



**FOREST
INVESTMENT
ASSOCIATES**

Q4 2025

Forestry Insights

The challenges of 2025 carried through into the fourth quarter, impacting several fundamental aspects of the timberland investment asset class. However, these challenges did not deter the FIA team. We demonstrated significant momentum and strategic growth across nearly all areas of our business.

Throughout 2025, we successfully delivered over \$500 million in timberland A&D activity, providing meaningful liquidity for our clients while expanding market exposure for others. This activity reaffirms FIA's role as a trusted partner in navigating complex market dynamics and capitalizing on opportunities.

Operationally, our platform across the U.S., Brazil, and Chile achieved important outcomes, driven by our dedicated operational and portfolio management teams. They effectively managed our clients' assets and met investor expectations, adapting to local operational complexities - hallmarks of our ongoing commitment to operational excellence and value creation.

Our expertise in sustainability continues to grow, exemplified by our receipt of the Environmental Finance award for our client-smart forestry strategy.

This recognition affirms FIA's leadership in integrating sustainable practices with financial performance, aligning with our core mission to foster responsible stewardship of forest resources while delivering superior results for our clients.

Looking ahead, we are excited to celebrate FIA's 40th anniversary in 2026. This milestone reflects four decades of dedicated service, innovation, and growth driven by our talented FIAers, whose unwavering commitment continues to shape our success. As we prepare to mark this special occasion, we remain focused on strengthening our platform, deepening client relationships, and advancing our mission of sustainable, value-driven forestry investment.

As we enter the new year, aligned by our Mission, organized around the mid-year launch of our latest Strategic Plan, and guided by FIA's Values, we believe we are well-positioned to meet both client and FIA shareholder goals.



Mike Cerchiaro,
President & CEO

[TRANSACTIONS OVERVIEW](#)

[PRINCIPLES FOR RESPONSIBLE
INVESTMENT \(PRI\) UPDATE](#)

[2025 YEAR IN REVIEW:
HIGHLIGHTS AND ACTIVITY
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Disclaimer: FIA self-nominated for the Environmental Finance award. No fees or payments were made by FIA for nomination, consideration, or receipt of either award.



www.forestinvest.com



Principles for Responsible Investment (PRI) Update

The UN-supported, investor-led Principles for Responsible Investment (PRI) initiative assesses how signatories integrate environmental, social and governance (ESG) considerations into investment decision-making, governance and transparency.

As a PRI signatory, FIA has reported annually against the PRI framework since 2021, reinforcing our long-term commitment to responsible investment practices.

In the most recent assessment with results released in Q4 of 2025, FIA maintained its 4-star status across both PRI modules, reflecting consistent performance and ongoing sustainability journey.

We also made strong progress year-over-year, notably increasing our Policy, Governance & Strategy score by ten points (77 in 2024 to 87 in 2025) following targeted actions overseen by FIA's ESG Committee.

Meaningful increases were delivered across several indicators previously identified for enhancement, demonstrating FIA's abilities to strengthen governance processes – which we intend on continuing into this year's reporting cycle.

Ross Holbrook
Sustainability Manager

Disclaimer: The stars do not represent an award or recommendation by PRI but rather represent the scoring range applicable to FIA's submission. Please see attached [link](#) for the full report.

Transactions Overview

CLOSED AND/OR ANNOUNCED TRANSACTIONS

- FIA purchased 85,000 acres in Alabama and Georgia from Weyerhaeuser for a reported price of \$220 million
- Chinook announced its purchase of South Coast Lumber for an undisclosed price. The acquisition includes 104,000 acres of timberland in coastal Oregon along with multiple manufacturing facilities.
- Weyerhaeuser announced its purchase of 10,000 acres in Oregon from a private seller for a reported price of \$95 million, or \$9,500/acre.
- Timberland Investment Resources closed its acquisition of 11,000 acres in Texas from Domain for approximately \$25 million.
- International Woodland Company (IWC) purchased 12,000 acres in Alabama and Mississippi from Manulife for approximately \$31 million.
- Domain purchased 2,500 acres in Mississippi from AgVictus for \$5.4 million.

TRANSACTIONS IN PROGRESS

- Investors are waiting for details on several transactions that are expected to close in the first quarter of 2026
 - Includes multiple \$100MM+ offerings
- Meanwhile, new offerings continue to hit the market, particularly in the US South
 - Several of these offerings are taking first quarter bids
- Domestic transaction value totaled approximately
- \$2.5 billion in 2025, topping the previous year's total.
 - 2026 is off to a strong start, with several carryover transactions expected close in the first quarter and new offerings coming to the market.

