

## UB NORDIC PROPERTY FUND (AIF) - FUND PROSPECTUS



UB Fund Management Company Ltd – 9.4.2026

This fund prospectus is supplemented by the fund rules, as well as the KID and price of each fund. Before making an investment decision, investors must also read the fund's KID and the fund rules.

*This is a translation of the original Finnish document. If there are any discrepancies between this translation and the original Finnish document, the Finnish document shall prevail.*

## The fund

UB Nordic Property Fund (AIF) (in Finnish Erikoissijoitusrahasto UB Pohjoismaiset Liikekiinteistöt and in Swedish Specialplaceringsfond UB Nordiska Fastigheter) is a special investment fund compliant with the Finnish Act governing managers of alternative investment funds ("the Fund").

The rules of the Fund were furnished to the Finnish Financial Supervisory Authority for information purposes in accordance with chapter 12 section 1 of the Act on Alternative Investment Fund Managers (162/2014). The Fund is managed by UB Fund Management Company Ltd (for further information, please see the next chapter). The financial period of the Fund is the calendar year. The key information document, annual report, latest semi-annual report and the rules of the Fund are available from the Management Company or from its website at <https://www.unitedbankers.fi>. The fund prospectus will be delivered to the investor free of charge upon request.

## Management company

UB Fund Management Company Ltd (Finnish business identity code: 2118101-5) was established on April 26th, 2007 and is domiciled in Helsinki, Finland. The Fund Management Company's field of activities consists of mutual fund activities. Its share capital is 200 000 EUR. Furthermore, the Fund Management Company has been licensed by the Finnish Financial Supervisory Authority to carry on activities pertaining to alternative investment funds. The accounting period of the Fund Management Company, as well as that of its funds, is 1.1.-31.12, unless otherwise stated in the fund rules. The Fund Management Company is a fully-owned subsidiary of United Bankers Plc.

The Fund Management Company has outsourced portfolio management, marketing and sales of the funds it manages to UB Asset Management Ltd, part of the United Bankers Group (hereinafter "UB" and the "UB Group").

The compliance and risk management functions of the Fund Management Company are executed by the parent company, United Bankers Plc. The internal audit function is outsourced to KPMG Ltd.

The Fund Management Company treats the unitholders of the investments funds and special investment funds managed by it equally. In its operations, the Fund Management Company strives to identify and manage conflicts of interest and seeks to prevent the emergence of same.

The Fund Management Company is registered in the FATCA-register administered by the tax authority of the United States, the IRS. The Fund Management Company acts as sponsor for the funds it manages in the FATCA-reporting. The GIIN number of the Fund Management Company is C83N57.00004.ME.246 and when acting as a sponsor MA27AS.00000.SP.246.

The Fund Management Company possesses the adequate own additional assets stipulated for under Chapter 6, Section 4 of the Finnish Act on Alternative Investment Fund Managers or has in place third-party liability insurance to compensate for the damage that the alternative investment fund manager is liable for under the law.

The Board of Directors of the company:

**John Ojanperä, CEO, United Bankers Plc**  
Chairman of the Board

**Rainer Häggblom, Chairman of the Board at Häggblom & Partners Oy, The Forest Company Ltd and Dovre Oyj**  
Member of the Board

**Ulla Paajanen, Director, SVP, Investor Relations & Strategic Advisory, Outokumpu Plc**  
Member of the Board

Managing Director:  
**Timo Ronkainen**

## Portfolio manager

The Fund's portfolio management has been outsourced to UB Asset Management Ltd ("the Portfolio Manager")  
Address: Aleksanterinkatu 21 A, 00100 Helsinki, Finland  
Business ID: 2544123-2

The Portfolio Manager is a member of the same United Bankers Group as the Management Company. The field of activity of the Portfolio Manager is to engage in asset management and other investment services within the constraints of the authorisation granted to it. In addition, the company may also own other companies and engage

in securities trading. The Finnish Financial Supervisory Authority has last confirmed the Portfolio Manager's authorisation to act as an investment services company in compliance with the Finnish Act on Investment Services on 11 April 2014.

## Custodian

Skandinaviska Enskilda Banken AB (publ), Business ID: 0985469-4, Helsinki Branch ("SEB") acts as the Fund's Custodian (the "Custodian" or "SEB"). The custodian's field of activities consists primarily of deposit bank activities. The custodian is domiciled in Stockholm, Sweden, and the address of the Helsinki branch is Eteläesplanadi 18, FI-00130 Helsinki, Finland. The assets of the fund are held separately from the assets of other funds, of the Fund Management Company and of the custodian

The custodian may retain one or several sub-custodians for the custody of the securities. The custodian shall ensure to the best of its abilities that the assets of each fund are segregated from the assets of the custodian or of the sub-custodian retained by it in any insolvency of the said parties. Up-to-date details of the sub-custodians are available from the Fund Management Company.

The custodian has not assigned any of the other tasks or responsibilities pertaining to the custodian to any third parties. Should the custodian assign such functions to a reliable third party, the assignment of the custodial functions shall not affect the custodian's liability, unless it has been released of its liability in accordance with the regulation.

The custodian, any sub-custodian of the custodian or any party to which the custodian were to assign any of its tasks must not reuse the assets entrusted to the custodian by the Fund for retention, unless separately agreed upon with the Fund Management Company. The Fund Management Company may grant separate permission, for instance, for the lending of the securities being held.

## Information on making investments in the Fund

The Fund has six unit series: R-, A-, T-, I-, POP R- and POP A-series. Units entitle their holders to a share of the Fund's assets distributed in proportion to the number of units taking into account the relative values of the different unit series. Fund units may be subscribed and redeemed at the Management Company and in other subscription places specified in the prospectus. Subscription and redemption orders may be submitted on all days, but they will, however, always be executed according to the rules below. Information on the value of the fund units and the subscription and redemption fees are available for the public at the Management Company and in other subscription places of the fund on each day which banks are generally open in Finland (Banking Days), and on the Management Company's website on every day. The Management Company's Board of Directors may decide on a minimum quantity or sum for one-time unit redemption.

## Subscription

When subscribing to the fund, the subscriber must notify which unit series they want to subscribe. The Management Company receives the subscription order when the Management Company has been provided with appropriate and sufficient information on the subscriber and its identity as well as the amount of the subscription. The subscription order is binding on the unit holder. The subscription order is paid upon subscription or, by permission of the Management Company, no later than when the subscription is confirmed.

The subscription of fund units can be implemented quarterly at the value of the last calendar day of March, June, September and December, or, if the day in question is not a Bank Day, to the value of the preceding Bank Day (hereinafter the "Subscription Date"). Subscription orders for the subscriptions of each Subscription date must be made by 18:00 (Finnish time) in order to be executed at the value of the Subscription Date in question. If a subscription order is received after this time, the subscription will be executed at the value of the following Subscription Date. The Board of Directors of the Management Company may decide to deviate temporarily from the above restriction concerning the time of execution of the subscription of the Fund and also execute subscriptions at other times if this is justified with respect to the operation of the Fund. Upon subscription, special conditions may be agreed restricting the right of professional customers to redemption.

The subscription for a fund unit may be paid, in addition to cash payment, also with payment in kind (hereinafter "In-Kind Subscription") approved by the Board of Directors of the Management Company in each specific case. For the purposes of the approval by the Board of Directors of the Management Company, the Management Company reserves the right to inspect and assess the technical, financial and legal characteristics of the in-kind assets in a manner it considers appropriate in order to ensure that the in-kind assets may be compatible with the investment policy and objectives of the Fund. Any assets surrendered in kind are valued in accordance with the principles on net asset value calculation of the Fund stated in 10§. Payment in kind is considered to have been made when the title to the in-kind assets has been transferred to the Fund. Special conditions, if any, applicable to in-kind

subscriptions may be agreed in connection with an in-kind subscription.

The Management Company has the right to accept or decline a subscription or a subscription order. A subscription may be declined if the investor does not provide sufficient information to the Management Company.

The number of subscribed units is calculated by the Management Company by dividing the subscription fee received or the value of in-kind assets provided, less the subscription fee, by the value of the unit. The number of subscribed units is calculated at an accuracy of one ten thousandth (1/10000), rounding down the number of units. The remainder is added to the Fund capital.

## **Redemption**

The fund unitholder has the right to request the Management Company for a redemption of their fund unit. Equally, the Management Company has the obligation to redeem the fund unit in question. In connection with the redemption, the unitholder must hand over any unit certificate issued for the subscription. The redemption takes place from the assets of the Fund.

Fund units may be redeemed quarterly at the value of the last calendar day of March, June, September and December, or, if the day in question is not a Banking Day, at the value of the preceding Banking Day (hereinafter the "Redemption Day"). For a redemption order to be carried out at the value of the Redemption Day, the redemption order must be received by the Management Company no later than six months before the requested Redemption Day.

