



J&O FOREST FUND

MONTHLY REPORT AUGUST 2018

AUG
+6.35%*

*Class A EUR









J&O Forest Fund is a diversified timber investment fund focusing its investments in two different forest regions representing different characteristics: South America and Europe.

INVESTMENT MANAGER COMMENT

Firstly we apologize for the late NAV delivery for the month of August. The delayed NAV production comes down to the valuation methodology we are using whereby we update prices of forest commodities (timber, pulp, energy wood) every six months, using the average price. The month of August was such an “updating month” and we did experience some delays in getting prices over from Brazil, where we get quotes from saw mills sourced via government accredited forest engineers. We have used 6 month pricing periods only since year end 2017, before it was a less coherent model with various time periods for the various holdings. When we received the external price input from our external partner in Latvia, forest management company Skogssällskapet, we saw that prices across the line were all-time-high, literally. We then started a discussion with them and our auditors asking ourselves if this 6 month price-update model is really the best one to apply. On one hand we want to capture price movements in the market - up or down - to reflect an updated value. On the other hand, we are not cutting right now, so it’s all rather academic, why we also want to be moderate. It all boiled down to that we decided to change the valuation model and use a sliding average for 24 months and update this monthly (dropping one month and adding one). Standing volume we will continue to measure annually.

This whole exercise, albeit working with the valuation model as described above to keep things moderate and long term, produced a strong performance in August resulting in +6.35% for Class A EUR. The SEK and NOK classes showing even stronger performance because of the relative weakening of these currencies against the Euro.

2018 NAV AND PERFORMANCE

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
CLASS A													
EUR 													
NAV	143.57	144.92	146.75	148.33	149.79	151.18	152.41	162,1					
Change	0.92%	0.94%	1.26%	+1.07%	+0.98%	+0.93	+0.82	+6,35 %					+13,94 %
USD 													
NAV	181.59	180.35	184.47	183.05	179.23	181.09	182.98	193,43					
Change	3.85%	-0.68%	2.28%	+0.77%	-2.09%	+1.04	+1.05	+5,71 %					+10,62 %
GBP 													
NAV	190.63	194.67	195.75	197.57	199.87	202.75	205.64	219,64					
Change	-0.44%	2.12%	0.55%	+0.92%	1.16%	+1.44	+1.42	+6,81 %					+14,71 %
NOK 													
NAV	1454.98	1481.24	1503.73	1522.07	1520.97	1529.40	1544.27	1670,28					
Change	-1.77%	1.80%	1.52%	+1.22%	-0.07%	+0.55	+0.97	+8,16 %					+12,77 %
CLASS C													
EUR 													
NAV	101.14	102.32	103.86	105.22	106.48	107.73	108.85	116,37					
Change	1.14%	1.17%	1.51%	+1.31%	1.20%	+1.17	+1.04	+6,90 %					+16,37 %
SEK 													
NAV	1195.61	1246.26	1284.25	1333.46	1317.87	1353.12	1344.99	1488,37					
Change	0.65%	4.24%	3.05%	+3.83%	-1.17%	+2.67	-0.60	+10,66 %					+25,29 %
USD 													
NAV				100	98.06	99.26	100.44	106,62					
Change					-1.94%	+1.22	+1.19	+6,15 %					+6,62 %
CLASS D													
SEK 													
NAV	1164.33	1206.62	1237.75	1278.29	1261.37	1291.33	1281.82	1402,83					
Change	0.45%	3.63%	2.58%	+3.28%	-1.32%	+2.38	-0.74	+9,44 %					+21,02 %

HISTORIC PERFORMANCE CLASS A EUR

2013	+13.1%*	2015	+9.5%*	2017	+14.8%*
2014	+15.0%*	2016	+13.5%*		

Note: Up until Jan 2017 all currency classes had the same performance through equalization across currency classes.

*Compounded Performance Net of Fees.

KEY FIGURES AS OF AUG 30 2018

YTD:	13,94%*
AUM:	48 MEUR
POSITIVE MONTHS:	94%**

*Class A EUR

** Since Jan 1, 2013



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