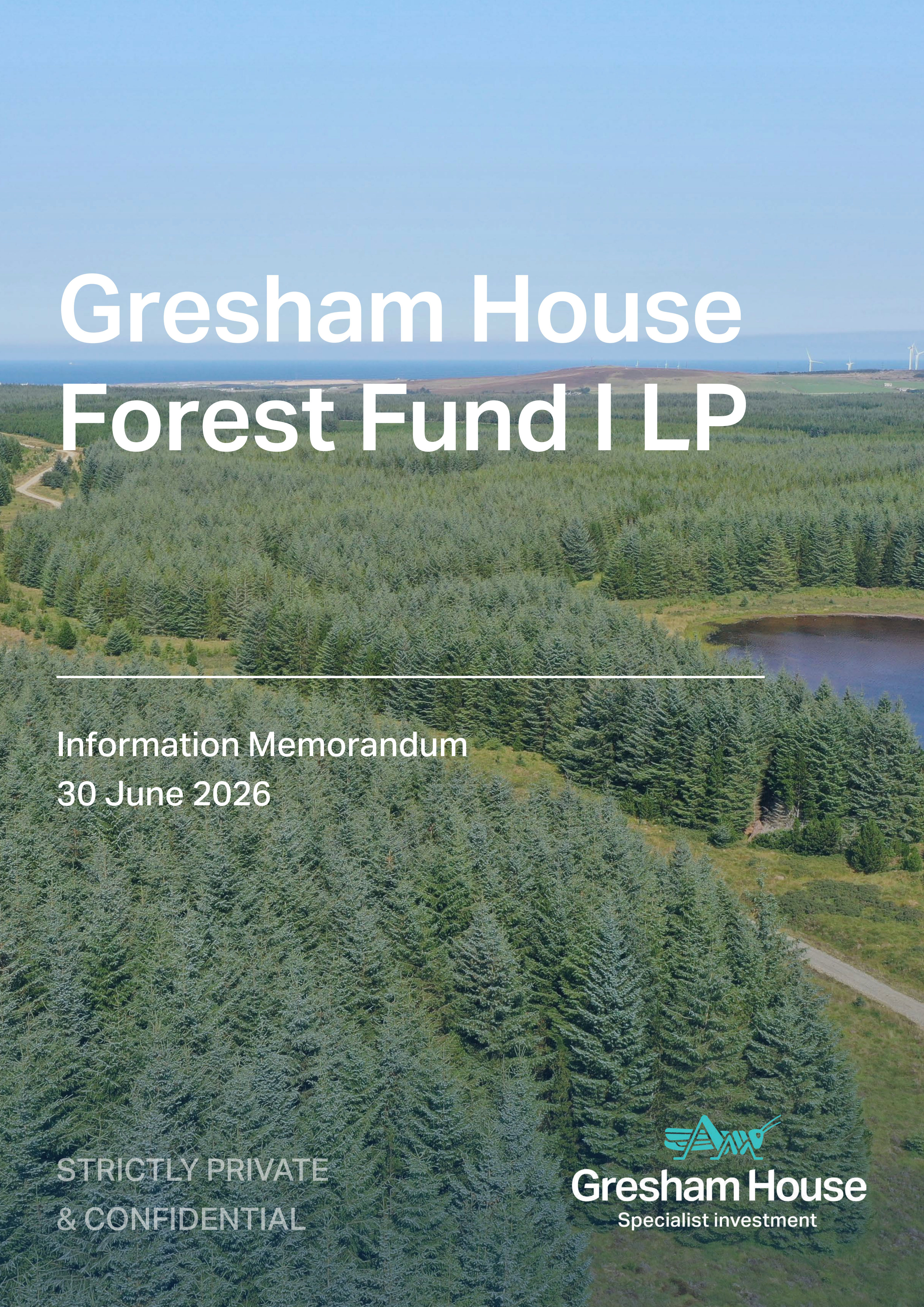

Gresham House Forest Fund I LP

Information Memorandum
30 June 2026

STRICTLY PRIVATE
& CONFIDENTIAL

Gresham House
Specialist investment

Important notice

Do not invest unless you are prepared to lose all the money you invest. This is a high-risk investment and you are unlikely to be protected if something goes wrong.

Capitalised words in this Memorandum have the meaning given in Section 11 of this Memorandum, unless the context requires otherwise.

References to Limited Partnership Shares, "investment" in the Partnership and similar expressions are references to an interest in the income and capital profits in the Partnership which are denominated in fixed amounts.

This Memorandum is being issued by the Manager, Gresham House Asset Management Limited. The Manager is authorised and regulated by the FCA as a full-scope alternative investment fund manager with firm reference number 682776. The Manager is a wholly owned indirect subsidiary of Gresham House Limited.

This Memorandum is provided on a confidential basis to a limited number of sophisticated prospective Limited Partners (subject to applicable marketing restrictions in each relevant jurisdiction) for the sole purpose of such prospective Limited Partners evaluating a subscription for Limited Partnership Interests.

Each recipient of this Memorandum is deemed to have agreed not to reproduce, publish or distribute in whole or in part any information contained in this Memorandum nor should its contents be disclosed to any person, in either case without the prior written consent of the Manager, except to the recipient's professional advisers who are bound by substantially equivalent duties of confidentiality as apply to the recipient of this Memorandum. Any contrary action may place the person or persons taking such action in violation of applicable securities laws.

Upon receipt of the Memorandum, each recipient is deemed to have agreed that the contents of this Memorandum (A) constitute proprietary and confidential information that the Manager, the General Partner and the Partnership derive economic value from not being generally known and (B) are the subject of reasonable endeavours to maintain their secrecy.

The contents of this Memorandum are a trade secret, the disclosure of which is likely to cause substantial and irreparable competitive harm to the Manager, the General Partner and the Partnership.

Upon request by the Manager at any time prior to subscribing for Limited Partnership Interests in the Partnership, each recipient of this Memorandum agrees to return or destroy (as required by the Manager) all copies of the Memorandum that such recipient has been provided.

This Memorandum does not constitute (A) an offer of Limited Partnership Interests, (B) an offer or invitation to the public, or (C) an invitation to apply for Limited Partnership Interests with respect to any prospective Limited Partner in any jurisdiction in which such invitation is not authorised or is unlawful or in which the prospective Limited Partner endeavouring to apply for Limited Partnership Interests is not qualified to do so. It is the responsibility of prospective Limited Partners to satisfy themselves as to their own compliance with the relevant laws and regulations of any jurisdiction in connection with an application for Limited Partnership Interests, including obtaining any requisite government or other consents and adhering to any other formality prescribed in such jurisdiction.

Without prejudice to the previous, prospective Limited Partners are referred to the additional notices and disclosures set out in Sections 10 and 11 of this Memorandum.

The Limited Partnership Interests have not been recommended by any governmental or other agency of any jurisdiction including, without limitation, the FCA or by any U.S. federal or state, or any non-U.S., securities commission or regulatory authority. Further, the foregoing authorities have not confirmed the accuracy, nor determined the adequacy, of this Memorandum.

The Manager neither provides investment advice to, nor receives and transmits orders from, prospective Limited Partners, nor does it carry on any activities with or for such prospective Limited Partners that constitute "MiFID or equivalent third country business" for the purposes of the FCA Rules. Prospective Limited Partners should also note that if they subscribe for Limited Partnership Interests, their Commitments will be at risk and they may therefore lose the amounts that they commit.

Certain information in this Memorandum has been obtained from independent third-party sources. The Manager believes such information is accurate, that the sources of the information are reliable and that such information is correctly and fairly reproduced and presented herein. However, the General Partner, the Manager and the Partnership have not independently verified the accuracy or completeness of such third party information and therefore cannot guarantee, nor assume any responsibility for, its accuracy and completeness.

No person has been authorised to give any information, to make any representation or give any warranty concerning the Limited Partnership Interests, the Partnership, the General Partner or the Manager and its associates except the information contained in this Memorandum.

If given or made, any such information, representation or warranty must not be relied upon as having been made, given or authorised by, and no responsibility is accepted by, the Manager, the General Partner, the Partnership or any of their respective directors, officers, partners, members, shareholders, employees, consultants, agents (including placement agents), associates or any other person in respect thereof.

A subscription for Limited Partnership Interests is only suitable for sophisticated market participants who have the requisite knowledge and experience in financial and business matters to evaluate the merits and understand the risks of a vehicle of this type. A prospective Limited Partner who does not have the necessary knowledge or experience or is not willing to accept such risks should not apply for Limited Partnership Interests.

The attention of prospective Limited Partners is drawn to the fact that the nature of the Partnership's business will require committing its funds to illiquid capital assets to be used for the purposes of its trade. Such capital assets may be difficult to value and involve an above average level of risk.

Similarly, there is no available public market for Limited Partnership Interests and no such market is expected to develop in the future. Limited Partnership Interests may be sold, transferred or otherwise disposed of only upon the terms set out in in the Limited Partnership Agreement.

A subscription for Limited Partnership Interests carries substantial risk. There can be no assurance that the Partnership's business objectives will be achieved and trading profits may vary substantially over time. Prospective Limited Partners should carefully consider whether a subscription for Limited Partnership Interests is suitable for them in light of their circumstances and financial resources.

Your attention is drawn to each of the risk factors set out in Section 7 of this Memorandum. Prospective Limited Partners are not to construe the contents of this Memorandum as legal, tax, regulatory, financial, accounting or investment advice and each prospective Limited Partner should consult their own professionally qualified and authorised advisers before applying for Limited Partnership Interests. Further, prospective Limited Partners should conduct their own due diligence (including obtaining independent advice from professionally qualified and authorised advisers) on the opportunity described herein including, without limitation, the merits and risks involved and the legal and tax consequences in respect of the acquisition, holding and realisation of Limited Partnership Interests.

Prospective Limited Partners should bear in mind that performance information contained herein is not indicative of future results, and there can be no assurance that the Partnership will achieve comparable results or that any targets will be met.

Furthermore, there can be no assurance that the Partnership will be able to realise its fixed assets in accounts with the valuations shown, or that the Partnership will be able to implement its business strategy or be able to avoid losses.

Actual realised returns will depend on, inter alia, future operating results, the value of the assets and market conditions at the time of disposal, any related transaction costs, and the timing and manner of sale, all of which may differ from the assumptions on which the valuations contained herein are based. The IRR figures presented on a net basis do not take into account any taxes borne by Limited Partners. All IRR figures presented are annualised and calculated on the basis of daily investment inflows and outflows. Nothing contained herein shall be deemed to be a prediction or projection of the future performance of the Partnership.

All statements of opinion and/or belief contained in this Memorandum, all views expressed and all projections, forecasts or statements relating to the expectations regarding future events or the possible future performance of the Partnership, represent the Manager's own assessment and interpretation of information available to it as at the date of this Memorandum. No representation is made, or assurance given that such statements, views, projections or forecasts are correct or that the objectives of the Partnership will be achieved. Prospective Limited Partners must determine for themselves what reliance (if any) they should place on such statements, views, projections or forecasts and no responsibility is accepted by the Manager, the General Partner or the Partnership in respect thereof.

Certain information contained in this Memorandum constitutes "forward-looking statements," which can be identified by the use of forward-looking terminology such as "may", "will", "should", "expect", "anticipate", "target", "project", "estimate", "intend", "continue", or "believe", or the negatives thereof or other variations thereon or comparable terminology.

Due to various risks and uncertainties, actual events or results or the actual performance of the Partnership may differ materially from those reflected or contemplated in such forward-looking statements.

This Memorandum has been prepared on the assumption that the Partnership's structure has already been fully implemented and that all regulatory, tax and other clearances have been obtained. The Partnership's structure will have been implemented prior to the first closing of the Partnership.

Statements in this Memorandum are made as at 30 June 2026 unless stated otherwise, and neither the delivery of this Memorandum at any time, nor any sale of Limited Partnership Interests at any time, shall under any circumstances create an implication that the information contained herein is correct as of any time after such date.

If you are in any doubt about the action you should take in relation to the contents of this Memorandum, you should contact your solicitor, accountant, stockbroker, bank manager or other professional adviser authorised under FSMA who specialises in advising on Partnership Interests of the kind described in this Memorandum.

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1. Executive Summary

Overview

Gresham House Forest Fund I LP (the Partnership or FFI) is an asset backed trading vehicle focused on delivering a positive financial, environmental and social impact, through the ownership and management of UK forests, by growing and harvesting commercial timber. The Partnership has a successful 18-year trading history, outperforming the target IRR of 7%, net of all fees and costs. This Information Memorandum pertains to the proposed amalgamation of the Partnership with two similar portfolios, Gresham House Sustainable Timber and Energy LP (STELP) and Gresham House Timberland LP (TLP) (the Amalgamation).

Unless otherwise indicated, references to the Partnership in this document will refer to the aggregated portfolio of FFI, STELP and TLP.

The opportunity

The proposed amalgamation is intended to create one of the largest private forestry investment partnerships globally, with a diversified portfolio of approximately £1 billion of assets under management.

The Partnership provides the prospect of a compelling financial return, whilst also enabling Limited Partners to engage in decarbonising the economy through carbon sequestration, material and energy substitution, and also preserving and enhancing natural habitats. Limited Partners also benefit from a highly tax-efficient structure including inheritance tax relief (see page 48).

Participants in commercial woodland vehicles benefit from financial returns in an asset class which facilitates three key environmental solutions:

1 Carbon sequestration (carbon removal): Trees remove CO_2 from the air and release oxygen, storing carbon that would otherwise trap heat in the atmosphere

2 Material substitution (carbon avoidance): Wood is increasingly used as a sustainable alternative to concrete, steel and plastic, reducing emissions associated with these carbon-intensive materials, and providing long-term carbon storage

3 Natural capital: Forests provide a range of ecosystem services, whilst also having the potential to enhance biodiversity

Gresham House Asset Management Limited (Gresham House), as Manager of the Partnership, recommends voting in favour of the Fund Amalgamation. The amalgamated Fund will provide a stronger and more diversified portfolio compared to the individual Fund portfolios. This targets better cash flows and underpinning of future distributions to Limited Partners.

The amalgamated Fund will also offer the ability for Limited Partners to obtain future liquidity as part of a managed annual process and thus provide superior liquidity outcomes.

Rationale for amalgamation

The three existing partnerships each own high-quality forestry assets and have delivered strong long-term investment performance. However, as separate vehicles they face a number of limitations, including differing fund terms, varying liquidity arrangements, smaller individual scale and less flexibility in managing cash flows and timber harvesting across the broader portfolio.

The proposed amalgamation seeks to address these limitations by creating a larger, more diversified and more liquid investment vehicle. The Manager believes this will provide Limited Partners with:

- Enhanced liquidity through an initial liquidity event and a structured annual liquidity programme.
- Continued Inheritance Tax efficiency through uninterrupted qualification for Business Property Relief.
- Reduced recurring management fees.
- Greater diversification across geography, age class, species and end markets.
- Improved flexibility in harvest planning and cash flow management.
- Increased scale, purchasing power and operational efficiency.
- Access to a broader range of value enhancement opportunities including renewable energy and natural capital initiatives.

The amalgamation also provides an opportunity to establish a long-term structure capable of managing assets through timber market cycles, reducing the risk of value-destructive asset disposals associated with shorter-dated fund structures and creating a more attractive platform for future investors and liquidity providers.

Why now?

The Manager believes that the current period presents an attractive opportunity to combine the portfolios. The amalgamated Partnership would benefit from an established portfolio of mature and semi-mature forests, diversified income streams and a scale that would be difficult to replicate through new acquisitions.

What will change?

If approved, the amalgamated Partnership will introduce:

- A new 10-year term, extendable by Limited Partner approval.
- A structured annual liquidity programme.
- A target annual distribution of 1.5% of NAV.
- A reduced annual management fee of 0.60%.
- A single diversified portfolio comprising forestry and a limited allocation to renewable energy assets.

What will not change?

The fundamental investment proposition remains unchanged.

- The Partnership will continue to focus primarily on the ownership and active management of UK forestry assets, with the objective of generating long-term capital growth and sustainable income from biological timber growth, timber harvesting and associated land-based opportunities.
- Forestry is expected to remain the dominant allocation within the Partnership, representing approximately 95% of NAV at amalgamation. Renewable energy assets are expected to represent c.5% of NAV and will remain subject to a maximum allocation limit of 10%.
- Partnership interests will continue to qualify for Business Property Relief (BPR) from Inheritance Tax. Interests in STELP and TLP will benefit from replacement property rules, meaning that the ownership periods relating to these assets will not be reset upon the amalgamation taking place. Existing FFI Limited Partners will also retain uninterrupted BPR.

> "The proposed amalgamation is intended to create one of the largest private forestry investment partnerships globally, with a diversified portfolio of approximately £1 billion of assets under management."

Long-term investment outlook

The Manager continues to believe that productive UK forestry remains well positioned to benefit from long-term structural trends including increasing timber demand, the transition towards lower-carbon construction materials, the need for domestic timber production and growing recognition of the environmental and social value of sustainably managed forests.

Combined with the scale, diversification and liquidity enhancements proposed through the amalgamation, the Manager believes the Partnership is well positioned to deliver attractive long-term risk-adjusted returns for Limited Partners.

Partnership summary

- **Portfolio size:** At the point of the Fund Amalgamation, the Partnership is expected to have a gross asset value approaching £1 billion. The amalgamated portfolio will encompass c.47,500 hectares (117,000 acres) of almost entirely freehold UK land.
- **Portfolio construction:** The Partnership is expected to comprise a portfolio of 162 separate forest estates, strategically aggregated over four decades to form an unrivalled UK forestry portfolio, designed to deliver a balance of capital growth and recurring free cash flow in an environmentally positive manner. The amalgamated portfolio would include c.35,000 hectares (86,500 acres) of productive forestry and 12,500 hectares (31,000 acres) of land managed primarily for biodiversity. The productive timber crops have a weighted average age of 23 years across the portfolio. Additionally, the amalgamated portfolio would include four holdings in renewable energy entities, amounting to a proportionate share of 100MW of electricity generation.
- **Portfolio allocation:** The amalgamated portfolio currently has c.95.5% of NAV allocated to UK forestry assets and c.4.5% allocated to renewable energy. The allocation to renewable energy will not be permitted to exceed 10% of NAV.
- **Portfolio geography:** The amalgamated portfolio will have 78% of assets by value in Scotland, 13% in Wales, and 9% in England, with assets strategically located to provide geographic diversification, alongside exposure to the most competitive timber markets and suitable climatic conditions for long term crop growth.
- **Target return[1]:** The Portfolio will target an IRR of 7%, net of all fees and costs.

1. The figures in this paragraph are targets only. There can be no assurance that these targets will be met.

- **Target annual distributions:** The Partnership will target average annual distributions of 1.5% of prior year's closing NAV.[2]
- **Partnership term:** The Partnership will commence a new 10-year term as at 30 November 2026, with up to three five-year extension periods, to a maximum 25-year term.
- **Sustainability:** The Partnership intends to generate long-term environmental benefits and impact through sustainable forestry practices and active management and will be looking to obtain the SDR Impact label. Gresham House intends that all forests will be independently certified, as 100% sustainable, for the duration of the Partnership's ownership, in accordance with the UK Woodland Assurance Standard (UKWAS).
- **Carbon sequestration:** Targeted tree species selection will be used to facilitate high levels of carbon sequestration per hectare, helping to mitigate climate change.
- **Additional potential natural capital benefits:** Forestry can deliver a range of additional natural capital benefits, such as biodiversity, flood defence, improved air quality, reduced soil erosion, and outdoor recreation. The Partnership will seek to support these benefits in line with the Gresham House Forest Charter and responsible management practices.

2. The figures in this paragraph are targets only. There can be no assurance that these targets will be met.

Gresham House added value

- Low-cost management: Annual Recurring Management Fee of 0.60% per annum, reduced from a weighted average annual recurring management fee of 0.62% across FFI, STELP and TLP currently.
- Upon completion of the acquisition of Molpus Woodlands Group, announced in March 2026, Gresham House will become the third largest forestry asset manager globally, with c.£6 billion of forestry AUM across the UK, Ireland, Australia, New Zealand and the US.[3]
- The UK's largest forestry asset manager, with £2.8 billion of UK forestry assets under management (31 December 2025).
- In-house professional foresters provide oversight on all asset management, ensuring operations are delivered to the highest standard.
- Highly experienced team of forestry asset managers, with a proven track record of performance over multiple decades, including but not limited to management professionals, chartered accountants, chartered surveyors, foresters and various administrative staff.
- Deep track record of operating and managing seven similar UK-based trading vehicles and other forestry assets.
- If amalgamated, FFI, STELP and TLP would have a combined NAV of £960 million at the latest reporting date for each forestry partnership[4] and have delivered a weighted annualised return of 11.2% since inception.
- Deep sector experience, with Gresham House (upon the completion of the Molpus acquisition) managing c.945,000 hectares of existing and new forest land globally.[5] This breadth of experience across both core forestry as well as carbon forestry assets in the UK, Ireland, New Zealand, Australia and the US provides deep insight into forestry, timber and carbon markets.
- Unrivalled and independent presence in the UK timber market, accounting for approximately 20% of the UK's annual private sector softwood supply.
- Proven expertise in sourcing and transacting on and off market forestry business opportunities.
- Experienced in forestry-based carbon credit markets.
- Committed advocate of acting and investing in sustainability. Gresham House incorporates an integrated approach into environmental, social, and governance with the selection, evaluation and management across the lifecycle of each forest. This includes identifying opportunities for biodiversity enhancement.
- Gresham House are signatories to the UN-supported Principles of Responsible Investment, members of UKSIF, and a signatory to the UK Stewardship Code. Gresham House is ISAE 3402 certified.

3. IPE Real Assets, January 2026 (by value).
4. Combined Net Asset Value of FFI, STELP and TLP as at Fund year ends. Past performance is not necessarily indicative of future results.
5. Inclusive of Molpus Woodlands Group managed area.

Added benefits

- Access to certain tax benefits from owning and operating commercial forestry. See Section 8 of this Memorandum for further details.
- Defined exit strategy, with a set Partnership term, with a right for Limited Partners to extend this by up to three five-year periods, and a track record in arranging secondary sales.
- Defined liquidity events, with the Partnership to have an initial upfront liquidity event at the point of the Fund Amalgamation and thereafter defined, annual liquidity events via a structured waterfall process, underpinned by a range of liquidity options.
- Access to an environmentally and socially responsible asset class, managed sustainably, with a calculation of the carbon sequestered by the forest portfolio reported annually on a per Limited Partner basis.
- Possible additional income streams for example from the sale of any carbon units generated from the Partnership's forestry assets and development of natural capital and renewable energy opportunities on land owned by the Partnership.
- Provide protection from inflation. Forestry is positively correlated to inflation, so the Partnership provides a hedge against inflation, which is expected to rise in the coming years.
- Provide portfolio diversification for Limited Partners, as forestry has minimal correlation to bonds and equities.
- Asset backed through ownership of freehold land and timber.

Many factors could affect the performance of the Partnership. Prospective Limited Partners' attention is drawn to Section 7 of this Memorandum before considering a subscription for Limited Partnership Interests.

2. The Partnership

Overview

The Partnership offers Limited Partners an unrivalled opportunity to gain exposure to the largest private sector forestry ownership business in the UK. The Partnership owns an exceptionally high-quality institutional grade forestry portfolio, well positioned to generate capital growth and income from the biological growth of existing forests, the sale of timber, existing and potential future renewable energy projects as well as a range of natural capital and land related income streams.

The Partnership is a long-term, real asset opportunity with a target IRR of 7% on a fully deployed basis, net of all fees and costs. The Partnership will target payment of an annual distribution at the end of the first full year after the Fund Amalgamation, expected to be November 2027, derived from timber harvesting and renewable energy revenues. The target average annual distribution is 1.5% of the prior year's NAV. [6]

The portfolio comprises the amalgamation of FFI, STELP and TLP, three established forestry limited partnerships which have been aggregated over many years, providing an excellent asset base for the Partnership, with a profitable trading history.

The amalgamation of these assets is expected to be highly complementary, resulting in synergistic enhancements such as improved operational efficiencies, strategic timber harvesting planning and cash flow management.

Furthermore, the Partnership will adopt a sustainability impact label under the Sustainability Disclosure Requirements (SDR), committing to contribute to climate change mitigation by sequestering carbon over the lifetime of the Partnership.

All assets within the Partnership will be externally revalued on an identical basis at the same date as part of the amalgamation process and interests from STELP and TLP will be transferred into FFI at NAV to ensure no dilution to any Limited Partners.

