

## Key Facts

Environmentally responsible investment

Promotes reforestation to offset carbon discharge

One-off investment of just US \$12,600 all inclusive

Return starting at 15% and expected to increase every year

Secure, asset-backed, environmentally positive

50-year income stream from fast-growing market

Land held in trust by a UK Trustee

Regular monitoring by independent 3rd parties

Politically safe and economically stable country

Outstanding long-term income

Approved for investment through a SIPP

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# Carbon Offset Reforestation Project

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This is an opportunity to make a difference to the environment by the purchase and conservation of rainforest land and by planting new trees alongside to create new rainforest. It also helps in the maintenance of the natural habitat for the vast range of wildlife living in the rainforest.

This programme is about investing in Costa Rican rainforest and selling the resultant Carbon Offset Credits to produce income. The financial returns are extremely good in the early years and outstanding over the longer term. As the investment vehicle is SIPP-compliant (Self Invested Personal Pension), this is an ideal addition to your pension scheme, allowing income to accumulate and be reinvested free of all taxes.

For a single one-off investment of US \$12,600 including all costs, you can look forward to a 50-year income stream starting at around 15% return on the investment and growing year by year. For a higher-rate taxpayer the investment would cost just £5,100 within a SIPP, giving an initial return of 24.9% a year.

Your first year return is guaranteed to be no less than 8%. Whilst a significantly larger income is expected, this safety net guarantee provides a degree of comfort at what is still an acceptable level.

The total income during the 50-year lease period could be as much as £1.4 million for a passive investor who makes the single payment then does nothing further, and many times that amount for active reinvestment through a SIPP.

There is no limit to the amount you can invest (subject to availability) but each unit of 5,000 m<sup>2</sup> (about 1.25 acres) is £8,480 including all closing costs at today's exchange rate of £1=\$1.50. Initial and future investments and reinvestments are therefore in multiples of that amount.



Costa Rica is home to between 7% and 8% of the Earth's biodiversity. If we are to save the creatures that share our planet with us, we must first save the habitats in which they live and particularly those that are in the most abundance. It is also one of the most peaceful and stable countries in the world.

- In 1948 it chose to abolish its army in order to fund better education and healthcare
- It has almost 60 years of uninterrupted democracy, making it one of the most stable countries in the region
- It is an active member of the Organisation of American States
- It is an active member of the United Nations
- The Inter-American Court of Human Rights and the United Nations University of Peace are based in Costa Rica

In 1987, the Nobel Peace Prize was won by the Costa Rican President Oscar Arias Sanchez



## Project Objectives

Based in the Costa Rican rainforest, an area of great biodiversity and political stability, the objectives of the project are:

- Prevention of deforestation through the purchase and conservation of rainforest land
- Reforestation by planting trees in adjacent land

These activities are independently monitored by 3rd party quantification and verification companies. A guaranteed 200 carbon offset credits (equivalent to 200 metric tonnes of carbon) are allocated to each half-hectare parcel of land.

The credits are sold on the Voluntary Carbon Market which is increasing considerably each year.

By investing in the rainforest you can play a vital role in:

- Protection of existing rainforest
- Creation of new rainforest through re-forestation schemes
- Maintenance of the natural habitat for the vast range of wildlife living in the rainforest
- Community and education projects for the local people
- Tackling climate change head on, on a personal level
- Becoming personally Carbon Neutral through using some of your annual 200 COC to offset your own Carbon Footprint.

Ultimately, helping to save the environment! whilst making a great return for yourself.



