SKAGEN m²

Status Report – February 2016

The art of common sense

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Summary – February 2016

- In February, SKAGEN m2 was up 0.4%, while the global real estate index was up 1.8%. SKAGEN m^2 is down 7.0% YTD, while the index is down 4.0%. The strongest markets in February were Brazil and Singapore which increased 14% and 6%, respectively. The worst performing markets were India and UK (due to FX), down 14% and 8% respectively.

- Our best contributing stocks were IRSA and Mercialys. IRSA has been under attack from short activists due to not consolidating the debt of IBDB, their Israeli investment. The company is now consolidating this investment, but the story has not changed. IBDB was close to selling an insurance company but was stopped by the regulator. This sale would have reduced nearly all the corporate debt at IBDB. French mall operator Mercialys presented another good report with solid rental and capital value growth. The company delivered above expectations for FY15 on all metrics. The worst performing stock was HCP after downgrading its FFO guidance for FY16 due to the operational troubles of its largest tenant.

- We did not add any new investments in February, but exited 3 companies, namely Apartment Investment, Etalon and Vista Land. Apartment Investment was sold out after good performance since the fund's inception. The company disappointed slightly after Q4 and management has been selling shares lately. Etalon was sold out due to continuous headwinds in Russia with poor visibility ahead. Vista Land was sold out after a dilutive takeover that surprised us. We sell out of companies as part of the concentration process but also to take down the overall risk in the portfolio.

- So far this year real estate stocks have plunged more than they have deserved to (in terms of company and market fundamentals). The reason for this is that financial sector – real estate stocks included – has been having a very hard time. When large investors and ETF structures act on index movements, real estate stocks got shot by association. The good news is that this will change in late 2016 when real estate stocks will become a separate asset class in the index. This will hopefully mean less volatility and more focus on pure real estate investments.

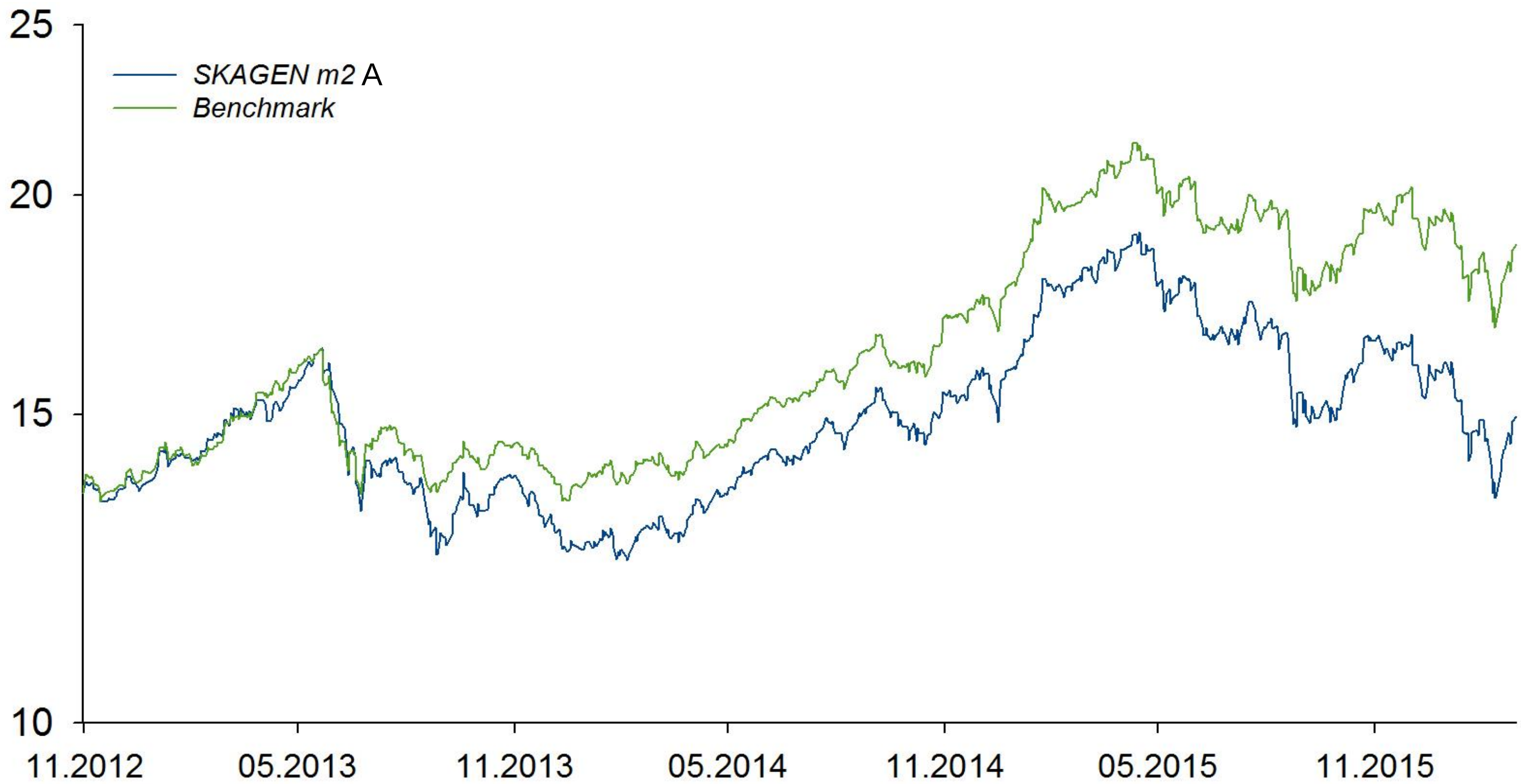
- During the month Sweden lowered its rate by 15 bps to -0.50% and the US took a more cautious stance regarding the pace of further hikes due to general market turbulence.

