



Green
is the new
Gold



Pela Terra II
R E G E N E R A T E



INVESTING IN AGRICULTURE

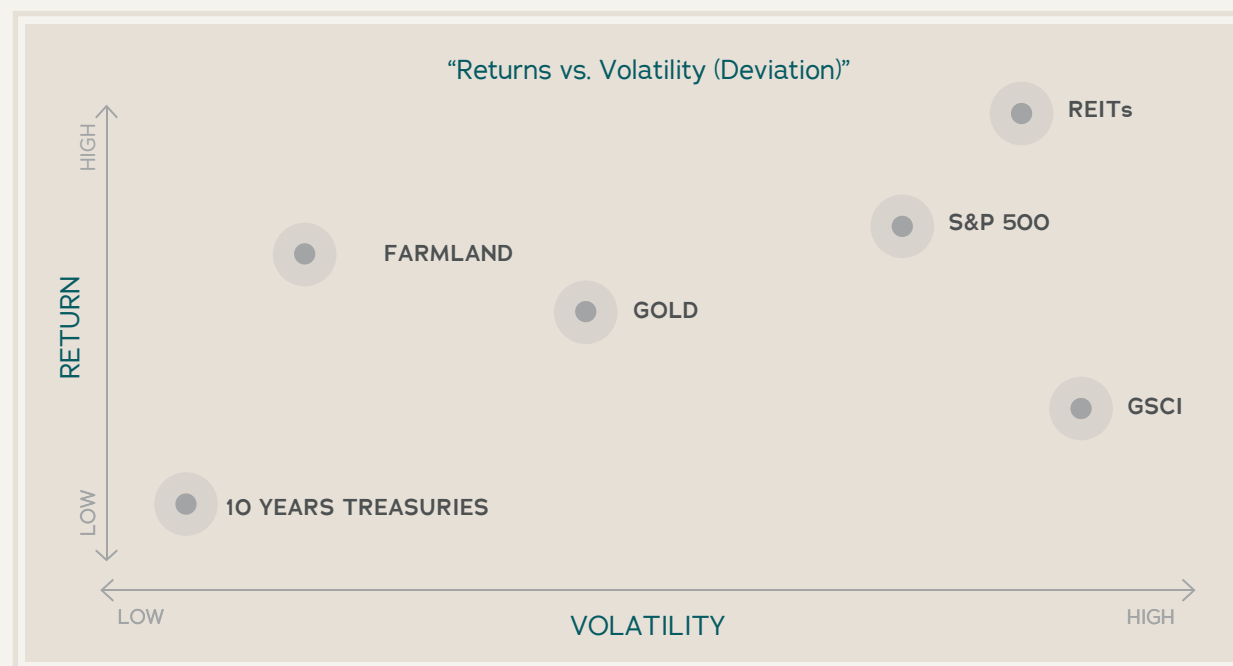


AGRICULTURE AS AN ASSET CLASS

A unique selling point to farms as a portfolio investment is their impressive consistency. Other mainstays like gold or stock market indices can drop by 40 to 50% in a single year. Returns on crop-yielding assets have been positive every single year since 1990.

As explored in Peal Terra's first fund - Pela Terra Farmland - buying and leasing agricultural holdings presents a consistent foundation for investors seeking a Golden Visa. Portugal represents extraordinary agricultural values not found in other European countries.

Appreciation vs Volatility ⁴



In recent years Bill Gates, Warren Buffet, and other prominent investors have been steeping their portfolios with farmland. Gates is now the largest private owner of farmland in the United States.

Direct investments into agricultural assets have been difficult and unattainable for most investors, particularly in Portugal, where sound investment requires the right on-the-ground network of landowners and local bureaucracy. Through this fund, we are delighted to unlock that privilege for a greater number of private investors.

⁴ Data according to NCREIF, Bloomberg, Bankrate, NYU Stern School of Business, Federal Reserve Bank of St. LouisSource:



ASSET CLASS

INDUSTRY WITH PURPOSE

Every one of us is dependent on farming three times per day, every day.

"BUY LAND, THEY'RE NOT MAKING IT ANYMORE"

Mark Twain's famous quip was prescient. Not only is the supply of land limited, but it's reducing every year as agricultural holdings are claimed for construction.

DEMAND FOR FOOD

By 2050 global population is set to rise by 35%, to 10.5 billion. Crop growth needs to double over the same period to keep up.⁵

LONG-TERM INVESTMENT STRATEGY

Orchards are a consistent, long-term investments that provide resilience to challenging economic conditions.

