



DOMAIN TIMBER ADVISORS, LLC

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The brochure provides information on the qualifications, advisory business, fee arrangements, types of clients, investment strategies, code of ethics, custody policies and financial information of Domain Timber Advisors, LLC (“Domain Timber Advisors,” “Domain Timber” or “Registrant”). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

If you have any questions about the contents of this brochure or would like to request a brochure, please contact Micheal Alexander, Domain Timber’s Chief Compliance Officer at (770) 628 - 0700 or by email at malexander@domaincapitalgroup.com. Domain Timber is a registered investment adviser. Registration as an investment adviser does not imply any level of skill or training.

Additional information about Domain Timber is available on the Securities Exchange Commission’s website at www.adviserinfo.sec.gov.

MATERIAL CHANGES

This Brochure includes amendments since our last update dated March 31, 2023. We have updated our Form ADV in Schedule A to reflect material changes made to the executive officers. These material changes include Michael MacArthur, former Chief Compliance Officer of Domain Timber Advisors, LLC left the firm on November 10, 2023. Carolyn Seabolt, the Adviser's General Counsel and Chief Operating Officer acted as interim Chief Compliance Officer until the search committee found a replacement. On January 3, 2024, Micheal Alexander assumed the role of Chief Compliance Officer.

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ADVISORY BUSINESS

Domain Timber provides investment management services focusing primarily on timber, environmental, and ecological assets. Domain Timber was organized in 2016, and its principal office is located in Atlanta, Georgia. Domain Timber is wholly owned by Domain Timber Holdings, LLC. The majority owner of Domain Timber Holdings is Domain Capital Group, LLC, which also majority owns Domain Capital Advisors, LLC, another registered investment adviser.

On May 30, 2017, Domain Timber acquired the assets of another registered investment adviser, including their general partner interest in several commingled funds and the investment management agreements for each fund. Domain Timber now serves as the manager of, and its affiliates serve as the general partners of, *Domain Timber Investments III, LP*, *Domain Environmental Investments II, LP*, and *Domain Environmental Investments III, LP*. Additionally, effective December 6, 2018, Domain Timber was approved by the Central Bank of Ireland to act as investment manager to the Domain Capital Group ICAV. Domain Timber also manages assets for a number of separately managed accounts.

Domain Timber's timberland-related investment strategy targets asset opportunities in the United States and combines forestry management practices with institutional quality asset management and reporting. Domain Timber's environmental and ecological asset investment strategy is focused on real property or other natural resources that have intrinsic but unrealized environmental and/or ecological value due to hydrology, function, biodiversity, habitats, topography, location, historical use, restoration potential, or other similar characteristics. Examples include stream and/or wetland mitigation banks and endangered species habitat conservation banks.

The type and scope of service Domain Timber provides may vary significantly based on the nature of the investment and particular instructions or mandate of the client. Domain Timber offers its services for separately managed accounts and sponsored commingled funds. In most cases, Domain Timber seeks to maximize value of client portfolios through capital appreciation, improved asset productivity, and cash flows from timber harvests and other available cash realization events. To achieve these objectives, Domain Timber outsources on-the-ground property management, timber harvesting operations, and other forestry related services to third parties, and these services are paid for by the client.

When advising separately managed accounts, Domain Timber tailors its services to the needs of the client. Domain Timber typically acquires and disposes of properties on a non-discretionary basis, but exercises discretion in managing the properties, such as timing and scope of harvests. Domain Timber will typically begin assessing an investment opportunity by analyzing the merits of the opportunity and providing due diligence and other reporting to the client on the opportunity. If the client decides to proceed with the investment, Domain Timber will negotiate the terms of the opportunity, engage professionals to form vehicles through which the client will acquire the investment, and handle other aspects of the initial investment. After the initial investment transaction, Domain Timber will provide ongoing management, monitoring and reporting on the investment. The client typically will retain authority to make further acquisition or disposition decisions, but Domain Timber may make recommendations with respect to such decisions. If the client decides to engage in such subsequent transactions, Domain Timber will typically negotiate directly or arrange for a broker or other appropriate third party to handle and execute such

transaction. In connection with its management of separate accounts, Domain Timber receives compensation through management fees, performance-based fees, and acquisition and/or dispositions fees.

