

# AQUILA CAPITAL TIMBER INVESTMENT FUND

IMPACT REPORT 2021

<b>1. The Fund</b>	<b>3</b>
Theory of change	3
Key achievements 2021	4
Investment targets	5
Description of the portfolio	6
<b>2. Projects</b>	<b>7</b>
<b>Finland</b>	<b>7</b>
Key data	8
Insights into local operations	9
<b>Scotland</b>	<b>10</b>
Key data	11
Insights into local operations	12
<b>Australia</b>	<b>13</b>
Key data	14
Insights into local operations	15
<b>New Zealand</b>	<b>16</b>
Key data	17
Insights into local operations	18
<b>3. Portfolio impact</b>	<b>19</b>
<b>Review and Outlook</b>	<b>19</b>
<b>ACTIF Portfolio Impact Parameters</b>	<b>20</b>



## 1. Fund

### Theory of change

Long-term investments in forests and their sustainable management form an important contribution to maintaining and improving the functionality of diverse and valuable ecosystems. **The reconciliation of economy and ecology through sustainable forest management, which gives equal consideration to the productive as well as protective functions of a forest, is a key objective of the Aquila Capital Timber Investment Fund S.A., SICAV-SIF (ACTIF or "the Fund").** The Fund's investment and management processes combine internationally recognised certification, ESG (environmental, social and governance) criteria and impact targets.

The **integration of ESG criteria** serves to consider environmental and social factors as well as the principles of good governance in the context of investment processes. Many investors, such as signatories to the **UN Principles for Responsible Investment initiative (UN PRI)**, **Aquila Capital being one of them**, integrate ESG criteria into their analysis of investments.



Investing in ESG-oriented strategies is also a key component of the Paris Agreement to combat climate change, which aims to limit the increase in global temperature to 1.5 degrees Celsius above pre-industrial levels and align financing flows with climate targets. **ACTIF's investments contribute to the achievement of the objectives set out in the Paris Agreement in the context of climate change mitigation and adaptation, as well as several of the 17 sustainable development objectives developed by the United Nations.**

All investments of the ACTIF are **impact investments**. These are investments aimed at achieving manageable and measurable goals to solve defined problems. ACTIF is geared to the UN's 17 sustainability goals in order to ensure sustainable development at an economic, ecological and social level. Goal 15, which aims to protect and restore terrestrial ecosystems and promote their sustainable use, is particularly relevant for forestry investments. Proof of the sustainable management of forest areas held by ACTIF is provided through **certification schemes which label economically, socially and ecologically sustainable forest products, such as the PEFC (Programme for the Endorsement of Forest Certification Schemes) and FSC (Forest Stewardship Council).** The Fund's investments are also managed in accordance with internationally recognised standards that exceed the requirements of local laws.

The destruction of forests causes about one fifth of the world's annual greenhouse gas emissions. At the same time, more than a quarter of all CO<sub>2</sub> emissions are sequestered in forests each year. **The contribution to CO<sub>2</sub> sequestration made by a sustainably operating forest and timber industry consists of maintaining or building up the carbon storage in forests and removing part of the carbon from the cycle through the production of long-life wood products.**

Forest areas are most effectively protected from deforestation and land-use conversions through sustainable management. In this respect, forestry is the form of land use that can sequester the most carbon. It removes CO<sub>2</sub> from the atmosphere long-term by storing it in biomass and soil and through the use of wood as a raw material. Against this background, ACTIF prefers to invest in forests whose strong tree growth sequesters large volumes of CO<sub>2</sub>, and in countries whose wood-processing industries allow for the highest possible proportion of wood to be used as a raw material (e.g. as construction timber) as opposed to a source of energy.

The technological advantage gained through the development of engineered wood products in countries such as Finland allows for the comprehensive use of harvested trees, so that hardly any woody material is wasted. In addition, this form of management maximises the carbon storage function and makes it superior to the contribution of unused forest areas over the long term. This does not mean that all land is used for timber production. In every forest enterprise in which ACTIF invests, partial areas are also reserved for environmental protection and are generally not managed.

ACTIF also aims to **transfer and exchange know-how** within its internationally diversified portfolio and through Aquila Capital's globally experienced management team so that forest operations, though small in an international context, can be developed and managed efficiently. Among other things, innovative technologies for optimisation and forest-protective management are applied, which can be subsumed under the term **"precision forestry"**. The principle of precision forestry consists of the use of modern tools, machines and technologies, such as remote sensing, navigation and geo-information systems, to improve decision-making processes on the basis of comprehensive information to ensure the objectives of forest management are met.

In this respect, sustainable forestry investments offer an opportunity to sensibly combine economy and ecology - for the **preservation of the creation.**

Key achievements 2021



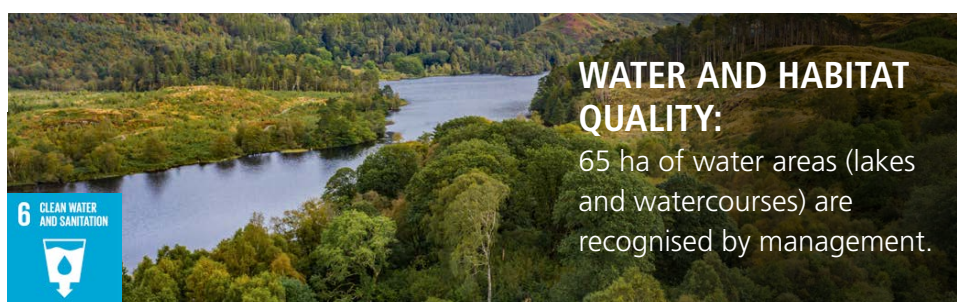
A total area of  
**10,834 ha**  
is managed  
sustainably.