Ryan Reddish
Director, Acquisitions





2025 Year in Review: Highlights and Activity Across FIA

This year marked a period of consistent progress across FIA’s investment platforms, portfolio activity, and industry engagement. More than \$500 million in timberland transactions closed in 2025, alongside over 20,000 acres of conservation-oriented land sales.

FIA teams participated in global dialogue on timber and natural capital, including engagements in Tokyo, Brussels, and São Paulo. In the U.S., the firm hosted its Consultants Conference and continued to advance its long-term approach to Climate-Smart Forestry. FIA was recognized by Environmental Finance as 2025’s North American Fund of the Year, underscoring continued progress on ESG goals.

This year also marked 10 years of collaboration with NGB Florestal in Brazil, supporting forest stewardship across thousands of hectares. Internally, FIA welcomed new colleagues, celebrated two retirements, and prepared for its 40th anniversary in 2026.

Looking ahead, FIA remains focused on delivering long-term value through disciplined investment, forest stewardship, and alignment with client objectives.

Advancing sustainable forestry, together

The FIA Difference It Will Take All of Us

2025
YEAR IN REVIEW

GLOBAL ENGAGEMENT

From Tokyo to Brussels, FIA engaged with global investors and policymakers on timber, natural capital, and sustainable trade.

INVESTMENT & GROWTH

Over \$500 million in transactions closed and under contract, including 20,000 acres of conservation land sales.

CLIMATE-SMART RECOGNITION

FIA’s Climate-Smart Forestry Strategy named **Environmental Fund of the Year, North America** by Environmental Finance.

Disclaimer: FIA self-nominated for the Environmental Finance award. No fees or payments were made by FIA for nomination, consideration, or receipt of the award.

PARTNERSHIPS

Hosted FIA’s **Consultants Conference**, bringing together forestry leaders to share insights, innovation, and best practices.

GLOBAL PLATFORMS

Marked a decade of NGB Florestal – one of FIA’s flagship investment platforms in Brazil.

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Now Live: FIA Video “The FIA Difference”

When we asked FIA team members and partners to describe the firm in three words, their responses weren't scripted or coordinated, yet the same themes surfaced across regions and roles: **collaboration, trust, and excellence.**

Our new video, **The FIA Difference**, brings these authentic perspectives together. You'll hear from people who work at and with FIA every day, sharing what these qualities look like in practice: in the field, in partnerships, and in long-term forest stewardship.

Boots on the Ground - Team Member Spotlight

Sarah Hall joined FIA in 2007 and currently serves as Director, Dispositions. She plays a central role in managing real estate transactions and implementing alternative land use strategies across the U.S.

Q: Can you share about your role – how does your work being closest to the properties contribute to the way FIA manages forestry assets and portfolios?

A: My work focuses on identifying opportunities to add value across FIA's portfolio through thoughtful dispositions and creative land use strategies. I collaborate with our internal teams and external partners to evaluate properties for higher and better uses, including wetland mitigation, solar, wind, and other entitlement-based strategies. This perspective complements our forest management approach and supports overall portfolio performance.



FIA Team Highlights



Honoring a Remarkable Career at FIA

The FIA team is honored to celebrate the retirement of Scott Bond, marking more than 25 years of leadership and dedication to the firm.

Since joining FIA in 2000, Scott has played a central role in FIA's evolution – strengthening client relationships, driving capital-raising, and helping shape FIA's long-term strategy. Known for his discipline and client-first approach, Scott has been an invaluable contributor to FIA's continued growth.

We are deeply grateful for Scott's many contributions and wish him all the best as he begins this well-deserved next chapter.

Awards & Distinctions

The Broad Arrow Award for Excellence

At FIA, excellence shows up in many ways – through leadership, collaboration, client service, and commitment.

At our 2025 All-Staff Meeting, we were proud to recognize 2025 Broad Arrow Award for Excellence recipients: **Rebecca Dolan, Sophie Wade, Madison Akers, Daniel Rigby, and Ryan Reddish.**

This award honors individuals who embody FIA's mission and values through exceptional performance, thoughtful decision-making, and meaningful contributions to our clients, colleagues, and long-term success. Each of these team members exemplifies what it means to lead with integrity, deliver results, and strengthen the culture that sets FIA apart.

Congratulations to this outstanding group – and thank you for the impact you make every day!

