

These Fund Rules have been submitted to the Finnish Financial Supervisory Authority and are valid as of 29 October 2022. If there are any discrepancies between this translation and the original Finnish document, the Finnish document shall prevail.

CAPMAN NORDIC PROPERTY INCOME FUND (NON-UCITS) - RULES

Section 1 The Fund

The name of the special investment fund in Finnish is Erikoissijoitusrahasto CapMan Nordic Property Income Fund ("Fund"). The name of the Fund in Swedish is Specialplaceringsfond CapMan Nordic Property Income Fund. The name of the Fund in English is CapMan Nordic Property Income Fund (non-UCITS).

The Fund is regulated by the Act on Alternative Investment Fund Managers (162/2014, hereinafter the "AIFM Act"). The Fund is a special investment fund under the AIFM Act. The Fund's operations are also regulated by the provisions of chapters 3 and 4 of the Act on Real Estate Funds (1173/1997, hereinafter the "Real Estate Funds Act") regarding investing of the real estate fund's assets, funding, valuation and appraisal of assets as well as real estate appraisers and real estate appraisals. Additionally, the Fund is regulated (where applicable) by the Act on Common Funds (48/1999, hereinafter the "Common Funds Act"). A special investment fund may deviate from the rules and restrictions of the Common Funds Act regarding the investments, diversification, value calculation, subscriptions and redemptions as well as borrowings which are generally applicable to investment (UCITS) funds.

Section 2 The Alternative Investment Fund Manager and Depositary

The Fund is managed by CapMan AIFM Oy (the "Alternative Investment Fund Manager"). The Alternative Investment Fund Manager represents the Fund in its own name, acts on its behalf in Fund-related matters, and exercises the rights related to the assets of the Fund on Fund's behalf.

The depositary of the Fund is Danske Bank A/S, Finland branch (the "Depositary"). While performing its duties, the Depositary may use entities specializing in safe custody services supervised by the Finnish Financial Supervisory Authority or a corresponding foreign authority. The Depositary is responsible for its operations as stipulated in the Common Funds Act and the AIFM Act.

Section 3 Outsourcing of Functions

The Alternative Investment Fund Manager may outsource functions relevant to its business operations as long as this does not jeopardise the risk management, internal monitoring or the performance of the business operations of the Alternative Investment Fund Manager. Functions requiring an authorization or license may only be outsourced to entities with adequate authorization or license to perform such functions. The Fund's Regulatory Disclosures in force from time to time specifies to what extent and to whom the Alternative Investment Fund Manager has outsourced functions.

Section 4 Investment Objectives

The objective of the investment operations of the Fund is to generate long-term risk-adjusted returns to the Fund's unit holders by investing the assets of the Fund in accordance with these rules.

The assets of the Fund are invested primarily, directly or indirectly, into real-estate investment targets located in Finland, Sweden, Denmark, and Norway ("Target Countries").

The Fund aims to generate income primarily from the rental income of the properties owned by it, the appreciation of property values, and realised gains. The Fund may target additional returns by investing directly or indirectly to construction and real estate development projects.

The Fund may also make fixed-income investments for cash management purposes and for temporary investment of capital and use derivatives for hedging.

The Fund promotes environmental and social characteristics in accordance with Article 8 of the EU Sustainable Finance Disclosure Regulation. For further information on ESG criteria, please see the Fund's Regulatory Disclosures.



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The assets of the Fund may be invested as specified in section 6 (Investments and Restrictions).

Section 5 The GAV and NAV of the Fund

The GAV (Gross Asset Value) of the Fund refers to the total amount of the Fund's assets. The GAV of the Fund is determined by adding up the values of the assets of the Fund and the real estate and other companies controlled by the Fund, including the Fund's investments, the accrual and other receivables, cash and other assets. The GAV of the Fund shall not include the loans from banks or other loans granted to the Fund or to the real estate or other companies controlled by the Fund.

The NAV (Net Asset Value) of the Fund refers to the net assets of the Fund. The Fund's net assets are calculated by deducting the Fund's liabilities from the GAV of the Fund. The liabilities of the Fund are determined by adding up the loans from banks and other external loans granted to the Fund or to the real estate or other companies controlled by the Fund.

The Fund uses a pricing method effecting the value of the Fund in determining the Fund's total assets (GAV) (where applicable) and the net assets (NAV) of the Fund. The method is described in section 11.

Section 6 Investments and Restrictions

Investments

The assets of the Fund may be invested in:

- 1) Real estate located in the Target Countries.
- 2) Real estate securities related to real estate located in the Target Countries and other securities related to real estate investment operations in the Target Countries.
- 3) Securities issued by companies, which are primarily engaged in real estate investments and/or manage investment funds, undertakings for collective investment in transferable securities (UCITS) or alternative investment funds that primarily invest in real estate, provided that the securities are traded on a regulated market or a multilateral trading facility in an EEA state or their terms of issue contain an undertaking to deliver the securities for trading in the exchange system referred to above in this paragraph within one year of the issue, and trading can, in all likelihood, begin by the end of said period at the latest.
- 4) Deposits in credit institutions, provided that the deposit is repayable on demand or can be withdrawn and becomes due and payable within 12 months at the latest, provided additionally that the domicile of the credit institution is in an EEA state.
- 5) Bonds issued or guaranteed by European countries, public entities or other entities, or other interest-bearing securities and money market instruments which are traded in an EEA state on a regulated market or in a multilateral trading facility.
- 6) Units or shares of companies engaging in collective real estate investments registered in the Target Countries or whose investment focus is primarily in the Target Countries.
- 7) Units of investment funds or undertakings for collective investment in transferable securities under the UCITS directive, which can also consist of exchange-traded fund units (ETF and REIT).
- 8) Units of alternative investment funds located in Finland, another EEA state or a third country (including special investment funds under the AIFM Act), which can also consist of exchange-traded fund units (ETF and REIT).
- 9) Construction or real estate development operations.
- 10) Standardised or non-standardised derivative contracts where the underlying may be a security, currency, interest rate, real estate, real estate security, other real estate asset or an index or another key figure reflecting



