



Quarterly Review Q2 2025

UB Nordic Property Fund



OBJECTIVES AND STRATEGY

The Fund's assets are invested directly or indirectly in commercial properties located in Finland, Sweden, Norway and Denmark.

The objective of the Fund's investment strategy is to achieve a return equal to the return of the Nordic real estate markets in the long term. The fund is suitable for investors seeking a diversified investment in the Nordic region as well as a stable return on their investment. The objective is a nominal return of 7–9% p.a. to investors under current market conditions.

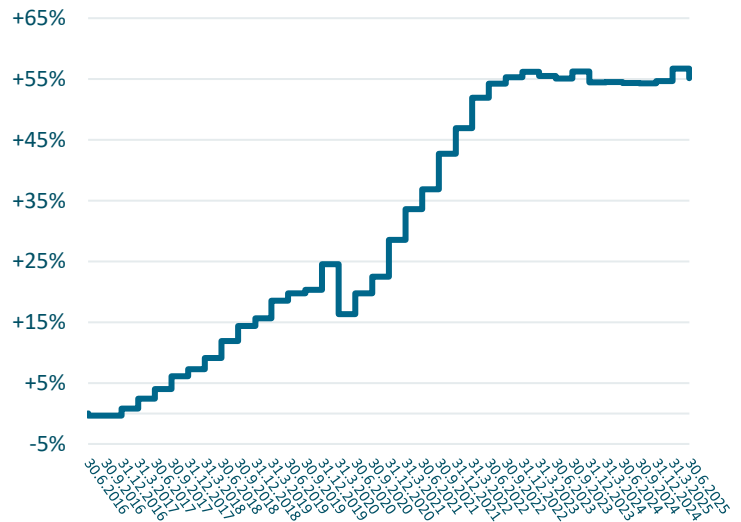
RISK INDICATOR



The risk indicator assumes the investor holds the Fund for a minimum of five years. The actual risk can vary significantly, if the investor redeems their fund units earlier, resulting in returns being lower than anticipated.

FUND RETURN (I-series)

(Cumulative return, dividend adjusted)



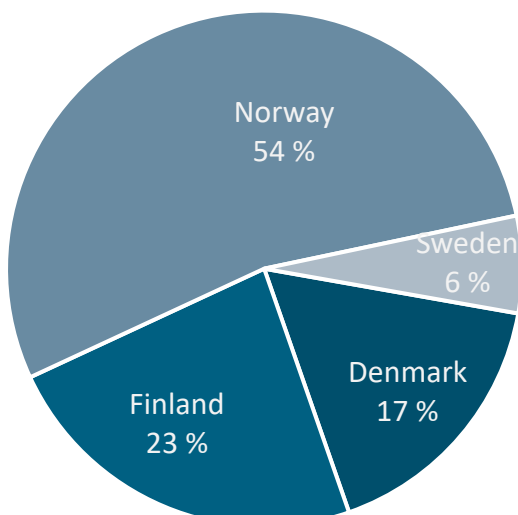
KEY FUND FIGURES

Market Value of Properties Owned	470 MEUR	Initial Yield on Investment Properties*	6.7 %
Weighted Average Unexpired Lease Term	7.4 years	Loan to Value (LTV) Ratio of the Fund	46 %
Number of Investments	28	Leverage Ratio of Property Portfolio**	51 %
Accrued Acquisition Costs (% of NAV)	0.8 %		

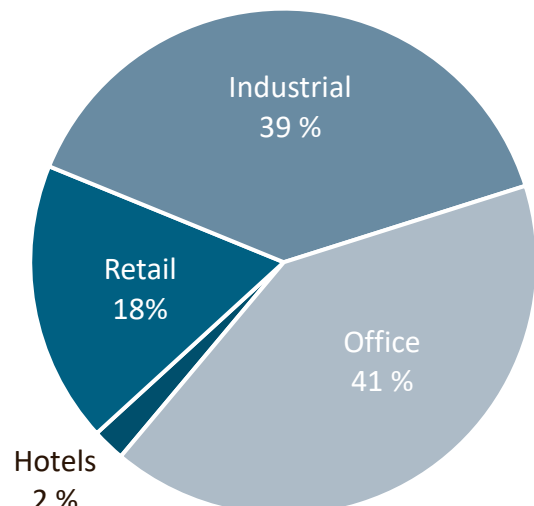
*Includes two real estate development projects that do not generate rental income; initial yield is 6.8% excluding these two real estate development projects.

** Excluding Cash, includes Debt in Minority Holdings

GEOGRAPHICAL DISTRIBUTION (PROPERTY PORTFOLIO)



SECTOR DISTRIBUTION (PROPERTY PORTFOLIO)



Does Economic Growth Provide the Needed Boost to the Real Estate Market?