Votes are due to be held in July 2026 which will determine whether Limited Partners of FFI, STELP and TLP approve the Fund Amalgamation and what proportion of STELP and TLP interests will be transferred to FFI. While this Information Memorandum assumes that all interests are transferred, the final composition of the Partnership will be subject to the voting decisions of each Limited Partner. Should the votes achieve the requisite thresholds and approve the Fund Amalgamation, the final composition of the Partnership would constitute a minimum of 80.5% of the total interests, equating to a minimum value on amalgamation of £773 million.

Partnership name[7]	Inception date	First termination date	Target IRR	IRR to date	NAV	Current Income Yield	Area (hectares)
FFI	Dec 2008	Nov 2033	7.0%	10.1%	£392.7mn	1.5%	20,493
STELP	May 2010	May 2028	7.0%	12.0%	£385.8mn	1.5%	17,388
TLP	May 2015	July 2032	7.0%	7.9%	£181.7mn	1.9%	9,596

6. The figures in this paragraph are targets only. There can be no assurance that these targets will be met.
7. Past performance should not be interpreted as an indication of future performance.

Benefits of the amalgamation for Limited Partners

Gresham House considers that a larger scale, consolidated Fund incorporating the STELP and TLP portfolios will provide a range of advantages for the future management and prospects of the amalgamated Fund, as summarised below:

Enhanced liquidity - both initial and annual

A structured annual liquidity process will be introduced in order to improve secondary share outcomes for Limited Partners. Liquidity requests will be funded through a waterfall process through a combination of 'top-up' subscriptions from existing and/or new Limited Partners, and where necessary limited asset disposals and returns of capital from the Fund, as shown in the graphic below.

The Manager considers that once the existing backlog of secondary shares has been cleared and a new, longer-term strategy within a larger vehicle is created, the secondary share sale prices are likely to significantly improve, due to the increased appeal and future prospects of the amalgamated Fund, including to institutions who are often restricted to making large-scale allocations.

As part of the Amalgamation, Limited Partners will have the opportunity either to increase their holding in the Partnership or request liquidity for part or all of their holding. Liquidity will first be provided through matching buyers and sellers and, where necessary, through selective asset disposals of up to 10% of Partnership NAV. The Manager expects these measures to satisfy the majority of liquidity requests at prices close to NAV.

Should additional liquidity be required, a further liquidity tranche may be offered through institutional capital or Partnership returns of capital, potentially at a discount to NAV.

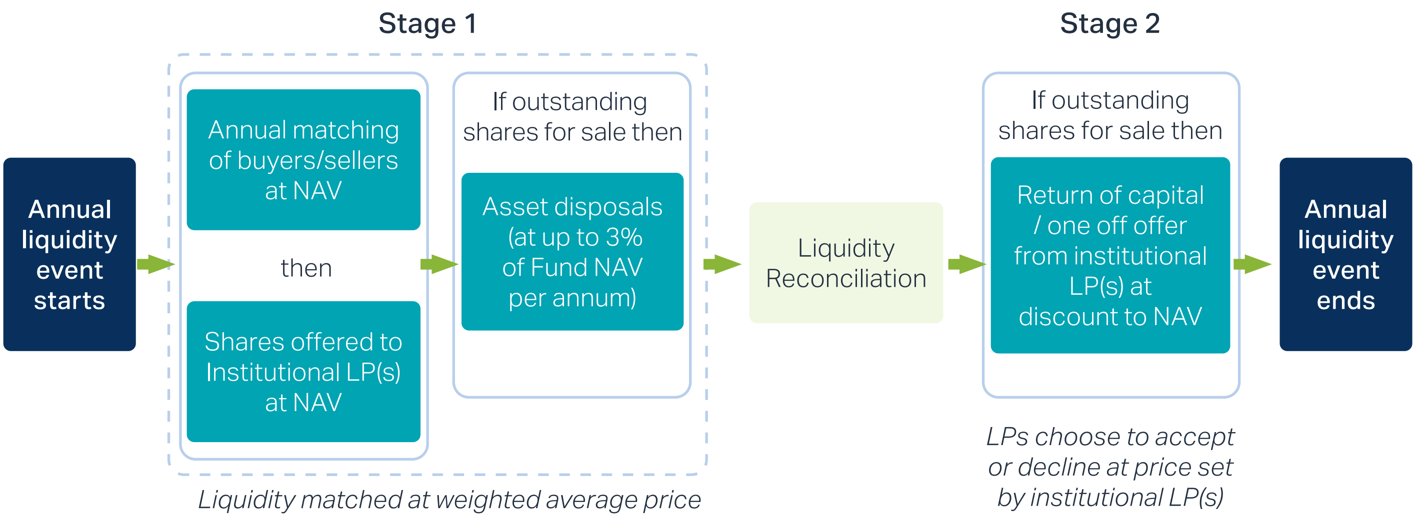
Following completion of the initial liquidity event, the Manager proposes to introduce an annual liquidity programme from year two onwards. The programme will operate through a structured liquidity waterfall designed to enhance liquidity outcomes for Limited Partners and reduce the discount to NAV typically experienced through the current secondary share sale process.

The annual liquidity process will initially seek to match buyers and sellers at NAV, including the issuance of new Partnership Interests where required. Should additional liquidity be required, the Manager may undertake strategic asset disposals of up to 3% of Partnership NAV per annum, with the objective of achieving an overall weighted average transaction price at or close to NAV.

In the event that these measures are insufficient to satisfy liquidity demand, the Manager may seek to facilitate additional liquidity through a Partnership return of capital programme and/or the introduction of institutional capital. Any liquidity provided through this final stage is expected to be at a discount to NAV. Limited Partners will retain full discretion as to whether they wish to participate in this additional liquidity option.

The Manager considers that the implementation of a structured, bespoke annual liquidity process with additional depth and capacity will underpin confidence in the secondary share sale prices of the Partnership and improve outcomes for Limited Partners. The target completion date for the annual liquidity process will be 30 September.

In addition to the formal annual process listed above, the Manager will seek to arrange an interim secondary share sale process to facilitate ad hoc sales which have not aligned with the annual process timescale. This will be run in autumn, once the formal annual liquidity process has concluded.



Annual fee reductions

Limited Partners will benefit from a reduction in management and transaction fees, potentially improving Limited Partner returns. The weighted average annual management fee will reduce from 0.62% to 0.60% and transaction fees will be significantly reduced as well.

Improved diversification and risk mitigation

A larger scale portfolio benefits from more geographic diversification, a greater range of timber inventory and the ability to harvest the wider portfolio in a more efficient and value additive manner. These are expected to manifest an improvement to the financial performance and risk profile for Limited Partners.

A larger scale, more diversified combined portfolio which will include an element of recurring income from the STELP renewable energy assets, will reduce risks presented at an individual portfolio level, in terms of cash generation and payment of distributions.

Improve consistency of distributions

The amalgamated Fund will have an improved and more diversified asset base from which to generate revenue, and accordingly the consistency of distributions (which currently differs between the three Funds) may be enhanced. The moderation of distribution amounts in recent years due to timber price weakening has been a source of dissatisfaction to some Limited Partners and we expect the opportunity to reduce the income risk to be a significant positive for Limited Partners.

Consolidation

Many Limited Partners have holdings across several of the Funds, and it is expected that a combined Fund will simplify their holdings into a single Fund and provide a simpler IHT solution for their future needs. In these circumstances, only one annual Taxable Income Statement will be required per Limited Partner rather than multiple statements and only one Partnership tax return will need to be filed by Limited Partners.

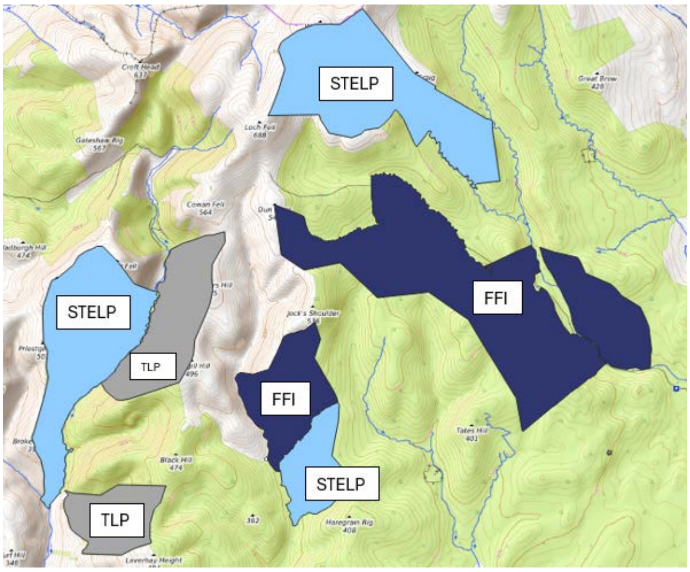
Improve margins and profitability

The amalgamated Fund will target economies of scale in relation to operational management on items such as capital expenditure and geographic management synergies. The larger scale of the combined entity will provide enhanced purchasing power which should lead to reductions in overall costs, as well as providing potential for revenue enhancement through greater optionality on timber harvesting contracts. Overall, this should lead to an increase in operational profit margins, which would result in the amalgamated entity being more financially resilient and enhancing competitive advantage.

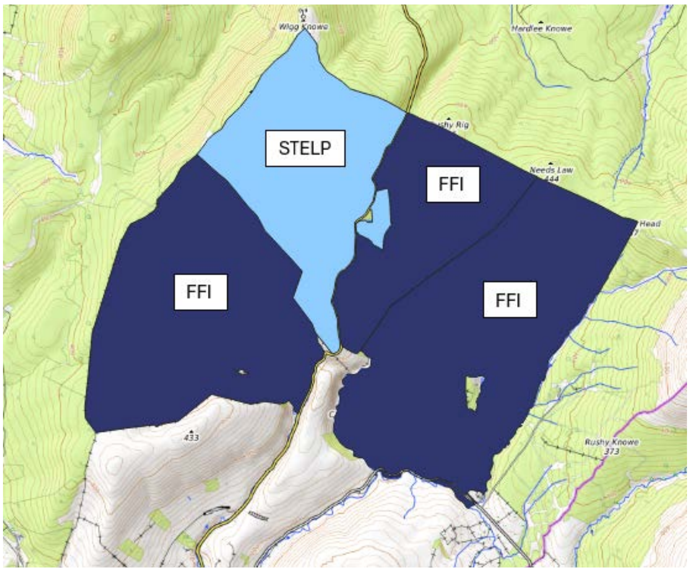
Land aggregation

There are several examples of forests owned by one Fund directly adjoining the forest of another Fund, as shown in the examples below. In these circumstances and where appropriate there may be productivity or financial gains through the amalgamation of the assets either by title or by management regime. For example a larger aggregated forest holding could provide opportunities to restructure forests and focus the timber crops on the most productive ground while retaining the less productive areas for biodiversity and natural capital. Synergies with access routes may also have financial benefit through an increase in timber prices by improving routes or reducing haulage distance and cost.

Laverhay & Garwald complexes - South Scotland



Cliffhope, Fanna Hill, Singdean and Myredykes - South Scotland



Financial trading history

Past performance should not be interpreted as an indication of future performance.

A summary of the recent trading and long-term performance history of FFI, STELP and TLP is detailed below:

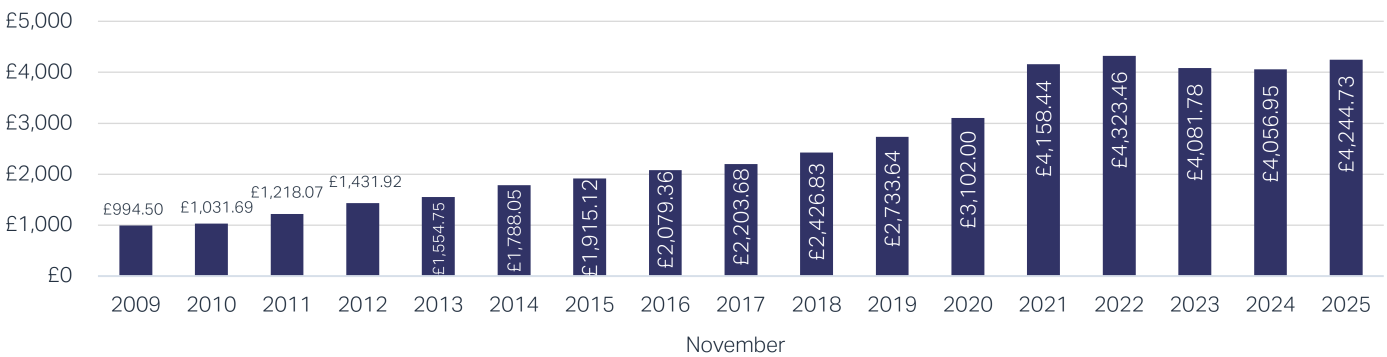
Forest Fund I LP

Income Statement	22/23	23/24	24/25
Total turnover	11,304,234	13,887,483	12,757,538
Operating costs	(3,225,121)	(3,732,864)	(5,040,205)
Administrative and other expenses	(2,706,055)	(2,361,090)	(2,537,906)
Operating profit	**5,373,058**	**7,793,529**	**5,179,427**
Interest receivable	147,946	203,175	140,671
Interest payable	(831,492)	(1,102,146)	(871,728)
Profit for the year before distribution	**4,689,512**	**6,894,557**	**4,448,370**
Distribution	**(4,996,296)**	**(5,754,993)**	**(5,630,085)**

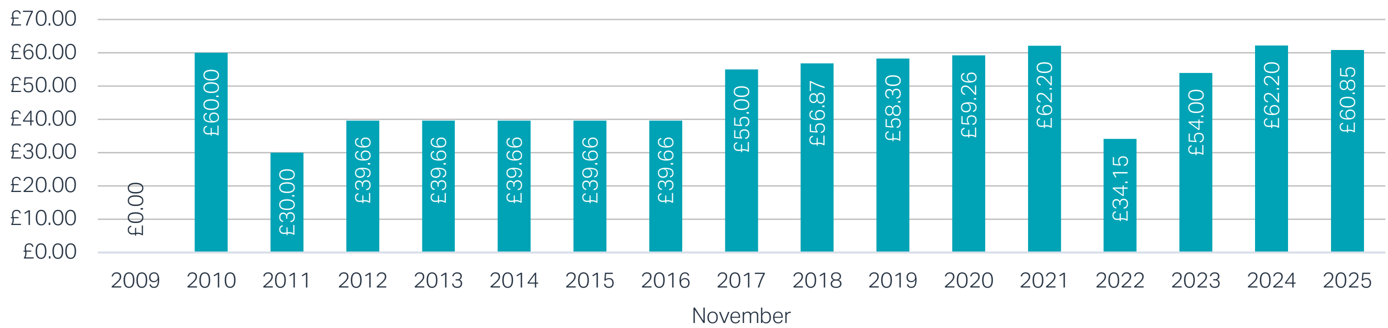
Balance Sheet	22/23	23/24	24/25
Forest assets	389,300,000	386,500,000	405,825,925
Net current assets	2,604,011	3,105,929	1,154,684
Loans outstanding	(14,241,000)	(14,241,000)	(14,241,000)
NAV	**377,663,011**	**375,364,929**	**392,739,608**

Cash Flow Statement	22/23	23/24	24/25
Cash at start of year	4,469,598	2,246,430	2,353,948
Cash at end of year	2,246,430	2,353,948	2,022,049

NAV per Limited Partnership Share



Distribution per Limited Partnership Share



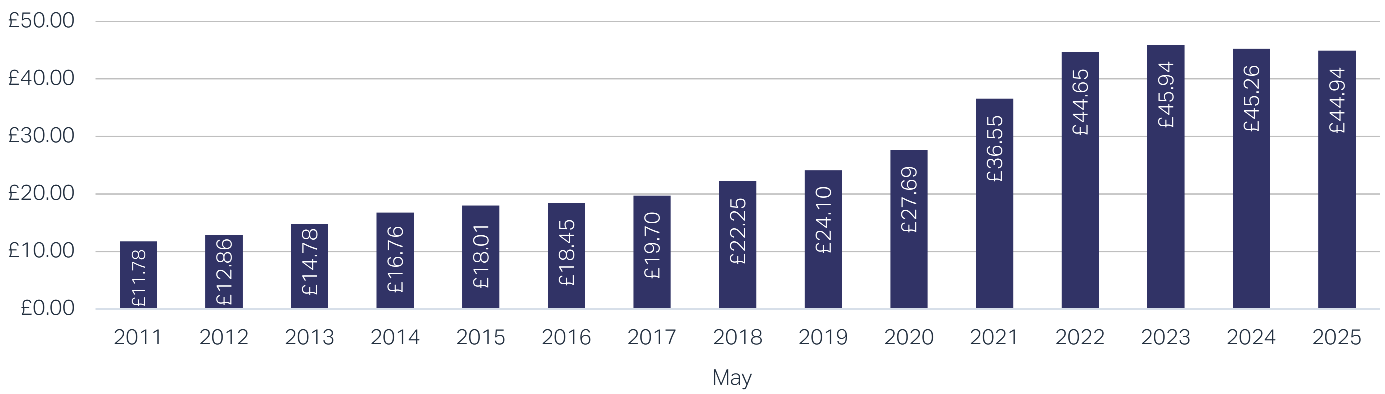
Sustainable Timber and Energy LP

Income Statement	22/23	23/24	24/25
Total turnover	6,590,399	6,145,997	11,164,155
Operating costs	(2,426,711)	(3,837,902)	(3,470,395)
Administrative and other expenses	(1,842,753)	(2,072,154)	(2,033,170)
Operating profit	**2,320,935**	**235,941**	**5,660,590**
Interest receivable	159,999	334,841	286,528
Interest payable	(214,292)	(450,205)	(467,004)
Income from Investments	4,450,959	7,104,187	4,127,567
Profit for the year before distribution	**6,717,600**	**7,224,764**	**9,607,681**
Distribution	**(5,480,637)**	**(5,751,533)**	**(6,009,064)**

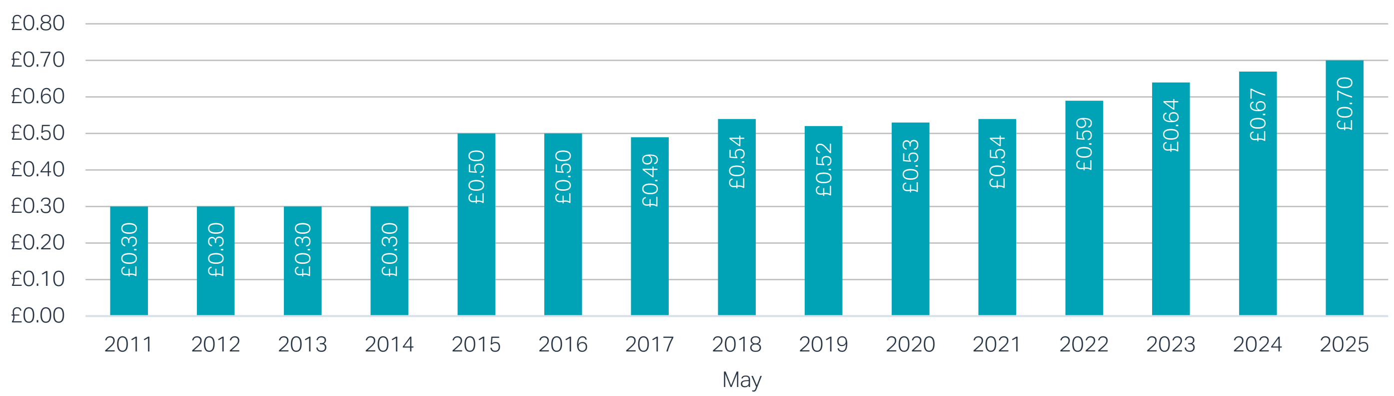
Balance Sheet	22/23	23/24	24/25
Forest & renewable assets	396,693,358	390,873,732	389,583,367
Net current assets	3,641,428	3,932,542	6,529,357
Loans outstanding	(6,890,000)	(6,300,000)	(10,300,000)
NAV	**393,444,786**	**388,506,274**	**385,812,724**

Cash Flow Statement	22/23	23/24	24/25
Cash at start of year	5,016,528	2,689,227	5,361,806
Cash at end of year	2,689,227	5,361,806	6,678,793

NAV per Limited Partnership Share



Distribution per Limited Partnership Share



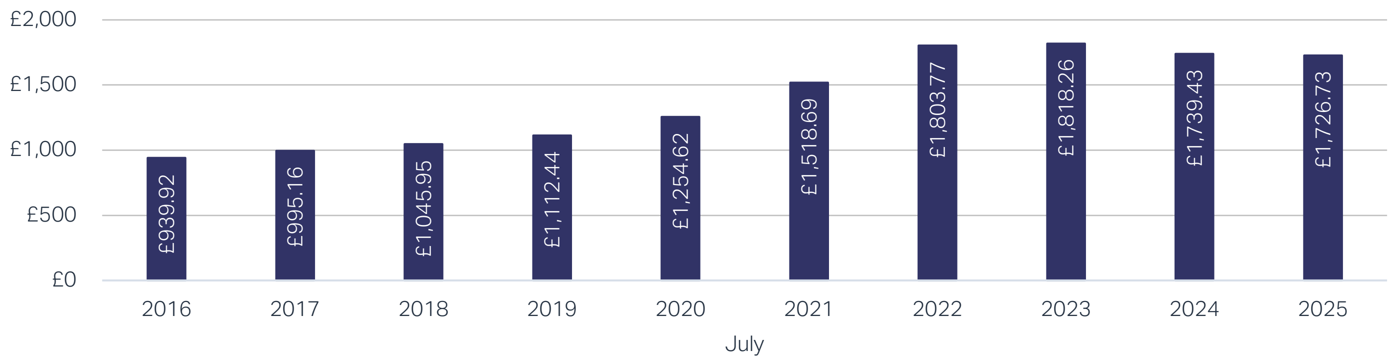
Timberland LP

Income Statement	22/23	23/24	24/25
Total turnover	4,055,960	6,798,091	6,627,608
Operating costs	(1,885,648)	(2,112,491)	(2,350,765)
Administrative and other expenses	(1,605,940)	(1,773,093)	(1,578,438)
Profit/(Loss) on sale of property	0	65,801	662,886
Operating profit	**564,372**	**2,846,706**	**3,361,291**
Interest receivable	100,687	82,337	128,233
Interest payable	0	0	0
Profit for the year before distribution	**665,059**	**2,929,043**	**3,489,524**
Distribution	**(1,975,167)**	**(3,373,674)**	**(3,530,467)**

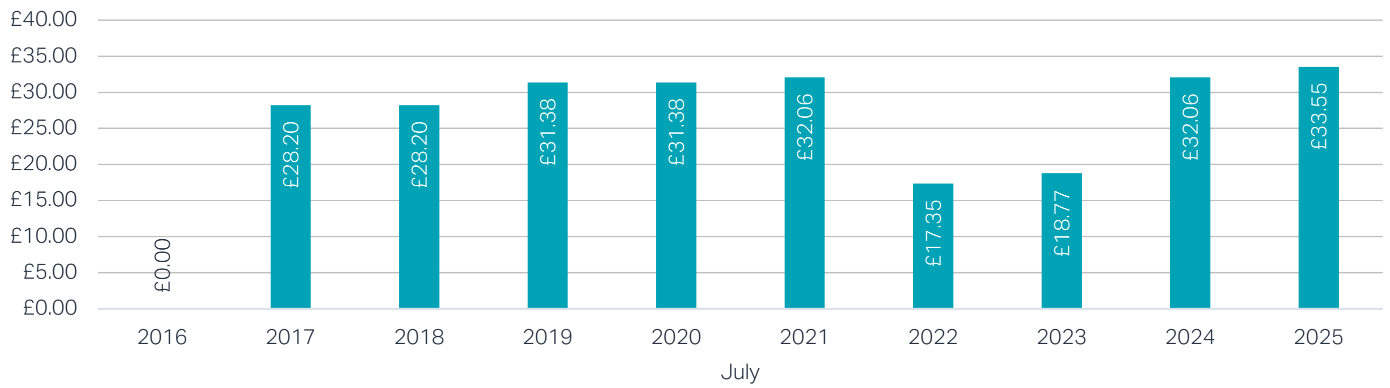
Balance Sheet	22/23	23/24	24/25
Forest assets	190,000,000	181,360,000	179,760,000
Net current assets	1,335,039	1,680,329	1,943,442
Loans outstanding	0	0	0
NAV	**191,335,039**	**183,040,329**	**181,703,442**

