

Wairarapa Group Forest Investment

Investment Report

25 August 2023



A holding of 200 shares in the Wairarapa Group forest investment available for purchase by tender, facilitated by Forest Enterprises.	
Contributions to date	\$14,584
Discounted Value	\$8,800
Projected Harvest Return	\$58,738 pre-tax
Forest Location	Wairarapa

This Investment Report provides an overview of the Wairarapa Group Forest Enterprises investment, its structure, the asset, and projected valuations and returns as at 31 March 2023.

Forest Enterprises makes every effort to arrive at reasonable calculations based on our 50 years' forestry knowledge, including our ongoing harvesting experience.

Investors should be aware that the projections and timings provided may vary over time depending on many factors, and the resulting changes could be material.

All assumptions are outlined in this report (refer page 2), or the latest annual Financial Report (available 1 August) from the Companies Office Disclose Register at www.companiesoffice.govt.nz/disclose

Key investment details

Shares available to purchase	One parcel of 200 shares in Wairarapa Group Forest Investment Only bids for the entire shareholding will be accepted
Contributed Costs	\$14,584 equates to a 4.49% tax paid IRR compounded return per annum over the investment term
Discounted Value	\$8,800 equates to a 6.4% tax paid IRR compounded return per annum over the investment term
Projected Harvest Return	\$58,738 pre-tax
Projected Harvest Timing	2039 — 2045
Projected Future Investor Contributions	Ongoing Calls, refer cashflow projection. Investor Administration Fee, \$60 per annum
Investment Structure	Registered Managed Investment Scheme (MIS) SCH12481 <ul style="list-style-type: none">Wairarapa Group Forest LP (Limited Partnership) 100,000 LP sharesWairarapa Group Forest GP Limited (General Partner) 100,000 GP shares
Investment Disclosure	Companies Office Disclose Register www.companiesoffice.govt.nz/disclose <i>Search Schemes</i> by Scheme Wairarapa Group or Scheme Number (above)
Licensed Manager	Forest Enterprises Limited (FSP37784)
Forest Location	Refer map on page 10

Information provided in this report

- How to purchase the shares
- What will the investment cost?
- What is the projected return?
- Cashflow projection
- About the investment
- About the forest and location
- More information available

Assumptions in this report

- All values and amounts expressed in this report are based on a holding of 200 shares, unless stated otherwise.
- The Discounted Value and the Projected Harvest Return have been calculated using the assumptions set out in this report. They are based on 31 March 2023 financial statements.
- Changes to the assumptions can have a material effect on the figures quoted in this report.

Contact us, anytime

Feel free to contact us for more information or if you have any questions about our investments. Copies of relevant investor communications to date relating to this investment are available on request.

Visit our website at forestenterprises.co.nz for further information about investing in forestry with Forest Enterprises, including Frequently Asked Questions.

Sean Roberts

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How to purchase the shares

The tender process

Forest Enterprises operates a secondary market for the sale and purchase of shares in our forestry investments. This is to enable our existing clients to liquidate their investment and to allow prospective investors to buy into established Forest Enterprises forests. We facilitate a tender process matching willing buyer with willing seller.

To submit an offer, complete and return to us a **Tender Form**. Our contact details are on page 2. Email is the most efficient option.

A Tender Form is available to download from our website at the following link — it includes the Terms and Conditions of your offer.

https://www.forestenterprises.co.nz/wp-content/uploads/2018/10/Tender-Form_New-Investor_Secondary-Market.pdf

What you offer is up to you. The total purchase price you offer may be within, above or below the cost or the discounted valuation range previously noted. Prospective investors usually set the value of their offer based on a projected rate of return they wish to achieve over the duration of the investment.

Should your offer be accepted, you and the seller will be required to co-sign a **Deed of Assignment and Power of Attorney** to transfer the ownership of the shares.

An Example Deed of Assignment and Power of Attorney is available to read and download from our website at the link below. This Deed outlines the terms of share ownership.

https://www.forestenterprises.co.nz/wp-content/uploads/2022/08/Example-Deed-of-Assignment-and-Power-of-Attorney_2022.pdf

Who can invest?