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the change in value of the underlying may also be utilized in the Fund's investment operations. Derivative contracts are used for hedging purposes. Standardised derivative contracts are traded in an EEA state on a regulated market or multilateral trading facility. In non-standardised derivative contracts, the counterparty may be a credit institution or an investment firm whose domicile is located in an EEA state or an entity whose domicile is in another OECD country (Australia, Canada, Japan, South-Korea, Mexico, New Zealand, Switzerland, Turkey, United States) and which is subject to and complies with prudential rules that correspond to the European Community law.

Investment Restrictions

- a) A minimum of 60 % of the total assets of the Fund (GAV) must be invested into real estate and real estate securities referred to above in paragraphs 1) and 2). This restriction may be deviated from temporarily during the establishment of the Fund, in connection with subscriptions and redemptions of the fund units, when selling or purchasing investments referred to above in paragraph 1) and when the assets of the Fund cannot be so invested in an appropriate and profitable manner considering the investment strategy of the Fund.

A maximum of 50 % of the total assets of the Fund (GAV) may be invested into a single real estate property referred to above in paragraph 1) or to real estate securities referred to above in paragraph 2) related to a single real estate property. This restriction may be deviated from temporarily during the establishment of the Fund, in connection with subscriptions and redemptions of the fund units, when selling or purchasing investments referred to above in paragraph 1) and when the investment violating the restriction cannot be divested (in whole or in part) in an appropriate and economically profitable manner considering the best interest of the Fund's unit holders.

- b) A maximum of 20 % of the net assets of the Fund (NAV) may be invested into securities and money market instruments referred to above in paragraphs 3) and 5) issued by a single issuer. Such investments that exceed 10 % of the net assets of the Fund (NAV) may at most constitute a maximum of 40 % of the net assets of the Fund (NAV).

In calculating these investment restrictions, entities belonging to the same corporate group pursuant to Chapter 1, Section 6 of the Finnish Accounting Act must be deemed to comprise one whole. This notwithstanding, no more than 20 % of the Fund's net assets may, however, be invested in securities issued by entities belonging to the same corporate group.

- c) Investments made into securities and money market instruments referred to above in paragraphs 3) and 5) issued by a single issuer, deposits referred to above in paragraph 4) received by the entity in question, and the counterparty risk faced by the entity in question resulting from non-standardised derivative contracts referred to above in paragraph 10) may constitute a maximum of 50 % of the Fund's net assets (NAV).
- d) A maximum of 50 % of the net assets of the Fund (NAV) may be invested into units or shares of a single company engaging in collective real estate investments referred to above in paragraph 6), fund units of a single investment fund or undertaking for collective investments in transferable securities referred to above in paragraph 7) or fund units of a single alternative investment fund referred to above in paragraph 8).

Assets of the Fund cannot be invested into units or shares of a company engaging in collective real estate investments referred to above in paragraph 6), units of investment funds or UCITS referred to above in paragraph 7) or units of an alternative investment fund referred to above in paragraph 8) which can invest more than 20 % of their assets into units of other investment funds or undertaking for collective investments in transferable securities or alternative investment funds under their rules. The assets of the Fund can only be invested into investment targets referred to in this paragraph, where a maximum of 5 % of the value is charged as fixed compensation annually.

The Fund can acquire a maximum of 100 % of the units or shares of a single company engaging in collective real estate investments referred to above in paragraph 6), units of a single investment fund or UCITS referred to above in paragraph 7) or the units of a single alternative investment fund referred to above in paragraph 8).



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If the assets of the Fund are invested into units or shares of such companies, investment funds, UCITS or alternative investment funds referred to above in paragraphs 6), 7) and 8), which are managed directly or commissioned by the Alternative Investment Fund Manager or another entity, to which the Alternative Investment Fund Manager is affiliated to by joint management or control or by substantial direct or indirect ownership, the Alternative Investment Fund Manager or another entity is not allowed to charge a subscription or redemption fee for the Fund's investments into the units of these other investments funds, UCITS or alternative investment funds. For the sake of clarity it is stated that the above restriction does not, however, apply to situations where the potential redemption fee is paid directly to UCITS or alternative investment funds referred to in paragraphs 7) and 8).

- e) A maximum of 20 % of the total assets of the Fund (GAV) may be invested into construction and real estate development operations referred to above in paragraph 9).
- f) The Fund cannot invest into real estate or real estate securities owned by the Alternative Investment Fund Manager or its direct or indirect shareholder, who owns more than 20 % of the Alternative Investment Fund Manager or its parent company.

Other Restrictions

The Fund must have the necessary cash reserves required for its operation.

The assets of the Fund may be pledged as collateral for the liabilities of the Fund. The pledge can constitute the entirety of the total assets of the Fund (GAV) if necessary.