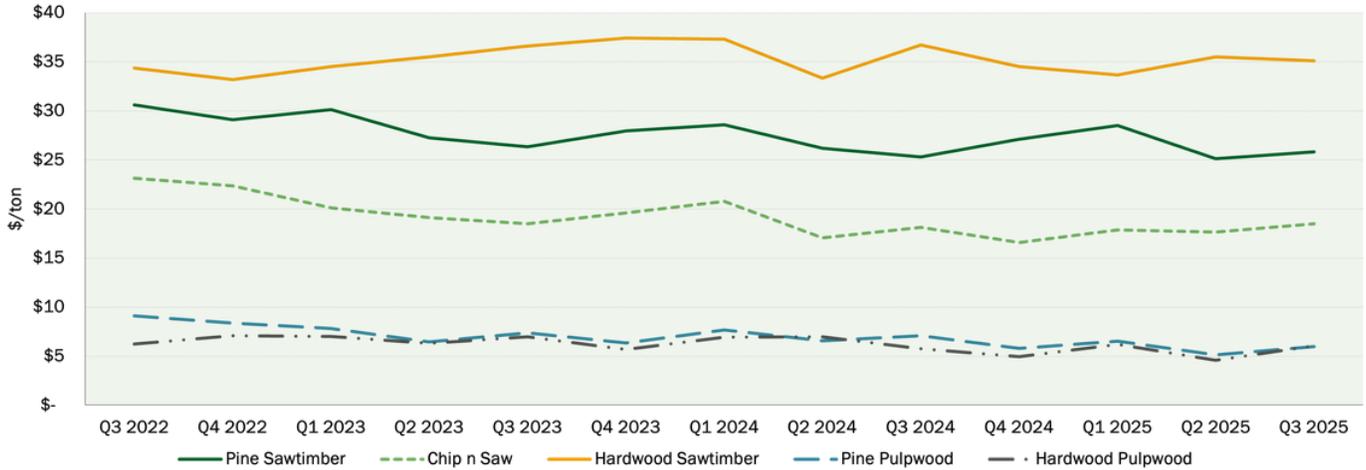




SOUTHEASTERN — FOREST2MARKET REPORT HIGHLIGHTS (Q4)

- Pine Sawtimber prices decreased 1.2% quarter-over-quarter and were down 5.9% year-over-year, ending Q4 at \$25.51/ton.
- Pine Chip-n-Saw prices declined 11.2% quarter-over-quarter and were down 1.1% year-over-year, finishing Q4 at \$16.42/ton.
- Pine Pulpwood prices fell 18.5% quarter-over-quarter and remained 15.6% below year-ago levels, closing Q4 at \$4.89/ton.
- Hardwood Pulpwood prices decreased 10.1% quarter-over-quarter, but were up 9.6% year-over-year, ending Q4 at \$5.43/ton.
- Hardwood Sawtimber prices increased 5.4% quarter-over-quarter and were up 7.2% year-over-year, reaching \$37.02/ton in Q4.

Southeastern Timber Prices

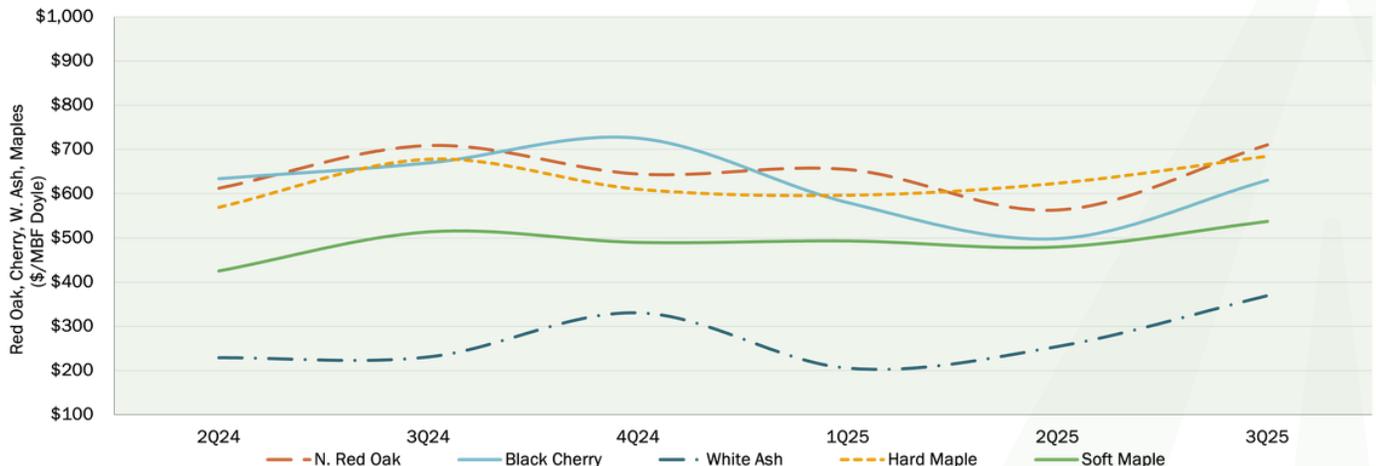


Source: Forest2Market®

NORTHEAST HARDWOOD — THE PENNSYLVANIA WOOD MARKET REPORT HIGHLIGHTS (Q3)

