

Par Forestry Partners LP - Key Information Document

Purpose

This document provides you with key information about Par Forestry Partners LP (“the Fund”). It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product, and to help you compare it with other products. An information memorandum has been prepared in respect of the Fund and you are encouraged to obtain and review it carefully.

General Information

Product name:	Par Forestry Partners LP
ISIN/UIPI:	not applicable
Product manufacturer:	Par Fund Management Limited (“Par Equity”)
Product manufacturer’s website:	www.parequity.com
Product manufacturer’s contact guidance:	Par Equity may be contacted by e-mail (info@parequity.com), by post (Par Equity, 3a Dublin Meuse, Edinburgh EH3 6NW), or by telephone (+44 (0)131 556 0044).
Competent supervisory authority (product manufacturer):	Financial Conduct Authority (www.fca.org.uk). Par Equity is authorised and regulated by the Financial Conduct Authority and appears in the Financial Services Register under reference 485668)
Product operator:	NCM Fund Services Ltd (“NCM”)
Product operator’s website:	www.ncmfundservices.com
Product administrator’s contact guidance:	NCM may be contacted by e-mail (Sukhjit.Dhaliwal@ncmfundservices.com), by post (NCM Fund Services, 7 Melville Crescent, Edinburgh EH3 7JA), or by telephone (+44 (0) 131 603 7020).
Competent supervisory authority (product operator):	Financial Conduct Authority (www.fca.org.uk). NCM Fund Services is authorised and regulated by the Financial Conduct Authority and appears in the Financial Services Register under reference)
Date of production of Key Information Document:	1 January 2018

What is this Product?

The Fund is not simple and may be difficult to understand.

Type

The Fund is a limited partnership. It is classified, severally, as an Alternative Investment Fund, a Non-Mainstream Pooled Investment and an Unregulated Collective Investment Scheme, for various legal and regulatory purposes. The Fund acts through a special purpose vehicle (“the General Partner”), which is a Par Equity group company.

Objectives

The Fund’s objective is to acquire and manage a portfolio of commercial forestry plantations, primarily in Scotland but potentially in the North of England or North Wales, with a view to selling them towards the end of the Fund’s life. Some plantations may have timber suitable for felling during the life of the Fund. Income generated will firstly be applied to meeting the running costs of the Fund, but any surplus would be available for distribution to investors.

Intended retail investor

The Fund is not primarily intended for retail investors and its promotion to retail investors is very tightly constrained. The Fund may nevertheless be suitable for retail investors who are sufficiently knowledgeable about investment generally and forestry specifically to understand the nature of the Fund (in the context of any financial advice they may obtain in connection with it), have a long-term investment horizon and who have the ability to tolerate investment risk, including risk to capital and illiquidity. It may also be suitable for investors with specific tax objectives, such as estate planning.

Insurance Benefits & Costs

The Fund has no insurance or insurance-related features. Your capital is not protected.

General Summary of Risk and Returns

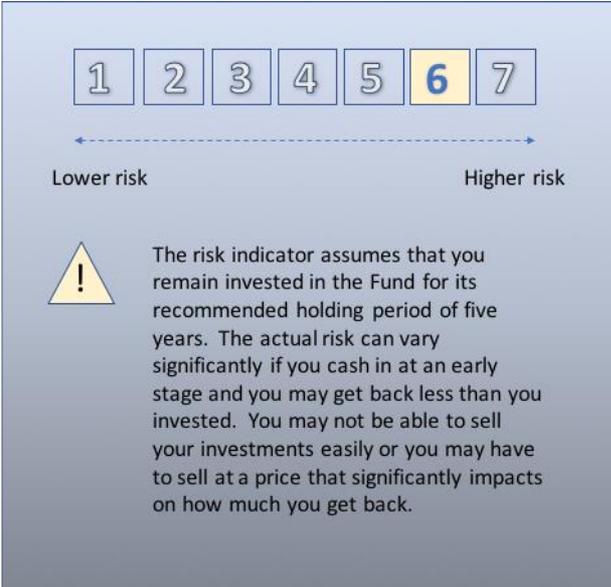
Your capital will be invested alongside that of other investors, via the Fund, in a portfolio of commercial forestry plantations. The Fund is expected to operate for around ten years, and towards the end of its intended life, its forestry assets will be sold. During the fund’s life, standing timber may be felled and sold, but as there is generally an obligation to replant, any timber sales during the life of the Fund may not result in a distribution of income to you. Generally, any income produced by the Fund’s assets will be used to meet the Fund’s operating costs.

Maturity

The Fund has a scheduled maturity date of 30th November 2026, but its term may be extended (with investor consent) by up to two further one-year periods. In the run-up to the termination date all assets will be sold and proceeds, net of costs, returned to investors.

What are the risks and what could I get in return?

Summary Risk Indicator



1 2 3 4 5 **6** 7

←----- Higher risk

Lower risk ----->

! The risk indicator assumes that you remain invested in the Fund for its recommended holding period of five years. The actual risk can vary significantly if you cash in at an early stage and you may get back less than you invested. You may not be able to sell your investments easily or you may have to sell at a price that significantly impacts on how much you get back.

