



# THE FARMERS OF TOMORROW

## THE PATH TO NET ZERO.

Sustainability Linked Investing Starts with  
Our Farmers

ROYCE  
IMPACT

  
VARDARE





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## HERE'S TO THE FARMERS OF TOMORROW - TODAY!

We celebrate life and the farmers that help sustain it. Royce Impact is leveraging sustainable finance, science, traceability, and emissions management to accelerate sustainable land stewardship and drive increased profitability across regenerative agriculture.

For us, value creation is not only about generating financial returns for our partners, but also — and especially in today's complex and challenging world — driving positive environmental and social impact in the communities where we live and operate. By applying more than three decades of investment expertise across our vertically integrated platform, we believe we are well positioned to support the farmers of tomorrow in the decarbonization of industry and the drive to a net zero future.

**INVESTING FOR TODAY. TOMORROW, AND FOR LIFE.**

A VISION FOR  
THE FUTURE

ABOUT US





A PURPOSE DRIVEN  
ORGANIZATION



MISSION

**POWERING NATURE AND FEEDING THE PLANET**

Royce Impact Global is a purpose driven organization passionate in its pursuit to drive resiliency and profitability in sustainable agriculture.

Regenerative Agriculture is the worlds most efficient and scalable solution to climate change by actively reversing damage to the atmosphere through scalable and well managed carbon sequestration.

We are passionate about mother nature's awesome power to unlock scalable solutions for regenerative agriculture, while addressing the demand for sustainability solutions from consumers and conscious capitalism from corporate supply chains.



**POWERING NATURE AND FEEDING THE PLANET**



The Farmers of Tomorrow program is paving the way for greater resiliency and reduced volatility in the daily lives of US based land managers and farming operators while increasing profitability and investable yield per acre, overall enterprise value of business operations, and becoming an important contribution vehicle to the net zero movement.



## CLIMATE RISK IS INVESTMENT RISK

# PROBLEM

Asset managers hold a unique position in the climate risk debate because of their role in capital allocation and their stewardship and custody over many trillions in financial assets. Asset managers are, therefore, uniquely positioned to manage and mitigate the catastrophic effects that climate change could have on the economy and society.

In June 2021, 457 investors representing over \$41 trillion in assets under management (“AUM”) signed the 2021 Global Investor Statement to Governments on the Climate Crisis which urged governments to work with institutional investors to accelerate action to address the climate crisis by, among other things, reduce global net carbon emissions by 45% from the 2010 levels by 2030.

Firms with trillions of dollars under management have become too big to let the planet fail and financial regulators worldwide are moving quickly to ensure that banks, insurers and asset managers identify risk exposures from climate change and establish strategies and adjust business models to manage them.





## SECURITIES AND EXCHANGE COMMISSION

## REGULATION

In March 2022, the Securities and Exchange Commission (SEC) proposed a rule that would require public companies to include climate-related disclosures in their financial statements.

Notably, the rule would necessitate the disclosure of the public companies' "Scope 3" emissions, indirect emissions from upstream and downstream activities in their supply chains.



The rule applies throughout a publicly traded company's value chain, burdening all agricultural producers, particularly small and mid-sized farm operations. The Scope 3 emissions reporting requirement could impact a majority of farms as most of agricultural products are used or sold by a publicly traded company.

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Although farmers and ranchers are not public companies and, therefore, are not required to report directly to the SEC, the obligations to their regulated customers could be enormous.

Those customers—examples include Walmart, Kellogg's, Costco, and many others—will be under enormous financial pressure to significantly reduce their "Scope 3" emissions, which are emissions produced by activities occurring upstream and downstream in the value chain.

The SEC claims this requirement for greenhouse gas emissions disclosures

would "provide investors with information useful in decision-making as an investor assesses a registrant's exposure to and management of climate-related risks—and in particular, transition risks."

The increased production costs and difficulty in supplying accurate emissions data to public companies will be catastrophic in a farmer's ability to compete in global markets and will further accelerate market consolidation and vertically integrated supply chains.







REGENERATIVE AG





## THE FUTURE OF FOOD CONSUMERISM

### GOING BEYOND ORGANIC

At its most basic level, regenerative agriculture is a more nature-friendly way of farming. It can be thought of as the next step beyond organic and sustainability. Although there is not yet an officially agreed-upon definition, regenerative agriculture employs farming standards and practices that help restore depleted and degraded soil, improve biodiversity among pollinators (especially bees and butterflies) and increase carbon capture, creating long-lasting environmental benefits.

### THE FUTURE OF TRACEABILITY TECHNOLOGY

Soon, due to technological advances in satellites, smart sensors and Blockchain (a complex technological platform that will significantly improve traceability), retailers will supply real time data to consumers that will have tracked the performance of their food producers with access to monitoring data ranging from everything ranging from carbon emissions, carbon sequestration, water usage, and biodiversity.

If “Organically Grown” food is better for people’s health, think of regenerative agriculture as being better for both people’s health and the health of the planet. The result is that regenerative agriculture seeks to produce healthier profits, healthier food, a healthier planet, and a more resilient and sustainable farming industry.



## GROWING BUYER AND CONSUMER DEMAND

According to Nielsen, 75% of millennials are altering their buying habits with the environment in mind. This sentiment, of course, does not always materialize into tangible actions on behalf of every consumer.

However, it is clear from the actions of Costco, Walmart, PepsiCo, Government Regulators, and others, consumer and industry expectations are shifting to purchase only regeneratively produced foods that meet the sustainability standards of tomorrow's regulatory requirements and consumer expectations.

Not every consumer will care about these things, but it is clear that consumers, buyers, and regulators are increasingly committed to "earth-friendly" foods that only regenerative, sustainability focused farms can produce.







## THE FUTURE OF REGENERATIVE AGRICULTURE IS CERTAIN

Regenerative agriculture is rapidly moving into the mainstream faster than many people expect. We have seen it coming in the capital markets for several years, however, the demand from the consumer side so quickly and at a very surprising level, forcing growers, buyers, and regulators to take notice.

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For those that heed the call, it is an opportunity of a lifetime. Consumers receive healthier foods; farmers have a more secure and prosperous future and the planet will benefit because regenerative agriculture provides a better chance to heal and restore itself.

At the intersection of all these forces coming together will be the “Point of Purchase” partnerships that will be more demanding of the agriculture industry to provide very clear and concise sustainability services to meet the requirements of our net zero future.





