



Information Memorandum for an Offer of Units in:

Terra Verde Investments Limited Partnership

Updated Offer Document: Friday 4th August 2023

Note: This Offer is open to persons who fall within the exclusions applicable to offers made to “wholesale investors” as set out in Schedule 1, clause 3 of the Financial Markets Conduct Act 2013 (FMCA). You can obtain further information on FMCA requirements, and whether you come within the exclusions and their requirements on our website: www.myfarm.co.nz/fmca

This offer is not suitable for retail investors.

Directory

Offeror and Issuer	AGInvest Trading Limited trading as MyFarm PO Box 91, Feilding 4740 Phone: 0800 693 276
Manager	AGInvest Trading Limited trading as MyFarm PO Box 91, Feilding 4740 Phone: 0800 693 276
Solicitor	Sharp Tudhope Lawyers Private Bag TG12020, Tauranga 3143 Phone: 07 578 2149

Warning

The law normally requires people who offer financial products to give information to investors before they invest. This requires those offering financial products to have disclosed information that is important for investors to make an informed decision. The usual rules do not apply to this Offer if you are a person who comes within Schedule 1, clause 3(2)(a)-(c) or 3(3)(a)-(b)(ii) (inclusive) of the Financial Markets Conduct Act 2013. This includes where the amount invested upfront by the investor (plus any other investments the Investor has already made in the financial products) is \$750,000 or more.

If you fall within Schedule 1, Clause 3 of the FMCA, as a result of this exclusion, you may not receive a complete and balanced set of information. You will also have fewer other legal protections for this investment. Investments of this kind are not suitable for retail investors. Ask questions, read all documents carefully, and seek independent financial advice before committing yourself.

This Offer is not suitable for retail investors.

Disclaimer and Declaration of Partnership Interest

This Information Memorandum has been prepared solely for the purpose of providing general information to prospective investors considering purchasing Units in Terra Verde Investments Limited Partnership (the "Offer"). It has been prepared from information provided by various parties.

This Information Memorandum does not contain all the information required to make an informed decision about the Offer. It does not constitute, and is not a substitute for, financial, legal, tax, accounting or other professional advice. It does not consider the investment objectives, financial or taxation situation or particular needs or circumstances of any prospective investor.

Any forward-looking statements in this Information Memorandum (such as indications of future earnings and financial performance) are based on assumptions about future events which may or may not be correct. They are subject to risks and uncertainties. Actual results and conditions may differ materially.

Recipients of this Information Memorandum should satisfy themselves that they have obtained all the information, taken appropriate advice, and investigated what they may deem necessary to satisfy themselves of the accuracy of the information herein. The New Zealand Carbon Farming group and its directors, officers, advisers, agents, related companies and employees are not in any way responsible for this Offer, do not in any way guarantee the performance of Terra Verde Investments LP nor any return on investment, nor do they make any representations or warranties, express or implied, and further disclaim all liability in relation to the Offer, also having the benefit of all disclaimers described in this Offer.

Financial Markets Conduct Act

Part of the FMCA applies to the offer of the financial product made in this Information Memorandum.

INVESTMENT IN TERRA VERDE INVESTMENTS LP IS ONLY OPEN TO INVESTORS THAT FALL WITHIN THE EXCLUSIONS APPLICABLE TO OFFERS MADE TO "WHOLESALE INVESTORS" AS SET OUT IN SCHEDULE 1, CLAUSES 3(2)(a) – (c) AND 3(3)(a) - (b) (ii) (INCLUSIVE) OF THE FMCA.

The Offer is not a regulated offer under the FMCA. This Information Memorandum is therefore not a product disclosure statement (PDS) under the FMCA. It does not contain all the information that would be in a PDS.

No Guarantee

Neither Terra Verde Investments LP, Terra Verde Investments GP Limited, MyFarm nor any of their respective directors, officers, advisers, agents, related companies and employees, guarantees the performance of Terra Verde Investments LP, nor guarantees any return on investment, nor makes any representation or warranty, express or implied:

- In relation to the Units in Terra Verde Investments LP, nor any recommendation on the suitability of acquisition by, or an investment in, Terra Verde Investments LP.
- In relation to, nor accepts any responsibility for, the accuracy or completeness of any information or analysis contained in the Information Memorandum or in any document distributed with this Information Memorandum; or
- That any of the information (including, without limitation forward looking statements) in this Information Memorandum, or in any document distributed with this Information Memorandum, will remain unchanged after its distribution, nor accepts any responsibility to update such information.

No Liability

To the maximum extent permitted by law, each of Terra Verde Investments LP, Terra Verde Investments GP Limited, MyFarm, and their respective directors, officers, advisers, agents, related companies and employees, disclaim all liability in relation to the matters referred to above and no person may take legal action against Terra Verde Investments LP, Terra Verde Investments GP Limited, MyFarm, (or their respective directors, officers, advisers, agents, related companies and employees) for any loss or damages suffered as a result of such person's decision to invest in Terra Verde Investments LP or in relation to any acquisition made by such person, whenever made.

Benefit of Disclaimer

This disclaimer is intended to confer a benefit on each of Terra Verde Investments LP, Terra Verde Investments GP Limited, MyFarm, and their respective directors, officers, advisers, agents, related companies and employees, and may be enforced by those persons pursuant to subpart 1 of part 2 of the Contract and Commercial Law Act 2017.

Declaration of Interest

MyFarm specialises in primary sector investments. The Directors of MyFarm are Andrew Watters and Grant Rowan, neither of whom have been declared bankrupt at any stage, nor have any criminal convictions.

The Directors of MyFarm parent company, AGInvest Holdings Limited, are John Macfarlane, Andrew Watters, Grant Rowan, Paul Richardson and Malcolm Bailey.

Forecast Financial Information

This Information Memorandum includes forecast financial information and other forward-looking statements for a proposed investment in Terra Verde Investments LP. The forecast information has been prepared on the basis of the assumptions referred to on pages 28-31 of this IM.

The purpose of the forecast financial information and forward-looking statements is to provide an indication of the level of distributions from the proposed partnership. Investors should note that actual distributions may differ from those set out in the forecasts.

Secondary Market Sales

This Information Memorandum has been prepared for an offer of new Units in Terra Verde Investments LP. Prospective investors who use this Information Memorandum in relation to acquiring Units on the secondary market (that is by transfer from an existing Limited Partner), should note that the value of the partnership interest represented by those Units may differ from the original issue price due to changes in the value of the assets of Terra Verde Investments LP, allocation of profits and losses, and distributions since the original date of issue of the Units.



Figure 1: Forecast Cash Distributions (% of contributed capital) based on acquisition of Puketai South property only

30-Jun-24	30-Jun-25	30-Jun-26	30-Jun-27	30-Jun-28
8.50%*	8.50%	8.50%	8.03%	8.45%

"Terra Verde Investments Limited Partnership is an opportunity to access inflation protected forecast cash returns of 8.5% p.a.* from a passive investment in forests that are intended to be actively managed to regenerate to native species."

* Return quoted based on contributed capital. First distributions expected to commence in October.

1. OFFEROR'S LETTER



Dear Investor,

We are pleased to share a revised offer for Terra Verde Investments LP ("Terra Verde" or "the Partnership"), an investment that we believe is well suited for the current financial climate.

Terra Verde is structured to provide regular cash returns commencing at 8.5% p.a., an attractive proposition given today's high inflation, high-interest rate environment.

Terra Verde will be established to purchase Puketai South, a 565.5 hectare bare land property, that will be planted with Pinus Radiata this winter/spring. The newly planted forest is planned to cover between 435 and 455 canopy hectares, planted at a stocking rate suited for carbon sequestration. The forest will be actively managed either to transition to native forest over time (if Terra Verde decides this property should be managed as a Permanent Forest under the Emissions Trading Scheme) or as a harvestable forest. Most of the remaining area features existing New Zealand native bush and scrub.

The investment aims to provide investors with inflation adjusted returns from a long-term triple net lease to an entity within the New Zealand Carbon Farming group ("NZCF"), one of New Zealand's largest private landowners. The proposed lease will provide the lessee with the right to income generated from the property during the term of the lease, including carbon credits from the forests. In return, the Partnership will receive a high, consistent, and CPI adjusted rental income.

The Puketai South forest will be established at the lessee's cost; as such, there is the potential for a development margin for Terra Verde investors. The proposed lease is "triple net", meaning the lessee meets all costs. The lease has an annual Consumer Price Index (CPI) adjustment (uncapped, hard ratchet), which provides investors with inflation protection over the medium term. The initial forecasted distributions are 8.5% p.a., paid monthly, from the onset of the syndicate even while the forest is being established.

Following the purchase of Puketai South, Terra Verde's objective is to grow by acquiring additional properties, intended to be actively managed to reverting native bush. Three properties have been identified for future acquisition, with pre-agreed purchase prices intended to be in place until June 2024.

These properties would further support robust long-term forecast investor distributions through lease income. The additional properties would also aim to bring diversification in terms of location and age of forest, helping to spread and reduce risk.

The long-term goal of the Partnership is to support the transition of the properties towards permanent native forests. Our lessee, NZCF, is at the forefront of work in New Zealand to regenerate pine forests to native. Their team manages this process on their own conservation estate of almost 70,000 hectares of land. NZCF will oversee the Terra Verde properties and are committed to actively managing these forests for native regeneration. Over decades, what started as a pine forest will be nurtured to revert to a native forest, via strategically located native seed sources and a strong pest management programme.

Whilst forestry as a wider industry has made news headlines recently after the extreme weather events hitting New Zealand, permanent regenerative forests can play a crucial role as a solution to many of the issues currently facing New Zealand's natural environment and rural communities, such as soil erosion, loss of biodiversity and the potential decline of rural employment from land use change. Actively managed forests can play a significant role in stabilising hill country and preventing erosion while helping New Zealand meet its commitments to reduce net greenhouse gas emissions. The regeneration of native species also supports biodiversity and our native flora and fauna. The process of actively managing a forest to promote regeneration requires significant labour and a wide range of skill sets, providing a high number of employment opportunities when compared to pastoral farming on the same marginal land. Terra Verde allows investors to support these important initiatives and earn attractive returns without direct exposure to operational and commodity risks. Terra Verde will be the landlord of each property and will not be exposed to the forestry operation during the lease term.

With inflation and interest rates at high levels, it is rare to find an opportunity forecast to provide strong monthly cash distributions, inflation protection, with no operational obligations whilst also giving the chance of investing for good.

Yours sincerely,

Andrew Watters, Chief Executive Officer - MyFarm

Investment Highlights

- The Offer is to purchase units in Terra Verde Investments LP.
- The Partnership will commence by purchasing a 565.5 hectare property near Pongaroa (“Puketai South”), which is planned to settle on 8th September 2023. New Zealand Carbon Farming intend to establish a forest of between 435 and 455 canopy hectares on this property at their cost. The change in initial property acquisition (from Ngakoroa Rd to Puketai South) is the main revision from the amended IM dated 7th July 2023. The approach of starting with one property and aiming to build up to a portfolio of properties over time is the main revision from the original IM dated 10th May 2023. The two Prior IMs are now void and replaced by this document; (“Prior IMs”).
- The lessee will be a company within the New Zealand Carbon Farming Group (NZCF), who will take up a lease that is expected to run for a 16-year term on the initial property. If Terra Verde decides for this property to be registered as a permanent forest in the Emissions Trading Scheme, then the lease is intended to be extended to expire 20 years following the commencement date, with a 10 year right of renewal. If the lessee entity does not have net tangible assets that are greater than the total of all lease rental payments, then the lessee’s obligations under the lease will be guaranteed by another NZCF entity which does have net tangible assets that are greater than the sum total of all lease rental payments.
- The proposed lease is triple net, meaning the lessee meets all operating and overhead costs associated with the property.
- Rent is adjusted by the CPI annually, with no cap on adjustments and a hard ratchet (meaning the rent cannot decrease below the previous amount payable).
- Initial monthly distributions of 8.5% p.a. are expected. This is supported by rental top ups paid by NZCF as part of the proposed agreements (Figure 8, pg 30). We forecast investor returns will progress from a steady state 8.5% p.a. in Year 1-3, 8.03% p.a. in Year 4 and then rising again, pending amortisation decisions taken by the Partnership.

Terra Verde will suit investors looking for:

- ✓ **Steady cash returns – forecast at 8.5% p.a. paid monthly**
 - ✓ **Minimised operational risk - 16-year triple-net lease term with one of New Zealand’s largest landowners**
 - ✓ **Inflation protection – annual CPI rent adjustments that are uncapped and hard ratcheted.**
- After this initial purchase, the Partnership plans to continue to grow and acquire further properties, with the intention to also lease these properties to NZCF. Three additional properties have been identified, with pre-agreed purchase prices intended to be valid until June 2024. Subject to sufficient investor capital being raised by end June 2024, it is intended that the Partnership will purchase these properties, and the purchases would go ahead in the order described in the Property Description section. Existing investors in the Partnership will have priority for units in these future acquisitions, but they will not be subject to a formal pre-emptive rights process. It is intended that units would be sold for \$1/unit until the option date (“Option Date”). The second property that is intended to be purchased is Ngakoroa Road, a 23 year-old Pine Forest in the East Coast.
 - The total establishment cost of the Partnership for the initial purchase is \$6.42 million, which is to be funded with \$4.70 million of contributed capital with a minimum investment of \$50,000 (50,000 units at \$1 per unit). The Partnership is expected to be funded by initial bank debt of \$1.8 million giving an initial LVR of 30%. Short-term debt may be taken up to a maximum level of 40% to enable the purchase to proceed should there be a shortfall in investor equity raised by the settlement date. This short-term debt would then be paid down as additional investor capital is raised, moving back towards the target LVR of 30%.
 - A 10% deposit is due on application, with the remaining 90% of funds due five days before settlement, expected late September 2023. The first monthly distribution is expected to start in October 2023.

