

Performance Commentary

In April, global investors focused more on the positive real estate fundamentals than on the fact that the US 10-year government bond hit the feared 3% limit for the first time in many years. Our Swedish holdings Catena and D. Carnegie were among the fund's best contributors. The companies rebounded after a muted start of the year for the Swedish property sector as well as a weak currency. Catena continued to deliver strong numbers driven by a strong economy and an even stronger underlying e-commerce trend. The company has begun to attract international investors, closing the huge valuation gap to international peers. D. Carnegie made further acquisitions, adding to the large portfolio already acquired this year. The stock price was also lifted by the Starwood bid for peer Victoria Park. Mitsui Fudosan was also a strong contributor, driven by the positive sentiment in the Japanese real estate. The Brazilian housing operator MRV Engenharia contributed least due to negative currency movements. However, the company delivered a strong first quarter report.

Fear of rising rates in the sector seems unwarranted in the longer run. SKAGEN m2 continues to focus on the companies' ability to increase rent and grow cash flows irrespective of the direction of yields.

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.

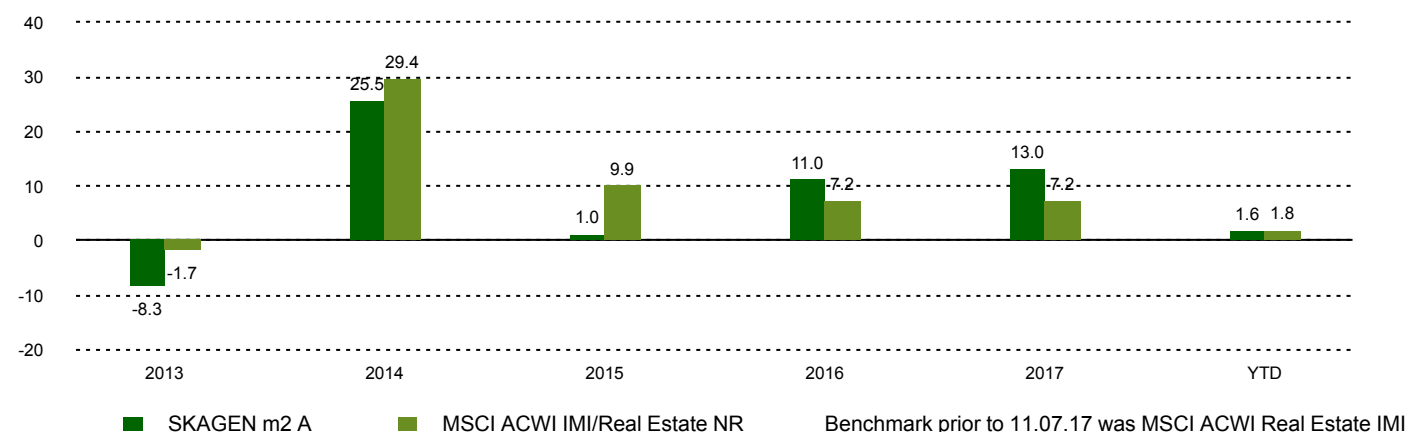
Historical performance (net of fees)

Period	SKAGEN m2 A	Benchmark index
Last month	6.1%	5.0%
Year to date	1.6%	1.8%
Last year	10.9%	6.7%
Last 3 years	4.9%	4.5%
Last 5 years	5.7%	7.6%
Last 10 years	n/a	n/a
Since start	7.9%	10.0%

Fund Facts

Type	Equity
Domicile	Norway
Launch date	31.10.2012
Morningstar category	Property - Indirect Global
ISIN	NO0010657356
NAV	20.50 EUR
Fixed management fee	1.50%
Total expense ratio (2017)	2.05%
Benchmark index	MSCI ACWI IMI/Real Estate NR
AUM (mill.)	129.81 EUR
Number of holdings	28
Lead manager	Michael Gobitschek

Performance last ten years



Contributors in the month



Largest contributors

Holding	Weight (%)	Contribution (%)
Catena AB	7.19	0.81
Mitsui Fudosan Co Ltd	6.63	0.77
D Carnegie & Co AB	7.10	0.65
Deutsche Wohnen SE	7.19	0.47
CA Immobilien Anlagen AG	4.78	0.33

Absolute contribution based on NOK returns at fund level



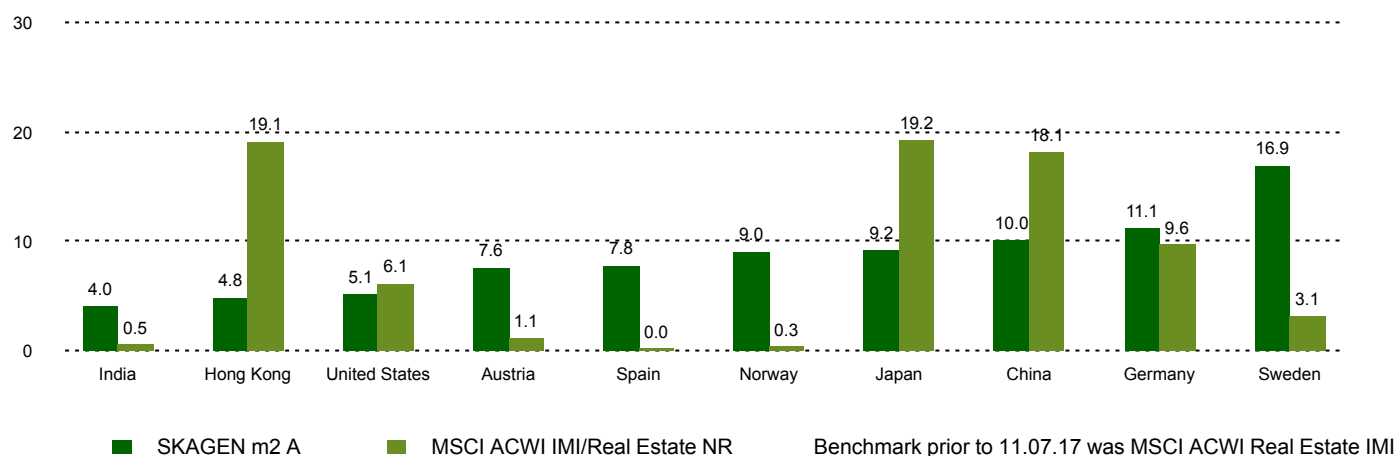
Largest detractors

Holding	Weight (%)	Contribution (%)
MRV Engenharia e Participacoes	1.87	-0.12
Keck Seng Investments	1.12	0.00
SOHO China Ltd	0.83	0.02
Olav Thon Eiendomsselskap ASA	3.57	0.07
Self Storage Group ASA	2.72	0.08

Top ten investments

Holding	Sector	Country	%
Deutsche Wohnen	Real Estate	Germany	7.2
Catena	Real Estate	Sweden	7.0
D Carnegie & Co	Real Estate	Sweden	7.0
Mitsui Fudosan Co	Real Estate	Japan	6.7
CA Immobilien Anlagen	Real Estate	Austria	4.9
Inmobiliaria Colonial	Real Estate	Spain	4.8
Aroundtown SA	Real Estate	Germany	3.9
CASH	CASH		3.8
CK Asset Holdings	Real Estate	Hong Kong	3.7
CapitaLand	Real Estate	Singapore	3.7
Combined weight of top 10 holdings			52.8

Country Exposure (top ten)



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Important information

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