

**IMPORTANT INFORMATION:** This is marketing communication. The report should not be perceived as a recommendation to buy or sell fund units. Prior to subscription, we encourage you to read the fund's prospectus and key investor information document which are available at [www.skagenfunds.com](http://www.skagenfunds.com), from our local representatives and from our distributors.

## Performance Commentary

July provided some relief to investors after several tough months for globally listed real estate markets. Central banks across the globe continued their battle against inflation; the ECB hiked rates for the first time in 11 years and raised its benchmark deposit rate by 50 bps to zero. The US central bank hiked 75 bps to combat the highest inflation figures seen in four decades. However, the market responded positively to Mr. Powell's comment on reaching the neutral policy rate, seeing it as a more dovish stance for the future. SKAGEN m2 delivered positive returns in both absolute and relative terms. The fund's top contributor was Swedish logistics player Catena, which posted solid second quarter results with strong occupancy and a positive outlook for future growth. The US manufactured homes company UMH was also a strong contributor. The fund's largest detractors in the month were Spanish office player Arima and the Hong Kong listed Asia Pacific logistics asset manager ESR. China was the worst performing real estate market in July, with mortgage boycotts by homebuyers stealing headlines. SKAGEN m2 continues to focus on resilient companies in trend driven subsegments that are mispriced, that can perform well in various market conditions, and that 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. Subscriptions are made in fund units and not directly in stocks or other securities. The fund has risk profile 6. The benchmark reflects the fund's investment mandate. Since the fund is actively managed, the portfolio will deviate from the composition of the benchmark.

## Historical performance (net of fees)

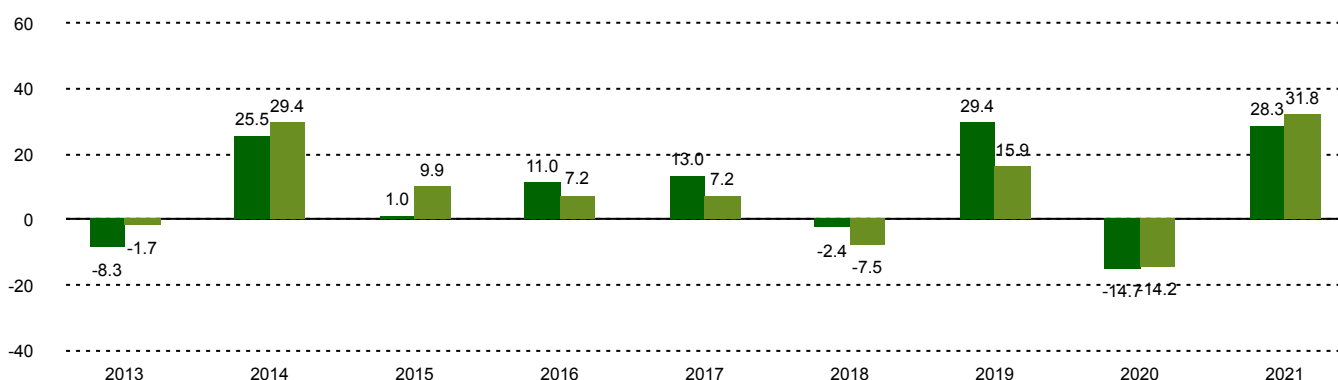
Period	SKAGEN m2 A	Benchmark index
Last month	9.4%	9.2%
Year to date	-6.0%	-5.1%
Last 12 months	0.6%	3.8%
Last 3 years	4.5%	2.7%
Last 5 years	6.7%	4.1%
Last 10 years	n/a	n/a
Since start	7.0%	6.9%

## Fund Facts

Type	Equity
Domicile	Norway
Launch date	31.10.2012
Morningstar category	Property - Indirect Global
ISIN	NO0010657356
NAV	26.20 EUR
Fixed management fee	1.50% + performance fee*
Total expense ratio (2021)	1.19%
Benchmark index	MSCI ACWI IMI Real Estate NR
AUM (mill.)	179.14 EUR
Number of holdings	32
Portfolio manager	Michael Gobitschek

\*10.00% performance fee calculated daily and charged annually if the fund's value development is better than the benchmark. The total management fee charged represents a maximum of 3.00% p.a. and a minimum of 0.75% p.a. The performance fee may be charged even if the fund's units have depreciated in value if the value development is better than the benchmark.