**15** LIFE ON LAND

**AFFORESTATION: 186,053**  
Approximately  
trees have been planted in the year 2021.  
This corresponds to approximately three to  
four trees for every cubic metre of timber  
harvested.

**REFORESTATION: 1.0 km<sup>2</sup>**  
Approximately  
have been reforested in the year 2021.

**13** CLIMATE ACTION

**WATER AND HABITAT QUALITY:**  
65 ha of water areas (lakes  
and watercourses) are  
recognised by management.

**6** CLEAN WATER AND SANITATION



**FOREST PRESERVATION:**  
There has been  
no loss of forest  
area in the year  
2021.

**9** INDUSTRY, INNOVATION AND INFRASTRUCTURE

**ENVIRONMENTAL PROTECTION:**

**675 ha** are protected by  
law. In addition, an **area of  
275 ha is voluntarily  
protected** and not used  
for forestry.

**15** LIFE ON LAND




**SUSTAINABLE FORESTRY:**  
All forest areas are FSC/PEFC certified.

**FSC** **PEFC**

**8** DECENT WORK AND ECONOMIC GROWTH

**12** RESPONSIBLE CONSUMPTION AND PRODUCTION



**TIMBER HARVEST:**  
**56,713 m<sup>3</sup>**  
of timber from forests that are  
100% sustainably managed  
has been sold  
in the year 2021.

**12** RESPONSIBLE CONSUMPTION AND PRODUCTION



## Investment targets

The investment objective of ACTIF is to enable its investors to participate primarily in the performance of timberlands and forestry assets and in the income from renting out or leasing out these properties.

The Fund's economic guidelines only allow investments in:

- Countries that offer adequate **legal and political stability** and an appropriate **level of taxation**;
- Countries with suitable **site conditions** for timber production;
- Assets with balanced **risk/return structures and reasonable valuations**.

In accordance with these economic guidelines, investments in forestry companies are made exclusively in regions with a sufficient availability of

- **Suitable forest areas**,
- Selection of **qualified management companies**;
- **Good infrastructure**.

The Fund's ethical guidelines allow investments that

- Take account of their **environmental impact**. Negative environmental impacts from the projects are actively reduced and generally avoided;
- Create **fair working conditions**. Child labour and forced labour are prevented and high safety standards are applied to protect the health and safety of the people employed in the operating companies;
- Preserve **cultural heritage**. Cultural heritage is protected from the possible negative impacts of an investment project.

The investment company aims to prove the **sustainable management of all investments** through appropriate third-party **certification systems**.

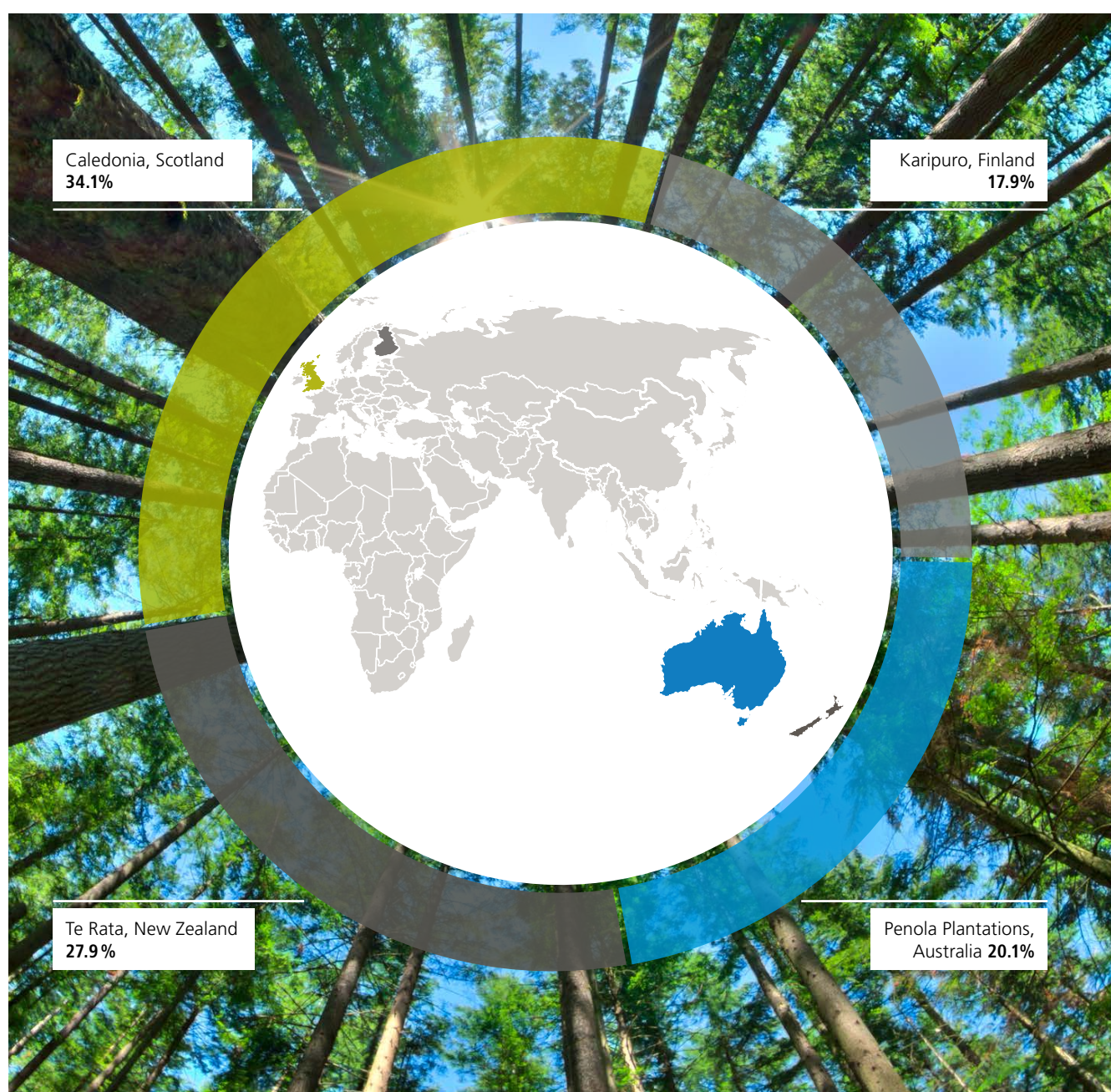
The **value drivers of forestry investments** are essentially the biological growth of trees and management techniques to steer value development through sustainable forestry. In this respect, optimisation and know-how transfer across the forest enterprises can be decisive, for example, in the securing of timber sales through long-term purchase contracts with regional and international customers; or the diversification of income streams through alternative forms of use with a positive influence on the risk profiles of assets. A further prerequisite for sustainable value development is a favourable timber supply to demand ratio in the target countries. Another value driver is the generation and sale of carbon credits.

