



COMMERCIAL FARMING

OVERVIEW

INVESTMENT STRATEGY

The investment strategy is to acquire a portfolio of farm assets in the UK. These assets will comprise freehold agricultural land and associated buildings that may either be used for dairy or arable farming. Each farm asset will be run by a farmer with responsibility for the day to day activities of the farm.

We take advantage of investment opportunities that may arise in the agricultural sector. Investment opportunities may arise, for instance, as a result of death, divorce and debt. This presents an opportunity for those with capital.

RETURNS FROM FARMING

Stellar will target farm acquisitions in the UK that will collectively outperform the Rural Property Held Only Properties Index forming part of the Investment Property Databank ("IPD") UK Rural Property Investment Index, (the "Index") over its life. The Index has generated a return of 8.6% per annum since 1981.

It is envisaged that the majority of the return to investors will come by way of capital growth of farm assets. Operational income is likely to be offset by both the direct running costs of the farm assets and the partnership costs.

FARM MANAGER

The directors and employees of Manor House Farm have been involved in farm, agricultural, environmental and land management for a combined period of over 25 years.

Under the agreements with Stellar, the farm manager will:

- * act in the negotiation, appraisal and management of the acquisition and disposal of the assets;
- * act on any development proposals in respect of any of the assets and this may involve specific planning and development schemes or land enhancement;

- * monitor the performance of the assets; and
- * carry out, or where necessary facilitate the engagement of experienced individuals to carry out, the day to day management and maintenance of all farms acquired.

Independent chartered surveyors will provide farm management services and advise on acquisitions, provide valuations and land value forecasting.

The Farm Manager will seek the provision of property services for certain aspects of the management, maintenance and development of the property and land.

The firm of chartered surveyors appointed will only assist with the identification opportunities and reviewing the investment performance of the farmland market and will not provide investment advice.

SECURITY

A Stellar Succession farming partnership will acquire the freehold (or long leasehold) interest in each farm with full title at the Land Registry.

The partnership will enter into a contract for services with our specialist manager, Manor House Farm, and the farmer will be directly employed by the partnership. Any specialist work such as harvesting and replanting obligations will be put out to tender as and when required.

BENEFITS TO INVESTORS

UK commercial farming offers investors access to an asset class that is underpinned by freehold and assets that offer stable and predictable returns.

Farming is uncorrelated to other asset classes and has low volatility but offers an opportunity to benefit from capital growth. Investors will get access to a sector which typically requires more significant capital outlay and therefore benefit from economies of scale.



Manager
Stellar Asset Management Limited

Investment Objectives

- Capital growth over medium term
- Target return 5% per annum

Tax Objective
100% IHT exemption after 2 years

Structure
Private Limited Company

Minimum Investment
£40,000

Initial Charge
2%

Annual Management Charge
1.5%

Reporting Period
Half yearly

Insurance
Two optional policies available

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Authorised and Regulated
by the Financial Conduct Authority

Important Information

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