

Item 1 – Cover Page



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This Brochure provides information about the qualifications and business practices of Forest Investment Associates L.P. (“FIA”, “Forest Investment Associates” or “Registrant”). Any questions about the contents of this Brochure should be directed to Derek MacArthur, Chief Compliance Officer, at 404-829-8840 or dmacarthur@forestinvest.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Forest Investment Associates is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide potential investors with information with which they determine whether to hire or retain an Adviser.

Additional information about Forest Investment Associates also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

Investment Advisers are required to prepare a disclosure document (“Brochure”) that describes the firm and its business practices. Pursuant to SEC rules, we are required to update our Brochure at least annually and provide you with a summary of any material changes since the previous annual amendment.

We have prepared the updated Brochure, dated March 28, 2024. The following material changes were made to the Brochure since our last annual amendment dated March 22, 2023.

- The members of the Executive Committee were updated under Item 4. Effective January 2024 FIA underwent a succession plan that included naming a new President & CEO and updating the Executive Committee members.
- The members of the Investment Committee were updated under Item 13. Due to the succession plan implemented in January 2024 and an employee retirement, the members of the Investment Committee were updated.

With this summary, we hereby offer to deliver a complete copy of our Investment Adviser Brochure upon your request at any time during the year. You may request our Brochure by contacting Derek MacArthur, Chief Compliance Officer, at 404-829-8840 or dmacarthur@forestinvest.com.

Additional information about FIA is also available via the SEC’s website www.adviserinfo.sec.gov.

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Item 4 – Advisory Business

Forest Investment Associates, formed in 1986, is a Registered Investment Adviser providing investment management services for forest investors. Operating out of Atlanta, Georgia, U.S. headquarters and multiple U.S. field offices, along with offices in Brazil, Chile, and Mexico, FIA acquires and manages forest investment portfolios for commingled fund and separately managed account clients.

Forest Investment Associates is majority owned and controlled by Forest Investment Associates, LLC. No individual directly or indirectly owns or controls more than 25% of Forest Investment Associates. FIA's Executive Committee is comprised of the following persons:

- Michael Cerchiaro - President & CEO
- Andrew Boutwell - Senior Managing Director, Head of Investment Management
- Darcy Austin – Managing Director, Head of Client Accounting
- MaryKate Bullen – Managing Director, Head of Business Development & Sustainability
- Christina Purcell – Managing Director, Head of Corporate Finance & Human Resources

FIA's overall management objective is to maximize the value of each client portfolio through capital appreciation from optimal forest productivity and cash flows from timber harvests. Our experienced foresters, analysts and specialists combine financial management skills with the latest forest science and technology to achieve this objective.

In managing forest investment portfolios, FIA selects properties specific to the needs of the particular client. FIA seeks to build portfolios that are diversified across various criteria, including:

- Geographic location
- Timber species
- Timber age

Hunting, recreation, mitigation, conservation, renewable energy and other non-timber income sources provide opportunities for adding value, and we work to maximize these sources. FIA's business knowledge and expertise is not limited to forestry, and we seek to proactively identify and implement alternative land uses, timberland sales and other value growth opportunities based on local market dynamics.

FIA has four commingled funds (hereinafter, the "Funds") listed below. The Funds are exempt from registration under the Investment Company Act of 1940. They are managed in accordance with their own investment objectives, strategies and guidelines and are not tailored to the individual needs of any particular investor in the Funds. Therefore, investors

must consider whether the Funds meet their investment objectives and risk tolerance prior to investing. Detailed information about the Funds can be found in each respective Fund's private placement memorandum.

- FIA Timber Growth Partners, LP
- FIA Timber Partners II, LP
- FIA Timber Growth and Value Partners, LP
- FIA Timber Growth and Value Partners A, LP (Parallel Fund)

As of December 31, 2023, FIA had \$4,796,943,377 in discretionary assets under management, and \$244,774,453 in non-discretionary assets.