The Alternative Investment Fund Manager may borrow for the account of the Fund an amount corresponding to a maximum of one half (1/2) of the total assets of the Fund (GAV). In addition to that, the Alternative Investment Fund Manager may, for special reasons, borrow for the account of the Fund an amount corresponding to a maximum of one third (1/3) of the total assets of the Fund (GAV). Temporary funding requirements, which may, among other things, be related to the acquisition of real estate or real estate securities, financing arrangements related to real estate or real estate securities owned by the Fund or ensuring the liquidity of the Fund in connection with the redemption of the fund units or otherwise, may be considered a specific reason.

For the sake of clarity, the Alternative Investment Fund Manager may borrow for the account of the Fund an aggregate amount not exceeding a maximum of five sixths (5/6) of the total assets of the Fund (GAV).

(Direct) borrowings for the account of the Fund and (indirect) borrowings related to the investment of the Fund (such as the liabilities regarding real estate securities owned by the Fund) must be considered as a whole when monitoring the compliance with the Fund's restrictions regarding the borrowings.

The Fund may for a specific reason grant loans to the companies owned directly or indirectly by the Fund. Arranging the funding of the companies in question may constitute a specific reason. The Fund may grant loans to such company in the amount corresponding to no more than the fair value of the assets of the company in question. The Fund may not grant loans to other third parties. The assets of the Fund may be used as collateral for credit provided by a third-party creditor regardless of whether the third-party credit has been granted to the Fund or to a real estate company or another company owned directly or indirectly by the Fund.

The Fund may temporarily deviate from the investment restrictions set out above during the establishment of the Fund, in connection with the subscription or redemption of fund units, when selling or acquiring investments, and when the assets of the Fund cannot be invested in a profitable manner according to the investment policy of the Fund.

The total counterparty risk arising to the Fund from a single issuer can at most amount to 50 % of the total assets of the Fund (GAV). The total counterparty risk includes the counterparty risk arising from the securities issued by a single issuer, the money market instruments, the deposits received by the issuer, the non-standardised derivative contracts concluded with the issuer, and from transferring the ownership of the provided collateral.

Section 7 The Fund Unit Register and Fund Units



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The Alternative Investment Fund Manager maintains a register of fund units and unitholders and also registers any transfers of fund units.

The Fund only issues profit units. The fund unit entitles its owner to a share of the assets of the Fund allocated in proportion to the number of fund units, taking into consideration the relative values of the unit classes. The fund units are divided into fractions so that one (1) unit consists of one hundred thousand (100,000) equal fractions.

Based on the decision of the board of the Alternative Investment Fund Manager the Fund can issue several fund unit classes, which may deviate from each other regarding the management, subscription, and redemption fees. The board of the Alternative Investment Fund Manager will confirm for each unit class the requirements, based on which the fund units can be subscribed for. The varying subscription requirements of the unit classes may be based, among others, on a minimum period of investment, a minimum amount of investment, and the overall customer relationship or employment with the Alternative Investment Fund Manager's group. The different unit classes are named individually, and the applicable fees and subscription requirements are published in the Fund documents in force from time to time (the Fund's Regulatory Disclosures and the key investor information document).

If the value of the unitholder's ownership within a single unit class exceeds the minimum subscription requirement of another unit class pursuant to a new subscription or if a unit holder receives the right to subscribe for units of another unit class due to a subscription right based on an overall customer relationship or employment with the Alternative Investment Fund Manager's group, the Alternative Investment Fund Manager will, on the unit holder's request, transfer the unit holder's entire ownership to the other unit class, the subscription requirements of which have been fulfilled.

If the value of the unitholder's ownership within a single unit class decreases below the minimum subscription requirement of the unit class in question pursuant to redemption or if the unit holder's right to subscribe for the units of the unit class in question ceases to be valid due to a change in the overall customer relationship or employment with the Alternative Investment Fund Manager's group, the Alternative Investment Fund Manager is entitled to transfer the ownership to another unit class, the subscription requirements of which are fulfilled after the change.

Section 8 Subscription for Fund Units

The fund units can be subscribed for by delivering a subscription form to the Alternative Investment Fund Manager. The subscription order is binding upon the subscriber. The subscription order shall be delivered to the Alternative Investment Fund Manager or the operator performing the outsourced functions of the Alternative Investment Fund Manager by mail or email, using the subscription form of the Fund or in another manner approved by the board of the Alternative Investment Fund Manager. The subscriber must specify in the subscription order the unit class of which they are subscribing for.

Fund units are available for subscription a minimum of four times per year. The regular subscription dates ("Subscription Date") are the last business days of March, June, September, and December. Regardless of the above, the board of the Alternative Investment Fund Manager may decide that fund units can also be subscribed for on other than the above-mentioned dates ("Extraordinary Subscription Date").

The subscription order shall be delivered to the Alternative Investment Fund Manager or the operator performing the outsourced functions of the Alternative Investment Fund Manager, and the subscription price shall be paid to the subscription account, on the Subscription Date (or the Extraordinary Subscription Date) at 3 p.m. EET at the latest. The Alternative Investment Fund Manager may however deviate from the above-mentioned payment date and time, in which case the subscription price must be paid to the subscription account before the subscription is confirmed at the latest.

