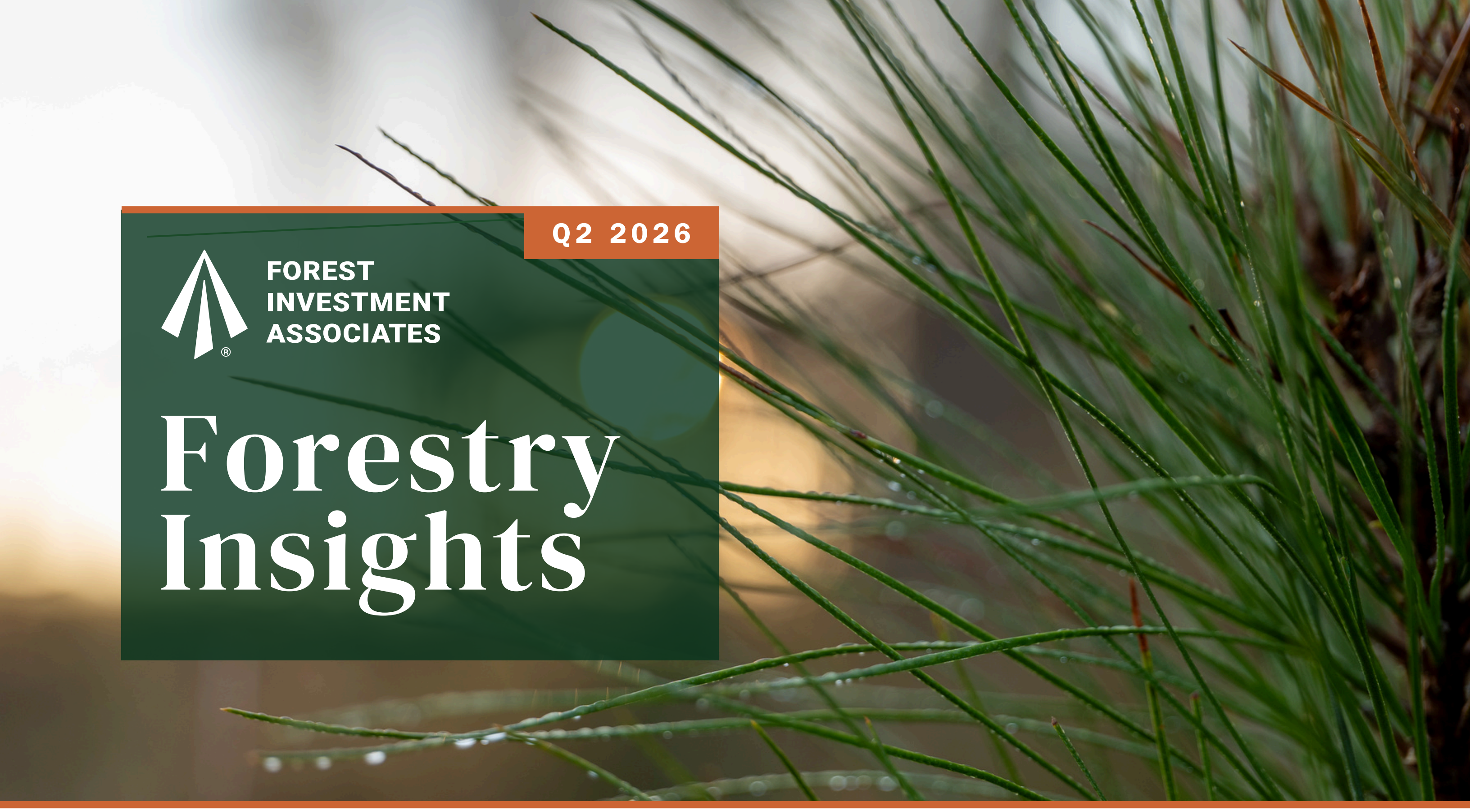


Q2 2026

FOREST INVESTMENT ASSOCIATES

Forestry Insights

Following the early Q2 buyout to consolidate 100% employee ownership, we formally celebrated our 40th anniversary with a special gathering in Atlanta. As we welcomed FIAers from all generations, an important link to the future from our past is FIA's dedication to our clients. It was exciting to reflect on both how much has changed in sustainable forest investments and how core FIA values and principles remain the same. Be sure to check out the linked video on page four of this newsletter.

Our people are central to all we do. We welcome our new MD of Business Development Philippe l'Equilbec and our newest Investment Analyst, Toby Welton as FIAers. We are excited about these additions to our outstanding team. This quarter's newsletter also highlights an example of international collaboration and puts a spotlight on Southern Operations Manager, Chad Lincoln.

As we reflect on the second quarter of 2026, we find ourselves navigating mixed signals across end-use markets. While equity markets continue to climb amidst a backdrop of macroeconomic volatility, we continue to see challenges in U.S. housing and broader global wood product demand.

In the U.S., lumber prices strengthened meaningfully through Q2, with framing lumber moving from approximately $370 in late 2025 to $470, a strong signal reflecting improving demand in construction-related end markets. The 30-year mortgage rate remains ~6.3%, constraining housing starts to approximately 1.4 million units annually, with an elevated proportion of these starts in multi-family.

In our Latin American platform, broader macro factors indicate improving conditions among consumers, supporting wood product demand. Additionally, continued capacity expansion reinforces the need for sustainable fiber and logs that generate final products for both internal and export markets. Our geographically diversified portfolios help manage cash flow generation and returns in volatile markets.

Thank you for your continued partnership and confidence in FIA.

Mike Cerchiaro,
President & CEO

U.S. Transactions Overview

CLOSED AND/OR ANNOUNCED TRANSACTIONS

- The headline transaction of the second quarter was New Forests' acquisition of 44,200 acres in Washington from Campbell Global for an undisclosed price
- Nuveen sold 14,300 acres of hardwood timberland in Pennsylvania and New York to a private buyer for an undisclosed price

TRANSACTIONS IN PROGRESS

- Investors are waiting for details on multiple transactions that are expected to close in the third quarter of 2026
- Includes approximately 150,000 acres across multiple investment regions
- Meanwhile, new offerings of scale continue to hit the market, particularly in the US South
- Several of these offerings are taking third quarter bids

We are seeing transaction activity pick up as we move into the second half of the year, though details on buyer and price remain scarce.

Ryan Reddish
Director, Acquisitions

International Transactions Overview

CLOSED AND/OR ANNOUNCED TRANSACTIONS

- Arauco announced it sold to a fund managed by BTG Pactual 561 timber farms containing approximately 72,792 acres of eucalyptus plantations in the Valdivia region of Chile. The transaction was valued at $216.6M USD (plus VAT)
- Brazil had a relatively quiet quarter when it comes to major closed transactions
- Other major announcements involved around capital strategies from BTG, Campbell Global and New Forests. All of these firms will be targeting in some way or another Latin American strategies primarily focused in reforestation and climate solutions

TRANSACTIONS IN PROGRESS

- In Chile, Arauco announced major divestment projects to bring to market timberland assets in the country in order to raise capital for their Brazilian pulp mills efforts (Sucuriu)
- While also in Chile CMPC as well announced plans to bring to market timberland assets across the broader region (in both Chile and Argentina) in order to raise capital for their Natureza project in Brazil
- Finally, although not a timberland transaction specifically, Gresham House acquired a majority stake in US Based Molpus, creating an $8B USD global timberland manager. The acquisition was announced late Q1 and expected to close late Q2 or early Q3

Juan Pablo Lankenau Haas
Managing Director, International Investment Team

Celebrating 40 Years of FIA: Reflecting on Our Past, Looking to Our Future

In April, FIA celebrated its 40th anniversary with a special gathering of past and present FIAers. Current employees from all offices across the U.S. Brazil, and Chile made the trip to Atlanta for the event.

Bringing colleagues together to reflect on FIA's accomplishments since 1986, and values that guide us, was powerful. We were especially grateful to have Charley Tarver and Kate Robie, two FIA founders, with us along with former FIA President and Chairman of the Board, Michael Kelly, former President and current Chairman of the Board, Marc Walley and a whole host of FIA retirees.

