

## 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. That said, the Fund manager is working towards offering partial redemption in kind by summer, provided the below transaction is executed and the overall plan be approved.

In the meantime, and in order to provide investors with some sense of development of the performance of the Fund, 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, 2022.

#### Update as per 27 April 2022

The previously reported negotiations regarding a sale of the Pampa plantation in Brazil has now led to the buyer presenting an offer, after a comprehensive due diligence of the asset. The Fund has thus entered into an agreement and signed a Letter of Intent based on a sale price representing the Mid NAV valuation level. The buyer is the Swedish-Brazilian forest company Eternali. It is further stated in the LOI that payment be made in newly issued Eternali shares.

As part of this sale process the Fund is acquiring the land, in essence buying the local Brazilian company that owns the Pampa plantation, in order to facilitate and speed up the sale process. Selling just trees, without the accompanying land, proved not possible and a full harvest is deemed to take substantially longer time until completed. This incorporation is currently under registration in Brazil.

The audit is on-going albeit slightly delayed with a current estimated delivery within two weeks.

## NAV Guidance as per March 31, 2022

		Mar 2022			% Change vs previous month		
		Low	Med	High			
Class A	EUR	160.60	169.05	177.78	-0.02%	-0.38%	-1.62%
	USD	183.67	193.33	203.31	-2.11%	-2.45%	-3.68%
	GBP	201.11	211.69	222.62	-1.29%	-1.64%	-2.88%
	NOK	1646.44	1733.08	1,822.53	-2.98%	-3.32%	-4.53%
Class C	EUR	121.01	127.36	134.46	0.35%	0.00%	-1.25%
	SEK	1505.20	1584.28	1,672.48	1.31%	0.95%	-0.31%
	USD	106.13	111.71	117.93	-1.74%	-2.09%	-3.31%
Class D	SEK	1292.00	1359.89	1,432.00	1.06%	0.70%	-0.56%

FX Rates movement for reference

	Mar	Dec	Change %
EUR/SEK	10.389	10.291	0.95%
EUR/USD	1.1068	1.130397	-2.09%
EUR/NOK	0.10277	0.099730727	3.05%
EUR/GBP	1.2054	1.190051172	1.29%

## Basis for Guidance as per March 31, 2022

In regards to the various inputs the following should be noted:

- I. Price input for the Pampa plantation has been set at actual offering price as per the LOI throughout all scenarios.
- II. Price input for the other plantations has been kept at the same level as for the previous quarter. The pricing of the Pampa plantation also serves as a comfort for the pricing of the other plantations.

- III. The biological growth has been extrapolated based on historical growth.
- IV. Future expenses relating to liquidation have already been accrued in the previous valuation guides. However, occurring expenses since are not set off against that accrual as we'd rather stay conservative and execute that set off in a future official NAV calculation.
- V. The Baltic holding, which was recently sold is valued at cash minus transactional costs.

The above presented price range leaves some margin both up and down given the non-official character of the valuation. A summary to understand the difference between the three levels:

HIGH > Teak price left at same as last quarter for HIGH. Organic growth of standing timber projected based on historic growth. Pampa plantation valued at actual offered price.

MEDIUM > Teak price left at same as last quarter for MEDIUM. Organic growth of standing timber projected based on historic growth. Pampa plantation valued at actual offered price.

LOW > Teak price left at same as last quarter for LOW. Pampa plantation valued at actual offered price. No organic growth projected.

Note that performance changes within 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 the market is a fragmented and market conditions still remain unusual.

// 27.4.2022