If, due to a weakened market situation or another substantial reason, the forest real estate market has lower-than-usual liquidity, the Management Company may, if required in the interest of the unitholders, decide that a redemption notice must be submitted no more than twelve months before the desired Redemption Date. The new notice period will apply to those redemptions that are submitted after the extension of the notice period has been communicated to the unitholders in the manner described in these rules.

The redemption payment shall be remitted to the client within sixteen Banking Days of the Redemption Day at the value of which the redemption is carried out. Alternative payment arrangements may be agreed upon with the Client. In case the assets for the redemption must be obtained by selling assets of the Fund, the sale must take place without any undue delay. In such cases, the redemption value of the fund unit is determined based on the fund unit value on the Valuation Day (see definition below in section 10) that is the next closest to the time of realization of the investments. Special conditions may be agreed upon in connection with a Subscription In Kind to the effect of temporarily restricting the subscriber's redemption right.

Redemption orders will be executed in the order of receipt and a redemption order may only be cancelled with the permission of the Management Company. However, the Management Company may decide that redemptions received by the same Redemption Date will be executed simultaneously and, if necessary, paid in arrears in proportion to the redemption amounts.

If the total amount of redemption orders on a Redemption Date exceeds 5 % of the Fund's net asset value, the Management Company may decide to defer the portion exceeding 5 % to be executed on the next Redemption Date, if this is in the interest of the unitholders. Redemptions will be carried out in proportion to the redemption amounts up to the applicable redemption limit. A decision to defer may also be made after the redemption orders have been submitted to the Management Company. Deferred redemption orders will take priority over redemption orders received later. A deferred redemption will be executed at the fund unit value calculated for the date to which the Management Company has decided to defer it.

The Management Company and the unitholder may agree that Fund units can be alternatively redeemed by handing the unitholder other investment objects in proportion to the redeemer's unit holdings in the fund in accordance with 5 § of the rules of the Fund.

Subject to the separate resolution of the Management Company's Board of Directors the Management Company shall have the right to pay out all the redemptions received by the Redemption Day immediately, in case the aggregate amount of subscriptions received by the same Subscription Day exceeds the aggregate amount of all redemption orders.

## **Swap**

Swapping of fund units from this Fund to another fund managed by the Management Company can only be done by redeeming units of this Fund and using the money received from the redemption for subscribing new units in another fund.

## General

Subscriptions and redemptions may be paid in euros.

In case the owning of the fund unit after a new subscription or swapping of fund units exceeds from one fund series over the minimum subscription amount of another fund series the Management Company may convert the ownership to concern the fund series of which minimum subscription amount the new ownership replies to. The aforementioned transformation can be done if the owner of the fund unit requests it from the Management Company. In case the owning of the fund unit after redemptions or swapping of fund units declines in one fund series during the ownership below the minimum subscription amount of the particular fund series at the time of subscription, the Management Company has a right to transform the ownership to concern fund series which minimum subscription amounts is determined by the market area in which the fund units have been subscribed and the transformation is possible only in the fund series of the specific market area. The aforementioned can only be done if it is considered to be equal to every owner of the fund unit.

## Suspension of subscriptions and redemptions and the Management Company's Right to Refuse to Carry Out Orders as well as the Management Company's Right to Redeem the Client's Fund Units

Upon the resolution of the Board of Directors of the Management Company, the Management Company may on a temporary basis suspend subscriptions for the Fund units, if in the assessment of the Board of Directors of the Management Company the equality of the Fund unit holders or another weighty interest specifically necessitates same. Such reasons may, for instance, comprise the following: 1) it is not expedient from the point of view of the unit holders already owning units in the Fund to accept additional investments into the Fund, 2) owing to the circumstances prevailing in the real estate markets, investing assets received by the Fund from subscriptions has become increasingly cumbersome, 3) the value calculation of the Fund has been impeded or become complicated owing to reasons beyond the Management Company's control, or 4) there is an exceptional event interfering with the functioning of the financial or real estate markets.

The Board of Directors of the Management Company may under exceptional circumstances determine to temporarily suspend or restrict redemptions of the units of the Fund if the Board of Directors of the Management Company determines it to be necessary due to the interests of unit holders. Such reasons may include the following, for instance: 1) The net asset value calculation of the Fund has been prevented or hindered due to a reason beyond the control of the Management Company or 2) an exceptional event which interferes with the operation of the financial or real estate markets. If the Management Company suspends redemptions of the Fund's units for a fixed period, subscriptions to the Fund will also be suspended simultaneously.

Subject to the resolution of the Management Company's Board of Directors, the Management Company shall have the right to redeem the fund units of an individual unit holder without any redemption order submitted by the unit holder or without the unit holder's consent owing to a weighty cause pertaining to the unit holder. Such reasons may be, for example, being subject to an international sanction listing and actions against the sanction are likely to cause significant harm to the Management Company. The Management Company follows sanction lists set by the EU, the UN, OFAC and the National Bureau of Investigation of Finland.

## Information on the Fund and the investment policy

UB Nordic Property's assets are invested mainly in Nordic properties and real estate securities. The aim of the Fund is to achieve a return in line with the return of the Nordic property markets and also strive for long-term growth of the fund value.

The Fund invests primarily in commercial properties. However, investment objects may substantially vary between different types of properties. Investment objects may, for instance, be retail, office, logistics and industrial properties. If the need should arise, investments may be made in other kinds of properties. The Fund may also invest in shares of listed property, listed development companies and REITs as well as deposits and fixed income instruments. Furthermore, the Fund may invest in other investment objects mentioned in the Fund rules.

The Fund pursues an active management of the Fund's investment portfolio, real estate business and seeks with active actions to develop the Fund's investment objects in order to improve their value development.

### The Fund's assets may be invested in the following assets:

- 1) Properties in Finland, Sweden, Norway, Denmark and the Baltic states/countries.
- 2) Real estate securities concerning properties located in Finland Sweden, Norway, Denmark or the Baltic states/countries, and other securities related to real estate investment activity.

- 3) Construction and real estate development activities.
- 4) Securities of companies primarily engaging in real estate business which are subject to trading in a member state of the European Economic Area either in a regulated market or in a multilateral trading system.
- 5) Deposits in credit institutions, provided that the deposit is callable, can be withdrawn on demand or falls due for payment within a maximum of 12 months and the credit institution's domicile is in a country belonging to the European Economic Area.
- 6) Units or shares in UCITS or non-UCITS funds and other investment funds or undertakings for collective investment.
- 7) Interest-bearing securities and money market instruments subject to trading in a member state of the European Economic Area either in a regulated market or in a multilateral trading system. A list of currently available marketplaces is available at the Management Company.
- 8) Standardised and non-standardised derivative contracts, whose underlying asset is a share index, a currency or an interest rate. Derivatives are used to hedge the interest rate and foreign exchange risk of the investments.
- 9) Receivables that are not considered securities.

The Fund may pledge its assets as collateral for its obligations. Where necessary, the pledge may cover the fund's entire assets.

The Fund may grant credit or place collateral on behalf of a third party as part of real estate investment activities, if necessary, in order to obtain, divest or develop a real estate investment referred to in paragraphs 1) - 3).

#### **Investment limitations:**

With respect to investments 1-2) above:

At least 60 % of the Fund's total assets must be invested in properties located in Finland, Sweden, Norway, Denmark or the Baltic states/countries, or real estate securities carrying entitlement to such properties.

With respect to investments 3) above:

Up to 20 % of the Fund's assets may be invested in construction and property development activities.

With respect to investments 4) above:

Up to 20 % of the Fund's assets may be invested in the securities of any one issuer. Such investments in the securities of any one issuer that exceed 10 % of the Fund's assets may constitute a maximum of 40 % of the assets of the Fund. Entities belonging to the same group of companies in accordance with Chapter 1, Section 6 of the Accounting Act shall be considered as a one whole when calculating these investment limitations. Irrespective thereof, however, at the most a total of 20 % of the Fund's assets may be invested in the securities issued by entities belonging to the same group of companies.

With respect to investments 5) above:

A maximum of 20 % of the Fund's assets may be invested in deposits accepted by a single credit institution.

With respect to investments 6) above:

Up to 10 % of the Fund's assets may be invested in units or shares in UCITS or non-UCITS funds and other investment funds or undertakings for collective investment.

With respect to investments 8) above:

A maximum of 20 % of the Fund's value may be pledged as collateral for derivative contracts. The counterparty to a non-standardized derivative instrument may be a credit institution or an investment firm whose domicile is in a country belonging to the European Economic Area or a credit institution whose domicile is in Switzerland or the United States.

The counterparty risk of investments in non-standardised derivative instruments may not exceed 10 % of the Fund's assets for the same counterparty, if the counterparty is a credit institution referred to above, or 5 % of the Fund's assets, if the counterparty is an investment firm referred to above.

