

# *NRP Anaxo Nordic m2*

15.08.2022

NRP Anaxo Management AS

**NRP**  
**Anaxo**

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Investing in the Fund is associated with high risk. Investors subscribing for shares in the Fund must be aware of the risk of losing part of or the entire invested amount. NRP Anaxo Management AS (the "Fund Manager") or any of its affiliates cannot guarantee the value of an investment going forward. Please see a detailed description on relevant risk factors in the appendix.

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# AT A GLANCE:NRP Anaxo Nordic m2

## Key fund characteristics



- › **NRP Anaxo Nordic m2** – an Alternative Investment Fund and Norwegian Domestic Fund managed by NRP Anaxo Management.



- › Focus on listed real estate securities and pre-IPOs in the Nordics.



- › Minimum subscription of NOK/SEK 2 000 000 or NOK/SEK 10 000 000<sup>1</sup>.



- › The NRP-Anaxo cooperation will create synergies and provide an edge for the investment manager to utilise in future investment decisions.



- › Article 8 fund with ESG characteristics and an integrated and systematic approach to assess sustainability

## Investment mandate and allocation guidelines

### › Listed real estate securities.

- › Up to 100% of the Fund can be invested in listed Nordic real estate securities.
- › Max. 20% of the Fund can be invested in European real estate securities, both listed and non-listed.
- › Max. 10% of the Fund can be invested in a single company.
- › Max. ownership of 20% of share or voting capital in a single company.

### › Pre IPOs.

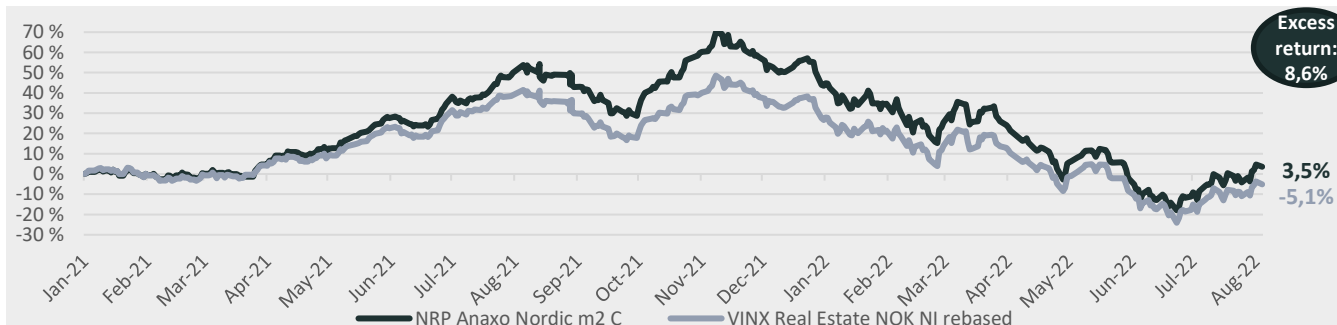
- › Up to 20% of the Fund can be invested in non-listed real estate companies with firm intentions of going public within 12 months.

### › Securities fund units - ETFs.

### › Derivatives.

### › Deposits in credit institutions.

## Excess return vs benchmark since inception<sup>2</sup>



## *Active Management*



- › We **actively** select stocks we believe will outperform benchmark. Company size and its index weight is not important.

## *Long-term Investors*



- › We are patient and **long-term** investors in companies with a positive and sustainable profit development.

## *Predictability*



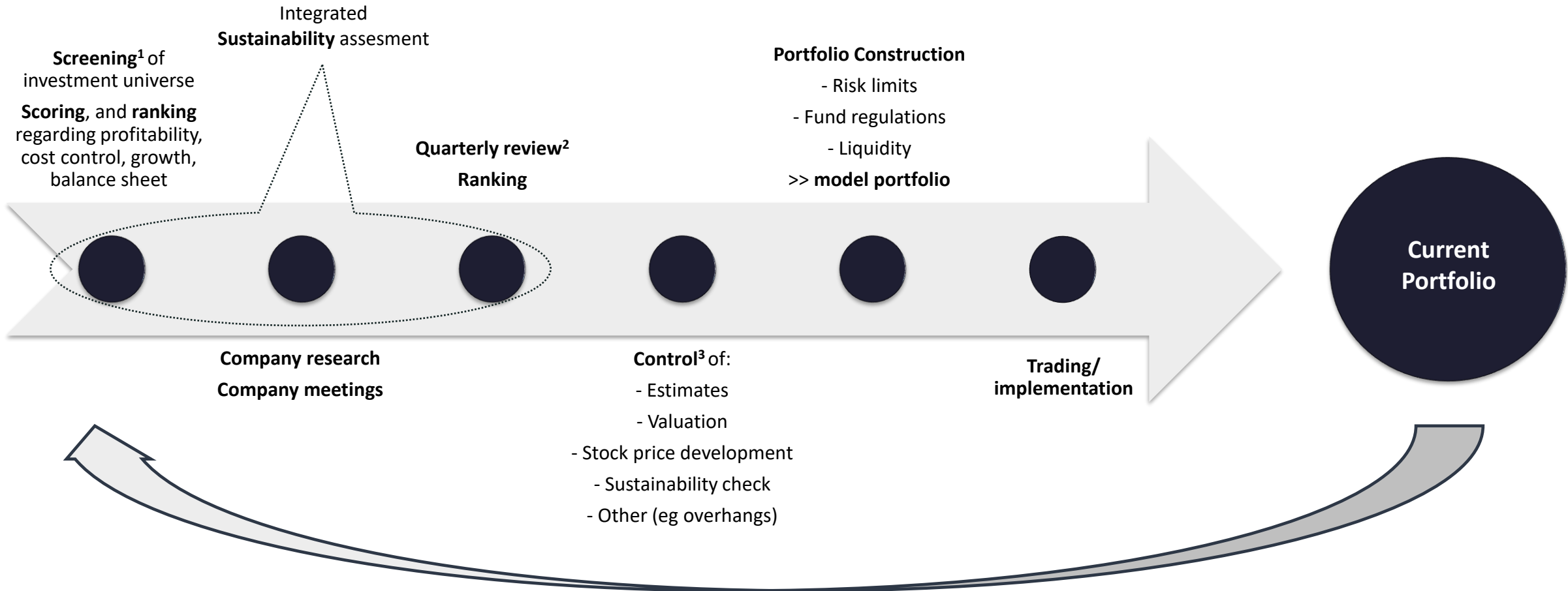
- › We prioritise companies that have an ability to deliver **inline with or above stated goals**.

## *Value creating companies*



- › We invest in companies with a proven ability to create shareholder value through **profitable growth**.

# INVESTMENT PROCESS



# ARTICLE 8 FUND WITH ESG CHARACTERISTICS

## Article 8 Fund – “light green” classification under the Sustainable Finance Disclosure Regulation (SFDR)



- › NRP Anaxo Nordic m2 is classified as an Article 8 Fund under SFDR
- › ESG factors are included in the investment process through an integrated and systematic approach, but is not the main objective for the fund
- › This means that ESG factors are addressed both before a potential investment and during ownership of a company

## Over two thirds of funds do not consider ESG factors



- › 25% of funds are classified as Article 8, 5% as Article 9 and the rest as Article 6<sup>1</sup>, hence most funds do not consider any ESG factors in their investment strategy
- › Actively managed funds are the main drivers to integrate ESG in fund management, accounting for ~90% of the assets classified as article 8 and 9 funds<sup>2</sup>

## Integrating ESG factors in the investment strategy matters



- › There are no negative correlations between sustainability and profitability for listed real estate companies, and we believe that integrating ESG characteristics constitute to added-value in the short term and increased profitability in the longer term for both companies and investors

## SFDR classification

### Article 6 – All funds

All managed funds

### Article 8 – General ESG

Funds that promote environmental or social characteristics

### Article 9 – Sustainable

Funds that have a sustainable investment objective



# PORTFOLIO OVERVIEW

## NRP Anaxo Nordic m2

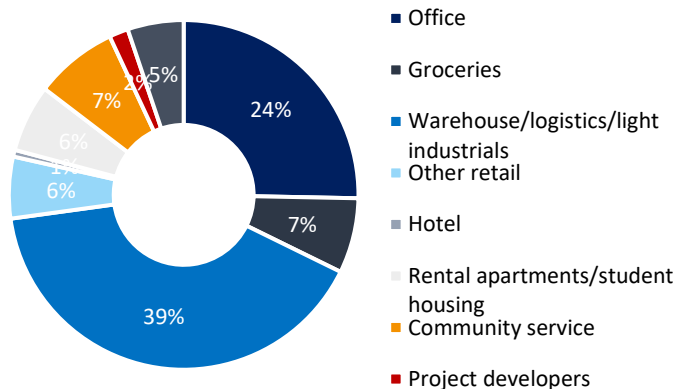
- › Seeking exposure to **winning segments** in **growing cities**
- › Avoiding struggling segments