When advising commingled funds, Domain Timber exercises discretion in deciding when to buy and sell properties and other assets and in evaluating how to manage the assets. Domain Timber will provide ongoing management, monitoring and reporting on the investments within the commingled funds and will engage necessary audit and other professionals as needed, all pursuant to the terms of the governing documents for the fund. In connection with its management of commingled funds, Domain Timber receives compensation through management fees, performance-based fees, and acquisition and/or dispositions fees.

As of December 31, 2023, Domain Timber had approximately \$443,442,290 of regulatory assets under management among its five commingled, closed-end funds. As of this date, Domain Timber also manages timberland investments in separate accounts totaling approximately \$307,051,354 of assets, which are not included as regulatory assets under management because they do not meet the definition of securities portfolios. Altogether, Domain Timber managed assets valued at approximately \$750,493,645 as of December 31, 2023. Domain Timber does not offer or participate in any wrap-fee programs. Clients may impose restrictions on investing in certain securities or types of securities or investments.

FEES AND COMPENSATION

Investors and clients pay management and incentive fees. Such fees are negotiable and vary by client or investor. In some instances, certain affiliated parties, employees, or other key investors do not pay a fee.

Domain Timber negotiates its fees and other compensation at the outset of each client relationship. The fees are described in the management agreement between Domain Timber and each sponsored commingled fund and/or separate account client it manages. The fee structure is typically a percentage of committed and/or invested capital. Domain Timber also receives performance-based fees based upon achieved return hurdles or equity multiples and/or acquisition or disposition fees upon investment acquisition and liquidation. Performance-based fee arrangements are only available to clients who meet the eligibility requirements of Rule 205-3 under the Investment Advisers Act of 1940.

Domain Timber typically deducts management fees for commingled funds from the account of the fund on a quarterly basis, either in advance or in arrears in accordance with the governing documents. Domain Timber may either deduct quarterly management fees for separate account clients from the account of the separate account client or such management fees may be billed to the separate account client, as agreed with the client.

In addition to management fees paid to Domain Timber, clients will pay other costs and expenses associated with (i) organization of a commingled fund, (ii) management of their investments and (iii) acquisition, management, and disposition of the assets, as set forth more fully below and in each Fund's offering documents. Such costs and expenses will be detailed in the applicable

governing documents and may include, but are not limited to, brokerage fees, legal fees, accounting and audit fees, consultant fees, third party operator compensation, travel expenses, capital expenditures, costs of improvements, and property taxes.

Domain Timber will be responsible for all of its own ordinary overhead expenses in connection with its day-to-day operations, including compensation and benefits for employees and expenses for office space.

Clients generally will pay expenses imputed to Domain Timber for, all reasonable expenditures made on behalf of the Fund or separate account, including without limitation: (i) legal, auditing, consulting, bookkeeping and accounting fees and expenses (including, without limitation, tax advisory, tax compliance and costs for preparation of reports to the limited partners and financial statements); (ii) expenses of meetings of any limited partner advisory committee; (iii) insurance and indemnification expenses; (iv) all costs, fees and expenses associated with the purchase or sale and any proposed purchase or sale, holding and disposition of investments, including any and all expenses incurred in connection with unconsummated transactions; (v) all extraordinary expenses such as litigation expenses; (vi) all expenses of liquidating the Fund or separate account; (vii) any taxes, fees or other governmental charges levied against the Fund or separate account and all expenses incurred in connection with any tax audit, investigation, settlement or review of the Fund or separate account; (viii) expenses incurred in connection with the organization of the Fund or separate account, the general partner as applicable, the manager and any alternative investment vehicles subject to any applicable cap; and (ix) management and performance fees as described above.

The applicable client agreement or governing fund documents will set forth fees and expenses in more detail. Domain Timber may be reimbursed for expenses it incurs on behalf of any particular client or investment vehicle.

