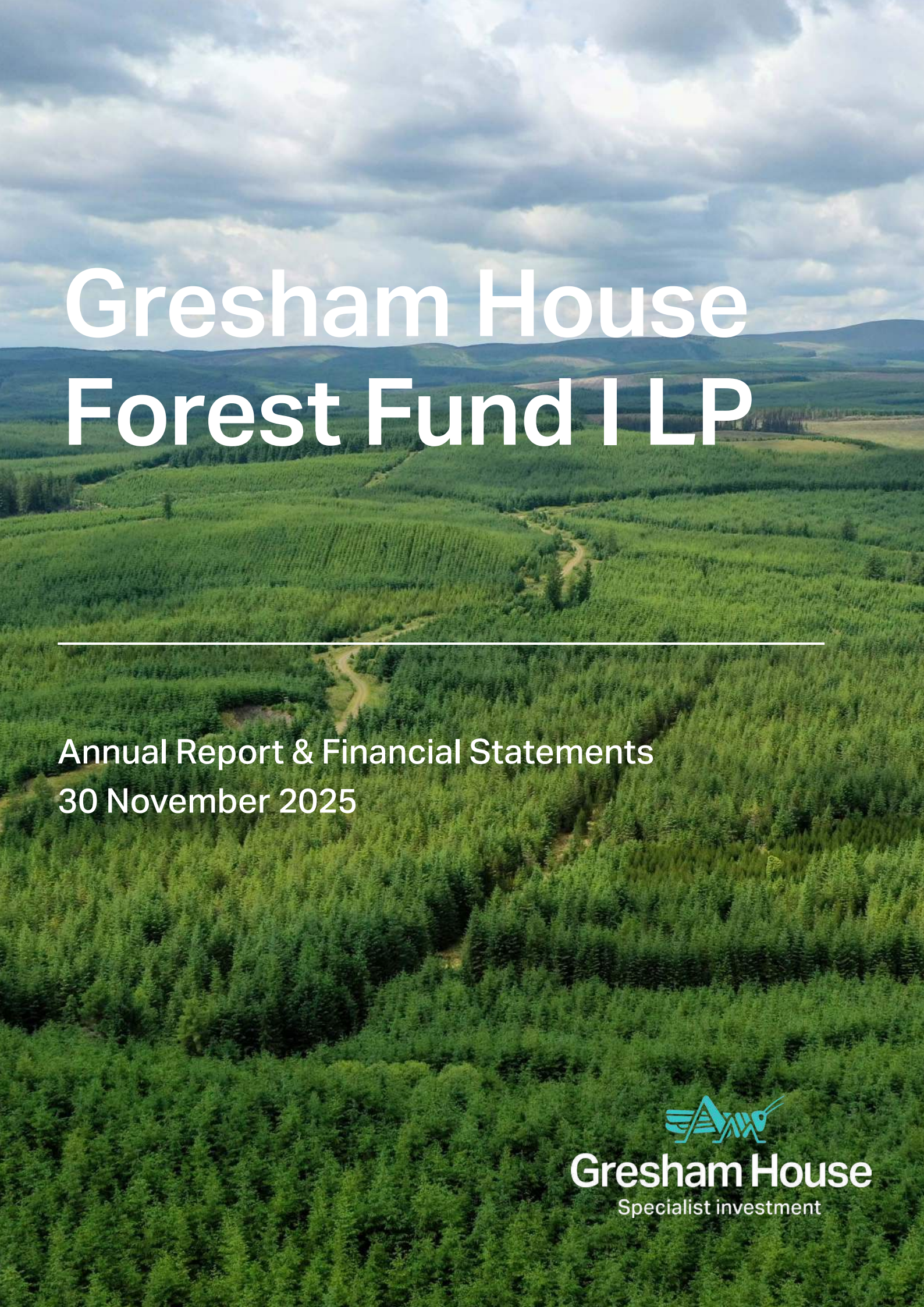


Gresham House Forest Fund I LP

Annual Report & Financial Statements
30 November 2025

Gresham House
Specialist investment

Contents

01
Annual Report

Manager's Report 5
Portfolio 10
Operations Review 13
Business Strategy 16
Market Review & Outlook 19
Administration 22
Sustainable Investment 25
Case Study - Rhyd Y Felin 31
Report of the General Partner 33
Independent Auditor's Report 34

02
Financial Statements

Income Statement 38
Balance Sheet 39
Statement of Cash Flows 40
Notes to the Financial Statements 41
Remuneration Disclosure (Unaudited) 46

03
Additional Information

The Management Team 49
Partnership Information 50
Important Information 51





Highlights

- During the 12-month period to 30 November 2025, Gresham House Forest Fund I LP (the Partnership) delivered a total return of 6.1% to all Limited Partners. This comprised of a 4.6% capital gain and a cash distribution of 1.5% on the prior year's Net Asset Value (NAV).
- Over the life of the Partnership, all share classes have performed strongly, exceeding the Partnership's target Internal Rate of Return (IRR) of 7%, with a blended IRR of 10.1% to 30 November 2025.
- Net assets increased by £17.4mn during the year, from £375.4mn to £392.7mn, equating to £4,244.73 per Partnership Share.
- A distribution of £60.85 was paid on all Partnership Shares; representing a 1.5% yield on the prior year's NAV.
- The UK timber market started the year positively, but weaker demand and downward price pressure emerged towards the end of the first quarter, resulting in subdued conditions for the remainder of the year. The early strength in the market allowed the Manager to secure competitive prices and complete a significant proportion of the budgeted timber sales.
- The Partnership received its first allocation of UK carbon credits in the form of Pending Issuance Units (PIUs) under the Woodland Carbon Code (WCC), relating to recently completed new planting schemes. Based on average market prices for PIUs observed during the year, a valuation uplift of £0.9mn has been recognised on the balance sheet.

Total Net Asset Value
(as at 30 Nov 2025)
£392.7mn

Net Asset Value per Share
(as at 30 Nov 2025)
£4,244.73

Total return
(for the year to 30 Nov 2025)
6.1%

Distribution paid per Share
(for the year to 30 Nov 2025)
£60.85

Total turnover
(for the year to 30 Nov 2025)
£12.8mn

Blended IRR
(since inception)
10.1%



Annual Report

Manager's Report

Executive summary

The Partnership continued to demonstrate resilience in the face of ongoing challenges during the 12-month period to 30 November 2025 and the Manager is pleased with the overall performance of the portfolio, which delivered a total return of 6.1% during the year.

In the UK forestry investment market there are positive signs that institutional capital continues to seek allocation towards the asset class. A small number of good-quality sites were transacted following the easing of recent Budget-related uncertainty, providing robust comparable evidence and supporting an uplift in values. Broadly, valuation trends appear to be driven by increased demand for more mature forestry assets capable of generating income over the next decade, leading to some upward pressure on those values whereas less mature forestry assets experienced modest valuation softening.

While timber markets remained under pressure, there were some encouraging forward indicators, including a reported increase in construction planning activity in the latter half of 2025, which is typically followed by increased construction activity. Although this is not expected to materially support timber prices in 2025-26, it may begin to provide a tailwind towards the end of 2026 and into the subsequent year. During the period, interest rates continued their downward trajectory and inflation remained relatively stable in comparison to the prior years although still above the long-term target. Notwithstanding this relative macroeconomic stability, geopolitical uncertainty remains elevated and continued to weigh on market sentiment.

Total turnover within the Partnership, largely comprised of timber sales, amounted to £12.8mn during the year against a budget of £19.5mn, reflecting strategic deferrals to the planned harvesting. Selective timber sales allowed the Manager to generate 64% of the budgeted timber revenue through the sale of 65% of the budgeted timber volume, thereby ensuring good value for timber sold. Through proactive management of expenditure, operating costs were £5.0mn against a budget of £8.2mn, which alongside selective timber sales, enabled the Partnership to generate an operating profit of £5.2mn.

As a result of the trading performance, the General Partner elected to authorise payment of 94% of the planned distribution to Limited Partners, at £60.85 per Partnership Share, which represented a yield of 1.5% of the previous year's NAV. This was a 2.2% decrease from the previous year's payment of £62.20 per Partnership Share, reflecting subdued demand coming through in a decrease in timber prices. The portfolio strategy is clear that generation of income must be balanced against preservation of asset value and by making a small adjustment to the distribution level, the Manager was able to preserve timber value for the future benefit of Limited Partners.

In relation to Inheritance Tax (IHT) and Business Property Relief (BPR), which remain relevant for certain Limited Partners given the Partnership's ownership of BPR qualifying assets, the government has confirmed an increase in the applicable thresholds originally published in the Autumn 2024 Budget proposals. Based on the Chancellor's latest announcement in December 2025, BPR qualifying assets above a threshold of £2.5mn per individual will be subject to IHT at a reduced rate of 20% from 6 April 2026. This represents a positive development from the £1.0mn threshold first announced.

The Partnership holds a high-quality and well-diversified portfolio of freehold forestry assets, which the Manager expects will continue to deliver attractive long-term performance.

The Manager considers that there are potential structural improvements which could be made to enhance the long-term viability of the Partnership, subject to a vote by Limited Partners. In recent years there has been a widening imbalance between the level of demand for secondary shares and the supply of shares being offered for sale, which has resulted in a significant discount to NAV for exiting Limited Partners. It is also apparent that larger scale, more diversified portfolios are likely to generate strategic advantage in terms of ability to control costs, generate economies of scale and provide more consistent income. The Manager is in the process of consulting the Partnership's Advisory Committee regarding proposals that are expected to address this situation and provide an improved long-term outcome for Limited Partners. The Manager is intending to present the detailed proposals to Limited Partners for a vote during Q2 2026 pursuant to discussions with the Advisory Committee.





Total return

During the 12-month period to 30 November 2025, the Partnership delivered a total return of 6.1% (£248.64 per Partnership Share) to all Limited Partners, comprising a distribution of £60.85 per Partnership Share (1.5% yield) and a NAV increase of £187.79 per Partnership Share (4.6% capital gain).

		% of opening NAV
Opening NAV Per Partnership Share	£4,056.95	
Ending NAV Per Partnership Share	£4,244.73	
Change in NAV Per Partnership Share	£187.79	4.6%
Distribution Per Partnership Share	£60.85	1.5%
Total Return Per Partnership Share	**£248.64**	**6.1%**

Net Asset Value (NAV)

The NAV increased by 4.6% over the year, to £4,244.73 per Partnership Share (2024: £4,056.95). The overall NAV increased by £17.4mn to £392.7mn (2024: £375.4mn).

The increase in NAV was primarily due to an £18.4mn increase in the valuation of freehold properties to £404.9mn (2024: £386.5mn) based on the external revaluation of the Partnership's forestry portfolio by Savills plc. The total valuation of the freehold properties was £405.8mn, including a £0.9mn uplift from WCC PIUs issued during the year.

The UK forestry investment market saw modest improvements in transaction activity and market participation during 2025, with early signs of returning investor demand, particularly from institutional buyers. This provided key market comparables for this year's valuation.

The Manager remains confident in the underlying value and long-term prospects of the Partnership's portfolio, which has demonstrated resilience despite subdued timber market conditions in recent years.

Over the longer term, demand for UK forestry assets is expected to strengthen as investors continue to seek exposure to sustainable real assets. Valuations are based on long-term assumptions and are generally not impacted by short-term timber price volatility, although market conditions may affect the availability of transactional evidence.

Gearing

As at 30 November 2025, the Partnership debt of £14.2mn remained constant to the prior year (November 2024: £14.2mn). This represents a Loan to Value (LTV) ratio of 3.6% of NAV. Interest payable during the year of £0.9mn represents an interest coverage ratio of 5.9x which the Manager continues to believe is serviceable.

The Partnership has a flexible facility with Barclays Bank plc with an accordion option available up to a maximum of £20.0mn, which provides the Manager an opportunity to take advantage of appropriate acquisitions on competitive terms, for the benefit of the Partnership.

The Manager remains cautious that while the level of debt in terms of LTV is very low, at 3.6%, recurring financial obligations such as interest repayments reduce the flexibility to strategically defer harvesting income, and the Manager is therefore not intending to materially increase the gearing level at the present time.

Under the terms of the Limited Partnership Agreement, gearing on the Portfolio is limited to 20% of NAV.

Distributions

Distribution for the year ended 30 November 2025

Under the Limited Partnership Agreement, the target distribution policy aims to increase the distribution annually by the Consumer Prices Index (CPIH) plus 1% on a compound basis.

In November 2025 the General Partner authorised a distribution of £60.85 per Partnership Share across all Share classes, totalling £5.6mn, representing 93.9% of the budget of £6.0mn (or £64.82 per Partnership Share). This represented a 2.2% decrease compared with the prior year distribution of £62.20 per Partnership Share, reflecting general weakness in the timber markets and reduced trading profits. However, this still delivered an attractive 1.5% yield.

Distribution for the year ending 30 November 2026

For the financial year ending 30 November 2026, the Manager aims to maintain a 1.5% yield on the opening NAV and has budgeted for a distribution of £63.67 per Partnership Share. This would represent a real increase for Limited Partners and a 4.6% nominal uplift on the prior year.

For the financial years ending 30 November 2027 and 30 November 2028, the Manager intends to continue targeting a 1.5% yield based on the prior year's NAV, currently forecast at £66.30 and £69.04 per Partnership Share, respectively.

Fund performance

All share classes have generated returns in excess of the Partnership's target IRR of 7%, with a blended IRR of 10.1% to 30 November 2025.

Share Class	IRR	Since
Founder Limited Partnership Shares	11.3%	December 2008
Initial Limited Partnership Shares	11.0%	January - August 2009
"A" Additional Limited Partnership Shares	10.3%	August 2012 - March 2013
"B" Limited Partnership Shares	9.4%	September - December 2017
"C" Limited Partnership Shares	7.7%	September - December 2020
All Share Classes	**10.1%**	

Returns are stated net of all costs, including fund raising costs, costs of acquiring properties and fund management costs, but prior to any Carried Interest Share, which may become payable to the Special Limited Partner, FIM Executives LP.

Under the Limited Partnership Agreement, the General Partner will calculate the blended IRR at each Valuation Date for the Partnership Shares. Per the Limited Partnership Agreement, if the weighted average IRR exceeds the IRR on the IPD UK Forestry Index plus 0.5% per annum, then the excess returns over the benchmark will be paid as follows:

- 85% to Limited Partners
- 15% to the Special Limited Partner

As the IPD UK Forestry Index is no longer being produced, currently all distributions have accrued to Limited Partners and none to the Special Limited Partner.

Partnership Shares are expected to qualify for 100% BPR on IHT once held for two years. The recently announced BPR reforms are summarised in the Taxation section of this Report.

Macroeconomic update

Inflation increased modestly during the period but is expected to ease towards c.2.5% by the end of 2026. This has supported a gradual reduction in interest rates, with base rates declining from 4.75% to 4.0% during the year with a further reduction occurring after the period. Market expectations are for base rates to stabilise in the range of 3.0%–3.5% by the end of 2026, providing a more supportive backdrop for investment and financing conditions.

The UK economic environment in 2024-25 was dominated by political uncertainty following the General Election and subsequent Autumn Budgets, which continued to constrain investment activity for much of the period. The Labour government has maintained its emphasis on stimulating economic growth, including its proposals to invest £5bn in housing and deliver 1.5mn new homes over its five-year parliamentary term. While this target is ambitious, and currently behind schedule, it would be supportive of construction activity and UK timber demand if delivered. Encouragingly, planning activity increased in the latter part of 2025, which typically precedes higher construction demand.

