

## Performance Commentary

SKAGEN m2 ended January with an all-time high NAV, delivering strong absolute return. The benchmark performed slightly better thanks to a strong Asian market, where we have a relative underweight. It is set to be an interesting year in global real estate markets. The major global real estate markets have enjoyed a strong first month to 2019 in both absolute and relative terms, broadly outperforming their domestic equity markets (in USD). The month ended with the positive news that the Fed is putting interest rate hikes on hold and taking a more flexible approach to its unwinding of quantitative easing policies.

The fund's best performer was the Brazilian homebuilder MRV Engenharia following a strong December. The Swedish rental operator Hembra recovered from the dip in December and came in as second best performer. The Swedish real estate names in the portfolio had a strong month with Catena at an all-time high. Our Hong Kong based hotel operator Shangri-La disappointed with another month of poor performance. There were few other meaningful detractors in a strong month.

The sector remains attractive due to its stable and rising top-line, low cost financing and solid cash flows. However, valuations are currently more stretched in certain markets and segments.

## Historical performance (net of fees)

Period	SKAGEN m2 A	Benchmark index
Last month	8.7%	9.8%
Year to date	8.7%	9.8%
Last year	5.5%	-1.2%
Last 3 years	12.9%	7.4%
Last 5 years	11.3%	10.4%
Last 10 years	n/a	n/a
Since start	7.6%	8.7%

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.

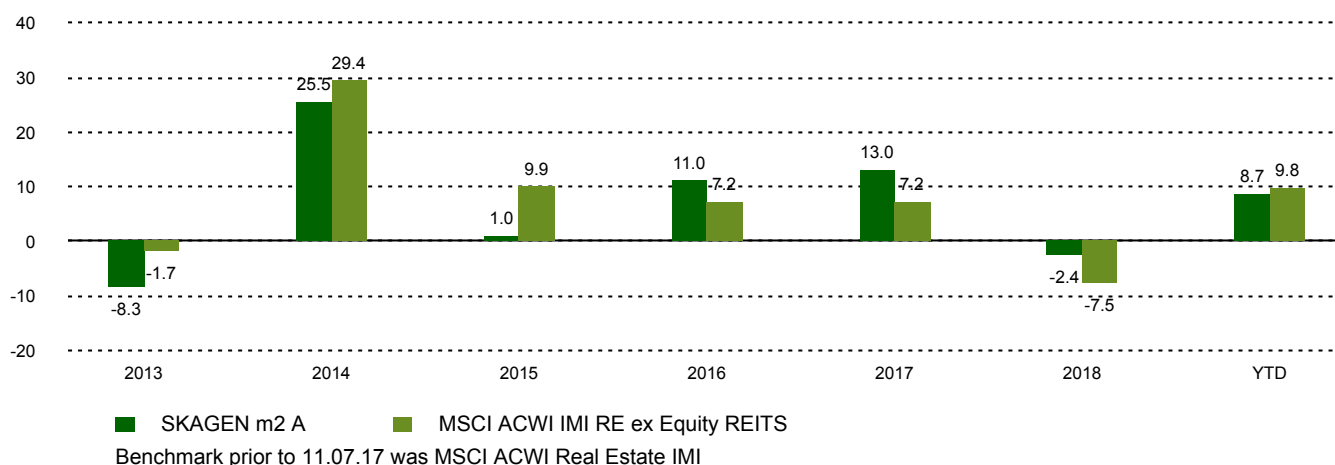
The objective is to provide the best possible risk adjusted return.

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

## Fund Facts

Type	Equity
Domicile	Norway
Launch date	31.10.2012
Morningstar category	Property - Indirect Global
ISIN	NO0010657356
NAV	21.39 EUR
Fixed management fee	1.50%
Total expense ratio (2018)	2.06%
Benchmark index	MSCI ACWI IMI RE ex Equity REITS
AUM (mill.)	128.87 EUR
Number of holdings	34
Portfolio manager	Michael Gobitschek

## Performance last ten years



## Contributors in the month



### Largest contributors

Holding	Weight (%)	Contribution (%)
MRV Engenharia e Participacoes	2.19	0.53
Hembra AB	7.48	0.49
CA Immobilien Anlagen AG	4.37	0.46
CK Asset Holdings Ltd	3.61	0.39
Shurgard Self Storage SA	3.26	0.38



