

● Product Disclosure Statement

Blairlogie Pine Investment

An offer of shares in the Blairlogie Pine Investment (a managed investment scheme structured as a limited partnership) offered by Forest Enterprises Growth Limited

Issued and managed by Forest Enterprises Limited

20 September 2024

This document gives you important information about this investment to help you decide whether you want to invest. There is other useful information about this offer on www.companiesoffice.govt.nz/disclose. Forest Enterprises Limited has prepared this document in accordance with the Financial Markets Conduct Act 2013. You can also seek advice from a financial adviser to help you make an investment decision.





1. Key Information Summary

1.1. What is this?

This is an **Offer of shares** in Blairlogie Pine Investment, a forest-owning **Managed Investment Scheme** (referred to as the '**Investment**' or the '**Scheme**'). Your money will be pooled with other **Investors'** money and invested. The Manager and **Issuer** of the Scheme, **Forest Enterprises Limited (FEL or the Manager)** invests the money in establishing and maintaining the forest assets for the generation of returns from the sale of **Carbon Credits** and, potentially, from harvesting if that would provide greater returns. FEL receives fees for this management. The assets and fees are described in this document. By investing in this Scheme, you are relying on the investment decisions of FEL and returns from the forest assets that the Scheme invests in. There is a risk that you may lose some or all of the money you invest.

Key terms and technical words in this **Product Disclosure Statement (PDS)** are presented in **bold** text on first use and can be found in the Glossary of Terms on pages 45-48.

1.2. Who manages this Scheme?

FEL is the licensed Manager of the Scheme. **Forest Enterprises Growth Limited (FEG or the Offeror)**, a related party of the Manager, is the Offeror of the shares in the Scheme. Refer to Section 10 About Forest Enterprises Limited and Others Involved in the Scheme for further details.

1.3. What are you investing in?

General nature of the forestry investment

The Scheme is structured as a long-term investment in a young second rotation forest in the Wairarapa region for the purposes of carbon sequestration. The primary strategy is the sale of Carbon Credits earned by the growing trees, and the secondary strategy is to harvest timber if investment returns are greater from harvesting than selling Carbon Credits.

The Scheme will conclude in 30 years. The investment return should commence in 10 years (around 2034) when sufficient Carbon Credits are accumulated to generate a surplus cashflow.

A return on investment will be dependent on income generated from selling Carbon Credits during the period of the Investment and sale of the Land and Trees on the Land at the conclusion of the Investment.

Investment objectives and strategy of the Scheme

The Scheme's investment objective and strategy is to purchase the Land, complete the Forest and Carbon Management Plan to optimise the value of the Trees for carbon production and distribute the proceeds to Investors.

Key existing and proposed Scheme Property

The main property of the Scheme is the Land plus re-planted Trees (established or to be re-established). The Land is second rotation forestry land classified as Pre-1990 forest land and Post-1989 forest land under the Climate Change Response Act 2002. The table below sets out the total forest area (in hectares):

Blairlogie Pine Investment									
Legal land area			888.2 hectares		Potentially Productive Area			818.8 hectares	
Pre-1990 Forest Land			86.5 hectares		Post-1989 Forest Land			729.15 hectares*	
Total hectares planted or to be planted: 770.9 hectares									
2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
9.1	32.3	47.1	108.9	39.6	0	112.4	148.5	143.3	129.7

*Valuation refers to 732.3ha area has been adjusted with remapping

Note: Carbon sequestration is occurring in the forest and while Carbon Credits will be available to be sold from 2029, they will initially be used to offset expenses. It will take until approximately 2034 before there is surplus revenue from the sale of Carbon Credits available to distribute. No Carbon Credits are earned on the Pre-1990 forest areas.



Key source of borrowings used, or able to be used, in the future to acquire Scheme Property

No term loan facility is anticipated. The Manager will arrange an operating overdraft of up to \$100,000.

1.4. Key terms of the offer

Product on Offer	Shares in a Limited Partnership and an equivalent number of beneficially held shares in a General Partner Company of the Limited Partnership.
Minimum Number of Shares Available	The Offeror offers up to 100,000 shares (the maximum number of shares available) for sale under this PDS.
Minimum Initial Shareholding	The minimum initial investment is 200 shares, and you can invest in any number of additional shares subject to availability and thresholds in the governing documents.
Price per 200-share parcel	\$13,538 (Additional shares being \$67.69 per share).
Estimated Future Contributions (Calls) per 200-share parcel	<p>The investment is contributory by nature. If sufficient Carbon Credits can be sold, there will only be annual Calls in June 2026 and June 2029 estimated to be \$700 per 200 shares in both years.</p> <p>In addition, the annual \$60 Investor Administration Fee will be charged once per year regardless of the size of shareholding.</p> <p>Calls and timing will vary from the projections as a consequence of changes to the work program in the Plan and carbon prices over time. These changes may be material although changes to the Plan that have a material cost impact are subject to Investor vote.</p>
Failure to pay Calls	Calls are due on 30 June in each year in which they are required to meet the annual budget. Failure to pay Calls would put the Investor in default and subject to forfeiture of their shares as per the Governing Documents .
Intended Offer Opening Date	20 September 2024
Intended Offer Closing Date	No fixed closing date. Closes when all shares have been sold.
Further Details	For further details on the terms of the offer, see section 5 – Terms of the Offer.

1.5. How you can get your money out

An investment in the Scheme (the Limited Partnership) is not redeemable on demand. The Scheme has a fixed term of 30 years which expires on or about 31 December 2054 when the Limited Partnership will be wound up and you will get your money out. The Land must be sold before the Scheme is wound up.

Your investment in these LP shares can be sold prior to completion of the 30-year term but there is no established market for trading these financial products. This means that you may not be able to find a buyer for your investment. However, Investors can arrange a private sale of their shares, or choose to offer their shares for sale on the **secondary market** operated by FEL. You cannot sell your shares or choose to offer your shares for sale on the secondary market during the **Hold Period** when FEG is selling shares under this Offer. All Investors will be notified when FEG has sold all the shares it holds and the Hold Period ends.

Money will begin to be distributed to investors once surplus carbon sales have occurred or harvest proceeds are received. This is expected to be from 2034 for Carbon Credit sales.

1.6. Key drivers of returns

The Manager considers that the most significant current and future aspects of the Scheme that will have, or may have, an impact on the Scheme's financial performance are:

- Future carbon prices
- Government policy

The scale of the Investment, with a ten-year age class spread, reduces the impact of any short-term impact of carbon price changes.

A robust **Forest and Carbon Management Plan**, the Manager's expertise in forest management, and best practice silviculture contribute to the prudent management of costs and enable the option of a secondary strategy of harvest if investment returns are greater from harvesting than selling Carbon Credits. Further information about the key drivers or returns and the key strategies and plans of the Manager can be found in Section 2 *Factors that may affect the financial performance and Investors' returns*.



1.7. Blairlogie Pine Investment's financial information

Returns will not be generated until second rotation trees on Post-1989 forest land have generated sufficient Carbon Credits to sell. This is expected to be around 2034 so initially the most useful information is projected Carbon Credit prices. If the price of carbon reduces so that harvesting the trees will provide a better return, Calls will be required to meet annual expenditure. An annual \$60 Investor Administration Fee is charged once each year regardless of the size of shareholding.

No material borrowings are anticipated. The Manager will arrange an operating overdraft with the BNZ of up to \$100,000.

Prospective financial information included in this PDS has been extracted from prospective financial statements prepared in accordance with the Financial Reporting Standard 42: Prospective Financial Statements (FRS 42), which are available on the **Offer Register**. The prospective financial statements to 31 December 2025 have been subject to a limited assurance engagement and an unmodified opinion has been issued by Grant Thornton New Zealand Audit Limited. A copy of the opinion is on the Offer Register. Longer term Prospective Financial Information in accordance with FRS 42, not reviewed by Grant Thornton New Zealand Audit Limited, is also on the Offer Register.

Property and forest asset valuation

On 16 December 2022 the forest property that forms the property and assets of the Scheme was transferred to Blairlogie Pine LP in exchange for shares in the Limited Partnership. These shares constitute the shares that were distributed to Foundation Investors or acquired by Forest Enterprises Growth Limited and offered to new investors under this Product Disclosure Statement. The Land is held in trust by the **Custodian**, TEA Custodians (Forest Enterprises) Limited. The value of those forest properties as at 23 May 2024 was:

Forest Property	Valuation	Value May 2024
Land & Improvements	Morice Ltd	\$4,715,000
Tree crop value	Cost or Valuation (includes future replant)	\$1,819,072
Total value		\$6,534,072

The valuation is based on the objective mechanism where the Land component is based on independent land valuations carried out by a registered land valuer and the Tree component of the valuation is based on existing and projected re-establishment costs incurred by the seller of the properties. For a more detailed explanation see *Acquisition of Key Property* in Section 2.

1.8. Key risks of this investment

Investments in managed investment schemes are risky. You should consider whether the degree of uncertainty about Blairlogie Pine Investment's future performance and returns is suitable for you. The price of shares in the Scheme (including the annual Calls on such shares) should reflect the potential returns and the particular risks of these shares in the Scheme. FEL considers that the most significant risk factors that could affect the value of the shares in the Scheme are:

Crop Risk	<p>The risk of unfavourable climatic events, disease and fire may cause failure of all or part of the Trees or the forest producing less carbon, volume and poorer quality logs in the event of a harvest.</p> <p>Mitigating Factors</p> <p>These risks are minimised by careful forest management. Insurance cover is currently in place to minimise the risk in respect of fire related events. These are second rotation forests with proven history in growing the quantity and quality necessary for a successful tree crop.</p>
Market Risk	<p>The risk associated with changes in supply and demand for Carbon Credits over time resulting in changes in prices.</p> <p>Mitigating Factors</p> <p>A significant drop in Carbon Credit pricing and uncertainty regarding the future application of the NZ ETS scheme to forestry is mitigated through a silviculture regime that preserves the production potential of the forest enabling harvest if harvesting is more profitable than selling Carbon Credits.</p>
Carbon Risk	<p>Changes to the ETS could alter how many Carbon Credits are available to be sold and the price at which they trade.</p> <p>If an unexpected event occurs such as fire, there is no requirement to repay Carbon Credits, but no further Carbon Credits would be generated until 'pre unexpected event' Carbon Credits were replenished.</p> <p>Mitigating Factors</p> <p>If the price of Carbon Credits reduces significantly, the forest may be able to be harvested economically.</p>



This summary does not cover all of the risks. You should also read Section 7 *Risks to Returns from Blairlogie Pine Investment*.

1.9. What fees will you pay?

The table below summarises the fees and expenses that you will be charged to invest in this Scheme. Further information about fees is set out in Section 8 *What are the Fees?*.

The fees in the table are an estimate of fees to be charged to the Scheme in the periods indicated. Each individual Investor's share of these expenses will relate to their pro rata share of the Investment. For example, if an Investor purchases the minimum shareholding of 200 shares, the figures would be divided by 500 for the Investor's share ($500 \times 200 = 100,000$ shares).

Ongoing Investment Fees & Expenses		
Manager and Associated Persons	Period Ended 31 December 2024	Year Ended 31 December 2025
Base Management Fee	\$1,778	\$10,490
Investor Admin Fee	\$0	\$10,000
Forest Activity Supervision Fee	\$2,934	\$43,842
Investment update & indicative valuation fee	\$1,375	\$5,500
Investor meeting costs	\$500	\$500
Disbursements	\$7,000	\$7,000
Other Fees and Expenses		
Direct forestry expenditure	\$5,867	\$203,423
Supervisor's Fees	\$1,128	\$4,510
Audit Fees	\$6,500	\$6,500
Insurance	\$2,658	\$3,870
Subscriptions and Levies	\$6,143	\$11,918
Rates	\$2,020	\$8,080
Interest charges	\$1,000	\$8,050
Contingency	\$3,000	\$3,000
Total	\$41,901	\$326,683

1.10. How will your investment be taxed?

The Investment is not a portfolio investment entity (PIE). See Section 9 *Tax* for more information.



Table of Contents

1. Key Information Summary	1
2. What Blairlogie Pine Investment invests in	6
3. Key dates and offer process	15
4. Terms of the Offer	16
5. How the Blairlogie Pine Investment works	19
6. Blairlogie Pine Investment's financial information	24
7. Risks to returns from the Blairlogie Pine Investment	30
8. What are the fees?	33
9. Tax	36
10. About Forest Enterprises Limited and others involved in the Blairlogie Pine Investment	37
11. How to complain	40
12. Where you can find more information	41
13. How to apply	42
Glossary of terms	43
Application form	48

Note: Defined terms are presented in bold text when they are first used in this document and can be found in the Glossary of Terms.



2. What Blairlogie Pine Investment invests in

The key features of the Scheme (also referred to as the 'Investment') are as follows.

Statement of Investment Policy and Objectives

The Manager has adopted a **Statement of Investment Policy and Objectives (SIPO)** for the Scheme which sets out the policies, objectives and investment strategies in respect of its forests. A copy of the SIPO is available on the Scheme Register at www.companiesoffice.govt.nz/disclose by searching 'Blairlogie Pine Investment' under 'Search Schemes'.

The SIPO sets out that the Scheme will actively invest only in:

- The Land and Trees
- Carbon Credits
- Any other assets which relate directly to or arise from investment in the Land and Trees to generate additional revenue, for example licences permitting farmers to graze stock or beekeepers to maintain hives on the Land
- Cash deposits with registered New Zealand banks

The SIPO (which includes the Investment Strategy) may be amended by the Manager following consultation with Trustees Executors Limited, the Supervisor. Any material amendment, such as a proposed change which would change the nature of the Scheme or be inconsistent with the Forest and Carbon Management Plan, would be subject to an Investor vote before being implemented. Refer to Section 5, for further information on investor decision making powers, and to the Governing Documents.

Investment strategy

The Scheme's investment strategy is to implement the Forest and Carbon Management Plan on the Land. The strategy is to optimise the value of the Trees for carbon sequestration to earn Carbon Credits and to distribute the net sale proceeds of Carbon Credits to Investors. A **Framing Regime** will be applied to maintain the production forest potential and return to Investors in the event of a harvest.

It is proposed to apply a silvicultural regime consistent with the primary strategy of the sale of Carbon Credits earned by growing trees, and the secondary strategy is harvest if investment returns are greater from harvesting than selling Carbon Credits.

Given the nature of the Scheme's primary asset (Land, Trees and Carbon Credits) and its unlisted ownership structure, the Scheme has a long-term investment horizon.

The primary objectives of the Scheme are to:

- Preserve and increase the value of the Trees by successfully undertaking the Forest and Carbon Management Plan, and
- Ensure that the Forest and Carbon Management Plan is completed to a high standard, attending to necessary forest development and maintenance to infrastructure such as roads.

The nature of the Scheme's investment is that the key determinants of performance primarily crystallise on the sale of Carbon Credits.

