



J&O GLOBAL FORESTRY INVESTMENT FUND

SUSTAINABLE AND DIVERSIFIED TIMBER INVESTMENTS



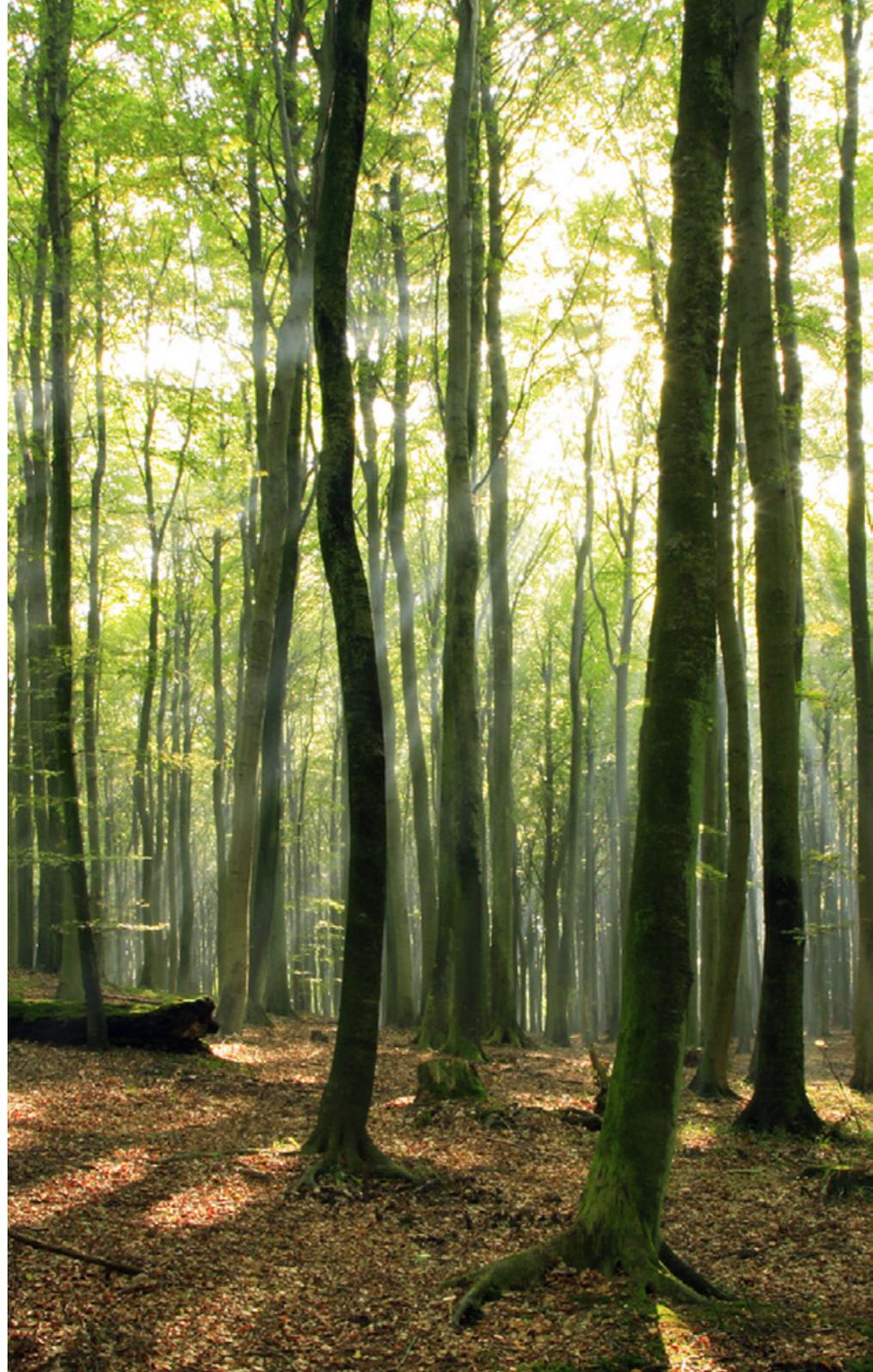
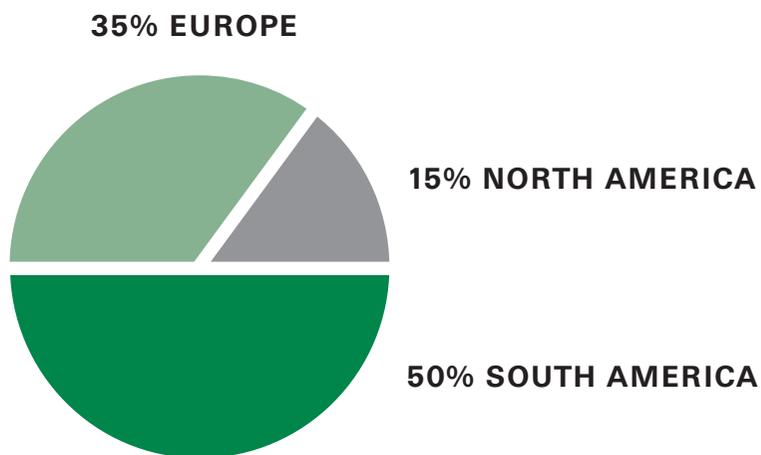


J&O GLOBAL FORESTRY INVESTMENT FUND

We live in extraordinary times that require new approaches to asset management. As an independent timber investment promoter, *J&O Global Forestry Investment Fund* is committed to focus fully on one asset class; managed forest land.

Managed forest land is a unique investment. It has a long and well-proven track record of producing outstanding returns based on real assets. But that is not all. Unlike many other investments it also assists in preserving natural forests and is an excellent CO₂ binder.

J&O Global Forestry Investment Fund gives the investor the opportunity to invest in three different forest regions representing different characteristics: South America Europe and North America.





WHY TIMBER INVESTMENTS?

