



RESPONSES TO QUESTIONS FOR PENSION CONSULTANTS

The following questions were developed by the Department of Labor and the Securities and Exchange Commission (SEC) in response to an SEC examination of pension consultants.* They are intended to encourage full disclosure by pension consultants to help investors evaluate the objectivity of recommendations the pension consultant may provide.

1. *Are you registered with the SEC or a state securities regulator as an investment adviser? If so, have you provided me with all the disclosures required under those laws (including Part II of Form ADV)?* No. Our current services do not meet the definition of an investment adviser under the Investment Advisers Act of 1940. For more information on the Act, please visit <http://www.sec.gov/rules/extra/ia1940.htm>.
2. *Do you or a related company have relationships with money managers that you recommend, consider for recommendation, or otherwise mention to the plan? If so, describe those relationships.* The relationships we maintain with investment managers are limited to due diligence and business updates. Independent advice is the cornerstone of our services.
3. *Do you or a related company receive any payments from money managers you recommend, consider for recommendation, or otherwise mention to the plan for our consideration? If so, what is the extent of these payments in relation to you other income (revenue)?* No. Our fees are paid solely by our clients (investors) – we do not accept payments or assignments of any kind from investment managers.
4. *Do you have any policies or procedures to address conflicts of interest or to prevent these payments or relationships from being a factor when you provide advice to your clients? Our standard consulting contract requires us to fully disclose any direct or indirect financial interest or relationships with entities we may recommend as well as any other facts that may suggest a conflict of interest.*
5. *If you allow plans to pay your consulting fees using the plan's brokerage commissions, do you monitor the amount of commissions paid and alert plans when consulting fees have been paid in full? If not, how can a plan make sure it does not over-pay its consulting fees?* Our fees are based on billable hours or project cost, and are not related to the amount invested by the client.
6. *If you allow plans to pay your consulting fees using the plan's brokerage commissions, what steps do you take to ensure that the plan receives best execution for its securities trades?* Not applicable (see response to question 5).
7. *Do you have any arrangements with broker-dealers under which you or a related company will benefit if money managers place trades for their clients with such broker-dealers? We do not have any arrangements, financial or otherwise, with broker-dealers nor do we receive kickbacks of any kind from investment managers.*

8. *If you are hired, will you acknowledge in writing that you have a fiduciary obligation as an investment adviser to the plan while providing the consulting services we are seeking?* Under our standard consulting contract we are obligated to carry out our duties with the care, skill, prudence and diligence that a prudent consultant familiar with timberland investments would. As mentioned in the response to question 4, we fully disclose any relationships or facts that may appear to impede our objectivity. If the scope of work requested by the client requires us to assume direct fiduciary responsibility (i.e., discretionary control), we will stipulate such in the consulting contract.
9. *Do you consider yourself a fiduciary under ERISA with respect to the recommendations you provide the plan?* Yes. For more information on fiduciary responsibility under ERISA, please visit <http://www.dol.gov/dol/topic/health-plans/fiduciaryresp.htm>
10. *What percentage of your plan clients utilize money managers, investment funds, brokerage services or other service providers from whom you receive fees?* 0%

* “Staff Report Concerning Examinations of Select Pension Consultants,” May 16, 2005, The Office of Compliance Inspections and Examinations, The Securities and Exchange Commission.
<http://www.sec.gov/news/studies/pensionexamstudy.pdf>