

Performance Commentary

October ended in the red for listed global real estate amid market volatility due to the further spread of COVID-19, the US election and Brexit, among other factors. SKAGEN m2 slightly outperformed its benchmark for the month. We initiated a new position in connection with an equity raise; Belgian Aedifica is the sole sizeable pure player in the European healthcare market and the company's buy-and-hold strategy has translated into strong portfolio growth over recent years. The European market is fragmented and Aedifica, which is now active in six countries, will continue to be a consolidator. With an ageing population, nursing home capacity is expected to double by 2050 in Europe, providing a lot of growth potential. Keihanshin Building was the best monthly contributor as the Japanese data centre operator delivered strong results, followed by Hong Kong-based Far East Consortium. Norwegian Self Storage Group was the largest detractor without any company-specific reasons. SKAGEN m2 continues to focus on companies that we consider to be resilient in trend-driven sub-segments. The long-term outlook remains positive, although real estate will not be immune to the short-term challenges caused by a deteriorating macroeconomic environment.

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.

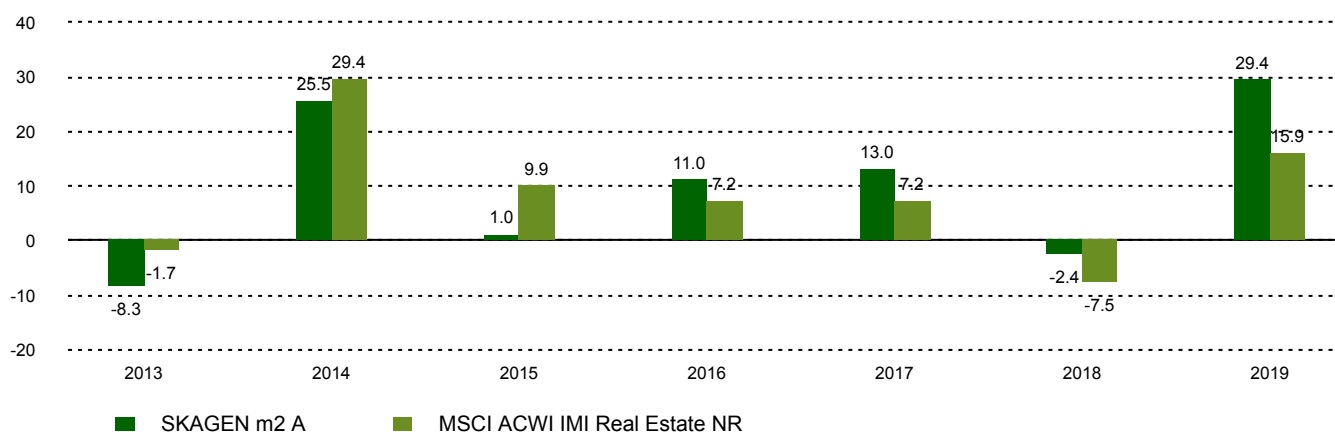
Historical performance (net of fees)

Period	SKAGEN m2 A	Benchmark index
Last month	-3.5%	-3.8%
Year to date	-23.4%	-21.9%
Last year	-18.6%	-21.7%
Last 3 years	-0.4%	-5.6%
Last 5 years	3.4%	-0.8%
Last 10 years	n/a	n/a
Since start	4.7%	4.2%

Fund Facts

Type	Equity
Domicile	Norway
Launch date	31.10.2012
Morningstar category	Property - Indirect Global
ISIN	NO0010657356
NAV	19.51 EUR
Fixed management fee	1.50%
Total expense ratio (2019)	2.68%
Benchmark index	MSCI ACWI IMI Real Estate NR
AUM (mill.)	147.34 EUR
Number of holdings	32
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 (%)
Keihanshin Building Co	5.62	0.79
Far East Consortium	1.89	0.15
Adapteo Oyj	3.67	0.14
Deutsche Wohnen SE	3.07	0.09
Heiwa Real Estate Co	1.13	0.09

Largest detractors

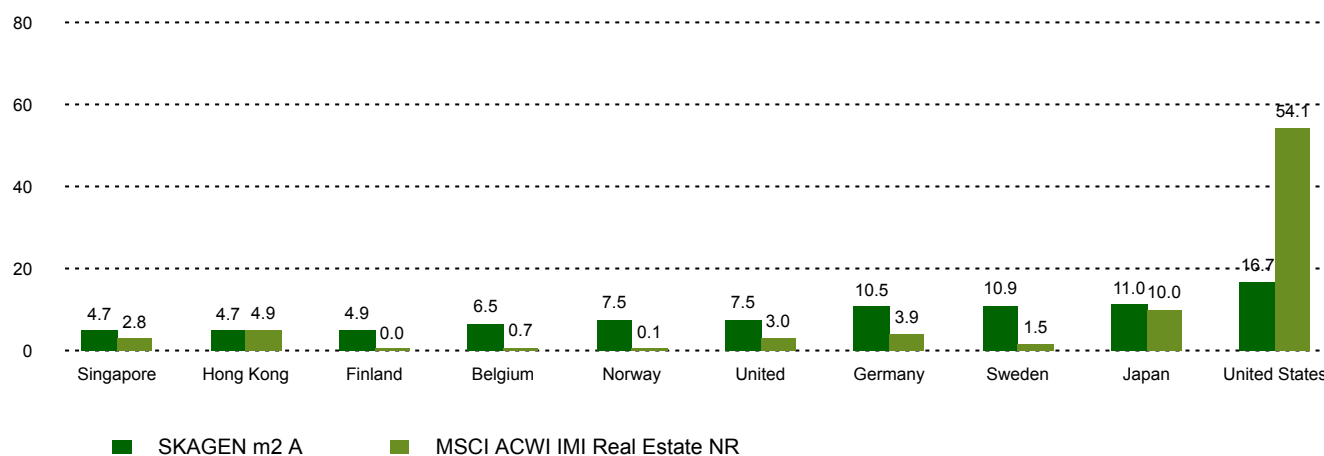
Holding	Weight (%)	Contribution (%)
Self Storage Group	5.14	-0.45
Catena AB	5.07	-0.31
Arima Real Estate SOCIMI	2.87	-0.27
Switch Inc	3.16	-0.26
CA Immobilien Anlagen	4.40	-0.25

Absolute contribution based on NOK returns at fund level

Top ten investments

Holding	Sector	Country	%
Keihanshin Building Co Ltd	Real Estate	Japan	5.8
Self Storage Group ASA	Industrials	Norway	5.0
KOJAMO OYJ	Real Estate	Finland	4.9
LEG Immobilien AG	Real Estate	Germany	4.9
Catena AB	Real Estate	Sweden	4.8
EQUINIX INC	Real Estate	United States	4.7
Shurgard Self Storage SA	Real Estate	Belgium	4.7
CA Immobilien Anlagen AG	Real Estate	Austria	4.2
Grainger PLC	Real Estate	United Kingdom	3.9
Healthcare Trust of America Inc	Real Estate	United States	3.8
Combined weight of top 10 holdings			46.7

Country Exposure (top ten)



■ SKAGEN m2 A ■ MSCI ACWI IMI Real Estate NR

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Important information

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