2. COUNTER-PARTY'S LETTER (NZCF)

6 July 2023

MyFarm Investments
PO Box 91
Feilding 4740

Dear Andrew,

Proposed Property Acquisitions and Leases -
MyFarm Investments - New Zealand Carbon
Farming group (NZCF).

We are excited to be in discussions with MyFarm regarding the proposed property acquisitions by Terra Verde and leases of those properties to NZCF. We look forward to working with MyFarm to conclude binding documentation for the transaction.

For more than a decade, NZCF has been helping New Zealand landowners make the most out of their investment in land by unlocking profitability in areas that have traditionally yielded lower returns. Our key philosophy has been planting the right tree in the right place, with over 95% of the more than 80 million trees NZCF has under management planted on marginal land (grade 6 and above) – often in steep, remote or erosion-prone areas.

Our proven expertise in planting, establishing and actively managing forests under the Emissions Trading Scheme (ETS) has paid real dividends for our partners and communities. We have returned over \$105 million in additional landowner income to rural communities.

NZCF is also one of the leading contributors to New Zealand's climate change commitments, capturing more than 28m tonnes of CO2 - the equivalent of taking every car off New Zealand's roads for a whole year.

Our role will be to draw on our established expertise to take care of all the complexities of the process, from identifying areas eligible for planting under the ETS, to managing annual measurements and returns. We will also cover the costs of establishing and managing the forest to realise its potential.

In return for the leases of these forests and the NZUs produced from the trees, subject to execution of binding lease documentation, we will agree to pay an annual rental. These annual payments will be CPI adjusted (upward only) to provide the landowner with greater future income certainty.

You will own the land throughout the process and at the end of the lease term, we will return the forest to you. Depending on the forest, there may be an option to harvest and replant to release further capital, or to protect the trees for the future as a permanent forest, managed under the transition regime to regenerate over time into a biodiverse indigenous forest. Permanent forests will continue to earn NZUs over the longer-term, subject to government policy and regulation.

The nature of New Zealand land use is changing – and the pace of that change is accelerating as new markets, new technology and new rules make the modern rural environment more complex. But one thing is not changing for Kiwi farmers and foresters: respect for the land, and care in how it is used.

The later point has driven us to focus on regeneration, the process through which exotic forests transition to biodiverse, indigenous environments over time.

A key to quality regeneration is the active management of the whole forest on the site, including both native trees and the nurse crop of exotics. This includes thinning programmes and the establishment of light wells, pest plant and animal control, forest health monitoring, fire mitigation programmes and, where necessary, the introduction of native seed islands.

We know that trust is hard-won, especially when it comes to decisions on how land is used. This means we make a point of doing what we say we will – of being a good neighbour and an honest, straight-up business partner. Like you, we have a firm focus on New Zealand's future, and on how we treat the land, support our communities, respect what we have, and protect what's important for the next generation. We look forward to working with you now and into the future.

Yours sincerely

Bruce Miller / Matt Walsh

Directors
New Zealand Carbon Farming



New Zealand Carbon Farming

New Zealand Carbon Farming is not responsible for any offer of limited partnership interests by the Offeror or any other person (including Terra Verde Investments LP and MyFarm). Investors should take their own advice with respect to any such offer.

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3. KEY INFORMATION SUMMARY

Key Dates

Friday 11th August	First Close
Application submitted	Deposit of 10% due
Late September 2023	Remaining 90% of funds due.

What is the Offer?

This is an Offer to wholesale investors of Units in Terra Verde Investments Limited Partnership. Your money will be pooled with other investors to purchase the initial property for the scheme, Puketai South, a property outside Pongaroa, New Zealand that is intended to be developed in to a forest of between 435 and 455 canopy hectares.

The medium-term ambition of the Terra Verde Investments Limited Partnership (Terra Verde) is to grow and build ownership of a portfolio of properties with forests that are intended to be actively managed to regenerate to native species, with geographic spread and varying ages of plantation. Three additional properties for future acquisition have been identified, and pre-agreed prices for these properties are intended to be valid until end June 2024.

If the Offer raises \$4.70 million of contributed capital, the Offer will proceed and the Partnership will purchase one property (Puketai South) with an establishment cost of \$6.42 million funded by \$4.70 million of contributed capital, debt of \$1.80 million, an LVR of 30% and an allowance of -\$0.08m for working capital. Additional short-term bank debt may also be taken up to an LVR of 40% to cover a shortfall of contributed capital and facilitate the raise to proceed. This short-term debt would be paid down using additional capital raised over time, to bring debt back towards the target LVR of 30%.

New Zealand Carbon Farming Group (NZCF) intend to take up an approximate 16-year term lease on Puketai South, with rent payments received quarterly in advance. If Terra Verde decides that this property is to be registered as a permanent forest in the Emissions Trading Scheme, then it is intended that the lease will be extended to expire 20 years following the commencement date, with a 10 year right of renewal.

Following this purchase and the subsequent clearing of any underwrite investment required, the Partnership aims to raise additional investor capital to purchase further properties, with the intention to also lease these properties to NZCF to provide a steady income. NZCF has entered into discussions with MyFarm regarding its intention to lease these additional three proposed properties identified as they are acquired by the Partnership.

The leases are intended to be "triple net" meaning NZCF will pay all outgoings associated with the leased properties. The rental rate will be adjusted for New Zealand's consumer price index (CPI) on an annual basis on the anniversary of each purchase. A detailed overview of the proposed lease agreement can be found in Section 4, pages 21-22.

The assets, key agreements, budgeted returns, and fees for Terra Verde Investments Limited Partnership are described in this Information Memorandum. The initial investment decision and preliminary due diligence have been undertaken by the Offeror, MyFarm Investments.

Who manages this syndicate?

The Partnership is offered and will be managed by divisions of AGInvest Trading Limited, or its subsidiary. The Offeror is AGInvest Trading Limited (trading as MyFarm Investments), MyFarm is the manager of the Partnership, and governance will be provided by Terra Verde Investments GP Limited, which will be the Partnership's General Partner and is owned by MyFarm. The Manager will administer the Partnership, oversee performance of the lease, and will provide the business with governance support and administration services (such as financial services) under contract.

What are you investing in?

The investment is in Units in Terra Verde Investments LP. As a Terra Verde Investments LP unitholder, you will become a Limited Partner in Terra Verde Investments LP.

- Subject to the success of this First Close and due diligence, the Partnership is looking to purchase the first property (Puketai South) with \$4.70 million in contributed capital.
- The Partnership will continue to seek further contributed capital by issuing new Units to fund further property acquisition. Three additional properties for future acquisition have been identified, with pre-agreed purchase prices intended to be valid until end June 2024 for each of these properties. The second property envisaged to be purchased as additional investor capital is raised is Ngakoroa Road.
- If sufficient capital is raised to purchase Ngakoroa Road or the other two intended properties before end June 2024, the purchases will go ahead in the order described in the Property Description section. Existing Terra Verde investors will have priority for units in these future acquisitions, but they will not be subject to a formal pre-emptive rights process.

The table below shows a financial summary after the first close with the purchase of Puketai South:

Figure 2: Financial Summary (Puketai South)

	Puketai South
Area (cha)	435 - 455
Commencing Annual Rental p.a. - \$m	0.46
Purchase Price - \$m	5.98
Establishment Costs - \$m	0.44
Total Establishment - \$m	6.42
Working Capital - \$m	-0.08
Equity - \$m	4.70
Debt - \$m	1.80

The Offer includes the provision for an Underwrite, with the fees associated with this detailed in "What Fees Will You Pay?" on Page 14. The Underwrite may come from the MyFarm Underwriters' Fund, and/or other parties associated with MyFarm. In the event that an Underwrite is drawn, the Underwriters will become Limited Partners and will become participants in Terra Verde on the same basis as any other investor. The units taken up by each Underwrite party may need to be sold down and taken up by other investors as a first step before any new capital raised can then be used to fund a subsequent property purchase.

The Offeror reserves the right to accept or decline over-subscriptions and to determine which applications are accepted. The Offeror is also entitled to scale, order, or reject any application as it sees fit.

<p>Key Terms of the Offer</p>	<p>The Offer is for 4.70 million Units in Terra Verde Investments LP at an issuance price of \$1/Unit. The minimum investment is 50,000 Units (\$50,000) and the size of an investment can be increased in multiples of 1,000 (\$1,000) thereafter.</p> <ul style="list-style-type: none"> • Payment of \$0.10 per unit (10%) is due upon application. • Before settlement late September 2023, a further and final payment of \$0.90 per unit (90%) is due. <p>Settlement is scheduled for the end of September 2023. Should Due Diligence completion or the confirmation of the key agreements outlined on Page 21 be delayed, settlement will be planned for a minimum of five working days after confirmation of Due Diligence and key agreements is completed. In this case, distributions would commence in the month following the commencement of the lease. As a Limited Partner, the maximum amount payable is \$1/Unit and no other payments are required to be made other than those specifically agreed to. Any further property acquisition will provide further opportunity to invest via a rights issue in accordance with Terra Verde's Limited Partnership Agreements.</p>										
<p>How can you get your money out?</p>	<p>Units in Terra Verde Investments LP and may be traded on Syndex (http://www.syndex.exchange), a peer-to-peer trading platform for proportionally owned investments. A listing on Syndex facilitates liquidity and enhances (but does not guarantee) your ability to sell your Units at a fair price at a time of your choosing.</p> <p>Syndex will help maintain the Terra Verde Investments Limited Partnership register, host all Limited Partner communications from the Manager and facilitate trading in Units between qualified wholesale investors.</p>										
<p>How will your investment be taxed?</p>	<p>The investment is in a Limited Partnership. A Limited Partnership is a legal entity, but not a tax paying entity. Distributions will be made on a pre-tax basis and Partnership profits will be taxable in the hands of Limited Partners at their own tax rates.</p> <p>Refer to 'How will your Investment be Taxed?' on page 31. This is not a PIE scheme. Tax can have significant consequences for investments. If an investor has queries relating to the tax consequences of the investment, the investor should obtain professional advice on those consequences.</p>										
<p>Financial Information</p>	<p>Puketai South: Total establishment cost of \$6.42 million funded by \$4.70 million in contributed capital and \$1.80 million in debt, including an allowance of -\$0.08 million in working capital.</p> <p>Figure 3: Forecast Cash Distributions for Puketai South acquisition only</p> <table border="1" data-bbox="481 1233 1832 1342"> <thead> <tr> <th>30-Jun-24</th> <th>30-Jun-25</th> <th>30-Jun-26</th> <th>30-Jun-27</th> <th>30-Jun-28</th> </tr> </thead> <tbody> <tr> <td>8.50%*</td> <td>8.50%</td> <td>8.50%</td> <td>8.03%</td> <td>8.45%</td> </tr> </tbody> </table> <p>* Return quoted based on contributed capital. First distributions expected to commence in October.</p>	30-Jun-24	30-Jun-25	30-Jun-26	30-Jun-27	30-Jun-28	8.50%*	8.50%	8.50%	8.03%	8.45%
30-Jun-24	30-Jun-25	30-Jun-26	30-Jun-27	30-Jun-28							
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Financial Information

Terra Verde Investments LP is forecast to provide initial monthly distributions of 8.50% p.a. and has the potential for rental growth in the longer-term through annual rent adjustments based on CPI. Five-year projected returns are based on inflation and interest rates shown in Figure 4.

Figure 4: Assumptions for inflation and interest rates used in projecting forecast distributions

	30-Jun-24	30-Jun-25	30-Jun-26	30-Jun-27	30-Jun-28
Inflation	N/A	5.50%	3.75%	2.50%	2.50%
Inflation (MyFarm Mgt Fee)	N/A	0.00%	0.00%	2.50%	2.50%
Interest Rate	8.15%	7.50%	6.00%	5.50%	5.25%

What Fees Will You Pay?

The table below summarises the fees and expenses that you will be charged to invest in this scheme. These costs are for the establishment of the syndicate with the acquisition of the Puketai South property. Fees for the purchase and settlement of additional properties are separate to this.

Fee	Basis	Reason
\$118,800	One-off third party establishment costs	Third party establishment costs: Estimated costs associated with physical due diligence and valuations, marketing, accounting advice, and legal due diligence and other legal services.
\$42,300	One-off fee of 3.0% of the amount of Offer underwritten up to \$1.41 million (30% of the equity raised).	Underwrite Fee: 3.0% fee applied to the amount underwritten, up to a maximum of 30% of equity raised. No further underwrite fee to be paid by the Partnership for any underwrite taken up above the level of 30% of equity raised.
\$283,813	4.75% of property purchase	Establishment Fee: Includes budget forecasting and industry information, marketing, promotion, capital raising, preparation/alternations of business agreements and management of the syndication/ capital raise process.
\$26,888	0.45% of assets under management charged annually. Adjusted for CPI increase annually, starting FY27.	Annual Business Management Fee: The management of the syndicate, being up to 200 labour hours per annum including governance (excluding third party costs paid direct by the LP), governance support, property inspections and manager communication with the Board and investors. The Manager may charge extra at commercial rates for additional services (including where standard services exceed the agreed allotted hours in any year), subject to Board approval.
5% of any capital uplift if major assets are sold	Share of capital uplift.	Performance Based Fee: Performance based fee that aligns interests and incentivises the Manager to maximise capital growth for investors.