- › Increased exposure towards the **KPI-adjusted** office segment
- › **Inflation hedge** on ~90% the rental income in the portfolio

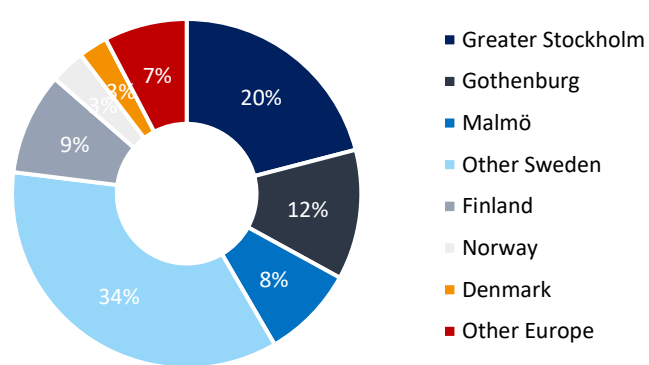
### Top 5 positions

Company	Portfolio weight <sup>1</sup>	Sub-sector	Region	Price/NRV <sup>2</sup>	Price/cash earnings <sup>2</sup>	Yield req. <sup>3</sup>	Net LTV all-inclusive <sup>4</sup>	Net LTV reported	Avg. interest rate <sup>4</sup>
Sagax AB-B	8,7 %	Logistics/light industrials	Pan-European	198%	23x	5,8%	57%	57%	1,5%
Castellum AB	8,6 %	Diversified commercials	Nordic	57%	11x	4,7%	52%	45%	1,7%
Fastighets AB Balder-B SHRS	6,7 %	Diversified commercials/Residentials	Nordic	61%	11x	4,4%	60%	48%	1,6%
Nyfosa AB	6,6 %	Diversified commercials	Nordic	88%	11x	5,8%	55%	55%	2,1%
Wihlborgs Fastigheter AB	6,8 %	Diversified commercials	Sweden	85%	13x	5,1%	46%	46%	1,3%

Segment exposure<sup>1</sup>



Geographic exposure<sup>1</sup>



1) Per 27.06.22 2) Per 27.06.22 3) per 31.03.22 4) Net LTV per 31.12.21 including pref., hybrid and D-shares. Not adj. For JVs and Associates.

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## *Strong composition of real estate and financial expertise*



**Peter Norhammar**  
(1970)

### Investment Manager – NRP Anaxo Management AS

- › Mr. Norhammar joined NRP Anaxo Management in November 2020 and is responsible for the management of NRP Anaxo Nordic m2.
- › Prior to joining NRP Anaxo Management, he was the responsible manager for Länsförsäkringar Fastighetsfond (2016-2020) and Länsförsäkringar Fastighet Europa (2018-2020), ensuring strong performances for both funds. Under Mr. Norhammar's management, Länsförsäkringar Fastighetsfond exceeded its benchmark index with approx. 30%. Länsförsäkringar Fastighet Europa's return is approx. 17% ahead of its relevant benchmark index after 2 years. Combined, the funds had an AUM of ca. SEK 25 bn while Norhammar was manager.
- › Mr. Norhammar holds experience from Alfred Berg Asset Management (2014-2016) as the Head of Swedish Equities while simultaneously managing Länsförsäkringar Fastighetsfond (2015-2016) and being the responsible manager for Alfred Berg Fastighetsfond Norden (2014-2016). Prior to joining Alfred Berg, he worked as the Chief Investment Officer for Swedish Equities at SEB Investment Management. While at SEB, he also managed SEB Fastighetsfond (2000-2006), Ethos Aktiefond (2006-2007), SEB Sverigefond (2007-2013) and SEB Swedish Focus Fund (2011-2013).
- › Norhammar holds a Master of Science in Real Estate Economics from KTH Royal Institute of Technology in Stockholm. Furthermore, he is a Certified European Financial Analyst (CEFA) from the Stockholm School of Economics.

### Public awards:

#### 2020



#### **Länsförsäkringar Fastighetsfond A**

Winner of the Lipper Fund Awards for best performing fund in the "Equity Sector Real Estate Europe" during the past 3, 5 and 10 years

#### 2019



#### **Länsförsäkringar Fastighetsfond A**

Winner of the Lipper Fund Awards for best performing fund in the "Equity Sector Real Estate Europe" during the past 5 and 10 years

#### 2000 - 2006



#### **SEB Fastighetsfond**

Awarded with highest rating (five stars) in Morningstar



**Jacob Grouff Horn**  
(1994)

## Junior Investment Manager and Analyst – NRP Anaxo Management AS

- › Mr. Horn joined NRP Anaxo Management in August 2021 and is responsible for the operations of NRP Anaxo Nordic m2 and supporting the management of the fund.
- › Prior to joining NRP Anaxo Management, he worked as an analyst in DNB Markets Investment Banking Division and has broad experience from various sectors and equity capital markets, debt capital markets and M&A. Mr. Horn has also worked in the Norwegian Army as a platoon sergeant.
- › Mr. Horn holds a Master of Arts with Honours in Business and Accountancy from The University of Edinburgh Business school, as well as having completed the Norwegian Army's Non-Commissioned Officer's Academy.

## *Strong composition of real estate and financial expertise*



**Thorbjørn Pedersen**  
(1955)

### Investment Director – Swiss Life Asset Managers AS

- › Mr. Pedersen is the Investment Director of Swiss Life Asset Managers AS and has been with the Manager and its predecessors since 1996.
- › Since the 1980s, Mr. Pedersen has acquired experience in real estate, shipping and capital markets at Fearnley, Poseidon, Ambra and Carnegie.
- › Mr. Pedersen holds a Master of Science from the Norwegian School of Economics (NHH).



**Knut Ekjord**  
(1973)

### Head of Real Estate – Swiss Life Asset Managers AS

- › Mr. Ekjord is Head of Real Estate transactions in Swiss Life Asset Managers AS and has been with Manager and its predecessor since 2002.
- › He has more than 15 years of experience from the Nordic real estate market, including completion of transactions, financing and analysis.
- › Mr. Ekjord holds a Bachelor of Business Administration with a major in finance and international business from the University of Colorado in Boulder, USA.



**Magne Naustvik**  
(1976)

### Investment Director – Anaxo Forvaltning

- › Mr. Naustvik is responsible for managing the securities portfolio and market analysis in Anaxo Forvaltning.
- › Prior to joining Anaxo Forvaltning, Mr. Naustvik worked as an equity strategist in Nordea.
- › 20 years of experience from market and company analysis.
- › Mr. Naustvik holds a Bachelor of Business Administration in Finance from BI and an MBA in Finance from the Norwegian School of Economics (NHH).

## *Strong composition of real estate and financial expertise*



**Christian Ness  
(1961)**

### **CEO – Swiss Life Asset Managers AS**

- › Mr. Ness is the CEO of the CEO of Swiss Life Asset Managers AS, and one of two founders of Ness, Risan & Partners.
- › Mr. Ness has more than 30 years of experience from arranging direct investments as well as sale and purchase of real estate, shipping and offshore projects.
- › Arranger of more than 200 real estate projects.
- › Mr. Ness holds a Master of Science in Marine Technology from the Norwegian University of Science and Technology (NTNU).



**Ole Anker-Rasch  
(1960)**

### **CEO – Anaxo Forvaltning**

- › Mr. Anker-Rasch is the CEO and principal founder of Anaxo Forvaltning.
- › Mr. Anker-Rasch is responsible for the management of bond and real estate investments in Anaxo Forvaltning.
- › He has more than 30 years of investment experience within finance, real estate, shipping and business development.
- › Mr. Anker-Rasch holds a Bachelor of Business Administration from the University of British Columbia, Canada. He also completed the paratrooper education at the Norwegian Army Special Forces Command (HJK).



**Arne Giske  
(1957)**

### **Senior Advisor – Veidekke**

- › Mr. Giske is a Senior Advisor in Veidekke ASA. Prior to being Senior Advisor he acted as the President and CEO of the company for 6 years.
- › He also holds relevant experience from ABB, Elektrisk Bureau and board memberships in several Norwegian real estate companies.
- › Mr. Giske holds a Master of Business Administration from the University of Wisconsin and a Bachelor of Business and Economics from BI Norwegian Business School.



**Anna Nyberg  
(1973)**

### **CEO – ICA Fastigheter**

- › Mrs. Nyberg is the CEO of ICA Fastigheter, one of Sweden's largest real estate companies within the retail sector.
- › Prior to joining ICA Fastigheter, Mrs. Nyberg was a Senior Vice President and member of the management team in Vasakronan.
- › She holds 25 years of experience from the real estate industry, including leasing activities, valuation, marketing, facilities management etc.
- › Mrs. Nyberg holds a Master of Science in Real Estate Economics from KTH Royal Institute of Technology in Stockholm.

