

Form 21-3 (Article 246-5)

(letter)

Explanatory document for the 28 term

From: 01/01/2018  
To: 12/31/2018  
Date: 12/31/2018

Name of Business:  
John Hancock Natural Resource Corporation

Address or location:  
(Principal Business Address)  
The Steven L. Brown Building, 8th floor, Boston,  
Massachusetts 02116-5010 USA

Name:  
Tim Cayen, Vice President (Name and Title of the Representative  
in the case that notifier legal status is corporation)

1. Operational status of business

(1) Date of notification

① Notification in accordance with Financial Instruments and Exchange Act (hereafter "FIEA")  
Article 63(2) or Article 63-3(1)  
Date: 10/16/2008

② Notification in accordance with Article 48(2), (4) or (6) of the Supplementary Provisions of the  
Act to Partially Amend the Securities and Exchange Act (Act No. 65 of 2006)  
Date: N/A

(2) Types of businesses currently being operated

Special Business Activities for Qualified Institutional Investors (Private placement and  
Investment Management)

(3) Overview of the current term

John Hancock Natural Resource Corporation ("the "General Partner") served as the general partner for Hancock Timberland X LP ("HTX"), Hancock Timberland XII LP ("HTXII") and Hancock Timberland and Farmland Fund LP ("HTFF") during 2018. Each of HTX and HTXII is a closed end investment fund organized as a Delaware limited partnership, which invests, through subsidiaries, in commercial timberlands both within and outside the United States. HTFF is an open ended investment fund organized as a Delaware limited partnership which invests, through subsidiaries, in commercial timberlands and farmlands, both within and outside the United States. HTX was fully invested prior to 2018 and will commence dispositions of its assets at the end of 2022. HTXII was fully invested prior to 2018 and will commence dispositions of its assets at the end of 2028. HTFF had its initial closing and admitted its first investors as limited partners on January 31, 2018, and began making timberland and farmland investments during 2018. During 2018 the General Partner was responsible for managing and overseeing the operations and affairs of each of HTX, HTXII and HTFF, including in the case of HTX and HTXII overseeing their operations and assets, and in the case of HTFF overseeing the initial closing with investors and overseeing HTFF's initial investments and its operations and assets. Investment returns in US timberland slightly declined during 2018 due to lower prospects for US southern timber markets. Each of HTX, HTXII and HTFF is sponsored by Hancock Natural Resource Group, Inc. ("HNRG"), which serves as the investment advisor to each fund. HNRG is a registered investment adviser with the United States Securities and Exchange Commission.

(4) Status of corporate officers and employees

① Number of corporate officers and employees

	Corporate officers	of which part-time officers	Employees	Total
Total	4	0	0	4

② Status of corporate officers

Positions	Names
President	William Peressini
Director	Wilfred Steiner
Vice President	Tim Cayen
Vice President	Stephen Peter Nicholas Ping

(5) Status of the principal business office, and business offices where Specially Permitted Businesses for Qualified Institutional Investors, etc. ("SPBQII") are operated

Name	Location	Number of Corporate officers and employees
John Hancock Natural Resource Corporation	197 Clarendon Street, The Steven L. Brown Building, 8th floor, Boston, Massachusetts 02116-5010 USA	4 corporate officers and 0 employees
Total <u> 1 </u> locations		Total <u> 4 </u>

(6) Status of external auditing

Name or business name of the certified public accountant or auditing firm	Details of auditing
Ernst & Young LLP (in USA)	Voluntary annual audit. The auditor provided an unqualified opinion with respect to the General Partner as part of the audit of its parent, HNRG, which audit is relied upon in the consolidated audit of John Hancock Life insurance Company (USA) and Manulife Financial. The auditor of each of HTX, HTXII and FTFF provided an unqualified opinion with respect to each entity.

(Note)

1. Operational status of business

(2) Types of businesses currently being operated

In relation to businesses currently under operation, (1)enter "private placement" if they include businesses relating to acts specified under FIEA Article 63(1)(i); (2)enter

(9) of the same Article, please indicate thus; and **(4)** if there are other businesses, please enter the types of such businesses. In addition, if there have been changes in such businesses during the term, please indicate them.

(3) Overview of business operations in the current term

Please give an overview of the business activities, business performance, and important events that have affected operating performance during the current term.

(4) Status of corporate officers and employees

① Number of corporate officers and employees

Enter the numbers of corporate officers and employees (limited to corporate officers and employees engaged in SPBQII; the same applies in ② below) as at the end of the current term.

② Status of corporate officers

Create a table and indicate all corporate officers as at the end of the current term. Note, however, that foreign corporations do not need to indicate representatives in Japan (i.e., persons specified under FIEA Article 63(7)(i)(d)).

(5) Status of the principal business office, and business offices where SPBQII are operated

Enter information about the principal business office, as well as each of the business offices where SPBQII are operated ("business offices, etc." hereafter in (5)). In addition, if there have been additions or abolitions of business offices, etc., or changes in the names or addresses of business offices, etc. during the term, please indicate them.