## Carbon Offset Credits

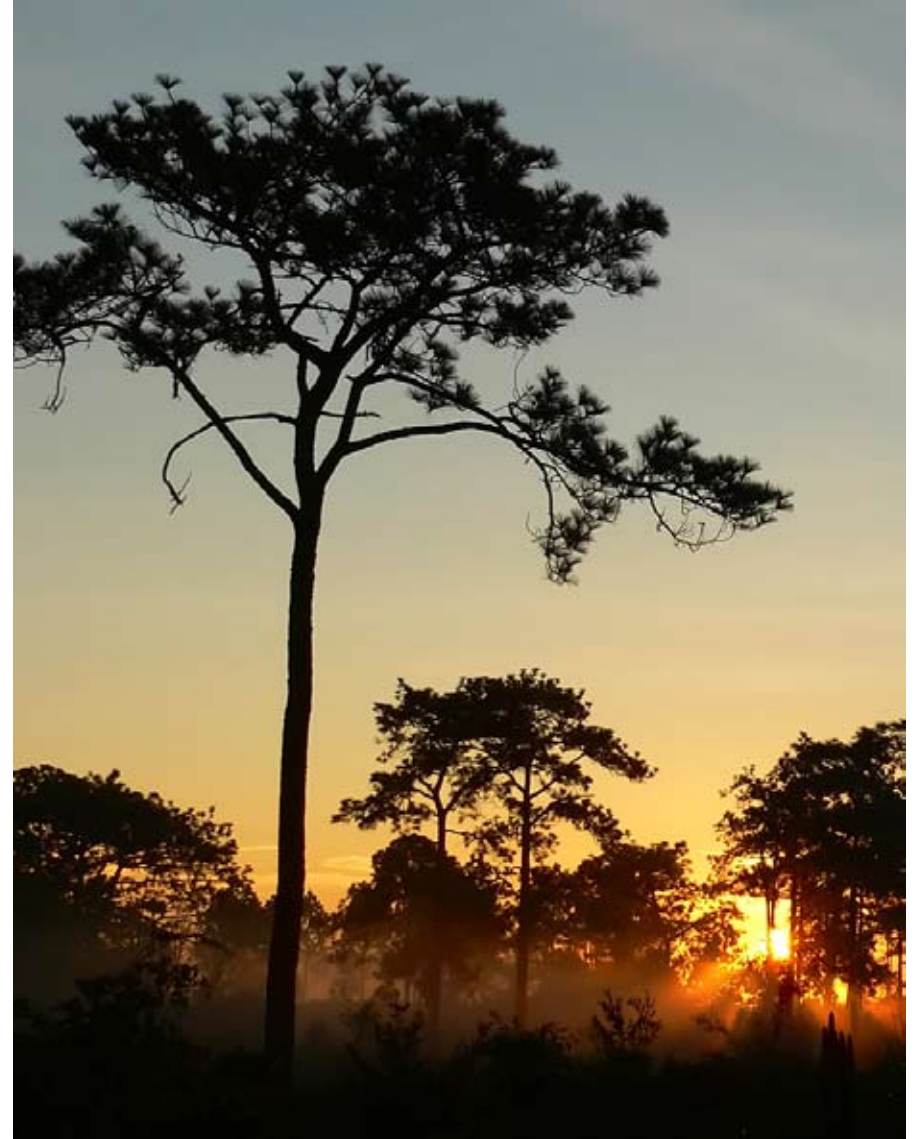
Throughout our daily lives we are producing carbon dioxide. We breathe in oxygen and breathe out CO<sub>2</sub>. Trees and plants do it in reverse – absorbing carbon dioxide and releasing oxygen into the atmosphere. That's the natural order of things, known as photosynthesis.

### **Global imbalance**

Unfortunately there are other events which interfere with this balance. Our CO<sub>2</sub> emissions are dramatically increased by travel (land and air transport burns fossil fuels and releases massive amounts of CO<sub>2</sub> into the atmosphere) and also by our consumption of energy which has been created from fossil fuels. Add to that a process of deforestation, where some 34 million acres of trees are felled each year, and you have a large and growing imbalance between our carbon emissions and the ability of the earth's trees and plants to convert it to oxygen.

### **Offsetting**

One creative solution to this problem is the system known as 'Carbon Offset Credits'. By planting new trees, or at least preventing further felling of existing ones, you are 'credited' with one unit for every tonne of carbon you counteract or 'offset'. One hectare (2.5 acres) of rainforest is measured as absorbing, and therefore offsetting, 400 metric tonnes of carbon per year. NB: a metric tonne is 2205 lbs; an imperial ton is 2240 lbs.