Item 5 – Fees and Compensation

Clients pay FIA fees based on various measures of asset value. Fees are subject to negotiation and may vary from client to client to reflect circumstances that apply to specific clients. The fee schedule, with any applicable terms and conditions, is stated in each client's Investment Management Agreement or Limited Partnership Agreement.

Separate Accounts

Fees are charged in arrears based on the value of the portfolio at the end of the quarter. Procedures for valuing portfolios are discussed in greater detail in Item 12. FIA's fee structure is based on one or more of the following components:

- 1.) Management fee based on a percentage of assets under management (either at market value or cost);
- 2.) Management fee based on a fixed, flat fee;
- 3.) Acquisition fee based on a percentage of the purchase price of a property;
- 4.) Incentive performance fee (see Item 6 below); or
- 5.) Disposition fee based on a percentage of the sales proceeds from a property.

FIA's fees include only the cost associated with the investment advisory services offered. Clients are responsible for all expenses incurred associated with management of the property, including but not limited to, timber sale expenses, property taxes, land appraisals, and all other costs associated with forest operations and administration.

Clients may, but are not required to, grant FIA the authority to directly pay its advisory fees from the clients' cash accounts. Clients receive invoices from FIA stating the amount of the fee paid from their cash account.

Clients may terminate management of their portfolio by written notice at any time, subject to any specific terms and conditions stated in the Investment Management Agreement. Any such termination will not affect either party's status, obligations or liabilities.

Private Funds

Investment advisory fees and other expenses incurred by the Funds are described to investors, in detail, in each Fund's Private Placement Memorandum. Fund fees vary depending on the nature of the services provided and the investment strategy utilized but generally include: (1) a management fee, based on the value of assets in the Funds (at either market value or cost); and (2) an incentive fee equal to a percentage of capital appreciation above a prescribed hurdle rate of return. With respect to incentive fees, any losses are carried forward so that no incentive fee is charged unless the losses have been recouped, subject to certain adjustments. Management fees for Private Funds are payable quarterly in arrears. Incentive fees, if earned, are paid through an annual allocation of profits from each limited partner's capital account into the general partner's capital account at each prescribed measurement point.

Specific procedures and restrictions apply to withdrawals and terminations, as described in each Fund's Private Placement Memorandum.

Item 6 – Performance-Based Fees and Side-By-Side Management

Forest Investment Associates may enter into performance fee arrangements with clients. Such fees are subject to negotiation, as outlined in each client's Investment Management Agreement. FIA will structure any performance or incentive fee arrangement subject to Section 205(a)(1) of the Investment Advisers Act of 1940. In measuring clients' assets for the calculation of performance-based fees, FIA includes realized and unrealized capital gains and losses.

FIA has procedures in place designed and implemented to ensure that all clients are treated fairly and equally and to prevent any conflict from influencing the allocation of investment opportunities among clients. Please refer to the Investment Allocation Policy for FIA in Item 12.

Item 7 – Types of Clients

Forest Investment Associates provides timberland investment portfolio management services to commingled funds and separately managed account clients.

The minimum account sizes for each of the advisory services offered appear below. FIA reserves the right to reduce these minimum requirements at its discretion.

Separate Accounts	\$50,000,000
Private Funds (see Private Placement Memoranda)	\$5,000,000

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

The following list of risk factors describes some of the more significant risks associated with an investment in forestry, but is not intended to be a comprehensive list of all the risks of such an investment. There are additional risks associated with fund investments. Prospective investors and their advisers considering investment in a Fund should refer to the respective Private Placement Memorandum for a more detailed listing of fund-related risks.

- Prices for Timber are Volatile

A portion of client revenues will likely be dependent on prevailing market prices for timber, which may fluctuate substantially based on changes in supply and demand. Decreases in demand, increases in supply, or both, may reduce timber prices, which in turn may reduce revenues and negatively impact financial results.

Demand risks - The principal factors that affect demand for timber include economic conditions in the industries that use wood products, product substitution and increased efficiency by end-users.

Supply risks - The supply of timber is affected by various factors, including increases in foreign supply caused by the globalization of the timber markets and fluctuations in local or regional supply. Historically, increases in timber prices have caused owners of timberland to increase timber cutting. This increase in supply, in turn, may mitigate any price increases. Additionally, a significant amount of intensive forest management of timberland in a particular region may result in an increase in timber reserves without a corresponding increase in demand.

