

Green Belt Panama Teak Investments LP



*“Creating wealth naturally...
through a solid, sustainable investment in teak plantations in Panama”*

The promoter and investment manager, Green Belt Ltd, is Ireland's leading private forestry company and the national market leader in the area of new forest establishment. Green Belt currently provides forestry management services to over 125,000 hectares, managing c.€500 million in asset value and planting an average of 2,000 ha of new forests in Ireland each year.

Green Belt already has a strong track record of developing successful teak investment portfolios in Panama having been active in the market during the period 2005 - 2013, when they established and managed 650 hectares of teak plantations in Panama. This investment was successfully exited in 2013 following the sale of the portfolio of plantations and land to a US based Timber Investment Management Organisation.

Green Belt's investment objective is to acquire, over a 5 year term, c.2,400 hectares of productive land in Panama, to develop teak plantations, with a disposal planned in years 8-10 of the investment term targeting compounded returns of 7% to 8% per annum.

Reasons to Invest in this Product

✓ High Target Returns	The target return is 7%-8% compounded per annum with a €1,000,000 investment targeting €1,750,000 (pre-tax, net of all fees, including the initial capital investment) at the projected end of the investment term.
✓ Low volatility	Low levels of internal gearing resulting in a lower risk profile
✓ Asset Backed	The investment proceeds will be used primarily to purchase fixed assets, i.e. land in Panama, and to lease, license, grow and manage teak plantations
✓ Stable Demand	Central American teak has historically exhibited stable demand and price growth
✓ Turnkey Investment	The investment is turnkey with no management required by Investors
✓ Private Pensions	The investment is open to Self Administered Pension Schemes and Approved (Minimum) Retirement Funds (ARF's)
✓ Strong Management Team	Green Belt Ltd is an experienced forestry management company employing an experienced team with a proven track record in Ireland and Panama
✓ Local Experience	An experienced local manager is essential to delivering a successful investment. Green Belt has built up a strong working relationship with Panama Reforestation Services SA, a leading forest management company.
✓ Ethically & Environmentally Sound	The plantations will be managed in line with sustainable forest management (SFM) principles and as the plantation matures independent verification may be sought.



Panama Teak

Investment opportunity



Investment Structure

- Invest in an Irish domiciled Limited Partnership, Green Belt Panama Teak Investments (One) LP, which will wholly own a Panamanian subsidiary, Panama Teak 2 SA (PT2)
- PT2 will qualify for an income tax exemption status in Panama as a registered forestry operator.
- PT2 will acquire, lease or license land in Panama and establish and manage teak plantations
- Profits will be earned by PT2, and once received, the net profit will be distributed to the partners (following the dissolution of the Irish company, if appropriate, and following the redemption/repayment of the LP investment).
- The profits will be subject to capital gains tax which is currently 33% (based on current tax law in Ireland).
- Based on previous experience, Green Belt expects to exit the investment in years 8 – 10, once the plantations are established, appropriately managed and substantially de-risked.
- Targeted return is 7%-8% compounded per annum.

Teak as an Asset Class

- Teak is one of the world's most sought after hardwoods, which historically has exhibited steady price appreciation and stable demand.
- The plantation teak price index increased at a rate of 11.4% p.a. for the period 2009-2015.

Panama as an Investment Location

- The investment location, Panama, is a stable, US dollar economy where teak plantations have already been successfully established by Green Belt and other international investor groups. The hot and periodically moist, tropical climate and deep fertile soils provide optimal growth conditions for teak, allowing a crop of mature teak to be produced in c.18 to 22 years.

Financial Returns Forecast

- The target return is 7% -8% (pre-tax and carried interest, net of fees) compounded per annum yielding a 1.7x cash multiple
- Timing of exit will be determined by the Board taking cognisance of prevailing market conditions.

Exit Year	Yr 7	Yr 8	Yr 9	Yr 10
Cash Multiple	1.6x	1.75x	1.87x	1.96x
Compounded Return %	7.0%	7.25%	7.25%	7.0%