

**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](http://www.skagenfunds.com), from our local representatives and from our distributors.

## Performance Commentary

The year got off to a stellar start in January, the best in fact since the launch of the fund. The market was driven by investors starting to price in a less hawkish stance by central banks and slightly more positive economic developments. This was despite the still sharp rhetoric from central banks and growth numbers being revised downwards. In October 2022, we wrote that investors should consider careful real estate positioning before the cycle turns positive again. As stated before, a lot of bad news has been priced into listed real estate, and this is now starting to reverse with valuations recalibrated with lower cost of capital expectations. We are not out of the woods yet, however, especially not the most leveraged companies within the sector. Selectiveness is key. The fund's top contributors in January were the logistics operators CTP and Catena, both of which benefited from solid fundamentals in the segment, as well as strong recovery in European listed real estate. The largest detractor was Self-Storage Group, without any obvious reasons for this. The company is now trading more cheaply and is a likely take-over candidate. SKAGEN m2 continues to focus on resilient companies in trend driven subsegments that are mispriced, can perform in various market conditions, have solid balance sheets, and 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)

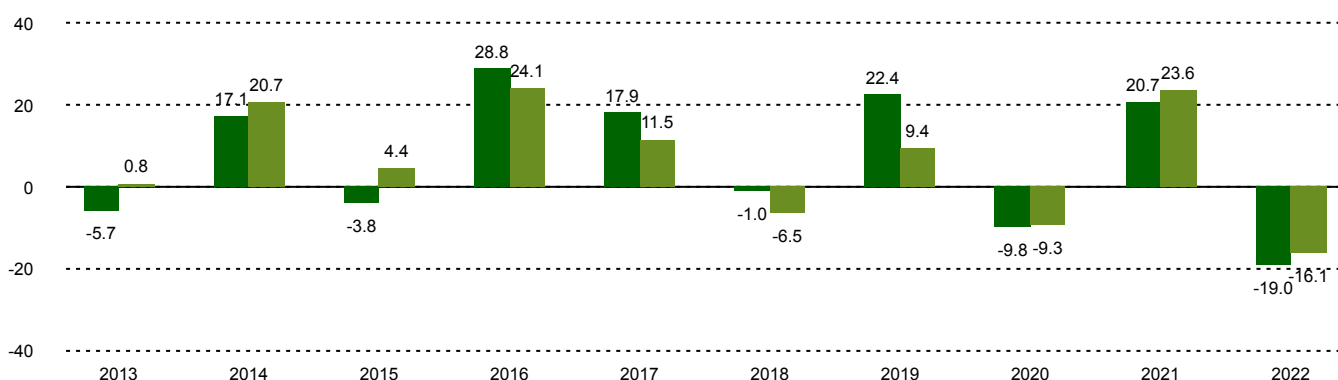
Period	SKAGEN m2 B	Benchmark index
Last month	5.4%	6.2%
Year to date	5.4%	6.2%
Last 12 months	-11.0%	-6.0%
Last 3 years	-2.9%	-0.3%
Last 5 years	2.5%	0.1%
Last 10 years	5.4%	5.4%
Since start	6.3%	6.3%

## Fund Facts

Type	Equity
Domicile	Norway
Launch date	15.05.2014
Morningstar category	Property - Indirect Global
ISIN	NO0010708712
NAV	20.30 GBP
Fixed management fee	1.20% + performance fee*
Total expense ratio (2021)	0.92%
Benchmark index	MSCI ACWI IMI Real Estate NR
AUM (mill.)	128.67 GBP
Number of holdings	30
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 B ■ 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 (%)
Prologis Inc	5.48	0.83
Catena AB	5.30	0.65
CTP NV	2.84	0.61
Equinix Inc	3.74	0.51
CBRE Group Inc	4.18	0.50



### Largest detractors

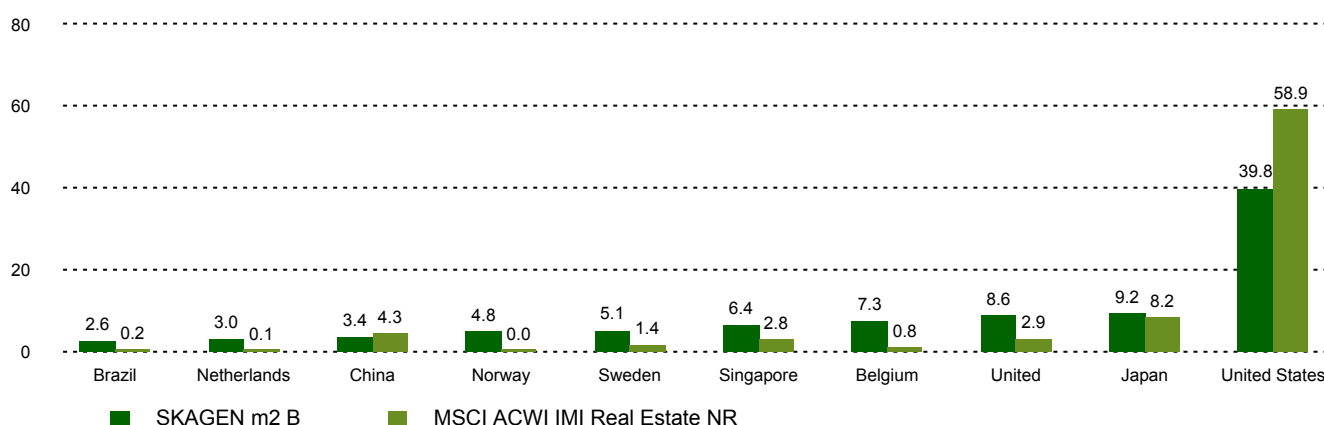
Holding	Weight (%)	Contribution (%)
Self Storage Group	5.13	-0.11
ESR Group	3.80	-0.11
Arima Real Estate SOCIMI	2.20	-0.01
Heiwa Real Estate Co	1.46	0.03
DigitalBridge Group	0.06	0.06

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	5.3
Catena AB	Real Estate	Sweden	5.1
Self Storage Group ASA	Industrials	Norway	4.8
Shurgard Self Storage SA	Real Estate	Belgium	4.5
CBRE Group Inc	Real Estate	United States	4.3
Grainger PLC	Real Estate	United Kingdom	4.3
Capitaland Investment Ltd/Singapore	Real Estate	Singapore	4.2
Sun Communities Inc	Real Estate	United States	4.2
UMH Properties Inc	Real Estate	United States	4.1
Independence Realty Trust Inc	Real Estate	United States	4.0
Combined weight of top 10 holdings			45.0

## 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

This report is intended for investment professionals only. 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. Issued in the UK by SKAGEN AS. Authorised by Finansstilsynet and subject to limited regulation by the Financial Conduct Authority. Details about the extent of our authorisation and regulation by the Financial Conduct Authority are available from us on request.



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