Despite these improved sentiments, UK construction activity remains weak, with Construction PMI readings still in contraction, reflecting subdued demand and cautious investment. However, the macroeconomic outlook is gradually improving, supported by easing monetary policy, improving housing affordability, moderating input cost inflation and more stable supply chains. Looking ahead, a slow and uneven recovery in construction activity is expected through 2026, led by residential development, with broader economic and housebuilding activity likely to underpin a gradual recovery in UK timber demand and pricing.

The Manager continues to have strong conviction that biological growth and real timber price appreciation will remain central to the achievement of the Partnership's long-term objectives. These structural characteristics underpin the resilience of forestry as an asset class and remain the primary drivers of sustainable value creation and returns.

The Manager's confidence in the outlook for forest assets is underpinned by a number of enduring and supportive factors, including:

- increasing demand for sustainable and low-carbon construction materials, with timber playing a key role in decarbonisation efforts;
- growing investor appetite for forestry, reflecting its attractive sustainability credentials and portfolio diversification benefits;
- the UK's need to materially increase afforestation to support the delivery of net zero emissions targets by 2050;
- the continued strength of capital values in underlying forestry land;
- the inherent flexibility of forestry assets, whereby harvesting activity can be optimised in response to market conditions while biological growth continues to enhance volume and value; and
- a more supportive and evolving policy framework for renewable and alternative land-use developments.

Collectively, these factors reinforce the Manager's view that forestry assets remain well positioned to deliver attractive long-term performance.



Carbon sequestration

Gresham House has reviewed its carbon methodologies to align with the most current and widely accepted techniques and guidelines from the Intergovernmental Panel on Climate Change (IPCC), drafted from research by leading scientists. This carbon methodology employs a standard that is clear, transparent, complete, and comparable to ongoing research.

The total estimated tonnes of carbon dioxide (tCO_2) currently stored in the Partnership's forestry portfolio to date is approximately 4.5mn tonnes, which equates to approximately 49 tonnes per Partnership Share.

The total annual sequestration of tCO_2 by the forestry portfolio is estimated to be approximately 212k tonnes for the year ending 30 November 2026. This equates to approximately 2.3 tonnes of tCO_2 per Partnership Share.

Average annual tCO_2 emissions per capita in the UK were 4.5 tonnes in 2024[1], so ownership of just under two Partnership Shares is the equivalent to the sequestration of the average annual carbon emissions produced by one person in the UK over the course of the year.

There are currently no carbon credits generated by established UK forestry plantations. However, this sector is continually evolving and carbon trading markets have already been developed for pre-existing commercial forests in other countries such as New Zealand and the US. The Manager will continue to monitor the development of UK carbon trading markets, which could present future benefits to the Partnership.

During the year ended 30 November 2025, the Manager received confirmation that new planting projects at Knockburnie and Hartwood Hill were validated under the Woodland Carbon Code, resulting in the issuance of 33,554 Pending Issuance Units (PIUs). PIUs represent early-stage carbon credits associated with forecast future carbon dioxide sequestration and are intended to provide projects with access to funding prior to the development of sufficient biomass.

While PIUs are tradeable assets, the Manager intends to retain these units at least until verification, at which point they are converted into Woodland Carbon Units that reflect verified sequestration and are typically expected to command a higher unit price. Based on average market prices achieved for Woodland Carbon Code PIUs during the year, the Manager has attributed a carrying value of £0.9mn to these units which is included in the forestry portfolio valuation.

In addition, the Manager is progressing the generation of carbon credits for two further sites, Over Abington and Dalleagles, through the Verra standard. This approach has been adopted in response to changes in the additionality requirements under the Woodland Carbon Code introduced subsequent to the submission of the Knockburnie and Hartwood Hill projects. Verra is currently reviewing the submission for Over Abington, while Dalleagles is expected to be submitted during 2026. Over Abington is anticipated to generate approximately 19,564 carbon credits, with Dalleagles expected to generate approximately 21,519 credits under the Verra scheme.

Acquisitions / Disposals

There were no acquisitions or disposals within the Portfolio during the year ended 30 November 2025.

The Manager is currently evaluating a potential small acquisition adjacent to an existing forest holding. The proposed acquisition comprises mature timber suitable for near-term harvesting and is also expected to benefit from access and management synergies with the Partnership's existing forest. To preserve existing cash resources the acquisition would be financed through debt, subject to the Manager's assessment that the anticipated harvesting revenues would exceed the associated incremental interest costs.

In addition, the Manager is assessing a potential partial disposal of land following receipt of a commercial approach from a neighbouring quarry operator. This opportunity will be carefully evaluated, with consideration given to the trade-off between the disposal proceeds and the foregone future timber revenues and capital growth associated with the land.

Shares in issue

A total of 92,524 Limited Partnership Shares are in issue:

Share class	No of shares
Founder Limited Partnership Shares	21,873
Initial Limited Partnership Shares	5,486
A Additional Limited Partnership Shares	12,988
B Limited Partnership Shares	16,915
C Limited Partnership Shares	35,262
Total	92,524

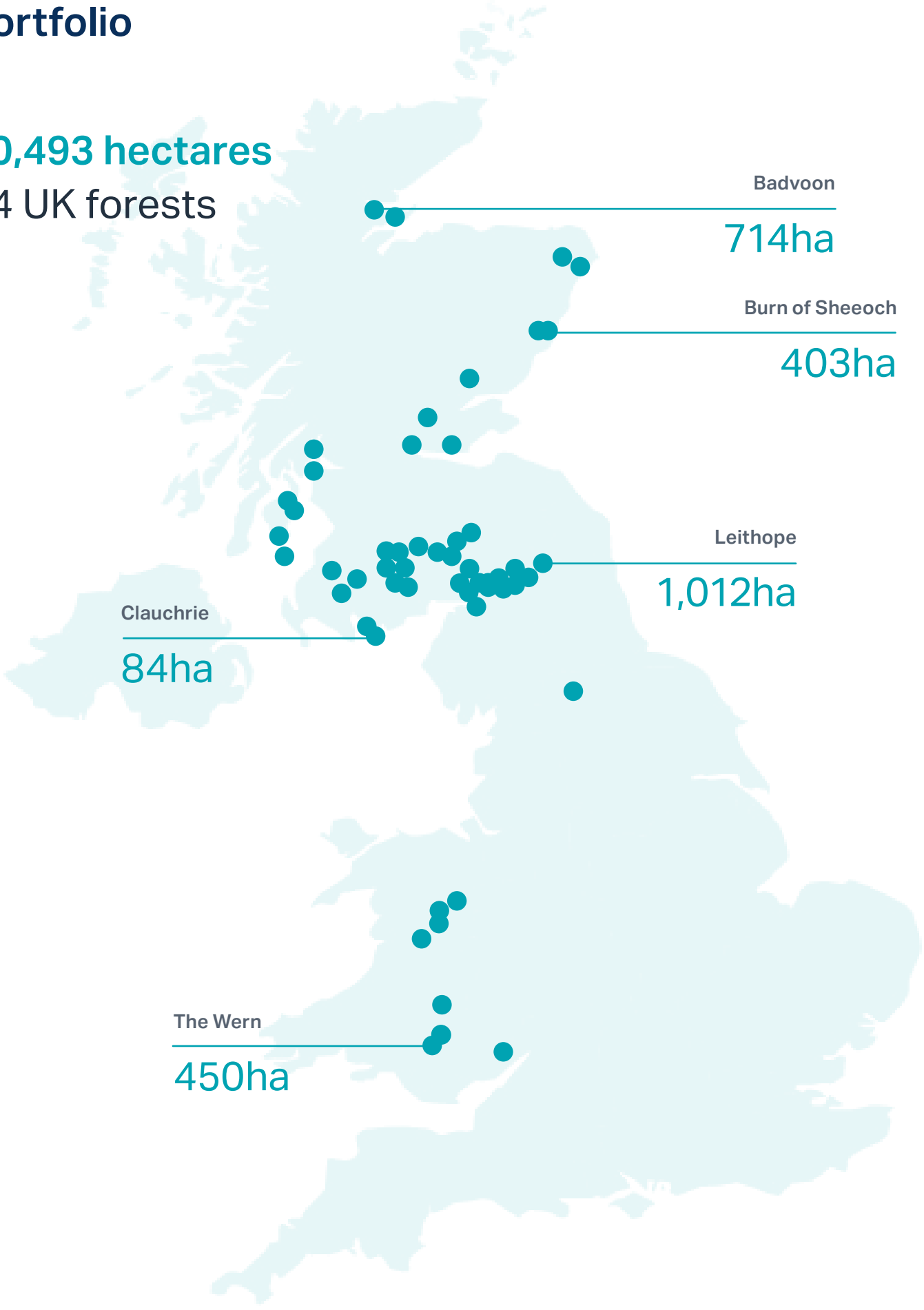
All share classes have equal entitlement to distributions and rank pari passu.

1. https://ourworldindata.org/grapher/co-emissions-per-capita

Portfolio

20,493 hectares

64 UK forests



Portfolio overview

The portfolio currently totals 20,493 hectares over 64 properties across England, Scotland and Wales, providing geographic and age class diversification for Limited Partners.

Geographically, the forest portfolio is weighted towards South Scotland, which is the centre of the UK timber processing industry. Forests in this region tend to benefit from competitive timber prices, and the region also provides excellent growing conditions for commercial conifers.

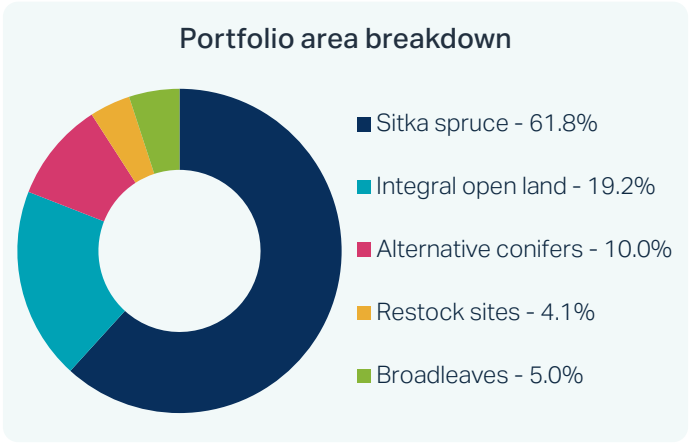
Crop analysis

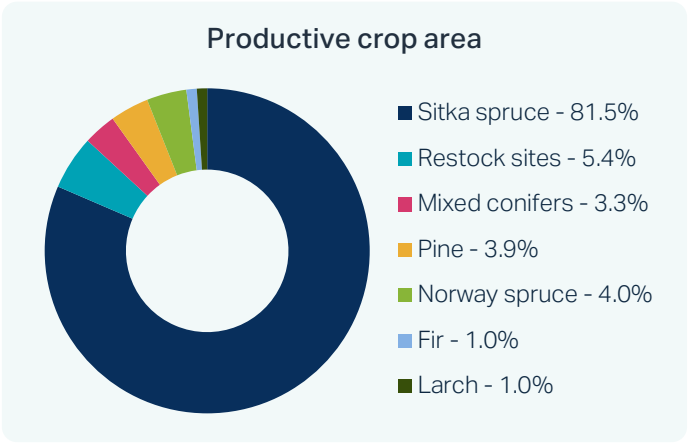
The forest portfolio spans a total area of 20,493 hectares (50,640 acres), with 15,520 hectares (76%) dedicated to commercial timber crops. This area is either actively stocked with commercial species or has recently been harvested and is awaiting replanting.

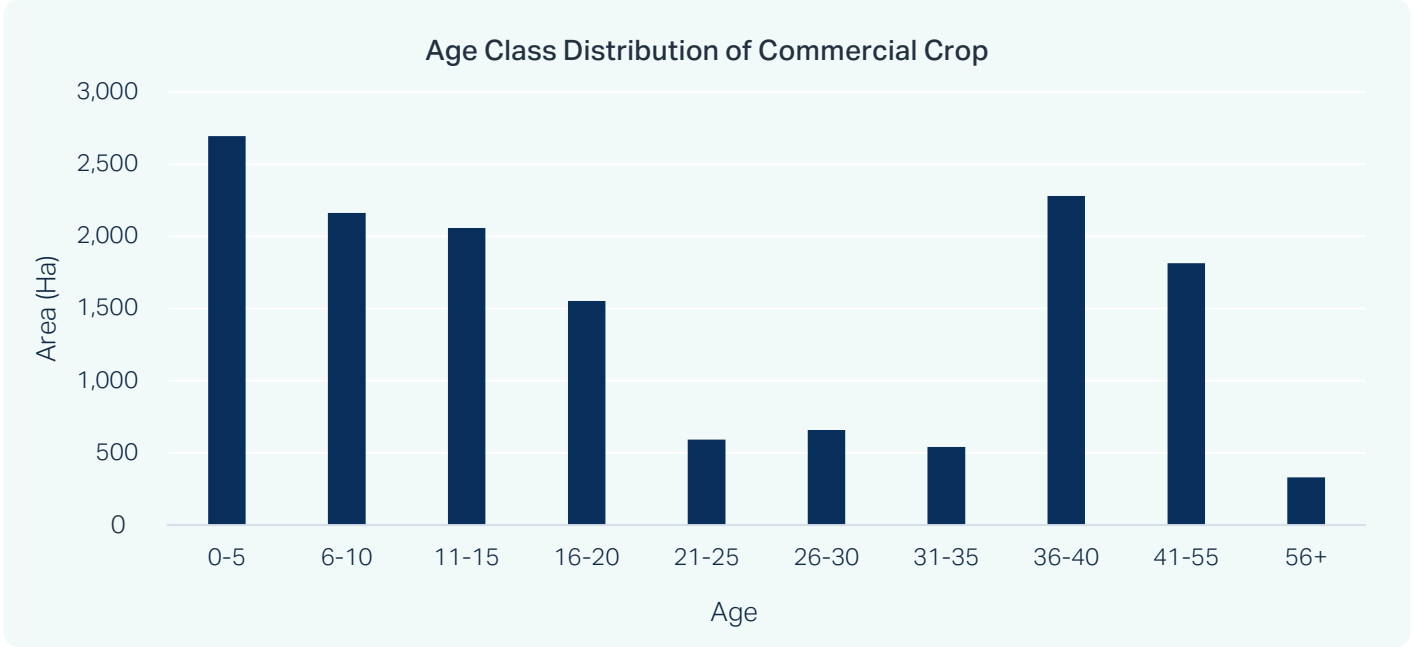
Currently, the commercial crop area consists of 81% Sitka spruce and 19% other conifer species, along with land that is yet to be restocked. The portfolio maintains an appropriate distribution of age classes, aligning with the Partnership's long-term objectives.

Within the portfolio, 4,966 hectares of commercial conifers are over 30 years old, making up 32% of the total commercial crop area. Of this, 2,146 hectares (14% of the total commercial crop area) are over 41 years old. This represents a substantial reserve of mature crops that can be harvested as needed to generate cash flow, depending on regulatory requirements and market conditions. The Manager's strategy prioritises the harvesting of the oldest crops within the portfolio where possible.

The weighted average age of the commercial crops within the portfolio is 20 years, with the distribution shown in the accompanying bar chart.







Biodiversity

All forests in the portfolio are managed in accordance with sustainable forest management practices, such as the UK Forestry Standard (UKFS) and UK Woodland Assurance Scheme (UKWAS). Consequently, a broader range of species are being introduced as forests are restructured, enhancing biodiversity across the portfolio. The Manager continues to assess and research the most suitable alternative secondary conifer species other than Sitka spruce, in order to achieve an appropriate balance of species diversity whilst minimising any reduction to future timber production. As part of this, Gresham House are Members of the Conifer Breeding Co-operative Limited, an organisation which researches and promotes the supply of commercial conifers with a focus on improving yield and timber quality whilst also focusing on resilience by ensuring good genetic diversity in breeding populations.