Drivers of timber returns

The equation of the annual return from a managed forest estate is simple: **[Timber price x Harvested timber volume = Annual return]**

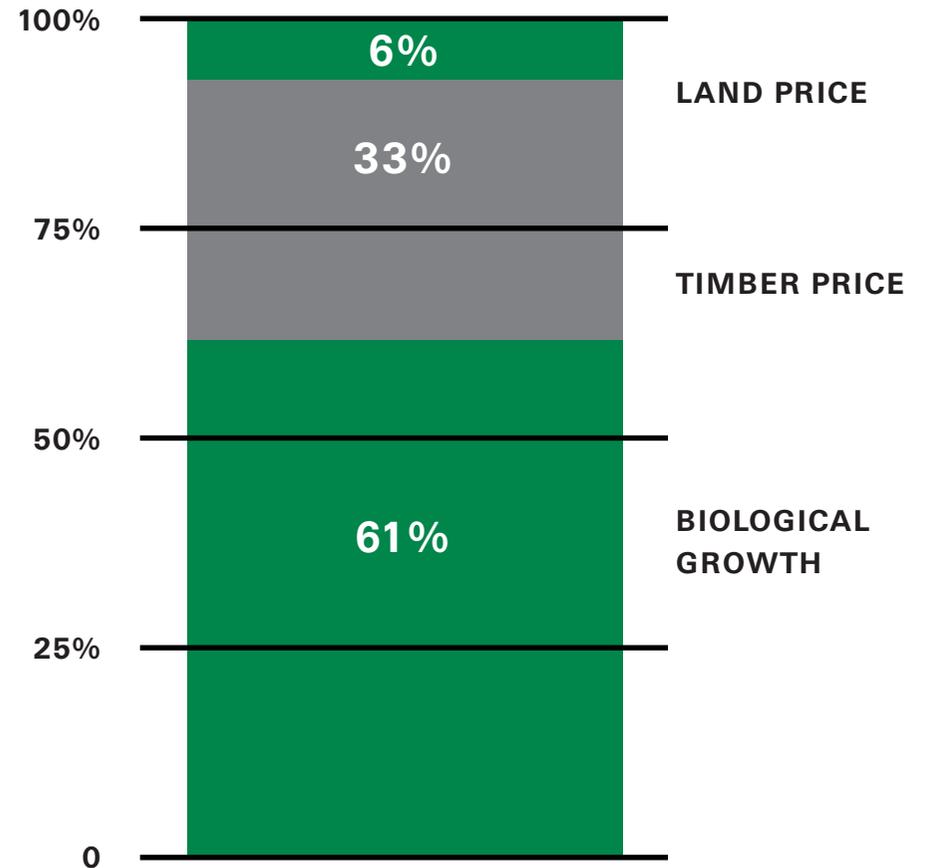
As with all other commodities, the price of timber is driven by simple supply and demand factors. The megatrend towards a more sustainable world suggest demand for forest products for energy, construction and new materials will even increase. The other part of the equation, timber volume, comes from thinning and harvesting and this is something we can control. The better we manage the forest land, the higher the output in terms of volume it will produce. Any forest produces three different kind of raw materials: timber being the obvious one, but also pulp and biofuel made of smaller trees and branches. All together they represent three different commodity markets.

Just like any other real asset we expect to see a value increase in the forest land due to the fact that *“they simply don’t make more of it”*.

[Forestland purchase price – forestland selling price = profit]

When we take both the annual return and the profit from selling the asset into account, forestland has outperformed most other asset classes with an annual return of 8–15% depending on region and period. The reason is simple: Forest grows.

DRIVERS OF TIMBER RETURNS



Source: Forest Investment Assoc., National Council of Real Estate Investment Fiduciaries 2008



WHY TIMBER INVESTMENTS?

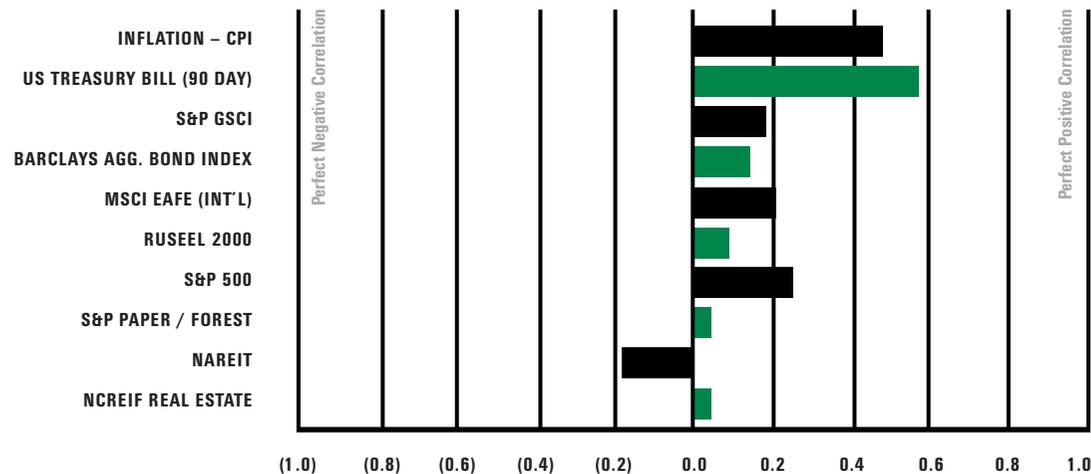
Competitive Investment Returns

Although past performance is not a sign to future performance, timber investment returns have performed well against global equity markets.