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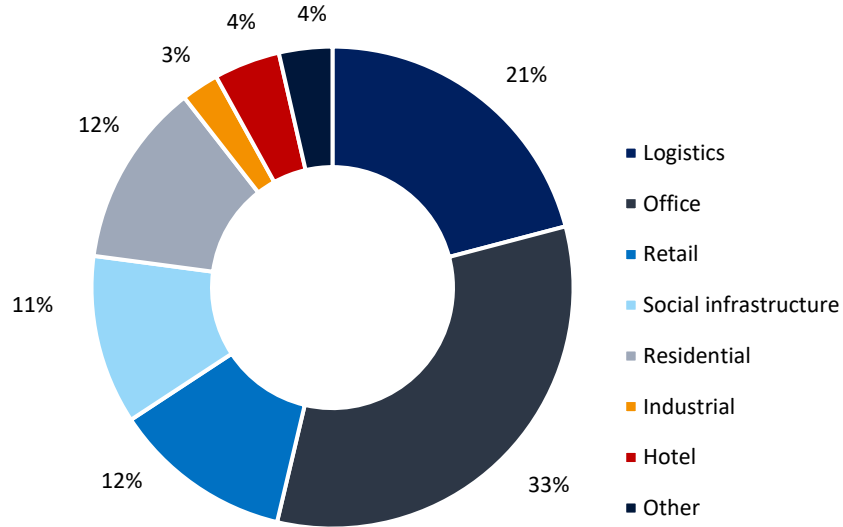
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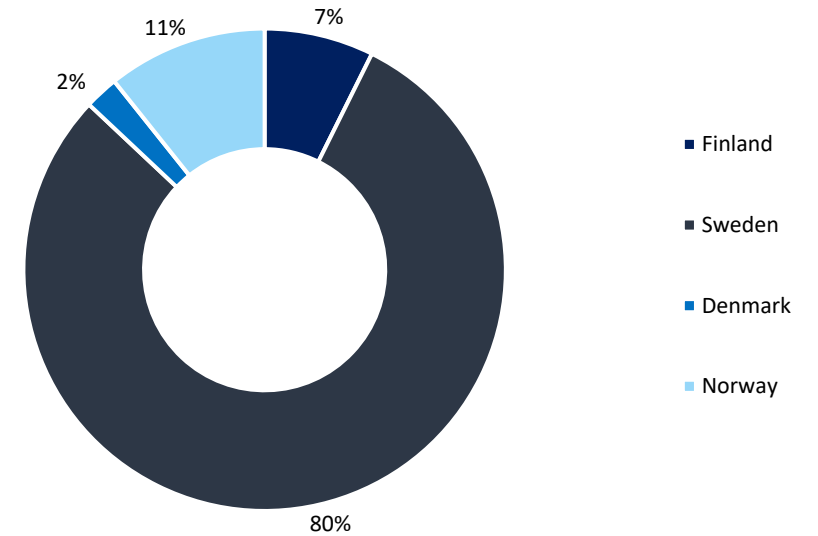


# NORDIC REAL ESTATE MARKET OVERVIEW

Segment distribution<sup>1</sup>

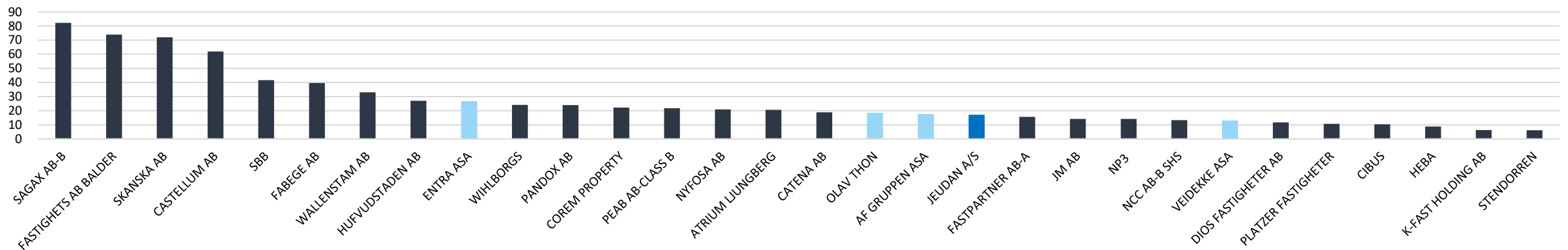


Geographical distribution<sup>2</sup>



Nordic real estate market of ~80 companies and a total capitalisation NOK ~1 100bn<sup>3</sup>

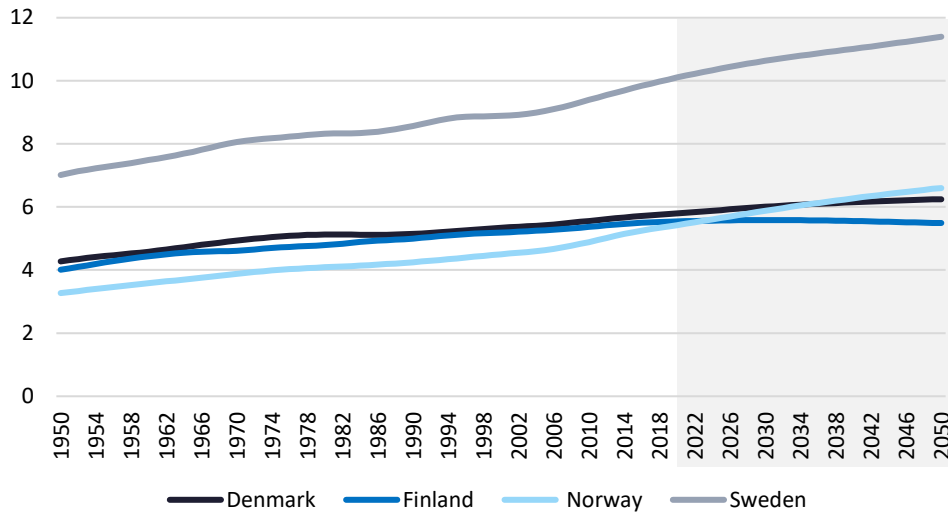
NOKbn



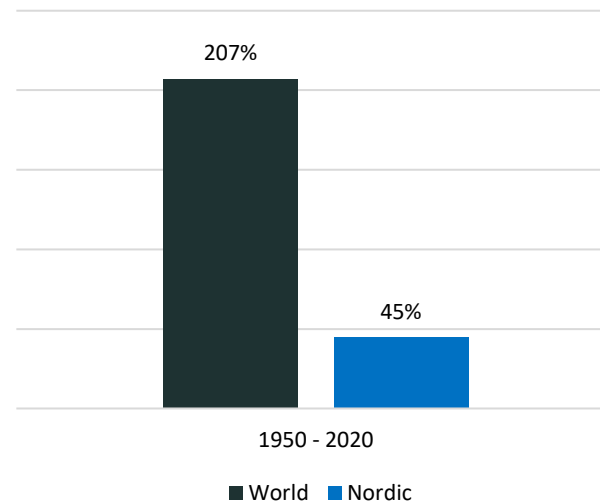


- › The Nordic population has grown 45% since 1950 and the world population has tripled, rapidly increasing the people asking for land
- › The land plot to build real estate on has remained constant and always will be
- › The population growth is expected to continue going forward with the Nordic population reaching ~30m by 2050
- › Oslo and Stockholm are expected to be two of the fastest growing cities in Europe, with a growth rate of 1,4% and 1,3% respectively in 2020-2025

