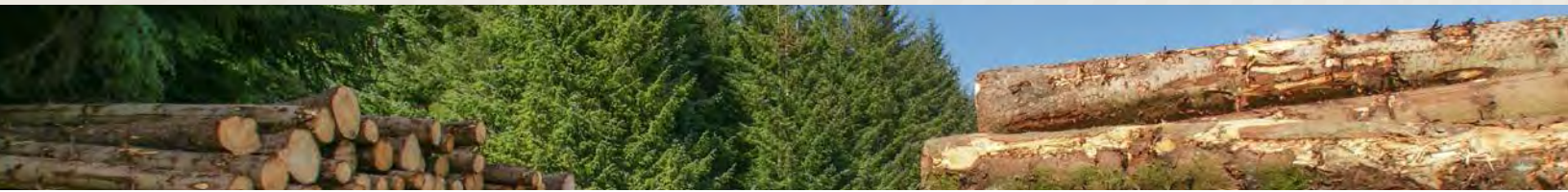




# Sustainable Forestry and Natural Capital Fund | 2024

## Fund Summary

Investing in U.S. Working Forests to Generate Competitive, Long-Term Returns and Promote Environmental and Social Resilience



**Investing in Forests:** A Tangible and Natural ESG Investment that has a History of Generating Long-Term Capital Appreciation, Providing an Annual Yield in the Range of 3%, and Producing Environmental and Social Benefits that can be Monetized or Utilized Directly by the Fund’s Investors to Achieve their own ESG and Impact Objectives.

### AIM

Forests are a tangible and natural ESG investment, and TIR Europe and its affiliate, Timberland Investment Resources, LLC (collectively “TIR”), have been acquiring and managing working forest assets for global institutional and high-net-worth investors for nearly 20 years.

TIR Europe’s latest offering, the Sustainable Forestry and Natural Capital Fund (the “Fund”), will invest in working forests (timberlands) in the United States, with a particular emphasis on the U.S. South. The portfolio will be built and managed with investment discipline and a strong environmental, social and governance

### Fund Performance Objectives

8-10%

Per Annum

Target Return

3%

Per Annum

Target Annual Cash Yield



(ESG) focus – both to generate competitive, long-term returns and to promote environmental and social resilience.

The Fund will be managed by TIR Europe. TIR, LLC, its U.S. affiliated company, which is based in Atlanta, Georgia, will provide forest management services.

Investors will have the option to monetize carbon credits produced from their forests through carbon sequestration in the world’s voluntary and compliance markets and, or utilize them to offset their own carbon emissions profiles.



## Investment Strategy

TIR is committed to building forest portfolios that are designed to meet our clients’ investment objectives and we do so by practicing sustainable forestry and excellent environmental and social stewardship on their lands.

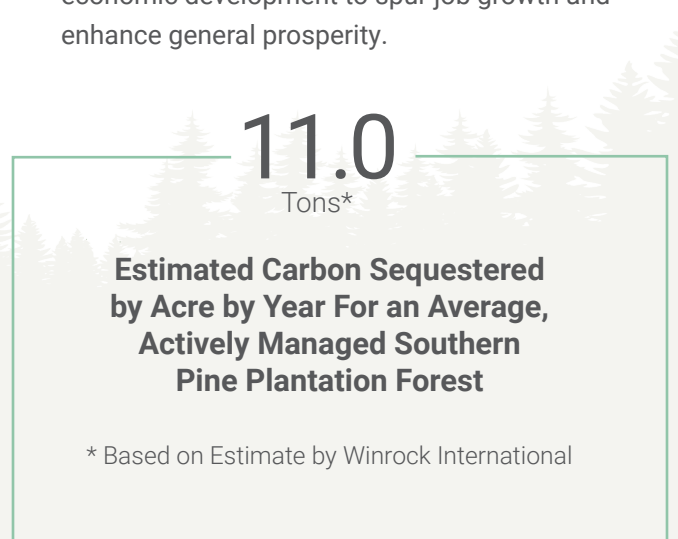
The Fund’s acquisition strategy will be to target working forests that have the potential to generate long-term asset appreciation and ongoing cashflow while also providing investors with tangible environmental returns. These returns will be generated through the execution of TIR’s “Whole Forest Monetisation” strategy – a sustainable and holistic approach to forest investment that entails creating revenue streams from the development and sale of diverse timber and natural capital forest resource values.