## Description of the fund's portfolio

The ACTIF's forestry investments are currently spread over four geographies in Finland, Scotland, Australia and New Zealand covering a total area of around 10,834 ha. They comprise three direct investments (in Finland, Scotland and New Zealand) and one fund investment in the Green Triangle region of south-east Australia. This distribution features diversification across different countries and locations with

varying vegetation zones and silvicultural systems. Various timber markets in different currency zones are being supplied. The fund can invest in three economically well-developed regions: Europe, Oceania and North America. Possible future ACTIF target countries, in addition to those already mentioned, are Canada and the USA.

## World map with investment locations





## 2. Projects

### Finland

- **Direct investment in mixed forests** with a total area of around **3,400 ha**, consisting of two assets
- The investment is located in eastern central Finland, near Rautavaara and Juuka. The region has been characterised by industrial forestry for decades.
- Tree population (mixed forest): Pine (68%), spruce (22%), other species (11%)
- Ownership share of the fund: 100%.
- **The investment benefits from the economies of scale of the sale-and-leaseback partner UPM**, one of Scandinavia's largest forest industry companies.
- The forest areas have a good management history and a well-developed infrastructure.
- The timber is sold via a long-term purchase agreement.
- The forest areas are certified in accordance with PEFC (Programme for the Endorsement of Forest Certification Schemes) and FSC (Forest Stewardship Council) standards.