Regardless of the above, the subscription for a fund unit may also be paid for with an asset in kind separately approved by the board of the Alternative Investment Fund Manager. At the same time, the board of the Alternative Investment Fund Manager will decide on the manner of payment of the subscription fee related to the subscription paid with an asset in kind. For the purposes of the approval of the board of the Alternative Investment Fund Manager, the Alternative Investment Fund Manager reserves the opportunity to review and evaluate the technical, financial, and legal qualities of the asset in kind in the manner it considers appropriate to ensure that the asset in kind appropriately fits with the investment strategy of the Fund. A valuation report of an impartial and external real estate appraiser referred to in the Act on Real-Estate Funds shall be acquired of the market value of the assets in kind and their effect on the equality of unitholders. If the assets in kind do not include real estate and real estate securities, the valuation report shall be issued



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by an authorized public accountant or audit firm, the responsible auditor of which shall be an authorized public accountant.

A subscription paid with an asset in kind is considered to have been paid when the ownership of the asset in kind has been transferred to the Fund.

The Alternative Investment Fund Manager is entitled to reject a subscription order or postpone the execution of a subscription order if the issuer of the order cannot be identified in a reliable manner and the requirements of the applicable law regarding the identification are not met or the Alternative Investment Fund Manager has not otherwise received adequate information to execute the subscription.

The Alternative Investment Fund Manager reserves the right to determine the minimum subscription amount.

The number of the fund units subscribed for is calculated by dividing the subscription price (or the subscription value of the asset in kind transferred to the Fund used as subscription payment), from which the possible subscription fee has been deducted, with the value of the fund unit calculated for the Subscription Date. If the subscription price (or the value of the asset in kind transferred to the Fund used as subscription payment), from which the possible subscription fee has been deducted, is not evenly divisible with the value of the fund unit and its fraction, the number of units is rounded down to the nearest fraction and the difference is added to the capital of the Fund.

Section 9 Redemption and Disposition of Fund Units

Fund units are redeemed by delivering a redemption form to the Alternative Investment Fund Manager and by returning the possible fund unit certificate to the Alternative Investment Fund Manager. The redemption order is delivered to the Alternative Investment Fund Manager or the operator performing the outsourced functions of the Alternative Investment Fund Manager by mail or email, using the redemption form of the Fund or in another manner approved by the board of the Alternative Investment Fund Manager

If a fund unit certificate has been issued for the redeemed fund units, it must be returned to the Alternative Investment Fund Manager or the operator performing the outsourced functions of the Alternative Investment Fund Manager before the Alternative Investment Fund Manager can accept the redemption order.

Fund units can be redeemed twice per year on the last business day of March and September of each calendar year ("Redemption Date").

The redemption order (and possible fund unit certificate) must be delivered to the Alternative Investment Fund Manager, or the party to which the Alternative Investment Manager has delegated such functions, at the latest on the Redemption Date preceding the desired Redemption Date at 15:00 EET.

The redemption orders are performed in the order they are received, and a redemption order can only be cancelled by the approval of the Alternative Investment Fund Manager. In certain circumstances, the board of the Alternative Investment Fund Manager can decide that the redemptions received to be executed on the same Redemption Date are performed concurrently and, if necessary, paid in instalments in proportion to the redemption amounts. As confirmation of the redemption, the investor receives a redemption calculation.

If the Fund has sufficient cash reserves on the Redemption Date to execute the redemption, the fund units are redeemed at the value of the Redemption Date and the redemption price (with the possible redemption fee deducted) is paid to the bank account specified by the unit holder immediately after the value of the fund unit has been calculated for the Redemption Date in question.

If the funds required to execute the redemption must be acquired by selling assets of the Fund, the fund units are redeemed at the value of the next nearest Value Calculation Date (referred to in Section 11 of the rules) following the sale of assets, however, at the value of the next Redemption Date at the latest. In this case, the redemption price, from which the potential redemption fee has been deducted, is paid to the bank account specified by the unit holder immediately after the value of the fund unit on the next nearest Value Calculation Date following the sale of assets has been calculated in the manner specified above. Regardless of the above, the Alternative Investment Fund Manager and the unit holder may make other arrangements regarding the payment of the redemption.



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The Alternative Investment Fund Manager may decide to restrict the amount of redemptions it is going to execute if the amount of redemption orders exceeds five (5) percent of the assets of the Fund. The decision to restrict may also be made after the redemption orders have been submitted to the Alternative Investment Fund Manager. The redemption orders will lapse, if not executed.

The board of the Alternative Investment Fund Manager and the unit holder may agree that the fund units can alternatively be redeemed by transferring an amount of the Fund's assets corresponding to the redemption price to the unit holder ("Redemption with Asset in Kind"). While concluding the redemption agreement, the Alternative Investment Fund Manager must ensure that the measure does not jeopardise the interests of other unit holders. At the same time, the board of the Alternative Investment Fund Manager will decide on the manner of payment of the redemption fee related to the redemption paid with an asset in kind.

The unit holder has the right to transfer the fund unit. The new unit holder must provide evidence of the acquisition to the Alternative Investment Fund Manager and other information required by the Alternative Investment Fund Manager, after which the ownership shall be recorded into the fund unit register (referred to above in Section 7). The Alternative Investment Fund Manager reserves the right to charge a subscription fee for the transfer of a fund unit according to the pricelist.

Section 10 Subscription and redemption fees

The Alternative Investment Fund Manager charges a subscription fee for the subscription for a fund unit amounting to a maximum of two (2) % of the subscription price.