In addition, some 15% of the Partnership's portfolio consists of open ground. These areas play a vital role in forest ecosystems, serving to break up the canopy, protect and enhance key habitats, and create wildlife corridors, forage areas, and connections between diverse habitats. The portfolio includes 5% native broadleaf trees, and when combined with the open ground, this mix offers a rich variety of habitat types and structures. These diverse environments support a wide range of wildlife, including birds, bats, butterflies, and, in some cases, rare plant species.

Native species are highly valued in the UK's woodland ecosystems and biodiversity, as they are considered to form the foundation of habitats for various wildlife, including mammals, birds, invertebrates, fungi, and mosses.



Operations Review

Trading during the year ended 30 November 2025

	Actual 2024-25 £mn	Budget 2024-25 £mn	Actual 2023-24 £mn
Total Turnover	12.8	19.5	13.9
Operating Costs	(5.0)	(8.2)	(3.7)
Administrative and Other Expenses	(2.5)	(2.5)	(2.4)
Operating Profit	**5.2**	**8.8**	**7.8**
Interest Receivable	0.1	0.2	0.2
Interest Payable	(0.9)	(0.9)	(1.1)
Profit for the Year	**4.4**	**8.1**	**6.9**
Distribution	(5.6)	(6.0)	(5.8)
(Loss)/ Profit for the Year after Distribution	**(1.2)**	**2.1**	**1.1**

(Figures rounded to one decimal place)

The Portfolio recorded a £1.2mn loss for the year after payment of the distribution, with the Profit and Loss Account reflecting a reduction in the retained Profit and Loss account to £17.8mn (2024: £19.0mn).

Net current assets at the year-end were £1.2mn (2024: £3.1mn).

Total turnover for the year was £12.8mn (2024: £13.9mn), primarily comprised of £11.7mn of timber income (2024: £13.3mn) generated from harvesting 526 hectares (2024: 733 hectares).

Summary of timber harvesting contracts

	Budget 2024-25	Actual 2024-25
Area (hectares)	862	526
Tonnes/hectare	438	470
Price £/Tonne	£48.49	£47.20
Total timber revenue (£mn)	£18.3	£11.7
Timber Revenue / hectare	£21,237	£22,197

The UK timber market showed early signs of recovery at the beginning of the year following the subdued conditions experienced over the previous two financial years; however, this improvement was short-lived and market conditions remained constrained for the remainder of the period.

Standing timber prices were broadly flat throughout 2025, albeit with notable regional variation, as muted end-market demand continued to place downward pressure on pricing. Operational activity was also affected by delays in securing regulatory approvals, including road consents, long-term forest plans and felling licences, which disrupted harvesting schedules.

Seven budgeted contracts were deferred into the subsequent financial year, reducing forecast revenue by £3.1mn. Of this, £0.5mn related to delays in obtaining felling licences (three contracts), £1.4mn to contracts deferred due to unacceptable pricing (two contracts), £0.2mn to a site where harvesting was contingent on SPHN issuance which did not occur, and £1.0mn to delays in constructing required roading needed for timber extraction.

A further £2.8mn of budgeted revenue was not realised within the financial year as contracts remained ongoing at year end, reflecting slower offtake driven by weak purchaser demand, additional felling licence delays and, in one instance, contractor equipment issues.

In addition, forecast revenue was £0.5mn below budget due to lower-than-anticipated achieved prices, partially offset by £0.2mn of favourable variance arising from stronger recovery rates than budgeted and one contract of £0.1mn that was not included in the budget at the start of the year.

Cost control measures were implemented in response, with a number of budgeted costs that were directly linked to harvesting activity deferred accordingly, including restocking costs and certain items of capital expenditure. Overall, turnover for the year was £6.7mn below budget, resulting in retained profit being £3.2mn below budget after payment of the distribution, while maintaining an appropriate year-end cash position. The crops within the deferred harvest areas have continued to grow in volume and are therefore expected to benefit from improved market conditions when harvesting resumes.

The Partnership entered the year with a weighted average price per tonne of £45.94 for existing contracts. Contracts secured during the financial year, predominantly at the start of the year, achieved a higher weighted average price of £49.77 per tonne, reflecting the temporary improvement in market conditions at that time. The overall weighted average price achieved during the year was £47.20 per tonne, slightly below the budgeted price of £48.49 per tonne.

Overall, the tonnes per hectare harvested and timber prices achieved were broadly in line with the budgeted expectations, resulting in revenue per hectare achieved of £22,197 being marginally above the budgeted figure of £21,237.

Areas harvested are replanted to generate future capital growth and maintain the Partnership's portfolio as a sustainable forest resource. Replanting is undertaken where appropriate with improved Sitka spruce, which is expected to enhance productivity and value on the next rotation. At the financial year end a number of harvesting contracts remained ongoing, with harvesting operations not scheduled to complete until the following financial year. Operating costs associated with restocking these areas, and the areas where harvesting was deferred, will fall into the following financial year. As a consequence, operating costs were £3.2mn below budget.

Administration and overhead costs of £2.5mn were in line with the budget (2024: £2.4mn). The slight increase on the previous year was driven primarily by the Retail Prices Index (RPI) adjustment to the management fee.

Capital expenditure of £0.8mn was £1.3mn (62%) less than budget, largely as a result of roading costs required for timber extraction being deferred.

Trading budget for the year ending 30 November 2026

Total turnover for the year ending 30 November 2026 is budgeted to be £18.9mn, of which £18.0mn is from timber sales.

This is planned to be generated by harvesting 917 hectares, including the areas under contract carried forward from the previous year. This is an increase on the 526 hectares harvested in the year ended 30 November 2025, due, in part, to inflationary pressures feeding through to higher costs and distribution requirements. It should be noted that historically the annual area harvested is typically below the budgeted areas due to active management of the harvesting programme during the year. Actual areas harvested were 39% lower than budget in the year ended 30 November 2025, and 26% below budget in the year ended 30 November 2024.

The blended budget timber price is forecast to be £45.65 per tonne, below the £47.20 per tonne achieved in the year ended 30 November 2025.

	Area (Ha)	Tonnes/ Ha	Price £/ Tonne	Total Timber Revenue	Timber Revenue/ Ha
Budget 2025-26	917	428	£45.65	£18.0mn	£19,480

Since the financial year end of 30 November 2025, the Manager has secured one new contract on similar terms to those contracts carried over from the previous year. Of the £18.0mn of timber revenue budgeted for the next financial year ending 30 November 2026, 18% is already secured under contract on acceptable terms.

While the area planned to be harvested in 2026 remains above the long-term sustainable harvest area of c.470 hectares, it should be noted that in the recent years prior to 2023 the Partnership had been harvesting below the sustainable harvest area. The Manager intends to reduce the harvest area over the course of the next three-year period in concert with rising timber prices, with the aim that the distribution policy can be achieved with a more sustainable harvest amount.



The table below shows a summary of the previous years' harvesting areas and timber prices along with the forecast used in the three-year budget.

Area harvested (hectares)								
	2021	2022	2023	2024	2025	2026	2027	2028
Actual	366	329	551	733	526			
Budget	444	547	779	992	862	917	759	752
Weighted average timber price/tonne								
	2021	2022	2023	2024	2025	2026	2027	2028
Actual	£63.61	£56.97	£42.62	£43.32	£47.20			
Budget	£49.46	£54.98	£38.11	£42.32	£48.49	£45.65	£52.88	£52.74

In the financial year ending 30 November 2026, the Manager is budgeting for the Partnership to pay a distribution of £63.67 per Partnership Share representing a 1.5% yield on the prior year's NAV. This represents an increase on the prior year's distribution of 4.6% and would be the highest distribution amount ever paid by the Partnership.

For the financial years ending 30 November 2027 and 30 November 2028, the Manager is budgeting to maintain the distribution at 1.5% yield on the prior year's NAV. This will see Limited Partners receive a large proportion of the target distribution with a real annual increase year on year despite a challenging timber market endured since the recent peak in 2022. Thereafter the Partnership is expected to maintain a distribution of 1.5% yield on prior year's NAV through sustainable levels of harvesting.

Limited Partners should continue to note that there is no guarantee that any distribution will be paid in November 2026. The Manager will continue to monitor and review the situation and an update on the proposed distribution payments will be provided in the Interim Report in August 2026.

The Partnership is budgeted to generate a net profit of £7.8mn (2025: £4.4mn) prior to the payment of the planned distribution in November 2026. The distribution is budgeted to total £5.9mn and to leave a closing cash balance of £1.0mn.

Expenditure on capital projects (road construction and upgrades to enable harvesting to commence) is budgeted to be £1.9mn and includes some works deferred from the previous year.

Forest expenditure is budgeted at £8.0mn, in line with the previous year's budget (2025: £8.2mn). This is driven by a similar level of harvesting budgeted as the previous year. The cost inflation experienced over the past three years appears to have plateaued, however, costs remain significantly higher than historical averages which has had an impact on the Partnership's operating margins, particularly during periods of timber price weakness. The Manager will continue to monitor costs closely throughout the year and is committed to ensuring best value is achieved from the Partnership's operational expenditure.

Administration and overhead expenses are budgeted at £2.5mn (2025: £2.5mn), inclusive of insurance, legal, audit and professional fees, and the Gresham House Asset Management Limited fund management fee, which is calculated as 0.5% of the independently determined NAV.

Interest payable is budgeted at £0.8mn (2025: £0.9mn), a decrease on the prior year due to a forecast reduction to the Bank of England's SONIA rate over the 12 months to 30 November 2026.

The Manager will use best endeavours to put in place insurance to protect Limited Partners against catastrophic loss from fire or wind damage to protect the Partnership's capital value. The premium is budgeted at £0.2mn (2025: £0.2mn).



Business Strategy

Portfolio management

The Manager's strategy is to maximise the total return to Limited Partners, selling timber at appropriate prices in order to cover operating costs and provide an element of income via distributions to Limited Partners, achieving an appropriate balance between income and capital growth.

The Manager will continue to actively review the Partnership's harvesting programme and strategy in response to market conditions to ensure that there is alignment between long-term cash flow forecasts and availability of timber resource. Limited Partners should note the forecast distribution policy.

Partnership duration

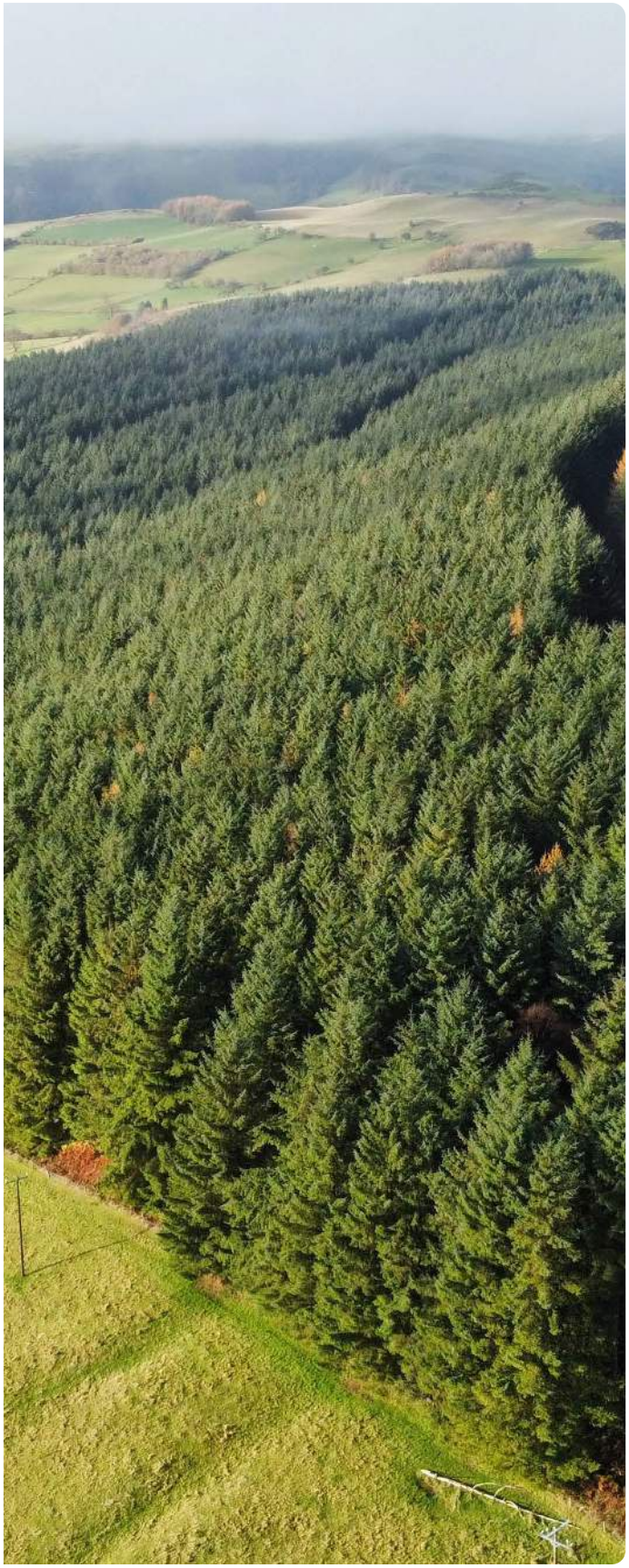
The Partnership has a First Termination Date of 30 November 2033. There is a right for Limited Partners to vote to extend this by two four-year periods, subject to 75% by value voting in favour of continuing. The Final Termination Date is 30 November 2041.

Certification

The Partnership continues with the process of certifying, to Forest Stewardship Council (FSC®) standards, the forests within the portfolio. At the time of writing, all forests are certified except two properties recently acquired for afforestation, these planting schemes will be registered once they have been planted. Certification schemes provide a way of ensuring sustainable forest management as well as third party independent verification that a timber source meets the definition of sustainability. These schemes include a mechanism for tracing products from the certified source forest to end use, providing evidence that it is both legal and sustainable.

All timber harvested, together with the restocking and management of the forests thereafter will continue to be in accordance with the UK Woodland Assurance Standard (UKWAS), to ensure continued FSC® certification of the forests.

The UK Forestry Standard (UKFS) provides for a mandatory area of each forest to be left unplanted (minimum 10%) and planted with diverse broadleaves (minimum 5%) for biodiversity. This provides opportunity for wildlife, nature and people to benefit from our forest habitats.



Higher and better use

The Manager continues to proactively seek opportunities to enhance income generation across the Partnership's forestry portfolio by engaging with renewable energy developers, principally in relation to wind farm developments, through the negotiation and management of Option for Lease agreements. Developer interest has continued to increase over recent years, reflecting the ongoing policy and market focus on renewable and sustainable energy generation to meet rising demand. Negotiations are currently underway in respect of several new Option for Lease agreements, which are expected to be executed over the coming year. For the year to 30 November 2026, the Manager has conservatively budgeted income of £0.7mn from existing and prospective wind farm projects, comprising Exclusivity, Option and Lease payments.

Two Lease Agreements in place

The Partnership's properties of Hartwood Hill and Scotston South are subject to Lease Access agreements in connection with the Kennoxhead and Griffin wind farms, respectively. During the year ended 30 November 2025, the Partnership received lease income of £0.2mn. These payments are subject to annual increases in line with RPI.

