



## Catella launches the first Swedish real estate fund listed on Nasdaq Stockholm

Catella's Property Investment Management unit is launching Property Income 2017, an alternative investment fund that will invest in investment properties with stable cash flows and high dividend capacity. The fund's AIF manager is Plain Capital Asset Management Sverige AB, and the fund's depositary is SEB. The listing on Nasdaq Stockholm is scheduled for the end of May.

"Real estate values vary over time, while the cash flows of leased properties are stable. The fund's strategy is therefore to own property over an extended period, to maintain rigorous cost control and to regularly distribute a large proportion of its income. This means that stable cash flow will be the dominant part of the total returns, thus creating security," says Timo Nurminen, Head of Property Investment Management at Catella

Employees from Catella's Property Investment Management unit will be included on the investment committee at the AIF manager that evaluates the fund's investments. Investment decisions will be taken by the AIF manager. The fund's board consists of its chairman, Timo Nurminen from Catella's Property Investment Management unit, plus two independent members, Christer Wachtmeister and Henrik Steinbrecher.

"The Property Income fund is breaking new ground and will be the first alternative investment fund focused on the Swedish real estate market to be listed on Nasdaq Stockholm's new AIF list. The fund's investment strategy is also well suited to the current market, with a high valuation on the stock market and low interest rates on bonds," says Arvid Lindqvist, Head of Research at Catella.

The first investment that will be evaluated by the fund is a portfolio of defensive retail property, tenanted primarily by food stores such as ICA, Coop and Hemköp, and by Systembolaget liquor stores.

"This type of real estate has strong cash flows and thus stable and good dividend capacity for its owners. It is also a segment that has seen institutional focus in recent years, and the fund is now also giving smaller institutions and other investors an opportunity for exposure to defensive retail property," says Martin Malhotra, Project Manager at Catella's Corporate Finance unit.

The life of the fund is planned to be 10 years. The fund has a cost-effective structure and aims to pay dividends from July 2018 corresponding to 6–8 percent per year, with these distributions planned to take place quarterly. The fund's total return target is 9–11 percent per year.

The subscription period runs from April 27 until May 16, 2017. For more information please go to [www.propertyincome2017.se](http://www.propertyincome2017.se), where the prospectus and other information are available.

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