- Red Oak (Doyle) increased to \$710/MBF, up 26.2% quarter-over-quarter and +0.2% year-over-year.
- Black Cherry advanced to \$372/MBF, up 26.5% quarter-over-quarter, with modest improvement versus earlier 2025 pricing.
- White Ash prices increased to \$290/MBF in Q3 2025, up \$41/MBF (~16%) from Q2, signaling a continued recovery from the early-year low.
- Hard Maple increased to \$404/MBF, up 9.8% quarter-over-quarter and ~1.0% year-over-year, indicating steady recovery.
- Soft Maple rose to \$317/MBF, posting a 12.0% quarterly gain and 4.6% year-over-year increase, suggesting improving demand conditions.

Northeast Hardwood



Source: Pennsylvania Woodlands Timber Market Report - Northwest Region

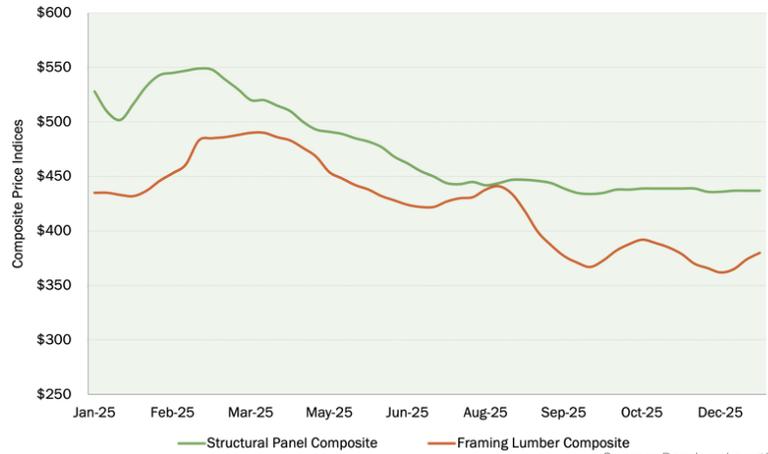


RANDOM LENGTHS HISTORICAL INDICES (LUMBER & PANEL PRICES)

REPORT HIGHLIGHTS (Q4)

- Framing Lumber Composite increased to \$380/MBF at year-end, up 3.5% quarter-over-quarter, but remained 12.2% below year-ago levels. Prices rebounded from the Q3 low of \$367/MBF.
- Structural Panel Composite ended Q4 at \$437, rising 0.7% quarter-over-quarter, though still 19.5% below prior-year levels, reflecting continued softness in panel markets despite late-quarter stabilization.

Lumber & Panel Prices

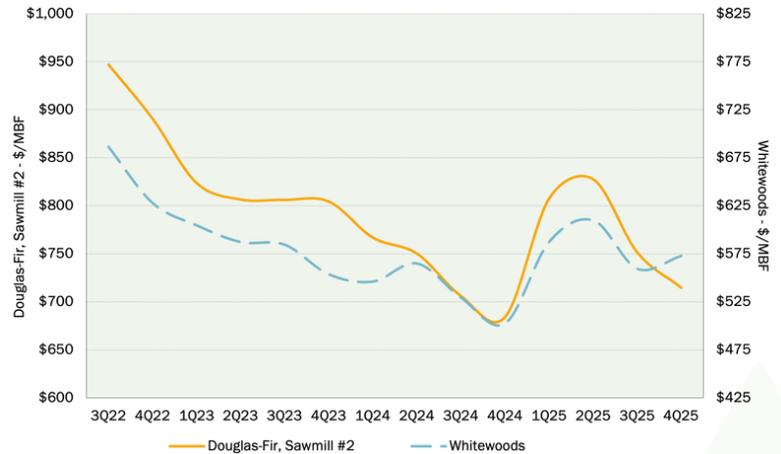


Source: Random Lengths®

PACIFIC NORTHWEST — REPORT HIGHLIGHTS (Q4)

- Douglas-Fir (Sawmill #2) averaged \$715/MBF in Q4 2025, declining 4.9% quarter-over-quarter, but remaining 4.5% above year-ago levels, indicating continued annual improvement despite late-year softening.
- Whitewoods averaged \$573/MBF in Q4 2025, increasing 2.4% quarter-over-quarter and rising 14.0% year-over-year, reflecting stronger relative momentum compared to Douglas-Fir.