The board of the Alternative Investment Fund Manager confirms the subscription fee applicable to each fund unit class issued.

The Alternative Investment Fund Manager reserves the right to refrain from charging the subscription fee completely or in part for each single subscription separately. The Alternative Investment Fund Manager reserves the right to refrain from charging the subscription fee completely or in part for one or more fund unit classes and for each Subscription Date separately.

The Alternative Investment Fund Manager may charge a redemption fee for the redemption of a fund unit amounting to a maximum of five (5) % of the value of the fund unit, based on the length of the ownership period of the fund unit in the manner presented in the Fund's Regulatory Disclosures. Should the redemption fee be charged, the Fund shall be credited at least the amount exceeding one (1) per cent.

The Alternative Investment Fund Manager reserves the right to refrain from charging the redemption fee fully or in part for each single redemption separately. The Alternative Investment Fund Manager reserves the right to refrain from charging the redemption fee fully or in part for each fund unit class and separately for each date that the fund units have been available for redemption.

The board of the Alternative Investment Fund Manager confirms the redemption fee applicable (based on the length of the ownership period of the fund unit) to each fund unit class issued.

The information regarding the applicable subscription and redemption fees is published in the Fund documents in force from time to time (the Fund's Regulatory Disclosures and the key investor information document).

Section 11 The Value of the Fund and the Fund Unit

Value Calculation Date

In these rules, the Value Calculation Date refers to a date on which the value of the Fund and the fund unit are calculated.

The value of the Fund and the fund unit are calculated quarterly for the last business day of March, June, September, and December of each calendar year (Subscription Dates and the Redemption Dates) and for the days on which the fund units



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may be subscribed for according to these rules in addition to the above-mentioned dates based on the decision of the board of the Alternative Investment Fund Manager (Extraordinary Subscription Dates).

The Value of the Fund

The value of the Fund is based on the net assets of the Fund (NAV) which are calculated by deducting the liabilities of the Fund from the total assets of the Fund (GAV). The value of the Fund is calculated within 20 business days from the Value Calculation Date. The value of the Fund is reported in euros. Additionally, the pricing method affecting the value of the Fund described later in this Section 11 is used in the calculation of the value.

Valuation of the Assets of the Fund

The market value of real estate and real estate securities that are not traded on a regulated market or in a multilateral trading facility is valued (at least) quarterly by a real estate appraiser authorized by the Central Chamber of Commerce in Finland according to the accepted principles of real estate appraisal. The value of the real estate and real estate securities mentioned above is also valued when they are bought or sold and when a subscription is paid for with such asset in kind or when assets of the Fund are delivered as payment for redemption in kind. In the value calculation of the Fund, the valuation of such assets is based on the nearest preceding valuation carried out in the manner referred to above if less than four (4) months have passed since the evaluation on the actual valuation date.

However, the Fund may, for a special reason, value real estate in other than own use at other than the fair value determined by the real estate appraiser, in which case the Fund will, in its annual report or the notes to the financial statement, justify this.

Securities related to real estate investment operations in the Target Countries that are traded on a regulated market or in a multilateral trading facility may be valued at their acquisition value in the first valuation carried out in connection with the value calculation of the Fund if the acquisition date is the same on the daily level as the first valuation date.

Regarding securities traded on a regulated market or in a multilateral trading facility (including units of investment funds, UCITS, and alternative investment funds as well as standardised derivative contracts), the valuation is based on the latest official closing price available at 8 a.m. EET on the business day following their value date which date is the Value Calculation Date or the day preceding the Value Calculation Date. If the closing price mentioned above is not available, the latest average of the bid and ask prices or, if a reliable average does not exist, the latest bid price is used as the market value.

Regarding such shares or units of investment funds, UCITS, alternative investment funds and companies engaging in collective real estate investments that are not traded on a regulated market, the valuation is based on the latest value calculated on the Value Calculation Date or the day preceding the Value Calculation Date.

Money market instruments are valued based on bid prices released through market information sources, or if a bid price is not received for the money market instrument via market information sources, the money market instrument is valued using the official Euribor quote for the Value Calculation Date with the issuer-group-specific market risk premium decided by the board of the Alternative Investment Fund Manager added.

Non-standardised derivative contracts and securities other than real estate securities referred to above, which are evaluated by a real estate appraiser authorized by the Central Chamber of Commerce in Finland, and for which reliable market value is not available, are valued according to the objective valuation principles confirmed by the board of the Alternative Investment Fund Manager. Special attention must be paid for the valuation of such securities.

Cash deposits and fixed term deposits are valued at their nominal value. The calculatory yield of cash deposits and fixed term deposits is taken into consideration during the value calculation of the Fund in the manner specified by the board of the Alternative Investment Fund Manager.

The value of possible assets denominated in foreign currency is converted into euros using the exchange rate of the Value Calculation Date verified by the European Central Bank.



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If an aforementioned fair and reliable value is not available for an investment of the Fund, or the investment does not fall into any of the aforementioned categories, the investment shall be valued according to its purchase value, provided that the investment has been acquired less than one year ago. Otherwise, the investment shall be valued according to the valuation principles of the Alternative Investment Fund Manager.

The Value of a Fund Unit

The value of a fund unit is calculated separately for each unit class by dividing the value of the Fund by the number of fund units issued, taking into consideration the differing management fees, performance fees and the profit distributed for the fund units.

The value of a fund unit is calculated and published within 20 business days of the Value Calculation Date. The fund unit value is reported in euros.

