SOWER
LEGACY FARMLAND FUND

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COMMUNICATIONS PACKAGE

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PRESS RELEASE

TAX DEFERRED FARMLAND CONTRIBUTION FUND

--- FOR IMMEDIATE RELEASE Sower Launches Innovative Legacy Farmland Fund, Offering Tax-Deferred Benefits plus Returns for Contributors
Omaha, Nebraska, January 2023

— The Legacy Farmland Fund (LFF) by Sower Investment Partners is an innovative investment vehicle that provides a solution to one of the most glaring problems in legacy farming - succession. The pioneering LFF is a platform for Contributors to exchange their farmland for Fund Units, all while enjoying valuable tax-deferred benefits and the ability to participate in financial returns from a pool of farmland assets.

Contributing farmland into the Fund, via the 721 asset exchange, results in a win-win scenario for landowner's legacy and financial goals.

The Legacy Farmland Fund presents multiple advantages:
1. **Tax-Deferred Benefits**: Contributors can maximize the value of their contributions while deferring capital gains taxes.
2. **Participation in Returns**: Contributors have the opportunity to share in the returns generated by pooled farmland assets within the Legacy Farmland Fund.
3. **Flexible Estate Planning**: Fund Units accommodate increased flexibility for simple and more complex estate planning which includes philanthropic gifting.

"Sower is dedicated to providing a comprehensive solution for Contributors, allowing them to keep their legacy farms intact while also supporting the needs of heirs, and enjoying financial benefits." said Jared Hollinger, Founder and CEO of Sower. "The Legacy Farmland Fund empowers Contributors in their estate planning pursuits, while securing their financial interests and investment potential."

Legacy is committed to preserving local producer relationships and as such offers continued landowner control through restrictions on the sale of the asset, as well as optional lease back and repurchase rights.

A retiring farmer looking to convert to a passive investment or to position for estate planning can benefit from LFF by having the flexibility of unit ownership in the Fund.

Farmland that is controlled by a professional trustee may benefit from LFF by achieving diversity and third-party oversight in line with the investment mandate. Charitable giving is enhanced by LFF and allows for flexible giving, as opposed to whole real property asset gifting.

Estate Planning Professionals and Farmland Advisors can benefit by providing a tool to their clients that maximizes their plans' impact on current and future generations.

For more information about Sower and the Legacy Farmland Fund, please visit www.legacyfarmlandfund.com.

About Sower: Sower is a visionary company that serves as sponsor or key investment partner to a family of investment funds, syndications, and private placements. Founded in 2002, Sower investment vehicles include blind pool and pledged investment funds, discrete asset syndications, and private placements.

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GLOSSARY OF TERMS

Legacy Farmland Fund - A farmland contribution investment vehicle

Farmland Asset - The farm

Contributor - The Owner of the farm

"Contribution" or "Contributing" - The process whereby the farm is placed into the investment vehicle in exchange for Fund Units via the 721 Exchange

Fund Units - Share received by the Contributor when the farm is placed into the Fund

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CONTRIBUTION FUND

TAX DEFERRED FARMLAND CONTRIBUTION FUND

DIFFERENTIATING ESTATE PLANNING TOOL

- Ability to offer an innovative and powerful solution to maximize estate assets
- Can be used as an alternative to 1031 exchange to defer capital gains
- Greater means of preserving the family legacy

IMPROVED CONTROL & FLEXIBILITY OF A FARMLAND ASSET

- Ideal divestiture option for appreciated physical assets
- Fund Units provide for individual liquidity, transferability and gifting
- Control over tax deferral and capital gain events means the value of the contribution is often greater than if the asset was sold and the after-tax proceeds were reinvested

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BENEFITS

FARMLAND LEGACY PLANNING WITH OPTIMAL CLIENT BENEFITS

ESTATE PLANNING	Unit ownership won't trigger capital gains & leaves the estate intact, with the flexibility to gift, bequest, or liquidate in flexible increments.
LIQUIDITY	Unit holders have access to liquidity after the 1-year contribution period has expired; access that doesn't require the sale of the asset.
CONTROL	Contributors can retain control over tenant decisions to continue farming the land, and/or repurchase the farm in the future.
REVENUE DIVERSITY	Retaining unit ownership in a broad portfolio of farmland results in the ability to take advantage of future revenue sources derived from the entire portfolio - like wind, solar, wetlands, easements, mineral rights, etc.
INVESTMENT SECURITY	Unit holders immediately diversify their holdings, insulating against indirect factors & expenses that are often outside of an individual landowner's control.
MANAGEMENT	Professional farm managers maximize returns with proper lease structures and oversight, discounts, capital improvements & progressive partnerships.

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WHITE PAPER

Tax Deferred Farmland Contribution Fund
By Sower | Legacy Farmland Fund

The Legacy Farmland Fund (LFF) by Sower Investment Partners is an innovative investment vehicle that provides a solution to one of the most glaring problems in legacy farming - succession. The pioneering LFF is a platform for Contributors to exchange their farmland for Fund Units, all while enjoying valuable tax-deferred benefits and the ability to participate in financial returns from a pool of farmland assets.