PNW Lumber Prices

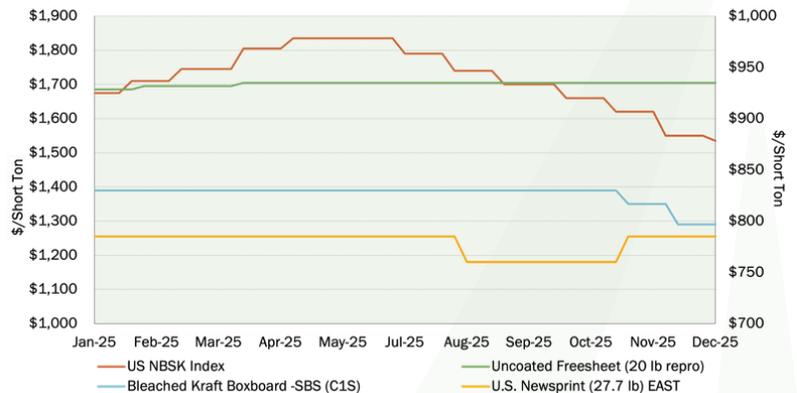


Source: Fastmarkets RISI - Log Lines®

PULP & PAPER — REPORT HIGHLIGHTS (Q4)

- U.S. NBSK Pulp declined to \$1,535/ton, down 8.4% quarter-over-quarter and 9.7% year-over-year, reflecting continued softness in pulp markets.
- U.S. Newsprint remained flat at \$785/ton, with 0% quarterly change and modest annual decline.
- Uncoated Freesheet held steady at \$1,705/ton, unchanged quarter-over-quarter and slightly positive year-over-year.
- Bleached Kraft Boxboard (SBS) fell to \$1,290/ton, down 7.2% quarter-over-quarter, indicating late-year weakness in packaging grades.

Pulp & Paper



Source: Fastmarkets RISI - Graphic Paper North America Dashboard

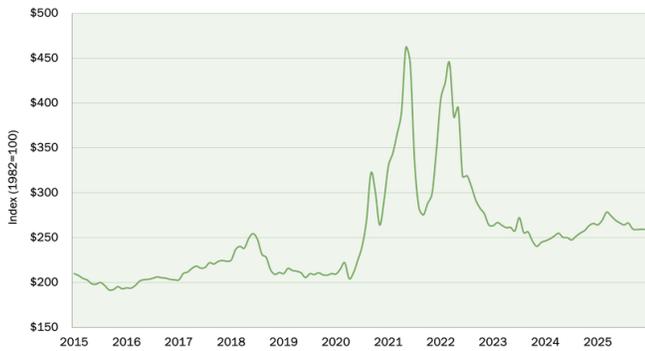
Forestry Markets & Related Data (U.S.)



U.S. QUARTERLY DASHBOARD (Q4)

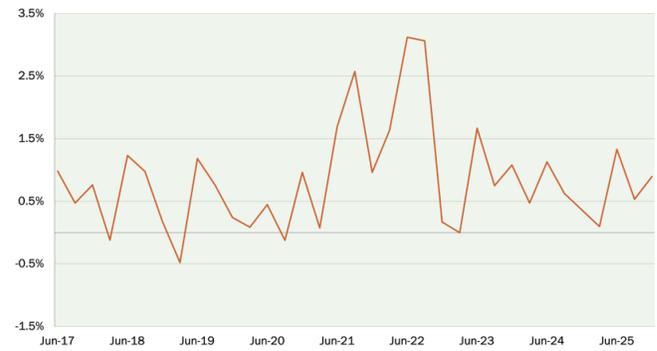
- Lumber prices remained relatively stable through 2024–2025 near the mid-250 index level, well below the 2021–2022 peak but showing modest late-year stabilization.
- Inflation moderated in 2025, with monthly CPI gains fluctuating around 0–1%, significantly below the 2022 peak but still above pre-pandemic norms.
- U.S. housing starts trended lower through 2024–2025, declining from mid-2024 levels to approximately 1.25 million units by October 2025, reflecting softer residential construction activity.
- The 30-year mortgage rate eased from early-2025 highs near 6.9% to approximately 6.2% by year-end, though remaining elevated relative to pre-2022 levels.
- GDP increased from \$29.71T (Q1 2024) to \$31.10T (Q3 2025), extending the post-2020 expansion to a new high; full-year 2025 data are not yet available, as only results through Q3 2025 have been published.

