

Performance Commentary

July ended with the US central bank lowering the interest rate for the first time since 2008. At that time, it was due to a financial crisis and high unemployment. Today the stock market is at an all-time high, the GDP growth trend is one of the longest in history and unemployment is at its lowest in 50 years. Hence, it is a preventive cut. However, it is positive for real assets which have been performing very well despite the interest hike cycle over the last decade in the US. The fund generated solid returns in July.

The report season started in mid-July, and most reports have been as expected or better especially in terms of rental growth. SKAGEN m2 participated in the equity raise by the German office and hotel operator Aroundtown. The company aims to buy assets in Belgium, the Netherlands and Germany from Blackstone. The best contributor in the period was the Osaka-based office and data centre operator Keihanshin Building that we bought earlier this year. Despite a slight loss in July, the Finnish residential operator Kojamo is still the second best performer so far this year. The sector remains attractive due to its stable and rising top-line, low cost financing and solid cash flows. SKAGEN m2 is well positioned thanks to its philosophy and remains disciplined in stock selection.

Historical performance (net of fees)

Period	SKAGEN m2 A	Benchmark index
Last month	2.4%	1.5%
Year to date	16.6%	14.9%
Last year	9.1%	5.8%
Last 3 years	9.7%	3.4%
Last 5 years	9.4%	8.5%
Last 10 years	n/a	n/a
Since start	8.2%	8.8%

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.

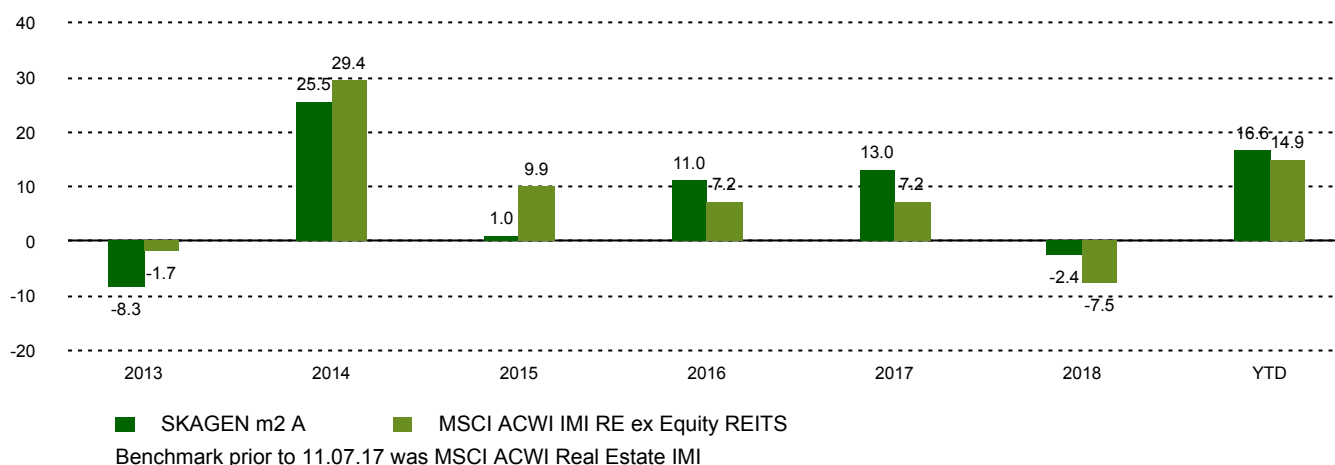
The objective is to provide the best possible risk adjusted return.

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	22.96 EUR
Fixed management fee	1.50%
Total expense ratio (2018)	2.06%
Benchmark index	MSCI ACWI IMI RE ex Equity REITS
AUM (mill.)	164.66 EUR
Number of holdings	36
Portfolio manager	Michael Gobitschek

Performance last ten years



Contributors in the month



Largest contributors

Holding	Weight (%)	Contribution (%)
Keihanshin Building Co Ltd	2.54	0.52
Columbia Property Trust Inc	2.86	0.26
Self Storage Group ASA	3.62	0.25
LOG Commercial Properties	1.23	0.25
Catena AB	5.63	0.18



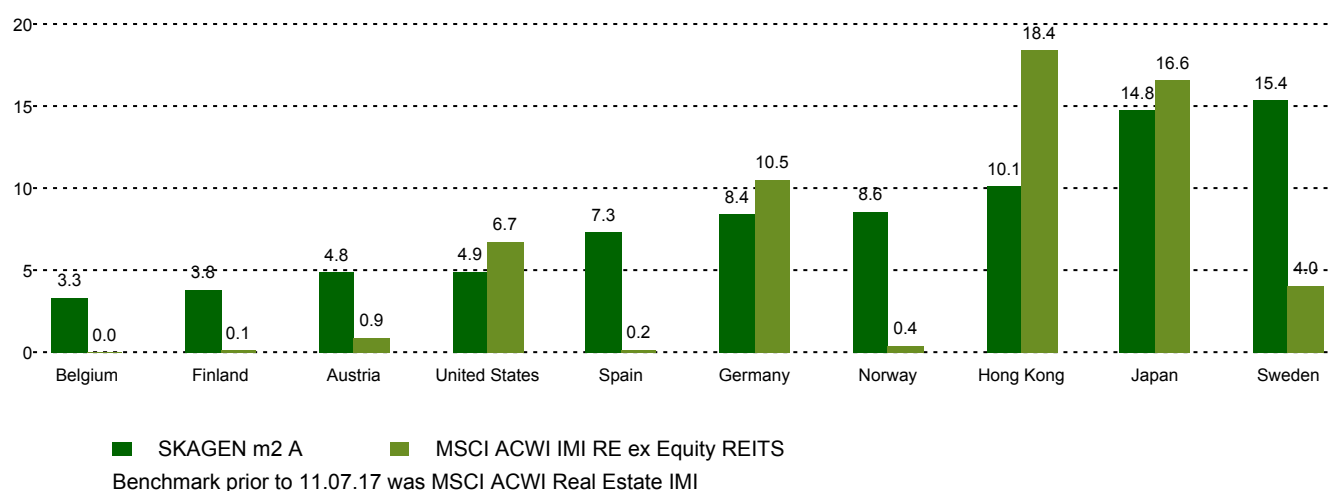
Largest detractors

Holding	Weight (%)	Contribution (%)
Kojamo Oyj	3.93	-0.09
Mitsui Fudosan Co Ltd	4.83	-0.08
CA Immobilien Anlagen AG	4.69	-0.05
Entra ASA	3.28	-0.05
Melia Hotels International SA	2.73	-0.03

Top ten investments

Holding	Sector	Country	%
Hembla AB	Real Estate	Sweden	6.5
Catena AB	Real Estate	Sweden	5.7
CA Immobilien Anlagen AG	Real Estate	Austria	4.8
Mitsui Fudosan Co Ltd	Real Estate	Japan	4.7
Aroundtown SA	Real Estate	Germany	4.4
Deutsche Wohnen SE	Real Estate	Germany	4.0
KOJAMO OYJ	Real Estate	Finland	3.8
Self Storage Group ASA	Industrials	Norway	3.8
Shurgard Self Storage SA	Real Estate	Belgium	3.3
Capitaland Ltd	Real Estate	Taiwan, Province Of China	3.2
Combined weight of top 10 holdings			44.2

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. CACEIS Ireland Limited, One Custom House Plaza, International Financial Services Centre, Dublin is the Paying Agent in Ireland.