



FORESIGHT SUSTAINABLE FORESTRY COMPANY PLC

Quarterly Factsheet | 30 June 2023



108.5p

NAV per share (31 Mar 2023)



3.3%

NAV return (since 30 Sep 2022)



£186.6m

Fund NAV (31 Mar 2023)



10.6%

Total NAV return since IPO

Foresight Sustainable Forestry Company Plc ("FSF", "the Company") is the first and only UK listed investment trust focused on UK forestry, afforestation and natural capital. It provides investors the opportunity for real returns from growing assets that combat climate change and protect biodiversity.

INVESTMENT OBJECTIVES

- Real returns, capital appreciation and supply of UK timber
- Value creation through afforestation opportunities
- Combat climate change and protect biodiversity
- Rare access to high-integrity voluntary carbon credits

COMPANY DETAILS

Company Name	Foresight Sustainable Forestry Company Plc
Listing and Domicile	UK domiciled investment trust, trading on the London Stock Exchange's Main Market, Premium Segment of the Official List (Ticker, FSF.L)
Launch Date	24 November 2021
Investment Manager	Foresight Group LLP
Net Asset Value ("NAV")	£186.6 million
Share price discount to NAV (between IPO and 30/06/2023)	7.83%
Annual Management Charge	0.85% of NAV up to £500 million and 0.75% of NAV in excess of £500 million. No performance or deal fees
Ongoing Charges (OCR)	1.4% of current NAV
ISIN	GB00BMDPKM71
SEDOL	BMDPKM7
Denomination	GBP
Year End	30 September
Annual Report Published	December
Interim Report Published	June

MANAGEMENT COMMENTARY

This quarter has been quieter from an acquisitions perspective, with no new properties added to the portfolio. With the Company's equity proceeds fully deployed, FSF's £30 million Revolving Credit Facility remained fully undrawn and available. The Company remains committed to identifying NAV accretive acquisition opportunities and has a healthy pipeline of properties that offer the potential for both attractive risk-adjusted returns, but that also directly contribute to the twin fights against climate change, biodiversity loss and done in a way that enables a Just Transition.

The period saw the disposal of one non-core residential property complete for gross proceeds of £750,000, leaving the retained property as a more concentrated afforestation asset. As a result of the disposal, the % of GAV allocated to Non-Core assets in the portfolio decreased to 3.1%. The disposal of several other non-core residential properties in the portfolio remain ongoing and continue to progress well.

Operationally, the Company has been making good progress towards developing its portfolio of afforestation properties, in time for the next planting season (October to May). The Company's current afforestation portfolio is on track to see a total of c.4,120 hectares of land planted with c.9 million trees, equivalent to one-third of the total area that was planted with trees in the UK in FY 22/23.

The Company anticipates its 2024/2025 planting programme will create c.750 regional employment opportunities to get all projects planted, requiring c.11,000 person-days of combined effort. This is equivalent to more than 50 person-years of work.

In the light of rising interest rates and high inflation, demand for sustainable timber in the UK remained relatively subdued during the period. On the supply side, with most storm Arwen damaged timber now processed through supply chains, inventories are back to more normal levels. Looking forward, the timber demand outlook internationally has improved during the reporting period. The Inflation Reduction Act in the US is expected to materially increase US timber demand. There is early anecdotal evidence that increasing volumes of European timber are being exported to the US to fulfil this growing demand. FSF continues to closely monitor timber prices and is ready to bring up to c.117,000 tonnes of mature sustainable timber to market when timber prices mean it is NAV accretive to do so.

Following the success of its pilot initiative in Wales, the Company announced the significant expansion of the Forestry Skills Training Programme. It is increasing the number of places available from four to ten and expanding the geographic scope to cover both Wales and Scotland. This is one of FSF's flagship Sustainability and ESG initiatives, which sees local members of the farming community receive a fully funded three-week course that provides all the training, skills, certifications, safety equipment and mentoring required to commence a new career in forestry. On completion of the course, participants are then offered paid work on FSF's forestry and afforestation properties.

Sources: Forest Research UK and Company Reports

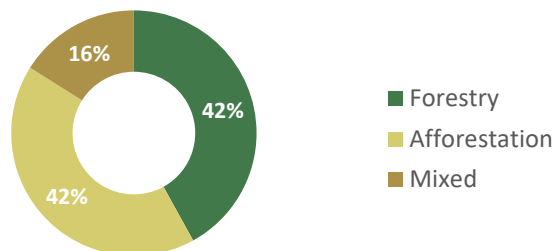
Investor Day

On Wednesday 20 September Foresight Sustainable Forestry Company is hosting an Investor Day at Fordie Estate, Scotland. To learn more or register your interest, please [click here](#).

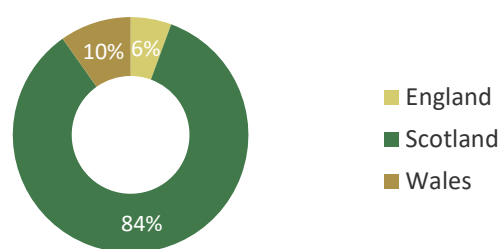


PORTFOLIO BREAKDOWN AS AT 30 JUNE 2023

Asset class (by value)



Domicile (by value)



PORTFOLIO OVERVIEW AS AT 30 JUNE 2023

Asset Classification	Hectares
Development Stage Afforestation Assets ¹	3,430
Planting Stage Afforestation Assets ¹	0
Establishment Stage Afforestation Assets ¹	690
Established Forest Assets ¹	5,760
Other Land ²	1,851
Total	11,731

PUBLICATIONS AND RESEARCH

- In June, the Company published its results for the six months ending 31/03/2023, delivering a total NAV per Ordinary Share return of 10.6% since IPO and increasing its NAV from £180.6 million to 186.6 million. Read the Company’s report [here](#).
- The Company’s results were covered positively by Kepler Trust Intelligence. The full results analysis report is available [here](#).

To register for updates and find more information about FSF, please visit our [Website](#) or contact fsfc@foresightgroup.eu

MEET THE FUND MANAGERS



Richard Kelly

Richard joined Foresight in 2015 and is a Managing Director focused on sustainable real estate and natural capital. He has over 16 years' experience in finance and new products. He is the co-lead of Foresight’s forestry team.



Robert Guest

Robert joined Foresight in 2015 and is a Managing Director focused on sustainable real estate and natural capital. He has over 16 years' experience in finance and project development. He is the co-lead of Foresight’s forestry team.

FORESIGHT GROUP HOLDINGS LIMITED

Foresight Group was founded in 1984 and is a leading listed infrastructure and private equity investment manager. With a long-established focus on ESG and sustainability-led strategies, it aims to provide attractive returns to its institutional and private investors from hard-to-access private markets. Foresight manages over 400 infrastructure assets with a focus on solar and onshore wind assets, bioenergy and waste, as well as renewable energy enabling projects, energy efficiency management solutions, social and core infrastructure projects and sustainable forestry assets. Its private equity team manages eleven regionally focused investment funds across the UK and an SME impact fund supporting Irish SMEs. This team reviews over 2,500 business plans each year and currently supports more than 250 investments in SMEs. Foresight Capital Management manages four strategies across seven investment vehicles.

Foresight operates in eight countries across Europe, Australia and United States with AUM of £12.0 billion*. Foresight Group Holdings Limited listed on the Main Market of the London Stock Exchange in February 2021.

<https://www.foresightgroup.eu/shareholders>

**Based on unaudited AUM as at 30 June 2023.*

SUSTAINABILITY AND ESG CREDENTIALS



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