

A Message From Charlie Daniel, March 2008

Dear Investor,

There is an unprecedented enthusiasm for investing in natural resources, especially forestland, on the part of investors worldwide. We welcome this interest. Forestland, in addition to providing wood on a sustainable basis for many consumer uses, has a mitigating effect on global climate change, protects groundwater supplies, and provides recreation and other compatible multiple uses beneath the forest canopy.

On the other hand this same enthusiasm has generated some concern in the investment management and investor community that forestland (timberland) investment may be overheated.

At a recent Timberland Investment Conference held in Munich, Germany a presentation was made by a participant outlining the Five Signs of the impending “TIMO” (Timberland Investment Management Organization) Apocalypse evident today. We agree that these indicators are undesirable and are being employed to varying degrees in the TIMO world.

I have listed below a brief description of the “5 signs” and why RMK Timberland, in so far as these indicators are concerned, is not vulnerable to the forecasted apocalypse.

1. The use of leverage to secure timberland transactions

RMK Timberland rarely uses leverage as a tool to acquire timberland resources, and in those few instances where it does, the cash flows from timber harvests and asset sales abundantly cover the debt service.

2. A departure from the fundamentals of sound timberland investing

RMK Timberland bases its assumptions, purchase price, and return analysis on the basic criteria of sound timberland resource investing: underlying land value and site productivity, a solid assessment of market supply and demand, and a stand-alone exit strategy independent of clever financial structures.

3. Number of personnel deployed with natural resource management and protection experience inadequate to protect the resource and implement investment strategy

RMK Timberland maintains a balance between fiduciary control through its own professionals and value through preferred consulting arrangements with regionally experienced natural resource professionals. RMK Professional staff regularly inspect the assets and live where our clients own property.

4. Increasingly higher fees charged by Investment Managers indicative of excessive interest in the asset class by investors

RMK Timberland's fee structure is one of the most reasonable of all investment managers, especially considering the quality and historic performance of the organization. Our services and abilities are in demand by a variety of global clients, none of whom object to the fees we charge, given the quality of the investments and services we provide.

5. A proliferation of well-attended expensive Timberland Investment conferences offered by organizations previously unknown in the asset class

RMK Timberland carefully chooses where to expend its time and resources when selecting from the variety of conferences available. We do not attend unless (1) we can sponsor a worthwhile event, (2) we have the opportunity to present from the podium, and/or (3) it offers some value to our organization either through enhanced name recognition or potential new clients.

I hope that the above brief summary will give our current and potential investors some degree of comfort that they are engaging in business with a responsible Timberland Investment Management firm composed of professionals with a knowledge of the financial and biological aspects of the natural resource they are managing for their client base.

Best regards,

Charlie Daniel
President