Through a "past, present, and future" format, speakers shared perspectives on FIA's early years, its evolution, and the path ahead. We also appreciated the insights from Brooks Mendell of Forisk Consulting, who offered a broader perspective on forest investments and FIA's role within the industry. The program concluded with remarks from Mike Cerchiaro, President and CEO, who shared his perspective on the future of FIA.

The conversations throughout the day were another reminder that while much has changed, what matters most has remained consistent - our values, clients, long-term approach, stewardship, and commitment to the forests we serve. Moments like this offer a chance to pause, reconnect, and look ahead with clarity and purpose.

A legacy built for the long term.

40TH
FOREST INVESTMENT ASSOCIATES
1986 ANNIVERSARY 2026

Progress with Climate-Smart Forestry

In April, FIA achieved limited assurance on our net biogenic carbon sequestration data for PFA for the second consecutive year. This significant milestone demonstrates FIA's sustained commitment to rigorous carbon transparency and strong collaborative success between our Investment Management and Sustainability Teams.

FIA continues to strengthen our data systems, governance frameworks, and operational procedures, with this successful assurance engagement a reflection of our continuous improvement and deepening credibility as a leader in climate-smart forestry. Repeated third-party verification by our Big Four auditor underscores FIA's ability to deliver reliable reporting that meets evolving investor demands for transparent climate impact data.

For PFA, our Danish pension client, this consecutive achievement provides confidence in their net-zero investment thesis and supports their achievement of net-zero targets ahead of schedule.

Later in May, we were invited by SFI to speak at their annual conference about this ongoing success with our first climate-smart forestry mandate.

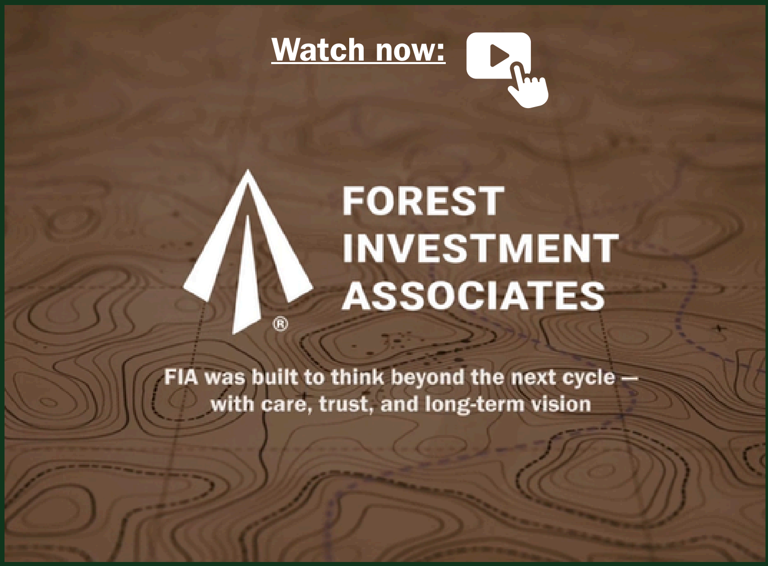
Ross Holbrook
Director, Sustainability

Watch Part 1 of FIA's 40th Anniversary Video Series

For 40 years, Forest Investment Associates has been guided by a long-term perspective – one rooted in stewardship, relationships, and disciplined investment management.

In Part 1 of our 40th anniversary video series, FIA team members reflect on the firm's growth across the Americas, from its roots in the U.S. South to investments across major timber-growing regions of the United States, Brazil, and Chile.

The video highlights FIA's continuing focus on client relationships, sustainable forest management, and decisions made with a long-term view.



TEAM MEMBER SPOTLIGHT

Boots on the Ground

Chad Lincoln joined FIA in 2006 and serves as Operations Manager, Southern Region. Based in Atlanta, Georgia, Chad oversees timberland operations across multiple states in the U.S. South, working closely with forestry teams to ensure client properties are managed safely, efficiently, and in alignment with long-term investment objectives.

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

A: My role is centered on turning long-term management plans into successful on-the-ground execution. I work closely with our foresters, contractors, and local partners to oversee activities such as site preparation, planting, timber harvesting, vegetation management, and forest health across a diverse portfolio of properties. Every tract has its own opportunities and challenges, so staying connected to the land and the people managing it is essential. By combining practical field experience with disciplined operational planning, we help ensure our forests remain productive, resilient, and well-positioned to meet our clients' long-term investment and stewardship objectives.

FIA Team Highlights

FIA Welcomes Philippe l'Equilbec as Managing Director, Business Development

Philippe brings extensive experience in business development, investor relations, and product strategy across private markets, including forestry and agriculture, private equity, private credit, and real assets. Throughout his career, he has worked closely with institutional investors across North America, Europe, Asia, Latin America, and Africa.

As FIA continues to grow its presence across the Americas, Philippe's global perspective and experience will further strengthen our commitment to serving clients and supporting their long-term objectives.

Please join us in welcoming Philippe to the FIA team.

FIA Team Visits Chile to Strengthen Collaboration and Deepen Regional Insights

In June, FIA team members Darcy Austin, Derek MacArthur, Juan Pablo Lakenau, Daniel Rigby, and Maria Gomez Hoyos traveled to Chile to connect with colleagues across our Latin American platform and gain firsthand insight into the forests, operations, and people behind our investments in the region.

The visit included time with the FSPLATAM team in Temuco and a tour of the Nueva Etruria property, providing an opportunity to see sustainable forest management in practice while deepening their understanding of the operational, accounting, and investment processes that support our clients' portfolios.

Beyond the forests themselves, the visit reinforced the value of collaboration across teams and geographies. Spending time together in the field creates opportunities to share knowledge, strengthen relationships, and learn from one another's experiences.

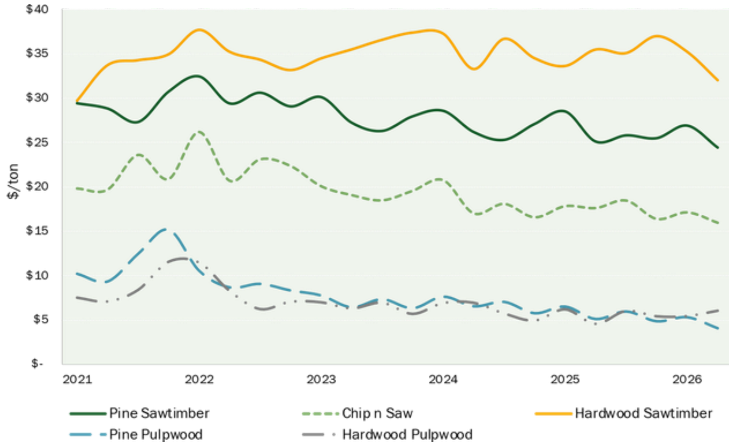
A special thank you to Jorge Echeverria and the entire FSPLATAM team for their hospitality, expertise, and warm welcome. Experiences like this highlight the strength of FIA's global platform and our shared commitment to long-term stewardship and investment excellence.

Forestry Markets & Related Data (U.S.)

Southeastern Timber Prices

SOUTHEASTERN - FOREST2MARKET REPORT HIGHLIGHTS (Q2 2026)

Southeastern timber prices tracked across Pine Sawtimber, Chip n Saw, Hardwood Sawtimber, Pine Pulpwood, and Hardwood Pulpwood from 2021 to 2026. Hardwood Sawtimber remained the highest-valued product, holding in the ~$33–37/ton range throughout the period with modest cyclical fluctuations. Pine Sawtimber ranged between ~$25–32/ton, showing some softening from 2022 peaks. Chip n Saw drifted lower from ~$20/ton toward ~$15/ton by 2025–2026, while pulpwood grades (both pine and hardwood) remained compressed in the $5–10/ton range, largely flat over the period.