The Fund may pledge its assets as collateral for derivative contracts so that their ownership is transferred to the collateral holder. The counterparty risk arising to the Fund from the transfer of ownership of securities and money market instruments may amount to 10 % of the claims of the counterparty at the maximum. In such agreements, the counterparties may be credit institutions, financial institutions and investment firms operating actively in the markets, which show sufficient creditworthiness and are regulated by a recognized supervisory authority.

With respect to investments 9) above:

Up to 10 % of the Fund's assets may be invested in receivables not considered securities.

### **Other investment limitations:**

The total counterparty risk arising from a single issuer towards the Fund may not exceed 50 % of the Fund's assets. The total counterparty risk includes the counterparty risk related to securities and money market instruments of a single issuer, deposits received by the issuer, non-standardised derivative contracts made with the issuer and the counterparty risk caused by the transfer of ownership of the collateral pledged.

The Fund must hold enough cash assets to cover its operative needs.

The Fund may temporarily deviate from the investment limitations above when establishing the Fund and in the context of unit redemptions or in selling or purchasing properties or real estate securities, and in cases in which the Fund's assets cannot be invested in a profitable manner in properties or real estate securities in line with the Fund's investment policy.

The Fund may not invest in properties or real estate securities owned by the Management Company or a shareholder holding more than 10 % of the shares in the Management Company or its parent company.

### **Possibility of loan financing for the Fund's investment activities**

For the purpose of the Fund's investment activities and the management of the Fund's assets, the Management Company may use loan financing on the Fund's behalf amounting to at most one hundred (100) per cent of the Fund's total assets.

In addition to the above, The Management Company may also, under certain conditions, use loan financing on a temporary basis for the purposes of investment activities amounting at the maximum to one third (1/3) of the Fund's Net Asset Value (NAV). Such particular reasons may include for example financing needs in the context of purchasing a property or real estate security, the temporary refinancing of property-specific debts relating to real estate securities in the context of purchasing them, or the securing of liquidity in connection with Fund unit redemptions.

### **Target group of investors and the recommended minimum duration of investments**

The Fund is suitable for investors who are wishing to diversify investments in properties and real estate securities. The Fund offers the possibility to invest through a fund especially in direct property objects in Finland, Sweden, Norway, Denmark and the Baltic states/countries. The Fund is primarily aimed at investors who strive for long-term cash flow and wish to allocate their investment portfolio in property risk.

Real estate property investment is basically long-term in nature and, for this reason alone, the recommended minimum duration of investments is five years, always taking, however, the market situation into account.

The investors are responsible for the suitability of the Fund for their own investment purposes, so they must carefully study this prospectus, the Fund's Key Information Document and the Fund's rules. The Management Company does not provide asset management or other investment services.

The value of an investment in the Fund may fall as well as rise, and investors may not receive back the amount originally invested in the Fund.

### **Distribution of the Fund's profit**

The unitholders shall receive an annual profit distribution of the actualised profit of the Fund for each full financial year in an amount (no less than 75 per cent) stipulated in the legislation applicable to the Fund. The final amount of profit distribution shall be resolved at the Management Company's Annual General Meeting of Shareholders in connection with the adoption of the Fund's financial statements. Unrealized value appreciations are not taken into account when calculating the Fund's actualised profit for the financial period.

Profit is payable to a unitholder who is entered in the fund unit register of the Management Company on a date designated by the Annual General Meeting of Shareholders of the Management Company (hereinafter, the "Record Date"). The profit is paid to the fund unit owner on the payment date designated by the Annual General Meeting of Shareholders, latest one month after the Record Date. Unless the unitholder separately informs the Management Company otherwise, new fund units will be subscribed to the value of the fund unit on the Record Date or on the next Valuation Day following it with the profit distribution to be paid (minus any withholding tax).

## Calculation and announcement of the Fund's value and the principles and methods of value calculation

### Calculation of the Fund's value

The Fund's value will be calculated on the last calendar day of March, June, September and December or, if the day in question is not a Banking Day, to the value of the preceding Banking Day ("Value Calculation Day") or another day decided by the Management Company.

The Net Asset Value ("NAV") of the Fund is calculated and published based on the data of the NAV Calculation Day. The NAV of the Fund is calculated by deducting the Fund's liabilities from its assets. The NAV of the Fund is reported in euros.

The real estate in the Fund and the real estate securities that are not subject to public trading will be valued at their fair value by a property valuer approved by the Finnish Chambers of Commerce in accordance with good property valuation practice on a quarterly basis. The real estate and real estate securities will also be valued in connection with their sale and purchase, when subscriptions are paid with contributions in kind or when the Fund's investment objects are transferred in consideration for redemption. However, the Fund may value properties for a particular reason at a fair value other than that determined by a property appraiser. In this case, the Fund will justify its practice in its annual report or notes to its financial statements.

The investments of the Fund, including derivatives subject to trading on a securities exchange, are valued at their closing value on the relevant marketplace, unless indicated otherwise below.

OTC-derivative agreements are valued according to generally accepted valuation models.

Shares and units in UCITS and non-UCITS funds as well as other collective investment undertakings are valued at the latest available value of the share.

Financial instruments are valued at the market value corrected with the instrument-specific risk premium corresponding to the remaining exercise period or at the current market value at the time of closing of the market, which is usually the average value or closing rate of purchase and sales prices available in a public price monitoring system or other reliable source.

Bonds are valued at the current market value at the time of closing of the market, which is usually the average value or closing rate of purchase and sales prices available in a public price monitoring system or other reliable source.

Deposits and other receivables as well as debts of the Fund are valued taking the capital and the interest accrued by the Valuation Date in observation.

The value of the Fund's assets and liabilities in currencies other than euro is converted to euros using the latest foreign exchange rate quotations in a public quotation system.

If no reliable market value is available for any investment, it is valued according to the objective principles confirmed by the Board of Directors of the Management Company.

### Calculation of the fund unit's value

The Management Company calculates the value of a fund unit for each Valuation Date. The Management Company will publish the value of the fund unit within fifteen (15) Bank Days from the Valuation Date. The value of the fund unit is stated in euros. The NAV of a fund unit is the Net Asset Value (NAV) of the Fund divided by the number of fund units outstanding. The value of a fund unit is calculated at an accuracy of four (4) decimals.

Information on the value of the fund unit can be obtained from the Management Company and on the Internet at the website of the Management Company.

### Processing errors made in calculating the value of the Fund

The Management Company maintains a list of possible errors made in calculating the value of the Fund. The list is available for viewing at the Management Company. In situations where the limit of material error in calculating the value is exceeded, the procedural instructions of the Financial Supervisory Authority and the internal procedural instructions of the Management Company will be observed.

The Fund's limit for material errors is 0.2% or more of the Fund's capital.

## Costs and fees

### Subscription and redemption fees

The investor will be charged, as separate charges, the subscription fee and redemption fee, which are deducted directly from the value of the fund units to be subscribed or from the redemption price payable for the fund units. The amounts of fees are shown above in this prospectus under "Information on making investments in the Fund".

### Management fee

The management fee will be deducted directly from the value of the Fund. The management fee amount is shown above in this prospectus under "Information on making investments in the Fund". The fee amount will be calculated on each Value Calculation Day and paid to the Management Company in arrears.

The costs paid directly by the Fund are discussed later in this prospectus.

### Performance-based fee

In addition, the Management Company may charge a profit-linked management fee from the Fund. The fee is determined in the manner shown above in this prospectus under "Information on making investments in the Fund".

### Custodial fee

A custody fee is paid from the Fund's assets to the Custodian as compensation for the storage of securities of the Fund and other legal duties of the Custodian. The amount of the fee is based on actual costs in accordance with the agreement concluded between the Management Company and the Custodian. The Fund will pay the custody fee to the Management Company in arrears during the month following each Valuation Date. The Management Company will then, in turn, pay the custody fee to the Custodian. The custody fee has been deducted from the published value of the fund unit.

### Other allocation of costs, operations and trading costs as well as costs incurred for evaluating a contribution in kind

Operational functions refer to the administration, management and maintenance of a property asset. Expenses arising from operational functions are the Fund's expenses, and they will be borne by the Fund.

All expenses relating to the sale or purchase transactions of properties and real estate securities, regardless of whether the transaction process leads to the execution of the transaction. These expenses include, among others, all financial and commercial adviser fees, technical and environmental experts, legal counsels and other experts and advisers used for any real estate transaction or security transaction, as well as any separate costs incurred by the Management Company for the acquisition process. The expenses incurred for the transaction process after the Portfolio Manager has decided to proceed with the transaction process regarding a real estate property or real estate security will be allocated to the Fund. The costs incurred for the GHG assessments related to real estate objects, required for the transaction, will be allocated to the Fund.

Expenses associated with acquisition of properties like capital transfer tax and fees of external experts will be amortized in the value calculation and depreciated evenly within five years. If the property is sold before five years from its acquisition will the remaining amortized expenses be depreciated in connection with the disposition. If the acquisition of the investment decision taken by the Fund is not realized, are the expenses arisen from the project, if any, taken into account in full in the next value calculation.

