



New Forests Announces Conversion of \$1.3 billion Australian Forestry Fund to Long-term Mandate

SYDNEY, 8 May 2020 – International forestry investment manager New Forests announced the extension of its flagship forestry fund, the Australia New Zealand Forest Fund (ANZFF). Originally launched in 2010 as a 10-year, closed-end fund, ANZFF was converted into an extended long-term vehicle by agreement of the institutional investors in the fund. The extension includes a series of 12-year renewals, commencing 1 July 2020.

New Forests' Managing Director for Australia and New Zealand, Mark Rogers, explained, "Over the past several years, we have worked closely with our ANZFF clients to develop an approach that enables them to continue to hold high-quality forestry and forestry-related assets for the long term, benefiting from cash yield and attractive markets. The structure we have developed lets New Forests work on our investors' behalf to drive value into the future."

The ANZFF portfolio includes extensive, high-quality eucalyptus and pine plantations across Australia as well as the Timberlink wood products manufacturing and timber distribution business. With a mature asset base, New Forests anticipates that ANZFF will generate ongoing cash yield from timber harvest and wood products sales as well as preserving and creating long-term value through managing biological growth and land assets for strong, stable total returns.

Rogers added, "We are heartened by our clients' shared commitment to holding this portfolio, especially against the backdrop of many institutions needing to find liquidity in the current market. The ANZFF portfolio is among the premier diversified forestry portfolios globally. The fund extension endorses the contribution of forestry assets to our clients' investment portfolios."

New Forests' CEO David Brand remarked, "The ANZFF portfolio was amalgamated after the disruption of the global financial crisis. That crisis had a huge impact on the Australian forestry sector, in particular the Managed Investment Scheme industry in the sector and major industry players. These assets have now been re-capitalised, upgraded, and placed under long-term institutional investor ownership. Australia's forestry sector today is internationally competitive, profitable, and able to manage through the current Covid-19 crisis with limited disruption."

The ANZFF estate includes approximately 283,000 gross hectares of land area, with around 195,000 hectares net planted area, and approximately 20,000 hectares dedicated to conservation management. The portfolio generates approximately 4 million m³ of timber harvest each year and provides nearly 1,500 jobs. All forestry areas are certified under the Forest Stewardship Council® and Responsible Wood® systems, providing third-party assurance of responsible forest management. New Forests' approach to asset management includes working with qualified local forest management businesses for on-ground operations, strengthening and diversifying market exposures and access, and emphasising rigorous and responsible investment management practices.

The ANZFF investors include pension funds, reinsurance companies, and sovereign wealth fund clients. Under the extended mandate, the ANZFF portfolio will be managed for long-term opportunities in a rising bioeconomy, focussed on helping to address the challenge of climate change and the supply of renewable resources.

Director of Investor Relations Sarah Clawson noted, "We are excited to enter a new phase of truly long-term partnership with our clients through the ANZFF extension. New Forests has always maintained a focus on meeting the needs of our clients. For investors in today's competitive environment for quality real assets, we understand this may mean strategically keeping assets that can provide steady yield while also playing a diversification role within institutional portfolios."

About New Forests

New Forests is a sustainable real assets manager offering leading-edge strategies in responsible forestry with approximately AUD 5.6 billion in AUM across a global portfolio of nearly 1 million hectares of forestry and conservation investments. As global demand for resources grows, there is a need to increase productivity while ensuring the conservation of the world's remaining natural forests. New Forests seeks to create investment strategies that provide lasting solutions to this challenge. Through responsible management of forests and other real assets, we create shared benefit for investors and local communities alike. New Forests has international reach, with offices and assets in Australia, New Zealand, Southeast Asia, and the US. This gives us a global perspective combined with local expertise that allows us to understand and manage our assets more effectively.

To learn more, visit www.newforests.com.au. New Forests is part of the Certified B Corp™ community, a global movement of people using business as a force for good.

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