Certain government agencies, such as the U.S. Forest Service and the U.S. Bureau of Land Management, own large amounts of timberland. If these agencies were to modify their policies and sell more timber than they have in recent years, timber prices could fall. The supply of timber available for harvesting is also affected by, among other things, environmental and other legal and regulatory restrictions on harvesting. Moreover, state laws and federal trade policies impact imports and exports of timber and timber products, which may affect both the demand for exports of timber and the supply of foreign timber. Any significant increase in the supply of, or decrease in the demand for, timber and timber products could negatively impact financial results.

- Timberland Valuation

Timberland valuation and management require subjective determinations by FIA, including harvest schedules, timber market analyses, cost analyses, and risk assessments for each investment. These subjective determinations are forward looking. FIA may not be able to derive value out of acquired investments to the extent contemplated in its plans.

Timber values are established by estimation of timber volumes and analysis of the prices for recent timber sales. No definitive source of information exists for timber prices. As a result, timber markets can be inefficient and prices for a given product and quality can vary widely from one location to another. Timber prices are also related to the general level of economic activity. Changes in international, national, and regional economic conditions may have a negative impact on timber values. For these and other reasons, timber prices may adversely affect the results of investment vehicles or accounts.

- Environmental Laws and Other Government Regulations may Adversely Affect Properties and Operations

Forestry operations and properties are subject to federal, state, or country-specific laws and regulations governing forestry practices, timber harvesting, the environment and health and safety. Some of these laws and regulations could impose significant costs, penalties and liabilities.

- Physical Risks and Losses

Forestry assets are subject to potential physical risks, such as fire, wind, storms, pest and disease, which can adversely affect forest health and value. Increasing concentrations of greenhouse gas emissions in the Earth's atmosphere may see increases in "physical risks" resulting from climate change, which can be event driven, for example, increased severity of extreme weather events, such as cyclones, hurricanes, or floods, or longer-term shifts in climate patterns, for example, sustained higher temperatures that may cause sea levels to rise or chronic heat waves. The impact of physical risks relating to climate change and greenhouse gas emissions on an investment's financial or operational performance, and the timing of these impacts, will depend on a number of factors, a number of which are subject to uncertainty. While FIA will attempt to mitigate these risks by constructing a portfolio diversified by geography, species and timber age and by actively managing the timberland, significant natural disasters and similar events could have a significant negative impact on financial results. If requested by the client and if available on commercially reasonable terms, FIA will maintain, on behalf of the client and at the client's expense, casualty insurance on each portfolio property of the client insuring the portfolio property against loss from one or more of the following perils: fire, windstorm, hail, ice, theft and insect infestation.

- Transition Risks

Assets may be exposed to climate change-related "transition risks" (in addition to physical risks) such as: (i) regulatory or policy risk (e.g., changing legal or policy requirements that could result in increased permit and compliance costs, changes in business operations or the discontinuance of certain operations); (ii) technology and market risk (e.g., declining markets for products and services seen as greenhouse-gas-intensive, or less effective than alternatives in reducing greenhouse gas emissions); and (iii) reputational risk (e.g., risks tied to changing customer or

community perceptions of an asset's relative contribution to greenhouse gas emissions).

- Seasonality of Timber Harvesting

Seasonal weather conditions, such as drought, high fire risk, snow or heavy rains, may limit timber harvesting on timberland properties. Due to less favorable weather that generally prevails in the first and fourth quarters, timber customers may harvest less timber from clients' properties during these quarters. These seasonal limitations may reduce client revenues and cash flow during those periods, and may limit FIA's ability to make cash distributions during these times.

- Worker Injuries and Claims

The machinery used in timber production and processing is dangerous, and serious injuries may occur from time to time despite best efforts to train employees and use state-of-the-art equipment. This may cause liability for the Fund. In addition, it is possible that the Fund will be subject to secondary liability for labor claims made by workers against the contractors that the Fund will engage to manage or work on the properties.