(6) Status of external auditing

Provide relevant information in this section if you have your financial statements externally audited by certified public accountants or auditing firms at least once every year. Indicate whether the audits are statutory or voluntary, and describe specifically and succinctly the details of the audit results in the "Details of auditing."

(7) Status of the fund

Names of the Invested Business Equity	Hancock Timberland X LP	
Details of the Invested Business	(Type of instrument) Other (Contents) Investments in timberlands located in Idaho, Louisiana, Oregon and Washington USA, and in Australia through its ownership of securities (debt and equity) issued by Hancock Queensland Plantations Pty, an owner of timberland in Australia. HNRG is the investment manager of HTX.	
Types of the Invested Business Equity	Rights based on laws and regulations of a foreign state	
Location of the accounts into which investment money is paid	Overseas-Boston, Massachusetts USA	
Flow of funds	Capital is called from the limited partners by the GP for investments or expenses and paid into a bank account of HTX at Bank of America located in Boston. Funds are then disbursed to the bank accounts of subsidiaries of HTX also located at the same bank or to third parties, as required to fund obligations. Distributions to limited partners of HTX are paid from HTX's bank account.	
Duration	April 12, 2010 and ongoing	
	Types of investors	Number of investors

	Investors other than QIIs	0
	of whom individuals	0
	Total	1
Amount of investment by QIIs and its ratio	Amount of investment	5,616,307,307 yen
	Ratio of investment	14.84%
If persons specified under the items of Article 233-3 are among the counterparty	Existence of persons specified under the items of Article 233-3 ("yes" or "none")	none
	Status of audits	Name or business name of the certified public accountant or auditing firm
		Details of audits

Names of the Invested Business Equity	Hancock Timberland XII LP	
Details of the Invested Business	(Type of instrument) Other (Contents) Investments in timberlands located in Alabama, Mississippi, Oklahoma and Virginia, USA, and securities (equity and/or debt) issued by Great Lakes Forests 1 LLC and Great Lakes Forests 2 Inc. which own timberland in Michigan USA, securities (equity) issued by Brule River LLC which owns timberland in Wisconsin, USA and securities (equity) issued by Hancock Chilean Plantations LP which owns, indirectly, timberland in Chile, South America. HNRG is the investment manager of HTXII.	
Types of the Invested Business Equity	Rights based on laws and regulations of a foreign state	
Location of the accounts into which investment money is paid	Overseas-Boston, Massachusetts USA	
Flow of funds	Capital is called from the limited partners by the GP for investments or expenses and paid into a bank account of HTXII at Bank of America located in Boston. Funds are then disbursed to the bank accounts of subsidiaries of the Fund also located at the same bank or to third parties, as required to fund obligations. Distributions to limited partners of HTXII are paid from HTXII's bank account.	
Duration	September 20, 2013 and ongoing	
Status of investors	Types of investors	Number of investors
	Qualified Institutional Investors ("QIIs")	1
	of whom individuals	0

	Total	1
Amount of investment by QIIs and its ratio	Amount of investment	630,158,194 yen
	Ratio of investment	1.63%
If persons specified under the items of Article 233-3 are among the counterparty	Existence of persons specified under the items of Article 233-3 ("yes" or "none")	none
	Status of audits	Name or business name of the certified public accountant or auditing firm
		Details of audits

Names of the Invested Business Equity	Hancock Timberland and Farmland Fund LP	
Details of the Invested Business	(Type of instrument) Other (Contents) Investments in commercial timberland in the US are owned indirectly through a controlled captive REIT subsidiary. The timberlands are located in Alabama, Florida, Georgia, Illinois, Arkansas, and Nebraska in the US. HTFF also owns a 51% limited partnership interest in King Bloom LP, a limited partnership which indirectly owns a majority of the equity of a corporation which owns commercial farmlands located in the state of Washington in the US and a fruit processing business.	
Types of the Invested Business Equity	Rights based on laws and regulations of a foreign state.	
Location of the accounts into which investment money is paid	Overseas-Boston, Massachusetts USA	
Flow of funds	Capital is called from the limited partners by the GP for investments or expenses and paid into a bank account of HTFF at Bank of America located in Boston. Funds are then disbursed to the bank accounts of subsidiaries of HTFF also located at the same bank or to third parties, as required to fund obligations. Distributions to limited partners of HTFF are paid from HTFF's bank account.	
Duration	January 31, 2018 and ongoing	
Status of investors	Types of investors	Number of investors
	Qualified Institutional Investors ("QIIs")	3
	of whom individuals	0
	Investors other than QIIs	0
	of whom individuals	0
Total	3	

investment by QIIs and its ratio	Ratio of investment	8.35%
If persons specified under the items of Article 233-3 are among the counterparty	Existence of persons specified under the items of Article 233-3 ("yes" or "none")	none
	Status of audits	Name or business name of the certified public accountant or auditing firm
		Details of audits

