

Performance Commentary

It was a roller coaster start to the year for global equities, and real estate was no exception. Higher rates were the topic of the month, mainly driven by a hawkish US central bank. This led to higher bond rates and a further rotation from growth to value. Inflation continues to be a theme, something that has historically been beneficial for real estate with inflation-linked rents. Geopolitical tensions and Omicron also contributed to sluggish markets. Last year's laggards in the real estate market, Asia and Europe, were the best performers in January. SKAGEN m2 ended the month in negative territory but ahead of the market. The best performer in January was Brazilian logistics operator LOG. After last year's macro-related turmoil, the Brazilian real estate sector came out as a winner in January. The second-best contributor was the Japanese conglomerate Mitsui Fudosan. The largest detractor was the US manufactured home operator UMH Properties. We bought Sun Communities during the correction, a US company that mainly operates in manufactured housing. We exited Healthcare Trust of America. SKAGEN m2 continues to focus on investing in resilient companies in trend-driven subsegments, which are mispriced, driven by economic recovery 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.

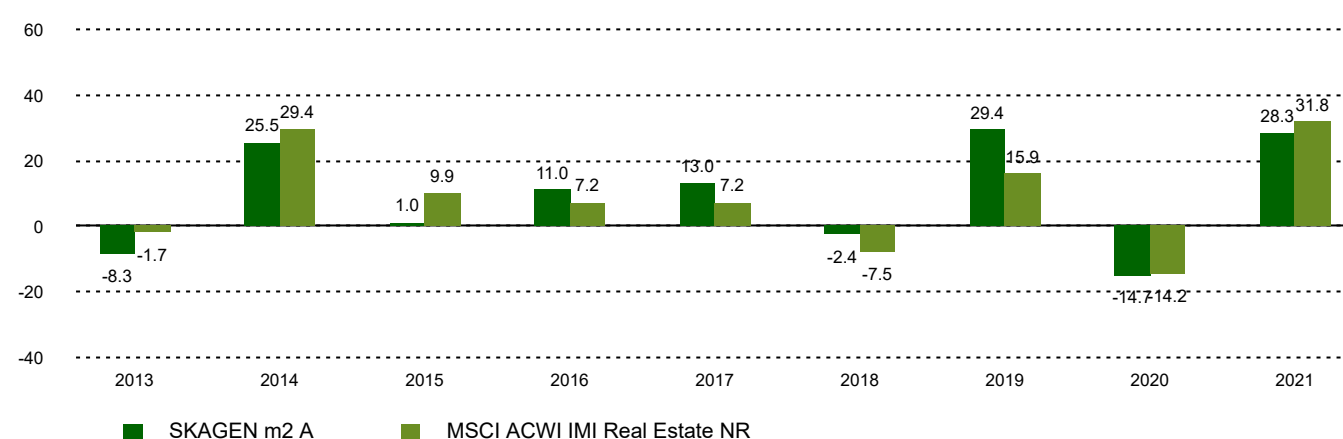
Fund Facts

Type	Equity
Domicile	Norway
Launch date	31.10.2012
Morningstar category	Property - Indirect Global
ISIN	NO0010657356
NAV	26.88 EUR
Fixed management fee	1.50%
Total expense ratio (2021)	1.19%
Benchmark index	MSCI ACWI IMI Real Estate NR
AUM (mill.)	186.58 EUR
Number of holdings	35
Portfolio manager	Michael Gobitschek

Historical performance (net of fees)

Period	SKAGEN m2 A	Benchmark index
Last month	-3.6%	-4.6%
Year to date	-3.6%	-4.6%
Last year	25.0%	25.2%
Last 3 years	7.9%	4.4%
Last 5 years	8.5%	4.6%
Last 10 years	n/a	n/a
Since start	7.7%	7.3%

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 (%)
LOG Commercial Properties	2.83	0.53
Mitsui Fudosan Co Ltd	2.70	0.23
CK Asset Holdings Ltd	2.46	0.18
Vonovia SE	3.83	0.15
Paramount Group Inc	3.14	0.14



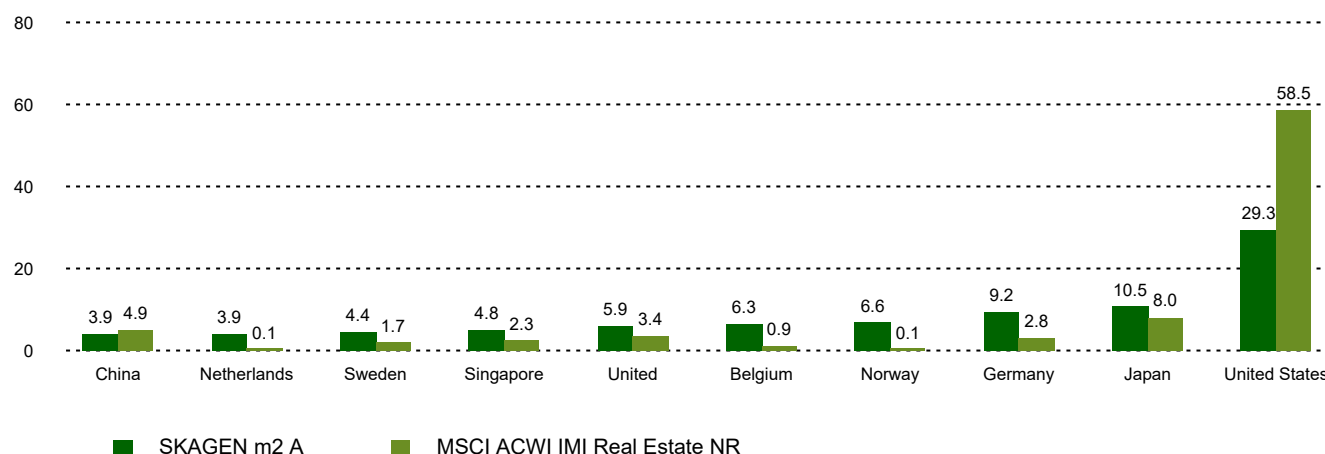
Largest detractors

Holding	Weight (%)	Contribution (%)
UMH Properties Inc	4.72	-0.65
Shurgard Self Storage SA	4.21	-0.52
Keihanshin Building Co	2.78	-0.42
Catena AB	4.51	-0.40
Self Storage Group ASA	6.93	-0.39

Top ten investments

Holding	Sector	Country	%
Self Storage Group ASA	Industrials	Norway	6.6
UMH Properties Inc	Real Estate	United States	4.6
Catena AB	Real Estate	Sweden	4.4
Prologis Inc	Real Estate	United States	4.3
Vonovia SE	Real Estate	Germany	4.1
Grainger PLC	Real Estate	United Kingdom	4.1
Switch Inc	Information Technology	United States	4.1
Shurgard Self Storage SA	Real Estate	Belgium	4.1
CTP NV	Real Estate	Netherlands	3.9
ESR Cayman Ltd	Real Estate	China	3.9
Combined weight of top 10 holdings			44.2

Country Exposure (top ten)



In the period from 11 July 2017 to 30 September 2019, the benchmark was the MSCI ACWI Real Estate IMI ex REITS

Contact



+47 51 80 37 09



contact@skagenfunds.com



SKAGEN AS, Post Box 160, 4001, Stavanger, Norway

Important information

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