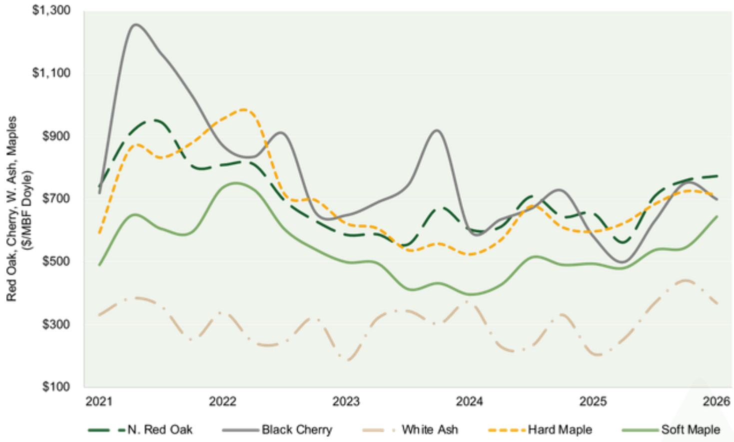


Source: Forest2Market®

Northeast Hardwood

NORTHEAST HARDWOOD - THE PENNSYLVANIA WOOD MARKET REPORT HIGHLIGHTS (Q1 2026)

Northeast hardwood prices ($/MBF Doyle) showed significant volatility from 2021 through Q1 2026. Black Cherry led the cycle, peaking near ~$1,250–1,300/MBF in early 2021 before normalizing to ~$700–750/MBF, where it now converges with Hard Maple, Northern Red Oak, and Soft Maple. White Ash remains the outlier, trading well below peers at ~$200–350/MBF. Overall, most species are settling into a tighter price band heading into 2026, signaling a more stable, post-peak market environment.

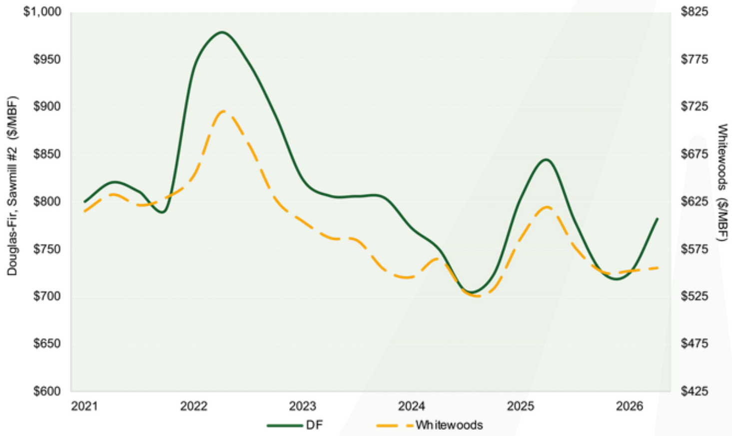


Source: Pennsylvania Woodlands Timber Market Report - Northwest Region

PNW Lumber Prices

PACIFIC NORTHWEST - REPORT HIGHLIGHTS (Q2 2026)

Douglas-Fir and Whitewoods tracked closely throughout the period, both peaking sharply in 2022 - DF near ~$970/MBF and Whitewoods ~$900/MBF - before correcting through 2023–2024 to a shared trough near ~$700/MBF. A secondary recovery emerged in early 2025, with DF briefly spiking to ~$840/MBF before pulling back, while Whitewoods followed a more muted path. By Q2 2026, both species have stabilized near ~$750–775/MBF (DF) and ~$550–575/MBF (Whitewoods), reflecting a market that has largely normalized post-peak but remains sensitive to housing demand and supply chain dynamics.

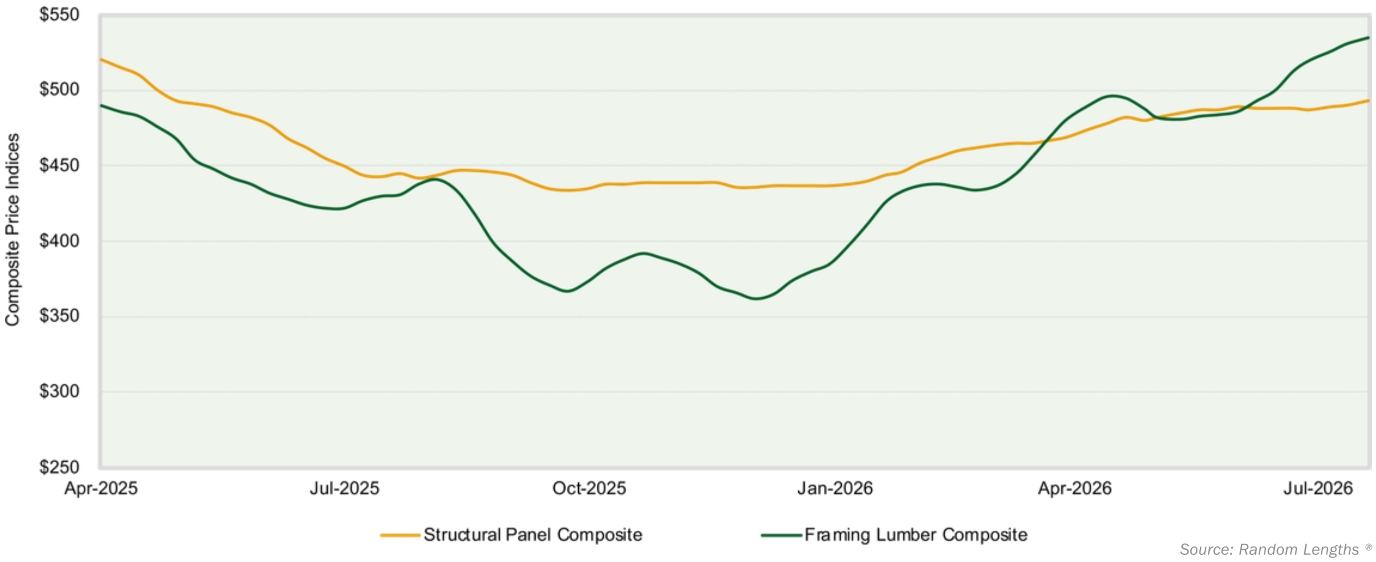


Source: Fastmarkets RISI - Log Lines®

Lumber and Panel Prices

RANDOM LENGTHS HISTORICAL INDICES (LUMBER & PANEL PRICES) - REPORT HIGHLIGHTS (Q2 2026)

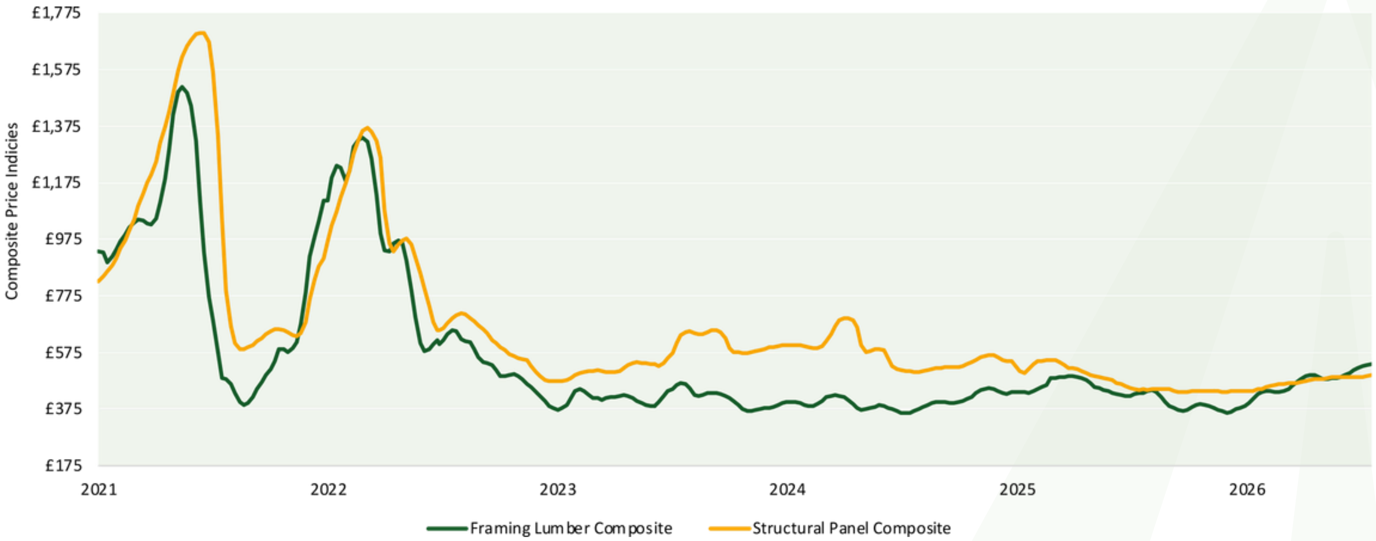
The near-term view from April 2025 through July 2026 reveals a meaningful divergence and subsequent convergence. The Framing Lumber Composite fell from ~$500 to a trough near ~$350 by January 2026 before recovering sharply to ~$540 by July 2026. The Structural Panel Composite was more stable, easing from ~$520 to ~$440 before also recovering to ~$500, suggesting renewed demand momentum heading into Q3 2026.



