

Performance Commentary

The fund's strong performance in May was mainly driven by its European holdings, with the euro pushing higher as Macron comfortably won the French presidential election. The fund's emerging market stocks also continued to perform well. Global government bond yields finished the month lower. The US yield curve continued to flatten as the US 3-month T-Bill yield rose to its highest level since October 2008 while the US 10-year Treasury yield fell on further unwinding of the 'Trump reflation trade'.

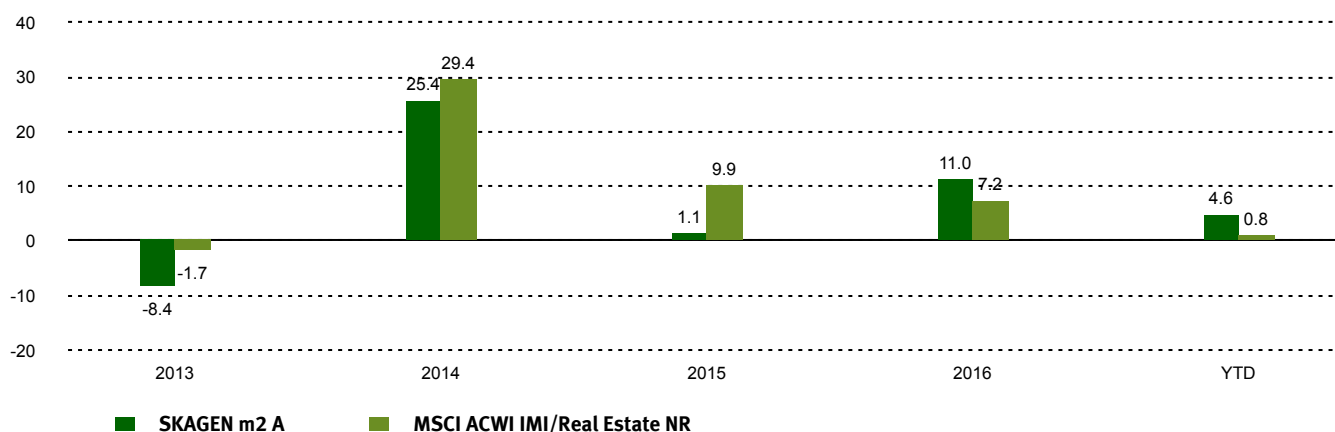
The best absolute contributors in May were the Swedish and German residential operators D. Carnegie and Deutsche Wohnen followed by the Austrian commercial real estate operator CA Immo. They all announced solid Q1 reports with strong cash flow growth. Deutsche Wohnen benefited from a higher than expected rental indexation while CA Immo crystallised an undervalued development pipeline. Overall, company reports have been strong with demand-driven rental growth and cash flow motivated revaluations. The largest detractors were SL Green, Columbia Property Trust and British Land. The losses were minor, however, and mostly driven by unfavourable currency movements.

No new holdings were initiated during the month and Grivalia Property exited the portfolio. The portfolio still trades at an attractive discount to net asset values.

Historical performance

Period	SKAGEN m2 A	Benchmark index
Year to date	4.61%	0.78%
Last year	15.42%	5.55%
Last 3 years	9.67%	11.72%
Last 5 years	n/a	n/a
Last 10 years	n/a	n/a
Since Start	7.29%	10.20%

Performance last ten years



Contributors



Largest contributors in the month

Holding	Weight (%)	Contribution (%)
D Carnegie & Co	6.42	0.81
Deutsche Wohnen	5.75	0.66
CA Immobilien Anlagen	3.30	0.31
SM Prime Holdings	2.29	0.25
Immofinanz	3.30	0.23

Based on NOK returns at fund level

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	N00010657356
NAV	18.67 EUR
Fixed management fee	1.50%
Total expense ratio (2016)	1.85%
Benchmark index	MSCI ACWI IMI/Real Estate NR
Assets under management (mill.)	104.62 EUR
Number of holdings	34
Lead manager	Michael Gobitschek



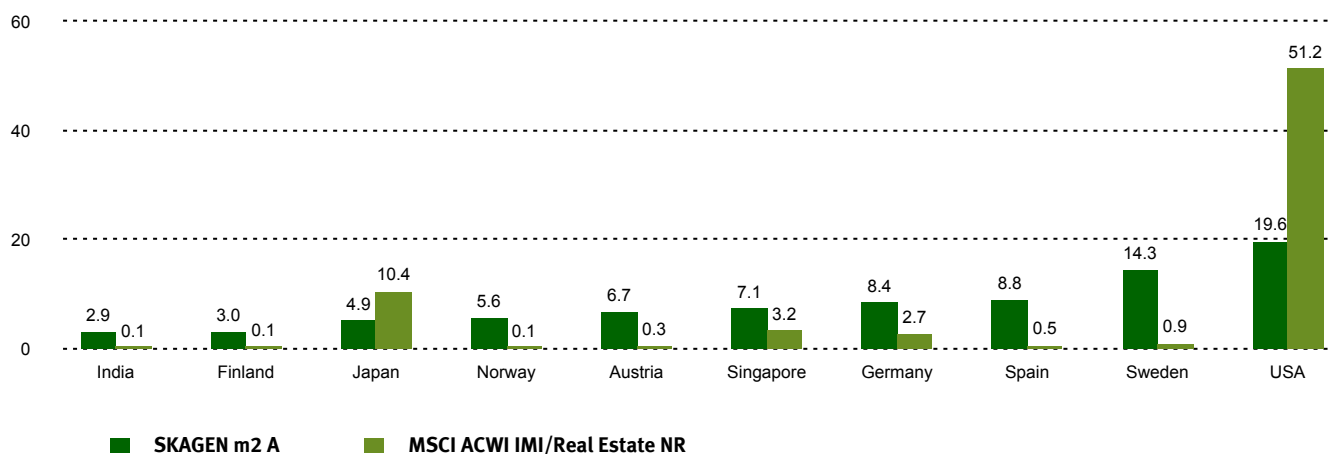
Largest detractors in the month

Holding	Weight (%)	Contribution (%)
SL Green Realty	5.44	-0.21
IRSA	3.90	-0.19
Columbia Property Trust	3.02	-0.14
British Land	2.55	-0.14
Oberoi Realty	1.06	-0.09

Top ten investments

Holding	Sector	Country	%
D Carnegie & Co	Real Estate	Sweden	6.40
Catena	Real Estate	Sweden	5.66
Deutsche Wohnen	Real Estate	Germany	5.48
Inmobiliaria Colonial	Real Estate	Spain	5.42
Olav Thon Eiendomsselskap	Real Estate	Norway	5.34
Mitsui Fudosan Co	Real Estate	Japan	4.95
SL Green Realty	Real Estate	USA	4.93
Global Logistic Properties	Real Estate	Singapore	4.17
IRSA	Real Estate	USA	3.60
General Growth Properties	Real Estate	USA	3.51
Combined weight of top 10 holdings			49.45

Country Exposure (top ten)



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Important information

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. Key Investor Information Documents (KIIDs) and Prospectuses for all our funds are available on www.skagenfunds.ie This document 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 document. Information for Irish investors: In Ireland, subscription and redemption may be effected through: CACEIS Ireland Limited, One Custom House Plaza, International Financial Services Centre, Dublin