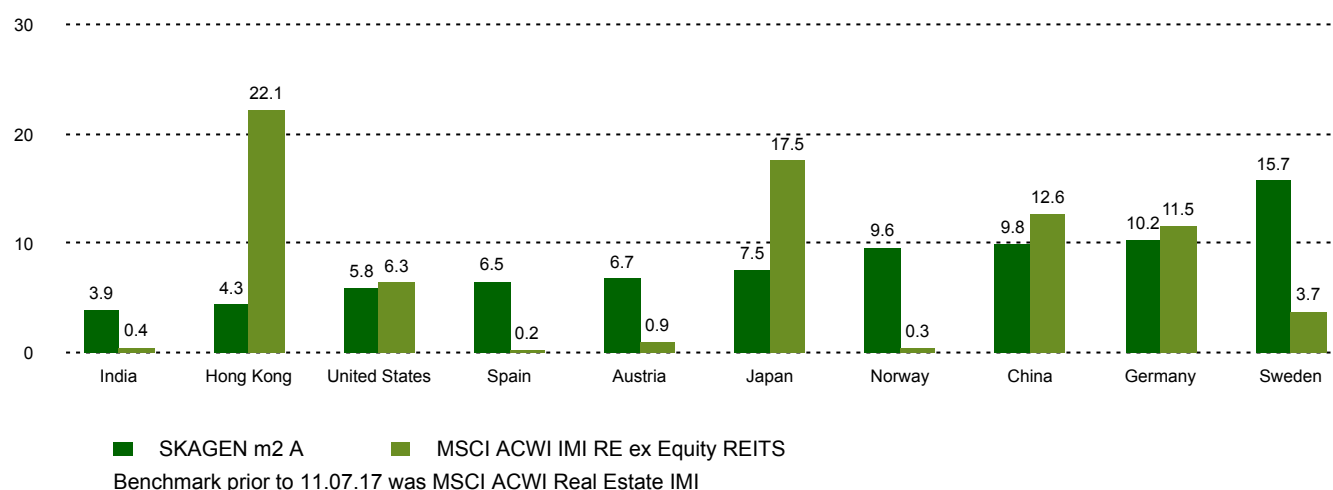
### Largest detractors

Holding	Weight (%)	Contribution (%)
Shangri-La Asia Ltd	2.44	-0.42
Keck Seng Investments	0.80	-0.08
Ascendas India Trust	2.09	-0.03
Arima Real Estate SOCIMI SA	1.00	-0.01
Atrium Ljungberg AB	0.07	0.00

## Top ten investments

Holding	Sector	Country	%
Hembla AB	Real Estate	Sweden	7.4
Catena	Real Estate	Sweden	6.5
Deutsche Wohnen	Real Estate	Germany	5.5
Mitsui Fudosan Co	Real Estate	Japan	5.3
Aroundtown SA	Real Estate	Germany	4.8
CA Immobilien Anlagen	Real Estate	Austria	4.4
CapitaLand	Real Estate	Singapore	3.7
CK Asset Holdings	Real Estate	Hong Kong	3.6
Shurgard Self Storage Europe	Real Estate	Belgium	3.4
Kojamo Oyj	Real Estate	Finland	3.4
Combined weight of top 10 holdings			48.0

## Country Exposure (top ten)



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## Important information

This report is intended for investment professionals only. The content is not to be viewed by or used with retail investors. Unless otherwise stated, performance data relates to class A units and is net of fees. AUM data as of the end of the previous month. Except otherwise stated, the source of all information is SKAGEN AS. Historical returns are no guarantee for future returns. Future returns will depend, inter alia, on market developments, the fund manager's skills, the fund's risk profile and subscription and management fees. The return may become negative as a result of negative price developments. You can download more information including subscription/redemption forms, full prospectus, Key Investor Information Documents (KIID), General Commercial Terms, Annual Reports and Monthly Reports from our local websites or our local representatives. Statements reflect the portfolio managers' viewpoint at a given time, and this viewpoint may be changed without notice. This report should not be perceived as an offer or recommendation to buy or sell financial instruments. SKAGEN AS does not assume responsibility for direct or indirect loss or expenses incurred through use or understanding of this report. Employees of SKAGEN AS may be owners of securities issued by companies that are either referred to in this report or are part of a fund's portfolio.