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MEAG acquires large diversified forest portfolio in the US South

MEAG, on behalf of its clients, acquired more than 60,000 hectares of pine dominated forests for a middle triple-digit million US dollar figure in the US South stretching from Oklahoma to North-Carolina in an off-market transaction. The total area corresponds roughly to the area of the island of Ibiza. The investment is part of a targeted strategy to increase the long-term exposure of MEAG's clients to forestry in the US. By focusing on professionally managed large-scale investments in selected regions, MEAG is able to provide its clients with a specific access to opportunities with attractive return outlooks.

MEAG continues to increase its focus on alternative investments that offer attractive risk-adjusted returns over long periods of time. Besides the asset classes of real estate, infrastructure, private equity and agriculture, forestry is an integral element of MEAG's global strategy in the field of alternative investments. Well selected forestry investment help MEAG's clients to further diversify their investment portfolios and generate attractive returns in challenging markets. For successful investments in forestry, however, specific competence is needed not only relating to pure financial aspects, but in light of climate change also increasingly regarding the assessment of natural risks as well as sustainable management practices. At MEAG, all of these aspects are an inherent part of our due diligence process and ongoing management considerations. MEAG has built up the necessary inhouse expertise in this field while at the same time leveraging the outstanding competence of Munich Re with regards to assessing natural risks and potential impacts of climate change.

In addition to generating attractive returns, sustainably managed forests have the potential to deliver significant positive impacts on different ESG aspects. Holger Kerzel, Managing Director of MEAG, explains: "Our fundamental strategy in forestry is to buy and hold long term high quality assets. Hence, our management approach in forestry is very long-term in line with the growth cycles of a forest, which can span easily over 50 years. Forest investments will longer term unfold their real potential with regards to generating sustainable risk-adjusted returns whilst at the same time contributing to other more and more important aspects such as biodiversity, clean water or carbon storage, both in wood products as well as in the forest. We are convinced that sustainable forest management will play an important role in mitigating climate change."

MEAG manages the assets of Munich Re and ERGO and several institutional clients. It has representations in Europe, Asia and North America and offers its extensive know-how to institutional and private customers. MEAG currently manages assets to the value of around €336 billion, around €70 billion of which for institutional and private customers.

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