

Q1 2026



**FOREST
INVESTMENT
ASSOCIATES**

Forestry Insights

It is an exciting time at FIA. Subsequent to the end of Q1, FIA became 100% employee-owned after acquiring all passive LP interests which were established at the company's founding in 1986. This significant moment strengthens alignment with our investor clients and across the entirety of our firm. We are energized by this development and thrilled for what the future holds.

As we reflect on Q1 developments, FIA and our investors confront a decidedly different market environment. Early cost increases stemming from geopolitical instability are flowing across our operations, most notably in fuel and inputs such as fertilizer. The Iranian conflict, beginning late February, has rewritten the global supply chain and energy cost outlook, demanding keen awareness of the state of our end-use markets.

At FIA, we emphasize diversification in timberland portfolio construction, including trade diversification. Volatile periods that prompt swings in rates, currency, trade policy and costs can meaningfully impact revenue realization and margins. The ability to shift operational activity from weak markets to those of relative strength offers resilience in near-term financial outcomes while maintaining long-term asset value and returns.

Global pulp markets have shown improvement, while the U.S. housing market, an important driver across our operating areas, has weakened due to resumed 6%+ mortgage rates with upward pressure. Timberland transaction activity has been metered early in 2026. Yet within this challenging backdrop lies opportunity. We believe, FIA's established relationships, operational expertise, and disciplined approach position us to identify attractive investment opportunities.

We hope you enjoy this newsletter and the stories we share about our people, markets, and FIA.



Mike Cerchiaro,
President & CEO

[TRANSACTIONS OVERVIEW](#)

[RESTORING A GEORGIA
CONSERVATION GEM](#)

[A MILESTONE FOR FIA:
100% EMPLOYEE-OWNED](#)

[40TH ANNIVERSARY LOGO](#)

[BOOTS ON THE GROUND -
TEAM MEMBER SPOTLIGHT](#)

[WOMEN IN FORESTRY](#)

[FORESTRY MARKETS
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Restoring a Georgia Conservation Gem



FIA's Q4 2025 acquisition of 86,000 acres in Georgia and neighboring Alabama included the 931-acre Coosa Valley Prairie, which is protected under a conservation easement with The Nature Conservancy (TNC). As a globally rare ecosystem and the only commercial timberland property in Georgia with a TNC easement, the conservation area is a mosaic of older and younger shortleaf and loblolly pines, younger longleaf stands, and rare, wildflower-rich glades endemic to northwest Georgia.

After seven years without burning, prescribed fire was carefully introduced on 170 acres, including by drone, under the supervision of The Nature Conservancy, Quail Forever, and the Georgia Forestry Commission. As an important natural tool, prescribed burning reduces a shrubby midstory and maintains open woodland habitat, encouraging biological diversity, the return of wildlife such as Bachman's sparrow, and a wealth of plant species including purple coneflower and Mohr's Barbara's buttons.

The ongoing advancement of conservation through strategic partnerships is a hallmark of FIA management. With our partners, we are excitedly planning a return trip later this year to document the rare species and environmental benefits generated by this important forest management tool.

Ross Holbrook
Director, Sustainability

Transactions Overview



CLOSED AND/OR ANNOUNCED TRANSACTIONS

- BTG Pactual announced its purchase of 107,000 acres in Virginia from Weyerhaeuser for a reported price of \$193 million
- Domain purchased 11,200 acres in Georgia from Forest Investment Associates for \$31.8 million
- The Conservation Fund purchased 8,100 acres in Florida from Southern Pine Plantations for a reported price of \$12.9 million

TRANSACTIONS IN PROGRESS

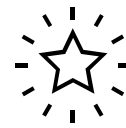
- Investors are waiting for details on several transactions that are expected to close in the second quarter of 2026
- Includes approximately 100,000 acres across multiple investment regions
- Meanwhile, new offerings continue to hit the market, particularly in the US South: several of these offerings are taking second quarter bids

The first quarter is notorious for limited transaction activity, but it usually picks up as the year goes on.

Ryan Reddish
Director, Acquisitions



A Milestone for FIA: 100% Employee-Owned



Forest Investment Associates (FIA) announces the acquisition of all outstanding limited partner interests (LP Interests), which were established at the founding of FIA in 1986. This marks a significant milestone as the firm consolidates ownership and becomes 100% employee-owned.

While the LP Interests had no day-to-day management authority or operational impact, this change further strengthens the long-term alignment between our employee owners and our investor clients.

As President & CEO Mike Cerchiaro shared, “This transaction is yet another example of how FIA aligns its long-term vision with the needs of our clients. Clear incentives and alignment of ownership are important to our clients, and we believe the acquisition of the LPs’ interests further reinforces that alignment.”

