



J&O GLOBAL FORESTRY INVESTMENT FUND

MONTHLY REPORT JANUARY 2014

J&O Global Forestry Investment Fund is a diversified timber investment fund focusing its investments in three different forest regions representing different characteristics: South America, Europe and North America.

INVESTMENT MANAGER COMMENT

For much of 2013 the world's stockmarkets had a magical quality about them. They soared upwards - America's S&P 500 index rose by 30 % last year, NASDAQ by 38 %, the FTSE by close to 15 %. This global financial sunshine has been fuelled by monetary optimism and global growth.

J&O Global Forestry Fund has also seen growth in 2013. Definitely driven by sunshine, but the more natural form producing a solid 13 % growth, reflecting the stability of an asset class that is based on the strongest form of growth available; organic growth. By early-February the global financial sunshine turned to gloom. More than 3 trillion USD were wiped off global share prices since the start of January. The S&P 500 was down 5 % then up a couple of per cent the week after, the Nikkei was down by a full 14 % and has now settled at minus 12 %. J&O Global Forestry Fund however stands firm at +1.52 % in January 2014, marking the start of a new year as well as the impact of stable growth.

Teak is a major species for the fund related to its holdings in Brazil. Globally, Myanmar is one of the big teak exporters. The government has decided to ban the export of teak logs from April 1 2014, which will effect the global teak market. We predict there will be increased demand from other markets, including Brazil especially for plantation teak. After the Myanmar export ban only processed wood will be allowed but what constitutes „processed“ is now being discussed. Some observers say continued exports of baulk squares (roughly hewn logs but not further manufactured) would be an option to sustain the India market, the biggest importer of Myanmar teak logs.

Most analysts are of the view that it is unlikely that export of baulk squares will be allowed but an announcement from the Ministry of Environmental Conservation and Forestry in Myanmar is expected to clarify this. The Ministry has further announced that the harvest plan for the 2014-15 fiscal year would be 108,000 cu.m of teak and 670,000 cu.m of nontek hardwoods. 108,000 cu.m of teak and 670,000 cu.m of nontek hardwoods.

PERFORMANCE CLASS A EUR USD GBP SEK JANUARY +1,52 %

Net of fees

2013	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
	+2.15	-2.23	+0.56	+0.39	+1.45	+1.32	+1.48	+2.52	+2.20	+1.12	+0.98	+0.66	+13.1 %
2014	JAN												YTD
	+1.52												+1.52 %



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