- Greenfield Sites, Infrastructure, and Processing Assets Risk

Like any other business, the viability of forestry assets is reliant on the revenue, costs, and profitability of that asset. Variability in any of these factors will affect the value of an investment. These risks are particularly acute for greenfield investments, which lack established revenue and profitability track records and may take several years to mature. In addition, infrastructure/processing assets may not be actively running the operations of relevant portfolio companies but be dependent upon a local operator in managing the assets. There can be no assurance that the operator will observe standards or requirements set out in the relevant operating agreements. Any mismanagement of an asset by the operator or instances of fraud and other malpractices committed by the management team of portfolio companies may materially and adversely affect performance.

- Relations with Communities and Other Stakeholders

Forestry businesses are expected to demonstrate to communities that while they seek a satisfactory return on investment, human rights are respected and other social partners, including employees, host communities, and more broadly, the countries in which they operate, also benefit from their commercial activities. Adverse publicity in cases where companies are believed not to be creating sufficient social and economic benefit may result in reputational damage, active community opposition, regulatory sanctions, allegations of human rights abuses, and legal suits.

Forestry assets are often located near or in overlapping geography with local communities, natural waterways, and other infrastructure or natural resources and may impact local communities and the surrounding environment. As the impacts of soil erosion, water pollution, or water shortages may be directly adverse to those

communities, any real or perceived poor environmental management practices or labor relations can result in community protest, regulatory sanctions, or ultimately in the withdrawal of community and government support for operations.

In addition, investments may be exposed to a variety of legal risks including, but not limited to, legal action from special interest groups, environmental issues, land expropriation and other property-related claims. For example, interest groups may use legal processes to seek to impede particular projects to which they are opposed.

- Land Rights

Access and/or title to land may be subject to the rights or asserted rights of various community stakeholders, including Indigenous Peoples. Despite the Investment Adviser's best efforts, certain issues may also arise inadvertently regarding Indigenous Peoples, people who may have been displaced or others whose livelihoods may be affected as a result of the development or expansion of forestry assets.

Non-governmental organizations and community groups may raise concerns and threaten or commence litigation relating to displacement, and land rights leading to social unrest. Disputes with local communities may also affect operations.

- Foreign Currency Risk

Investing in timber assets across international markets introduces foreign currency risks, as revenues and costs may be denominated in different currencies, subjecting investors to exchange rate fluctuations. Such currency movements can directly impact operational expenses, including timber harvesting, transportation, and processing, potentially altering profitability margins. Mitigating these risks may involve utilizing currency hedging instruments or strategically diversifying timber investments across regions with varying currency exposures to safeguard against adverse currency movements.

- Risk of Operational Failures by or Dissolution of the Carbon Credit Certification Body

Investments may be subject to risks of operational failure by the carbon credit certification bodies or substantial changes to such rules or processes, including standards and methodologies for carbon credits. The generation of carbon credits will be a function of multiple actions by the certification body, which include (but are not limited to) establishment of project rules and methodologies, accreditation of validators and verifiers, issuance of carbon credits, and operation of a registry with accounts that entities can use to receive, transfer, or otherwise dispose of carbon credits.

- Small and Illiquid Carbon Markets

Liquidity in carbon markets, especially the voluntary carbon market, is fragmented due to both low demand by buyers and varying buyer preferences. Currently, the price of a carbon credit is largely a function of the attributes of the carbon offset project that generated the carbon credit because buyers prefer particular types of projects and geographies. As a result, prices are diverse and opaque and fair market

value is difficult to determine. There are no liquid reference contracts or price indices for carbon credits that have a reliable price signal. The absence of such a price signal and related instruments complicates investment risk management. The bulk of transactions are over the counter. There are no large-scale centralized carbon credit exchanges or large-scale market makers. Compared with the traditional securities market, the carbon markets include actors, such as individuals or companies that participate on a voluntary basis in efforts to reduce net GHG emissions, are significantly more fluid and unrestrained by boundaries set by local, national, or international bodies.