Can the fees be changed?

The annual management fee is subject to annual adjustment for changes in the value of assets under management and CPI inflation. Any other changes to these fees would be subject to General Partner approval.

4. WHAT TERRA VERDE INVESTMENT LP INVESTS IN

Statement of Investment Policy and Objectives (SIPO)

Investment Objectives

The investment objective of Terra Verde Investments LP (Partnership) is to provide investors with monthly cash returns from a passive investment in a newly planted forest leased to a company within the New Zealand Carbon Farming group (NZCF) with an expected minimum 16-year initial lease term.

The Partnership is seeking to raise \$4.70 million to acquire a 565.5 hectare property, of which between 435 and 455 hectares are intended to be planted as a pine forest. The forest will be established at the lessee's cost, which is expected to provide the Partnership with a potential development margin.

The forest will then be actively managed either to transition to a permanent forest regenerating to native species or as a harvestable forest. While maintaining the property as a permanent forest is the main objective, production forestry is a potential alternative use depending on the future Emissions Trading Scheme settings and market conditions.

The partnership aims to acquire further forests to be leased to NZCF as permanent regenerative forests, creating a diversified portfolio with geographic spread varying age of plantation, which spreads and reduces risk.

Statement of Investment Policy and Objectives (SIPO)

Further expansion of Terra Verde Investments LP is possible via the acquisition of complementary permanent forest properties. Subject to sufficient investor capital being raised by end June 2024, the Partnership will acquire the three additional properties outlined in this IM from NZCF.

Investment Return Objective

The main investment return objective is to provide regular monthly distributions starting at 8.50% p.a., paid monthly, from October 2023. For the initial years, this is achieved by a rental top-up. Thereafter the combination of inflation plus falling interest rates from their peak are expected to result in returns surpassing 9.0% p.a. by year seven, pending amortisation decisions taken by the Partnership.

More specifically the investment return objectives from Terra Verde Investments LP are:

Receive regular monthly rental payments from leasing the property (or properties) to NZCF and pay monthly cash distributions to investors, with forecast distributions of 8.50% through to the end of FY27. Forecast returns from FY29 onwards are expected to lift towards 9.0% depending on interest rate, amortisation and Consumer Price Index (CPI) movements.

Before the expiry of the lease for Puketai South, the Partnership will decide whether to enter the forest into the permanent category of the ETS. If this is done, NZCF intend to commit to extending the initial lease term for this property to 20 years and a 10 year right of renewal will be added. If the lease is not renewed, revenue is planned to be earned through the continued sale of carbon credits (NZUs), an increasing portion of which is assumed to be produced through native species.

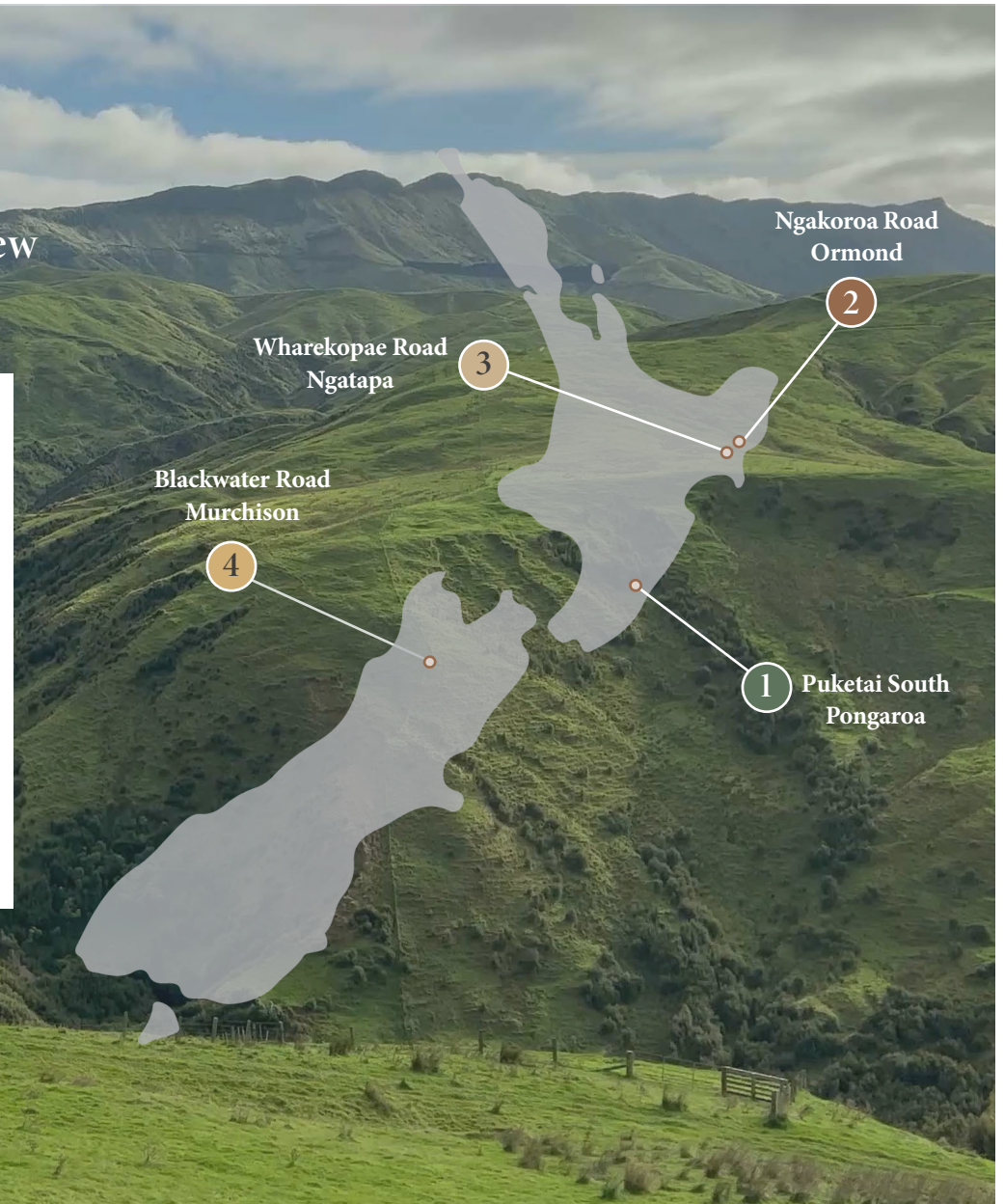
Harvest revenues would be explored where applicable should market conditions change.

Terra Verde Investments Property Overview

The Partnership will commence with the purchase of the Puketai South property.

Terra Verde's objective is to continue to grow and acquire additional properties that support strong long-term investor distributions through lease income and add to portfolio diversification.

The second property that is intended to be purchased, subject to raising sufficient investor capital, is the Ngakoroa Road property. It is intended that the Partnership will purchase Ngakoroa Road and the two other properties included in this IM at a pre-agreed purchase price, subject to sufficient investor capital being raised by end June 2024.



Property Descriptions

1 Korora Road, Pongaroa (Puketai South)

First property to be acquired by Terra Verde Investments, with settlement intended to occur on 8th September 2023.

Ground inspection completed by MyFarm on 28 April 2023.

Puketai South was previously a 565.5 hectare sheep and beef farm and is located at 559 Korora Road, Pongaroa. The property consists of 11 titles and has been recently purchased (April 2023) by NZCF for development into a permanent carbon forest, transitioning from Pinus Radiata to native forest over time. The previous owner operated the farm for the past twenty years and has been producing certified organic meat and wool into markets.

A dwelling, implement sheds and woolshed, a block of pre-1990 planted pines, and some flat paddocks will be subdivided and sold; the previous owner is permitted to occupy this area for an agreed term. Costs and settlement proceeds of the subdivision will be received/met by the Partnership. Once settlement occurs rental will be reduced by 8.0% times the settlement proceeds.

Mapping completed by NZCF indicates that the plantable area will be between 435 and 455 hectares. No areas of the property are currently registered in the emissions trading scheme; NZCF desktop surveys confirm existing Mānuka areas are likely to be eligible for registration in the emissions trading scheme.

Puketai South is 28km east of Pahiatua and 27km SSE of Dannevirke. The Port of Napier is 182km north of the property. NZCF established a forest estate on the property bounding the northern side of the property, called Puketai.

This block was planted in 2020; survival rates are excellent, and the forest has uniform establishment and growth.

The prevailing wind in the region comes from a north-westerly direction. Wind speeds can be strong and have potential to be damaging. Snow drifts from the Puketoi Range are minor and tend to dissipate within 24 hours.

NIWA climate data informs annual rainfall in the region, which is approximately 1,500mm; the region is recognised as being summer safe when compared to other parts of the North Island East Coast.



2 Ngakoroa Road, Ormond

Second intended property to be acquired by Terra Verde Investments LP. Pre-agreed price valid for purchase until end June 2024.

Aerial and ground inspection completed by MyFarm on 27 April 2023.

The property located at Ngakoroa Road, Ormond, Gisborne is a 186.2 canopy hectare Pinus Radiata forest. The property consists of six titles, with a total title area of 218.9 hectares.

The property is approximately 22km due north of Gisborne and is 32km from Eastland Port, Gisborne. NIWA climate data indicates the average annual rainfall is 1000 – 1100mm per annum, with a prominent winter maximum. The prevailing wind direction is north westerly.

The forest was established over two planting seasons, with 49.6 hectares planted in 2000 and a further 136.6 hectares planted in 2001. The forest has been managed to a clear wood regime, with a high prune completed and trees thinned to a density of 345 stems per hectare.

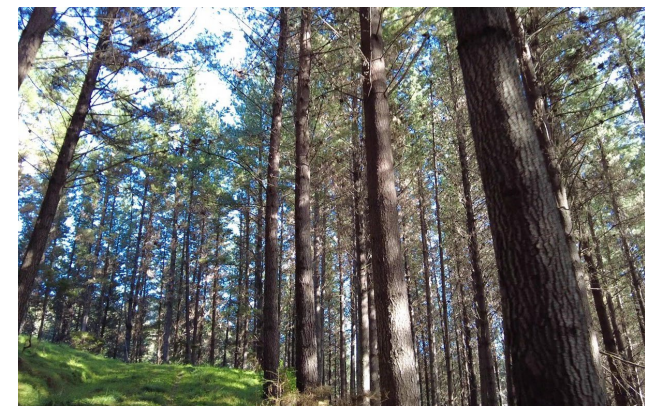
The forest is in good health with an even canopy and little evidence of windthrow or slips.

The forest is accessed direct from Ngakoroa Road and is bounded by production forests other than a pastoral farm on the southern and western boundary. Boundary fences onto pastoral grazing are in good condition.

The property is predominantly west and south-west facing. Tracks within the forest are suitable for side-by-side 4WD all-terrain vehicles; a comprehensive network provides adequate access to blocks within the forest.

With 52.8% of the title area having a slope between 21° and 35°, most of the production area is classified as being moderately steep to steep (only 11.9% of the property is classified as very steep). The Land Use Capability (LUC) classification for the title area is LUC 7; this land type has moderate to very severe limitations to pastoral use and is more suited to forestry. Landcare Research does not identify any sensitive or protected areas within the title area. The National Environmental Standards for Production Forestry identify the land as having a very high erosion susceptibility classification.

Regeneration of native shrubs and ferns is occurring under the canopy and in gully / waterway areas which have not been planted. Active pest management will be undertaken to ensure regenerating species have an opportunity to thrive.



3 Wharekopae Road, Ngatapa

Third intended property acquisition for Terra Verde Investments LP. Pre-agreed price valid for purchase until end June 2024.

Aerial inspection completed by MyFarm on 27 April 2023.

Situated on Wharekopae Road, Ngatapa this is a 263 hectare Pinus Radiata forest located on a total title area (consisting of 18 titles) of 281.4 hectares.

The property is approximately 19km north-west of Gisborne and is 24.2km from Eastland Port, Gisborne.

The forest was established in 1996 and has followed a pruned and thinned regime, with a current density of 345 – 350 stems per hectare.

Forest health appears good, with no evidence of nutrient deficiency. Canopy cover is even with only very minor evidence of slipping or windthrow. This is a stark contrast to neighbouring pastoral grazing areas where there is a high incidence of slips following Cyclone Gabrielle.

The forest is accessed direct off Wharekopae Road and is predominantly north-west facing. Internal tracking provides adequate access to blocks within the forest.

Landcare Research databases indicate that 37.3% of the Wharekopae Road property has a slope of 26° or greater and is therefore classified as steep to very steep. The Land Use Capability (LUC) classification for the title area is LUC 7; this land type has moderate to very severe limitations to pastoral use and is more suited to forestry.

Landcare Research does not identify any sensitive or protected areas within the title area. Landcare Research classify the observed erosion severity on the property as slight; being 0.5 – 2% by area. The National Environmental Standards for Production Forestry identify the land as having a high erosion susceptibility classification.

There is strong evidence of regeneration of native species in gullies and areas close to waterways on the property.



4 Blackwater Road, Mangles Valley (Murchison)

Fourth intended property acquisition for Terra Verde Investments LP. Pre-agreed price valid for purchase until end June 2024.

Aerial and ground inspection completed by MyFarm on 29 April 2023.

Murchison is a 80.9 canopy hectare Pinus Radiata forest located at Blackwater Road, Mangles Valley, Murchison. The property has a total title area of 292.6 hectares; the balance area is native (predominantly Beech) forest.

