

## KEY INFORMATION DOCUMENT (“KID”)

### Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

### Alert

You are about to purchase a product that is not simple and may be difficult to understand.

### Product

<b>Product:</b>	<b>GH Timberland LP (the “LP”)</b>
<b>ISIN:</b>	N/A
<b>Website:</b>	<a href="http://www.greshamhouse.com">www.greshamhouse.com</a>
<b>Manufacturer:</b>	Gresham House Asset Management Limited (“GHAM”) is the Manager of the LP, and a wholly owned subsidiary of Gresham House plc (“GH”), 80 Cheapside, London, EC2V 6EE
<b>Competent Authority:</b>	Financial Conduct Authority
<b>Date of production of KID:</b>	07 November 2024

### What is this product?

#### Type

The LP, established in 2015, is a Scottish Limited Partnership based in the United Kingdom, and is managed by GHAM.

#### Objectives

The LP seeks to:

- Acquire diversified large-scale UK commercial forests (Net Asset Value of the LP as at 31 July 2024 was £183.0 million);
- Provide long term tax free capital growth;
- Target a long term return (IRR) of 7% per annum;
- Provide 100% relief of Inheritance Tax (once held for two years); and
- Be actively managed over the long term to maximise returns, providing a degree of liquidity, and to comply with the highest standards of governance.

The Manager conducts technical and legal due diligence on all potential acquisitions using specialist advisors. This product is a long term hold with no recognised market for the shares.

The LP’s investment policy is governed by the Limited Partnership Agreement. Investments are in real assets, so these investments are long term in nature. The first termination date of the LP is 31 July 2032.

GHAM (via its predecessor FIM Services Limited) have been operating and managing similar vehicles for 40 years, achieving good performance for investors.

#### Intended investor

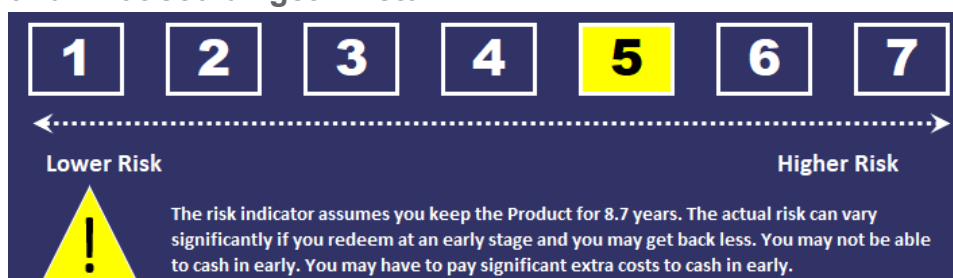
The LP is for investors who meet the requirements of the Certified High Net Worth Investor, Certified Sophisticated Investor or Self-Certified Sophisticated Investor exemptions set out in COBS 4.12.4.R. You may wish to consult an Independent Financial Advisor prior to investing in the LP.

#### Maturity

The LP is set to terminate on 31 July 2032, with an option to extend to a final termination date of 31 July 2040, subject to a 75% continuation vote held by the Limited Partners. At the final termination date, the Manager envisages giving Limited Partners the opportunity to roll the assets into a similar vehicle, thereby retaining the IHT relief. If this option is rejected by Limited Partners, the alternative would be an orderly disposal of the assets, in order to maximise value to Limited Partners.

### What are the risks and what could I get in return?

**Risk Indicator**



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The summary risk indicator is a guide to the level of risk of the Product compared to other products. It shows how likely it is that the Product will lose money because of movements in the market or because we are not able to pay you. We have classified this Product as 5 out of 7, which is a medium-high risk class. This rates the potential losses from future performance at a medium-high level, and poor market conditions will likely impact our capacity to pay you. This Product does not include any protection from future market performance so you could lose some or all of your investment. If we are not able to pay what is owed, you could lose your entire investment.

### Performance Information

The main factors that will affect the performance of the LP will be the market prices and demand for UK forestry timber; the ability of the Manager to: locate, select and realise appropriate investment opportunities; to diversify commercial crop; to time and deliver revenue from harvesting timber, and achieve attractive long-term returns from the acquisition and sale of forestry land.

As set out in the annual report July 2024, the “D” shares have delivered an IRR of 8.8% per annum since November 2019. The LP is generally illiquid, so we have created a liquid performance proxy<sup>1</sup> for comparative market risk and performance statistics. The performance characteristics of this proxy cover the period January 2006 to November 2024. Market risk will vary over the investment period, the proxy’s average rolling 7.7-year risk was 20.7% which rose to 55.5% during periods of stress in the investment markets.

We have used an ex-ante moderate performance scenario of 5.8% to calculate the Reduction-In-Yield in the “What are the costs?” section below, which is calculated from the proxy.

### What could affect my return Positively?

Positive performance factors could be a rise in timber prices; increased demand; good selection and timing of crop harvesting; efficient management of the woodland; and good experience in relation to weather, pests, disease and other uninsured events. A weak sterling, particularly against the euro is likely to improve the competitiveness of UK forestry products against imported timber. Since January 2006, a favourable rolling 7.7-year return of the proxy was 20.7% per annum.

