

## J & O ASSET MANAGEMENT LTD

### Valuation Guidance

#### Background

As previously communicated the Fund's issuance of NAV has been suspended and remains suspended until further notice. In order to provide investors with some sense of development of the performance of the Fund, given both the extended time period since last valuation and the on-going pandemic, the Investment Manager has decided to provide an informal indicative valuation provided on an informational, non-reliance basis. This valuation guidance does therefore not serve as a contract note and will not be distributed to investors' accounts. It will, however, provide you with a balanced understanding of the value of your holding as per March 31, 2021.

Shortly there will be a Notice to Investors providing an update of the process of the audit and plans for liquidating assets.

#### Basis

Price of the forest output (timber, pulp etc) is a crucial factor when producing any valuation. For the Valuation Guidance we have used updated externally provided price data for the first quarter of 2021. In regards to the various inputs the following should be noted:

- I. Prices for Brazilian teak this period were still affected by the pandemic situation both on the selling and buying side and thus prices were down about 5% compared to the previous quarter.
- II. Future expenses relating to the liquidation have already been accrued in the previous valuation and occurring expenses since are set off against that accrual.
- III. As previously stated, management fees and performance fees have been waived from March 1, 2020 to March 1, 2021, thus one month of fees is affecting the calculations.
- IV. The Baltic holding, which is held via shares in the Swedish holding company Baltic Forest is expected to be completely sold off, once travel conditions are normalized and holiday season is over. Up until June 16 travel restrictions into Latvia were very strict. An offering price range reflecting current market price has been applied.

The result is the below presented price range leaving some margin both up and down given the non-offical character of the valuation. A summary to understand the difference between the three levels:

#### HIGH

> Teak price left at same as last quarter, due to abnormal market conditions. Valuation of Baltic Forest holding based on the high in the offering price span proposed by Baltic Forest for the sale of the whole company, which is same as last quarter's valuation guidance (for High). Organic growth of standing timber projected based on historic growth.

#### MEDIUM

> Teak price down 5% based on updated external input. Valuation of Baltic Forest holding based on the medium in the offering price span proposed by Baltic Forest for the sale of the whole company, which is same as last quarter's valuation guidance (for Medium). Organic growth of standing timber projected based on historic growth.

#### LOW

> Teak price down 5% based on updated external input. Valuation of Baltic Forest holding based on the low in the offering price span proposed by Baltic Forest for the sale of the whole company, which is same as last quarter's valuation guidance (for Low). No organic growth projected.

December 31, 2020			March 31, 2021				
Low	Med	High			Low	Med	High
165.81	171.17	180.66	Class A	EUR	161.52	165.40	179.88
209.24	216	227.98		USD	195.74	200.43	217.98
223.7	230.93	243.74		GBP	207.48	212.46	231.06
1831.2	1890.34	1,995.16		NOK	1706.53	1747.44	1,900.46
122.92	126.89	133.93	Class C	EUR	119.79	122.67	133.41
1479	1526.76	1,611.42		SEK	1467.70	1502.88	1,634.49
118.97	122.81	129.62		USD	111.34	114.00	123.99
1283.4	1324.84	1,398.30	Class D	SEK	1272.52	1303.03	1,417.14

Note that performance changes in share classes other than EUR are purely down to foreign exchange rate changes. Note further that this indicative price range is not being held out as constituting a NAV, but the view of the Investment Manager and it is being provided on an informational non-reliance basis.

It should further be commented that albeit global demand for some wood products generally has increased it is a very fragmented market. The recent surge in demand is primarily seen in the segments of pulp and soft wood and thus reflected in the price of the Baltic holding rather than the Brazilian.

For the Investment Manager

Marcus Jibreus