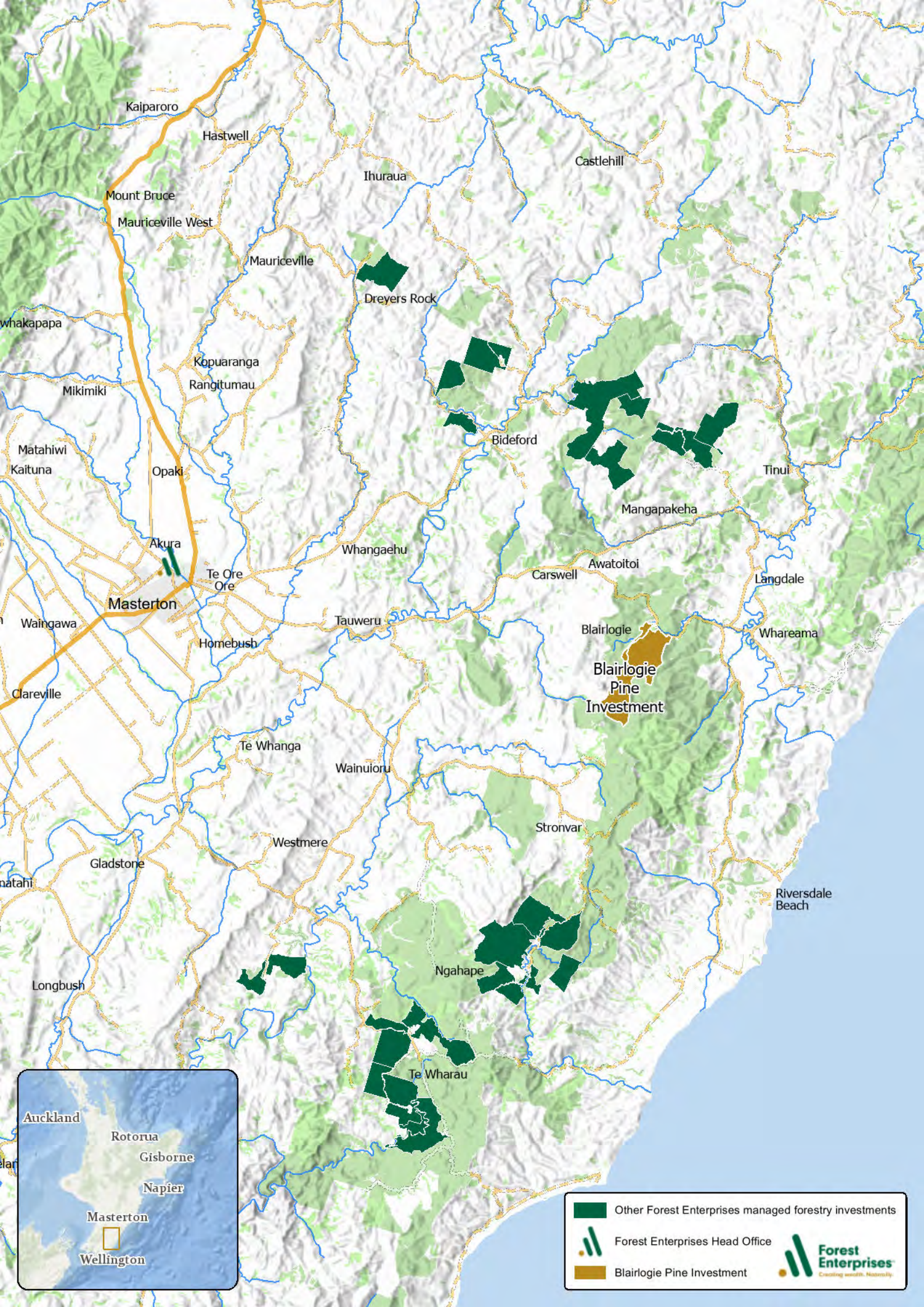
During the term of the Scheme, an indication of the performance of the Scheme is provided in the Annual Report by reporting of –

1. The Investors contributions (Calls paid) to date; and
2. The net cash currently projected from the sale of Carbon Credits based upon the assumptions expressed; and
3. The current indicative value of a share in the investment based upon the assumptions expressed.

Investors will also be advised of forest changes that impact on investment performance if they are material. These include, but are not limited to changes in:

- **Net stocked area**
- Achievement of the silviculture objectives expressed in the Forest and Carbon Management Plan
- Field measurement tables for carbon generation





 Other Forest Enterprises managed forestry investments

 Forest Enterprises Head Office

 Blairlogie Pine Investment

**Forest Enterprises**
Creating wealth. Naturally.

Key property of the Scheme

The Blairlogie Pine Investment consists of a forest property located about 33km by road east of Masterton in the Blairlogie district.

This property was originally planted from farmland into *Pinus radiata* (**pine**), mostly in the early 1990s. These **first rotation** trees are owned by Blairlogie Forest LP and Blairlogie North Forest LP who have secured their interests in the first rotation trees by registering forestry rights on the Land. The key terms of the forestry rights are: they commenced on 16 December 2022 and terminate on 31 October 2027; the grantees may manage, harvest, carry away and sell all the first rotation trees; the grantees may build roads and landings for the purposes of harvesting; Blairlogie Pine LP, and not the grantees, must replant the trees following harvesting; and the grantees pay to Blairlogie Pine LP a land rental of \$120/ha annually, the amounts of which are set out in the Cashflow of the Investment.

The first rotation trees have been or are being harvested and replanted, with the remainder of the replanting (about 533.9ha or 69% of the expected total stocked area) to occur between 2025 and 2028.

Legal descriptions

Area hectares	Title
7.2880	WN33B/892
235.6180	WN42D/620
212.5701	WN42D/621
432.7728	WN42D/622

The property is second rotation forestry land, classified as Pre-1990 or Post-1989 forest land under the Climate Change Response Act 2002. The Post-1989 land has a carbon lease arrangement on its first rotation trees which is progressively concluding once harvest of each **carbon accounting area** (CAA) is completed. Once harvest is completed in each CAA, the participant under the ETS returns from the lessee to Blairlogie Pine Investment where Carbon Credits earned on the second rotation trees are the property of the Investment.

Planted trees (established or to be re-established) are as per the table below.

Blairlogie Pine Investment	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	Total
Total Area (Hectares)	9.1	32.3	47.1	108.9	39.6	0	112.4	148.5	143.3	129.7	770.9

Areas are based on recent aerial photography and mapping. Updated photography and mapping is undertaken during the life of a forest. It is usual for the measured net stocked area to change with each update and the changes can be material.

ETS land classification

Forest	Pre-1990 Forest Land	Post-1989 Forest Land <small>Original areas registered and approved by MPI</small>
Blairlogie Pine Investment	82 hectares	729.15 hectares*

*Valuation refers to 732.3ha area has been adjusted with remapping

Note: Although carbon sequestration will occur in the Scheme's forest property, no Carbon Credits will be received by the Scheme under the legislation for Pre-1990 forest areas. As second rotation Post-1989 forest land, it will be approximately 7 years from planting each CAA before Carbon Credits will be available to sell (based on the stock change accounting method).

Refer to the ETS map on the next page.



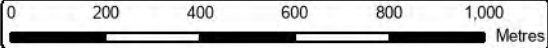
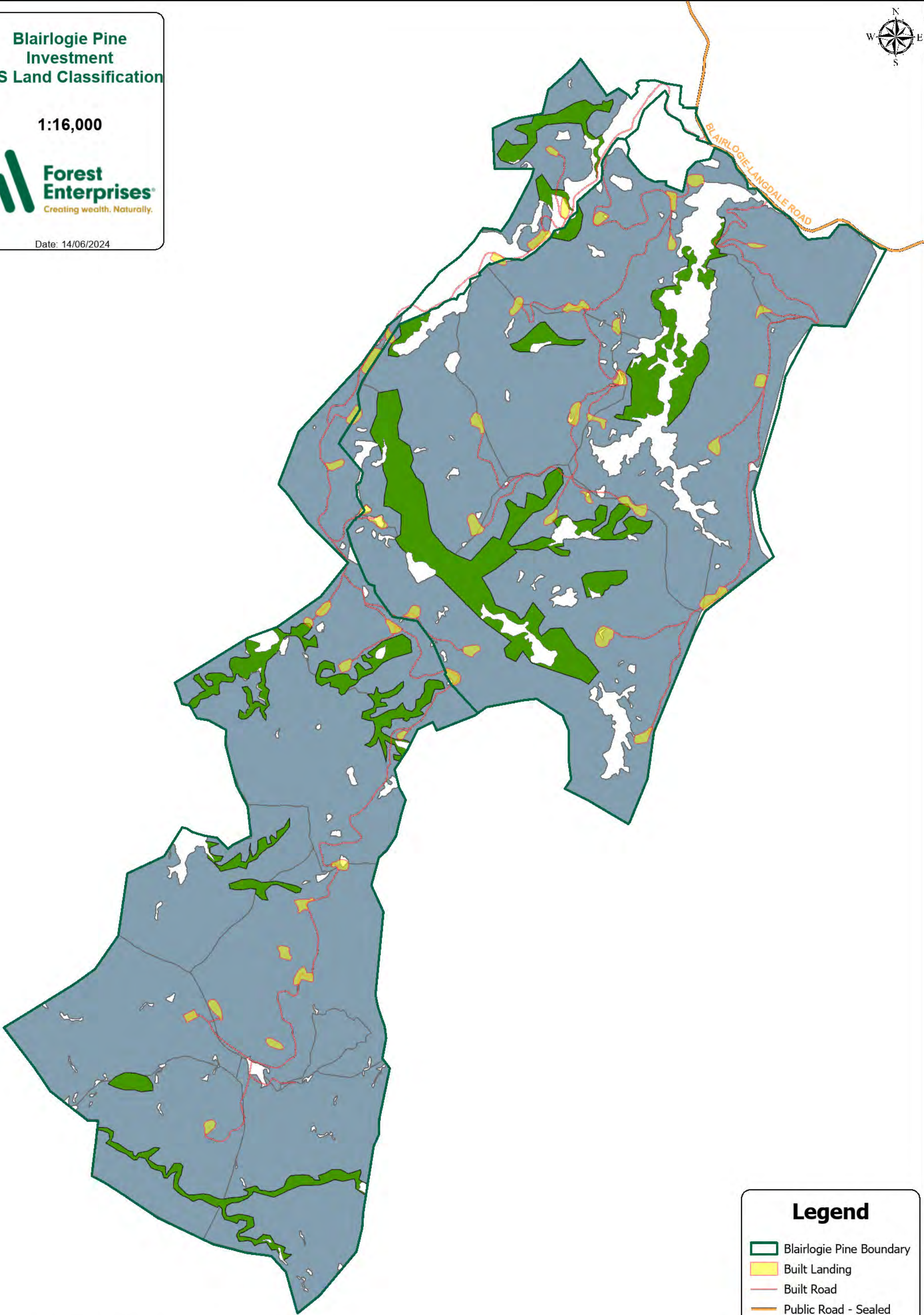
Blairlogie Pine
Investment
ETS Land Classification

1:16,000





**Forest
Enterprises**
Creating wealth. Naturally.


Date: 14/06/2024





Legend


 Blairlogie Pine Boundary

 Built Landing

 Built Road

 Public Road - Sealed

 Post 1989 Forest Land

 Pre 1990 Forest Land

How the Scheme Property will be managed

The licensed Manager is Forest Enterprises Limited (FEL) which is responsible for and has the authority to manage the Scheme as expressed in the Governing Documents. In summary, this authority is broad-reaching subject to operating within the terms of the **Deed of Scheme Management (DOSM)** for the Scheme and the **Forest and Carbon Management Plan (Plan)** for **establishment**, management and harvest of the forest. Refer to the Offer Register for a copy of the DOSM, the Plan and the audit report of Forme Consulting Group Limited (Forme) on the Plan. Forme has consented in writing to their audit report being mentioned in this PDS included in the Offer Register and have not withdrawn the consent before the PDS was lodged with the Register.

At all times, the Manager remains responsible for the Scheme, however the coordination and supervision of the field work relating to the Land and Trees is contracted out by the Manager to the Manager's parent company, Forest Enterprises Growth Limited (FEG). FEG has the specialist expertise and strong business relationships to undertake this work under a **Forestry Management Services Agreement** between FEL and FEG. FEG will be responsible for ensuring that the Plan is put in place.

The key personnel of the Manager and its parent company who will be responsible for managing the Investment and the Property are:



Bert Hughes – CEO NZCF, BBS, NZIF Registered Forestry Consultant, CMInstD

Bert will oversee all aspects of the Investment and the Forest as part of his role of overseeing all Forest Enterprises' Managed Investment Scheme forestry investments.

Bert has led the expansion of the Forest Enterprises' forest management capability over the last 13 years. He has a depth and breadth of expertise from a three-decade forestry career, having held senior management and executive roles across the industry.



Nicola Black – Head of Managed Investments LLB, BCA (Accounting)

In conjunction with Bert, Nicola will oversee all aspects of the Investment and ensure the Forest and Carbon Management Plan is implemented.

Nicola's principal responsibility is the management and accountability of our status as a licensed manager of forestry Managed Investments Schemes, and FEL's registered forestry investments.



Malte Coulmann – Forestry Director BForSc (Hons), NZIF Registered Forestry Consultant

Malte will ensure that the Forest and Carbon Management Plan is implemented and the value of the tree crop optimised. This is achieved by ensuring that forest operations, such as silviculture and harvesting, happen at the right time and to the highest standard.



Gordon Wong – Legal Services Director LLM (Hons), Barrister and Solicitor

Gordon provides legal oversight over the Investment, providing the expertise Forest Enterprises requires to respond to the complexities of the financial markets regime under the Financial Markets Conduct Act 2013.

Gordon is one of New Zealand's most experienced lawyers in the forestry industry. He is also a specialist in financial markets law, legal risk management and the Emissions Trading Scheme.



Liz Brown – Finance Director BCA, MBA

Liz leads Forest Enterprises' accounting and administration team. She manages the day-to-day accounting functions and tax obligations for our two companies, FEG and FEL. In addition, Liz prepares the cash flows, budgets and tree crop valuations for the forestry investments which contribute to their annual Financial Statements, and she is responsible for their day-to-day accounting and tax obligations.

See Section 10 *About Forest Enterprises Limited and Others Involved in Blairlogie Pine Investment* for further details on those involved.



The purpose of the Offer

Two separate forestry partnerships managed by FEL – Blairlogie Forest LP and Blairlogie North Forest LP – each passed special resolutions to sell their respective interest in Blairlogie Pine Investment. The individual investors in those forest investments (**Foundation Investors**) were given rights to acquire shares in the new Investment at a special price in consideration for being the original beneficial owners of the Investment's land and second rotation trees.

FEG has effectively “monetised” the assets of the land and second rotation trees which were owned by the forestry partnerships by offering Foundation Investors the option to receive cash for their share of those assets or, alternatively, shares in Blairlogie Pine Investment. The Supervisor therefore holds the shares to which each Foundation Investor is entitled on trust for them until they elect to acquire legal title to those shares or receive a cash payment in lieu.

The purpose of the offer is to enable:

1. Foundation Investors to receive the shares to which they are entitled under the special resolutions passed by Blairlogie Forest LP and Blairlogie North Forest LP in accordance with the Foundation Investors' approval of the new Investment.
2. FEG to acquire the shares not taken by Foundation Investors.
3. FEG to offer to new Investors the shares it has acquired from the Foundation Investors.
4. FEG to use the proceeds from the Offer of the shares to pay Foundation Investors exiting the shares, in cash instalments under a deferred payment Blairlogie Pine Investment arrangement.

There is no minimum amount that must be raised before the shares in the Investment are transferred to Investors. FEG's use of the money raised through the offer of shares under this PDS will not change depending on the total number of shares sold. FEG does not intend to be a long-term holder of the shares and will therefore sell down its investment to other Investors. This is reinforced by the Deed of Scheme Management which provides that FEG is deemed to have cast all votes associated with its Shares in the same proportions as the votes cast by all the other Investors.

Nature of returns

Investors may receive the following returns in respect of their shares:

- **Distributions** of operating cashflows to Investors relative to their respective shares once Carbon sales have commenced and exceed investment costs.
- Any gains which result from the net sale proceeds of the Land and Trees exceeding the purchase price paid for the acquisition of the Land and Trees by the Scheme.

Factors that may affect the financial performance and Investors' returns

FEL and FEG do not guarantee the shares offered under this PDS or the projected cash returns to Investors or any payment of returns by the Scheme. Factors that may have the greatest effect on financial performance are as follows:

Factor	Strategy to Minimise Impact
Future Carbon Prices	Carbon will be available to sell from around 2026. If the price of carbon reduces in the future and log sales have a higher forecast yield, then the Manager may determine that log sales should become the primary investment return.
Change in Carbon Policy	Government policy around ETS could change the application of the ETS to forestry and the price at which NZUs trade. If an unexpected event occurs such as fire, there is no requirement to repay NZUs, but no further NZUs would be generated until 'pre unexpected event' NZUs were replenished.
Crop Risk	If the carbon sequestration from the Trees is less than projected, returns from the investment will be less. There is the risk that unfavourable climatic events, disease and fire may cause loss of some or all of the Trees and the forest sequestering less carbon. If an unexpected event occurs such as fire, there is no requirement to repay NZUs, but no further NZUs would be generated until 'pre unexpected event' NZUs were replenished.

