



# An Investment Perspective

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# TIMO Profile

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**Timber Investment Management Organizations (TIMOs) invest in, and manage, forest assets on behalf of their institutional clients.**

- ◆ Long term and patient capital, with focus on delivering investor financial return from the purchase and management of forest assets
- ◆ Seek to mitigate risk by building a portfolio of properties within a fund
- ◆ Evaluating investment opportunities outside the traditional geographies of USA, Australia, New Zealand and South America
- ◆ In addition to capital, TIMOs bring:
  - Focus on sustainability evidenced by third party certification
  - Conservative financial structures
  - International best practice knowledge
  - Global perspective on fiber resources and markets

# Investment Considerations

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**Risk and return are inseparable – two sides of the same coin!**

- ◆ Plantation risk is lessened with:
  - High fiber productivity
  - Low production costs
  - Good asset protection
  - Knowledgeable and committed management
  - Strong end use markets
- ◆ Purpose grown plantations have less environmental risk when harmonized into the landscape with other land uses – such as conservation forest and/or agriculture
- ◆ Careful evaluation is needed of country, governmental, regulatory, business culture, social and environmental risks – not just the trees
- ◆ Partnerships with existing successful forest industry companies have historically worked well

# Indonesian Opportunity?

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**The Forest Dialogue forum is critical to the development of forest investment in Indonesia.**

- ◆ Sentiment and perception have been generally negative and must be addressed before institutional investors will commit their capital to an Indonesian opportunity
- ◆ Intensively managed planted forests for pulpwood supply have the necessary attributes of high productivity, management and protection, and strong market demand
- ◆ Forest operations must be sustainable and comply with (or exceed) all local and national policies and regulations
- ◆ Environmental practice must (minimally) meet LEI certification and be subject to third party audit
- ◆ Employment, social and community development programs are necessary, but must remain focused and resource effective
- ◆ Constructive working partnerships with NGOs, both local and international, will facilitate the placement of international capital into the Indonesian forest sector
- ◆ Joint venture relationships with local forest sector entities are important, and will endure if there is good alignment on forest stewardship principles

# Contact Information

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GLOBAL FOREST PARTNERS LP

A world map with a green and brown color scheme, showing landmasses and oceans. The map is centered on the Atlantic Ocean, with North and South America on the left and Europe, Africa, and Asia on the right. The map is semi-transparent, allowing the text to be overlaid.

*Advising Institutional Investors  
On Sustainable Forestry Investments  
Throughout The World  
For Over Twenty Years*