



Forestry Projects: Factsheet

Who We Are:

Reforestation Group is an International Group that operates large farms in the Para region of Brazil. We are based in Grand Cayman and we focus only on this region and previously deforested land. Our representatives New World Forestry are based in Kent.

Our Business Objective:

To bring ethical investment in sustainable forestry within the reach of all investors. Our projects provide fixed term cash cropping whilst protecting existing tracts of native forestry, and increase local employment. The land is actively managed through an appointed land management company.

Why Brazilian forestry:

Growing demand for alternative fuels Crops pre-sold prior to harvest
Harvests every six –seven years with Reforestation of deforested land.

The Investment:

Investors acquire a 21 year term with break options at seven and fourteen years. Other exit options are available in the form of a 90 sale instruction (subject to terms). Full investment costs are covered in the first crop as well as providing a high profit. Subsequent cropping cycles every seven years return increasing benefits. After

21 years the rights are bought back from the investor and the land is re-stocked with native species for the benefit of the local community. The investor may place a project into a trust vehicle of their choosing.

Costs or Deductions:

The initial investment of £10,000 per Hectare covers rights to crop the land and full costs of the first harvest cycle. A commission of 5% is charged on each harvest and cropping cycles 2 and 3 require a fixed land management fee of £4,000 paid to the management company of choice. There are no other deductions.

Underlying Asset:

The investors' directly held underlying asset is cropping rights to productive farmland. The Reforestation Group provide investor returns from the sale of torrefied timber wood pellets for use in Power Stations, and a number of other uses. The land is held in confirmed ownership by a Brazilian Company and Reforestation Group provide investment projects based on that land. New World Forestry Limited introduce investors and advisors to those projects with exclusive rights to promote and support those investments.

Security for Investors Risks for Investors:

Exclusive ownership of cropping rights Non FCA regulated & no recourse to FSCS
Land can be sold in event of default illiquid investment
Crop demand increasing

Returns for Investors:

Investment returns are based solely on the sale of the timber produced on the specific hectare(s) of which the rights are purchased by an investor.

Returns are calculated based on the planting of 1200-1500 Eucalyptus trees per hectare with a minimum harvest yield of 150 Metric Tons (management company guaranteed).

With a resale price of £130 per metric ton(based on purchase orders).

Every hectare will produce a minimum of £19,500 every 7 years or £58,500 every 21 years (minus costs and deductions).

Off-take:

New World Forestry are very active in the global timber markets working with plantation owners, shipping contractors and end users i.e Energy Companies and Paper Mills. As such we have considerable purchase orders in place for the sale of our investors timber. Including a 10 year contract for over 120,000 metric tons per month of Eucalyptus from our port in Brazil.

Validation:

We have available on request various reports and surveys for investors Due Diligence these include an Fazenda Boa Sorte Agri report – This Document reviews the lands characteristics required for the planting of Eucalyptus, The environmental features of the farm Fazenda Boa Sorte and a conclusion that both our planting density and harvest yield predictions are correct.

Land Valuation – The valuation document talks about the current freehold value of the land to confirm investors are not holding a wasting asset.

Cotacao Seguro Floresta – This document outlines the insurance provided by Allianz Insurance and the schedule of risk and protection. This includes flooding, strong winds, excessive rain, fire, lightning, security as well as the comprehensive plantation insurance used by most reputable forestry companies in the region.

Legal Opinions – We have an extensive network of Legal Advisors and as such have obtained advice and reports on every aspect of our business. We are happy to share these opinions.

Payments:

We have historically used our Solicitors Mishcon De Reya to handle client funds on behalf of Reforestation Group. Due to recent changes in the SRA rules that prohibit the firm acting as a bank account. We are now using our solicitors FCA escrow with Chantry Vellacot.

The account can be deposited into directly from a pension scheme or cash only once a prospective investor has been accepted into the project based on the rules defining Financial Advice and sophisticated investor requirements. More information can be provided upon request.

Key Facts	
Asset Class	Forestry
Location	Para, Brazil
Currency	£Sterling or \$US
Term	21 years with breaks at 7 and 14
Exit possible	Land reverts to Reforestation Group at end of term. Intermediate exits are
Minimum Investment	£10,000 and then multiples thereof
ROI	Depends on investment and performance but typically 32.5%
Investor Security	Land provides appreciating asset against liabilities
Accepted in a Pension	SASS QROP QNUP or Offshore Investment Bond

Disclaimer:

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