

## Performance Commentary

October was a strong absolute month for SKAGEN m2 as the US real estate market performed much more strongly than the European and Asian markets. Overall, third quarter reports showed strength in logistics in particular. The office space was less strong and is lagging the recovery on a global basis. Inflationary pressure continues to create volatility, but will over time be beneficial for real assets. One of the fund's best performers during the month was Norwegian Self Storage Group after a weaker performance in September. Swedish logistics operator Catena was another positive contributor after a solid report. All the logistics operators in the portfolio reported strong numbers, especially US-based Prologis. The fund's largest detractor was Brazilian logistics operator Log, despite its solid report, due to the declining macro environment. We sold out of French holding Icade on the back of the failed and postponed IPO. We also exited Chinese CR Land due to the worsening situation in the Chinese housing market. We added another office name, US Hudson Pacific Properties, which has assets mainly on the west coast. SKAGEN m2 continues to focus on investing in resilient companies in trend-driven subsegments, companies that we consider mispriced and that may benefit from economic recovery or companies 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.

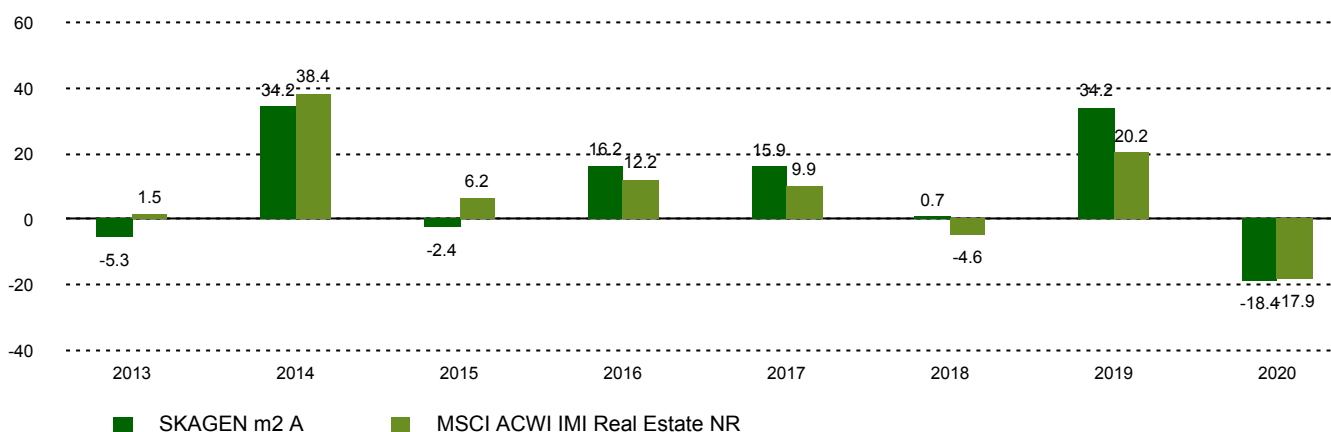
## Historical performance (net of fees)

Period	SKAGEN m2 A	Benchmark index
Last month	1.2%	2.9%
Year to date	20.5%	23.6%
Last year	29.9%	31.6%
Last 3 years	8.6%	6.4%
Last 5 years	9.5%	5.1%
Last 10 years	n/a	n/a
Since start	9.5%	9.2%

## Fund Facts

Type	Equity
Domicile	Norway
Launch date	31.10.2012
Morningstar category	Property - Indirect Global
ISIN	NO0010657356
NAV	263.05 SEK
Fixed management fee	1.50%
Total expense ratio (2020)	1.37%
Benchmark index	MSCI ACWI IMI Real Estate NR
AUM (mill.)	1806.68 SEK
Number of holdings	34
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 (%)
Prologis Inc	4.40	0.51
Self Storage Group ASA	5.80	0.39
Catena AB	4.40	0.38
Shurgard Self Storage SA	4.33	0.36
Allied Properties REIT	3.02	0.17



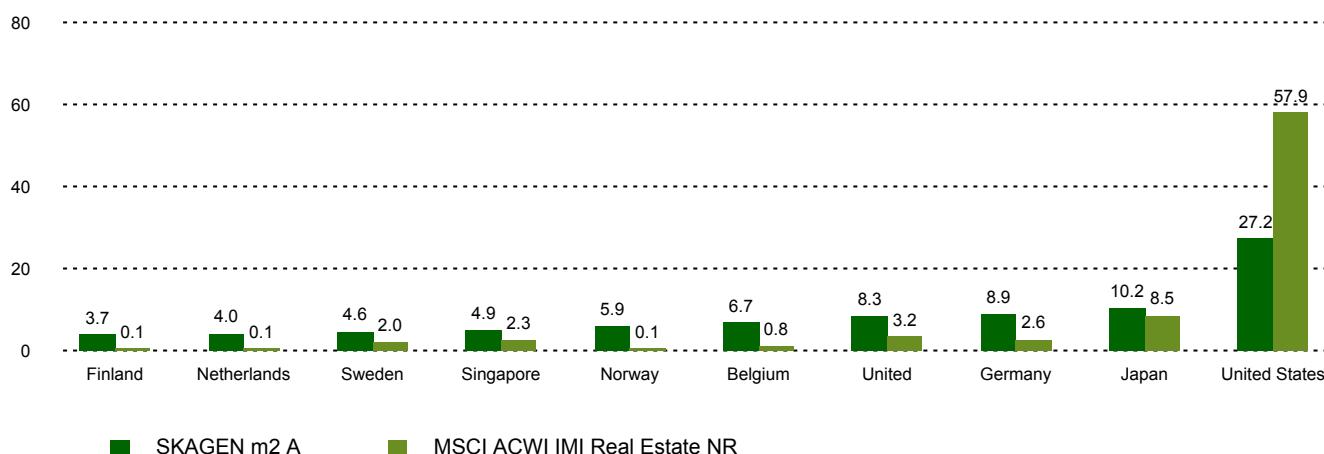
### Largest detractors

Holding	Weight (%)	Contribution (%)
LOG Commercial Properties	2.60	-0.44
Tokyu Fudosan Holdings Corp	3.08	-0.31
Paramount Group Inc	2.87	-0.25
Heiwa Real Estate Co Ltd	1.76	-0.24
Mitsui Fudosan Co Ltd	2.83	-0.23

## Top ten investments

Holding	Sector	Country	%
Self Storage Group ASA	Industrials	Norway	5.9
Prologis Inc	Real Estate	United States	4.7
Catena AB	Real Estate	Sweden	4.6
UMH Properties Inc	Real Estate	United States	4.4
Grainger PLC	Real Estate	United Kingdom	4.3
Shurgard Self Storage SA	Real Estate	Belgium	4.3
CTP NV	Real Estate	Netherlands	4.0
Switch Inc	Information Technology	United States	3.8
LEG Immobilien SE	Real Estate	Germany	3.7
KOJAMO OYJ	Real Estate	Finland	3.7
Combined weight of top 10 holdings			43.4

## Country Exposure (top ten)



■ SKAGEN m2 A    ■ MSCI ACWI IMI Real Estate NR

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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.