The Fund will have an initial term of 10 years and investors will have the option to remain invested for an additional 5-year period or to liquidate their positions in the Fund.

The Fund’s capital will be invested to promote long-term asset appreciation, with a target return of 8-9% per annum and annual distributions in the range of 3%. This will be achieved in the following ways.

- ★ **Selling Sustainable Timber Products:** Sustainably growing, harvesting and selling high-quality, renewable timber resources for the production of end-use building, paper and packaging products.
- ★ **Developing Carbon Offsets:** Developing and marketing forest-based carbon offsets (credits) in both the world’s compliance and voluntary carbon markets through the execution of afforestation, reforestation and improved forest management strategies.
- ★ **Managing to Optimize Carbon Sequestration:** Optimizing the capacity of the Fund’s forests to sequester carbon to support ongoing efforts to mitigate the impacts of climate change.

- ★ **Protecting and Selling Sensitive Lands:** Acquiring, securing and eventually selling sensitive lands to private conservation groups and public agencies that are interested in protecting their water, wildlife, scenic, recreational, historical and cultural attributes through the purchase of restrictive-use easements and fee-simple ownership rights.
- ★ **Developing Environmental Mitigation Banks:** Designing and establishing environmental and water mitigation banks and marketing the mitigation credits that are produced from them to public and private entities that are in need of them to offset the environmental impacts of their activities.
- ★ **Developing Renewable Energy Resources:** Developing land-based renewable energy resources, especially solar energy infrastructure.
- ★ **Investing in Rural Forest Products Manufacturing:** Investing in solid wood products manufacturing facilities (The refurbishment or construction of sawmills, oriented strand board mills, plywood mills, etc.) in rural areas that are in need of economic development to spur job growth and enhance general prosperity.



**TIR Europe's Sustainable Forestry and Natural Capital Fund**  
 Revenue and Investment Return Drivers



**The Monetisation of Traditional Forest Values:**

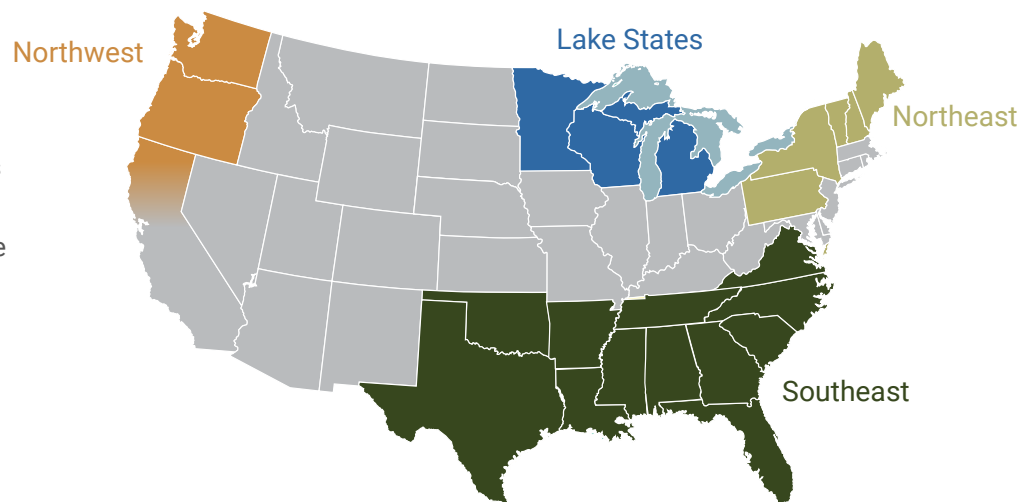
- Timber Resources
- Land Resources (Real Estate)

**The Monetisation of Forest-Based Natural Capital Values:**

- Carbon Sequestration Capacity (Credits/Offsets)
- Renewable Energy Resources (Solar and Wind)
- Conservation Resources (Sales of Easements and Fee-Simple Rights)
- Recreation Resources (Sales of Easements and Fee-Simple Rights)
- Environmental Mitigation Banking Resources (Credits)
- Sawmill and Processing Infrastructure Resources (Rural Economic Development)

## Geographic Diversification and Targeted Investment Regions

The Fund will pursue suitable investment opportunities in the major timber-producing regions of the United States, but with a strong and primary focus on the U.S. South, which is the world's largest, most productive, and most diverse market for working forest investments.