## IS REGENERATIVE AG THE NEXT GOLD RUSH

In the 1800s we had the gold rush. In the 1900s the rush for oil began. And now in the 2000s there is a new resource that is abundant to the planet, one that could be mined, absorbed, or sequestered almost anywhere; a commodity that could become highly valuable in future, though currently is one of our biggest problems we need to tackle. We are of course talking about carbon dioxide and relative (CO<sub>2</sub>e).

### **FARMING CARBON IS NEXT GEN MINING**

The carbon industry isn't about to boom, it is booming now...and is expected to be the next generation of mining. CO<sub>2</sub> is a natural resource, and commodity like gold, silver, and oil. Successfully mining it from the atmosphere and storing it in our oceans, forests, and soils not only effectively mitigates climate change, but has also created the next gold rush...and agriculture is the only industry in the world that can provide that solution.

# OPPORTUNITY





THE POWER OF SOIL



VEHICLE



The current emphasis on agriculture as a part of climate change solutions is highly promising and emphasizes the critical role of agriculture — not only for food security on the national and global levels, but also as a critical, and one of the most readily available, solution to use for mitigating climate change impacts.

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If you've never heard about the amazing potential of regenerative agriculture and land use practices to naturally sequester a critical mass of CO<sub>2</sub> in the soil and forests, you're not alone. One of the best-kept secrets in the world today is that the solution to global warming and the climate crisis (as well as poverty and deteriorating public health) lies right under our feet, and at the end of our knives and forks."

The broad excitement around regenerative agriculture is tied to its potential to mitigate climate impact at scale. The National Academies of Sciences, Engineering, and Medicine estimates that soil sequestration has the potential to eliminate over 250 million metric tons of CO<sub>2</sub> per year, equivalent to 5% of U.S. emissions.

Backed by innovations in science, big data, sustainable finance, and farmer networking, investing in regenerative agriculture promises to slash farming's carbon footprint while rewarding farmers for their stewardship.



## THE POWER OF SOIL





## THE FARMERS OF TOMORROW

# PROGRAM

The Farmers of Tomorrow have taken the leap into the world of sustainability, positively impacting Mother Nature, and contributing to the legacy left for the next generations. The road to net zero is a distant journey, but for The Farmers of Tomorrow, it is an exceptional and challenging opportunity for new ventures, new ideas, and new approaches.

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The Farmers of Tomorrow program was curated to meet the unique needs of land stakeholders and evolve with the agricultural operation and business enterprise over time, providing land managers and farmers with a framework for continuous improvement.

We are taking sustainability to a new level at Royce Impact Global, leveraging it as a growth strategy for our Firm, our Farmers, and our Investors. By using sustainability as a driver of opportunity, we can help the stewards of agriculture become the leaders in achieving lasting outcomes for communities and growing a healthier future for generations to come.



Farmers are the backbone of our society and are facing unparalleled failure risks unlike any time in history.

Farmers are being flanked with unprecedented levels of operational, regulatory, and marketplace risks ranging from climate change, supply chain dislocations, producer price inflation, labor conditions, food safety regulations, and the like.

To add to these concerns, farmers are now faced with a multifaceted entanglement of risks ranging from price volatility, low-cost imports, net zero commitments, and Scope 3 emission reporting.

The Farmers of Tomorrow program is a “Risk Management” solution to the forces of failure plaguing agriculture today, helping farmers engineer a financial arbitrage of vertically integrated income streams as an offset to untenable regulatory burdens, counterparty certifications, and commodity volatility.



## THE WAR AGAINST AGRICULTURE

# RISK MANAGEMENT



An aerial photograph of a rural farm scene. In the foreground, a green tractor is driving through a field of harvested corn, leaving a trail of golden grain. The field is divided into rows, with some areas covered in snow. In the background, there are several farm buildings, including a large barn with a blue roof, surrounded by bare trees. The overall scene is set in a winter or early spring environment.

## A SUSTAINABILITY PARTNERSHIP

**The Farmers of Tomorrow** program in its purest design and intention is to bring the institutional advantages of structured finance, sustainability AgTech systems, and next generation food safety protocols to farmers of critical infrastructure land assets, providing a more resilient, sustainable, and profitable agricultural business for our partners of tomorrow.

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# PARTNERSHIP



The Farmers of Tomorrow program empowers our partners with a first mover advantage over their competition, with the opportunity to increase net yield per yield per acre, capital stack profitability to mitigate market and operational volatility, a roadmap for additional land acquisition, and increased importance as a net zero contribution vehicle for sustainability in regenerative agriculture.

In the coming years, sustainably managed land assets will become one of the most valuable **“Store of Value”** assets in the world due to its sustainability features and investor demand for climate focused investments, along with the potential to drive sustainability on a massive scale to ensure that farmers will be capable of meeting the agricultural needs of the 21st century and the planet's growing population.



DEMAND FOR STORE OF VALUE ASSETS WILL INCREASE IN THE COMING YEARS



Regenerative Agriculture with sustainable and certified productivity enhanced improvements, vertically integrated revenue streams, outsized yield per acreage, and agronomic innovations to improve efficiency will elevate land value, operational profitability, and enterprise valuation, while extending farmers a future of prosperity and certainty.





THE FUTURE IS GREEN

VERTICALLY INTEGRATED



## THE FUTURE IS GREEN

The Farmers of Tomorrow Sustainability Bond program is like nothing the agricultural industry has ever seen, in fact, no program like this exists anywhere in the world of agriculture, timber, or finance.

In fact, our program has the potential to greatly improve the livelihoods of land managers, reduce commodity volatility, remove adaptation risks to net zero, and help fortify the sustainability of ecosystem services.

Vertically integrated, sustainability solutions, whether ag related, or financial related in nature, carefully woven together as a vehicle of sustainability,

additionality, and contribution to a carbon free future in agriculture and all things climate sensitive is elevating the value of farming enterprises around the country.

The Farmers of Tomorrow program is unfolding a bright future for agriculture that is unexpected and is quickly becoming one of the most important programs to come to the farming community in decades.



# VERTICALLY INTEGRATED PROFITABILITY

We celebrate life and the farmers that help sustain it. Royce Impact/VARDA is leveraging sustainable finance, carbon science, technology, and emissions management to accelerate sustainable land investment, driving resiliency, increased profitability, and enterprise appreciation across regenerative agriculture.

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For us, value creation is not just about generating financial returns for our ag partners, but in today's complex and challenging world, we are future focused on helping farmers de-risk the transition to the parameters of carbon free commerce and profit from the enterprise appreciation of what will soon become one of the most valuable investment classes in the world of sustainable investing.