**Carbon footprint**

The amount of CO<sub>2</sub> produced each year by an individual, family or business is known as their 'carbon footprint'. This can be 'offset' by purchasing carbon offset credits. Credits have become a popular product in recent years as society has embraced the need to reduce emissions in general and offset those which cannot be avoided.

**Voluntary Carbon Market**

There is an international market for voluntary Carbon credits (in fact there are many) with the price at time of writing (April 2009) starting at \$12.50 and going up, depending on the method of offsetting.

All calculations in this document are based on a price of \$10.00, which is therefore conservative – some 20% below current market prices.

“Carbon will be the world’s biggest commodity market, and it could become the world’s biggest market overall”

**Louis Redshaw, Head of Environmental Markets, Barclays Capital, 2004**

“Several companies who are heavily involved in the major stock exchanges are betting that carbon offsets will become the next big trading opportunity”

**Chris Morrison, Blue Source**

<http://www.ghgworks.com>

## Investment Details

- One-off investment of \$12,000 plus closing costs (\$12,600 in total) equivalent to £8,480 in total. Effective price £5,100 to a higher-rate taxpayer within a SIPP.
- You receive a 50-year sub-lease on a 5,000m<sup>2</sup> parcel of rainforest, giving you a 50-year income stream requiring no further outlay at all.
- Each parcel of land is officially quantified and verified by an independent 3rd party as producing 200 credits per year.
- Each year, your 200 Credits are sold for you on the Voluntary Carbon Market and the receipts paid to you by the management company. A management fee of 10% is deducted from these amounts.
- All projections in this brochure assume a starting point of \$10.00 per tonne, which is conservative at 20% below current market prices of \$12.50.
- The most reliable source of current prices is **www.pointcarbon.com**. Halfway down the right hand side of their home page is the following chart, and the figures to look at are those at the very bottom – in this case Low: \$12.50 High: \$12.60. These are forward prices in US Dollars for December 2009 delivery.
- Interest in voluntary offset purchases is increasing fast, in spite of the recession. In the next section we have projected future earnings at growth rates of 5% a year and also 10%. The latter is considered to be more likely.
- The first year of your investment carries a guaranteed minimum of 8% return, net of all fees. That amounts to \$960, equivalent to a price of \$4.80 per tonne. If it achieves more (it is currently \$12.50), you will receive the higher amount.



## Credits Sold For You

Each parcel of land is officially quantified and verified by an independent 3rd party as producing 200 credits per year.

Each year, your 200 Credits are sold for you on the Voluntary Carbon Market and the receipts paid to you by the management company. A management fee of 10% is deducted from these amounts. This makes the investment entirely hassle-free; a passive earner if you prefer it that way.

Alternatively, once you receive the money each year for your credits, you can choose to reinvest it in further parcels of rainforest, subject to the minimum purchase value of a single parcel of 5,000 m<sup>2</sup>.

Sometimes you may be offered a price for (say) the next 3 years in total. The benefit to the purchaser is that they might hope to get credits at a price not far above today's price, but you would need to choose between the security of 3 years' money (and the cash flow advantages) as against a somewhat higher price if you were to sell one year at a time. The price does seem to go up towards the end of the year as companies and individuals have a clearer picture of their income and profits for the previous year.

In any event, the programme manager will be able to advise you.



## Projected Earnings

There are three charts which follow; all assume the tax-free growth you would experience in a pension scheme.

- The first shows the effects of a **5% growth** in market price each year and leaving the proceeds to accumulate unproductively as cash.
- The second shows the effects of a **10% growth** in market price each year and leaving the proceeds to accumulate unproductively as cash.
- The third shows the effects of reinvesting the proceeds as they become sufficient to purchase further parcels of rain-forest, based on **5% growth** each year.

These are all based on a starting price of \$10 a tonne. The current actual market price is more like \$12.50.

The first two charts show the full 50 years. The third shows 20 years only since the results of reinvesting are quite staggering, achieving a larger fund after 20 years than was possible in 50 years without reinvesting.



