

Performance Commentary

It was another good month for SKAGEN m2 with strong performance despite the increase in emerging market volatility. Geopolitical tensions including renewed trade war threats resulted in strong currency movements. The European, US and Scandinavian real estate sectors continue to perform well driven by solid reports and macro fundamentals. The best contributor in August was the German residential rental operator Deutsche Wohnen after delivering stellar numbers and announcing the further acquisition of a nursing home portfolio. Aroundtown and CA Immobilien, both of which are present in the commercial real estate segment in Central Europe, also performed well. Both companies announced half-year reports with solid rental and capital value growth numbers. The worst performer once again was Argentinian IRSA, despite ending the month on a rally. The poor performance is not company specific, rather it is due to the headwinds faced by the local economy, the volatility in emerging markets and the strong USD. The Brazilian homebuilder MRV was another negative contributor for the same reasons. The portfolio is currently trading at a large discount to substance in some parts and at par in others, but in general with solid rental and capital growth especially in the European names.

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.

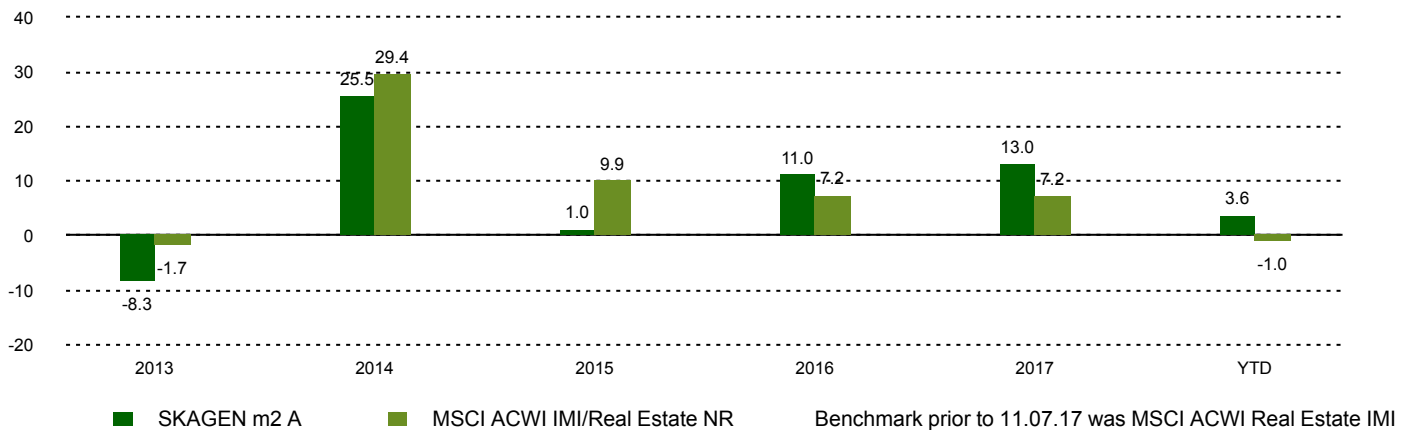
Historical performance (net of fees)

Period	SKAGEN m2 A	Benchmark index
Last month	-0.7%	-1.5%
Year to date	3.6%	-1.0%
Last year	8.5%	4.2%
Last 3 years	10.7%	6.9%
Last 5 years	10.2%	10.1%
Last 10 years	n/a	n/a
Since start	7.8%	8.9%

Fund Facts

Type	Equity
Domicile	Norway
Launch date	31.10.2012
Morningstar category	Property - Indirect Global
ISIN	NO0010657356
NAV	20.90 EUR
Fixed management fee	1.50%
Total expense ratio (2017)	2.05%
Benchmark index	MSCI ACWI IMI/Real Estate NR
AUM (mill.)	144.29 EUR
Number of holdings	30
Portfolio manager	Michael Gobitschek

Performance last ten years



Contributors in the month

Largest contributors

Holding	Weight (%)	Contribution (%)
Aroundtown SA	4.34	0.39
Deutsche Wohnen SE	6.26	0.39
CA Immobilien Anlagen AG	4.99	0.32
D Carnegie & Co AB	7.53	0.30
CapitaLand Ltd	3.49	0.27

Absolute contribution based on NOK returns at fund level

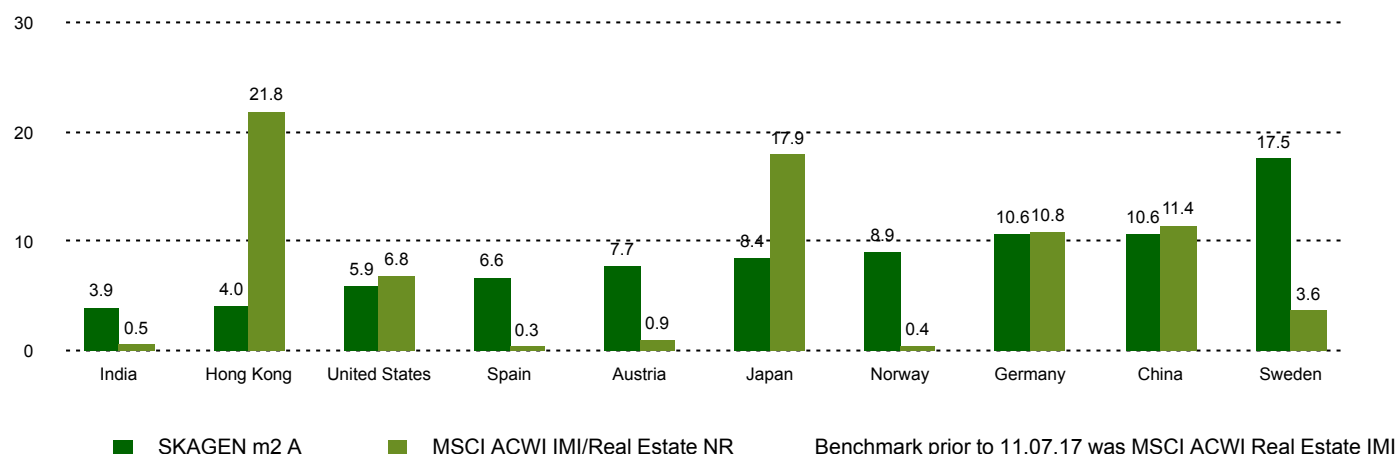
Largest detractors

Holding	Weight (%)	Contribution (%)
IRSA Inversiones y Representac	2.31	-0.40
MRV Engenharia e Participacoes	2.05	-0.20
Olav Thon Eiendomsselskap ASA	3.38	-0.19
CK Asset Holdings Ltd	3.03	-0.15
Sun Hung Kai Properties Ltd	3.34	-0.10

Top ten investments

Holding	Sector	Country	%
D Carnegie & Co	Real Estate	Sweden	7.6
Catena	Real Estate	Sweden	7.3
Mitsui Fudosan Co	Real Estate	Japan	6.1
Deutsche Wohnen	Real Estate	Germany	6.0
CA Immobilien Anlagen	Real Estate	Austria	5.0
Aroundtown SA	Real Estate	Germany	4.6
Inmobiliaria Colonial	Real Estate	Spain	3.9
CapitaLand	Real Estate	Singapore	3.6
Kojamo Oyj	Real Estate	Finland	3.4
Olav Thon Eiendomsselskap	Real Estate	Norway	3.2
Combined weight of top 10 holdings			50.8

Country Exposure (top ten)



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Important information

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