Acquisition of key property

The Blairlogie Pine Investment has acquired the Land and re-established Trees in a Wairarapa forest property.



FEG considers that the basis of calculation for the number of shares allocated and distributed to each Foundation Investor is an appropriate objective mechanism for calculating the initial values for the forest within Blairlogie Pine Investment.

The purchase price of the Land and replanted Trees for the forest property is primarily based on the following objective formula:

1. Land as valued by a Registered Valuer; plus
2. The investment in the second rotation Trees, based on compounded cost at 2% interest compounded per annum on trees planted and 2% discount rate per annum for trees planted 2025-2028.

The above mechanism is considered by the Manager to be the most appropriate way to determine the value of the forest.

An independent valuation was carried out on the Land by the Registered Valuer in May 2024. The Registered Valuer has consented to their May 2024 valuation being referred to in this PDS and included on the Offer Register.

Blairlogie Pine Forest LP Property

Using the methodology above, the value of the Blairlogie Pine Forest is \$6,534,072 as set out in the table below. In addition to the existing replanted tree crop, the original investment will be responsible for contributing \$1,296,699 to the remainder of the replanting through to 2028. The original investment will be invoiced for this contribution in the applicable year and any variation will be paid by Blairlogie Pine Investment.

Description	Amount
Land at valuation	\$4,715,000
Second rotation trees	\$1,819,072
Total value	\$6,534,072

Sales price paid by Blairlogie Pine Investment

The table below summarises the calculated values to Blairlogie Pine Investment for the property acquired by the Scheme.

The value of the forest property, calculated on 23 May 2024 was:

Forest Property	Valuation	Value May2024
Land & Improvements	Morice Ltd	\$4,715,000
Trees (establishment and planting from 2019-2024)	Cost +2% p.a.	\$522,373
Trees (establishment and planting from 2025-2028)	Cost -2% p.a.	\$1,296,699
Total value		\$6,534,072

The valuation is based on the objective mechanism where:

- The Land component is based on independent land valuation carried out by a registered land valuer, and
- The Tree component based on the re-establishment costs incurred or to be incurred by the seller of the property.

Borrowings

Under the Deed of Scheme Management, any borrowings require Investors to pass a **Special Resolution** authorising the borrowings other than the overdraft facility with the BNZ of up to \$100,000 set out in this section of the PDS. The Supervisor must provide prior written approval for any borrowing that exceeds the amount of borrowings disclosed in this PDS. If carbon is unable to be sold there may be further investor Calls.

The BNZ will take a first mortgage over the Land as security for the overdraft. The Bank will also take a perfected first ranking General Security Agreement giving them a Security Interest in all present and after acquired property of the Scheme, which ranks in priority to the managed investment products on a winding-up of the Scheme. The indicative floating interest rate for an equivalent loan facility is 12.4% as at the date



of the PDS. Any financial covenants relating to the loan and any non-utilisation fee charged by the Bank will be subject to negotiation with the BNZ.

Benefits of investing in forestry

There are a number of real benefits to investors from investing in forestry, in addition to the projected returns set out in this document.

Growing worldwide population and timber demand, combating climate change and deforestation, and the need to move to a low-carbon economy places an imperative on sustainably managed plantation forests.

Environmental benefits

Plantation forests provide many positive and enduring environmental benefits. Forests are valued for their carbon storage. Under the Climate Change Response Act 2002, forest land in New Zealand is categorised as either Pre-1990 or Post-1989 forest land. This distinction relates to when the land was first planted in forest, relative to New Zealand's commitment to reduce greenhouse gas emissions to their 1990 levels.

Blairlogie Pine Investment comprises forest land of both Pre-1990 and Post-1989 forest land classifications. Carbon will be available to sell from the second rotation Post-1989 areas from around 2030. It does not qualify to earn income from carbon on Pre-1990 areas. The forest nevertheless provides the environmental benefit of reducing atmospheric carbon during its lifetime.

From the data available from our own managed forests, we have calculated that one hectare of forest we manage will have sequestered 936.6 tonnes of CO₂e (carbon dioxide equivalent) by the time it reaches maturity at age 26, an average of 36 tonnes of CO₂e per hectare per year.

Anyone who purchases shares in the Investment will be contributing their proportionate share of the environmental benefits. Based on the minimum shareholding of 200 shares (approx. 1.5 hectares), and the age class of our tree crop, an investment will sequester an average 48 tonnes of CO₂e per year.

Forests regulate water flow and water quality. They provide erosion protection to hill country, promoting soil stabilisation and reducing soil loss into gullies and waterways. Forests also moderate temperature.

Forests also conserve biodiversity. Flora and fauna, including native New Zealand species (birds, lizards, bats, frogs, insects and plants) depend on the forest canopy and filtered waterways for habitat. For example, karearea (New Zealand falcon) like to nest on the edge of harvested areas and hunt the clearings.

Benefits of investing in growth assets

Investing in alternative assets like forestry can be complementary to equities, interest bearing asset classes, fixed income and property for diversifying and lowering the risk in an investment portfolio. Land typically has low volatility. The biological nature of forestry often insulates the investment from fluctuations in other asset classes. The value is in the timber and the related carbon.

There are very few opportunities for individual investment in forestry in New Zealand, due to the structure of forest ownership or the attributes of the land. The forest property comprising the Blairlogie Pine Investment is a good forestry site (topography, soils and climate). Not every forest has these critical success factors.



Looking for investment diversification?

Forestry investment is complementary to equities, interest bearing deposits and property. It's an opportunity to diversify your risk across your investment portfolio into a land-based, responsible, and resilient investment.

Investment in forestry is an investment in your retirement or the next generation of your family.



3. Key dates and offer process

Key Dates	Offer Process
12 September 2024	Registration of Governing Documents in the Managed Investment Scheme
20 September 2024	Intended Offer Opening Date
From 16 October 2024	Shares are transferred to Investors
30 June 2026 and 30 June 2029	Calls are due on 30 June as required to meet the annual budget. Failure to pay Calls would put the Investor in default and subject to forfeiture of the investment as per the governing documents.
No fixed closing date	Offer closes when all shares have been sold

The timetable is indicative only and the dates may change. The Manager also reserves the absolute right in its sole discretion to accept or reject any application in whole or in part without assigning any reason.



4. Terms of the Offer

Product on Offer	Shares in a Limited Partnership and an equivalent number of shares beneficially held in the General Partner company of the Limited Partnership.
Offeror	Forest Enterprises Growth Limited (FEG)
Shares available for sale by the Offeror	There are 100,000 shares in the Scheme. The Offeror holds the rights to sell the remaining shares up to 100,000 which Foundation Investors do not take up. The Offeror offers for sale under this PDS such of the remaining shares that it acquires from Foundation Investors and not otherwise purchased by other Foundation Investors before or about 16 October 2024.
Minimum Initial Shareholding	The minimum initial investment is 200 shares, but you can invest in any number of additional shares subject to availability and legislative thresholds.
What is the minimum amount payable to invest?	Initially \$13,538 for 200 shares (additional shares are \$67.69 per share), plus Call amounts on 30 June 2026 and 30 June 2029. Foundation Investors invest at a reduced initial price of \$65.34 recognising their special status as previous owners of the forest land and their agreement to the formation of the new Investment with the acquisition of the land and second rotation trees which was originally the scheme property of Blairlogie Forest LP and Blairlogie North LP in which the Foundation Investors had invested. <i>See Estimated Future Contributions (Calls) per 200-share parcel below</i>
Intended Offer Opening Date	20 September 2024
Intended Offer Closing Date	No fixed closing date. Closes when all shares have been sold.
How can investment be made?	You may invest with a minimum initial application of \$13,538 (200 shares). Applications must be completed on the application form contained after Section 13 <i>How to Apply</i> . To ensure your application is able to be accepted, please read the application instructions in that section carefully and complete all applicable sections. No applications can be accepted if all shares have been sold. There is no continuous offer of shares in the Scheme. The Investor will need to satisfy the Manager's anti-money laundering compliance requirements and must execute the Limited Power of Attorney.
Estimated Future Contributions (Calls) Per 200-share parcel	The investment is contributory by nature; therefore, Calls will be made 30 June 2026 and 30 June 2029 estimated to be \$700 per 200 shares in both years. If the Manager determines that harvesting the trees will provide a better return than the sale of Carbon Credits, there may be further calls. In addition, the annual \$60 Investor Administration Fee will be charged once per year regardless of the size of shareholding.
Failure to pay Calls	Calls are due on 30 June in each year in which they are required to meet the annual budget. Failure to pay Calls would put the Investor in default and subject to forfeiture of the investment as per the Governing Documents.
How can I withdraw my investment?	Shares in the LP are not redeemable on demand. The Scheme has a fixed term of 30 years which expires on or about 31 December 2054 when the Limited Partnership will be wound up and you will get your money out. The Land must be sold before the Scheme is wound up. You may only withdraw if: <ul style="list-style-type: none"> You sell your shares to a third party (such as via the secondary market facility operated by the Manager) after the Hold Period, or A resolution is passed to wind up the Scheme and sell the forest assets, or The forest has been harvested and the Land sold. The limitations on when (and how) a resolution is passed to wind up the Scheme and sell the forest, are set out in the Governing Documents.



What are the returns and when are distributions paid?	<p>Returns will commence once surplus cashflow is generated from carbon sales in 2034.</p> <p>Any return on investment will be by way of distribution and will be dependent on carbon prices, sale of the land and any replanted Trees at that time. Although not guaranteed, the cashflow in Section 6 <i>Blairlogie Pine Investment Financial Information</i> sets out these estimates, based on certain assumptions set out on page 27.</p> <p>Distribution payments are likely to be made up to 2 times per year.</p>
Offeror Voting Rights	<p>At all times that FEG holds shares, it will be deemed to have cast the votes associated with the Offeror's Shares in the same proportions as the votes cast by the other Investors.</p>

Further terms relating to Blairlogie Pine Investment are set out in the Governing Documents (the Deed of Scheme Management and the **Limited Partnership Agreement**). These documents along with the GP Company Constitution are available on the Scheme Register at www.companiesoffice.govt.nz/disclose by searching 'Blairlogie Pine Investment' under 'Search Schemes'.



Forestry. Our best response to climate change.

Forests are valued for their carbon storage and essential if New Zealand is to achieve its climate change goals.

Blairlogie Pine forest reduces atmospheric carbon during its lifetime. Trees you own in a parcel of 200 shares will sequester an average 48 tonnes of CO₂e per year. This is over 10 times the average New Zealand household annual greenhouse emissions of 4.3 tonnes.*

When you invest in Blairlogie Pine you contribute your share to reducing our carbon footprint.



5. How the Blairlogie Pine Investment works

The Blairlogie Pine Investment is a managed investment scheme (MIS) under the **Financial Markets Conduct Act 2013 (FMC Act)**.

Limited Partnership and General Partner

The Blairlogie Pine Investment comprises a limited partnership registered under the Limited Partnerships Act 2008 called Blairlogie Pine Investment LP (the Limited Partnership, LP) with one general partner which is a registered company under the Companies Act 1993 called Blairlogie Pine GP Limited (the General Partner, GP).

Investors in the Blairlogie Pine Investment have **Limited Partner** shares in the LP plus **beneficial ownership** of an equal number of corresponding company shares in the GP which are held in bare trust for the Investors by the Manager in its capacity as GP Share Trustee. The Limited Partnership Agreement requires that the 100,000 beneficially owned shares in the GP company are held pro rata to the number of LP shares held by the **limited partners**.

Although FEG is offering both LP shares and GP shares, with the latter being equity securities, the Offeror relies on clauses 18 to 20 of the Financial Markets Conduct (Forestry Schemes) Exemption Notice 2021 which specifies that there are no disclosure and reporting requirements in the FMC Act relating to the GP shares. This is because the GP has been incorporated solely for the purpose of being the general partner of the LP. Investors will beneficially own the GP shares with decision making rights, and disclosure and financial reporting occurs through the LP shareholdings.

Limited Partnership is Managed Investment Scheme

The registered MIS has been structured as a LP. The LP is an 'other managed investment scheme' for the purposes of the FMC Act and, accordingly, in certain places, this PDS refers to the LP as a 'Scheme' or the 'Investment'.

The Deed of Scheme Management (DOSM) together with the Limited Partnership Agreement, constitute the Governing Documents of the Blairlogie Pine Investment for the purposes of the FMC Act. These, along with the GP Company Constitution and SIPO, are available to read and download from the Scheme Register at www.companiesoffice.govt.nz/disclose by searching 'Blairlogie Pine Investment' under 'Search Schemes'.

It is a requirement of the Limited Partnerships Act 2008 that a limited partnership has a written partnership agreement which governs the affairs of the limited partnership and the conduct of its business. In accordance with the Limited Partnerships Act, the Limited Partnership Agreement provides for essential terms relating to the business of the Limited Partnership; distributions; meetings of limited partners; the powers, duties and liabilities of the General Partner; assignment of shares; conflict of interest policy; and how the Limited Partnership terminates. However, in order to avoid duplication and to have the terms governing the Limited Partnership in a central document, most of these terms are set out more fully in the DOSM.

Trustees Executors Limited is a licensed supervisor under the Financial Markets Supervisors Act 2011 and has been appointed the Supervisor of the Blairlogie Pine Investment in accordance with the FMC Act. In its role as Supervisor, it must also hold all Scheme assets or appoint a custodian to hold those assets. It has appointed subsidiary company, TEA Custodians (Forest Enterprises) Limited to hold the scheme assets.

Trustees Executors Limited is also given a limited Power of Attorney by the Investors to facilitate the efficient administration of the Scheme. The terms of this Power of Attorney are set out in Schedule 6 of the Deed of Scheme Management, and in the Application Form attached to this PDS.

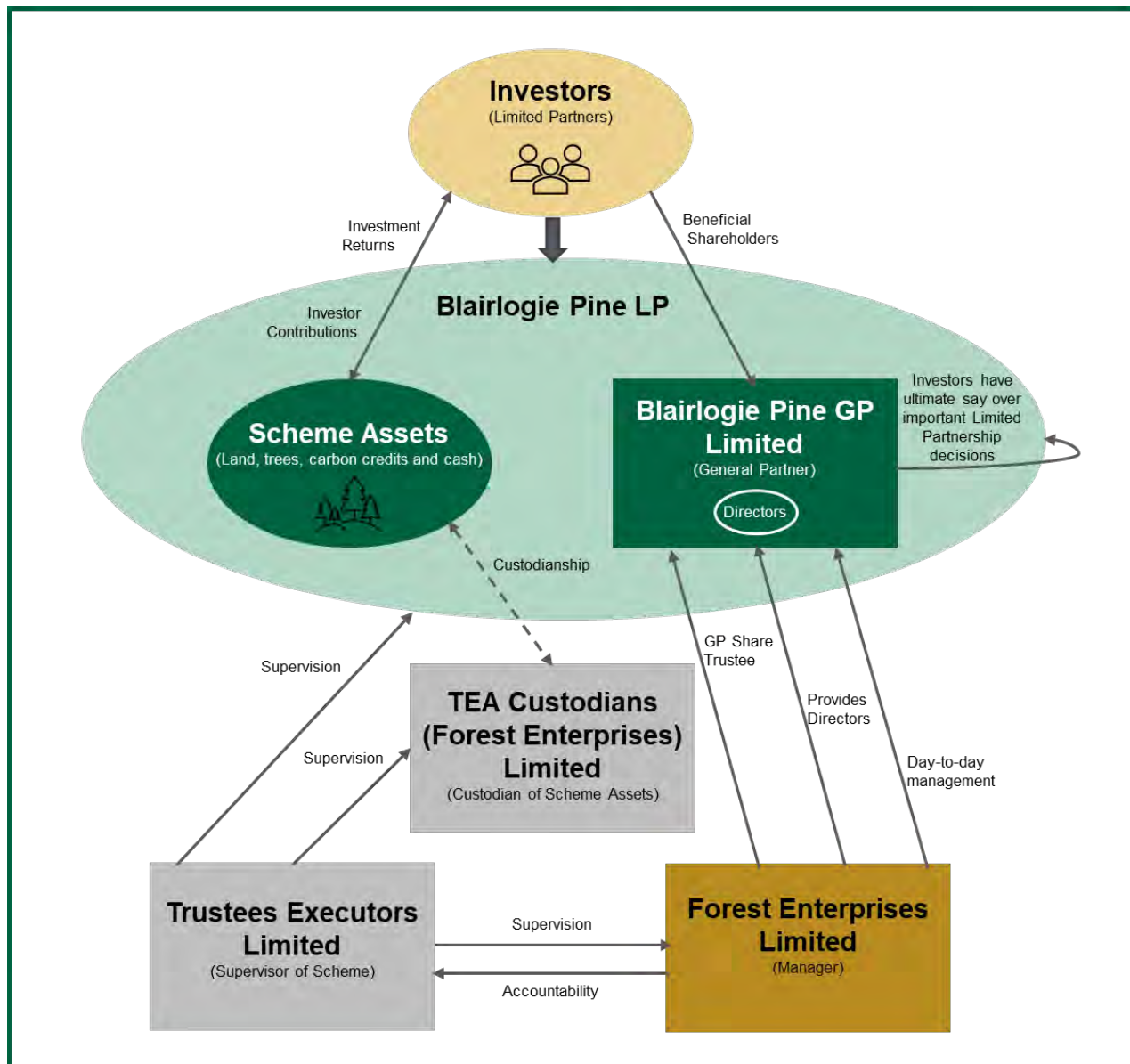
Deed of Scheme Management is pre-eminent Governing Document

The Deed of Scheme Management is the pre-eminent Governing Document of the MIS, and sets out the rights, obligations and duties of the Manager, the Supervisor, the Custodian and the Limited Partners in relation to the MIS including provisions for compliance with the FMC Act including, but not limited to:

- Specific MIS provisions
- Management of the MIS by the Manager
- Supervision of the MIS by the Supervisor
- Custodianship of the MIS's Scheme Property
- Financial reporting and appointment and duties of the financial auditor of the MIS
- Right of Manager to sell a defaulting Investor's shares (e.g., due to non-payment of a Call, or failure to provide required information)



Blairlogie Pine Investment



What is a Limited Partnership (LP)?