# Projected Earnings

## Income at 5% a year growth starting at \$10 (£6.66) gross per tonne in year 1

Investment £8,000

200 credits for 200 tons of carbon a year

Year	1	2	3	4	5	6	7	8	9	10
price per ton in GBP net	£6.00	£6.30	£6.62	£6.95	£7.29	£7.66	£8.04	£8.44	£8.86	£9.31
income for year net	£1,200	£1,260	£1,323	£1,389	£1,459	£1,532	£1,608	£1,689	£1,773	£1,862
Value of total fund	£9,200	£10,460	£11,783	£13,172	£14,631	£16,162	£17,770	£19,459	£21,232	£23,093
Year	11	12	13	14	15	16	17	18	19	20
price per ton in GBP net	£9.77	£10.26	£10.78	£11.31	£11.88	£12.47	£13.10	£13.75	£14.44	£15.16
income for year net	£1,955	£2,052	£2,155	£2,263	£2,376	£2,495	£2,619	£2,750	£2,888	£3,032
Value of total fund	25,048	£27,101	£29,256	£31,518	£33,894	£36,389	£39,008	£41,759	£44,647	£47,679
Year	21	22	23	24	25	26	27	28	29	30
price per ton in GBP net	£15.92	£16.72	£17.55	£18.43	£19.35	£20.32	£21.33	£22.40	£23.52	£24.70
income for year net	£3,184	£3,343	£3,510	£3,686	£3,870	£4,064	£4,267	£4,480	£4,704	£4,939
Value of total fund	50,863	£54,206	£57,717	£61,402	£65,273	£69,336	£73,603	£78,083	£82,787	£87,727
Year	31	32	33	34	35	36	37	38	39	40
price per ton in GBP net	£25.93	£27.23	£28.59	£30.02	£31.52	£33.10	£34.75	£36.49	£38.31	£40.23
income for year net	£5,186	£5,446	£5,718	£6,004	£6,304	£6,619	£6,950	£7,298	£7,663	£8,046
Value of total fund	92,913	£98,359	£104,077	£110,080	£116,384	£123,004	£129,954	£137,251	£144,914	£152,960
Year	41	42	43	44	45	46	47	48	49	50
price per ton in GBP net	£42.24	£44.35	£46.57	£48.90	£51.34	£53.91	£56.61	£59.44	£62.41	£65.53
income for year net	£8,448	£8,870	£9,314	£9,780	£10,269	£10,782	£11,321	£11,887	£12,482	£13,106
Value of total fund	161,408	£170,278	£179,592	£189,372	£199,640	£210,422	£221,743	£233,630	£246,112	£259,218

For illustration only. Returns are not guaranteed

# Projected Earnings

## Income at 10% a year growth starting at \$10 (£6.66) gross per tonne in year 1

Investment £8,000

200 credits for 200 tons of carbon a year

Year	1	2	3	4	5	6	7	8	9	10
price per ton in GBP net	£6.00	£6.60	£7.26	£7.99	£8.78	£9.66	£10.63	£11.69	£12.86	£14.15
income for year net	£1,200	£1,320	£1,452	£1,597	£1,757	£1,933	£2,126	£2,338	£2,572	£2,830
Value of total fund	£9,200	£10,520	£11,972	£13,569	£15,326	£17,259	£19,385	£21,723	£24,295	£27,125
Year	11	12	13	14	15	16	17	18	19	20
price per ton in GBP net	£15.56	£17.12	£18.83	£20.71	£22.78	£25.06	£27.57	£30.33	£33.36	£36.70
income for year net	£3,112	£3,424	£3,766	£4,143	£4,557	£5,013	£5,514	£6,065	£6,672	£7,339
Value of total fund	30,237	£33,661	£37,427	£41,570	£46,127	£51,140	£56,654	£62,719	£69,391	£76,730
Year	21	22	23	24	25	26	27	28	29	30
price per ton in GBP net	£40.36	£44.40	£48.84	£53.73	£59.10	£65.01	£71.51	£78.66	£86.53	£95.18
income for year net	£8,073	£8,880	£9,768	£10,745	£11,820	£13,002	£14,302	£15,732	£17,305	£19,036
Value of total fund	84,803	£93,683	£103,452	£114,197	£126,016	£139,018	£153,320	£169,052	£186,357	£205,393
Year	31	32	33	34	35	36	37	38	39	40
price per ton in GBP net	£104.70	£115.17	£126.68	£139.35	£153.29	£168.61	£185.48	£204.02	£224.43	£246.87
income for year net	£20,939	£23,033	£25,337	£27,870	£30,657	£33,723	£37,095	£40,805	£44,885	£49,374
Value of total fund	226,332	£249,365	£274,702	£302,572	£333,229	£366,952	£404,047	£444,852	£489,737	£539,111
Year	41	42	43	44	45	46	47	48	49	50
price per ton in GBP net	£271.56	£298.71	£328.58	£361.44	£397.58	£437.34	£481.08	£529.18	£582.10	£640.31
income for year net	£54,311	£59,742	£65,716	£72,288	£79,517	£87,469	£96,215	£105,837	£116,421	£128,063
Value of total fund	593,422	£653,164	£718,881	£791,169	£870,686	£958,154	£1,054,370	£1,160,207	£1,276,627	£1,404,690

