REAL ASSETS, REAL RETURNS: Global Real Estate, Infrastructure and Farmland

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Real Assets, Real Returns:
Global Real Estate, Infrastructure and Farmland

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CFA Society Toronto & CAIA Association
June 16, 2015
Canadian Real Estate – Yield in all Markets

Global Infrastructure - Yield in all Markets
REAL ASSETS, REAL RETURNS: Global Real Estate, Infrastructure and Farmland

Agricultural Total Returns – Never a Negative Year

Comparative Return Performance

Since Inception Returns

<table>
<thead>
<tr>
<th>NCREIF US Real Estate</th>
<th>MSCI Private Infrastructure</th>
<th>NCREIF Farmland</th>
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<tbody>
<tr>
<td>9.22%</td>
<td>13.40%</td>
<td>11.91%</td>
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Source: NCREIF, MSCI
Real Estate in a Mixed Asset Portfolio

Asset Class and “Risk Buckets” Approaches to Asset Allocation

Expected Return

- Stocks
- Real Estate
- Bonds
- T-bills
- TIPS

RISK

- Liquidity
- Inflation Hedge
- Illiquid
- Market Risk

The Expanding & Evolving Global Real Estate Universe

MSCI/IPD Coverage of “Private/Unlisted” Real Estate

- AMERICAS
  - 44%
- EMEA
  - 41%
- ASIA PACIFIC
  - 15%
- 25 COUNTRIES IN THE GLOBAL INDEX
- PLUS COVERAGE IN 7 ADDITIONAL MARKETS
- NOT YET IN THE GLOBAL INDEX

Source: MSCI, IPI
Real Estate Performance Around the World

1 Year and 5 Year Annualized Country-Specific Real Estate Index Returns (%)

Agriculture Management: Compelling Benefits and Key Challenges

Presentation to CFA Society Toronto & CAIA Association

June 16, 2015

Jon D. Bronson, CFA
Managing Director
Head of Portfolio Management
Income and Appreciation Contribute to Return

Annualized Performance Since Inception – 24 Years*

*Performance information is based on National Council of Real Estate Investment Fiduciaries (“NCREIF”) data. Inception for the NCREIF Farmland Property Index is Q4 1990.

Low or Negative Correlation to Financial and Other Real Assets

Correlation of Farmland to Other Financial Instruments 1994-2014*

*Equities represented by the S&P 500 Index. Farmland represented by the NCREIF Farmland Index. U.S. bonds represented by the BarCap US Aggregate Bond Index. Hedge funds represented by the HFR Equity Hedge (Total) Index. U.S. Dollar is the price-adjusted, broad dollar index from the Federal Reserve System. Real estate represented by the NCREIF Total Property Index. For the 20-year period ended December 31, 2014.

Please refer to the disclaimer page at the end of this presentation for important additional information.
**Attractive Risk/Return Profile**

Risk/Return 1994-2014*

- Farmland
- Hedge Funds
- Real Estate
- Timberland
- Stocks
- Bonds
- Cash

*Based on quarterly data for the 20-year period from December 31, 1994 to December 31, 2014. Equity performance represented by the S&P 500 Index. Farmland represented by the NCREIF Farmland Index. U.S. bonds represented by the BarCap US Aggregate Bond Index. Timberland represented by the NCREIF Timberland Index. Hedge funds represented by the HFRI Equity Hedge (Total) Index. Real estate represented by the NCREIF Total Property Index. Risk based on standard deviation for the same period. Past performance is not indicative of future results. Please refer to the disclaimer page at the end of this presentation for important additional information. Sources: NCREIF, Bloomberg, Hedge Fund Research, Inc.

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**Inefficient Farmland Market Provides Attractive Opportunities**

Properties can be acquired at steep discounts to market value and sold at a premium

*Represents 37 transactions. Source: Illinois Land Sales Bulletin
Key Risk Factors for Agriculture Management

- Operational Risks
  - Soils
  - Climate
  - Water
  - Pests & Disease
  - Labor & Machinery
  - Transportation
  - Storage & Handling

- Economic Risks
  - Financing
  - Currency
  - Capital Controls

- Political Risks

- Investment Risks
  - Land Costs
  - Interest Rates
  - Fixed Costs
  - Crop Insurance
  - Tax Structure

- Legal/Contractual Obligations
- Regulatory
- Title
- Stability
- Environmental

Disclosure

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Performance referenced prior to June 2011, the date that the Agriculture Management team of AgraShares, LLC joined Mesirow Financial, assumed at prior firms. Performance referenced is based on the weighted average comprised of AgraShares Fund I, II and III.

Investment Alliance provides web-based investment information and analytic technology.

Commissions and any incidental fees incurred herein are for illustrative purposes only and are not meant to imply that an investor’s return will be similar to the indices. The strategy is compared to the indices because they are widely used performance benchmarks.

The NCREIF Farmland Index is a quarterly time series composite return measure of investment performance of a large pool of individual agricultural properties acquired in the private market for investment purposes only. All properties in the Farmland Index have been acquired, or at least in part, by taxable institutions – the great majority being pension funds. As such, all properties are held in a fiduciary environment. The S&P 500 is a widely used performance benchmark. The NCREIF Farmland Index is an equal-weighted index including over 2000 individual properties. Performance referenced is based on the weighted average comprised of AgraShares Fund I, II and III.

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