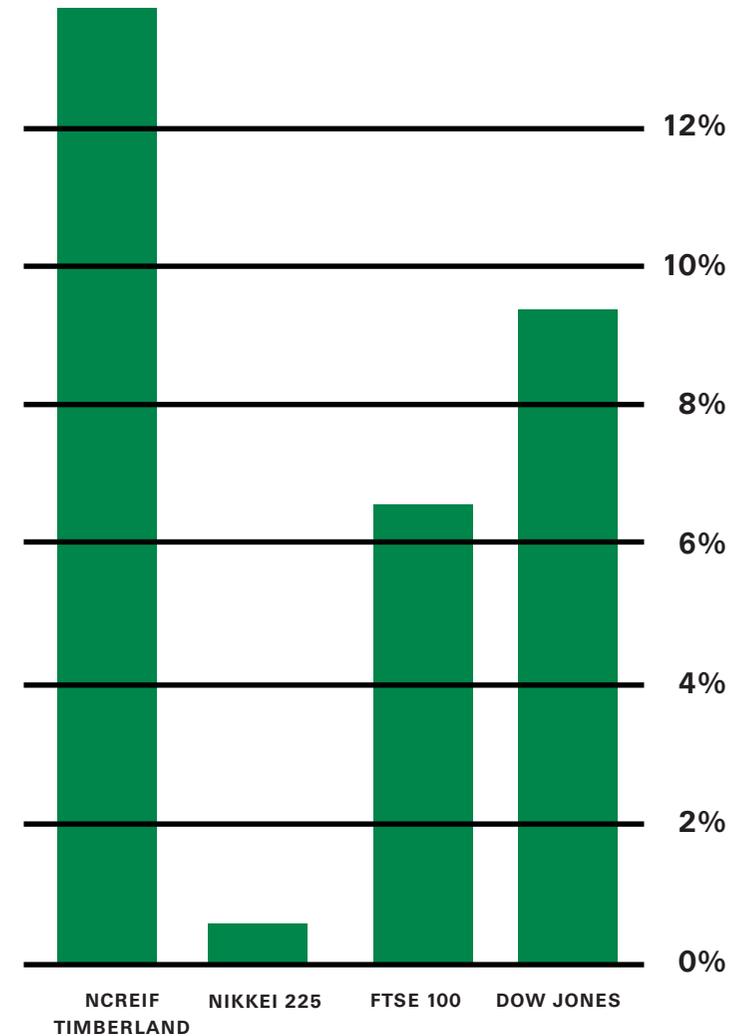
Low correlation to stocks

Timber investments have shown to produce competitive returns while offering low correlation to financial assets like stocks and mutual funds. Timber is also a proven inflationary hedge.

CORRELATION OF SELECTED ASSETS CLASS INDICES TO THE NCREIF TIMBERLAND INDEX 1987 TO 2010



AVERAGE ANNUALISED RETURN BETWEEN 1987-2010



Source: National Council of Real Estate Investment Fiduciaries 2010



WHY TIMBER INVESTMENTS?

Environmental and Sustainable

Worldwide forests, at four billion hectares (31% of total land area) play an important part in climate change mitigation. Sustained pressure from international organisations, governments and climate change groups has substantially decreased the rate of deforestation. As a result the net loss of forest area was reduced to 5.2 million hectares per year between 2000 and 2010, down from 8.3 million hectares annually in the 1990s.

The rise of plantation forests has helped to reduce this rate. There are approximately 140 million hectares of plantation forests worldwide. Over 80% of these forests are production driven. Plantation forests have been increasing by an average 2% annually, mostly created for wood production. Over a third of the world's industrial wood is sourced from these forests.

Proper long-term forest management, which amongst other activities include re-forestation and setting off protected areas, maintains the natural conifer forests of the Northern hemisphere.

Portfolio Diversification

Timber investments have a low or negative correlation to several traditional asset classes. Asset allocation has evolved in recent years to reduce portfolio volatility; timber investments provide excellent diversification.





THREE FOREST MARKETS IN ONE FUND

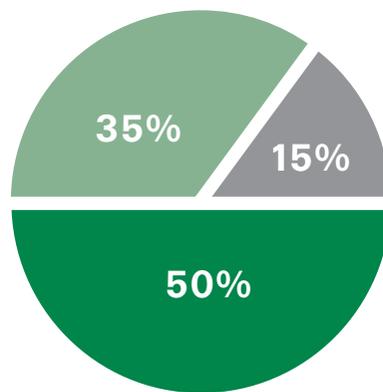
J&O Global Forestry Fund invests into forest land in Europe, North and South America. The apparent effect of global diversification aside, this approach has several advantages. Forest products, i.e. timber, wood pulp and biomass are commodities traded locally and globally. They are all susceptible to the law of supply and demand. Sometimes birch timber is in demand, thus driving prices up. Next time it could be that demand for wood pulp or teak timber surges. Consequently, an increased biodiversity in the fund adds another layer of diversification.