Source: Random Lengths ®

RANDOM LENGTHS HISTORICAL INDICES (LUMBER & PANEL PRICES) - REPORT HIGHLIGHTS (2021-2026)

Both the Framing Lumber Composite and Structural Panel Composite experienced extraordinary spikes in 2021–2022, peaking above $1,700 and $1,375, respectively, before correcting sharply. Since 2023, both indices have stabilized at more normalized levels, trending modestly upward toward ~$475–$550 by Q2 2026, consistent with a slow and measured recovery.

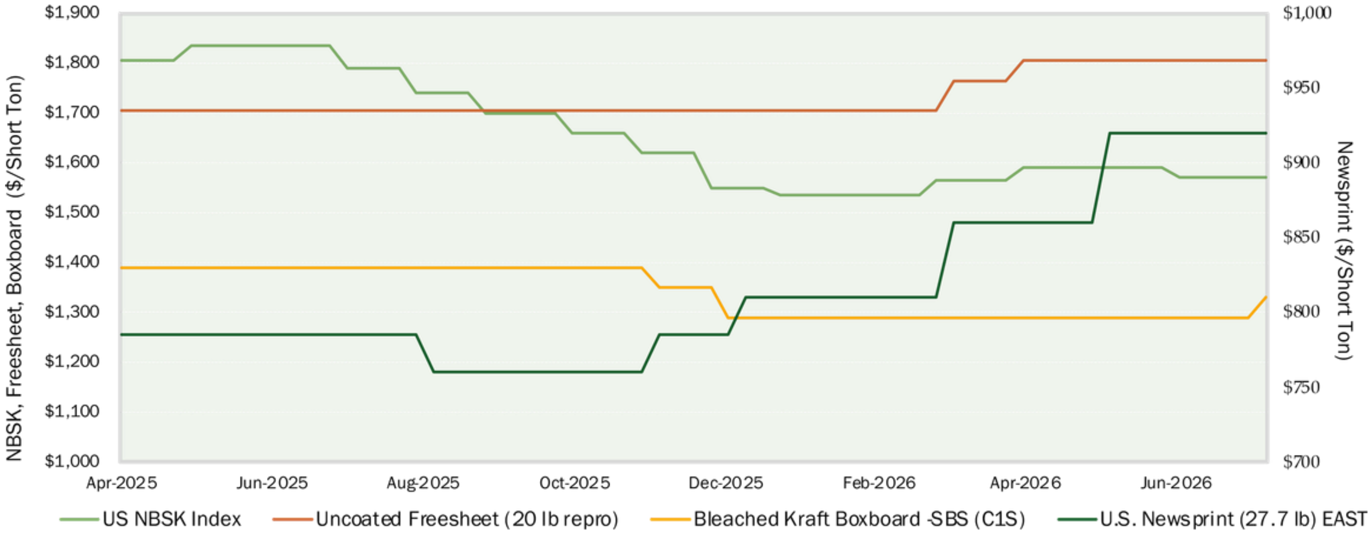


Source: Random Lengths ®

Pulp & Paper

PULP & PAPER - REPORT HIGHLIGHTS (Q2 2026)

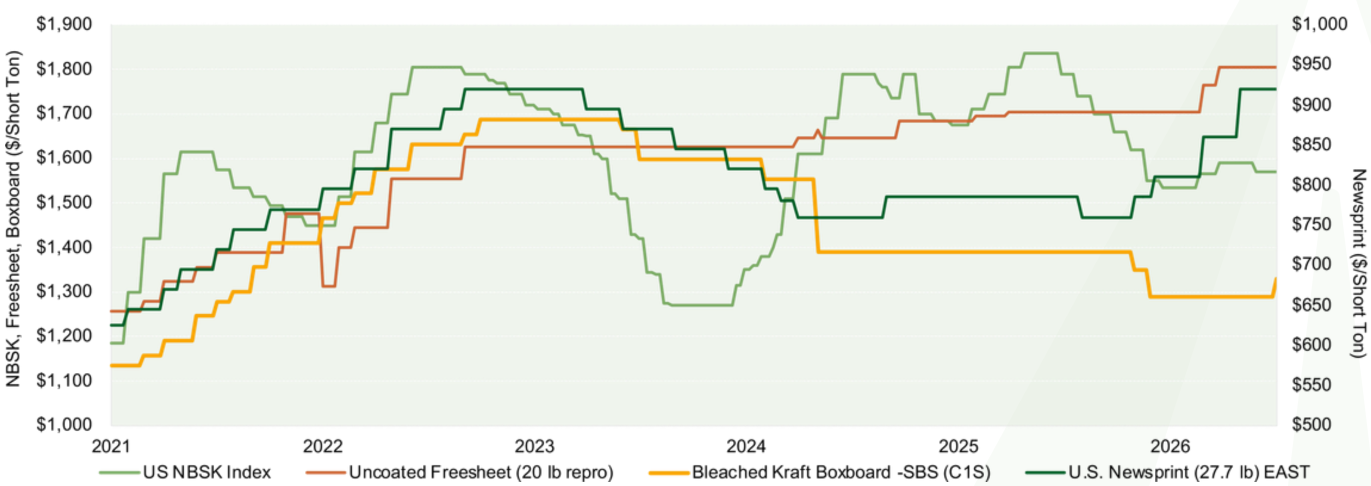
The recent-period view from April 2025 to June 2026 shows clear upward momentum across most grades. NBSK declined from ~$1,800 to ~$1,500 mid-2025 before recovering strongly to ~$1,650 by June 2026. Uncoated Freesheet held steady near ~$1,700–1,800 throughout. Bleached Kraft Boxboard eased from ~$1,400 to ~$1,300 before recovering to ~$1,300. U.S. Newsprint posted the sharpest recent gain, rising from ~$800 to ~$950 by June 2026, signaling tightening supply conditions.



Source: Fastmarkets RISI - Graphic Paper North America Dashboard

PULP & PAPER - REPORT HIGHLIGHTS (2021-2026)

Pulp and paper markets experienced significant price cycles from 2021 through Q2 2026. NBSK and U.S. Newsprint followed a volatile pattern - surging to ~$1,800/ton in 2022–2023, collapsing through 2024, recovering to ~$1,800 by 2025, then easing back to ~$1,550–1,600 by mid-2026. Uncoated Freesheet was the standout performer, steadily climbing from ~$1,200 to ~$1,800/ton by Q2 2026 with minimal pullback, reflecting resilient demand in the printing and writing segment. Bleached Kraft Boxboard softened from a ~$1,700 peak to ~$1,300–1,400/ton by Q2 2026, signaling pricing pressure in the packaging board segment. Overall, the market reflects a two-speed dynamic - specialty paper grades better supported, while commodity and packaging grades face continued headwinds.



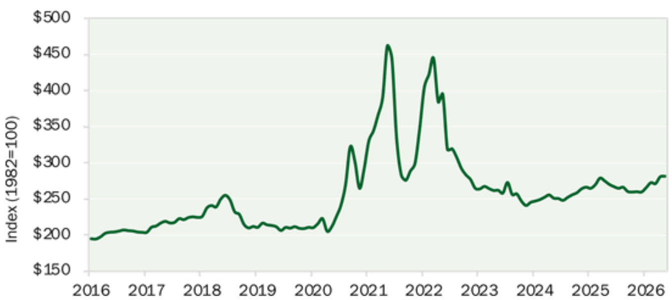
Source: Fastmarkets RISI - Graphic Paper North America Dashboard

Forestry Markets & Related Data (U.S.)

