

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 ongoing 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 June 30, 2021.

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 second quarter of 2021. In regards to the various inputs the following should be noted:

- I. The pandemic situation, both on the selling and buying side has eased somewhat and prices for Brazilian teak this period were up about 3% compared to the previous quarter.
- II. The biological growth has been extrapolated based on historical growth.
- III. Future expenses relating to the 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.
- IV. The Baltic holding, which is held via shares in the Swedish holding company Baltic Forest, is expected to be completely sold off in the next coming months and the buyers side's non-committed price indication is in the lower range of previous valuations of the Baltic Forest holding and has been applied across all scenarios.

					% Change vs		
		LOW	MED	HIGH	LOW	MED	HIGH
June 30, 2021							
Class A	EUR	164.42	169.89	178.69	1.79%	2.72%	-0.66%
	USD	201.43	208.14	218.91	2.91%	3.85%	0.43%
	GBP	212.73	219.82	231.20	2.53%	3.46%	0.06%
	NOK	1767.9	1826.79	1,921.36	3.60%	4.54%	1.10%
Class C	EUR	122.49	126.57	133.13	2.25%	3.18%	-0.21%
	SEK	1487.0	1536.56	1,616.28	1.32%	2.24%	-1.11%
	USD	115.09	118.92	125.09	3.37%	4.31%	0.89%
Class D	SEK	1286.1	1328.89	1,397.84	1.07%	1.98%	-1.36%

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. Valuation of Baltic Forest holding based on actual indicative price from buying party, which corresponds to the pricing of the LOW estimate of the holding for previous quarter. Organic growth of standing timber projected based on historic growth.

MEDIUM > Teak up around 3% based on updated external input. Valuation of Baltic Forest holding based on actual indicative price from buying party, which corresponds to the pricing of the LOW estimate of the holding for previous quarter. Organic growth of standing timber projected based on historic growth.

LOW > Teak up around 3% based on updated external input. Valuation of Baltic Forest holding based on actual indicative price from buying party, which corresponds to the pricing of the LOW estimate of the holding for previous quarter. No organic growth projected.

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.

For the Investment Manager

Marcus Jibreus