



Irish Forestry Funds go International



THE INTERNATIONAL FORESTRY FUND

The proven twelve-year track record of I.F.S. Asset Managers Ltd (IFS) with over €90 million in the Irish Forestry Funds under management combined with the financial expertise of Helvetia Wealth A.G. a Swiss based Wealth Manager, has culminated in the launch of the International Forestry Fund.

The concept behind the new fund is to attract institutional, pension fund and high net worth individuals to the secure haven of long term diverse forestry investment. "We have seen the benefits of the Irish Forestry Funds for our Irish investors" said Trevor McHugh, Managing Director of IFS, "especially the fact that we never went down the road of leveraging our funds and then facing the prospect of being forced to liquidate high quality assets to repay the debt in an adverse economic environment". Trevor stated that it would have been tempting

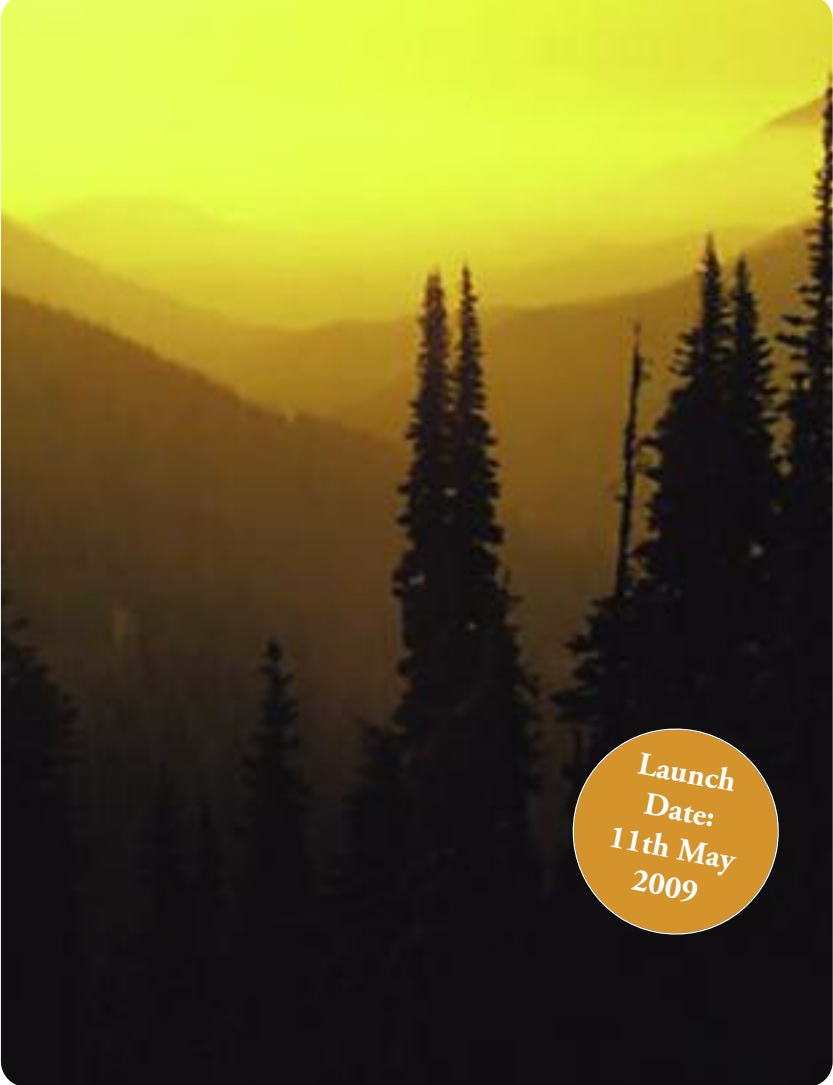
"Our investor's forestry assets continue to grow regardless of economic conditions"

to borrow to increase portfolio scale in the early years but the conservative view of IFS was to hold fast to prudent principles in keeping with the asset class that has formed the backbone of the success of IFS. "Our investors' forestry assets continue to grow regardless of economic conditions" he continued.

Forestry investment has grown from an "exotic" asset class even as little as ten years ago, to become mainstream for many leading institutions including Yale University and Harvard University both of whom hold very significant investments in tropical hardwood and northern hemisphere softwood plantations.

