



FIM

Low risk, 100% asset backed
sustainable investment, with
assured growth



FIM Timberland LP

Fund Summary

1 December 2015

www.fimltd.co.uk

The Fund Has Clear Objectives:

- **Investment in a diversified portfolio of large scale UK commercial forests**, to achieve a balance between income and capital growth.
- **Target a tax free distribution of 3% per annum**, with a long term post-tax targeted annualised return of 7%, with low volatility.
- To provide a low cost, tax efficient investment vehicle to the benefit of High Net Worth Investors, with fully transparent fees and costs and with no profit share to the operator of the Fund.

Tax Efficient Structure:

The Fund is specifically structured as an unlisted limited partnership (LP) to provide investors with a proven highly tax efficient trading structure, with:

- **No liability to income tax or corporation tax** on revenue from timber.
- **No liability to capital gains tax (CGT)** on the increase in the value of timber. CGT only applies to any realised gain on the sale of land for UK domiciled individuals and corporations.
- **100% relief from inheritance tax (IHT)**, once held for two years.

This structure provides greater tax efficiency and lower cost than, for example, a UK timberland company with shares listed on the main market of the London Stock Exchange, individual shareholders of which would typically be subject to income tax on dividends, CGT on any capital gain on the sale of shares and would not generally qualify for IHT relief.

Investors Will Benefit From:

- **An established entity already trading**, with £21.5 million raised in 2015, with an existing portfolio of 1,680 hectares.
- Proven management, FIM have been operating and managing similar timber funds since 1979, achieving good performance for investors.

Liquidity:

- FIM has established procedures for arranging deals between vendors and purchasers in a secondary market.
- The Fund has set termination dates.

The Investment Opportunity:

Investors will benefit from assured growth as trees grow each year, adding both volume and value, regardless of what else is happening in the global economic cycle.

Rising timber prices are the main driver of returns.

FIM believes that the outlook for timber prices is strongly positive, as rising demand combines with ever increasing constraints on supply.

Rising Demand

Three factors are driving demand growth:

- **Rising demand in the developed world**, as construction output recovers after the global financial crisis.
- **Rising demand in the developing world**, due to urbanisation and increasing GDP.
- **New uses**, such as biomass, creating substantial additional demand for timber.

Constraints on Supply

The majority of the world's timber is sourced from natural growth forests. Increasingly, the availability of timber from these natural reserves will be constrained:

- **Legislation is restricting illegal logging**, which currently accounts for between 10% and 40% of the annual global harvest (estimates vary significantly).
- **Competing land uses**, such as carbon storage, food production and recreation, restrict the exploitable resource.
- **Major capital expenditure is required** to access marginal supplies in remote areas, such as Siberia.

Minimum Investment:	£40,000
Opening Date:	18 January 2016
Closing Date:	30 June 2016

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