Five Option Agreements in place

There are currently five signed Option for Lease agreements in place which, subject to the projects obtaining planning consent, securing grid connection and becoming operational, have the potential to generate additional income streams for the Partnership beyond the option payments currently being received. These are:

- Craigengillan North (within the Lorg Forest Complex), which forms part of Shepherds Rig Wind Farm - Original planning approved, however Boralex now looking to vary the proposal.
- Daljedburgh, which forms part of Craiginmoddie Wind Farm - Planning approved.
- Dryfehead, which forms part of Scoop Hill Wind Farm - Planning submitted, decision awaited.
- Drum Complex, which forms part of the Drum Wind Farm - Planning rejected, appeal decision awaited.
- Greenland Complex / Peninver, which forms part of Greenland Wind Farm - Option recently signed, awaiting planning submission.

Five Option Agreements under negotiation

The Manager is close to signing three option agreements following extensive negotiations involving five Partnership forest properties.

- Cliffhope, Myredykes and Singdean are involved as part of the proposed Cliffhope Wind Farm, where the Manager is working in conjunction with a neighbouring landowner.
- Leithope has recently had an exclusivity agreement signed and the developer is still in the early stages of carrying out due diligence on the site.
- Lorg Complex has recently had an exclusivity agreement signed and the developer is still in the early stages of carrying out due diligence on the site.

Five Access Agreements under negotiation

The Manager is also actively negotiating access agreements involving nearby wind farms requiring access through the following properties, The Gall, Maymore, High Cairn, Achaglass, and Riccarton.

Six Exclusivity Agreements / HoT's under negotiation

The Manager is currently negotiating an exclusivity agreement on one further property with five more properties currently under exclusivity with Heads of Terms being negotiated. The Manager will provide further updates within the interim and annual reports as appropriate.





Seven potential lease opportunities due to be tendered

The Manager has initiated, or is in the process of initiating, a competitive tender process in respect of a further seven Partnership properties, which have the potential to participate in five separate wind farm projects. These sites are assessed as being in attractive locations for wind farm developers. A tender process is pursued where sufficient scale and competitive tension exist, with the objective of optimising the financial terms of any resulting lease arrangements.

In addition, there may be opportunities to enter into joint venture arrangements in relation to these wind farm developments in the event of a viable development, providing the Partnership with optionality to capture a greater share of the renewable energy upside once key development risks have been mitigated.

The Manager is also undertaking a review of the remaining forestry assets within the Portfolio to identify further sites that may be suitable for engagement with developers. A small number of sites have previously been assessed and deemed unsuitable for wind farm development and are therefore not currently being progressed. The Manager will continue to monitor these sites for future opportunities, while prioritising those assets assessed as having a higher likelihood of successfully benefiting from renewable energy development.

The range of opportunities available to the Partnership continues to evolve. In recent years, battery storage has become increasingly viable, either through co-location with renewable energy assets or in close proximity to substations. The Manager will continue to actively pursue alternative, value-accretive uses across the Partnership's landholdings as the renewable energy market develops.

All renewable energy projects are being progressed by experienced developers, with the Partnership incurring no material professional or legal costs, thereby minimising development risk. Should these projects be successfully delivered, the potential upside to the Partnership, in the form of lease rental income, is expected to be significant.

Market Review & Outlook

Global overview

Global timber markets remained under pressure through Q4 2025, although conditions have become more stable compared with the pronounced volatility experienced earlier in the year. Weak construction activity across most major consuming regions, elevated financing costs and persistent trade frictions continued to weigh on demand. At the same time, widespread production curtailments and tighter log availability in parts of Europe and North America have begun to rebalance supply, helping prices to stabilise at lower levels.

Benchmark softwood lumber prices in North America fell to their lowest levels since late 2024 during November, with futures trading around US$530–540 per thousand board feet, down roughly 25% from the August peak. The decline reflects oversupply earlier in the year combined with subdued housing starts and elevated mortgage rates. Production cuts and permanent mill closures announced by major producers have reduced excess inventories, and futures curves now imply a modest recovery into 2026, assuming gradual monetary easing.

In Europe, sawn timber prices have softened but remained more resilient than in North America, supported by constrained log supply in Central Europe and ongoing renovation activity. However, margins remain compressed as forestry, labour and transport costs sit well above pre-pandemic levels. Across Asia, and particularly China, timber demand has shifted structurally away from residential construction toward furniture, packaging and light manufacturing, limiting upside for both lumber and log imports.

Trade policy and regulation remained key market drivers. U.S. tariffs on Canadian softwood lumber increased total duties for some exporters to above 40%, disrupting trade flows and contributing to short-term price volatility. In Europe, the decision to delay implementation of the EU Deforestation Regulation (EUDR) reduced near-term administrative pressure on supply chains, though longer-term compliance costs remain a consideration for producers and forest owners.

Supply, demand and pricing

Demand. Global demand for timber products remained subdued in Q4 2025. U.S. housing starts were approximately 1.25 million units, nearly 10% lower year-on-year, reflecting high borrowing costs and cautious consumer sentiment.

European residential construction also remained weak, although renovation and public infrastructure activity provided partial support. In China, lumber and log imports declined by around 12–14% year-on-year over the first nine months of 2025, underscoring the depth of the construction slowdown.

Supply. On the supply side, market discipline improved. North American producers announced capacity closures and curtailments totalling several hundred million board feet in response to sustained losses. In Europe, sawmills continued to manage output carefully amid high log costs and uncertain demand. Log availability tightened structurally in parts of Central and Northern Europe following the end of large-scale salvage logging and the loss of Russian imports.

Pricing. Lumber prices appear to have bottomed out late in Q4. In North America, futures markets point to prices recovering toward US$550–600/mbf during 2026 as inventories normalise and interest rates ease. European sawnwood prices softened modestly but remained supported by supply constraints. Log prices diverged by region: Swedish sawlog prices edged lower during Q3 2025, while pulpwood prices continued to rise, reflecting weaker sawmill demand but steadier fibre demand from pulp and energy sectors. In China, CFR log prices for radiata pine fell to approximately US$108–118 per $JASm^3$ by December, one of the weakest levels of the year.



Country	Quarter	Comments
UK		UK standing timber prices were relatively stable into Q4 2025 although there were regional variations. Subdued demand for timber products continues to negatively impact standing timber prices. There is hope for improving market conditions in 2026 however the extent of the recovery is uncertain.
Ireland		Conditions remain subdued, with standing timber pricing still weighed down by elevated availability following Storm Eowyn and a likely supply overhang into H1 2026.
Sweden		High-cost pressure is easing only gradually—sawlog pricing has started to soften, and raw-material costs are expected to fall in early 2026, but the overall recovery remains cautious and uneven.
USA		Lumber pricing is still being driven by weak construction demand and tariff volatility; futures have stabilised off lows, but sustained recovery is still tied to interest-rate easing and housing activity.
China		Import demand remains subdued as construction stays weak, with log imports down sharply year-on-year and buyers staying "hand-to-mouth" despite steady port offtake.
Australia		Domestic construction softness and elevated inventories continue to suppress sawlog demand, with only limited near-term support from supply constraints.
New Zealand		Export pricing is under modest pressure from softer China log markets (and FX), but domestic pricing is stable and forward indicators point to a gradual improvement in 2026 demand.

Market outlook

The global timber market is entering a period of relative stabilisation rather than rapid recovery. Monetary easing expected in 2026 should support a gradual improvement in construction activity, particularly in the U.S. and parts of Europe. Supply discipline, capacity rationalisation and structurally tighter log availability in some regions are expected to underpin prices.

Near-term volatility will persist, driven by trade policy uncertainty and regional demand divergence. However, long-term fundamentals—including urbanisation, decarbonisation and the growing role of timber in low-carbon construction—continue to support the strategic case for timber assets. The outlook for 2026 is therefore one of cautious improvement, with disciplined supply management and selective demand recovery shaping market performance.

UK timber markets review

- UK standing timber prices were relatively stable into Q4 2025 although there were regional variations.
- Subdued demand for timber products continues to negatively impact standing timber prices.
- There is hope for improving market conditions in 2026 however the extent of the recovery is uncertain.

The final quarter of the year is normally a time when timber markets are suppressed as the construction industry slows down into winter and demand for timber garden products is at its seasonal low point.

Following the very subdued sales conditions in the previous two quarters, Q4 of 2025 continued this general picture however there were some encouraging signs in the latter part of the period as small roundwood processors started to look to secure supply for 2026.

Because they are more comfortable for sawlog supply, the sawmills have been slower to return to the market and therefore sawlog prices were still relatively low. As a result, the improving demand for small roundwood has not yet translated into improving standing timber prices.

The Gresham House Real Standing Price Index graph shows that during the quarter, prices decreased by 4% in South Scotland, 1% in Wales but rebounded in West Scotland. In South Scotland, a rise in small roundwood price was more than cancelled out by softening log price. In Wales both log prices and small roundwood prices were stable in the period. Following the large fall in log price in West Scotland during Q3 2025, the price recovered well in Q4, with small roundwood stable. The sample size for West Scotland is however very small therefore the large fall then rise over the last two quarters is not an accurate representative of the market in the region.

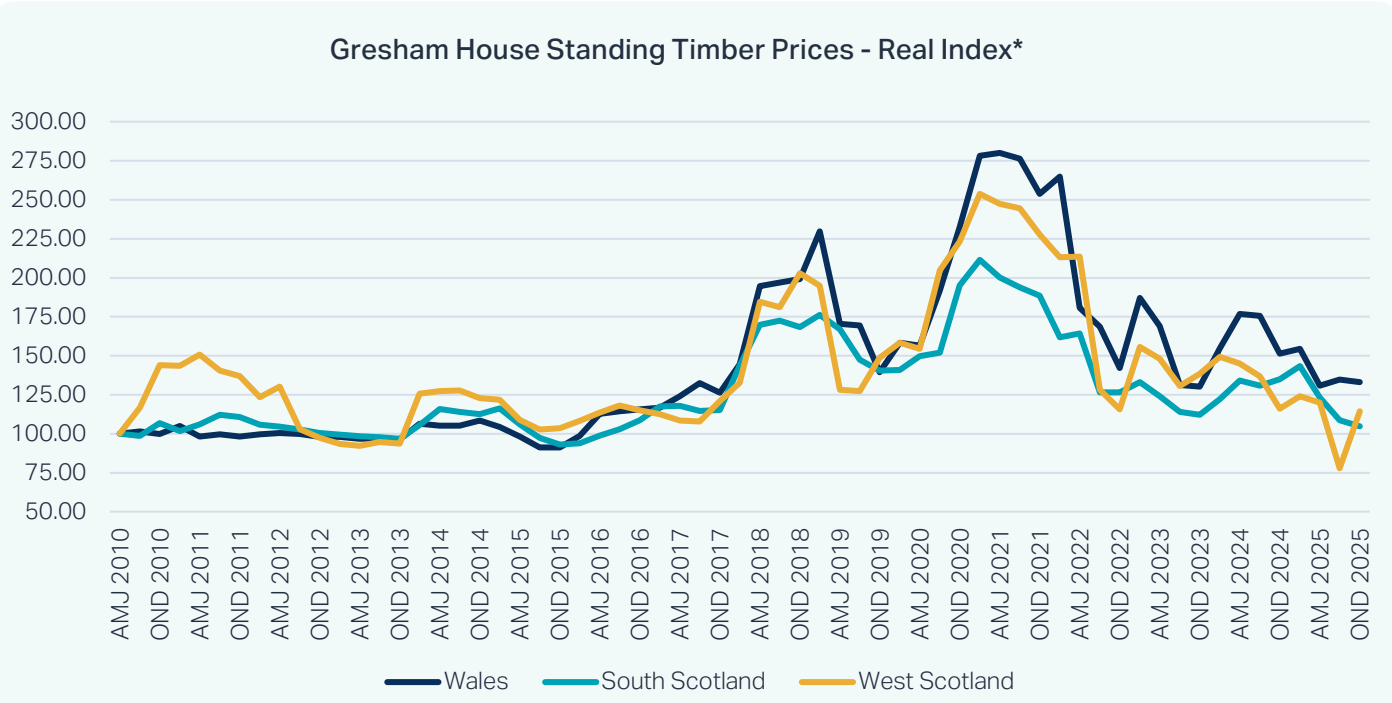
In South Scotland, during Q4 of 2025, small roundwood processors were looking to secure supply into 2026 which resulted in an improvement in timber demand in the region. Historically, demand for fuelwood in particular picks up into winter and we have seen evidence of it in the last quarter. However, when analysing standing timber prices, the rise in small roundwood prices of around 9% was more than offset by the sawlog prices slipping by about 5%. As is common when moving into winter, sawmills are relatively quiet and consequently the sawlog prices fell. Gresham House was able to capitalise on the improvement in small roundwood prices during the quarter and managed to sell crops which had higher proportions of small roundwood.

In Wales, timber prices during Q4 2025 remained relatively stable with only a small 1% fall in the standing timber price when taking inflation into account. Sawlog prices were steady but small roundwood fell by 1% in the period with most processors holding comfortable bought forward positions. The timber industry in Wales is still working its way through wind damaged timber following Storm Darragh in December 2024 therefore timber availability is still higher than average in the area. Once the storm affected timber is harvested, it is likely that there will be a recovery in timber prices in Wales but the timing of this remains uncertain.

In the West Scotland region, Gresham House saw real standing timber prices rebound by 47% in Q4 from the low seen during the previous quarter. With a very small sample size and the sales in Q3 being very remote in terms of location, the apparent fall then rise in timber prices over the short time frame is probably unrepresentative. A more representative comparison is between Q4 and Q2 2025 where we have seen a fall of about 5% in real standing timber prices. Both sawlog and small roundwood prices have slipped by 2% in this longer timeframe which resulted in the reduction in standing timber price. The main driver behind the prices slipping has been the lack of competition in the region as South Scotland processors are able to comfortably secure supply within their normal catchment areas and have no need to expand into West Scotland. There are however some export opportunities to mainland Europe emerging which is providing a floor to timber prices.

When reviewing 2025, the UK timber market started strongly, but lower demand and downward price pressure became apparent towards the end of Q1. The remainder of the year was underwhelming, with prices under pressure. Gresham House capitalised on strong Q1 pricing, selling a significant volume of timber before reducing sales as prices softened. In total, approximately 835k tonnes of timber were sold during the year, with 45% of sales occurring in Q1. Sales across the following three quarters were stable but at a low level. Towards the end of Q4, early signs of improving standing timber demand emerged, a trend expected to continue into early 2026, as timber processors roundwood bought forward positions continue to shorten. As a result, a further recovery in timber prices is expected in Q1 2026, although this is unlikely to match the sharp price spike seen in early 2025.

Looking further ahead, demand is expected to improve gradually but unevenly from a low base. Construction activity is forecast to return to modest growth, led by housing, as borrowing costs stabilise and confidence improves, with industry commentary suggesting stronger demand from mid-2026 onwards. While risks remain, including policy uncertainty and competition from imported material, the outlook is positive, supported by improving demand fundamentals and favourable structural trends.



*(excluding impact of inflation)

Source – Gresham House data. The index is based on the standing prices calculated from the highest end product prices evidenced in Gresham House timber sales during the quarter. The standing prices assume consistent working/haulage costs and crop quality to show a transparent view of the effect of the market movements.

Administration

Ongoing Charges Figure

The Ongoing Charges Figure (OCF) includes all recurring expenditure incurred by the Partnership, being the management and administration fees, timber marketing fees, legal and professional fees arising at the Partnership level, General Partner fees and other recurring overheads (audit etc.). This is calculated as a percentage of the average of the opening and closing NAV of the Partnership.

The OCF excludes any non-recurring expenditure including fundraising fees and transaction fees due on the acquisition or disposal of assets.