- The top 10 and 35 positions in the fund constitute 40**%** and 91% of the fund respectively and the fund currently consists of 45 holdings. The fund's cash position is 1%.

Unless otherwise stated, all performance data in this report is in EUR, relates to class A units and is net of fees.

Results, February 2016

EUR, net of fees



	February	QTD	2015	Since inception*
SKAGEN m2 A	0,4%	-7,0%	1,0%	3,1%
MSCI ACWI Real Estate	1,8%	-4,0%	9,9%	10,3%
Excess return	-1,4%	-3,0%	-8,9%	-7,2%

Note: All returns beyond 12 months are annualised (geometric return)
** Inception date: 31 October 2012*

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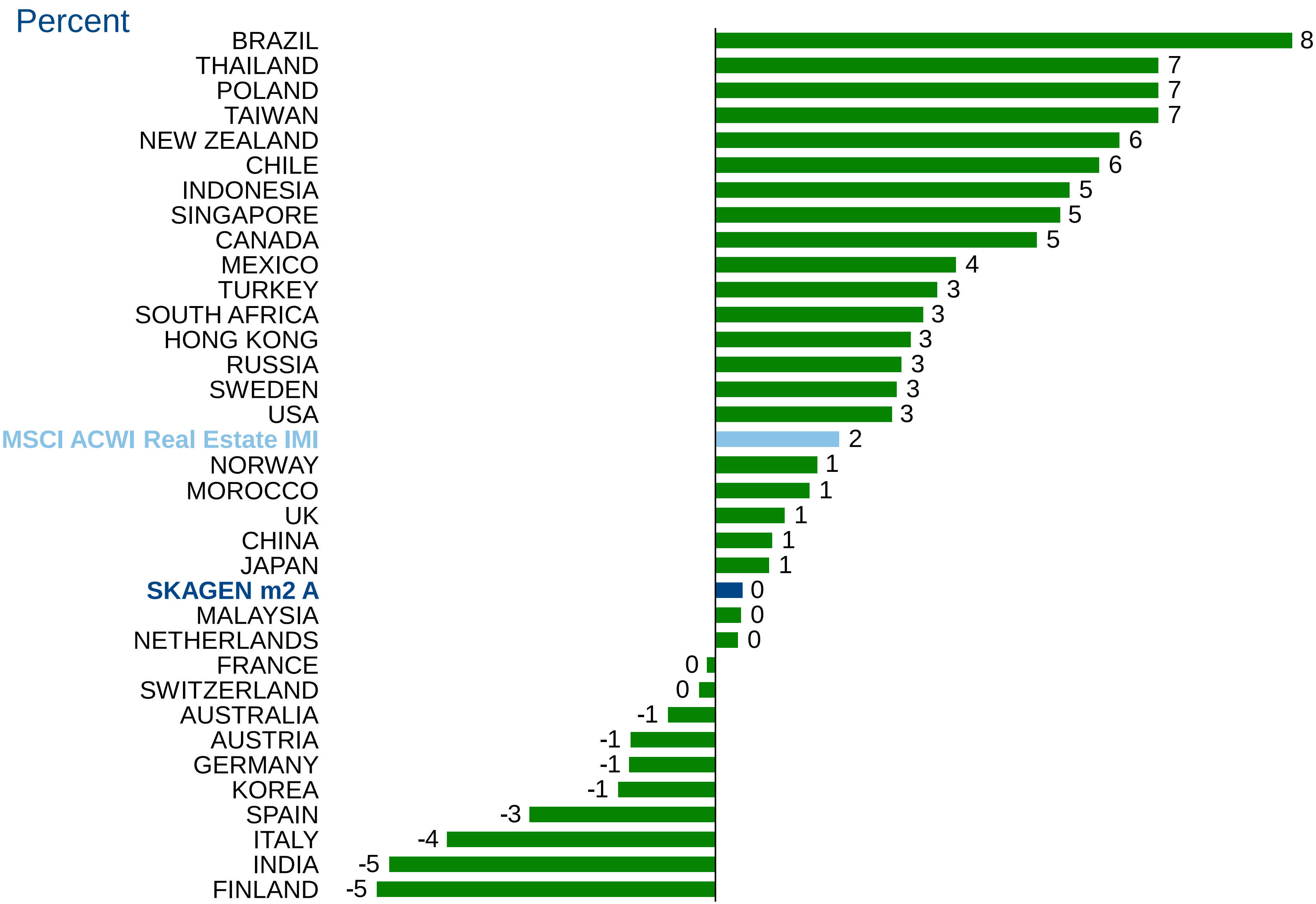
Markets in February 2016 in EUR (%)



Main contributors YTD 2016

Largest positive contributors

Company	*NOK (000)*
IRSA	3 380
Mercialys	2 476
Nomura Real Estate	1 980
BR Malls	1 522
PS Business Parks	1 388
Inmobiliaria Colonial	1 013
Catena	785
General Growth Properties	394
Grivalia Properties	243
Ascendas India Trust	33

Largest negative contributors

Company	*NOK (000)*
HCP	-9 062
Global Logistic Properties	-8 926
SL Green Realty	-8 723
Columbia Property Trust	-5 815
Phoenix Mills	-5 397
Mitsui Fudosan	-5 016
Melia Hotels	-4 872
Dic Asset	-4 680
Ashford Hospitality Trust	-4 115
Olav Thon	-4 093

Value Creation MTD (NOK MM): -87

NB: Contribution to absolute return

Main contributors February 2016

Largest positive contributors

Company	NOK (000)
IRSA	7 529
Mercialys	2 806
Nomura Real Estate	2 587
PS Business Parks	2 472
Global Logistic Properties	2 164
Catena	2 082
CBL Properties	1 990
D Carnegie & Co	1 397
BR Malls	1 223
Bekasi Fajar	1 136

