

# Media Release

## Forest Enterprises Limited

7 October 2016

## Forest Enterprises now licensed

One of New Zealand's leading forest investment and management companies has been licensed.

On 3 October, Forest Enterprises Limited was licensed under the Financial Markets Conduct Act 2013 to manage Managed Investment Schemes (excluding managed funds) which are primarily invested in forestry assets.

Managing Director Steve Wilton describes the licence as a "milestone" for the company.

He says Forest Enterprises was, on 5 October, one of just two forestry investment specialists that had been licensed out of a total of 51 licensed MIS managers. Most of the others are managers of managed funds.

Licensing of MIS managers is part of a package of reforms designed to lift industry standards, improve confidence in markets, and improve outcomes for consumers and investors.

Forest Enterprises is based in Masterton, where it was established in 1972. It manages 61 forest investments for more than 7500 investors, 95 percent of whom are from outside of the Wairarapa, including 7 percent from overseas.

"Our investment schemes have always been and remain regulated financial products. What's different is that Forest Enterprises as the manager is now also licensed and is therefore subject to a similar robust compliance regime as the managers of other types of investment," he says.

"In saying that, our investors will be pleased to learn that many of the investor protections that are now mandatory under the Act were already an integral part of our business model. That was very satisfying as Forest Enterprises has historically led the industry with innovative forestry investment options suitable for inclusion in a diversified investment portfolio."

Mr Wilton says the licence is very timely given the increased interest in forestry investment as the returns from other investment options have fallen away.

"Forestry appeals to many investors because of the tangible nature of the investment - you can actually see and touch the trees you own - and most importantly, the returns from forestry compare favourably with many other investment options," he says.

"Being licensed is pivotal to realising our plans which include the release of a number of new forestry investments from 2017. Many of these new investments will be in the second rotation of forests planted by the company for investors 25 to 30 years ago.

"Becoming licensed means we have demonstrated Forest Enterprises meets the high standards under the Act for providing forestry investment management services.

"As one would expect, it has been an intense and comprehensive process which does not stop once a licence is granted. Compliance and monitoring of our business and our forestry investments is ongoing."

### About Managed Investment Scheme licensing

<https://fma.govt.nz/compliance/licensing-and-registration/who-needs-a-licence/#MIS>



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Forest Enterprises is the business name of Forest Enterprises Growth Limited and its subsidiary Forest Enterprises Limited.