U.S. QUARTERLY DASHBOARD (Q2 2026)

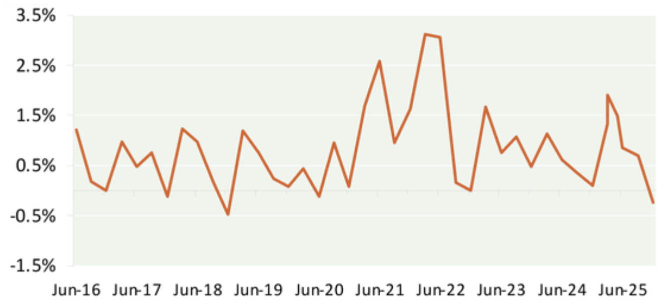
- The U.S. macroeconomic backdrop reflects an economy that has navigated post-pandemic volatility and is now trending toward stabilization, though key headwinds in housing persist. GDP has expanded steadily to ~$30–31 trillion by Q2 2026, up from ~$18.7 trillion in 2016, with only a brief COVID-driven contraction in 2020, underpinned by resilient consumer spending and labor market strength.
- Inflation, after peaking at ~2.8% monthly in 2021–2022, has since moderated - with the latest mid-2025 CPI reading dipping below zero, signaling easing price pressures and a potential return toward the Fed's long-term objectives.
- Mortgage rates, while gradually declining from their ~7.8% peak in late 2023, remain elevated at ~6.5%, continuing to suppress housing affordability and weigh on new construction - housing starts dipped to ~1,200K (SAAR) in May 2026, well below the cycle high of ~1,800K reached in 2021–2022.
- The Lumber CPI Index (1982=100) tells a similar post-peak story: after spiking dramatically to ~$460 in mid-2021 and a secondary high of ~$445 in early 2022, the index corrected sharply before gradually recovering to ~$270–280 by Q2 2026, remaining well below pandemic-era peaks but trending modestly higher, consistent with a slow and measured lumber market recovery.

Lumber



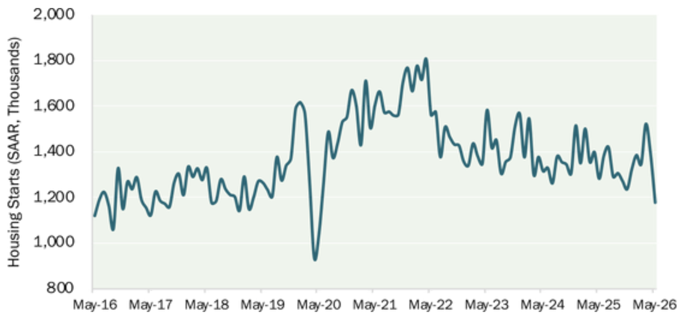
Source: U.S. Department of Labor, Bureau of Labor Statistics

Inflation - Quarterly CPI



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

Housing Starts

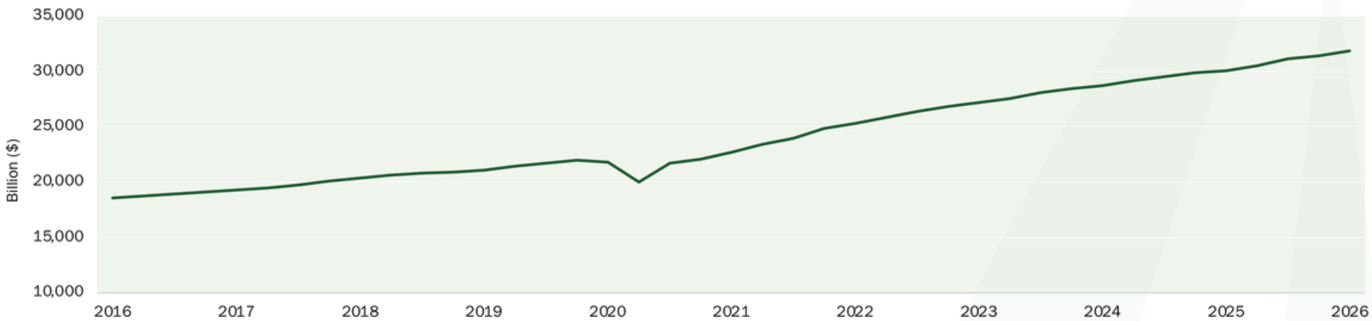


Source: Federal Reserve Economic Data

30-Year Mortgage Rates

Source: The Federal Reserve

U.S. GDP (USD, Billion)



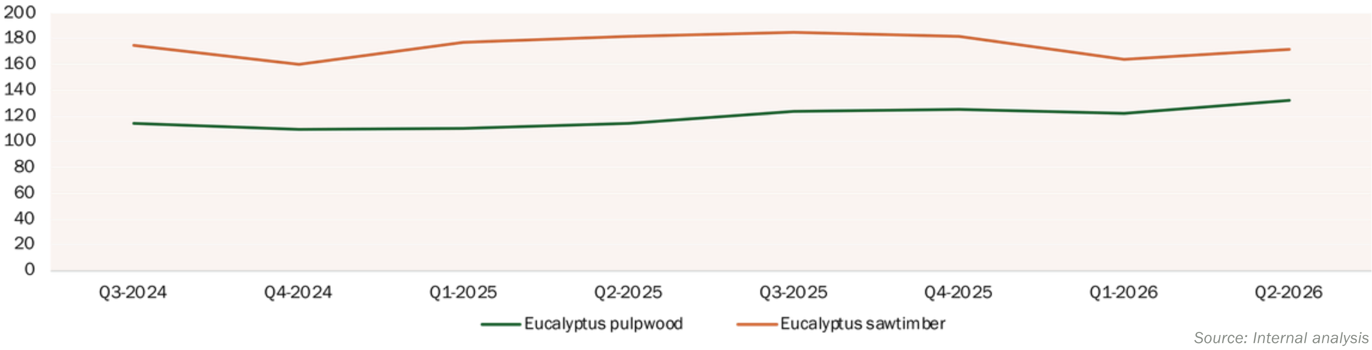
Source: The Federal Reserve

Forestry Markets & Related Data (Brazil)

BRAZIL PRICES - REPORT HIGHLIGHTS (Q2 2026)

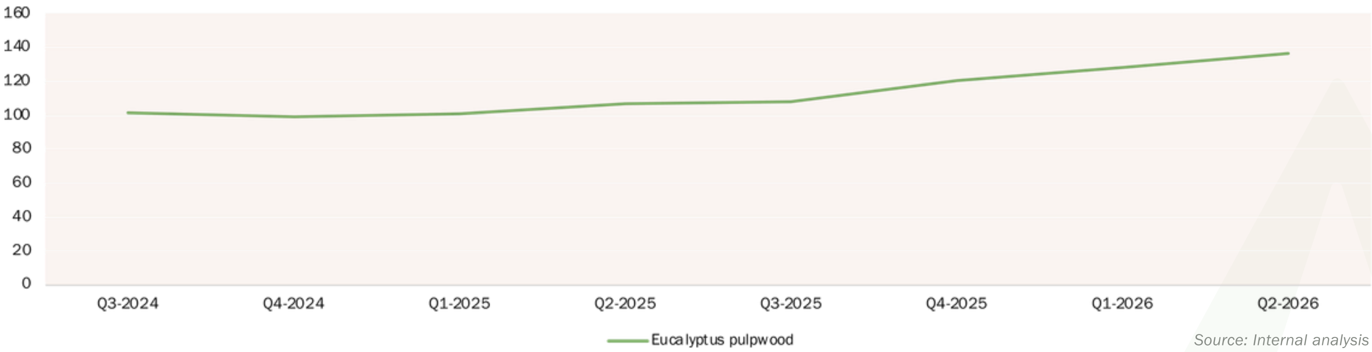
- Eucalyptus prices in Paraná State showed modest but positive momentum from Q3-2024 to Q2-2026. Sawtimber ranged between R$160–185/m³, dipping briefly in Q4-2024 before stabilizing near R$165–170/m³. Pulpwood climbed gradually from R$115 to R$130/m³, reflecting sustained fiber demand from the pulp and paper sector.
- Eucalyptus pulpwood prices in Mato Grosso do Sul posted a strong and consistent upward trend, rising from R$100/m³ in Q3-2024 to R$138–140/m³ by Q2 2026 - a gain of approximately 38–40% over the period - signaling robust regional fiber demand driven by growing industrial wood consumption and expanding pulp capacity.
- Pine prices in Paraná State (R$/m³) remained broadly stable from Q3-2024 to Q2-2026, with clear grade-based stratification. Pine Sawtimber III held the highest value at R$375–395/m³, while Sawtimber II softened slightly to R$270–300/m³. Sawtimber I and Pine Pulp both edged modestly higher, reaching R$200/m³ and R$110/m³ respectively by Q2 2026, reflecting steady but measured demand across all pine grades.