Domain Timber, from time to time, enters into letter agreements or other similar arrangements (collectively, “Side Letters”) with one or more limited partners that have the effect of establishing rights under, or altering or supplementing the terms of, the applicable Fund Agreement or any subscription agreement. As a result of such Side Letters, certain limited partners receive additional benefits that other limited partners will not receive. Such rights or terms in any such Side Letter or other similar agreement may include, among other things: (i) excuse rights applicable to particular investments (which may increase the percentage interest of other limited partners in, and contribution obligations of other limited partners with respect to, such investments); (ii) additional reporting obligations of the general partner of such fund; (iii) the waiver of certain confidentiality obligations; (iv) the consent of the general partner to certain transfers by such limited partner; (v) rights or terms necessary in light of particular legal, regulatory or public policy characteristics of a limited partner; or (vi) different economic terms. Domain Timber will not be required to notify any or all of the other limited partners of any such Side Letters or any of the rights or terms or provisions thereof, nor will Domain Timber be required to offer such additional or different rights or terms to any or all of such other limited partners. Domain Timber may enter into such Side Letters with any party as the general partner may determine in its sole and absolute discretion at any time. The other limited partners will have no recourse against the relevant fund or any of its affiliates in the event that certain limited partners receive additional or different rights or terms as a result of such Side Letters.

Domain Timber, with respect to certain funds, sells interests and/or shares in the Private Funds through broker-dealers, placement agents and other persons and pays a marketing fee or commission in connection with such activities. Placement agent fees are borne by Domain Timber and will not be borne by any Fund or investor placed in such Fund by a placement agent or other broker-dealer.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Domain Timber is entitled to receive performance-based fees on certain investments, based on applicable client agreements. These performance-based fees, typically structured as a carried interest, give Domain Timber additional compensation if certain investment thresholds or investment return multiples are met.

As discussed in the Fees and Compensation section above, Domain Timber will receive a variety of fees, based upon negotiation with each applicable client. As a result, Domain Timber has an inherent conflict of interest between its responsibility to manage each investment and its interest in maximizing any performance-based fees. For example, the performance-based fees create an incentive for Domain Timber to make investments that are riskier or more speculative than would be the case if such arrangement were not in effect. In addition, because the performance-based fees are typically calculated on a basis which includes unrealized appreciation of the Fund's or client's assets, such fee will be greater than if such compensation were based solely on realized gains. Moreover, Domain Timber encounters conflicts of interest resulting from possible incentives to favor accounts for which Domain Timber receives performance-based fees. Acquisition and/or disposition fees also create conflicts of interest. Domain Timber mitigates these potential conflicts of interest by adhering to its asset-allocation policy. Conflicts can be further mitigated by the overall fee structure, including acquisition and/or disposition fees and performance-based fees, which can align Domain Timber's long-term interests with the long-term interests of the client or investor. In addition, Domain Timber's investment committee considers any conflicts of interest identified by the investment team prior to making any investment decisions.

Performance-based fee arrangements are only available to clients who meet the eligibility requirements of Rule 205-3 under the Investment Advisers Act of 1940.

TYPES OF CLIENTS

Domain Timber provides investment advisory and management services exclusively to commingled funds and/or separate account clients. The commingled funds sponsored by Domain Timber are only offered to qualified investors. Domain Timber's minimum account size for separately managed accounts is typically \$3 million; however, Domain Timber can in its discretion reduce its minimum account size.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Methods of Analysis

Domain Timber analyzes investment opportunities fundamentally and based on forecasted projections.

Fundamental analysis entails attempting to measure the intrinsic value of an investment by examining related economic, financial and other qualitative and quantitative factors. When Domain Timber employs this kind of analysis, it studies macroeconomic factors (such as the overall economy and industry conditions) and investment-specific factors (such as a company's financial condition and management). The end goal of performing fundamental analysis is to determine a value that can be compared with the market's bid or ask price to assess whether to purchase, sell, or continue holding the investment. This analysis will typically be one of several considerations taken into account before making an investment decision.

Domain Timber also analyzes an investment opportunity or existing investment by forecasting future cash flows associated with the investment. If appropriate, we will seek to purchase the investment at a price that is equal to or better than the net present value of such cash flows as determined by applying a discount rate we believe is appropriate.

Domain Timber uses various sources of information in performing our investment analysis. Among other things, Domain Timber obtains information through market and industry research, internal underwriting of the specific opportunity, analysis and review of sponsor or affiliate underwriting or due diligence and review, as necessary, of reports, valuations, appraisals and similar documentation pertaining to a specific investment opportunity.

