



J&O FOREST FUND

MONTHLY REPORT DECEMBER 2017

DEC
+5.61%*

*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

The short background to the delayed Dec NAV is that KMPG, as part of the audit process, initiated a revaluation of the portfolio. The consequence in summary has been that of the four Brazilian plantations held one has been adjusted to a higher value, two have had only minor adjustments and one has been adjusted to a lower value. The overall effect however is a positive move for the NAV of +5.6% in December for Class A EUR.

Historically each plantation has been assessed in terms of volume of standing timber by a state certified forest engineer. This person has also done a price assessment, since there is no open market source available. The price used has differed between the plantations due to different methods used; lowest or average price over different periods. It has now been decided that for greater consistency and transparency the same price will be applied across all plantations which is a six month average price which will be updated twice a year. The price component and the volume component are thus separated. The resulting one-time correction is big, but the Board is of the opinion that it is to the benefit of clarity and consistency going forward.

2017 PERFORMANCE CLASS A

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
EUR	+0.42	+0.31	+0.65	+0.77	+1.28	+1.24	+0.98	+0.83	+0.69	+0.62	+0.65	+5.61	+14.84%*
GBP	+0.42	-0.09	+0.12	+/-0.0	+4.45	+1.75	+2.82	+3.23	-3.00	+0.14	+0.98	+6.42	+15.44%*
USD	+0.42	-1.62	+1.45	+2.73	+4.06	+2.66	+4.11	+1.33	+/-0	-0.70	+2.66	+6.38	+20.51%*
NOK	+0.42	+0.06	+3.48	+2.46	+2.51	+1.73	-1.24	+0.23	+2.35	+1.60	+4.17	+5.09	+21.45%*

Note: Jan 2017 was the last month of equalization between currency classes.

*Compounded Performance Net of Fees

2017 PERFORMANCE CLASS D

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
SEK			+0.57	+1.41	+2.14	+0.06	+0.28	-0.03	+2.12	+1.71	+2.43	+4.16	+15.91%*

Note: Class D first trading date was March 1st, 2017.

*Compounded Performance Net of Fees

HISTORIC PERFORMANCE CLASS A

EUR USD GBP NOK

2013	+13.1%*
2014	+15.0%*
2015	+9.5%*
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 DEC 31 2017

YTD:	+14.84%*
AUM:	39 MEUR
POSITIVE MONTHS:	93.3%**

*Class A EUR

** Since Jan 1, 2013



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