Investors are offered the opportunity to acquire shares in the LP that has acquired the Land and Trees. Investors will become a limited partner in the LP. Under the limited partnership structure, limited partners have limited liability (so long as they do not take part in the management of the LP, which is described further below). A limited partnership is a separate legal person from its limited partners and general partner.

Each LP share confers equal rights and obligations on each Investor in respect of entitlements to income and capital from the LP, and each share will confer one vote upon the holder in respect of matters on which Investors are entitled to vote under the Limited Partnership Agreement and the DOSM.

The Custodian is TEA Custodians (Forest Enterprises) Limited, a wholly owned subsidiary of the Supervisor. The Custodian will hold the title to the Scheme Property in its name for the LP. The interrelationship between the Investors (as limited partners), the LP and the GP (Investors being beneficial shareholders) is set out in the Limited Partnership Agreement and the DOSM.

FEL, as licenced Manager of the Scheme, is responsible for the day-to-day management and investment administration of the Scheme. The general partner of the LP has the power to direct the Manager to follow decisions made by shareholders of the GP. FEG provides forest management and harvesting services under contract to FEL.

The General Partner, Blairlogie Pine Investment GP Limited (GP), has been incorporated to act as the general partner of the LP in accordance with the Limited Partnership Agreement. A general partner is only liable for any debts or liabilities of the limited partnership to the extent they have not been met by the limited



partnership. To protect the general partner, it has been set up as a limited liability company. The directors of the GP are Liz Brown, Bert Hughes and Gordon Wong. (In accordance with the Limited Partnership Agreement, the GP directors are Officers of the Manager.)

The shareholder of the GP is FEL as nominee shareholder for all Investors (the GP Share Trustee). Each Investor has beneficial ownership of an equivalent number of shares in the GP as they have in the LP. Investment decisions will be made by Investors as beneficial shareholders in the GP. The **Beneficial Shareholder Direction Process** is the process by which Investors will instruct FEL in its capacity as the GP Share Trustee to vote on important shareholder decisions.

A full list of decisions requiring Investor approval (by either Ordinary Resolution or Special Resolution) are set out in the GP Constitution and in the Governing Documents. These include any decision on:

- Change of business (Special Resolution)
- Any borrowings over the threshold specified in the DOSM (Special Resolution)
- Any change in Manager's Fees (Ordinary Resolution)

These Investment decisions by Investors in the GP are allowable under the Limited Partnerships Act, without compromising the limited liability of limited partners.

Significant benefits of investing in the Investment

The significant benefits of investing as a limited partner in the Limited Partnership are:

- The projected returns set out in Section 6 *Blairlogie Pine Investment Financial Information*.
- The ability to have an investment in forestry that is available to Investors who are able to invest an initial minimum of \$13,538, with further contributions estimated to be \$700 per 200 shares at both 30 June 2026 and 30 June 2029. If the price of carbon credits reduces, further calls may be required.
- The investment in the LP is passive with active day-to-day management (including preparation of accounts, forest and harvest management, payment of distributions and obtaining any limited bank financing) being handled by the Manager. However, key decisions are still made by Investors.
- The LP structure enables the GP to conduct the business of the LP, while the Investors, as limited partners, have limited liability so long as they do not take part in the management of the LP. The LP has been structured to avoid Investors taking part in management.

Power of Attorney

To facilitate the efficient administration of the Investment, every Investor appoints the Supervisor their attorney under a limited Power of Attorney to:

- Appoint a director of the General Partner as a proxy (if not attending) for quorum purposes and to waive any irregularity in the notice of meeting or approve a change in a resolution purely of a technical nature;
- To vote on any procedural approval required for share assignments;
- To approve and sign any technical, correcting, or non-material changes to the Governing Documents; and
- To vote on any resolution of a formal or technical nature which will benefit the Limited Partnership but has no material adverse effect for the Investor.

Investment business

The business of the Scheme is the establishment, maintenance and management of Trees and selling Carbon Credits in accordance with the Forest and Carbon Management Plan together with the performance of all statutory or other legal requirements relating to the business. The Scheme may also undertake such further business which is consistent with the Statement of Investment Policy and Objectives (the SIPO) and which has been approved by **special resolution** of the shareholders of the GP (subject to the Beneficial Shareholder Direction Process).

Contributory investment

The Scheme is contributory by nature. The Investment requires Investors to meet their share of the annual budget to undertake all work relating to the management of the forest assets (including field work relating to carrying out the Forest and Carbon Management Plan), plus the costs arising from managing the Scheme.



Investors meet this funding obligation by making one payment (Call) on each of 30 June 2026 and 30 June 2029. This funding is required unless the Scheme has sufficient cashflow arising from the management of the assets, which ordinarily only occurs when there are sufficient Carbon Credits available to sell.

Call payment options are:

- Direct Debit – investor authorises Forest Enterprises to automatically debit Calls when due
- Direct Credit – investor pays the Call via electronic funds transfer
- Visa or Mastercard – credit card fees will apply, refer to *Investor fees (if applicable)* on page 35.

Blairlogie Pine Investment Non-payment of Calls risks forfeiture of shares

Calls are payable on the due date advised and non-payment places the Investor in default. Failure to act on a default can result in the forfeiture and compulsory sale of the Investor's shares in the Scheme. The Manager is granted a limited Power of Attorney by Investors to sell a defaulting Investor's shares under the DOSM.

Tax deductibility

The Limited Partnership is not separately assessable for tax purposes. Its tax consequences pass through directly to the investors in proportion to their shareholding. In the early years until silviculture is completed, Investors will enjoy higher tax deductions. Refer to Section 9 for further details.

Ability to sell

Investors can arrange a private sale of their investment at any time after the Hold Period referred to below.

FEL operates a secondary market for the sale and purchase of shares in their existing forestry investments. The purpose of the market is to enable existing Investors to liquidate their investment and allow prospective Investors to purchase investments in established forests. FEL acts as intermediary and operates a closed tender for bids and communicates all bids to the seller, who has the option to accept or reject any bid by a prospective buyer.

FEG will not be a continuing Investor in the Scheme. Until FEG has sold all its shares in Blairlogie Pine Investment under this Offer, there is a Hold Period where Investors will not be able to sell their shares on the secondary market.

The fees for selling on the secondary market are currently a \$375 listing fee plus brokerage of \$350 for sales values up to \$10,000 and an additional 2% over \$10,000.

Related party benefits

FEG is the parent company of the Manager, FEL.

Forest and harvest management will be undertaken by FEG under a Forestry Management Services Agreement. FEG and the Manager each negotiated and entered into this contract acting independently and in its own best interests. The Manager considers that the contract and all transactions under it are on arms' length commercial terms. In any event, the Manager pays fees to FEG for its forest management services out of the management fees and expenses payable to FEL as authorised under the DOSM. Therefore, FEG cannot be paid any more than that payable to the Manager, were the Manager to carry out the services itself.



Concerned about environmental impact?

Plantation forests provide positive and enduring environmental benefits.

Forests regulate water flow and quality. They provide erosion protection to hill country, mitigate destabilisation of land and soil loss.

Forests conserve biodiversity. Flora and fauna, including native New Zealand species depend on the forest canopy and filtered waterways for habitat.

When you purchase shares in Blairlogie Pine Investment you are contributing to these environmental benefits.

6. Blairlogie Pine Investment's financial information

The Scheme's Limited Partnership entity (Blairlogie Pine LP) was registered on 16 December 2022 but did not start performing income-generating activities that are part of its core business operations as a managed investment scheme until it registered its Deed of Scheme Management on the Disclose Register on 9 September 2024. That is the date it commenced business so there are no completed financial statements for that intervening period.

Selected Financial Information

The table below provides selected financial information about Blairlogie Pine Investment. Full prospective financial information from 1 October 2024 to 31 December 2024 (3 months) and from 1 January 2025 to 31 December 2025 (12 months) are available on the offer register at www.companiesoffice.govt.nz/disclose by searching 'Blairlogie Pine Investment' under 'Search Offers'. If you do not understand this sort of financial information, you can seek professional advice.

Forecast Total Investment Contributions Required

Investment contributions	
3 months to 31 December 2024	\$6,769,000
12 months to 31 December 2025	\$0

Each Investor pays their proportionate share of these contributions based on the size of their shareholding in Blairlogie Pine Investment LP (LP). If the minimum shareholding of 200 shares is applied for, then \$13,538 is payable on application and the first Call of \$700 is payable on 30 June 2026. In addition, an annual \$60 Investor Administration Fee (regardless of investment size) is payable each year on 30 June.

Prospective Financial Information

The purpose of the prospective financial statements is to assist Investors in assessing the viability of and return on funds invested. This PDS and the prospective financial information may not be appropriate for any other purpose.

The prospective financial information included in the tables that follow has been extracted from prospective financial statements prepared in accordance with Financial Reporting Standard 42: Prospective Financial Statements (FRS 42) which are available on the Offer Register.

The prospective financial statements for the period to 31 December 2024 and the year ending 31 December 2025 have been subject to a limited assurance engagement and an unmodified opinion issued by Grant Thornton New Zealand Audit Limited, a copy of which is also included on the Offer Register. Grant Thornton New Zealand Audit Limited has consented in writing to their review report being mentioned in this PDS and included in the Offer Register and has not withdrawn the consent before this PDS was lodged with the Register.

Separately available on the Offer Register are prospective financial statements for the Expected Life of the Scheme, which have not been reviewed by Grant Thornton New Zealand Audit Limited.

Summary of Principal Assumptions in the Cashflow Projection on the Expected Life of the Investment (on the following pages)

The Cashflow Projection has been derived from GAAP compliant prospective financial information (available on the Offer Register). Although this information is of a long-term nature, it is, in the Manager's view, relevant for basing investment decisions on a carbon forestry investment where there are continuing financial commitments over the life of the Investment.

The best information that can reasonably be expected to be available to base the assumptions on is the Forest and Carbon Management Plan, which has been audited by Forme Consulting Group Limited, a Registered Forest Consultant of the NZ Institute of Forestry. The Forest and Carbon Management Plan and audit report are both available on the Offer Register.

The Forest and Carbon Management Plan has assumptions about the timing of silvicultural work of the forest. In line with common forest practice, the estimated figures in 2024 dollars have been used for the costs of the work programme in the Plan. The Forest and Carbon Management Plan also sets out the planned treatment of the Carbon Credits and the timing of sale of the Carbon Credits throughout the lifetime of the investment.



Actual costs and timing will vary from the projections as a consequence of changes over time to the work program in the Plan and carbon prices. These changes may be material although changes to the Plan that have a material cost impact are subject to Investor vote.

The purpose and objective of the prospective financial information is to give Investors a sense of future costs and returns for the expected life of the Scheme in the context of this 30-year carbon focused forestry investment. In light of this, inflation of 2% per annum has been assumed from 1 January 2026 in the preparation of the projections. Historical inflation over the last 30 years and the present target of 1–3% support the use of 2% in the projections (rather than current higher rate).

An NZU price of \$67 has been applied for the Cashflow Projection. This is the 36-month average spot price for NZUs on the Jarden Commtrade Secondary Market (see <https://www.commtrade.co.nz> for current spot price). Refer to page 30 for Sensitivity Analysis and Return on Investment for expected returns arising from alternative NZU spot prices. Refer also to the Other Material Information document on the Offer Register for a Cashflow Projection prepared in 2024 dollars.

Other assumptions (in addition to the harvest assumptions) include:

- It is assumed that the Land will be sold in 2054 at the purchase price (adjusted for inflation). The final year of the investment is the year ending 31 December 2054.
- \$67 per unit for the sale of carbon generated from post 1989 forest areas has been assumed. These trees will be sold as standing timber in the final year. There is no plan to harvest the trees on the pre-1990 forest land and these will also be sold as standing timber in the final year.
- The cashflow above includes the annual \$60 Investor Administration Fee, which is charged once per Investor per year in addition to Calls, regardless of the size of their shareholding.

NOTE: Future Calls and Distributions in the Cashflow Projection should be taken as a guide only. Prospective Financial Information (PFI), by its nature, is inherently uncertain. It involves predictions of future events that cannot be assured as well as risks and uncertainties which are often beyond the control of the Manager. These risks and uncertainties include, but are not limited to, the non-occurrence of anticipated events or alternatively events occurring that were not anticipated. Various risk factors and the management thereof may influence the success of the Scheme's business.

Refer further to *Risks to Returns* in Section 7. Accordingly, actual results may vary from the PFI, and those variations may be significantly more or less favourable. The Manager does not guarantee the achievement of the PFI.