## Performance last ten years



■ 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

Historical returns are no guarantee for future returns. Future returns will depend, inter alia, on market developments, the fund manager's skill, the fund's risk profile and management fees. The return may become negative as a result of negative price developments. There is a risk associated with investing in the fund due to market movements, currency developments, interest rate levels, economic, sector and company-specific conditions.

## Contributors in the month



### Largest contributors

Holding	Weight (%)	Contribution (%)
Catena AB	4.13	0.85
UMH Properties Inc	4.82	0.80
Prologis Inc	5.50	0.53
CBRE Group Inc	3.82	0.49
Marcus Corp	4.16	0.35



### Largest detractors

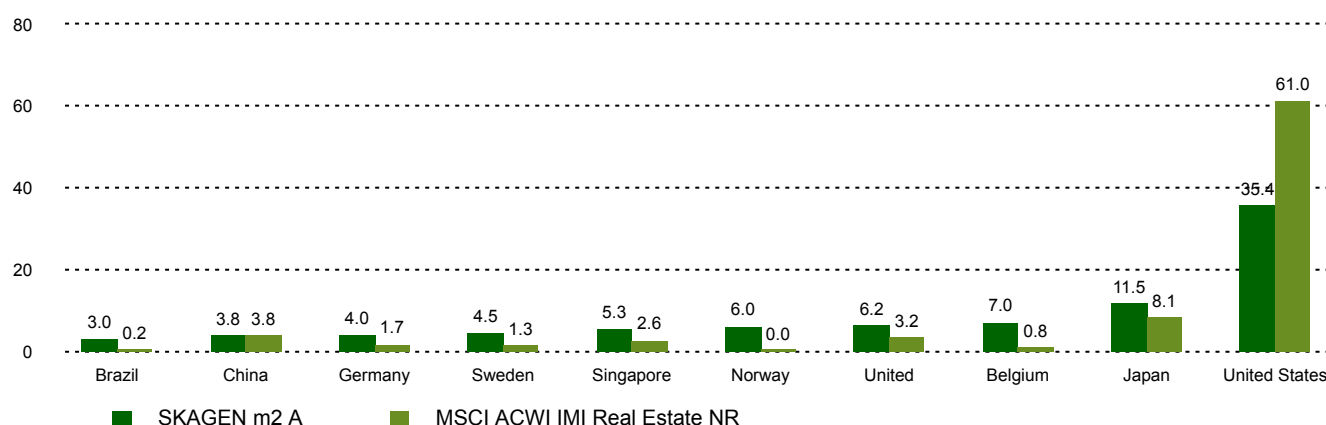
Holding	Weight (%)	Contribution (%)
Arima Real Estate SOCIMI	2.47	-0.29
ESR Group Ltd	4.04	-0.25
Self Storage Group	6.20	-0.23
CK Asset Holdings	2.55	-0.06
Ascendas India Trust	1.82	-0.04

Weights shown are the average for the period. Absolute contribution based on NOK returns at fund level.

## Top ten investments

Holding	Sector	Country	%
Self Storage Group ASA	Industrials	Norway	6.0
Prologis Inc	Real Estate	United States	5.8
UMH Properties Inc	Real Estate	United States	5.1
Catena AB	Real Estate	Sweden	4.5
Sun Communities Inc	Real Estate	United States	4.3
Grainger PLC	Real Estate	United Kingdom	4.2
Shurgard Self Storage SA	Real Estate	Belgium	4.2
Marcus Corp/The	Communication Services	United States	4.2
CBRE Group Inc	Real Estate	United States	3.9
ESR Cayman Ltd	Real Estate	China	3.8
Combined weight of top 10 holdings			46.0

## 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

## Important information

This report is intended for investment professionals only. All information is based on the most up-to-date data available. Unless otherwise stated, performance data relates to class A units and is net of fees. AUM data as per the end of the previous month. Except otherwise stated, the source of all information is SKAGEN AS. 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.



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