An eligible Forest Enterprises investor is:

- an individual aged 18 years or over, investing on their own or jointly, or
- a company, a trust or a partnership, and
- may be a New Zealander or an overseas person
- who holds a New Zealand Inland Revenue Number (IRD number) for tax purposes regardless of residency status

Overseas persons can invest

Overseas persons can invest provided no more than 25% of the investment is held by overseas persons. The Overseas Investment Act 2005 defines an overseas person as an individual who is neither a New Zealand citizen nor ordinarily resident in New Zealand. Contact Forest Enterprises for more information if this is relevant to you.

Verifying new customer identity

As a Financial Services Provider, we are required under the New Zealand Anti-Money Laundering and Countering Financing of Terrorism Act 2009 to undertake due diligence on all new customers to prevent the criminal use of funds.

This requires us to:

- gather information about customer identity and residential address, and
- verify a customer's identity, to ensure the customer is who they say they are.



What will the investment cost?

Discounted valuation

\$8,800 for a 200-share holding

An offer at the indicative value of \$8,800 represents a 6.4% tax paid compounded return per annum over the investment term assuming a marginal tax rate of 33 cents in the dollar.

Contributed costs

\$14,584 for a 200-share-holding

An offer at the contributed costs of \$14,584 represents a 4.49% tax paid compounded return per annum over the investment term assuming a marginal tax rate of 33 cents in the dollar.

These figures are provided as a basis upon which prospective investors may determine the amount they wish to tender as a purchase price. **Changes in the assumptions underlying the Cashflow Projection can have a material impact which may increase or decrease the return. Prospective Investors should therefore take account of this reality when reflecting on an offer.**

Projected future payments

Calls	Forestry is a contributory investment in nature, where investors pay the funding required each year, in addition to the initial purchase price.
Investor Administration Fee, \$60	The annual Investor Administration Fee of \$60 is paid once per investor per year, regardless of the number of shares held in Wairarapa Group Forest Investment.

Investment profit / (loss)

Under current New Zealand tax law, any profit each year will be subject to tax at the investor's marginal tax rate. Resident Investors are entitled to a share of any tax losses and are advised of the amount in May each year.

As set out in the Cashflow Projection on page 8, there are future annual Call payments. Non-residents (such as Overseas Persons, see page 3) should check with their Tax Adviser.

Partners on the Register of Partners at the end of the Limited Partnership's (LP) financial year (31 March) 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.

Investment changes

Going forward, Forest Enterprises investors may vote on a number of key decisions, including the harvest management fee and on next rotation investment options.

Changes relating to harvest timeframes will impact the Internal Rate of Return (IRR). IRR can be calculated using the purchase price, eventual investment return, and timeframe of when the investment return is provided.

This report does not reflect any possible future changes to be voted upon by investors. Further details will be provided to investors at the appropriate time. Copies of any client communications to date (if any) may be requested.



What is the projected return?

Projected return at harvest

\$58,738 pre-tax in years 2039-2045 for a 200 shareholding

For the purposes of the projection, it is assumed that Wairarapa Group Forest will be harvested over 7 years. Refer to page 6 for details on how the projected return at harvest has been calculated.

The table below shows the projected gross (pre-tax) return at harvest for one holding of 200 shares in Wairarapa Group Forest at current log prices and if log prices increase or decrease by 10%.

Expected Gross Return at Harvest for 200 Shares (not inflation adjusted)			
Year	Current price -10%	Current prices	Current Price +10%
2040	\$5,044	\$7,259	\$9,580
2041	\$3,510	\$5,230	\$6,950
2042	\$2,946	\$4,381	\$5,816
2043	\$10,153	\$14,559	\$18,965
2044	\$10,011	\$14,588	\$19,166
2045	\$1,194	\$2,133	\$3072
2046	\$9,817	\$10,588	\$11,359
Total	\$42,675	\$58,738	\$74,908

Tax at harvest

Under current tax law, harvest proceeds will be paid to resident 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 harvest. In addition to harvest income, investors will receive their share of the value of the land as a capital payment (non-taxable) when sold.

Non-residents (such as Overseas Persons, see page 3) should check with their Tax Adviser.

Selling shares before harvest

Shares can be sold at any time before harvest, however the sale is deemed to be a disposal of the underlying assets (land and trees). The sale of trees is a taxable event, whereas the sale of land is not. Section HG 5 of the Income Tax Act 2007 creates a \$50,000 threshold for the value of the tree crop (in any 12-month period), under which this taxation treatment does not apply.

