



## The Forestry Investment Plan Matures in November

**Back in the year 2000 the Forestry Investment Plan Plc (FIP) was launched as the first in a series of ten-year investment plans and this November sees the maturity of the Forestry Investment Plan become a reality for its shareholders.**

The FIP uniquely offered investors a shorter forestry investment duration of ten years combined with capital life assurance through Canada Life to a maximum of £100,000 without the requirement of a medical examination for the investor.

Investors could invest up to a maximum of £100k with the guarantee that their capital sum would be assured under a group life risk basis through Canada Life. Thus in the event of the death of an investor, the capital sum invested would be repaid tax free to their next of kin and the investment would

*“uniquely offered investors a shorter investment duration of ten years”*

continue to run until maturity whereupon the proceeds would also be paid to the estate of the deceased investor in a tax efficient manner. In essence there was a double whammy effect – tax free protection with tax efficient profits.

The shortening of the investment period from 30 years, as was the case with the original Irish Forestry Funds, was achieved

by dividing the full forestry rotation period into three periods and capitalizing on the increasing demand for semi-mature woodlands and the overall development of the secondary market for woodlands in Ireland.

Through this strategy the result after ten years was a well balanced and diversified portfolio of high-quality forestry which continued to benefit from ongoing receipt of forest premia and harvesting on older properties in the form of thinning operations.

*“an ongoing revenue generating opportunity”*

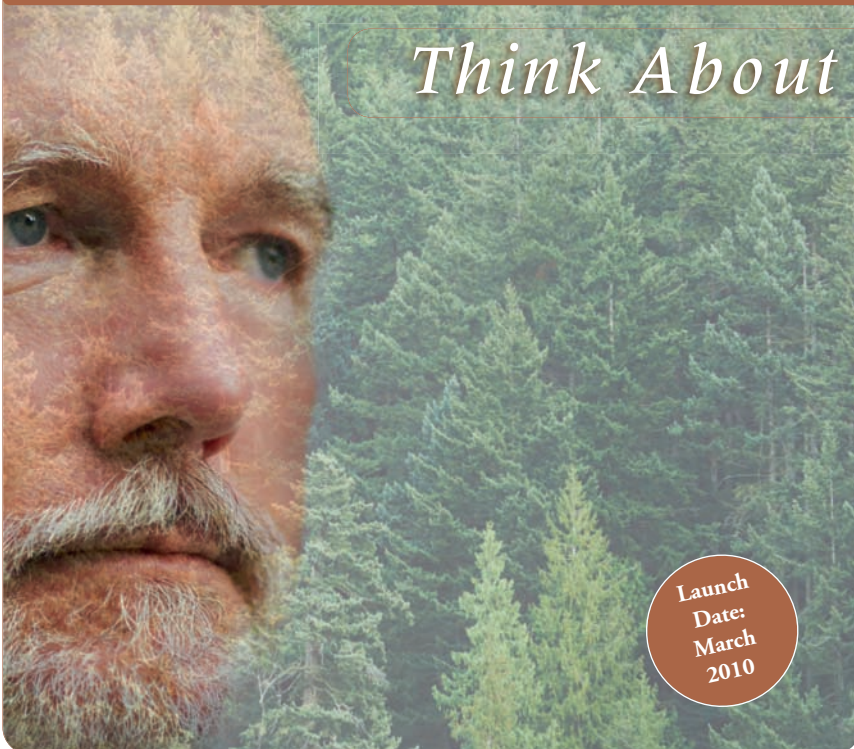
Therefore, what is being sold onto the future owner of this portfolio is not simply a forest estate but, an ongoing revenue generating opportunity. With an average Yield Class of 22 (where the target national average was 16 in the Government’s 1996 Green Paper that still forms the basis of forestry strategy in Ireland) the directors believe that the FIP’s strategy of developing a quality, well balanced forest portfolio is soon to pay off for the shareholders of the FIP.

The minimum investment in the FIP was £5,000 which was outside the norm for our usual clients at a time when the previous minimum was £500. The higher minimum was discontinued after the first FIP and the subsequent FIPs had a minimum subscription of £500 thereafter, until the adoption of the Euro when the minimum investment level rose to €750.

So what’s next? The directors are now compiling the necessary documents to permit the forest portfolio to be put on the

continued over

### THE NINTH FORESTRY GROWTH PLAN PLC



## Think About Real Growth

- Tax Efficient investment
- Minimum Lump Sum investment €750
- 12 year investment period
- Managed by IFS Asset Managers Ltd

*The Ninth Forestry Growth Plan Plc is open for subscription to Irish residents only.*

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Launch Date: March 2010



past performance is no guarantee of future returns

*Providing you with continuous innovation in Irish forestry investment*

open market. By placing the forests on the open market the shareholders can be assured that the best price will be achieved for their properties. Soon after this process has completed the directors will issue a distribution of the profits from this sale to the preference shareholders with their original preference share capital (the underlying value of the preference shares) then

being repaid. It is important that these two payments be issued separately. The maturing of the Forestry Investment Plan begins a process over the coming years where significant tax efficient lump sums will flow to the shareholders in the Irish Forestry Funds – and what a great time to have cash!