Our vertically integrated, sustainability bond framework is financially engineered to capital stack a first of its kind, "Omni-Channel" income stream, protected against seasonal conditions, commodity volatility, and counterparty audit. In an industry with highly variable returns from one year to the next, the farmers of tomorrow program create resiliency, stay ability, and sustainability, all in one program.





## INCOME STACK FOR ENTERPRISE APPRECIATION

The Farmers of Tomorrow Sustainability Bond program is a vertically integrated, omni-channel income strategy engineered to increase operational profitability, enterprise resiliency and sustainability, improve counterparty sell through, and increase cap rate valuation per acre.

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In the coming years, sustainably managed land assets will become one of the most valuable “**Store of Value**” assets in the world due to its sustainability features and investor demand for climate focused investments, along with the potential to drive sustainability on a massive scale to ensure that farmers will be capable of meeting the agricultural needs of the 21st century and the planet’s growing population.



Agriculture and Timber play critical roles in addressing climate change as it pertains to climate related investment risk, reversing biodiversity loss, and supporting the livelihoods of critical infrastructure operators.

The Farmers of Tomorrow Sustainability Bond program is curated to address the independent and unique needs of your operation, affording us the ability to grow with your enterprise over time, providing you with a framework for continuous improvement and capitalization.



Through our sustainability framework and with our sound auditing assurance procedures, you can be confident that your operation is not only growing in profitability and value but is achieving lasting outcomes for communities and generations to come.

In the world of sustainable investing, we see enormous opportunity to make sustainability a smart financial decision for stewards of critical land assets, and a mechanism of sustainable investing, whereby creating a partnership of profitability in the transition to a net zero operation. A partnership of capital investment, asset protection, and continuing support of prosperity for our regenerative investment partnerships.

### NOTABLE ATTRIBUTES OF OUR PROGRAM:

- Vertically Integrated Income
- Net Zero Operations
- Tier One Counterparty
- Cap Rate Growth
- Enterprise Appreciation
- Certified Carbon Management
- Increased Yield & Sell Thru
- Hedge Commodity Volatility

#### ENTERPRISE VALUATION

SUSTAINABLE FRAMEWORK | CAPITALIZATION RATE MODELING | VERTICAL INCOME STACK  
| CONTRIBUTION VEHICLE IN CARBON FREE FARMING

#### SUSTAINABILITY BOND

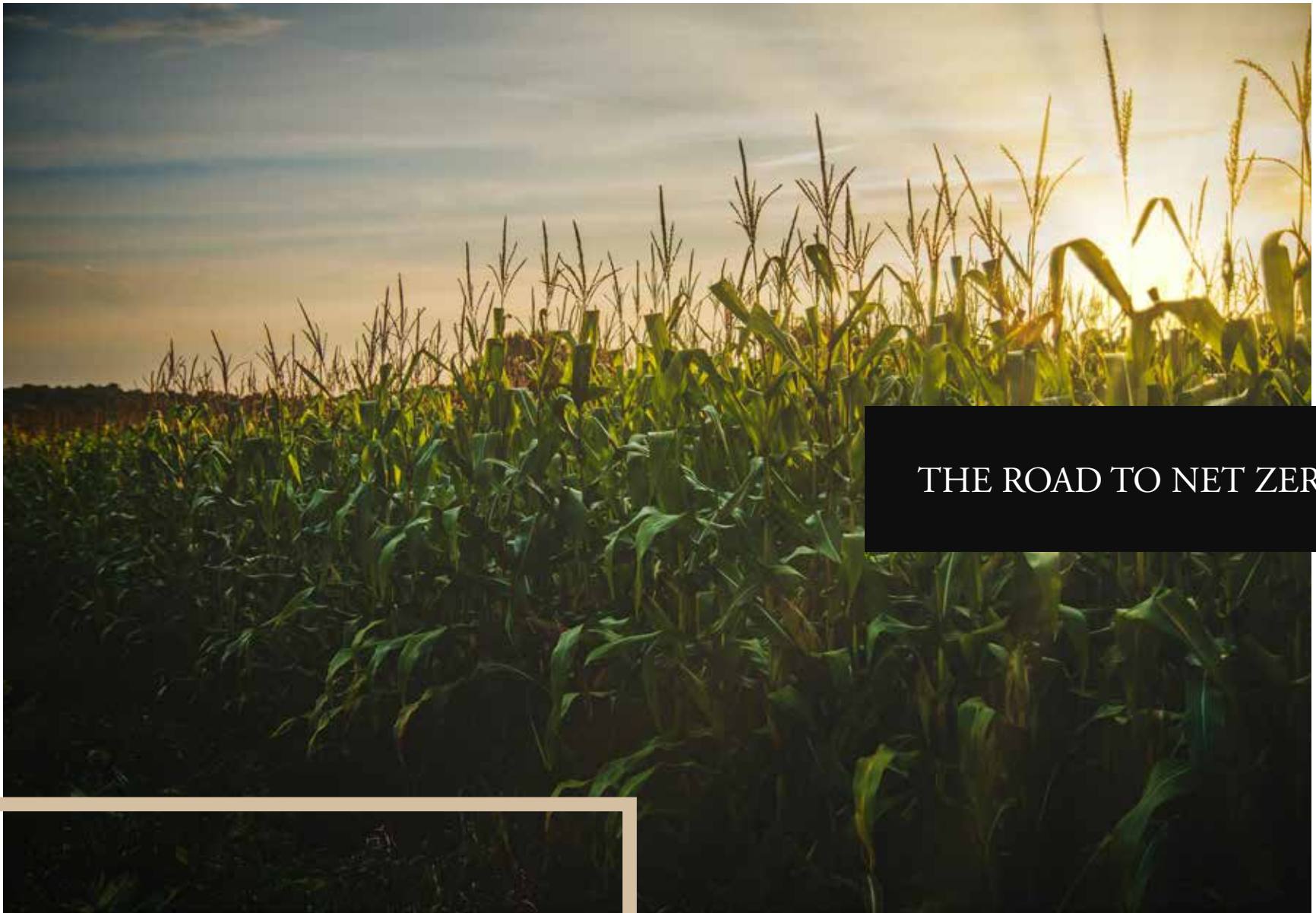
CIRCULAR INVESTMENT | NET ZERO EXPANSION | LAND ACQUISITION

#### CARBON INSETTING

TIER ONE COUNTERPARTY | NET ZERO CERTIFIED | SCOPE 1 & SCOPE 2 EMISSION  
REPORTING | CERTIFIED CARBON CREDITS

#### REGENERATIVE LAND ASSETS

SUSTAINABLE LAND MANAGEMENT PROGRAM | HEDGE COMMODITY VOLATILITY |  
SEASONAL CONDITIONS PROTECTION | ECOSYSTEM SERVICE PROVIDER



THE ROAD TO NET ZERO

CARBON CAPTURE





## THE ROAD TO NET ZERO

Agriculture and global food systems are the world's second-largest emitter of greenhouse gas emissions after the energy sector. Around 23% of global greenhouse gas emissions can be attributed to agriculture and can be linked to many global challenges, making this sector a very important stakeholder in achieving global net zero emissions.