Largest negative contributors

Company	NOK (000)
HCP	-5 207
Dic Asset	-3 003
Phoenix Mills	-2 763
Columbia Property Trust	-2 446
Ashford Inc	-2 163
SL Green	-1 611
Apartment Investment & Man	-1 300
Olav Thon	-1 254
Ashford Hospitality Prime	-891
Oberoi Realty	-636

Value Creation MTD (NOK MM): 7

NB: Contribution to absolute return

Main contributors, February 2016

Largest positive contributors

Company	NOK (000)	Comments
IRSA	7 529	The company is trying to sell some assets in IBDB that may almost entirely cover the debt. Argentina election was very positive. In addition, extremely cheap.
Mercialys	2 806	French mall operator Mercialys presented another good report with both solid rental and capital value growth. Company delivered above expectations for FY15 on all metrics.
Nomura Real Estate	2 587	No company specific news. Speculation of higher purchase allocation into REITS from BOJ.
PS Business Parks	2 472	Strong Q4 and strong balance sheet for hard times.
Global Logistic Properties	2 164	Report better than muted expectations. Operations still solid, buy back shares, valuation low.
Catena	2 082	Strong report with very good cash flow generation. After it closed the merger with Tribona this month the company is the leading logistics operator in the Swedish market with total assets of SEK 10bn
CBL Properties	1 990	Recovery after ridiculously low pricing.
D Carnegie & Co	1 397	Strong report with high revaluation of assets. Announced news on repayment of convertibles, reducing dilution, financial cost, improved ratios and increased transparency.
BR Malls	1 223	No company specific news.
Bekasi Fajar	1 136	No company specific news. Positive signs from Indonesian economy driving inflow into the market.

Main contributors, February 2016

Largest negative contributors

Company	NOK (000)	
HCP	-5 207	Downgrading its FFO guidance for FY16 due to operational troubles for largest tenant.
Dic Asset	-3 003	No company-specific news. Q4 was good.
Phoenix Mills	-2 763	No company specific news. Indian stock market generally weak during the month.
Columbia Property Trust	-2 446	Disappointing 2016 guidance.
Ashford Inc	-2 163	A lot of noise from activist investors who want to sell their managed REITs.
SL Green	-1 611	Stated that they expect weaker job creation in 2H16.
Apartment Investment & Man	-1 300	Weak Q4. Sold out company after owning since the inception of the fund.
Olav Thon	-1 254	Sell pressure from big owner.
Ashford Hospitality Prime	-891	Weak Q4.
Oberoi Realty	-636	No company specific news. Indian stock market generally weak during the month.

Most important changes Q1 2016

Holdings increased

Q1

Inmobiliaria Colonial, Spain	(New)
Big Yellow Group, UK	(New)
D Carnegie & Co, Sweden	
SL Green, US	
Axia Real Estate, Spain	
Ashford Hospitality Prime, US	
IRSA, Argentina	
Catena, Sweden	

Holdings reduced

Q1

Apartment Investment & Man, US	(Out)
Columbia Property Trust, US	
Entra ASA, Norway	
Gecina, France	
Ananda Development, Thailand	
General Growth Properties, US	
Rockwell Land Corp	(Out)
Parque Arauco SA	(Out)

Key earnings releases and corporate news

Inmobiliara Colonial (Spain 2.6%)

Madrid rental cycle begins and surprisingly strong capital value growth

Implications for Investment Case: Positive, and confirms the case better and faster than expected. CBD rental growth acceleration (mainly) in Madrid, reduced vacation and positive revaluation gains. Vacancy numbers still high in Madrid and Barcelona but numbers are not a reliable guidance, large vacant quality CBD assets are very scarce (incl. Paris). This shortage is driving occupancy and rents. Colonial reduced office vacancy by 8 ppt. to 6% during 2015. Earnings driven by accelerated rental growth (after years of non-existent rental development) and higher capital values. This report might be a sign of a more sustainable growth cycle in Spain built upon an overall better economy. In addition capital growth came in much better than expected.