## Forestry Photo Competition



Photo Credit: D. Jobling

**Everyone loves trees. Most of us, if given the choice, would choose to live in or near a forest. We're all aware of how important forests are to our environment, and the vital role they play in removing carbon dioxide. But did you know that there are now more acres planted with forests in Ireland than one hundred years ago? In fact Ireland's forest cover has increased from 1% to 10% in the past 100 years.**

The above photo was taken in one of the Irish Forestry Fund's forests in Waterford. The photographer happened upon this curiously located fern growing out of a twenty year old fencepost.

So this got us thinking; if this sort of photo was just taken by chance as an example of what is being done by all you budding photographers, what other artists are out there with a love of all things forestry?

And with that... a competition was born. You don't need any particular skills; no expensive equipment; nor access to any costly photographic studios, just a keen eye for a good photo in an Irish forest setting. You can take a photo of a whole forest or a small and detailed image of a bug on a leaf, just so long as it is connected in some way with Irish forestry.

So, if you've got a camera, any camera, and a willingness

to get out into the woods and take a photo that you are willing to send into us, then please do. In return, the winner will receive a prize of a photography course in Ireland's leading photography institute so that he / she can hone his / her skills further. All eligible entries will be available to view on the website with the winner being announced in early July. Full terms and conditions are available on the website at: [www.irishforestry.ie/phototandc](http://www.irishforestry.ie/phototandc)

Depending on entry levels, we are considering making this an annual competition so, go on, get your shutter releases to the ready, your photos in and make sure that regardless of how well you do this year that you can have another go next year.

All entries will be placed up on our website [www.irishforestry.ie](http://www.irishforestry.ie) and we are honoured that Mr Dave McKane of the Institute of Photography has agreed to judge the entries and oversee the competition.

So to enter just get out there with your camera and get snapping (or if you already have a suitable photograph in your album then that's OK as well).

### PRIZES

The winner will receive either a Beginners, Improvers, Advanced Digital Photography or Photoshop for Beginners Course at the Institute of Photography and the prize for the runner-up will be a Canon ES2 Compact Printer.



### HOW TO ENTER

- The shots must be, obviously, forestry related.
- Photos must be least 2000 pixels on the longest side (most 8 megapixel cameras will give this size, without cropping). Shots smaller than this may still be included in the competition but can't be included in the exhibition that will be held after the competition is finished.
- Rename your photograph to include your name with no gaps e.g. DaveMcKane1.jpg
- Send no more than 5 photos per entrant
- Email your photos to: [forestry@iop.ie](mailto:forestry@iop.ie) (separate emails for each shot may be required due to large file sizes)
- Full terms and conditions are available on the website at [www.irishforestry.ie/phototandc](http://www.irishforestry.ie/phototandc)

Have any questions? Just call Dave McKane on 087 259 9785. And lastly though perhaps most importantly – get out there, have fun and good luck from us all in IFS and the Institute of Photography.

## New Programme for Government and Forestry

**The government is ambitious to re-create the Irish economy around the 'smart economy' i.e. a highly productive, sustainable, energy self-sufficient and low carbon economy. Forestry has been identified as a key sector in helping to achieve these goals.**



Recognising its importance in the smart economy, the programme will examine all forestry grants with a view to achieving our climate change targets through delivering 17% forest cover by 2030. The government has set a target of a

minimum annual planting programme of 10,000 hectares including 30% broadleaves.

Those of us in forestry for some time have heard this before, so what's different this time? Well, Ireland is a very different place now than it was 2 years ago. The government recognises that it must deliver jobs through sustainable indigenous industries like forestry. It also recognises that climate change and energy are the biggest challenges facing Ireland in this century and forestry will help by reducing our dependence on imported fuel and capturing large amounts of carbon. Forestry will not solve all these problems but it has a significant role to play.

Despite the fact that government coffers are bare, the last budget increased forestry allocation funds to €121

million with the aim of planting 7,000 ha of new land in 2010.

