

## Performance Commentary

In April, global investors focused more on the positive real estate fundamentals than on the fact that the US 10-year government bond hit the feared 3% limit for the first time in many years. Our Swedish holdings Catena and D. Carnegie were among the fund's best contributors. The companies rebounded after a muted start of the year for the Swedish property sector as well as a weak currency. Catena continued to deliver strong numbers driven by a strong economy and an even stronger underlying e-commerce trend. The company has begun to attract international investors, closing the huge valuation gap to international peers. D. Carnegie made further acquisitions, adding to the large portfolio already acquired this year. The stock price was also lifted by the Starwood bid for peer Victoria Park. Mitsui Fudosan was also a strong contributor, driven by the positive sentiment in the Japanese real estate. The Brazilian housing operator MRV Engenharia contributed least due to negative currency movements. However, the company delivered a strong first quarter report. Fear of rising rates in the sector seems unwarranted in the longer run. SKAGEN m2 continues to focus on the companies' ability to increase rent and grow cash flows irrespective of the direction of yields.

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.

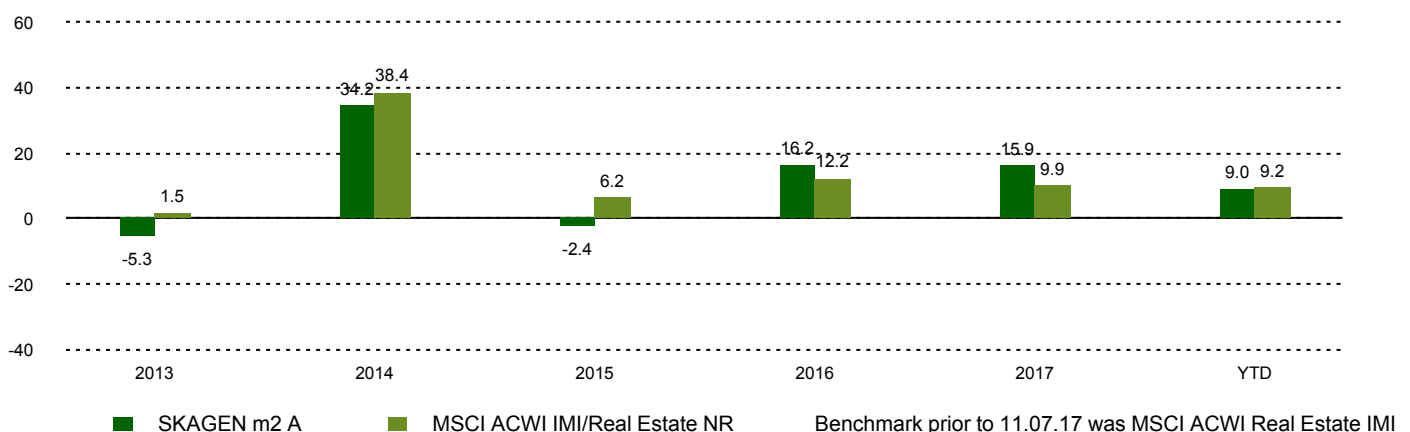
## Historical performance (net of fees)

| Period        | SKAGEN m2 A | Benchmark index |
|---------------|-------------|-----------------|
| Last month    | 8.8%        | 7.6%            |
| Year to date  | 9.0%        | 9.2%            |
| Last year     | 21.5%       | 16.8%           |
| Last 3 years  | 9.1%        | 8.7%            |
| Last 5 years  | 10.2%       | 12.2%           |
| Last 10 years | n/a         | n/a             |
| Since start   | 11.9%       | 14.2%           |

## Fund Facts

|                            |                              |
|----------------------------|------------------------------|
| Type                       | Equity                       |
| Domicile                   | Norway                       |
| Launch date                | 31.10.2012                   |
| Morningstar category       | Property - Indirect Global   |
| ISIN                       | NO0010657356                 |
| NAV                        | 216.09 SEK                   |
| Fixed management fee       | 1.50%                        |
| Total expense ratio (2017) | 2.05%                        |
| Benchmark index            | MSCI ACWI IMI/Real Estate NR |
| AUM (mill.)                | 1311.82 SEK                  |
| Number of holdings         | 28                           |
| Lead manager               | Michael Gobitschek           |

## Performance last ten years



## Contributors in the month

### Largest contributors

| Holding                  | Weight (%) | Contribution (%) |
|--------------------------|------------|------------------|
| Catena AB                | 7.19       | 0.81             |
| Mitsui Fudosan Co Ltd    | 6.63       | 0.77             |
| D Carnegie & Co AB       | 7.10       | 0.65             |
| Deutsche Wohnen SE       | 7.19       | 0.47             |
| CA Immobilien Anlagen AG | 4.78       | 0.33             |