## Sustainability and ESG Focus

The Fund will be an Article 9 offering under the European Union’s Sustainable Finance Disclosure Regulation (SFDR<sup>®</sup>) and will have both sustainable investment and achieving reductions in carbon emissions as objectives. The Manager will incorporate into the Fund the considerations specified in the EU Taxonomy Regulation. All investments made by the Fund will be operated in accordance with TIR’s internal ESG policies and standards and with those of the Sustainable Forestry Initiative (SFI<sup>®</sup>), one of the world’s leading independent, third-party forestry certification organizations.



The Fund’s various assets also will be managed in compliance with state and federal Best Management Practices (BMPs), which are designed to promote environmental sustainability and responsible land stewardship by protecting forest biodiversity, wildlife habitat and both water and air resources. Finally, the Fund will be operated at both the portfolio and forest management levels in conformance with the United Nations’-supported Principles for Responsible Investment (PRI<sup>®</sup>), of which TIR is a signatory.

TIR anticipates that the Fund’s investment activities also will be supportive of the **United Nations’ Sustainable Development** agenda, which is anchored by 17 goals (sustainable development goals – SDGs)

The SDGs were adopted by the United Nations member states in 2015 to provide a sanctioned blueprint for global peace and prosperity by the year 2030. They are designed to foster cooperation and collaboration among nations, organizations and individuals to end poverty; spur economic growth; promote equity, security and social justice; improve living conditions; mitigate climate change; and, make the planet, including our forests, pasturelands, agricultural lands, oceans and freshwater resources, healthier and more sustainable.

TIR envisions the Fund’s investment and commercial activities promoting environmental and social resilience by contributing in consistent and measurable ways to at least **six of the UN’s SDGs** as follows:



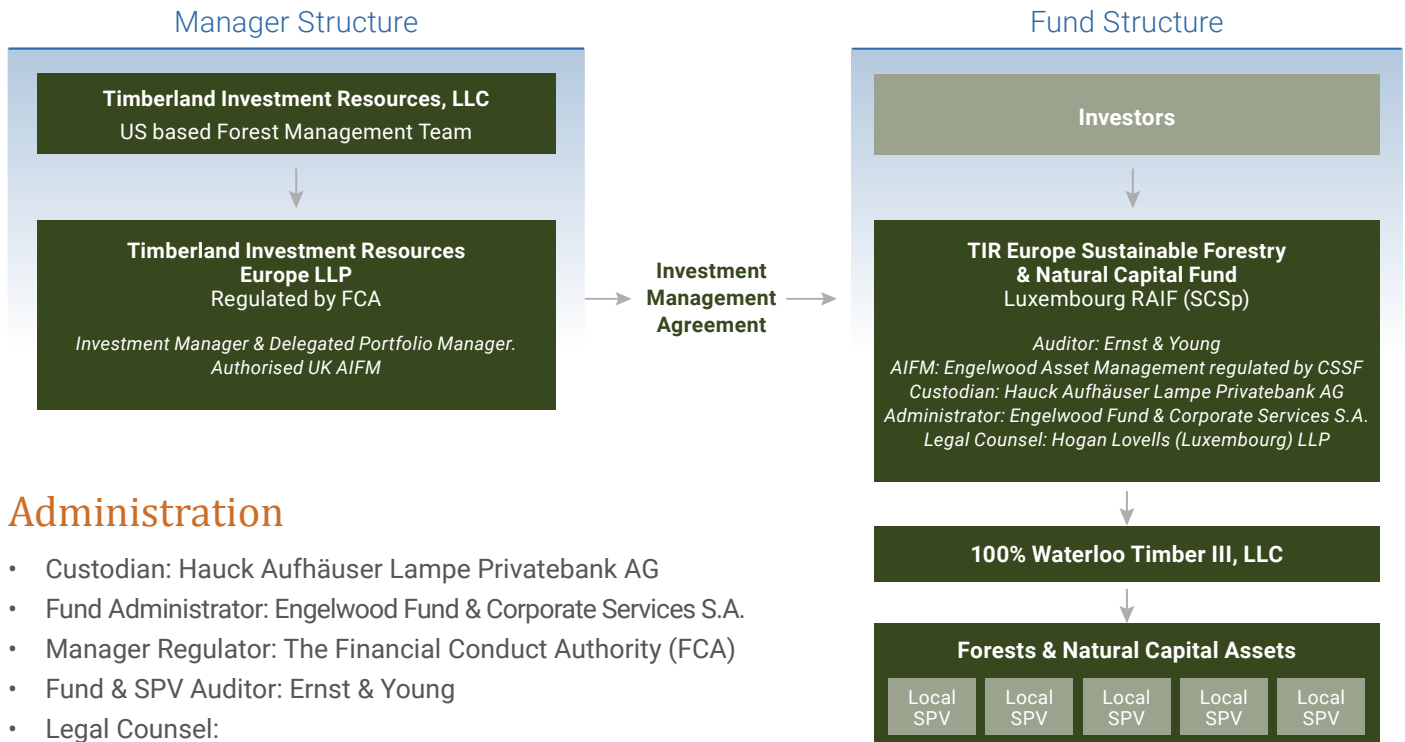
These contributions will be driven by TIR’s use of active and sustainable forestry practices; efforts it undertakes to develop and market timber and non-timber resources, including carbon and renewable energy values; and, collaborations in which it anticipates engaging with a broad array of stakeholder groups, including, among others, private conservation organizations, public agencies and community groups.