The property was planted over a three-year period, with 9.3 hectares planted in 1994, 51.1 hectares in 1995, and the balance of 20.5 hectares planted in 1996.

The property is bounded by Blackwater Road and the Blackwater River on the eastern boundary, with forest estates on the remaining boundaries. Access to the property is directly off Blackwater Road, a single lane gravel road. Blocks on the opposite side of Blackwater Road have been sprayed for planting this winter.

The property has an eight-wire post and batten fence on the eastern boundary; other boundaries have not been inspected.

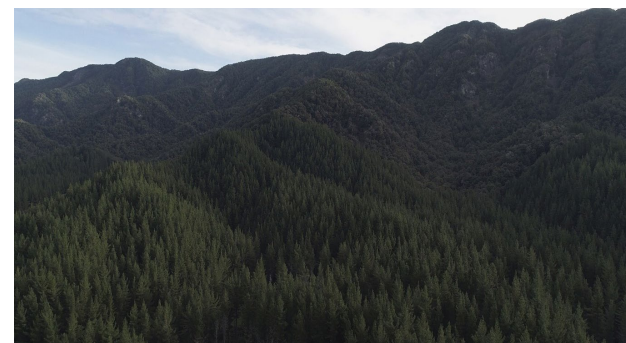
The property is approximately 8km south-east of Murchison and is 94km south-west of Nelson. The forest is 127km by road to Port Nelson. NIWA climate data indicates the average annual rainfall is 1620mm per annum, with a relatively even spread throughout the year. The prevailing wind direction is north westerly.

There was no evidence of windthrow or slips at the forest inspection. Trees appear in good health and canopy is even in growth and colour.

An assessment of Landcare Research Our Environment database against forest mapping shows that the Pinus Radiata blocks are primarily on areas defined as being rolling to strongly rolling; these two classification areas (slope from 8 – 20°) account for 36.9% of the total title area. The property is predominantly easterly / north-easterly facing and is therefore protected from prevailing winds.

Landcare Research data indicates that 50.4% of the title area has a Land Use Capability (LUC) classification of LUC 8, has a severe erosion risk, and is best suited as a conservation area; a desktop assessment confirms that there does not appear to be Pinus Radiata planned on these areas. 41.4% of the title area is classified as LUC 7, with the most intensive and sustainable land use being forestry; this is the area where Pinus Radiata blocks have been established.

In addition to extensive areas of native trees on steeper blocks and zones adjacent to the Blackwater River, property was evidence of small shrubs and ferns establishing within the Pinus Radiata forest blocks.



Key Agreements

This transaction is being entered into in a number of stages. The transaction documents described below reflect the discussions between New Zealand Carbon Farming (NZCF) and MyFarm to date. Negotiations on the transaction documents are continuing and are therefore subject to change, however, the agreed terms of the transaction documents will not be materially less favourable to MyFarm than those described below.

For completeness, terms have been discussed for all four properties that Terra Verde Investments LP (Terra Verde) is intended to purchase at the pre-agreed rate until end June 2024, subject to sufficient investor capital being available. Please note that at the first close, only the Puketai South property is intended to be purchased.

Collaboration Agreement

The current intention is that prior to settlement, the relevant parties will sign a legally binding but conditional overarching Collaboration Agreement. The parties are aiming to sign the Collaboration Agreement prior to 31st August 2023. This Collaboration Agreement will provide that, subject to this offer being successful with MyFarm raising adequate equity finance, the relevant parties will enter into the transactional agreements as described below, so that:

a. Terra Verde will purchase:

- i. The Puketai South property on 8 September 2023, subject to raising sufficient capital by the First Close.
- ii. It is intended that subject to sufficient investor capital being available by end June 2024, the Partnership will purchase the Ngakoroa Road, Wharekopae Road and Murchison properties at the pre-agreed purchase prices.

b. The purchased properties will be leased by Terra Verde to NZCF entities.

The offer is subject to due diligence being completed. This due diligence will be completed prior to MyFarm Limited entering into any Sale and Purchase Agreement, or alternatively the Sale and Purchase Agreement will be conditional upon satisfactory completion of due diligence by MyFarm.

The sale and purchase agreement and the deed of nomination referred to below, and the operational deed and lease will not be entered into if this offer is withdrawn, or if this offer is unsuccessful with MyFarm not raising adequate equity finance to purchase the Puketai South property.

Transaction Agreements – Sale and Purchase Agreements and Deed of Nomination

Subject to this offer and, in certain cases, subsequent raises being successful with MyFarm raising adequate equity finance, Terra Verde will purchase the properties pursuant to either a sale and purchase agreement with the respective vendors or a deed of nomination with an existing purchaser or vendor.

Transaction Agreements – Operational Deeds and Leases

Subject to this offer and, in certain cases, subsequent raises being successful with MyFarm raising adequate equity finance, Terra Verde will lease any purchased properties pursuant to Operational Deeds, with one Operational Deed to be entered into in respect of each purchased property. The Operational Deeds will attach the form of the lease to be registered at Land Information New Zealand, as this is a New Zealand Emissions Trading Scheme requirement.

Key Terms of Operational Deeds and Leases

Lessee: Following acquisition by Terra Verde, the lessee for Puketai South will be an NZCF entity, which is yet to be confirmed. If this lessee entity does not have net tangible assets that are greater than the total of all lease rental payments, then the lessee's obligations under the lease will be guaranteed by another NZCF entity, which does have net tangible assets that are greater than the sum total of all lease rental payments.

If subsequent properties mentioned in this IM are purchased, a different entity of NZCF, is intended to be the lessee.

The rationale for the different entities is that one will establish and manage the new forest at Puketai South; the other will manage the existing forests.

Term: The Puketai South property, when purchased will have an initial term expiring in the year after the forest planted by the Lessee in 2023 reaches its nominal average carbon stock under the Climate Change Response Act 2002 (Act) (approximately 16 years). If Terra Verde wishes for this property to be registered as a permanent forest (at Terra Verde's cost) then the lease will be extended to expire 20 years following the commencement date.

20-year term for the Ngakoroa Road, Wharekopae Road and Murchison properties if purchased at a later date.

Extension: 10 years at the right of the lessee. The Puketai South property right of extension can only be exercised if the forest is registered as a Permanent Forest.

Rent reviews: To increase annually in line with CPI, with a hard ratchet.

Rent review on extension: The greater of the CPI adjusted rent or the carbon credit price adjusted rent.

Management: The lessee will manage the forest on the property for the term of the lease.

Planting: The lessee will plant and establish a forest on the Puketai South property at its own cost.

Outgoings: The lessee will be responsible for paying all the outgoings relating to the property. This excludes any insurance Terra Verde wishes to put in place.

NZ ETS: The lessee will be responsible for registering the forest in the NZ ETS, will be the NZ ETS participant, will have exclusive rights to the carbon credits awarded and will have all the rights, discretion and obligations associated with the NZ ETS during the term of the lease.

End of lease: The forest(s) will be returned to Terra Verde, and Terra Verde will become the NZ ETS participant at that time. Any rights or obligations under the NZ ETS (including the right to receive further NZUs or a surrender liability) from that date of NZ ETS transfer shall be Terra Verde's. No carbon credits will be transferred to Terra Verde at the end of the lease.

Continuity of the NZ ETS: If there is a change to the NZ ETS within 10 years from lease commencement which has a materially adverse impact on the lessee, the lessee will have the right to buy back the forest(s) at the original purchase price which Terra Verde paid less any lease top up payments (shown as "Rental Top Up Payments" in Figure 8) or the lessee may elect to continue the lease term and it will have the opportunity to utilise the land further, including forestry harvest (with replant obligations). If there is a change to the NZ ETS during the remainder of the lease which has a materially adverse impact on the lessee, the lessee can provide six months' notice to renegotiate the terms of the lease. If the parties do not negotiate satisfactory terms, the lease may be terminated.

About New Zealand Carbon Farming group (NZCF)

If the offer proceeds, Terra Verde will become one of NZCF's lessors/landowners.

NZCF is one of the largest contributors to Aotearoa New Zealand's climate change efforts, with more than 28 million tonnes of carbon removed by its forests over the last 12 years. Majority New Zealand-owned and locally operated, NZCF directly employs over 60 permanent staff and directly or indirectly engages approximately 400 contracting staff, in a range of roles including forest establishment teams, land managers, ecologists, land planners and business analysts.

NZCF owns the country's largest privately-owned conservation estate of permanent forests, while also managing over 45,000 hectares of trees for carbon for more than 6,000 local land-owner partners.

Over the past decade, this programme has returned more than \$105 million to the rural community. Over 95% of the trees planted on NZCF's estate are on marginal land, in areas that are steep, erosion prone and inaccessible. NZCF actively subdivides off some of non-marginal land it does not consider suitable for new forestry planting and sell that land back to the community, which is the intention for part of the Puketai South property.

NZCF's focus is two-fold. It recognises the immediate urgency of the climate crisis, which requires urgent carbon removals in order to meet New Zealand's international climate commitments. At the same time, NZCF is also looking to the future, to recloak the whenua and restore Aotearoa's unique biodiversity. The key to this approach is a process of actively managed forest transition. Drawing on natural processes, combined with scientifically established

managed intervention, NZCF uses a nurse crop of exotic trees to create the conditions for regeneration over time into a rich, biodiverse native environment.

The science of transition forestry is well established in New Zealand, supported by nearly 50 years of research. NZCF is currently the New Zealand leader in operationalising this process at scale, implementing a range of tailored management processes, from creating lightwells in which natives can grow, to supplementary native planting. Pest animal eradication is also crucial for the successful development of forest transition, to protect both native flora and fauna that help spread them. NZCF's pest control programme is the largest privately run initiative in the country, with over \$1 million invested each year.

Each of the stages in NZCF's transition programme requires constant expert management. From pest control to ecologists, and planters to planners, NZCF contracts a wide range of local people and supports a large number of local businesses year-round. This provides significant rural employment, which an independent study by Price Waterhouse Coopers (PwC) has confirmed creates 25% more local jobs than sheep and beef farming on low productivity.

Content provided by the New Zealand Carbon Farming group.

Regenerating Native Environments

We are at a stage in history where society is pivoting from being extractive – taking what we need from the environment – to focusing on activities which help preserve and protect the planet for future generations.

When we consider steeper hill country in New Zealand, permanent afforestation can play an important role in this preservation, including native regeneration, erosion control and promoting of biodiversity. It can also be a key contributor to our country's climate change efforts through the sequestration of carbon dioxide from the atmosphere.

Terra Verde Investments will own a portfolio of permanent forests, and in partnership with our lessee, entities from the New Zealand Carbon Farming group (NZCF), will focus on the process of regeneration from exotic to native flora.

Regeneration is a naturally occurring process that will draw on existing seed sources and forest remnants, where present. For example, on the established North Island forests intended to be purchased by Terra Verde, natives are already present and re-establishing as strong undergrowth in gullies and around natural water sources. To accelerate and support this process, NZCF will manage the exotic trees as a nurse crop, undertaking careful management and planned interventions to create the environment for the transition to a biodiverse native forest.

Each of the stages in NZCF's regeneration programme requires expert management. Specific roles include hunters (to manage pests), ecologists (to measure and manage progress), planters and planners – meaning

that NZCF employs a wide range of local people year-round. This approach provides significant rural employment, with a recent study by PwC Consulting – updating research previously completed for Te Uru Rākau – highlighting that the process of actively managed carbon forestry creates 25% more local jobs than sheep and beef farming on low productivity land.

While it has not been the focus of traditional forestry, there is a body of local scientific research spanning over 50 years that supports regeneration. NZCF has had an independent team of forest scientists working on its regeneration programme for the last four years. Their findings, and the wider research undertaken in a New Zealand setting, is guiding the implementation of regeneration actions across NZCF's estate.

Each year, NZCF invests millions of dollars locally into the regeneration process to provide two distinct benefits for the local environment. The fast-growing exotic trees planted as a nurse crop rapidly absorb carbon from the atmosphere – capturing between 5 and 10 times more carbon than a planted native forest would over the next 70 years. This is crucial if New Zealand is going to be able to meet its emissions targets. Over the long-term, the regeneration process will also mean tens of thousands of hectares of new native forests will be established. For many generations to come, these forests will provide a wide range of benefits, in terms of biodiversity, erosion control and climate resilience.

One of the key building blocks for native regeneration is the introduction of light to the forest floor. To optimise forest management to support the transition of exotic plantations to native forest, NZCF have established a series of lightwell gap optimisation trials throughout their conservation estate. The ongoing trials allow NZCF to refine the specific operational requirements for each specific forest.

Content provided by the New Zealand Carbon Farming group.



Pest and Predator Control

Pests such as deer, goats and hares are a threat to the establishment of an exotic nurse crop and the regeneration of native species, which are highly palatable for a range of browsing animals. In order to create the right environment for native plants and trees to thrive, NZCF operate an intensive pest eradication programme, which includes ongoing monitoring and control.

NZCF currently operates one of the largest private pest management operations in the country, investing more than \$1 million per annum to protect the health of the nurse crop and – critically – the growth and development of native species. This programme, which employs a number of locally based professionals, has removed over 24,000 pest animals in the last twelve months alone.