Today, FIA has 56 employees, 54 of whom are shareholders, reflecting a culture where ownership, responsibility, and long-term thinking are deeply embedded in the firm’s operations. Employee ownership has been a defining characteristic of FIA’s culture, shaping how the firm attracts talent, creates alignment, manages investments, and serves its clients. The transaction follows earlier efforts to sustainably broaden and transition ownership across the firm.

FIA is well-positioned to continue delivering on its mission of sustainable forestry investments and responsible stewardship, while maintaining strong alignment with its core values and our clients. As FIA enters its next chapter, the firm remains focused on long-term performance, disciplined investment, and managing forests for future generations to meet its clients’ objectives.

Download [the full press release here \(PDF\)](#)





A LEGACY BUILT FOR THE LONG TERM

A legacy built for the long term

This year marks an important milestone for FIA – 40 years of managing forest investments for our clients. A legacy built for the long term.

Since our founding in 1986, FIA has grown into a global timberland investment advisor with a commitment to responsible forestry, disciplined investment, and long-standing partnerships with our clients and across the sector. We are unveiling a special 40th anniversary logo to mark four decades of FIA's work managing forests for long-term value.

TEAM MEMBER SPOTLIGHT

Boots on the Ground

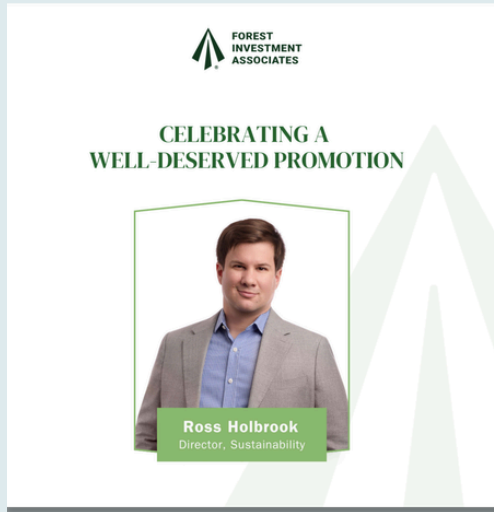
Bryan Blankenship joined FIA in 1999 and serves as Operations Manager, Northern Region. He leads the Northern Operations Group, overseeing hardwood timberland management across the Northern United States. During Bryan's tenure he has also managed properties in the Pacific Northwest and Southern Regions, bringing a well-rounded perspective to his work.

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 role focuses on ensuring that our client's goals and objectives are implemented in all forest management practices that are implemented in the Northern Region. I can achieve this by intimately knowing the properties and working with other excellent FIA employees and third-party vendors to execute the short- and long-term strategies. With a long-term perspective, FIA works to balance sustainable forest stewardship with sound economic decision-making ensuring both the health of the forest and delivery of value to our clients.



FIA Team Highlights



Celebrating a well-deserved promotion

We're pleased to announce that **Ross Holbrook** has been promoted to Director, Sustainability.

Since joining FIA in 2024, Ross has demonstrated exceptional professionalism, and leadership, along with his vast experience, across both internal initiatives and external engagements, displaying an ability to collaborate across FIA, translating complex sustainability topics into practical, meaningful insights.

In his new role, Ross will report directly to FIA's executive leadership team and lead the firm's Sustainability Team and overall sustainability programming.

Women in Forestry: Leadership, Stewardship, and the Future of Forest Management



In March, we recognize Women's History Month and the evolving role of women in forestry. From early pioneers in forest science to today's professionals across investment, conservation, and land management, women continue to shape the future of the sector.

At FIA, team members such as **Madison Akers**, Regional Investment Forester, and **Adriane Villela**, Director, Brazil Investments, bring experience and perspective to managing forests for the long term – supporting both sustainable outcomes and client objectives.

As forestry evolves, embracing diverse perspectives will be central to overcoming the industry's next set of challenges, driving innovation and strengthening the industry's ability to adapt and thrive.

Read more about the role of women in forestry: [Women in Forestry: Leadership, Stewardship, and the Future of Forest Management - Forest Investment Associates.](#)

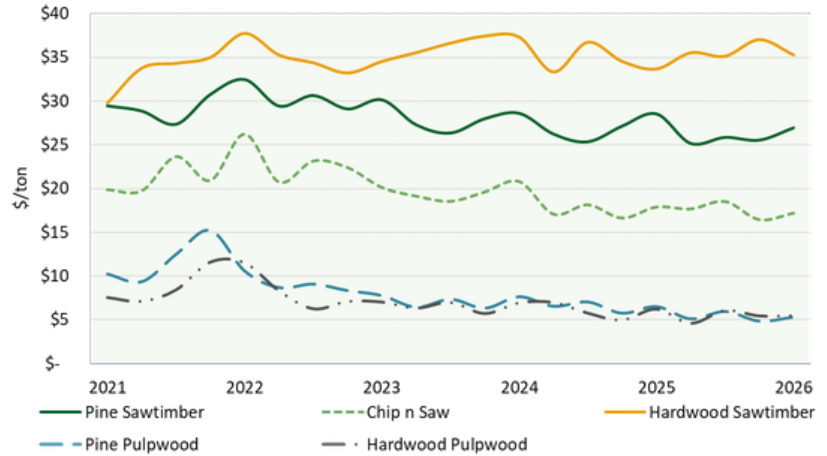




Southeastern Timber Prices

SOUTHEASTERN — FOREST2MARKET REPORT HIGHLIGHTS (Q1)