Whilst this is interesting to all forestry participants the most important question being asked is how the current market conditions are affecting the Irish Forestry Funds' existing plantations. To find out the answer we asked Daragh Little, the Managing Director of Forest Enterprises Limited, the independent forest management consultant to the Irish Forestry Funds, to give us a short review of this market segment. Here is what he had to say:

### Forestry Plantations Market Analysis

*"Forestry plantation values are holding their own in the current recession. Whilst demand for plantations is strong, it is being met with solid supply leading to a steady in the market price being achieved."*

*"Timber prices suffered a large decrease in late 2008 and 2009. However recent increased interest in timber for all classes has been noted as processed timber stocks have been sold off and sawmills are now increasing production again. Timber prices in the smaller timber categories (associated with early thinnings) have improved in the latter part of 2009 and have never returned to the low level prices that were common 5 -6 years ago when it was not possible, nor expected, to sell timber from early thinnings. The bio-energy market is growing quickly and taking up most of the available pulpwood on the market at reasonable prices and is likely to continue to do so in the foreseeable future."*

## The International Fund acquires first Scottish Forest

**The International Forestry Fund has acquired its first property in Slamannan, Falkirk, Stirlingshire, Scotland.**



THE  
INTERNATIONAL  
FORESTRY FUND

The property is very large by Irish standards and comprises 385 acres of existing well-managed forestry, half of which was planted in 1974 and the balance in 1999. The main species planted is Sitka spruce with the balance comprising Scots pine, Japanese Larch, Lodgepole pine, mixed Broadleaves and European Larch.

The International Forestry Fund invests in forestry in

Ireland, the UK, and Central America, growing a mixture of species ranging from spruce and pine in Europe to tropical timbers such as teak, mahogany, and rosewood. The Fund buys existing forests, or land which is then afforested or, in the case of Central America, reforested.

The Fund offers significant diversification by species and age of forest, from newly planted to semi-mature plantations, in order to provide consistent returns and also in keeping with the principles of sustainable development. The targeted rate of return for the Fund is 7-9% per annum.

The International Forestry Fund is attractive to institutional and private investors interested in acquiring forestry assets on a global basis to take advantage of the benefits from biological forest growth.

A Pension Memorandum has been produced following



approval for individuals with a Self Administered Pension Schemes to invest into the International Forestry Fund through a Unit Trust structure created by the Independent Trustee Company (ITC). Further details can be obtained by visiting the website at <http://www.forestry-fund.com>

## Copenhagen 2009 Climate Change Summit

**Environment ministers and officials met in Copenhagen in December 2009 to agree a new climate change treaty as the successor to the Kyoto protocol. The talks were the latest in an annual series of UN meetings which began with the 1992 Earth Summit in Rio, which focused on coordinating international action against climate change.**



Known as COP15 which is the 15th Conference of the Parties (COP) under the United Nations Framework Convention on Climate Change (UNFCCC) the Copenhagen summit has provided for explicit emission pledges by all the major economies – including, for the first time, China and other major developing countries – but charts no clear strategic path toward a treaty with binding commitments.

The basic terms of the Copenhagen Accord were brokered directly by President Obama and a handful of key developing country leaders on the final day of the conference, capping two weeks of harsh rhetoric and pitched procedural battles that made the prospect of any agreement highly uncertain. It then took nearly another full day of tense negotiations to arrive at a procedural compromise allowing the leaders' deal to be formalized over the bitter objections of a few governments – hardly the success we were all hoping for.

## Native Wild Boar becomes Alien

The Wild Boar (*Sus scrofa*) is the wild ancestor of the domestic pig and has been extinct in Ireland since the seventeenth century although there have been reports that the species is making an unwelcome comeback with a number of sightings in Wicklow, Waterford and Kilkenny and the shooting of a 180kg wild boar near a school ground in Tipperary in 2009. Wild boars are large omnivorous mammals with powerful bodies and coarse hairy coats and can be dangerous to humans.

At a time during which the wild boar was a native species in the seventeenth century, the potato was deemed to be an exotic alien crop species. The Irish environment has changed considerably over the past four hundred years and all natural predators of boars have also become extinct i.e. the Irish wolf became extinct at the end of the eighteenth century.

In Britain, a number of wild boar colonies have re-established over the past decade as a result of illegal importation or where domestic pigs have escaped into the wild and become feral. The species is known to cause significant damage to agricultural land and cereal mono crops and also to have the potential to spread disease to domestic livestock. The wild boar is not a threat to forestry plantations however and may actually help to reduce undergrowth and improve soil quality in forests.



## Change of Address or email

Don't forget to let us know if you change your address or email.

It is important that shareholders notify the Registrar in writing if changing address. Please remember to include Share Certificate Numbers and your signature on all correspondence. If you do not wish to remain on our mailing list please contact us and we will remove your details immediately.

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## Spread the Word !

The Irish Forestry Funds are designed to encourage and promote Irish forests to Irish people through collective ownership in order to ensure that the tax efficiencies inherent in commercial forestry are available to as wide an audience as possible.

Whilst you may not wish to take advantage of investing in the Ninth Forestry Growth Plan, which is due to be launched in March, you can help promote forestry ownership by passing this newsletter and any other published material to someone you know - recycling at its best!