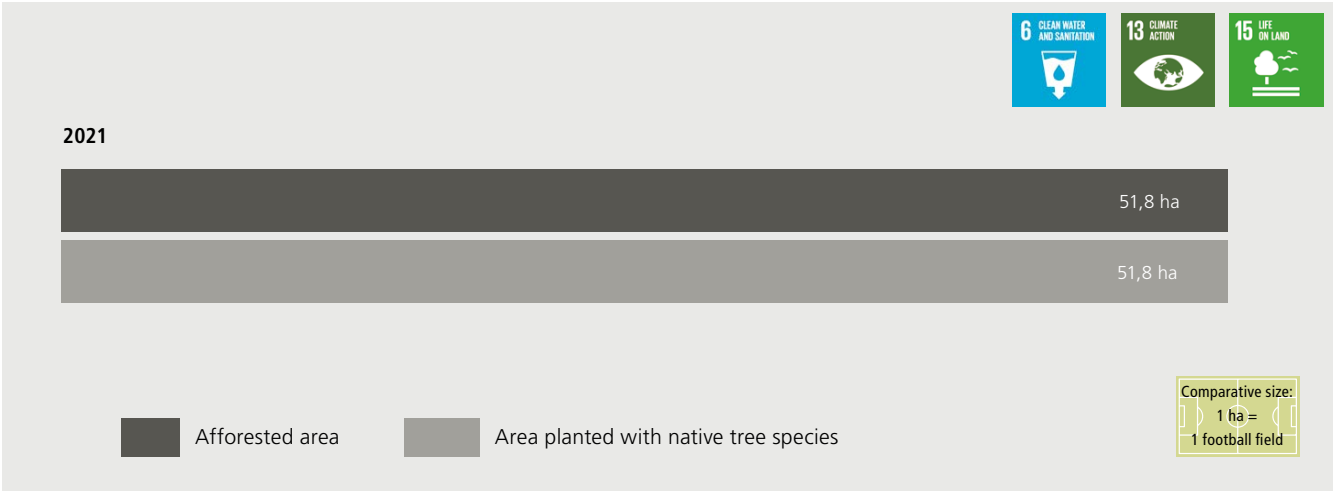


Finland: Key data

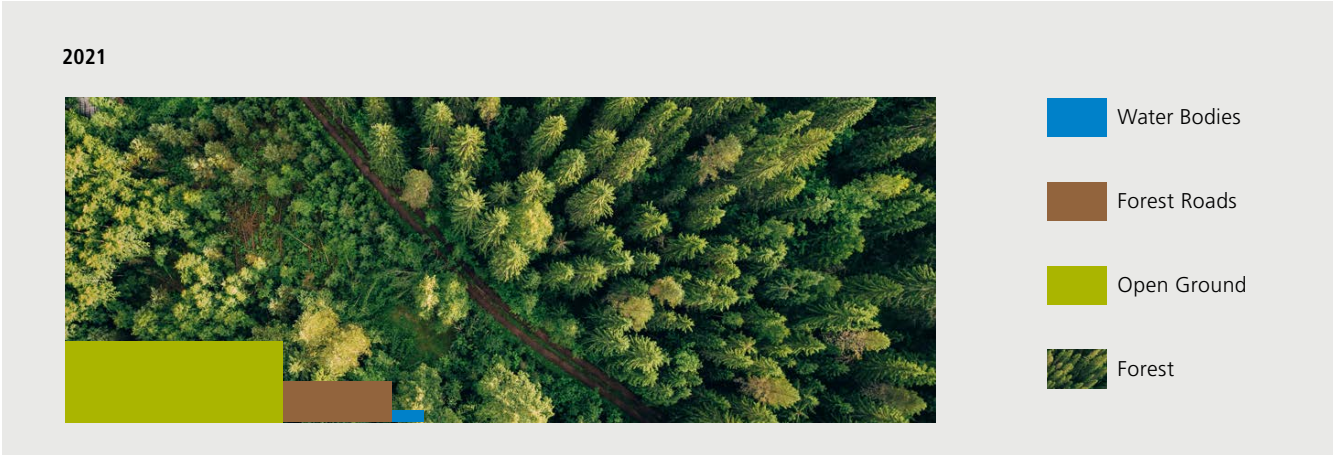
Number of trees planted



Afforested area



Land areas





## Finland: Insights into local operations

The assets in Juuka and Rautavaara are already close to the ideal Aquila Capital is pursuing, with native flora and fauna and near-natural forest management. During a site visit in October 2021, the asset management team was able to evaluate the quality of the work of the project partner UPM. The forestry consultant Margules Groome confirmed a good standard, with a solid knowledge of the areas necessary. This shows how important it is to have reliable partners who are, above all, open to innovations. In the long term, there are plans to change the tree species composition, to use seed instead of planting, and to use the potential of natural regeneration.

From a forestry perspective, more trees were planted than in the previous year, while logging remained the same. But even these seemingly few forestry measures show the impact investments can make. Forests need time to grow, ecosystems need rest periods and sites, and the asset management team also wants to promote this through its investments: To enable a forest to grow at its own (supervised) pace, so that sustainable use is still possible for many future generations. Owing especially to climate change, nature needs to be given more rest.



*Two-year-old pines with natural regeneration of birch*



*Biodiversity in the Finnish natural forest, here a capercaillie*



*Harvester in a thinning operation*



*Sparse mixed pine forest becoming a continuous cover forest*



### Scotland

- **Direct investment in coniferous forests** with a total area of **3,930 ha**
- The investments are spread over four locations in central and northern Scotland.
- Tree population: Spruce (69%), pine (30%), other species (1%)
- Ownership share of the fund: 100%.
- **Great Britain has a timber deficit and imports around three quarters of its timber (internal currency hedge for the fund managed in EUR).**
- The British timber industry is concentrated in Scotland and is subject to constant development along with the growth of forest resources.
- Opportunistic timber sales to take advantage of the hedging effect; long-term timber purchase agreement possible
- Certified according to **PEFC** (Programme for the Endorsement of Forest Certification Schemes) and **FSC** (Forest Stewardship Council)



