

WHY EVERY INVESTOR SHOULD OWN HIGH-GRADE / HIGH-VALUE TROPICAL TIMBER

The Ultimate Agricultural Investment:

Every investor is looking for ways to safely earn above-average returns, and do so over long periods of time (decades). The younger you are, the better chance you have, but only if you follow principles that provide long-term safety *and* tried-and-true results.

Most investors learn early that a diversified portfolio is best, one with a combination of U.S. large-scale stocks, U.S. small-scale stocks, Bonds, REIT's, Commodities, Real Estate, etc. Few investors, however, have ever veered from this model, and because of this they have missed out on the **non-traditional investments that have driven the world's best-performing portfolios.**

Ask any investor you know... "Have you ever invested in wood?" You'll likely hear back... no, why would I ever do that?

Then ask this question... "What *are you* investing in these days?" You'll hear stuff like stocks, bonds, mutual funds, exchange-traded-funds, options, commodities, certificate of deposits, precious metals, real estate, and cryptocurrencies.

Most investors follow either the so-called "experts" on TV like Jim Cramer, or they hire a wealth management firm like Schwab, T-Row Price, Fisher Investments, etc.

No matter who you are using to build your investment portfolio, none are likely to ever mention **the #1 asset class the Uber Wealthy use to grow and safeguard their billions.** In fact, less than 1% of investors have ever considered investing in timber. The reason...? Most investors DON'T have the patience to grow their money perpetually year-after-year-after-year, and wait for it to produce windfall profits.

Most investors become too busy in the investing part, and get in and out of investments almost as often as they put on a pair of shoes! Here's another fault of everyday investors... they have never taken the time to understand loss avoidance and illiquidity. In fact, if you asked 100 investors if they preferred to have instant liquidity versus illiquidity, all one hundred would choose liquidity.

They have never taken the time to understand that the illiquidity premium an investor gets for holding an asset for a long period of time is a term used to describe the enhanced return one expects for investing in an illiquid asset. Simply put, if you invest in something (timber) that isn't quick-and-easy to sell, you can expect a greater return on that investment due to the inconvenience of the time you waited.

Think about this if you are in your 30's, 40's and 50's. Maybe you have a great career, you have a pretty good salary and attractive bonuses, etc., wouldn't it make sense early to think about what kind of financial position you'd like to be in when you reach retirement? The same goes for professional athletes,

actors, artists, and others who have high salaries. Making sure your money grows exponentially cannot be taken for granted. Financial stability isn't guaranteed. Economic cycles can (and have) wiped out millions of investors in the past, and will do so again in the future.

Carefully and deliberately constructing a winning financial plan will enable you to enjoy a fully funded retirement, and do so without the ups and downs of the traditional financial system. Wall Street has a habit of delivering financial devastation to millions of investors right at the most critical time of when they need their money the most.

Take the 2000 Dot-Com bubble/bursting, and the 2008 Global Financial Crash as examples. Billions of dollars evaporated and millions of investors (especially those in or near to retirement) were devastated.

So, what asset can you add to your investment portfolio that will **grow your money safely**, and provide you with better than average returns all without the threat of typical economic blood-baths?

Thankfully, there is one asset that has performed exceptionally well for centuries, and pretty much every ultra-wealthy investor has this asset as a cornerstone to their wealth plan. The Uber Rich love timberland.

Billionaire fund manager, Jeremy Grantham was quoted in 2001, saying...

“Timber is the only low-risk, high-return asset class in existence. People are not familiar with it. What they are not familiar with they avoid. But timber is the only commodity that has had a steadily rising price for 200 years, 100 years, 50 years, and 10 years. And a unit of wood, just the price of a piece of wood-in real terms-beat the S&P over most of the 20th Century, from 1910 to 2000. Timber is the best long-term investment.”

The National Council of Real Estate Investment Fiduciaries (NCREIF) publishes a timberland index patterned after the NCREIF Property Index. which is well known for measuring commercial real estate returns. NCREIF compiles the data from members who submit return information specific to the properties they manage. This becomes the basis for the composite return figures for the timberland asset class.

Timberland is considered a “real” asset. It is real in terms of a hard asset that you can see and touch. It provides a “real” rate of return, meaning it returns cash back to the investor and is positively correlated to inflation. Projected timberland returns are typically calculated in real terms (without the effects of inflation). In addition, timberland has a unique biological growth attribute. Even when timber is not harvested and sold as logs, the trees continue to grow in size as well as value.

There's a long list of reasons why investments in High-Grade / High-Value timberland is a strong play... and has consistently produced high returns.

Number one, trees grow biologically, meaning they grow year in and year out. Tropical species trees grown in or close to a natural rainforest grow at very high percentages each year. Trees don't care about stock market crashes, political turmoil, or economic recessions. They grow through stock and real estate crashes. They grow no matter which political party is in power. They grow during wartime and peace time. They grow through everything. Trees are the one asset that will give you a built-in biological investment growth that isn't guaranteed with pretty much any other asset class.

On top of all of that biological growth, the price of wood has grown at a consistent rate throughout decade after decade.

It's extremely difficult for a company to increase the prices of its goods by 4% -6% every year, but the price of wood, according to legendary money manager Jeremy Grantham, has increased by that amount (and more) for the last 100 years. Specifically, he says "stumpage" prices – the value of all the wood on the stump – have beaten inflation by 3% a year over the last century.

Another financially rewarding aspect of timberland is that it is a resource investment, but it's not a constantly depleting one, like gold or oil. Trees are a sustainable resource that restore degraded and deforested lands, it is a real boon for the environment but an even more lucrative opportunity for investors and entrepreneurs.

Although the timber industry has been around for decades, sustainably managed timber that improves land quality has been a bright spot for innovation. From institutional timber funds that set aside large amounts of land for conservation to business models that incorporate smallholder farmers or focus on extinct species, recent developments indicate that sustainable timber has a rising role to play in the growth story of restoration.

And from an investment point of view, you should know that timber is uncorrelated to the stock market. Trees have never heard of a government shutdown... they are blind to the Ukraine/Russian war, and they couldn't care less who lives in The White House. This makes timber a great place to park money for the future and watch it grow exponentially.

A well-balanced portfolio needs diversification, and there isn't many assets that can grow your money safely and produce above average roi's.

You may have missed this Wealth-Building asset up until now, but it isn't too late to join the cast of Billionaire's that have been pocketing high double-digit gains in timber for many, many, decades.

It's time to throw out investments that barely spin off 3%-5% annually, and plant yourself some of the most valuable wood species on earth... your investment portfolio will thank you for the addition.

Based on statistics compiled by Las Azucenas, timberland returns since 1987, represented by the NCREIF Timberland Index, have outperformed stocks, long-term corporate bonds, gold, and real estate since 1910.