Nordic population growth in millions



Population growth since 1950

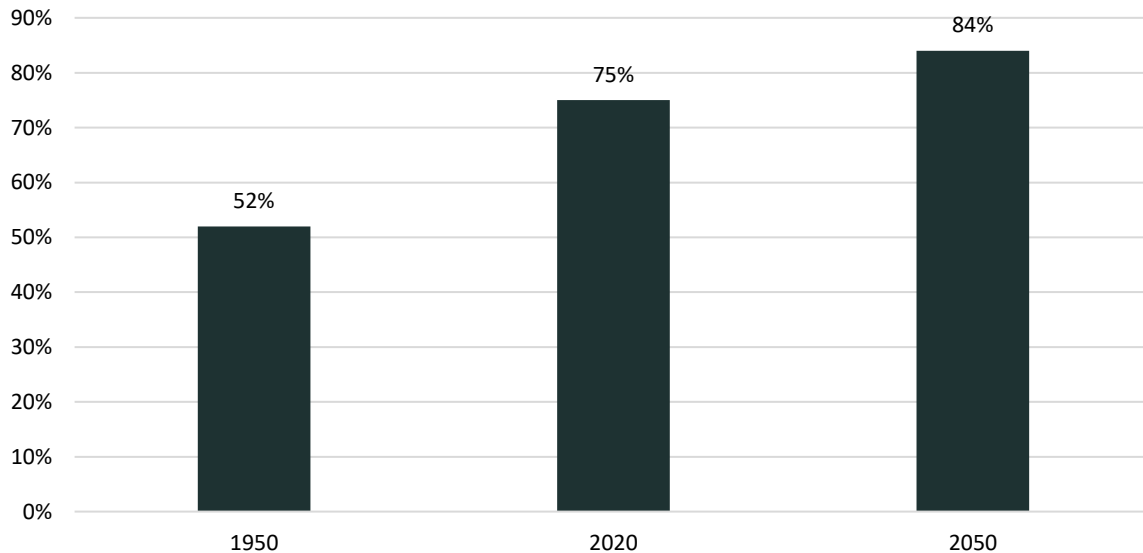


The same size as always

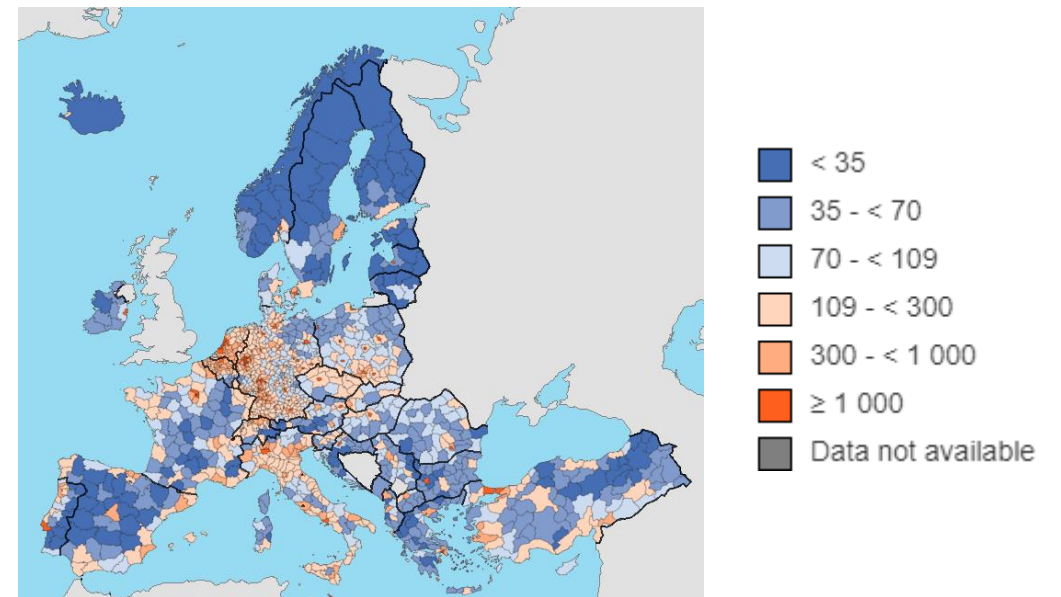


- › The urbanisation trend has been ongoing since the industrial revolution and is expected to continue going forward
- › Europe's level of urbanisation is expected to be ~84% in 2050
- › Only 3% of the land in The EU is used for residential housing, and with more people moving to these areas, prices will continue upwards

**Degree of urbanisation in Europe**



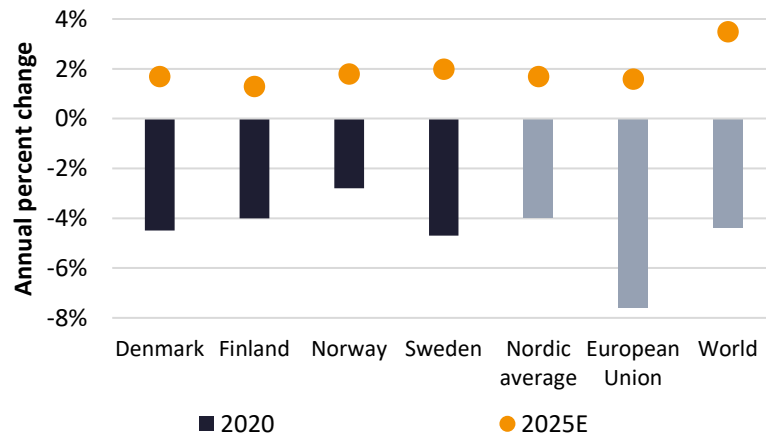
**Population density per km<sup>2</sup>**



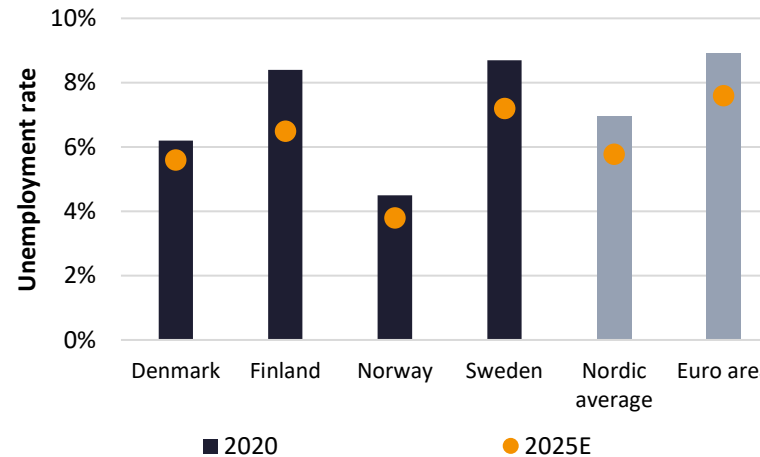
# WHY LISTED NORDIC REAL ESTATE

- › Attractive macro economic environment in the Nordics
- › Strong GDP growth historically and forecasted in years ahead
- › Stable political environment
- › Reliable banking system with strong Government-backing
- › Professional Real Estate markets, both private and public

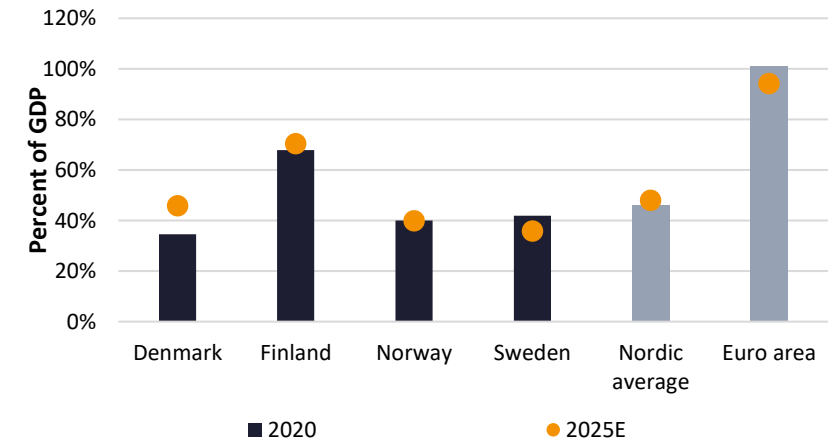
## Real GDP growth



## Unemployment rate



## General government gross debt



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# VOLATILE STOCK MARKET BUT STABLE UNDERLYING ASSETS

## › Nordic listed real estate (VINX Real Estate NOK NI)

- › down ca 10% since beginning of 2021
- › down ca 31% YTD 2022

## › Nordic listed real estate companies <sup>1)</sup>

- › NRV<sup>2)</sup> /share up ca 34% since beginning of 2021
- › CEPS<sup>3)</sup> up >10% since beginning of 2021
- › CEPS yoy growth >15% in Q4-21 and Q1-22

VINX NOK NI (rebased per 31.12.20)