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THE SEVENTH FORESTRY GROWTH PLAN PLC *Invest in Real Growth*



**Launch Date:
11th May
2009**

- Tax Efficient investment
- Minimum Lump Sum investment €750
- 12 year investment period
- Managed by IFS Asset Managers Ltd

The Seventh Forestry Growth Plan Plc is open for subscription to Irish residents only.

The Seventh Forestry Growth Plan Plc.
Eblana House,
Eblana Avenue,
Dún Laoghaire,
Co. Dublin

Tel: 01-284 1777
Fax: 01-284 5195
Email: info@irish-forestry.ie
www.irish-forestry.ie

past performance is no guarantee of future returns

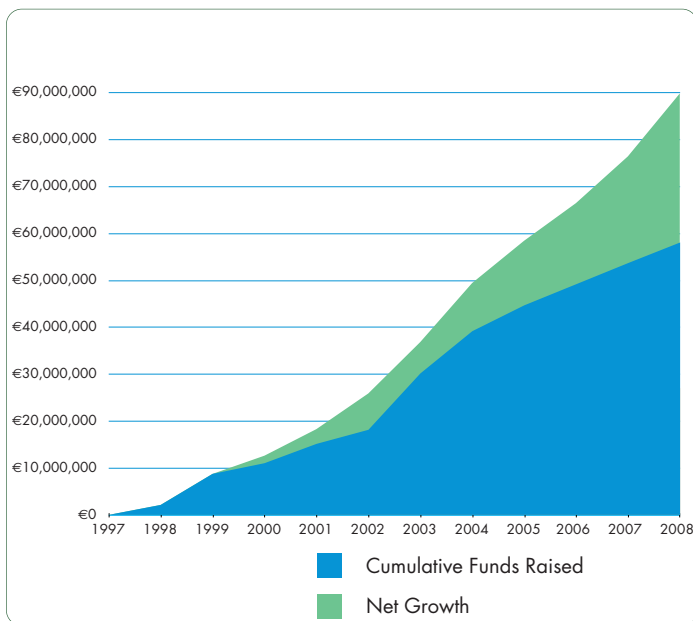


Providing you with continuous innovation in Irish forestry investment

Irish Forestry Funds go International *continued*

Harvard increased the percentage of commercial forestry in its USD \$43 billion endowment fund from 4% to 6% in 2008 and now has USD\$2.6 billion in forestry assets. Over the past two decades, Yale's USD \$23 billion Endowment Fund has dramatically reduced its dependence on domestic marketable securities by reallocating assets to nontraditional asset classes including significant woodland holdings. The real assets portfolio plays a meaningful role as a powerful diversifying tool and a generator of strong returns.

The International Forestry Fund's strategy is to acquire and manage a productive global portfolio of forestry and



land in a socially responsible manner and is primarily targeted at pension fund trustees, pension and financial institutions and high net worth individuals both in Ireland and, through Helvetia Wealth, in mainland Europe and further a field. The minimum investment in the International Forestry Fund is €100,000.

The Fund's strategy is to have a forestry portfolio with diversified species, diversified age classes, diversified geographic locations and diversified currencies. This

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ensures that the Fund will be able to take specific commercial advantage of economic upturns and maintain its strong ethical and socially responsible ethos. Land that is acquired in tropical regions will be reforested with a biodiverse range of tropical hardwoods such as Teak and Mahogany and indigenous species such as Spiny Cedar, Amarillo, Zapatero and Rosewood. PEFC, ITTO and FSC certification programmes are currently being researched for their appropriateness to the portfolio.



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HELVETIA WEALTH

For further details on this Fund please log onto our website at www.ifsam.ie or go directly to the International Forestry Fund site at www.forestry-fund.com. Alternatively, please email info@forestry-fund.com.

Growing through Recession

Despite all the pessimistic news on the Irish economy it is worthwhile examining the positive fundamental basics of Irish forestry investment:

- Trees grow at a highly predictable rate and organic growth continues irrespective of economic conditions.
- Forestry has a low correlation to other asset classes and provides stability at times of market turbulence.
- Hedge against price instability by holding on to trees – "Store on the stump".
- Over 90% of the world's timber comes from natural forests which are depleting.
- Plantation forests reduce pressure on natural rainforests and reduce the effects of global warming through Carbon Sequestration.
- Timber is the third largest internationally traded commodity after oil and gas.