Impact of cyclones

Cyclone Hale (January 2023) and Cyclone Gabrielle (February 2023) caused extensive damage on the East Coast of the North Island, compounded by an already very wet summer. The Wairarapa Group Forest incurred some minor damage to roads and some blown down trees in forest areas. No material damage has been noted outside the forest boundaries, and minor adjustments to stocked area maps is under review.

The effects in the Wairarapa Group Forest are minor compared with damage in other areas. Tracks within the forests have been affected by fallen trees and slips but access is open on most tracks, and summer is a better time for this minor maintenance than in the current wet conditions. We do not consider there are any breaches of environmental regulation or best practice guidelines, given the nature and scale of the storms.



How has the projected return at harvest been calculated?

General notes to the cashflow projection

The Cashflow Projection¹ (page 8) is from the latest annual Financial Report as at 31 March 2023. The projection reflects our current estimate of the cost of the work to be done or services provided, year by year through to harvest, based upon log prices.

This prospective financial information will form the basis of future assumptions for financial reporting purposes. Actual revenues, costs and timing will vary from the projections because of changes over time to the work program and prices. The changes may be material.

Harvest assumptions include —

- The log volumes and grades are based on the latest pre-harvest inventory.
- A sales scenario based upon Wairarapa and the Port of Wellington as the point of sale has been used, and therefore assumes demand will exist at harvest time at this destination. Other scenarios will produce different stumpage outcomes.
- Log prices are Forest Enterprises' 36-month average log prices to balance date.
- Harvesting and Transportation costs are based upon the costs currently being paid by Forest Enterprises for current harvesting.
- The cost of the roading network required at harvest is substantial. At this stage, a provision of \$4.00/ m³ has been provided for.
- The weighted average split between hauler and ground-based logging has been used for all forests.

Other assumptions include —

- It is assumed that the Land will be sold in the final year of harvest, and the value used is the latest Rating Valuation.
- Replanting of the areas harvested has been assumed to occur in the winter following harvest and the replanted treecrop sold at the conclusion of harvest (in addition to the Land).
- The cashflow above includes the annual \$60 Investor Administration Fee, charged once per investor per year in addition to Calls regardless of the size of shareholding.

¹ Future distributions in the cashflow projection should be taken as a guide only. Prospective financial information, 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 future success. Accordingly, actual results may vary from the prospective financial information, and those variations may be significantly more or less favourable. The Manager does not guarantee the achievement of the prospective financial information.



Net stumpage

The return at harvest is expressed as the net stumpage per hectare. The calculated harvest return is a projection based upon a number of critical assumptions which are outlined in the latest annual financial statements. For Wairarapa Group Forest this is currently projected to be \$29,526.

Log Type	Total Recoverable Volume (TRV)	Percentage	FEL Price at Point of Sale	Total Production Costs	Net Stumpage	Contribution to Stumpage	Contribution to Stumpage
	(m3/ha)	(%)	(\$/m3)	(\$/m3)	(\$/m3)	(\$/ha)	(%)
Domestic P35	71	11%	181.80	- 93.50	88.30	6,298	22%
Domestic S30	126	19%	125.05	- 74.27	50.78	6,374	22%
Domestic S20	95	14%	110.05	- 73.90	36.15	3,430	12%
Domestic Pulp	7	1%	31.00	- 71.92	40.92	272	-1%
Export P40	77	12%	178.45	- 91.21	87.24	6,695	23%
Export A	130	20%	128.45	- 89.96	38.49	5,020	17%
Export K	43	6%	113.65	- 89.59	24.07	1,034	3%
Export KI	53	8%	104.95	- 89.37	15.58	831	3%
Export KIS	64	10%	90.85	- 89.02	1.83	117	0%
Total	666	100%	129.26	- 84.89	44.37	29,526	100%

Annual investment costs

All projected costs relating to the investment are included in the cashflow projection. Some key projected costs not included in the stumpage calculations include rates and insurance, fees, replant/establishment and tending.



Cashflow projection

Taken from the Financial Report for the year ended 31 March 2023. Please refer to the assumptions outlined from page 6.

Note: the reference to 'Each Investment Unit' refers to a parcel of 200 shares.

