

BTG PACTUAL OPEN ENDED CORE U.S. TIMBERLAND FUND L.P.

A Real Assets Fund Investment Option Available Through the Venture Impact Program



Photos courtesy of BTG Pactual Timberland Investment Group

SUSTAINABLY MANAGING TIMBERLAND IN THE U.S.

Climate change threatens ecosystems worldwide, driving shifts in species distributions, disrupting ecological processes, and exacerbating environmental degradation. There is growing recognition that investing in nature-based solutions will be critical to stabilizing the climate, supporting sustainable development, and protecting biodiversity.

Forests are among the most important natural solutions for addressing climate change impacts. They absorb nearly one-third of carbon dioxide emissions from burning fossil fuels each year. Forests also regulate ecosystems, support livelihoods, and provide goods and services that can drive economic growth. Strategic land conservation, particularly protecting resilient forest landscapes and significant climate corridors across the U.S., can unlock benefits for both people and the planet.

The BTG Pactual Open Ended Core U.S. Timberland Fund (the “Fund”) acquires high-quality timberland assets and manages them as productive, sustainable forestry operations. The primary drivers of return on the Fund’s investments are biological growth, timber price appreciation, and land price appreciation. In addition, timberland assets generate revenue and liquidity from the periodic sale of timber, strategic sales of small parcels of land, and non-timber leasing rights for activities such as recreation.

In collaboration with The Nature Conservancy, the Fund pursues on-the-ground conservation, biodiversity, and carbon benefits at scale, while stimulating local economies, engaging with local communities and Indigenous peoples to ensure their interests are considered, and producing sustainable forest products.

The Fund is a compelling fit for investors with a desire to diversify their portfolio and participate in an asset class that may offer both long-term capital appreciation and exposure to an asset with inflation-hedging attributes. The Fund is organized as a perpetual life, open-ended fund, which is suitable for holding long-lived timberland assets and benefits investors with liquidity preferences.

ABOUT BTG PACTUAL TIMBERLAND INVESTMENT GROUP

BTG Pactual Timberland Investment Group (TIG) is one of the world’s largest timberland investment management organizations with \$7.2B in assets and commitments under management as of September 30, 2024. TIG is an indirect, wholly owned

subsidiary of BTG Pactual, and acts as the investment manager to the Open-Ended Core U.S. Timberland Fund.

TIG manages 2.7 million acres diversified across four continents, including 1.5 million acres in the United States as of September 30, 2024. TIG has over 150 professionals with more than 1,000 years of combined investment, timberland, and agribusiness management experience.*

ABOUT THE VENTURE IMPACT PROGRAM (VIP)

VIP is an innovative way for MCF donors to engage in impact investing through philanthropy. Via a partnership with ImpactAssets — a market leader in impact investing — VIP enables philanthropic dollars to be directed towards both non-profit and for-profit companies that are seeking to make positive social or environmental impact. For further information, contact Safia Kryger-Nelson at MCF, 415.464.2515 or skryger-nelson@marincf.org.

ILLUSTRATIVE INVESTMENT

The Fund has an 800,000+ acre property in eastern Texas and western Louisiana with 23% of the land in [Areas of Significant Biodiversity](#). A meaningful conservation opportunity for this property is to avoid forest fragmentation, which is supported by maintaining profitable and sustainable operations of the working forest. Additional impact benefits achieved to date include ~24k acres of protected and conserved habitats for threatened and endangered species (including eastern wild turkeys), carbon sequestration from ~470k acres of planted area, and ~615 direct and indirect employment opportunities generated for the local economy.



*Includes TIG’s predecessor companies, RTG and TTG

RISK RETURN MATRIX

The Risk Return Matrix is a risk calculation determined solely by ImpactAssets.