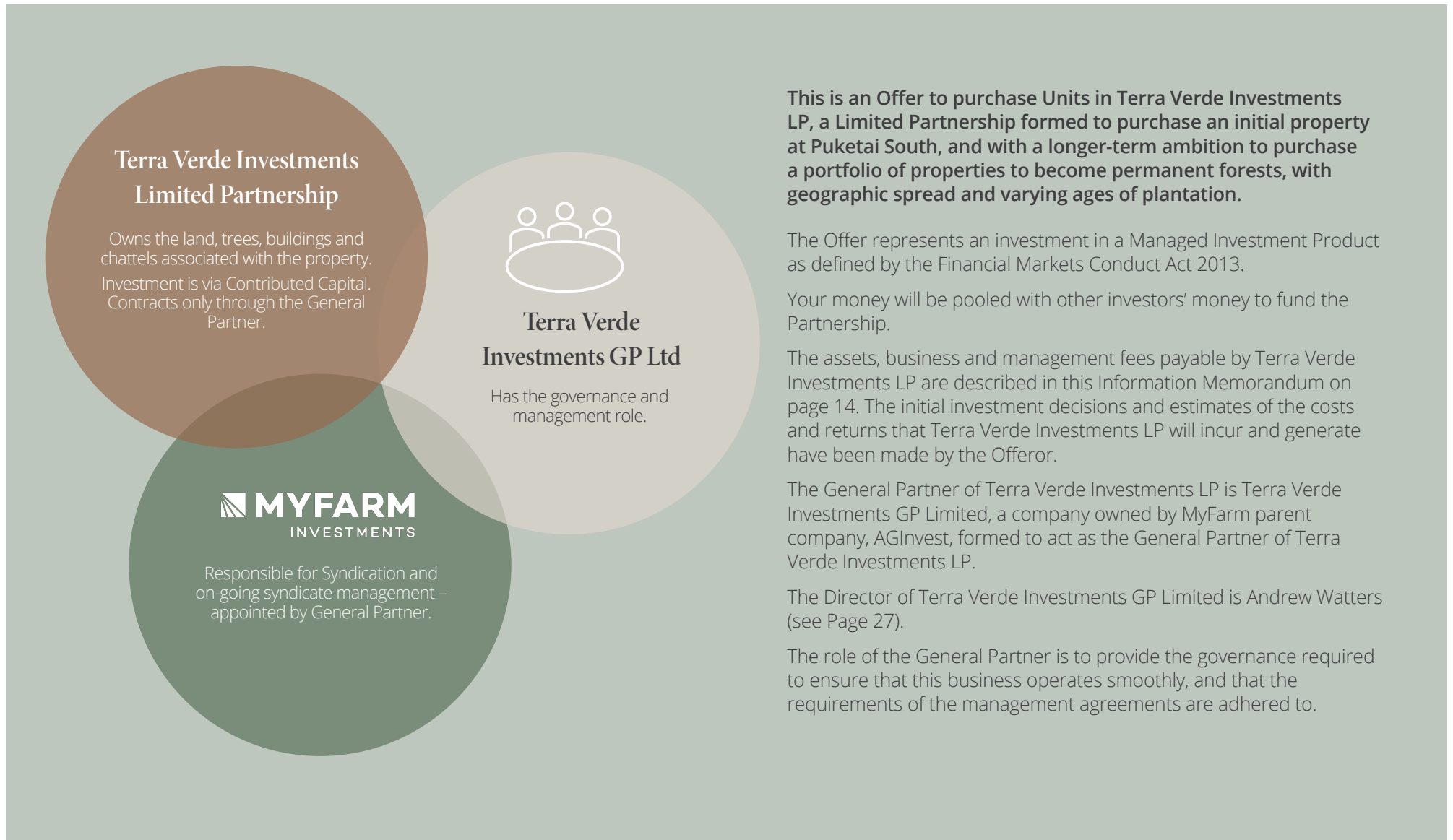
Protecting native wildlife is also important, particularly the native birds which act as an important dispersal agent for the native seeds. These help the spread of native trees from nearby stands or ‘seed islands’ – a key process in regeneration.

This means that alongside the carbon reduction contribution made by the plantations and the economic contribution in the form of jobs and leasing fees, NZCF also delivers significant local ecological and biodiversity benefits through predator reduction and support for native wildlife.

Content provided by the New Zealand Carbon Farming group.



5. HOW TERRA VERDE INVESTMENTS LIMITED PARTNERSHIP WORKS



The Role of MyFarm

MyFarm has a dual role in which it oversees the Offer and continues on in a business management function. Details of the MyFarm team are available on our website: www.myfarm.co.nz/aboutus

Offeror Function:

- Sourcing and structuring the Offer.
- Negotiating relevant agreements with business partners.
- Producing this Memorandum of Information and the associated financial modelling.
- Raising capital through sourcing an investor group with common objectives.
- Management of the Limited Partnership and business structuring process.
- Due diligence on any potential land and completion of all documentation, including variations to the Limited Partnership Agreements.
- Coordinating Limited Partner meetings.

Ongoing Business Management Function:

- Governance support (including Companies Office requirements).
- Quarterly reporting to stakeholders through Syndex.
- Compliance with Syndex Listing Rules.
- All communication with the Board of Directors and stakeholders.
- All communication and coordination of capital work (when and if required).
- Property inspections and reporting to the Board on any matters arising from such inspections.
- The services of MyFarm's appointees to the Board of Terra Verde Investments GP Limited.

Reporting:

Generally, all communications from the Board and MyFarm will be via Syndex.

A Syndex account will be created for new investors as part of the application process.

An email address and access to the internet will be required for investors to be able to login to their Syndex account to access their reporting and other syndicate communications and information.

Report Type	Frequency
Distribution schedules/statements	Monthly
Quarterly reports	Quarterly
Annual financial accounts (and Tax Summary)	Annually
Management updates for key activities	As required

Governance and the General Partner

The General Partner of Terra Verde Investments LP is Terra Verde Investments GP Limited, a company owned by MyFarm parent company, AGInvest Holdings Ltd. AGInvest Trading Ltd (trading as MyFarm), will manage the Partnership under a management agreement with Terra Verde Investments LP.

The Director of Terra Verde Investments GP Limited is Andrew Watters. The role of the General Partner is to provide Terra Verde Investments LP with the corporate governance required to ensure the business is run professionally and profitably.



Andrew Watters

Director - Terra Verde Investments GP Ltd

Andrew became a co-owner of AGInvest in 2005, leading the firm's sales efforts to syndicate and service offshore investors. In 2016 he became CEO, ensuring MyFarm is the market leader with the firm's focus on permanent crops, utilising the businesses skills and reputation for innovative solutions, a long-proven focus on land use change, and syndication capability. Andrew is a recipient of the coveted Nuffield Scholarship and ex Chair of NZ Rural Leaders which run the Nuffield and Kellogg rural leadership programmes.

Consequences of Insolvency

Terra Verde Investments GP Limited, as Terra Verde Investments LP's General Partner, will be jointly and severally liable with the Limited Partnership for Partnership debts and liabilities.

This means that in the event of a claim against Terra Verde Investments LP, any residual liability of the Terra Verde Investments LP, after the assets of the Terra Verde Investments Limited Partnership have been exhausted, will fall to Terra Verde Investments GP Limited (which has been structured as a limited liability company to mitigate its residual liability).

A Limited Partner's liability will be capped at that partner's contribution to the Terra Verde Investments LP (similar to shareholders in a company), provided the Limited Partner is not engaged in the management of the Terra Verde Investments Limited Partnership.

6. SELECTED FINANCIAL INFORMATION

The financial information provided has been summarised for the Terra Verde Investments Limited Partnership (The Partnership). The Partnership will be established for \$6.42 million with the purchase of Puketai South. Establishment will be funded by \$4.70 million in equity and \$1.80 million in debt, offset by \$0.08 million in working capital requirements. Additional short-term bank debt may also be taken up to an LVR of 40% to cover any shortfall of contributed capital and facilitate the raise to proceed.

Capital Structure

The Puketai South property is located in Pongaroa in the lower North Island and is scheduled to settle on 8th September 2023. The property will be planted in the winter/spring of 2023 at New Zealand Carbon Farming group's (NZCF) cost, and once complete, the forest is expected to total between 435 and 455 canopy hectares.

The purchase and subsequent establishment of the Partnership will be funded by \$4.70 million in investor equity and \$1.80 million of bank debt, financed at a loan to value ratio (LVR) of 30%. Additional short-term bank debt may also be taken up to an LVR of 40% to cover any shortfall of contributed capital and facilitate the raise to proceed. This short-term debt would be paid down using additional capital raised over time.

The key capital items include:

1. Property purchase: \$5.98 million for Puketai South, equivalent to \$13,427/cha*. Under the agreement, NZCF will meet all development (and operational) costs of the forests.
2. In establishing the syndicate, there will be additional costs of \$0.44 million, comprised of a MyFarm establishment fee of \$0.28 million (equivalent to 4.75% of purchase), underwrite fees of \$0.04 million, and third-party establishment costs of \$0.12 million. Third party costs are comprised of legal, due diligence/banking and marketing costs.

Figure 5: Capital requirements

Description	Total \$	\$/cha*
Area, cha	435 - 455	
Property purchase	5,975,000	13,427
MyFarm Establishment Fee	283,813	638
Third Party Establishment Costs	118,800	267
Underwrite Fee	42,300	95
Total Establishment	6,419,913	14,427
Working Capital	(80,088)	(180)
Equity	4,700,000	10,562
Debt	1,800,000	4,045
Total Financing	6,419,913	14,427
LVR	30%	

* Based upon the mid-point of 445 cha

Operating Assumptions

The key factors influencing returns are inflation and interest rates are:

1. Assumed inflation rates are shown in Figure 7. Both rental income and syndicate expenses will be inflated by actual inflation rates, albeit the MyFarm management fee, by agreement, will not be inflated until FY27.
2. At commencement, the rental for Puketai South is equivalent to \$0.46 million p.a., with \$0.38 million received in FY24 due to settlement happening part way through the financial year. Rent is reviewed every year at the higher of CPI or the previous period's rent, meaning rent can only go up or maintain, but not go down.
3. The Partnership will be funded by \$1.80 million in debt, with assumed interest rates as shown in Figure 7.
4. A further \$0.04 million per annum has been budgeted for Xero, Syndex fees, MyFarm's management fee and governance costs.

Figure 6: Commencing Annual Rental

Property	Expected Settlement Date	Purchase	Cap Rate	Commencing Rental p.a.	Rent to be received in FY24
Puketai South	8-Sep-23	\$5,975,000	7.8%	\$464,000	\$375,257

Figure 7: Assumed Inflation and Interest rates

	30-Jun-24	30-Jun-25	30-Jun-26	30-Jun-27	30-Jun-28
Inflation	N/A	5.50%	3.75%	2.50%	2.50%
Inflation (MyFarm Mgt Fee)	N/A	0.00%	0.00%	2.50%	2.50%
Interest Rate	8.15%	7.50%	6.00%	5.50%	5.25%

Projected Cash Flows

Figure 8: Projected Cash Flow

	30-Jun-24	30-Jun-25	30-Jun-26	30-Jun-27	30-Jun-28
Rental Income	375,257	489,520	507,877	520,574	533,588
Rental Top-up*	131,250	43,750	-	-	-
Syndicate Costs	(9,763)	(12,360)	(12,824)	(13,144)	(13,473)
MyFarm Mgt Fee	(22,406)	(26,888)	(26,888)	(27,560)	(28,249)
Interest	(121,849)	(135,000)	(108,000)	(99,000)	(94,500)
CF from Operating Activities	352,488	359,022	360,166	380,870	397,366
Property Purchase	(5,975,000)	-	-	-	-
MyFarm Establishment Fee	(283,813)	-	-	-	-
Third Party Establishment Costs	(161,100)	-	-	-	-
CF from Investing	(6,419,913)	-	-	-	-
Equity	4,700,000	-	-	-	-
Debt	1,800,000	-	-	-	-
Distributions	(332,917)	(399,500)	(399,500)	(377,620)	(397,366)
CF from Financing	6,167,083	(399,500)	(399,500)	(377,620)	(397,366)
Net Cash Flow	99,659	(40,478)	(39,334)	3,250	-
Opening cash	-	99,659	59,181	19,847	23,096
Closing cash	99,659	59,181	19,847	23,096	23,096
Distributions	8.50%	8.50%	8.50%	8.03%	8.45%

* Rent adjustment to meet minimum 8.5% p.a. distribution

Sensitivity of mature distributions to changes in inflation and interest rates –Puketai South

Figure 9 presents the sensitivity of distributions to different inflation and interest rates in FY28, noting it assumes that revenues and expenses are indexed up until FY27 at the presented track as per the assumptions noted in Figure 7, page 29.

Distributions are particularly sensitive to changes in interest rates with every 100 basis points resulting in +/- 38 basis point change in distributions. Likewise for every 50-basis point change in inflation results in +/- 6 basis point change in distributions.

Figure 9: Sensitivity of mature distributions to changes inflation and interest rates

		Inflation - %				
		1.50%	2.00%	2.50%	3.00%	3.50%
Interest - %	3.25%	9.11%	9.17%	9.22%	9.28%	9.33%
	4.25%	8.73%	8.78%	8.84%	8.89%	8.95%
	5.25%	8.34%	8.40%	8.45%	8.51%	8.57%
	6.25%	7.96%	8.02%	8.07%	8.13%	8.18%
	7.25%	7.58%	7.63%	7.69%	7.74%	7.80%

Financial Information Outlined

The financial information in this Information Memorandum has been prepared on a cash basis for the purposes of showing the expected costs and returns from investing in the Syndicate.

