



Fearnley Securities AS

Disclosures and Disclaimers for Recommendations

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Disclaimer

DISCLOSURES AND DISCLAIMERS FOR RECOMMENDATIONS (EQUITY AND FIXED INCOME)

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Basis and Methods for Assessment

Recommendations regarding shares and share related instruments ("Equities") are based on price targets fixed with different valuation methods that may include analysis of earnings multiples (absolute and relative), valuation of a company using DCF (discounted cash flow) calculations and by carrying out net asset value (NAV) assessments. Price targets are changed when earnings and cash flow forecasts are changed. They may also be changed when the underlying value of the assets of the issuer that is the subject of the Recommendation (the "Recommendation Subject") changes or when factors impacting the required rate of return change. Unless otherwise stated, our recommendations have a twelve-month horizon.

Definitions of Key Terms

Buy: When price target is more than 15 % above market price.

Hold: When target price is within -15% - +15 % and/or if we do not see a compelling case in the share.

Sell: When target price is 15 % or more below market price.

Equity recommendations prior to 8 July 2019

Buy:	When price target is more than 15 % above market price.
Accumulate:	When target price is within 5-15 % above market price.
Reduce:	When target price is +5 % to -15 % below market price.
Sell:	When target price is 15 % or more below market price.

Risks

There is an element of risk attached to all investments in financial instruments. There may be uncertainties with respect to the accurateness and reliability of any information, interpretation and assessment. There are uncertainties and risks attached to the correctness of any Recommendation and with respect to forward looking statements and expectations.

High risk:	beta above	1.2
Medium risk:	beta range	1.0 – 1.2
Low risk:	beta at or less than	1.0

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Note that equity coverage of Fearnley Securities AS encompasses solely companies within the following sectors: Shipping, Oil services, Seafood, Oil E&P and Renewables. These sectors are cyclical by nature and will over time presumably have a higher volatility than the overall market. Fearnley Securities AS utilizes the Oslo Stock Exchange as a benchmark in its risk assessment given the high concentration of sector participants on that exchange.

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Basis and Methods for Assessment

Recommendations for bonds and other fixed income instruments are based on assessment of credit risk (the creditworthiness of a particular Recommendation Subject or instrument as of a given date) relative to risk premium (risk premium inherent in yield relative to investment amount).

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Definitions of Key Terms

Buy:	The risk premium is considered as favorable relative to credit risk
Hold:	The risk premium is considered as acceptable relative to credit risk (Prior to April 11, 2016, defined as Accumulate)
Sell:	The risk premium is considered as not acceptable relative to credit risk (Prior to April 11, 2016, defined as Reduce)

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