Whilst the OCF is based on historical information, it does provide an indication of the level of charges likely to be incurred in the future. The Partnership benefits from competitive management charges and the Manager ensures ongoing costs are carefully controlled.

The reported OCF has increased marginally year on year due to a 4% increase in the portfolio management fee offset by an 8% reduction in the timber harvesting fee. The portfolio management fee is rebased every two years to be 0.5% of the NAV calculated following an external valuation of the Partnership's portfolio.

The OCF from the last two years is presented below:

	OCF
Year ended 30 November 2025	0.64%
Year ended 30 November 2024	0.63%

Advisory Committee

The Advisory Committee comprises four members. During the year, two members, James Cooper and Jim Church, retired and were replaced by Robert Seward and Colin Lees-Millais, the latter being appointed as non-voting Chair. The Manager will continue to consult the Advisory Committee as appropriate, and will be consulting with them in relation to a set of structural proposals for the Partnership currently under consideration.

To protect the interests of Limited Partners, the Manager is unable to proceed with any course of action that gives rise to a potential conflict of interest unless such conflict has been waived by the Advisory Committee. During the year, no conflicts of interest arose and, accordingly, no meetings of the Advisory Committee were required or held.

Liquidity – sales of Partnership Shares

During the year 2,372 Partnership Shares were sold. The Manager arranged deals between vendors and purchasers.

The weighted average purchase price was £3,205.28 per share, a 21.1% discount to the opening NAV of £4,056.95. The weighted average transaction time was 38 days from commencement of marketing to receipt of funds.

The Manager is cognisant that the recent imbalance of supply and demand with secondary shares has caused an increase in the discount to NAV being received from share sales relative to previous years. The situation is being actively addressed through the development of structural solutions, and a set of proposals are planned to be submitted to Limited Partners for their consideration and vote during Q2 2026.

Valuations

An external Valuation of the Partnership's forest portfolio was carried out by Savills plc as at 30 November 2025. The valuation was conducted in accordance with the RICS Valuation Global Standards (Red Book). The basis of valuation was market value, being defined by RICS as:

"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

The next external Valuation date is 30 November 2027. For the intervening year the Manager will provide an internal valuation in accordance with the RICS Valuation Global Standards as at 30 November 2026.

Annual General Meeting

The last Annual General Meeting (AGM) of Limited Partners was held on 27 March 2025. The Manager intends to conduct the next AGM on 25 March 2026 to discuss the results of the Partnership and its future business. This will be a physical meeting with the option of joining the meeting via video conferencing.

Taxation

The Manager issued Taxable Income Statements for the tax year 2024-25 to Limited Partners on 22 July 2025, giving details of figures which are required to be included in Limited Partners' tax returns for 2024-25.

The Manager plans to issue Taxable Income Statements for the 2025-26 tax year in July 2026.

In October 2024, the Chancellor of the Exchequer announced future changes to BPR and IHT as part of the Autumn Budget. Further changes were subsequently announced in December 2025.

The effect of these changes is that from 6 April 2026, BPR will continue to be available at 100% for qualifying assets up to a value of £2.5mn per person (shared between both BPR assets and Agricultural Property Relief (APR) assets). If the qualifying assets have a value in excess of £2.5mn, the excess value above £2.5mn can only qualify for relief at 50%. Thus, the excess value of qualifying assets above £2.5mn is taxed at an effective rate of 20%.

Based on the proposals, an individual with a £5.0mn BPR qualifying holding would be liable for an effective overall tax rate of 10%. A married couple with up to £5.0mn of BPR qualifying assets could attract 100% relief from IHT (subject to the new rules allowing any unused £2.5mn allowance being passed over to a surviving spouse on the death of the first spouse as is expected).

The Manager believes that the changes proposed in the Autumn Budget have not materially impacted productive forestry which remains a tax efficient, attractive investment. This is because:

- Changes to BPR affecting AIM listed investments now make them a less attractive IHT strategy, meaning demand may increase for forestry investments.
- Increases in Capital Gains Tax (CGT) rates for higher rate taxpayers from 20% to 24% mean that the tax relief provided by timber, which is exempt from CGT, has effectively increased versus a non-exempt asset.
- Corporation Tax and Income Tax relief on timber and carbon credits remains in place.

Please note that Gresham House are not tax advisors and Limited Partners are recommended to obtain independent taxation advice.

National Insurance Contributions

In the tax year 2024-25, no NICs were assessable on Limited Partners based solely on their holding in the Partnership.

The Manager does not anticipate any liability to NICs in the tax year 2025-26 in relation to Limited Partners in the Partnership as there are not expected to be any taxable profits in the tax year 2025-26 which are subject to NICs.

Alternative Investment Funds Managers Directive

The Partnership is classified as an Alternative Investment Fund (AIF) under the Alternative Investment Fund Managers Directive (AIFMD). The main implication of this classification is that the Partnership has appointed IQ-EQ as its provider of Depositary Services. In this regard, IQ-EQ provides independent governance oversight and cash monitoring services to the Partnership as required by AIFMD. The Manager remains authorised and regulated by the Financial Conduct Authority with authorisations in place to manage the Partnership.

Additions to Limited Partners' holdings

Limited Partners have the opportunity to add to their holding in the Partnership through the acquisition of secondary shares which occasionally become available. It is believed that further investment by an existing Limited Partner should qualify immediately for 100% IHT relief, provided the Limited Partners' existing Partnership Shares have been held for two or more years and the holding of Partnership Shares has not increased significantly.

Please note there are proposed changes to the inheritance tax regime from April 2026 as summarised in the Taxation section which may introduce a limit to the amount of qualifying assets to benefit from 100% relief.

Further details of current and future sales are available by contacting Gresham House at sharetransactions@greshamhouse.com or 01451 844655.



Additional information

Limited Partners and their IFAs are now able to obtain up to date valuations via the Gresham House website. If you have not already obtained a password, please follow this link to complete the registration process:

https://secureclientportal.greshamhouse.com

Client satisfaction

Please do not hesitate to contact a member of the Gresham House team if you wish to discuss your investment or provide any feedback on this report. Gresham House are committed to ensuring the needs and expectations of our clients are met at all times and would therefore welcome any suggestions to improve our service delivery.

E.C. Latter

Edward Latter

Fund Manager

On behalf of Gresham House Asset Management Limited, Manager

26 February 2026





Sustainable Investment

ESG Integration

Gresham House has a clear commitment to sustainable investment as an integral part of its business mission. The Forestry Sustainable Investment Policy sets out the manner in which the commitments we have made at a group level to integrate Environmental, Social and Governance (ESG) considerations throughout our business will be implemented within the investment strategy.

We integrate ESG and economic considerations into our due diligence and management processes across the lifecycle of each investment. Our investments are long term and through our management approach we proactively set out to improve the value and lifespan of assets through sustainable forestry management.

We drive rigour and consistency by applying our Sustainable Investment Framework, which incorporates the ten most material ESG themes for our asset classes. The framework is used to provide a constant structure for analysis, monitoring and reporting of ESG issues and opportunities within the lifecycle of our investments. The themes are used by the investment teams to identify a broad range of ESG risks which may materially impact proposed transactions, as well as directing our focus towards more sustainable outcomes.

We screen all assets prior to acquisition using our proprietary ESG Decision Tool to ensure ESG considerations - both risks and opportunities – are fully assessed prior to investment. The ten themes in the Sustainable Investment Framework are used as the basis for the investment team's ESG Decision Tool. Where we decide to proceed with the investment, material ESG factors identified will be addressed as part of the management plan.

We ensure our team understands the imperative for effective ESG management and is empowered and equipped to carry this out through management support and training.

- Our Forestry team has significant specialist expertise, including professional qualifications from the Institute of Chartered Foresters, spanning both sustainable forestry practices and sustainable investment. We undertake regular relevant Continuing Professional Development to keep our knowledge and outlook up to date and will continue to invest in developing our expertise and good practice in sustainable forestry asset management.
- We conduct regular monitoring of ESG risks and opportunities to improve the sustainability performance of our investments. Over time we will prepare comparative data analysis for reporting to our investors.
- Our certified sites are independently assessed by the Forest Stewardship Council® (FSC®) appointed auditors and in addition we conduct our own in-house auditing against agreed standards and management objectives.
- We retain long-standing trusted advisers who understand our commitments and needs and help us to deliver our goals, whilst maintaining our assets, and ultimately our long-term investments.
- We will actively monitor and assess key data related to sustainable forestry management, including the performance metrics identified in our Forest Charter ("the Charter"), as an integral part of asset management plans and portfolio management, as well as the wider sustainability performance of the assets in under management, including any unavoidable local impact such as vehicle movements.
- We actively monitor and assess key data related to sustainable energy generation and the wider sustainability performance of the assets we manage. In turn, we use these to review our contribution to sustainable development, particularly meeting the challenge of climate change and relevant Sustainable Development Goals.
- We will reassess our ESG risk, opportunity and performance profiling periodically and will report this to the Gresham House Sustainability Executive Committee for analysis and action as necessary.
- Regular auditing will be carried out by the Sustainable Investment Team to ensure good governance in the investment teams.

Group Management commitment

Our senior management team, including the Board and the Group Management Committee, are committed to the implementation of our sustainable investment policies and to making appropriate resources and support available to our teams. We will conduct a regular review of our approach, how well we are meeting our commitments and update the policies accordingly.

UN Principles for Responsible Investing (PRI)

We conduct our business activities in line with the UN-supported Principles for Responsible Investment, including an annual report of our progress towards implementation.

- As signatories to the PRI we will complete comprehensive annual reporting within its required framework and use this to guide our own internal assessment of our performance and drive our results upwards.
- We will continue to provide and promote sustainable forestry investments as a sound and accessible sustainable investment option to a wide range of investors.

UN Sustainable Development Goals (SDG)

Gresham House supports the UN Sustainable Development Goals.

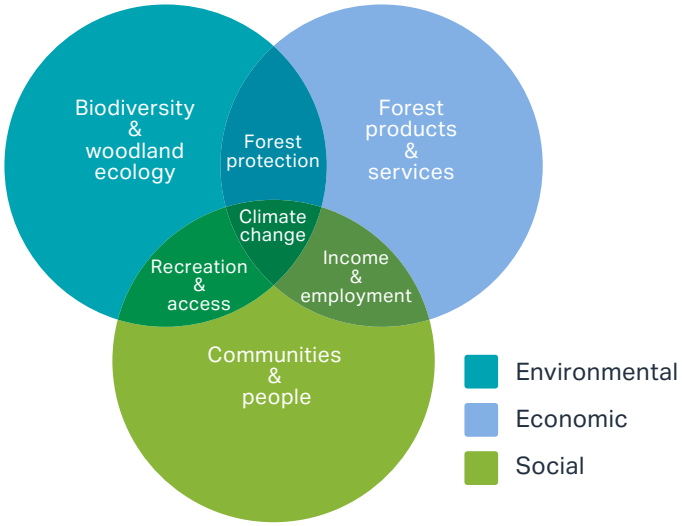
Taking the wider portfolio into account, we believe our investment strategy contributes to the following UN Sustainable Development Goals:





Forestry Strategy

Gresham House commits to managing all our forests sustainably in line with, or beyond, international standards. The Charter shows the core principles and criteria underlying these standards which lead to the commitments that we make regarding sustainable forest management and sustainable investment practices. The diagram below depicts how the environmental, economic, and social functions of forests and woodlands interact in support of one another, as defined by the UK Forestry Standard (UKFS).



We use these categories to summarise our commitments in the Charter, reflecting our recognition of the importance of the interaction between these functions to the long term durability of the forests we manage on behalf of our clients. The Charter also confirms the Key Performance Indicators (KPIs) that we commit to measure and the activities we commit to exclude from our investments.

The Charter defines the way we manage forests in relation to forest ecosystem services and explicitly includes commitments relating to climate change, biodiversity, forest protection and forest products and services. It also outlines how we interact with local communities and treat employees and suppliers. All discretionary managed assets will align to commitments made in the Charter. This includes a commitment to certify all forests under management.

We will not invest in activities deemed at odds with the commitments laid out in the Charter and apply the International Finance Corporation exclusion list to all our investments.

Forestry certification & standards commitments

We commit to 100% of timber sold from forests under management being certified under national or international forestry standards. We will ensure that, where harvesting takes place, it will not be to the long term detriment of the quality and value of the forests.

Our UK assets work to the UKFS and are certified to the UK Woodland Assurance Standard (UKWAS) and international FSC® accreditation. Our international assets are managed to relevant local standards and/or international standards including the FSC® and the Programme for the Endorsement of Forest Certification (PEFC).

These standards provide a set of principles that we adhere to in our planning, management, felling and restocking cycles as well as the wider way in which we run our forest enterprises. Prior to investment, an analysis of how robustly an asset can meet these standards forms part of our Investment Committee decision making alongside other due diligence reports.

Management plans are drawn up for each asset, setting out clear management objectives spanning both commercial and ESG outcomes and how the asset will be managed to meet these within its given prevailing conditions. Performance measurements are integrated into the plans, which are subsequently reviewed on an annual basis.

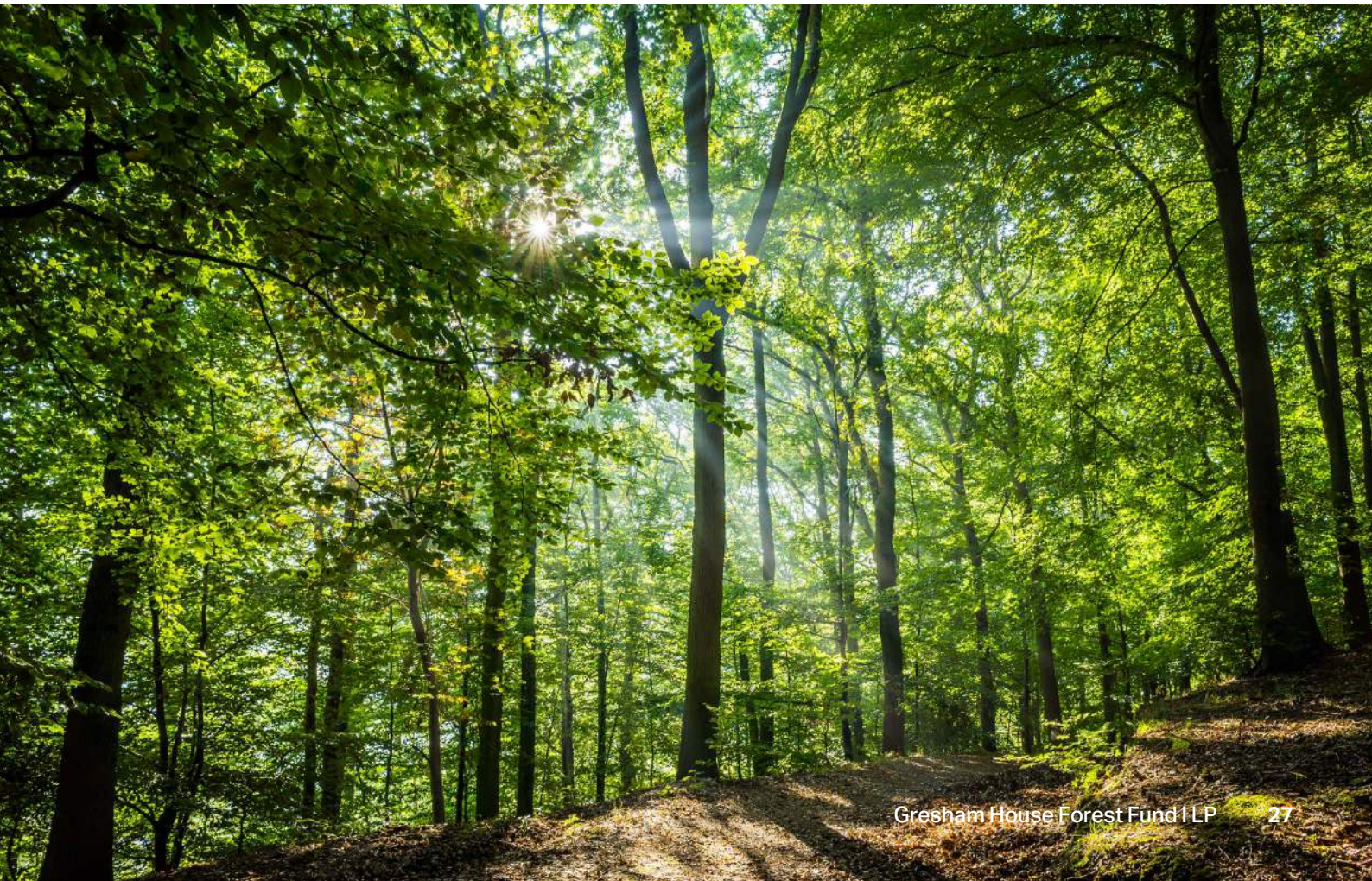
247,173 tonnes
Timber harvest volume

3,638,406m^3
Standing timber inventory

100%
Proportion of timber sold which is certified

99%
Proportion of forest land certified to a third-party forest management standard

0
Number of Major Corrective Action Requests under UK Woodland Assurance Standard



Climate change commitments

We aim to make an assessment of our wider positive impact in order to review our contribution to sustainable development, particularly meeting the challenge of climate change and relevant Sustainable Development Goals. Our forestry investment strategies align with national and international objectives to increase tree cover as part of a climate change strategy and the promotion of timber as a low-embodied-carbon construction material.

