terms. In addition, there can be no assurance that any such personnel will be successful or will have a positive impact on the Fund's business operations, finances or performance.

It is possible that the Adviser or its (or its affiliates) personnel, because of its/their financial, personal or other business interest, have an incentive to recommend the use of personnel of the Adviser or its affiliates or of entities affiliated with the Adviser to provide services and goods to the Fund even if another person is more qualified to provide the applicable services or goods and/or can provide such services or goods at a lower cost.

## **Item 9 – Disciplinary Information**

The Adviser has no material legal or disciplinary events involving the Adviser or any of its management persons to disclose.

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

### **10.A. Registered Representatives**

Neither the Adviser nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

### **10.B. Other Registrations**

Neither the Adviser nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

### **10.C. Material Relationships or Arrangements**

An affiliate of the Adviser, IFC Core Farmland GP LLC, serves as the General Partner. Affiliates of the Adviser will provide property management and related services to the Fund.

IFC Investment Management, LLC (“IFC IM”), an affiliate of the Adviser, serves as general partner and manager to predecessor real estate funds. The predecessor real estate funds are closed to new investors and are not managed by the Adviser. IFC IM is registered with the SEC as a related adviser to the Adviser and is under common control and ownership with the Adviser.

The Adviser also shares management personnel with its affiliates, including IFC IM, and situations may arise in which the activities of shared management may disadvantage the Fund. Management personnel may give advice and recommend farmland investments to the Fund on behalf of the Adviser which may be identical to, or differ from, advice given and farmland investments recommended by management personnel on behalf of the manager or general partner of a predecessor real estate fund.

The Adviser may, in the future, provide investment advisory and management services to other funds and accounts. Such other funds and accounts may be subject to different fees and expenses.

### **10.D. Recommendations of Other Investment Advisers**

The Adviser does not recommend or select other investment advisers for its clients.

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

### **11.A. Code of Ethics Document**

The Adviser has adopted policies and procedures to address potential conflicts of interest. The Adviser has adopted a Code of Ethics (the “Code”), which: (1) describes the Adviser’s responsibilities to clients; (2) requires that the Adviser’s supervised persons act in the best interests of clients to the exclusion of contrary interests; (3) act in good faith and in an ethical manner; (4) avoid or mitigate conflicts of interest with clients to the extent reasonably possible; and (5) identify and manage conflicts of interest to the extent that they arise. Initially, upon hire, and on an annual basis thereafter, the Adviser requires that all supervised persons certify to their receipt, review, understanding and compliance with the provisions of the Adviser’s Code.

In addition, the Code sets forth formal policies and procedures with respect to the personal securities trading activities of the Adviser’s access persons. The Code prohibits personal securities transactions of issuers who have been placed on the Adviser’s restricted list, and requires written pre-approval for all limited offerings, initial-public offerings, and private placements. The Code requires access persons to report information about personal securities transactions and provide a summary of securities holdings initially upon hire and on an annual basis thereafter. The Code also addresses outside activities of supervised persons, conflicts of interest, policies and procedures concerning the prevention of insider trading, the reporting of certain gifts and business entertainment items, and the pre-clearance and reporting of political contributions. The Adviser will provide a complete copy of the Code to any client or prospective client upon request sent to [investorrelations@intlfarming.com](mailto:investorrelations@intlfarming.com).

### **11.B. Recommendations of Securities and Material Financial Interests**

An affiliate of the Adviser serves as general partner to the Partnership managed by the Adviser. IFC IM, an affiliate of the Adviser, serves as manager to predecessor real estate funds, each of which has a separate general partner that is an affiliate of the Adviser. The general partner of each such fund (and/or affiliates of such general partner) have made investments in such fund.

### **11.C. Personal Trading**

The Adviser does not expect to invest in any securities invested in by the Fund. Affiliates of the Adviser are invested and may further invest in the Fund.

The Adviser has adopted the Code to ensure that personal investing activities by the Adviser’s supervised persons are consistent with the Adviser’s obligations to its clients. In order to avoid

potential conflicts that could be created by personal trading by the Adviser's supervised persons, all employees are required to pre-clear with the Chief Compliance Officer or his/her designee any personal securities transaction in specified securities, including all limited offerings, initial-public offerings, and private placements. All employees are required to submit quarterly personal securities transactions for reportable securities transactions and annual holdings reports for review.

#### **11.D. Timing of Personal Trading**

The Adviser does not expect to invest in any securities invested in by the Fund.

The Adviser has adopted the Code to ensure that personal investing activities by the Adviser's supervised persons are consistent with the Adviser's obligations to its clients. In order to avoid potential conflicts that could be created by personal trading by the Adviser's supervised persons, all employees are required to pre-clear with the Chief Compliance Officer or his/her designee any personal securities transaction in specified securities, including all limited offerings, initial-public offerings, and private placements. All employees are required to submit quarterly personal securities transactions for reportable securities transactions and annual holdings reports for review.

### **Item 12 – Brokerage Practices**

#### **12.A Selection of Broker/Dealers**

The Fund does not typically purchase or sell securities through a broker or exchange. However, if the Fund were to invest in publicly traded REITs, it may use a broker in connection with such investment. Such broker would be selected by the Adviser considering the best interests of the Partnership as a whole.

The Fund expects from time to time to engage real estate brokers to assist with the purchase or sale of farmland or other real estate and real estate related assets.

#### Research and Other Soft Dollar Benefits

The Adviser does not participate in any soft dollar arrangements in connection with client securities transactions.

#### Brokerage for Client Referrals

The Adviser does not maintain any client referral arrangements with brokers in connection with securities transactions.