Investment Strategies

Domain Timber typically employs a buy and hold strategy and seeks to build portfolios that are diversified across various criteria, such as geographic region (focusing on the three primary timber investment regions in the U.S.), forest type (e.g., softwood, hardwood, natural, plantation), timber age class (e.g., pre-merchantable, merchantable), and species. In recommending or implementing strategies, Domain Timber may also consider projected or desired holding periods, return profiles (income versus appreciation), risk tolerance, and return targets. Domain Timber will monitor the portfolio and may make recommendations for acquisition and liquidation based on changing circumstances. Domain Timber strives to maximize profits for a portfolio through related income opportunities arising with a particular property's attributes, including selling rights for hunting, recreation, mitigation, conservation and other non-timber income. A client or investor's decision whether to invest in a particular investment opportunity through Domain Timber is often based on the client's or investor's own particular needs and allocation strategy.

In managing commingled funds, the offering documents will specify the investment strategy and any limits on how Domain Timber manages the investment vehicle's portfolio. Domain Timber investment vehicles typically specify a fixed duration (e.g., seven or ten years) with one or more extension periods. Domain Timber will manage these investment vehicles with an objective of maximizing profitability consistent with their terms.

Material Risks

The timber, environmental, and ecological assets managed by Domain Timber lack a regularly traded market, are illiquid, can be highly speculative, and involve a high degree of risk. Little or no market or valuation information is generally available. The investments frequently carry a significant risk of loss. Domain Timber will not always be successful in identifying all risks associated with such investments or could fail to project accurately or precisely the future cash flows and other valuation information of such investments. The client or investor should be prepared to bear a complete loss of its investment.

The following is a summary of the typical, significant material risks associated with investments that Domain Timber typically manages for its clients, but it is not an exhaustive list of all risks arising from the investments managed by Domain Timber. The client or investor should review thoroughly the particular risk disclosures contained in offering or other documents associated with any particular investment.

- **Asset Class Risks:** Investment in timber, environmental, and ecological assets carries special risks. These include particularly changes in the supply and demand for timber, and changes in regulations impacting the benefits and consequences of environmental and ecological assets. Demand for timber draws largely from the construction industry, furniture, and paper industries, and also other businesses that use wood or wood products as a raw ingredient in their products. Supply is a function of decisions timberland owners make in deciding when to plant and harvest timber. 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 U.S. timber and the supply of foreign timber in the U.S. Any significant increase in the supply of, or decrease in the demand for, timber and timber products could negatively impact financial results. With respect to timberland investments, additional risks include potential limitations on the ability to harvest timber, including weather conditions, timber growth cycles, access limitations; regulatory requirements associated with the protection of wildlife, wetlands and other water resources; and damage by fire, insect infestation, disease, wind, prolonged drought, and other natural disasters. With respect to environmental/ecological investments, additional risks include project approval dependence on regulatory agencies and meeting success criteria; the amount, quality and reliability of market data; regulatory risk; operating partner risk; relative risk associated with projected timing and complexity with the design and execution of the project and the ecological and environmental complexity of the project.
- **Property Specific Risks:** Most investments are exposed to the risk that the particular issuer, obligor, or asset may fail to meet expectations, fail to yield projected cash flows due to operational and other reasons, or fail to pay expected dividends or interest, or succumb to competition or other forces. Any given property may underperform expectations or

other similar properties due to issues specific to that property. Timber assets in particular are exposed to risk of loss from damage to the trees and property due to fires, pests, disease, and other causes.

