



Case Study

GLADSTONE COMPANIES



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GLADSTONE

Challenge

Gladstone Management Corporation is a privately-held investment adviser managing \$4.0B of AUM across four publicly-traded funds. After severing ties with its managing broker/dealer in late 2020, Gladstone began building out its own distribution team in 2021. Rather than hiring an in-house marketing team, Gladstone reached out to Marketing Intent to explore how to best support its sales team with marketing.

While Gladstone was familiar with raising capital through financial advisors, their suite of marketing materials was limited to offering materials with little in the way of the story behind their asset classes (industrial and office commercial real estate and farmland). They had limited brand recognition in the marketplace and their sales team struggled to engage advisors in meaningful conversations about their preferred securities offerings.

Solution

We developed a digital marketing plan to increase Gladstone brand awareness around its preferred securities offerings as well as its asset classes — farmland in particular. With no internal marketing resources, we built out the marketing infrastructure for Gladstone to support content distribution, track advisor engagement in Salesforce and proactively communicate planned marketing activity with their sales team.

Impact

As a result of Marketing Intent's work, the Gladstone sales team has increased conversations with advisors — some they've never spoken to before. Capital raising has increased, and marketing plans have been created two quarters in advance to sync marketing efforts and sales outreach.

Pistachios: A Crop for the Future

From favorable supply and demand dynamics to the ability to withstand extreme drought and hotter temperatures, pistachio farming is uniquely suited to our changing world.

In this report, we explore the benefits of farmland as a portfolio diversifier with growth potential before highlighting the reasons why investors should pay special attention to properties that include pistachio orchards.

The Case for Farmland

Investment in farmland offers the opportunity to participate in what have historically been stable returns as shown in the table below. In fact, the NCREIF Farmland Index experienced its first quarter of negative returns (-0.10%) in nearly 20 years in the first quarter of 2020, with positive returns since then through first quarter 2022.

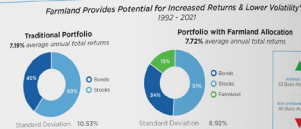
Farmland Outperformance vs. Other Asset Classes¹ 1992 - 2021

	FARMLAND RETURNS HAVE OUTPERFORMED SEVERAL ASSETS (1992 - 2021)	WITH MUCH LOWER VOLATILITY IN RETURNS	RESULTING IN A SUPERIOR SHARPE RATIO
U.S. Farmland	10.74%	6.75%	1.21
U.S. Stocks	8.46%	16.89%	0.35
U.S. Bonds	5.29%	4.59%	0.59
U.S. Real Estate	8.49%	7.73%	0.76
U.S. REITs	10.83%	18.41%	0.45

¹ NCREIF and Global AgInvesting.
² Introduction to Farmland Investing: "Farm Together, 2022."

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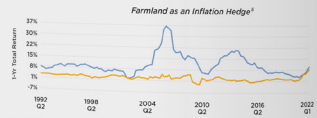
In addition, as an asset class that "zig" when stocks "zag," farmland is ideally suited as a portfolio diversifier. Because farmland typically has low correlation to stocks and bonds,² it may reduce risk in client portfolios by lowering volatility while increasing returns.



Illustrations are hypothetical historical performance of a traditional portfolio compared to adding a 20% allocation to farmland versus the result of actual investing. There is no guarantee of future results. Average annual total returns are meant to illustrate the average annual performance of an investment in a portfolio of investments. It is not intended as a general average meaning that it captures the effects of compounding over time. Farmland Values: NCREIF Farmland Index. Stocks: Value S&P 500 Index. Bonds: Value Bloomberg Barclays U.S. Aggregate Bond Index. Please see the end of the report for full details.

A Natural Hedge Against Inflation

As global economies emerge from pandemic-driven shutdowns, inflation has been on the rise, driven by an increasing supply of money, rising consumer demand and ongoing supply chain disruptions. Historically, farmland has been viewed as an effective way to hedge against inflation. The main reason for this is that the price of farmland has been closely correlated to the Consumer Price Index (CPI). This has to do with the fact that the CPI is partially composed of food items produced by farms. In addition, farmland typically provides the potential for not only capital appreciation of the land but also for streams of income linked to land rentals and crop proceeds. As crop prices rise (as in an inflationary environment), ultimately so does the potential for higher future cash returns to the enduser as rental rates are adjusted upward over time and/or as crop share revenue increases.



¹ Total Return represents income and appreciation for both annual cropped and perennial irrigated farms. Farmland Values: NCREIF Farmland Index. Inflation Values: Consumer Price Index. Please see the end of the report for full details.

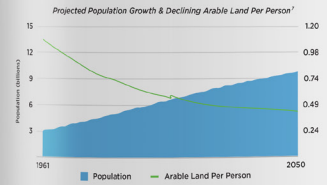
² Introduction to Farmland Investing: "Farm Together, 2022."
³ Farm Together Farmland in Your Portfolio: A Superior Asset Class. <https://farmtogether.com>. NCREIF and Global AgInvesting.

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The Global Supply/Demand Imbalance of Food

In addition to strong historic returns, powerful diversification benefits and the ability to hedge against inflation, farmland is poised to gain from global supply and demand dynamics. Demand for food is set to rise as the world's population, which is expected to reach 9.7 billion people by 2050,¹ exceeds the ability of existing farms to produce enough output to meet that need. Demand for higher-protein diets by the rising middle classes of developing nations will add to the pricing pressure of foods like meat and nuts, as well as the price of grain used to feed livestock. In addition, food prices will likely be driven higher by the decreasing availability of arable land due to urbanization and climate change.²



"Farmers are planting more pistachios...because they are drought tolerant and there is increased global demand, particularly in Europe and China/Hong Kong."
- Richard Matolan, American Pistachio Growers President³

¹ Investing in Farmland. Whitepaper from Naveen, 2020. <https://www.naveen.com/global/frights/alternatives/investing-in-farmland>.
² State of the World: Organization of the United Nations (FAO/UNEP).
³ State Director: "Farm's Impact on 2019 Year for Pistachios, Apples," October 6, 2021.

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Your adaptability and proactive approach have elevated the marketing for our offerings. Supporting our three funds, your creative and clear messaging and timely updates have empowered our sales team to focus on raising capital.

John Sabey
NATIONAL SALES MANAGER | GLADSTONE





Marketing Intent is a sales-focused marketing agency specializing in the alternative investments industry. We have decades of experience helping asset managers explain their investment offerings to financial advisors and investors with clear messaging and compelling design. We deliver strategy, copywriting, design, branding, website design and development, print and digital marketing.

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