In contrast, Terra Verde Investments Limited Partnership annual financial statements will be prepared for tax purposes, being special purpose financial statements. Accordingly, there will be differences between financial information in the annual accounts and financial information in this Information Memorandum. For example, the information in this Information Memorandum does not include provisions for deferred taxation, inventories and accruals. It also does not distinguish between issue expenses that can be expensed and issue expenses that cannot be expensed.

This Information Memorandum includes forecast financial information and other forward-looking statements for Terra Verde Investments LP. The forecast information has been prepared based upon the assumptions referred to in this section.

The purpose of the forecast financial information and forward-looking statements is to provide an indication of the level of returns and distributions from the Syndicate. Investors should note that actual distributions are likely to differ from those set out in the forecasts.

How will your Investment be Taxed?

The investment is in a limited partnership. A limited partnership is a legal entity, but not a tax paying entity. This is not a PIE scheme. Distributions will be made on a pre-tax basis and Partnership profits will be taxable in the hands of Limited Partners at their own tax rates. Profits and losses will be attributed to Limited Partners in proportion to their share of partnership capital. There can also be tax implications from the sale and purchase of any Units, such as the raising of additional capital by the Partnership. Tax can have significant consequences for investments. Investors should obtain professional advice on the tax implications of this investment. Investors will need to manage their own tax outcomes as limited partnerships like Terra Verde Investments Limited Partnership are not tax paying entities.

7. RISKS TO RETURNS FROM THE SYNDICATE

Important Questions

Is there a risk the money paid by an investor will not be recovered in full by the investor?

An investor might not recover all or any of their investment if for example the revenue does not cover core costs during the term of investment, there are unforeseen costs, properties are sold at a loss, and/or investors sell their Units on the secondary market for less than they paid for them.

Is an investor required to invest additional money in respect of their investment?

No. Terra Verde Investments LP is a limited partnership and investor liability is limited to the value of contributed capital so long as the limited partners are not involved in the management of the LP. In unforeseen financial circumstances, Partners may be asked if they wish to contribute additional capital, but they are not compelled to invest additional amounts unless they decide to do so.

How do I exit and what is the liquidity of my Units?

Units may be offered for sale through the Syndex trading platform www.syndex.exchange, for peer-to-peer investments. Liquidity is uncertain and likely to be low. It may take a long time to sell Units, if at all, and the price received may be less than an investor paid for them.

Is there a risk an investor will not receive the returns set out in Section 6 of the Financial Information section?

Yes. Returns to investors will be largely influenced by the Tenant meeting its lease obligations.

If the Tenant is unable to meet its obligations, then Terra Verde may resume direct control of the assets, which could include operating the forests for carbon credits under the NZ ETS, or indeed harvesting the forests. Returns to unit holders would then be dependent on a range of operational and market factors.

Risk Management

Investments in managed investment schemes are risky. You should consider if the degree of uncertainty in Terra Verde Investments Limited Partnership's future performance and returns are acceptable to you.

The Offeror considers the most significant risk factors that could impact on Unit value are:

- **Lessee default** – the risk that New Zealand Carbon Farming group (NZCF) will be unable to meet their future rental payments or Tenant obligations, such as covering outgoings.
- **Lease renewal** – the risk that NZCF will not renew the lease after the initial term expires, and that a replacement Tenant is either not found, or pays a lower annual rental with less favourable terms, or the operational model run by Terra Verde has a different risk / return profile.
- **Financing** – the risk that interest rates will increase, or debt repayment is required reducing returns.
- **Legislative and regulatory change** – the risk that there is a change in the New Zealand

Emissions Trading Scheme (ETS) that has a material adverse effect on NZCF's position may lead to a sale of the property to NZCF, or NZCF continuing the lease with expanded rights including voluntary carbon credits, harvest of the forest (with replant obligations), or renegotiation of lease terms.

- **Valuation/sale price** – the risk that the property is sold for less than originally purchased, or less than otherwise expected.
- **Force Majeure** – the risk that an event could impact on the forests' establishment, growth, and infrastructure in unforeseen ways.
- **Rent review** – the risk that forecast Consumer Price Index (CPI) will differ from actual numbers at the time of each annual rent review.

More detail on the key risks identified are on the following pages.

Investors please note:

The following list of risks is not exhaustive and potential investors should refer to this Information Memorandum in full and if they require further information on identification of material risks, seek professional advice. This Information Memorandum does not consider the personal circumstances, financial position or investment requirements of any one person in particular. It is therefore imperative that before making investment decisions, investors consider the suitability of investing in the Partnership in light of their investment needs, objectives, financial position and other circumstances.

Risk	Comment												
Lessee Default	<p>If New Zealand Carbon Farming group (NZCF) as Tenant fails to pay rent when due, cover outgoings and maintain the property in accordance with the lease terms, or otherwise defaults under the lease, the Partnership may exercise its rights to terminate the lease and take possession of the property.</p> <p>This could result in a period of no income until a replacement Tenant could be sourced (if any). The Partnership may assume operations of the properties, which could result in unforeseen costs, such as operating costs and general maintenance. This could have a material impact on the ability of the Partnership to pay the budgeted returns and/or recoup the original investment, and could expose the Partnership to potential liabilities under the ETS.</p>												
Lease Renewal	<p>The lease may not be renewed at the end of the initial term. In the case of non-renewal, the options and risks would be the same as a default situation. It is most likely that the forests would be sold or move to an operational model where Terra Verde keeps farming the properties for carbon credits or proceeds to implement a forestry harvest plan if applicable.</p>												
Lease Term	<p>The Puketai South property is to be developed into a forest and will enter the Emissions Trading Scheme (ETS) under averaging with an initial lease term of 16 years. Terra Verde Investments LP will seek the right to elect a change in ETS participation to the permanent forest scheme at least 12 months before the end of the initial lease term. The initial lease term will be amended to 20 years when registered as a permanent forest.</p> <p>A change to the participation of permanent forests within the ETS could result in the lease term remaining at 16 years. Should this change happen, the options and risks would be the same as a default situation. There are a range of back up options that the syndicate could explore, the include finding another lessee, run as an operating model, or sell the property. The likelihood and desirability of each of these options will vary over time.</p>												
Financial Risks	<p>\$1.80 million of bank debt is proposed to support the First Close of \$4.70 million in equity, which will fund the purchase of the Puketai South property. The following interest rate assumptions have been used:</p> <table border="1" data-bbox="512 970 1977 1070"> <thead> <tr> <th></th> <th>FY24</th> <th>FY25</th> <th>FY26</th> <th>FY27</th> <th>FY28</th> </tr> </thead> <tbody> <tr> <td>Modelled Interest Rate on Debt</td> <td>8.15%</td> <td>7.50%</td> <td>6.00%</td> <td>5.50%</td> <td>5.25%</td> </tr> </tbody> </table> <p>There is a risk that interest rates are higher than the assumed interest rates over the lifetime of the Partnership. This would increase finance costs and reduce distributions. For instance, every 100 bps movement in interest rate equates to a 38 bps movement in available distributions.</p> <p>Banking/mortgage covenants will be placed against the assets with the use of bank debt. A breach of these mortgage covenants, or general credit market conditions could increase interest rate costs and/or require debt repayment. No amortisation has been assumed in the forecast period presented in this Information Memorandum. There is a risk that the bank may require debt repayment in future which would reduce forecast distributions.</p>		FY24	FY25	FY26	FY27	FY28	Modelled Interest Rate on Debt	8.15%	7.50%	6.00%	5.50%	5.25%
	FY24	FY25	FY26	FY27	FY28								
Modelled Interest Rate on Debt	8.15%	7.50%	6.00%	5.50%	5.25%								

Risk	Comment
Legislative and Regulatory Change	<p>The carbon market and how forestry earns NZU's is influenced by a range of regulatory settings and could be subject to change.</p> <p>If there is a change in the New Zealand Emission Trading Scheme (ETS) that has a material adverse effect on the Lessee within the first 10 years of the lease, then the Lessee may purchase the properties at the purchase price (par value) less rental top up, or be free to continue the lease and utilise the land for such uses as harvest (with replant obligations) and participating in voluntary carbon schemes.</p> <p>If a material adverse change occurs after the 10th year of the lease, then the Lessee may request renegotiation of the lease. If the parties do not agree on new terms satisfactory to both parties within six months of the Lessee giving notice of the material adverse change, then the Lessee may end the lease upon written notice. A change to the ETS that has a material adverse effect on the Lessee could result in a change to forecast distributions.</p> <p>As noted, should the change happen within the first 10 years, then the Lessee may elect to purchase the property at par value (initial purchase price less any top-up payments made) or the Lessee may elect to continue the lease with the ability to participate in voluntary carbon schemes or harvest the forest.</p> <p>Should the change happen after the 10th year of the lease, the options and risks would be the same as a default situation. There are a range of back up options that the syndicate could explore, these include finding another lessee, run as an operating model, harvest, or sell the property. The likelihood and desirability of each of these options will vary over time.</p>
Reliance on New Zealand Carbon Farming group (NZCF)	<p>The performance of the Partnership's properties is heavily reliant on the services provided by NZCF and other third-party providers. There is a risk that one of these providers will fail to deliver the services it is contracted to perform at an acceptable standard, or at an acceptable cost. This could have a range of impacts depending on the service that has not been delivered to a satisfactory standard. This risk is mitigated to some extent as the impacts of any service not delivered to a satisfactory standard will likely have a larger impact on NZCF and their revenue from their lease of the properties, and it is in their interests to ensure all services are performed to a high standard.</p>
Forestry Production Risk	<p>The climatic and biophysical conditions during the production lifecycle of a forest are important in determining production outcomes – including both the gross production of wood, rate of growth and quality of this. Key risks include excessive rain and heat, unseasonal frost, wind, sunshine hours, humidity, and other extreme weather abnormalities. All these events at key times during the production lifecycle, or at harvest time can have an adverse effect on the quantity of wood produced and its quality.</p>
Rent Review	<p>The rent is reviewed on an annual basis and adjusted to either an amount in line with the change in the Consumer Price Index (CPI) or the last year's rental payment, whichever is higher. This means rents can only go up or maintain, and not down. CPI at the time of rent review has been forecast using the Reserve Bank of New Zealand guidance as a base. Forecast distributions to investors could be lower based on actual CPI numbers at the time of rent review.</p>
Capital Raise and Partnership Portfolio	<p>Building from the initial property at Puketai South, Terra Verde is seeking to own a portfolio of high-quality properties. However, there is a risk that further investor capital cannot be sourced and Puketai South would remain the sole property under Terra Verde Investments LP.</p>

Risk	Comment
Property Valuation and Sale Price	<p>The proposed properties are intended to be purchased in off market transactions. Independent valuations have been sought for each property to confirm purchase price.</p> <p>If circumstances were to change for unforeseen reasons (lessee default, force majeure, legislative or regulatory change) and the property was sold on the open market, the value may not reflect the initial purchase prices. In the case where one or all of the properties are sold in the future, and that future sale price is less than the initial purchase price and syndicate establishment costs, Limited Partners would receive less capital back than initially invested.</p>
Lack of Liquidity	<p>Terra Verde Investments LP is structured to provide investors with a long-term investment in a portfolio of properties leased to New Zealand Carbon Farming group (NZCF).</p> <p>There is no guarantee that there will always be willing buyers for this type of investment. The sale of Units in the Terra Verde Investments LP by investors presumes a market exists for Units. If an investor wished to exit their investment in the Partnership, a lack of liquidity may significantly impact the ability of an investor to recoup their original investment in full or at all. A lack of liquidity for Units may adversely impact the value of the Units.</p>
Biosecurity Risk	<p>New Zealand's historical isolation has meant its free from a number of potential pathogens and pests that could have unwanted impacts if there is a biosecurity incursion.</p> <p>The direct impacts on a forest's productivity and production are often unknown due to the pathogen and pest not being naturally present in an existing environment. A biosecurity breach may also have market access and reputational implications. For Radiata pine there are a range of biosecurity risks related to plantation health (see here for more information - NZ Farm Forestry - Biosecurity nzffa.org.nz).</p> <p>Long-term there is likely to be improved forestry management systems and practices to cope with any incursion reducing the initial impact on productivity and cost structures. If there were a new biosecurity incursion Terra Verde Investments LP would be heavily reliant on the key government agencies' and sector participants/bodies' response.</p>
Force Majeure Event	<p>There is a risk that fire, earthquake, severe climate events and other such Force Majeure events could impact on the property's infrastructure and plant/equipment in unforeseen ways. NZCF will carry insurance required, or self insure, to replant areas of any property that are affected by an adverse event. Any event unforeseen repair/capital costs that are not covered by an insurance claim could potentially impact the asset owned by Terra Verde Investments LP.</p>
Surrender Liability	<p>There is no right for either party to harvest the forest during the lease therefore there is no expectation that there would be any surrender liability under the Emissions Trading Scheme (ETS). If an unexpected event were to occur during the term of the lease, then NZCF is to cover the costs associated with replanting. The forests will remain registered in the ETS at end of the lease, with the Partnership becoming the ETS participant at that time. Any rights or obligations under the ETS (including the right to receive further NZUs or a surrender liability) from the date of the ETS transfer will be the Partnership's responsibility. The Partnership will likely assess insurance options at the completion of the lease to insure the cost of replanting. Any unforeseen costs could have a material impact on the ability for the Partnership to pay the budgeted returns and/or recoup the original investment.</p>

8. GENERAL INFORMATION

Complaints about Financial Products:

Manager	MyFarm Investments Andrew Watters - Chief Executive Officer	MyFarm Investments, 8 Manchester Square, Level 1 P.O. Box 91 Feilding 4740 Ph: +64 800 693 276
Dispute Resolution Scheme*	Financial Services Complaints Limited	Financial Services Complaints Limited, 101 Lambton Quay, Level 4 PO Box 5967, Wellington 6140 Ph: +64 4 472 3725 E: complaints@fscsl.org.nz

* The dispute resolution scheme will not charge a fee to any complainant to investigate or resolve a complaint.