- **Fund Specific Risks.** Each investment vehicle formed by Domain Timber, and its general partner or managing member, will have a limited operating history on which prospective investors may base an evaluation of its likely performance. Investors have no right or power to participate in the management or control of the business of the investment vehicle and must rely upon the general partner or managing member to manage the operations of the investment vehicle. Investors will be relying solely upon the ability of the general partner or managing member to determine when and at what prices investments will be made and how such investment properties should be monitored and managed. Domain Timber's investment vehicles typically restrict withdrawals, and therefore they are a long-term commitment, and there is no assurance that any distributions of cash or other property will be made to the limited partners or members prior to the winding down of the investment vehicle. Interests are subject to significant restrictions on transfer.
- **Market or Principal Risk:** Many investments are exposed to declining market valuations due either to the specific market for the investment declining or the overall level of market prices declining. Real estate and other investments come in and out of favor with investors, which causes the market value to fluctuate with or without any inherent change in the underlying asset. The investor will receive less than the invested amount if the market value of the investment declines after the investment is made.
- **Inflation Risk:** Some investments risk failing to keep pace with inflation, and consequently purchasing power will be reduced. Inflation may also negatively impact the return of an investment through increased operating and other costs.
- **Liquidity Risk:** Most investments managed by Domain Timber are exposed to the uncertainty of obtaining a fair price due to lack of a liquid market or potentially poor market environment.
- **Regulatory / Environmental / Tax Risk:** Some investments are exposed to the uncertainty as to whether governments or regulators may change or impose regulations or tax laws that adversely affect the investment. Governmental authorities at the federal, state, and local levels are actively involved in the promulgation and enforcement of regulations relating to land use, zoning, and the environment. Regulations may be promulgated which could have the effect of restricting or curtailing certain uses of existing properties or structures or requiring that such properties or structures be altered in some fashion. The establishment of such regulations could increase the expenses and lower the profitability of any of the properties affected thereby. Domain Timber typically manages investments to maximize profitability and capital appreciation, and not to minimize tax consequences. Clients and investors are urged to consult their tax advisors to confirm investments with Domain Timber do not create unintended or unexpected tax consequences.
- **Event Risk:** Some investments are exposed to the danger of sudden, calamitous news or other events that directly and adversely affects the value, liquidity, or return of the investment, and for which the loss is uninsured. These may include events such as: acts of

war, terrorist activity, data breach, compromise or failure of current or emerging information technology, pandemics, storms, natural disasters, pandemics, and other such events.

- **Competition for Investments:** Domain Timber will often compete for the acquisition of assets or other investments with many other investors, some of which will have greater resources or interest in a particular investment than Domain Timber or its client. Competition for these assets or other investments sometimes can result in less favorable investment terms than would otherwise be the case.
- **Use of Leverage:** Domain Timber has the ability to use leverage in connection with some or all of its investments. In such cases, a third party (e.g., a lender) may, depending on the terms of any lending agreement, be entitled to cash flow generated by such assets prior to the investor. Leverage has the potential to increase returns where the underlying investment performs as or better than expected, but leverage can also dramatically increase the risk of loss or underperformance with respect to an investment where the underlying investment underperforms the cost of the leverage.
- **Valuation Risk:** Most investments are not publicly traded and are required to be valued by Domain Timber in accordance with Domain Timber's valuation policies. When estimating fair value, Domain Timber will apply a methodology based on its best judgment that is appropriate in light of the nature, facts and circumstances of the investments. Valuations are subject to multiple levels of review for approval. Notwithstanding Domain Timber's focus and effort on achieving a reliable valuation process, the nature of such assets makes them extremely difficult to value and a risk exists that Domain Timber's valuations could exceed the ultimate price at which a willing and able buyer will purchase the asset.
- **Departures of Key Personnel May Impair Results.** The success of Domain Timber's strategies is substantially dependent upon key personnel at Domain Timber. Performance depends in part on their efforts, experience, contacts, and skills. The loss of any such members may substantially adversely affect the results of an investment vehicle or account.
- **Cyber Security Breaches and Identity Theft.** Domain Timber's information and technology systems 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. Although Domain Timber has implemented various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, Domain Timber, the funds and clients would 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 Domain Timber's, a fund's or clients 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 Domain Timber's, the Funds', or clients reputation, subject any such company

and their respective affiliates to legal claims and otherwise affect their business and financial performance.

DISCIPLINARY INFORMATION

Registered investment advisers are required to disclose material facts about any legal or disciplinary event that is material to an investor, a client's or a prospective client's evaluation of Domain Timber's advisory business or the integrity of the Registrant or its management personnel.