RISK LEVEL	HIGH			
	MODERATE			
	LOW			✓
		NON-MARKET RATE	NEAR-MARKET RATE	MARKET RATE
RELATIVE RETURN				

SUMMARY OF TERMS

ASSET CLASS	Real Assets
CURRENT FUND SIZE	\$1.3B gross asset value as of 9/30/24
TERM	Perpetual, open-ended fund
TARGET RETURN	7% to 8% net IRR, on a long-term basis**
LIQUIDITY	Quarterly redemptions at net asset value, subject to a redemption queue and initial 2-year lock-up.
GEOGRAPHY	United States
IMPACT AREAS	Nature-Based Solutions
INVESTMENT FEES	This investment recommendation will incur an additional fee of 0.40%.
INVESTMENT THESIS	Invest in U.S. commercial timberland, emphasizing scale, stability and resource diversity, through investment primarily in maturing timber resources.
IMPACT THESIS	<ul style="list-style-type: none"> Contribute to sustainable forest management practices including the protection of water quality, wildlife habitats, and sensitive ecosystems. Encourage practices that enhance carbon sequestration and storage and potential impacts of climate change on forest ecosystems. Stimulate local economies and engage meaningfully with local communities and Indigenous peoples to ensure their concerns and interests are considered in forest management decisions.
STRENGTHS	<ul style="list-style-type: none"> Market rate generating investment strategy with demonstrated strong past performance. As of Sept. 2024, the Fund has delivered an 8.3% annualized net IRR since inception (Dec. 2016). Timberland represents a real asset investment strategy that has historically been uncorrelated to other major asset classes and can serve as an inflation hedge for the portfolio, providing downside protection. TIG is an institutional timberland investment manager with a commitment to sustainability and responsible investment, with 99% of the Fund's eligible timberland assets certified to Sustainable Forestry Initiative standards. Open-ended structure is suitable for long-lived assets, allowing for execution of a patient and effective management style based on the underlying timberland, and for liquidity to investors. Collaboration with The Nature Conservancy (TNC) offers a significant opportunity to augment the impact and sustainability attributes of the Fund, including high-priority conservation practices tailored to each portfolio asset.
RISKS	<ul style="list-style-type: none"> TIG's partnership with The Nature Conservancy is not permanent, though reasonably sound governance structure and Conservation Success Fee mechanisms incentivizes both TIG and TNC to remain engaged. Timber assets are subject to inherent risks such as natural events, weather damage, fire, or market changes. These risks can be mitigated by diversification of the Fund's portfolio across geographic regions, age class, species and end markets. The industry is known to have limited women and racial / ethnically diverse representation across leadership and staff. However, there are some exemplary efforts that support TIG's commitment to increasing team diversity and are encouraging to see.

**Target returns are presented net of all fees. This is not indicative of and should not be construed as a guarantee of future returns. The target returns are premised on a number of factors, including, without limitation, the opportunities in the marketplace that the TIG team has seen historically, is currently seeing, and/or expects to see in the future, which are inherently uncertain and are subject to numerous business, industry, market, regulatory, geo-political, competitive and financial risks that are outside of TIG's control. There can be no assurance that the assumptions made in connection with the target returns will prove accurate, and actual results may differ materially, including the possibility that an Investor may lose some or all of any invested capital. The inclusion of the target returns herein should not be regarded as an indication that TIG or any of its representatives consider the target returns to be a reliable prediction of future events and the target returns should not be relied upon as such. Neither BTG Pactual nor any of its representatives have made or make any representation to any person regarding the target returns profile and none of them intends to update or otherwise revise the target returns to reflect circumstances existing after the date when made or to reflect the occurrence of future events, even in the event that any or all of the assumptions underlying the target returns are later shown to be incorrect. Performance does not reflect the impact of material economic and market factors on decision-making, any changes to the strategy over time and that the target returns presented are being provided with the benefit of hindsight. Target returns are not actual performance achieved by the Fund and any of its portfolio companies.

Past performance is no guarantee of future results.

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Any allocation to private debt and equity investment options may result in losses and illiquidity that will be borne solely by each donor advised fund account with investment in these options, as will associated program fees. Investment minimums apply. Grant making from the principal value will not be possible until distributions are returned to the ImpactAssets Donor Advised Fund. There is no guarantee of any recovery of capital. No assurance can be given that investment objectives or targets/projected returns will be achieved. Actual target may vary and should not be considered or relied on as a performance guarantee. As applicable, Fund Managers have not approved the information contained in the respective Fund profiles, including the assignment of risk ratings contained therein. The Units may be offered solely to, and subscriptions will be accepted only from "Accredited Investors," as defined in Rule 501(a) of Regulation D promulgated under the authority of the Act, who are also "Qualified Clients," as defined in Rule 205-3 of the United States Investment Advisers Act of 1940, as amended.