PORTFOLIO OF FOREST TYPES

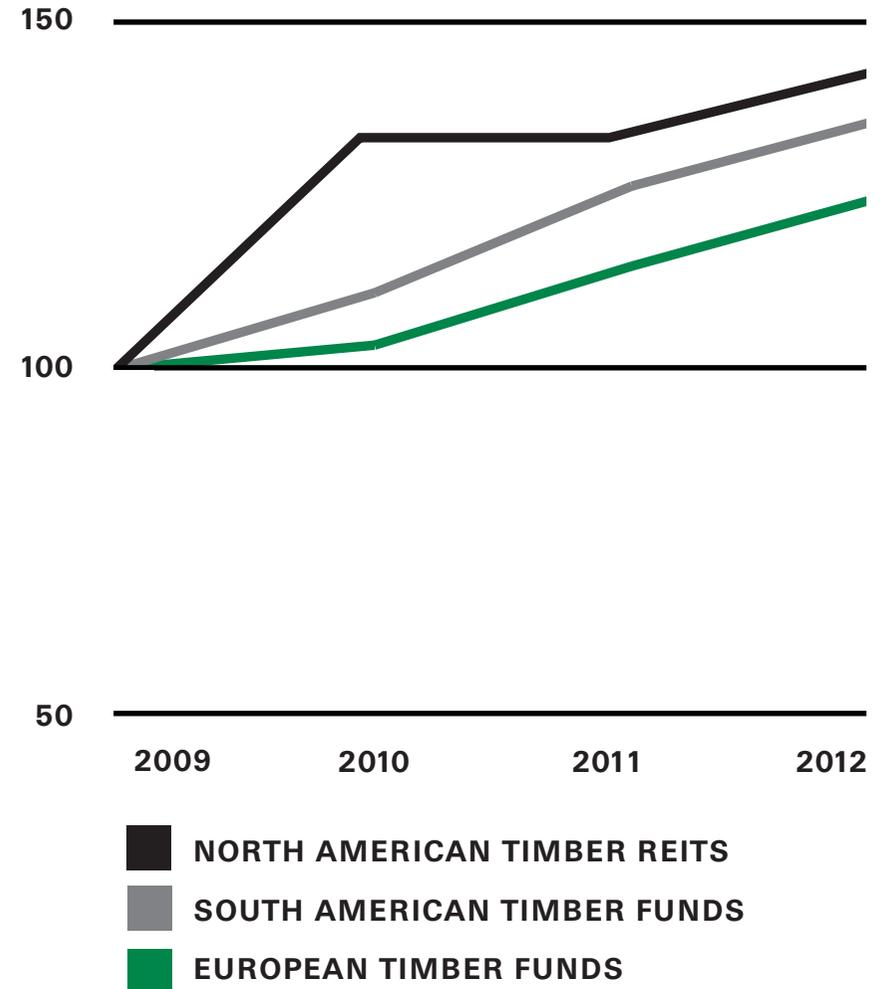
50% Direct ownership of managed teak plantations.

15% Indirect ownership of managed natural and plantation US forest of various kinds. Mainly pine and spruce.

35% Direct ownership of managed natural European forest. Mainly pine, spruce, birch.



INDEXED RETURNS OF UNDERLYING ASSETS





WHY TEAK INVESTMENTS IN BRAZIL?

The Fund has a target investment level of 50% into GFI, Global Forestry Investments, which owns teak plantations in Brazil.

GFI's robust research methodology on preferential species indicated teak as not only a strong and valuable asset, but versatile and high in carbon sequestration. GFI's team of investment and forestry professionals believe these characteristics are highly advantageous for continued demand for teak.



**DIRECT OWNERSHIP
OF MANAGED TEAK
PLANTATIONS**





WHY TEAK INVESTMENTS IN BRAZIL?

Price: Open market value of teak has steadily increased over the past 20 years, currently ranging from \$1,000/m³ to \$4,000/m³ grade dependent. This is one of the most valuable woods in the timber market. According to the International Tropical Timber Organisation, teak price has grown 8.58% per annum from 1997 – 2007.

Strength: Its unique physical and mechanical properties makes teak a superior species for the Timber market. It can withstand even the most challenging weather conditions due to its natural oil content. Furthermore, teak trees are highly fire resistant and resistant to acids, insects and fungus.

Versatility: A multitude of uses, the wood is excellent timber for bridge building and other water exposed construction activity (docks, quays, piers). For the housing construction industry, teak is particularly used for interior and exterior joinery and also wood flooring. Additionally, the majority of boat decking is teak timber.

Carbon Sequestration: Carbon is removed from the atmosphere and stored in the wood at very high levels.



WHY BRAZIL?

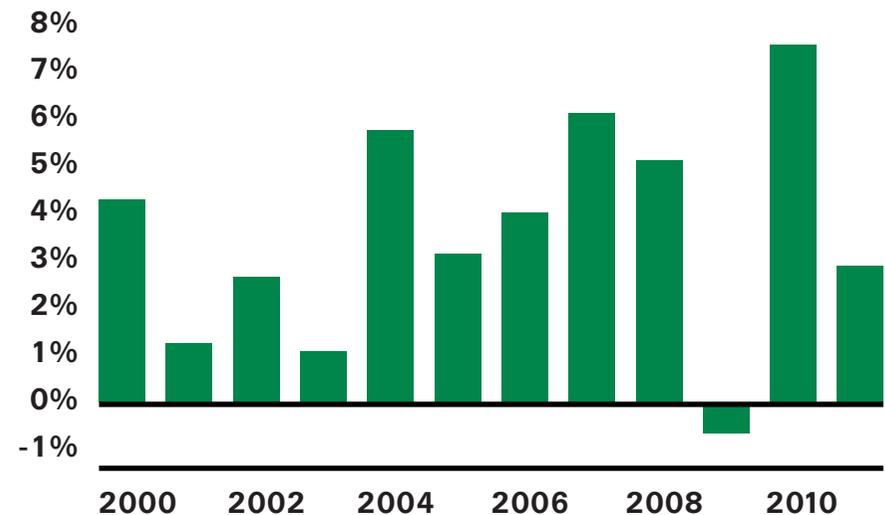
Politically Stable: A stable political environment has helped the Brazilian economy to thrive in recent years. In 2010, Dilma Rouseff became the first female president in the history of the country. She is following her predecessor, President Luiz da Silva's platform of social and economic reforms. On her arrival to office, Ms Rouseff promised to eliminate extreme poverty and continue a sustainable development approach.

Strong Economy: Brazil's economy grew 7.5% in 2010, its fastest expansion in 24 years. The economy has slowed in 2011, but still produced a healthy 2.7% growth. In 2010, the Brazilian economy was worth \$2.09tn, compared with the UK's \$2.25tn total output, in current US dollars, according to the International Monetary Fund. However, according to the National Institute of Economic and Social Research (NIESR), using the IMF's figures at current exchange rates, Brazil's economy is now \$2.52tn and the UK's is \$2.48tn, making it the sixth largest in the world. Its high GDP growth alongside the strength of the Real, has delivered this result much sooner than anticipated and ahead of the United Kingdom and France respectively.

Brazil has an impressive calendar of international events in the near future, hosting both the 2014 FIFA World Cup and the 2016 Olympic Games.