Domain Timber has no legal or disciplinary events or findings to disclose.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Domain Timber is an affiliate of Domain Capital Advisors, LLC ("Domain Capital") and Domain Real Asset Ventures ("DRAV"), both registered investment advisers all under common ownership. Domain Timber and Domain Capital share office space as well as a common CCO, and certain other employees who perform duties for both Domain Timber and Domain Capital. Domain Timber does not invest in the same asset classes as either DRAV or Domain Capital, and thus the clients of Domain Capital and DRAV do not compete for investment opportunities with the clients of Domain Timber.

Affiliates of Domain Timber act as general partners of its commingled funds and receive performance-based fees which create material conflicts of interest as discussed above. Domain Timber's affiliates have a relationship with a state pension plan ("Investor") that has invested in most private funds managed by Domain Capital. This investor also owns a non-voting, non-controlling, passive equity interest in the parent company, Domain Capital Group, LLC, and provided financing to Domain Timber's parent company to fund the purchase of the assets of another Registered Investment Adviser ("RIA"). Serving clients or investors who have a financial interest in us, or our affiliates presents the potential for a conflict of interest. We mitigate this conflict by having and enforcing fair and equitable allocation policies and training our personnel not to favor one client or investor over any others.

Domain's Principals and certain officers and employees of Domain and its affiliates encounter conflicts in that they will devote business time and efforts to the other advisory clients of Domain, including previously existing and subsequent funds organized in the future by Domain, and to the other business activities of Domain Timber, Domain Capital, DRAV and their affiliates. Although Domain Timber, DRAV, and Domain Capital have and will establish procedures to address such conflicts, there can be no assurance that such conflicts will be resolved in a manner that is most favorable to any particular fund or client.

CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Domain Timber's Code of Ethics (the "Code") incorporates the following general principles which all employees are expected to uphold: (1) employees must at all times place the interests of the clients first; (2) personal securities transactions must be reported and reviewed; (3) employees must not take any inappropriate advantage of their positions with Domain Timber; (4) information concerning the identity of securities and financial circumstances of the clients and other investors must be kept confidential; and (5) independence in the investment decision-making process must be maintained at all times.

The Code is available to all clients, investors or prospective clients and/or investors upon request to Micheal Alexander, at (770) 628 - 0700 or by email (malexander@DomainCapitalGroup.com.)

Domain Timber has a conflict of interest when it offers to investors, or recommends to clients, commingled funds or other investments in which Domain Timber or a related person has a financial interest. As mentioned above and as disclosed in Item 7A of Domain Timber's Form ADV, Part 1A, Domain Timber and affiliates serve as the general partner of its sponsored commingled funds and can serve as manager and/or minority owner of the entities in which the client or investor invests, receives management fees for the duration of an investment lifespan, can receive performance-based fees, and can receive acquisition and/or disposition fees. Domain Timber (and/or its principals) can invest in Domain Timber sponsored commingled funds as a limited partner. Through this arrangement, Domain Timber will invest on the same terms and conditions as all other limited partners, with the exception that it will not pay management fees. Domain Timber has the ability to offer or recommend commingled funds and other investments in which Domain Timber, one of its affiliates, their respective officers, directors, partners, members, employees or agents or investment funds advised or sponsored by Domain Timber has made, or may make, an investment.

As outlined above, Domain Timber has adopted procedures to protect client interests when its associated persons invest in the same securities as those selected for or recommended to clients. In the event of any identified potential trading conflicts of interest, Domain Timber's goal is to place client interests first. Consistent with the foregoing, Domain Timber maintains policies regarding participation in initial public offerings (IPOs) and private placements to comply with applicable laws and avoid conflicts with client transactions. If a Domain Timber associated person wishes to participate in an IPO or invest in a private placement, he or she must submit a pre-clearance request and obtain the approval of the Chief Compliance Officer. Domain Timber's decision to recommend to a Client any commingled fund or other investment is based solely on the suitability of the investment for the particular Client. Investors considering commingled funds or other investments offered by Domain Timber should consult their financial advisors.

In addition, Domain Timber and its affiliates maintain a restricted list of public securities about which they might possess material nonpublic information. Domain Timber, affiliates, Clients, and personnel cannot enter into transactions in the securities contained on that list.

