

News Advisory

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RMS Announces Sale of Forest Assets in New Zealand

Birmingham, Alabama – March 31, 2020: Resource Management Service, LLC (RMS) announced today that it has completed the sale of its Wellington, New Zealand forest asset to CFPC (Singapore) Pte Limited, part of China Forestry Group Corporation (CFG).

RMS acquired long-term forestry rights over the 5,235-hectare forest located in the Southern North Island region of New Zealand from the Greater Wellington Regional Council in 2015. It has focused on the generation of near-term cash yields and sustainable long-term value appreciation for its investors while managing the estate to ensure continued public access.

"The sale of our Wellington forest estate was driven by the intrinsic quality of the asset, the sustainable and state-of-the-art approach to forest management we employed to significantly increase its value, and, attractive market conditions, which made this an opportune time to monetize the investment on behalf of our clients," said Craig Blair, President and CEO of RMS.

"We invested in New Zealand because we assessed it to be an attractive location from which to participate in growing timber markets in the Pacific Rim," continued Blair. "The country's forest industry sector has made an impressive commitment to being a strong, global competitor and this makes New Zealand a highly attractive place to own and manage forest investments. We accomplished our objectives with this first investment in New Zealand and we expect to make others in the future."

The Wellington forest estate is characterized by a concentration of mature and maturing softwood timber. It is located in close proximity to the port facilities at Wellington, which provide excellent access to export markets. It also is in a region in which there is a well-developed forestry infrastructure and a highly skilled forestry workforce. These attributes offer CFG an opportunity to generate attractive cash flows in future years by continuing to actively and professionally manage the estate.

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The transaction followed RMS' sale of 36,500 hectares of freehold land in Tasmania in late December 2019. Those assets, which were predominantly hardwood plantations, were acquired by Global Forest Partners LP (GFP) of Lebanon, New Hampshire.

"Our objective in acquiring the assets in both New Zealand and Australia was to deliver superior investment performance for our investors and to provide them with global diversification that would enhance the overall risk and return profiles of their forest portfolios," said Blair of RMS.

In explaining his company's acquisition and operating approach for the assets, Blair said his company's strategy was to provide its investors with exposure to end-use markets where demand for logs and pulp was accelerating. The firm put a highly experienced team of forestry professionals on the ground to manage both operating units and they employed advanced forest management techniques to optimize near-term cash flows from timber harvests and to establish longer-term management regimes that would make both forest assets highly productive for years to come. Blair said RMS' investment thesis was that this approach eventually would result in the lands being of great interest to future buyers – and that demand developed even more quickly than the firm anticipated. "We're all about creating and capturing forest value for our investors," he concluded, "and that's what we were able to do in both New Zealand and Australia."

The sale was facilitated with the assistance of Resolute Advisory, an independent M&A advisory firm headquartered in Melbourne, Australia. MinterEllisonRuddWatts in Auckland, New Zealand acted as legal advisor to RMS.

About Resource Management Service, LLC

RMS is one of the world's largest and most experienced providers of forest investment management services. We focus on generating optimal, near-term cash yields and long-term asset appreciation for our investors by employing state-of-the-art systems and the most sustainable, technologically advanced forest management practices in the world. RMS is an independently owned and operated company and we strive to optimize the biological, financial and societal values for every asset we manage. Based in Birmingham, Alabama, we are a Registered Investment Adviser with US\$4.3 billion of forest assets under management (as of 12/31/2019) in the United States and Brazil. We also maintain a presence in other targeted investment regions across the globe, including Australia and New Zealand.

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