For illustration only. Returns are not guaranteed

## Income at 5% a year growth starting at \$10 (£6.66) gross per tonne in year 1

Investment £8,000

200 credits for 200 tons of carbon a year

Year	1	2	3	4	5	6	7	8	9	10
price per ton in GBP net	£6.00	£6.30	£6.62	£6.95	£7.29	£7.66	£8.04	£8.44	£8.86	£9.31
income for year net	£1,200	£1,260	£1,323	£1,389	£1,459	£1,532	£1,608	£1,689	£3,546	£3,723
Value of total fund	£9,200	£10,460	£11,783	£13,172	£14,631	£16,162	£17,770	£19,459	£23,005	£26,728
Number of parcels	1	1	1	1	1	1	1	2	2	2

Year	11	12	13	14	15	16	17	18	19	20
price per ton in GBP net	£9.77	£10.26	£10.78	£11.31	£11.88	£12.47	£13.10	£13.75	£14.44	£15.16
income for year net	£5,864	£6,157	£8,620	£11,314	£14,256	£19,958	£26,194	£38,506	£51,983	£72,776
Value of total fund	£32,592	£38,749	£47,369	£58,683	£72,939	£92,896	£119,091	£157,597	£209,580	£282,356
Number of parcels	3	3	4	5	6	8	10	14	18	24

After 20 years growth at just 5%, with the income reinvested, the value is already almost four times greater than growth at 10% without reinvestment. - £282,356 as against £76,730.

**N.B.** Starting at the current actual net price of £8.70 per tonne, and assuming the same percentage growth, the value after 20 years would be £405,816 rather than £282,356.

For illustration only. Returns are not guaranteed

A 'single purpose vehicle' has been set up to purchase the first parcel of land in Project 1, measuring 46.7 Hectares. This company has granted a Head Lease to a UK-based Trustee for a term of 50 years, expiring on 28th November 2058.

This Head Lease is held in trust by the Trustees who then issue sub-leases to each individual investor in parcels of 5,000m<sup>2</sup> (1.25 acres), or multiples thereof, each with a guaranteed minimum of 200 Carbon Offset Credits per year.

The Trustees will issue a Certificate of Declaration confirming their ownership of the Leases and the units that the individual holds. The Trustees also hold a number of Escrow accounts to protect the funds required for the fulfilment of the project over the 50-year period.

These Escrow accounts have the funds deposited in them so that the Trustees will be able to pay, on your behalf, these two costs:

- The 1st year guaranteed minimum net return of 8% to the investor
- The costs associated with the 5-yearly re-quantification and validation process of the Carbon Offset Credits



Costa Rica is a leader within Latin American countries in the development of reforestation, forest conservation and sustainable forest management. In the process of developing and selling Carbon Offset Credits, the Costa Rican government has achieved a considerable amount of expertise. The government body, MINAE, is currently involved in similar projects to this, and a letter of recommendation written by MINAE is available on request.