1) Median company within the stock universe covered by NRP Anaxo Management

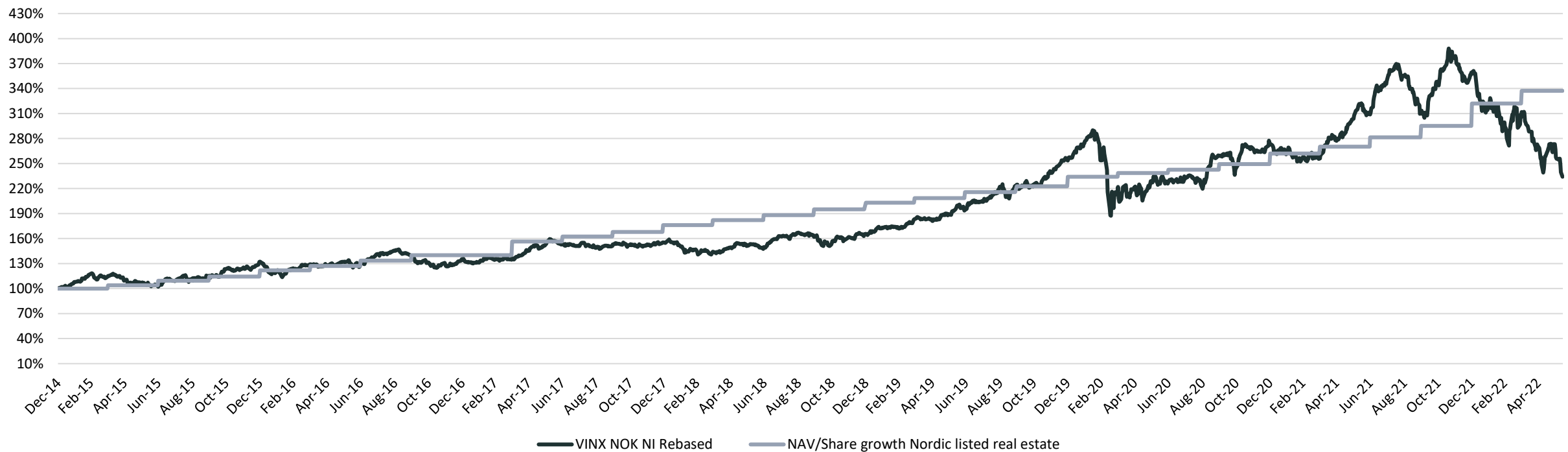
2) Net residual value

3) Cash earnings per share

# VOLATILE STOCK MARKET BUT STABLE UNDERLYING ASSETS

- › VINX Nordic Real Estate NOK NI with strong long-term correlation to NAV/share<sup>1)</sup> growth but with short-term volatility
- › Consistent positive growth in NAV/share regardless of the different macro scenarios the last eight years (3% -7% QoQ)
- › Big differences in NAV/share growth for companies in the investment universe

VINX NOK NI Vs NAV/share growth



1) The graph shows NAV growth for the median company among the 40 biggest Nordic listed real estate companies

- 
- The chart displays the average stock price to book value ratio for 9-12 large Nordic Real Estate companies. The y-axis represents the ratio, ranging from 0.6 to 1.6. The x-axis shows time in quarters from Q1 2004 to Q3 2021. The ratio starts at approximately 1.05 in Q1 2004, peaks at 1.48 in Q1 2005, and then shows significant volatility. It reaches a low of about 0.65 in Q1 2009, followed by a recovery to around 1.45 in Q1 2015. After 2015, the ratio fluctuates between 1.0 and 1.25, ending at approximately 0.75 in Q3 2021.
- | Quarter | Ratio (Approx.) |
|---------|-----------------|
| Q1 2004 | 1.05            |
| Q3 2004 | 0.92            |
| Q1 2005 | 1.48            |
| Q3 2005 | 1.35            |
| Q1 2006 | 1.48            |
| Q3 2006 | 1.28            |
| Q1 2007 | 1.38            |
| Q3 2007 | 1.15            |
| Q1 2008 | 0.95            |
| Q3 2008 | 0.70            |
| Q1 2009 | 0.65            |
| Q3 2009 | 0.93            |
| Q1 2010 | 1.04            |
| Q3 2010 | 1.12            |
| Q1 2011 | 1.14            |
| Q3 2011 | 0.94            |
| Q1 2012 | 0.98            |
| Q3 2012 | 1.03            |
| Q1 2013 | 1.05            |
| Q3 2013 | 1.02            |
| Q1 2014 | 1.15            |
| Q3 2014 | 1.20            |
| Q1 2015 | 1.45            |
| Q3 2015 | 1.25            |
| Q1 2016 | 1.25            |
| Q3 2016 | 1.27            |
| Q1 2017 | 1.05            |
| Q3 2017 | 1.17            |
| Q1 2018 | 0.97            |
| Q3 2018 | 1.02            |
| Q1 2019 | 1.02            |
| Q3 2019 | 1.24            |
| Q1 2020 | 0.98            |
| Q3 2020 | 1.10            |
| Q1 2021 | 1.12            |
| Q3 2021 | 0.75            |

# VALUATION DIFFERENCES IN THE REAL ESTATE SECTOR

Company	Catena	Klarabo	Fabege
<b>Asset type</b>	Logistics	Residential	Office
<b>Book value (sek/sqm)</b>	11 400	19 000	62 000
<b>Yield in the books<sup>1</sup></b>	4,8%	3,4%	3,7%
<b>Stock market implied market value (sek/sqm)</b>	10 300	11 500	32 500
<b>Stock market implied yield<sup>2</sup></b>	~5,3%	~5,6%	~5,9%
<b>Yields in the transacton market<sup>3</sup></b>	Catena bought fr Halmslätten Umeå/Halmstad Value 1,5 bn SEK ~21 000 sek/sqm Yield ~4,0%	Aros sold to Patrizia Stockholm Value 3,6 bn SEK ~76 000 sek/sqm Yield ~3,1-3,2%	AtriumLj bought fr Industricentralen Hagastaden/Stockholm Value 2,3 bn SEK ~110 000 sek/sqm Yield ~3,2%

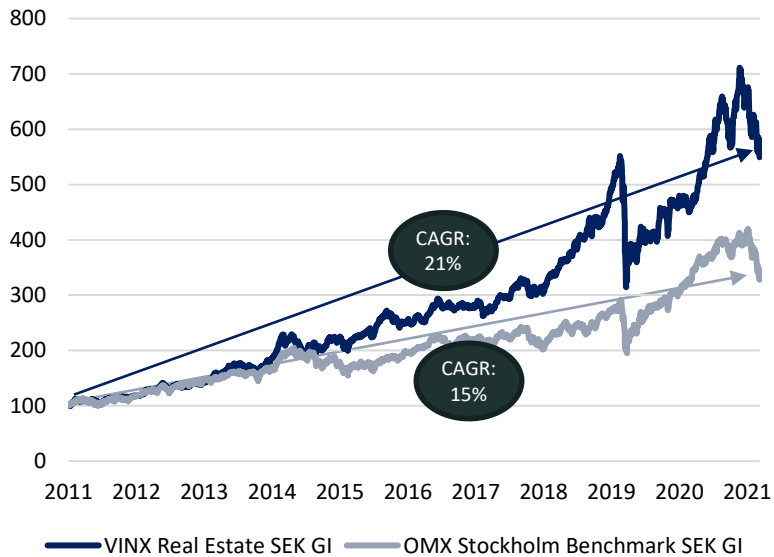
- › Current implied yields in the stock market is above what is stated in the companies' books across all sectors
- › Yield levels in the books are usually higher than transaction yields, as companies would like some cushion on valuation levels
- › Recent deals in the direct transaction market suggest that valuation level is mostly unchanged the last six months, but the development going forward is uncertain



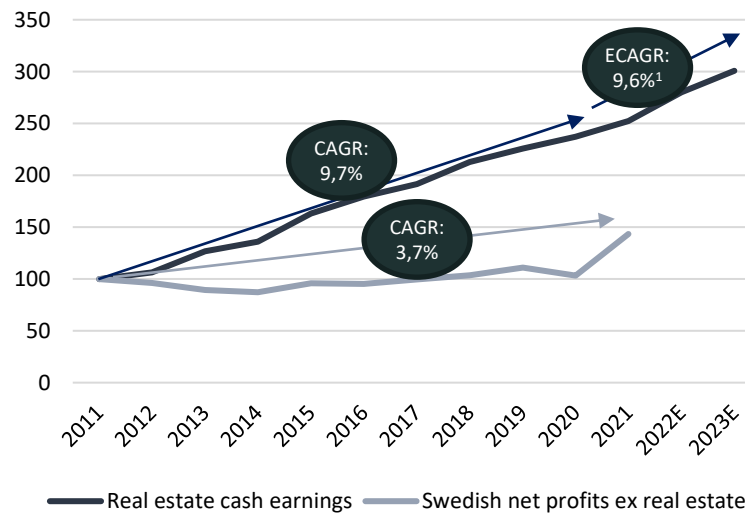
# WHY LISTED NORDIC REAL ESTATE

- › The real estate sector has outperformed the market in the Nordics over the past years.
- › Real estate investments provide opportunities for stable value creation over time.