The calculation period of the Fund is the number of the days between the preceding Value Calculation Date and the Value Calculation Date including the Value Calculation Date ("Fund Calculation Period").

The information regarding the fund unit value is available on the website of the Alternative Investment Fund Manager, the Alternative Investment Fund Manager, and all subscription sites.

The Pricing Method Affecting the Value of the Fund and Fund Unit

The Alternative Investment Fund Manager uses a pricing method in the value calculation of the Fund (and the fund units) which is based on the INREV NAV guidelines of the European Association for Investors in Non-Listed Real Estate Vehicles (INREV). According to said guidelines, the adjustments described below are performed in the value calculation of the Fund (and the fund units), which are intended to promote the equal treatment of the unit holders.

- a) In the pricing method, the amount of expenses arising from the acquisition of investments (such as transfer taxes and expert fees) is taken into consideration such that the said expenses are first added to the value of the Fund and then depreciated from the value of the Fund evenly over five years. However, the said expenses shall be depreciated earlier on a case by case basis upon the decision of the Alternative Investment Fund Manager if (i) the Alternative Investment Fund Manager estimates with regard to expenses arising from the acquisition of one or more investments that the investment will be disposed of before the depreciation period ends; or (ii) the Fund actually disposes of one or more investment before the depreciation period ends; or (iii) evidence is shown the value calculation of the Fund that the non-depreciated portion of the expenses arising from the acquisition cannot be covered.
- b) In the pricing method, the amount of the establishment expenses of the Fund is taken into consideration such that the said expenses are first added to the value of the Fund and then depreciated evenly from the value of the Fund over five years. However, the said expenses shall be depreciated earlier based on the decision of the Alternative Investment Fund Manager, if the Alternative Investment Fund Manager estimates that the non-depreciated establishment expenses will not correspond to the financial benefit that has been or will be received from them (for example, if, according to the Alternative Investment Fund Manager's assessment, the Fund is going to unwind at such time that all of the establishment expenses added to the value have not been depreciated).
- c) In the pricing method, the value of the Fund is adjusted with an item based on the differences the Alternative Investment Fund Manager considers existing between (i) the deferred tax liabilities related to the investments of the Fund otherwise considered in the value calculation and (ii) the deferred tax liabilities related to the investments of the Fund based on the probable disposition methods of the investments estimated by the Alternative Investment Fund Manager.
- d) In the pricing method, the value of the Fund is adjusted with an item based on the difference between the book value and the fair value of an investment such that the amount of the fair value exceeding the book value is added to the value of the Fund.



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The application of the pricing method described above in paragraphs (a), (b), (c), and (d) usually affects the value of the Fund and fund unit such that the value of a fund unit is larger than what it would be without the application of the pricing method. For this reason, as a result of applying the method, a unit holder will usually receive fewer fund units in subscription and a larger amount in redemption than if the method was not applied.

The pricing method described in paragraphs (a), (b), (c), and (d) is also applied to the value calculation of the Fund and fund units insofar as the value of the Fund or fund unit, the total assets (GAV) or the net assets (NAV) are used or referred to in the calculation of the investment restrictions referred to in Section 6, the calculation of the ownership and fund unit class values referred to in Section 7, the calculation of the value of a fund unit referred to in Section 8, the calculation of the value of a fund unit referred to in Section 9, the calculation of the redemption fee referred to in Section 10, and the calculation of the fees referred to in Section 12, in each case insofar as the mentioned provisions do not specify otherwise. However, the pricing method is not applied insofar as a part of the pricing method does not apply to the purpose in question (for example, a part of the method does not apply to the determination of total assets (GAV) and thus only the applicable part of the method is applied to the determination of total assets (GAV).

Section 12 The Fees Paid from the Assets of the Fund

Fixed Management Fee

As compensation for its activities, the Alternative Investment Fund Manager receives a fixed management fee amounting to a maximum of two and a half percent (2.5 %) per annum calculated from the net assets of the Fund (NAV). The amount of the fixed management fee is calculated for each unit class separately for each Value Calculation Date by dividing the product of the net assets of the Fund (NAV) allocated to unit class (€), the applicable fee for the unit class (%), and the number of fee days during the Fund Calculation Period by 365. The fixed management fee has been deducted from the value of the fund unit and is charged quarterly.

The fixed management fee calculated in the manner described above is recorded in the value of the Fund for the Value Calculation Date as a debt to the Alternative Investment Fund Manager. The Alternative Investment Fund Manager charges the accrued outstanding fixed management fee from the Fund for each Value Calculation Date after the value calculation has been completed. The fixed management fee is always taken into consideration in the published value of the Fund and each fund unit. The board of the Alternative Investment Fund Manager confirms the amount of the fixed management fee for each unit class. The fees charged by the Alternative Investment Fund Manager are published in the Fund documents in force from time to time (the Fund's Regulatory Disclosures and the key investor information document).

In the calculation of the fixed management fee, the net assets of the Fund (NAV) are calculated according to the pricing method described in Section 11.