(Note)

1. Create a table and provide information for each of the Invested Business Equity regarding securities equivalents related to FIEA Article 2(2)(v) or (vi). Note, however, that you are only required to provide information in the "Names of the Invested Business Equity," "Types of the Invested Business Equity" and "Status of investors" for securities equivalents relating to (v) or (vi) of the same paragraph in which only professional investors invest.  
Please indicate securities equivalents relating to (v) or (vi) of the same paragraph that were privately placed in the past and the expirations of whose duration are set in the current term or later, even if there has been no private placement during the current term.
2. This table must be created based on the end of the current term as the basis. If the accounting period of the fund (referring to assets into which investment or contribution has been made by persons who own securities equivalents relating to FIEA Article 2(2)(v) or (vi); the same applies in 6) and the term of the notifier of SPBQII do not match, make entries based on figures at the end of the last accounting period that came before the end of the current term.
3. In the "Details of the Invested Business" row, enter specific details of businesses that will manage the money and other assets being invested or contributed.
4. Select and enter, in the "Types of the Invested Business Equity" column, from "Partnership contract under the Civil Code," "Silent partnership contract," "Investment Limited Partnership contract," "Limited Liability Partnership contract," "Membership rights of an incorporated association," "Rights based on laws and regulations of a foreign state" and "Other rights." Provide specific details if you select "Other rights." Please also specify the names of laws the rights are based on and their key details if you select "Rights based on laws and regulations of a foreign state."
5. In "Location of the accounts into which investment money is paid," indicate names of the countries or territories where accounts into which customers pay their investment money are located.
6. In the "Flow of funds" section, indicate the names of business or names and roles of persons responsible for transferring, sending, managing or storing money related to the fund.
7. In the "Ratio of investment" row under "Amount of investment by QIIs and its ratio" section, indicate the percentage of the invested amount by QIIs out of the total invested amount.
8. In the "Existence of persons specified under the items of Article 233-3" column: Specify "yes" in the case of private placement of Invested Business Equity with persons specified under the Paragraphs of Article 233-3 as the counterparty, or management of money and other assets invested or contributed by persons other than QIIs; otherwise enter "none."
9. Indicate whether the external audits are statutory or voluntary and describe specifically and succinctly the details of the audit results in the "Details of audits."
10. If there are circumstances that need reporting but do not fit anywhere in this table, you can indicate this using similar forms within such a scope that they do not cause misunderstanding.

2. Status of accounts

Notifier is required to create balance sheets and profit and loss statements.

judicial personality, it is required to prepare balance sheets and profit and loss statements of the partnership, etc. However, partnerships, etc., other than those that have booked 500 million yen or more in investment money, etc. or those that have booked a total 20 billion yen or more in the liabilities section in the balance sheet for the last fiscal year do not need to prepare a profit and loss statement but are required to include net profit/loss in the balance sheets.

Notifiers who are individuals are not required to prepare balance sheets or profit and loss statements.

**John Hancock Natural Resource Corporation**  
**Balance Sheet**  
(Unaudited)

For the twelve months ended December 31,

		<u>2017</u>
<b>Assets</b>		
Cash and cash equivalents	112,476	56,794
Investment in Golden Pond Timberlands LP	632,743	655,696
Investment in Boston Timber Opportunities, LLC	313,366	309,965
Investment in Illinois LLP	89,267	90,672
Income tax receivable	<u>600</u>	<u>2,869</u>
Assets	<u>\$1,148,452</u>	<u>\$1,115,996</u>
<b>Liabilities</b>		
A/P Intercompany	125,377	114,682
Deferred income taxes payable	<u>63,622</u>	<u>64,485</u>
Liabilities	188,999	179,167
<b>Stockholder's Equity</b>		
Common stock	1,000	1,000
Paid in capital	771,352	771,352
Retained earnings	164,477	112,380
Current period earnings	<u>22,624</u>	<u>52,097</u>
Equity	959,453	936,829
Liabilities & Equity	<u>\$1,148,452</u>	<u>\$1,115,996</u>

John Hancock Natural Resource Corporation  
Statement of Operations

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(Unaudited)

For the twelve months ended December 31,

	<u>2018</u>	<u>2017</u>
Income on Golden Pond Timberlands LP	\$ 21,939	\$ 16,470
Income on Boston Timber Opps, LLC	12,101	8,350
Income / (loss) on Illinois LP	<u>1,518</u>	<u>(4,485)</u>
<b>Revenues</b>	35,558	20,335
<b>Operating expenses</b>	<u>5,307</u>	<u>2,816</u>
<b>Net income before taxes</b>	30,251	17,519
Income taxes	<u>7,627</u>	<u>(34,578)</u>
<b>Net income after taxes</b>	<u>\$ 22,624</u>	<u>\$ 52,097</u>

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