Sharp Tudhope Legal Services

Sharp Tudhope has been engaged by MyFarm to act for MyFarm in connection with the Offer. The terms of that engagement and scope of work are set out in Sharp Tudhope's letter of engagement to MyFarm.

As a general summary, the scope of work includes; legal due diligence investigations, preparation of the Limited Partnership Agreement, constitution of the General Partner, and the business management and commercial agreements to be entered into by Terra Verde Investments LP on settlement. In each case, and in accordance with MyFarm's instructions, Sharp Tudhope will be responsible for receiving and holding Offer proceeds pending settlement.

The costs of this engagement are to be met by Terra Verde Investments LP from the proceeds of the Offer, and form part of the fee described in this Information Memorandum.

Sharp Tudhope is also engaged by Terra Verde Investments LP under a separate and limited retainer that commences at the time the Offer proceeds and transfers to Terra Verde Investments LP at settlement.

The terms of that engagement and scope of work are set out in Sharp Tudhope's letter of engagement to Terra Verde Investments LP.

The scope of work is limited to attending to transaction settlement of the purchase of the Units, in accordance with instructions of the General Partner of Terra Verde Investments LP.

Syndex | www.syndex.exchange

On successful completion of the syndication process, the Offeror intends to list Terra Verde Investments Limited Partnership on Syndex, a cloud-based administration and trading platform.

Syndex was founded in New Zealand in 2015 and is the largest provider of private capital market infrastructure, administering more than \$4.5b of proportionally held assets on behalf of thirty independent Issuers, who are providing investor management services to more than 15,000 investors.

MyFarm believes that it's an essential service to provide investors with access to liquidity and as such, has decided to make Syndex's secondary market available to investors should they want to buy or sell units in their schemes.

MyFarm has entered into a Listing Agreement with Syndex in order to make the secondary market available to investors, and in so doing, has agreed to higher levels of disclosure about their schemes that is essential to facilitating a fair, orderly and transparent trading experience for market participants.

Investors who choose to use the secondary market will be subject to a trading and transfer fee.

9. WHO TO CONTACT TO FIND OUT MORE?

Any queries about Terra Verde Investments LP can be made to Colliers New Zealand, or to one of the MyFarm Investments team, as outlined below.

Colliers:



Kris Ongley

Colliers
Director | Investment Sales

P: +64 21 657 687

E: Kris.Ongley@colliers.com

www.colliers.co.nz/en-nz/experts/kris-ongley



Ben Jamieson

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Associate Director | Investment Sales

P: +64 21 520 884

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MyFarm Investments:



Louise Bignall

MyFarm Investments
Head of Client Relations

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Gordon Love

MyFarm Investments
Client Relations Manager

P: +64 27 488 8238

E: gordonl@myfarm.co.nz

10. GLOSSARY

Term	Meaning
AGInvest	AGInvest Holdings Limited, the owner of MyFarm and the Manager
AML	Anti Money Laundering
Board	The Board of Terra Verde Investments GP Limited
Contributed Capital	The equity capital contributed by Limited Partners
EBITDA	Earnings before interest, tax, depreciation and amortisation
FY	The financial year ended June
General Partner	Terra Verde Investments GP Limited
LVR	Loan to value ratio, the ratio of debt funding divided by total assets excluding establishment costs
Manager	AGInvest Trading Limited trading as MyFarm
MyFarm	AGInvest Trading Limited trading as MyFarm
NZCF	Entities from the New Zealand Carbon Farming group
Offer	This Offer of Units in Terra Verde Investments LP at an issue price of \$1.00/Unit, with a minimum investment of \$50,000 / 50,000 Units for new investors.
Offeror	AGInvest Trading Limited, trading as MyFarm
Operational Partners	The counterparties with whom Terra Verde Investments LP contract to develop the property or provide property management services and/or marketing of products.
Option Date	30 th June 2024
Partnership	Terra Verde Investments Limited Partnership
Prior IMs	Information Memorandums dated 10 th May 2023 and 7 th July 2023
Promoter	AGInvest Trading Limited trading as MyFarm
Limited Partners	The limited partners who hold Units in Terra Verde Investments Limited Partnership
Syndicate	Terra Verde Investments Limited Partnership
Terra Verde	Terra Verde Investments Limited Partnership
Units	A representation of a limited partner's partnership interest in the Partnership, being the right to a share of the Partnership's distributions, right to a share of the Partnership's assets, and a right to vote on decisions about the Partnership. Units are being issued for \$1 in the Offer.
WALT	Weighted Average Lease Term

11. HOW TO APPLY

Applicants may apply for Units as set out below:

Applications may be made via the application form included in this Information Memorandum.

If you are an existing investor, you can apply through Syndex.

Applications will be accepted generally in the order of receipt, but MyFarm Investments reserves the right to accept and/or scale any application and reject any application at its discretion, and/or extend the closing date.

No applications will be considered for acceptance unless:

1. You are able and willing to invest no less than \$50,000, and you are a person who comes within Schedule 1, Wholesale Investor, clause 3(2) (a)-(c) or 3(3)(a)-(b)(ii) (inclusive) of the FMCA.
2. Your application form is completed and signed and accompanied by the applicable Wholesale Investor/ Eligible Investor Certificate.
3. Your application is accompanied by all the required Anti Money Laundering and Counter Financing of Terrorism Act (AML) requirements.

Applications must be completed on the application form contained on the following pages of this Information Memorandum.

Application Instructions

If you wish to apply for Units in Terra Verde Investments LP via the application form, you must complete the application form in full if applying with MyFarm, in accordance with the following application instructions.

PART ONE: Completing the Application Form

Contact Details / Investment Amount / Signatures.

This section must be completed and signed by ALL parties authorised to act on behalf of the investing entity.

PART TWO: [Selected section only]

This section collects information about the applicant (Investment Owner/Entity) who is applying for Units in Terra Verde Investments LP.

Tick the box that best describes the type of entity that is making the application.

Applicant (Investment Owner) Entity Types:

- Individual
- Joint Individuals
- Trust
- Trust with a corporate trustee
- Company
- Partnership

You only need to complete the Part Two section for your type of entity. For example, if the Investment Entity is a Trust with a corporate trustee, the ONLY pages of the Part Two to complete are those relating to the Trust.

Important to note:

Individual Details box:

- Please ensure each individual in control of, or owning >25% of, the Investment entity completes the WHOLE BOX in the relevant numbered section.
- Copy more Individual Details boxes until all Trustees, Directors or Partners have completed their individual details.
- AML documents for every individual in control of, or owning >25% of, the investment entity is to be included with the application form.
- Please contact the MyFarm Investments Team if all the required AML documentation will not accompany your application to invest. Once your application is received there will be LIMITED TIME to supply any missing AML or Wholesale Investor Certificate information/ documentation.
- Both a satisfactory Investor Certificate and documentation sufficient to comply with AML regulations are requirements of confirming an application and allocation of Units in Terra Verde Investments Limited Partnership.

Bio-Verification process

MyFarm as a reporting entity is continuously looking to improve its AML/CFT processes by ensuring we have advanced and accurate systems. In light of our drive to continuously improve our process we have adopted the Syndex Bio-verification process as our primary identity verification tool.

This process is a relatively pain-free exercise and only requires that you have a mobile / cell phone with a camera function.

Eligibility for Bio-Verification

This verification system is only available to NZ Passport or NZ Drivers Licence holders who reside in New Zealand.

The Bio-verification process is immediate, removing the need for certified documents.

The Process

The process begins with a text or email link sent by Syndex on behalf of MyFarm Investments.

When opened on a mobile device, written and voice prompts will guide you through the process. The system will attempt to biometrically match a self-taken photo ("selfie") with the photograph included on your identity document allowing you to complete the Biometric verification request.

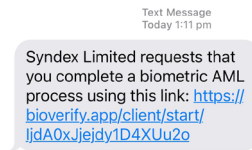
Biometric Verification Instructions

Investor User Requirements

Mobile phone device with Camera and a connection to internet via mobile data or Wifi.

Issuer Instructions

1. A text or email generated by Syndex is sent on behalf of MyFarm Investments to the Investor requiring the Investor to open on a mobile device and click in the Link.

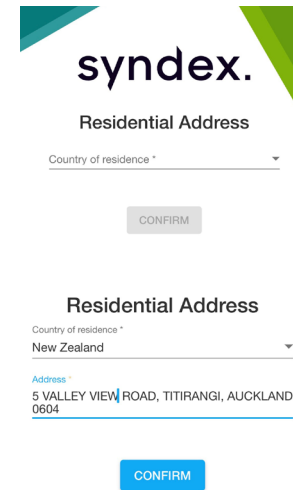


Users should then follow the instructions as per the description below.

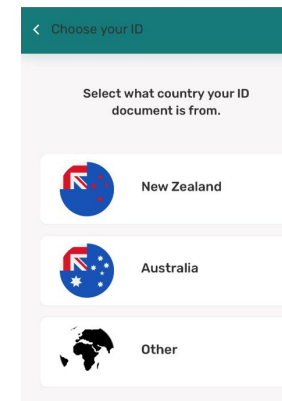
2. The Link will open a web browsing page on the Investors mobile phone. The Investor should click "Start" to begin the process.



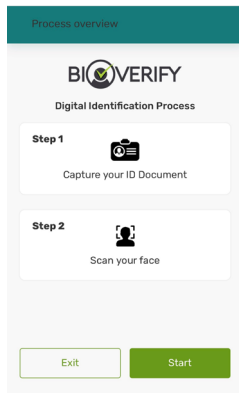
3. The Investor will be prompted to enter their country of residence and residential address.

Two screenshots of the Syndex Residential Address form. The top screenshot shows the "Country of residence" dropdown menu. The bottom screenshot shows the "Address" field with the text "5 VALLEY VIEW ROAD, TITIRANGI, AUCKLAND 0604". Both screenshots have a "CONFIRM" button.

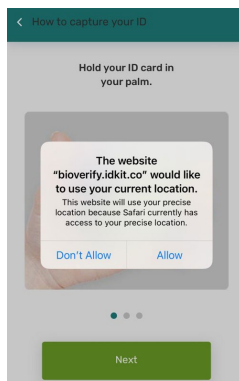
4. The Investor is prompted to select the country of issue of the identity document they wish to use to verify themselves.

A screenshot of the Syndex "Choose your ID" screen. The screen displays the title "Choose your ID" and the instruction "Select what country your ID document is from." Below this, there are three options: "New Zealand" with the New Zealand flag, "Australia" with the Australian flag, and "Other" with a globe icon.

5. The Investor should Click "Start" when ready.



6. The Investor will be requested to Click "Allow" to use their current location on their device.



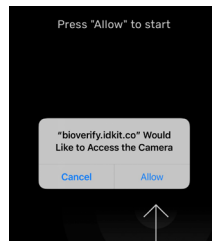
7. The Investor will be prompted to take a photo of their ID. (Includes both sides of Drivers Licence).



8. The Investor will be asked to confirm the extracted details of ID document are correct and confirm their consent to identity verification.



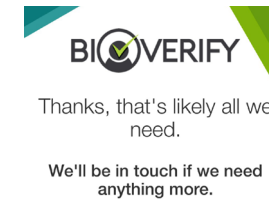
9. The Investor will then need to Click "Allow" to provide access to phone camera.



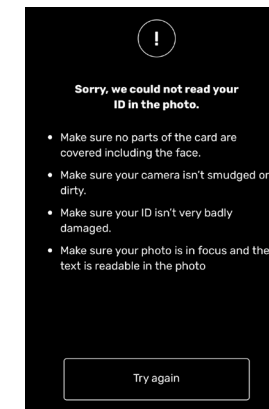
10. Instructions will be provided to prompt the Investor to take a photo of themselves.



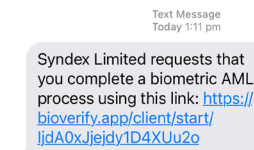
11. Once completed, the following message will be displayed confirming the process is complete.



If something goes wrong due to photo quality, follow the instructions to retake photos.



The Investor can always go back to the text message or email to try again at another time.



Alternatively, if you do not have a NZ driver's licence and hold a foreign passport or if you are resident outside of NZ, the following process will apply.

Alternative Process to Biometric Verification

Personal identification is a key part of the Anti-Money Laundering (AML) requirements, so we will require a certified copy of your verified proof of Identity (typically your Passport or NZ Driver's License) and proof of address.

Please provide:

- a. A certified copy of Identity Document; and
- b. An original or certified copy of a utility (power, gas, telephone, water) statement showing name and residential address and dated within the past 12 months.
- c. Copies must be certified by a Justice of the Peace, Chartered Accountant, Lawyer, Notary Public, Person with legal authority to take Statutory Declarations in NZ, NZ Police Member etc. These are referred to as trusted persons.
- d. All Certifications must not be older than 3 months as at the date that it is received by MyFarm.
- e. The Certification must state that the certifying party can verify that the person in the Identity Document is the same person that is presenting the document.

Essentially the trusted person needs to certify that:

1. The document is a true copy of the original document; and
2. That the Photo in the Identity document matches the person whose Identity requires approval.