Eucalyptus Prices in Paraná ($R\$/m^3$)



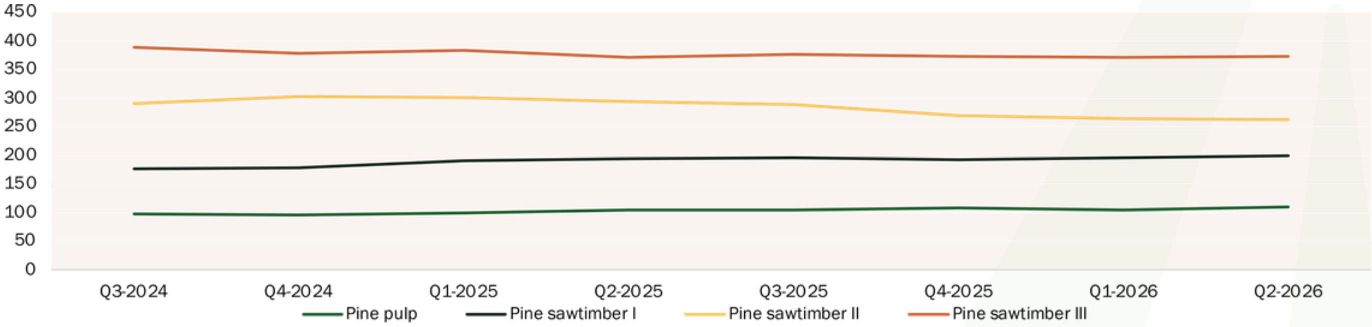
Source: Internal analysis

Eucalyptus Pulpwood in Mato Grosso do Sul ($R\$/m^3$)



Source: Internal analysis

Pine Prices in Paraná ($R\$/m^3$)



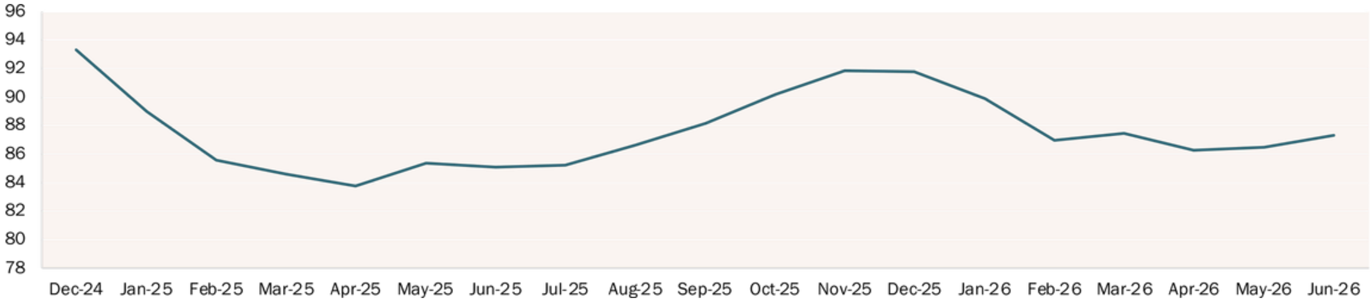
Source: Internal analysis

Forestry Markets & Related Data (Brazil)

BRAZIL QUARTERLY DASHBOARD (Q2 2026)

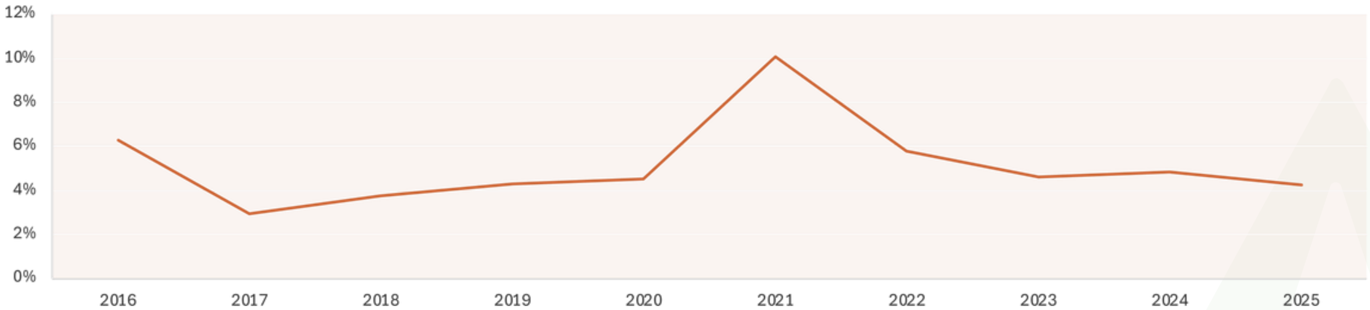
- Brazilian consumer confidence declined from a high of ~93–94 in December 2024 to a trough of ~84 by April 2025, before recovering to ~92 by December 2025. Into Q2 2026, sentiment has eased back to ~87–88, reflecting cautious but stable household confidence amid moderating inflation and steady growth.
- After a sharp spike to ~10% in 2021 driven by post-pandemic demand pressures and supply disruptions, Brazilian inflation declined significantly through monetary tightening, stabilizing in the ~4.5–5% range from 2023 through 2025. While still slightly above Brazil's official target band, the current trajectory signals a broadly more controlled price environment and improved macroeconomic stability.
- Brazilian GDP contracted sharply to ~$1,500B in 2020 from a pre-pandemic range of ~$1,800–2,050B, but recovered robustly through 2021–2025, reaching a period high of ~$2,350B by 2025, supported by strong export performance, commodity tailwinds, and resilient domestic consumption.

Brazilian Consumer Confidence Index



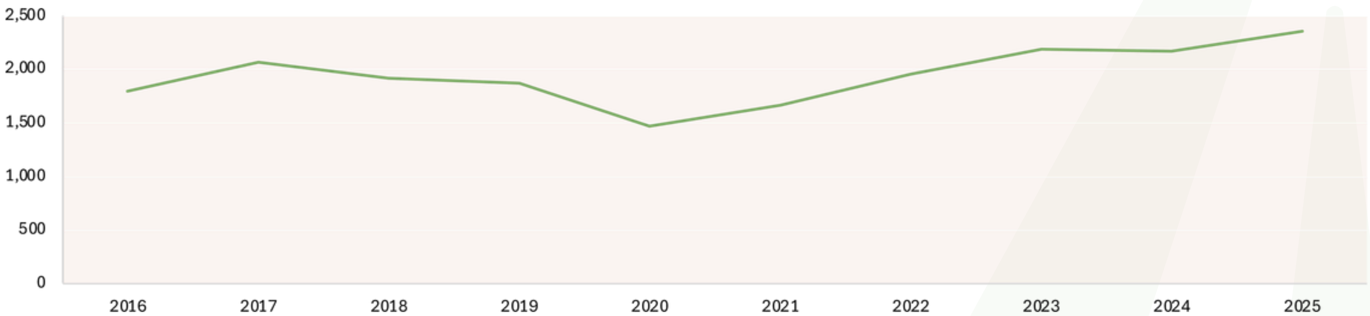
Source: Federação do Comércio do Estado de São Paulo (Fecomercio SP)

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)