Lumber



Source: U.S. Department of Labor, Bureau of Labor Statistics

Inflation - Quarterly CPI



Source: U.S. Department of Labor, Bureau of Labor Statistics

30-Year Housing Starts



Source: National Association of Homebuilders

30-Year Mortgage Rates



Source: The Federal Reserve

U.S. GDP (USD, Billion)



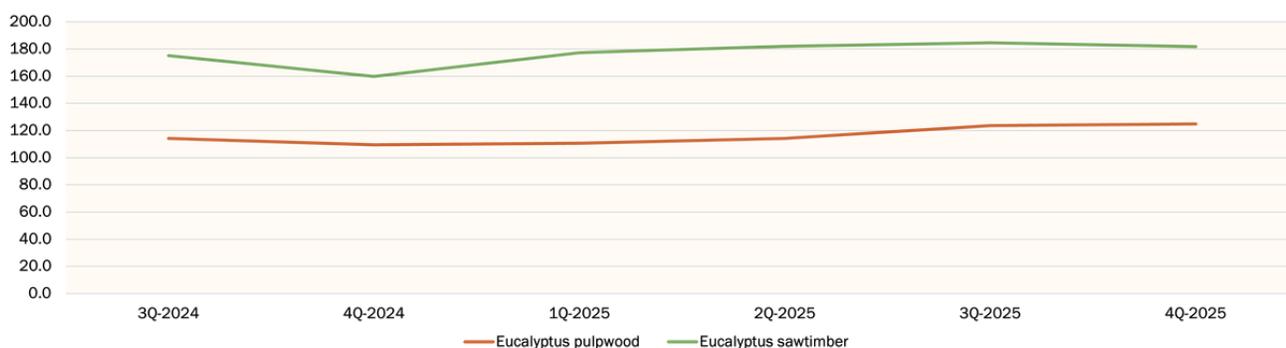
Source: The Federal Reserve



BRAZIL PRICES — REPORT HIGHLIGHTS (Q4)

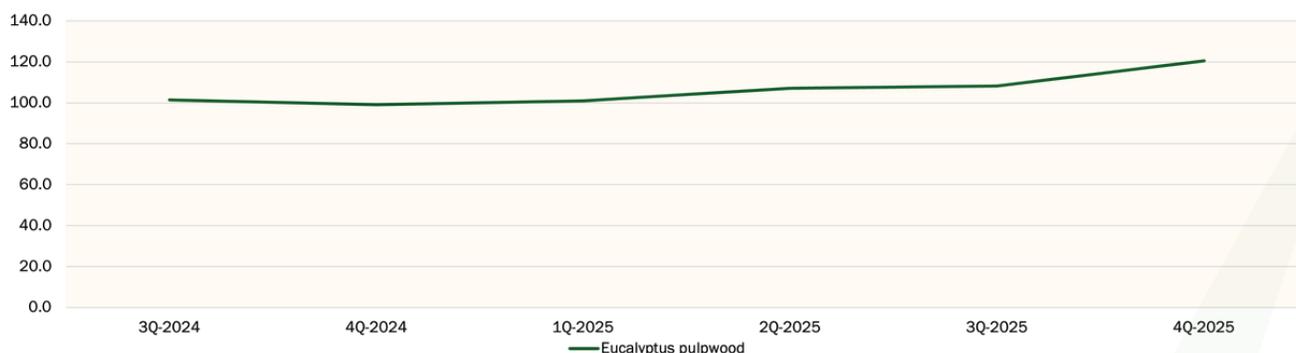
- In Q4 2025, Paraná eucalyptus prices strengthened across both products, with pulpwood rising to R\$124.9/m³ and sawtimber holding firm at R\$181.7/m³ after peaking in Q3, reflecting continued solid demand and a tighter supply environment. The sustained quarterly gains in pulpwood highlight ongoing momentum in the fiber market, while sawtimber shows signs of short-term stabilization at elevated levels.
- In Q4 2025, eucalyptus pulpwood prices in Mato Grosso do Sul rose sharply to R\$120.5/m³, marking the strongest quarterly gain in the series and extending the upward trend seen throughout 2025. The acceleration from R\$108.3/m³ in Q3 suggests tightening wood supply and sustained demand from the pulp sector.
- In Q4 2025, Paraná pine prices showed a mixed performance in BRL terms: pulpwood continued its steady recovery to R\$108.2/m³, while higher-grade sawtimber weakened (Sawtimber II to R\$269.4/m³ and Sawtimber III to R\$373.4/m³), indicating softer demand for larger-diameter logs. Sawtimber I edged slightly lower to R\$192.3/m³, suggesting stabilization in the mid-grade segment after earlier gains in 2025.