### What could affect my return Negatively?

The main factors that could affect return negatively is falling timber prices; inability of the manager to secure good terms on a number of timber harvesting contracts, and physical damage to the crop from poor experience to weather, pests, disease and other uninsured events. Since January 2006, an unfavourable rolling 7.7-year return of the proxy was 6.8% per annum.

### What could happen in severely adverse market conditions?

Severely adverse market conditions occurred in the proxy between June 2008 and March 2009 when the proxy lost 44.6%, before recovering in June 2009. Under severely adverse market conditions, the LP may have similar and proportionate losses, and there is a risk that the capital value of an investment in the LP could reduce significantly, potentially down to zero.

### What happens if GHAM is unable to pay out?

There is no direct financial exposure for Limited Partners of the LP to GHAM. Limited Partners own the underlying assets of the LP and in the event of the failure of GHAM, Limited Partners would appoint another manager to manage the LP.

Liquidity in the LP’s shares is provided through set termination dates (see above) and a secondary share sale procedure operated by GHAM.

The LP is an Unregulated Collective Investment Scheme (“UCIS”) and the UK Financial Services Compensation Scheme is not generally applicable to claims relating to such vehicles. Limited Partners in the LP may have

<sup>1</sup> 50% Standard and Poor’s Global Timber and Forestry United Kingdom index and 50% Acadian Timber, rebalanced where daily performance data was not available.

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protection under the UK Financial Services Compensation Scheme in certain circumstances but should never assume this until they have satisfied themselves on their position through direct enquiry to their Independent Financial Adviser. For more information see [www.fscs.org.uk](http://www.fscs.org.uk).

### What are the costs?

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you may receive. The total costs take into account one-off, ongoing and incidental costs. The amounts shown here are the cumulative costs of the product itself, for three different holding periods. They include costs associated with early exit. The figures assume you invest £10,000 although the minimum subscription is £94,325. The figures are estimates and may change in the future.

#### Costs over time

The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs and show you the impact that all costs will have on your investment over time.

Investment Scenarios	If you cash in after 1 year	If you cash in after 4 years	If you cash in at the recommended holding period of 7.7 years
<b>Total costs</b>	497 GBP	952 GBP	1,748 GBP
Impact on return (RIY) per	4.97 %	1.95 %	1.48 %

#### Composition of costs

The table below shows:

- The impact each year of the different types of costs on the investment return you may receive at the end of the recommended holding period; and
- The meaning of the different cost categories

This table shows the impact on return per year

One-off costs	Entry costs	0.51 %	This Product does not have any entry costs
	Exit Costs	0.00 %	This Product does not have any exit costs
On-going costs	Portfolio transaction costs	0.00 %	The Company's costs of buying and selling underlying investments.
	Other ongoing costs	0.98 %	The Company's costs of managing your investment, including the costs to the Investment Manager, auditor and broker. The OCF used for the RIY calculation is 0.91% per annum.
Incidental costs	Performance fees	0.00 %	This Product does not have any performance fees
	Carried interests	0.00 %	This Product does not have any carried interests.

### How long should I hold it and can I take money out early?

#### Recommended minimum holding period: 31 July 2032

An investment in the LP should be regarded as a long-term investment. The recommended minimum holding period is 7.7 years, (to the first termination date). Limited Partners should be able to realise their investment via GHAM's secondary share sale procedure, which has an average completion time of 28 days.

### How can I complain?

If you have a complaint about this product, you can call our team on **020 3837 6270**, email us at [info@greshamhouse.com](mailto:info@greshamhouse.com) or write to us at **Gresham House plc, 80 Cheapside, London, EC2V 6EE**.

If you remain dissatisfied with our service and you are an eligible complainant, you may ask the Financial Ombudsman Service to consider your complaint. For more information see [www.financialombudsman.org.uk](http://www.financialombudsman.org.uk).

## **Other relevant information**

Please read the publicly available information on the LP carefully before making your investment decision and confirm with your Independent Financial Adviser that you have the expertise, experience and knowledge to properly understand the risks of investing in the LP.

### **100% Inheritance Tax Relief**

Investors in the LP will be allotted shares in a Limited Partnership that the Manager believes qualifies for Business Property Relief ("BPR"). Shares in BPR qualifying partnerships held for at least two years and held at the point of death should fall outside an individual's estate for the purposes of inheritance tax.

There is a risk that HMRC determines that shares in the partnership are not BPR qualifying. GHAM receives ongoing legal advice on the qualifying status of the solution, is confident that this risk is sufficiently mitigated and has had no issues in this area since inception.

There is also a risk that BPR itself is materially changed by government such that the inheritance tax benefit no longer applies. This is out of the control of GHAM, but we closely monitor the legislative environment and do not consider that this is a material risk in the medium term.

The Budget on 30 October 2024 announced changes to Inheritance Tax from April 2026: the amount of Business Property Relief is limited to £1 million per taxpayer. Amounts over this £1 million are subject to 50% relief only. Details of these proposals are expected early 2025.

*Gresham House Asset Management Limited is authorised and regulated by the Financial Conduct Authority.*