The amortized acquisition expense is depreciated quarterly with five per cent and the first depreciation is done in the same quarter as the property is acquired. Amortization of acquisition expenses has been taken for use 25 January 2017 with the decision of the Management Company's Board of Directors. Amortization procedure concerns properties which are acquired after this. The amount of not depreciated amortized expenses is informed in the Fund's annual and semi-annual report.

To the extent that the Fund is engaged in property development, all costs incurred for property development projects will be allocated to the Fund in a manner equivalent to that described above for acquisition processes.

The fees of accountants, advisers, agents, auditors and experts of the Fund used in the course of the Fund's operations, including, among others, the costs incurred for all financial reporting of the Fund, planning of the development or maintenance of real estate properties held by the Fund and other equivalent costs will be charged to the Fund.

In addition, the interest expenses, transaction charges and transaction fees incurred for financing the Fund, as

well as the costs possibly incurred for the use of experts in arranging the financing will be charged to the Fund.

The costs incurred for evaluating the Fund's real estate investments (including the valuations by real estate valuers approved by the Central Chamber of Commerce) as well as the costs incurred for establishing the qualities and value of assets received as payment in kind will be borne by the Fund.

## Fees

Subscription fee	<p>subscription 5 000–49 999 euros, fee 2 %  subscription 50 000–199 999 euros, fee 1,5 %  subscription 200 000 euros, fee 1 %</p>
Redemption fee	<p>If a unitholder redeems a unit</p> <p>a) within a year from the subscription, the maximum redemption fee is five (5) per cent of the NAV of the fund unit;  b) in no less than a year but within three years of the subscription, the maximum redemption fee is one (1) per cent of the NAV of the fund unit;  c) in no less than three years but within five years of the subscription, the maximum redemption fee is half a (0.5) per cent of the NAV of the fund unit;  d) in no less than five years from the subscription, no redemption fee will be charged.</p> <p>Any redemption in excess of 1% will be credited to the Fund. The Board of Directors may decide to raise the redemption fee to five per cent at the maximum if this may compensate for a potential negative impact of redemptions on the NAV of the Fund.</p>
Management fee	<p>R-series (investment in Fund less than 100 000 EUR): 1,65 % p.a. of GAV  A-series (investment in Fund at least 100 000 EUR): 1,2 % p.a. of GAV  T-series (investment in Fund at least 1 000 000 EUR): 1,0 % p.a. of GAV  I-series (investment in Fund at least 5 000 000 EUR): 0,8 % p.a. of GAV</p> <p>The Board of Directors of the Management Company confirms the exact amount/volume of the fixed management fee amounting annually at the maximum to two (2) per cent of the Gross Asset Value ("GAV") of the Fund's assets. GAV means the aggregated value of the following items:</p> <ul style="list-style-type: none"> <li>• The Net Asset Value of the Fund (NAV)</li> <li>• The Fund's loan financing</li> <li>• Loan financing from companies in which the Fund holds more than 50 per cent of ownership (taken into account in proportion to the ownership)</li> <li>• Loss-making interest rate derivatives are included as a part of loan financing (taken into account in proportion to the ownership)</li> <li>• Profit-making interest rate derivatives are excluded from the net asset value (taken into account in proportion to the ownership)</li> </ul>
Performance-based fee	<p>In addition to the fixed management fee, the Management Company charges a performance fee, amounting to no more than twenty (20) per cent of the total return of the Fund in a calendar year exceeding a yearly benchmark rate of 7.0% (so-called hurdle rate). The total return of the Fund is based on the development of the value of the fund unit before the charging of the performance-based management fee, if any. Distribution of profit from the Fund paid to the unit holders is observed if it falls within the invoicing period in question.</p> <p>The performance-based management fee is calculated for each fund unit series for each Valuation Date as follows:</p> <p>Performance-based management fee = 20 per cent times <math>(x_1 - x_0)</math> times <math>y</math>, where</p> <p><math>x_1</math> is the value of the fund unit on the Valuation Date in question before the deduction of the performance-based management fee, observing the distribution of profit, if any  <math>x_0</math> is the last published value of the fund unit in the Calendar year previous to the Value Calculation Day, times <math>(1 + 7 \% \text{ p.a.})</math> calculated for an ongoing Value Calculation Day.  <math>y</math> is the number of fund units in circulation on the Valuation Date in question</p> <p>The performance-based fee may only be charged for the proportion of value appreciation exceeding the NAV at the time of the previous performance-based fee. The performance-based management fee, if any, has been deducted from the published value of the fund unit.</p> <p>When calculating the value of the fund unit, a performance fee provision from the performance fee is made on each Value Calculation Day if necessary. This performance fee provision is considered whenever calculating the value of the fund unit. In case, the value of the fund unit does not perform better than a benchmark rate, the performance fee provision, which is possibly made former during an ongoing calendar year, will be dismantled by returning it to the fund's assets.</p> <p>The performance-based management fee will be paid to the Management Company in arrears during the month following each Valuation Date.</p>
Custodial fee	<p>The amount of the Custody/Custodial fee is based on actual costs in accordance with the agreement concluded between the Management Company and the Custodian.</p>
Subscription accounts	<p>Nordea FI31 1805 3000 0159 57, OP FI61 5789 5420 0698 20,  Danske FI83 8129 9710 0099 45</p>

## **Other fees charged to the Fund**

The Management Company has a right to charge from a Fund unitholder a processing fee for issuing and delivering a no-setoff certificate and registering transfers of title to fund units if the fund units are assigned to the third person, and for a pledge subscription share.

If required in the interest of the other unitholders of the Fund, the Management Company's Board of Directors may decide to charge a dilution levy from a unitholder in connection with a subscription or redemption. The dilution levy may be up to 10 % of the subscription or redemption amount. The dilution levy is not a fee; it is always allocated in full to the Fund's assets to cover costs incurred by the Fund as a result of subscriptions or redemptions. The introduction of the dilution levy may be related, for example, to market conditions with increased volatility, in which case portfolio management may trade at valuation levels that differ significantly from those used in the Fund's daily valuation. The purpose of the dilution levy is to ensure that, in exceptional market conditions, unitholders cannot enter into or exit the Fund at a price more favorable to themselves at the expense of other unitholders.

## **Risks of the Fund**

### **General risks associated with fund investments**

Investments always carry a risk. The term "risk" refers to the fact that there is uncertainty associated with the yield of the investment. This refers to the possibility that the return on investment is not as good as expected and also to the possibility that the invested money is lost in its entirety.

The value of all funds may increase or decrease, even considerably. This means that when redeeming fund units, the investor may receive less money than originally invested in the fund.

### **Industry risk**

The value of funds concentrating on certain fields of business may develop in a manner that significantly differs from other investment funds and forms of investment distributed across different fields of business.

The development of the real estate sector may have a significant effect on the Fund's value. The aim is to mitigate the industry risk associated with the real estate sector by the selection of investment objects and by active management of the Fund's investment assets.

The risk of the Fund is also affected by the fact that the Fund's investment activities will concentrate on commercial properties. In this case, the general performance of commercial properties and the economy in general have an impact on the value performance and risk position of the Fund.

The risk related to real estate may be increased by the fact that the Fund's assets may be invested at the initial phase in a single property or only a few properties. In this case, events concerning a single property may have a significant impact on the return of the Fund.

When making the investment decision, the investor must take into account the fact that concentrating on certain types of real estate tends to increase the risk of fluctuations in the Fund's value.

### **Foreign exchange risk**

A fund has a foreign exchange risk if it invests in securities that are not euro-denominated. The greater the share of non-euro-denominated investments, the greater the foreign exchange risk. Also, the greater the fluctuation of a currency's value against the euro, the greater the risk. A fall in the value of a currency in which an investment instrument is denominated will have a negative impact on the value of the fund and, conversely, an increase in its value will have a positive impact.

### **Risk associated with stock market developments**

Investing in the stock market is not the main purpose of the Fund. However, it is possible that the Fund's assets are invested in the stock market. Even in this case, the investments are allocated to the shares and units of companies and/or funds engaging in the property business.

Stock market investments always carry a risk that the market value of investments change. The risk is affected by the general development of stock markets, the economic development, the development of the subject sector as well as the risk that the investment strategy observed by the Fund fails. In these cases, the value of the Fund's investments in shares and participations may fluctuate. The aim is to mitigate the risks by careful selection of investment objects and by diversification of the stock market investments, as well as investments in other listed

participations across several target companies as far as possible.

### **Liquidity risk and risks associated with the functioning of the markets**

The Fund's liquidity risk refers to a situation where the Fund's assets cannot be liquidated within the time that the fund unit redemption order made by the fund unit holder would require, or the pricing of such liquidation would not be reasonable.

