

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 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 \$6.4B in assets and commitments under management as of December 31, 2023. 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 3 million acres diversified across four continents, including 1.5 million acres in the United States as of December 31, 2023. 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.



ImpactAssets		RISK RETURN MATRIX		
RISK LEVEL	HIGH RISK			
	MODERATE RISK			
	LOW RISK			X
		NON-MARKET RATE	NEAR-MARKET RATE	MARKET RATE
RELATIVE RETURN				



ImpactAssets		FUND SUMMARY
ASSET CLASS	Real Assets	
CURRENT FUND SIZE	\$1.3B as of December 31, 2023	
TERM	Perpetual, open-ended fund	
TARGET RETURN	7.0% to 8.0% 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. 	
ILLUSTRATIVE INVESTMENT	<p>The Fund has an 800,000+ acre property in eastern Texas and western Louisiana with 18% of the land in The Nature Conservancy's Resilient and Connected Network. 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.</p>	
STRENGTHS	<ul style="list-style-type: none"> Market rate generating investment strategy with demonstrated strong past performance. The Fund has delivered a 9.0% annualized net IRR since strategy inception in December 2016. Timberland represents a real asset investment strategy that has historically been uncorrelated to other major assets 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 SFI 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"> Comfort around the permanence of the collaboration between the Fund and TNC is substantiated by the reasonably sound governance structure and Conservation Success Fee mechanism that incentivizes both TIG and TNC. Inherent timber investment 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. 	

There is no guarantee that any projection, forecast or opinion around any given investment will be realized with respect to impact, performance or liquidity. Past performance does not guarantee future results.

LEGAL AND PROGRAM DISCLAIMER: This is not a solicitation to buy or sell securities, nor a private placement offering pursuant to any private placement memorandum that must be issued to qualified investors. It is an informational description of charitably oriented, social purpose investment options that have been approved by ImpactAssets only for use by its donors. 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. The Fund Manager has not approved the information contained in this Fund profile, including the assignment of risk ratings contained herein.

On August 23, 2023, the SEC adopted or amended new rules under the Investment Advisers Act of 1940, as amended (the "Advisers Act") applicable to "private funds" (the "Private Funds Rules"). The reforms include several quarterly reporting requirements with respect to performance fees and expenses, increased transparency regarding side letters and other "preferential treatment" for fund investors, prohibitions on certain liquidity rights and information sharing with fund investors, and limitations on the ability of fund managers to obtain reimbursements from private funds for costs associated with governmental investigations. The Advisers Act defines a "private fund" as an issuer that would be an investment company, as defined in Section 3 of the Investment Company Act, but for Section 3(c)(1) or 3(c)(7) of the Investment Company Act. TIG does not believe that the Fund is a private fund because it falls outside the definition of an investment company under Section 3 of the Investment Company Act. Accordingly, investors in the Fund will not be entitled to the rights, benefits and protections of the Private Funds Rules.

*Includes TIG's predecessor companies, RTG and TTG

**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.