Excellent Climatic Conditions: The GFI timber investments are located in Para, North East Brazil. Para has a tropical rainforest climate, allowing excellent conditions to grow and harvest teak.

Environmentally Conscious: Following the Kyoto Protocol, Brazil has vowed to reduce deforestation by 80% in 2020. Forests in Brazil cover approximately 524 million hectares (61.5% area surface) of natural and planted forests – surpassed only by Russia. With the Amazon rainforest contributing to approximately 40% of the world's oxygen levels, the need for the government and the timber industry to utilise sustainable forestry is pressing.



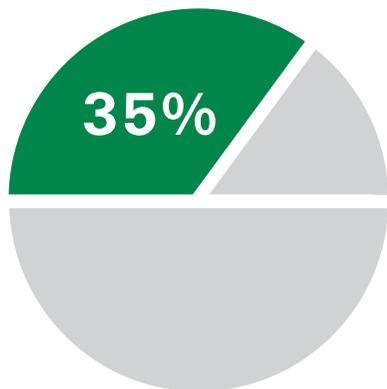
Source: The World Bank, 2012



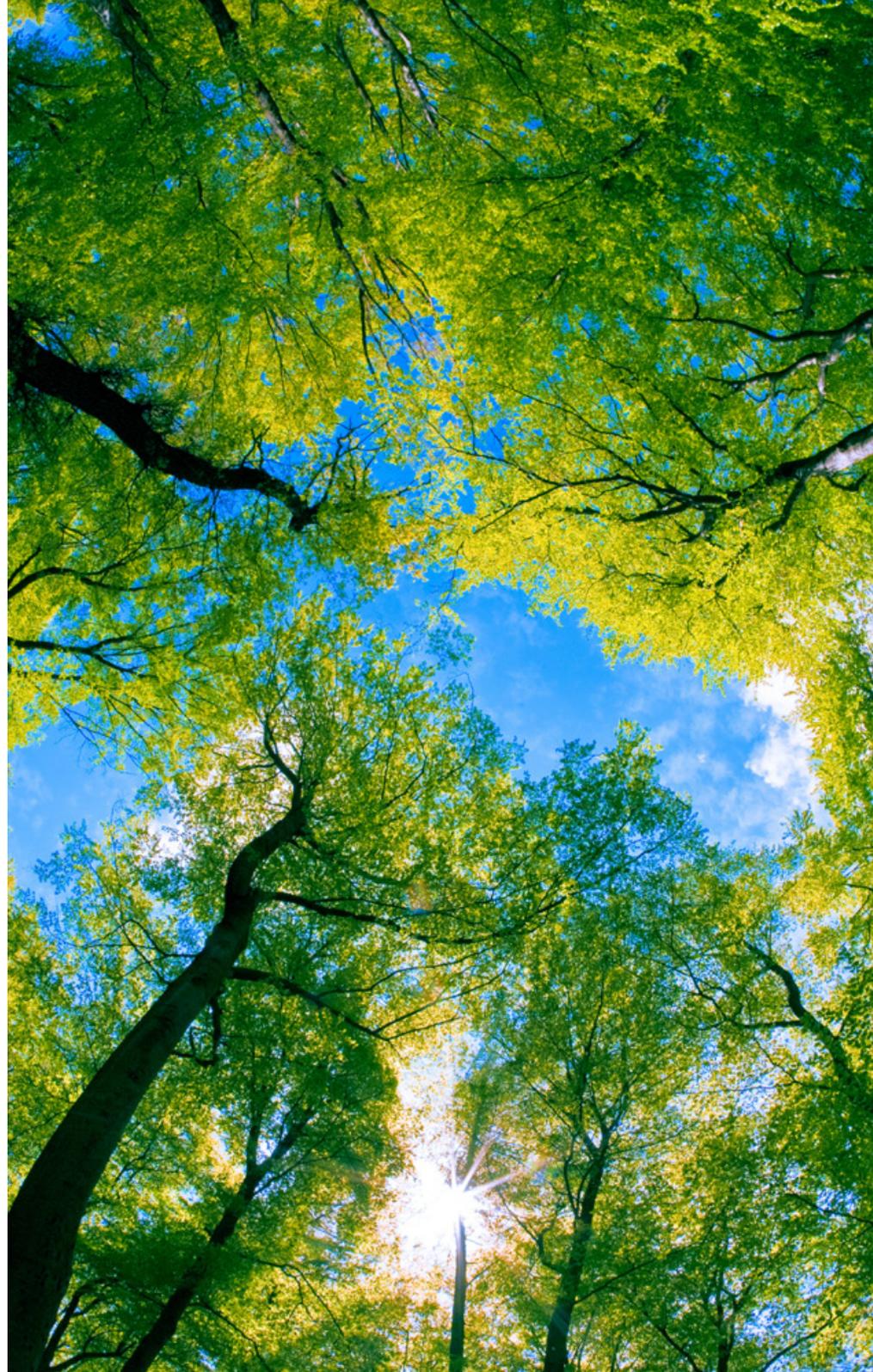
WHY INVEST IN BOREAL FORESTS IN EUROPE?

In line with our strategy to diversify our forestry portfolio the fund's targeted allocation of forest assets in Europe is at 35% of the assets. Europe is quite the contrary to South America. Whereas South America has vast land areas, Europe is densely populated and has smaller areas of forestland. Additionally, the managed forests in Europe are natural forests, not plantations as in South America. The local market in Europe is close and strong due to the high level of industrialisation.

J&O Global Forestry Investment Fund invests within the EU in countries with large areas of boreal forests, primarily in the Baltic States and Eastern Europe. The investments are done through local forestry funds with direct forest holdings such as Baltic Forest Fund and European Forest Fund as well as direct investments into forest land.



**DIRECT OWNERSHIP
OF MANAGED NATURAL
EUROPEAN FOREST.
MAINLY PINE, SPRUCE,
BIRCH.**





WHY INVEST IN BOREAL FORESTS IN EUROPE?