The summary risk indicator is a guide to the level of risk of the Fund compared to other financial products. It shows how likely it is that the Fund will lose money because of movements in the markets or because we are not able to pay you. We have assigned a risk indicator score of 6, which is the second-highest available risk class. This is because the Fund is invested in commercial forestry. While market data is available in respect of the forestry market in the UK, we are not satisfied that it is possible to generate a reference price with the required frequency (not less often than monthly). As a result, the Fund has been given a market risk score of 6. Where a market risk score of 6 has been assigned, the Risk Indicator score is 6 irrespective of what level of credit risk is assigned. In the case of the Fund, credit risk arises because at any given time the Fund will have cash at bank and may from time to time be owed money by trade creditors. The Fund banks with a UK financial institution. You should also be aware that commercial forestry is illiquid compared with assets such as listed shares. This is important because although individual investors may be able to withdraw early from the Fund, the speed with which this can be achieved will depend on the cash position of the Fund at that time. **The Fund does not include any capital protection from future market performance so you could lose some or all of your investment. The summary risk indicator does not take into account your personal tax situation, which may also affect how much you get back.**

Performance Scenarios

This table shows the money you could get back over the next eight years, under different scenarios, assuming that you invest £10,000. Please note that the rules governing the preparation of KIDs specify that scenarios are presented using an investment of €10,000 or an equivalent presentation in the Fund's functional currency, the minimum you may invest as a first-time investor in the Fund is in fact £50,000.

Scenarios	£10,000 invested	1 year	5 years	9 years (recommended holding period)
Stress scenario	What you might get back after costs	£8,973	£8,139	£7,158
	<i>Average return each year</i>	-10.3%	-4.0%	-3.6%
Unfavourable scenario	What you might get back after costs	£9,695	£10,267	£13,576
	<i>Average return each year</i>	-3.1%	0.5%	3.5%
Moderate scenario	What you might get back after costs	£9,780	£12,025	£17,382
	<i>Average return each year</i>	-2.2%	3.8%	6.3%
Favourable scenario	What you might get back after costs	£9,823	£12,853	£20,433
	<i>Average return each year</i>	-1.8%	5.1%	8.3%

The figures shown include all the costs of the product itself, but not the costs that you pay to your adviser or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back. The performance scenarios are intended to give a balanced presentation of the possible pre-tax outcomes of the Fund in both favourable and unfavourable conditions, and are scenarios that can reasonably be expected.

The nature of the forestry sector is such that rich statistical data, as contemplated under the rules governing the preparation of KIDs, is not available in respect of investment performance. These scenarios should not therefore be interpreted as representing a statistically-generated probability distribution. In particular, market performance has been unusually strong in recent years and use of this data could generate an unreasonably high set of illustrative returns.

What happens if Par Equity is unable to pay out?

Your investment in the Fund is not directly exposed to the failure of Par Equity, as the Fund's assets are held in its own name and its cash is held in its own bank account. Should Par Equity cease to act as investment manager of the Fund, another investment manager should be capable of being found.

The Fund's ability to return capital and, potentially, profits to you will depend on the Fund's performance. Were the Fund to be unable to pay out, your capital would be lost

What are the costs?

The reduction in yield ("RIY") shows what impact the total costs you will pay will have on an investment return you might get. The total costs take into account one-off, ongoing and incidental costs. Note that although you don't bear these costs directly, they will impact on the net asset value of the Fund and therefore what you might get back from it.

Cost over Time

The amounts shown here are the cumulative costs of the product itself, for three different holding periods. The figures are per £10,000 invested. The figures are estimates and may change in the future.

The person selling you or advising you about the Fund may charge you other costs. If so, this person will provide you with information about these costs, and show you the impact that all costs will have on your investment over time.

"Moderate" scenario, per £10,000 invested	1 year	5 years	9 years (recommended holding period)
Total costs	£390	£850	£1,110
<i>Impact on return ("RIY") per year</i>	3.9%	1.7%	1.2%

Composition of Costs

The table below shows:

- The impact each year of the different types of costs on the investment return you might get back at the end of the recommended holding period
- The meaning of the different cost categories

This table shows the impact on return per year and is based on the "Moderate" scenario and an investment of £10,000			
One-off costs	Entry costs	0.06%	The impact of the costs (2.0% of investment amount) you pay when entering your investment.
	Exit costs	0.13%	Of aggregate commitments
Ongoing costs	Management Fee	0.73%	The cost borne by the Fund of employing Par Equity. The fee is calculated on aggregate commitments, not assets under management.
	Operator fee & other fund costs	0.23%	A total fund size of £5 million is assumed
Incidental costs	Performance fees	0.0%	Carried Interest, subject to achieving or beating a hurdle equivalent to the average total return of the IPD UK Annual Forestry Index over the lifetime of the Fund, is payable at a rate of 12.5%. As the performance scenarios are based on achieving (but not beating) the market return, no performance fee payments are included in the illustrations.

How long should I hold it and can I take my money out early?

The Fund has a scheduled maturity date of 30th November 2026, but its term may be extended (with investor consent) by up to two further one-year periods. In the run-up to the termination date all assets will be sold and proceeds, net of costs, returned to investors.

Although it may be possible for you to take your money out early, you would have no automatic entitlement to do so. A disposal of an interest in the fund prior to its maturity date could also involve loss of value, either through lack of demand for the interest or through the costs of selling it (or both). As fund interests are not liquid, any disposal could take some time to achieve.

How can I complain?

Par Equity and NCM are both authorised and regulated by the Financial Conduct Authority and each has written procedures intended to ensure the effective consideration and proper handling of complaints. In the first instance, complaints should be directed to Par Equity or NCM, using the contact details provided in this KID.

Neither Par Equity nor NCM have a direct client relationship with Limited Partners. Certain types of investor may nevertheless have recourse to the Financial Ombudsman Service should either Par Equity or NCM resolve a complaint to the complainant's satisfaction.

Other relevant information

We have produced a comprehensive information memorandum relating to the Fund which is the basis on which the Fund is promoted. We strongly suggest that you and/or your adviser read this KID in conjunction with and not instead of the information memorandum.