- Forests provide a valuable habitat for fauna and flora
- Global demand for timber is increasing at a faster rate than supply can meet.
- Majority of current world timber is inaccessible.
- Forest investments are becoming more liquid due to increased interest in recent years from corporate and institutional investors.
- Trees grow in Ireland at a faster rate than elsewhere in the northern hemisphere

Forests are a natural growing store of long-term real wealth which can be easily transferred from generation to generation which is one of the reasons why institutional investors are increasingly seeing the attractiveness of forestry as an asset class.

Tree chemical release helps cool planet



Trees could be more important to the Earth's climate than previously thought, according to a new study reported in the British press that reveals forests help to block out the sun.

Scientists in the UK and Germany have discovered that trees release a chemical that thickens clouds above them, which reflects more sunlight and so cools the Earth. The research suggests that chopping down forests could accelerate global warming more than was thought, and that protecting existing trees could be one of the best ways to tackle the problem. Dominick Spracklen, of the Institute for Climate and Atmospheric Science at Leeds University, said: "We think this could have quite a significant effect. You can think of forests as climate air conditioners."

The scientists looked at chemicals called terpenes that are released from boreal forests across northern regions such as Canada, Scandinavia and Russia. The chemicals give pine forests their distinctive smell, but their function has puzzled experts for years. Some believe the trees release them to communicate, while others say they could offer protection from air pollution. The team found the terpenes react in the air to form tiny particles called aerosols. The particles help turn water vapour in the atmosphere into clouds. Spracklen said the team's computer models showed that the pine particles doubled the thickness of clouds some 1,000 m above the forests, and would reflect an extra 5% sunlight back into space. He said: "It might not sound a lot, but that is quite a strong cooling effect. The climate is such a finely balanced system that we think this effect is large enough to reduce temperatures over quite large areas.

It gives us another reason to preserve forests. "The research, which will be published in a special edition of the Royal Society journal *Philosophical Transactions A*, is the first to quantify the cooling effect of the released chemicals. The scientists say the findings "must be included in climate models in order to make realistic predictions". Because trees release more terpenes in warmer weather, the discovery suggests that forests could act as a negative feedback on climate, to dampen future temperature rise. The team looked at forests of mainly pine and spruce trees, but Spracklen said other trees also produce terpenes so the cooling effect should be found in other regions, including tropical rainforests.

Source: COFORD, The National Council for Forest Research and Development, Dec. 2008

Japan finalises carbon offset system for forests

Japan Lumber Reports indicated that Japan's Ministry of Forestry has established a forest carbon credit system. The system, which is based on the J-ver (Japan Verified Emissions Reduction) system launched in November 2008, will help calculate forest carbon dioxide absorption and is the first of its kind. The absorption will be calculated and estimated in credits, which can then be sold to carbon dioxide emitting companies already registered in the J-ver system. The Ministry hopes the credits will be traded in the carbon market and funds reinvested in the forestry industry.



Three projects will hold particular attention in the forest absorption system:

- thinning promotion and management;
- sustainable forest management;
- and plantation management.

Areas thinned after 2007 will be the target of the efforts under the Japanese system. Sustainable forest management activities will be in areas harvested and replanted after 1990. Plantation projects will focus on replanting, and all forests eligible for credits under the credit system need to have a forest management system compliant with the Forest Law. In order to generate credits, one of the following three conditions has to be satisfied:

- a long-term forest management plan based on the Forest Law must be in place;
- an FSC or SGEC certificate must be granted to the area
- or a forest management system must be established by local government.

Source: ITTO Tropical Timber Market (TTM) Report, an output of the ITTO Market Information Service (MIS), Volume 14 Number 6, 16-31 March 2009

Rowan (*Sorbus aucuparia*)

Distribution & Provenance

Rowan is a native species to Ireland and the rest of Europe. It has an extensive natural range from Iceland across to western Russia and from Morocco in north Africa east to Turkey and northern Iran. It is also known in Ireland as mountain ash although it is not related to ash (*Fraxinus excelsior*). In some parts of Ireland rowan is known as quicken. It is found at higher elevations (up to 900 metres) than almost any other broadleaved species. Native Irish provenances of rowan are used and recommended for planting in Ireland.



