

## **Phaunos Timber Fund Limited**

("Phaunos" or the "Company")

December 8, 2016

### **Phaunos Five Year Strategy Outline**

The Company is pleased to release a presentation that provides shareholders with an update on the status of the portfolio together with a strategy outline for further discussion and review ahead of the continuation vote to be put to shareholders at the AGM in June 2017 (the "Continuation Vote").

The presentation is available on the Company's website ([www.phaunostimber.com](http://www.phaunostimber.com)).

In summary the presentation covers the following:

1. The intention of the Phaunos Board to propose a resolution for the continuation of the Company for a further 5 years
2. The potential to provide yields of 3-5% and NAV growth of 3-5% in the medium term subject to ongoing asset sales and the potential re-investment of part of the sale proceeds<sup>1</sup>
3. An estimated net asset value ("NAV") at the Company's financial year end of between US\$ 310 million and US\$ 325 million or between 57 and 59 cents per share subject to finalisation of independent valuations, foreign exchange movements and audit of the annual report. This represents a 16-20% increase relative to the 2015 year end NAV per share of 49 cents
4. The reduction in portfolio debt to 1% of NAV
5. A rebalancing of the portfolio that has lowered the portfolio risk and increased the cash held to levels above US\$ 45 million (13-15% of the estimated year end NAV)
6. The revised management fee arrangements between the Company and Stafford Capital Partners Limited of 0.75% of market capitalisation, subject to the passing of the Continuation Vote. The fee will be effective from 1 December 2016. This arrangement falls within LR 11.1.10R of the Listing Rules.

<sup>1</sup> This is a target only and should not be construed as a profit forecast

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##### **Phaunos Timber Fund Limited (Chairman)**

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## Notes to Editors

The Company is a Guernsey-domiciled authorised closed-ended investment scheme authorised by the Guernsey Financial Services Commission under section 8 of The Protection of Investors (Bailiwick of Guernsey) Law, 1987 (as amended) and the Authorised Closed-ended Investment Schemes Rules 2008 made thereunder.

Its ordinary shares are listed on the Main Market of the London Stock Exchange. Its investment objective is to provide shareholders with attractive long term total returns, predominantly expected to be in the form of capital appreciation but with some income, through a diversified portfolio of timberland and timber-related investments.

Stafford Capital Partners was founded in 2000 and has specialist investment teams in agriculture, infrastructure, private equity, sustainable capital, timber and venture capital. As at 30 September 2016 Stafford has over US\$4.5bn under management and advice with US\$2.0bn in timberland investments. Stafford was appointed as Manager on 1 July 2014. ([www.staffordcp.com](http://www.staffordcp.com))

The Company's ticker is PTF.

Website [www.phaunostimber.com](http://www.phaunostimber.com)