CASHFLOW PROJECTION - Wairarapa Group Forest Investment																									
Financial Year ending March 2024	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	TOTAL	
Hectares Planted										5.9									129.4	99.9	83.9	267.8	275.3		
Total Hectares Harvested									6.2				2.4					128.7	100.0	83.4	256.1	266.0	54.6	44.8	942.2
EXPENDITURE																									
Capital Expenditure																									
Non Depreciable																									
Land and Improvements																									
Preliminary Expenses																									
Mortgage Repayment			250000	275000	125000																				\$650,000
Deductible Expenditure																									
Forestry Expenditure																									
Establishment										8890	230			3480	90			193670	154370	129260	403910	421830	93930	\$1,409,660	
Tending	933100	720061	449755	155418	100000									6490			10700		2540		4190	360	141630	\$2,524,244	
Maintenance	39436	27830	27830	27830	27830	27830	27830	27830	27830	27830	27830	27830	27830	27830	27830	27830	27830	27830	27830	27830	27830	27830	27830	\$651,696	
Protection	2820	2820	2820	2820	2820	2820	2820	2820	2810	2820	2820	2820	2820	2820	2820	2820	1270	1310	1330	1060	1050	1380	1390	\$53,900	
Inventory						13110			9360					13110				9360						\$44,940	
Mapping	1000								60					90				1320	1000	840	2680	4050	1560	\$12,600	
Insurance	18000	20910	21390	21870	22350	22820	23300	23780	24110	24660	25130	25610	26030	26540	27010	27490	24660	24170	23730	18380	15100	17530	17430	\$522,000	
Rates	8500	8500	8500	8500	8500	8500	8500	8500	8500	8500	8500	8500	8500	8500	8500	8500	8500	8500	8500	8500	8500	8500	8500	\$195,500	
Other Expenditure																									
Management	26488	26488	26488	26488	26488	26488	26488	26488	26488	26488	26488	26488	26488	26488	26488	26488	26488	26488	26488	26488	26488	26488	26488	\$609,224	
Investor Admin Fee																									
Supervisor Fees	4350	4350	4350	4350	4350	4350	4350	4350	4350	4350	4350	4350	4350	4350	4350	4350	4350	4350	4350	4350	4350	4350	4350	\$100,050	
Audit Fees	3500	3500	3500	3500	3500	3500	3500	3500	3500	3500	3500	3500	3500	3500	3500	3500	3500	3500	3500	3500	3500	3500	3500	\$80,500	
Investment Update & Valuation	5500	5500	5500	5500	5500	5500	5500	5500	5500	5500	5500	5500	5500	5500	5500	5500	5500	5500	5500	5500	5500	5500	5500	\$126,500	
Legal & Other Professional Fees														27510										\$27,510	
Borrowing Costs & Bank Fees	25990	53940	45320	19510	3960	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	\$166,720	
Industry Subscriptions & Levies	3060	3000	3000	3000	3000	3000	3000	3000	4050	3000	3000	3000	3420	3000	3000	25800	20610	17780	50170	51480	12860	11700		\$239,930	
Disbursements	5100	5100	5100	5100	5100	5100	5100	5100	5100	5100	5100	5100	5100	5100	5100	5100	5100	5100	5100	5100	5100	5100	5100	\$117,300	
Investor Meeting Costs	500	5000	500	500	500	500	5000	500	500	500	500	500	500	500	500	500	5000	500	500	500	500	5000	500	\$34,000	
Contingency	4600	5000	5000	5000																				\$19,600	
TOTAL EXPENDITURE	1081944	891999	859053	564386	338898	124518	116388	112368	123098	122198	113948	118698	115038	118698	162798	116078	149698	333208	283518	282478	561178	545278	350408	\$7,585,874	
RECEIPTS																									
Capital Receipts																									
Net Current Assets	144944								-59625	26065	33560		-75000	25000	50000										\$144,944
Sale of Land & Improvements																							2561315		\$2,561,315
Borrowings	370000	200000																							\$570,000
Income Receipts																									
Forestry Right																									
Grazing																									
Interest																									
Harvest									182723					70301				3779032	2948169	2473882	7561878	7855426	1611770	1336387	\$27,819,568
Sale of Second Rotation Trees																							1746785		\$1,746,785
TOTAL RECEIPTS	514944	200000							123098	26065	33560		-4699	25000	50000		3779032	2948169	2473882	7561878	7855426	1611770	5644488	\$32,842,613	
NET CASHFLOW	-567000	-691999	-859053	-564386	-338898	-124518	-116388	-112368		-96133	-80388	-118698	-119737	-93698	-112798	-116078	3629334	2614961	2190364	7279400	7294248	1066492	5294080	\$25,256,739	
CASHFLOW FOR EACH INVESTMENT UNIT (200 Share parcel)																									
Calendar Year of Call Payment	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	TOTALS	
Cash Payable per Unit per Annum	-1134	-1384	-1718	-1129	-678	-249	-233	-225		-192	-161	-237	-239	-187	-226	-232								-\$8,224	
Payable on Application																									
Payable 30 June	-1134	-1384	-1718	-1129	-678	-249	-233	-225		-192	-161	-237	-239	-187	-226	-232									
Cash Receivable per Unit per Annum																		7259	5230	4381	14559	14588	2133	10588	\$58,738
TAX ANALYSIS FOR EACH INVESTMENT UNIT																									
Tax Year ending March	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	TOTALS	
Cashflow per Unit before Tax	-1134	-1384	-1718	-1129	-678	-249	-233	-225		-192	-161	-237	-239	-187	-226	-232	7259	5230	4381	14559	14588	2133	10588	50514	
Taxation Benefit at 33%	750	618	426	211	157	94	77	74	-33	81	75	78	32	78	107	77								2948	
Taxation Payable at 33%																	-2254	-1616	-1354	-4522	-4521	-644	-1754	-16665	
Cash Payable per Unit after Tax	-384	-766	-1292	-918	-521	-155	-156	-151	-33	-111	-86	-159	-207	-109	-119	-155								-5276	
Cash Receivable per Unit after Tax																	5005	3614	3027	10037	10067	1489	8834	42073	