What is a 721 Contribution Fund in relation to farmland?
A 721 Fund is an asset contribution vehicle that can be used as an alternative to a 1031 exchange. Its legal basis provides "that no gain or loss shall be recognized to a partnership or to any of its partners in the case of a contribution of property to the partnership in exchange for an interest in the partnership."
This means that a farm contribution into the Legacy Farmland Fund defers capital gains and provides flexible asset division and transferability. Let's look at the benefits of this innovative estate planning tool.

Why contribute a farm to the Legacy Farmland Fund?
Physical real estate is often difficult to sell and can lead to conflicts over the division of the assets. When an investor is looking to sell appreciated physical assets, a contribution of those assets to a 721 fund can be a beneficial strategy. Because contributions to a 721 fund are generally tax deferred, the value of the contribution is greater than if the asset was sold and the after-tax proceeds were reinvested.

As a Unit holder in a 721 fund, income and appreciation benefits continue to be realized during an owner's lifetime. Units can be fully or partially liquidated, through sale or gift. In summary, the three main benefits of Contribution are:
1. Tax-Deferred Benefits: Contributors can maximize the value of their contributions while deferring capital gains taxes.
2. Participation in Returns: Contributors have the opportunity to share in the returns generated by pooled farmland assets within the Legacy Farmland Fund.
3. Flexible Estate Planning: Fund Units accommodate increased flexibility for both simple and more complex estate planning which includes philanthropic gifting.

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WHITE PAPER

Contributing a farm to the Legacy Farmland Fund provides a greater means of preserving the family legacy. Contributors can retain control over tenant decisions to continue farming the land, and/or repurchase the farm in the future. Additionally, once the farm is contributed it becomes part of a greater portfolio of farmland assets. This exponentially increases a Contributor's access to revenue opportunities derived from the entire portfolio – opportunities like wind, solar, wetlands, easements, mineral rights, etc. This immediate diversification reduces the stress associated with "one bad year", natural disasters, or environmental issues that can have devastating effects on farm revenue. Assets are now insulated against indirect factors and expenses that are often outside of an individual landowner's control.

Farms contributed into the Fund benefit from professional farm management that continually reviews all farms in the Fund. Farm managers have extensive expertise in maximizing returns, ensuring that proper lease structures are in place. Not only do Farm Managers oversee the tenant relationship, but also improvements that can be made to leases and the land in general – such as discounts, capital improvements and progressive partnerships.

What is the process to contribute a farm?
Contributing a farm to Legacy Farmland Fund is similar to a traditional sale. The team at Legacy Farmland Fund will work with contributors to collect property information and conduct initial due diligence. After the initial due diligence occurs, a purchase price is established, which leads to the determination of the number of Units received in exchange for the Contribution.

Once the proposal is approved by the Contributor, a formal agreement is executed between both parties. The team at Legacy Farmland Fund will then handle the closing process from start to finish, and the farm is admitted to Legacy Farmland Fund at the close of the current quarter.

Who should consider Legacy Farmland Fund?
The Legacy Farmland Fund is committed to preserving local producer relationships. One of the foundational constructs of the Fund provides for the ability of landowners to retain control of their asset. The Legacy Farmland Fund accomplishes this in three major ways:

1.) Contributors can determine whether or not the Fund can sell the contributed farm which not only confirms Legacy's mission for long-term fund stewardship but also protects the Contributor from tax consequences.
2.) Contributors receive the first right of tenant designation.
3.) Contributors have the first right to repurchase the farm in the future.

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WHITE PAPER

The Legacy Farmland Fund is an ideal estate planning solution not only for non-active landowners and active farmers, but other institutions dedicated to helping producers achieve their financial goals.

A retiring farmer looking to convert to a passive investment or to position for estate planning can benefit by having the flexible unit ownership in the Fund. Additionally, farmland that is controlled by a professional trustee may benefit from Legacy by achieving diversity and third-party oversight in line with the investment mandate. Charitable professionals can utilize the Legacy fund to allow more efficient and flexible giving through Fund units, as opposed to whole real property asset gifting. Estate Planning Professionals and Farmland Advisors can benefit by providing a tool to their clients that can maximize their plans' impact on current and future generations.

Legacy Farmland Fund understands the significance of a farmland legacy. The Fund seeks to help farmland owners preserve their legacy and maintain an attachment to the land that likely has generational significance. In addition to the preservation features mentioned above, Contributors can also benefit from special usage rights such as continued access to the land for recreational activities and continued family ties to the farm, such as maintaining the farm's name in legal documentation. Contributors can also keep up with the status of the farm by receiving annual farm summary reports.

The Legacy Farmland Fund is an ideal estate planning tool that turns the stress of divesting the family farm into simple and sound financial planning. For contribution related questions, contact Lance Weaver, Director of Business Development at lweaver@sower.com. For media enquiries, contact Amy Denny at adenny@sower.com.