- Southeastern timber markets remained relatively stable in Q1 2026, with modest divergence across product classes. Pine sawtimber increased to \$26.92/ton in Q1 2026 (from \$25.51 in Q4 2025), while chip-n-saw rose to \$17.17/ton. Hardwood sawtimber declined slightly to \$35.26/ton (from \$37.02), reflecting some softening in hardwood demand. Pulpwood pricing remained largely unchanged, with pine pulpwood at \$5.35/ton and hardwood pulpwood at \$5.46/ton. Overall, pricing trends suggest stable fundamentals with incremental strength in pine products.

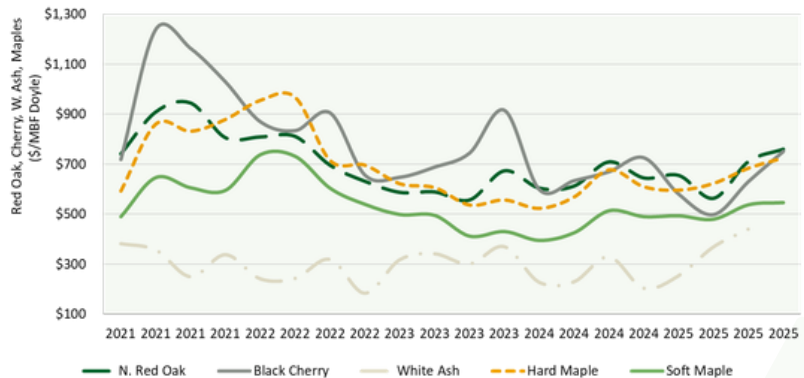


Source: Forest2Market®

Northeast Hardwood

NORTHEAST HARDWOOD — THE PENNSYLVANIA WOOD MARKET REPORT HIGHLIGHTS (Q4)

- Northeast hardwood markets showed a clear recovery from late-2024 lows. Red oak and hard maple moved into the \$700–\$750/MBF range by Q4 2025, up from lows near \$550–\$600/MBF in early 2025. Black cherry followed a similar trajectory, recovering toward \$700/MBF after prior weakness. White ash, while more volatile, improved to approximately \$350–\$400/MBF. The data indicates strengthening demand and price stabilization across most species entering 2026.

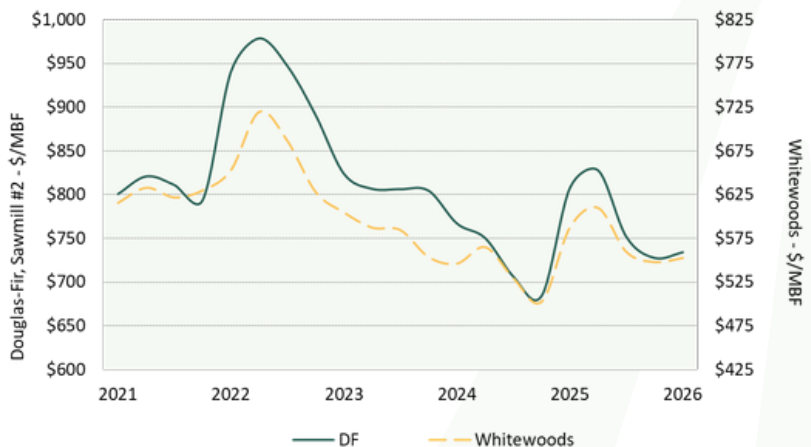


Source: Pennsylvania Woodlands Timber Market Report - Northwest Region

PNW Lumber Prices

PACIFIC NORTHWEST — REPORT HIGHLIGHTS (Q1)

- Pacific Northwest lumber prices continued to show cyclical recovery. Douglas-fir sawmill prices declined through 2025 to a low near \$705 in December 2025, before rebounding to approximately \$756 in March 2026. Whitewoods followed a similar pattern, increasing from roughly \$543 to \$561 over the same period. Quarterly averages reflect a return to modest growth following earlier volatility, though prices remain below prior peaks.