Summary of 2% Inflation-Adjusted Cashflow over Expected Life of the Investment

Blairlogie Pine Investment														
Financial Year ending December	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
Cumulative Hectares	237.0	349.4	497.9	641.2	770.9	770.9	770.9	770.9	770.9	770.9	770.9	770.9	770.9	770.9
EXPENDITURE														
Capital Expenditure														
Non Depreciable														
Land and Improvements, Trees	5,237,373	0	0	0	0	0	0	0	0	0	0	0	0	0
Preliminary Expenses	235,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Land Preparation	0	44,972	60,580	59,619	55,045	0	0	0	0	0	0	0	0	0
Deductible Expenditure														
Forestry Expenditure														
Establishment	0	231,691	319,390	316,970	293,248	8,922	0	0	0	0	0	0	0	0
Tending	0	1,781	0	14,260	39,492	55,177	120,085	42,122	0	124,485	167,688	165,028	152,367	0
Maintenance	2,371	3,495	5,079	6,672	8,181	8,345	8,512	8,682	8,856	9,033	9,213	9,398	9,585	9,777
Protection	1,185	1,748	2,540	3,336	4,091	4,172	4,256	4,341	4,428	4,516	4,607	4,699	4,793	4,889
Inventory	3,000	3,000	3,060	3,121	3,184	3,247	3,312	3,378	3,446	3,515	3,585	3,657	3,730	3,805
Mapping	485	2,393	3,938	2,853	2,064	1,825	2,459	2,420	2,234	0	0	0	0	0
Insurance	3,189	4,644	6,758	9,156	11,761	13,368	15,033	16,761	18,551	20,406	22,328	24,319	26,380	28,514
Rates	2,020	8,080	8,242	8,406	8,575	8,746	8,921	9,099	9,281	9,467	9,656	9,849	10,046	10,247
Other Expenditure														
Management	1,778	10,490	15,239	20,017	26,074	26,595	27,127	27,670	28,223	28,788	29,363	29,951	30,550	31,161
Investor Admin Fee	0	10,000	10,200	10,404	10,612	10,824	11,041	11,262	11,487	11,717	11,951	12,190	12,434	12,682
Supervisor Fees	1,128	4,510	4,600	4,692	4,786	4,882	4,979	5,079	5,181	5,284	5,390	5,498	5,608	5,720
Audit Fees	6,500	6,500	6,630	6,763	6,898	7,036	7,177	7,320	7,466	7,616	7,768	7,923	8,082	8,244
Investment Update & Valuation	1,375	5,500	5,610	5,722	5,837	5,953	6,072	6,194	6,318	6,444	6,573	6,704	6,839	6,975
Borrowing Costs & Bank Fees	1,000	8,050	5,885	1,040	4,064	5,553	1,104	3,964	6,846	4,042	1,195	1,219	1,243	1,268
Industry Subscriptions & Levies	7,371	14,302	19,170	24,063	28,708	29,282	29,868	30,465	31,075	31,696	32,330	32,977	33,636	34,309
Disbursements	7,000	7,000	7,140	7,912	7,428	7,577	7,729	7,883	8,041	8,202	8,366	8,533	8,704	8,878
Investor Meeting Costs	500	500	5,100	520	531	541	552	5,631	574	586	598	609	6,217	634
Contingency	3,000	3,000	3,060	3,121	3,184	3,247	3,312	3,378	3,446	3,515	3,585	3,657	3,730	3,805
TOTAL EXPENDITURE	5,514,274	371,655	492,221	508,648	523,763	205,294	261,539	195,649	155,453	279,310	324,196	326,211	323,943	170,907
RECEIPTS														
Capital Receipts														
Net Current Assets	25,819	42,632	(271,164)	101,607	135,977	(214,491)	146,709	62,530	(8,883)	(121,556)	100,820	0	0	0
Sale of Land & Improvements	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Income Receipts														
Land Rental	16,017	50,580	33,415	16,193	0	0	0	0	0	0	0	0	0	0
Replant Receipts	0	278,444	379,970	390,849	387,786	0	0	0	0	0	0	0	0	0
Carbon	0	0	0	0	0	69,785	114,831	133,120	164,335	400,866	692,682	750,242	935,258	1,128,577
TOTAL RECEIPTS	41,836	371,656	142,221	508,649	523,763	(144,706)	261,540	195,650	155,452	279,310	793,502	750,242	935,258	1,128,577
NET CASHFLOW	(5,472,438)	0	(350,000)	0	0	(350,000)	0	0	0	0	469,306	424,031	611,315	957,669
CASHFLOW FOR EACH INVESTMENT UNIT														
Calendar Year of Call Payment	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
Cash Payable per Unit per Annum	(10,945)	0	(700)	0	0	(700)	0	0	0	0	0	0	0	0
NPV of Tending Payable on Application	(2,593)	0	0	0	0	0	0	0	0	0	0	0	0	0
Payable on Application														
Calls Payable	(13,538)	0	(700)	0	0	(700)	0	0	0	0	0	0	0	0
Cash Receivable per Unit per Annum	0	0	0	0	0	0	0	0	0	0	939	848	1,223	1,915
TAX ANALYSIS FOR EACH INVESTMENT UNIT														
Tax Year ending December	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
Cashflow per Unit before Tax	(13,538)	0	(700)	0	0	(700)	0	0	0	0	939	848	1,223	1,915
Taxation Benefit at 33%	17	(2)	12	0	0	89	97	41	(6)	(80)	0	0	0	0
Taxation Payable at 33%	0	0	0	0	0	0	0	0	0	0	(243)	(280)	(403)	(632)
Cash Payable per Unit after Tax	(13,521)	(2)	(688)	0	0	(611)	97	41	(6)	(80)	0	0	0	0
Cash Receivable per Unit after Tax	0	0	0	0	0	0	0	0	0	0	695	568	819	1,283

Refer to assumptions on the previous page.

Note: Land and Improvements

The \$5,237,373 represents the value of the 100,000 shares in the Scheme. Entitlements to those shares were originally offered to investors in the existing forest investment in consideration for selling their respective interests in the Blairlogie Group Land LP. As from the Offer Opening Date, those original forest owners who elected to take the entitlement (Foundation Investors) are able to apply for their Shares. Those who elected not to take their entitlement will be paid out by FEG in exchange for the entitlement to their Shares. Any Foundation Investors who do not elect in writing to receive their allocation of Shares or for any other reason do not receive their Shares will be paid out by FEG.



Summary of Income and Expenses over Expected Life of the Investment (Continued)

2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	TOTAL
770.9	770.9	770.9	770.9	770.9	770.9	770.9	770.9	770.9	770.9	770.9	770.9	770.9	770.9	770.9	770.9	770.9	770.9
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5,237,373
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	235,000
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	220,216
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,170,221
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	882,485
9,973	10,172	10,376	10,583	10,795	11,010	11,231	11,455	11,684	11,918	12,156	12,399	12,647	12,900	13,158	13,422	13,690	306,768
4,986	5,086	5,188	5,292	5,397	5,506	5,616	5,728	5,843	5,960	6,079	6,201	6,325	6,451	6,580	6,712	6,846	153,394
3,881	3,958	4,038	4,118	4,201	4,285	4,370	4,458	4,547	4,638	4,731	4,825	4,922	5,020	5,121	5,223	5,328	124,704
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	20,673
30,723	33,009	35,374	37,820	40,350	42,927	45,541	48,197	50,894	53,632	56,411	59,231	62,092	64,994	67,937	70,921	73,945	806,811
10,452	10,661	10,875	11,092	11,314	11,540	11,771	12,006	12,247	12,492	12,741	12,996	13,256	13,521	13,792	14,067	14,349	329,810
31,784	32,420	33,068	33,729	34,404	35,092	35,794	36,510	37,240	37,985	38,744	39,519	40,310	41,116	41,938	42,777	43,633	969,087
12,936	13,195	13,459	13,728	14,002	14,282	14,568	14,859	15,157	15,460	15,769	16,084	16,406	16,734	17,069	17,410	17,758	405,681
5,834	5,951	6,070	6,191	6,315	6,441	6,570	6,702	6,836	6,972	7,112	7,254	7,399	7,547	7,698	7,852	8,009	184,090
8,408	8,577	8,748	8,923	9,102	9,284	9,469	9,659	9,852	10,049	10,250	10,455	10,664	10,877	11,095	11,317	11,543	270,193
7,115	7,257	7,402	7,550	7,701	7,855	8,012	8,173	8,336	8,503	8,673	8,846	9,023	9,204	9,388	9,576	9,767	224,499
1,294	1,319	1,346	1,373	1,400	1,428	1,457	1,486	1,516	1,546	1,577	1,608	1,641	1,673	1,707	1,741	1,776	72,363
34,995	35,695	36,409	37,137	37,880	38,637	39,410	40,198	41,002	41,822	42,659	43,512	44,382	45,270	46,175	47,099	48,041	1,079,573
9,055	9,236	9,421	9,609	9,802	9,998	10,198	10,402	10,610	10,822	11,038	11,259	11,484	11,714	11,948	12,187	12,431	291,606
647	660	673	686	700	714	728	743	757	773	788	804	820	836	853	871	888	56,565
3,881	3,958	4,038	4,118	4,201	4,285	4,370	4,458	4,547	4,638	4,731	4,825	4,922	5,020	5,121	5,223	5,328	124,704
175,964	181,155	186,482	191,958	197,564	203,306	209,182	215,192	221,336	227,614	234,026	240,572	247,252	254,066	261,014	268,106	275,342	13,165,815
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	8,752,317
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	116,205
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,437,048
1,438,098	1,879,728	2,185,832	2,449,354	2,656,970	2,821,408	2,952,759	3,056,509	3,142,549	3,204,397	3,247,646	3,293,674	3,345,743	3,402,748	3,459,899	3,502,522	3,534,469	53,963,997
1,438,098	1,879,728	2,185,832	2,449,354	2,656,970	2,821,408	2,952,759	3,056,509	3,142,549	3,204,397	3,247,646	3,293,674	3,345,743	3,402,748	3,459,899	3,502,522	3,534,469	53,963,997
1,262,134	1,698,573	1,999,349	2,251,225	2,459,406	2,618,723	2,746,372	2,847,161	2,924,528	2,991,354	3,032,770	3,076,982	3,133,108	3,180,414	3,242,923	3,283,375	3,326,470	51,103,750
2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	TOTALS
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(12,345)
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(2,593)
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(14,938)
2,524	3,397	3,999	4,502	4,919	5,237	5,493	5,694	5,849	5,983	6,066	6,154	6,266	6,361	6,486	6,567	24,131	114,552
2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	TOTALS
2,524	3,397	3,999	4,502	4,919	5,237	5,493	5,694	5,849	5,983	6,066	6,154	6,266	6,361	6,486	6,567	24,131	99,614
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	169
(833)	(1,121)	(1,320)	(1,486)	(1,623)	(1,728)	(1,813)	(1,879)	(1,930)	(1,974)	(2,002)	(2,031)	(2,068)	(2,099)	(2,140)	(2,167)	(2,187)	(31,959)
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(14,769)
1,691	2,276	2,679	3,017	3,296	3,509	3,680	3,815	3,919	4,008	4,064	4,123	4,198	4,262	4,346	4,400	21,944	82,593

Refer to assumptions on the page before the Cashflow Projection.



Sensitivity analysis of carbon price changes

Projected returns for sale of NZU's have been based on the 36-month average spot price to 30 June 2024 of \$67 per NZU on the Jarden Commtrade Secondary Market (see <https://www.commtrade.co.nz> for current spot price).

Based on 36-month average carbon prices to 30 June 2024, average yield per hectare is outlined in the table below depending on the area measure applied.

	Hectares	Total NZUs over investment term	Value per hectare over investment term at \$67/NZU
Post 1989 carbon stock area	729.15	563,481	\$51,777
Total productive gross area	770.90	563,481	\$48,973
Potentially Productive Area	818.8	563,481	\$46,108

Establishment and **tending** costs and other investment costs could continue to rise in price and not be matched by increases in carbon prices.

Projected return on Investment

Projected return for a 200-share parcel (using \$67 per NZU) without inflation	\$58,863 gross
--	-----------------------

This is the projected net revenue before tax calculated using the 36-month average spot price for NZUs and is the base case scenario. Costs to achieve this revenue are the application cost and projected Calls, together totalling \$14,938 based on 2024 figures.

Projected return for a 200-share parcel (\$67 per NZU) assuming inflation of 2% pa	\$99,614 gross
--	-----------------------

This is the projected net revenue before tax calculated using the 36-month average spot price for NZUs with inflation at 2% p.a. Costs to achieve this revenue are the application cost and projected Calls, together totalling \$14,938.

Internal Rate of Return (IRR)

The percentage return on a forestry investment is the calculated Internal Rate of Return (IRR). The IRR is the discount rate at which discounted costs equal discounted revenues — i.e. the discount rate at which present value cash flows equal zero. Provided all other factors are equal, the IRR provides a basis to compare forestry investments.

Based on the assumptions set out, assuming 36-month average price per NZU of \$67:

Gross IRR based on \$67 price per NZU no inflation	7.73%
Gross IRR based on inflation adjusted \$67 price per NZU	9.79%

What happens if carbon prices increase or decrease?

Carbon prices and costs will change in value during the term of the investment resulting in variations to the projected returns. The following shows the impact of carbon price changes from the 36-month average to 30 June 2024 prices:

Carbon price Change Over Term	Projected pre-tax return based on 2024 dollars for a 200-share parcel	IRR
IRR based on Carbon price of \$100 per unit, no inflation	\$94,199	10.18%
IRR based on Carbon price of \$80 per unit, no inflation	\$72,783	8.79%
Base scenario: IRR based on \$67 price per NZU no inflation	\$58,863	7.73%
IRR based on Carbon price of \$50 per unit, no inflation	\$40,607	6.07%
IRR based on Carbon price of \$40 per unit, no inflation	\$29,867	4.88%



Historic carbon price

The graph below demonstrates the inherent volatility of carbon prices. It plots the price history of the NZU spot price from October 2012.

Historic NZU price series – October 2012 – June 2024



The above price history of NZUs is produced with the permission of Jarden Securities Limited.

The 36-month average spot price for NZUs on the Jarden Commtrade Secondary Market to 30 June 2024 was \$67.37 (see <https://www.commtrade.co.nz> for current spot price).

NZU 36-month spot price to 30 June 2024



The above price history of NZUs is produced with the permission of Jarden Securities Limited.

What happens if the recoverable volume of Carbon Credits per hectare increases or decreases?

As the Post-1989 forest area is greater than 100 hectares, the field measurement approach for measuring carbon stock changes must be utilised. If the plots required to be updated every 5 years indicate less carbon, then less carbon would be received.

The above returns are not guaranteed. Investors should also refer to *Risks to Returns* in Section 7.



7. Risks to returns from the Blairlogie Pine Investment

No investment is without risk. For this forestry investment, the risks which may influence the amount to be paid in and the projected return fall into the following main categories:

Risk	Management
Crop Risk	<p>If the yield from the Trees is less, returns from the investment will be less.</p> <p>There is the risk that unfavourable climatic events, disease and fire may cause loss of some or all of the Trees or the forest producing less volume, less carbon capture and poorer quality logs.</p> <p>Mitigating Factors</p> <ul style="list-style-type: none"> Some of these risks are minimised by careful forest management in line with the Forest and Carbon Management Plan. Insurance cover is currently in place to reduce the risk in respect of fire damage to the Trees. The Manager will retain insurance cover for the forest as it considers appropriate with reference to the terms, price and availability of cover. The Manager's view is that changes in anticipated yield is a possibility, but these forests have successfully produced similar yields off the first crop rotation.
Carbon Risk	<p>Government policy around the ETS could alter how many NZUs are available to be sold and the price at which Carbon Credits trade.</p> <p>If an unexpected event occurs such as fire, there is no requirement to repay NZUs, but no further Carbon Credits would be issued until 'pre unexpected event' Carbon Credits were replenished.</p> <p>The investment has second rotation Post-1989 forest area. Following harvest of the first rotation, there will be a lag until around 2029 before Carbon Credits are available to be sold.</p> <p>Mitigating Factors</p> <ul style="list-style-type: none"> If the price of carbon reduces such that investment returns would be greater from harvesting than selling NZUs, the option of harvest remains available to the Investment as an alternative revenue strategy. The New Zealand Government's international climate commitments through the Paris Agreement oblige the Government to reduce emissions and achieve climate neutrality by 2050. The New Zealand Emissions Trading Scheme is in place to support these commitments and carbon sequestration by forestry is critical to achieving these targets.
Market Risk	<p>If demand for or supply of Carbon Credits changes over time investment returns may change.</p> <p>There is the risk associated with changes in supply and demand for Carbon Credits over time resulting in changes in prices relative to the assumptions contained in the projection scenarios. If the demand reduces, projected returns are likely to reduce.</p> <p>Mitigating Factors</p> <ul style="list-style-type: none"> A significant drop in Carbon Credit pricing and uncertainty regarding the future application of the NZ ETS scheme to forestry is mitigated through a silviculture regime that preserves the production potential of the forest. This enables the opportunity to harvest if investment returns are greater from harvesting than selling Carbon Credits.
Operating Environment Risk	<p>Any of the following factors could increase Calls or reduce investment returns.</p> <p>There is the risk of inflation, interest rate changes, exchange rate fluctuations and changes in taxation rates and regimes.</p> <p>The Manager's view is that changes in operating environment are inevitable given the long-term nature of the investment. In preparing projected information for the expected life of the Scheme, the Manager has based its expectations for the future on the assumptions set out in Section 6 including inflation at 2% pa. Any one of these assumptions may end up being materially different to what occurs. Investors should consider this along with sensitivity analysis set out in the previous section.</p> <p>Compliance costs becoming more expensive is a risk, especially if there is further government intervention into forestry practices.</p> <p>Mitigating Factors</p> <ul style="list-style-type: none"> Cost inflation is likely to be mitigated by revenue inflation. There is the possibility that the Manager may not be available to manage the investment for the full term, although this is considered unlikely. The level of overdraft is low so the impact of any interest rate changes should not be material.