The liquidity risk is increased by the fact that the Fund's assets are mainly invested in properties and real estate securities which may take a long time to sell. The same is true for a situation where trading in the securities held by the Fund is very limited. Trading in a situation of poor liquidity may have a strong effect on the price, which means that the liquidity risk may materialize.

The liquidity risk may also materialize if there are interruptions or other technical problems in the operation of the marketplace.

The aim is to mitigate the liquidity risk by keeping, when required, part of the Fund's assets in the form of liquid assets, such as bank deposits, and by keeping the Fund's gearing ratio such that the Fund can increase the amount of borrowed capital and thus protect its liquidity. However, the Management Company does not commit itself to any specific amount of cash assets or to limiting the gearing ratio in any way other than what is prescribed in the legislation governing the Fund and in the Fund's rules.

When making the investment decision, the investor must take into account the fact that the Fund observes a long-term investment policy, that the Fund is intended for long-term investments and that there is a liquidity risk associated with redemption of the fund units that may affect the time it takes to redeem the fund units and possibly also the return from the Fund. The investor must understand that the liquidity of the investor's fund investment is mainly comparable to a direct investment in real estate. Real estate investments have the inherent quality of a certain degree of lack of liquidity, which must be accepted as part of the deal when investing in real estate.

Redemptions of fund units may take a long time, and redemptions may also be suspended in certain situations.

### **Geographical risk**

The investments of a fund investing in a specific geographical area carry a geographical risk. This risk refers to the fact that the economic conditions in the geographical area being the subject of investment may have a material and unexpected effect on the return and liquidity of the fund's investments.

The future outlook for the geographical area being the subject of investment as well as any changes in the outlook may have a quick and unpredictable impact on the return of the Fund. In such a case, the return of the Fund may significantly deviate from the general global economic development and from the development of another geographical area.

The Fund's direct investments in real estate are made in Finland, Sweden, Norway, Denmark and the Baltic states/countries. In accordance with the rules of the Fund, only a limited degree of investments may be made elsewhere in the European Economic Area.

The Fund may invest its assets without geographical limitations within Finland, Sweden, Norway, Denmark and the Baltic states/countries. The investments may also be made in areas where liquidation of real estate assets may be a challenge, the changes in value may be unpredictable and liquidation of real estate assets may take a relatively long time. This may even have a material effect on the return and liquidity of the Fund's investments.

Together with the industry risk, the geographical risk may cause even significant risks and fluctuations in the return of the Fund, particularly in the short run.

The Fund's investments are made on the basis of the Portfolio Manager's views, which means that geographical risks cannot necessarily be avoided. Furthermore, geographical risks may be intentionally taken if it is in keeping with the Portfolio Manager's views.

### **General operational risks**

Operational risk refers to the risk that is caused by, for example, external factors, technology, or the deficient operation of personnel, organization or processes. Operational risks also include any changes in personnel or organisation. The operational risks also include the risk of the Fund's service provider's operations being in some respect deficient or disturbed so that the Fund or its investment object cannot be provided with the agreed product

or service. Operational risks may hamper the Fund's operations and thus affect the development of the Fund's value. Operational risks are prepared for by deputation arrangements, back-up systems and by continuity planning of operations.

### **Operational risks associated with real estate investments**

The risk related to the technical, financial and other physical properties of the investment object is an inherent feature of real estate investments. The value of real estate investment objects is also affected by other factors which cannot be identified in advance, but which can even have a substantial effect on the value of investment objects. For example, amendments of legislation governing building operations and other official regulations regarding real estate properties may have a significant effect on the value and return of investment objects. Real estate investments are also affected by environmental impacts, such as weather phenomena and elements. In addition, wars, terrorism, natural disasters and other extreme conditions, for example, may affect the Fund's real estate investments in such a manner that impairment cannot be excluded. Vandalism, malicious damage and other unforeseen human activity with potential impact on the functionality and availability of the real estate may also affect the return of the Fund, even considerably.

The aim is to prepare for these risks by selecting the investment objects in line with the Portfolio Manager's views, by taking out sufficient insurance cover for the investment objects, and by seeking to foresee any future changes in the overall environment of real estate investments in line with the Portfolio Manager's views.

However, the operational risks associated with real estate investments cannot be totally avoided. When operative risks materialise, they may have a material impact on the value and return of the Fund.

### **Risk associated with the use of borrowed capital**

In the course of its operations, the Fund may use borrowed capital and pledge its assets as collateral for its debts. There are always risks associated with debt financing; they may affect the investment activities or return of the Fund or the implementation of redemptions.

### **Force majeure risks and other risks**

Force majeure risks refer to factors that are independent of agreements, unforeseen and have insurmountable consequences that cannot be overcome. Such risks may include wars, natural disasters, mutinies and industrial action. The materialisation of force majeure risks may affect the value of the Fund's investments, the possibilities to trade in the investment objects and on the redemption schedules of fund units, for example.

The Fund's operations and investments may face unidentifiable risks. Such risks may even have a material effect on the valuation of the Fund's assets and on its return. All investment activities are associated with the risk of losing assets. The set rate of return objective may not be achieved.

### **Sustainability risks**

Sustainability risks refer to an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. The realization of material sustainability risks may impact the return performance of the investment objects and, hence, the fund returns.

The consideration of sustainability risks in this fund has been elaborated upon below under section "Responsible investment and consideration of sustainability risks and factors", under the heading of "Consideration of sustainability risks".

### **Risk management principles of the Management Company**

The Management Company has a risk management policy, approved by its Board of Directors. These principles describe the procedures for the continuous monitoring and management of risks present in the operations of the company and the funds managed by it.

### **Responsible investment and consideration of sustainability risks and sustainability factors**

In its funds, United Bankers considers societal, good governance-related and environmental aspects. United Bankers signed the United Nations Principles of Responsible Investment (UNPRI) in 2012. Consequently, matters related to the environment, social responsibility and corporate governance are embedded in the funds' investment activities.

The selection of the investment objects of United Bankers' funds is based on both economic factors, and on an analysis of how the companies monitor and manage their environmental, societal and good governance-related risks and opportunities. The analysis abides by the United Bankers Group's Principles of Sustainable Investment

<https://www.unitedbankers.com/esg-and-sustainability/>. To the extent the funds apply criteria that are stricter than the United Bankers' Principles of Sustainable Investment, this is stated in the fund-specific information and in this fund prospectus.

Information related to the SFDR is to the extent applicable presented as part of the Fund Prospectus as well as on the United Bankers website at <https://www.unitedbankers.com/esg-and-sustainability/>.

Key terminology:

**ESG**

ESG is an abbreviation of the words Environmental, Social and Governance.

**Sustainability risk**

Sustainability risks refer to an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. The realization of material sustainability risks may impact the return performance of the investment objects and, hence, the fund returns.

**Sustainability factor**

Sustainability factors refer to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

**Principal adverse impacts**

Principal adverse impacts on sustainability factors refer to any negative impacts on the environment, society or social factors directly or indirectly caused by the operations of our investment objects.

**SFDR**

Means the EU Regulation 2019/2088 on sustainability-related disclosures in the financial services sector.

**Promotion of sustainability factors**

**The UB Nordic Property Fund (AIF) promotes sustainability factors in accordance with Article 8 of the SFDR.**

The Fund may make investments also in environmentally sustainable economic activities that meet the criteria of the EU taxonomy regulation, in transition activities or in enabling economic activities, but the Fund has not committed to making such investments<sup>1</sup>.

The Fund promotes sustainability factors in accordance with the United Bankers Principles of Sustainable Investment by integrating in its investment analysis information on sustainability factors pertaining to the environment, society and good governance, as well as information on the principal adverse impacts, by engagement and stewardship activities, and by exclusion. In addition, the Fund requires that its own responsibility principles and goals are met. These include responsible real estate investment, mitigation of adverse environmental impacts, responsible operations in real estate and the generation of sustainable added value for investors. Based on data integrated in the investment analysis, the Fund seeks to exercise positive selection in an effort to promote environmental and social characteristics. This considers both the characteristics of individual investment objects and the Fund's investment portfolio as a whole.

Alongside other characteristics, the Fund promotes in its activities, inter alia, environmental characteristics that include, for instance, climate change mitigation and adaptation to climate change. The Fund participates in the development and management of real estate investments, which entails that the Fund has leverage to promote building solutions that consider the environment, as well as the use and maintenance practices of the buildings during the life cycle of the real estate. The energy efficiency of real estate is improved to the extent possible, and the share of renewable energy of all the energy consumed in the real estate is increased to the extent possible. Energy solutions focus, inter alia,

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<sup>1</sup> For economic activity to be deemed environmentally sustainable in accordance with the EU Taxonomy Regulation, it must substantially contribute to one or more of the environmental goals determined in the EU's Taxonomy Regulation, and the activities must not, alongside the promotion of one or more environmental goals, cause any significant harm to any of the other environmental goals mentioned in the regulation. The 'Do No Significant Harm' principle is only applied to the investments that consider the EU criteria for to environmentally sustainable activities.

on geothermal heating, solar panels and more efficient heat recovery. Material selection focuses on lower-emissions solutions, and climate-resilience is considered in all alteration works. Also, the selection of the tenants using the real estate and steering them towards more responsible operating practices in the real estate plays a focal role.