Like and follow our social media pages at: https://www.facebook.com/sowerinvesting/ and https://www.linkedin.com/showcase/legacy-farmland-fund/

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IDEAL PARTICIPANTS

THE PARTNERS OF LANDOWNERS SHOULD KNOW ABOUT LEGACY FARMLAND FUND

Institutional Partners:

- **Trust Officers**
- **Attorneys**
- **Accountants**
- **Farm Managers**
- **Brokers**
- **Estate Planners**
- **Foundations**

Landowner partners can assist clients in taking advantage of LFF to achieve their financial goals and protect their legacy.

Landowner currently experiencing passive income through a landlord-tenant relationship can maximize the investment by increasing oversight and diversity.

A producer looking to grow acres in their operation can utilize Legacy as a tool to acquire neighboring land via contribution and provide special use rights to the producer.

A retiring farmer looking to convert to a passive investment or to position for estate planning for multiple heirs can benefit by having the flexibility of unit ownership.

Farmland that is controlled by a professional trustee may benefit by achieving diversity and third-party oversight in line with the investment mandate.

Estate Planning Professionals and Farmland Advisors can benefit by providing a tool to their clients that can maximize their plans' impact on current and future generations.

Charitable professionals can utilize the Legacy Farmland Fund to allow more efficient and flexible giving through Fund Units as opposed to whole real property asset gifting.

FREQUENTLY ASKED QUESTIONS

Question: Why would a landowner consider Legacy Farmland Fund as a divestiture option?
Answer: Farmland assets are often the result of generations of labor that can ultimately achieve considerable value when an owner seeks to monetize the asset. Farms are also illiquid assets, difficult to divide or receive value without selling or borrowing against them. Legacy Farmland Fund is a divestiture option that defers capital gains taxes, offers a pathway to bequeath the farm to multiple heirs, keeps the farm intact with provisions for the family to continue to enjoy it and also serves as a source of passive revenue.

Question: What are the benefits of Legacy Farmland Fund?
Answer: When a farm is contributed into the Fund, a single farm asset expands to include a vast portfolio of farms throughout the United States, offering diversification in geography and crop type, mitigating risk while increasing income opportunities from alternative resources like wind, solar and recreational leases. Threats like weather, crop input expenses and market volatility can significantly impact revenue and value on a single farm but with ownership in the greater pool of farms, the asset is hedged against many assets.

The Legacy team manages the portfolio, creating value when there's opportunity such as land improvements and best in class lease structures with optimal tenants to maximize returns.

The contributor has the option to reserve the right to purchase the farm back at a future date, elect a tenant of their choosing and other rights such as reserving hunting and family gatherings on the property.

Question: What happens to an active tenant on the farm when it is contributed?
Answer: In most cases tenants can remain in their position actively farming the land.

Question: How does the contribution process work?
Contributing a farm into the Legacy Farmland Trust is simple and efficient. The process starts with a review of the asset to determine if a contribution is possible. If so, an application is completed, farm and ownership information submitted, and any existing arrangements are identified. The Legacy team then underwrites and prepares a proposal with values and terms. If agreeable, due diligence commences and a formal valuation and final contribution agreement is prepared and executed. Within 30-45 days of a quarter ending, the closing is scheduled and completed; and the new asset and owners are admitted to the Fund.

Question: Is Legacy Farmland Fund (LFF) comparable to a REIT for farmland?
Answer: It is comparable with key distinctions and advantages. First, a contribution to LFF does not trigger a capital gains event, whereas a sale to a REIT would. Secondly, LFF is effectively owned by its contributing members, which means that the base of capital is broad and diverse, adding to the long-term stability of the Fund; third and most important, the Fund has specific restrictions on debt, and limits on the sale of assets which add to the overall safety and security of the Fund Units.

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FREQUENTLY ASKED QUESTIONS

Question: Is LFF a 1031 exchange?
Answer: LFF is not a 1031 exchange. The Fund uses an asset contribution method instead of a sale which does not trigger a capital gain event. The contributor is converting asset types from ownership of real property (their farm) to ownership of Fund Units and their cost/tax basis follows them and remains in place.

Question: What are the tax liabilities when Fund Units are exercised?
Answer: Units redeemed prior to death but at least 1-year after the contribution, are taxed at a capital gain tax rate. If Units are held until death, they are "stepped up" to the current fair market value at the time of death. This would result in the heirs not experiencing any income tax liability on the sale of Units, however, depending on the size of the estate and what degree of estate planning, there could be an estate tax liability.

Question: What are the fees associated with contributing the farm into the Fund?
Answer: At the time of contribution, fees and costs similar to a traditional sale are deducted from the agreed-upon Fair Market Value. Portfolio Management: The Fund maintains a 50bps (0.50%) fee on Net Asset Value for portfolio management services. Incentive Distributions: The Fund participates in the growth of distribution income over time, which maintains alignment between Fund management and Fund Unit holders.

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