Cash Flow Statement	22/23	23/24	24/25
Cash at start of year	3,443,161	598,066	1,434,731
Cash at end of year	598,066	1,434,731	953,777

NAV per Limited Partnership Share



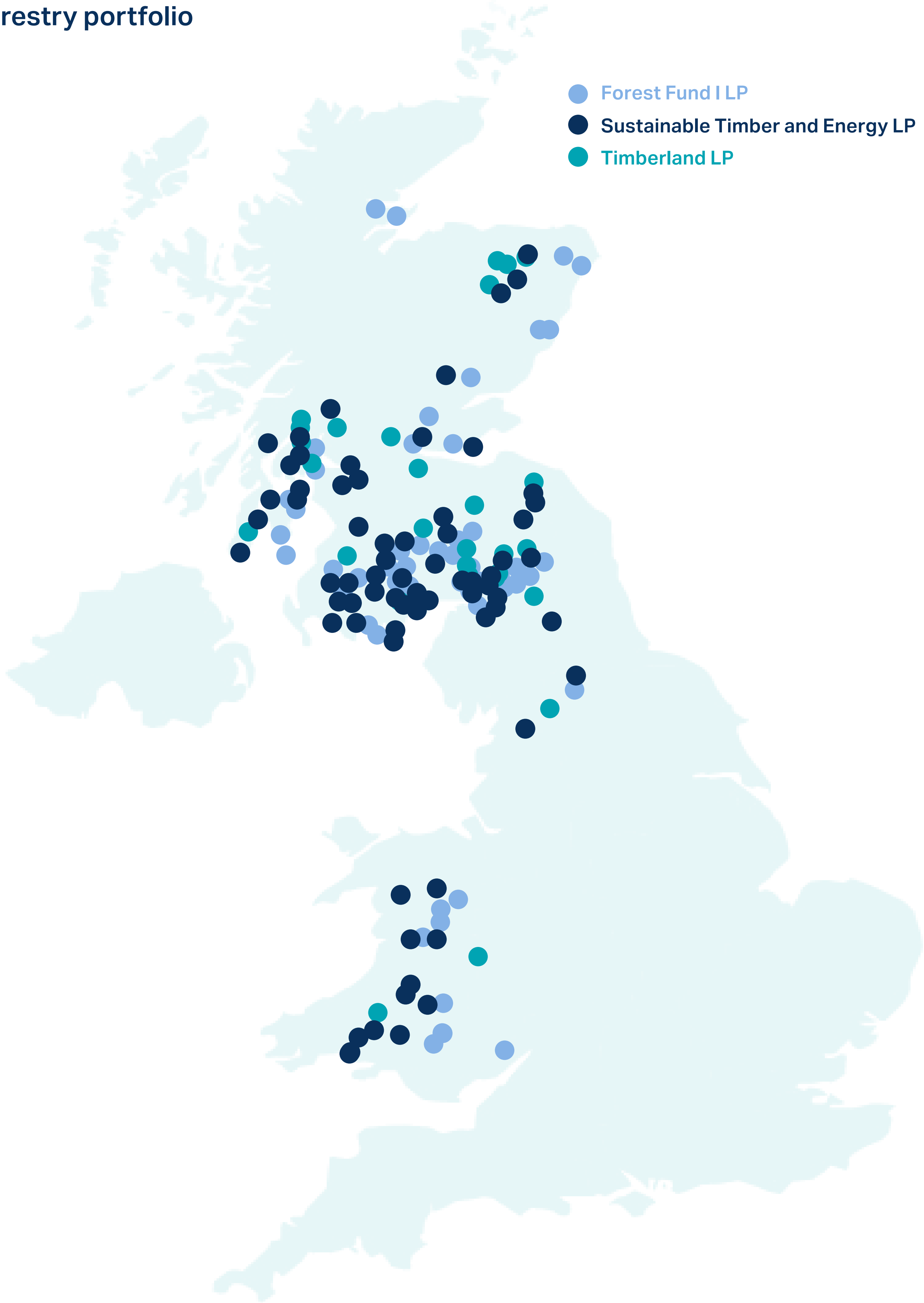
Distribution per Limited Partnership Share



The Partnership – Consolidated Balance Sheet

Balance Sheet	22/23	23/24	24/25
Forest & renewable assets	975,993,358	958,733,732	975,169,292
Net current assets	7,580,478	8,718,800	9,627,483
Loans outstanding	(21,131,000)	(20,541,000)	(24,541,000)
NAV	962,442,836	946,911,532	960,255,774

Forestry portfolio



Forestry portfolio

On completion of the Amalgamation the Partnership is expected to comprise a portfolio of high-quality forestry assets, summarised in the table below:

	FFI	STELP	TLP	Amalgamated Portfolio
As at Date	30/11/2025	31/05/2025	31/07/2025	30/11/2026
Total Area	20,493	17,388	9,596	47,477
Commercial Crop Area (CCA)	15,520	12,729	6,788	35,037
NAV (mn)	£392.7	£385.8	£181.7	£960.2
Gross Asset Valuations (mn)	£405.8	£389.6	£179.8	£975.2
Properties	64	70	28	162
Forestry*	100%	89%	100%	95%
Renewables	0%	11%	0%	5%
Freehold land %	100%	99%	100%	100%
NAV in Scotland %	80.3%	76.0%	77.0%	78.0%
NAV in Wales %	16.4%	14.3%	4.7%	13.3%
NAV in England %	3.3%	9.7%	18.4%	8.7%
Average property size (hectares)	320	248	343	304
% of CCA (Sitka spruce)	81.5%	88.3%	79.9%	83.7%
% of Total Area (Sitka spruce)	61.8%	62.6%	56.5%	61.0%
CCA over 30 Years Old (hectares)	4,966	5,671	3,282	13,919
Weighted average crop age	20	25	24	23

*Forestry allocation includes net current assets

- Age: The portfolio comprises a mixture of different aged forests. This will provide a balanced cash flow throughout the Partnership's term, ensuring a sustainable trading platform capable of delivering Limited Partner returns and distributions.
- Location: The assets are located within the UK. The portfolio is geographically diverse, distributed predominantly across Scotland, Wales and Northern England. This geographic spread ensures access to multiple end users whilst also reducing any risk associated with any single area.
- Species: The portfolio is weighted towards the most productive conifer species. In addition, the portfolio includes a mix of broadleaf species and a combination of native and non-native species.

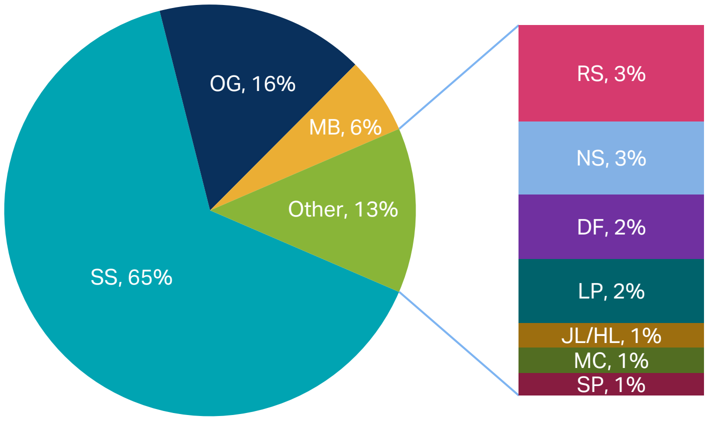
Sitka spruce is the UK's principal coniferous tree species, which the UK's processing industry is built around. The UK's maritime climate is ideally suited to this tree species, with rotation lengths of 35 to 50 years. This is substantially shorter than most countries supplying timber to the UK, where rotation lengths are 70 to 100 years (Scandinavia).

All the Partnership's forests will be managed in accordance with independent sustainability standards, such as FSC or PEFC certification, ensuring responsible silvicultural practices, protection of soil and water resources, and long-term forest health. Within this framework, designated areas will be specifically managed with biodiversity conservation and enhancement as the primary objective.

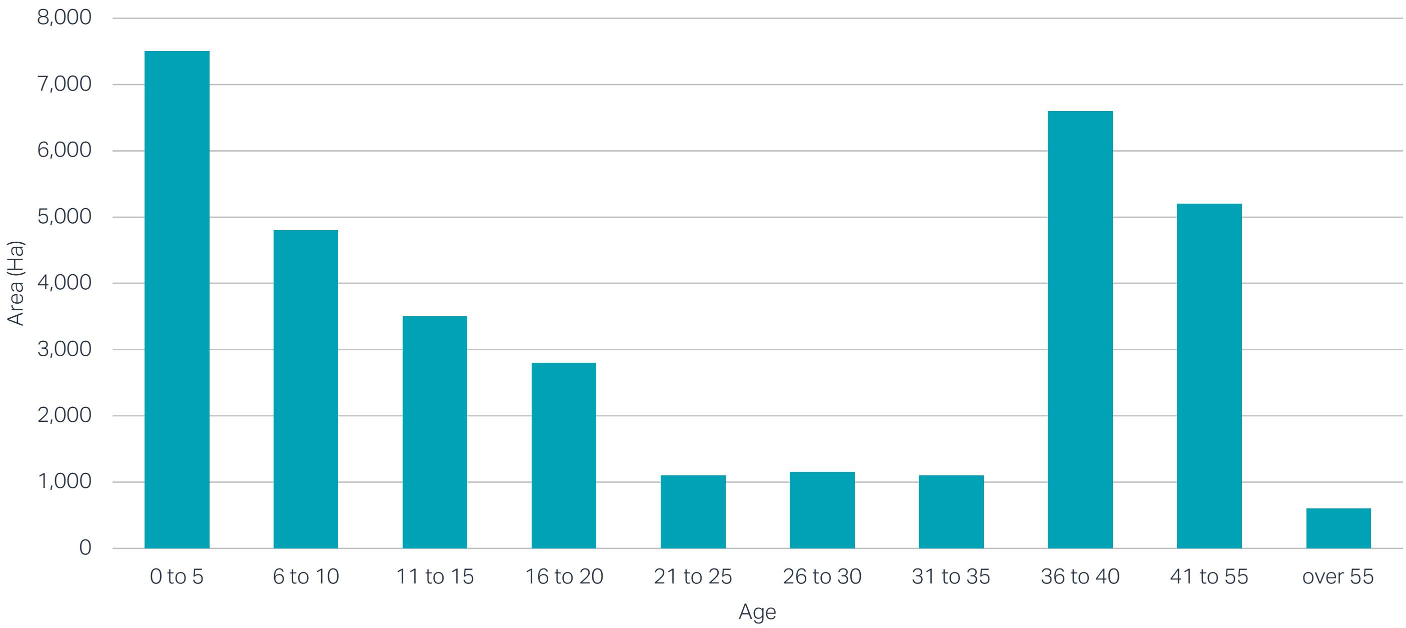
Of the 162 forest properties, 159 are owned freehold and three are leasehold titles. Overall, the forest portfolio benefits from economies of scale, good access to the public road network and is well located for timber markets.

Legend

SS – Sitka Spruce
NS – Norway Spruce
DF – Douglas Fir
SP – Scots Pine
LP – Lodgepole Pine
JL/HL – Larch
MC – Mixed Conifers
MB – Mixed Broadleaves
OG – Open Ground
RS - Restocking



Age Class Distribution of Commercial Crop



Gresham House will seek to mitigate physical risks through both active forest management and the insurance of timber crops.

Gresham House arranges and administers a growing timber insurance policy when appropriate/viable to do so. The policy insures growing timber for fire damage until 30 years of age, after which age the trees are not considered susceptible to fire damage (although a small premium remains to cover the cost of helicopters to quickly put out fires, in case they are required).

Commercial crops between 16 and 35 years of age are generally also insured against windblow based on their expected value. From 35 years of age upwards, mature crops can generally be salvaged with little or no loss of value or increased working costs. Public liability cover of £10 million on each property is included.

There is no insurance cover in the market for loss of production from pests or disease. There is no current evidence of any significant problem affecting Sitka spruce, the main commercial tree species in the UK. The size, value and economic importance of the commercial forest estate should encourage an industry-wide solution to be developed should any problem appear in the future. This risk is mitigated through a larger scale portfolio providing geographic diversification and spread of age classes and species, and through professional management.

Tree species will be selected according to site conditions, meaning that different species will be used on different sites. Growth rates and associated carbon sequestration will also be key factors in species selection.

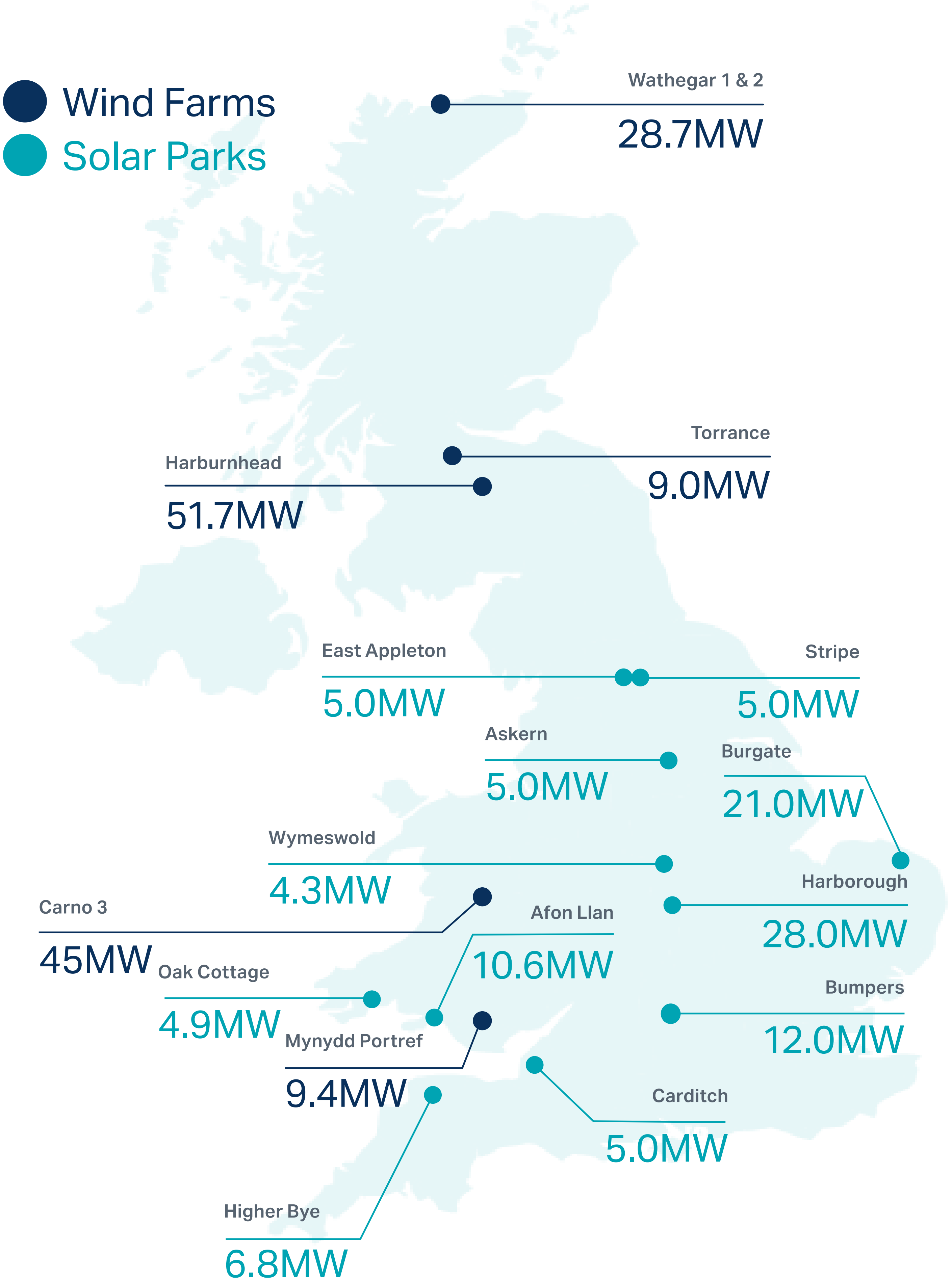
The Partnership's forest portfolio will be able to "store" value on the stump at times of market weakness. In times of significantly lower prices, as happens periodically, trees can be left to grow in both volume and unit value. In such circumstances Gresham House may elect to restrict or cease harvesting, with the objective of maximising the total return to Limited Partners.

In addition to core forestry operations, the portfolio also generates revenue from additional Higher and Better Use projects across the forest estates, in particular renewable energy developments. While some of these projects are already generating revenue, there are significant future prospects for additional revenue and value creation from the Partnership's portfolio.

A summary of the existing leases to wind farm developers across the forestry portfolio is detailed below.

Property	Windfarm	Operator	Annual Revenue	Type	Lease valuation
Cowans Law	Sneddon Law	Community Wind Power	£191,770	Turbine host	£3,110,281
Craignane	Brockloch Rig	Fred. Olson Renewables Ltd	£354,308	Turbine host	£2,801,186
Kirkleton South	Solway Bank	RES Group	£103,248	Turbine host	£1,737,866
Penmanshiel	Penmanshiel	Cubico	£268,447	Turbine host	£4,467,593
Hartwood Hill	Kennoxhead	Perigus Energy	£86,780	Access agreement	£1,200,000
Scotston South	Griffin	SSE	£81,809	Access agreement	£500,000
Total			**£1,086,362**		**£13,816,926**

Renewables Portfolio



Renewable energy

The amalgamated portfolio has a £43.4 million allocation to renewable energy generating assets representing c.5% of NAV. This is a relatively small proportion of the amalgamated Partnership value but provides strategic revenue diversification and recurring cash flows, which will provide support for ongoing distribution requirements.

A summary of these assets is detailed below and on the Map on page 16. In total the Partnership's share of the renewable energy generation would be approximately 80,600 MWh, which is enough to power 24,822 homes. This excludes the future generation from GH Wind Energy 3 LP due to commence in 2027 and a recently acquired solar park asset which commenced generation in 2026.

Entity	Asset name	Asset class	LP's holding	NAV (£mn)
Gresham House Wind Energy 1 plc	Mynydd Portref Torrance Wathegar Wathegar 2*	Wind Farm	18,007,575 shares (40.2%)	16.1
Gresham House Wind Energy LP	Harburnhead**	Wind Farm	1,311,532 shares (5.5%)	1.2
Gresham House Wind Energy 3 LP	Carno III***	Wind Farm	21.23%	4.1
Gresham House Solar Distribution LLP	Afon Llan Askern Bumpers Farm Burgate Carditch East Appleton Harborough Higher Bye Oak Cottage Stripe Wymeswold	Solar Park	21,491 shares (38.3%)	22.0

*66% of Wathegar 2 wind farm is owned by Gresham House Wind Energy 1 plc

**50% of Harburnhead wind farm is owned by Gresham House Wind Energy LP

***50% of the Carno III wind farm development is owned by Gresham House Wind Energy 3 LP. Forecasted commissioning is H2 2027

Wind Farms

The amalgamated portfolio has total wind farm investments valued at £21.4 million in three wind farm holding entities:

Gresham House Wind Energy 1 plc			
Site	Location	Turbines	Capacity
Mynydd Portref	South Wales	11 x Gamesa 0.85MW	9.35MW
Torrance	Central Scotland	3 x Siemens 3.00MW	9.00MW
Wathegar	North Scotland	5 x Senvion 2.05MW	10.25MW
Wathegar 2	North Scotland	9 x Senvion 2.05MW	18.45MW

Gresham House Wind Energy LP			
Site	Location	Turbines	Capacity
Harburnhead	East Scotland	22 x Enercon 2.35MW	51.7MW

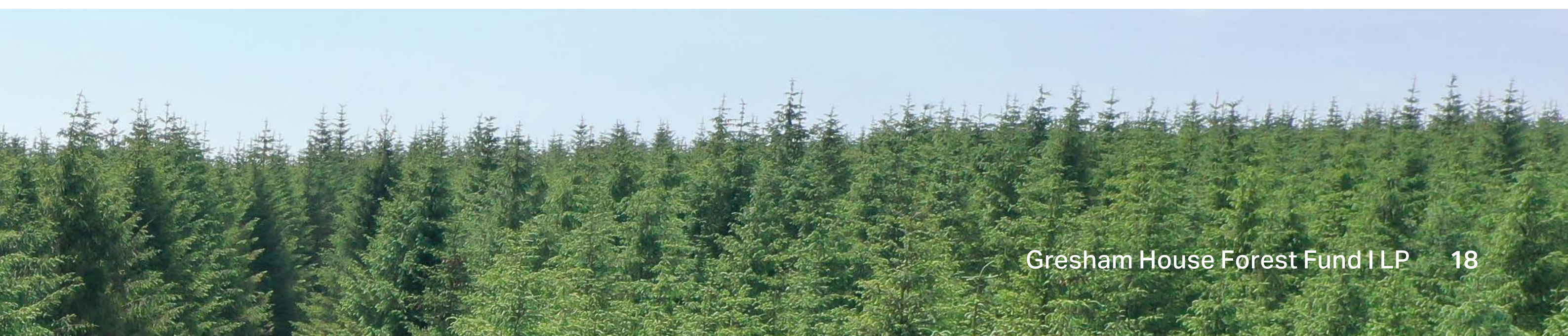
The amalgamated portfolio also includes a 21.2% interest in Gresham House Wind Energy 3 LP, an entity established to acquire a 50% stake in Carno III, a fully consented, ready-to-build 45MW onshore wind farm in mid-Wales. The project is the third and final phase of the established Carno wind complex, located alongside the operational Carno I and Carno II wind farms, thus benefitting from a proven wind resource and operational track record. Carno III offers the potential for stable, inflation-linked cash flows through a 15-year Government-backed Contract for Difference (CfD), making it an attractive addition to the amalgamated portfolio of renewable energy investments.

Solar Parks

Gresham House Solar Distribution LLP - Interest 38.3%: Value £22.0 million

Solar park	Location	Size (MW)
Afon Llan	South Wales	10.61
Askern	North England	4.97
Bumpers Farm	South England	12.00
Burgate	East England	21.00
Carditch	South England	4.95
East Appleton	North England	4.98
Harborough	Central England	27.99
Higher Bye	South England	6.79
Oak Cottage	South Wales	4.87
Stripe	North England	4.98
Wymeswold	Central England	4.28
Operational		107.42

The Partnership's proposed Limited Partnership Agreement includes an allocation of up to 10% of NAV in renewable energy assets. This provides an appropriate level of headroom above the existing allocation of 4.5% in the amalgamated portfolio to allow for potential valuation movements and provide optionality to capture additional opportunities that may be considered appropriate, for example equity options on wind farms developed and located on the Partnership's forest portfolio. Top-up and follow-on allocations into existing renewables holdings will be permissible where this is value accretive or strategic (e.g. to avoid dilution, enhance cash flow/performance), however any proposed allocation to new unrelated renewable energy projects would require Advisory Committee consultation.



Distributions

The Partnership intends to pay annual distributions to Limited Partners from the financial year-end following the first anniversary of the Amalgamation. The target average distribution is 1.5% per annum, based on the Partnership's NAV.[8]

The Manager's strategy is to generate sufficient timber harvesting income and renewable energy revenue to meet the Partnership's annual operating expenses. Any surplus cash generated from timber harvesting activities may also be distributed to Limited Partners, subject to the Manager's assessment of the Partnership's capital requirements and prevailing market conditions.

To maintain operational flexibility, and maximise total return to Limited Partners, the General Partner may adjust the target distribution level by up to 20% each year, to adapt to market conditions without obtaining prior approval from the Partnership's Advisory Committee. This flexibility will be considered in conjunction with the intention that the long term average annual distribution target is 1.5% of NAV. In the event of weak market conditions causing a reduction in the level of distribution, it will be the Manager's aim to increase distributions above target levels in subsequent periods, to attain the long-term average. A variance of greater than 20% to the target distribution will require consultation with the Partnership's Advisory Committee.

Limited Partners should not assume that distributions will be made at the target level or that distributions will be made annually, or indeed at all.

8. The figures in this paragraph are targets only. There can be no assurance that these targets will be met.

Gearing and bank borrowing

Under the existing FFI Limited Partnership Agreement, borrowing is restricted to a limit of 20% of NAV, with current debt of £14.2 million substantially below this limit, equating to 3.6% of NAV.