The Farmers of Tomorrow program was designed to help reverse the role of agriculture and help farmers realize the benefits and true potential of transforming food systems into becoming a net-zero, nature-positive, agriculture-based technology, and contribution vehicle to the food safety supply chain.

The mix of climate pollutants produced from agriculture (including CO<sub>2</sub>, methane, and nitrous oxide) along with natural carbon sinks in some environments also present unique challenges and opportunities for net zero agriculture.

Regenerative agriculture and climate-smart measures designed to put farmers at the center of this movement can help farm managers improve crop yields, turn farmland into efficient carbon sinks, reverse emission output, and rethink global and local supply chains to be more sustainable, and contributing to a net zero future.

## THE RACE TO 2030 AND BEYOND!

Climate-smart agriculture can lead the race to achieve net-zero, nature-positive results by 2030. Farmers are at the forefront of this movement and our priority is to help land stewards of our precious natural resources transition food systems in an equitable and resilient manner.

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The Farmers of Tomorrow program is a partner focused program helping farmers de-risk transition and adopt regenerative agriculture practices to step change the speed and scale at which we can implement, certify, and deliver a holistic package of goods and services into the economy all while maintaining net zero operations.





# INVESTING IN THE FOOD SYSTEMS OF TOMORROW

We know that the farmers are faced with untenable challenges if not addressed in an appropriate and timely manner. We help farmers finance and transform food production and supply chain operations to cut greenhouse emissions, build healthier soils, create more sustainability, ensure that farmers are properly incentivized to care for their land and realize the economic value equitable to the contribution provided as a Net Zero Counterparty.

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These interventions allow companies to achieve corporate sustainability goals, whilst building climate resilience and supply chain stability at the heart of their operations, future proofing their businesses, and improving the quality of raw materials.

Only by working together can we build the food system of the future. We can only scale up regenerative farming to restore nature and reverse climate change with future focused operators using only science-based targets and activities.





## THE FUTURE OF CARBON SEQUESTRATION

Countless enterprises are turning to “**Carbon Offsetting**” as a method to reducing their overall carbon footprint. But the Farmers of Tomorrow are going in the opposite direction: **Carbon Insetting**.

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Agriculture is unique unto itself in the fight against emissions, and unlike any other form of Ag-Technology has a natural ingress-egress relationship with climate. A natural “Earth-Exchange” whereby emission output during food production is immediately countered by emission capture with proper soil and carbon sequestration management.

This natural earth exchange is critical to the carbon movement and without the

contribution of carbon removals at the agricultural level, carbon reduction commitments will inevitably fall short of their 2050 targets.

The Farmers of Tomorrow program, along with its sustainability partnerships, is an essential tool for any company with an agricultural supply chain, looking to address their “Emission Footprint” and “Net-Zero” commitments.





## DECARBONIZING FARM TO FORK SUPPLY CHAINS

The Farmers of Tomorrow program is about creating shared value in supply chains involving agricultural systems, which are the largest, and most significant managed ecosystems on earth, offering multiple opportunities for improving agricultural operators balance sheets, enterprise valuations, production sell throughs, and contributive ecosystem services.

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With agriculture taking a much more holistic approach to carbon sequestration than simply carbon offsets, creating a direct impact on the value chain and subsequently strengthening their ties with their upstream counterparties.

Carbon offsets are a recognized and well-known sustainability concept, and the idea of carbon insets as an emissions neutralizer is an additive solution and not intended as a replacement to certified carbon offsets as a reduction strategy. In fact, we believe Insets can (and should) be used in tandem with offsets



# CARBON INSETS VERSUS CARBON OFFSETS

Carbon insetting refers to any activity that reduces greenhouse gas (GHG) emissions or sequesters carbon and is linked to the supply chain or direct sphere of influence of a company that supports or is responsible for the insetting activity.

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**Net Zero Farming and Tier One Counterparty trading** enhances a farmers competitiveness while also improving the economic and social conditions of the communities in which it operates.

Unlike the current carbon offset approaches, carbon insetting offers benefits for the communities on which farmers and supply chain partners rely. These partnerships benefit from the shared value created, while reducing their emission footprint and investing in the resiliency of their agriculture supply chains.





## CARBON TRADING AT TIME OF SETTLEMENT

Compensation can be taken in the form of carbon credit trading or in higher compensation of yield in support for the carbon-insetting activity. However, its purpose is to generate shared benefits for supply chain partners, in addition to the benefits of climate change mitigation itself.

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Carbon offsetting, in contrast, refers to compensation for GHG emissions outside the company's supply chain or sphere of influence and without additional benefits. For most food products, the potential for GHG mitigation exists mainly on farms.

The critical net zero strategy suggests that companies looking to decarbonize should mitigate first (Scope 1 & Scope 2) then offset their unavoidable emissions. What lies between these two measures is carbon insetting. Carbon Insets represents the actions taken by The Farmers of Tomorrow to fight climate change within its own value chain in a manner which generates multiple positive impacts, creating resiliency, stay ability, and sustainability in regenerative agriculture.