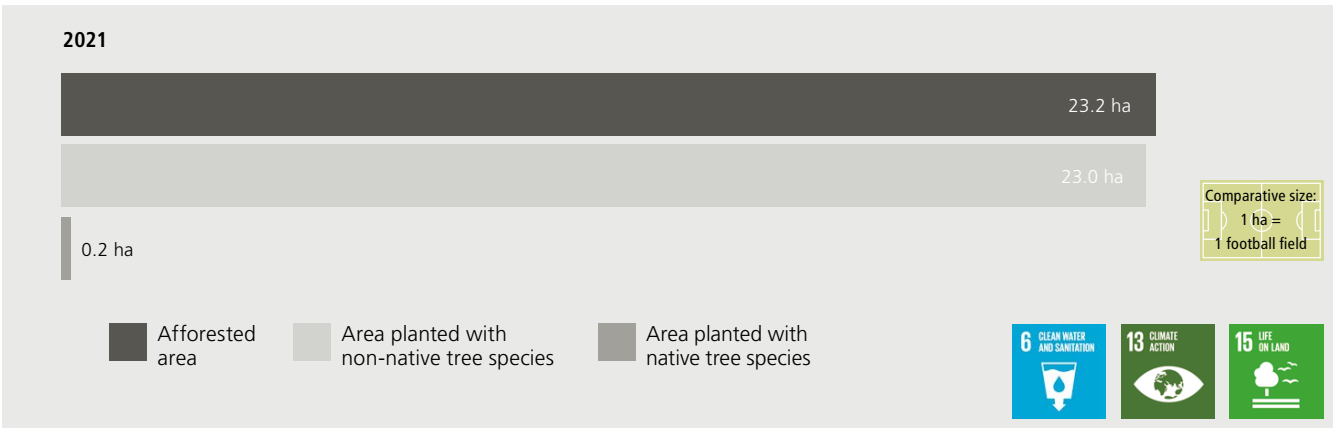


Scotland: Key data

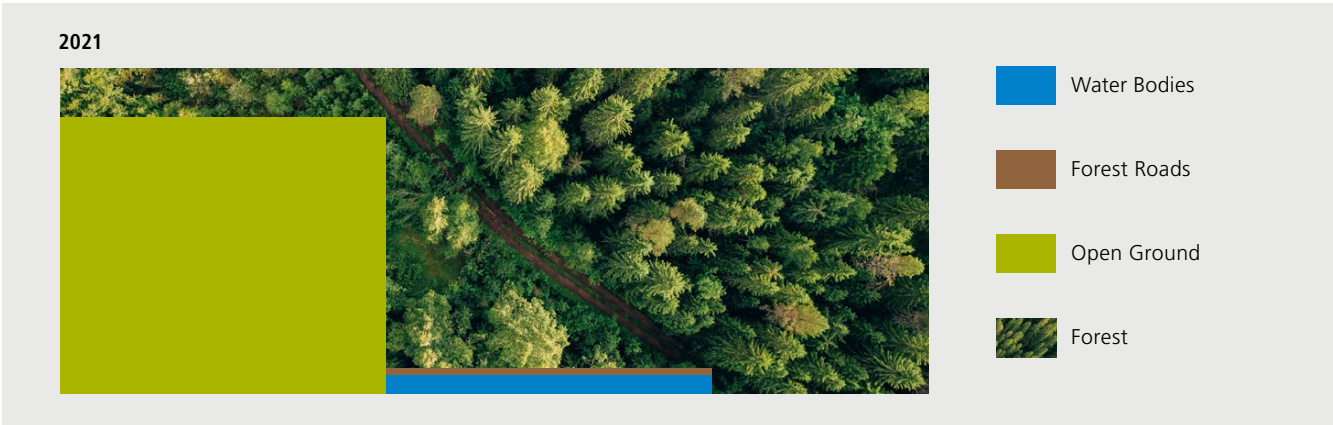
Number of trees planted



Afforested area



Land areas



### Scotland: Insights into local operations

Forestry in Scotland is characterised by a comparatively simple silvicultural system, with two main tree species: Spruce (*Picea sitchensis*) and pine (*Pinus contorta*), which are not indigenous to Scotland, but both of which show above average growth rates there. These species account for approximately 80 % of Scotland's annual roundwood production. After harvesting, the areas are usually reforested with the same tree species.

In Scotland, the year under review was rather quiet from a forestry point of view, as timber harvesting activities were paused. These rest periods are important for both flora and fauna. Sightings of protected bird species such as the European golden plover (*Pluvialis apricaria*) and the Dunlin (*Calidris alpina*) in the immediate vicinity of some Scottish assets show that plantations are well integrated into the surrounding ecosystem.

Owing to wet soils and numerous water areas, special attention is paid to the sparing use of plant protection products. On the land of the Auchenruie asset, for example, only a small part of the area of about 6 % was treated with a herbicide.

An important step towards achieving the goals of ACTIF was gaining FSC and PEFC certification for sustainable forest management for the areas of the Strathmore and Altnabreac assets. This demonstrates the compatibility with nature of the Fund's activities. Thus, an important goal has been achieved: The certification of all areas.



Timber harvesting on the land of the Strathmore asset



Asset Achaglass



Planting of deciduous trees



Five-year-old spruce and pine trees at the Strathmore asset



#### Australia

- **Co-investment** with mainly European institutional investors in a **forestry company with a total area of around 44,500 ha** in South Australia
- Share of the Fund: Approximately 3.2% of the company
- Tree population: 100% pine
- The investment is located in the Green Triangle region, South Victoria, Australia. This area has been used for forestry for many years and has proved to be a good place to plant Radiata pines. It has an above-average infrastructure and can serve well-developed demand markets.
- **The investment benefits from the economies of scale of a large forestry operation.**
- There is a long-term purchase agreement with a local sawmill
- Lower quality timber from thinnings is marketed directly to Asia.
- Certification according to the Australian standard AS 4708-2007, **FSC** (Forest Stewardship Council) and **ISO 14001-2004**