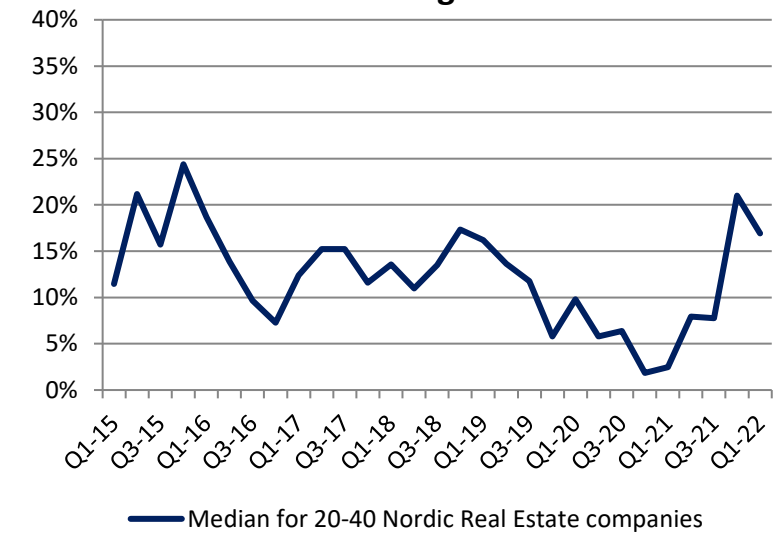
## Index development



## Real estate CEPS vs rest of Swedish market



## Income from property management per share YoY-growth

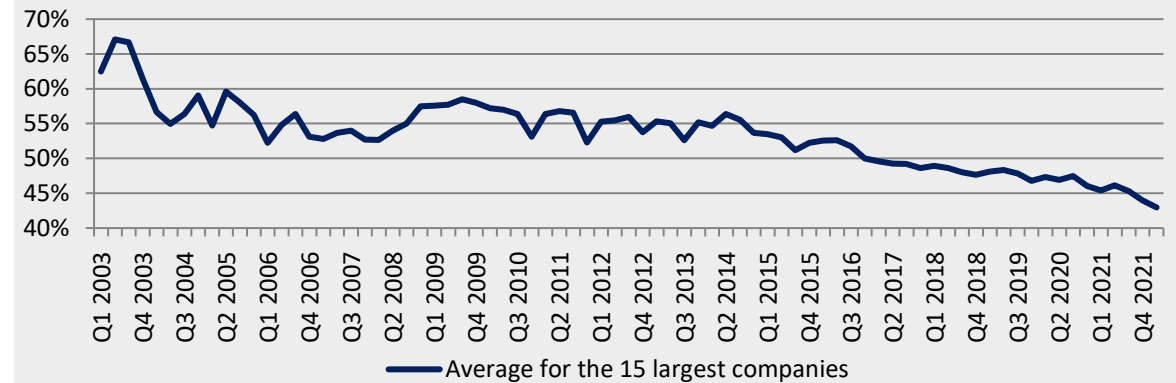


## IB Debt Portfolios<sup>1</sup>

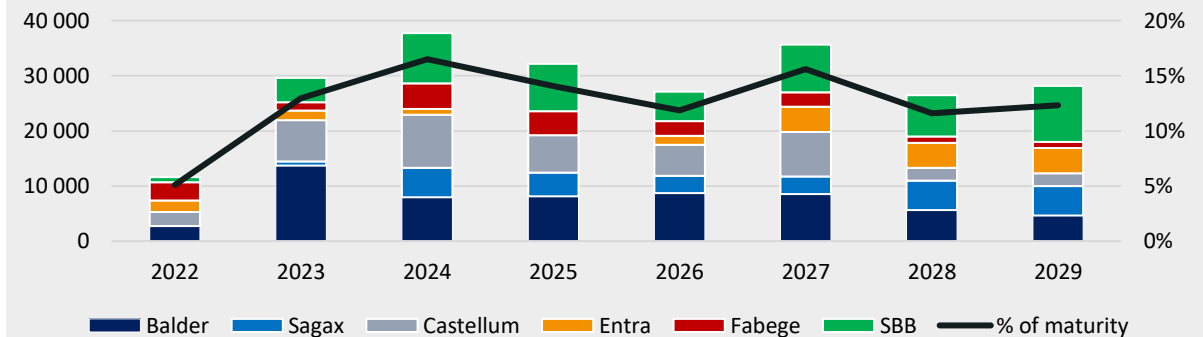
- › Diversified debt portfolios
  - › Mix of bank loans, bonds, hybrids, D-shares
- › Maturity profile signals confidence
  - › ~3-year debt maturity on average
  - › ~3-year interest rate maturity on average
- › More attractive funding terms than SPVs investing in the direct real estate market
- › Interest coverage ratio (ICR)
  - › differs between ~2-10
  - › sector average ~4,4<sup>3)</sup>
- › Bond maturities of ~230 bn SEK during 2022-2029<sup>4)</sup>
  - › bonds account for ~25% of total IB Debt portfolios
  - › yearly maturity of ~10-15% of total Bond portfolios
  - › the Nordic banks can increase their lending to commercial real estate companies with ~400 bn SEK during 2022-2024<sup>5)</sup>
  - › SBB has 5 Eurobonds totaling 35 bn SEK maturing 2025-2029 with current fixed rate at ca 1%

## Strong balance sheets<sup>2</sup>

### Loan to value development



### Bonds maturity profile for selected large caps, SEKm



1) Company data processed by ABG Equity Research

3) According to Nordea Equity Research

5) According to ABG Equity Research

2) Based on company data gathered from Bloomberg database 4) An indicative (but not exact) summary of the bond portfolios of Balder, Castellum, Entra, Fabège, SBB and Sagax. Made by NRP Anaxo Management

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*Why Now?*

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# KEY FUND TERMS

<b>Fund name</b>	NRP Anaxo Nordic m2
<b>Legal structure</b>	Open-ended Alternative Investment Fund (AIF) and Norwegian domestic fund (Nasjonalt fond)
<b>Investment mandate</b>	Listed Nordic real estate shares, pre-IPO investments, deposits in credit institutions, derivatives, securities fund units (ETFs)
<b>Allocation guidelines</b>	<ul style="list-style-type: none"> <li>- Up to 100% in listed Nordic real estate companies</li> <li>- Max. 20% in real estate securities domiciled in other European countries</li> <li>- Up to 20% in non-listed companies with firm intentions of going public within 12 months</li> <li>- Max. 10% of the Fund invested in a single company</li> <li>- Max. ownership of 20% of share or voting capital</li> </ul>
<b>Geographic focus</b>	Nordics, Europe
<b>Target investors</b>	Professional investors in Norway and Sweden, non-professional Norwegian investors
<b>Share classes</b>	4 share classes; A (NOK), B (SEK), C (NOK) and D (SEK)
<b>Currency</b>	Norwegian kroner (NOK), Swedish kroner (SEK)
<b>Hedging</b>	No hedging
<b>Leverage</b>	No leverage
<b>Distributions</b>	No distributions
<b>Minimum subscription</b>	A (NOK) / B (SEK) 2 000 000   C (NOK) / D (SEK) 10 000 000
<b>Subscriptions</b>	Monthly
<b>Subscription fee</b>	None
<b>Annual management fee</b>	Max. 1,50% for A (NOK) and B (SEK)   Max. 1,00% for C (NOK) and D (SEK)
<b>Performance fee</b>	In case of a percentual development in value superior to that of the Index, the Manager will charge 20% of the difference in performance. In case of a percentual development in value inferior to that of the Index, the Manager will calculate a negative performance fee. The negative fee will not be included in the NAV but will be transferred to the next calculation. The Manager must recover performance below the Index before charging a performance fee. Note that a performance fee will be charged even if the NAV decreases, provided that the Fund performance is superior to the Index.
<b>Index</b>	VINX Real Estate NOK NI for A (NOK) and C (NOK). VINX Real Estate SEK NI for B (SEK) and D (SEK). The index is adjusted for dividends.
<b>Redemptions</b>	Monthly
<b>Redemption fee</b>	Redemptions can be made free of charge if made in accordance with the one-month notice period. Redemptions notices given less than 1 month from to the Date of Redemption will be charged 1,0%.
<b>Fund Manager</b>	NRP Anaxo Management AS
<b>Depository</b>	DNB Bank ASA
<b>Business Manager</b>	NRP Procurator AS
<b>Distributor</b>	NRP Project Finance AS