Eucalyptus Prices in Paraná (R\$/m³)



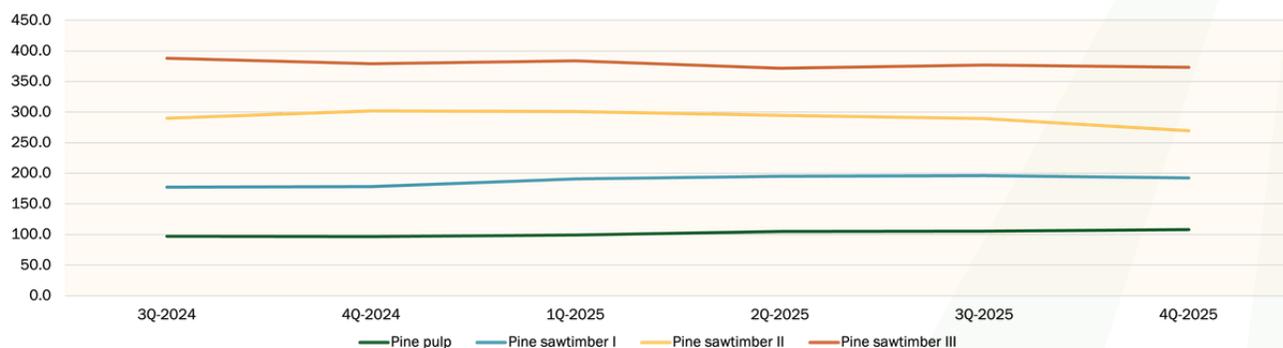
Source: Internal analysis

Eucalyptus Pulpwood in Mato Grosso do Sul (R\$/m³)



Source: Internal analysis

Pine Prices in Paraná (R\$/m³)



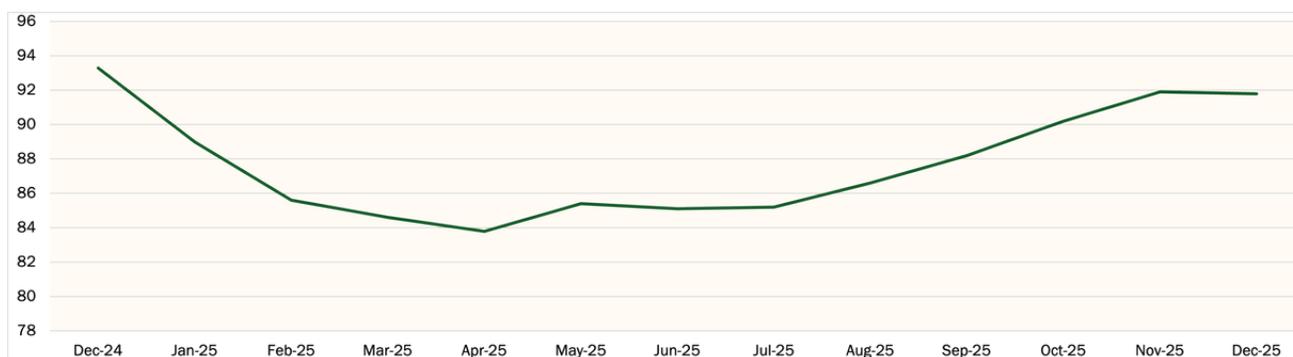
Source: Internal analysis



BRAZIL QUARTERLY DASHBOARD (Q4)

- Consumer confidence gradually recovered during the second half of 2025, rising to 91.8 in Dec-25, marking an improvement of roughly +8 points from the April trough. Despite the late-year rebound, sentiment remained slightly below early-2024 levels.
- After peaking at 10.06% in 2021, inflation declined sharply to 5.79% in 2022 and 4.62% in 2023, stabilizing near the mid-4% range in 2024–2025. Current levels are broadly in line with the pre-pandemic historical average range (approximately 4–6%).
- Brazilian GDP increased to approximately \$2,17 trillion in 2024, reflecting continued recovery from the 2020 contraction and steady expansion since 2021. Full-year 2025 GDP data has not yet been published, as official figures are typically released with a reporting lag.