D. Carnegie & Co. (Sweden 2.8%)

Delivered the results

Implications for Investment Case: Positive. Our Stockholm-focused residential operator delivered good Q4 and FY15 numbers. Value creation is driven by rental growth from refurbishment and revaluation following asset enhancements. The market has also been contributing through yield compression. In addition the company has future value drivers in selling apartments/blocks, currently only valued at SEK 11k/sqm in the books. Pilot for conversion to co-ops soon to come, peer Akelius' recent Vårberg transactions at SEK 21K/sqm is an indicator. During the week DCARB also announced news of repayment of convertibles, reducing dilution, improving ratios and increasing transparency. Company is confident it can refurbish 1000 flats during 2016, twice as many as last year, hiking NOI further. Vacancy risk=0.

Catena (Sweden 2.6%)

Fantastic company and report

Implications for Investment Case: Positive, confirms the case. When Catena has consolidated Tribona, asset value will reach ~ SEK 10bn and company will become biggest logistics player in Sweden with clear focus on e-commerce and city logistics. Catena reported another strong report with 60% operating cash flow/revenue. Rental growth of 8% YoY. Revaluation gain +1.5% modest and 1ppt below Swedish peer group but natural with this type of asset. Operating profit came in 27% stronger YoY. EPRA NAV SEK 115/share.

Key earnings releases and corporate news (cont.)

Mitsui Fudosan (Japan 5.0%)

Continued solid fundamentals in Tokyo RE market

Implications for Investment Case: Positive. Mitsui delivered another very strong report confirming the high momentum in Japanese real estate, especially within the commercial segment (both office and retail) and property sales segment, driven by lower vacancy and good rental growth. Profit is growing faster than expected, mainly in the leasing segment, but the company has maintained its FY guidance. The market is obviously not paying attention to company fundamentals, rather macro and FX development in Japan. Evidently, market turmoil has not hurt tenants pushing rental and vacancy to lower levels.

Mercialys, France (4.0%)

Solid on all metrics, Casino marriage question mark.

Implications for Investment Case: Positive. French mall operator Mercialys delivered another good report with solid rental and capital value growth and came in above expectations for FY15 on all metrics. In December 2015 Mercialys bought 5 Monoprix assets from main shareholder Casino and indicated that this new “high street retail” segment could represent ~10% going forward. Clearly there is a financial rationale to this but no/low operational benefit since this strategy differs from core operations. We have to monitor this “relationship” going forward (pricing, equity issued to finance further assets etc.) since we suspect Casino (under pressure) will feed more assets into Mercialys. Casino’s share in Mercialys’ rent roll will increase from 20% to 30%. That being said, Mercialys’ core operations are performing above expectations and Casino´s French operations are in good shape. Mercialys’ guidance for next year seems conservative (FFO+2%) but enough to give comfort regarding further earnings and dividend stability/sustainability.

Atrium Ljungberg (Sweden 1.9%)

Q4 good quarter with underlying earnings ahead of expectations

Implications for Investment Case: Neutral. Our multi-focused company Atrium Ljungberg, reported a good quarter with underlying earnings ahead of expectations. The recurring income growth was particularly positive in the report. Company has very good cash flow/value driving potential in their project portfolio but they have so far been too slow to capitalize on it. A ray of light was that they announced an acceleration in the project portfolio. The question remains whether it is enough to confirm the case. Company also announced change of CEO. Company now has a clear focus on the 4 main Swedish cities after divestures and establishment in Gothenburg.

Key earnings releases and corporate news (cont.)