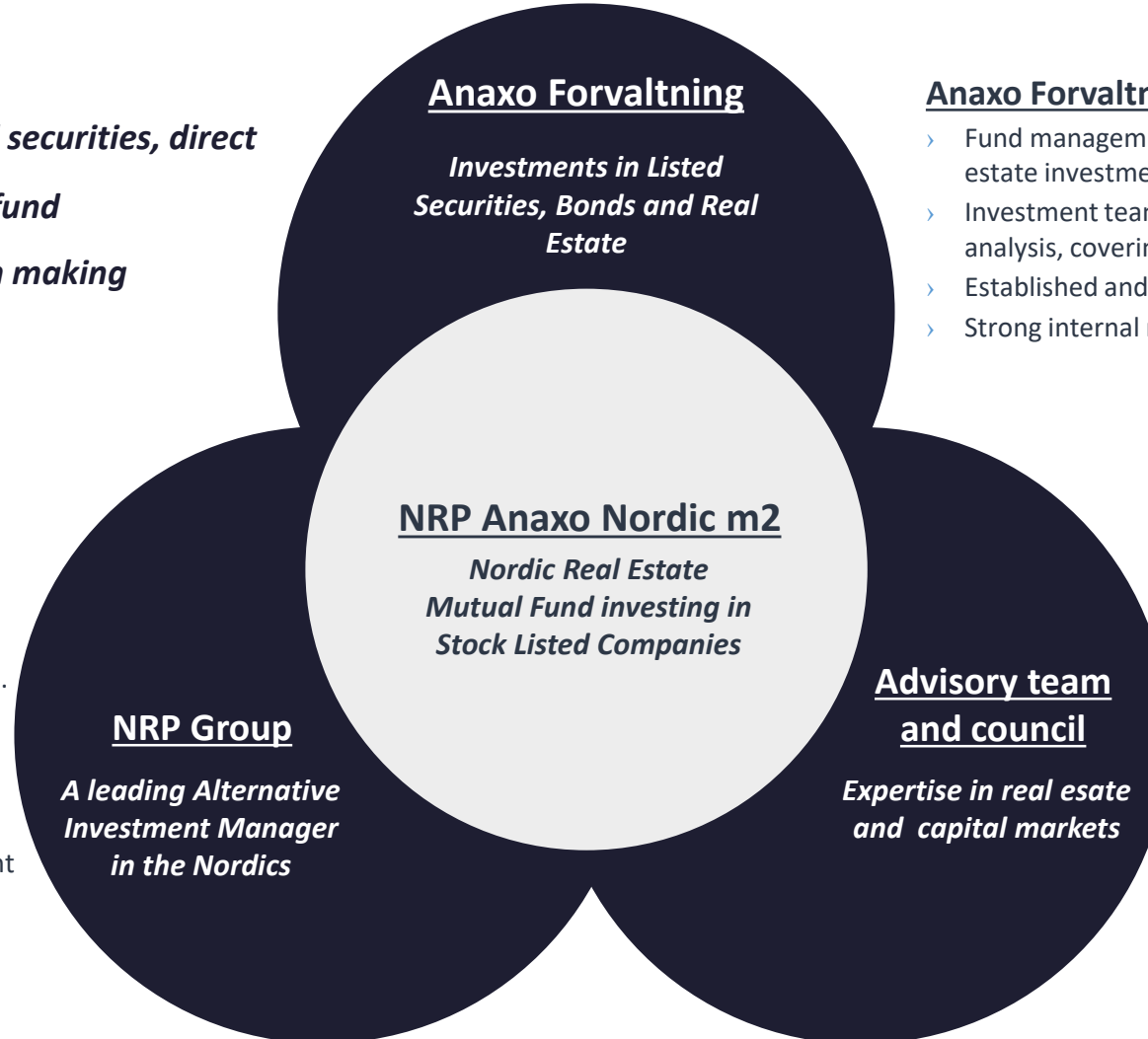
*Synergies from a unique combination of experience from listed securities, direct investments, fund management*



**Strong expertise from listed securities, direct real estate investments and real estate fund management will provide an edge when making investment decisions.**

## NRP Group

- › Full in-house service provider: Transaction handling, fund management and corporate management.
- › Wide-spread network spanning the Nordic region.
- › Clients include family offices, private investors, investments companies, foundations, trust and institutional investors
- › Capital and competence to create new business ventures going forward and strengthening current business areas



## Anaxo Forvaltning

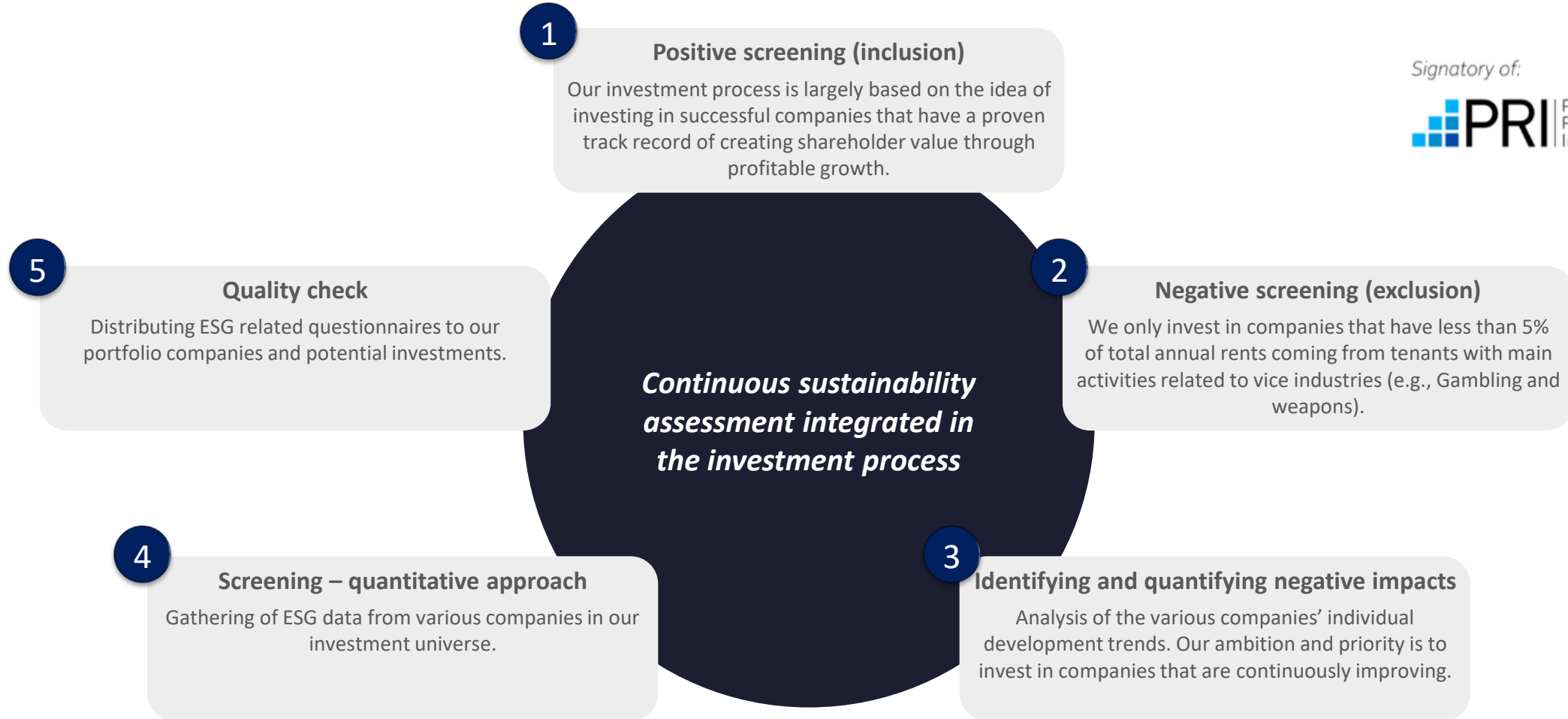
- › Fund management focusing on listed securities, bonds and direct real estate investments.
- › Investment team with solid experience from market and company analysis, covering all the main sectors at Oslo Stock Exchange.
- › Established and proven processes for making investment decisions.
- › Strong internal research capacity.

## Advisory team and council

- › Comprehensive experience and track record in direct investments and AIF management in Nordic real estate AIF management focusing on Nordic real estate.
- › Experience from leading real estate companies in the Nordics.
- › Extensive knowledge in the Nordic capital markets and macro.
- › Strong relationships and network in the Nordic real estate market.

# INTEGRATED AND STRUCTURED SUSTAINABILITY ASSESSMENT

Signatory of:



NRP Anaxo Management is committed to adhere to the ESG policy of the NRP Group

# REAL ESTATE IN A HIGH INFLATION AND INCREASING INTEREST SCENARIO

Interest rate and inflation sensitivity analysis		Scenario 1:		Scenario 2: Higher inflation and		Scenario 3: Higher inflation and		
		Current condition		interest rates - 1yr		interest rates scenario - 5yr		
		Low yied – Swedish resi	High yield – logisitics	Low yied – Swedish resi	High yield – logisitics	Low yied – Swedish resi	High yield – logisitics	
Income statement		1						1. KPI-adjusted rental income and operating cost of 6%
Rental income nominal (sek/sqm)	1 100,0		700,0	1 100,0	700,0	1 100,0	700,0	
KPI adj.	0,0 %		0,0 %	3,0 %	6,0 %	3,0 %	6,0 %	
KPI adj. Rental income (sek/sqm)	1 100,0		700,0	1 133,0	742,0	1 275,2	936,8	
Operating cost nominal (sek/sqm)	375,0		100,0	375,0	100,0	375,0	100,0	
KPI adj.	0,0 %	0,0 %	6,0 %	6,0 %	6,0 %	6,0 %	3. Yield compression is an important component for low yielding assets and is unlikely in an increasing interest rate environment	
KPI adj. Operating cost (sek/sqm)	375,0	100,0	397,5	106,0	501,8	133,8		
KPI adj. Operating net (sek/sqm)	725,0	600,0	735,5	636,0	773,4	802,9		
Interest cost		2						
Interest rate %	1,5 %		2,5 %	1,5 %	2,5 %	1,5 %		2,5 %
Interest rate increase multiple of KPI	0,0 %		0,0 %	3,0 %	3,0 %	3,0 %	3,0 %	
KPI adj interest rate %	1,5 %		2,5 %	4,5 %	5,5 %	4,5 %	5,5 %	
Interest cost (sek/sqm)	294,5	136,4	883,6	300,0	883,6	300,0	4. Increased yield requirement due to rising costs – 20bps for residential and 25bps for logistics	
Fair value changes		3						
Fair value change %	3,0 %		1,0 %	-6,4 %	1,4 %	-0,3 %		5,6 %
Fair value changes	906,3		109,1	-1 919,9	151,8	-91,3		782,1
KPI adj. Pre-tax income (sek/sqm)	1 336,72	572,73	-2 067,97	487,78	-201,50	1 285,04	5. Increased LTV as result of lowered market value for low yielding assets	
Value and financing		4						
Market yield %	2,40 %		5,50 %	2,60 %	5,75 %	2,60 %		5,75 %
Market value (sek/sqm)	30 208,3	10 909,1	28 288,5	11 060,9	29 744,9	13 964,1		
LTV %	65,0 %	50,0 %	69,4 %	49,3 %	66,0 %	39,1 %		
Equity %	35,0 %	50,0 %	30,6 %	50,7 %	34,0 %	60,9 %		
liabilities (sek/sqm)	19 635,4	5 454,5	19 635,4	5 454,5	19 635,4	5 454,5		
Equity (sek/sqm)	10 572,9	5 454,5	8 653,0	5 606,3	10 109,5	8 509,5		
Pre tax ROE %	12,6 %	10,5 %	-23,9 %	8,7 %	-2,0 %	15,1 %		
Pre-tax ROE ex. Fair value changes %	4,1 %	8,5 %	-1,7 %	6,0 %	-1,1 %	5,9 %		