The project is subject to regular monitoring by 3rd parties:

- Independently quantified by Bioeco every 5 years
- Global standards – Voluntary Carbon Standard (VCS) and the Climate Community and Biodiversity Standard (CCBS) – are being employed for the project.

A Costa Rican legal firm is overseeing the project and an independent company oversees the security of the area.

The UK-based Trustees will hold a lease on the land registered with the Costa Rican Land Registry.



## What is a SIPP?

A SIPP – Self Invested Personal Pension – is a form of pension plan where you choose where your money is invested, rather than the more conventional type where a fund manager invests it for you. You have total control. You can invest a lump sum, a regular sum or transfer some or all of your existing plan(s), or a combination of some or all the above – the choice is yours.

A SIPP is a defined contribution pension scheme. The amount of pension that is paid out to the individual on retirement is dependent on the total value of money that has accrued from contributions paid, whether by the individual or their employer, plus any return gained from the investments made with the contributions received.

As with all pensions, you get income tax relief at your highest rate for all contributions, so that a higher-rate taxpayer could invest £10,000 and get tax relief of £4,000 meaning that the investment of £10,000 has only cost them £6,000. But all earnings within the fund would be based on a £10,000 investment.

Not only are the contributions net of tax; all income and capital gains earned by the fund are free of all taxes, although dividends on company shareholdings (not appropriate to this investment) are paid net of tax. This makes the potential growth from compounding quite extraordinary. And when you come to retire, aged 50 or more (55 from 2010 onwards), you can take out 25% of your fund as a tax-free lump sum.

This is an ideal way to maximise your returns from qualifying investments. Whether you have one or more pension funds going back years from a previous employer, which can be transferred into a SIPP, or whether you set up a new SIPP and make monthly, quarterly (or whatever) contributions, you can re-invest each year's returns to compound your gains.