Political Stability. In Europe we only invest within the EU, thus lowering the political risk substantially. Although Russia is a large forest producer, foreign ownership is not possible, thus Russian forestry is not part of the portfolio.

Close to Industries. Europe is dense with forestry industries like sawmills and pulp factories. The raw material is cheap and not worth shipping from countries far away. Two thirds of industrial wood is sourced from natural forests.

Bioenergy Demand. The EU has set a target of 20% bioenergy use by 2020. Most countries within the union need to increase the use of bioenergy to meet this demand. Using forest products from European forests is by far the easiest way to do this, for instance by converting coal power plants to bio-energy plants. This creates an increased local demand for forest products.

Excellent Historic Returns. Historically, forest land in Europe has had a tremendous development in terms of value increase. Land being an ever more scarce resource in a ever more populated and industrialised corner of the world has pushed the price of forest land. For the last 20 years, forest land in the largest forest nations in Europe have increased by 16% per annum while leaving a 3–4% annual direct return from managing the forest.



WHY INVEST IN TIMBER REITS?

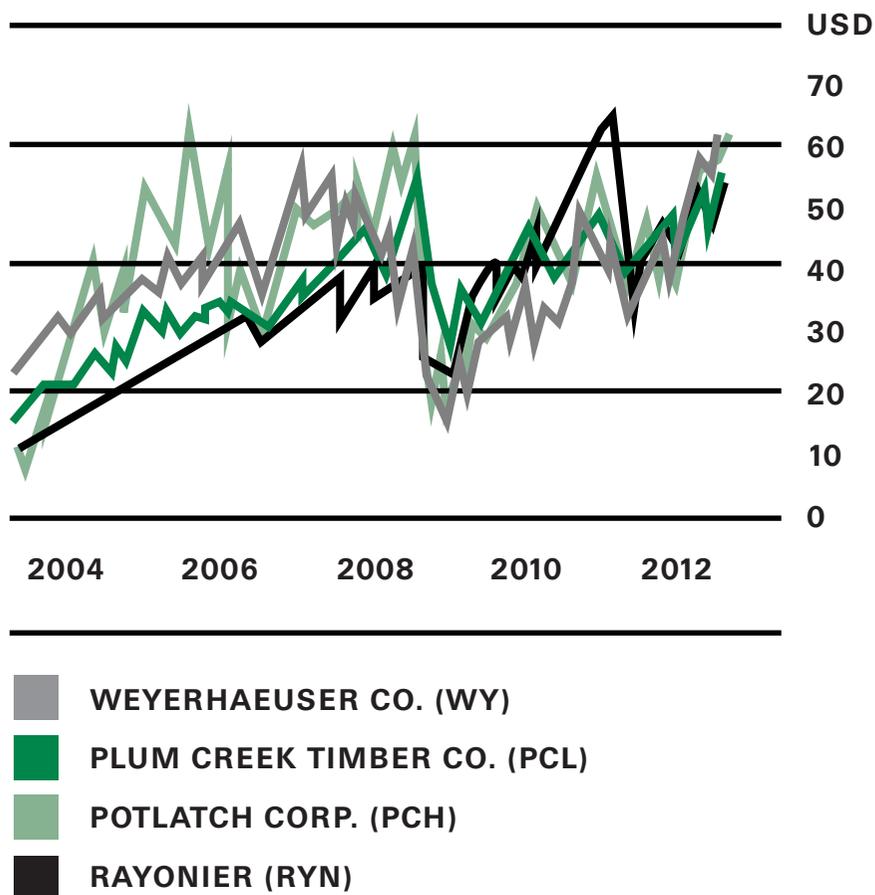
To invest in forest land in the US we use so called REITs, listed Real Estate Investment Trusts that own and manage US forestland. Another benefit of using this investment tool is that it provides fast liquidity to the fund, necessary to make fast investments or to meet redemptions.

There are four available Timber REITs, Weyerhaeuser Co. (WY), Plum Creek Timber Co. (PCL), Potlatch Corp. (PCH), and Rayonier (RYN). These stocks are the only way individual investors can invest in US timberlands without going out and buying their own timberland acreage. These stocks also stand to see marked improvements in income and cash flow going forward as housing rebounds.

The four Timber REITs own about 17 million acres of land in the US. These acres are at the core of the Timber REIT business.

The four Timber REITs on the market have all had an excellent and solid value growth. In fact, over the last 10 years none of them have less than tripled in value.

10 YEAR RETURNS OF TIMBER REITS





THE INVESTMENT

Currencies and Share Classes: There are four share classes suited to different investor needs. The investment is also offered in four currencies: EUR, USD, GBP and SEK.