We commit to calculating the carbon sequestration of our individual assets and whole portfolio and measuring the operational carbon footprint of all forests under management with the aim to reduce operational emissions overtime where possible.

We plan and manage forests to enhance their resilience to climate change, such as change in growing conditions, fires, flooding, or limited water availability. Forest designs and planning will be used to mitigate climate related risks faced by the forests we manage. This includes the use of climate scenario models as part of the selection of species for planting.

4,493,875 tCO_2e
Standing carbon stock (total tonnes of carbon dioxide equivalent sequestered)

212,462
Total annual sequestration*

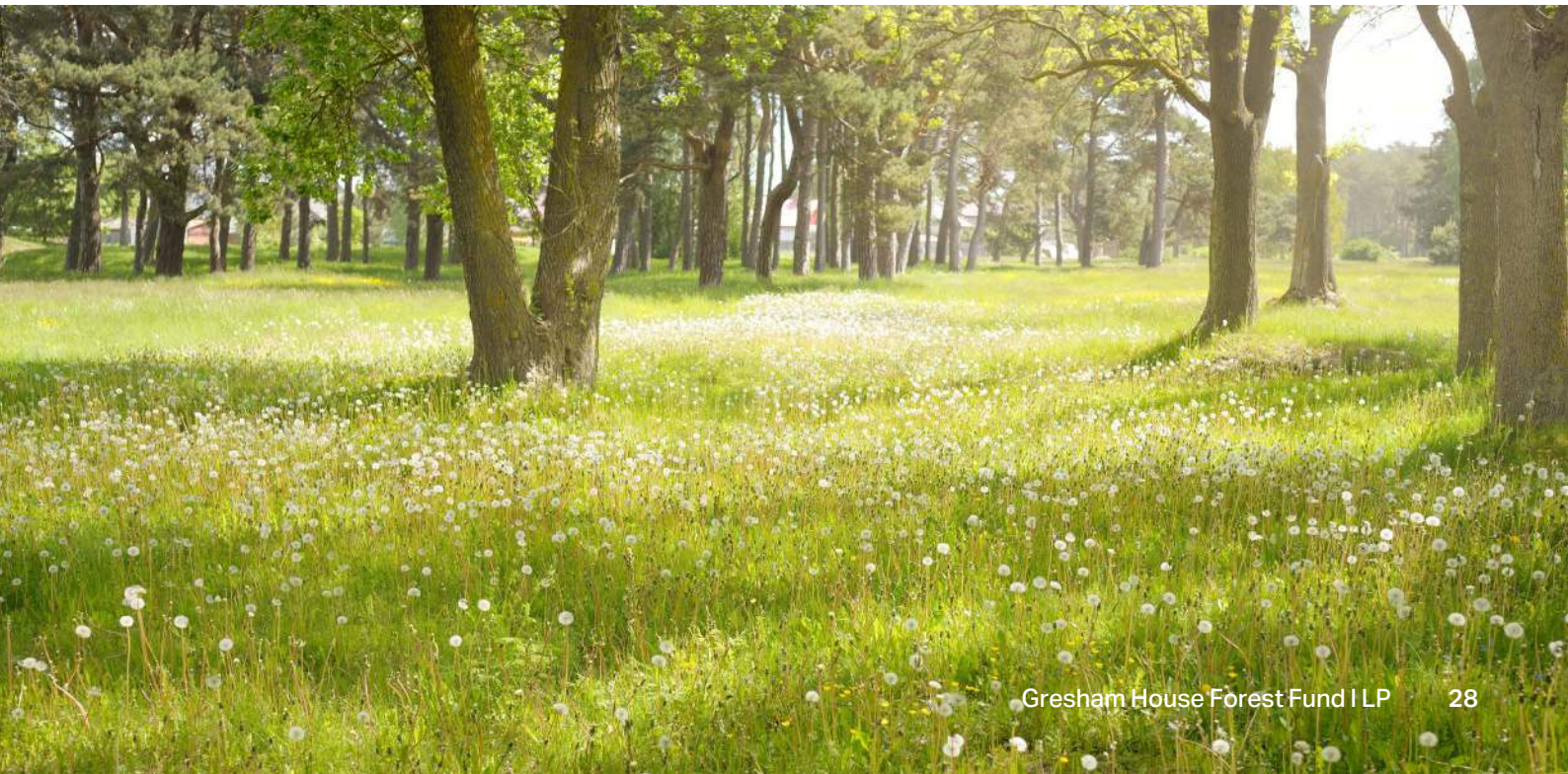
33,554
Carbon credits registered

37,951 tCO_2e
Total operational emissions (Scope 1, 2 & 3 GHG emissions)**

4,594 tCO_2e
Operational emissions, excluding sawmill emissions (Scope 1, 2 & 3 GHG emissions)***

2,073 ha
Area of deep peatland present

*For the year to 30 November 2026
**Calculated using an intensity metric based on onsite activities during planting, establishment, thinning, and clear fell stages
***Calculated using an intensity metric based on supply chain emissions from our nurseries and sawmills.



Biodiversity and ecology commitments

We commit to maintaining, conserving and enhancing the biodiversity of all forests under management. At a minimum, we ensure this by adhering to relevant forestry standards. In the UK and Ireland, this includes a minimum of 15% of the area being open ground or ground managed for the conservation and or enhancement of biodiversity.

Opportunities for enhancing biodiversity will be considered in forest management plans for all forests. Measures implemented will be based on the expertise of our forest managers in combination with specialists.

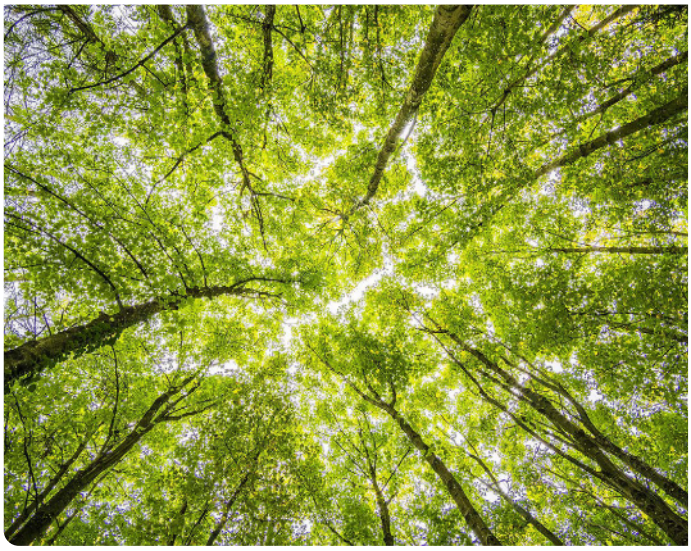
25% (5,179 ha)
Area managed for nature conservation and enhancement of biodiversity as the primary objective

62% (12,655 ha)
Area of forest land allocated to a single species

6% (1,168 ha)
Area of forest land allocated to native species

23
Number of rare, threatened or endangered species present on forest land

2%
Area managed for afforestation



Income and employment commitments

We commit to promoting the integration of forests into the local economy by providing local people with opportunities for employment and to supply goods and services. We retain long standing, trusted contracted forest managers who are chosen for their expertise and commitment to meeting sustainable forestry standards, the objectives within our management plans and the imperative to maintain our assets, good neighbourly relations and ultimately our long-term investment value.

100%
Percentage of workers earning living wage or higher

79
Number of jobs supported by on site forestry operations

0
Number of health and safety incidents recorded (includes Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR))

0
Number of fatalities recorded

Community engagement

We take steps to consult and understand the views, concerns and ambitions of our stakeholders in seeking sustainable outcomes from the investments we are involved in. We recognise that as stewards of the countryside we have responsibilities in being a good neighbour in conservation matters, landscape visual amenity, and provision of recreational access where safe to do so, while avoiding negative impacts on local communities wherever possible. We undertake good practice public consultation where new plantations involve change of land use and keep local communities informed of felling plans and other significant operational activities.

67
Number of community engagements

90% (18,454 ha)
Area of forest area with public access

All figures stated as at 30 November 2025 and reflect performance over the prior financial year, unless stated otherwise.

Sustainable Investment Framework application

Our thematic Sustainable Investment Framework is used to structure analysis, monitor and report on sustainability issues and opportunities within the lifecycle of forestry investments. We have made reference to forestry standards to identify within the framework where we believe we should be directing our focus towards sustainable outcomes and monitoring:

Environmental

Climate change and pollution	Natural capital	Waste management
Optimisation of CO_2 sequestration and sinks; reduction in operational emissions; climate transition opportunities; pesticide minimisation	Optimisation of woodland biodiversity; protection of priority habitats and species; considered pest, disease, soil and water management approach	Sustainable management of waste arising from forestry operations

Social

Employment, health, safety and well-being	Marketplace responsibility	Supply chain sustainability	Community care and engagement
Workers' rights protected; commitment to discrimination free, safe and fairly-paid employment and employee training	Certification of forests in line with sustainable forestry standards; production of certified timber; transparent and robust carbon credit generation	Alignment of suppliers to our own sustainability commitments; alignment of woodland managers to certification standards	Good practice community relations and engagement; respect of local community rights; public access, education and recreation

Governance

Governance and ethics	Risk and compliance	Commitment to sustainability
Good forestry management practices; clear policies and accountability; ethical business conduct	Robust risk, compliance and auditing processes	Measurement and monitoring of key sustainability metrics; proactive management of potential negative ESG impacts



Case Study - Rhyd Y Felin

Over the years the Manager has been pleased to undertake a number of additional activities as part of the responsible stewardship of the Partnership's landholdings, with the aspiration of making a positive impact on the communities, ecology and culture of local areas. None more so than helping commemorate the tragedy that unfolded at Rhyd Y Felin during WWII.





Remembering a Wartime Tragedy at Rhyd y Felin

In February 1944, a tragic wartime accident unfolded on what is now part of Rhyd y Felin Forest in Wales. A Royal Navy Fleet Air Arm aircraft, a Grumman Avenger, crashed during a training flight, killing all three crew members on board: Sub Lieutenant William Seddon Appleby, the pilot, and Sub Lieutenants Ernest Hartley Green and Joe Lupton.

Little is definitively known about the moments leading up to the crash. It is believed that the aircraft, flying in poor winter weather, emerged from a snow shower and plunged into open moorland near the Berwyn Mountains, close to the village of Llangynog. The aircraft struck the hillside with force, exploded on impact, and left behind a large crater and scattered debris across the hilltop.

At the time, the surrounding land was open moorland. In the decades that followed, the area was planted with conifer woodland, gradually enveloping the crash site within what is now a managed forest. The crater remains visible to this day, often water-filled, with remnants of wreckage still evident around its perimeter.

The aircraft was reported to have been travelling from Gosport to Kirkwall via Machrihanish. Sub Lieutenant Appleby was stationed at HMS Landrail, while the two other crew members were attached to HMS Robin. Following recovery operations, the three men were laid to rest in different parts of the country: Appleby in Oswestry, Green in Cardiff, and Lupton near Leeds.

Over the years, the site has been carefully maintained. Vegetation is kept clear to preserve the crater and surrounding area, although some debris has unfortunately been removed by visitors passing through the forest. To ensure the event and the young men who lost their lives would not be forgotten, the Manager proposed the installation of a permanent memorial at the site.

A Ceremony of Remembrance

On 18 September 2025, more than 80 years after the crash, a moving ceremony was held at Rhyd y Felin Forest to formally unveil a new memorial. Around 60 people gathered, including local residents, representatives of the Royal Navy and Royal Air Force, Tilhill Forestry and members of Gresham House.

The memorial takes the form of a standing stone with a brass plaque, commemorating Sub Lieutenants William Seddon Appl the inscription reads:

This stone was erected in 2025 in remembrance of Sub Lieutenants William Seddon Appleby, RNZNVR, aged 24, from Gisborne, New Zealand; Ernest Hartley Green, RNVR, aged 22, from Sheringham, Norfolk; and Joe Lupton, RNVR, aged 21, from Morley, West Yorkshire. All of 848 Naval Air Squadron, who lost their lives on 3 February 1944 when their aircraft, Grumman Avenger FN 821, crashed in poor weather on this hillside whilst on a transit flight from Gosport to Kirkwall.

The project was led by Tilhill Forest Manager Jay Williams, with support from Gresham House. The unveiling was accompanied by a planned flypast by the Royal Navy's Fleet Air Arm, a powerful tribute, particularly given the poor weather on the day, which echoed the conditions faced by the crew all those years ago.

Following the ceremony, attendees gathered at the village hall, where they were able to learn more about the history of the crash and share reflections in a more informal setting. The event attracted strong local and regional media coverage, including features in the Oswestry & Border Counties Advertizer, North Wales Live, ITV Wales and BBC Radio Wales.

Preserving History in the Landscape

The memorial now stands quietly within the forest as a lasting reminder of sacrifice, courage and loss. It reflects a commitment not only to environmental stewardship, but also to preserving the human stories embedded within the landscape.

By supporting the memorial, Gresham House has played a small but meaningful role in ensuring that the memory of these three young men and the events of that winter's day in 1944 will endure for generations to come.

ITV News video - Memorial unveiled to mark three airmen who died in Powys plane crash

Tilhill Forestry article - Honouring the Fallen: Memorial Unveiled at Rhyd y Felin Forest









Report of the General Partner

The General Partner presents the Report and Financial Statements of Gresham House Forest Fund I LP for the year ended 30 November 2025.

General Partner

The General Partner is Gresham House Forest Funds General Partner Limited, a wholly owned subsidiary of Gresham House Limited.

Principal Activity

The principal activity of the Partnership is the ownership of commercial woodlands for the production of timber.

Results for the Year

The results for the year are shown on page 38. The General Partner is pleased with the results.