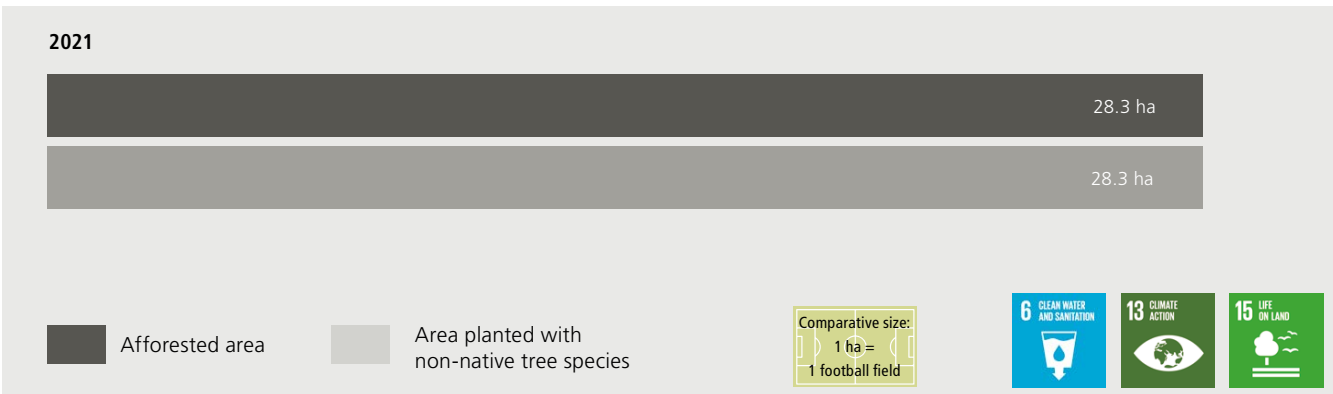


Australia: Key data\*

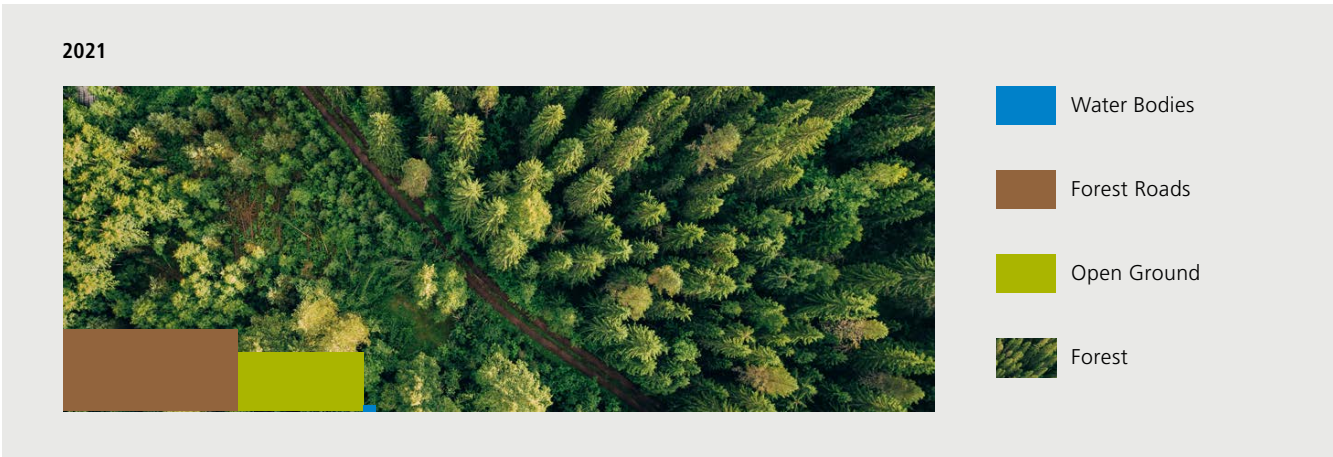
Number of trees planted



Afforested area



Land areas



\* These figures refer only to the share owned by ACTIF.



### Australia: Insights into local operations

The previous owner of this forest enterprise had reduced the amount of thinnings over several years and finally terminated some of them completely. Following acquisition, the thinning programme was resumed, in order to improve the management of the qualitative development of younger forest stands. In the meantime, the necessary entrepreneurial resources were no longer available. Therefore, a “preferred partner program” was created, which allowed entrepreneurs to purchase machines for thinning work and hire labour on the basis of an almost guaranteed capacity utilisation. These advantageous conditions helped create long-term local jobs.



Owing to severe vegetation fires in Australia in recent years, the project partner's focus is increasingly on fire suppression and prevention measures. Although fire is an important part of regeneration in many ecosystems, forest fires are a risk for commercially used land.

With the participation of indigenous people in the region, controlled slash-and-burn was carried out on an experimental plot. The burning of the area, which is not used for economic purposes, was carried out with respect to traditional land management practices and under-

pinned by the Penola Plantations company fire brigade. The aim of the burn and subsequent management activities is to promote native plants, including the reintroduction of grasses and sedges for a butterfly that is rare in the area. Several small fires will be set in the 51 ha marsh area over several years, alongside additional revegetation work and fauna surveys. The next action will take place in 2022 and will probably include a fauna survey and a small slash-and-burn.

Furthermore, it can be reported that the use of pesticides was significantly reduced compared to the previous year. In addition, the area under ecological restoration was increased by 50 ha. This included the control of invasive grasses in areas of natural vegetation as well as the renaturation of degraded areas.

FSC and Responsible Wood Standard certifications were successfully maintained.



*Penola Plantations tree nursery with pine seedlings*



*Old and young radiata pines*



*Rare heath species in Australia*



### New Zealand

- Direct investment in a forestry operation with a total area of approx. 2,000 hectares
- The investment is located on the North Island of New Zealand.
- Major species: Pine (95 %) and other species (5 %)
- Fund's share: 100 %
- Large share of high value assortments. Considerable demand and scarce supply in the short to mid-term are expected to drive prices upwards.
- **Investment offers excellent entry conditions into New Zealand and the opportunity for further growth through advantageous acquisitions.**
- Access to the New Zealand Emissions Trading Scheme (NZ ETS) and ability to sell carbon credits generated over the growth period of the forest.
- Certification according to Forest Stewardship Council (FSC) planned