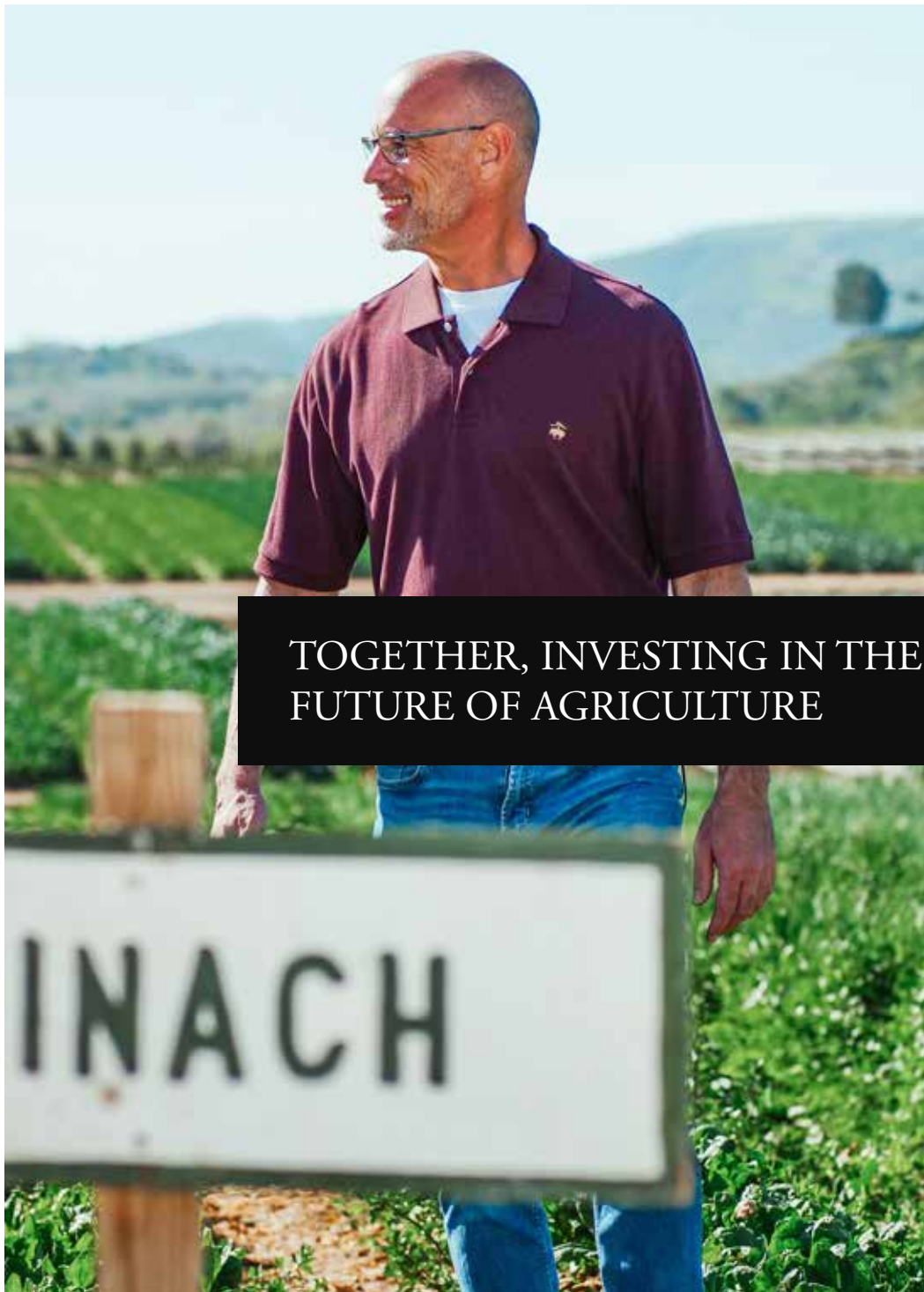






# SUSTAINABILITY PLAN





TOGETHER, INVESTING IN THE  
FUTURE OF AGRICULTURE

### UNLEASHING THE SUPERPOWER OF REGENERATIVE AND RESILIENT AGRICULTURE

The Farmers of Tomorrow are leveraging the awesome power of nature, science, finance, and technology to increase the resiliency and profitability of their agricultural enterprises.

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Born from the idea of harnessing nature to help farmers sustainably feed the planet, protect land assets, and institute enterprise development solutions that will meet the needs of tomorrow and feed many generations to come.

## REGENERATIVE FIXED INCOME FOR SUSTAINABLE AGRICULTURAL

The Farmers of Tomorrow Sustainability Bond is giving land stewards unique access to balance sheet liquidity and stored land value helping farmers build resilient and sustainable agricultural enterprises.

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## TRANSFORMING SUSTAINABILITY LAND ASSETS

Historically, most land managers have taken a very linear approach to their farming operations – but that dynamic is quickly changing due to a changing regulatory landscape and shifting marketplace conditions.

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We are witnessing the transformational power of “Regenerative Fixed Income” and expect this trend to continue as farmers begin to exploit the structural advantages of our sustainability bond, and vertically integrated, cap stack strategies.







## THE BEST LAID (PLAN) FOR STAYABILITY

### FINANCIALLY ENGINEERED FOR A NET ZERO FOOTPRINT

Our “Sustainability PLAN” was designed to unlock the superpower of regenerative land assets to mitigate operational risk, market volatility, increase cash flow, maximize additionality investments, food safety certification, and meet the strictest of sustainability standards to ensure a carbon free future.

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Our Sustainability Framework and vertically integrated cap stack strategy provides access to a unique and exclusive fixed income solution and suite of sustainability services only available to the farmers of tomorrow.

# WHAT IS A PLEDGED LAND ASSET NOTE (PLAN)?

A pledged land asset note is a financially engineered equity arbitrage for asset managers of regenerative land assets, creating balance sheet liquidity and long-term investment income.

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The Farmers of Tomorrow “Sustainability PLAN” is the first of its kind and only available to asset managers seeking auditable, net zero, farming operations. A “Pledge Land Asset Note” is traded in conjunction with a “Sustainability Linked Bond” at time of trade settlement, unlocking balance sheet liquidity and long-term investment income for regenerative land assets contributing to the net zero standard.

Our “Sustainability PLAN” not only adds to the internal and external additionality metric for sustainability, but also creates a partnership of circular investment between a sustainability focused insurance company and regenerative land assets that are contributing to a carbon free future.







GREEN BOND





FINANCIALLY ENGINEERED  
ASSET PROTECTION



GREEN BOND



## AGRICULTURE: AN ASSET CLASS QUICKLY ON THE RISE

The market for sustainable investing is growing at a pace that global asset managers and professional investors haven't seen in decades, creating enormous upside opportunities for those land stewards who take notice and posture for the future of farming.



MARKET FOR SUSTAINABLE INVESTING IS GROWING



## STRUCTURED PARTICIPATING OFFERING

Since inception, we have been dedicated to investing in our communities, mobilizing our resources for impact, and caring for our environment and the economic health of our sustainability partnerships. The Farmers of Tomorrow program affords us that opportunity to greatly expand our sustainable investment activities and have a meaningful and positive impact on the environment and the world around us.



## AGRICULTURE IS THE BACKBONE OF OUR SOCIETY

The Farmers of Tomorrow “Sustainability Bond Offering” and “Structured Participation Strategy” provides a unique opportunity to our “Farmers of the Future” with the opportunity to hedge increased regulatory and counterparty risk, reduce operational friction and latency, increase yield and net profitability, and greatly elevate the importance, contribution, and overall asset value of the business enterprise.