About the investment

Limited Partnership investment structure

The Wairarapa Group Forest Investment is a Managed Investment Scheme (MIS) under the Financial Markets Conduct Act 2013 (FMC Act).

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

Investors in the Wairarapa Group Forest Investment have limited partner shares in the LP plus an equivalent number of company shares in the GP. The Limited Partnership Agreement requires that the 100,000 issued shares in the GP company partnership, are to be held pro rata to the number of limited partners shares held by the limited partners.

Limited Partnership is a Managed Investment Scheme

The Wairarapa Group Forest LP was registered as a MIS under the Financial Markets Conduct Act 2013 (FMC Act) on 11 October 2018. By consequence of the Act's definition of "managed investment scheme", the Limited Partnership is the registered MIS.

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.

Limited liability

As the Wairarapa Group Forest Investment is a LP, the liability of investors (Limited Partners) is limited and they are only liable to the extent of their capital contributions (funds invested), plus any other obligations expressed in the Limited Partnership Agreement.

Parties involved in providing the investment

Manager	Forest Enterprises Limited	5 Papawai Place, PO Box 128, Masterton
Supervisor	Trustees Executors Limited	Suite 3, Spark Central, 70 Boulcott Street, Wellington
Financial Auditor	Baker Tilley Staples Rodway Audit Limited	95 Customhouse Quay, PO Box 1208, Wellington
Forest Auditor	Forme Consulting Group Limited	173 Main Road, PO Box 56-030, Tawa
Banker	BNZ	193-197 Queen Street, Masterton

About Forest Enterprises

Forest Enterprises is New Zealand's original and most successful forestry investment manager. We are unique in providing both forest management and investment services under one roof. Our business is to create wealth naturally for private investors via New Zealand's thriving pine plantation forestry.

Our 6,500 individual investors are mostly New Zealanders. On their behalf we manage a forest estate of more than 20,000 hectares in the North Island regions of Wairarapa, Hawke's Bay and Gisborne. Most of our managed forestry investments have achieved FSC® certification for responsible forest management (FSC-C168647) including Wairarapa Group Forest. Forest Enterprises is also the property manager of 15,000 hectares of FSC® certified forestry in the North Island owned by an international impact fund manager (FSC-C151650).

Since we started in 1972 in Masterton, New Zealand we have remained a locally owned and operated business. We have 29 employees, including the company's six shareholders — we are professionals in the fields of forestry, land management, accounting and finance, administration, commercial law and marketing.

Forest Enterprises is the business Wairarapa Group of Forest Enterprises Growth Limited (FEG) and its subsidiary Forest Enterprises Limited (FEL). FEL is licensed under the Financial Markets Conduct Act 2013 to manage Managed Investment Schemes (excluding managed funds) which are primarily invested in forestry assets. FEG is contracted by FEL to coordinate and supervise all field activities relating to the land and trees comprising our managed investment estate, at the direction of FEL.