- Regulation of the Carbon Credit Markets

Changes in policy and regulations related to the emission reduction and carbon removals projects and emission reduction and carbon removals certification could undermine performance. The introduction or adjustment of each new policy and regulation may indirectly cause market fluctuations by affecting the supply of and return from carbon credits. Any change in regulation with respect to carbon markets may result in price fluctuations, or the elimination of the carbon credits market. Low carbon prices may cause the depreciation of carbon assets.

- Reliance on Key Personnel

The success of FIA's strategies depends in substantial part on the key personnel of FIA. Performance and success depends upon the skill of certain individuals who have experience in timberland investments and the forest industry that are employed by FIA. The loss of key personnel could have a material adverse effect on the results of investment vehicles or accounts.

- Cyber Security Breaches and Identity Theft

The information and technology systems of FIA may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages, and catastrophic events such as fires, tornadoes, floods, hurricanes, and earthquakes. If these systems are compromised, become inoperable for extended periods of time, or cease to function properly, FIA, the Funds and clients may have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in FIA's, the fund's or client's operations and result in a failure to maintain the security, confidentiality, or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm FIA, the Fund's or client's investment's reputation, subject any such entity and their respective associates to legal claims and otherwise affect their business and financial performance.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to evaluation of Forest Investment Associates or the integrity of Forest Investment Associates' management personnel. FIA has no disciplinary events to disclose.

Item 10 – Other Financial Industry Activities and Affiliations

As discussed previously, FIA created four Private Funds, described below. FIA, its officers, directors or related entities serve as General Partner to each of the Funds. To the extent that any of the Funds are an appropriate investment for FIA separate account clients, those clients may be solicited to invest in the Private Funds. Interests in the Funds will only be offered to a limited number of investors who are able to bear the risk of an investment in the Funds and who meet the requirements set forth in each Funds' offering documents.

FIA Timber Growth Partners, L.P. is a Delaware limited partnership organized in 2008 to provide qualified institutional and individual investors the opportunity to invest in a diversified portfolio of timberland properties in the U.S. and internationally. The General Partner of the Fund is FIA Growth Management, LLC. FIA Growth Management, LLC is majority owned and controlled by FIA.

FIA Timber Partners II, L.P. is a Delaware limited partnership organized in 2009 to provide qualified institutional and individual investors the opportunity to invest in a diversified portfolio of timberland properties in the U.S. The General Partner of the Fund is FIA Timber Management II, LLC. FIA Timber Management II, LLC is majority owned and controlled by FIA.

FIA Timber Growth and Value Partners, L.P. and its parallel fund FIA Timber Growth and Value Partners A, L.P. are Delaware limited partnerships organized in 2014 and 2015 to provide qualified institutional and individual investors the opportunity to invest in a diversified portfolio of timberland properties in the U.S. and internationally. The General Partner of the Fund is FIA Timber Growth and Value Management, LLC. FIA Timber Growth and Value Management, LLC is majority owned and controlled by FIA.

Separately, FIA has two affiliated entities: Broad Arrow Timber Company II, LLC (BATCO II) and Broad Arrow Timber Company III, LLC (BATCO III) that are counterparties to various wood supply agreements which also include FIA clients and as such, deliver logs from client timberlands to fulfill those agreements. FIA manages Broad Arrow on behalf of its clients to ensure the wood supply obligations are satisfied and has an arrangement with BATCO II and BATCO III whereby FIA is reimbursed for the costs associated for use of the FIA personnel and office space. BATCO II's and BATCO III's officers are shareholders and employees of FIA. FIA allocates to BATCO II and BATCO III a portion of overhead expenses that relate to the management and operation of BATCO II and BATCO III.

Item 11 – Code of Ethics

FIA requires all officers, directors, and employees to adhere to the FIA's Code of Ethics. The purpose of the Code of Ethics is to ensure that all personnel conducts its business with the highest level of ethical standards and fulfills its fiduciary duties to its clients. FIA has a duty to exercise its authority and responsibility for the benefit of its clients, to place the interests of its clients first, to refrain from having outside interests that conflict with the interests of its clients, to safeguard clients' personal information, and to comply with all federal securities laws as they apply to the business of FIA. FIA's employees must avoid any circumstances that might adversely affect or appear to affect its duty of loyalty to its clients.