# LISTED REAL ESTATE VS DIRECT REAL ESTATE INVESTMENTS

	Listed Real Estate	Direct Real Estate investment
Liquidity	✓	
Price transparency	✓	
High diversification degree - geographic	✓	
High diversification degree - Type of premises	✓	
Investment control		✓
Benchmark availability	✓	
Transaction costs	✓	
Portfolio management effectivity	✓	
Avoidance of reputational risk	✓	
Access to cheap financing	✓	



# RISK FACTORS (1/2)

Investments in NRP Anaxo Nordic m2, hereinafter referred to as the “Fund,” is associated with various risks. Investments in securities, limited partnerships and financial instruments are also associated with risks. The risks relate to the development and fluctuations in the financial markets in general and the developments and fluctuations in the real estate market in particular. Investors intending to subscribe for shares in the Fund must be aware of the risk of losing part of or the whole invested amount. The value of the investment will fluctuate with the developments in the real estate sector, global economic growth, interest rate levels and currency volatility. Historical returns and past performance should not be considered guarantees for future returns, and NRP Anaxo Management AS (the “Fund Manager”) or any of its affiliates cannot guarantee the value of the investment going forward.

A number of risk factors may adversely affect the Fund. In the following section a selection of the various risk elements that are considered particularly relevant for NRP Anaxo Nordic m2, and the investments in the securities that the Fund will make, hereinafter referred to as the “Investments”, are presented. The description is not exhaustive, and factors not discussed may have an impact on the evaluation of the risks associated with an investment in the Fund. Additional risks not presently known to the Fund or that the Fund deems immaterial may also affect the Fund and/or the Investments.

Prospective investors should carefully consider each of the following risk factors and other information contained in this document and perform a separate evaluation before making an investment decision, including consulting independent advisors with respect to the legal, tax, and other aspects of an investment in the Fund.

The organization and order of risks listed below must not be interpreted as the Fund Manager's measure of importance or severity of the different risk issues. All risks are different both as to the origin of the risk and as to the methods of which the risk may be mitigated. Also, some risks are mitigated by the Fund and the Investments, while other risks rest on the individual investors and must be mitigated by other entities than the Fund and the Investments.

Investments in securities carry certain elements of risks. If you do not understand the underlying risks, we strongly recommend you not to invest in this Fund. If any of the risks materialize, the price of the shares may decline, and investors could lose all or part of their invested capital. The Fund will implement a draft Risk Policy which will be approved by the board and monitored by the Fund Manager's Risk Management function during the Fund's lifetime.

Investing in the Fund may include, but is not limited to, the following risks:

**Market risk:** Loss of market values as a result of fluctuations in value. Macroeconomic fluctuations, exchange rate volatility, business cycle developments, interest rate movements, changes in unemployment etc.

**Liquidity risk:** The risk of the Fund not being able to redeem shares within a normal settlement period. The risk of the Fund and the Investors having to accept realization of losses.

**Credit risk:** The value of the Fund may be affected by the creditworthiness of the companies that have issued the securities that the Fund has invested in.

**Operational risk:** The risk of direct or indirect losses due to insufficient or failing internal processes. Risk of the fund closing down ahead of schedule, resulting in realization of losses.

**Management risk:** Risk of fund performance below the index due to deviations from the index weighting and composition. Risk of reduced returns due to ineffective management on the portfolio company or management company level, financial, ethical or otherwise.

**Other risks:** Environmental risk, political risk, legislative and regulatory changes, tax risk, force majeure, counterparty risk.

## Market risk

Market risk is the risk of losses in market values for the portfolio's financial instruments due to fluctuations in value. Market risk comprises macroeconomic fluctuations, such as interest rate movements, exchange rate volatility, business cycle developments and changes in the unemployment rate. Investing in the Fund is associated with such risks, and changes in market conditions can result in adverse price movements which may have a negative impact on the value of the Investments. Investing in the Fund may be particularly affected by exchange rate volatility as a significant share of the investments can be made abroad. Hence, changes in the exchange rates may significantly impact the value of the Fund.

Interest rate risk comprises the risk of the value of interest-bearing securities fluctuating in value as a result of changing interest rates. If the interest rate increases, the value of the investments in interest-bearing securities will decline (and vice versa).

Currency risk comprises the risk of losses due to exchange rate volatility. The degree of currency risk is dependent on the Fund's exposure to securities denominated in another currency than the Norwegian krone, the geographical diversification of the portfolio and hedging exposure.

## Liquidity risk

Liquidity risk comprises the risk of the Fund not being able to redeem shares within a normal settlement period due to reduced share turnover. A normal settlement period for securities funds is 2 -3 days, corresponding to the same settlement period applicable to private investors. Liquidity risk can also be associated with the risk of the Fund declining in value e. g. due to sale of securities as a result of net redemptions in the Fund. Thus, the Manager is unable to sell the securities at the price of their valuation in the Fund's accounts.

Liquidity risk can be observed on the Fund level, on the Investment level and on the Investor level. Regarding liquidity risk on the Fund and Investor level, Investors are advised that the Fund has quarterly redemptions.

## Credit risk

Credit risk comprises the risk of the Fund value being affected by the creditworthiness of the companies that have issued the securities that the Fund has invested in, e. g. due to increased risk of bankruptcy for the companies that have issued the securities. Furthermore, the companies' creditors may have unlimited access to increasing the interest rate and margin levels. The Manager cannot leverage the Fund.

## Operational risk

Operational risk comprises the risk of direct or indirect losses due to insufficient or failing internal processes, including but not limited to internal errors, breaches, interruption and damages, both intentional and unintentional. Operational risks may be caused by man-made actions, system failure, organizational structure, regulation and legislation etc. and exist on both the Fund level and the Investment level.

If the Fund is shut down ahead of schedule, the capital will be returned to the Investors earlier than expected, which may result in realization of losses. Operational risks can also have an effect on the balance sheet and income statements of the portfolio companies, and thus may affect the overall return on the Investments.

## Management risk

Investing in the Fund can be associated with management risk. The Investments made by the investment manager may provide lower returns than the relevant reference index.

Investing in the Fund is also associated with management risk on the portfolio company level. Management in the listed companies may pose a risk (financial, ethical or otherwise) of negatively affecting returns.

## Other risks

Other risks and events may affect the value of the Fund and the Investments. These may include, but are not limited to, environmental risk, political risk, legislative and regulatory changes, tax risks, force majeure and risks related to dependence on external counterparties.

Environmental risk and climate change may affect company earnings and portfolio returns over time.

Political risk may impact the Fund, the portfolio companies and the investors. Political decisions, events and conditions can influence profitability and growth.

Tax risk and risk of adjustments to the tax rates applicable to the Fund and the portfolio companies may affect portfolio returns.

Legislative and regulatory risk may impact Fund performance in terms of new legislation affecting the portfolio companies, the Fund itself and the investors.

Risk related to external counterparties comprises the risk of a broker, deposit bank or other fund counterparties going bankrupt or becoming unable to fulfill their contractual obligations. Total potential losses are calculated as the sum of the aggregate exposure towards the relevant counterparty, considering all Group units if this is relevant. The relative counterparty risk will be dependent on whether or not the fund uses derivatives, counterparty credit rating, hedging against counterparty risk, the size of the exposure, OTC trading etc. Furthermore, the fund may be exposed to counterparty risk in markets without DVP.

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