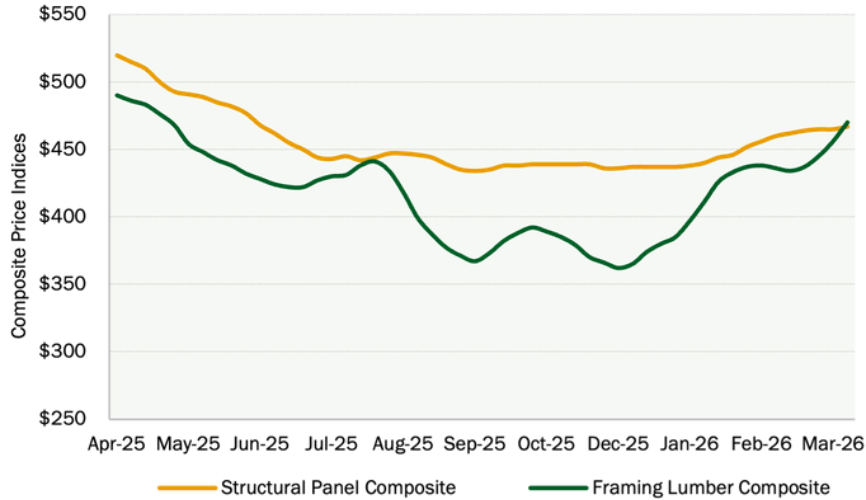
Source: Fastmarkets RISI - Log Lines®



RANDOM LENGTHS HISTORICAL INDICES (LUMBER & PANEL PRICES) — REPORT HIGHLIGHTS (Q1)

- Lumber and panel prices rebounded meaningfully through Q1 2026. Framing lumber increased from approximately \$370 in late 2025 to \$460-\$470 by March 2026, representing a strong recovery from cyclical lows. Structural panel prices remained more stable, moving within a narrower band of approximately \$430-\$470. The convergence of lumber and panel pricing reflects improving demand conditions, particularly in construction-related end markets.

Lumber & Panel Prices

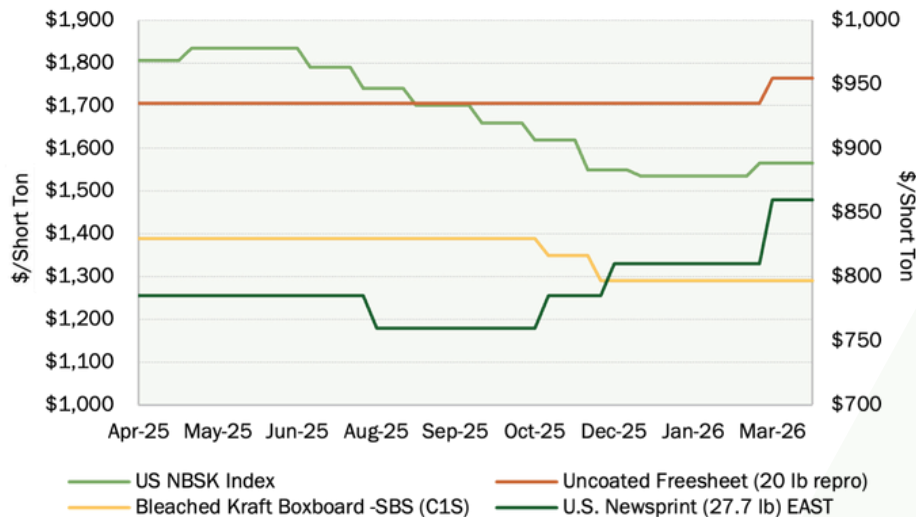


Source: Random Lengths®

PULP & PAPER — REPORT HIGHLIGHTS (Q1)

- Pulp and paper markets exhibited mixed trends with early signs of stabilization. The NBSK pulp index declined from approximately \$1,820/ton in mid-2025 to \$1,550-\$1,565 by early 2026, before showing a modest rebound. Newsprint increased from \$810 to \$860/ton in Q1 2026, while uncoated freesheet rose from \$1,705 to \$1,765/ton. Boxboard pricing remained relatively stable near \$1,290/ton. Quarterly data indicates pulp prices declined approximately -10.3% annually, while paper grades showed more resilience.

Pulp & Paper



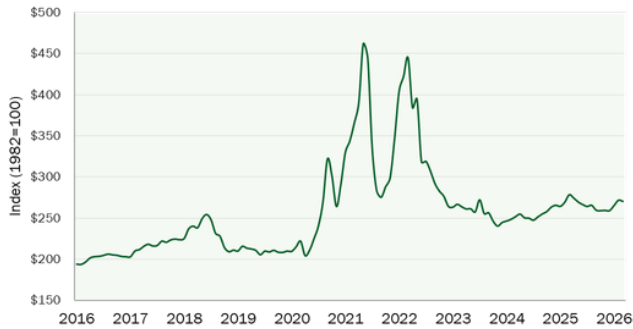
Source: Fastmarkets RISI - Graphic Paper North America Dashboard