Were they to occur and if not appropriately managed by the Manager, these circumstances could have a material adverse effect on the Scheme's financial position or future financial performance through a decrease in revenue or an increase in costs. The Manager has taken, and will in the future take, steps to mitigate the effects of these circumstances. However, some risks may not be fully capable of mitigation.

Investors should carefully consider these risks – together with other information in this PDS – before deciding whether to invest in the Scheme.

The description of the circumstances in this section does not consider the personal circumstances, financial position or investment requirements of any person. It is therefore important that, before deciding whether to invest in the Scheme, you consider the suitability of an investment in the Forestry Investment in light of your individual risk profile for investments, investment objectives and personal circumstances (including financial and taxation issues).



Creating wealth. Naturally.

There are very few opportunities for individuals to invest in forestry in New Zealand. Most prime forests in the best locations are already in corporate ownership.

Since 1972, Forest Enterprises has made forestry investment accessible to retail investors. We've helped thousands of Kiwis grow their wealth through direct investment in sustainably managed forests.



8. What are the fees?

The fees and expenses charged by any person in respect of the Scheme fall into three main categories – “Set up fees and expenses”, “Investor fees if applicable” and “Ongoing fees chargeable to the Scheme”. These are set out in turn below.

All references to fees throughout this PDS are exclusive of GST, if applicable.

Set up fees and expenses

The fees and expenses charged to the Scheme on its set-up are:

Manager and Associated Persons	Nature of Fee	Period to 31 December 2024
Offeror's Fee	Payable to FEG who will pay Issuer fees and costs including brokerage	\$120,000
Legal Fees	FEL internal Legal Fees for documentation	\$47,800
Other Party Fees		
Legal Fees	Supervisor Review of Scheme Documentation and external legal fees relating to the Investment	\$46,000
Supervisor	Set-up Fee	\$5,000
Regulatory fees	PDS, Scheme Registration & FMA Levy	\$7,200
Assurance Fees	Fees paid to Forme for their review of the Forest Plan and to Grant Thornton for their review of the Prospective Financial Information contained on the offer register	\$9,000
Total Fees		\$235,000

The above fees are payable by the Scheme. In respect of the legal fees and other expenses, the Manager may have already met these costs on behalf of the Scheme prior to registration of this PDS and, accordingly, is entitled to reimbursement. Other fees may be paid by the Manager between the dates of settlement and this PDS. Those fees will be reimbursed to the Manager. These fees will not change as they are incurred upfront and the Manager is responsible for any under or overs.

Investor fees (if applicable)

Fees chargeable to an Investor only apply if the particular non-routine service is used, and are:

Investor fees (if applicable)		
Manager and Associated Persons		
Secondary Market Fees	The fees for selling on the secondary market are a \$375 listing fee plus brokerage of \$350 for sales values up to \$10,000 and an additional 2% over \$10,000.	
Share Transfer Fees	A fee of \$150 applies to transfer of the investment into different names, after the initial application.	
Default Fees	The Manager is entitled to recover from a Defaulting Investor all reasonable costs incurred as a result of the default. See further clause 20.4 of the Deed of Scheme Management.	
Credit Card Fees	Investors must ensure that the annual Call amount received is the actual amount of the Call net of any charges deducted by any bank. If Investors choose to pay by Visa/Mastercard, the Call amount will be grossed up by the bank charge, currently 0.90% for domestic cards and 2.70% for international credit cards.	

Investor fees may be either fixed or variable depending upon the nature of service being provided. Fixed fees plus an hourly rate for variable fees shall be as approved by the Supervisor and reported annually in the Scheme's financial statements.



Ongoing fees chargeable to the Investor

Annual Investor Administration Fee*

Maximum Fee - \$60 charged once per Investor per year regardless of the size of their shareholding.

Ongoing fees chargeable to the Scheme

The ongoing fees and expenses anticipated to be charged to the Scheme are:

Ongoing Scheme fees

Manager and Associated Persons

Base Management Fee*	\$30 per Potentially Productive Area (hectares) per annum
Forest Activity Supervision Fee	20% of the actual cost of work actively supervised
Non-harvest Income Fee	Up to 10% of income actively coordinated and supervised
Fee on sale of NZUs	A coordination and supervision fee of 5% of sale proceeds net of brokerage (subject to a minimum fee of \$2.00 per NZU) received by the LP from the sale of Carbon Credits managed by the Manager
Investment Update and Indicative Valuation Fee*	A fee of 5.5 cents per share (\$5,500 per annum for whole Scheme)
Harvest Management Fee	Commercial Fee to be agreed with the Supervisor prior to any commencement of harvest if applicable

Other Fees and Expenses

Direct Forestry Expenditure	The Manager is authorised to undertake work in accordance with the Forest and Carbon Management Plan
Supervisor's Fees	Estimated \$4,510 per year
Audit Fees	Financial Audit estimated \$5,000 per year Forest Audit estimated \$1,500 per year

*From 1 January each year, this fee will be adjusted by the Consumer Price Index (CPI)

For the avoidance of doubt, the Manager may incur and pay such fees, costs and expenses otherwise payable by the Scheme on the Manager's own account and claim recovery for such fees, costs and expenses from the Limited Partnership. In addition to the fees, the Manager may recover from the Limited Partnership reasonable disbursements.

Where it is commercially practical (and in the reasonable opinion of the Manager, not otherwise disadvantageous to the Limited Partnership) for the Manager to undertake work that could otherwise be contracted to a third party, and for which a coordination and supervision fee would be payable to the Manager, the Manager may undertake such work and charge a commercially reasonable fee plus disbursements for that work (the charge will be comparable to that payable to a third party).

How the Manager's fees can be changed

In addition to the annual adjustment by the increase in the CPI, the Manager's fees may be reviewed from time to time with any variation in such fees to be approved by an Ordinary Resolution of the shareholder of the General Partner (subject to the Beneficial Shareholder Direction Process). The Supervisor may however approve the variation or modification of a fee charged to the Limited Partnership if it believes the variation or modification to be fair and equitable to both the Manager and the Limited Partnership and where in the Supervisor's opinion the variation does not warrant the time and expense of approval by Ordinary Resolution.

How other fees can be changed

External operational costs which constitute Direct Forestry Expenditure such as insurance and rates change subject to market conditions. Supervisor fees and other third-party costs like audit fees would change subject to agreement with the Manager. Investors will be notified of changes to third-party fees via the annual financial statements each year.

Estimate of ongoing fees and expenses

There is no most recent accounting period for the Scheme. Refer to prior page for the set-up fees for the period to 31 December 2024.



An estimate of ongoing fees and expenses for the period to 31 December 2024 and the year to 31 December 2025 are as follows:

Ongoing Investment Fees & Expenses				
Manager and Associated Persons	Period Ended 31 December 2024	% of Scheme Net Assets	Period ended 31 December 2025	% of Scheme Net Assets
Base Management Fee	\$1,778	0.03%	\$10,490	0.19%
Investor Admin Fee	\$0	0.00%	\$10,000	0.18%
Forest Activity Supervision Fee	\$2,934	0.06%	\$43,842	0.80%
Investment Update & Indicative Valuation Fee	\$1,375	0.03%	\$5,500	0.10%
Investor Meeting Costs	\$500	0.01%	\$500	0.01%
Disbursements	\$7,000	0.13%	\$7,000	0.13%
Other Fees and Expenses				
Direct Forestry Expenditure	\$5,867	0.11%	\$203,423	3.69%
Supervisor's Fees	\$1,128	0.02%	\$4,510	0.08%
Audit Fees	\$6,500	0.12%	\$6,500	0.12%
Insurance	\$2,658	0.05%	\$3,870	0.07%
Levies	\$6,143	0.12%	\$11,918	0.22%
Rates	\$2,020	0.04%	\$8,080	0.15%
Interest Charges	\$1,000	0.02%	\$8,050	0.15%
Contingency	\$3,000	0.06%	\$3,000	0.05%
Total	\$41,901	0.8%	\$326,683	5.93%

In addition, there is the annual \$60 Investor Administration Fee charged once per Investor per year in any investment regardless of the size of their shareholding.

Note: Direct Forestry Expenditure shown above is included with expenses for completeness. However, it more directly relates to increasing the value of the Scheme Property, not operating costs of the Scheme.

Subsequent period fees and expenses

The Offer Register contains Prospective Financial Information for the expected life of the investment. The PDS includes a cashflow summary based on this information, where all fees and expenses are initially based upon 2024 costs, before applying inflation at 2% per annum from 2026.



9. Tax

Tax can have significant consequences for investments and can affect your returns from this Investment.

If you have queries relating to the tax consequences of investing in Blairlogie Pine Investment, you should seek independent tax advice from a professional advisor.

General overview

Each Investor is assessed individually on their proportionate share of the profit (loss) from the Scheme each year, given each Investor is a limited partner in a Limited Partnership (LP). In June each year, Forest Enterprises will advise each Investor of the amount of their profit (loss).

Until the year an income stream commences, the investment will generate tax losses each year which will be available for offset against other income of the Investor. Tax losses will be highest in the early years when a large proportion of the silviculture is being carried out.

Partners on the Register of Partners at the end of the LP's financial year (31 December) will be allocated the full year's profit or loss for tax purposes pro rata to their respective LP shares. It is important to note that allocation will have no regard to transfers during the year, so any transfer price should reflect the consequences of whether the buyer or seller has paid any Call or received any Distribution during the year of transfer.

Tax when holding the Investment and when distributions are paid

Under current tax law, net income will be paid to Investors as a gross amount and Investors will be responsible for paying tax at their marginal rate. The net return to Investors will depend on their marginal tax rate at the time of distribution.

Where harvesting is carried out, the harvest income allocation rules in the Income Tax Act 2007 entitle Investors to allocate current year harvest income between the year of harvest and the three preceding income years. If allocation is utilised to return harvest income to prior income years, Investors can potentially avoid provisional tax consequences relating to underestimating any harvest income in the current income year.

Tax if selling the Investment before the scheduled end in 2054

If an Investor sells shares before the scheduled end and the share transfer value is under the \$50,000 threshold in section HG 5 of the Income Tax Act 2007, no tax is payable by the Investor selling their LP shares and the purchaser is deemed to inherit the seller's cost basis for tax purposes.

On the other hand, if the tree portion of the share sale is over the \$50,000 threshold, the tree value is taxable income to the seller and the seller would deduct their personal Cost of Timber against the income. Assuming the shares were purchased under the PDS, the personal Cost of Timber to the seller is the same as an Investor's proportionate share of the Investment's Cost of Timber (see above).

Tax if buying additional shares on the secondary market after the PDS is closed for applications

If an Investor buys shares from a seller who is selling shares under the \$50,000 tree value threshold in section HG 5 of the Income Tax Act 2007, the buyer would inherit the seller's cost basis and would likely be in the same position as someone who bought shares under the PDS.

If an Investor buys further shares where the tree value is over the \$50,000 threshold, the buyer of the shares receives a further Cost of Timber deduction for the Tree portion of the purchase price paid to the seller.

Tax laws can change and the above statements are accurate at the date of this document.



10. About Forest Enterprises Limited and others involved in the Blairlogie Pine Investment

About Forest Enterprises Limited

FEL is the Manager of the Scheme. FEL is licensed under the FMC Act to manage Managed Investment Schemes (excluding managed funds) which are primarily invested in forestry assets.

FEL is New Zealand's longest established full-service forest management and investment services company. Since 1972, FEL has been helping people grow their wealth through affordable direct investments in some of New Zealand's most exceptional *Pinus radiata* plantation forests, and expertly managing the forests from establishment to harvest.

FEL is 100% owned by parent company, FEG, which carries out the forest and harvest management activities. Bert Hughes, Liz Brown and Gordon Wong are directors of both companies.

FEL forestry schemes (such as the Blairlogie Pine Investment) are structured to provide Investors with a long-term investment in forests, while seeking to minimise the administrative and operational burdens of private forestry ownership.

FEL a licenced forestry investment manager which has a diverse range of skills across the owners and key executives in the business.

Executive and Non-Executive Directors of FEL



Bert Hughes – CEO
NZCF, BBS, NZIF Registered
Forestry Consultant, CMInstD



**Liz Brown – Finance
Director** BCA, MBA



**Gordon Wong – Legal
Services Director** LL.M
(Hons), Barrister and Solicitor

See Section 2 *How the Scheme Property will be managed* for further details on the FEL Executive Directors.



Yogesh Mody BCA (Hons), CA, MinstD
Independent Director, Forest Enterprises Limited

Being independent means that Yogesh has no shareholding in either FEL or its parent company FEG, nor is he a company executive. This enables him to discharge his governance responsibilities independently through an external lens.

Yogesh brings an objective governance perspective to the board and a wealth of knowledge and experience. He has spent over 35 years in the banking and financial services industry, including over 20 years as a corporate trustee at Trustees Executors Limited.

In addition to Bert Hughes, Malte Coulmann, Gordon Wong and Liz Brown, Tom Otterson and Warren Rance are also shareholders and directors of FEG as well as being fulltime company executives



Tom Otterson BE (Hons)
**Southern North Island
Regional Manager**

Tom is responsible for the major harvest programme of Forest Enterprises' 10,000ha Wairarapa estate. He ensures our Investors' forests are harvest-ready, and that forestry and harvesting operations are coordinated and optimised.



Warren Rance Nat Dip
Forestry, MBA, MinstD
**Gisborne Regional
Manager**

Warren is responsible for implementing, developing, and maintaining high quality forests through the forestry cycle. His focus is on implementing safe, coordinated operations to maximise returns while contributing positively to environmental outcomes of forestry investments.



Refer to www.forestenterprises.co.nz/about-us/meet-our-people for further information on directors and staff.

Contact details

The Manager may be contacted in the following ways:

At its office 5 Papawai Place, Masterton 5810
 Post PO Box 128, Masterton 5840
 Phone 0800 746 346 or +64 6 370 6360
 Fax +64 6 370 6369
 Email invest@forestenterprises.co.nz

Who else is involved?

Party	Name	Role
Supervisor	Trustees Executors Limited (FSP37383)	Trustees Executors Limited has been appointed Supervisor for the Scheme. The Supervisor will monitor compliance with the Governing Documents and fulfil the role of Supervisor under the Financial Markets Conduct Act 2013 and Financial Markets Supervisors Act 2011.
Custodian	TEA Custodians (Forest Enterprises) Limited	The Supervisor has appointed TEA Custodians (Forest Enterprises) Limited, a wholly owned subsidiary of Trustees Executors Limited (FSP37383) as the Custodian for the Scheme. The Custodian will be the registered proprietor of the Land on trust for the Limited Partnership in accordance with the Governing Documents. The Custodian will also hold on trust all other Scheme assets not otherwise held in the name of Trustees Executors Limited as Supervisor.
Forest Manager	Forest Enterprises Growth Limited	At all times, the Manager remains responsible for the Scheme, however the coordination and supervision of the field work relating to the Land and Trees is undertaken by the Forest Manager.
Forest Auditor	Forme Consulting Group Limited	The Forest Auditor inspects the forest and provides an independent report each year to Investors which is included in the annual financial statements.
Financial Auditor	Grant Thornton New Zealand Audit Limited	The Financial Auditor undertakes the financial and other audits in accordance with the FMC Act and the Scheme's Governing Documents.



Right team, right return

Having the right people on the team is essential to Forest Enterprises' ability to deliver returns to our investors.

You can have confidence that your Blairlogie Pine Investment is being managed by a team of professionals, specialising in forestry, client services and financial administration. Our team includes New Zealand Institute of Forestry Registered Foresters, qualified accountants and in-house legal expertise.

Our skilful management of both the forest and the investment is what sets Forest Enterprises' investments apart.

11. How to complain

Complaints about the Manager, or about the Blairlogie Pine Investment, should be made in the first instance to Head of Managed Investments, Nicola Black at the address of the Manager:

Forest Enterprises Limited		
5 Papawai Place PO Box 128, Masterton New Zealand	Phone	+64 6 370 6916
	Email	nblack@forestenterprises.co.nz

If the complaint remains unresolved, the Supervisor can be contacted, or Financial Services Complaints Limited (FSCL).