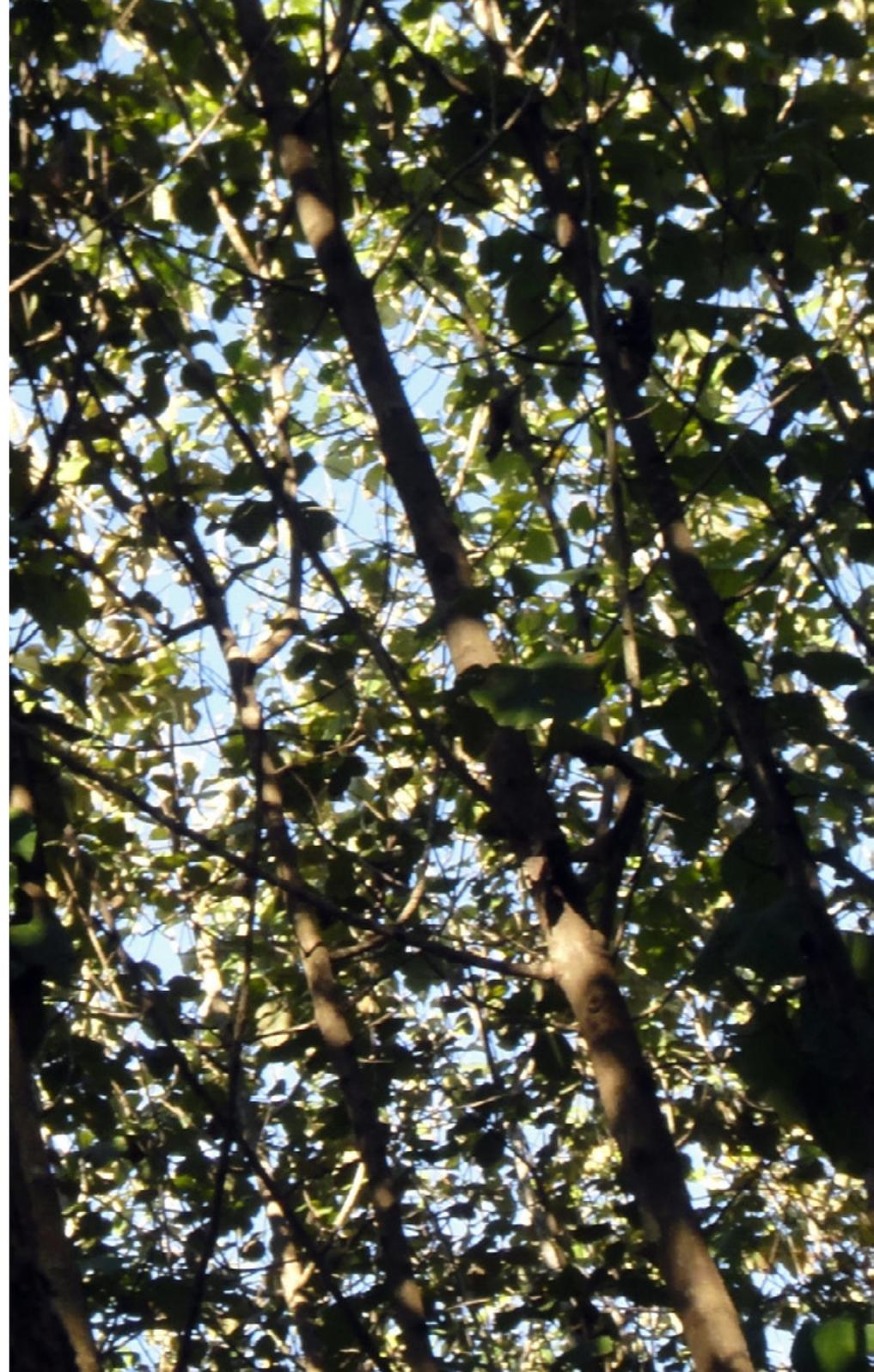
Entry Level: Applications for shares must be in a minimum amount of EUR 50,000 or the SEK, USD or GBP equivalent for Class A and Class B and EUR 100,000 or the SEK, USD or GBP equivalent for Class C except in the case of an existing shareholder, or at the discretion of the fund manager.

Fees and Charges: The annual management fee is 1.5%.

Investment Horizon: This is a mid to long term investment.

Share class	A	B	C
Annual fee	1.5%	1.5%	1%
Performance fee	15%	20%	10%
Buy-in fee	None	5%	2%
Redemption fee	1–5%*	None	None
Minimum investment	50.000	50.000	100.000