U.S. QUARTERLY DASHBOARD (Q1)

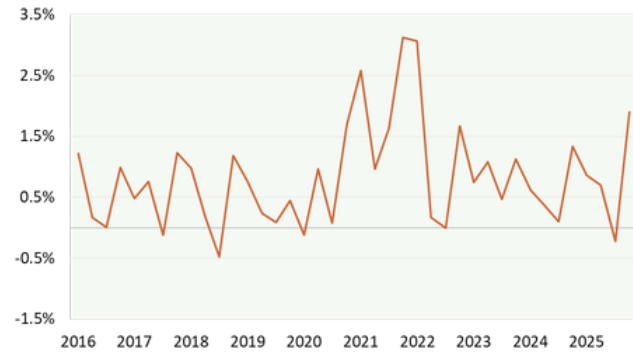
- Long-term lumber pricing remains elevated relative to pre-2020 levels. Recent monthly data shows lumber at ~\$270 in March 2026, reflecting stabilization above historical averages but well below pandemic-era highs.
- Inflation has moderated meaningfully from prior peaks, with CPI trending in the 2–3% range through 2025 and into early 2026. Most recent readings indicate a modest reacceleration toward ~3.3%, though still well below the elevated levels observed in 2021–2022.
- Housing activity continues to adjust within this higher-rate environment. Housing starts, which peaked near ~1.7–1.8 million units annually in 2021–2022, have moderated and are currently trending in the ~1.3–1.5 million range, with recent monthly data showing some variability but early signs of stabilization.
- Interest rates remain elevated relative to pre-2022 levels but have shown signs of stabilization. The 30-year mortgage rate, which peaked above 7.5% in 2023, has gradually eased to approximately 6.1–6.3% in early 2026, improving affordability conditions at the margin.
- GDP increased to approximately \$31.4 trillion by year-end 2025, up from roughly \$30.0 trillion at the start of the year, maintaining a consistent upward trajectory following the post-2020 recovery.

Lumber



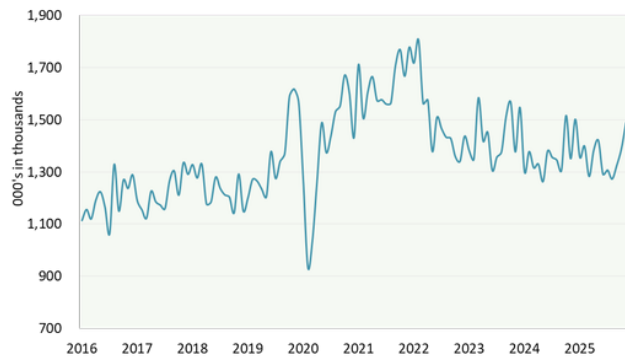
Source: U.S. Department of Labor, Bureau of Labor Statistics

Inflation - Quarterly CPI



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

Housing Starts



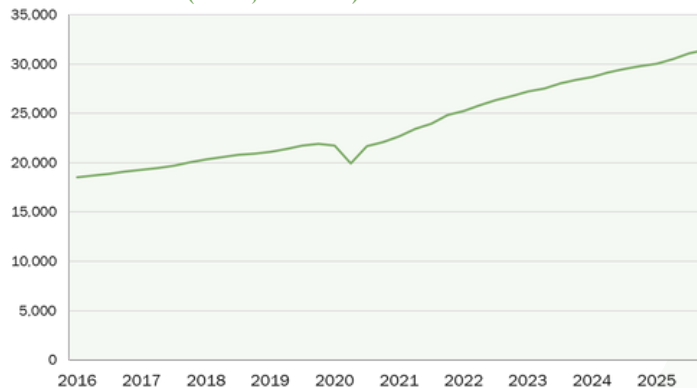
Source: Federal Reserve Economic Data

30-Year Mortgage Rates



Source: The Federal Reserve

U.S. GDP (USD, Billion)