Statement of the General Partner's Responsibilities

The General Partner is responsible for preparing this Report and the Financial Statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the General Partner to prepare accounts for each financial period which give a true and fair view of the state of affairs of the Partnership and of the results of the Partnership for that period. In preparing these accounts, the General Partner is required to select suitable accounting policies and then apply them consistently, make judgements and estimates that are reasonable and prudent and prepare the accounts on a going concern basis, unless it is inappropriate to presume that the Partnership will continue in business.

The General Partner is responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the Partnership and to enable it to ensure that the accounts comply with the Companies Act 2006, as modified by SI 2008/569. It is also responsible for safeguarding the assets of the Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as the General Partner is aware, there is no relevant audit information (information needed by the Partnership's auditors in connection with preparing their report) of which the Partnership's auditors are unaware.

Finally, the General Partner has taken all the steps that it ought to have taken as a General Partner in order to make itself aware of any relevant audit information and to establish that the Partnership's auditors are aware of that information.



Stephen Beck
Director

Director, Gresham House Forest Funds General Partner Limited

26 February 2026

Independent Auditor's Report

Opinion

We have audited the financial statements of Gresham House Forest Fund I LP (the LP) for the year ended 30 November 2025 which comprise the Income Statement, Statement of Comprehensive Income, Balance Sheet, Statement of Cash Flows, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Limited Partnership's affairs as at 30 November 2025 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the provisions of the Limited Partnership Agreement; and
- have been prepared in accordance with the requirements of the Companies Act 2006, as modified by SI 2008/569.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the LP in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the LP's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the members with respect to going concern are described in the relevant sections of this report.

Opinion on financial statements

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the General Partner's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the General Partner has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the LP's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The General Partner is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the General Partner

As explained more fully in the General Partner's responsibilities statement set out on page 33, the General Partner is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the General Partner is responsible for assessing the qualifying Partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the General Partner either intends to liquidate the Partnership or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the LP through discussions with members and other management, and from our commercial knowledge and experience of the client's business sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the LP, including the Companies Act 2006, as modified by SI 2008/569;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the LP's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and

- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance.

Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the members and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities.

This description forms part of our auditor's report.

Use of our report

This report is made solely to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as modified by SI 2008/569. Our audit work has been undertaken so that we might state to the members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the members as a body, for our audit work, for this report, or for the opinions we have formed.



Robert Kirtland
Senior Statutory Auditor

For and on behalf of:

Gravita Audit Oxford LLP

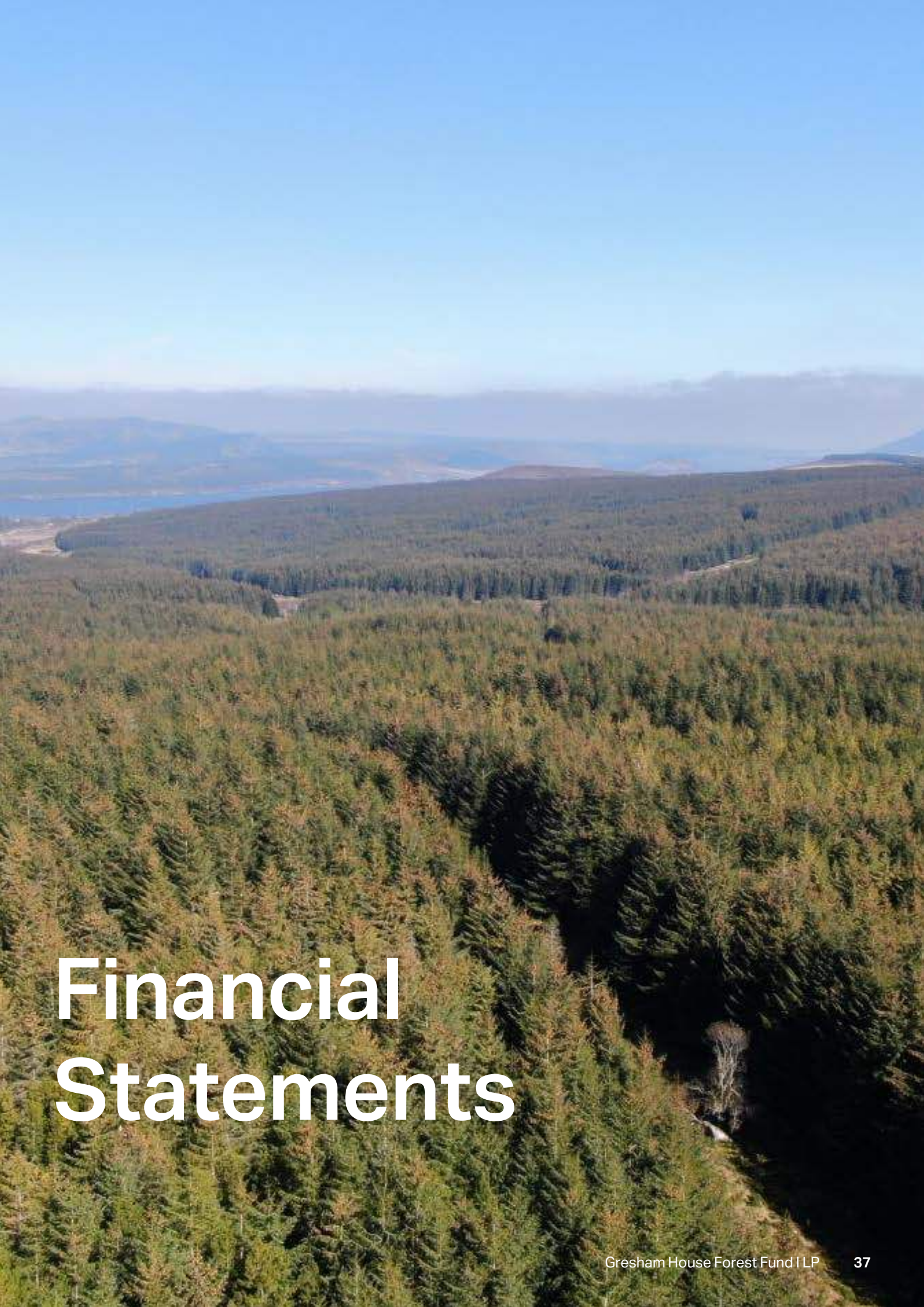
Park Central

40-41 Park End Street

Oxford

OX1 1JD

26 February 2026



Financial Statements

Income Statement

For the year ended 30 November 2025

	Notes	Year ended 30 November 2025 (£)	Year ended 30 November 2024 (£)
Turnover	3	12,345,596	13,367,362
Other operating income		411,942	520,121
Total turnover		**12,757,538**	**13,887,483**
Operating costs *		(5,040,205)	(3,732,864)
Administrative expenses		(2,499,262)	(2,323,436)
General Partner's share and Administration Fee	3	(38,644)	(37,654)
Operating profit before depreciation		**5,179,427**	**7,793,529**
Interest receivable		140,671	203,175
Interest payable		(871,728)	(1,102,146)
Profit for the year before revaluation	4	**4,448,370**	**6,894,557**
Unrealised surplus/(loss) on revaluation of forest properties * *		18,556,395	(3,437,646)
Profit for the year after revaluation		**23,004,765**	**3,456,911**
Number of shares		92,524	92,524
Profit per share before revaluation		£48.08	£74.52
Statement of Comprehensive Income			
Profit/(loss) for the year after revaluation		23,004,765	3,456,911
Total comprehensive income/(cost) for the financial year		**23,004,765**	**3,456,911**

*Operating costs: the total includes, restocking costs of £2,434,528 (2024: £1,327,246).

**Costs of restocking harvested commercial timber and woodland management are included in Operating costs in the Income Statement.

Balance Sheet

As at 30 November 2025

	Notes	Year ended 30 November 2025 (£)	Year ended 30 November 2024 (£)
Fixed Assets			
Forest properties	5	405,825,925	386,500,000
Current Assets			
Debtors	6	1,353,496	2,211,651
Cash at bank		2,022,049	2,353,948
		3,375,545	**4,565,599**
Creditors: amounts falling due within one year	7	(2,220,860)	(1,459,670)
Net current assets		1,154,684	3,105,929
Creditors: amounts falling due after one year	8	(14,241,000)	(14,241,000)
Total assets less liabilities and net assets attributable to Partners		**392,739,608**	**375,364,929**
Represented by			
Limited Partners' capital		187,767,494	187,767,494
Revaluation reserve		187,138,398	168,582,003
Profit and loss account		17,833,716	19,015,432
Limited Partners' funds	9	**392,739,608**	**375,364,929**
Total Limited Partnership Shares		92,524	92,524
Net Asset Value per Limited Partnership Share		£4,244.73	£4,056.95

These financial statements were approved by the General Partner and authorised for issue on 26 February 2026 and are signed on their behalf by:



Stephen Beck
Director

On behalf of Gresham House Forest Funds General Partner Limited, General Partner

Statement of Cash Flows

For the year ended 30 November 2025

	Notes	Year ended 30 November 2025 (£)	Year ended 30 November 2024 (£)
Cash flows from operating activities			
Operating profit		5,179,427	7,793,529
(Increase)/decrease in debtors	6	858,155	626,706
Increase/(decrease) in creditors	7	761,191	(1,021,108)
Net cash flow from operating activities		**6,798,773**	**7,399,127**
Cash flows from investing activities			
Purchase of investment assets	5	(769,530)	(637,646)
Interest received		140,671	203,175
Net cash flow from investing activities		**(628,859)**	**(434,471)**
Cash flows from financing activities			
Loan received		-	-
Interest Paid		(871,728)	(1,102,145)
Distributions to Limited Partners	9	(5,630,085)	(5,754,993)
Net cash flow from financing activities		**(6,501,813)**	**(6,857,138)**
Net (decrease)/increase in cash		**(331,898)**	**107,518**
Cash at the start of the year		2,353,948	2,246,430
Cash at the end of the year		**2,022,049**	**2,353,948**

Notes to the Financial Statements

For the year ended 30 November 2025

1 General Information

The entity is a Limited Partnership registered in Scotland.

The address of its registered office is:

58 Morrison Street
Edinburgh
EH3 8BP

These financial statements were authorised for issue by the General Partner on 26 February 2026.

2 Summary of significant accounting policies and key accounting estimates

Statement of Compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland."

Basis of Preparation

These financial statements have been prepared in accordance with applicable UK accounting standards, including Financial Reporting Standard 102 and Companies Act 2006.

The financial statements are presented in Sterling.

Going Concern

After reviewing the LP's forecast and projections, the General Partner has a reasonable expectation that the LP has adequate resources to continue in operational existence for the foreseeable future. The LP therefore continues to adopt the going concern basis in preparing its financial statements.

3 Principal Accounting Policies

a. Turnover

Turnover represents amounts receivable by the LP, net of value added tax, in respect of the ownership of commercial woodlands and the sale of commercial timber.

b. General Partner's Share

The General Partner's share for the LP has been charged in the accounts at £38,644 for the year, as set out in the Limited Partnership Agreement.

c. Valuation of Tangible Assets

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write down the cost less estimated residual value of all the tangible fixed assets over their expected useful lives, using the straight-line method.

d. Valuation of Forest Properties

Forest Properties were externally revalued at 30 November 2025 on the basis of their market value on that date. The valuation is in accordance with the Royal Institution of Chartered Surveyors Valuation Standards.

Additions to Forest Properties comprise the cost of acquired Forest Properties and the cost of additions (such as new forest roads) that permanently enhance the value of the properties.

Revaluation includes an uplift of £0.9mn of PIUs during this financial year.

e. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

f. Trade debtors

Trade debtors are amounts due from customers for timber sold and services provided in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the LP will not be able to collect all amounts due according to the original terms of the receivables.

g. Depreciation

Nil on freehold Forest Properties.

h. Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the LP does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost.

i. Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in Note 3, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The critical judgements made by management that has a significant effect on the amounts recognised in the financial statements are described below.

We consider the most significant estimate to be the valuation of forestry assets as stated in Note 3d, which are stated at fair value based on the valuation performed by an independent professional valuer Savills plc, Chartered Surveyors with recent experience in the location and category of property valued. The valuer used observable market prices adjusted as necessary for any difference in the future, location or condition of the specific asset in accordance with the Royal Institution of Chartered Surveyors Valuation Standards. We consider a two-yearly valuation to be appropriate based on the size of the fund and the ability of valuers to obtain suitable comparable information on transactions in a market of this size.

4 Profit for the year

Profit for the year is stated after charging:

	2025 (£)	2024 (£)
Auditors' remuneration – audit services	14,000	10,000
– other services	5,500	5,500

5 Investments

All Forest Properties were externally valued at 30 November 2025, as detailed in Note 3d to the accounts.

	Forest Properties (£)
As at 1 December 2024	386,500,000
Additions	769,530
Disposals	-
Revaluation	18,556,395
As at 30 November 2025	405,825,925

6 Debtors

	2025 (£)	2024 (£)
Trade debtors	1,271,727	1,800,762
Accrued income	-	336,547
Prepayments	81,769	74,342
	1,353,496	2,211,651

7 Creditors: amounts falling due within one year

	2025 (£)	2024 (£)
Trade creditors	1,604,205	859,693
VAT	147,902	201,322
Accruals and sundry creditors	468,753	398,655
	2,220,860	1,459,670

8 Creditors: amounts falling due after one year

	2025 (£)	2024 (£)
Bank Loan	14,241,000*	14,241,000

*This is an RCF loan with Barclays with 36 months term loan 18/10/24 - 18/10/27. The Interest rate is set at 1.85% plus SONIA. With security held over the following Forests: Badlieu, Cliffhope, Forest of Deer, Gilkersleuch, Hallmanor, Hopekist, Leithope, Myredykes, Riccarton, Singdean and Stonedge.

9 Statement of Changes in Capital

	Founder & Initial Limited Partnership Shares (£)	"A" Additional Limited Partnership Shares	"B" Limited Partnership Shares (£)	"C" Limited Partnership Shares (£)	Special Limited Partner (£)	Revaluation Reserve (£)	Profit & Loss Account (£)	Total (£)
As at 1 Dec 2023	25,503,786	17,946,819	38,595,933	105,720,857	100	172,019,649	17,875,867	377,663,011
Revaluation	-	-	-	-	-	(3,437,646)	-	(3,437,646)
Profit for the year	-	-	-	-	-	-	6,894,557	6,894,557
Distribution	-	-	-	-	-	-	(5,754,993)	(5,754,993)
Issue of Shares	-	-	-	-	-	-	-	-
As at 1 Dec 2024	25,503,786	17,946,819	38,595,933	105,720,857	100	168,582,003	19,015,432	375,364,929
Revaluation	-		-	-	-	18,556,395	-	18,556,395
Profit for the year	-		-	-	-	-	4,448,370	4,448,370
Distribution	-		-	-	-	-	(5,630,085)	(5,630,085)
Issue of Shares	-	-	-	-	-	-	-	-
As at 30 Nov 2025	25,503,786	17,946,819	38,595,933	105,720,857	100	187,138,398	17,833,716	392,739,608

	2025 No.	2024 No.
Founder & Initial Limited Partnership Shares	27,359	27,359
"A" Additional Limited Partnership Shares	12,988	12,988
"B" Limited Partnership Shares	16,915	16,915
"C" Limited Partnership Shares	35,262	35,262
Total Limited Partnership Shares allotted	92,524	92,524

10 Related Parties

Controlling Entity

The immediate parent entity at the balance sheet date was Gresham House Forest Funds General Partner Limited (GHFFGP), a company registered in England and Wales, being the general partner of the LP.

The Ultimate controlling entity is Gresham House Limited which is wholly owned by Seed Bidco Limited (a company incorporated in Guernsey), whose ultimate parent entity is Searchlight Capital Partners III GP, LLC (a company registered in Delaware, USA).