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We take a “Growth & Yield” approach to our partnerships releasing us from the shackles of yesterdays ideas and affording us the flexibility to re-think the traditions of finance and farming, giving our sustainability partners marketable advantage over their competition.

This optimized structure was developed by some of the most accomplished thought leaders in the world of structured finance, capital markets, institutional insurance, carbon offset, and renewable energy trading. Our Sustainability Framework is unlike any other financial and sustainable services construct, greatly improving the resiliency and value of our coveted farm communities, the environment, and the families that rely on all of us to do the right thing.





## KEY DETAILS TO THE SUSTAINABLE BOND OFFERING:

- Asset & Volatility Arbitrage (Hedge Against Crop & Labor Volatility I Regulatory Risk)
- Enhance Gross Income Per Acre (Fixed Income I Long Term Dividend)
- Increased Land Value (Cap Rate Valuation I Carbon Offset Demand I Net Zero Operator)
- Investment Grade Proxy (Senior Tranche I Structured Participation I Circular Investment)
- Excess Loss Protection (Equity Capital I First Loss Protection I Mezzanine Tranche)

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The Farmers of Tomorrow program and our structured participation offering was designed as an “Asset Protection” strategy utilizing the mechanisms of securitization to create a vehicle of sustainable investing for our farmers and investors.

Our priorities are to bring the institutional advantages of structured finance to the farmers of critical infrastructure land assets, incorporating sustainability frameworks that protect against regulatory risk, increase resiliency and net revenues per acre, provide an efficient roadmap for additional land acquisition and contribution capacity, and greatly increase the trade value of the Sustainability Enterprise.

# PINNACLE

Royce Impact CAPITAL ADVISORS  
STRUCTURED PARTICIPATION POOLS

SENIOR	SUSTAINABLE NOTE PROTECTED PORTFOLIO
MEZZANINE	EXCESS OF LOSS COVERAGE
SUBORDINATE	RBC, NAIC, & CIMA REGULATED PORTFOLIO

STRUCTURED INTO 3 TRANCHES:

Subordinate	Asset & Credit Backed Portfolio	RBC, NAIC, & CIMA Regulated Protection
Mezzanine	Excess of Loss Coverage	Equity Capital Risk Offset Protection
Senior Protected	Sustainable Bond Arbitrage	Sustainability Linked Investment





## SUBORDINATE TRANCHE: RBC, NAIC, & CIMA REGULATED PORTFOLIO

### REGULATED RISK BASED CAPITAL (RBC)

Regulated Risk Based Capital (RBC) Regulators are charged with ensuring that insurance companies can fulfill their financial obligations to policyholders. One way they do this is by imposing a risk-based capital (RBC) requirement.

Developed by the National Association of Insurance Commissioners (NAIC), Risk Based Capital testing is a regulatory policy and risk management tool used to determine the financial solvency of insurers and reinsurers daily as a mechanism to protect against systemic investment risk and portfolio solvency.

Royce Impact/VARDA has the privilege of serving the most accomplished of our society. High performing portfolio returns are a discipline of conservative risk taking with a long duration time horizon. This conservative discipline is at the very core of our investment management agreement. Our (RBC) Risk Based Capital Targets and Investment Allocation will be centered on acquiring High Grade, Long Duration, A Rated Fixed Income Securities supported by Super Prime, Private Client Credit backed by High Value Real Estate Assets.



## MEZZANINE TRANCHE: EXCESS OF LOSS COVERAGE

### EQUITY CAPITAL RISK OFFSET PROTECTION

Our Structured Participation is a synthetic combination of traditional risk of loss reinsurance and structured securitization. Optimizing the benefits of these risk management vehicles in a private placement transaction enables our investment partners the ability to take a position in the capital stack based on regulated risk tolerance, all the while maintaining our priority of protecting the senior tranche against any form of exposure to portfolio impairment.

The placement of our Excess of Loss Mezzanine Layer sitting between the Asset Protected Senior Tranche and the Asset Backed Subordinate Tranche, creating an investment grade proxy in the most efficient way to obtain institutional level risk management protection in a private placement transaction.





## SENIOR TRANCHE: SUSTAINABLE NOTE PROTECTED PORTFOLIO

### INVESTMENT GRADE PROXY

The Farmers of Tomorrow Sustainability Bond Structure coupled with the senior and subordinate mezzanine stack, creating a private placement, investment grade proxy, is the first of its kind in the world of Agriculture. Our Sustainability Bond is financially engineered for greatest return on equity while benefiting from the systemic protection layered into our credit risk assurance model.

An idea born by its founders with one motive in mind; help farmers unlock the assets at their disposal to compete with the market forces of regulation and big box competition, affording them an opportunity to not only compete, but to flourish. Our program helps unlock balance sheet value in a manner that opens the advantages of institutional capital and private placement securitization, circumventing the pitfalls of traditional collateralized obligations.



A PURPOSE DRIVEN  
ENTERPRISE

OUR STORY



At Royce Impact/VARDA, we celebrate life and the farmers that help sustain it. Royce Impact/VARDA provides farmers with innovative capital solutions, unlocking enterprise value that builds stronger producers of the world's critical infrastructure needs.

Royce Impact/VARDA is co-founded by John Royce Lynch, CEO of Royce Impact Holdings, Inc and Anatoly Burman, former Vice President of SunAmerica/AIG Life Insurance Company and now President, and CIO of Varda Holdings Ltd., Paul Murphy, Director and General Counsel, Varda Holdings Ltd.

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Royce Impact Holdings, and its family of companies are committed to serving the needs of the high net worth. Royce Impact is a diversified financial enterprise curating private client solutions across all major commercial and residential asset classes.





Varda Re, a Cayman-based reinsurance company, and wholly owned subsidiary of Varda Holding Ltd. Varda Re's core business is Fixed Annuity Reinsurance, partnering with U.S. Based Life and Annuity Insurance Companies to mitigate Life Insurers capital requirements, enhance their presence in the retirement market and improve financial results.

Our founders and management team leverages 150+ years of combined experience to create opportunities in today's evolving retirement marketplace for the growing number of individuals nearing retirement.



For Royce Impact/VARDA, value creation is not only about generating financial returns for our partners, but also — and especially in today's complex and challenging world — driving positive environmental and social impact in the communities where we live and operate.

By applying decades of investment expertise across our vertically integrated platform, we believe we are well positioned to support the farmers of tomorrow in the decarbonization of industry and the drive to a net zero future.