Non Timber Benefits

Rowan, as a species tolerant of exposure, is often seen growing on field boundaries and around houses where it can be a useful provider of shelter. It is also a highly attractive tree, producing white blossom in the Spring and red berries in the Autumn. For this reason it is often grown as an ornamental tree in private gardens, along roadsides and in public parks. Rowan berries are traditionally used in the making of jellies and are fermented, yielding a drink not unlike perry. Rowan plays an important role as a native broadleaved species capable of growing on upland forestry sites and as such contributes to the maintenance and enhancement of biodiversity in these areas. As a small sized, light crowned tree, it is acceptable for public road side planting.

Position in Irish Forestry

Rowan plays an important role in upland forestry as one of the few broadleaved species suited to many of the sites utilised for commercial conifer crops. Its ability to regenerate freely means that it is ubiquitous in the Irish landscape, particularly in upland areas. The species is firmly rooted in Irish folklore and was traditionally planted around dwellings as it was considered to have protective qualities against danger. An old term for rowan was "fid na ndruid" or the "tree of the druids". Its Irish name "Caorthann" features in many Irish place names such as Drumkeerin or Ballykeerin. Rowan foliage may have been used as winter feed for cattle and during the famine was used as food for human consumption.

Uses & Markets

Rowan timber is extremely hard and dense and has a dark, purplish brown heartwood surrounded by a pale, yellowish brown sapwood. It rarely produces dimensions or quantities suitable for sawing and is therefore not considered as a commercial species. However, it is sought after by wood carvers and turners. Traditionally the timber was used in the manufacture of bows, spinning wheels, and other household utensils.

Source: Forest Service, Department of Agriculture Fisheries & Food

Silviculture & Management in Ireland

Rowan is a common tree in hilly, rocky areas and will grow equally well on acid or alkaline sites. Rowan will not tolerate waterlogged conditions and grows best on light textured brown earths and more fertile peats. It is tolerant of exposure and is often found in odd, inaccessible places such as cliff faces, steep river gorges and rocky outcrops. The seed is naturally distributed by birds that feast on the bright red berries produced in the autumn. Rowan is a light demanding species and is rarely found surviving under the canopy of other species. Instead, it is often planted along plantation edges and roadsides to soften the visual impact of commercial plantations. It also regenerates naturally along forest roadsides and ridelines.

Rowan is not considered a commercial species in Ireland and is rarely planted in groups of greater than a few trees. Instead, it is usually planted in a scattered fashion, providing diversity of colour and texture to the landscape and so is unlikely to require pruning or thinning. Rowan does not grow to a very large size, rarely more than 15 metres when mature. It is a coppicing species which means that when cut, new shoots will develop from the exposed stump.

Greenwood Update

Following a number of additional complaints from shareholders who are continuing to receive unwanted telephone communication from Greenwood Investments, we strongly suggest that shareholders who have been recently contacted by Greenwood, despite their objections to such unwarranted solicitation, make contact with the Office of the Data Protection Commissioner, Canal House, Station Road, Portlington, Co. Laois. Low call Number 1890 252 231 or Telephone: 057 868 4800 E-mail: info@dataprotection.ie The Office of the Data Protection Commissioner was established to protect your rights and privacy and will ensure that all businesses that ignore Irish legislation are dealt with accordingly. It is up to you to ensure that inappropriate telephone solicitation is prevented by reporting abuse to the Data Protection Commissioner.

Change of Address or email

Don't forget to let us know if you change your address or email.

It is important that shareholders notify the Registrar in writing if changing address, remembering to include Share Certificate Numbers on all correspondence. If you do not wish to remain on our mailing list please contact us and we will remove your details immediately.

The Irish Forestry Funds,
Eblana House,
Eblana Avenue,
Dún Laoghaire,
Co. Dublin

Tel: +353 (0)1 2841777
Fax: +353 (0)1 2845195

E-mail: info@irish-forestry.ie

Website: www.irish-forestry.ie

Spread the Word !

The Irish Forestry Funds are designed to encourage and promote Irish forests to Irish people through collective ownership in order to ensure that the tax efficiencies inherent in commercial forestry are available to as wide an audience as possible.

Whilst you may not wish to take advantage of investing in the Seventh Forestry Growth Plan, which is due to be launched in May, you can help promote forestry ownership by passing this newsletter and any other published material to someone you know - recycling at its best!