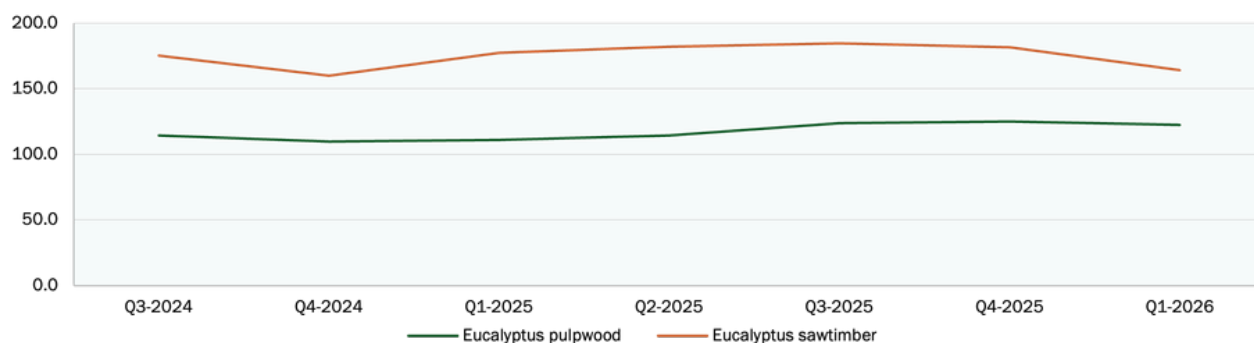
Source: The Federal Reserve



BRAZIL PRICES — REPORT HIGHLIGHTS (Q1)

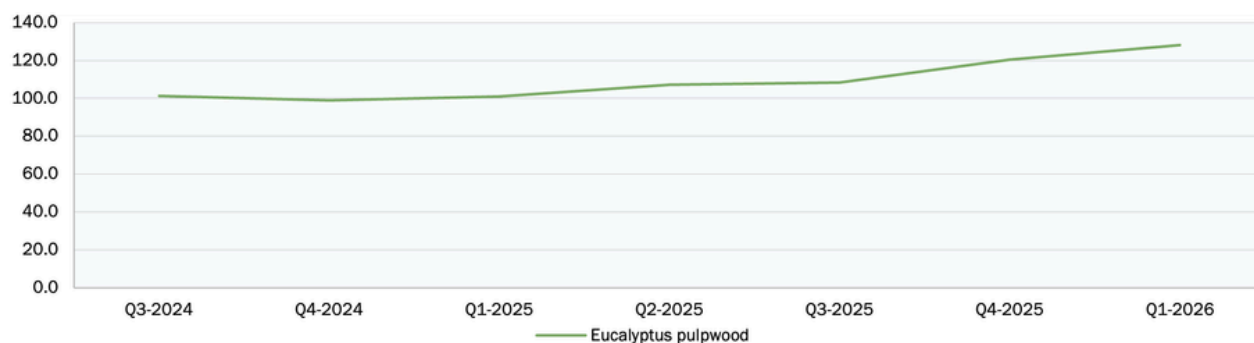
- Eucalyptus pricing in Paraná showed a clear divergence between product segments. Pulpwood remained relatively stable, ranging from ~110 to ~123, with a slight upward bias into late 2025 before easing marginally in Q1 2026. Eucalyptus sawtimber peaked near ~185 in Q3 2025 before declining to ~164 in Q1 2026, reflecting softer conditions in higher-value products.
- In Mato Grosso do Sul, eucalyptus pulpwood showed a more consistent upward trend, increasing from ~101 (Q3 2024) to ~128 (Q1 2026), indicating stronger regional demand fundamentals, likely supported by pulp capacity and export-oriented markets. In Paraná, pine markets reflected relative stability with modest product-specific shifts.
- Pine pulpwood pricing in Parana increased from ~97 (Q3 2024) to ~106 (Q1 2026), indicating gradual demand support. Pine sawtimber I rose steadily from ~177 to ~195, while Pine sawtimber II and III softened over the same period, declining from ~302 to ~264 and ~379 to ~371, respectively, suggesting some pressure in higher-grade segments.

Eucalyptus Prices in Paraná (R\$/m³)



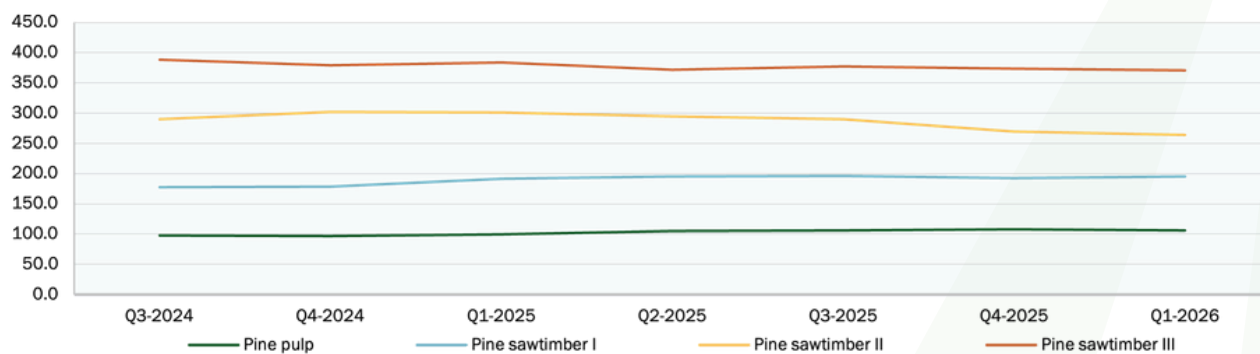
Source: Internal analysis

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



Source: Internal analysis

Pine Prices in Paraná (R\$/m³)



