



Phaunos Timber Fund Limited - PTF Company Update
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Phaunos Timber Fund Limited
03 July 2017

Phaunos Timber Fund Limited

("Phaunos" or the "Company")

03 July 2017

Company Update

In the announcement on 19 June 2017 that the Company's continuation resolution had not been passed, the Board stated that it would put forward proposals to commence the process for an orderly realisation of the assets of the Company.

Therefore, the Board of Phaunos wishes to announce the following:

The Company will shortly be sending documents to shareholders to convene a General Meeting to be held during August 2017 to consider a number of proposals including:

- (a) A change of investment policy to permit the Company to sell its investment portfolio with the objective of maximising returns to shareholders, taking into account the ability of potential buyers to complete transactions in a timely manner. The policy will permit the Company to retain cash insofar as it is reasonably required to provide working capital or other commitments to existing investments with the objective of maximising their sale value. No new investments will be entered into. The Company will return excess cash to shareholders in a form the Directors reasonably believe will be the most efficient for shareholders, which may take the form of dividends, compulsory redemptions of shares, tender offers or other mechanisms.
- (b) A change in Board composition to better reflect the needs of the Company as the managed wind down process begins. The Board has engaged Search Agents to seek out individuals with expertise in forestry, the sale of real assets and other skills relevant to the effective management of the realisation of the Company's portfolio and the wind up of the Company. The Board anticipates making

one or two, initially interim, appointments in the period up to the appointment of the new Board. The Board intends that each of its current members, including the Chairman, will stand down, after a process of orderly hand over, once replacements are appointed.

In order to ensure that shareholders are treated equitably, the Company will no longer buy back its shares.

The Company will make a further announcement shortly in relation to the first return of cash to shareholders.

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Notes to Editors

1. About Phaunos Timber Fund Limited

Established in 2006, Phaunos Timber Fund Limited ("PTF" or "the Company") invests in a concentrated, but diversified portfolio of timberland and timber-related investments.

PTF 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. The Company's ordinary shares are traded on the Main Market of the London Stock Exchange. www.phaunostimber.com

2. About Stafford Capital Partners Limited

Established in 2000, Stafford Capital Partners ("Stafford") is a leading private markets investment group. It has specialist investment teams working across Real Assets, Private Equity and Credit, and with offices in Austin, Boston, Hanover, London, Sydney and Zurich, has a truly global presence. As at 31 March 2017, Stafford has more than US\$4.8 billion under management and advice, with US\$2.3 billion in timberland investments. Stafford was appointed as the Manager of Phaunos on 1 July 2014. (www.staffordcp.com)

Stafford's timberland business provides fund management and advisory services to institutions seeking global timberland exposure; this is achieved through pooled investment vehicles and co-investment opportunities in transactions (which are sometimes larger than the capacity of the primary fund). Stafford's pooled funds offer globally diversified portfolios of timberland assets, and are actively managed to take advantage of developing market trends. Stafford presently manages timber investments in Australia, Brazil, Canada, Central America, Chile, New Zealand, the US and Uruguay.

Stafford Capital Partners is a member of the 'Principles for Responsible Investment' (PRI); these Principles are an internationally agreed upon framework, designed to help institutional investors to incorporate Environmental, Social and Governance (ESG) considerations into their investment decision-making and ownership practices. The PRI has acknowledged Stafford as having incorporated a solid framework for ESG considerations into its investment decision process.

The Company's ticker is PTF. www.phaunostimber.com

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