The Code of Ethics is available to all clients, investors or prospective clients and/or investors upon request to Derek MacArthur, at 404-829-8840 or dmacarthur@forestinvest.com.

The FIA Code of Ethics requires all Supervised Persons to report their personal security holdings within ten days of being hired and annually thereafter, and also requires them to report securities transactions within thirty days of the end of each calendar quarter. In addition, any Supervised Person's investment in an Initial Public Offering (IPO) or limited offering must be pre-approved by the Chief Compliance Officer prior to any transaction by the employee. The Chief Compliance Officer reviews the personal investment activity of each Supervised Person to ensure that employee trading activity does not conflict with advice provided to clients.

Item 12 – Brokerage Practices

Allocation of Investment Opportunities

FIA's Investment Committee adheres to the following Investment Allocation Policy when allocating investment opportunities among clients who have outstanding committed funds for investment.

For purposes of applying the following Investment Allocation Policy to investment opportunities that arise while a client has committed funds available for investment, FIA will treat the client *pari passu* with other clients which have committed funds available for investment:

Clear Best Fit

Periodically, because of size, geographic location, market exposure, age characteristics, species or other diversification factors, a particular timberland property is clearly most appropriate for the portfolio of a particular client. In such a case, the timberland property will be allocated to a particular client if FIA's Investment Committee determines that the property is a clear best fit for the portfolio of that client.

Single Property, Multiple Fit

At times, a particular timberland property may meet the portfolio needs of more than one client. At other times, an undivided timberland property, because of size or other

factors, may not meet the needs of any particular client, but if divided becomes appropriate for more than one client portfolio. In these circumstances, FIA will seek, where feasible, to physically delineate and apportion the timberland property in a manner that suits the portfolio needs of more than one client. FIA will engage appraisers or other third-party consultants to ensure that the property is equitably divided and the purchase price equitably allocated.

Oldest Outstanding Commitment

In some cases, FIA may have an opportunity to acquire a timberland property that meets the needs of more than one client portfolio, but because of size, location, or other factors, is not suitable for division. In this circumstance, FIA will allocate the timberland property to the client whose remaining un-invested funds have been committed for investment for the longest period of time.

Pricing & Valuation

FIA's pricing and valuation practices are detailed in each client's Investment Management Agreement. Specific valuation procedures for a particular client could vary from FIA standard practice.

Appreciation is determined by periodic third-party appraisals of the clients' timberlands. For U.S. properties, between independent third-party appraisals, the market values for all timberland properties are updated quarterly to account for timber growth, timber harvest removals, land sales and inventory adjustments. In non-U.S. properties, other adjustment methodologies may be applied, where considered appropriate. In addition, interim market changes are reflected in one of two ways:

1. For the majority of FIA client accounts, the independent, third-party appraiser who performed the most recent comprehensive appraisal performs an appraisal update on an annual basis until a new, comprehensive appraisal is required. Under this approach, the unit values for merchantable timber, pre-merchantable timber and land remain constant in the interim quarters until the annual appraisal update is performed.
2. For the remaining FIA client accounts, merchantable timber unit values are indexed to publicly reported timber prices and adjusted each quarter based on the movements of those publicly reported prices. Pre-merchantable timber unit values are also adjusted quarterly based on an internal valuation system that ties pre-merchantable timber unit values to current quarter merchantable timber unit values. Alternatively, pre-merchantable timber unit values may be held at the most recent independent appraised values. Under this approach, land unit values are generally held constant at the most recent independent appraised value until the next independent appraisal is performed.