The contact details of Supervisor, Trustees Executors Limited are:

Trustees Executors Limited		
Level 9, Spark Central 42-52 Willis Street PO Box 10-519, Wellington New Zealand	Phone	+64 9 308 7100
	Email	gjo@trustees.co.nz

As a financial service provider registered under the Financial Service Providers (Registration and Dispute Resolution) Act 2008, Forest Enterprises Limited is a member of an approved dispute resolution scheme (registration number FSP37784). This scheme is operated by FSCL. There is no charge for using the services of FSCL to investigate or resolve a complaint.

The contact details of FSCL are:

Financial Services Complaints Limited		
Level 4, 101 Lambton Quay PO Box 5967 Wellington	Phone	0800 347 257
	Email	info@fscl.org.nz or complaints@fscl.org.nz
	Website	www.fscl.org.nz



12. Where you can find more information

The following further information relating to the Scheme and the managed investment products is available on the Companies Office Disclose Register at www.companiesoffice.govt.nz/disclose, or on request to the Registrar.


Offer Register	Scheme Register
<ul style="list-style-type: none"> • Full Prospective Financial Statements • Grant Thornton's limited assurance engagement opinion • Forest and Carbon Management Plan • Forme Consulting Group's audit report on the Forest and Carbon Management Plan • Independent Land Valuation Reports for the forest property 	<ul style="list-style-type: none"> • Statement of Investment Policy & Objectives (SIPO) • Deed of Scheme Management • Limited Partnership Agreement • Constitution of General Partner
Search 'Blairlogie Pine Investment' under 'Search Offers'.	Search 'Blairlogie Pine Investment' under 'Search Schemes'.

No other information relating to the Scheme will be available other than the information contained in this PDS and on the Offer Register and Scheme Register.

All information available on the Offer Register and the Scheme Register is also available on request free of charge from the Manager:

Forest Enterprises Limited		
5 Papawai Place PO Box 128, Masterton New Zealand	Phone	0800 746 346 or +64 6 370 6360
	Email	invest@forestenterprises.co.nz
	Website	www.forestenterprises.co.nz

Or contact our Client Team directly:

Client Services Team		
	<p>Sean was Forest Enterprises' client manager at Trustees Executors Limited for 17 years before joining our team. He has a deep understanding of our investment products, of our responsibilities as an investment manager and, most importantly, of our clients.</p> <p>Sean is responsible for all aspects of our investor relations which includes client communications and compliance.</p> <p>See Section 2 <i>How the Scheme Property will be managed</i> for further details on Nicola.</p>	
<p>Sean Roberts – Customer Services Manager</p> <p>Mob. +64 21 822 802 sroberts@forestenterprises.co.nz</p>		<p>Nicola Black – Head of Managed Investments</p> <p>Mob. +64 27 489 9320 nblack@forestenterprises.co.nz</p>



13. How to apply

To apply, prospective Investors must provide the following:

- A completed and signed Application Form (and Power of Attorney)
- For Investors new to the Manager, or those existing Investors who have not provided the necessary information required by the legislation, the identification and other Anti-Money Laundering due diligence information referred to on the Form in Parts D and E
- Payment of the total application amount

Who can invest?

- **Individuals, couples and families can invest jointly.** Please use the *Application Form* at the end of this PDS
- **New Zealand Trusts, Companies, and Partnerships can invest.** Please download the relevant Application Form from our website www.forestenterprises.co.nz/forms, or request a copy by email or by post.

How to Invest

Please complete Parts A and C of the Application Form (all shaded boxes), having read Part B. If required of you, please also complete Parts D and E.

Part A Applicant Details	This information is required for the Managed Investment Scheme records. The Overseas Person disclosure is required for the purposes of the Overseas Investment Act 2005 and the Anti-Money Laundering and Countering Financing of Terrorism Act 2009. We will advise any further steps if required.
Part B Limited Power of Attorney	This is a strictly limited Power of Attorney in favour of Trustees Executors Limited to enable them to attend only to the statutory and procedural matters relating to the operation of the Managed Investment Scheme. The Power of Attorney specifically excludes the Attorney from participating in any decision affecting the forestry activity, any decision that may affect your investment contributions, or share of the harvest proceeds.
Part C Signature(s)	The Application Form must be signed by all Investors and Investors must be of full legal capacity: an individual who has attained the age of 18 years and is competent to manage their own affairs in relation to property. All signatures must be witnessed – the witness must be 18 years or more, of full legal capacity, and independent i.e. not a partner, spouse or family member, and not another investor.
Part D Customer Due Diligence	Under New Zealand's Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (AML), we must obtain from you relevant information on the nature and purpose of the proposed business relationship you will have with FEL. This applies to all Applicants investing with FEL for the first time. We may seek this from existing Investors if required by legislation.
Part E Identity Verification for New Customer	New Zealand's AML requires all Investors to provide proof of identification and residential address. The accepted documentation is outlined in Part D. This applies to all Applicants investing with FEL for the first time.

Returning your application

Please scan the completed Application Form and return with all required supporting documentation by email to invest@forestenterprises.co.nz. Or post to Forest Enterprises, PO Box 128, Masterton 5840.

If you require help

Please call 0800 746 346 (PINEGOLD) or +64 6 370 6360 to speak with Nicola Black or Sean Roberts about your application. Additional copies of this Application Form, including the Form for Trusts, can be downloaded from our website www.forestenterprises.co.nz/forms or contact us to request a copy.

Privacy Act statement

Applicants have the right under the Privacy Act 2020 to obtain access to, and request correction of, all personal information held by Forest Enterprises Limited. Unless contrary directions are given to Forest Enterprises Limited, the company may from time to time provide information to the Applicant on future investments, financial services, or products that Forest Enterprises believes may be of interest or benefit to the Investor.

A copy of Forest Enterprises' Privacy Policy is available on request and is available at www.forestenterprises.co.nz/privacy-policy



Glossary of terms

beneficial ownership	Investors hold limited partner shares in Bideford Forest LP, plus beneficial ownership of an equal number of shares in the General Partner, Bideford Forest GP Limited. For administrative and compliance purposes, these General Partner shares are held in bare trust for the Investors by the Manager in its capacity as “the GP Share Trustee”. Under the Governing Documents, the beneficial owner has full voting rights on all important decisions which require a resolution of General Partner shareholders.
Beneficial Shareholder Direction Process	Is the process by which the Investors, as the beneficial owners of the shares in the General Partner, will instruct the GP Share Trustee to vote on important shareholder decisions.
call	This Managed Investment Scheme is contributory by nature. Investors are required to meet their share of the annual budget to undertake the work related to the management of the forest assets and costs arising from managing the Investment. This obligation results in calls made by the Manager for contributions to meet costs and expenses.
carbon accounting area, CAA	A CAA is the basic area used to track carbon stock changes in Post-1989 forests registered in the Emissions Trading Scheme. New Zealand Units (NZUs, ‘Carbon Credits’) are earned or paid for based on changes in the carbon stock of each CAA. A CAA is a contiguous block of trees in the same age class, and can be of any size, minimum 1 hectare.
Carbon Credit	See New Zealand Unit / NZU.
Cost of Timber	Cost of Timber is a technical area of New Zealand tax law relating to deductions for certain forestry expenditure. The main purpose of section DP 11 of the Income Tax Act 2007 is to allow a deduction for certain forestry expenditure that might not otherwise be deductible. A vendor is entitled to deduct the ‘cost of timber’ from the proceeds realised from the sale of such timber. The cost of timber includes the purchase price of the timber where it is purchased as standing timber, or the acquisition cost of a right to take timber.
Custodian	The Custodian of Blairlogie Pine Investment is TEA Custodians (Forest Enterprises) Limited, a wholly owned subsidiary of Trustees Executors Limited. The Custodian must be independent of the Manager and holds the Scheme Property in trust for the Investors in accordance with the FMC Act.
Deed of Scheme Management or DOSM	The Deed of Scheme Management is the pre-eminent governing document in respect of the Blairlogie Pine Investment, and incorporates all the elements required under the FMC Act for the administration, management and governance of the Scheme.
distribution	The cash return to Investors from the net proceeds of harvest revenue. Payment of distributions is likely to be made at quarterly intervals once cashflow from harvest has commenced and harvest expenses have been paid.
establishment	The planting phase of a forest, all the physical operations needed to bring a Tree into being, including the purchase of land.
first rotation	A rotation is the period of time from when a forest is first planted to when it is harvested. The first rotation refers to the first period that Trees are grown on a particular area of land. All the forests in Blairlogie Pine Investment are second rotation forests.
FMC Act	Financial Markets Conduct Act 2013
Forest Enterprises Growth Limited or FEG	FEG is the parent company of FEL. It is a forestry management company which provides comprehensive forestry management services, harvest management, log sales and other associated services. It is the Offeror of shares in the Blairlogie Pine Investment.
Forest Enterprises Limited or FEL	FEL is the Issuer and licensed Manager of the Blairlogie Pine Investment and undertakes the Scheme administration.
Forest and Carbon Management Plan, or Plan	The Plan sets out the activities for the establishment, management, sale and harvest of the Pinus radiata forest and the associated carbon credits which form the primary asset of the Blairlogie Pine Investment. It is managed by the Forest Manager.
Forestry Management Services Agreement	FEG is appointed by FEL to provide all of the silviculture, harvesting and forestry management services necessary for the establishment, maintenance, growth and harvesting of the forests, and to market the forest produce. These services are



	contracted out by the Manager to FEG under the Forestry Management Services Agreement.
Forest Manager	Forest Enterprises Growth Limited is the Forest Manager, responsible for carrying out the Forest and Carbon Management Plan for Blairlogie Pine Investment.
Foundation Investor	A current partner in Blairlogie Forest Investment LP and Blairlogie North Forest Investment LP being the two forest investments which sold their land and second rotation trees to the LP in order to form Blairlogie Pine Investment.
Framing Regime	The Framing Regime is thinning the trees but with no pruning. It is a low-cost regime that produces high volumes of medium to large diameter logs, mostly with small to medium size branches. These logs are well suited to both the domestic sawmilling industry and the production of quality framing grade timber, as well as the log export market.
General Partner or GP	Under the Limited Partnerships Act 2008, the General Partner (GP) is the person responsible for the day-to-day management of the Limited Partnership and its business. This management responsibility has been contracted out by the GP to the Manager. However, limited partners retain control by holding beneficial ownership of shares in the GP and voting on resolutions on key decisions affecting the Investment.
GP Share Trustee	The Manager is the GP Share Trustee, and in this capacity acts as nominee shareholder of all the shares in the GP holding the shares as bare trustee for the Limited Partners. Each Limited Partner's beneficial ownership in the GP shares is in the same proportion as each Limited Partner's proportion of shares in the Limited Partnership.
Governing Documents	The Governing Documents are the Deed of Scheme Management and Limited Partnership Agreement, and any other deeds, agreements or instruments that constitute or govern the Blairlogie Pine Investment for the purposes of the FMC Act. These are available to read and download from the Scheme Register at www.companiesoffice.govt.nz/disclose by searching 'Blairlogie Pine Investment' under 'Search Schemes'.
gross	Amounts quoted as gross in this document mean <i>before tax</i> (or <i>pre-tax</i>).
Hold Period	Until FEG has sold all its shares under the Offer (as well as any additional Shares it acquires), there is a Hold Period where Investors will not be able to sell their shares on the secondary market.
improvements	The roading, fencing and any other valuable additions made to the Land but excludes the Trees which are valued separately.
Internal Rate of Return or IRR	Internal rate of return (IRR) is a metric used in capital budgeting to estimate the profitability of potential investments. IRR on a forest investment is the rate of return that makes the net present value of all cash flows (both positive and negative) from a particular investment equal to zero. It can also be defined as the discount rate at which the present value of all future cash flow is equal to the initial investment or, in other words, the rate at which an investment breaks even. IRR calculations rely on the same formula as NPV does.
Investment	The registered Managed Investment Scheme, Blairlogie Pine Investment, in which Investors purchase shares. This PDS refers to the Investment also as a 'Scheme' or the 'LP'.
Investor	The person(s) who own shares in the Managed Investment Scheme that is Blairlogie Pine Investment.
Investor Administration Fee	An annual fee of \$60 per year charged to each investor regardless of the size of their shareholding in the Investment.
Issuer	According to the FMC Act, in relation to a managed investment product, the Issuer is the Manager of the Managed Investment Scheme. Therefore, as the Manager of Blairlogie Pine Investment, Forest Enterprises Limited is the Issuer.
Land	There are 4 titles of Land which are owned by the Scheme and on which the Trees have or will be planted: WN33B/892; WN42D/620; WN42D/621; WN42D/622
Limited Partners	The Investors in Blairlogie Pine Investment as limited partners and holders of shares in the Blairlogie Pine LP.
Limited Partnership or LP	The registered MIS, Blairlogie Pine Investment has been structured as a Limited Partnership, Blairlogie Pine LP. The LP is an 'other managed investment scheme' for the



	purposes of the FMC Act and, accordingly, in certain places, this PDS refers to the LP as a 'Scheme' or the 'Investment'.
Limited Partnership Agreement	A Limited Partnership must have a written partnership agreement which sets out the matters agreed between the GP, the LP and the limited partners in respect of the operation of the Limited Partnership and the conduct of its business.
Managed Investment Scheme or MIS	<p>Blairlogie Pine Investment is a Managed Investment Scheme registered under the FMC Act.</p> <p>Generally, in a MIS:</p> <ul style="list-style-type: none"> • a group of people are brought together to contribute money in return for shares in the scheme • money is pooled together and used in a common enterprise • financial benefits are produced principally by the efforts of another person under the scheme • a 'responsible entity' (a licensed Manager) operates the scheme meaning that investors do not have day-to-day control over the scheme's operation <p>Property investment such as forestry (land and trees) is a common type of MIS. Typically, an MIS manager will exercise skill and provide expertise and decision-making in managing the forest and administering the investment. The Supervisor acts on behalf of the Investors to supervise the performance of the Manager and ensure it complies with its obligations under the FMC Act and the Governing Documents.</p>
Manager	<p>In relation to a registered Scheme, the Manager is the person appointed to manage the Scheme Property and investments and administer the scheme.</p> <p>Forest Enterprises Limited is the licensed Manager of Blairlogie Pine Investment.</p>
Net Stocked Area	The actual area of land in the forest that has Trees planted on it.
New Zealand Unit / NZU	New Zealand Units (NZUs) are the primary domestic unit of trade in the Emissions Trading Scheme and have a monetary value. An NZU represents one metric tonne of carbon dioxide equivalent (CO ₂ e) and can cover both emissions and removals. Also referred to as 'Carbon Credits'.
Offer or Intended Offer	Inviting applications for the issue and/or purchase of financial products.
Offer Register	The Offer Register contains information about financial products, issuer details and documents such as product disclosure statements. It is managed by the Companies Office and is found online at www.companiesoffice.govt.nz/disclose .
Offeror	According to the FMC Act, in relation to the offer of new financial products, the Offeror is the person who has the capacity, or who agrees, to transfer the financial products if the offer is accepted. Therefore, as the owner of the Blairlogie Pine Investment shares that will be transferred upon application, Forest Enterprises Growth Limited is the Offeror.
Ordinary Resolution	A resolution passed at a meeting of the Limited Partnership (or shareholders resolution of the General Partner) by a simple majority of limited partners (or beneficial owners of the GP shares) who are entitled to vote and, in voting, vote in favour of the resolution. An ordinary resolution is required for making most investor decisions.
pine	Pinus radiata. A fast-growing soft-wood tree that grows up to 35 metres and has many commercial uses. It is the most commonly grown tree in New Zealand's plantation forests.
Plan	See Forest and Carbon Management Plan.
Post-1989 forest land	Under the Climate Change Response Act 2002 to qualify as Post-1989 forest, the current tree crop must have been planted on non-forest land (not harvested cutover) after 1989. Post-1989 forest land is eligible to participate in the Emissions Trading Scheme, whereas Pre-1990 forest land is not.
Pre-1990 forest land	Land that was in forest on 31 December 1989 and remained in predominantly exotic forest on 31 December 2007. It automatically became a mandatory participant in New Zealand's Emissions Trading Scheme. Practically, this means the Scheme has replanting obligations under the Climate Change Response Act 2002. As Pre-1990 forest land, Carbon Credits will not be received by the Scheme during its second rotation.
Product Disclosure Statement or PDS	The name of the registered disclosure document produced by Forest Enterprises Limited for prospective investors as required under the FMC Act for new issue investments.