STELP has a 20% gearing limit, with currently £10.3 million of direct debt (2.7% of NAV), and STELP's share of the indirect ringfenced debt within the renewable energy companies is £36.1 million (9.4% of NAV). STELP therefore has an overall gearing ratio of 12.0% of NAV, including the indirect debt not secured against Fund assets.

TLP does not have any bank debt or gearing.

Both the FFI and STELP debt facilities are with Barclays Bank plc and it is intended to refinance in due course and combine them into a single facility in the amalgamated Fund on completion of the amalgamation. This would equate to a total debt ratio of 6.3% of NAV, assuming a complete amalgamation of all assets.

The maximum permitted borrowing level will remain at 20% of NAV in the amalgamated Fund, in line with the existing limit. The FFI debt provision clause will require to be amended to clarify the language and permit borrowing to accommodate the updated objectives, incorporating the STELP renewable energy assets

Sustainability statement

Gresham House has a clear commitment to sustainable investment as an integral part of its business mission. As a signatory to the UN-supported Principles for Responsible Investment, Gresham House is committed to operating responsibly and sustainably. We integrate ESG considerations into our selection, evaluation, governance and management processes across the lifecycle of each asset.

Forestry assets sourced and managed by Gresham House are very long-term and Gresham House sets out to proactively improve the lifespan and value of assets through sustainable forest management.

All land and forests acquired by the Partnership will be managed by qualified, experienced forest managers, known to and selected by Gresham House, and all will be certified to the FSC's approved standards within a reasonable timeframe and will continue to be independently certified as 100% sustainable during the period that the Partnership owns them.

Gresham House integrates ESG considerations into the lifecycle of each asset as follows:

Sourcing

High-quality commercial forests across diversified age groups are sourced both on and off market. Various characteristics are assessed including geographical location, species mix, size and growth rates, and for new planting sites, survey work will confirm that the land is appropriate for forestry.

Due diligence

Gresham House's acquisition team conducts a rigorous and consistent multi-disciplinary due diligence acquisition process, targeting high-quality commercial forests across diversified age groups and geographies.

Each forest is evaluated to ensure it is or can be certified to an international standard, and/or to a national certification standard, and then assessed using the Manager's ESG Decision Tool to uncover any material ESG risks and opportunities.

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

Gresham House carries out site visits to verify that the due diligence assessment aligns with the data collected onsite. In addition, third party specialists are often employed to measure the volume of timber currently available on site, or in the case of new planting an indicative forest design will be prepared setting out where and what can be planted, whilst surveys will be completed to assess a wide range of characteristics including bird populations, archaeology sites and peat depths.

Acquisition

Once the Gresham House Forestry Investment Committee has approved a proposal, an offer is submitted. If the offer is accepted, an acquisition report providing all the key details of the acquisition (including a section on ESG) is produced. In the meantime, the conveyancing is carried out by lawyers who prepare a report on title. Gresham House provides oversight of the entire transaction.

Ongoing management

Gresham House works closely with forest managers to ensure forest plans are observed and achieved within expected timescales. Any certified forests managed by Gresham House are independently assessed by the appointed auditors and Gresham House conducts its own checks against agreed standards and management objectives. CO_2 captured by the forests that Gresham House manages, as well as further key performance indicators, are also monitored. Once the timber is harvested, Gresham House ensures that replanting is carried out in line with required standards.

The integration of ESG considerations into our operational woodlands is underlined by the following:

- UK assets are managed in accordance with the UK Forestry Standard and are certified under the UK Woodland Assurance Standard (UKWAS), which provides Forest Stewardship Council® (FSC®) certification. These standards provide a framework of thematic principles which are applied across forest planning, management, harvesting and restocking activities, as well as the broader operation of the forest enterprises.
- As part of the certification schemes and wider sustainability practices, the use of herbicides and pesticides is minimised wherever possible. Herbicides are typically applied during the establishment phase of new woodlands to support successful tree growth and establishment.
- Management plans are drawn up for each asset, setting out clear management objectives spanning both commercial and ESG outcomes and outlining how these will be met within its given prevailing conditions. Performance measurements are integrated into the plans, which are subsequently reviewed on an annual basis.
- Significant specialist expertise is maintained within the forestry team, including professional qualifications accredited by the Institute of Chartered Foresters (ICF), covering both sustainable forestry management and sustainable asset selection. Relevant Continuing Professional Development (CPD) is undertaken on an ongoing basis to ensure knowledge remains current, with continued investment made in the development of expertise and best practice in sustainable forestry asset management.
- Regular monitoring of ESG risks, opportunities and performance is undertaken across the portfolio. Over time, comparative data analysis is prepared to support ESG reporting to Limited Partners.
- Certified forests are assessed by independent third party FSC® accredited certification bodies. In addition, internal audits are undertaken against established standards and management objectives to ensure ongoing compliance and continuous improvement.

Gresham House Forestry 2025 outcomes

- Gresham House planted 12.5 million trees in 2025 (includes new and restocked trees).
- The existing forestry portfolio captured c.2.4 million tonnes of CO_2. The standing inventory of stored carbon in forests under management was estimated at over 56 million tonnes of CO_2.[9]

Existing forestry is captured in the UK national account, so no direct offsetting claims can be made. Sequestered carbon is calculated in accordance 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.

9. Past performance is not necessarily indicative of future results.

3. Key Terms and Tax Considerations

Key partnership terms

The following is a summary of the key terms of the Partnership. It is provided for information only and is subject to change. It is not a substitute for, and is qualified in its entirety by, the Limited Partnership Agreement that will be entered into for the Partnership, and other legal instruments relating to the Partnership (collectively the Partnership Documents) each of which should be reviewed thoroughly by each prospective Limited Partner prior to applying for Limited Partnership Interests.

Prospective Limited Partners should note that this summary is not exhaustive, and the Partnership Documents contain other significant terms. In the event that any of the terms, conditions or other provisions of the Partnership Documents are inconsistent with or contrary to the description of terms in this Memorandum, the Partnership Documents will prevail.

Partnership	Gresham House Forest Fund I LP, a Scottish private fund limited partnership.
General Partner	Gresham House Forest Funds General Partner Limited, an English limited company. The General Partner will appoint the Manager to provide all management and investment advisory services to the Partnership and to operate it for UK regulatory purposes.
Manager	Gresham House Asset Management Limited, an English limited company. The Manager will have, amongst other functions, discretionary management authority with respect to the Partnership and will be responsible for the portfolio management and risk management of the Partnership. A summary of the Management Agreement is set out in Section 9 of this Memorandum.
Objectives	The purposes of the Partnership are, in summary: (a) To own and actively manage forestry assets with the aim of generating a balanced combination of income and long-term capital growth (b) To optimise total returns by adjusting harvesting and distribution levels in response to timber and property market conditions, prioritising overall value creation over the life of the Partnership. Targeting an average annual distribution of 1.5% of the NAV of the Partnership. Any change greater than 20% is subject to consultation with the Advisory Committee. (c) To use gearing up to a maximum of 20% of the NAV of the Partnership at the date of the gearing being employed to provide (i) working capital, (ii) to develop specific renewable energy projects, subject to gearing being on normal project finance recourse terms, (iii) to permit the Partnership to acquire additional assets when the General Partner, on the advice from the Manager, considers it advantageous, or (iv) to provide liquidity for Limited Partners who wish to retire from the Partnership where the Manager considers this likely to add value to the remaining Limited Partners. (d) To reinvest cash surplus to the targeted distribution of 1.5% of the NAV of the Partnership, the working capital required to finance the Partnership's operations or as required to meet banking commitments into new forest assets acquired to meet the requirements of the Partnership. (e) To allocate equity capital, either directly or structured through a joint venture or asset holding vehicle, to the development of renewable energy projects which have received planning consent, subject to a limit of 10% of the NAV of the Partnership at the time funds are invested in such a project. The Partnership's sustainability objective is to contribute to climate change mitigation through (i) the acquisition and management of forest assets and (ii) the development of renewable energy projects
Target Returns and Distributions [10]	Target nominal IRR of 7.0% over the Partnership's life, net of all fees and costs, inclusive of a target average annual cash distribution 1.5% of Partnership NAV.
Geographic Focus	UK.
Expected Portfolio Construction	90%+ forestry, up to 10% renewable energy assets.

10. The figures in this section are targets only. There can be no assurance that these targets will be met.

Borrowing	Up to 20% of Partnership NAV.
Expected Partnership Size	c.£960 million.
First Termination Date	30 November 2036.
Term	10 years from Amalgamation Date, extendable by three separate five-year periods as follows: ▪ First Termination Date: 30 Nov 2036; ▪ Second Termination Date: 30 Nov 2041; ▪ Third Termination Date: 30 Nov 2046; and ▪ Final Termination Date: 30 Nov 2051, subject to consent from Limited Partners representing over 75% by nominal value of Partnership Shares voted.
Minimum Consideration	To utilise relevant exceptions to regulatory restrictions on public offers of securities, the minimum consideration for each separate offer of Partnership Shares in the amalgamated Partnership (for secondary transfers arranged by the Manager or new issuances) will be set at £100,000. Holdings below this level will still be capable of being transferred by private transfer, subject to the provisions of the Limited Partnership Agreement.
Performance Fee	10% of returns generated above a hurdle rate of 7% per annum (the "Performance Fee"). The Performance Fee will be assessed annually against an independent valuation of the Partnership assets, which will be adjusted to reflect the actual performance of the Partnership during each accounting period, and the liquidity of Partnership Interests during each Annual Liquidity Window. When a Performance Fee is payable, 75% will be released in cash and 15% Partnership Shares. The remaining 10% will be subject to a two year lock up and will be clawed back if Partnership performance is not sustained. On release the remaining 10% Performance Fee will also be satisfied in Partnership Shares to ensure continued alignment of the Manager with Limited Partners.
Additional Income Generation Fee	5.0% of Non-Timber Revenue. "Non-Timber Revenue" means any income of a portfolio asset that is not from the proceeds of sale from harvesting and selling timber, except that the proceeds from any crop compensation payments (or similar) arising out of or otherwise in connection with harvesting and selling timber would be counted as "Non-Timber Revenue".
Partnership Expenses	The Partnership bears all costs and expenses in connection with the Amalgamation, its establishment and ongoing business, administration and operations, including (without limitation): legal, filing, travel and out-of-pocket expenses relating to the establishment and organisation of the Partnership; costs of sourcing, evaluating, acquiring, holding and disposing of portfolio assets (including abort costs); insurance premiums; Depositary, custody, administrative, accounting and audit fees; Advisory Committee expenses; taxes and governmental charges; indemnification obligations; winding-up costs; financing costs; and fees payable to the Manager (including the Management Fee, Acquisition Fee, Additional Income Generation Fee and Services Fee).
Share Sale Fees (non-Institutional Partners)	For sales of Partnership Shares arranged by the Manager: Initial Liquidity Event ▪ 3% plus VAT of sale price payable by the selling partner ▪ 1.5% plus VAT payable by the buying partner to the Manager (reduced to 0% where the buying partner is an existing Limited Partner in FFI, STELP or TLP at the time of sale) Annual Liquidity Event ▪ 2% plus VAT of sale price payable by the selling partner ▪ 1.5% plus VAT of sale price payable by the buying partner to the Manager (reduced to 1.0% where the buying partner is an existing Limited Partner in the Partnership at the time of sale) Interim Liquidity Event ▪ 3% plus VAT of sale price payable by the selling partner ▪ 1.5% plus VAT of sale price payable by the buying partner to the Manager (reduced to 1.0% where the buying partner is an existing Limited Partner in the Partnership at the time of sale)

Share Sale Fees (Institutional Partners)	For sales of Partnership Shares arranged by the Manager: ▪ 0.5% plus VAT of sale price payable by the selling partner ▪ 0.5% plus VAT of sale price payable by the buying partner to the Manager (reduced to 0% where the buying partner is an existing Limited Partner in the Partnership at the time of sale) The aggregate fees payable by the selling partner and the buying partner to the Manager for arranging transfers for Institutional Partners shall not exceed £500,000 plus VAT for any single transfer (capped at £250,000 + VAT for both the purchaser and the seller).
Annual Liquidity Window	The Partnership will operate an Annual Liquidity Window which will be facilitated by the Manager. In each Liquidity Window, Limited Partners will have the opportunity to: (i) increase their interest in the Partnership at a price per Partnership Share calculated by reference to the last independent valuation ("Buying Partners"); or (ii) reduce their interest via the disposal and/or cancellation of Partnership Shares ("Selling Partners"). In any Liquidity Window where there is no surplus of selling capacity, the Manager and the General Partner will satisfy all Selling Partner requests by facilitating the transfer of Selling Partners' Shares to Buying Partners at the independently established price. Any excess buying capacity will be satisfied by the issue of additional Partnership Shares to Buying Partners. If there is a surplus of selling capacity, then the Manager and General Partner will satisfy Selling Partner requests by: i first, facilitating the transfer of Selling Partner's Shares to Buying Partners on a pro-rata basis until all Buying Partner Requests are satisfied; ii second directing the sale of up to 3% of the Partnership Assets (by Net Asset Value) and utilising the proceeds to fund return of capital to the Selling Partners pro-rata to their outstanding requests; and iii in the event of any further surplus selling capacity, seeking to arrange the sale of Selling Partner's Shares to an Institutional Partner at a negotiated discount (or a return of capital at such discount). Please note that where asset sales are required to satisfy Selling Partner requests: iv The Manager and General Partner do not guarantee that the over-all "price per share" achieved will be equal to the independently established price. Selling Partners may receive a lower price per share. v The Manager and General Partner will ensure that each Selling Partner receives the same over-all price per share. Finally, the Manager reserves the right to deduct all transaction fees as well as any Selling Limited Partner's share of any Performance Fee from their Liquidity Window proceeds before distributing them.
Removal of the General Partner	For Cause (court determination of Removal Conduct): a 50% Majority in Interest (excluding Special Limited Partner) within 120 days of the court determination. "Removal Conduct" includes fraud, wilful misconduct, bad faith, gross negligence or reckless disregard of duties (including criminal conduct); a material breach of the Partnership Agreement uncured within 30 days of written notice; or a verdict/order that prohibits or materially impairs management. Without Cause: a 75% Majority in Interest (excluding the Special Limited Partner) on not less than 12 months' prior notice.
Management Fee	0.6% per annum of Partnership NAV, payable quarterly in arrears.
Acquisition Fee	2% of purchase price of new asset acquisitions with a full rebate for Institutional Partners (>£20 million).
Services Charge	£40,000 per annum (indexed by CPIH).
Reports and Accounts	Audited financial statements and unaudited semi-annual report will be provided to Limited Partners within 120 days of the Partnership's year end and 90 days semi-annual period end respectively.
Governing Law and Jurisdiction	The Limited Partnership Agreement of the Partnership will be governed by Scots law.
Valuations	Annual valuations commencing on 30 November 2026 by an independent valuer with expertise in valuing forestry property or renewable energy generating assets or cash flows arising therefrom.

Key tax considerations

The information below is intended as a general summary prepared in accordance with the Manager's current understanding of UK tax laws and should be used only as a guide and does not constitute legal or taxation advice.

Partnership structure	Tax transparent for most UK income tax, corporation tax and capital gains tax purposes
Ownership and operation of commercial forestry	Currently subject to favourable UK tax treatment: ▪ No liability to income tax or corporation tax on revenue from timber harvesting or sales from UK commercial woodlands (but rental income and bank interest will be subject to UK income tax and corporation tax). ▪ No liability to capital gains tax on the increase in the value of timber. Taxable gains arising on the sale of underlying land are subject to capital gains tax or corporation tax. Gains on UK land are taxable on UK non-residents as well as UK residents. ▪ Qualifies for relief from inheritance tax, due to business property relief, once held for two years (note for 100% relief this is only up to an individual's available personal limit for business and agricultural property relief, beyond which 50% relief applies). ▪ The transfer of Limited Partnership interests from STELP and TLP into FFI are subject to the "Replacement Property" rules for IHT purposes. As both the original Limited Partnership interests in STELP/TLP and the new Limited Partnership interests in FFI are assets that are eligible for Business Property Relief (BPR), the BPR two-year qualifying period is not interrupted (under s107 Inheritance Tax Act 1984) and is not reset. This position has been confirmed in an Opinion from specialist Senior Counsel.
Revaluation of Partnership assets	Any changes to the profit-sharing fractional entitlements that Limited Partners have in the assets of the Partnership might give rise to a liability to UK tax on chargeable gains to the extent that there has been any upward revaluation of any of the assets owned by the Partnership.
Non-Timber Revenue	The generation of Non-Timber Revenue may give rise to income taxable in the hands of the Limited Partners on an arising basis and in accordance with their own tax circumstances.

Prospective Limited Partners' attention is drawn to Sections 8 and 9 of this Memorandum, which provide a more detailed summary of certain tax considerations, and provide certain disclosures on fees.

Confidentiality	Limited Partners will be subject to obligations of confidentiality in relation to the affairs of the Partnership and its investments and strategy.
Governing Law and Jurisdiction	The Limited Partnership Agreement of the Partnership will be governed by Scottish law.
Counsel	Brodies LLP.
Depositary	IQ EQ Depositary Company (UK) Limited.
Auditor	Gravita Audit Oxford LLP.
Valuers	All third-party valuers shall be reputable and independent experts including (but not limited to) surveyors and members of the Royal Institution of Chartered Surveyors.

4. The Opportunity

The Manager believes that the outlook for UK forest values is strongly positive, with the key drivers of timber demand being a growing global population and its ongoing urbanisation, rising levels of average prosperity and greater usage of low carbon building and packaging materials. All of this is set against a relatively inelastic supply base, with increasing environmental protection and long supply response times due to the c.30-40-year rotation on even the fastest growing softwoods. It is expected that productive forestry will be a key component in facilitating the UK's national transition towards a carbon-neutral economy.

Forest owners benefit from the compounding biological growth of the trees, which provides stable and predictable returns in terms of timber volume growth. The UK's maritime climate is ideally suited to growing commercial conifers, with growth rates amongst the fastest in the world.

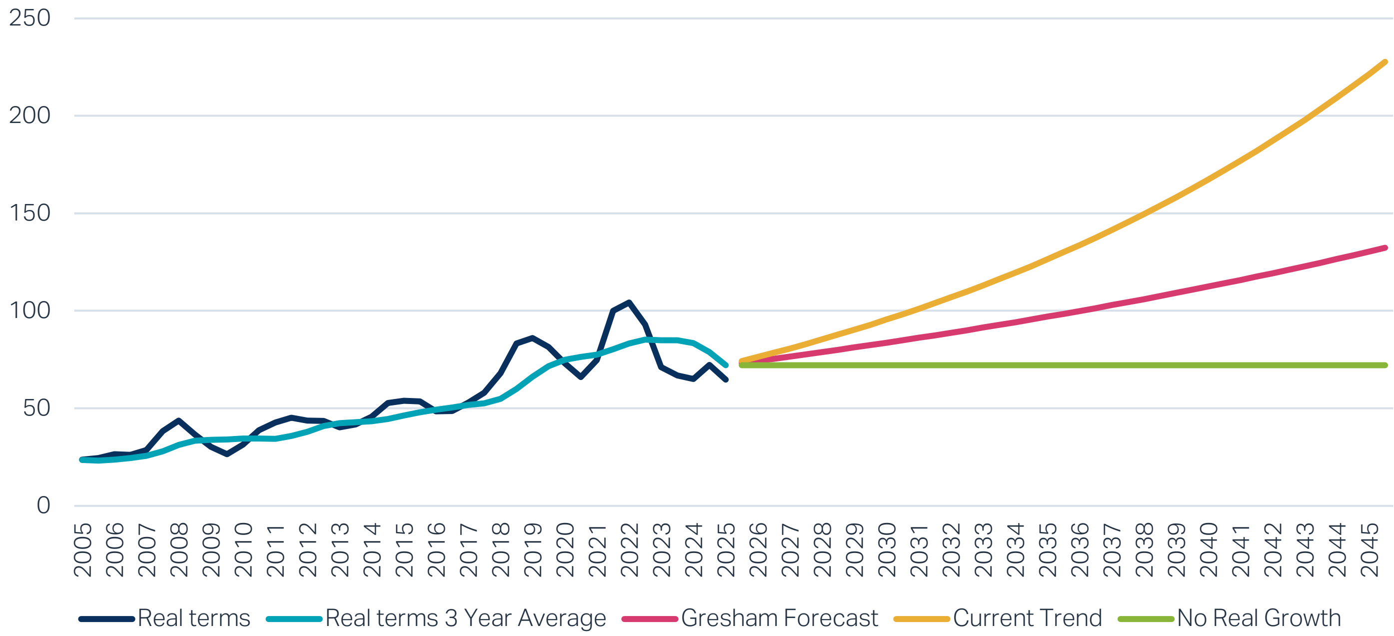
Annual growth increases both the volume and the commercial value of the timber. Timber has a flexible harvest period which removes the necessity to sell timber into weaker markets and provides the Manager with flexibility to defer sales and capture value when conditions are more favourable. This flexible harvesting window also assists with the generation of financial returns that are not highly correlated with mainstream investments, such as bonds and equities.

In addition to the compounding returns from biological growth, the other primary driver of returns from forestry is rising timber prices. The Manager believes that timber prices, both in the UK and globally, will continue to increase in both nominal and real terms over the medium and long-term, causing asset values to rise, enhancing returns to forest owners.

To illustrate this trend the below graph follows the historical timber pricing observed in the UK, as well as a three-year average to indicate a 'through the cycle' price trend. In the 20-year period to March 2025, the observed real growth rate in timber pricing was 5.2% annually.[11] The macroeconomic trends behind this are expected to continue as we move towards 2050, driving similar increases. The graph also presents a series of forecast timber price scenarios i) an extrapolation of the current trend at 5.2% annual compounding growth; ii) the Gresham forecast, based on continued modest real growth followed by a stabilising of pricing and; iii) a flat prices scenario, where timber pricing ceases to grow in real terms.

11. Past performance in not necessarily indicative of future results.

Gresham House forecasts



Past and forecasted performance are not a reliable indicator of future performance.

Global timber demand and supply imbalance

The long-term value of productive forestry remains the core driver of expected returns to Limited Partners. Forest values are driven fundamentally by timber prices, and the section below summarises the outlook for an increasing timber supply and demand imbalance.

Global markets are highly relevant to UK forest owners as UK prices are directly impacted by global prices. In 2024 the UK imported c.80% of its overall wood consumption.[12] Domestically grown timber therefore has a captive market in the UK.

Gresham House forecasts that global timber consumption will rise by 170% by 2050. This represents an unprecedented increase in demand for a resource that has a finite and declining supply. Gresham House forecasts suggest that timber demand will increase at an annual growth rate of 3.1%, compared with the much lower historical 20-year annual growth rate of 1.1%.[13]

Gresham House expects timber prices to increase due to a combination of supply and demand dynamics and structural global 'megatrends', each of which will continue to put pressure on the global timber resource.

A summary of these trends is as follows:

Increasing demand

- Growing global population, particularly in the developing economies, which is also becoming increasingly urbanised.
- Rising average gross domestic product (GDP) per capita, which is strongly correlated to timber consumption per capita; as people become wealthier, they consume more timber products.
- Increasing use of wood in construction to achieve carbon reduction commitments.
- Rising use of biomass in energy generation and containerboard for online shopping deliveries are creating increasingly strong markets for tree by-products.

Declining supply

- Readily available reserves of timber with suitable infrastructure in place to permit economic extraction are not only finite but are declining.
- •There is a long (35+ year) lead time to produce more timber, so new supplies cannot be created in a short-term timeframe.

12. Forest Research, Forestry Statistics 2025.
13. Past and forecasted performance are not a reliable indicator of future performance.

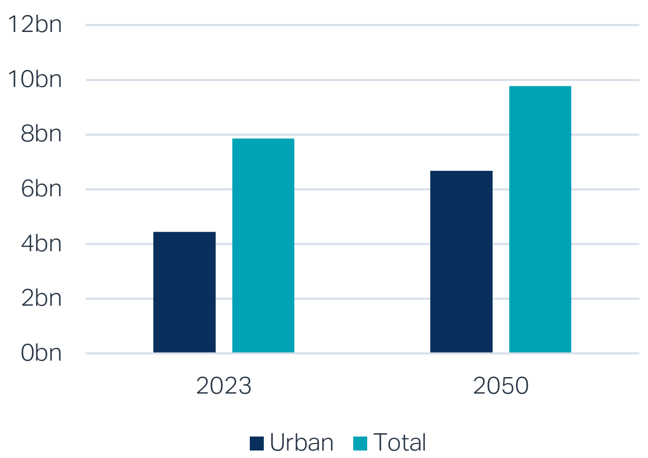
In Gresham House's opinion:

- Increasing global demand will encounter rising constraints on supply, which will push timber prices upwards.
- Rising timber prices will drive asset values higher, to the benefit of forest owners.