Performance Fee

In addition to the fixed management fee, the Alternative Investment Fund Manager may charge an additional performance fee amounting to a maximum of 20 % of the portion of the total return of the Fund that exceeds an annual benchmark hurdle return of 7.0 %. The benchmark return for the Fund Calculation Period is calculated by dividing the number of fee days of the Fund Calculation Period by 365 and multiplied by the annual 7.0 % benchmark hurdle return (the "Fund Calculation Period Benchmark Return"). The total return of the Fund, which is calculated in order to charge the possible performance fee, is calculated on the basis of the development of the value of the fund unit (including the fixed management fee but however before the performance fee is potentially charged) to which the profits distributed over the calculation period are added. The performance fee is calculated separately for each unit class. The board of the Alternative Investment Fund Manager will confirm the amount of the performance fee for each unit class. The fees charged by the Alternative Investment Fund Manager are published in the Fund documents in force from time to time (the Fund's Regulatory Disclosures and the key investor information document).

The performance fee may only be charged on the portion of the increase in value of the fund unit that exceeds the value of the fund unit upon the previous charging of the performance fee (so-called high-water mark value). Profits distributed after the determination of the said high-water mark value but before the current calculation period are deducted from the high-water mark value.



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The amount of the performance fee is calculated separately for each unit class and for each Value Calculation Date, by multiplying

- 1) the applicable performance fee for the fund unit class (maximum 20 %), with
- 2) the positive difference between (i) and (ii) below:
 - i. the value of the unit class on the Value Calculation Date before determination of the performance fee added with the profits distributed to that unit class (if any) during the Fund Calculation Period and divided with the higher of the:
 - a) value of the unit class determined at the previous Value Calculation Date or;
 - b) the high-water mark value of the Fund
 - ii. Fund Calculation Period Benchmark Return

The performance fee calculated in the manner described above is recorded in the value of the Fund for the Value Calculation Date as a debt to the Alternative Investment Fund Manager. The Alternative Investment Fund Manager charges the accrued outstanding performance fee from the Fund for each Value Calculation Date after the value calculation has been completed. The performance fee is always taken into consideration in the published value of the Fund and each fund unit.

In the calculation of the performance fee, the net assets of the Fund (NAV) and the value of the fund unit are calculated using the pricing method described in Section 11.

Other Expenses

The Fund is liable for all expenses related to the operation and administration of the Fund as well as the expenses related to the investment operations and the investments, including the following:

- i. fees paid to the Depositary for operating as the Fund's depositary under the AIFM Act and for safekeeping the assets of the Fund,
- ii. taxes and administrative fees related to the operation of the Fund,
- iii. financing costs related to the operation of the Fund,
- iv. financial management and audit costs for the Fund,
- v. collection expenses related to the operation of the Fund,
- vi. damages, costs and expenses incurred in connection with litigation, and other similar costs and expenses related to the operation of the Fund,
- vii. other expenses related to the operation and administration of the Fund,
- viii. fees related to identifying potential investments, to due diligence reports drawn up for said investments, and to inspections and appraisals carried out regarding them, including the fees of external advisors,
- ix. transaction fees related to the acquisition of investments (such as taxes, administrative fees, transaction fees charged by the Depositary, commissions related to the acquisition of investments, and other fees paid to external service providers), including fees for transactions which did not proceed,
- x. transaction fees related to the sale of investments (such as taxes, administrative fees, transaction fees charged by the Depositary, commissions related to the sales of investments, and other fees paid to external service providers), including fees for transactions which did not proceed,
- xi. fixed costs related to investments (such as recurrent taxes and official fees as well as other recurrent fees related to investments),
- xii. costs and expenses related to maintenance and repair of investments,
- xiii. other materials and services directly related to the maintenance of investments,
- xiv. costs and expenses related to building and real estate development operations,
- xv. costs and expenses related to the rental holding and operations of the investments (such as marketing expenses and fees charged by external service providers),
- xvi. services related to the valuation of investments (such as the fees charged by the real estate appraiser authorized by the Central Chamber of Commerce in Finland intended in Section 11 of the rules),
- xvii. costs and expenses related to the operation of the real estate and holding companies owned by the Fund,
- xviii. other costs and expenses related to investment operations and investments.



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If a subscription or a redemption of a fund unit is paid with an asset in kind according to paragraphs 8 and 9 of these rules, the Fund is responsible for the expenses caused by the inspection of the asset in kind and the evaluation of its qualities according to similar principles than are used in the real estate transactions.

Section 13 Distribution of Profit

The board of the Alternative Investment Fund Manager decides on the profit distributed to the unit holders and on the manner in which it is paid. At least three quarters (3/4) of the profit for each accounting period of the Fund shall be distributed to the unit holders in proportion to their ownership, excluding unrealised change in value.

The profit is paid to the unit holders who are registered in the fund unit register on the dates (reconciliation date) specified by the board of the Alternative Investment Fund Manager. The board of the Alternative Investment Fund Manager may decide, that the profit be paid in several instalments, however, at latest during the next calendar year following the accounting period of the Fund in relation to which the profits are distributed.

The profit distributed to the unit holder (with possible withholdings and subscription fee deducted) shall be used to subscribe for new fund units at the fund unit value of the nearest Value Calculation date following the profit distribution date. The unit holder may request the Alternative Investment Fund Manager (by the subscription form or other manner) to receive the distributed profit in cash. Such notification must be made to the Alternative Investment Fund Manager no later than five (5) business days before the profit distribution date. At the request of the unit holder, the profit (with possible withholdings deducted) shall be paid to the bank account provided by the unit holder to the Alternative Investment Fund Manager. In case the bank account details have not been provided, the undrawn profit distribution is transferred back to the assets of the Fund when five years have passed from the date that the distribution would have been withdrawable.

