

Performance Commentary

October was a strong absolute month for SKAGEN m2 as the US real estate market performed much more strongly than the European and Asian markets. Overall, third quarter reports showed strength in logistics in particular. The office space was less strong and is lagging the recovery on a global basis. Inflationary pressure continues to create volatility, but will over time be beneficial for real assets. One of the fund's best performers during the month was Norwegian Self Storage Group after a weaker performance in September. Swedish logistics operator Catena was another positive contributor after a solid report. All the logistics operators in the portfolio reported strong numbers, especially US-based Prologis. The fund's largest detractor was Brazilian logistics operator Log, despite its solid report, due to the declining macro environment. We sold out of French holding Icade on the back of the failed and postponed IPO. We also exited Chinese CR Land due to the worsening situation in the Chinese housing market. We added another office name, US Hudson Pacific Properties, which has assets mainly on the west coast. SKAGEN m2 continues to focus on investing in resilient companies in trend-driven subsegments, companies that we consider mispriced and that may benefit from economic recovery or companies that are well positioned for inflation.

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.

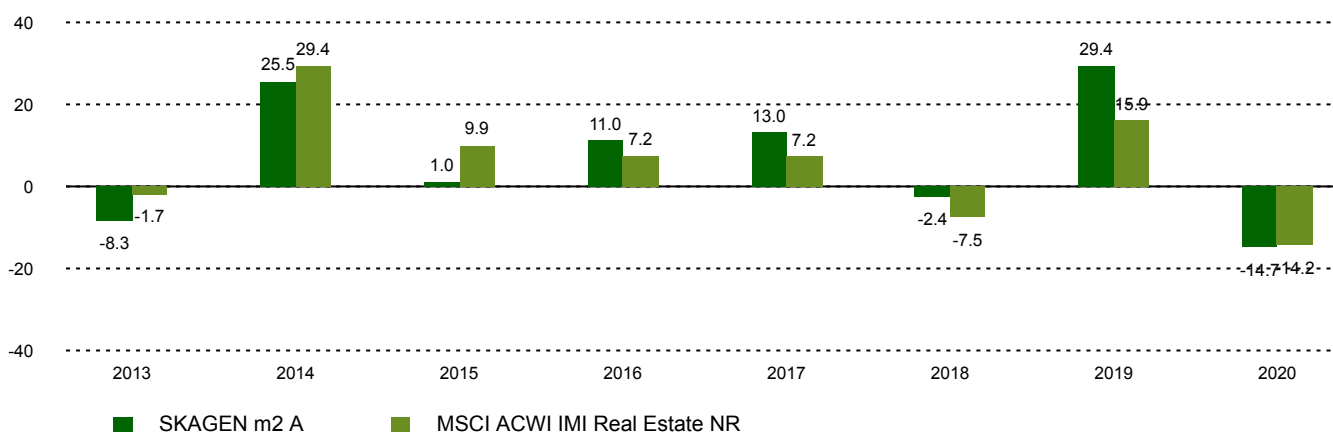
Historical performance (net of fees)

Period	SKAGEN m2 A	Benchmark index
Last month	3.3%	4.9%
Year to date	21.8%	25.0%
Last year	35.6%	37.3%
Last 3 years	10.2%	8.1%
Last 5 years	9.4%	5.0%
Last 10 years	n/a	n/a
Since start	7.7%	7.5%

Fund Facts

Type	Equity
Domicile	Norway
Launch date	31.10.2012
Morningstar category	Property - Indirect Global
ISIN	NO0010657356
NAV	26.47 EUR
Fixed management fee	1.50%
Total expense ratio (2020)	1.37%
Benchmark index	MSCI ACWI IMI Real Estate NR
AUM (mill.)	182.98 EUR
Number of holdings	34
Portfolio manager	Michael Gobitschek

Performance last ten years



In the period from 11 July 2017 to 30 September 2019, the benchmark was the MSCI ACWI Real Estate IMI ex REITS

Contributors in the month



Largest contributors

Holding	Weight (%)	Contribution (%)
Prologis Inc	4.40	0.51
Self Storage Group ASA	5.80	0.39
Catena AB	4.40	0.38
Shurgard Self Storage SA	4.33	0.36
Allied Properties REIT	3.02	0.17



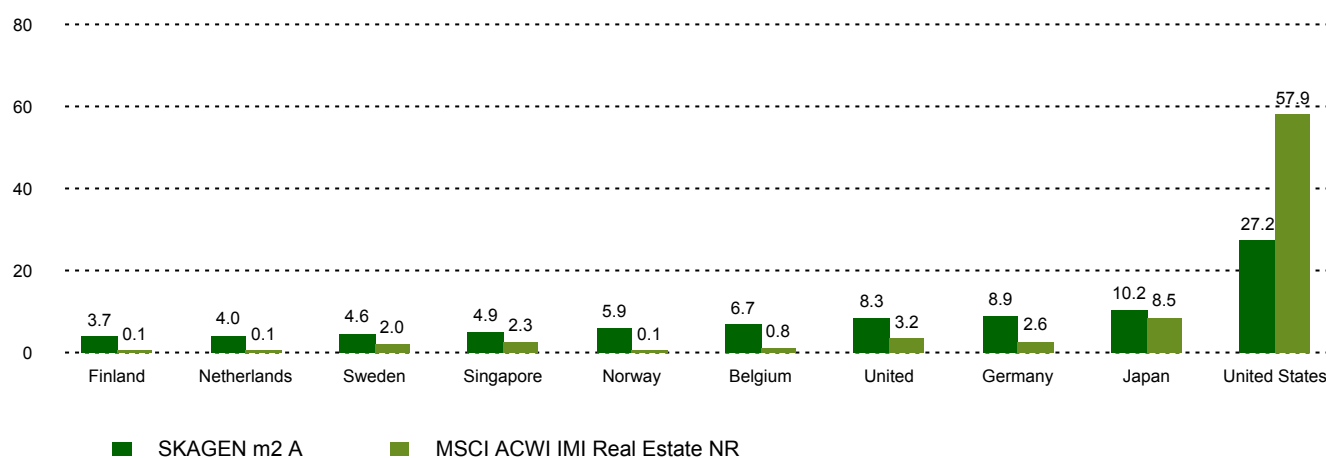
Largest detractors

Holding	Weight (%)	Contribution (%)
LOG Commercial Properties	2.60	-0.44
Tokyu Fudosan Holdings Corp	3.08	-0.31
Paramount Group Inc	2.87	-0.25
Heiwa Real Estate Co Ltd	1.76	-0.24
Mitsui Fudosan Co Ltd	2.83	-0.23

Top ten investments

Holding	Sector	Country	%
Self Storage Group ASA	Industrials	Norway	5.9
Prologis Inc	Real Estate	United States	4.7
Catena AB	Real Estate	Sweden	4.6
UMH Properties Inc	Real Estate	United States	4.4
Grainger PLC	Real Estate	United Kingdom	4.3
Shurgard Self Storage SA	Real Estate	Belgium	4.3
CTP NV	Real Estate	Netherlands	4.0
Switch Inc	Information Technology	United States	3.8
LEG Immobilien SE	Real Estate	Germany	3.7
KOJAMO OYJ	Real Estate	Finland	3.7
Combined weight of top 10 holdings			43.4

Country Exposure (top ten)



■ SKAGEN m2 A ■ MSCI ACWI IMI Real Estate NR

In the period from 11 July 2017 to 30 September 2019, the benchmark was the MSCI ACWI Real Estate IMI ex REITS

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Important information

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