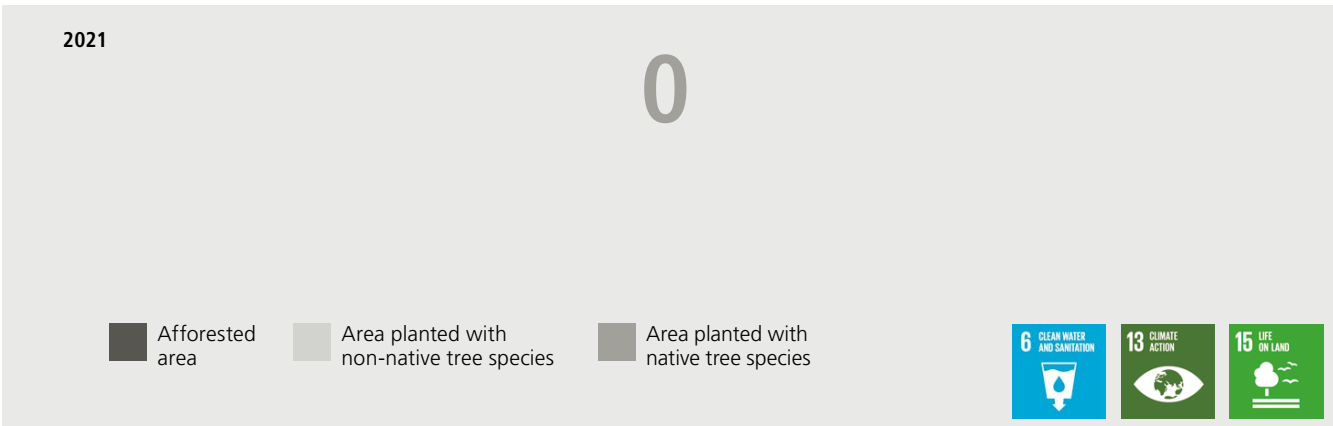


New Zealand: Key data

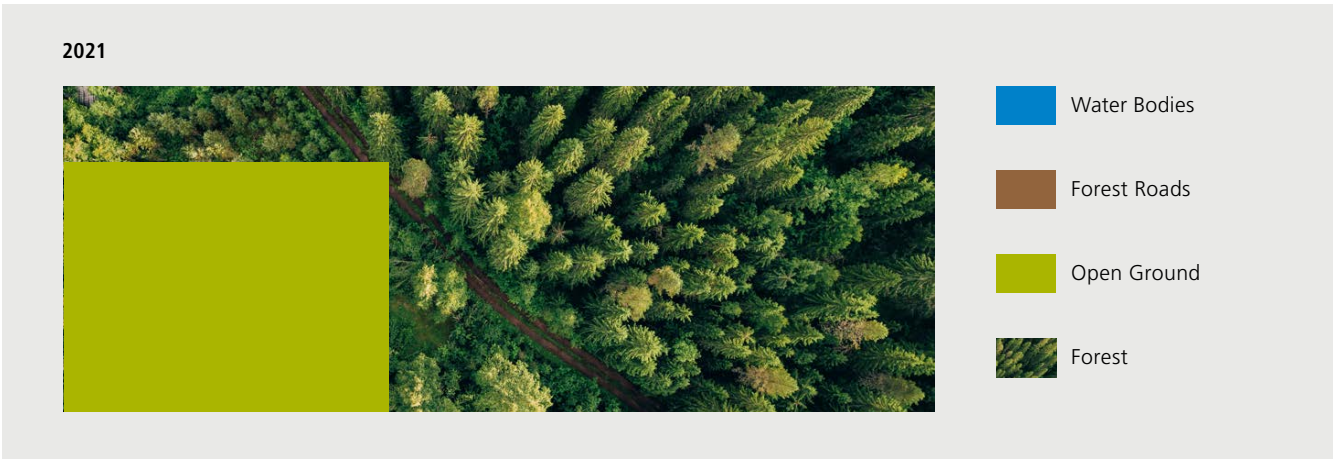
Number of trees planted\*



Afforested area\*



Land areas



\* In 2021, no trees were planted on the land of the Te Rata project. The afforested area was therefore 0.0 ha. The reason for this is that the existing forest areas were fully stocked. Reforestation is not planned until 2023.



### New Zealand: Insights into local operations

The Te Rata project in New Zealand is located on the east coast of the North Island on former agricultural land planted primarily with Monterey pine (*Pinus radiata*) and Douglas fir. The project largely supplies the softwood sawlog export market to China, which is characterised by steady or increasing demand. The forest stands were mainly planted between 1993 and 1994 and are now close to harvest maturity.



Te Rata is located in an ecologically valuable region, which implies special management requirements. The rivers and streams within the property are home to rare species such as the blue

duck, frogs (including the Hochstetter's frog) and other ecosensitive species. The area is also known for bats and kiwis. Exemplary and sustainable management is particularly important in this context. The asset management team aims to differentiate itself from competitors through professional management and to have the goodwill of the Overseas Investment Office in future transactions. This was confirmed by an assessment by the Regional Council, which gave the ongoing harvesting measures an exemplary certificate. One measure that is carried out as standard is the spreading of grass seed along roadsides. This strengthens the roadsides and prevents erosion. Thanks to new technology, these grasses sprout after only seven days.



*Harvest of mature pine stands*



*Asset Te Rata*



### 3. Portfolio impact

#### Review and outlook

The certification of sustainable management of all areas is an important objective of ACTIF, which will be achieved over the Fund's duration, unless forest land is already certified by the time of acquisition by ACTIF. Currently, all forest areas of the ACTIF are certified.



Environmental aspects of management often concern the management and protection of surface waters. In Australia and Scotland, areas close to watercourses have already been restored. In Finland, the focus was primarily on the protection and conservation of biodiversity, as the forest areas in the region were already close to nature.



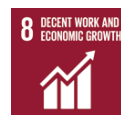
Many assets in Scotland contained areas that were unstocked at the time of purchase and needed to be reforested to restore the ecological and productive functions of the forest. As a result, approximately 100 ha (1 km<sup>2</sup>) in Scotland were replanted shortly after acquisition. A slight increase in biodiversity has been achieved by using additional tree species.



In commercial forests, the new generation of forest stands is usually established by planting. In Finland, a certain proportion of reforested areas was established by the closer-to-nature seeding method. The asset management team of ACTIF intends to promote the use of near-natural methods such as sowing (or preferably natural regeneration) and increase the diversity of tree species.



Social factors have so far mainly concerned people employed in the respective forest enterprises. In Australia, the resumption of a thinning programme created additional long-term jobs.



Fund management maintains close and trusting relationships with local service providers. In future, it's expected social considerations will extend to more stakeholders.

Every cubic metre of timber sold by the Fund's forestry operations has been certified and has originated from sustainably managed forests. For every cubic metre of timber harvested, about three to four new trees have been planted.



At present, we cannot make a definitive statement about the CO<sub>2</sub> balance of the Fund's forestry operations, as not all of the operations are yet able to report their CO<sub>2</sub> emissions. Reporting requires consideration of the quantities of carbon stored above and below ground, as well as withdrawals and releases during management and timber harvesting. In the future, the asset management team intends to develop and report a CO<sub>2</sub> balance for all the Fund's forest operations and assets.