The promotion of sustainability factors by the Fund is monitored through reporting on the energy consumption of real estate, carbon intensity and the proportion of renewable energy of the energy utilised in the properties. The property-specific energy consumption and carbon dioxide emissions are reported in accordance with the Global Reporting Initiative (GRI) standards.

### **Consideration of sustainability risks**

The UB Nordic Property Fund (AIF) invests in Nordic commercial real estate as extensively as possible. The Fund's investment objects include, for instance, grocery stores, logistics real estate, public administration properties and offices. For further information on the investment strategy, please visit: <https://www.unitedbankers.com/funds/ub-nordic-property/>.

In the investment process, the portfolio management assesses the sustainability risks of the investment object as part of the investment decision in accordance with the United Bankers Principles of Responsible Investment as well as the Fund's own supplementary sustainability principles. Additionally, the Fund considers sustainability risks in its investment strategy and activities as follows:

- The Fund seeks to select investment objects where the sustainability risks are at a good level or where the Fund has a possibility to considerably improve the management of sustainability risks.
- Pursuant to the Fund's investment strategy, the Fund's investments are focused on Nordic commercial properties. Within the Fund's target focus, investments have been diversified in different countries as well as in the properties of different industries. For this reason, also the Fund's sustainability risks have been diversified within the real estate segment into different investment objects, different Nordic countries and different industries.

The due diligence assessment to be devised prior to making the investment decision entails analysis of the opportunities and risks of the investment, as well as possibilities for improvement measures from the good governance, economic, technical, social and environmental perspective. An action plan is devised in relation to any risks and development areas identified in this process, in case it is deemed that the management of certain sustainability risks in the relevant object should be improved. In case the assessment reveals a considerable sustainability risk that cannot be resolved within the confines of the action plan, the investment will not be made.

The analysis and monitoring is conducted by the Fund's portfolio managers, with the support of the United Bankers' responsible investment team. Also data generated by third parties and specialised experts is utilised in the analyses and the monitoring.

Material sustainability risks may impact the financial success of the investment objects and, hence, the Fund return. Should they materialise, the sustainability risks of real estate investments may, for instance, reduce rental income, decrease the value of the real estate object invested in, increase the maintenance or repair costs of the property or render it more difficult to exit the investment. The consideration of sustainability risks in the Fund's investment activities is expected to decrease the sustainability risk and, hence, also the overall risk of the Fund investment as well as to have a positive effect on the prerequisites of the Fund to generate return.

### **Good governance**

The Fund requires its collaboration partners to act responsibly, in accordance with good governance practices, such as the due execution of their social and employer obligations and transparent operations, as well as respect for human rights (UN Global Compact compliance). In order to ensure good governance practices, the Fund, inter alia, devices counterparty reports of its collaboration partners prior to commencing any co-operation.

The Fund's sustainability risks are reported through regularly updated fund-specific reports. The reporting complies with the framework of the UN Principles of Responsible Investment (UN PRI). Furthermore, the Fund will be reporting on the materialisation of the promotion of sustainability factors and on the principal adverse impacts in accordance with the SFDR.

The Fund does not utilise any reference index.

For further information concerning the Fund, please visit: <https://www.unitedbankers.com/funds/ub-nordic-property/>

The United Bankers Principles of Responsible Investment are available for review at: <https://www.unitedbankers.com/esg-and-sustainability/>

## Taxation

### General

In accordance with Finnish legislation, special investment funds are corporations exempt from income taxes, and they do not pay any income tax for income derived from Finland. The following passage briefly describes the main features of taxation regulations applicable to unit holders in accordance with the Finnish taxation system in a situation where the unit holder is generally liable to pay tax in Finland.

### Taxation of unitholders

The information regarding taxation is based on tax legislation, case law and taxation practice in force in Finland.

### Taxation of fund investments of natural persons generally liable to tax in Finland

The annual income distributed on fund distribution units, as well as any capital gains arising from the redemption of fund units are deemed as capital income, on which a 30% capital gains tax is charged. Taxable capital gains exceeding EUR 30,000 in a tax year will be subject to 34% capital gains tax. Switching the units of a mutual fund to units of another fund is treated as a redemption and new subscription, which produces a capital gain or loss in taxation. If distribution units in a fund are switched to growth units in the same fund or vice versa, no taxable capital gains (or losses) will be realized in taxation

The Fund Management Company collects tax on the annual income distributed on the fund's distribution units, as tax withheld in advance at the time of paying the income. The Fund Management Company notifies the Finnish tax authorities of end-of-year fund unit holdings and the redemptions of fund units during the year, as well as income distributed to the holders of distribution units including the tax withheld in advance collected thereof.

Capital gains arising from the redemption of fund units are not subject to tax withheld in advance. The Fund Management Company submits fund unit ownership information, redemption transactions and details for the calculation of capital gains and losses to the tax authority, which shall record same in the pre-filled tax return. The taxpayer must review the capital gains and losses recorded in the pre-filled tax return, along with the profit distribution and ownership information. Capital gains are calculated by deducting either the subscription prices and the costs of attaining the gains (any subscription and redemption fees) or alternatively the acquisition cost calculated based on the presumed acquisition cost. When using the presumed acquisition cost, 40 % of the redemption price of fund units owned for at least 10 years, and 20% of the redemption price of fund units owned for a shorter period, can be deducted as the acquisition cost.

Any capital loss arising in conjunction with a redemption (or swap) may be deducted in taxation primarily from capital gains, and if there are none, the deduction is made from other capital income. In case the capital income is not sufficient to deduct the capital losses, the remainder is affirmed as the capital losses for the tax year in question. The remainder shall not be taken into account when calculating the deficit reimbursement to be carried out for income taxes. The affirmed capital losses for the tax year may become deductible from capital gains or other capital income in the next five years.

However, capital gains are not taxable income if the combined sales prices of the assets sold during the tax year do not exceed EUR 1,000. On the other hand, capital losses arising during the tax year are not deductible if both the combined acquisition costs and the combined sales prices of the assets sold during the tax year do not exceed EUR 1,000. When calculating the EUR 1,000 thresholds, sales other than redemptions of fund units are taken into account, but sales on which the acquired profit is, by law, considered tax-exempt, sales of ordinary household movables or sales of other comparable property for personal use are not taken into account.

When redeeming only part of the fund units, the fund units are considered to be redeemed in the order in which they were acquired so that the fund units acquired first are redeemed first. However, when redeeming fund units, investors may specify which fund units to redeem, in which case the acquisition cost is determined on the basis of these units.

Investors should note that tax treatment is determined according to the individual circumstances of each customer and tax rates and other tax-related matters may change. The Fund Management Company will not be held responsible for changes in tax legislation, case law or tax provisions or for taking any changes in these into account. Additional information is available on the website of the Finnish tax authorities, <https://www.vero.fi>. Local tax offices also provide additional information.

## **Natural persons with limited tax liability in Finland**

The annual income distributed on distribution units to natural persons with a limited tax liability in Finland is subject to the Act on Tax at Source (Act on Taxation of Income and Capital of a Person Subject to Limited Tax Liability, 11.8.1978/627). The tax withheld at source is 30%, unless a lower tax rate has been agreed in a tax treaty between Finland and the relevant country. In certain cases, the Act on Tax at Source prescribes that no tax withheld at source shall be charged for example from people residing in EU member states. The Fund Management Company is obliged to collect any tax withheld at source. The Fund Management Company submits an annual notification of the returns paid, the tax withheld at source collected and the redemptions of fund units to the tax authorities. The final taxation of the fund holdings of natural persons with a limited tax liability in Finland depends not only on the tax regulations of Finland and of the taxpayer's country of residence, but also on the content of any tax treaty established between Finland and the taxpayer's country of residence and varies depending on the taxpayer's country of residence. The Finnish tax authority also sends the information submitted to it regarding the fund unitholders' holdings and transactions to foreign tax authorities (so-called FATCA and CRS collaboration).

If the investor is unsure of his/her fiscal position, he/she should contact the local tax authorities or other taxation experts.

## **Other information**

### **Auditors**

Oy Tuokko Ltd, an audit firm approved by the Finland Chamber of Commerce, has been elected as the auditor of UB Fund Management Company Ltd and the investment funds it manages.

### **Real estate valuer approved by the Central Chamber of Commerce**

The Fund will only use real estate valuers approved by the Central Chamber of Commerce for valuing the real estate objects.

