

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

August ended with a sharp sell-off after the Fed conveyed a "higher for longer" message, expected to be followed by a similar message from the ECB. Central banks appear to have collectively decided a mild recession is acceptable to anchor inflation expectations. Real estate on a global basis is now trading at a deep discount relative to long-term history, but with large variances between segments and geographies. Much of the bad news appears to be discounted already, but things can always get worse before they improve. Opinions are divided as to whether the inflation has peaked, how much growth will weaken and when the first-rate cut will come. The top contributor to fund performance was Brazilian logistics operator LOG on the back of solid quarterly results. Our Asian real estate manager ESR also delivered a strong report with solid occupancy and rental growth in most markets. Norwegian Self Storage Group reported surprisingly high occupancy, showing resilience as expected in turbulent times. The fund's largest detractor was the US manufactured homes operator UMH due to delays from suppliers leading to lower sales from new developments. SKAGEN m2 continues to focus on resilient companies in trend-driven subsegments that are mispriced, that can perform 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)

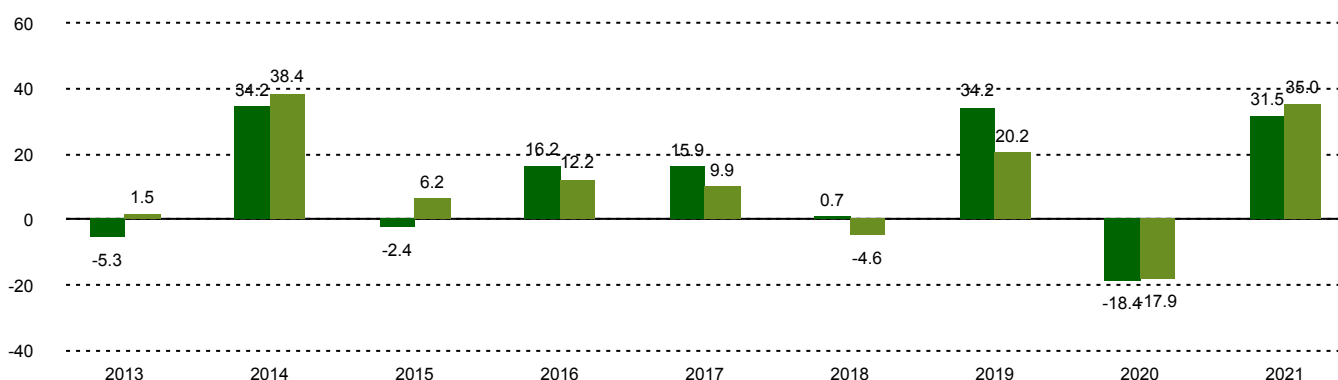
Period	SKAGEN m2 A	Benchmark index
Last month	-1.3%	-1.5%
Year to date	-6.3%	-5.7%
Last 12 months	-1.6%	1.8%
Last 3 years	2.5%	1.6%
Last 5 years	8.1%	5.6%
Last 10 years	n/a	n/a
Since start	8.9%	8.7%

Fund Facts

Type	Equity
Domicile	Norway
Launch date	31.10.2012
Morningstar category	Property - Indirect Global
ISIN	NO0010657356
NAV	268.91 SEK
Fixed management fee	1.50% + performance fee*
Total expense ratio (2021)	1.19%
Benchmark index	MSCI ACWI IMI Real Estate NR
AUM (mill.)	1862.28 SEK
Number of holdings	34
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 (%)
LOG Commercial Properties	3.51	0.97
ESR Group Ltd	3.80	0.44
Self Storage Group	6.15	0.26
CTP NV	2.43	0.25
Tokyu Fudosan Holdings	3.55	0.12



Largest detractors

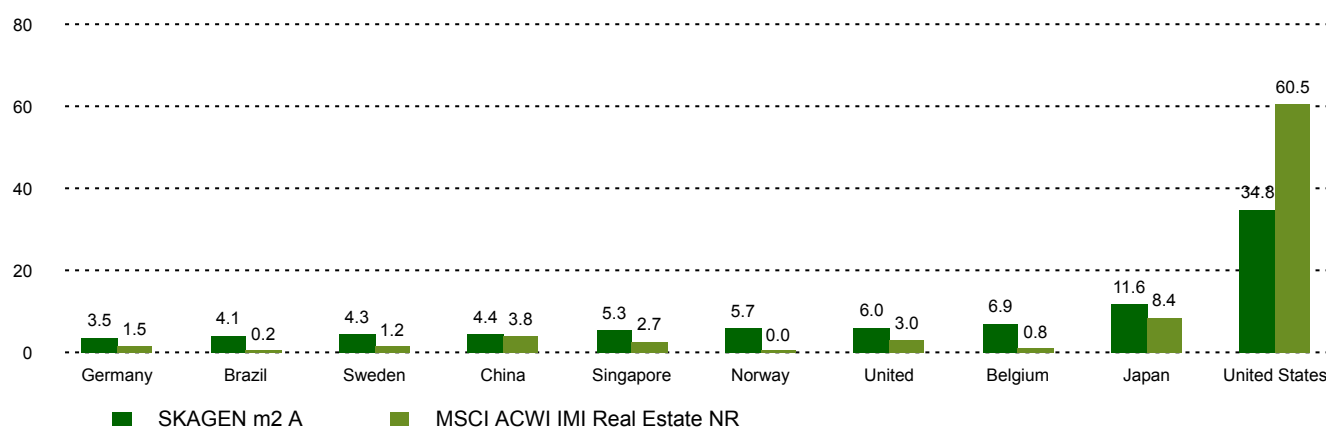
Holding	Weight (%)	Contribution (%)
UMH Properties Inc	4.70	-0.63
Grainger	4.10	-0.48
Great Portland Estates	1.65	-0.38
Vonovia SE	2.14	-0.37
Catena AB	4.32	-0.31

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

Top ten investments

Holding	Sector	Country	%
Prologis Inc	Real Estate	United States	5.7
Self Storage Group ASA	Industrials	Norway	5.7
UMH Properties Inc	Real Estate	United States	4.5
ESR Cayman Ltd	Real Estate	China	4.4
Marcus Corp/The	Communication Services	United States	4.3
Catena AB	Real Estate	Sweden	4.3
Sun Communities Inc	Real Estate	United States	4.3
Shurgard Self Storage SA	Real Estate	Belgium	4.2
LOG Commercial Properties e Participacoes SA	Real Estate	Brazil	4.1
Grainger PLC	Real Estate	United Kingdom	3.9
Combined weight of top 10 holdings			45.3

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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