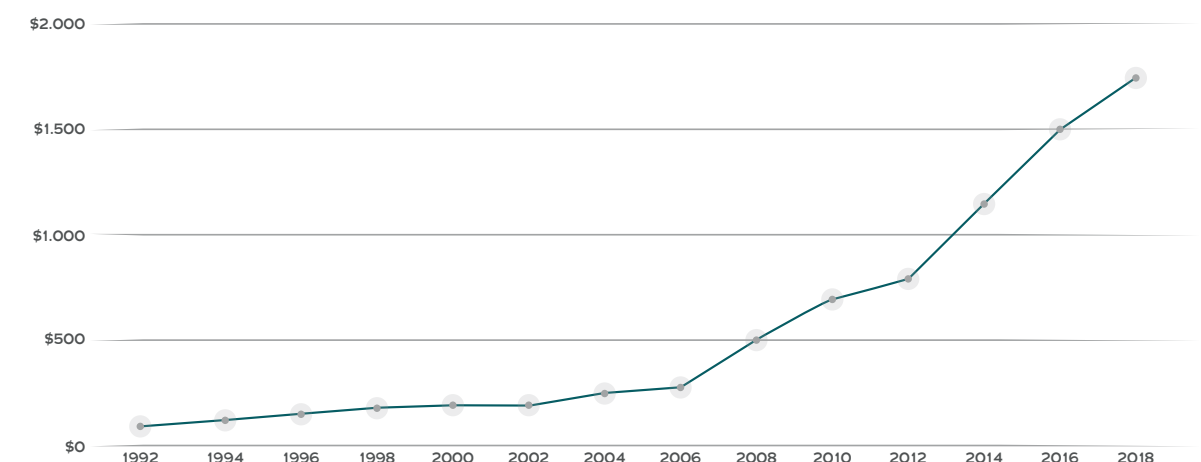
UNCORRELATED ASSET CLASS

Farming is uncorrelated with other major asset classes, offering a unique diversification opportunity to prudent investors.

HEDGE AGAINST INFLATION

Over time, farms have proven to have a positive correlation with inflation - more so than bonds, the stock market, and even gold. No other investment offers as successful a hedge against inflation as farms.

Crop Yielding Assets: Positive returns every year since 1990



⁵ <https://www.nationalgeographic.com/foodfeatures/feeding-9-billion/>



INVESTMENT STRATEGY

BASE CASE

A reassuringly simple strategy positions the fund to comfortably meet the base target of 5% annual payouts to investors.



Strategic Acquisition

Analytics: Our team leverages decades of combined experience for in-depth analysis of key variables on each plot, to maximise our competitive advantage in purchasing well.

Portugal's agricultural land is substantially undervalued but highly desirable.

- EU funding for infrastructure continues to unlock opportunities for Portuguese agriculture.
- Tremendous water resources - irrigation comes from the Alqueva Reservoir - the largest man-made reservoir in Europe.
- The agriculture sector has been slow to modernize - routinely visible in outdated or absent infrastructure.
- Existing within the world's largest trading block - the EU Customs Union - ensures a compelling local and export market strategy.
- Portugal's market has been largely opaque and inefficient. Direct connections to landowners grant us access to private sales at favorable prices - unavailable to outsiders.



Modernise Infrastructure

Upgrading irrigation pumps, sensors, generators, energy supply, agricultural buildings, and roads ensures upper-market values are chargeable in either rentals or sales for high-returning farms.

Cultivate & Harvest

Sustainable farm management is a careful balance of man and machine.

- Our first agriculture fund provided front-row views of Portugal's best operators, coming from Portugal, Spain, and the USA.
- Years of on-the-ground experience have refined our ability to form management partnerships around a shared vision, to unlock the full potential of organic assets.
- A future-conscious approach of "Precision Agriculture" uses technology to optimize crop yields and resource efficiency on farms.



INVESTMENT STRATEGY

ALPHA CASE

On top of the base revenue-securing activity, Pela Terra farms are holistically managed to maximize both soil health and revenue.



Organic Produce

- ||| Farming sustainably sits at the intersection of profit maximization, environmental gains, and risk mitigation.
- ||| Organic crops lower input costs, sequester more carbon, and command 30-50% premiums driven by increasing demand.
- ||| Removing synthetic soil inputs enhances soil health for more resilient crops, further minimizing risk.