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A DREAM TEAM OF  
TALENT

LEADERSHIP

## John Royce Lynch

### CEO, ROYCE IMPACT HOLDINGS, INC

John Royce Lynch, Founder and CEO of Royce Impact Holdings, Inc. is responsible for providing senior leadership and strategic direction to Royce Impact's credit, insurance, and asset management businesses. What began as a linear venture has morphed into a vertical integrated, global organization and industry leading incubator of ideas pushing the boundaries of innovation in the new era of high-net-worth financial services.

Prior to founding Royce Impact, John Co-founded Secured Funding Corporation, an online specialty finance company, and grew it into the nation's largest privately held independent loan originator of subordinate lien financing and a category leader.

Known for his intense commitment to his work, John is recognized as one of the industry's top entrepreneurs and origination experts, with a track record of growing some of the most respected companies in the financial services industry. His portfolio of companies is diverse,

with operating entities in financial services, fintech, marketing, and communications.

## Anatoly Burman

### PRESIDENT, CIO, VARDA HOLDINGS, INC.

Anatoly Burman, President, Chief Investment Officer is responsible for overseeing the execution of the firm's overall investment strategy. His primary responsibilities include the portfolio of the firm's investments to maximize risk and return balance, oversight of all internal and external market professionals, and manage all structured product securities, collateral, and credit quality.

Anatoly joins the firm with over 37 years of experience in analyzing, structuring, assessing ALM suitability, trading securities and managing portfolios for insurance companies and institutional investors. His coveted career spans across many notable ventures ranging from the founding of the Structured Products Group at Aladdin Capital, managing \$13bn of structured product assets, CDO's, hedge funds, SMA, and ABCP conduit. Prior to joining Aladdin, Anatoly served in the capacity of Vice-President/ Senior Portfolio Manager at SunAmerica/AIG Insurance company, managing over \$40bn of investments in asset-backed, mortgage-backed securities and other structured assets,

across life companies, total return portfolios, securities lending, and short duration portfolios. Additionally, Anatoly managed public, private placements, and 144A structured securities for New York Life and AMBAC.

He previously ran the research department at Mabon Securities, and authored a weekly publication on market trends, prepayment analysis of MBS, analysis of ABS, and trading models of new structured products. Anatoly received his BA in Economics and Computer Science from Rutgers University and his MBA from Fairfield University. He holds Series 24, 7 and 63 licenses.



## Paul Murphy

DIRECTOR, GENERAL COUNSEL, VARDA HOLDINGS, INC.

Paul Murphy, Founder, Director and General Counsel of Varda Holdings, Inc and is responsible for all legal and regulatory oversight of the Cayman Reinsurance Enterprises. This includes sourcing, negotiating, and managing reinsurance treaties, supervising custodian and trustee relationships, operational oversight and ensuring the reinsurance company's investment portfolio is compliant with all applicable laws and regulations. Paul takes a proactive role

in business development for Varda Re which includes cultivating accretive relationships with best-in-class service providers and other counterparties.

Paul has over 18 years of extensive experience in multi-national insurance, reinsurance, regulatory, capital markets and restructuring law which includes positions as general counsel and chief operating officer of a Cayman Islands reinsurance company. He is a director and consultant to several offshore financial institutions including funds, charitable organizations and other regulated entities and has specific experience managing various

structured financial instruments such as collateralized loan obligations and mortgage-backed securities.

Paul received his BA (Hons) in History from Durham University before being awarded a full scholarship by Gray's Inn to complete the bar vocational course. He was called to the bar of England and Wales in 2004, moved to the Cayman Islands in 2012 and was a recommended attorney by the Legal 500 in 2017 and 2018 before leaving private practice to pursue opportunities in reinsurance and other financial institutions.

## Kyle Diehl

PRESIDENT, INVESTMENT BANKING, CAPITAL MARKETS, ROYCE IMPACT HOLDINGS, INC.

Kyle Diehl, President, Chief Investment Officer is responsible for overseeing the execution of the firm's M&A, Capital Markets, and Investment Banking strategy. His primary responsibilities include implementing the firm's strategic growth plan, executive oversight of enterprise growth initiatives, including new business expansion, mergers and acquisitions, and business development.

His tenure in international investment, and as a global markets professional is impressive with over 20 years of experience in analyzing and structuring secured equity and private placement investments, international banking, sovereign trusts, capital markets, and private investment banking. The breadth of his impressive career spans across many ventures and across the globe with experience in international commercial banking primarily with Latin American Public Sector and Banking Companies. Recent consulting experience in, Kabul, Afghanistan, Tirana, Albania, and Amman, Jordan.

Additionally, he served as Managing Director and Chief Financial Officer (CFO) of Investment Partnership and operating investment firm investing for its own account in specialized business situations, responsible for definitive testimony, fairness opinions, and corporate valuation services for closely held private companies. Instituted and managed underwriting activities focused on transactions \$5-75 million. Managed participation in regional and national syndication as manager, co-manager and selling group member, completing over 500 underwriting transactions. Kyle received his BA in Economics from University of California at Berkeley.

## Joe McKnight

COO, GENERAL COUNSEL, ROYCE IMPACT HOLDINGS, INC.

Joe McKnight, COO, and General Counsel is responsible for overseeing the firm's compliance, operations, and risk management programs. His primary responsibilities include helping develop and implement the firm's strategic growth plan, executive oversight of enterprise growth initiatives, including new business expansion, mergers and acquisitions and business development.

Joe brings many years of experience as a partner and advisor to growing vertically integrated asset management firms. In 2006, he joined ECC Capital Corporation, a publicly traded C-Corp (previously a REIT) that invests in residential mortgage loans as Director of Legal, Executive Vice President where he developed and managed innovative investment structures designed to maximize investment value, and managed all regulatory compliance, licensing, and litigation.

Additionally, he managed ECC's mortgage-backed securitizations and servicing related to those securitizations. Joe has served as an active partner to a variety of asset

managers during his career, providing legal and operational guidance to enhance market opportunities, business growth, corporate best practices, and strategic direction.

Since 2015, Joe has served as Co-Chair for the Special Olympics' annual gala the Heart of a Champion. He's a current executive board member of Age Well Senior Services providing critical services, resources, and programs to seniors living in South Orange County. Joe attended Gonzaga School of Law receiving his Juris Doctorate in 2006, B.S. in Philosophy from California State University Fullerton, and Harvard Business School Executive Education.

## Andrea Korney

EVP, SUSTAINABILITY & ESG, ROYCE IMPACT HOLDINGS, INC.

