



Rooted in Returns
*Aligning Investor & Manager Interests
for Lasting Growth*

GAI Conference

April 2025

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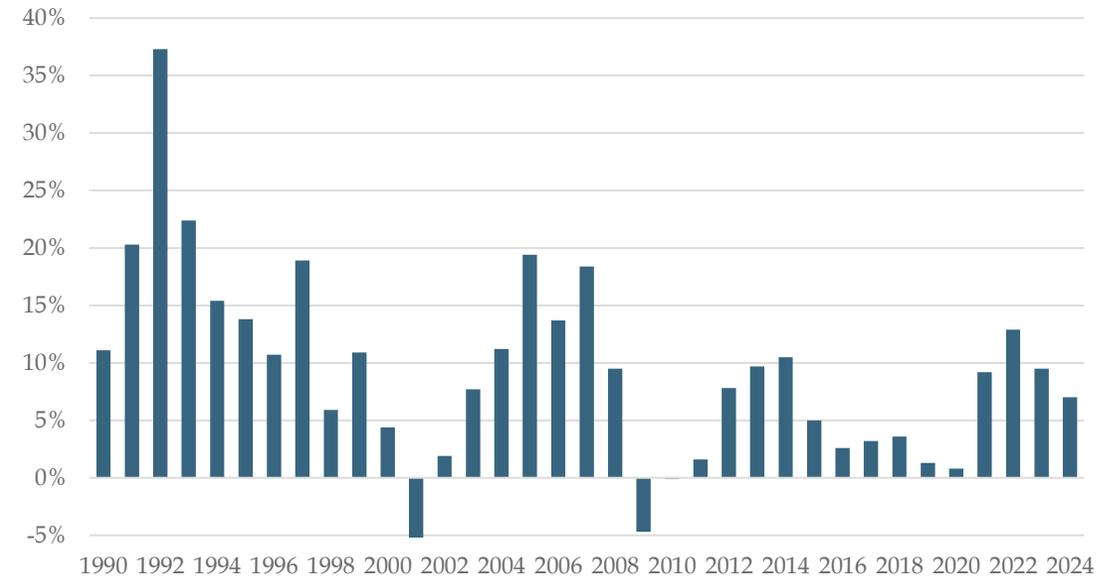
Spawning Chinook

An Intro to Chinook Forest Partners



- Former investor advocates
 - Can we do this better?
- Investors asking for something different ...
 - Lower Cost
 - Alignment, Transparency, and Integrity
 - Look & feel of direct without adding staff

NCREIF Timberland Index



Alignment

Are we all rowing in the same direction?



Source: Bjorn Franke fran1420@umn.edu

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Alignment

Or are we going in different directions?



Alignment

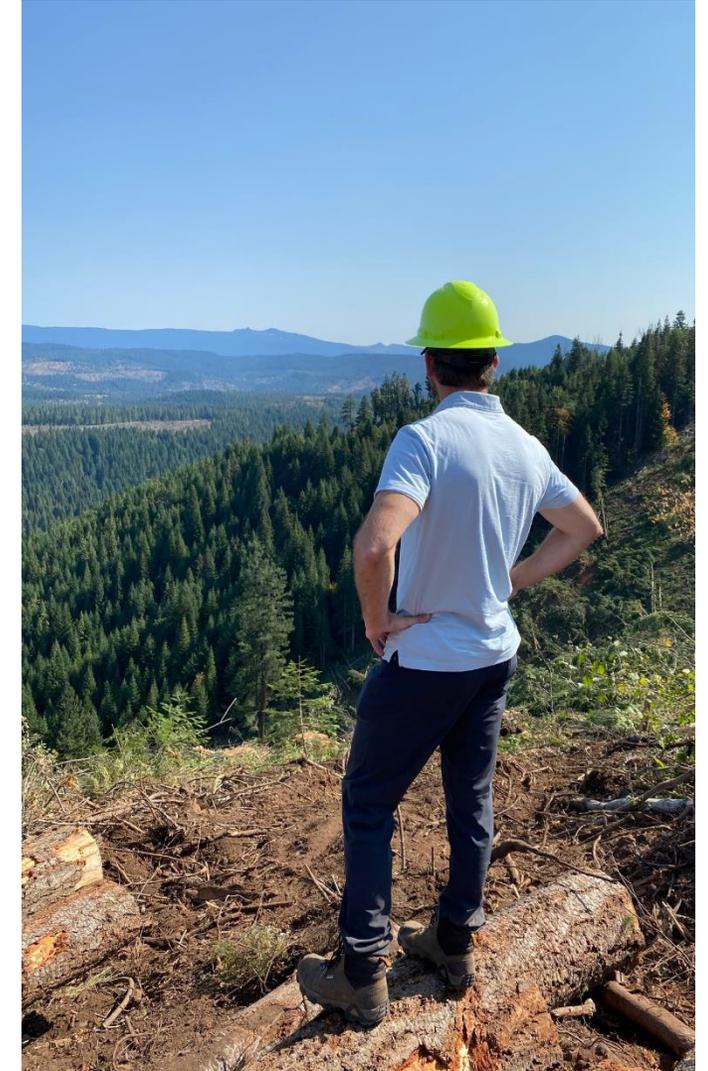
Investor Goals vs. Manager Incentives



Alignment

Property Management

- Just as important as IM fees but no one-size-fits-all
- Common Structures
 - Outsourced
 - Vertically-integrated
 - Portfolio-owned / zero margin
- Managing conflict across proximate assets is difficult no matter the structure



Transparency



Transparency

- Open book approach; nothing is proprietary
 - Investors and managers benefit
- Bad news does not age like fine wine
- Access to all team members
- Transparency may not work if we believe our own b.s.
- Can transparency go too far?
- Transparency often decreases for smaller allocations, at least in private markets

Hard-Coded			
Log Price per MBF	Volume (MBF)	Revenue	Revenue Input
\$ 600	1000	\$600,000	\$ 600,000
\$ 700	1000	\$700,000	\$ 700,000
\$ 800	1000	\$800,000	\$ 800,000

Fully Transparent			
Log Price per MBF	Volume (MBF)	Revenue	Revenue Input
\$ 600	1000	\$600,000	=A9*B9
\$ 700	1000	\$700,000	=A10*B10
\$ 800	1000	\$800,000	=A11*B11

Integrity

- Saying it's a no spin zone doesn't make it so
- More important than any other due diligence item yet ...
- Assessing integrity is very challenging
 - Personality tests can be gamed
 - Trust your gut?
 - Reference calls
- Greenwashing
 - Do marketing materials overstate climate and environmental impacts?



Case Study

GP-led internal / conflict transactions

- Internal transactions may appear as favorable as external sales
- Must balance competing LP interests, supported by board and third-party involvement (e.g. Timberlink)
- Compare fee structures between entities
- Treatment of vested carry – will GP pay it out or roll it into the new structure?
- Original LPs rolling into a continuation vehicle?
- Key takeaway – **Trust but Verify**



"Are you ready for a conflict of interest?"



CHINOOK
FOREST PARTNERS

Would you give you \$100 million?

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