### Largest detractors

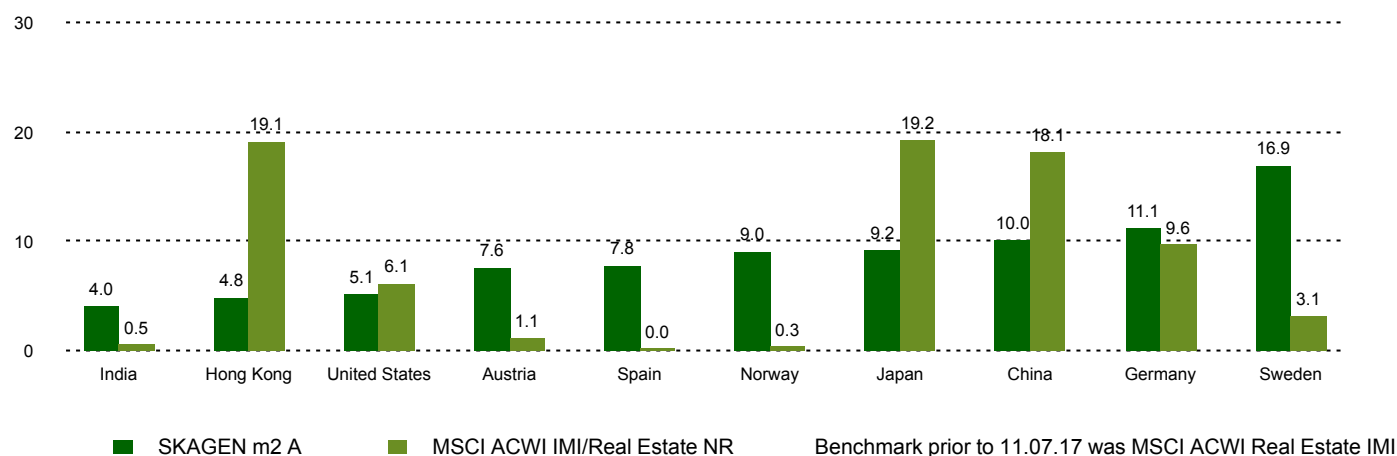
| Holding                        | Weight (%) | Contribution (%) |
|--------------------------------|------------|------------------|
| MRV Engenharia e Participacoes | 1.87       | -0.12            |
| Keck Seng Investments          | 1.12       | 0.00             |
| SOHO China Ltd                 | 0.83       | 0.02             |
| Olav Thon Eiendomsselskap ASA  | 3.57       | 0.07             |
| Self Storage Group ASA         | 2.72       | 0.08             |

Absolute contribution based on NOK returns at fund level

## Top ten investments

| Holding                            | Sector      | Country   | %    |
|------------------------------------|-------------|-----------|------|
| Deutsche Wohnen                    | Real Estate | Germany   | 7.2  |
| Catena                             | Real Estate | Sweden    | 7.0  |
| D Carnegie & Co                    | Real Estate | Sweden    | 7.0  |
| Mitsui Fudosan Co                  | Real Estate | Japan     | 6.7  |
| CA Immobilien Anlagen              | Real Estate | Austria   | 4.9  |
| Inmobiliaria Colonial              | Real Estate | Spain     | 4.8  |
| Aroundtown SA                      | Real Estate | Germany   | 3.9  |
| CASH                               | CASH        |           | 3.8  |
| CK Asset Holdings                  | Real Estate | Hong Kong | 3.7  |
| CapitaLand                         | Real Estate | Singapore | 3.7  |
| Combined weight of top 10 holdings |             |           | 52.8 |

## Country Exposure (top ten)



## Contact



0200-11 22 60



kundservice@skagenfonder.se



SKAGEN AS, Box 11, 101 20  
 Stockholm

## Important information

Unless otherwise stated, performance data relates to class A units and is net of fees. Except otherwise stated, the source of all information is SKAGEN AS. Historical returns are no guarantee for future returns. Future returns will depend, inter alia, on market developments, the fund manager's skills, the fund's risk profile and subscription and management fees. The return may become negative as a result of negative price developments. You can download more information including subscription/redemption forms, full prospectus, Key Investor Information Documents (KIID), General Commercial Terms, Annual Reports and Monthly Reports from our local websites or our local representatives. Statements reflect the portfolio managers' viewpoint at a given time, and this viewpoint may be changed without notice. This report should not be perceived as an offer or recommendation to buy or sell financial instruments. 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.