Andrea Korney, Executive Vice President, Sustainability & ESG is responsible for overseeing the Royce Impact/VARDA'S corporate sustainability strategy and targeted ESG performance metrics. Drawing from her extensive experience, she will help develop and oversee all regenerative land development, ethical supply chain, carbon sequestration, and sustainable energy initiatives, capitalize on strategic opportunities, and continue to drive responsible, and profitable growth for Royce Impact/VARDA.

Andrea has over 16 years of extensive experience in sustainability and supply chain emission management, supplier diversity, and inclusion. Prior to joining Royce Impact/VARDA, she was Vice President of Sustainability for Frostbyte Consulting, the world's leading provider of environmental and safety management information systems (EMIS) providing solutions in scope 2 and 3 emissions, carbon, water, and energy management.

Andrea serves as Ambassador to the U.S. Department of Energy (DOE), advising on the Equity in Energy Committee focused on creating opportunity and access to energy resources. She is a board member of CAMSC,

an NPO that certifies & prepares diverse suppliers to successfully engage & respond to corporate and government buyers. She received licensed certification from Wharton University in ESG risks, opportunities, climate, and social impact. Andrea received her MBA from Ivey Business School at Western University.



## Thien Nguyen

MANAGING DIRECTOR, CAPITAL MARKETS,  
ROYCE IMPACT HOLDINGS, INC.

Thien Nguyen, Managing Director, Senior Portfolio and Capital Markets Manager is responsible for the structuring and management of our income and credit access vehicle through our proprietary structured participation offering for syndicate investors.

His tenure as a structured finance professional is impressive with over 20 years of experience in

trading, securitization, portfolio management, business, and infrastructure development. His daily focus is on building and managing strategies within the residential mortgage-backed securities market as well as managing the interest rate and credit risk exposure across Royce Impact/VARDA'S family of companies.

Thien began his capital markets career in 1997 and has investment experience across multiple sectors of the fixed income market. Prior to joining Royce Impact, he was Vice President of RMBS & ABS Investment at Cerberus where he led the group responsible for developing

the fixed income mortgage investment and valuation platform. The investment opportunities, in cash and synthetic securities, included ABX, CDS, whole loans, ABS, RMBS, SIVs, ABCPs and CDOs. Other notable positions include Senior RMBS Portfolio Manager at Redwood Trust, and Vice President of Trading at Falcon Bridge Capital (Carlyle Fixed Income Group).

## Irma Smith

EVP, CREDIT RISK & OPERATIONS, ROYCE  
IMPACT HOLDINGS, INC.

Irma Smith, EVP, Credit Risk & Operations for Royce Impact Holdings, Inc. is responsible for and oversees direct production and its associated teams, including processing, underwriting, and closing. Irma has over 30 years of experience in residential lending, with extensive knowledge in the management of credit risk, credit underwriting, quality control policies and fraud prevention measures in super prime, private client lending.

Irma's ability to identify and implement exceptional improvements has enabled her to enhance every department or channel with which she has worked since she joined Royce Impact in 2019. She also has been instrumental in the development of key underwriting process improvements as well as with mentoring colleagues who have gone on to see continued success with the company. Irma has led both start-ups and expansion of existing mortgage operations and has held coveted industry positions such as President of Operations at Secured Funding Corporation, the nation's largest privately held Home Equity Lender courted for acquisition by Capital One Financial Corporation.

## Ron Black

CHIEF FINANCIAL OFFICER, ROYCE  
IMPACT HOLDINGS, INC.

Ron Black, Chief Financial Officer, is responsible for all aspects of Royce Impact Holdings, Inc's financial actions, including its accounting, treasury, tax, corporate finance and investor and lender relations activities.

Ron has held leadership roles that include a variety of executive positions within capital management, mortgage lending and financial

services industries. Ron, previously served as the Chief Accounting Officer for Carnegie Mortgage LLC, a subsidiary of Grand Bank NA. Prior to Carnegie, Ron also served in the capacity of Chief Financial Officer responsible for Accounting, Treasury, Facilities and Information Systems for Town & Country Credit, a subsidiary of Ameriquest Financial and Encore Credit, a subsidiary of ECC Capital Corporation.

Ron is an experienced financial services executive with nearly 30 years of industry experience beginning his career at Deloitte.

He received his Bachelor of Arts degree in Accounting from Brigham Young University.

## Casey Turner

EVP, ENTERPRISE RISK & OPERATIONS,  
ROYCE IMPACT HOLDINGS, INC.

Casey Tuner, EVP, Enterprise Risk & Operations, is responsible for all aspects of Royce Impact Holdings, Inc. enterprise risk management. Her impressive track record and depth of experience in operational risk management and compliance is crucial to Royce Impact's ongoing commitment to establishing new products, new services, and advancing our deep commitment to the private client experience.

Most recently, Casey served as Director of Compliance for LoanSnap, Inc., a venture funded, fintech mortgage origination platform, advising on operational compliance, staff training, process design, and risk management frameworks. Previously, she held the position of Director of Operations for DLJ Financial, and has served as member on Asset Liability, Enterprise Risk, and Business Strategy Committees. Casey holds a Bachelor of Science Degree in Science from the University of Nevada at Las Vegas.



## Krista Tucker

EVP, ENTERPRISE OPERATIONS &  
ADMINISTRATION, ROYCE IMPACT  
HOLDINGS, INC.

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Krista Tucker, EVP, Enterprise Operations & Administration is responsible for enterprise operations, vendor management, employee experience, and serves as a strategic partner on enterprise-wide cross-functional initiatives. Krista has demonstrated expertise in her ability to efficiently manage major components of the enterprise along with the development of its administrative policies and practices.

Prior to Royce Impact, Krista served as Chief Operating Officer at Avid Law Center and as Project Manager at Secured Funding where she relied on her extensive experience to plan and execute for each organization. Krista has acquired a wide range of skills that she has added to her career as well as her schooling at Mesa State University where she retained her bachelor's degree in Business Management.

## Jason Jepson

EVP, MARKETING & COMMUNICATIONS,  
ROYCE IMPACT HOLDINGS, INC.

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Jason Jepson, EVP, Marketing & Communications is responsible for all aspects corporate communications, strategic communications planning, media relations, social media outreach, reputation management, and employee communications.

Prior to joining Royce Impact, Jason served as a managing partner for the Experience Firm. Jason also served as CMO for Wild Tonic, SVP at Mota, and Vice President at Treble Public Relations. Jason has led communications on two separate billion-dollar acquisitions. Mr. Jepson is an industry veteran with over 20 years of experience in all facets of corporate and crisis communications, marketing, public relations, and corporate strategy. Mr. Jepson received his BS in Communications from Vanguard University.

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