

Performance Commentary

Global real estate is currently benefitting from strong growth and low interest rates, recovering from the negative effects of the pandemic. Inflationary pressure is intensifying, which is mainly positive for real estate that has long been viewed as a partial inflation hedge. Inflating prices can be passed on through rents, while rising property values are also beneficial, giving individual property assets and real estate stocks critical roles in portfolio strategies. Rent growth has historically outpaced inflation, while property values may benefit as higher costs for land, labour and materials raise the economic threshold for new supply. The fund's best performer was the Swedish social infrastructure company Adapteo, which became a target in a pending bid with a premium of over fifty percent. Our long-term holding, Deutsche Wohnen announced a merger with Vonovia at a decent premium. We entered into several new positions in the office space, namely Paramount Group, Great Portland Estates and Tokyu Fudosan. The fund's largest detractor was US storage company Americold. SKAGEN m2 continues to focus on investing in resilient companies in trend-driven subsegments, or companies that we consider mispriced and which will benefit from recovery in the economy or are well positioned for inflation.

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.

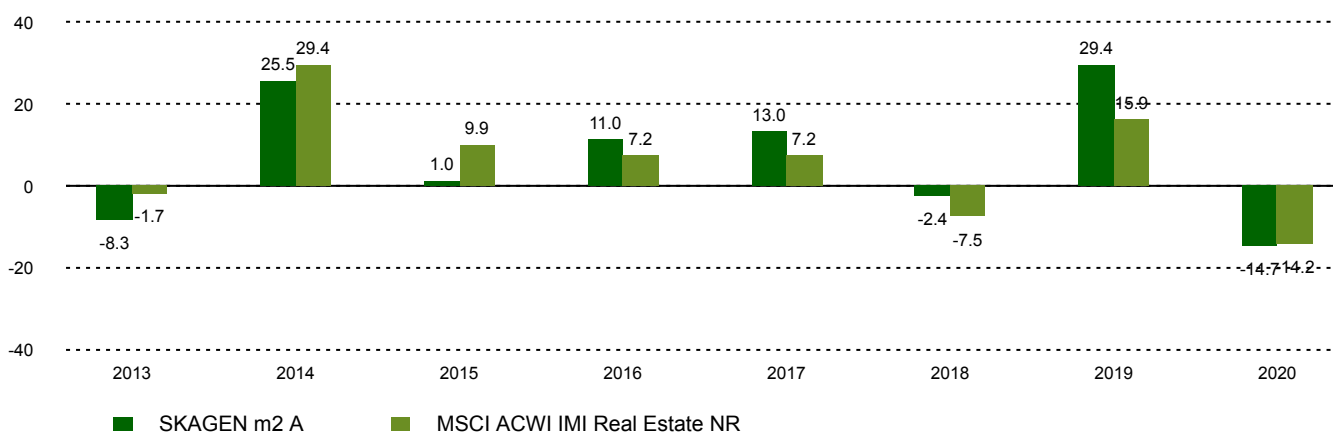
Historical performance (net of fees)

Period	SKAGEN m2 A	Benchmark index
Last month	4.2%	-0.1%
Year to date	12.4%	13.3%
Last year	19.6%	19.9%
Last 3 years	5.1%	0.3%
Last 5 years	8.6%	3.2%
Last 10 years	n/a	n/a
Since start	7.1%	6.6%

Fund Facts

Type	Equity
Domicile	Norway
Launch date	31.10.2012
Morningstar category	Property - Indirect Global
ISIN	NO0010657356
NAV	24.42 EUR
Fixed management fee	1.50%
Total expense ratio (2020)	1.37%
Benchmark index	MSCI ACWI IMI Real Estate NR
AUM (mill.)	170.16 EUR
Number of holdings	36
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 (%)
Adapteo Oyj	5.50	2.77
Self Storage Group	5.14	0.64
Deutsche Wohnen SE	2.16	0.46
Shurgard Self Storage	3.84	0.38
Catena AB	4.60	0.37



Largest detractors

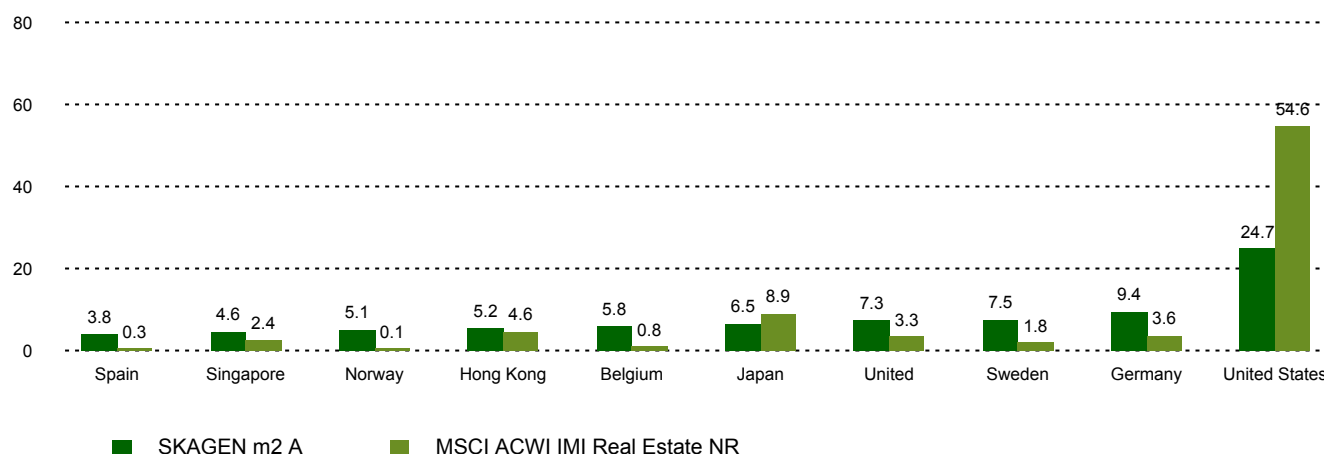
Holding	Weight (%)	Contribution (%)
Keihanshin Building Co	2.97	-0.28
Americold Realty Trust	3.84	-0.23
Healthcare Trust of America	2.49	-0.17
ESR Cayman Ltd	2.11	-0.17
Columbia Property Trust	2.13	-0.04

Absolute contribution based on NOK returns at fund level

Top ten investments

Holding	Sector	Country	%
Self Storage Group ASA	Industrials	Norway	5.1
Catena AB	Real Estate	Sweden	4.5
Prologis Inc	Real Estate	United States	3.9
Shurgard Self Storage SA	Real Estate	Belgium	3.8
KOJAMO OYJ	Real Estate	Finland	3.8
Grainger PLC	Real Estate	United Kingdom	3.8
Americold Realty Trust	Real Estate	United States	3.8
LEG Immobilien SE	Real Estate	Germany	3.7
UMH Properties Inc	Real Estate	United States	3.5
Switch Inc	Information Technology	United States	3.2
Combined weight of top 10 holdings			39.1

Country Exposure (top ten)



■ SKAGEN m2 A ■ MSCI ACWI IMI Real Estate NR

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Important information

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