HCP (US, 3.5%)

Implications for Investment Case: Negative: FFO guidance for 2016 was lowered (-15%) and came as a big negative surprise for market. The reason was that mgmt. decided to skip non-cash HCRMC (largest tenant) income on an ongoing basis given the operational challenges for the business. The problems have been known to the market but have accelerated, the issue with HCRMC continues and HCP's top priority now is to deal with the overhang from this tenant. HCP has already executed a lease restructuring with HCRMC in 2015 that lowers rents. Market is now worried about HCP's ability to deliver growth in dividend, as has been the case for 31 consecutive years. The HCRMC issue aside, HCP's strategy seems to be on the right track with management accelerating efforts to diversify and expand relationships with new operators. Hard to see that the market will gain confidence in the near term. Nevertheless, the company trades at an 8.5% dividend yield (if sustainable) and FFO multiple at 10X valuation which is cheap. Due to valuation, the company is now a target in an consolidating industry. We have taken down the position and monitor new information confirming cash flow and dividend levels.

GLP SP (Singapore, 4.4%)

Operations still solid, reality better than stock performance, for now

Implications for Investment Case: A lot of noise but operations still solid. GLP has been underperforming so far this year on continuous growth concerns in China, RMB depreciation, macro uncertainty in all markets (ex US) and lack of confidence in management's guidance (China slowdown). Overall this report was a bit better than muted expectations: 1) US market strong 2) Chinese market soft but stabilized, and remains the question mark in terms of future developments 3) Japanese market stable with 99% lease ratio and rental growth of 5.4% on renewal 4) Brazil remains weak as expected. GLP is currently in discussions with capital partners for a first China income fund which would help to crystallise NAV and lower the discount. The flip side is that this will hurt recurring earnings in the short term. Management continues with its intention to move towards an asset-light model building up its fund mgmt. platform (currently at USD 32.1bn) and buy back shares. Valuation is very attractive. Leasing slowdown in China still a risk.

Deutsche Wohnen (Germany 3.7%)

Vonovia's hostile bid for Deutsche Wohnen failed

Implications for Investment Case: Positive: Vonovia announced that the bid for DW failed receiving only 30.4% of outstanding shares after deadline on 9 Feb. According to German takeover law, Vonovia can not make any public bids for 12 months. A very long period of takeover attempt and resistance has now come to an end. If successful Vonovia would have become Europe's biggest publicly traded homeowner. We like DW better as a stand-alone alternative with a clear focus on Berlin market. A merged company would also bear higher financial risk. DW has the highest quality portfolio in the sector and an extremely solid balance sheet.

Key earnings releases and corporate news (cont.)

CBL Properties, US (3.0 %)

Q4 results better on land sales and lower interest level. 2016 guidance above expectations.
Implications for Investment Case: The company reported better than expected results, but also significantly better than feared. This is the ugliest duck in the pond. However, more importantly, the company also provided better guidance than expected. The stock will move north.

General Growth Property, US (3.5 %)

Q4 results were quite solid.
Implications for Investment Case: General Growth beat Q4 estimates slightly, but more importantly the initial guidance for 2016 was also above expectations. The stock jumped 5+% on the report.

Brandywine, US (3.0%)

Q415 in line with expectations. Increased disposition and reposition to be finished in 2016.
Implications for Investment Case: The company has been able to deliver during the repositioning. The increased disposition will reduce FFO short term, but improve operational results longer term. Overall, a fairly positive result.

Colombia Property Trust, US (4.3%)

Q4 solid, but guidance disappointing due to dispositions.
Implications for Investment Case: Negative. The company will most likely complete 3 dispositions during Q1 and reduce 16FFO-guidance to USD 1.5-1.6 (share price USD 20), estimate USD 1.67. They will not continue buying back shares and dividend is not covered by operational cash flow before end of 2017 and will not be reduced. The company bought back 1.83m shares at an average price of USD 22.61. The company has stopped buying back shares until the finalisation of sales, and also refused to cut the dividend. A more opportunistic approach regarding how to return cash to shareholders would have been appreciated. The company will keep the dividend at current level through 2017 even if operational cash flow does not cover the dividend. Capex need is high due to the repositioning process. The company also stated that rent free periods are taking their toll.

Key earnings releases and corporate news (cont.)