### **General meeting of fund unit holders**

A meeting of unitholders must be convened when the Board of Directors of the Management Company considers there to be cause for same, or if the auditor, independent member of the Board of Directors or fund unitholders holding in total no less than one twentieth of all the issued fund units so demand in writing for the purpose of addressing an issue raised by them.

The Management Company is obligated to inform the unitholders in the manner stipulated in 16 § of any initiative received by it to convene a meeting, as referred to under Chapter 26, Section 9 of the Common Funds Act, or of another meeting initiative by a unitholder, in case the unitholder proposing the convening of a meeting does not have the minimum holding mentioned above. For a justified reason, the Management Company may refuse to effect notification to such an effect, if it deems that there are no grounds for convening a meeting. The Management Company must inform the unitholder who proposed the convening of a meeting of its refusal and of the grounds for such refusal.

### **Agents used by the Fund and outsourcing of functions**

The Management Company has outsourced the portfolio management as well as sales and marketing functions of the Fund to UB Asset Management Ltd, a company in the same Group. The Management Company is itself responsible for the riskmanagement of the funds it manages.

The Management Company uses external services which are related to compliance monitoring, internal audits, information technology, accounting, financial management as well as sales and marketing. In addition, the Fund may use external service providers for its functions in duties related to the administration and maintenance of real estate assets.

### **Objectives of owner control in the funds**

The purpose of owner control by the Management Company is, above all, to look after the common interests of unit holders so that the owner policy must aim at an increase in the value of fund holdings in the long run. The common interest of unit holders means that the fund holdings develop as well as possible in relation to the investment policies and risk levels defined in the rules of the funds.

The use of voting rights produced by the shareholdings in the funds managed by the Board of Directors of the Management Company will always be decided on a case-by-case basis by the Board of Directors of the Management Company. The general meetings of shareholders will only be attended in exceptional cases where the GM is discussing a matter which the Management Company deems particularly important for the value

development of the company's shares used as investment objects. The Board of Directors will provide detailed voting instructions for each case.

The Management Company will publish in the semi-annual reports interim reports and annual reports of the funds details of how voting rights were used during the respective periods under review.

### **Charges or fees paid to third parties**

The Management Company may pay fees based on fund sales to its agents receiving subscription or redemption assignments.

The amount of fees may be based on the value of the fund subscriptions and/or redemptions, or on the existing fund base. The purpose of the fees is to cover the expenses possibly incurred by the agent for the subscriptions, redemptions and administration of funds. Another purpose of the fees is to promote customer service and to enable the agent to act as the Management Company's agent.

The charges or fees paid to third parties will not reduce the return accumulated by the customer from the Fund which means that payment of the fee is not contrary to the customer's interests.

### **Information regarding execution of fund orders**

The Fund Management Company applies a best execution policy, describing the procedures followed by the Fund Management Company in executing assignments pertaining to financial instruments on behalf of the investment funds managed by it. The Fund Management Company does not itself execute orders concerning the trading of the funds. The portfolio management of the funds has been outsourced to either UB Asset Management Ltd, which is part of the UB Group, or an asset management company outside the UB Group. The Fund Management Company has authorized the portfolio managers to execute and transmit orders on behalf of the managed fund. Generally, the outsourced portfolio managers do not carry out fund orders themselves but do assign the trading order to be executed by the UB group company UB Securities Ltd, or another external broker. The catalog with the used order executors can be obtained from <https://www.unitedbankers.fi/ojy/asiakasinformaatio>.

While executing and transmitting orders on behalf of the funds, the portfolio managers strive for the best possible outcome for the funds by taking into account the price, expenses, rate, the probability of the fulfillment and settlement of the transaction, the size and nature of the trading order and other relevant circumstances in connection to the execution of the order. The relative significance of the circumstances is determined by taking into account the following factors:

- objectives, investment policy and special risks of the fund
- special features of the order
- special features of the financial instruments object to the order
- special features of the execution venues to which the order may be directed.

The securities broker receiving the order executes the order in accordance with their own execution policy and what is perceived as best for the client. In case the order is transmitted by the portfolio manager, it shall strive to transmit it to a party offering the highest chance of ensuring best execution. Orders from funds may be executed on regulated markets or outside of same.

The orders of the funds are principally not combined with each other. Orders may, however, be combined if it is unlikely to cause damage to any of the parties involved in the combined orders and the relevant order allocation principles are applied to the combining of orders. A company that is part of the same group as the Fund Management Company may be the fund's counterparty in the execution of an order.

The Fund Management Company conducts regular monitoring of the efficacy of its operational principles and the quality of the orders transmitted or executed by outsourced co-operation parties and shall remedy any shortcomings, when necessary.

### **Remuneration**

The remuneration systems applied at UB Fund Management Company Ltd are based on the remuneration principles of the United Bankers Group. They align with the Group's business strategy, objectives, and values, and serve the company's long-term interests while complying with legislation and ensuring sound and effective risk management. A key principle of the remuneration system is to promote responsibility-related matters. Furthermore, according to the principles, the setting of employee goals and performance evaluation must support the consideration of sustainability risks (environmental, social, and governance factors, known as ESG factors) and the proper management of sustainability risks. The remuneration system has been approved by the Board of Directors of UB Fund Management Company Ltd, and additional information on the remuneration system is available on the website: <https://www.unitedbankers.com/united-bankers/corporate-governance/remuneration/>.

### **Additional information regarding distance selling**

In order to comply with chapter 6a in the Finnish Consumer Protection Act the following information shall be provided to the client when selling funds by distance:

- When a client enters into a financial services contract through distance selling, for example internet or telephone, the client has the right to cancel the contract on certain conditions.
- The cancellation right does not, however, apply to subscriptions of a financial product where the price depends on fluctuations in the financial markets. Therefore, the client has no right to cancel an order or contract concerning a fund.
- Despite this, the client may redeem the fund units in accordance with the process mentioned in "Subscription and redemption of fund units" above.

### **Supervising authority**

The Management Company and the Fund are supervised by the Financial Supervisory Authority, PO BOX 103, 00101 Helsinki, tel. +358 9 183 5329, fax +358 10 183 5328 and e-mail [kirjaamo@finanssivalvonta.fi](mailto:kirjaamo@finanssivalvonta.fi).

### **Settlement of disputes**

In matters related to the operations and service of and agreements with the Management Company, the customer should primarily contact the Management Company.

If the disputes cannot be settled by negotiations, the customer may turn to the Finnish Financial Ombudsman Bureau in order to obtain information related to the services and, when required, the customer may refer the disputes to the Securities Complaints Board.

The contact details of the Financial Ombudsman Bureau are as follows:

The Financial Ombudsman Bureau, Porkkalankatu 1, 00180 Helsinki. E-mail: [info@fine.fi](mailto:info@fine.fi), tel. +358 9 6850 120.

Further information and a contact form are available at <https://www.fine.fi>.

### **UB Fund Management Company Ltd**

Aleksanterinkatu 21 A, 00100 Helsinki • tel. +358 9 2538 0280 • [fund@unitedbankers.fi](mailto:fund@unitedbankers.fi)  
Business ID 2118101-5

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: UB Nordic Property Legal entity identifier: 743700WPDFBZMGOE9327

## Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

Yes

No

It will make a minimum of **sustainable investments with an environmental objective:** \_\_\_%

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of **sustainable investments with a social objective:** \_\_\_%

It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promotes E/S characteristics, but **will not make any sustainable investments**

### What environmental and/or social characteristics are promoted by this financial product?

The environmental and societal characteristics that the fund promotes include, among others, climate change mitigation and adaptation. The fund invests in real estate assets and participates in developing and managing the real estate assets. Thus, the fund is able to promote environmentally sound building solutions and management practices during the lifecycle of the real estate assets. The fund focuses on, inter alia, the energy efficiency of properties, the use of renewable energy and material choices, as well as the sustainability of the activities of the property users. The fund also requires adherence to good governance practices.

No reference benchmark has been designated for achieving the environmental and social characteristics promoted by the fund.



**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

- **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

The sustainability indicators used to measure the attainment of the environmental and social characteristics are the energy usage and efficiency of the properties, the use of renewable energy and carbon intensity. The sustainability indicators are based on data collected from the properties, and GHG emissions calculation coefficients available in public databases.

In addition, the fund and portfolio sustainability are assessed and verified yearly in GRESB Real Estate Assessment. The overall score of the GRESB assessment is used to assess how the fund and portfolio compare to the GRESB global ESG benchmarks. Further information on the methodology available at: <https://www.gresb.com/nl-en/real-estate-assessment/>

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

Not applicable for this product. The fund is not committed to a minimum proportion of sustainable investments, nor does it aim to make sustainable investments.

- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Not applicable for this product. The fund is not committed to a minimum proportion of sustainable investments, nor does it aim to make sustainable investments.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



**Does this financial product consider principal adverse impacts on sustainability factors?**

Yes,   x  

Yes. The principal adverse impacts on sustainability factors are analysed in connection with sustainability risks and as part of due diligence processes prior to making investment decisions, monitored during the investment period, and reported upon in the fund’s periodic reports. United Bankers’ approach to analysing

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

principal adverse impacts is risk-based and is based on principal adverse impact indicator data (energy efficiency figures, as well as industry and activity profile) reported by the real estate assets. The following indicators are considered:

Table 1 Indicators applicable to investments in real estate assets

17. Exposure to Fossil fuels through real estate assets

18. Exposure to energy-inefficient real estate assets

Information on principal adverse impact indicators is published in the annual report of UB funds available at <https://www.unitedbankers.fi/fi/palvelut-ja-tuotteet/rahastot>, and in the fund periodic ESG reports on the webpage of the fund:

<https://www.unitedbankers.com/funds/ub-nordic-property/>

No



### What investment strategy does this financial product follow?

The assets of the UB Nordic Property fund are invested in Nordic commercial real estate and real estate securities. The fund's investments include a wide range of commercial real estate ranging from retail and logistics properties to public sector real estate and offices. The objective of investment operations is to achieve returns in line with the Nordic real estate market and to increase the value of the fund units in the long term. Further information concerning the investment strategy is available at: <https://www.unitedbankers.com/funds/ub-nordic-property/>

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The fund promotes environmental and social characteristics as part of its investment activities by integrating information on sustainability factors and principal adverse impacts into the investment analysis, by engagement and stewardship activities, and by the use of exclusion lists and criteria.

The fund does not invest in objects that are in the United Bankers' exclusion list (Exclusion list available at <https://www.unitedbankers.com/media/zd4n1qnj/principles-for-responsible-investment-2022.pdf>). Based on the information integrated in the investment analysis, the fund exercises positive selection to promote environmental and societal characteristics. The fund invests in assets that demonstrate good environmental and social performance in comparison to relevant benchmarks, and in assets that show potential for significant improvement of sustainability indicators and value add by active management efforts (such as energy efficiency repairs) during the investment period.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

There is no commitment to a specific minimum rate as the strategy is based on the combination of a specific thematic exclusion criteria, positive selection, stewardship and engagement activities.

● ***What is the policy to assess good governance practices of the investee companies?***

Good governance practices are assessed in line with United Bankers' principles for responsible investment.

Alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, as well as their underlying conventions and declarations is analysed as part of due diligence processes prior to making investment decisions, monitored during the investment period, and reported upon in the fund's periodic reports. The analysis, monitoring and reporting is based on ESG analysis and monitoring of the real estate assets.

The fund does not invest in assets that breach the abovementioned norms and conventions. In case norm breach or a high risk of breach occurs during the investment period, the fund seeks to engage with the investee to remedy the situation within a reasonable timeframe, or if not possible, exits the investment.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

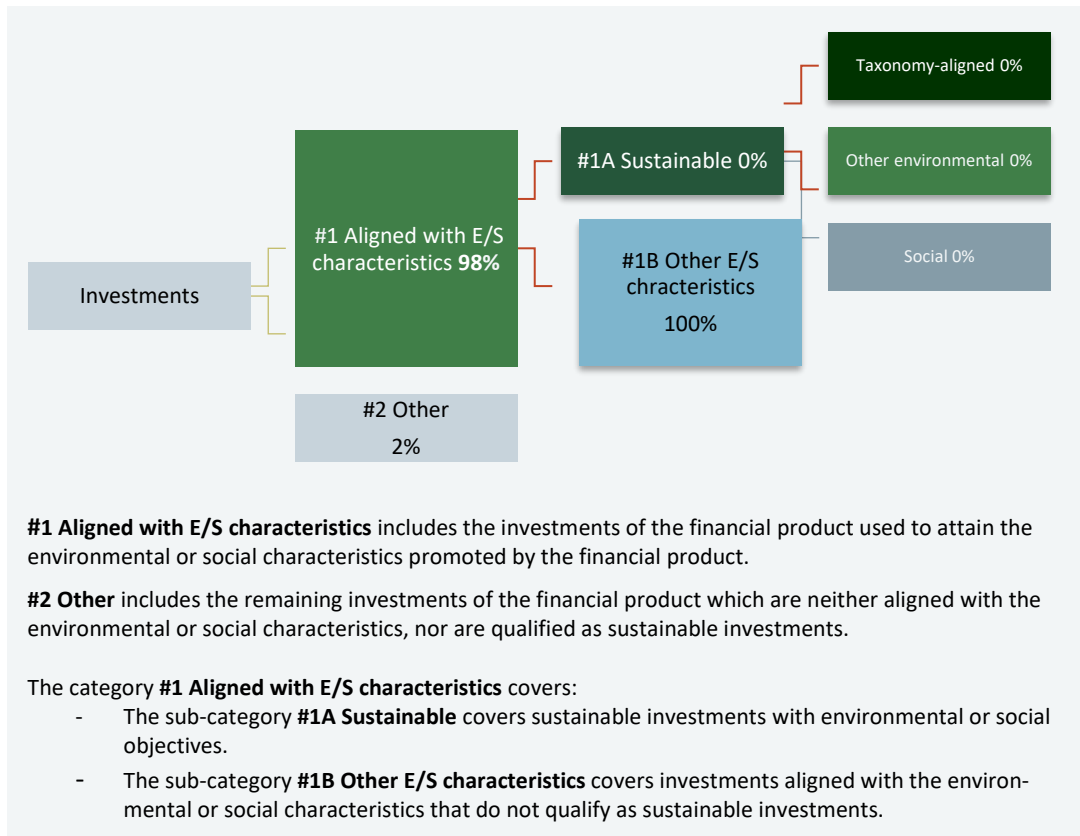
**Asset allocation** describes the share of investments in specific assets.



**What is the asset allocation planned for this financial product?**

All investments of the fund are used to meet the environmental and social characteristics of the fund. All investments are subject to specific exclusion criteria, positive selection based on ESG performance and potential for improvement of ESG performance, stewardship activities, and requirement of compliance with the minimum safeguards on good governance and human rights. The fund has not committed to a minimum proportion of sustainable investments. The environmental and social criteria above do not apply to currency hedges and cash positions and external funding, which account for less than 10% of the value of the fund. The share of cash positions may vary from time to time due to purchase and sale of real estate assets.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.



● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

The fund doesn't use derivatives to attain environmental or social characteristics the fund promotes. The fund may use currency hedges, which together with cash positions account for approx. 10% of the value of the fund in normal market conditions. The share of cash positions may vary from time to time due to purchase and sale of real estate assets.



**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

The fund has not committed to a minimum proportion of EU Taxonomy aligned investments.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?**

Yes:

In fossil gas  In nuclear energy

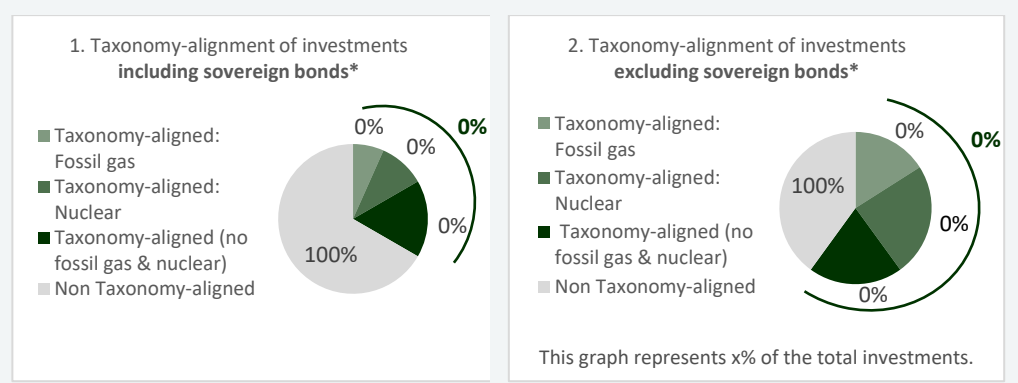
No

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



● **What is the minimum share of investments in transitional and enabling activities?**

The fund is not committed to a minimum proportion of investments in transitional or enabling activities.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The fund is not committed to making sustainable investments, nor has a minimum allocation been defined for investments that promote environmental objectives but are not aligned with the EU Taxonomy.



**What is the minimum share of socially sustainable investments?**

The fund is not committed to making sustainable investments, nor has a minimum share of socially sustainable investments been defined.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

In this fund “#2 Other” includes currency hedges and cash positions. The environmental and social criteria described above do not apply to currency hedges and cash positions, which in total account for approx. 10% of the value of the fund in normal market conditions. The share of cash positions may vary from time to time due to purchase and sale of real estate assets.



**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

Not applicable for this product. No benchmark has been designated for achieving the environmental and social characteristics promoted by the fund

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



**Where can I find more product specific information online?**

**More product-specific information can be found on the website:**

<https://www.unitedbankers.com/funds/ub-nordic-property/>