Brazilian Consumer Confidence Index



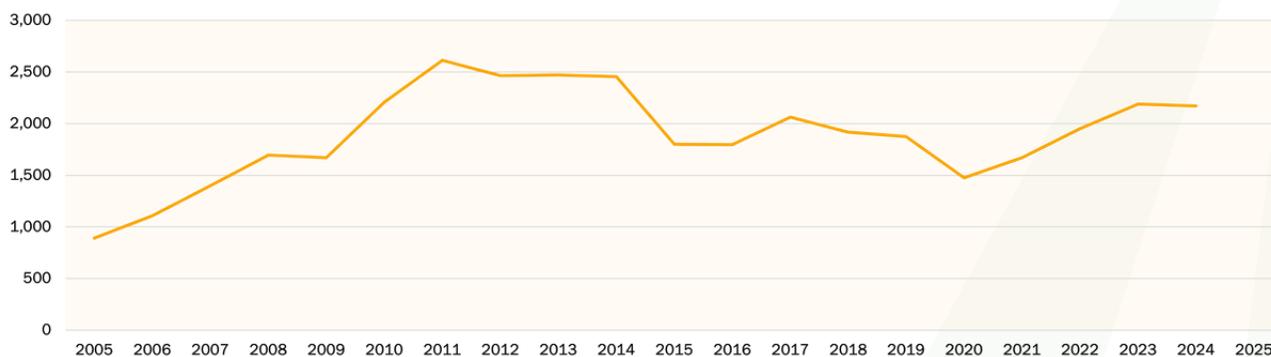
Source: Federação do Comércio do Estado de São Paulo (Fecomercio SP)

Brazilian Annual Inflation (% py)



Source: Instituto Brasileiro de Geografia e Estatística, Sistema Nacional de Índices de Preços ao Consumidor (IBGE/SNIPC)

Brazilian GDP (USD, Billion)



Source: Fundo Monetário Internacional, World Economic Outlook database



CHILE QUARTERLY DASHBOARD (Q4)

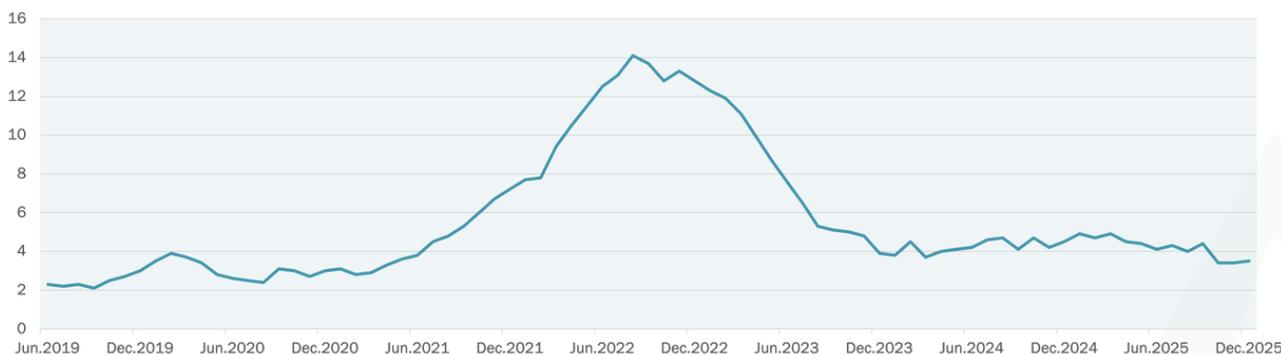
- Consumer confidence stayed in the low-40s through 2024-2025, rose from 41.89 in Dec-2024 to 49.20 in Dec-2025, and strengthened in late 2025 with readings above 43–49 in the final quarter - the highest level in the two-year period shown.
- Inflation fell to 3.5% in Dec-2025 from 4.5% in Dec-2024, continuing disinflation after a 2022 peak of 14–15% with sharp easing in 2023 and stabilization around 4–6% through 2024–2025, and late-2025 readings of 3.4–3.5% suggest it is moving closer to Chile's historical target.
- Chile GDP (index, 2018=100*): GDP rose from 109.02 (Mar-24) to a peak of 117.99 (Dec-24), then moderated to 109.55 (Sep-25); Dec-25 data has not yet been published.

Chile Consumer Confidence Index



Source: IPSOS

Chile Annual Inflation (CPI, % year-on-year)



Source: Statistics Database (BDE)

Chile Real GDP Proxy - IMACEC (Index, 2018=100*)



Source: Statistical Database (BDE)



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