Basic Processing

- ||| Farmers typically capture just 10% of value in the agrifood chain.
- ||| Basic on-farm processing, like sorting and separating harvested crops and dehusking nuts, allows us to unlock more value by completing initial processing steps. This enables the sale of partially processed produce at higher prices vs. raw commodities.

Revenue Stacking with Auxiliary Assets

- ||| Farms with A++ water rights often contain equally large, overlooked low-irrigation zones. Conventional farming focuses narrowly on irrigated cash crops, missing revenue potential in auxiliary areas. Our holistic approach regenerates the soil and unlocks value through whole-farm planning.
- Solar installations provide income and reduce risk by removing external dependencies.
- Grazing animals (never sold for meat) boost soil health through fertilization.
- Drought-resistant crops like cork, hemp, and cactus support income through carbon credits while enriching the soil.
- Planting a range of crops triggers a biodiversity feedback loop supporting birds, animals, and soil microbiome, enhancing the resilience and yield of primary irrigated crops.
- Neglected farmhouses can be rejuvenated and returned to the local community for profit and social benefit.

Supercharged Subsidies

- ||| Each of the activities listed above is supported through European Union subsidy programs, meaning each can be installed at massively reduced rates, further boosting cash flow and the value of assets.
- ||| The European Union targets 25% of its agricultural land for organic farming by 2030, as part of its sustainability-focused European Green Deal.



SAFE INVESTING: INVESTOR PROTECTIONS

Independent Scrutiny Layer 1: European Central Bank

The European Union is extremely protective of its residents, including our investors. Through the ECB it enforces the highest standards of regulatory compliance for all financial institutions including Pela Terra II.

Independent Scrutiny Layer 2: Bank of Portugal

The Bank of Portugal adds additional layers of legislative protection for investors in Portuguese institutions. As Golden Visa holders our investors enjoy the full force of that protection.

Independent Scrutiny Layer 3: Portuguese Securities Market Authority (CMVM)

The CMVM independently regulates and scrutinises the fund management institution (STAG Fund Management, SCR, S.A.), and the fund itself (Pela Terra II). Transparency is required to maintain institutional and individual accreditation.

Independent Scrutiny Layer 4: Deloitte auditors

Deloitte independently audits Pela Terra II, notably at the level of its accounts and investments made, and reports transparently every year.

Independent Scrutiny Layer 5: External valuation of investments

STAG Fund Management exercises an optional policy of insisting on third-party valuation and audit of all investments, prior to investing. This offers both STAG and its investors additional peace of mind that investments are always thoroughly analyzed and priced correctly.



KEY FUND DETAILS

ANNUAL RETURNS	5% preferential hurdle + 20% additional above hurdle.
FUND TERM	8-year closed-end fund.
PRIMARY SOURCE OF INCOME	Annual crop yields + Developing agricultural assets for appreciation.
INVESTMENT SCOPE	Crop-yielding assets with water rights in Portugal and the Iberian Peninsula.
TARGET ASSETS UNDER MANAGEMENT*	€100 Million.
LEVERAGE/DEBT	The Fund will not borrow any amounts.
SUBSCRIPTION PERIOD	The Fund will close its inflows once it has reached the target capitalisation, or within 24 months from initiation.
FUND MANAGER	STAG Fund Management, SCR, S.A.
INVESTMENT ADVISORY COMMITTEE	Nathan Hadlock, Alex Lawry-White.
FUND AUDITOR	Deloitte.
INVESTMENT BANK	Banco Comercial Português S.A.
SUBSCRIPTION FEE	1% initial setup fee.
MANAGEMENT FEE	15% annual - calculated against initial investment.
TAX ADVANTAGES	0% Tax on Profits - Pela Terra II is fully exempt from Corporate Income Tax (CIT). Non-resident investors who are not residents of a tax haven jurisdiction are exempt from Withholding Tax.
GOLDEN VISA REQUIREMENT	€500,000
SHARE CLASSES & TARGET DISTRIBUTIONS*	Class A: Ordinary - Internal Class B: Yield Plus: GV Class (min. €350k); Annual: 5% (+ 20% above hurdle); Liquidation: 15% (+ 20% share above hurdle) Class C: Yield Class (€200k - €350k); Annual: 5%; Liquidation: 15%
EXIT	Assets sales foreseen and protected by right of first refusal to tenants and operational partners.