IRSA, Argentina (2.5%)

Q216 report ok, but everything is about IBDB investment
Implications for Investment Case: The Q2 report does not affect the share price as shareholders' focus is elsewhere. IRSA started to consolidate its Israeli investment IBDB. IRSA has invested $350m and committed to invest another $125-150m in its Israeli investment IBDB (MC=$600m). There is no doubt that this investment has extreme potential given what IBDB owns. In addition, the Argentinian government seems to be positive to including Argentina in the civilised world. IRSA got a hit from its USD debt after the depreciation of the Argentinian peso. The debt covered by US assets and also US revenue from its office and hotel business.

Entra, Norway (0.5%)

Strong 2015 with significant market revaluation.
Implications for Investment Case: Positive. Entra provided a strong result. EPRA earning (income without value adjustment, FFO after tax) was NOK 3.2/share and NAV above NOK 80 after significant value adjustment. The company has growth potential due to lower interest on maturing debt, lower company tax (will most likely be reduced from 27 to 22%) and some developments that will contribute to growth. They increased the dividend to NOK3 /share. (4% yield)

Br Properties, Brazil (0.8%)

Weak Q4 with a lot of moving parts in a generally weak environment
*Implications for Investment Case**:*** Neutral. The expectations in the market are very weak, but our Brazilian companies have as a group outperformed the benchmark this year. BR Properties is weakest and is down 10% in NOK.

Capitaland, (Singapore and China) (1.2%)

Better Q4 with resilient apartment sale in China, impairment in Singapore.
Implications for Investment Case: Capitaland provided a neutral result with good sales in China, but the market is focusing on the future. They took an impairment on their Singapore holdings. The company is a developer, owner and manager selling their assets into managed Reits and funds where they own minority stakes. The business model is quite good, but they have not been able to produce an acceptable return over the longer term, which is the main focus for investors. They have some investment properties under development that will most likely help to improve growth in their recurring income. LTV is 48% which means that we expect them to produce 8 to 10% ROE longer term.

Key earnings releases and corporate news (cont.)

Olav Thon, Norway (4.6%)

Strong result and more to come

Implications for Investment Case: Olav Thon presented another solid result with recurring income after Norwegian corporate tax of NOK 2.4/share per quarter. Net rental revenue increased 8.7% and net rental level was up 7.7% last year. In addition, average interest decreased from 4.0% to 3.65% YoY, meaning that the result before tax and value adjustment was up more than 9%. They expect the net rental level to increase at least 6% towards YE2016. LFL rental was up 3%. FFO after tax may hit NOK 11 per share in 2016. They will keep the dividend low but steadily increasing.

Gecina, France (1.2%)

Paris is improving, but 2015 was even stronger than expected.

Implications for Investment Case: Gecina significantly beat expectations. The share is trading at a 10% discount to the new NAV. The Paris market is improving and the company may be able to increase their 4.5% dividend which is quite attractive for this kind of company. FFO/share was 5.6 in 2015, up 10.6% YoY. Vacancy was 4.2%, but is expected to be further reduced to lower than 4%.

Axiare, Spain (2.2%)

17% increase in NAV and significant operational improvement.

Implications for Investment Case: Neutral. Axia beat NAV estimates based on redevelopment properties. Most likely expectations were higher than analysts estimate. Some analysts focus on the small dividend. However, this shows that the management is opportunistic, using capital where most needed when improving the operations of the company. This company has bought a lot of cheap real estate where they need to reposition before the market sees the long-term gain. It is too early to distribute a lot of cash and the management should be supported in their decision to keep cash.

PS Business Parks, US (3.0%)

Will pay off remaining debt and increase distribution of cash.

