

## Performance Commentary

In November, the US recorded its 97<sup>th</sup> consecutive month of job growth with the lowest unemployment rate since the 1960s. Wage growth accelerated at its fastest pace in a decade. All eyes are now on Europe with the upcoming Brexit vote and Italian budget limbo. German and Swedish GDP declined for the first time since 2015 and 2013 respectively, something that is worth monitoring. During the month, the fund gained in absolute terms but lost relative to benchmark.

No new position entered or exited the portfolio during the month. The best performer in November was the Swedish logistics company Catena following a solid report at the end of October. The second best position was Mitsui Fudosan after the Japanese real estate market rebounded. The largest detractors in November were the Brazilian homebuilder MRV and the US office operator Columbia Property Trust.

The SKAGEN m2 portfolio continues to trade at an attractive valuation, even more so after the recent correction despite the markets having rebounded somewhat. The sector remains attractive due to its stable and rising top-line, low cost financing and solid cash flows.

## Historical performance (net of fees)

Period	SKAGEN m2 A	Benchmark index
Last month	2.7%	5.5%
Year to date	0.6%	-3.8%
Last year	3.7%	-1.7%
Last 3 years	7.4%	2.4%
Last 5 years	9.2%	9.2%
Last 10 years	n/a	n/a
Since start	6.9%	8.0%

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.

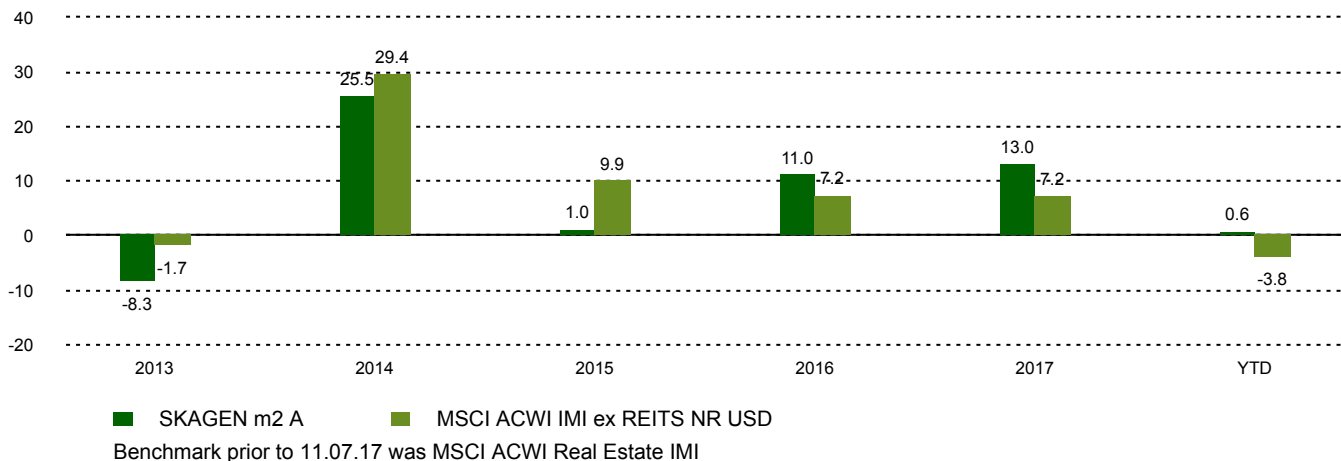
The objective is to provide the best possible risk adjusted return.

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	20.30 EUR
Fixed management fee	1.50%
Total expense ratio (2017)	2.05%
Benchmark index	MSCI ACWI IMI ex REITS NR USD
AUM (mill.)	129.02 EUR
Number of holdings	33
Portfolio manager	Michael Gobitschek

## Performance last ten years



## Contributors in the month

### Largest contributors

Holding	Weight (%)	Contribution (%)
Catena AB	7.71	1.15
Mitsui Fudosan Co Ltd	5.57	0.46
CK Asset Holdings Ltd	3.21	0.41
Deutsche Wohnen SE	6.08	0.39
Phoenix Mills Ltd/The	1.96	0.37

### Largest detractors

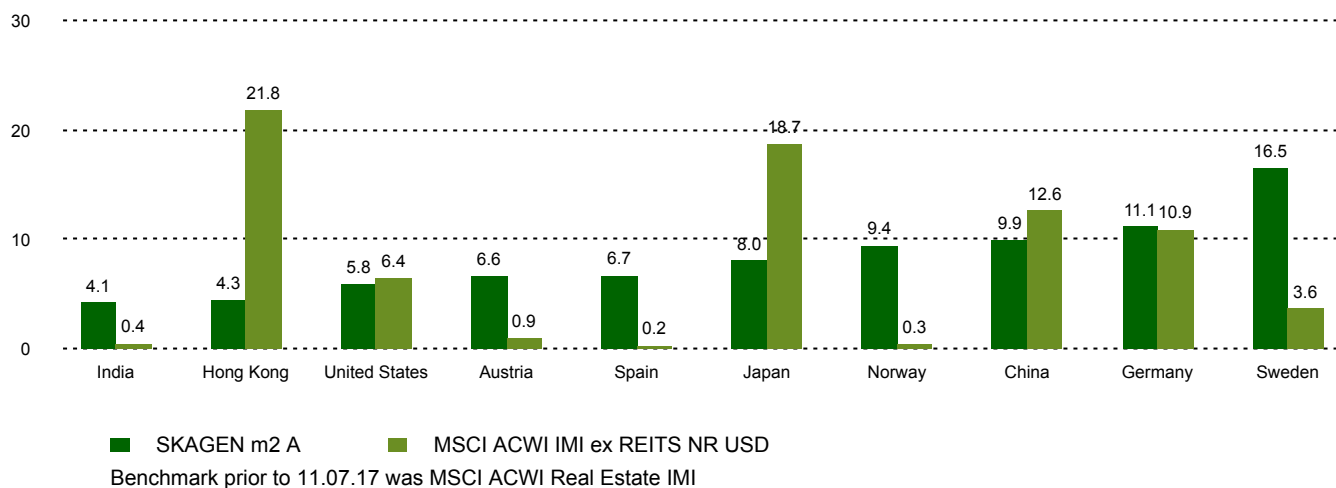
Holding	Weight (%)	Contribution (%)
MRV Engenharia e Participacoes	2.15	-0.18
Columbia Property Trust Inc	3.07	-0.09
Shurgard Self Storage SA	0.79	-0.04
Olav Thon Eiendomsselskap ASA	3.56	-0.03
Entra ASA	3.19	-0.03

Absolute contribution based on NOK returns at fund level

## Top ten investments

Holding	Sector	Country	%
Catena	Real Estate	Sweden	7.5
Hembla AB	Real Estate	Sweden	7.2
Deutsche Wohnen	Real Estate	Germany	6.2
Mitsui Fudosan Co	Real Estate	Japan	5.6
Aroundtown SA	Real Estate	Germany	4.9
CA Immobilien Anlagen	Real Estate	Austria	4.2
Kojamo Oyj	Real Estate	Finland	3.7
CapitaLand	Real Estate	Singapore	3.7
Olav Thon Eiendomsselskap	Real Estate	Norway	3.5
CK Asset Holdings	Real Estate	Hong Kong	3.3
Combined weight of top 10 holdings			49.8

## Country Exposure (top ten)



## Contact



+47 51 80 37 09



contact@skagenfunds.com



SKAGEN AS, Post Box 160, 4001, Stavanger, Norway

## Important information

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