*disclaimer: kindly note that neither capital invested neither potential returns are guaranteed



PROJECT PIPELINE

PLOT 1



Location: Baixo Alentejo
Size: 350 hectares
Use: Olives, Mixed arable, grazing, agrotourism
Infrastructure: Roads, pumps, EDIA water, Alqueva.





PLOT 2



Location: Alentejo Central

Size: 440 hectares

Use: Mixed arable

Infrastructure: Roads, Hydroelectric & solar energy generation, onsite power plant & transformers.



PLOT 3

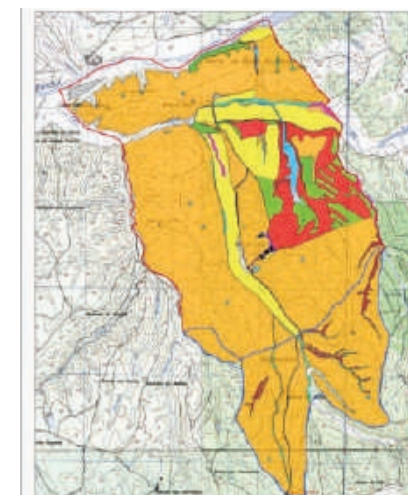


Location: Beira Baixa

Size: 577 hectares

Use: Mixed arable & grazing

Infrastructure: Good road access. Pumps needing modernization.














PARTNERS & AFFILIATES



In addition to the core structural partnership, Pela Terra II collaborates with or supports the work of the following organizations in protecting biodiversity, fighting climate change, and generating positive financial and social returns for investors.

	Natural Business Intelligence is a business & ecology consultancy specialized in creating options for a Nature-Based Economy, establishing bridges between knowledge and practice. NBI's areas of expertise are Biodiversity, Ecosystem Services, Bioeconomy, Natural Capital, Climate Adaptation, Agroecology and Forests.
	Food4Sustainability purpose is to solve large-scale problems in bio-based food systems (e.g. feed, fish, algae, vegetables) for climate resiliency. F4S will pioneer a shift from linear agrifood production processes to circular ones.
	Pollinator Partnership's mission is to promote the health of pollinators, critical to food and ecosystems, through conservation, education, and research.
	We are committed to upholding the six principles in order to support an economically efficient, sustainable global financial system that benefits the environment and society as a whole
	GLOBALG.A.P. is a trademark and a set of standards for good agricultural practices (G.A.P.). They are a global organization with a crucial objective: safe, sustainable agriculture worldwide. They set voluntary standards for the certification of agricultural products around the globe – and more and more producers, suppliers, and buyers are harmonizing their certification standards to match our Company's Purpose.
	The European Investment Bank is the lending arm of the European Union, making it the biggest multilateral financial institution in the world and one of the largest providers of climate finance.
	IFAP's work focuses on financing the implementation of measures defined at the Portuguese national and community level, in the context of agriculture, rural development and related sectors.
	KPMG is a global network of professional firms providing Audit, Tax, and Advisory services across a wide range of industries, Government and not for profit sectors. They audit our fund from a USA perspective to provide the necessary PFIC documentation required by USA-based investors.
	Deloitte Portugal has offices in Lisbon and Porto and a technology center in Viseu, as well as more than 4,000 professionals who make a daily commitment to excellence. They are the appointed auditor of Pela Terra II.



START NOW

The window for the Golden Visa can close altogether at any time. The EU is gradually applying more pressure on Citizenship/Residency by Investment programs. Cyprus, Moldova & Hungary have all closed in recent years and the Portuguese program has been significantly restricted.

While the Portuguese Golden Visa is held in high regard the regulatory landscape can change at any time, as exemplified by the two reforms in the past two years. Once you are into the program, though, you are safe, since Portugal's own constitution restricts them from changing their laws retroactively.

The fund investment mechanism is extremely popular as the most tax-efficient of the Golden Visa mechanisms. We can't know how long the government will continue to support this regulatory window of opportunity.

“Make hay while the sun shines.”



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Disclaimer

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The value of investments and any income generated may go down as well as up and may be affected by fluctuations caused by factors external to the Fund. Past performance is not necessarily a guide to future performance.

Similarly, where projections, forecasts, targeted or illustrative returns, or related statements or expressions of opinion are given (“Forward Looking Information”) they should not be regarded by any recipient of this document as a guarantee, prediction, or definitive statement of fact or probability.

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