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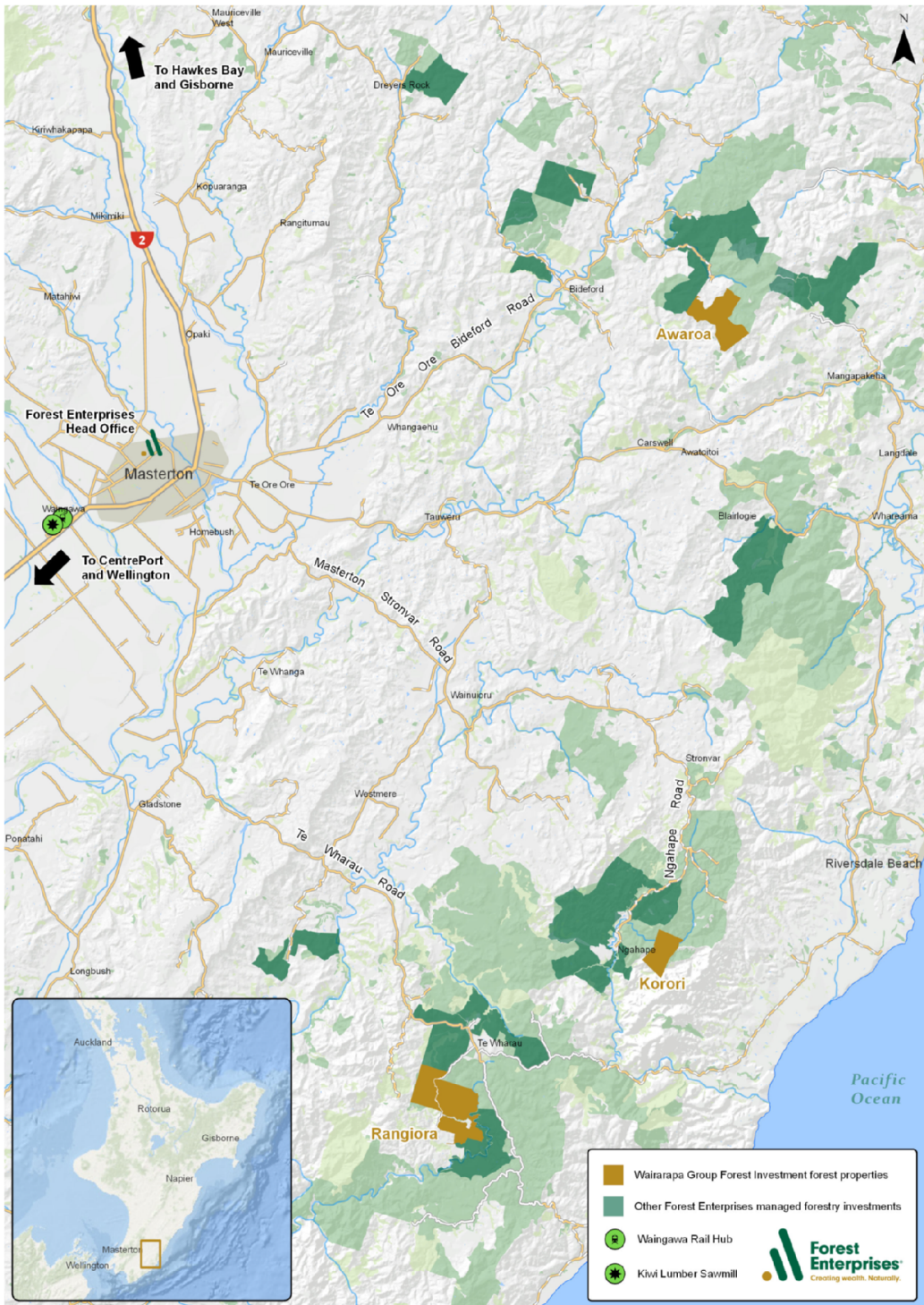
Forest Enterprises is the business name of Forest Enterprises Growth Limited and its subsidiary Forest Enterprises Limited. Forest Enterprises Limited is licensed to manage Managed Investment Schemes (excluding managed funds) which are primarily invested in forestry assets.