Section 14 Accounting Period

The accounting period of the Fund and the Alternative Investment Fund Manager is a calendar year. Based on the decision of the board of the Alternative Investment Fund Manager, the accounting period may also deviate from the above when the operation of the Fund ceases.

Section 15 The Unit Holders' Meeting

The unitholders' meeting is convened if the board of the Alternative Investment Fund Manager considers it necessary or if the auditor requests so in writing in order to address a certain specified matter. Additionally, an extraordinary unitholders' meeting must convene if the unitholders, who hold more than 5 % of all issued fund units, request so, in writing, in order to address a certain specified matter. The Alternative Investment Fund Manager shall convene the meeting without delay, if the aforementioned minority of the unitholders favours it. The board of the Alternative Investment Fund Managers shall convene the meeting no less than two (2) weeks and no more than four (4) weeks before the meeting takes place. The invitation to the meeting is sent to the unitholders by regular mail, email or other means of electronic communication and the invitation to the meeting is published on the website of the Alternative Investment Fund Manager.

The Alternative Investment Fund Manager shall notify the unitholders on its website if it receives a request to convene a meeting in accordance with section 9 chapter 26 of the Common Funds Act or, if the unitholder who requests the meeting does not hold the aforementioned minority of fund units, of other requests to convene a meeting. According to the Common Funds Act, the Alternative Investment Fund Manager is entitled to refuse the aforementioned notification in case it deems that there are no grounds to convene a meeting. The Alternative Investment Fund Manager shall notify the unitholder, who requested the meeting, about the refusal and its grounds.

The unit holders who have reported to the Alternative Investment Fund Manager by the registration date mentioned on the invitation to the meeting are entitled to take part in the meeting. Each full fund unit produces one vote in the unit holders' meeting. Fractions of fund units also provide the right to vote in proportion to the fractions owned. In the unit holders' meeting, the opinion supported by more than half of the votes cast will constitute the decision, or if the vote is split, the chair of the meeting will have the casting vote. In elections, the candidate with the most votes will be elected. If the vote is split, the election is decided by drawing lots.



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Section 16 Important Notifications and Reports

Regulatory communications are conducted in accordance with laws and regulation applicable on the operations of the Fund.

Other important notifications and reports are published on the Alternative Investment Fund Manager's website and (if necessary) made available to the unit holders by regular mail, email or other means of electronic communication.

If the notification is made available to the unit holders by regular mail, the unit holders are considered to have been made aware of the notification five business days from the date that the letters were handed over to the postal service. If the notification is made available to the unit holders by email or by another electronic means of communication, the unit holders are considered to have been made aware of the notification on the next business day following the sending of the email or other electronic notification.

Section 17 Publication of Documents

The Fund's Regulatory Disclosures, the key investor information document, and the annual reports of the Fund and the financial statements and statements of operations of the Alternative Investment Fund Manager are published on the website of the Alternative Investment Fund Manager in a common file format. Additionally, the above-mentioned documents are made available on the premises of the Alternative Investment Fund Manager. The annual reports are published within three (3) months of the end of the accounting period (or review period).

Section 18 Amendments to the Rules of the Fund

The board of the Alternative Investment Fund Manager decides on any amendments to the rules of the Fund. Amendments to the rules will come into effect one month after the unit holders have been made aware of the amendment.

The unit holders will be made aware of the amendments to the rules by regular mail, email or other means of electronic communication or by publishing a notification regarding the amendment in a national newspaper. In addition, the Alternative Investment Fund Manager may publish a notification regarding the amendment on the website of the Alternative Investment Fund Manager. If information of the amendment is made available to the fund holders by regular mail, the unit holders are considered to have been made aware of the amendment five business days from the date that the letters were handed over to the postal service. If the information of the amendment is made available to the unit holders by email or by another electronic means of communication, the unit holders are considered to have been made aware of the amendment on the next business day following the sending of the email or other electronic notification. If information of the amendment is made available to the unit holders by publishing a notification of the amendment in a newspaper or on the website of the Alternative Investment Fund Manager, the unit holders are considered to have been made aware of the amendment on the publication date of the notification.

Section 19 Suspending the Subscriptions and Redemptions Temporarily

The Alternative Investment Fund Manager may temporarily suspend the subscriptions and/or redemptions of fund units if, in the opinion of the Alternative Investment Fund Manager, it is required for reasons of equality or benefit of the unit holders or another particularly important reason.

The suspension of subscriptions is possible for example in the following situations:

- the value calculation of the Fund has been prevented or has become more difficult for reasons outside the control of the Alternative Investment Fund Manager;
- it is not appropriate to accept additional investment into the Fund from the perspective of the existing unit holders;
- due to prevailing conditions of the real estate market, investing the assets received into the Fund has been hampered; or
- some exceptional occurrence is disrupting the operation of the real estate market.

The suspension of redemptions is possible for example in the following situations:

- the value calculation of the Fund has been prevented or has become more difficult for reasons outside the control of the Alternative Investment Fund Manager;



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- the assets of the Fund would have to be sold at a price that is significantly lower than the market value; or
- some exceptional occurrence is disrupting the operation of the real estate market.

Section 20 Disclosure of Data

The Alternative Investment Fund Manager is entitled to disclose data related to the unit holders according to the currently valid legislation at each time.

Section 21 The Applicable Law

The Finnish law is applied to the operations of the Alternative Investment Fund Manager and the Fund.



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