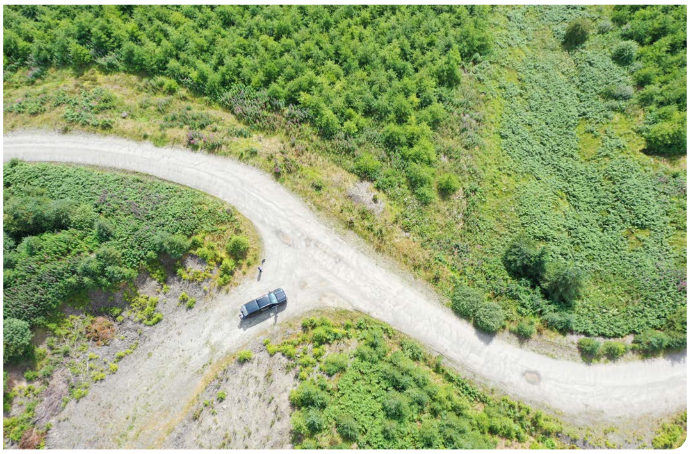
Rising timber demand in the developing world

Timber consumption per capita rises as average GDP per capita increases. As populations become increasingly wealthy, they generally consume more, and consequentially timber demand rises, due to its use in an increasingly wide range of materials. Therefore, timber demand is expected to increase as countries become more developed, due to both rising urbanisation and average consumer income. This increase in income enables access to dwellings of modern construction utilising wood-based products. According to the UN, 84% of the world's population live in developing economies.

Population projections



Sources: United Nations, Department of Economic and Social Affairs, Population Division (2018); HYDE (2023)



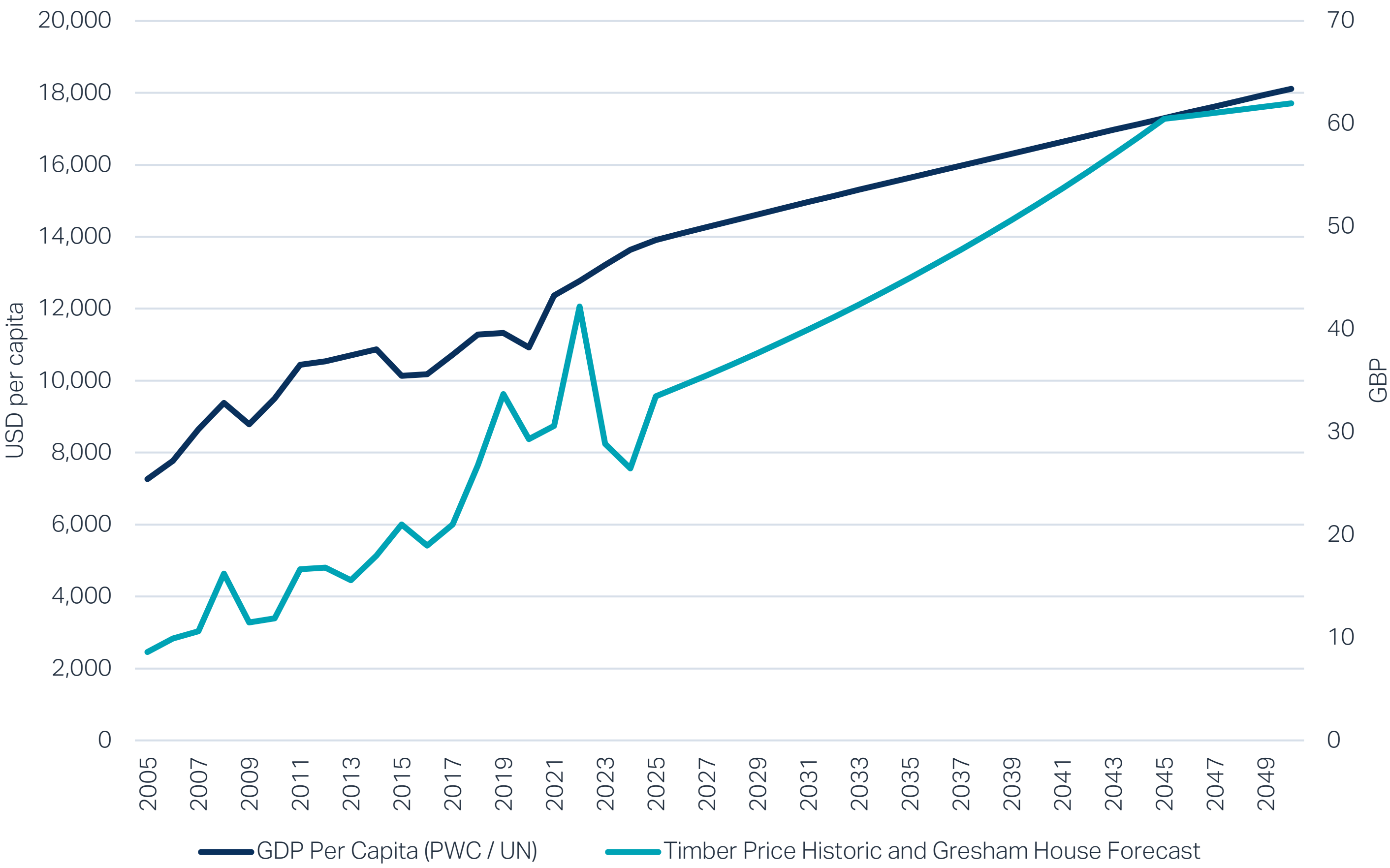
The UN[14] states that over four billion people currently live in urban areas, a figure that is projected to increase significantly by 2050, not only in absolute terms but also as a larger share of the world's total population.

GDP and population growth are the two main drivers of industrial roundwood consumption[15].

Global GDP is forecast to grow 130% in the period to 2050, outpacing population growth as nations develop and technology improves economic outcomes. Population growth is forecast to add a further 1.6 billion individuals, a 20% increase over the period. Together these suggest a 33% real increase in GDP per person in the forecast period. The graph below shows how as GDP per capita is expected to increase, so too is timber demand and therefore timber prices.

14. https://ourworldindata.org/grapher/urban-and-rural-population-2050.
15. Gresham House Timber Outlook.

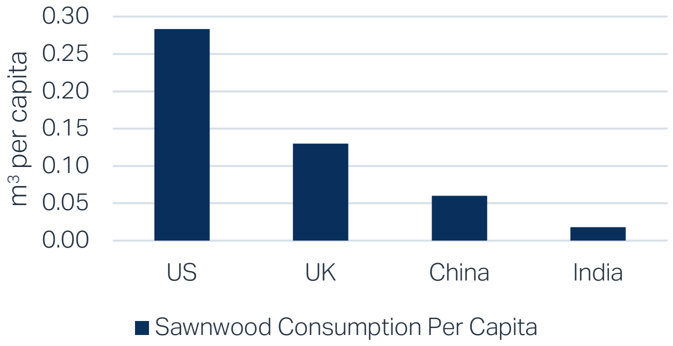
Key timber demand drivers



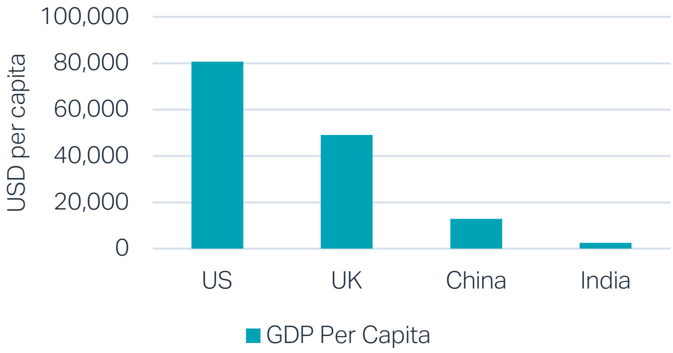
Sources: PWC World in 2050; Forest Research Standing Timber Sales Index; United Nations, Department of Economic and Social Affairs; Gresham House Analysis.

Past and forecasted performance are not a reliable indicator of future performance.

2023 Sawnwood consumption per capita



2023 GDP per capita



In absolute terms PWC[16] forecast that the global economy could more than double by 2050, with virtually all growth occurring in developing economies, in particular in Asia.

The graphs below illustrate the significant gap in the consumption of sawnwood per capita versus more developed economies, illustrating the potential for growth in timber demand from countries with rapidly rising GDP per capita.

Per capita consumption of sawn timber in China in 2023 was 0.06 cubic metres per annum, compared to 0.29 cubic metres in the US. In India it was just 0.02 cubic meters per annum.

China experienced an 82% increase in urban dwellers between 2003 and 2023, but sawn timber consumption per capita increased by 344% during this period, driven by the increase in construction and rising GDP per capita. A similar timber consumption pattern has been experienced in other countries which have developed rapidly in the past 20 years.

The rate of wood use increases further as countries move from urbanisation to sub-urbanisation, into single family housing, which are commonplace in developed countries and are becoming more prevalent in developing countries such as China.

The impact of this accumulating demand from developing economies is expected to significantly increase the global timber requirement, which is likely to have a direct impact on UK timber prices and therefore to benefit UK forest owners.

16. PWC-The world in 2050: //www.pwc.com/gx/en/issues/the-economy/assets/world-in-2050-february-2015.pdf.

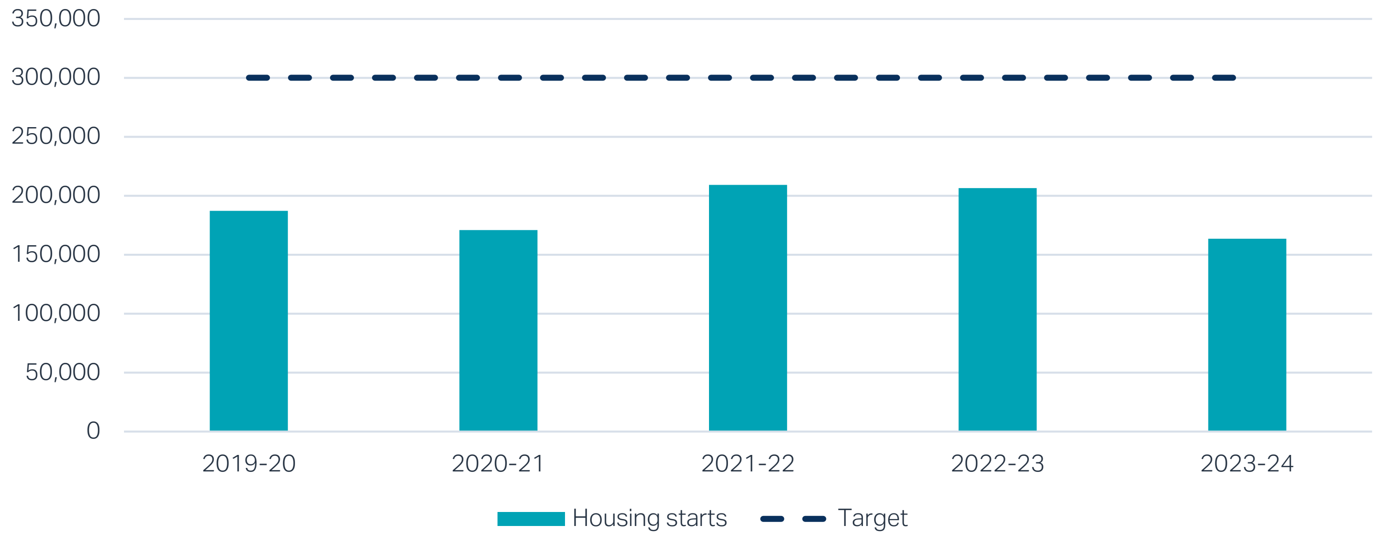
Rising timber demand in the developed world

Timber consumption in the developed world is forecast to continue to increase, primarily driven by more housebuilding, which is required to address the chronic shortage of new housing across several of the largest developed economies. In addition to this, there is increasing emphasis on promoting the use of environmentally sustainable raw materials in construction, in order to achieve unilateral commitments across developed countries to decarbonise their economies and reduce pollution.

The combination of more house construction and increased usage of timber per building is likely to have a significant impact on demand for timber in developed countries.

The UK has a significant house supply deficit. A key feature of the current UK Government's manifesto was their commitment to build 1.5 million new homes over their tenure, equating to 300,000 new homes per annum. The UK is under severe political pressure to increase current housebuilding levels, which at c.165,000 housing starts in 2023-24 were significantly below the target level of new homes, a situation that has been replicated in all of the past five years.

5-year UK annual housing starts versus 2025-2030 UK Government housebuilding target



Source: ONS 2025, Indicators of UK House Building: permanent dwellings started and completed

In addition to the anticipated increase in housebuilding, there has been a substantial increase in the average use of wood per dwelling in recent years, as global concerns in relation to climate change encourage architects, builders and purchasers to favour the use of sustainable building materials. It is expected that this trend will continue to increase, with sustainable timber playing a key role in replacing more polluting construction methods. Many developed countries, including the UK and nearly all member states of the EU, have proposed a legally binding target of net zero carbon emissions by 2050. The buildings and construction sector are a major source of resource extraction and carbon emissions, contributing around 37% of all CO_2 emissions. The EU has set a target to reduce emissions by 90% by 2040, with a significant proportion of the reduction targeted from the construction sector.

The UK Government consider offsite modular construction and similar modern methods of construction (MMC) a key route to increasing building capacity and a potential beneficiary of new government funding. Timber accounts for up to 90% of all offsite modular construction. MMC is substantially quicker and cheaper than traditional onsite housebuilding. If the proportion of modular construction in relation to total UK house completions increases, this could dramatically increase domestic demand for timber.

Similarly, the use of timber framed houses, whilst already a mainstay in Scottish housebuilding (used in 92% of new build homes), is significantly lower in England (only used in 9%), thereby presenting an opportunity to unlock this industry at scale and at speed. There has also been substantial investment into timber-frame manufacturing, with the UK's four largest housebuilders having invested in UK facilities, providing in-house manufacturing capability.

Furthermore, whilst the mass timber market is not yet a key feature of UK construction, it is experiencing rapid innovation and advances in wood engineering technology, making it increasingly viable for larger and taller structures. Products like cross-laminated timber (CLT) and glued laminated timber (glulam) offer high strength-to-weight ratios and lower embodied carbon than traditional alternatives. They enable bigger buildings, even skyscrapers ("ply-scrapers"), to be constructed largely from timber. Builders, developers, architects and companies are becoming increasingly aware of the embodied carbon emissions of structures and increasing timber usage addresses this. Dalston Works, designed by Waugh Thistleton and the world's largest CLT building on completion, is a great example of the construction sector's ambition to roll out the use of timber in high-density urban housing.[17]

If the proportion of modular construction using CLT continues to rise relative to total housing completions, demand for timber could dramatically increase. The global CLT market, valued at US$ 1.4 billion in 2023, is projected to grow to US$ 2.6 billion by 2028, with a compound annual growth rate (CAGR) of 13.7% from 2023 to 2028.[18]

17. https://waughthistleton.com/dalston-works/.
18. Cross Laminated Timber Market: Global Industry Analysis, Size, Share, Growth, Trends, and Forecast, 2024 to 2031.

A prominent example of future pipeline is the recently approved stadium of Forest Green Rovers, built using CLT with a seating capacity of 5,000 fans, which would not have been possible using older timber-based construction methods. It is designed to be expanded to a 10,000-seat capacity stadium, should the club's fortunes allow.

Gresham House expects this trend to occur across all developed countries, through increasing legislation and initiatives. For example, France enacted a law requiring at least 50% wood or sustainable products in public buildings construction from 2022. Similarly, the recent endorsement of the Timber in Construction Roadmap,[19] which promotes timber use in both residential and infrastructure projects, is expected to drive timber demand in the UK.

New uses are creating substantial new demand for timber

A fairly new market for timber has been biomass for energy generation, in line with governments' requirements around the world to combat climate change. EU and UK policy has incentivised renewable fuels to help decarbonise the energy sector and converting existing coal plants to solid biomass is a cost-effective solution in the UK.

Biomass wood pellets are created from sawdust and other residual wood materials, or through chipping small diameter roundwood. Demand for co-product, such as poorer material suitable for wood pellets, increases the amount that sawmills can afford to pay for timber.

An additional advantage of biomass is that it provides the capability for the UK to generate a baseload source of energy generation, which could become increasingly critical as the UK continues to transition towards the use of renewable energy.

The increased use of online shopping retailers and restaurant delivery services have also created additional demand for containerboard (cardboard). This is a societal shift that is anticipated to continue, increasing demand for timber products.

E-commerce has accounted for at least a fifth of US retail sales each year since 2020, with sales in 2024 being more than double what they were in 2019. The global change in consumer shopping patterns is reflected by the increase in revenue of the e-commerce company Amazon, which has risen by 116% in the last five years. [20]

Gresham House expects that the market for containerboard will continue to grow exponentially in the next decade. This would result in a positive shift in the demand curve for packaging material. UK forest owners will directly benefit from the continued growth of online retailing.

19. https://www.gov.uk/government/publications/timber-in-construction-roadmap-2025/timber-in-construction-roadmap-2025.
20. https://companiesmarketcap.com/gbp/amazon/revenue/.

Sustainable, real assets

Decarbonisation is at the forefront of various global and national level policy frameworks aiming to reduce the effects of climate change and keep global temperature increases to the minimum possible level.

UK forestry plays a key role in the UK's total carbon dioxide removals. Sustainable timber production is increasingly being recognised as a key driver for the transition from more polluting industrial raw materials, such as steel and concrete, to raw materials that sequester and store CO_2, such as softwood timber.

Global momentum to decarbonise economies is expected to further accelerate timber consumption, as wood is increasingly seen as a low carbon alternative. This has been underlined by leading environmental experts, such as Sir David Attenborough, who advocates wood from well managed forests as being "an extraordinary renewable resource".[21]

Increased demand for timber for environmental reasons, along with additional requirements for assets to meet sustainability criteria, mean that UK forestry is well placed to benefit from this developing shift in sentiment.

Increasing global constraints on supply

The majority of the world's timber is sourced from natural growth forests, softwoods in the northern hemisphere and tropical hardwoods in the southern hemisphere. Increasing constraints will impact on the availability and cost of timber from these natural resources.

21. https://www.youtube.com/watch?v=Ig9Tfc_hNsE.

The forecast rise both in population and in global demand for timber is likely to coincide with increasing constraints on supply and have a material impact on global timber prices, to the benefit of forest owners.

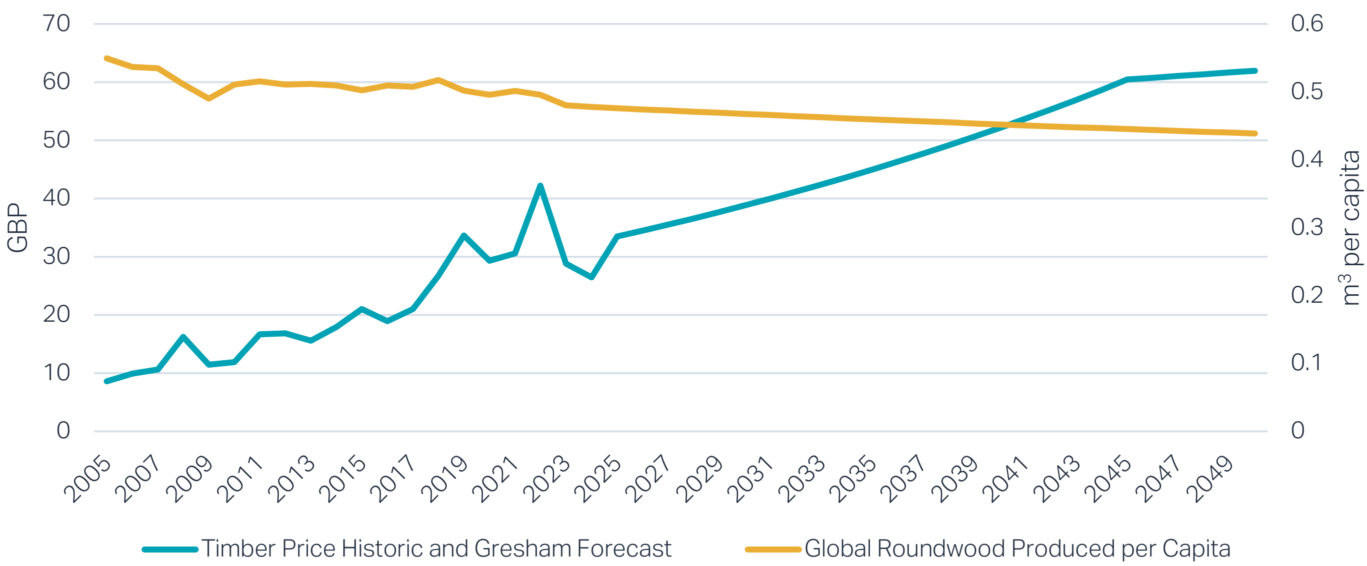
Future timber supply will be constrained by:

- increasing global population and subsequent timber demand;
- consumer demand to source timber from sustainable forests, restricting illegal logging, which still accounts for a significant proportion of global industrial roundwood production;
- increasing pressure for large areas of natural forest to be set aside as carbon sinks or for conservation and environmental reasons, restricting the area available for timber harvesting;
- exploitation to date has concentrated on readily accessible resources; and
- increasing competition for land from agriculture, to provide food for growing populations.

Unlike fossil fuels, there are no new reserves of timber to be found. Traditional reserves take from 30 years to hundreds of years to replace and new supplies can only be created through establishing new plantations. The supply of land suitable for plantation establishment is reducing, and there is increasing competition from alternative land uses, such as agriculture and renewable energy.

The International Tropical Timber Organisation (ITTO) forecasts a 2050 global roundwood supply of 4.3 billion m^3, an increase of 10% on current levels. Set against a population forecast to rise by 20%, the volume of wood available per person is forecast to diminish over the period.

Key timber supply drivers



Legislation is restricting global supply

Non-economic factors such as legislation are restricting the availability of timber that can be consumed. A global shift towards sourcing sustainable certified timber is restricting illegal logging, which Global Financial Integrity estimates currently accounts for at least USD 52 billion worth of illicitly harvested wood each year.[22] It is quite probable that this is an underestimate, due to the difficulty in obtaining comprehensive data on illegal harvesting activity.

In March 2013, the EU Timber Regulation came into force, prohibiting the placing on the EU market of illegally harvested timber and products derived from such timber. Similar regulations had already been implemented in the US (2008 Lacey Act Amendments). In 2023 the EU Regulation on Deforestation-free Products brought in strict requirements for wood product sellers to conduct due diligence on their timber sources, to ensure sustainable forest practices are being observed.

To combat illegal logging, global certification schemes such as the Forest Stewardship Council (FSC) and Programme for the Endorsement of Forest Certification (PEFC) establish guidelines and regulations on how forests are managed and harvested. Between them, FSC and PEFC certification cover 465 million hectares globally, which is around 11.5% of the total global forest area. They aim to significantly increase the proportion of global forest area that is under their stewardship.

China has introduced measures to completely ban the harvesting of natural forests, to promote an environmentally and economically sustainable growth model, removing the supply of c.50 million cubic metres of logs per year. This sentiment can also be seen in more traditional timber growing regions, such as eastern Canada, where the timber supply has declined as the Government of Quebec reduced the annual allowable cut by 23% from 2000 to 2023, to address excessive historical harvesting.

Competing uses restrict the exploitable resource

Concern about global food supply provides competition for land that may be suitable for forestry and in some countries, such as Brazil, areas are being deforested and used for agriculture.

Further supplies are difficult to access

Increased supply can only arise in the medium term from greater exploitation of increasingly remote natural resources.

22. https://www.gfintegrity.org/wp-content/uploads/2017/03/Transnational_Crime-final.pdf.

The consequence will be higher forest values, due to increased demand for timber producing assets, which also have a social and sustainable attraction to an expanding universe of investors.

Gresham House believes that increased demand for timber, driven by a range of long-term, multi decade spanning 'megatrends', combined with constraints on supply, will cause timber prices to rise significantly.