# ACTIF Portfolio Impact Parameters

Parameter	IRIS Code	Unit	2021	6.3		8.2		9.1		12.2		13.1		15.1		15.3	
				6.6	8.3	9.4	12.4	13.1	15.2	15.5							
Area of Land Deforested	PI1489	ha	0.0	x										x	x	x	
Area of Land Reforested	PI4907	ha	103.1	x								x		x	x	x	
Area of Trees Planted: Native Species	PI3848	ha	43.4	x								x		x	x	x	
Area of Trees Planted: Total	PI4127	ha	94.7	x								x		x	x	x	
Ecological Restoration Management Area	PI9556	ha	18.1	x						x		x		x	x	x	x
Forest Management Plan	OI2622	yes		x										x	x	x	
Land Directly Controlled: Cultivated	OI1674	ha	8,144.2	x	x					x				x	x	x	
Land Directly Controlled: Sustainably Managed	OI6912	ha	10,833.5	x	x					x	x			x	x	x	
Land Directly Controlled: Total	OI5408	ha	10,833.5	x	x					x	x			x	x	x	
Length of Streams Present	PI3239	m	42,778	x										x			x
Length of Streams Restored	PI6885	m	0.3	x										x			x
Number of Trees Planted		n	186,053	x										x	x	x	
Product/Service Certifications	PD2756	%	100%	x		x	x	x	x	x	x						
Protected Land Area: Permanent	PI3924	ha	675.3	x						x				x	x	x	x
Protected Land Area: Total	PI4716	ha	837.3	x						x				x	x	x	x
Type of Land Area – barren	PD3922	ha	1,890.6	x						x				x	x	x	x
Type of Land Area – roads	PD3922	ha	138.9	x						x				x	x	x	x
Type of Land Area – water	PD3922	ha	67.9	x						x				x	x	x	x
Type of Land Area – forest	PD3922	ha	8,143.0	x						x				x	x	x	x
Units/Volume Sold: Total	PI1263	m³	56,713.1	x		x	x	x	x	x	x						
Units/Volume Sold: Certified	PI7289	m³	56,713.1	x		x	x	x	x	x	x						
Water Quality Practices	OI7365	yes		x						x	x	x	x				





**6.3** By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally

**6.6** By 2020, protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes



**8.2** Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors

**8.3** Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services



**9.1** Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all

**9.4** By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities



**12.2** By 2030, achieve the sustainable management and efficient use of natural resources

**12.4** By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment



**13.1** Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries



**15.1** By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements

**15.2** By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally

**15.3** By 2030, combat desertification, restore degraded land and soil, including land affected by desertification, drought and floods, and strive to achieve a land degradation-neutral world

**15.5** Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species

Sustainable Development Goals of the United Nations: <https://sdgs.un.org/goals>. As at: 27 June 2022.



**For further information please contact:**

**Aquila Capital Investmentgesellschaft mbH**

Valentinskamp 70

D-20355 Hamburg

Tel.: +49 (0)40 87 5050-100

Fax: +49 (0)40 87 5050-129

E-Mail: [info@aquila-capital.com](mailto:info@aquila-capital.com)

Web: [www.aquila-capital.com](http://www.aquila-capital.com)

This document serves informational purposes only. It constitutes neither an investment advice, an investment service nor the invitation to make offers or any declaration of intent; the contents of this document also do not constitute a recommendation for any other actions. **This document serves (preliminary) information purposes regarding only the products mentioned. A purchase decision regarding a presented product should be made on the basis of the respective prospectus as well as the complete review of all sales documents and in consideration of the respective risk instructions. The prior consultation of a legal, tax and / or investment advisor is recommended.** The validity of the provided information is limited to the date of preparation of this document and may change in course of your objectives or in course of other reasons, especially the market development. The sources of information are considered reliable and accurate, however we do not guarantee the validity and the actuality of the provided information and disclaim all liability for any damages that may arise from the use of the information. **Historical information cannot be understood as a guarantee for future earnings. Predictions concerning future developments only represent forecasts. Statements to future economic growth depend on historical data and objective methods of calculation and must be interpreted as forecasts. No assurances or warranties are given, that any indicative performance or return will be achieved in the future.** The products mentioned in this document describe investments that are associated with considerable risks. Investors must be prepared to suffer substantial losses or even total loss of their invested capital. Graphs and tables may show rounding differences. Charts identified in the present document without reference to the source are constructed from company-owned data or data of Aquila Capital (the "**Aquila Capital**" comprises all entities affiliated with Aquila Capital Holding GmbH within the meaning to section 15 et seq. of the German Stock Corporation Act (AktG)), for which reason a corresponding information was waived. Charts and tables based on sources outside of Aquila Capital are referenced with the respective source.

The investment company "ACTIF Aquila Capital Timber Investment Fund S.A., SICAV-SIF" is structured as a Luxembourg "Fonds d'investissement spécialisé" (specialized investment fund), organised as a "Société d'investissement à capital variable" (investment company with variable capital) and formed as a "Société anonyme" (public limited liability company) in accordance with the Law of 2007. The investment company qualifies as an externally managed alternative investment fund under the AIFM Directive. This Document has been prepared solely for the consideration of well-informed investors who may also have to meet further requirements, and is circulated to a limited number of prospective investors on a confidential basis. The shares in the investment company may not be offered, sold, transferred or delivered, directly or indirectly, in the United States of America or to, or for the account or benefit of, any US person. For further information with regard to the investment company please note the relevant prospectus. The prospectus, annual reports further sales documents as well as further information are available free of charge in German language and in hard copy at the registered office of the management company, Aquila Capital Investmentgesellschaft mbH, Valentinskamp 70, D-20355 Hamburg.

The terms Aquila and Aquila Capital comprise companies for alternative and real asset investments as well as sales, fund-management and service companies of Aquila Capital. The respective responsible legal entities of Aquila Capital that offer products or services to (potential) investors/customers, are named in the corresponding agreements, sales documents or other product information.

A publication of Aquila Capital Investmentgesellschaft mbH.

As at: 30.06.2022.