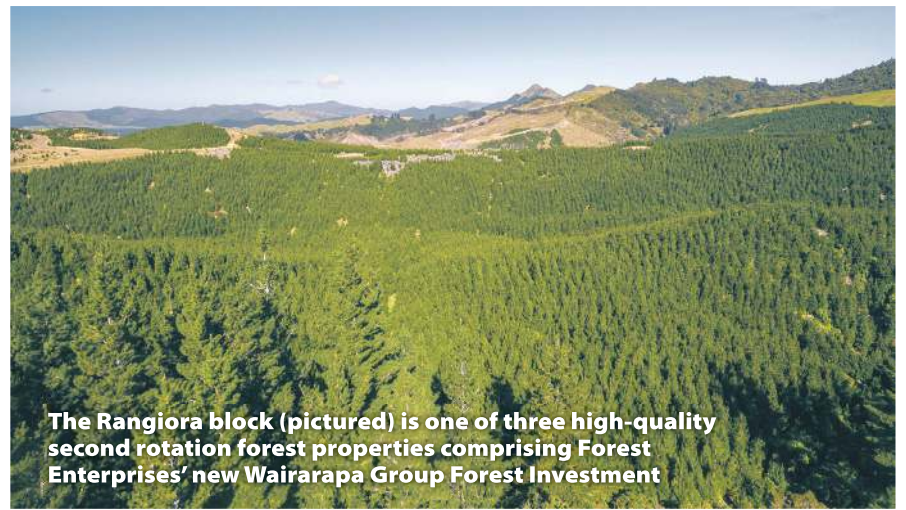


**WAIRARAPA  
RURAL  
OUTLOOK**  
MARCH EDITION

# Rewards for investors in heartland forestry



The Rangiora block (pictured) is one of three high-quality second rotation forest properties comprising Forest Enterprises' new Wairarapa Group Forest Investment

Forest Enterprises' vision when it started in business 50 years ago was to make forestry investment accessible to retail investors.

Before then, forestry investment was the privilege of pension funds and corporates.

Once again, Forest Enterprises is promoting new opportunities for the next generation of investors.

This growing business manages over 20,000 hectares of radiata forestry on behalf of more than 6600 individual investors, and has over \$450 million in assets under management. Almost half of Forest Enterprises' forests are located in Wairarapa.

Forest Enterprises is now owned by five senior managers, most of whom live in Wairarapa.

It is the only forestry investment company to have a lawyer, a

chartered accountant, a chartered director and registered forestry consultants as owners and directors. It has grown to 21 staff with three based in their new regional office in Gisborne city.

## Harvest time

Forest Enterprises has reached its peak harvest production in Wairarapa of around 350,000 tonnes per year, making it the largest harvester in the region. Seven logging crews are contracted to Forest Enterprises here.

40% of their Wairarapa cut is supplied to domestic timber mills like Kiwi Lumber Masterton and Davis Sawmilling in Featherston.

The remainder is exported via CentrePort in Wellington, travelling by rail from Waingawa. In 2018, about 146,000 tonnes of Forest Enterprises' logs were transported by rail; the equivalent of 4800 truck movements that did not have to travel SH2 over Remutaka Pass.

Every hectare harvested is replanted the following winter. Forest Enterprises will plant 400,000 trees in 2019.

## Generating returns

"Forestry seems a simple concept, though at the end of the day it is the quality of the management that determines the amount of money made by investors", says CEO Bert Hughes. "It may be a passive investment, but when our investors stand in their forest they feel a strong personal and emotional attachment."

With harvest under way, investors are seeing returns. Forest Enterprises has paid \$20 million in harvest distribution payments since January 2018.

Investment returns are dependent on key factors like log prices, crop quality and volume when the trees are harvested, and harvest and roading costs.

Managed Investments Director Graeme Tindall says that New

Zealand logs are fetching historically high prices overseas.

## New opportunity for the next generation

Forest Enterprises' investment opportunity is the Wairarapa Group Forest Investment. It is a 970-hectare forest, comprising three second-rotation forest properties in the Bideford, Ngahape and Te Wharau areas. Forest Enterprises managed these blocks through to the successful harvest of their first rotation crop.

A second rotation pine forest has the benefits of soil conditioned for pine trees, superior tree stock genetics, and roading infrastructure in place for the next harvest. All of these can help enhance the return on investment.

Forestry is a long-term investment; returns for Wairarapa Group Forest Investment are projected to start in around 20 years.

# Live here. Invest here.

## Invest in a Wairarapa forest, managed by a trusted Wairarapa company

From our home base in Masterton, we've been helping kiwis grow their wealth through forestry investment since 1972. Now open is the Wairarapa Group Forest Investment - 970 hectares of high quality second rotation forestry, in your own heartland.

Invest from \$9,200 + affordable annual installments until harvest.

To learn more and for a copy of the product disclosure statement, contact us.

0800 746 346 | [forestenterprises.co.nz](http://forestenterprises.co.nz)

The issuer of shares in Wairarapa Group Forest Investment is the manager Forest Enterprises Limited, and the offeror of shares is Forest Enterprises Growth Limited (a related party of the manager).



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Creating wealth. Naturally.