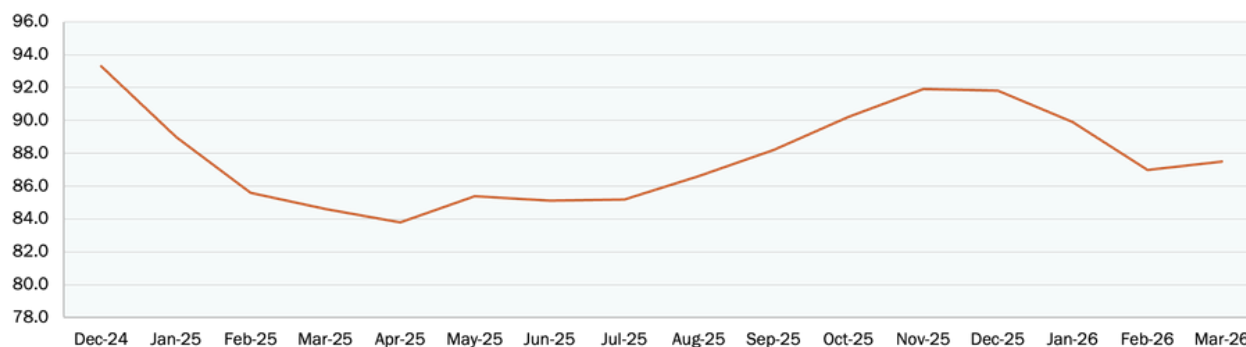
Source: Internal analysis



BRAZIL QUARTERLY DASHBOARD (Q1)

- Brazil consumer confidence showed some volatility but remains relatively stable overall. The index declined from ~93–96 in late 2024 to ~83–85 in early 2025, before recovering to ~91–92 by late 2025. In Q1 2026, confidence eased again to approximately ~87–88, indicating cautious but stable sentiment.
- Inflation has moderated significantly from prior peaks. After reaching levels above 10% in 2021 and again near 2022, inflation declined to approximately ~4.3% in 2024–2025, suggesting improved price stability and a more balanced monetary environment.
- Brazil GDP expanded to approximately \$2.36 trillion in 2025, up from ~\$2.17 trillion in 2024 and a trough of ~\$1.48 trillion in 2020, reflecting a continued recovery and moderate expansion over recent years.

Brazilian Consumer Confidence Index



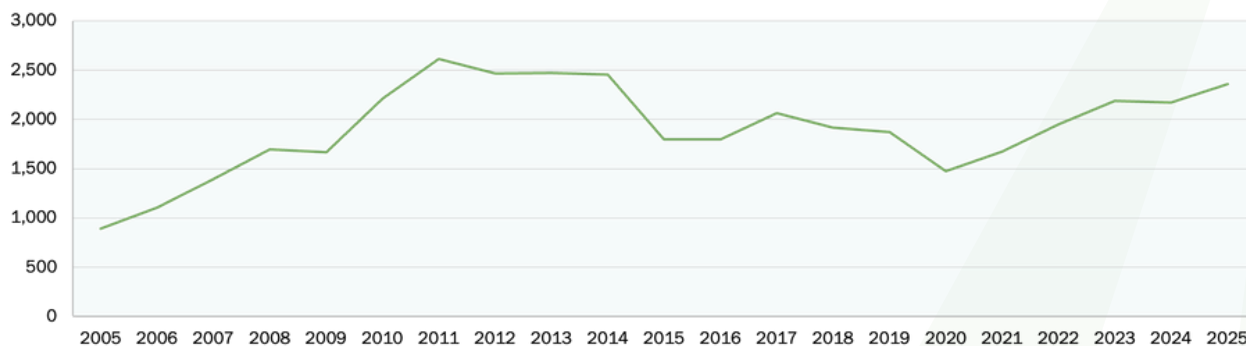
Source: Federação do Comércio do Estado de São Paulo (Fecomercio SP)