Acceptable Certifiers

In the event that you are not able to biometrically verify your identity, the original ink stamped copies of your documents must be certified and sent to MyFarm.

These photocopies need to be certified as a true copy by a "trusted person" who must sight the original, state that the copied document is a true copy and represents the identity of the named individual.

A trusted person must not be under 16 years of age, related/spouse/partner to the applicant or living with the applicant.

Please ensure the trusted person certifying the copy of your identify documentation adds the following:

"I, hereby certify this copied document is a true copy of the original which I have sighted and represents the identity of the named individual."

The trusted person must complete their name, occupation, role/firm and signature on the copy and date it.

Please provide the contact details of the trusted person as it may be necessary to contact them to verify the details of the identity document or certification.

Should the trusted person not confirm the document represents the identity of the person, or should they fail to date the certification, we will not be able to accept the documents as certified.

Personal Identification Documents

Personal identification confirmation for each beneficial owner of a non-personal applicant is required. This can be done via biometrics verification as set out or supply a certified original copy of the photo ID as certified by the trusted person.

Trusted persons for Certifying copies:

Chartered Accountant	Member of Parliament
Lawyer	NZ Honorary Consul
Notary Public	Person with legal authority to take Statutory Declarations in NZ
Registered Medical Doctor	NZ Police member
Justice of the Peace	Minister of Religion

One form of primary photo ID required:

NZ Passport	Overseas passport
NZ Certificate of Identity	Firearms licence
Foreign-issued national ID	

Alternatively:

New Zealand driver licence with **ONE** additional document listed below:

NZ Defence photo ID	Police photo ID
IRD statement	Embossed credit, debit or EFTPOS card
NZ Government Agency document (e.g. Super Gold Card)	Bank statement of registered bank

Address Verification

In order to verify the applicant's address, we require a copy of an applicant's utility (power, gas, telephone) statement with the applicant's name and current address dated within the last 12 months.

For non-personal applicants, please provide verification of the registered office or principal business address.

Additional AML Information Required

The applicant must provide additional information about source of funds or wealth if the applicant is:

- a trust
- a vehicle for holding personal assets

- a company with nominee shareholders, or units in bearer form or is a vehicle for holding personal assets.

- certain non-resident individuals/companies

A letter from your lawyer or accountant providing a brief description of the entities source of wealth and source of funds including the following 3 key points:

1. When the entity was created, where did the initial source of funds come from?
2. When the entity performed its first transaction, where did the funds come from in respect of that transaction?
3. Confirmation of where the source of funds is coming from for this specific transaction.

Politically Exposed Persons

As part of all applications, MyFarm Investments requires applicants to confirm that they are not "politically exposed persons" (PEP) for the purposes of the AML rules. "Politically exposed person" means:

- a. An individual who holds, or has held at any time in the preceding 12 months, in any overseas country the prominent public function of:**

- Head of State or head of a country or government; or
- Government minister or equivalent Senior politician; or
- Supreme Court Judge or equivalent senior Judge; or

- Governor of a central bank or any other position that has comparable influence to the Governor of the Reserve Bank of New Zealand; or

- Senior foreign representative, high commissioner, ambassador; or

- High-ranking member of the armed forces; or

- Board Chair, Chief Executive, or Chief Financial Officer of, or any other position that has comparable influence in, any State enterprise; and

- b. an immediate family member of a person referred to in paragraph a, including:**

- a spouse; or
- a partner, being a person who is considered by the relevant national law as equivalent to a spouse; or
- a child and a child's spouse or partner; or
- a parent; and

- c. Having regard to information that is public or readily available:**

- any individual who is known to have joint beneficial ownership of a legal entity or legal arrangement, or any other close relationship, with a person referred to in paragraph a, or any individual who has sole beneficial ownership of a legal entity or legal arrangement that is known to exist for the benefit of a person described in paragraph a.

If in doubt please contact your lawyer, accountant or financial adviser if you think you may be a "politically exposed person".

Part Three – Investor Certificates:

Each applicant (Investment Entity) will need to provide either Certificate A, OR Certificates B and C in order to confirm qualification as a “Wholesale Investor” as set out in Schedule 1, clauses 3(2)(a) –(c) and 3(3)(A) – (B)(ii) inclusive of the FMCA.

Please ensure that a description of the type of investment products and/or investment experience specific to the applicant (Investment Entity and the trustees/directors if applicable) is detailed on either Certificate A or Certificate B.

Certificates that do not contain sufficient information regarding the applicant (Investment Entities) financial product portfolio or investment experience will NOT be accepted.

More information about the criteria for qualifying as Wholesale Investor is contained in the following pages of this Information Memorandum.

Essentially qualification as a “wholesale investor” (Certificate A) will be about the assets of the applicant (Investment Entity), or the contents and value of the applicant (Investment Entities) investment portfolio. Please note only specified investments can be counted for the portfolio value criteria.

Specified Investment products includes equities, debt securities, derivatives, and managed investment products, but does not include any property investments, bank term deposits, cash surpluses or superannuation.

The other means of qualification as “wholesale investor” is based on the investment experience of

the applicant (Investment Owner) (Certificate B). If the applicant can demonstrate experience in acquiring and disposing of “financial products” and believes they are sufficiently experienced to be able to discern the level of information they require to understand the risks of the investment product and make an informed decision.

Experience does not relate to Industry experience and is focused on investment background.

This background includes dealing with equities, debt securities, derivatives and managed investment products as well as commercial property, private equity investment (ie. startups) and venture capital investments, etc. This list is not limited, each Certificate is accessed on its own merits.

Certificate B requires confirmation by a Chartered Accountant, Lawyer, or Registered Financial Adviser who will complete Certificate C.

Please note Certificate B is not valid unless accompanied by Certificate C, completed by one of the three named professionals.

If you are unsure if your investment entity qualifies as a “wholesale investor”, please consult your professional adviser (lawyer or accountant).

If you have questions about completing either Certificate A or B, please contact the MyFarm Investments team at:

investments@myfarm.co.nz

Schedule One, Wholesale Investors – FMCA

Wholesale investor criteria under the exclusion categories of Schedule 1, cls 3(2)(a)–(c) and (3) (3)(a)–(b)(ii) of the Financial Markets Conduct Act 2013.

CERTIFICATE A (1. i)

A. Schedule 1, clause 3(2)(a): An “investment business” as defined in Schedule 1, clause 37 of the FMCA:

1. A person is an investment business if the person is:

- (a) an entity whose principal business consists of 1 or more of the following:
 - ii. *investing in financial products; or*
 - iii. *acting as an underwriter; or*
 - iv. *providing a financial advice service; or*
 - v. *providing a client money or property service; or*
 - vi. *trading in financial products on behalf of other persons; or*
- (b) a registered bank; or
- (c) a Non-Bank Deposit Takers (NBDT); or
- (d) a licensed insurer (within the meaning of section 6(1) of the Insurance (Prudential Supervision) Act 2010); or
- (e) a manager of a registered scheme, or a discretionary investment management service, that holds a market services licence; or
- (f) a derivatives issuer that holds a market services licence; or
- (g) a financial adviser.

2. Subclause (1)(a) does not apply to an entity if the entity was established or acquired with a view to using it as an entity to which offers of financial products may be made in reliance upon the exclusion in Schedule 1, clause 3 of the FMCA.

CERTIFICATE A (1. ii)

B. Schedule 1, cl 3(2)(b): Investment activity criteria as specified in Schedule 1, clause 38 of the FMCA:

1. A person (A) meets the investment activity criteria for the purposes of cl 3(2)(b) if at least 1 of the following paragraphs applies:

(a) A owns, or at any time during the 2-year period before the relevant time has owned, a portfolio of specified financial products of a value of at least \$1 million (in aggregate):

(b) A has, during the 2-year period before the relevant time, carried out 1 or more transactions to acquire specified financial products where the amount payable under those transactions (in aggregate) is at least \$1 million and the other parties to the transactions are not associated persons of A:

(c) A is an individual who has, within the last 10 years before the relevant time, been employed or engaged in an investment business and has, for at least 2 years during that 10-year period, participated to a material extent in the investment decisions made by the investment business.

2. For the purposes of:

(a) Sub-cl (1)(a), in determining the specified financial products owned by A, the specified financial products owned by an entity controlled by A may be treated as being owned by A.

(b) Sub-cl (1)(b), in determining the transactions carried out by A, transactions carried out by an entity controlled by A may be treated as carried out by A.

3. The frameworks and methodologies prescribed by the FMA under subpart 4 of Part 9 of this Act for the purposes of this clause (if any) must be complied with when determining whether any of the paragraphs of subclause 'a' above are satisfied.

4. In this clause, specified financial products, in relation to A, means financial products other than;

- a. Category 2 products
- b. Interests in a retirement scheme
- c. Financial products issued by an associated person of A.

CERTIFICATE A (1. iii)

C. Schedule 1, clause 3(2)(c): A "large" investor as defined in Schedule 1, clause 39 of the FMCA:

1. A person is large if at least 1 of the following paragraphs applies:

(a) as at the last day of each of the 2 most recently completed financial years of the person before the relevant time, the net assets of the person and the entities controlled by the person exceeded \$5 million:

(b) in each of the 2 most recently completed financial years of the person before the relevant time, the total consolidated turnover of the person and the entities controlled by the person exceeded \$5 million.

2. The frameworks and methodologies prescribed by the FMA under subpart 4 of Part 9 of the FMCA for the purposes of this clause (if any) must be complied with when determining whether either of the above are satisfied.

CERTIFICATE B

D. Schedule 1, Clause 3(3)(a): Eligible investor as defined in Schedule 1, clause 41 of the FMCA:

The investor certifies as required by the Eligible Investor Certificate (and that certification is confirmed by a financial or legal advisor) that they have experience in acquiring or disposing of financial products, noting the grounds under which the certification is made.

INVESTOR CERTIFICATE IS NOT REQUIRED

E. Schedule 1, Clause 3(3)(b): Minimum investment of \$750,000:

In relation to the offer of financial products for issue or sale:

(a) The minimum amount payable by the person on acceptance of the offer is at least \$750,000.

Definitions

Note the terms used above have the meaning as given to them in the relevant provisions of the FMCA, including:

“Financial product” means:

- a. a debt security; or
- b. an equity security; or
- c. a managed investment product; or
- d. a derivative

Payment

Payments can be made by direct credit to:

Sharp Tudhope Trust Account:

06-0433-0020939-00

ANZ, Grey Street, Tauranga

Please include the reference ‘TVILP’ and your investment entity name.

MyFarm reserves the right to cancel any application if payment is not made on the due dates in accordance with the timetable provided in the Information Memorandum OR any other due date specified by MyFarm.

MyFarm, at its sole discretion, may charge interest from any due date at its banker’s current overdraft interest rate in the event of late payment.

THIS APPLICATION WILL NOT BE ACCEPTED AND THEREFORE NO FINANCIAL PRODUCTS WILL BE ALLOTTED IN RESPECT OF THIS APPLICATION UNLESS THE REQUIRED PAYMENT FOR THE UNITS APPLIED FOR HAS BEEN RECEIVED.

Cancellation

You may only cancel this application by written notice, if, after receiving information that causes

your reassessment of the investment, you, within 5 working days apply to cancel.

You may not cancel after the closing date. Upon cancellation, any funds paid will be returned without any further obligation and without interest.

Disclaimers FMCA - Eligibility

No subscriptions will be considered for acceptance by MyFarm in respect of this Offer unless MyFarm, in their sole discretion, is satisfied that the investment entity has proven their qualification as a “Wholesale Investor” as set out in Schedule 1, clauses 3(2)(A) – (C) and 3(3)(A) – (B)(ii) (inclusive) of the FMCA and the relevant certificate (if applicable) is completed in full and attached.

For information on the requirements of Schedule 1, wholesale investors, clause 3(2)(a)-(c) or 3(3) (a)-(b)(ii) of the FMCA section in this Information Memorandum or contact the MyFarm Investments team for more information prior to submitting your application.

Investor Certificates

This Offer is made under the provisions of the FMCA. Section 39 of the FMCA provides an offer of financial products requires disclosure unless an exclusion under Part 1 of Schedule 1, wholesale investors, of the FMCA applies.

Investor Certificates have to be completed by all Investors (unless you are investing \$750,000 or more upon acceptance of your application, and in the case of Eligible Investors, confirmed by their Financial Advisor, Chartered Accountant or Lawyer. If you have any doubt on your eligibility for this Offer, please consult your legal or financial adviser.

AML Requirements

The New Zealand Government has implemented legislation intended to ensure New Zealand remains a safe place to do business and deter people from trying to launder money here.

The Anti-Money Laundering and Countering the Financing of Terrorism Act 2009 (AML) imposes a broad range of obligations on certain financial institutions including on those that offer syndicated investment opportunities.

Before any subscription can be considered (as against received) for acceptance the applicant must provide certified identification documentation. This is required by law under the AML.

The applicant must provide certified documents verifying:

1. Personal Identification
2. Address Verification
3. Additional information (as required)

Acceptance

Applications will be accepted generally in the order of receipt, but MyFarm reserves the right to accept any application and reject any application in its discretion.

Applications will not be confirmed until MyFarm has received:

- a. Properly completed, signed application form
- b. Properly completed, signed wholesale investor certificate
- c. Completed AML documentation
- d. A bank deposit slip; and
- e. Payment of the deposit in cleared funds.

With regard to (b), wholesale investor certificates will be reviewed, and you should take care to ensure yours is properly completed.



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New Zealand

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