Related Party Transactions

Gresham House Limited is the Manager of the LP. The accounts include the following amounts paid to Gresham House Asset Management and Gresham House Holdings Ltd

	2025 (£)	2024 (£)
Recurring fees		
Management charges	2,406,029	1,935,769
Timber marketing fees	254,362	279,151
Sundry fees	-	-
Total recurring fees	**2,660,391**	**2,214,920**
Non-recurring fees		
Insurance	14,887	20,744
Sundry fees	66,812	58,169
Fund raising fees	-	-
Investment acquisition and disposal fees	-	-
Total non-recurring fees	81,699	78,913
	2,742,090	**2,293,833**

An amount of £1,200,014 was due to Gresham House Asset Management at 30 November 2025 (2024: £Nil).

An amount of £Nil was due to Gresham House Holdings Limited at 30 November 2025 (2024: £14,550).

A General Partner fee of £100 per annum is due to GHFFGP from the LP.

Remuneration Disclosure (Unaudited)

Gresham House (GH) has a formal Remuneration Code Policy as required by the FCA Senior Management Arrangements, Systems and Controls Sourcebook (SYSC) rulebook[1], as well as in accordance with the European Securities and Markets Authority's (ESMA) Guidelines on sound remuneration policies under the AIFMD.

Remuneration Approach: GH adopts a comprehensive and fair remuneration approach for all staff, aligning with regulatory requirements and promoting a culture of responsible compensation. Our aim is to reward performance, retain talent, and maintain a strong risk management framework.

Financial Incentive Objectives: Our financial incentives are designed to encourage and motivate staff to achieve long-term sustainable growth while managing risks effectively. These incentives promote a focus on client interests, ethical behaviour, and the firm's overall performance.

Decision-making procedures and governance:

GH applies the Gresham House Remuneration Code Policy, which is applicable to the UK parent entity (Gresham House Limited) together with all the relevant financial undertakings within the group. The Gresham House Remuneration Code Policy has been approved by the Group Remuneration Committee and the GH Board.

(a) Remuneration Committee: The GH Board in conjunction with the Group Remuneration Committee is responsible for establishing the remuneration structures within GH. The Board will be challenged, where appropriate, to ensure these structures remain effective and is subject to the Gresham House Group's Remuneration Policy, which complies with the Remuneration Code in relation to its size, nature, scope, and complexity of our activities.

(b) External Consultants: We engage external consultants with expertise in remuneration practices to assist in the development of our policies. Their involvement ensures an unbiased and informed approach to the design and evaluation of our remuneration framework.

Identified staff

The details of which staff members are included as Material Risk Takers (MRTs) are set out below:

- a member of the management body;
- a member of the senior management;
- a member of staff who has managerial responsibility for business units that are carrying on at least one of the following regulated activities:
  - arranging (bringing about) deals in investments;
  - dealing in investments as agent;
  - dealing in investments as principal;
  - managing investments;
  - making investments with a view to transactions in investments; advising on investments (except P2P agreements);
  - and/or operating an organised trading facility;
- a member of staff who has managerial responsibilities for the activities of a control function;
- a member of staff who has managerial responsibilities for the prevention of money laundering and terrorist financing;
- a staff member who is responsible for managing a material risk within the firm;
- in a firm that has permission for carrying on at least one of the regulated activities in c), a member of staff who is responsible for managing information technology; information security; and/or outsourcing arrangements of critical or important functions; and
- a member of staff who has authority to take decisions approving or vetoing the introduction of new products.

1. GH is a non-SNI firm below the threshold allowing GH to disapply certain requirements in SYSC 19B and 19G.

It is not the title or role of the person however, but more importantly the authority and responsibility they have. It is important therefore that we consider all roles that we believe may have a material impact on our risk profile. The details set out above are a starting point only. We will consider the ability of an individual to impact risk within:

- Operational procedures, systems, and controls;
- The market in which we operate;
- The conduct and culture of the Firm, including our reputation; and
- Our financial standing and capital requirements.

Remuneration composition

Remuneration is comprised of fixed pay and variable performance–related pay. Fixed pay includes base salary, benefits, and pension. Variable pay includes annual bonus, long-term incentive plans, carried interest and performance fees. These are based on financial and non-financial performance criteria and are aligned to the risk profile of the manager.

GH operates a discretionary bonus scheme which provides for a performance-related bonus based on the Group's, divisional individual performance. All permanent members of staff are eligible. GH will consider its current and future risks, including the cost of capital and the firm's liquidity when determining the pool of variable remuneration and make appropriate adjustments as needed. This may include adjustments at business unit level or individual level. We will not only consider financial risks, but non-financial risks such as the risk to our values, strategy, reputation, the risk of poor conduct or poor customer outcomes.

All variable remuneration is subject to in-year adjustments or clawback arrangements. These will specifically apply where an AIFMD Remuneration Code Staff or MRT was involved in or was responsible for conduct that meant the Firm suffered financially or where the individual failed to meet the standards of fitness and propriety expected of them. This would include cases of fraud or negligence against the Firm, its clients, or services.

Note, GH is under the size threshold requiring deferral of variable remuneration.

Severance payments relating to the early termination of employment must adhere to contractual entitlements and the rules of any relevant incentive plans. Severance payments must be determined taking into performance over time and not reward failure or misconduct.

Quantitative Remuneration Disclosure

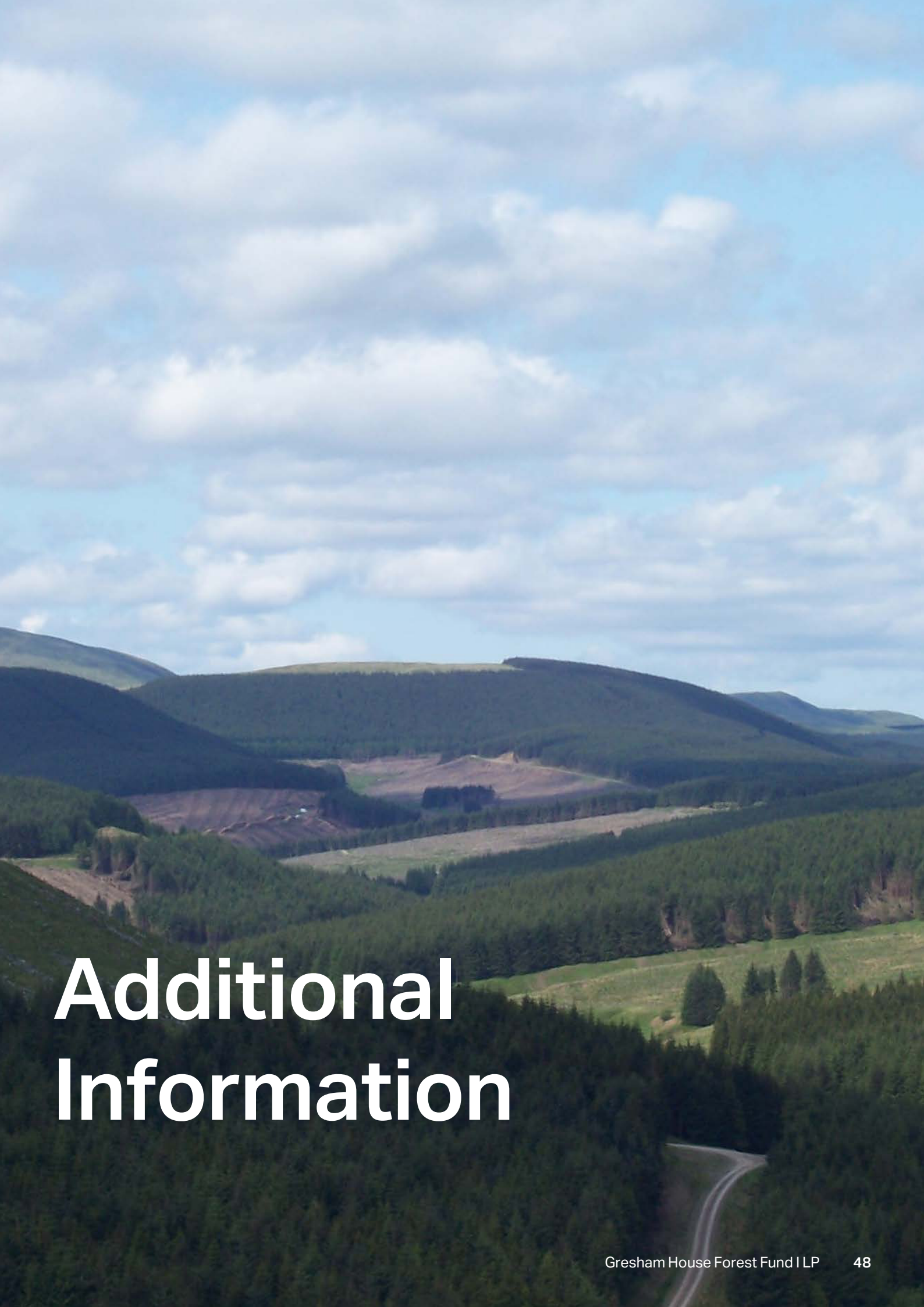
GH does not directly employ any staff. 'Staff' for the purpose of this disclosure is defined as employees of the Group who perform activities on behalf of the firm, employees of joint service companies, and secondees. The definition does not include apprentices, interns, contractors, or agency staff.

The disclosed remuneration figure for Senior Management and staff whose professional activities have a material impact on the risk profile of the AIFM or this AIF includes members of the Group Management Committee, MRTs within central functions, and MRTs who work directly on this Fund.

Remuneration has been apportioned using the relative assets under management of the funds to which each individual contributes, reflecting a proxy for their relative involvement. This approach has been adopted to provide investors with comparable information but does not represent the basis on which actual remuneration is determined.

Description	Beneficiaries	Fixed Remuneration (£)	Variable Remuneration (£)	Total Remuneration (£)
All staff of the AIFM	203	£18,315,840	£10,511,220	£28,827,060
– of which: Senior Management & MRTs whose professional activities have a material impact on the risk profile of the AIFM or this AIF	16	£ 199,377	£ 145,484	£ 344,861

Carried interest	Amount (£'000)
Carried interest paid by this AIF	nil



Additional Information

The Management Team

Please do not hesitate to contact a member of the Management Team if you wish to discuss your investment or provide any feedback on this report. Gresham House are committed to ensuring the needs and expectations of our clients are met at all times and would therefore welcome any suggestions to improve our service delivery.

Please see the website for more details on the team's professional experience:
www.greshamhouse.com/our-team



Oliver Hughes
Fund Director
Managing Director, Forestry

T: +44 (0) 1451 843905

E: o.hughes@greshamhouse.com



Edward Latter
Fund Manager
Director, Forestry

T: +44 (0) 1451 843090

E: e.latter@greshamhouse.com



Stephen Beck
Divisional Finance Director

T: +44 (0) 1451 843097

E: s.beck@greshamhouse.com



Paul Beer
Investment Manager

T: +44 (0) 1451 843915

E: p.beer@greshamhouse.com



Ciaran Walsh
Asset Manager

T: +44 (0) 1738 631949

E: c.walsh@greshamhouse.com



Tom Astor
Associate Director

T: +44 (0) 1451 843907

E: t.astor@greshamhouse.com



Victoria Larkin
Fund Administrator

T: +44 (0) 1451 843083

E: v.larkin@greshamhouse.com



Gemma Claridge
Senior Finance Manager

T: +44 (0) 1451 843087

E: g.claridge@greshamhouse.com

Partnership Information

Limited Partnership Number

SL006597

Manager and Operator

Gresham House Asset Management Limited

1 Des Roches Square

Witney

Oxon

OX28 4BE

General Partner

Gresham House Forest Funds General Partner Limited

5 New Street Square

London

EC4A 3TW

Solicitors

Brodies LLP

58 Morrison Street

Edinburgh

EH3 8BP

Auditors & Tax Advisors

Gravita Audit Oxford LLP

Park Central

40-41 Park End Street

Oxford

OX1 1JD

Bankers

Virgin Money

215 High Street

Cheltenham

GL50 3HH

Barclays Bank plc

1 Churchill Place

Canary Wharf

London

E14 5HP

Depositary Services

IQ-EQ Depositary Company (UK) Limited

4th Floor

3 More London Place

London

SE1 2AQ

Important Information

This document is issued on a confidential basis by Gresham House Asset Management Limited ("Gresham House" or the "Manager") as the investment manager to Gresham House Forest Fund I LP (the "LP" or the "Fund") for information purposes only. Gresham House Asset Management Limited whose registered office is at 5 New Street, London, EC4A 3TW is a company authorised and regulated in the United Kingdom by the Financial Conduct Authority (FCA).

This document, its contents and any information provided or discussed in connection with it are strictly private and confidential and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose, without the consent of Gresham House (provided that you may disclose this document on a confidential basis to your legal, tax or investment advisers (if any) for the purposes of obtaining advice).

Your acceptance of delivery of any part of the document constitutes unconditional acceptance of the terms and conditions of this notice.

This document does not itself constitute an offer to subscribe for or purchase any limited partnership interests, or other securities (together "securities"). This document is not intended to be relied upon as the basis for an investment decision, and is not, and should not be assumed to be, complete. It is provided for information purposes only. Any investment is subject to various risks, none of which are outlined herein. All such risks should be carefully considered by prospective investors before they make any investment decision. Prospective investors should seek their own independent financial, tax, legal and other advice before making a decision to invest.

You are not entitled to rely on this document and no responsibility is accepted by Gresham House or any of its directors, officers, partners, members, agents or advisers or any other person for any action taken on the basis of the content of this document. Gresham House does not undertake to provide the recipient with access to any additional information or to update this document or to correct any inaccuracies therein which may become apparent.

No undertaking, representation, warranty, or other assurance, express or implied, is made or given by or on behalf of Gresham House or any of its respective directors, officers, partners, members, agents or advisers or any other person as to the accuracy or completeness of the information or opinions contained in this document and no responsibility or liability is accepted by any of them for any such information or opinions.

Past performance is not necessarily a guide to future performance. The value of investments may fall as well as rise and investors may not get back the amount invested. Changes in rates of foreign exchange may cause the value of investments to go up or down. This document is provided for the purpose of information only and before investing you should read the relevant Offering Documents, available from www.greshamhouse.com as they contain important information regarding the Fund, including charges, tax, and fund specific risk warnings.

Statements contained in this document that are not historical facts are based on current expectations, estimates, projections, opinions, and beliefs of Gresham House. Such statements involve known and unknown risks, uncertainties and other factors, and undue reliance should not be placed thereon. In addition, this document contains "forward-looking statements." Actual events or results or the actual performance of the LP detailed in this document may differ materially from those reflected or contemplated in such forward-looking statements. In particular, no representation or warranty is given as to the achievement or reasonableness of, and no reliance should be placed on any projections, targets, estimates, or forecasts contained in this document and nothing in this document is or should be relied on as a promise or representation as to the future.

Certain economic and market information contained herein has been obtained from published sources prepared by third parties and in certain cases has not been updated through the date hereof. While such sources are believed to be reliable, neither Gresham House nor any of its directors, partners, members, officers, or employees assumes any responsibility for the accuracy or completeness of such information.

No person, especially those who do not have professional experience in matters relating to investments, must rely on the contents of this document. If you are in any doubt as to the matters contained in this document, you should seek independent advice where necessary. This document has not been submitted to or approved by the securities regulatory authority of any state or jurisdiction.

Please contact a member of the Gresham House team if you wish to discuss your investment or provide feedback on this document. Gresham House is committed to meeting the needs and expectations of all stakeholders and welcomes any suggestions to improve its service delivery.



Gresham House

Specialist investment