About the forest

Location

Wairarapa Group Forest, shown in gold on the map below, are 3 geographically separate blocks located in the Wairarapa, in a property comprising 1,143.45 hectares. There are a number of other Forest Enterprises forest investments in the vicinity (shown on the map in dark green).

Approximately 50% of the timber we harvest from our managed estate in Wairarapa is supplied to local sawmills. We export the balance via Wellingtons international log export port. Our log export and marketing partner in Wellington is TPT. Please refer to page 7 for the projected grade composition of Wairarapa Group Forest.



Property description

The terrain of Awaroa Block is mainly medium hill country with the aspect split evenly between the north-east and south-west faces. The Korori Block is steep hill country with the aspect split evenly between the north and south faces. The Rangiora Block is mainly medium hill country with some easy land at the road frontage. Wairarapa Group Forest is adjoined by other forest investments managed by Forest Enterprises, providing potential economies of scale for all forest operations.

Climate

Annual rainfall for Wairarapa Group Forest ranges from 1,000 to approximately 1,200mm. The forests are located inland from the coast in an area suitable for forestry.

Forest development status

Wairarapa Group Forest comprises a net-planted area of 970.0 hectares, established from 2005 to 2019. GF Plus genetically improved treestocks were used at a target planting density of 1,000 stems per hectare. Pruning and thinning is undertaken to achieve the maximum volume of clearwood (knot free wood) at harvest, coupled with good tree size and restriction of branch size in the unpruned zone (above 6.5 metres).

Manager's Report

Each year, an Annual Report and Financial Report (financial statements) are available for investors four months after balance date. The Manager's Report within the Financial Report summarises forest activity for the previous and coming year plus other material management issues.

Insurance

Forest Enterprises coordinates a bulk insurance policy for the benefit of both its group investment and private clients. Under this policy, each insured peril or type of additional cover in the policy has its own aggregate maximum liability. This insurance approach is generally referred to as 'first loss' i.e., the policy covers any losses during the period of insurance as they occur, but up to a maximum of the nominated sums. The tree crop is insured by Insurance Facilitators Pty Ltd, an Australian based specialist forestry and crop insurance provider, and underwritten by HDI Global Specialty SE – New Zealand with a Standard & Poors rating of A+(Strong).

General details on the Insurance cover in place from 1 September 2022 to 31 August 2023:

Wairarapa Group Forest Insurance Details	Current Year
Treecrop Fire	\$3,401,603
Windstorm	\$3,401,603
Plantation Re-establishment Costs	\$2,367,250
Public Liability: Including that arising from the Fire and Emergency New Zealand Act 2017	\$20,000,000

The main components of the insurance are:

- The excess for fire is 1.5% of the insured value of the block that the loss incurred is in. There is a minimum excess of \$10,000. Fire cover subject to any proportionate share of the \$20 million global policy maximum.
- The excess for windstorm is 2.0% of the insured value of the block that the loss incurred is in. There is a minimum excess of \$10,000. Windstorm cover subject to any proportionate share of the \$5 million global policy maximum.
- Plantation Re-establishment Costs provides cover for \$2,500 per hectare subject to any proportionate share of the \$5.1 million global policy maximum.



More information about this investment

This Investment Report should be read in conjunction with the investment's latest annual investment reports.

These and other key disclosure documents are available from the Companies Office Disclose Register at www.companiesoffice.govt.nz/disclose ('Search Schemes' by *Scheme Wairarapa Group* or *Scheme Number*):

31 March 2023 Financial Report	Includes reports from the Manager, financial auditor and forest auditor, the financial statements, insurance details, and updated budget, investment valuation and projections.
31 March 2023 Annual Report	Prescribed statutory document which includes the fees, details and description of the Scheme.
Deed of Scheme Management (DSM)	<p>The Deed of Scheme Management is the pre-eminent Governing Document of the MIS. It 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:</p> <ul style="list-style-type: none"> • 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.
Limited Partnership Agreement	Sets out the matters agreed between the Limited Partnership, the General Partner and the Limited Partners in respect of the operation of the Limited Partnership.
Constitution of the General Partner	Sets out how shareholders, directors and other parties interact with each other.
Statement of Investment Policy and Objectives (SIPO)	Sets out the investment policy and objectives of the registered Scheme.





Pruning.



Awaroa block.