Carbon

Under the 2015 Paris Agreement, 196 countries have committed to ensuring that global temperatures do not rise more than 2°C above pre-industrial age levels, and preferably to limit the temperature increase to no more than 1.5°C by the end of the century. To achieve this goal, global CO_2 emissions will be required to reach net zero by 2050.

Net zero means removing all avoidable CO_2 emissions and offsetting the remainder, ideally by measures that remove carbon from the atmosphere, such as growing trees.

Forestry will be among the most important tools in the race to net zero. First, the carbon sequestration of growing forests (the intake and storage of carbon) will play a crucial role in offsetting unavoidable emissions. 45% of the carbon stored on land is tied up in the world's forests. Second, the increased use of timber is expected to underpin emission reductions through materials substitution.

Timber can be a substitute for the use of energy-intensive raw materials in construction such as steel and concrete, whose production accounts for 7% and 8% of annual anthropogenic greenhouse gas emissions respectively. Around 7-9 billion tonnes of CO_2 each year will have to be removed from the air by 2050 if the world is to meet the 1.5°C Paris Agreement target. Recent data suggests that c.2 billion tCO_2 is currently being removed per year.

UK carbon accounting methodologies do not currently allow for sequestration by existing forests to generate tradeable carbon credits, with most tradeable credits being delivered on new woodland creation instead. However, existing forests owned by the Partnership sequester and store considerable amounts of carbon within the growing timber, much of which will be used by the UK's construction sector, ensuring carbon removed from the atmosphere remains captured and stored.

All carbon sequestered by the Partnership's forests will be reflected within the UK's national carbon accounts, facilitating the transition toward a net zero economy. Each year, the Manager will calculate and report the amount of carbon sequestered, and the total carbon stock within the forest portfolio. Carbon units put a monetary value on pollution, with one unit representing the sequestration of one tonne of CO_2.

5. Forestry Asset Class Performance

Target returns[23]

The Partnership's target IRR of 7%, on a fully committed basis, net of all fees and costs, is predicated on:

1. A return arising from the biological growth of the crop and the resulting increase in the value of the timber.
2. An annual real increase in timber prices.
3. Annual inflation.

Rising timber prices impact both the value of timber and land values. Ownership of freehold land as well as the growing timber crop ensures that maximum value is captured for Limited Partners. The Manager further adds value through active management of the portfolio.

The Partnership is targeting average cash distributions of 1.5% annually, based on the prior year's NAV.

The Manager will seek to further enhance returns through higher business land use, for example by utilising its expertise in battery storage, solar parks, onshore wind farms and other biodiversity and natural capital opportunities such as the generation of carbon credits and biodiversity net gain units.

23. The figures in this paragraph are targets only. There can be no assurance that these targets will be met.

Historical returns

The Partnership's target IRR is 7% on a fully deployed basis, net of all fees and costs. The 15-year compounded annual return of the consolidated Partnership (weighted average return of FFI, STELP, and TLP) is 12.0%. Whilst not directly comparable, this reinforces the strong historical combined performance of FFI, STELP and TLP.

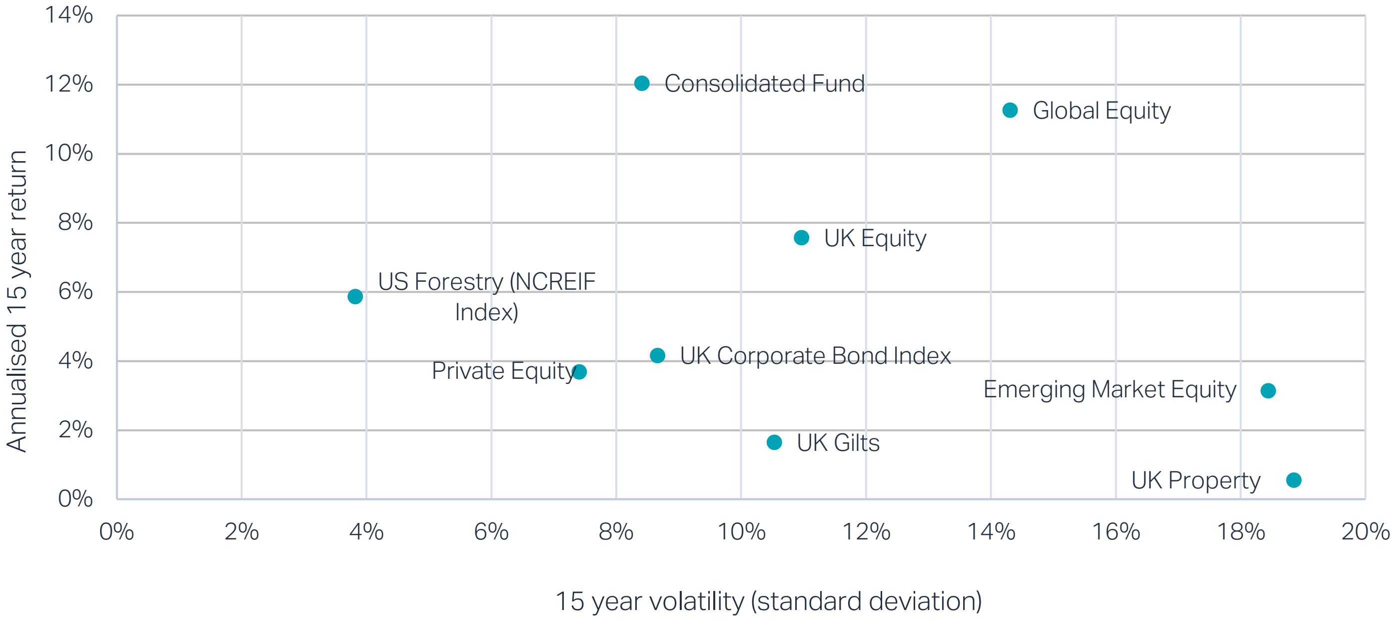
The long-term returns have been compelling relative to mainstream assets, particularly as the returns on forestry are largely tax free[24]. The 15-year returns in the chart below show that UK forestry has significantly outperformed other asset classes while demonstrating only moderate volatility.

24. Tax treatment depends on personal circumstances and independent advice should be sought.

UK Forestry Returns versus UK Equities and UK Gilts

Sources: Consolidated Fund: Weighted average returns for FFI, STELP, and TLP (Calendar year returns up to Dec 2025), UK Equity: FTSE All Share, UK Gilts: Barclays Gilts Float Adj Total Return Index

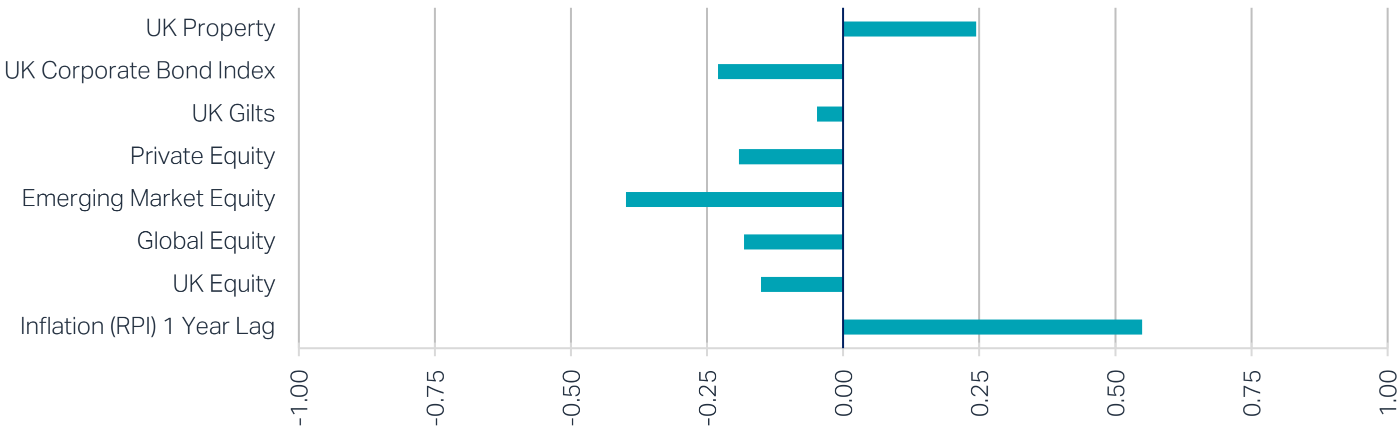
15 Year Return vs Volatility to 2025



Sources: Consolidated Fund: Weighted average returns for FFI, STELP, and TLP (Calendar year returns up to Dec 2025), US Forestry: NCREIF, UK Equity: FTSE All Share, UK Property: iShares UK Property ETF, UK Gilts: Barclays Gilts Float Adj Total Return Index, UK Corporate Bonds: Bloomberg Sterling Corporate Bond Index, Global Equity: MSCI World, Private Equity: Total Return Index, MSCI Emerging Market Index.

Additionally, the returns from the consolidated Partnership have not been highly correlated with the returns from other mainstream asset classes, such as bonds and equities. This suggests that the amalgamated Partnership can continue to be used as a diversifier within a wider portfolio. The correlation coefficient chart below shows these relationships and also positive correlation to UK RPI inflation. The inflation measure used below is lagged by 1 year to reflect the lead and lag relationship between industrial commodities such as timber, and consumer inflation.

15 Year correlation coefficient - consolidated fund returns



Sources: Consolidated Fund: Weighted average returns for FFI, STELP, and TLP (Calendar year returns up to Dec 2025), UK Equity: FTSE All Share, UK Property: iShares UK Property ETF, UK Gilts: Barclays Gilts Float Adj Total Return Index, UK Corporate Bonds: Bloomberg Sterling Corporate Bond Index, Global Equity: MSCI World, Private Equity: Total Return Index, MSCI Emerging Market Index.

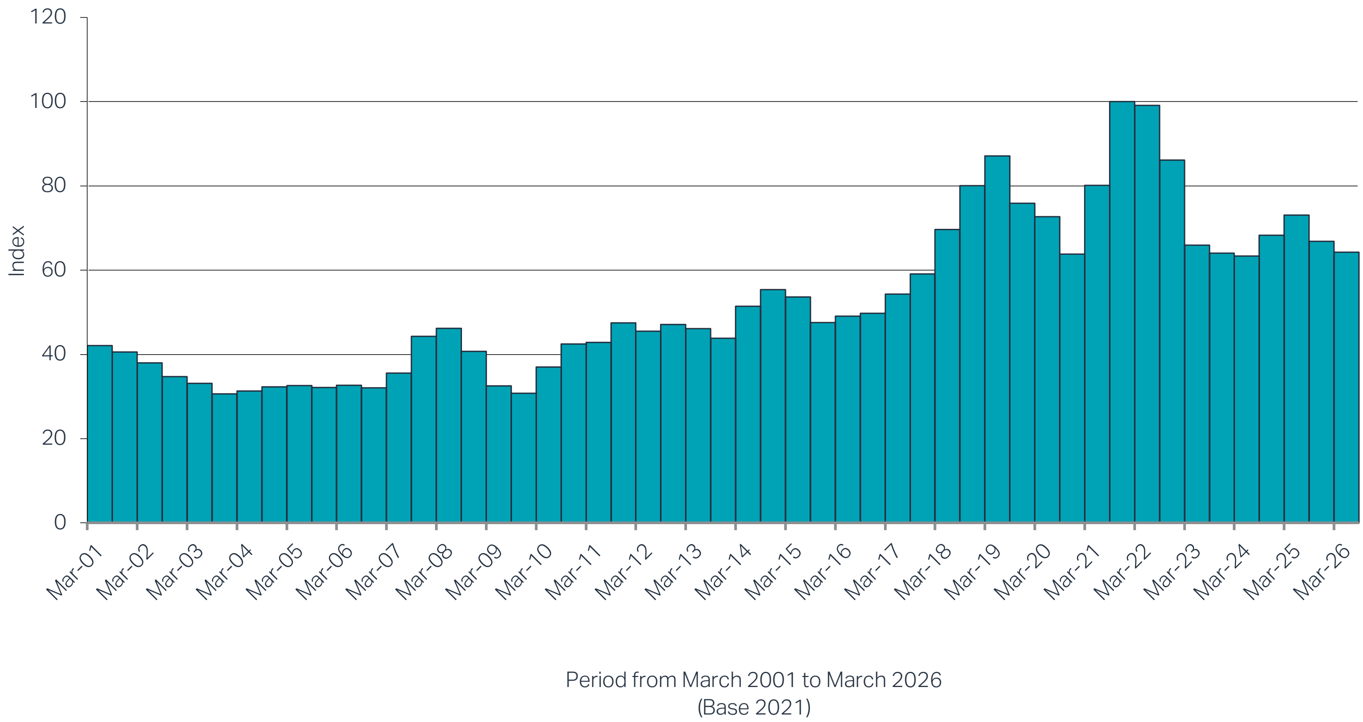
Many factors could affect the performance of the Partnership. Prospective Limited Partners' attention is drawn to Section 7 of this Memorandum before considering a subscription for Limited Partnership Interests. Past performance of forestry should not be interpreted as an indication of future performance of the Partnership.

Timber prices over the past 25 years (to 31 March 2026), as measured by the Gresham House Timber Price Index, have increased by 53% in real terms. The Gresham House Timber Price Index uses statistics published by Forest Research. It comprises an equal weighting of the Coniferous Standing Sales Price Index, being the average price of standing conifer timber sales, and the Softwood Sawlog Price Index, being the average price of all softwood sawlogs sold on the public forest estate.

Timber prices over the 10 years to 31 March 2026, as measured by the Gresham House Timber Price Index, increased by 6.2% per annum in nominal terms. This was significantly more than UK inflation (CPIH), which increased by 3.4% per annum over the same period.

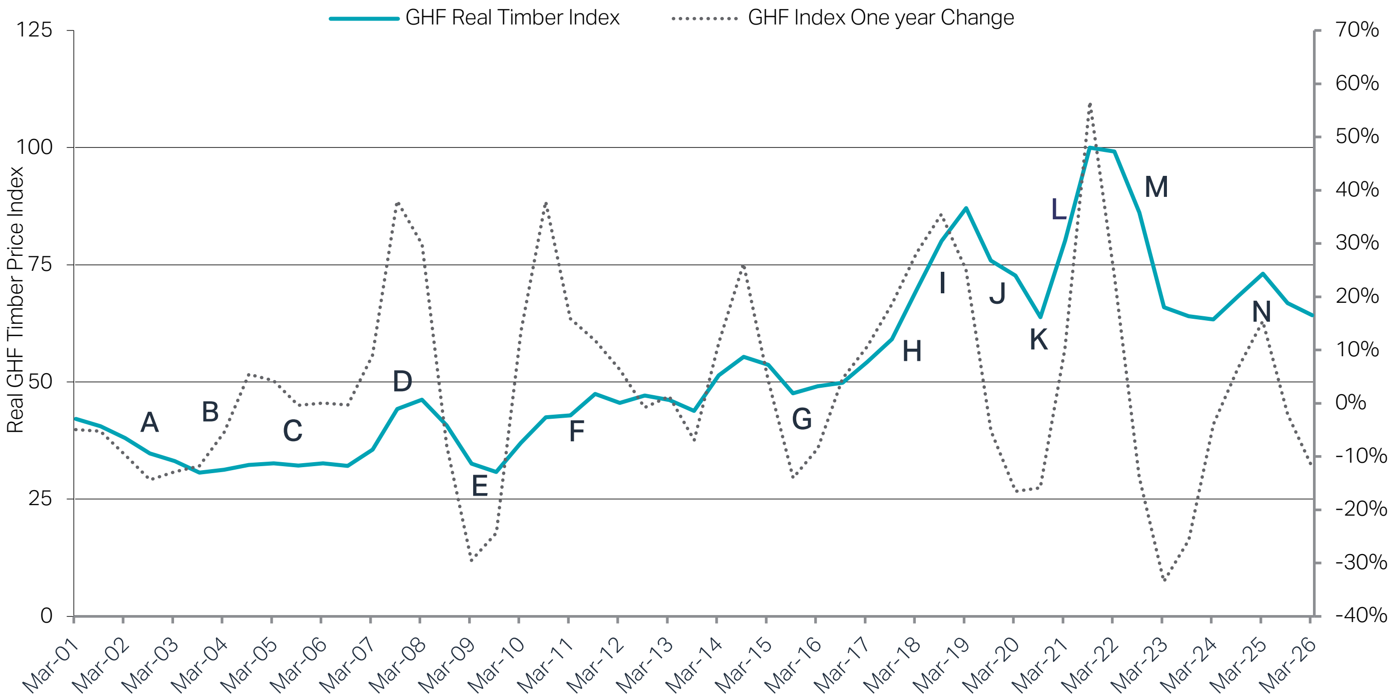
Current timber prices have come down from a 30 year high in 2022, falling by as much as 29% into 2023, as higher interest rates drove reductions in construction activity and economies globally slowed. The index now sits 10% above that low point, though some 21% below the peak achieved in 2022, leaving clear scope for further recovery as the market normalises.

Gresham House forestry timber price index - (real, excluding the effect of inflation)



Source: Forestry Commission, National Audit Office

Gresham House Forestry (GHF) timber price index and annual percentage change (real, excluding the effect of inflation)



The graph above shows the Gresham House Timber Price Index together with the annual percentage change. The commentary below, referenced by letters A to N, provides the background of the drivers for changes in the index during the period.[25]

A - Stagnant UK housing market, increase in recycled timber and a lack of investment into UK processing industry causes a continued fall in timber price.

B - Increasing export of UK small roundwood, weakening GBP and UK processing industry investment of £143 million.

C - Biomass started to become a major new market for timber.

D - Rise in the cost and price of imported timber cause UK prices to rise. Demand increases as construction industry booms.

E - Banking recession in developed world causes construction industry to collapse, reducing demand.

F - Price recovery as investors turn to real assets and housing starts increase.

G - Brexit vote creates uncertainty.

H - Weakness in GBP improves price of domestic timber.

I - Continued increased demand for small roundwood drives price increase, as GBP weakens further.

J - European Bark Beetle outbreak results in oversupply of sawn timber hitting UK markets.

25. Past performance is not necessarily indicative of future results.

K - COVID-19 outbreak causes sawmills to close due to lack of demand and social distancing requirements.

L - Exceptional global demand set against constrained supply saw UK sawn timber prices increase, driving demand and prices for standing timber.

M - Rising interest rates slow construction activity and timber demand.

N - Falling interest rates and inflation figures revive market sentiment and construction forecasts.

Gresham House is of the opinion that UK forestry continues to offer the prospect of attractive real returns, with low volatility, in a socially responsible asset class and with little or no correlation to mainstream asset classes such as bonds and equities.

6. The Asset Manager

Gresham House Asset Management

The Partnership capitalises on Gresham House's extensive years' experience of establishing and managing forestry funds.[26]

Gresham House is one of the largest forestry asset managers globally, and the largest in the UK.[27] Our deep experience and unrivalled UK market share affords proprietary access to on and off market forestry transactions, which gives Gresham House a significant advantage in deploying capital. Assets under management as of the 31 March 2026 were c.£10.5 billion, encompassing c.£6 billion of forestry.[28] Clients include institutions, unlisted funds, high net worth individuals and family offices.

In March 2026, Gresham House announced an agreement to acquire a majority interest in Mississippi-based Molpus Woodlands Group. Gresham House, with £3.7 billion of forestry AUM, and Molpus Woodlands Group, with £2.3 billion forestry AUM, will together form the third largest Timberland asset manager by AUM globally, with operations in the UK, Ireland, US, Australia and New Zealand, managing over 945,000 hectares.[29] The transaction remains subject to customary closing conditions, including regulatory approvals.

As the Manager of the Partnership, Gresham House is authorised and regulated by the Financial Conduct Authority (FCA) as an AIFM with firm reference number 682776, and is certified to ISAE3402, ensuring robust operating procedures and effective corporate governance. Gresham House is a wholly owned indirect subsidiary of Gresham House Limited.

Management services

Gresham House's expertise encompasses all aspects of both forestry fund management and asset management, from acquisition of properties, through long-term asset stewardship, to realisation via timber harvesting or property sale.

Gresham House manages over 945,000 hectares of forestry across the UK, Ireland, New Zealand, Australia and the US.[30]

26. Experience brings together Gresham House's own capabilities with the extensive experience acquired through the acquisitions of Aitchesse Ltd and FIM Services Ltd.
27. IPE Real Assets, January 2026 (by value).
28. Fee-earning AUM and committed capital as at 31 March 2026.
29. IPE Real Assets, January 2026 (by value).
30. Inclusive of Molpus Woodlands Group managed area.

Gresham House actively manages forest assets to enhance returns. The process includes:

1. Employing the best available forest managers and techniques, with strict control of costs, to ensure management is undertaken by skilled professionals at competitive prices. Gresham House's detailed knowledge of different woodland management companies enables Gresham House to maintain strategic and budgetary control and ensure that the Partnership obtains best value.
2. Astute marketing: Through actively tracking and analysing timber and property prices, Gresham House seek to maximise the return from the assets through the implementation of either well timed timber sales or disposal of properties.
3. Adding additional value to a property through higher and better use, such as residential, sporting or leisure purposes and by identifying additional sources of income, such as from a wind farm lease, hydroelectricity developments or telecoms masts. Gresham House has substantial in-house experience of identifying and implementing additional sources of income on forest properties. Potential natural capital income streams are actively explored by Gresham House.

Gresham House's interests are aligned with those of Limited Partners. The Annual Management Fee is based the NAV of the Partnership.

The management service fully encompasses most aspects of the management of the Partnership, from origination through to realisation. It includes the operation of the Partnership, the asset management of the portfolio, Limited Partner financial reporting, placement of insurance and claims handling.

Gresham House may delegate certain functions (other than portfolio management and risk management) in accordance with the terms of the Management Agreement.

7. Certain Risk Factors and Potential Conflicts of Interest

Risk Summary (as required by COBS 4.12 of the FCA Handbook) Estimated reading time: 2 min

Due to the potential for losses, the Financial Conduct Authority (FCA) considers this investment to be very complex and high risk.

What are the key risks?

1 You could lose all the money you invest

- If the business offering this investment fails, there is a high risk that you will lose all your money. Businesses like this often fail as they usually use risky investment strategies.
- Advertised rates of return aren't guaranteed. This is not a savings account. If the issuer doesn't pay you back as agreed, you could earn less money than expected or nothing at all. A higher advertised rate of return means a higher risk of losing your money. If it looks too good to be true, it probably is.
- These investments are very occasionally held in an Innovative Finance ISA (IFISA). While any potential gains from your investment will be tax free, you can still lose all your money. An IFISA does not reduce the risk of the investment or protect you from losses.

2 You are unlikely to be protected if something goes wrong The Financial Services Compensation Scheme (FSCS), in relation to claims against failed regulated firms, does not cover investments in unregulated collective investment schemes. You may be able to claim if you received regulated advice to invest in one, and the adviser has since failed. Try the FSCS investment protection checker at the following address: https://www.fscs.org.uk/check/investment-protection-checker/

Protection from the Financial Ombudsman Service (FOS) does not cover poor investment performance. If you have a complaint against an FCA-regulated firm, FOS may be able to consider it. Learn more about FOS protection at the following address: https://www.financial-ombudsman.org.uk/consumers

3 You are unlikely to get your money back quickly

- This type of business could face cash flow problems that delay payments to investors. It could also fail altogether and be unable to repay any of the money owed to you.
- You are unlikely to be able to cash in your investment early by selling your investment. In the rare circumstances where it is possible to sell your investment in a 'secondary market', you may not find a buyer at the price you are willing to sell.
- You may have to pay exit fees or additional charges to take any money out of your investment early.

4 This is a complex investment

- This kind of investment has a complex structure based on other risky investments, which makes it difficult for the investor to know where their money is going.
- This makes it difficult to predict how risky the investment is, but it will most likely be high.
- You may wish to get financial advice before deciding to invest.

