

Performance Commentary

There was little macro noise in August. The US 10-year government bond closed at a new 2017 low and a December interest rate hike now seems more likely than a September one. Some markets, such as India, are going in the other direction and lowering rates. India is also one of the best real estate markets in 2017.

SKAGEN m2 had another good month in August and outperformed its benchmark index. A new position in the fund is Sun Hung Kai Properties. The company has a diversified business model backed by a strong balance sheet, with operations in Hong Kong and mainland China. The deep discount to substance could easily narrow if there are share buybacks or dividends are increased.

The best contributors in August were Argentinian IRSA which rebounded after the July dip and German residential rental operator Deutsche Wohnen thanks to a strong report and fundamentals in the Berlin residential market. The largest detractors were Mitsui Fudosan and Manhattan office operator SL Green. After the reporting season, it is evident that there is still a lot of rental and capital value growth potential in the portfolio, which still trades at discount to NAV.

The fund gives access to a normally inaccessible global real estate market. The fund selects low-priced, high-quality real estate companies from around the world.

The objective is to provide the best possible risk adjusted return.

The fund is suitable for those with at least a five year investment horizon.

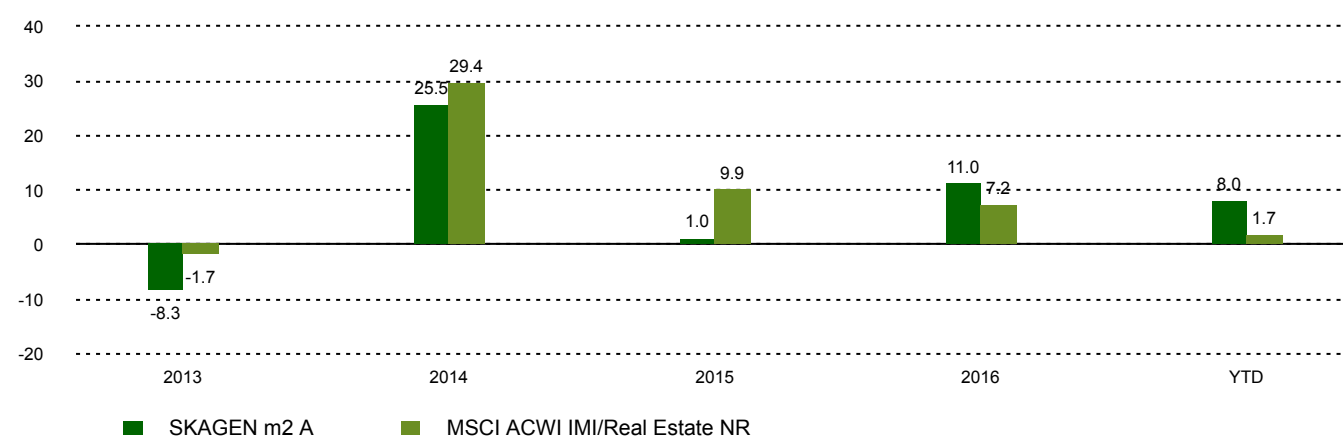
Historical performance (net of fees)

Period	SKAGEN m2 A	Benchmark index
Last Month	1.7%	0.7%
Year to date	8.0%	1.7%
Last year	8.4%	0.6%
Last 3 years	8.3%	9.3%
Last 5 years	n/a	n/a
Last 10 years	n/a	n/a
Since start	7.6%	9.9%

Fund Facts

Type	Equity
Domicile	Norway
Launch date	31.10.2012
Morningstar category	Property - Indirect Global
ISIN	NO0010657356
NAV	19.27 EUR
Fixed management fee	1.50%
Total expense ratio (2016)	1.85%
Benchmark index	MSCI ACWI IMI/Real Estate NR
AUM (mill.)	104.67 EUR
Number of holdings	29
Lead manager	Michael Gobitschek

Performance last ten years



Contributors



Largest contributors

Holding	Weight (%)	Contribution (%)
IRSA	3.97	0.32
Deutsche Wohnen	6.54	0.32
CA Immobilien Anlagen	3.67	0.29
Cheung Kong Property	4.63	0.27
Immofinanz	3.46	0.18

Absolute contribution based on NOK returns at fund level



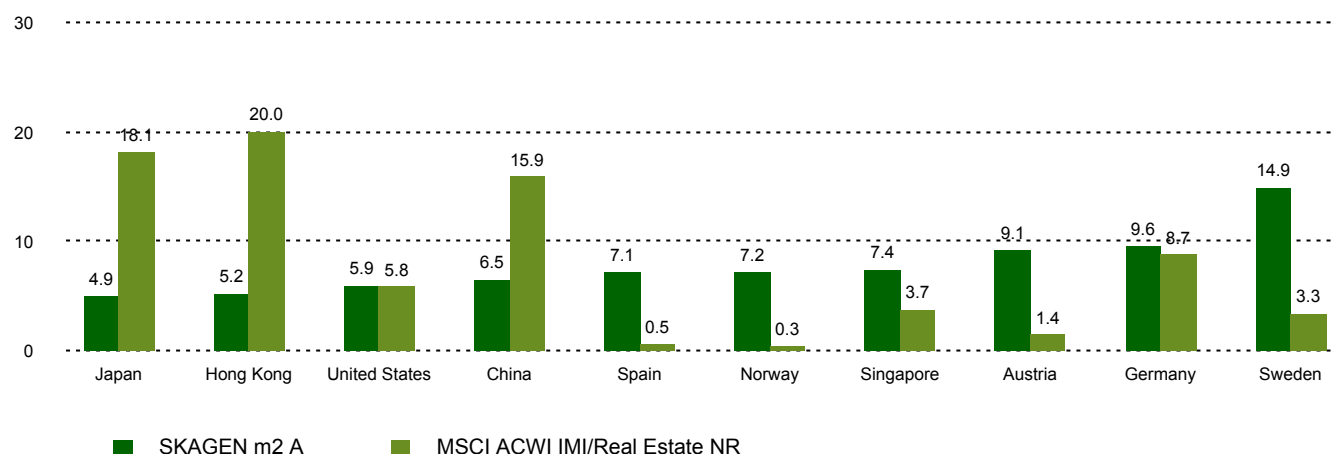
Largest detractors

Holding	Weight (%)	Contribution (%)
Mitsui Fudosan Co	5.49	-0.40
SL Green Realty	3.98	-0.29
D Carnegie & Co	6.43	-0.20
MRV Engenharia	1.88	-0.17
SM Prime Holdings	1.99	-0.14

Top ten investments

Holding	Sector	Country	%
Catena	Real Estate	Sweden	6.10
Deutsche Wohnen	Real Estate	Germany	5.91
D Carnegie & Co	Real Estate	Sweden	5.70
Inmobiliaria Colonial	Real Estate	Spain	5.32
Olav Thon Eiendomsselskap	Real Estate	Norway	5.05
Mitsui Fudosan Co	Real Estate	Japan	4.91
Global Logistic Properties	Real Estate	Singapore	4.15
Cheung Kong Property Holdings	Real Estate	Hong Kong	4.13
Dic Asset	Real Estate	Germany	3.64
IRSA	Real Estate	Argentina	3.59
Combined weight of top 10 holdings			48.49

Country Exposure (top ten)



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Important information

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