Item 13 – Review of Accounts

Each account is reviewed no less than quarterly by at least two members of FIA's Investment Committee. The Investment Committee is comprised of:

Michael P. Cerchiaro – President & CEO

Marc A. Walley - Senior Managing Director, Chairman of the Investment Committee

Andrew L. Boutwell – Senior Managing Director, Head of Investment Management

MaryKate Bullen – Managing Director, Head of Business Development and Sustainability

V. Scott Bond – Managing Director

Jon E. Sokol – Managing Director, Portfolio Management

Jamie Ulmer – Director, Portfolio Manager

Clients receive quarterly reports and financial statements prepared by FIA showing the latest timber inventory and value, cash/checking account balances, income and expenses for the period and internal rate of return.

Investors in Private Funds receive a quarterly report of their respective capital account that shows the beginning and ending value of their investment in the Fund, any deposits or withdrawals for the period and the performance of their account. Investors also receive an annual audit report prepared by the independent certified public accountant within 120 of the Fund's fiscal year end.

Item 14 – Client Referrals and Other Compensation

Forest Investment Associates, in certain instances, may enter into an agreement with a third-party who receives a solicitation fee as a result of FIA's relationship with a particular client. The arrangement would be subject to the terms and conditions of the written agreement between FIA and the third party. The third party would receive a portion of the management fee paid by the client. The client would not pay a higher management fee as a result of the solicitation arrangement. The details of the solicitation arrangement would be described to the client as necessary, and acknowledged and accepted by the client in a signed Solicitors Disclosure Document.

FIA also may directly or indirectly compensate employees for obtaining new business relationships. Compensation arrangements are subject to the terms and conditions of a written agreement between FIA and the employee. This agreement does not affect the fee paid by the client to FIA for advisory services.

FIA does not receive any compensation other than investment advisory fees in connection with the advisory services offered to clients.

Item 15 – Custody

FIA has custody of client funds. For applicable separately managed accounts or other situations where FIA does not manage a pooled investment vehicle, FIA will comply with the custody rule as follows. Client investment vehicles include cash held at a qualified custodian in a bank account with the bank account titled under the investment name. Clients receive duplicate bank statements from the financial institution(s) at which cash accounts are located on a monthly basis. FIA urges clients to carefully review such statements and compare such official custodial records to the account statements provided by FIA on a quarterly basis. FIA statements may vary from custodial statements due to outstanding checks or deposits.

FIA has arranged for an independent public accountant to conduct a surprise verification of the funds and securities over which FIA has such custody. The verification must be conducted at least once during each calendar year at a time that is irregular from year to year, and that is chosen by the accountant without prior notice to FIA.

Separately, FIA engages the services of an independent certified public accountant to perform an audit of FIA's operations. The auditor conducts:

- (1) a financial audit of the FIA entities (including the Private Funds);
- (2) an internal controls audit of FIA's operations;

For commingled funds that FIA forms and manages to hold client or investor investments, FIA distributes at least annually audited financial statements prepared in accordance with generally accepted accounting principles. To conduct the audits, FIA engages independent public accountants registered with the Public Company Accounting Oversight Board. The audited financial statements are distributed to all members in the vehicle within 120 days of year end.

In many cases, separate account clients choose to engage their own certified independent public accountant to conduct an audit of their timber portfolios and bank accounts onsite at FIA's office. FIA will comply with such requests upon reasonable notice and availability of office space and any other resources necessary to accommodate the request.

Item 16 – Investment Discretion

FIA will generally have discretionary authority over client accounts and assets. Fund documents will typically establish an affiliate of FIA as the managing member or general partner of the investment vehicle. The general partner or managing member will engage FIA as the investment manager for the investment vehicle. For separately managed accounts, authorization is provided through an Investment Management Agreement. This authorization gives FIA the authority to purchase, sell or otherwise obtain and dispose of timber and timberland on behalf of the client. Discretionary authority is limited only by any specific guidelines, instructions or mandates provided by the client in writing, and to which

FIA agrees. FIA is further granted the authority to use client funds to pay expenses associated with managing each of the properties owned by the client.

Item 17 – Voting Client Securities

This Item does not apply to the advisory services offered by FIA.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide certain financial information or disclosures about the financial condition of Forest Investment Associates. Forest Investment Associates has no financial commitments that impair the ability to meet contractual and fiduciary commitments to clients, and have not been the subject of a bankruptcy proceeding.