5 Do not put all your eggs in one basket

- Putting all your money into a single business or type of investment for example, is risky. Spreading your money across different investments makes you less dependent on any one to do well.
- A good rule of thumb is not to invest more than 10% of your money in high-risk investments: https://www.fca.org.uk/ investsmart/5-questions-ask-you-invest

If you are interested in learning more about how to protect yourself, visit the FCA's website at the following address: https://www.fca.org.uk/investsmart

For further information about unregulated collective investment schemes (UCIS), visit the FCA's website at the following address: https://www.fca.org.uk/consumers/unregulated-collective-investment-schemes

Law and regulation

Changes in tax legislation and practice

The Manager does not provide tax advice, and Limited Partners should be aware that the taxation treatment of the Partnership and/or of its assets could change in the future. Information regarding taxation is based upon current UK taxation legislation and practices. Tax law and any other rules and/or customary practice in relation to tax, or their interpretation and application is, of course, subject to change during the life of the Partnership, possibly with retrospective effect. In particular the generation and sale of voluntary carbon units is a developing area, and the tax treatment of such activities may be subject to review and/or change. Any changes in the level and basis of taxation, in tax reliefs or in HMRC or Revenue Scotland practices, may affect the value of Limited Partnership Interest and returns to Limited Partners.

Legal and regulatory changes

Changes in legal, tax and regulatory regimes of the jurisdictions in which the Partnership's investments operate, as well as jurisdictions relevant to the business and operations of the General Partner, the Manager and the Partnership, may occur during the life of the Partnership. Such changes may impact the performance of the investments and/or may require the Partnership to be restructured, or for other changes to be made to it, the General Partner or the Manager, in order to comply with additional requirements. This may lead to additional costs for the Partnership.

Limitation of Liability

In order to return capital to Limited Partners under the statutory regime for Limited Partnerships it is proposed to re-register FFI as a Private Fund Limited Partnership (PFLP) to facilitate this, as the rules under the 1907 Limited Partnership Act (the 1907 Act) contains restrictions on return of capital by limited partnerships that are not PFLPs.

Pursuant to section 4(3) of the 1907 Act, each current FFI Limited Partner acknowledges and agrees that such Limited Partner shall be liable for the debts and obligations of the Partnership up to the amount of any capital contribution made to the Partnership prior to its re-registration as a PFLP which is subsequently returned to them during the term of the Partnership.

General risks associated with the current economic environment

Economic conditions

The Partnership's assets will be subject to normal market fluctuations and the risks inherent in the purchase, holding or sale of commercial forestry and forest carbon assets and there can be no assurance that appreciation in the value of those assets will occur.

Changes in general economic and market conditions in the United Kingdom and elsewhere including, for example, interest rates, rates of inflation, industry conditions, competition, political events and trends, changes in the law (including, for example, in relation to taxation, land use, planning restrictions and environmental safety and protection) national and international conflicts, and other factors could substantially and adversely affect the Partnership's prospects.

Outbreaks of infectious or contagious diseases

Pandemics and other widespread public health emergencies, including outbreaks of infectious diseases such as SARS, H1N1/09 flu, avian flu, Ebola and COVID-19 have and can result in market volatility and disruption, and future such emergencies have the potential to materially and adversely impact economic production and activity, all of which may result in significant losses to the Partnership. These events have led (and may continue to lead) to disruptions in the global economy and relevantly to the UK economy (including restrictions preventing individuals from leaving the home for non-essential purposes).

United Kingdom's exit from the European Union

The United Kingdom withdrew from and ceased to be a Member State of the EU and the EEA at 11:00 p.m. GMT on 31 January 2020, and the withdrawal agreement that was negotiated between the UK and the EU in October 2019 (the Withdrawal Agreement) came into effect. The Withdrawal Agreement sets out the terms of the UK's exit from the EU and a political declaration on the framework for the future relationship between the UK and the EU. The UK and the EU have entered into a trade and cooperation agreement that came into force on 1 January 2021.

The withdrawal of the UK from the EU and uncertainty with regards to the UK's future trading arrangements with the EU, notwithstanding the trade and cooperation agreement, continue to create significant political, social and macro-economic uncertainty. This could adversely impact economic conditions on the value of the Partnership's assets in the commercial forestry sector.

Lack of suitable Assets

There can be no guarantee that the Manager will find sufficient assets at suitable prices. The value of the Limited Partnership Interests may go down as well as up and Limited Partners may not get back the full value of their capital.

Limited Partnership interests

Liquidity

Limited Partnership Interests will generally be illiquid. It is not anticipated that a public market for Limited Partnership Interests will develop. A Limited Partner may not be able to sell their Limited Partnership Interest at an acceptable price, or at all. In addition, it may be difficult for a Limited Partner to obtain reliable information about the value of a Limited Partnership Interest or the extent of the risks to which such a Limited Partnership Interest is exposed. There is no guarantee that the valuations given in periodic statements will accurately reflect the realisation proceeds that may be obtained. As with all valuations, the valuations are based only on the valuer's professional opinion on a stated date.

Prospective Limited Partners should have the financial ability and willingness to accept the risks and lack of liquidity associated with participation in an unregulated collective investment scheme of this type.

Limited transferability of Limited Partnership Interests

There will be no public market for Limited Partnership Interests, and none is expected to develop. There will be substantial restrictions upon the transferability of Limited Partnership Interests under the Limited Partnership Agreement and applicable laws or regulations (including, without limitation, any anti-money laundering or securities laws). In general, withdrawals of Limited Partnership Interests are not permitted. In addition, Limited Partnership Interests are not redeemable.

Although the Manager intends to implement a matched bargain process on a reasonable efforts basis, there can be no guarantee or assurance that a secondary sale and purchase process will be possible at all times, or that Limited Partners will be able to transfer their Limited Partnership Interests through such process. In addition, there can be no guarantee or assurance that the Manager will be able to match applications for subscription of Limited Partnership Interests with outstanding transfer requests.

Distributions

The level of any planned distribution may vary or may not be paid at all, and Limited Partners may not get back the amount of capital subscribed.

No right to control the Partnership's operations or receive detailed information

To protect the limited liability status of the Limited Partners as Limited Partners in the Partnership, Limited Partners are excluded from making certain decisions and will have no right or power to control or participate in the day-to-day management of the Partnership or of any of its assets, including any acquisition and disposal decisions. All aspects of management are entrusted to the Manager. The directors or employees of the Manager who are responsible for decision making and strategy may change from time to time.

Limited Partners will not be entitled to receive the detailed information relating to actual or prospective portfolio assets received by the General Partner. Furthermore, the General Partner will exercise any voting rights held by the Partnership in respect of a body corporate, association, partnership or other collective investment scheme in respect of which the Partnership has invested or will invest in.

Limited Partners will not be permitted to evaluate prospective assets or relevant economic, financial, business or other information used by the General Partner or the Manager in making its management decisions. The General Partner will have the exclusive right and power to manage the business of the Partnership. Accordingly, no prospective Limited Partner should purchase Limited Partnership Interests unless a prospective Limited Partner is willing to entrust all aspects of the operation and the management of the Partnership to the General Partner.

Long-term holding

The opportunity described in this Memorandum may not be suitable for all recipients. The Partnership is designed to be a long-term opportunity. It is not designed as a short-term opportunity. Any prospective Limited Partner who has any doubt about the suitability of the Partnership should consult an independent financial adviser regarding all aspects of the Partnership, including taxation matters, prior to committing to subscribe in the Partnership.

Contingent liabilities

In connection with the disposition of any asset the Partnership may be required to make certain representations, and provide guarantees, warranties, covenants, or other undertakings in relation to the business and affairs of the asset. In addition, the Partnership may be required to indemnify the purchasers of such asset to the extent that any such representation turns out to be incorrect, inaccurate or misleading. This may result in contingent liabilities, which might ultimately have to be funded by the Limited Partners.

Risks associated with the investments

Due diligence

The Partnership will complete a reasonable and appropriate financial, commercial and legal due diligence prior to completing any investment and the due diligence process may at times be required to rely on limited or incomplete information. However, the due diligence process involves subjective analysis and so there can be no assurance that all material issues will be uncovered. Any failure by the Manager to identify relevant facts through the due diligence process may lead to inappropriate investment decisions, which could have a material adverse effect on the value of Limited Partnership Interests.

Concentration

The Partnership's assets will be concentrated in the commercial forestry and forest carbon sector and certain commercial forestry and forest carbon sub-sectors. The Partnership may take significant positions in a limited number of assets, a potential consequence of which could be that returns could be adversely affected by the poor performance of any one of these large assets or any one or more of these sub-sectors or the commercial forestry and forest carbon sector generally.

Geographic concentration in the United Kingdom

The Partnership intends to invest exclusively in the United Kingdom, and its assets are likely to be concentrated in Scotland. This gives rise to a risk of geographic concentration whereby changes in economic conditions in the United Kingdom or any part of it, including Scotland (for example, interest rates and rates of inflation, industry conditions, competition, political and diplomatic events, the outbreak of war which impacts the United Kingdom or any part of it, including Scotland and other factors) could substantially and adversely affect the return on the Partnership's assets and the value of Limited Partnership Interests.

Illiquidity

A subscription for Limited Partnership Interests should be viewed as illiquid. It is uncertain as to when profits, if any, will be realised. Losses on unsuccessful assets may be realised before gains on successful assets are realised. The return of capital and the realisation of gains, if any, generally will occur only upon the partial or complete disposal of an asset. While an asset may be sold at any time, it is generally expected that this will not occur for a number of years after the initial investment is made. Before such time, there may be no current return on the asset.

If the Partnership was ever required to liquidate its interest in an asset at short notice, either in whole or in part, the realised value may be significantly less than the asset value of the asset. Furthermore, the expenses of operating the Partnership may exceed its income thereby requiring that the difference be paid from the Partnership's capital including, without limitation, unfunded Commitments.

Past performance

Past performance of similar assets is not necessarily a guide to future performance of the Partnership's assets. The Manager will have complete discretion, within the limits set forth in this Memorandum and the Limited Partnership Agreement, in making acquisitions on behalf of the Partnership. Prospective Limited Partners may not be able to evaluate for themselves the merits and risks of the Partnership's business activities until after capital is deployed into assets. The success of the Partnership depends on the ability of the Manager to select, buy and realise appropriate assets.

Market price of assets

The fair value of the assets held in the Partnership's portfolio fluctuates with changes in market prices. Prices are themselves affected by movements in currencies and interest rates and by other financial issues including the market perception of future risks. The value of Limited Partnership Interests and any income derived from them can go down as well as up and Limited Partners may not get back the full amount committed. In particular, no guarantees are made as to asset performance, in respect of either income or capital gains either expressly or by implication.

Valuations

The Partnership's forest properties and renewable energy generating assets, together with the Partnership's NAV, will be subject to an independent valuation on an annual basis and at such other times determined by the Manager. It is anticipated that such valuations will be calculated in accordance with the Royal Institution of Chartered Surveyors (RICS) Global Valuation Standards and in the case of carbon units, International Private Equity and Venture Capital Valuation Guidelines, in each case; as determined by the Manager, or such other methodology that the Manager determines reasonable.

Calculations will be prepared by the Manager and relevant professional advisers and will be in accordance with the valuation methodology described above.

Valuations of the assets of the Partnership as a whole may also reflect accruals for expected or contingent liabilities, the amount or incidence of which is inevitably uncertain. A valuation is only an estimate of value and is not a precise measure of realisable value. Ultimate realisation of the market value of an asset depends to a great extent on economic and other conditions beyond the control of the Manager, and valuations do not necessarily represent the price at which a forest can be sold.

Prospective Limited Partners should bear in mind that the actual NAVs may, as time progresses, be materially different from these annual valuations.

No assurance of Partnership objective

No representation is, or can be, made as to the future performance of the Partnership, and there is no assurance that the Partnership will realise its objectives. Achieving the target return cannot be guaranteed. The value of the Partnership assets and the income returns may fluctuate. Limited Partners may not get back, in full or in part, the money that they commit.

Need for follow on investment

Following its initial acquisition and operation of a given forest asset, the Partnership may decide to provide additional funds to such forest asset, or may have the opportunity to increase its exposure to a successful asset. There is no assurance that the Partnership will provide follow on funding or that the Partnership will have sufficient funds. Any decision by the Partnership not to provide follow on funding or its inability to make such commitments may have a substantial negative effect on an asset in need of such an asset.

Dependence on the General Partner and the Manager

The operation of the Partnership will be dependent on the General Partner. The ability of the Partnership to achieve its objectives depends to a high degree on the Manager and more generally, on the ability of the Manager and its Group to attract and retain suitable staff. The loss or reduction of service of the Manager could have an adverse effect on the operations and performance of the Partnership and its ability to realise its objective. In addition, certain changes in the General Partner or circumstance relating to the General Partner may have an adverse effect on the Partnership.

Extension of term

The Partnership will terminate at the First Termination Date (30 November 2036) unless, at the annual meeting of Limited Partners held in the twelve months prior to the First Termination Date (and not less than three months before that date), a resolution is passed by a 75% Majority in Interest to continue the Partnership for a further five years to the Second Termination Date (30 November 2041). If the Partnership continues beyond the First Termination Date, the same process applies at the Second Termination Date in order to extend to the Third Termination Date (30 November 2046), and again at the Third Termination Date in order to extend to the Final Termination Date (30 November 2051).

If the requisite resolution is not passed at any continuation vote, the Partnership will terminate at the end of the then-current term. There can be no guarantee or assurance that the full value of the Partnership's assets will be realised on a liquidation, and a Limited Partner may not receive back, in full or in part, the amount committed.

Asset holding vehicles

Business activities may be carried out by the Partnership through intermediate vehicles for structural reasons – for example, in order to provide any necessary security arrangements to secure the Partnership's debt, provide flexibility in relation to exit, or for regulatory or securities reasons with the intention of achieving the Partnership's objectives. No assurance is given that any particular structure will be suitable for all prospective Limited Partners, and, in certain circumstances, such structures may lead to additional costs or reporting obligations for some or all of the Limited Partners in the Partnership.

Environmental, Social and Governance

The Manager makes use of its proprietary ESG tool to assist in evaluating the ESG impact of proposed assets as part of its due diligence process and to support the determination of the ESG KPIs as part of the initial appraisal process, which feeds into the ongoing monitoring of the Partnership’s incorporation of ESG considerations in its strategy and the reporting on these to the Limited Partners. As part of this strategy, the Manager conducts a detailed analysis of positive and negative factors affecting the asset, including any ESG event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the asset (ESG Risk). ESG Risks may include, but are not limited to:

Environmental - environmental risks and associated costs, policy or management related to factors such as sustainability of use of natural resources, waste management, water or air pollution, climate change, protected environments, protecting water supplies, greenhouse gas emissions.

Social - social factors such as human rights, discriminatory policies, community consent or impacts on communities, worker health and safety, public health issues, relations with unions and employees, managing product safety issues, child and forced labour, protection of consumer rights, competitive wages and benefits, implementation of anti-bribery policies.

Governance - governance issues such as the composition and independence of the board of directors of a portfolio company, determination of executive compensation, shareholder rights, audit and accounting quality and controls, conflicts of interest.

The potential impact of ESG Risks on the performance of the Partnership will depend on the exposure of the asset to, and the materiality of, such ESG Risks and the extent to which such risks have been mitigated by the Manager's approach to integrating and monitoring of ESG Risks in its strategy. However, there is no guarantee that these measures will mitigate or prevent ESG risks arising in respect of the Partnership.

The potential impact on the value of Limited Partnership Interests from an actual or potential material decline in the value of the asset due to an ESG Risk or condition will vary and depend on several factors including, but not limited to, the type, extent, complexity and duration of the event or condition, prevailing market conditions and the existence of any mitigating factors.

The assessment of the ESG Risks is conducted by the Manager using a number of different methodologies, with the relevant data deriving from a variety of sources and the Manager's own research, including the use of the ESG tool. The use of varying methodologies and the subjective nature of non-financial criteria means a wide variety of outcomes are possible and the data may not adequately address material sustainability factors, nor identify the relevant ESG Risks. The analysis is also dependent on the disclosure of accurate relevant data, and the availability of such data can be limited and so there can be no assurance that all material issues will be uncovered. Any failure by the Manager to identify relevant ESG Risks through the analysis process may lead to inappropriate management decisions, which could have a material adverse effect on the value of Limited Partnership Interests.

Risks specific to assets in commercial forestry and forest carbon sector

The Partnership will be subject to the general risks incidental to the ownership of assets in commercial forestry and forest carbon. The marketability and value of any assets owned by the Partnership will, therefore, depend on many factors beyond the control of the Partnership and there is no assurance that there will be either a ready market for any of the assets of the Partnership or that such assets will be sold at a profit or will yield a positive cash flow.

Commercial forestry and forest carbon related assets can be difficult to realise. It may be difficult to achieve an outright sale of the Partnership's portfolio comprising commercial forestry assets due to their size or the market specialisation since such a sale could lead to a discount in the aggregate value of the assets.

Commercial forestry and forest carbon and related assets may be inherently difficult to value due to the lack of marketability. As a result, valuations are subject to substantial uncertainty.

There is no assurance that the estimates resulting from the valuation process will reflect the actual sales price even when such sales occur shortly after the valuation date. Furthermore, valuation methodology used by valuers to determine the value of commercial forestry and forest carbon assets applies a number of assumptions. Any change to these assumptions could lead to a valuation adjustment which may negatively impact the value of a Limited Partnership Interest.

Commercial forestry projects and forest carbon may rely on large and detailed financial models to project future cash receipts and hence the value of those projects is typically based on the quantum of such projected future receipts. Such models may contain macro assumptions relating to future trends such as interest rates, tax rates and rates of inflation. Such models also assume that defined amounts of cash are received and expended at specific dates in the future. These assumptions may prove to be inaccurate and thus the outputs projected to be received by the financial models at any time may not be actually realised. There is also a risk that errors may be made in the assumptions or methodology used in a financial model. The accounting treatment of projects may change from that assumed in a financial model. In such circumstances the returns generated by the Partnership may be less than expected or nil.

The Manager may need to secure planting approval for woodland creation projects. Any failure to do so might negatively impact the value of Limited Partnership Interests.

Although new woodland projects that meet the prescribed eligibility requirements will be eligible for the creation of WCUs under the WCC, no guarantee or assurance can be given that any project will, on assessment against the WCC, be validated and/ or verified by an independent validation/ verification body accredited by the UK Accreditation Service, and only upon verification shall any carbon units created by WCC projects as PIUs be converted into WCUs.

None of the Manager, the General Partner or any of their associates are responsible for the models, methodologies or practices used or prescribed by any particular carbon scheme or its validation/verification body. As such, no representation of warranty is given as to the efficacy of such models, methodologies or practices, which may be subject to review and revision.

Scottish Land Reform legislation

The Land Reform Act (Scotland) 2025 ("the Act") was enacted into legislation in late 2025. None of the provisions of the Act are yet in force and the expectation is that the various elements of the Act will be brought into force by secondary enabling legislation within the next two to three years, perhaps in stages. Such legislation is also likely to contain further detail on how the provisions have to apply. There is no guarantee that all parts of the Act will become law, and some parts of previous land reform acts in Scotland have not been brought into force.

The Act has the potential to impact the owners of large commercial forests in Scotland which meet a certain size threshold. The threshold is 1,000 hectares, which can include land within 250 metres of the forest boundary that is owned by the Partnership or "connected parties", which will include other limited partnerships managed by Gresham House. The Scottish Ministers retain the ability to raise or lower the threshold.

The Act introduces various new requirements for owners and in particular may restrict the Partnership's ability to sell or transfer all or part of an asset in Scotland that meets the applicable size thresholds. This includes having to publicise proposed transfers for the purpose of identifying whether there is a community group that would be interested in acquiring the land. If a community group applies to register an interest in the land to be transferred and the Scottish Ministers are satisfied that certain criteria are met then the community group will be allowed the opportunity to acquire the land at market value. In addition, where the land to be transferred exceeds the 1,000 hectare threshold then before an applicable transfer can take place, the owner must make an application for a lotting decision from the Scottish Ministers. In determining whether to make a lotting decision the Scottish Ministers will be entitled to require an owner to transfer lots to separate and unconnected parties if they are satisfied that to do so would likely lead to the land being used (in whole or in parts) in ways that might make the community more sustainable than would be the case if all of the land were transferred to the same person.

The reforms contained in the Act may lead to additional costs for the Partnership (although it would be entitled to claim from the Scottish Ministers reimbursement for all costs of the lotting process, as well as in respect of any reduction in aggregate sale price resulting from the lotting requirements) and may affect the value of Limited Partnership Interests and returns to Limited Partners

Finance

Interest rate hedging

The Partnership may be exposed to interest rate risk, which may require the Partnership to incur borrowing and/or enter into security arrangements and/or full or partial interest rate or inflation rate hedging arrangements. The effect of such borrowing, security or hedging arrangements may be unfavourable as well as favourable on the gain or loss otherwise experienced on the assets.

Availability of debt finance

The Partnership may arrange debt financing from a variety of sources including banks or other lenders. Constraints on the availability of debt financing and its pricing as a result of prevailing market conditions may affect the ability of the Partnership to raise or to refinance debt.

The resultant lack of available credit and/or higher financing costs and/ or more onerous terms may impact the performance of the assets.

Borrowing

The Partnership may utilise borrowings and interest rate movements may therefore affect the performance of the Partnership. The use of borrowing increases the Partnership exposure to adverse economic factors, such as severe economic downturns and interest rate rises. If the proceeds from Partnership assets are unable to meet principal and interest payment obligations on debt facilities, then the value of the Limited Partnership Interests may be reduced or eliminated.

Security and guarantees

The Partnership may have to offer security over its underlying assets or deliver its assets as collateral, in order to secure indebtedness. Any failure by the Partnership to fulfil obligations under any related financing documents (including repayment) may permit a lender to demand repayment of the related loan and to realise its security. In the event that such security involves the lender taking control (whether by possession or transfer of ownership) of the Partnership's underlying assets, the Partnership's returns may be adversely impacted.

Banking arrangements

The Partnership's cash will be held in its own bank accounts with UK clearing banks.

The Manager accepts no liability for the loss of assets in the event of any relevant bank defaulting.

General

The General Partner may be general partner of more than one limited partnership

The General Partner is general partner of a number of other limited partnerships, and it may become general partner of additional limited partnerships in the future. As such it is liable for all of the debts of those other partnerships for which it is General Partner and the Partnership, beyond limited partner commitments to and assets of the Partnership.

As a result, there is a risk that the General Partner could be pursued in respect of the net liabilities of the Partnership or another limited partnership for which it is General Partner, if the Partnership or such other limited partnership were in financial difficulties, which could adversely affect the Partnership.

AIFM status

The Manager is authorised and regulated as an AIFM by the FCA. As the AIFM of the Partnership, the Manager is required to comply with ongoing capital, reporting and transparency obligations and a range of organisational requirements and conduct of business rules, and to adopt a range of policies and procedures addressing areas such as risk management, liquidity management, conflicts of interest, valuations, compliance, internal audit and remuneration. If the Manager fails to comply with the legal and regulatory requirements applicable to an authorised AIFM or otherwise ceases to hold authorisation as an AIFM, the Manager would not be permitted to continue to manage the Partnership (or market interests in the Partnership) and a successor investment manager duly authorised as an AIFM would need to be appointed to perform these functions.

Litigation

In the ordinary course of its business, the Partnership may be subject to litigation from time to time. The outcome of such proceedings may materially adversely affect the value of the Partnership and may continue without resolution for long periods of time. Any litigation may consume substantial amounts of time and attention, and that time and the devotion of these resources to litigation may, at times, be disproportionate to the amounts at stake in the litigation.

Compensation risk

As the subscription for Limited Partnership Interests in, and the performance of the Partnership will not be covered by the Financial Services Compensation Scheme or by any other compensation scheme, if the value of the Limited Partnership Interests falls, the loss suffered by the Limited Partner (which may be the whole of the investment) will not be recoverable under any compensation scheme.

Recourse risk

The Partnership is limited to qualifying Limited Partners who are sufficiently sophisticated to understand the risks attaching to an investment in an unregulated collective investment scheme and accept that they will have recourse only to the Partnership's assets as these will exist at any time.

The Partnership's assets are the only assets available to satisfy any liabilities or other obligations of the Partnership. If the Partnership becomes subject to a liability, parties seeking to have the liability satisfied may have recourse to the Partnership's assets generally and may not be limited to any particular asset, such as the asset representing the investment giving rise to the liability.

Service providers

The Manager or the General Partner may from time to time appoint service providers to the Partnership including (i) a depositary to provide depositary services (ii) an administrator to provide administration services (iii) an auditor to provide audit services and (iv) other professional advisers including legal and tax advisers. In general, the duties under the relevant agreements with such service providers shall be to the Partnership and not directly to Limited Partners, whether individually or in groups. Under the Limited Partnership Agreement only the General Partner or the Manager is entitled to conduct the business of the Partnership, including bringing actions or making claims against service providers.