The gap between buyers' and sellers' price expectations in the real estate market has narrowed as the interest rate curve has flattened. At present, the yield curve appears relatively stable, indicating that the interest rate bottom has likely been reached. Although uncertainty around interest rates always exists, it is currently easier to price acquisitions, and the views on pricing between buyers and sellers are likely more aligned.

Geopolitical risks continue to create uncertainty, and risks related to tenants must be carefully priced. This is likely to result in low-risk tenants with long lease agreements remaining attractive to investors for a long time, increasing the yield spread between prime and secondary assets.

Transaction volume continued to rise, with over 20% more deals closed during the first half of the year compared to the same period last year. In Finland, the residential sector was particularly active, but the logistics and industrial sectors also remained popular. In terms of volume, the most notable changes in sectors across the Nordics were in social infrastructure and hotel properties, the latter of which also plays a significant role in Europe. The beforementioned geopolitical—and also political—risks likely explain the drop in real estate market activity in the United States earlier this year. This may lead to a quicker recovery in the European market, although regions like Asia might also benefit from this shift.

Fund Performance in the Second Quarter of 2025

The fund continued selling properties in the second quarter, including the disposal of a plot in Vantaa currently used for parking but zoned for logistics use under the city plan. The property's internal rate of return (IRR) was just over 8%, and the sale price exceeded its then-current valuation. This means that the transaction generated a value increase for the second quarter.

Investments in the fund's development projects are partly nearing completion, which has led to improved cash flow yield. However, some vacant space remains, particularly in the office property in the Vallila district of Helsinki, where the aim is to carry out modifications according to tenant requirements. In other words, further investments in this property are expected. Rental income was also negatively impacted by the write-down of receivables from Manna & Co., which filed for bankruptcy. The effect of this was approximately 0.15% of the fund's net asset value.

The fund's return was mainly burdened this quarter by interest rate hedges and currency effects, and to some extent by changes in value. However, these value changes were relatively small and primarily occurred in Finland. The fund's exposure to Sweden is currently low, and although that market is performing better than other Nordic countries, it does not significantly impact the fund's overall return.

Detailed breakdown of the return on the next page.

Jaakko Onali
Portfolio Manager

Sources: *Colliers Global Capital Flows | Q1 2025, EMEA Capital Markets Snapshot | Q1 2025, Colliers Monthly Report July 2025, CBRE Market Research*

RETURN DECOMPOSITION Q2/2025*	
Net Cash Flow	1.4%
Interest Rate Hedges	-0.2%
Currency and Hedging Effects	-1.3%
Realised Profits on Sold Properties	0.1%
Valuation Effects	-0.7%
Fund Fees	-0.6%
Total on Average	-1.4%

* Indicative calculation on return components . Assessment based on UB Fund Company and Portfolio Management internal data. Final Return may differ from this assessment.

FUND PERFORMANCE					
	3 months	Since Inception p.a.	2023	2024	2025
R-series	-1.72 %	4.93 %	-2.67%	-1.18%	-0,22 %
A-series	-1.55 %	5.18 %	-2.00%	-0.45%	0,13 %
T-series	-1.47 %	5.45 %	-1.70%	-0.12%	0,30 %
I-series	-1.39 %	5.71 %	-1.41%	0.20%	0,42 %

FUND INFORMATION	
Fund Manager	UB Fund Management Ltd. YT 2118101-5
Domicile	Helsinki, Finland
Fund Inception Date	20.5.2016
Gross Asset Value (GAV) 1.7.2025	417.4 MEUR
Net Asset Value (NAV) 1.7.2025	254.4 MEUR
Borrowed Capital	163.0 MEUR
Minimum Investments	
R-series	5,000 euros
A-series	100,000 euros
T-series	1,000,000 euros
I-series	5,000,000 euros
NAV per Share	
R-series	96.7630
A-series	103.7738
T-series	106.2977
I-series	108.7728
ISIN codes	
R-series	FI4000242979
A-series	FI4000197793
T-series	FI4000189261
I-series	FI4000197801

FUND FEES	
Management Fee	% of GAV
R-series	1.65%
A-series	1.2%
T-series	1.0%
I-series	0.8%
Subscription Fee	
5,000 – 49,999 euros	2%
50,000 – 99,999 euros	1.5%
100,000 – 199,999 euros	1.5%
200,000 euros –	1%
Redemption Fee, Period Held	
< 1 year	5%
> 1 year < 3 years	1%
> 3 years < 5 years	0.5%
> 5 years	0%
Performance Fee	20% of calendar year return exceeding the Fund's reference return of 7%

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