

Press release

For immediate release

Timber Fund to Turn Profit, Capture CO₂, Save Old-Growth Forests

Finnfund forestry expert signs on to manage new impact investing fund

Frankfurt am Main, Germany, 11 May 2016 – Can one fell trees to make money *and* help save the world? And how, says Finance in Motion, a leading advisor in impact investing, which today unveiled a new fund for sustainable timber production developed with forestry industry consultant UNIQUE.

Finance in Motion said it has entered the pre-marketing phase of its new Arbaro sustainable timber fund and has hired a top manager from the forestry sector to oversee the investments. The Arbaro fund will invest in commercial timberlands with the goal of delivering triple-bottom-line returns: Superior financial returns from the production and sale of timber, social returns from job creation in underdeveloped rural areas, and ecological returns from CO₂ captured in trees also planted to ease pressure on old-growth forests. Finance in Motion is fielding inquiries from qualified investors about Arbaro, its first impact investment fund for sustainable forestry.

Arbaro fund managers draw on wide-ranging experience in sustainable forestry, including a long-term presence in the fund's target regions and exemplary investment and advisory track records. To further bolster the capabilities of the team, Finance in Motion is pleased to announce it has hired Hanna Skelly, Director for Forestry, Renewable Energy and Agriculture Investments at Finnfund, the development finance institution owned by the Finnish government. Skelly will assume responsibility for Arbaro investment management in the second half of 2016. During the past eight years, Skelly has built a representative portfolio in the sectors under her purview, with a concentration on Sub-Saharan Africa, and brought Finnfund among the prime European financiers in the sectors. Her previous experience includes senior positions in commercial banking specializing in limited recourse financing as well as management consulting in the forest industry.

Arbaro plans equity investments in at least eight sustainable forestry projects in South America and Sub-Saharan Africa, regions where fund's investment managers have developed strong local networks. Arbaro is expected to provide superior returns by investing in areas with high local demand for wood and optimal growing conditions (timber growth rates at least three times those in Germany and five times those in Scandinavia). Arbaro projects are to be certified by the Forest Stewardship Council (FSC), the leading accreditation body for responsible forest management.

The fund's target size is USD 200 million; a first close of USD 100 million is set for Q3 2016. Anchor investors led by the European Investment Bank have made soft commitments of over USD 50 million.

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The key return targets of Arbaro are as follows:

- Financial return: IRR of 12%
- Ecological return: Carbon sequestration of over 20 million tons CO₂
- Social return: Creation of over 5,000 qualified jobs

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About Finance in Motion

One of the world's leading advisors in impact investing, Finance in Motion focuses exclusively on for-profit funds promoting sustainable economic, social and environmental progress in emerging economies and developing countries. With more than EUR 1.6 billion in assets under management, the company leverages development aid through public-private partnerships. In line with the goals of its funds, Finance in Motion promotes long-term relationships and helps partners develop their business. Backed by 13 local offices spread through the more than 20 countries it serves, Finance in Motion advises the following development finance vehicles: the European Fund for Southeast Europe (EFSE), which finances micro-, small and medium enterprises (MSME finance); the Green for Growth Fund, Southeast Europe (GGF), which targets reduction of energy use and CO₂ emissions; the SANAD Fund for MSME in the Middle East and North Africa; and the eco.business Fund, whose goal is the preservation of biodiversity and the sustainable use of natural resources.

For more information, please visit www.finance-in-motion.com

About Unique

UNIQUE is a leading forestry sector advisor and forest management company that has participated in more than 500 projects in 70 countries. Founded in 1998, the privately held company employs more than 60 forestry professionals and manages sustainable wood plantations and natural forests in Paraguay for over a decade. UNIQUE has subsidiaries and offices in nine countries.

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