Cybersecurity risk

The Manager, the General Partner and the service providers appointed in respect of the Partnership and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. These systems are subject to a number of different threats or risks that could adversely affect the Manager, the General Partner, the Partnership and Limited Partners, despite the efforts of the Manager, the General Partner and its service providers to adopt technologies, processes and practices intended to mitigate these risks and protect the security of their computer systems, software, networks and other technology assets, as well as the confidentiality, integrity and availability of Limited Partners' information. For example, unauthorised third parties may attempt to improperly access, modify, disrupt the operations of, or prevent access to these systems of the Manager, the General Partner, the Administrator, the Depositary or other service providers, counterparties or data within these systems. Third parties may also attempt to fraudulently induce employees, customers, third-party service providers or other users of these systems to disclose sensitive information in order to gain access to investor/service provider data.

A successful penetration or circumvention of the security of these systems could result in the loss or theft of an Investor's data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs. Such incidents could cause the Partnership to incur regulatory penalties, reputational damage, additional compliance costs or financial loss.

Similar types of operational and technology risks are also present for counterparties with which the Partnership engages in transactions and various other parties, which may also give rise to material adverse consequences for the Partnership including a decrease in the value of its assets.

Potential conflicts of interest

General

Limited Partners should be aware that there may be situations where the General Partner, the Manager and their associates will encounter potential conflicts of interest in connection with the Partnership's activities. The following discussion (which is not exhaustive) details certain potential conflicts of interest that should be carefully considered before making an investment in the Partnership.

By subscribing for a Limited Partnership Interest, Limited Partners will be deemed to acknowledge the existence of such potential conflicts of interest and that the summary below is not an exhaustive list or explanation of such conflicts, and to have waived any claim with respect to or arising from the existence of any such conflicts of interest.

If a conflict of interest does arise, the General Partner will endeavour to ensure that it is resolved fairly, taking into account the respective interests of the persons involved.

The Manager will, at all times, have regard in such event to its obligations to the Partnership and under the FCA Rules in relation to the identification, management and disclosure of conflicts of interest.

Other activities

The General Partner, the Manager and their associates engage in a broad spectrum of activities. In the ordinary course of their businesses, the General Partner, the Manager and their associates may engage in activities in which their interests or the interests of their clients may conflict with or be averse to the interests of the Partnership. In addition, such clients may utilise the services of the General Partner, the Manager and their associates, for which they will pay customary fees and expenses which will not be shared with the Partnership. In addition to the Partnership, the General Partner, the Manager and their associates also manage, and in the future may manage, other funds.

The employees of the General Partner, the Manager or their associates may hold positions with or be otherwise associated with such other funds. The strategies, fee arrangements and other circumstances of the Partnership may vary from those of the other funds.

Allocation of opportunities

When a particular asset would be appropriate for the Partnership as well as one or more other funds, there is no guarantee that such asset will be allocated to the Partnership, although in each case, the Manager shall allocate any such asset between the Partnership and other funds on a fair and equitable basis in accordance with the provisions of the Limited Partnership Agreement.

Conflicts of interest may also arise with regard to the management or disposal of assets held jointly by the Partnership and any other funds, which may be detrimental to the Partnership. All of the foregoing issues could adversely affect the price paid or received by the Partnership, or the size of the stake purchased or sold by the Partnership, (including prohibiting the Partnership from purchasing a stake) or may limit the rights that the Partnership may exercise with respect to an asset. In addition, the Partnership may invest in portfolio vehicles in which other funds invest, either concurrently with the Partnership or after or prior to the investment by the Partnership.

Other fees

The General Partner, the Manager or their respective associates may receive fees from investments. Such fees will be retained by the General Partner, the Manager or their respective associates, as set out in the Limited Partnership Agreement.

Diverse membership

Limited Partners may have conflicting investment, tax and other interests or considerations with respect to their Commitments to the Partnership. The conflicting interests or considerations of Limited Partners may relate to or arise from, inter alia, the nature of the Partnership's assets, the structuring or the acquisition of the Partnership's assets and the timing of their disposal. Consequently, conflicts of interest may arise in connection with decisions made by the Manager, including with respect to the nature or structuring of assets, that may be more beneficial for one Limited Partner than for another Limited Partner, especially with respect to a specific Limited Partner's tax situation. In addition, the Partnership may make investments which may have a negative impact on related investments made by Limited Partners in separate transactions. In selecting and structuring investments appropriate for the Partnership, the Manager will consider the commercial and tax objectives of the Partnership as a whole, rather than the commercial, tax or other objectives of any specific Limited Partner.

8. Certain Tax Considerations

The information below is intended as a general summary prepared in accordance with the Manager's current understanding of UK tax laws and should be used only as a guide and does not constitute legal or taxation advice. Gresham House does not provide taxation advice. Prospective Limited Partners are advised to consult their own professional advisers in relation to the financial, legal, taxation, national insurance contribution liabilities and other implications of subscription for Limited Partnership Shares, which will vary in relation to their own particular circumstances, and the jurisdiction in which they are resident for tax purposes.

Commercial forestry is currently subject to favourable taxation treatment in the UK. Under current UK tax law there is no liability to income tax, corporation tax or capital gains tax (CGT) arising in relation to growing timber. As a consequence, most of the income arising in relation to commercial forestry is anticipated to be free of tax in the UK.

Information provided on the taxation of carbon units (for example WCUs and PIUs) is based on the Manager's current understanding of the application of UK tax law to such units. However, this is a developing area as such the tax treatment of such units may be subject to change and/or review.

Commercial forestry would qualify for 100% relief from inheritance tax (IHT), up to a current threshold of £2.5 million of all qualifying assets held by each individual Limited Partner, through business property relief (BPR) once held for two years. Assets over that threshold qualify for BPR at 50%.

UK tax summary

The Partnership is tax transparent for UK tax purposes, and as such any income or any gains are treated as arising directly in the hands of the Limited Partners in accordance with their profit-sharing entitlements. No direct taxation is payable by the Partnership itself, and Limited Partners are taxed based on their individual circumstances. This should ensure that revenue from timber is received tax free by UK tax resident Limited Partners.

Due to the tax transparent nature of the Partnership the taxable income arising in the Partnership will be allocated to Limited Partners in accordance with their overall holding of Limited Partnership Interests and the date at which these Limited Partnership Interests were allocated (if these Limited Partnership Interests were not owned for the full tax year).

Any tax treatment or tax relief referred to in this Memorandum, and any accompanying documents, are those applying under relevant UK law, HMRC or Revenue Scotland practices as at the date of this Memorandum and may change in the future. Their availability and value depend on individual circumstances.

Any change in the level and/or basis of taxation, in tax reliefs or in HMRC or Revenue Scotland practices may adversely affect the value of Limited Partnership Interests and returns to Limited Partners.

Registration requirements

Each Limited Partner is required by HMRC to register themselves as a Limited Partner, by completing either form SA401 (for individual Limited Partners), or SA402 (for bodies corporate).

Following this registration HMRC will provide a unique taxpayers reference (UTR) number to those Limited Partners who do not already have one. The UTR must be supplied in the Subscription Agreement if available, or otherwise as soon as possible after the Limited Partner is admitted to the Partnership. If not supplied, the Manager may reject or cancel the subscription in accordance with the terms of the Subscription Agreement and the Limited Partnership Agreement. **HMRC may levy penalties against Limited Partners who do not register their Limited Partnership Interest.**

Limited Partners who are subject to taxation in the United States of America, or in any jurisdiction participating in the OECD common reporting standard (CRS), will consent to Gresham House providing relevant information to the Internal Revenue Services under the Foreign Account Tax Compliance Act and/or to HMRC under the CRS. Such Limited Partners will comply with any requests for information from Gresham House in this regard.

Inheritance tax

It is expected that once a Limited Partnership Interest has been held for two years and the Partnership's business has been conducting a qualifying business for at least two years, the value of the Limited Partnership Interest should qualify for 100% relief from IHT. This is due to the application of BPR. Accordingly, any lifetime transfers or any transfers on death should be entirely free of IHT, subject to the following.

The effects of the 2024 Autumn Budget changes are that from 6 April 2026, BPR continues to be available at 100% for qualifying assets but only up to a value of £2.5 million per person (shared between both BPR assets and Agricultural Property relief (APR) assets). If the qualifying assets have a value in excess of £2.5 million, the excess value above £2.5 million can only qualify for relief at 50%. Thus, the excess value of qualifying assets is taxed at an effective rate of 20% on death.

While each case needs to be considered on its facts, HMRC have recently indicated that land held and used for the purposes of generating and selling carbon credits under the Woodland Carbon Code should in principle qualify for BPR provided that the ordinary qualifying conditions are met. As noted above, the tax treatment of carbon credits is a developing area and may be subject to change.

Tax on income

Each UK resident Limited Partner will be subject to UK income tax and/ or corporation tax at their marginal rate on all taxable income arising in the Partnership.

Under UK law different income streams are taxed separately. A summary of this is provided below:

Timber harvesting

Income generated from the harvesting and sale of timber from UK commercial woodlands is exempt from both UK income and corporation tax.

Carbon units

It is understood that income from the sale of carbon units (such as WCUs) by the Partnership is treated as arising from the commercial occupation of woodlands and is therefore also exempt from both income and corporation tax, and the same applies where such carbon units are distributed to Limited Partners. However, the sale of voluntary carbon credits is a developing market and, as such, the tax treatment of unit sales and generation may be subject to change or review by HMRC.

Other uses

Income arising from alternative uses, in the form of rents, including wind farm leases, or other taxable sources (e.g. sporting rents or interest income), will be subject to income tax or corporation tax.

Tax on chargeable gains

Timber

Any gain in the value of the timber crop is exempt from UK capital gains tax and/or corporation tax on chargeable gains.

Land

Any gain in the value of the land (excluding the timber crop) will be subject to UK capital gains tax and/or corporation tax on chargeable gains. UK capital gains tax and/or corporation tax on chargeable gains would arise on the sale of land in two circumstances:

- when the Partnership sells a property there may be a taxable gain arising in the Partnership if the proceeds of this sale are not reinvested to acquire other properties; or
- when a Limited Partner disposes of its Limited Partnership Interest, or otherwise reduces their proportionate share in the Partnership, there may be a taxable gain arising (on the land element only).

An individual Limited Partner's annual CGT exemption may reduce or eliminate such liability.

Stamp taxes: Limited Partners transfers

Stamp Duty Land Tax (SDLT), Land Transaction Tax (LTT) and Land and Buildings Transaction Tax (LBTT) do not apply to the transfer of Limited Partnership Interests unless the Limited Partnership is a "Property Investment Limited Partnership" or where certain anti-avoidance provisions apply. Neither of these circumstances should apply to this Partnership and thus no SDLT, LTT or LBTT obligations should arise in the event of a transfer of Limited Partnership Interests.

Admission of new Limited Partners

There is no SDLT, LTT or LBTT payable on the admission of new Limited Partners.

Tax returns

The Manager intends to procure that each Limited Partner is provided with an annual taxable income statement, showing each Limited Partner's share of taxable income arising in that tax year. Each Limited Partner will be liable for any tax due on such income.

National Insurance contributions

The Partnership is a business, and individual Limited Partners are treated as self-employed and will therefore be subject to self-assessment by HMRC. Being self-employed means that individual UK Limited Partners under the state pension age may be subject to Class 2 and Class 4 NICs on their earnings arising from their Limited Partnership Interests. National insurance rules are complex, and Limited Partners may need to seek specialist advice in relation to these rules. If a Limited Partner is over the state pension age there is no liability to pay NICs.

Individual Limited Partners may opt to pay Class 2 NICs at a rate of £3.65 per week, even if no taxable profits are generated. In the event that the Partnership generates significant taxable profits, then Limited Partners may be liable to account for Class 4 and Class 2 NICs. It is the responsibility of Limited Partners to assess their own liability to NICs, and account for these to HMRC where due.

Limited Partners taxable in non-UK jurisdictions

Each Limited Partner will be liable for any tax liabilities arising out of their individual participation in the Partnership, in accordance with the legislation applying in their own jurisdiction, and any applicable double taxation treaties between their jurisdiction and the UK.

Disclosures

The Manager and the General Partner are expressly authorised by each Limited Partner to:

- enter into, maintain or otherwise comply with any agreement as contemplated by any Tax Information Provisions and to enter into and maintain any registration in respect of any such Tax Information Provisions applicable to it;
- satisfy any information reporting requirements pursuant to any Tax Information Provisions, (including but not limited to personal data for the purpose of data protection legislation);
- satisfy any requirements necessary to avoid withholding taxes under any Tax Information Provisions with respect to any payments to be received or made by the General Partner and/or the Manager; and
- provide to any taxation authority or person making a payment to the Manager or the Company, any information where the Manager reasonably considers such disclosure to be necessary, desirable or advisable having regard to the interests of the Partnership, or where required by law, including, for the avoidance of doubt, to enable the Company or any person to receive any amounts free from, or subject to a reduced rate of tax, including withholding taxes, in connection with FATCA, any Tax Information Provisions and any other applicable legislation.

9. General Disclosures

Summary of the Management Agreement

Termination: the Management Agreement may be terminated in certain circumstances including (i) material breach (i) removal of the General Partner (unless the General Partner is replaced by an Affiliate of the General Partner or of the Manager); (iii) bankruptcy, insolvency, dissolution and/or liquidation of the Manager or the Partnership (iv) written agreement of the Partnership and the manager.

Fees: The Manager shall be remunerated by the Partnership in respect of the Management Fee and other fees set out in the Limited Partnership Agreement.

Duties of the Manager: The Manager shall undertake the portfolio management, risk management, operation and administration of the business and affairs of the Partnership. Accordingly, the Manager shall manage the Partnership's assets with the Partnership's objectives and guidelines, as set out in the Limited Partnership Agreement. The Manager may appoint an appropriately authorised and qualified person to act as a depositary of the Partnership's assets under the FCA Rules.

Delegation: The Manager may perform its obligations under the Management Agreement through and/or delegate any of its functions (including, where reasonable, employing agents to perform any administrative, dealing or ancillary services required to enable the Manager to perform its services under the Management Agreement) to any third party; provided that:

- the Manager will give the General Partner written notice of any such delegation of a function which involves the exercise of its discretionary portfolio management powers;
- the Manager will not, without the prior written consent of the General Partner, delegate the whole or substantially the whole of its obligations under the Management Agreement;
- delegation and use of agents is in accordance with the AIFMD Rules; and
- delegation subjects the delegate to all requirements of the AIFMD Rules with regard to the delegation as applicable to the Manager.

Professional Liability Risk: The Manager maintains professional indemnity cover in amounts which comply with the FCA Rules and that are reasonably commensurate with its duties as determined by Gresham House.

Depositary

Depositary Agreement: The depositary is IQ EQ Depositary Company (UK) Limited, 4th Floor 3 More London Riverside, London, England, SE1 2AQ.

Policy on fair treatment of Limited Partners

The Manager's policy for fair treatment of the Limited Partners is:

- To provide clear information relating to the Partnership and the nature and risks of subscribing for Limited Partnership Interests prior to subscription.
- To provide clear reporting to Limited Partners during the operation of the Partnership to enable the Limited Partners to make informed decisions in relation to their Limited Partnership Interests.

Governing law

The rights, obligations and relationships of the Limited Partners under the Limited Partnership Agreement will be governed by the laws of Scotland. The courts of Scotland will have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Limited Partnership Agreement, and each Limited Partner will be required to irrevocably submit to the jurisdiction of those courts.

The Scottish courts generally recognise judgements obtained in the courts of another jurisdiction (subject to, inter alia, the applicable legislation on the recognition of judgements, the rules of Scottish courts in relation to the recognition and/or enforcement of foreign judgements and such judgements not being contrary to public policy in Scotland). The exact rules on the recognition and enforcement of foreign judgements depend on the jurisdiction in which such judgements are obtained.

Fees and charges payable to the General Partner, the Manager or their associates

Any fees and charges that are payable to the General Partner, the Manager or their associates will be paid in accordance with, and pursuant to, the terms of the Limited Partnership Agreement and the Management Agreement.

A summary of the key fees and charges is contained in Section 3 of this Memorandum.

Value Added Tax

All fees stated herein are subject to VAT (currently 20%) where applicable.

10. Marketing Restriction Notices

For the attention of all prospective Limited Partners

This Memorandum does not constitute (A) an offer of Limited Partnership Interests, (B) an offer or invitation to the public, or (C) an invitation to apply for Limited Partnership Interests with respect to any prospective Limited Partner in any jurisdiction in which such invitation is not authorised or is unlawful or in which the prospective Limited Partner endeavouring to apply for Limited Partnership Interests is not qualified to do so. It is the responsibility of prospective Limited Partners to satisfy themselves as to their own compliance with the relevant laws and regulations of any jurisdiction in connection with an application for Limited Partnership Interests, including obtaining any requisite government or other consents and adhering to any other formality prescribed in such jurisdiction.

Notice to United Kingdom Investors: This document is intended for distribution in the United Kingdom only to persons: to whom Interests may lawfully be promoted under the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 (the "2001 Order") or section 4.12 of the Conduct of Business Rules ("COBS") forming part of the FCA Handbook of Rules and Guidance published by the FCA if such Interests constitute units in a collective investment scheme or non-mainstream pooled investments (as defined in the FCA Handbook). In such circumstances, this Memorandum may be circulated to (i) persons who are investment professionals who have professional experience of investing in similar schemes, as defined in article 14(5) of the 2001 Order, or (ii) a high net worth company or unincorporated association (broadly, a company or partnership) with net assets of £5 million or more or trustee(s) of a trust with assets of £10 million or more under article 22(2) (a) to (d) of the 2001 Order, or (iii) professional clients (which includes banks, insurance companies, investment firms and other institutional investors as well as larger undertakings and pensions funds) as defined in COBS 3.5.2 or 3.5.3 (1) to (3) of the FCA Handbook, or (iv) Eligible Counterparties as defined in COBS 3.6 of the FCA Handbook, or (v) persons who are Certified High Net Worth Investors or Certified Sophisticated Investors or a Self-Certified Sophisticated Investors who meet the requirements in COBS 4.12B.38R, COBS 4.12B.39R and COBS 4.12B.40R respectively of the FCA Handbook and have completed, signed and returned a client financial information form to the General Partner; or (vi) persons to whom it otherwise may be lawful to communicate it (each a "Qualifying Limited Partner"). This document is not directed at and may not be acted on by anyone other than a Qualifying Limited Partner.

Persons who are not Qualifying Limited Partner should not rely on this document, nor take any action upon it, but should return it immediately to the Manager or the General Partner at the address shown in this Memorandum. By accepting this document and not immediately returning it, by your action, you warrant, represent, acknowledge and agree that: (i) you are a Qualifying Limited Partner; and (ii) you have read, agree to and will comply with the contents of this disclaimer and the other relevant disclaimers contained in the Memorandum.

11. Definitions

Acquisition Fee	As defined in Section 3 of this Memorandum.
Additional Income Generation Fee	As defined in Section 3 of this Memorandum.
Advisory Committee	An advisory committee established by the General Partner of up to six Limited Partners of the Partnership.
AIFM	Alternative Investment Fund Manager.
AIFMD	Directive 2011/61/EU on Alternative Investment Fund Managers (Level 1), as supplemented by Commission delegated Regulation (EU) No.231/2013 of 19 December 2012 (Level 2) as implemented in the UK by the Alternative Investment Fund Managers Regulations 2013, as amended, and any equivalent or similar law, rule or regulation implemented in the United Kingdom as a result of its withdrawal from the European Union or otherwise and the rules and guidance issued by the FCA from time to time, in each case in so far as applicable to the Manager in the provision of services under the Limited Partnership Agreement and as may be amended from time to time.
AIFMD Rules	AIFMD and all applicable rules and regulations implementing AIFMD.
Amalgamation	The amalgamation of the Partnership with two similar portfolios, Gresham House Sustainable Timber and Energy LP and Gresham House Timberland LP, as described in Section 1 of this Memorandum.
Annual Liquidity Window	As defined in Section 3 of this Memorandum.
BPR	Business Property Relief.
CGT	Capital Gains Tax.
Commitment	As defined under Section 3 of this Memorandum.
CPIH	Consumer Prices Index including owner occupiers' housing costs.
ESG	Environmental, Social, and Governance.
ESG Risks	As defined under Section 7 of this Memorandum.
FCA	The UK Financial Conduct Authority, or any successor organisation.
FCA Rules	The FCA handbook of rules and guidance for the time being in force.
FFI	Gresham House Forest Fund I LP.
Final Termination Date	As defined under Section 3 of this Memorandum.
First Termination Date	As defined under Section 3 of this Memorandum.
FSC	Forest Stewardship Council.
FSMA	The UK Financial Services and Markets Act 2000, as amended from time to time.
General Partner	As defined under Section 3 of this Memorandum.
Gresham House or the Manager	Gresham House Asset Management Limited, an English Limited company with number 09447087.
Gresham House Limited	Gresham House Limited, an English public limited company with number 00000871 and/or, where relevant or as the context requires, any one or more of its wholly owned subsidiaries, including Gresham House Asset Management Limited.
HMRC	HM Revenues & Customs in the UK.
IHT	Inheritance Tax.
IRR	The internal rate of return accruing to Limited Partners from distributions made by the Partnership plus the final market value of the Partnership's investments derived by calculating the discount rate which when applied to the series of cash flows produces a net present value equivalent to zero.

Limited Partner	A Limited Partner who subscribes for Limited Partnership Interests and is admitted to the Partnership in accordance with the Limited Partnership Agreement.
Limited Partnership Agreement	The amended and restated Limited Partnership Agreement governing the Partnership as may be amended from time to time.
Limited Partnership Interest (or Partnership Shares)	The interest of a Limited Partner in the Partnership including, without limitation, such Limited Partner's Commitment and other rights and obligations which such Limited Partner has in the Partnership.
Management Agreement	The agreement between the Partnership and the Manager dated on or around the First Closing Date and relating to the provision of portfolio and risk management services to the Partnership.
Management Fee	As defined under Section 3 of this Memorandum.
Manager	See "Gresham House" or as defined under Section 3 of this Memorandum.
Memorandum	This confidential information memorandum prepared solely for prospective Limited Partners considering subscribing for Limited Partnership Interests pursuant to the Amalgamation.
NAV	The net asset value of the Partnership, being the value of the Partnership's assets as valued in accordance with the valuation methodology, subject always to the addition or subtraction (whichever is applicable) of the value of any additional assets and/or liabilities of the Partnership as quantified in the audited accounts of the Partnership as at the same date.
Non-Timber Revenue	As defined under Section 3 of this Memorandum.
Performance Fee	As defined in Section 3 of this Memorandum.
Partnership	Gresham House Forest Fund I LP, as described under Section 3 of this Memorandum.
Partnership Documents	As defined under Section 3 of this Memorandum.
PEFC	Programme for the Endorsement of Forest Certification.
PIUs	Pending Issuance Units, which effectively represent "promises to deliver" WCUs in future, based on predicated sequestration.
Qualifying Limited Partner	As defined under Section 10 of this Memorandum.
Second Termination Date	As defined in Section 1 of this Memorandum.
STELP	Gresham House Sustainable Timber and Energy LP.
Subscription Agreement	The agreement under which a Limited Partner subscribes for Limited Partnership Interests, such agreement being in such form that is agreed by the Manager.
Tax Information Provisions	Sections 1471 through 1474 of the United States Internal Revenue Code of 1986 as amended and the OECD Common Reporting Standard, any successor provision that is substantively comparable thereto and any other current or future similar or related US or Non-US legislation, and any domestic legislation enacting such provisions or legislations in a jurisdiction in which the Partnership is established or otherwise resident including but not limited to the International Tax Compliance Regulations 2015 (SI 2015/878) (and in each case, any official interpretations thereof (including any published administrative guidance issued in connection therewith)), along with, for the avoidance of doubt, any legislation, intergovernmental agreements or regulations arising as a result of any intergovernmental approach to any of the foregoing or any other legislation pursuant to which the disclosure of information relating to investors or their tax position or status is necessary or desirable.
Third Termination Date	As defined in Section 1 of this Memorandum.
TLP	Gresham House Timberland LP.
UKWAS	The UK Woodland Assurance Standard.
UTR	Unique Taxpayer Reference.
WCC	The Woodland Carbon Code, being the voluntary standard for woodland creation projects in the UK that aim to sequester carbon.
WCUs	A Woodland Carbon Unit that represents a tonne of CO_2 which has been sequestered in a woodland that has been verified pursuant to the WCC.

Gresham House

Specialist investment