

# Veripath Farmland Fund Releases Updated Research on Constructing a Canadian Farmland Portfolio Using Factor Analysis

*Veripath's portfolio construction model utilises a weighted, factor analysis approach.*

CALGARY, ALBERTA, CANADA, September 17, 2021 / EINPresswire.com/ -- Veripath Farmland Partners is pleased to release its updated research report on building a Canadian farmland portfolio using factor analysis. A portfolio of farmland raw acre weighted by province generated a bench market return of approximately 8% over the last decade on an unlevered basis.



Based on Veripath analysis, a suitably factor weighted portfolio could have outperform this by as much as 50%.

Veripath's portfolio construction model utilises a weighted, factor analysis approach to adjust each provincial allocation to maximize the capture a number of factors by province:

- Productivity adjusted pricing
- Sharpe ratio
- Correlation to inflation
- Up/down return profile
- Market liquidity
- Average farm leverage levels

Using these factors, an adjusted Canadian portfolio would reduce the weighting to Ontario (down ~25% to 6% from 8%), while increasing the weighting to Alberta, Manitoba and Saskatchewan (up ~10% to 88% from 81%). The full report can be found at

[www.veripathfarmland.com/resources](http://www.veripathfarmland.com/resources)

Who is Veripath: Veripath is a Canadian alternative investment firm. Members of Veripath's management team have decades of farmland, private equity, and private credit investment experience. Veripath manages over 90,000 acres across its active portfolios. Fact sheets can be found here – [www.veripathfarmland.com/investors](http://www.veripathfarmland.com/investors). The Veripath Canadian farmland investment thesis has a number of interesting elements, a few of are highlighted below.

- Value: Canada has some of the most competitively priced farmland in the developed world – particularly on a productivity adjusted pricing basis
- Portfolio Construction: Farmland exhibits low correlation to traditional stock/bond investments so can improve portfolio risk adjusted returns through enhanced diversification
- ESG: Western Canadian zero-till portfolios capture material amounts of carbon
- Inflation Hedging: Farmland has strong inflation/stagflation hedging capabilities and outperforms in real terms during period of low real rates/high inflation
- Demand: Farmland is non-volatile way to capture the incremental demand coming from the emerging economies for food, feed, fuel and water (China and India alone are ~\$3b people on the path to becoming middle class)
- Risk: Veripath constructs highly diversified, non-operated portfolios using limited leverage to capture the pure returns generated by land appreciation in the most non-volatile way possible.
- Open-ended: Veripath operates a unique open-ended approach so beyond the initial short contractual hold period you can set the investment duration that best suits investor liquidity and portfolio construction needs.
- Monitoring: Veripath has a proprietary land management system using an inhouse software platform combined with satellite monitoring and AI crop analysis
- Geographic Split: Veripath divides the Canadian market into two separate geographies of ~84M acres each in order to streamline and simplify farmland ownership regulatory compliance. UR Fund invests in all of Canada (excluding SK and MB), R Fund invests just in SK and MB. The two sister funds have the same terms, fee structures and return expectations.

Disclaimer: This article is only an expression of our opinions on the subject matter set forth herein and includes information from, or data derived from, public third-party sources including commentaries, articles, industry publications, reports, and research papers. Veripath has not independently verified the accuracy, currency, or completeness of any of the information and data contained in this article which is derived from such third-party sources. While we have a good-faith belief in the accuracy of what we write, all such information is presented “as is,” without warranty of any kind, whether express or implied. The use made of the commentary set forth in this article is solely at the risk of the user of this information. This article is intended only as general information presented for the convenience of the reader and should not in any way be construed as advice of any kind, investment or otherwise.

Veripath Farmland  
Veripath Farmland Fund  
[email us here](#)  
Visit us on social media:

[Twitter](#)  
[LinkedIn](#)

---

This press release can be viewed online at: <https://www.einpresswire.com/article/551661712>

EIN Presswire's priority is source transparency. We do not allow opaque clients, and our editors try to be careful about weeding out false and misleading content. As a user, if you see something we have missed, please do bring it to our attention. Your help is welcome. EIN Presswire, Everyone's Internet News Presswire™, tries to define some of the boundaries that are reasonable in today's world. Please see our Editorial Guidelines for more information.

© 1995-2021 IPD Group, Inc. All Right Reserved.