

Performance Commentary

February was a challenging month with global equities having their worst decline since the global financial crisis. Fears of a growth slowdown were triggered by the spread of COVID-19. Investors sought safety in bonds, bringing the 10-year US treasury yield down to extremely low levels. Policymakers acted to cushion the impact with several central banks reducing rates and others promising fiscal stimuli. The best contributor in February was Spanish office operator Arima, which delivered a solid earnings report, followed by the Finnish residential operator Kojamo. After a successful 2019, Catena came in as largest detractor for the month despite a solid report. Following the correction, the real estate sector's long-term prospects remain attractive. This is especially the case for segments that are less affected by the virus outbreak like data centres and logistics driven by increased e-commerce and avoidance of crowded places. Hotels and shopping malls are likely to suffer in the short term. Regardless of the near-term path for the economy and listed real estate, longer-term, the tailwinds of urbanisation and demographic shifts are positive for global real estate as an asset class. SKAGEN m2 is well positioned thanks to its philosophy and disciplined stock selection.

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.

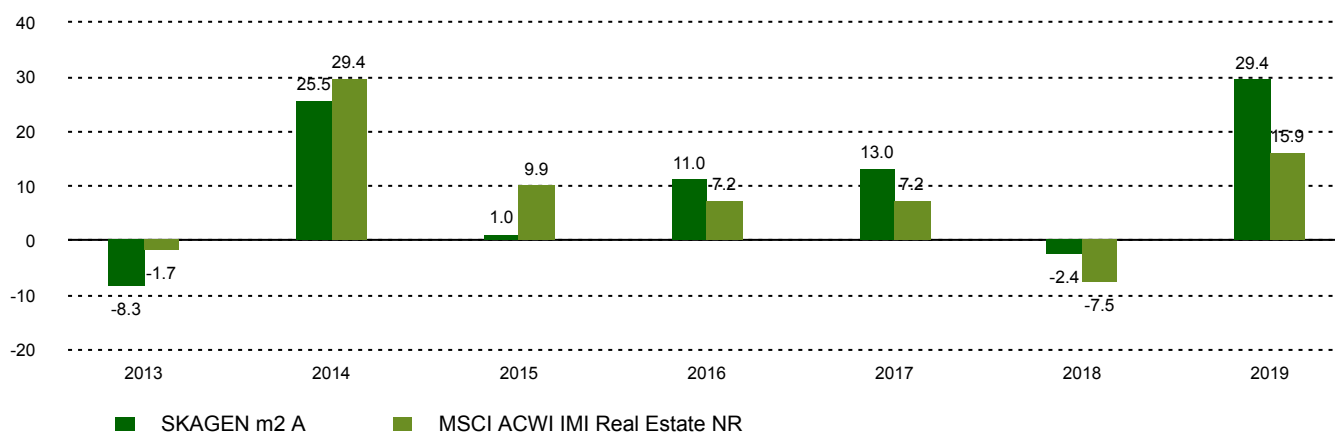
Historical performance (net of fees)

Period	SKAGEN m2 A	Benchmark index
Last month	-8.6%	-7.7%
Year to date	-6.6%	-6.1%
Last year	11.0%	-1.1%
Last 3 years	8.6%	1.1%
Last 5 years	5.5%	2.5%
Last 10 years	n/a	n/a
Since start	8.0%	7.3%

Fund Facts

Type	Equity
Domicile	Norway
Launch date	31.10.2012
Morningstar category	Property - Indirect Global
ISIN	NO0010657356
NAV	23.78 EUR
Fixed management fee	1.50%
Total expense ratio (2019)	2.68%
Benchmark index	MSCI ACWI IMI Real Estate NR
AUM (mill.)	199.18 EUR
Number of holdings	37
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 (%)
Arima Real Estate SOCIMI SA	2.93	0.24
Kojamo Oyj	3.98	0.15
Ascendas India Trust	2.07	0.11
Far East Consortium International Ltd	2.18	0.07
SM Prime Holdings Inc	1.07	0.01

Largest detractors

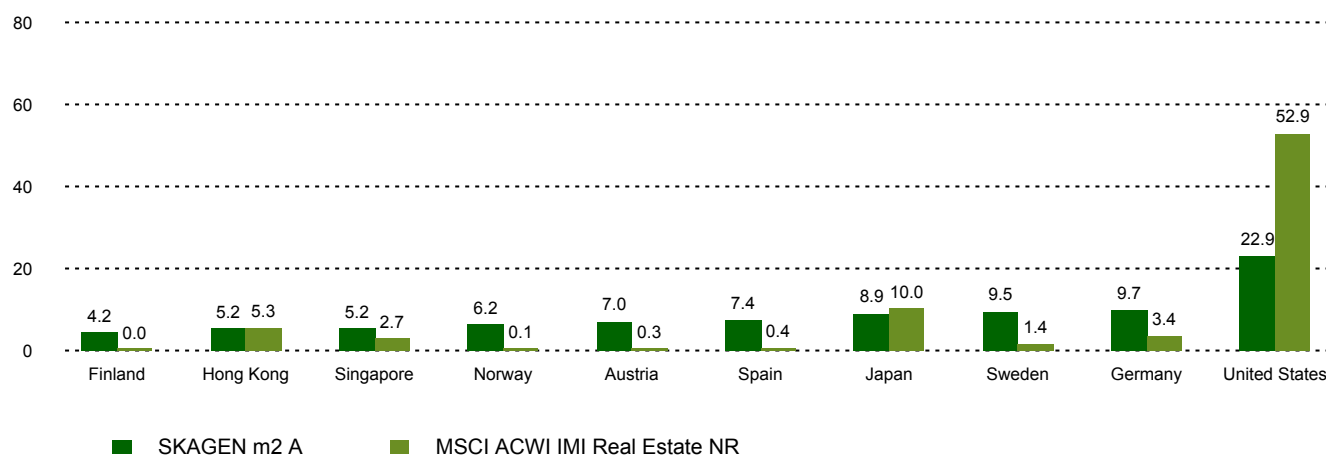
Holding	Weight (%)	Contribution (%)
Catena AB	4.08	-0.89
Mitsui Fudosan Co Ltd	4.00	-0.56
Self Storage Group ASA	4.44	-0.55
Stendorren Fastigheter AB	2.50	-0.40
SL Green Realty Corp	2.87	-0.34

Absolute contribution based on NOK returns at fund level

Top ten investments

Holding	Sector	Country	%
EQUINIX INC	Real Estate	United States	5.2
CA Immobilien Anlagen AG	Real Estate	Austria	4.9
Mitsui Fudosan Co Ltd	Real Estate	Japan	4.4
Self Storage Group ASA	Industrials	Norway	4.3
KOJAMO OYJ	Real Estate	Finland	4.2
VICI Properties Inc	Real Estate	United States	4.0
Aroundtown SA	Real Estate	Germany	3.9
LEG Immobilien AG	Real Estate	Germany	3.6
Catena AB	Real Estate	Sweden	3.5
Arima Real Estate SOCIMI SA	Real Estate	Spain	3.2
Combined weight of top 10 holdings			41.1

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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