*5% year one to 1% year five on a falling scale. Currency: Euro





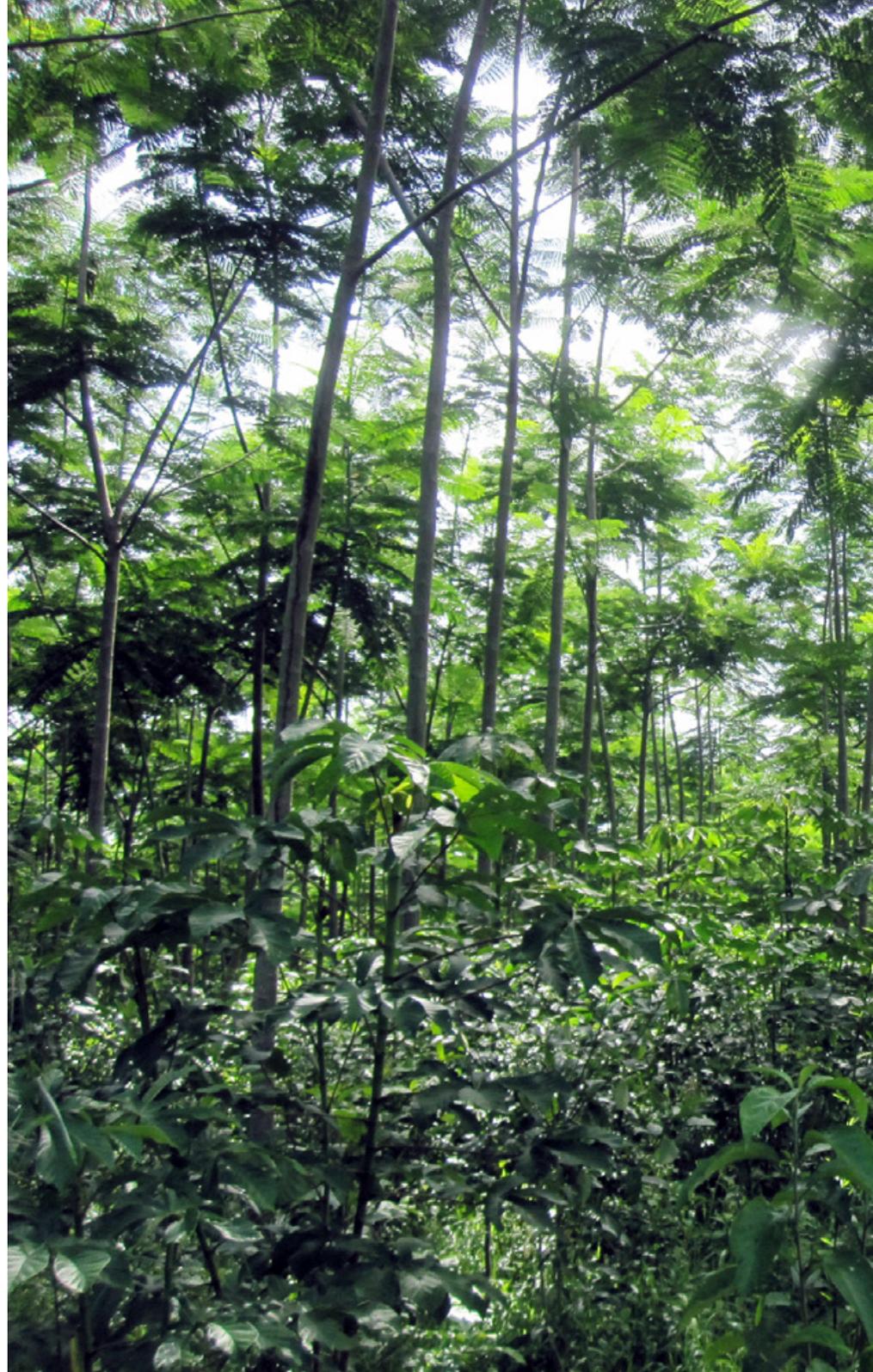
INVESTMENT RISK

Physical Risks: Investing in forest land naturally carries physical risks like fire, storm, insects, disease and theft. All these risks are traditionally covered by an insurance that the forest manager holds.

Economic Risks: The price of forest products like timber, as well as the price of forest land, are determined by supply and demand factors outside the fund's control. Historically timber investments have proven to render solid returns even in times of slow economic growth. The investor may be exposed to a currency risk depending on investment currency.

Political Risk: The Fund invests in Brazil for its stable government and healthy economy, relative to other teak growing locations like Sri Lanka. The Fund's boreal forest investments are held within the EU or in the US, thus reducing the political risk.

Limited Liquidity: An investment in the Fund is suitable for certain sophisticated investors who have no immediate need for liquidity in the investment. Generally, a shareholder may redeem its shares only on the first business day of any month, upon not less than 90 days prior written notice. Redemption fees apply to Class A shares on a falling scale for 5 years.





ASSET SECURITY

Forests grow regardless of financial market turmoil. That in itself is very reassuring. In order to not add unnecessary financial risks to the investment, it is not in the Fund's strategy to employ leverage, i.e. to borrow money from banks to invest.

For the Fund's Brazilian and European investments it aims to invest in sub-funds with non-leveraged direct forest ownership. This provides the investment with solid backing of the underlying real asset.





SUSTAINABLE AND ETHICAL

Investments into forestry are among the most efficient ways to reducing the carbon print in the world, as forests are the largest CO₂ binders.

Unlike investments into regular share trading funds, or listed shares, where it is always a problem to guarantee ethical and social responsibility at all levels, forest management is far more simple. As part of the investment prerequisites we demand that the underlying funds support the local communities, be it in Brazil or the Baltic States through education and use of proper work codes.





KEY BENEFITS SYNOPSIS

Portfolio Diversification: With a low correlation to several equity and bond markets, the Fund can offset stock and bond market volatility.

Flexible Exit: Possibility to invest into real assets that traditionally are illiquid with an exit possibility.

Preserving Nature: Reducing further deforestation through sustainable timber plantations.

Excellent Track record: Managed forestry has historically produced returns far above most stock markets in the range of 12–14% annually. The reason is simple: Unlike gold or real estate forest grows.



J&O
ASSET MANAGEMENT

www.jo-am.com

KEY FACTS

Fund name	J&O Global Forestry Investment Fund Ltd
Fund manager	J&O Asset Management Ltd
Fund administrator	Apex Fund Services Ltd
Accountant	KPMG
Regulator	Bermuda Monetary Authority
Currency	EUR or SEK or USD or GBP
AUM	Over 100 MEUR in underlying funds
Buy	Monthly
Sell	Quarterly
Up-front fee	None
Annual fee Class A	1,5% per annum
Performance Fee Class A	15% high watermark
ISIN numbers Class A	EUR BMG4988Y1553 USD BMG4988Y1306 GBP BMG4988Y1637 SEK BMG4988Y1488
Withdrawal fee	5% year 1, 4% year 2, 3% year 3, 2% year 4, 1% year 5

Approved by following insurance companies

ANEA, Danica, Friends Provident, Generali, Irish Life, Nordea Life, NPG, Royal Skandia Ireland, Royal Skandia Isle of Man, Quantum Leben, SEB Life Ireland, STM Life, Victory Life

This brochure is provided for general information only and nothing contained in the material constitutes a recommendation for the purchase or sale of any security. Although the statements of fact in this brochure are obtained from sources that J&O Global Forestry Investment Fund ("the Fund") consider reliable, we do not guarantee their accuracy and any such information may be incomplete or condensed. Any person considering an investment should seek independent advice on the suitability or otherwise of the particular investment. An investment in J&O Global Forestry Investment Fund is not a capital guaranteed investment. An investment in the Fund is not insured by government or governmental agencies. An investment in the Fund is subject to investment risk, including possible loss of principal amount invested. Past performance is not indicative of future results: prices can go up or down. Investors investing in investments denominated in foreign (non-local) currency should be aware of the risk of exchange rate fluctuations that may cause loss of principal when foreign currency is converted to the investors home currency. An investment in the Fund is not available to U.S. persons. An investor understands that it is his/her responsibility to seek legal and/or tax advice regarding the legal and tax consequences of his/her investment transactions. For full terms and conditions, please read the Prospectus issued by the Board of Directors of the Fund approved by the Bermuda Monetary Authority available at www.jo-am.com.