The Fund’s financial performance, as well as its sustainability and ESG-related actions and activities, will be reported transparently on a quarterly basis to assure investors that their capital is being deployed in a manner that supports their own investment, ESG and impact objectives.

## Fund Structure and Management

- Luxembourg Reserved Alternative Investment Fund (RAIF) Established Under the Form of a Société en Commandite Spéciale (Special Limited Partnership (SCSp))

### Alternative Investment Fund (AIF) under AIFMD



## Administration

- Custodian: Hauck Aufhäuser Lampe Privatebank AG
- Fund Administrator: Engelwood Fund & Corporate Services S.A.
- Manager Regulator: The Financial Conduct Authority (FCA)
- Fund & SPV Auditor: Ernst & Young
- Legal Counsel:
  - Luxembourg: Hogan Lovells LLP
  - U.S.: Alston & Bird LLP

## Features

- Target Return 8-9% Per Annum, Includes Targeted Annual Cash Yield of 3%
- Low Risk, Long-Term Capital Appreciation and Preservation
- Strong and Comprehensive ESG Management Focus Leading to Environmental and Social Resilience
- Investment Focus: U.S. Major Timber-Producing Regions – Primary Emphasis on U.S. South
- Fund Currency: Euro and U.S. Dollars
- Minimum Investment: \$5 Million
- Quarterly Valuations by Indicative Manager NAV and Annual Valuations by Third-Party Valuer
- Investment Period 3 years from final close

## Terms

- **Fund Life:** 10 years, investors will then have an opportunity to remain invested for an additional 5-year period or to liquidate their positions in the Fund.
- **Management Fee:** 1.5 %Per Annum Based on Committed Capital for the first five years and thereafter on Net Asset Value (NAV).
- **Performance Fee:** 20% Above 7% Hurdle.
- Additional Incentive Based on Meeting Annual Carbon Target.





## Investment Manager

The Fund will be managed by Timberland Investment Resources Europe (a UK Investment Manager that is based in London and authorized and regulated by the Financial Conduct Authority – FCA) in collaboration with Timberland Investment Resources, LLC (a registered investment advisor in the U.S. under the Investment Advisers Act of 1940, as amended – the “Advisers Act”). For purposes of this offering, the two units are collectively referred to as “TIR.”

- As of December 31, 2021, TIR managed more than \$1.66 billion of timberland assets for institutional and high-net-worth clients in separate accounts and commingled funds. These assets comprised more than 800,000 acres in 15 different U.S. states.
- TIR is headquartered in Atlanta, Georgia and has regional offices in Mobile, Alabama; Boston, Massachusetts; Charlotte, North Carolina; Chattanooga, Tennessee; and Lufkin, Texas.
- TIR is 100 percent owned by its employees and was founded in 2003 by Mark T. Seaman, former Executive Managing Director and head of Wachovia Corporation’s timberland investment management division from 1994 to 2003.
- The Manager will comply with the SDFR, including product categorisation, pre-contractual and periodic disclosure requirements.



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