

Performance Commentary

July was another strong month for global real estate as the appetite for real assets increases. This was helped by continued declining yields and low real interest rates in many markets despite intensifying inflation pressure. 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 market was also upbeat after many strong quarterly results within the real estate space, however the Delta variant of the coronavirus continued to be a headwind. The best performer in July was the Swedish logistics company Catena, which continued its strong performance from the second quarter, confirming that tenant and investor demand remains high in Scandinavia. The Belgian self-storage operator Shurgard performed well after a good report and the announcement that they would be opening yet more facilities. The German residential operator LEG benefited from the pending merger between Vonovia and Deutsche Wohnen. The largest detractor in the month was Brazilian logistics operator LOG. SKAGEN m2 continues to focus on investing in resilient companies in trend-driven subsegments, or companies that we consider mispriced and that will benefit from recovery in the economy or are well positioned for inflation.

Historical performance (net of fees)

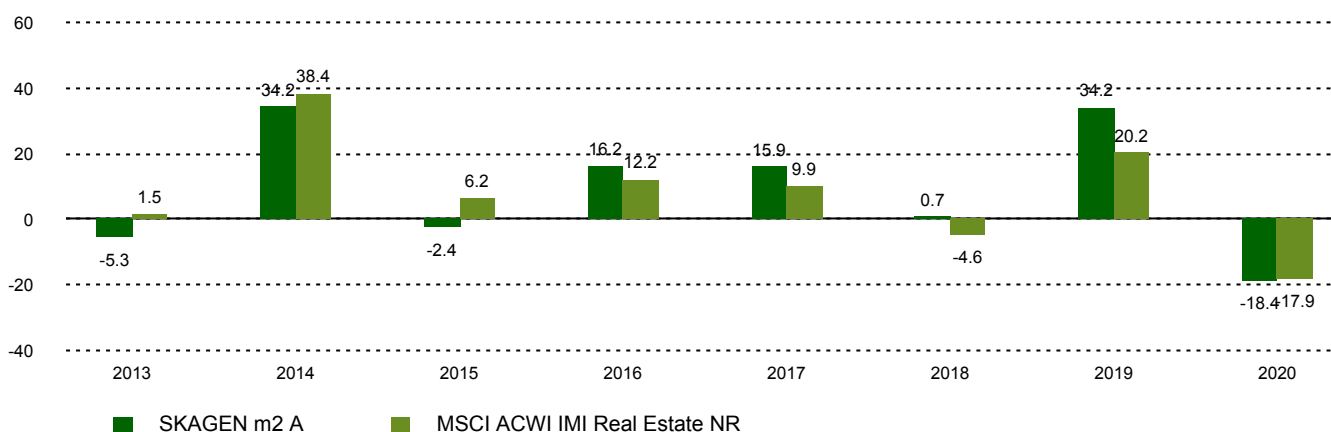
Period	SKAGEN m2 A	Benchmark index
Last month	3.8%	2.7%
Year to date	21.7%	22.2%
Last year	27.7%	27.4%
Last 3 years	7.1%	3.1%
Last 5 years	9.8%	4.3%
Last 10 years	n/a	n/a
Since start	9.9%	9.3%

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	265.67 SEK
Fixed management fee	1.50%
Total expense ratio (2020)	1.37%
Benchmark index	MSCI ACWI IMI Real Estate NR
AUM (mill.)	1884.82 SEK
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 (%)
Catena AB	4.74	0.67
Shurgard Self Storage SA	3.74	0.49
LEG Immobilien SE	3.75	0.45
Kojamo Oyj	3.87	0.39
Prologis Inc	3.99	0.38



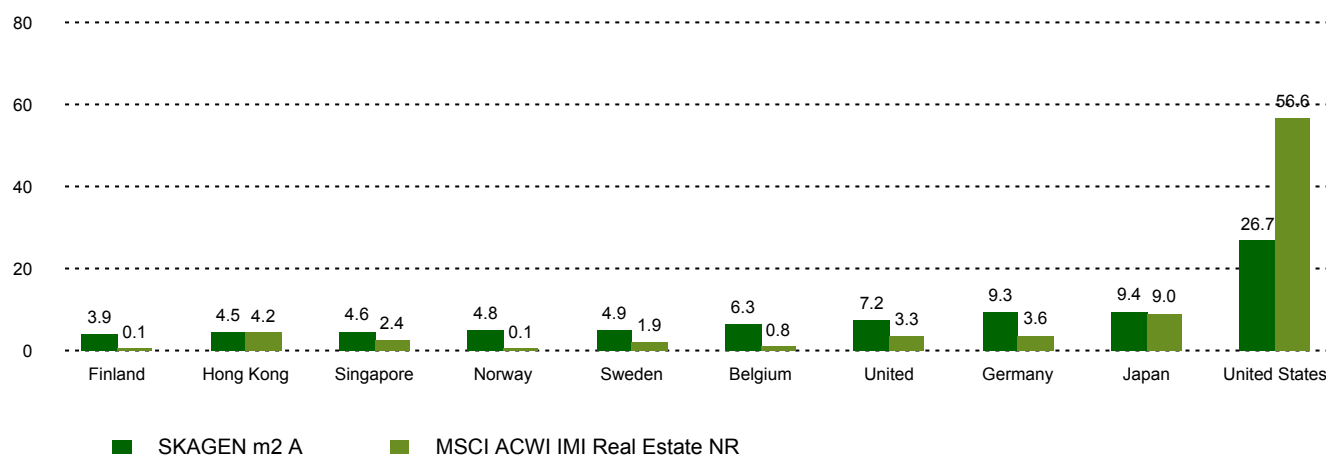
Largest detractors

Holding	Weight (%)	Contribution (%)
LOG Commercial Properties	2.55	-0.25
China Resources Land Ltd	1.39	-0.21
Tokyu Fudosan Holdings Corp	2.19	-0.10
Heiwa Real Estate Co	1.89	-0.05
Columbia Property Trust	1.90	-0.03

Top ten investments

Holding	Sector	Country	%
Catena AB	Real Estate	Sweden	4.9
Self Storage Group ASA	Industrials	Norway	4.8
UMH Properties Inc	Real Estate	United States	4.1
Prologis Inc	Real Estate	United States	4.0
KOJAMO OYJ	Real Estate	Finland	3.9
Shurgard Self Storage SA	Real Estate	Belgium	3.9
LEG Immobilien SE	Real Estate	Germany	3.8
Grainger PLC	Real Estate	United Kingdom	3.8
Americold Realty Trust	Real Estate	United States	3.7
CTP BV	Real Estate	Netherlands	3.6
Combined weight of top 10 holdings			40.5

Country Exposure (top ten)



■ 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

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Important information

Unless otherwise stated, performance data relates to class A units and is net of fees. AUM data as of the end of the previous month. 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.