Questions and Answers

CATF Investors Day 2014

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At the Investors Day CATF 2014, investors were given the opportunity to ask BAUM some questions. As promised, BAUM has written these questions and answers down for everyone to be as well informed as possible.

CATF the fund

1. How likely is it that CATF will merge with LATF (formerly known as Goodwood)?
   Not likely at all. The two funds differ a lot; LATF does not exist yet and will be founded in Brazil. CATF has plantations in Costa Rica. Furthermore, LATF is still restructuring. A process CATF has almost finalized. A merger causes too much risk for CATF unitholders in this phase. From a management point of view this is not desirable at all.

2. What will happen when the fund ceases to exist in 2035?
   When the fund ends, the value of all plantations will be calculated. After sale, proceeds will be shared among the remaining unitholders.

3. Will the fund cease to exist when the last unit is handed in?
   Yes, it will. When all units are turned in, the fund will close.

Forestry and durability

1. Do I have to wait five years longer for the final cut of CATF?
   In the new setup there’s no final cut anymore. When CATF was founded it was agreed upon that the fund would exist until 2030. In consultation with the SAC we have decided to pursue a more active policy, to apply a different cultivation model in Costa Rica. This means that we will purchase new plantations, we will plant new trees, cut them or let them grow. This new model asks for 5 more years. Unitholders should not worry, they can sell their units in an annual offering or through secondary trade.

2. Will new plantations be managed by Expo and Barca?
   No. New plantations will be managed by BAUM, with LATC as contractor.

3. The costs for the forestry operation in Costa Rica have been reduced by 53 percent. Does this affect the working conditions on the plantations?
   No. The cost difference mainly lies in the fact that profit margins of the forestry companies that previously managed the plantations in Costa Rica, have been reduced. The salary of local BAUM staff is competitive or higher. All functions and the minimum salaries are set by the government.

4. What does the fund do with CO2 rights?
   CO2 allowances are currently not sold because the value of these rights at this time is minimal.

5. Does the fund have a durability or FSC certificate?
   CATF has been operating fully in accordance with the conditions of these certifications. It’s working hard to obtain the certifications in 2015.

6. In recent years some plantations suffered from an outbreak of SDLT fungus. How are these plantations doing now?
   SDLT is not a fungus, it is an abiotic disease that is caused by the environment: soil and climate characteristics. Areas with the highest risk for developing SDLT are out of the fund. However, we monitor the situation intensively and act whenever necessary in order to minimize the risk for the fund.

7. Is the fund considering the establishment of a green bond to generate new revenue?
   We are investigating alternative funding models. It is important to examine at what price such a bond could be set up. It takes another six months before such figures are available.

Units and their value

1. How will the value of my units develop in coming years?
   It is impossible to draw conclusions regarding the interest rate and price development of wood. Therefore we are not able to say anything
about the development of the value per unit of CATF which is associated with the interest rate and price development of wood.

2. Will the price of teak increase?
That too is very difficult to predict. The price depends on various factors that cannot be predicted in advance. What is clear, is that the demand for teak in main markets (China, India and Singapore) does not decrease. Another important development is that the government of Burma, one of the main suppliers of tropical teak, demands that all timber is processed locally. That has increased the demand for plantation timber. So in our perception, the demand will remain stable.

3. Can we expect a dividend payment from CATF?
No. The fund does not pay out dividend. The value development lies in the increasing value of the units.

4. In July 2014, Stichting Terra Vitalis (STV) went bankrupt. Does that have any consequences for the value of my investment?
No. The bankruptcy of Terra Vitalis has no impact on your investment.

5. At the start of my investment I was able to indicate a beneficiary. Do I still have that possibility?
A transfer of units at death is still possible; a notary can help you with that. To leave units in name of one person, you need a transfer document. Our Client Communication Agent Öko-Life can assist you.

Offer or sell your units

1. How can I convert my investment into money?
There are two ways to convert your investment into money. You can offer your units to CATF, or sell the units through secondary trade. Our Client Communication Agent Öko-Life can advise you with regard to offering your units to CATF. Daron Capital Management supports the sell of your units through secondary trade. When CATF was founded, all unitholders were informed about these possibilities.

2. Is it more favourable to sell my units through secondary trade than if I offer them to CATF?
That is a personal consideration. Units can only be taken in by CATF once a year. The price of the units is dependent on the valuation and the amount of units offered to CATF. The completion of all the requests will take a few months. Selling units through secondary trade can be done all year.

3. How many units are sold through secondary trade? And how much is paid out by CATF?
About 2.3 million units have been sold through secondary trade. CATF paid out 3 million worth of units to investors in the year 2014.

4. If I want to offer my units to CATF, what is the appropriate date to do so?
Every year you can offer your units to CATF before May the 15th. Our Client Communication Agent Öko-Life can advise you with regard to the required forms and information.

5. When will the annual valuation date of CATF units take place?
Every year on the June the 30th, CATF will be closed; this means that all data is frozen. All the monitoring of stands will have occurred by then, which is reported to the Technical University of Costa Rica (ICTR). The ICTR validates the numbers. Subsequently, EY (the accountant of CATF) will do research with regard to the numbers. On November the 1st, EY Luxembourg will publish the annual account. This whole process will take two to three months. The annual account will appear approximately six months after June the 30th.

Institutional Investors

1. Some institutional investors entered CATF through the secondary market. Does this imply a risk for private investors?
These institutional investors choose to invest in CATF for the long term; five to ten years. Therefore, their influence on the valuation of units is limited.

2. Does CATF prefer institutional investors rather than private investors?
Definitely not. However, the demand for teak among private investors in the Netherlands is limited. The product does not enjoy a positive vibe.
Secondary trade in CATF mostly occurs abroad, especially by institutional investors and banks.

3. Why would institutional parties invest in CATF?
Institutional investors find age and size of a fund important conditions for an investment. An English trust of a bank just joined the fund. The Dutch ABP and PGGM are investing in forestry (mainly in the US), but not yet in teak. An important consideration in this regard is that CATF is not a large enough fund for their portfolio. The history of teak investments in the Netherlands might also be a reason for them not to invest in CATF yet.

Latest News
Letter to Unitholders (https://www.catf.lu/letter-to-unitholders/)

Announcement for placement of new SAC members (https://www.catf.lu/announcement-new-sac-members/)


New members of the SAC, investor day 2017 and update redemptions (https://www.catf.lu/new-members-sac-investor-day-2017-update-redemptions/)
General information

About CATF
The Organization (https://www.catf.lu/about-catf/organization/)
The Assets (https://www.catf.lu/about-catf/the-assets/)
Investment Strategy (https://www.catf.lu/about-catf/investment-strategy/)
Facts & figures (https://www.catf.lu/about-catf/catf-facts-figures/)
Fees & expenses (https://www.catf.lu/about-catf/fees-and-expenses/)

Investing in CATF
What is forestry (https://www.catf.lu/investing-in-catf/what-is-forestry/)
How does the forestry market work (https://www.catf.lu/investing-in-catf/the-market/)
Tax considerations (https://www.catf.lu/investing-in-catf/catf-tax-considerations/)

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• Atlantic Fund Services S.A.
  (Administrative- Registrar and Transfer Agent)
• Ernst & Young (Auditor)
• Charles Russell Speechlys
  (Legal Advisor)

Investments should only be made after reading the information memorandum and the latest financial accounts.

PHOTO GALLERY OF CATF

[Links to various images related to CATF's activities and infrastructure]