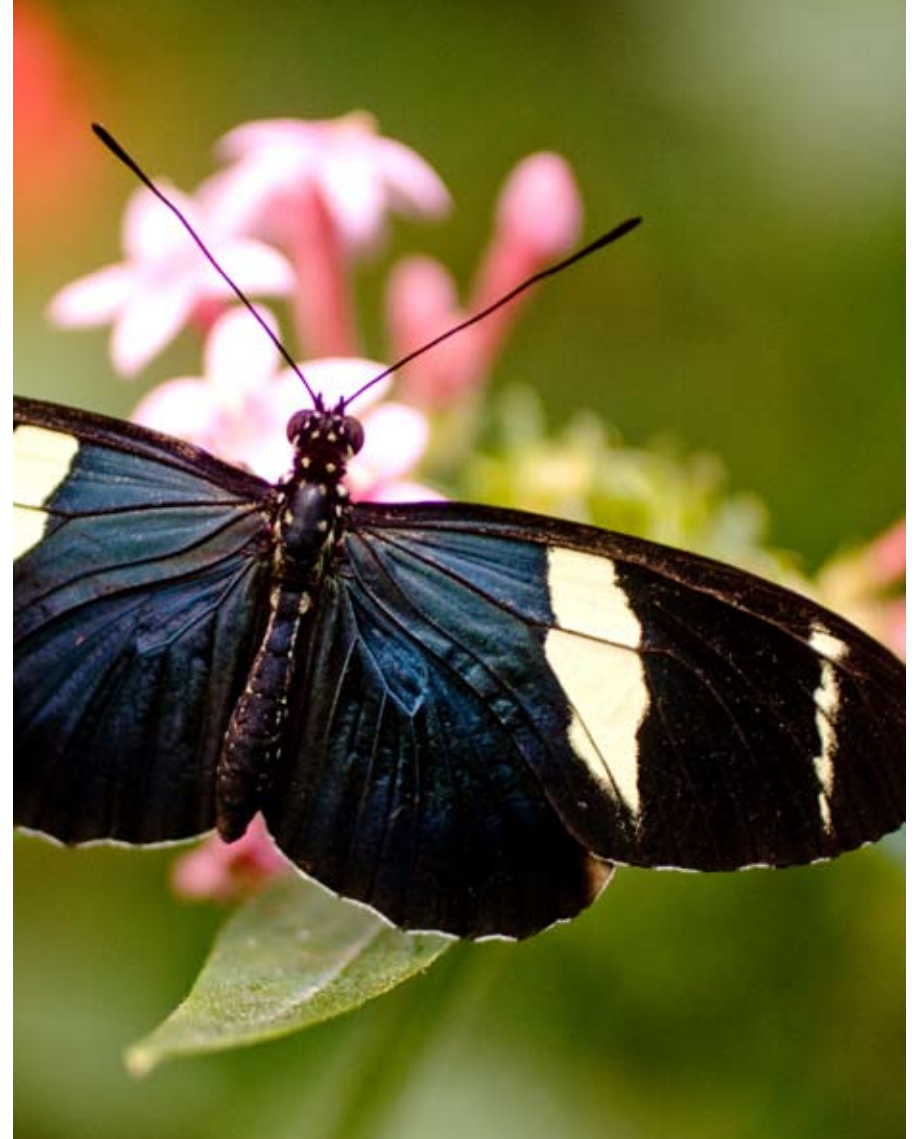


## Carbon Offset Credits via a SIPP

You can transfer some or all of your existing personal pension funds into a SIPP. It's a simple process that can be done for you by our expert advisers and which allows your investment in COC to multiply tax-free within the fund.

Viceroy Invest can introduce you to an Independent Financial Adviser who is qualified to set up SIPP investments. He has a ready-made and FSA-approved SIPP structure in place. This is the plan being used by Viceroy Invest directors for their own pension schemes.

**If you are interested in pursuing this investment style, please talk to David at our head office on 0121 609 7095. He will be pleased to refer you to our expert who can advise you how to invest in this SIPP.**



## The Next Step

When you decide to invest, just contact Viceroy Invest and we will send you the Application Form to complete. Please make sure you include on the form whether you intend to invest with cash or through a pension scheme.

You will at this point be required to transfer your desired investment amount (\$12,000 plus closing costs of \$600 for each half-hectare parcel): alternatively you may wish to send a cheque. At today's exchange rate that is equivalent to £8,000 plus £480. Please talk to a Viceroy Invest representative, who will gladly assist you with further details.

The Purchase Contract will be forwarded to you by post for signing once you have returned the Application Form and transferred your desired investment amount. Contracts must be signed and returned within 7 days.



## Carbon Offset Credits

- PLEASE COMPLETE IN BLOCK CAPITALS.
- IF PURCHASING IN JOINT NAMES, PLEASE INCLUDE DETAILS OF BOTH PURCHASERS.

PURCHASER DETAILS	JOINT PURCHASER DETAILS
TITLE:	TITLE:
FIRST NAME:	FIRST NAME:
SURNAME:	SURNAME:
ADDRESS:	ADDRESS:
TOWN:	TOWN:
COUNTY:	COUNTY:
POSTCODE:	POSTCODE:
HOME:	HOME:
MOBILE:	MOBILE:
WORK:	WORK:
FAX:	FAX:
EMAIL:	EMAIL:

Purchase amount of (\$) \_\_\_\_\_

Number of Units (1 unit = 1/2 hectare @ \$12,000) \_\_\_\_\_

Purchasing through a SIPP (YES / NO?) \_\_\_\_\_

## ACCEPTANCE OF TERMS AND CONDITIONS

I/we fully understand that Viceroy Invest is not a mortgage broker, financial adviser or a legal or tax adviser and is in no way responsible for my financial circumstances.

I/we understand that Viceroy Invest is acting as Introducer and is in no way responsible for the performance of the investment or programme manager or any other associated party.

I/we have read and agree to the Terms and Conditions expressly set out in Viceroy Invest's website and the disclaimer attached to the downloadable e-brochure. I/we wish to proceed with the purchase of a sub-lease from the Trustees in Costa Rica (minimum purchase US \$12,000).

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**Return this form to Viceroy Invest Limited, West Midlands House, Gipsy Lane, Willenhall, West Midlands, WV13 2HA  
or Fax - 0121 609 7094 / Email - info@viceroyinvest.co.uk**

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