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

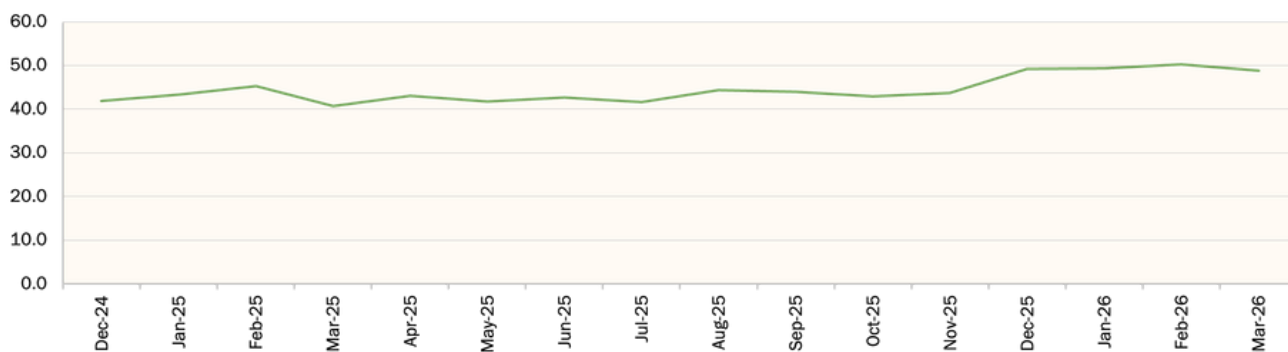
Quarterly Dashboard (Chile)



CHILE QUARTERLY DASHBOARD (Q1)

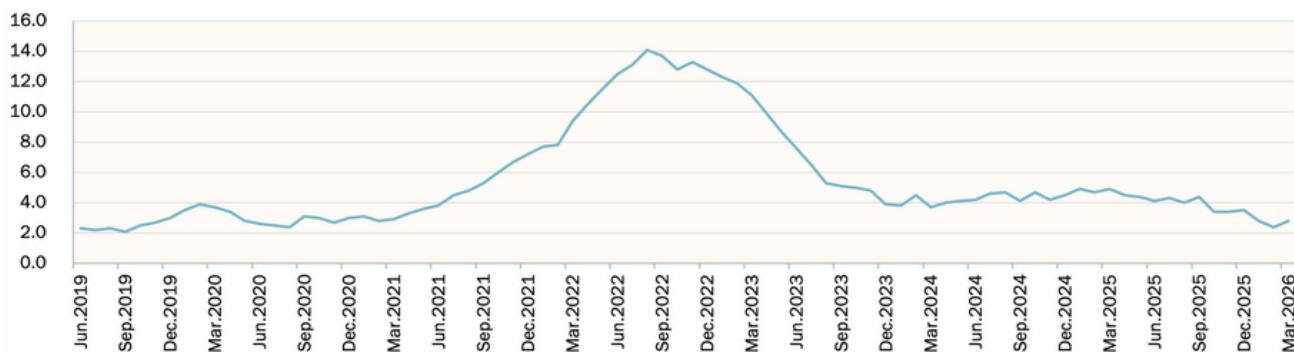
- Consumer confidence has strengthened modestly over the past year. The index increased from ~41–42 in early 2024 to a peak near ~49–50 in early 2026, before easing slightly to ~48.8 in March 2026. This trend reflects a measured improvement in household sentiment, though levels remain below long-term neutral thresholds.
- Inflation has declined significantly from prior peaks. CPI fell from double-digit levels (above 12% in 2022) to approximately ~4.0–4.5% through 2025 and further eased to roughly ~2.8–3.0% by early 2026.
- Economic activity (IMACEC proxy. Index, 2018 = 100*) shows a steady upward trajectory. The index rose from approximately ~105–108 in early 2024 to ~120.9 by late 2025, reflecting gradual recovery in real economic activity following earlier slowdowns.

Chile Consumer Confidence Index



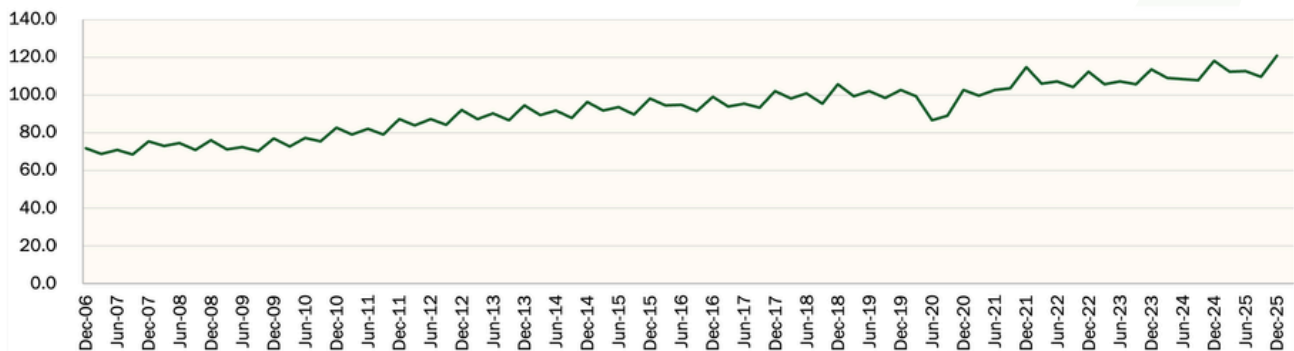
Source: IPSOS

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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