BROKERAGE PRACTICES

Domain Timber primarily manages investment vehicles and separately managed accounts that invest in timber, environmental, and ecological assets. These are investments in real estate, and other investment opportunities that are not traded on an exchange or through broker-dealers. Domain Timber therefore does not typically use a broker-dealer for transaction execution, and it does not routinely suggest brokers to a client. We also do not engage in trade aggregation for multiple clients.

In the event Domain Timber transacts in public securities, it intends to select brokers based upon the broker's ability to provide best execution for the client. Similarly, Domain Timber attempts to ensure that the client pays no more than the perceived fair value for each investment as well as reasonable fees for services necessary to complete the transactions.

Domain Timber recognizes that the analysis of execution and implementation quality involves a number of factors, both qualitative and quantitative. In effecting transactions for the client, Domain Timber takes into account a range of applicable factors when hiring third party service providers or other intermediaries for the purpose of completing transactions. Factors include general expertise and background, the type and size of the transaction involved, the stability or solvency of the service provider or counterparty, settlement capabilities, time required to complete the role sought, research services or any arrangements relating to overall performance in the best interest of the client.

Domain, from time to time, can encounter a conflict of interest when presented with investment opportunities that fall within the investment objectives of more than one fund or advisory client of Domain Capital, DRAV, Domain Timber, and their affiliates. In addition to the activities that Domain will undertake on behalf of the funds and clients, Domain and its affiliates also manage, and will continue to manage, other private investment funds and separate accounts for existing and future clients. Domain addresses this conflict by allocating investment opportunities among clients in accordance with Domain's Investment Allocation Policy, which could result in a particular fund or client not participating in an investment opportunity, in whole or in part.

In certain circumstances, Domain may offer co-investment opportunities to other parties (including limited partners in a fund, other clients, and other persons) whom Domain, in its sole discretion, determines are necessary or desirable for the success of a given investment or strategically important to the success of a fund or a particular investment in a fund, or who otherwise have the right to co-invest pursuant to an agreement with Domain.

REVIEW OF ACCOUNTS

Domain Timber provides clients and investors written quarterly reports that provide an update on the status of each of the investments Domain Timber manages. These reports provide qualitative and quantitative analysis of each investment, including notable events from the previous period, sector and industry analysis and commentary, as well as net asset value and a summary of the quarterly and year-to-date operations of the investment, respectively. In some circumstances, the investment performance is compared to an industry benchmark. Investment staff prepares these reports and a Domain Timber managing director reviews the reports before distribution.

CLIENT REFERRALS AND OTHER COMPENSATION

Domain Timber has engaged third parties to identify, solicit, and refer potential institutional clients and investors. Domain Timber has agreed to pay these third parties a percentage of advisory or management fees it earns as a result of these activities.

CUSTODY

Domain Timber has custody of client funds. For applicable separately managed accounts or other situations where Domain Timber does not manage a pooled investment vehicle, Domain Timber 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. Domain Timber requires the bank to issue a monthly duplicate bank statement directly to the client or investor. Domain Timber prepares a report each month reconciling the balance on the bank statement, and will share that report, reconciliation paperwork, and any supporting backup with its client or investor upon request. To the extent Domain Timber sends its own statement to the client, Domain Timber urges the client or investor to review the monthly bank statements and to compare the bank statement with Domain Timber's reports. Domain Timber has arranged for an independent public accountant to conduct a surprise verification of the funds and securities over which Domain Timber 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 Domain Timber.

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

INVESTMENT DISCRETION

Domain Timber will, in certain circumstances, have discretionary authority over client assets and accounts. This means that Domain Timber can execute transactions without prior, specific consent from the client for each transaction. Fund documents will typically establish an affiliate of Domain Timber as the managing member or general partner of the investment vehicle. That managing member or general partner will engage Domain Timber as the investment manager for the investment vehicle. For separately managed accounts, Investment Management Agreements will be executed to establish the scope of Domain Timber's authority to exercise discretion where applicable.

VOTING CLIENT SECURITIES

Domain Timber does not vote proxies on behalf of our clients.

FINANCIAL INFORMATION

Domain Timber (i) does not solicit fees more than six months in advance, (ii) does not have a financial condition that is likely to impair its ability to meet contractual commitments to clients and (iii) has not been subject to any bankruptcy proceeding during the past 10 years.