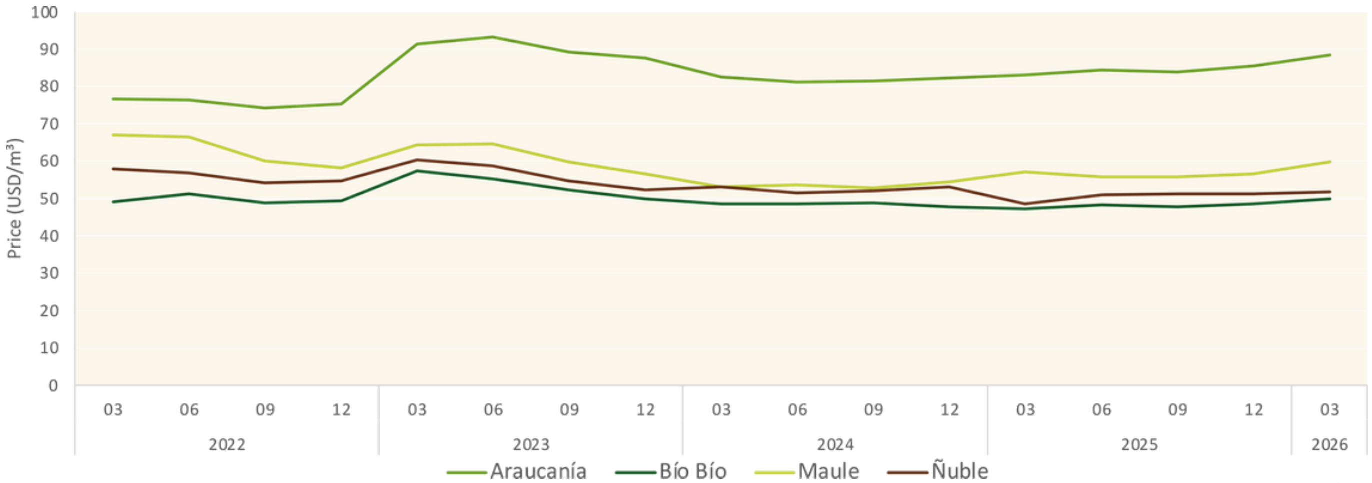


Source: Fundo Monetário Internacional, World Economic Outlook database

CHILE PRICES - REPORT HIGHLIGHTS (Q2 2026)

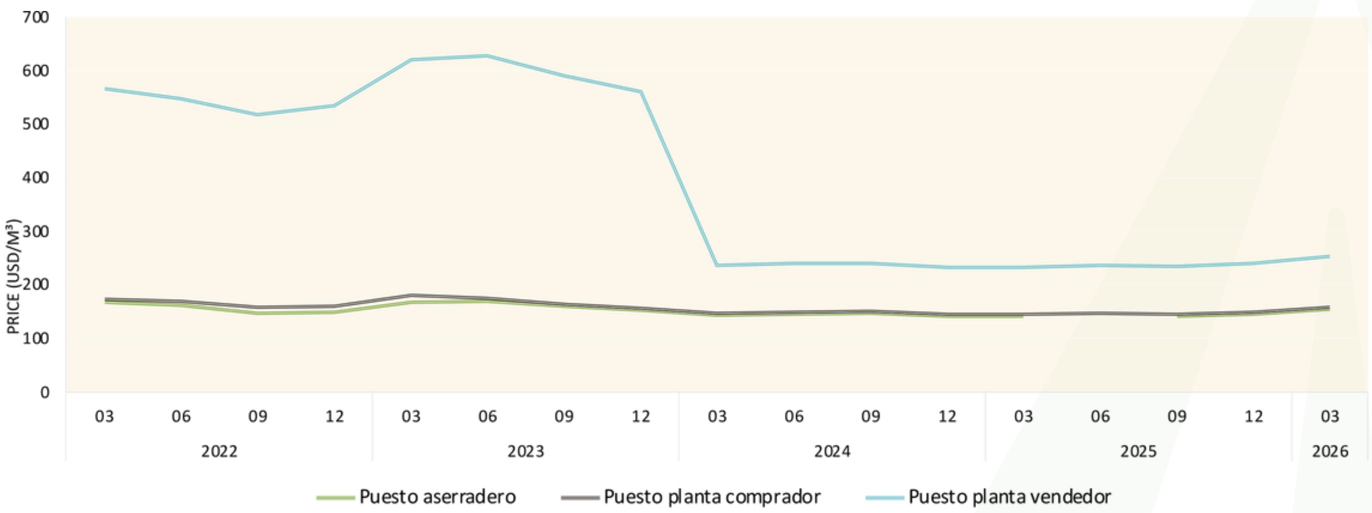
- Chilean saw log prices (USD/m³) showed clear regional stratification across Araucanía, Bío Bío, Maule, and Ñuble from 2022 through Q1 2026. Araucanía led at ~$75–93/m³, peaking in mid-2023 before easing to ~$88/m³ by Q1 2026. The remaining regions tracked more tightly in the ~$50–65/m³ range, remaining broadly stable with modest fluctuations throughout the period.
- Biobío saw timber prices showed a dramatic divergence between delivery points. The Puesto aserradero ("at the sawmill gate") price was elevated at ~$550–640/m³ from 2022 through mid-2023, before sharply declining to ~$230–260/m³ by 2024–2026. Puesto planta comprador ("delivered to buyer's mill") and Puesto planta vendedor ("at seller's premises") prices remained far more stable at ~$150–170/m³ throughout the entire period, reflecting the structural transportation and logistics cost gap embedded in Chile's southern timber supply chain.

Chile – Saw Log – Puesta Planta Compardor "Delivered to Buyer's Mill"(USD/m^3)



Source: Internal analysis

Chile – Saw Timber – Region Del Biobio (USD/m^3)

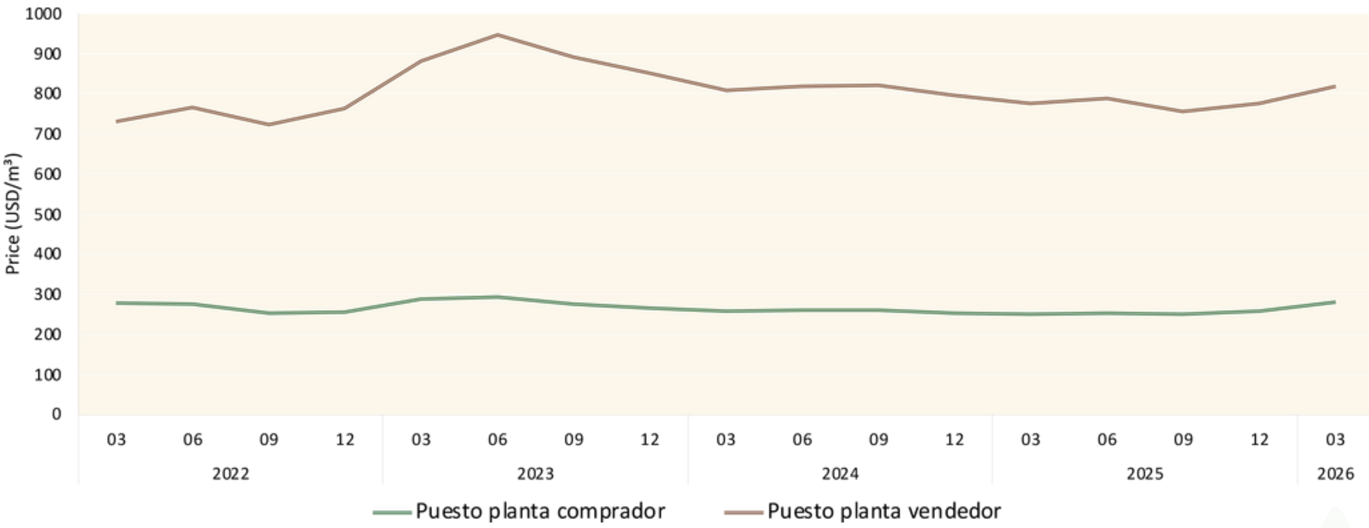


Source: Internal analysis

CHILE PRICES - REPORT HIGHLIGHTS (Q2 2026)