### Client-Directed Brokerage Transactions

The Adviser does not expect the Fund to use a broker to execute securities transactions, other than if the Fund were to invest in publicly traded REITs as noted above. If Fund invested in publicly traded REITs using a broker, the Adviser would select the broker.

### **12.B. Aggregation of Orders**

The Adviser currently provides investment advice only to the Fund, as described in Item 4.

## **Item 13 – Review of Accounts**

### **13.A. Frequency and Nature of Review**

The Adviser currently provides investment advice only to the Fund. The Adviser's investment advice is monitored and reviewed on a regular basis by the Adviser's management team and ultimately by the Fund's investment committee. The investment committee meets periodically to review prospective investments, existing holdings, potential dispositions, material events regarding existing investments and to assess real estate market activities.

### **13.B. Factors That May Trigger An Account Review Outside of Regular Review**

Generally, the Fund's farmland investments are reviewed as needed to monitor consistency with the Fund's investment objectives and restrictions, or in response to changing market conditions or investment expectations.

### **13.C. Content and Frequency of Reports**

Each Investor receives the following written reports:

- Within 45 days following each of the first three quarters of each fiscal year, a quarterly financial report of the Fund; and
- Within 90 days after the end of each fiscal year, annual audited financial statements of the Fund, together with the auditor's report thereon and the General Partner's summary of Fund operations for the year.

The financial statements may be issued in preliminary draft form if they cannot be provided in final form by the date required due to a delay in the provision of information by, or other action of, third parties.

The Partnership will use commercially reasonable efforts to provide each Investor within 90 days after the end of each applicable Partnership taxable year the Partnership information needed for the Investor to complete its federal, state and local tax returns (annual K-1 as of December 31<sup>st</sup>).

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

The Adviser does not receive any economic benefits from persons other than the Fund for providing investment advice or other advisory services concerning securities to the Fund. See the Partnership's limited partnership agreement for a summary of the Adviser's compensation by the Fund.

#### **Item 15 – Custody**

The General Partner is an affiliate of the Adviser and therefore the Adviser is considered to have custody of the Partnership's assets. The Fund is audited annually, and the audited financial statements of the Fund are distributed to the Investors within 90 days of the Partnership's fiscal year end. Additionally, unaudited quarterly financial statements of the Fund are distributed to the Investors within 45 days after the end of each of the Partnership's fiscal quarters (other than the fourth fiscal quarter of such fiscal year). See Item 13.C of this Brochure. Investors should carefully review the Partnership's audited and quarterly financial statements.

#### **Item 16 – Investment Discretion**

The Adviser is authorized to provide services in accordance with the Fund's specified investment objectives without client or investor consultation or consent before each transaction, subject to any applicable limitations in the Partnership's limited partnership agreement and the Management Services Agreement between the Partnership and the Adviser.

The Adviser has investment discretion over the Partnership's assets, in accordance with the Partnership's limited partnership agreement and the Management Services Agreement between the Partnership and the Adviser. Under the Partnership's limited partnership agreement, the General Partner, who is an affiliate of the Adviser, has full, exclusive and complete discretion in the management and control of the business and affairs of the Partnership and generally shall make all decisions affecting its business and affairs, subject to certain limitations. The Partnership's limited partnership agreement provides that the General Partner may delegate some or all of its authority and responsibility. The General Partner has delegated, among other things, its authority to manage the Fund's investments in securities to the Adviser. The Partnership's offering documents, including the Partnership's limited partnership agreement, generally set forth certain limitations with respect to the management of the Fund and the activities of the General Partner and the Adviser.

## **Item 17 – Voting Client Securities**

The Fund expects to invest primarily in farmland investments which will be held by one or more REIT or other subsidiaries of the Partnership. Although it is not expected that the Partnership's subsidiaries would issue proxies and, thus proxy voting would not typically be required, it is expected that the Partnership would vote the securities it holds in its REIT(s) or other subsidiary(ies) to the extent a vote of securityholders of such REIT(s) or other subsidiaries is held. In such event, or in the event that proxies are issued with respect to securities investments held by the Partnership, the securities or proxies, as applicable, will be voted by the General Partner or the Adviser on behalf of the Partnership considering the best interests of the Partnership as a whole.

Neither the Fund nor the Investors can direct voting of securities held by the Partnership.

From time to time, conflicts may arise between the interests of the Fund and the Investors, on the one hand, and the interests of the Adviser or its affiliates, on the other hand. If the Adviser determines that it has, or may be perceived to have, a conflict of interest when voting a security or proxy, the Adviser will address matters involving such conflicts of interest on a case-by-case basis by consulting with the Adviser's Chief Compliance Officer or his/her designee, subject to legal, regulatory, contractual or other applicable considerations. The analysis will be documented. The Adviser, in its sole discretion, may elect not to vote certain routine proxies if unduly burdensome.

The Fund and Investors can obtain information about how the Adviser or General Partner voted the Partnership's securities by requesting such information. The Fund and Investors may obtain a copy of the Adviser's proxy voting policies and procedures upon request.

If any subsidiary of the Partnership holds securities, such securities will be voted by such subsidiary.

## **Item 18 – Financial Information**

### **18.A. Advance Payment of Fees**

The Adviser does not require or solicit prepayment of fees from clients six months or more in advance.

### **18.B. Financial Condition**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about their financial condition. The Adviser is not currently aware of



a financial condition that is reasonably likely to impair its ability to meet contractual commitments to its client(s).

**18.C. Bankruptcy Proceedings**

The Adviser has never been the subject of a bankruptcy proceeding.