pruning	Removal of branches flush with the trunk to promote the growth of knot-free timber. There are 1–4 prunes (sometimes called 'lifts') that usually occur between 4 and 8 years after planting.
related party	<p>According to the FMC Act, the Manager must not enter into related party transactions unless they are at arm's length or approved by the Supervisor or Investors. A related party is a scheme-connected person such as:</p> <ul style="list-style-type: none"> the Manager any other person to whom the Manager has contracted out some or all of its functions as a Manager an associated person of a scheme-connected person such as the Manager
Scheme	The registered Managed Investment Scheme that is Blairlogie Pine Investment.
Scheme Property	This is the property of the Scheme and includes contributions of money by the Investors in the Scheme, the Land and Trees, Carbon Credits, cash deposits and other assets which relate directly to or arise from investment in the Land and Trees.
Scheme Register	The Scheme Register contains information about managed investment schemes, scheme managers and documents such as financial statements. It is managed by the Companies Office and is found online at www.companiesoffice.govt.nz/disclose .
second rotation	A rotation is the period of time from when a forest is planted to when it is harvested. The second rotation refers to the second period that Trees are grown on a particular area of land. Second rotation pine plantations have a range of superior qualities to the first rotation.
secondary market	This is the market Forest Enterprises operates to facilitate the sale and purchase of established Forest Enterprises financial products on behalf of existing clients by matching buyers with sellers.
sequestration	Carbon sequestration is the process of removing carbon dioxide from the atmosphere, thereby reducing the total concentration in the atmosphere. Living trees sequester carbon through photosynthesis. Carbon can be stored in biomass such as trunks, branches, leaves, and roots.
Share(s)	The name of the unit of investment in a Limited Partnership formed under the Limited Partnerships Act 2008.
silviculture	Establishing, growing and tending forest crops.
Special Resolution	A resolution passed at a meeting of the Limited Partnership (or shareholders resolution of the General Partner) at which limited partners (or beneficial owners of the GP shares) holding at least 75% of the LP shares who are entitled to vote and, in voting, vote in favour of the resolution. A special resolution is required for major LP decisions such as the sale of Land.
Statement of Investment Policy and Objectives or SIPO	<p>A document that sets out the investment governance and management framework, philosophy, strategies and objectives of a Managed Investment Scheme and its investment funds or assets.</p> <p>Under the FMC Act, all managers must ensure there is a SIPO for each MIS they manage.</p>
Supervisor	<p>In relation to this Managed Investment Scheme, the Supervisor is appointed to protect Investors' interests under the Scheme per the FMC Act. Supervisors must be registered and are covered by the Financial Markets Supervisors Act 2011 (the FMS Act).</p> <p>The Supervisor of Blairlogie Pine Investment is Trustees Executors Limited.</p>
tending	The collective term for the various tasks (such as pruning) to improve tree form and wood quality, during the period between when a forest crop is established and the first thinning.
Trees	The Land and Trees on the Land are the primary assets of Blairlogie Pine Investment. The Trees are the crop of Pinus radiata trees growing on the Investment's land that are being managed to harvest.
thinning	Removing stems within an area of trees to promote growth from the remaining trees.





**Creating
wealth.
Naturally.**



Application form

This offer is a regulated offer for the purposes of New Zealand law and does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

This Application Form is for an individual(s) to purchase shares in the Blairlogie Pine Investment (SCH13821), in a personal capacity (individually or jointly), and constitutes the Deed of Assignment and Power of Attorney for the purposes of the Deed of Scheme Management.

Please complete Part A, read Part B, then sign Part C (all shaded areas). Complete Parts D & E if required.

PART A: Applicant Details

Application for the **Blairlogie Pine Investment** (SCH13821) by:

Preferred First Name	Last Name	Mr/Mrs/Other	Existing Investor? *	Overseas Person**
Applicant 1:			Yes No	Yes No
Applicant 2:			Yes No	Yes No
Applicant 3:			Yes No	Yes No
Applicant 4:			Yes No	Yes No
Postal Address:				Post Code:
Email Address:			Phone Number:	
Where did you hear about this offer:				
From existing investor <input type="checkbox"/>	Website search <input type="checkbox"/>	Advertisement (where):		

* Existing Forest Enterprises investors may not need to complete the customer due diligence sections in Part D and E of this Application. Please contact us if you are an existing investor.

** An Overseas Person is neither a New Zealand citizen nor ordinarily resident in New Zealand. Please contact us if you think you are an Overseas Person.

1. Application

Shares are \$67.69 per share. Applications must be for a minimum of 200 shares and additional shares may be purchased. For example, the Initial Investment for 200 shares is \$13,538; for 500 shares it is \$33,845; and for 1,000 shares it is \$67,690.

This application is for shares for a total Initial Investment of \$

2. Declaration – Applicants to Sign in Part C

Each applicant named in Part A:

- Confirms they have read and understood the Product Disclosure Statement for Blairlogie Pine Investment.
- Acknowledges and agrees that they are bound by the terms of the Governing Documents (including the payment of Calls), and the terms contained in the Product Disclosure Statement for this Investment and in this Application.
- Irrevocably appoints Trustees Executors Limited as their duly authorised agent for the purposes of signing any documents on their behalf necessary to register the shares in this Investment in their name.
- Grants to Trustees Executors Limited the Limited Powers of Attorney set out in Part B which is a condition of being a limited partner in the Limited Partnership, and being a beneficial owner of shares in the General Partner.
- Confirms that every Applicant is aged at least 18 years and is of full legal capacity.
- Acknowledges that this Application will only be accepted if payment is received, and the documentation necessary, including customer due diligence, to settle the purchase of the shares is completed and returned.

3. Payment

Initial Investment to be deposited to Forest Enterprises Growth Trust Account 02-0688-0222006-04 at BNZ.

Please identify your payment by entering the **last name** of Applicant 1 in the *Particulars* field, **initials** in *Code*, and **BPFI** in the *Reference* field.

If you are unable to pay by electronic funds transfer, please contact us at invest@forestenterprises.co.nz or call 0800 746 346 or +64 6 370 6360.



PART B: Limited Power of Attorney

A Limited Power of Attorney is granted by the Investor to the Supervisor to enable them to attend only to the statutory and procedural matters relating to the operation of the Investment.

1. **Appointment of Attorney:** The Investor irrevocably appoints Trustees Executors Limited or any corporate trustee company that succeeds Trustees Executors Limited as the supervisor of the Scheme ("the Attorney") to be the Investor's Attorney with the limited powers given by this Power of Attorney.
2. **Powers:** The Attorney may in its own name and as the Investor's Attorney do or perform any of the acts set out in paragraph 5 below and will have sole discretion as to decision making with respect to this Power of Attorney.
3. **Binding and Non-Revocable:** The Investor agrees to be bound by whatever the Attorney may lawfully do by this Power of Attorney. The powers conferred by this Power of Attorney may not be revoked or suspended except with the prior written agreement of the Manager and the Attorney.
4. **Reliance on Power of Attorney:** No person dealing with the Attorney in good faith will be bound to enquire as to whether this Power of Attorney is in full force and effect or as to the propriety of anything the Attorney may do by this Power of Attorney. A written statement by the Attorney to the effect that the Attorney has no notice of the revocation or suspension of its powers and authorities under this Power of Attorney will be conclusive evidence to that effect.
5. **Power of Attorney under the Deed of Scheme Management and Limited Partnership Agreement (together "the Governing Documents")**

The Attorney will have the following limited powers:

- a. To appoint any director of the General Partner present at any meeting of the Limited Partnership ("Meeting") as proxy for the Investor (if not present at the Meeting) solely for the purpose of satisfying the common law requirement that a meeting cannot be held without at least two individuals present in person or proxy;
- b. To waive on behalf of the Investor (if not present at the Meeting) any irregularity in the notice of Meeting but only if the irregularity is of a technical or non-material nature;
- c. To vote for the resolution required by the Limited Partnerships Act to approve a new limited partner if the transfer has been approved by the Manager in terms of the Governing Documents;
- d. To approve an amendment to a resolution set out in a notice of meeting provided that the amendment is:
 - i. the correction of an error; or
 - ii. a qualification of the application or restriction of the effect of the resolution on limited partners; or
 - iii. for clarification and in the opinion of the Attorney consistent with the clear intent of the resolution;
- e. To approve an amendment ("Change") to the Governing Documents:
 - i. to comply with the provisions of any statute or statutory regulations; or
 - ii. if in the opinion of the Manager the Change is made to correct a manifest error or is of a formal or technical nature or is convenient and does not have a material adverse effect on the Investors, and the Change is subject to prior approval by the Supervisor;
- f. To execute on behalf of the Investor the documentation necessary to record any authorised changes to the Governing Documents; and
- g. To vote on any resolution which in the opinion of the Manager is necessary to give effect to the underlying principles or benefits to the Limited Partnership of the other limited powers given by this Power of Attorney; or which is of a formal or technical nature; or which is convenient for the Scheme **provided that** the resolution does not have a material adverse effect on the Investor and has met with the prior approval of the Supervisor.



PART C: Acknowledgment, Confirmation and Signature(s)

Each Applicant is required to sign below an acknowledgement of the requirements and contents of this Application and that it is complete and accurate.

By signing this Application below, each Applicant acknowledges and confirms the matters stated in the Declaration in Part A, the appointment of Trustees Executors Limited as attorney under the Limited Power of Attorney set out in Part B, and the accuracy of the information in Parts D & E (if required).

This Application comprises:

- ☐ Part A Applicant Details including Declaration
- ☐ Part B Limited Power of Attorney
- ☐ Part C Signature(s)
- ☐ Part D (if applicable)
- ☐ Part E (if applicable)

Each Applicant's signature must be witnessed by someone who is at least 18 years of age, of full legal capacity, and independent i.e. they are NOT a partner, spouse or family member *and* not another applicant.

Signed by Applicant 1:		In the presence of:	
Applicant 1 Full Legal Name:		Witness Full Name:	
Signature:		Witness Signature:	
Date:	Witness Town/City of Residence:	Witness Occupation:	
Signed by Applicant 2:		In the presence of:	
Applicant 2 Full Legal Name:		Witness Full Name:	
Signature:		Witness Signature:	
Date:	Witness Town/City of Residence:	Witness Occupation:	
Signed by Applicant 3:		In the presence of:	
Applicant 3 Full Legal Name:		Witness Full Name:	
Signature:		Witness Signature:	
Date:	Witness Town/City of Residence:	Witness Occupation:	
Signed by Applicant 4:		In the presence of:	
Applicant 4 Full Legal Name:		Witness Full Name:	
Signature:		Witness Signature:	
Date:	Witness Town/City of Residence:	Witness Occupation:	

Please contact us if you require an additional signature page(s) for additional Applicants.

Email us at invest@forestenterprises.co.nz or call 0800 746 346 (0800 PINEGOLD) or +64 6 370 6360.



PART D: Customer Due Diligence

New Zealand's Anti-Money Laundering and Countering Financing of Terrorism Act 2009 requires all Investors to provide proof of identification and residential address.

All applicants establishing a new investor relationship with Forest Enterprises must complete Parts D & E.

The other information requested below are requirements of the Limited Partnership Act 2008 and the Income Tax Act 2007.

Scan and return documents by email to invest@forestenterprises.co.nz or you may post to Forest Enterprises, PO Box 128, Masterton 5840.

Note for existing Forest Enterprises investors: If you are an existing Forest Enterprises investor and investing in the same personal capacity then you may not need to complete the customer due diligence sections in Part D and E of this Application. Please contact us.

1. Individual and Joint Investors

Full Legal Name of Applicant(s)	Date of Birth	NZ IRD Number	Residential Address including postcode (PO Boxes cannot be accepted)
	Place of Birth		
	Country of Birth		
Applicant 1:			
Applicant 2:			
Applicant 3:			
Applicant 4:			

2. Nature and Purpose of Your Investment

Do you intend to hold the Shares for the life of the Investment?	Yes/No
If the answer is "No", what is the likely timeframe you intend to hold the Shares?	



PART E: Identity Verification for New Customer

This Part is to assist you to select and complete the documentation required to verify your identity and residential address. Each Applicant needs to complete this Part. Download or request additional copies.

Do this by ticking your choices from the options available below and return with this Application the documents selected for each of **1. Proof of Identification** AND **2. Proof of Residential Address**. The Proof of Identification documents must be certified in the manner set out below.

Note: There are special information requirements below for Overseas Persons. You are an Overseas Person if you are neither a New Zealand citizen nor ordinarily resident in New Zealand. Contact us if you are unsure.

1. Proof of Identification You have two options, either A or B											
A ONE document required A certified copy of ONE of either : <input type="checkbox"/> Photo page of a current PASSPORT or <input type="checkbox"/> A current NEW ZEALAND FIREARMS LICENCE or <input type="checkbox"/> A current photo NATIONAL IDENTITY CARD (Overseas Persons only showing name and date of birth)	B TWO documents required A certified copy of ONE of either : <input type="checkbox"/> A current DRIVER'S LICENCE or <input type="checkbox"/> A current NEW ZEALAND 18+ Card AND A certified copy of ONE of these documents: <input type="checkbox"/> Birth Certificate <input type="checkbox"/> Certificate of New Zealand Citizenship <input type="checkbox"/> Bank statement (NZ only) <input type="checkbox"/> Government agency document (NZ only)										
Certification of Proof of Identification Photocopies of your identification document(s) need to have been certified within 3 months prior to our receiving it. You must present the original(s) to the certifying person. Please also photocopy the document's expiry date. For New Zealanders, certification can be done by any one of the following Trusted Persons who must NOT be a relative or living at the same address: <table style="width: 100%; border: none;"><tr><td>Lawyer</td><td>Chartered Accountant</td><td>Notary Public</td><td>Justice of the Peace</td><td>Police Officer</td></tr><tr><td>Registered Teacher</td><td>Registered Medical Doctor</td><td>Court Registrar</td><td>Minister of Religion</td><td>NZ Honorary Consul</td></tr></table> For Overseas Persons, certification must be by a person authorised by law in their country of residence to take statutory declarations, for example a lawyer or a notary public. Certification requires the Trusted Person to write clearly on the copy the following declaration – <i>"I hereby certify that this is a true copy of the original document which I have sighted and I am satisfied that it verifies the identity of the named individual".</i> IMPORTANT: The Trusted Person must write their name and designation, sign it and date it.		Lawyer	Chartered Accountant	Notary Public	Justice of the Peace	Police Officer	Registered Teacher	Registered Medical Doctor	Court Registrar	Minister of Religion	NZ Honorary Consul
Lawyer	Chartered Accountant	Notary Public	Justice of the Peace	Police Officer							
Registered Teacher	Registered Medical Doctor	Court Registrar	Minister of Religion	NZ Honorary Consul							

2. Proof of Residential Address	
A copy of ONE of the following documents which must clearly state your name plus your residential address (PO Box not allowed): <input type="checkbox"/> Utility Bill <input type="checkbox"/> Bank Statement <input type="checkbox"/> Government Agency Document (e.g. council rates, electoral notice, tax summary) Note: Proof of Residential Address does NOT need to be certified, however it must be dated within 6 months of when we receive it.	

3. Politically Exposed Person	
This is an individual who holds a 'Prominent Public Function' e.g. head of a country, government ministers, senior politician, senior judge, governor of a central bank, ambassador, high commissioner, high-ranking member of armed forces or senior position of state enterprises. If you, or any of the persons listed above, or any immediate family member (including spouse, partner, child, child's spouse/partner or parent), hold or have held in the last 12 months a 'prominent public function' in any country other than New Zealand, please provide details of the function held and the country: <div style="border: 1px solid black; height: 40px; width: 100%;"></div>	