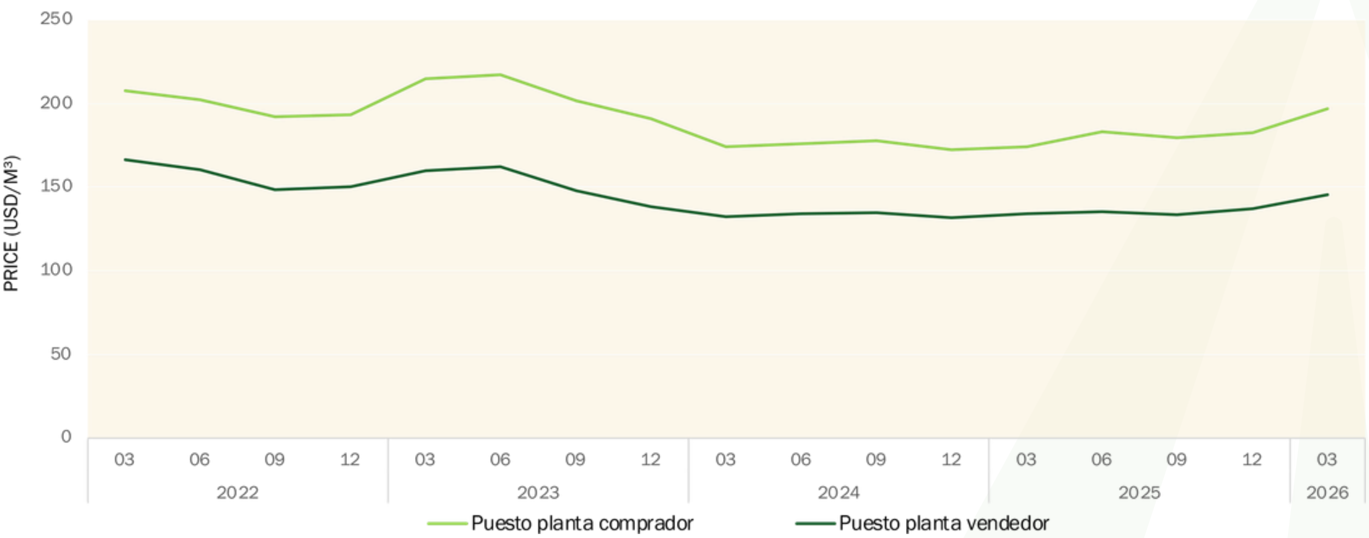
- Araucanía saw timber revealed a persistent and wide spread between buyer-side and seller-side prices throughout 2022–2026. The Puesto planta comprador held in the ~$750–950/m³ range, peaking at ~$940/m³ in mid-2023 before easing to ~$800/m³ by Q1 2026. The Puesto planta vendedor remained significantly lower and stable at ~$275–300/m³, highlighting a structural margin differential that has persisted over the full period.
- Saw timber in Ñuble and Maule showed a gradual softening trend from 2022 through 2024, with buyer-side prices declining from ~$210 to ~$175/m³ and seller-side from ~$165 to ~$130/m³. Both are showing early signs of recovery by Q1 2026, reaching ~$200/m³ (buyer) and ~$148/m³ (seller), with the spread between the two remaining relatively consistent throughout the period.

Chile – Saw Timber – Region De La Araucania (USD/m³)



Source: Internal analysis

Chile – Saw Timber Regiones De Nueble Y Maule (USD/m³)



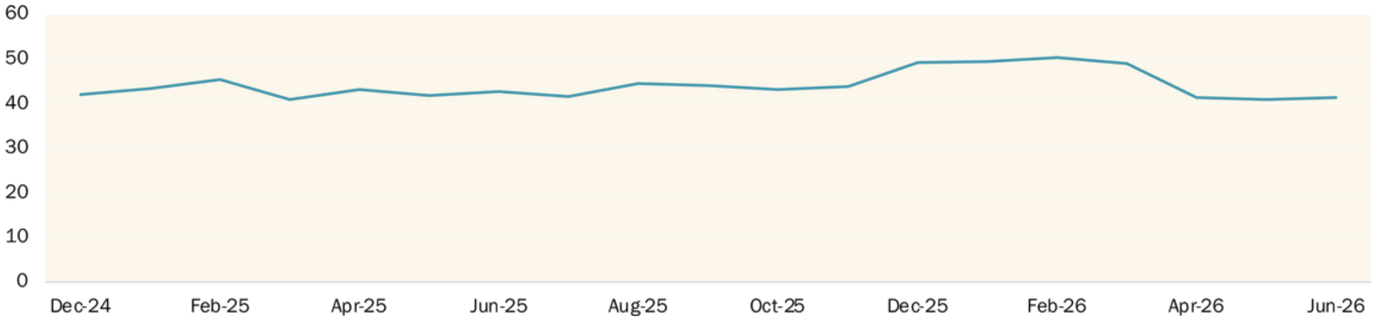
Source: Internal analysis

Forestry Markets & Related Data (Chile)

CHILE QUARTERLY DASHBOARD (Q2 2026)

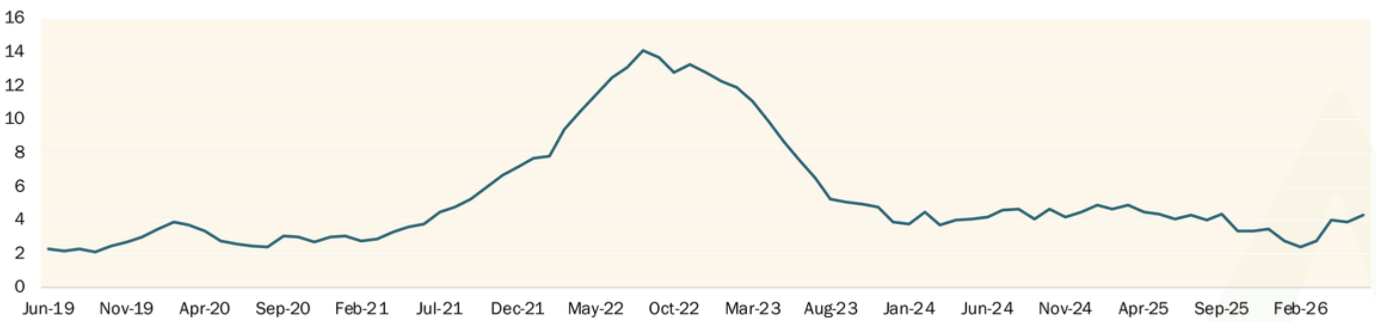
- Despite this macroeconomic stabilization, consumer confidence has remained range-bound between ~40–45 throughout 2025–2026, briefly touching ~48–50 in late 2025 before pulling back to ~41–42 by Q2 2026, suggesting Chilean households remain cautious and below the neutral threshold amid lingering concerns over purchasing power.
- Chile's macroeconomic picture reflects a country that has largely recovered from post-pandemic and inflation-driven shocks, though consumer sentiment remains subdued. Inflation surged dramatically to a peak of ~14% in October 2022 before a sharp disinflation brought it back to ~4% by early 2026, signaling broadly contained price pressures.
- Real economic activity, as measured by the IMACEC index (2018=100), dipped to ~87 at the COVID trough in 2020 but has since expanded steadily to ~115–120 by early 2026, underpinned by stable commodity exports and recovering domestic demand.

Chile Consumer Confidence Index



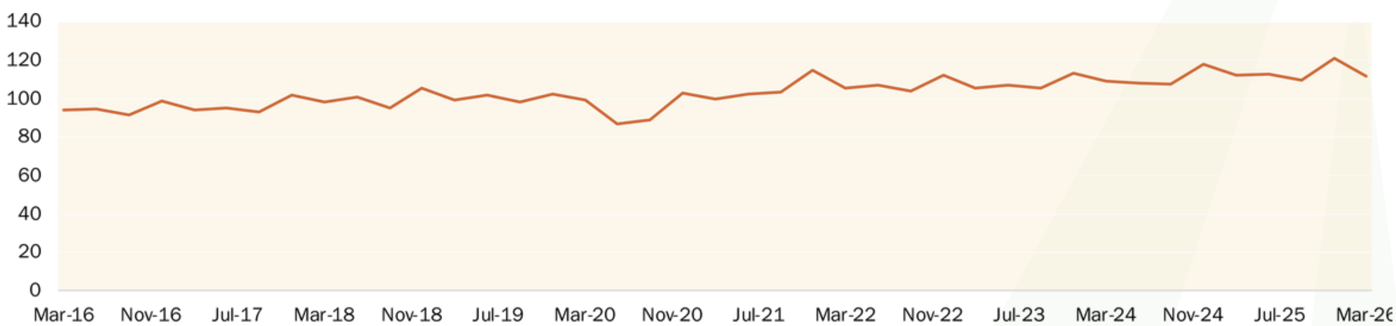
Source: IPSOS

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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