

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, from our local representatives and from our distributors.

Performance Commentary

May provided little relief for investors, accelerating the year-to-date sell-off across the board. Headlines were dominated by war, inflation, higher credit spreads and a potential recession. Central banks continued to hike interest rates; the US by 50 basis points, which is the most since 2000. One bright spot was the high number of global property M&As at lower valuations, including the acquisition of our portfolio holding Switch. Among the biggest property markets, only Asia generated positive returns during the month. Thanks to the acquisition, the US data centre operator Switch was the best contributor in the month as well as year to date. We had anticipated the acquisition given the company's superior ESG profile and position within the US data centre market. Our second-best performing stock was the UK rental residential company Grainger after they announced a solid report demonstrating that the company is continuing to recover after the pandemic. The fund's largest detractor was the US manufactured homes operator UMH Properties due to supply chain issues delaying revenues on new developments. SKAGEN m2 continues to focus on investing in resilient companies in trend-driven subsegments, which are either mispriced, driven by the recovery in the economy or 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)

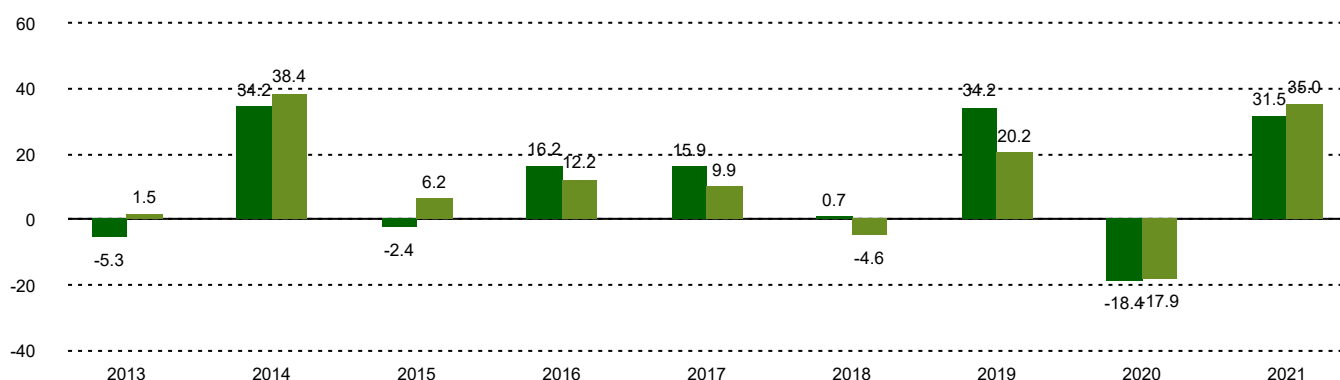
Period	SKAGEN m2 A	Benchmark index
Last month	-4.0%	-3.8%
Year to date	-6.2%	-6.1%
Last year	8.8%	10.9%
Last 3 years	4.7%	2.3%
Last 5 years	8.1%	5.0%
Last 10 years	n/a	n/a
Since start	9.2%	8.9%

Fund Facts

Type	Equity
Domicile	Norway
Launch date	31.10.2012
Morningstar category	Property - Indirect Global
ISIN	NO0010657356
NAV	269.39 SEK
Fixed management fee	1.50% + performance fee*
Total expense ratio (2021)	1.19%
Benchmark index	MSCI ACWI IMI Real Estate NR
AUM (mill.)	1848.36 SEK
Number of holdings	33
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 (%)
Switch Inc	2.89	0.89
Grainger PLC	4.25	0.27
Americold Realty Trust	2.88	0.17
Mitsui Fudosan Co Ltd	3.49	0.15
American Tower Corp	1.57	0.11



Largest detractors

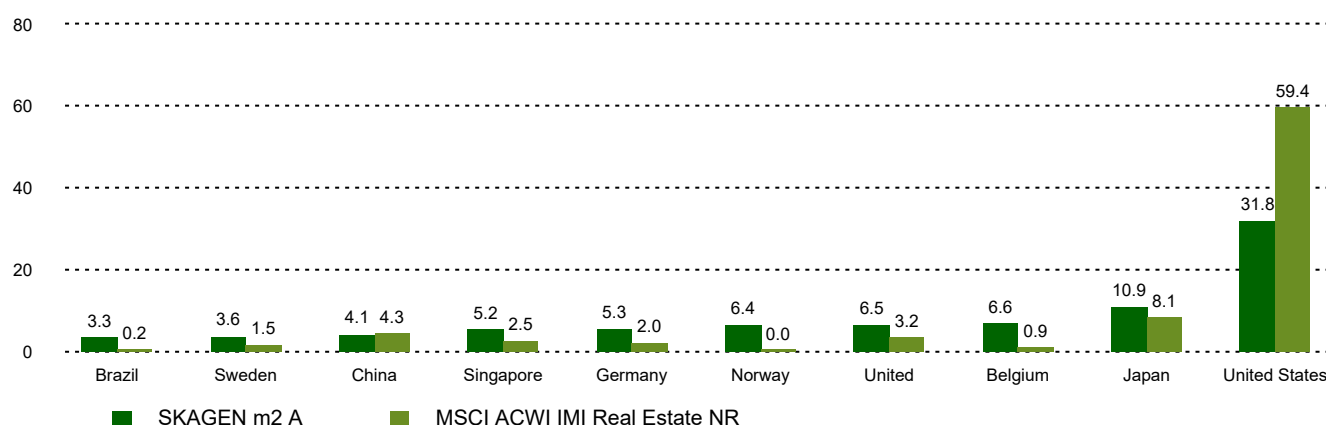
Holding	Weight (%)	Contribution (%)
Prologis Inc	4.53	-1.00
UMH Properties Inc	4.76	-0.79
Catena AB	3.73	-0.66
Shurgard Self Storage SA	4.18	-0.39
Hudson Pacific Properties	1.79	-0.27

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	6.4
Prologis Inc	Real Estate	United States	4.7
UMH Properties Inc	Real Estate	United States	4.5
Grainger PLC	Real Estate	United Kingdom	4.4
Shurgard Self Storage SA	Real Estate	Belgium	4.1
ESR Cayman Ltd	Real Estate	China	4.1
Sun Communities Inc	Real Estate	United States	4.0
Marcus Corp/The	Communication Services	United States	3.8
Catena AB	Real Estate	Sweden	3.6
Mitsui Fudosan Co Ltd	Real Estate	Japan	3.5
Combined weight of top 10 holdings			43.2

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

Important information

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.



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