



New Forests Fully Invests ANZFF2 Forestry Fund with New Zealand Acquisition

SYDNEY, DUNEDIN and NEW YORK, 9 July 2018 – Forestry investment manager New Forests is pleased to announce its Australia New Zealand Forest Fund 2 (ANZFF2) has acquired a 38% shareholding in Wenita Forest Products Ltd (Wenita) and full ownership of the Otago Land Company, which holds 22,500 hectares of freehold land on which Wenita operates via forestry rights. New Forests is acquiring the assets from The Rohatyn Group (TRG), a specialised asset management firm with expertise in emerging markets and real assets, which first purchased the Wenita shareholding in 2005 in a joint venture with Chinese logistics company Sinotrans and 100% of the OLC land in 2006.

The transaction marks the successful completion and full investment of the AUD 707 million ANZFF2 fund. "The Wenita transaction is a milestone for our ANZFF series of forestry funds as we complete full investment of ANZFF2, securing significant scale in both target countries of Australia and New Zealand," noted Mark Rogers, Managing Director for New Forests' Australia-New Zealand business. "New Forests has been selective and disciplined in creating the ANZFF2 portfolio. The Wenita acquisition complements the fund's hardwood and softwood plantation exposure in Australia and brings our New Zealand estate to more than 48,000 hectares in total."

Wenita is the largest softwood timber producer in New Zealand's Otago region with a 29,200-hectare estate growing primarily radiata pine. Wenita maintains Forest Stewardship Council® certification of responsible forest management and has high standards for care of the environment, worker safety, and the quality of its forests and timber.

TRG Partner Ian Jolly said, "The ultimate success of this investment for TRG has been the result of significant direct involvement in the management of the plantations, including the setting of its business model and an extremely collaborative relationship with Sinotrans. At the time of acquisition, the Wenita estate was depleted, had very high operating costs and relatively poor yields. During our ownership, inventory has recovered, yields are greatly improved, and operating costs have reduced dramatically as harvesting is now in the second rotation. We are delighted to deliver a strong realized return from this investment to our clients."

New Forests Portfolio Manager Matthew Crapp commented, "Wenita manages a high-quality forestry resource that will be a strong addition to the ANZFF2 portfolio. New Forests' approach in New Zealand centres around working with quality forest managers to steadily build asset value, improve forest health and productivity, and ensure our timberlands are operated responsibly and sustainably. In this respect, we look forward to working with the Wenita management team and the existing shareholders."

New Forests' Australia New Zealand focused investment funds represent more than AUD 2.75 billion of forestry and processing assets. New Forests is currently investing its Australia New Zealand Forest Fund 3, which has capital commitments of AUD 873 million from a combination of pension funds and superannuation funds.

"New Forests continues to see attractive institutional investment opportunities to support the stable, long-term management of forestry assets in Australia and New Zealand," said Mr Rogers. "We remain dedicated to building and managing world-class forestry portfolios for our clients in this region as well as bringing additional private capital to our investment strategies in Southeast Asia and to our growing United States forest climate solutions investment program."

New Forests manages AUD 4.5 billion in assets and funds under management, with more than 940,000 hectares of forests, land, and conservation investments in Australia, New Zealand, Southeast Asia, and the United States.

About New Forests

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. To learn more, visit www.newforests.com.au.

About TRG

Founded in 2002, The Rohatyn Group is an asset management firm with expertise in emerging markets and real assets headquartered in New York, with offices around the globe including Boston, Singapore, Seoul, Rotorua, London, Buenos Aires, Lima, Montevideo, Mexico City, São Paulo, Mumbai and New Delhi. The firm acquired its forestry and agriculture business, which formerly operated as GMO Renewable Resources LLC and currently manages over 600,000 hectares of rural assets globally, in December 2017. For more information, please visit www.rohatyngroup.com

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