Implications for Investment Case: Positive. PS Business Parks acquires cheap and bad assets in bad times to reposition the asset. They didn't acquire anything in 2015 and the already acquired assets seem to be fully repositioned. The company has the strongest balance sheet in the US REITs universe and has outperformed, as expected, in this year's turmoil. Q4 was better than expected and the company increased the occupancy in the repositioning part of its portfolio to 92.5%, meaning that they have reached the final stage of the repositioning process. After paying off all mortgage debt in 1H16, the whole balance sheet will consist of permanent capital. (Ordinary equity 75%/ preferred equity 25%). We may trim the position due to pricing.

Largest holdings as of February 2016

	Holding size	Price	P/NAV	Div. Yield 2016e	EBITDA 2016e/EV
Mitsui Fudosan Co Ltd	5,0%	2623	67%	1,1%	6,3%
Global Logistic Properties Ltd	4,6%	1,76	60%	3,6%	4,3%
SL Green Realty Corp	4,6%	88,98	70%	3,3%	5,2%
Olav Thon Eiendomsselskap ASA	4,4%	129	65%	1,5%	6,6%
Mercialys SA	3,9%	20,28	99%	6,2%	5,1%
Deutsche Wohnen AG	3,7%	24,34	106%	2,8%	4,8%
HCP Inc	3,7%	30,22	86%	7,8%	7,3%
Columbia Property Trust Inc	3,5%	20,66	75%	5,9%	5,4%
General Growth Properties Inc	3,3%	27,97	80%	2,8%	5,3%
CBL & Associates Properties Inc	3,2%	11,33	55%	9,3%	9,5%
Weighted top 10	**40.0%**		**76%**	**4.2%**	**5.9%**
Weighted top 35	**91%**			**3.7%**	**7.0%**
Benchmark				**3.6%actual**	

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The largest companies in SKAGEN m^2 as of February 16

MITSUI FUDOSAN

Established in 1941, Mitsui Fudosan has been an active leader in the Japanese real estate industry, successfully developing new business opportunities and establishing an dominant position. The company is an integrated firm involved in office leasing, commercial facilities, condominium development, investment property development and REITS. 8% of MF's assets are located on other continents. Good integrated and balanced growth model with development and investment properties diversified among different real estate sub-segments. Management business (car park leasing, property management) provides stable earnings growth over time, and together with other recurring earnings from commercial assets, mitigates the volatility in the development segment.

Global Logistic Properties 普洛斯

GLP is Asia's largest provider of modern logistics facilities. The company owns, manages and leases over 700 completed properties spread across 77 cities in China, Japan, Brazil and US, forming an efficient network with assets strategically located in key hubs, industrial zones and urban distribution centres. The USD 27bn property portfolio comprises of 28 million sqm serving more than 800 customers. The Japan portfolio is mostly completed and stabilized, providing strong operating cash flows to fund the group's growing business in China. The company also set up a China fund at the end of 2013 to enable capital recycling in the Chinese market in line with the Japanese model. This business model leads to a more effective capital structure, recurring income and capital recycling (listing of J-REIT & CLF fund).

SL GREEN REALTY CORP.

SL Green Realty Corp. is a fully integrated, self-administered and self-managed REIT. The company is focused on owning and operating office buildings in Manhattan. It owns equity or debt in 92 properties totalling 41.6 million square feet. In addition to Manhattan, they also have interests in Manhattan's surrounding suburban areas. Its Manhattan properties have an occupancy rate of 95.9 % compared to 83.5 % (Q1 '15) for its properties in the suburban areas.

OLAV THON GRUPPEN

Olav Thon owns a portfolio of 65 shopping malls and manages an additional 27 malls for external owners. In addition, the company owns office buildings, restaurants and hotels (2; NOT Thon Hotels) located primarily in the Oslo area. 76 % of its income are from malls and the rest from commercial real estate (mainly office and retail). Listed on Oslo Børs in 1983. Gross (inclusive JV) lettable space: Shopping malls: 1 million square metres and commercial estate 263 000 square metres. Diversified into Sweden in Q3 '14 after buying five shopping malls with 122 000 square metres of space for NOK 3bn.

MERCIALYS

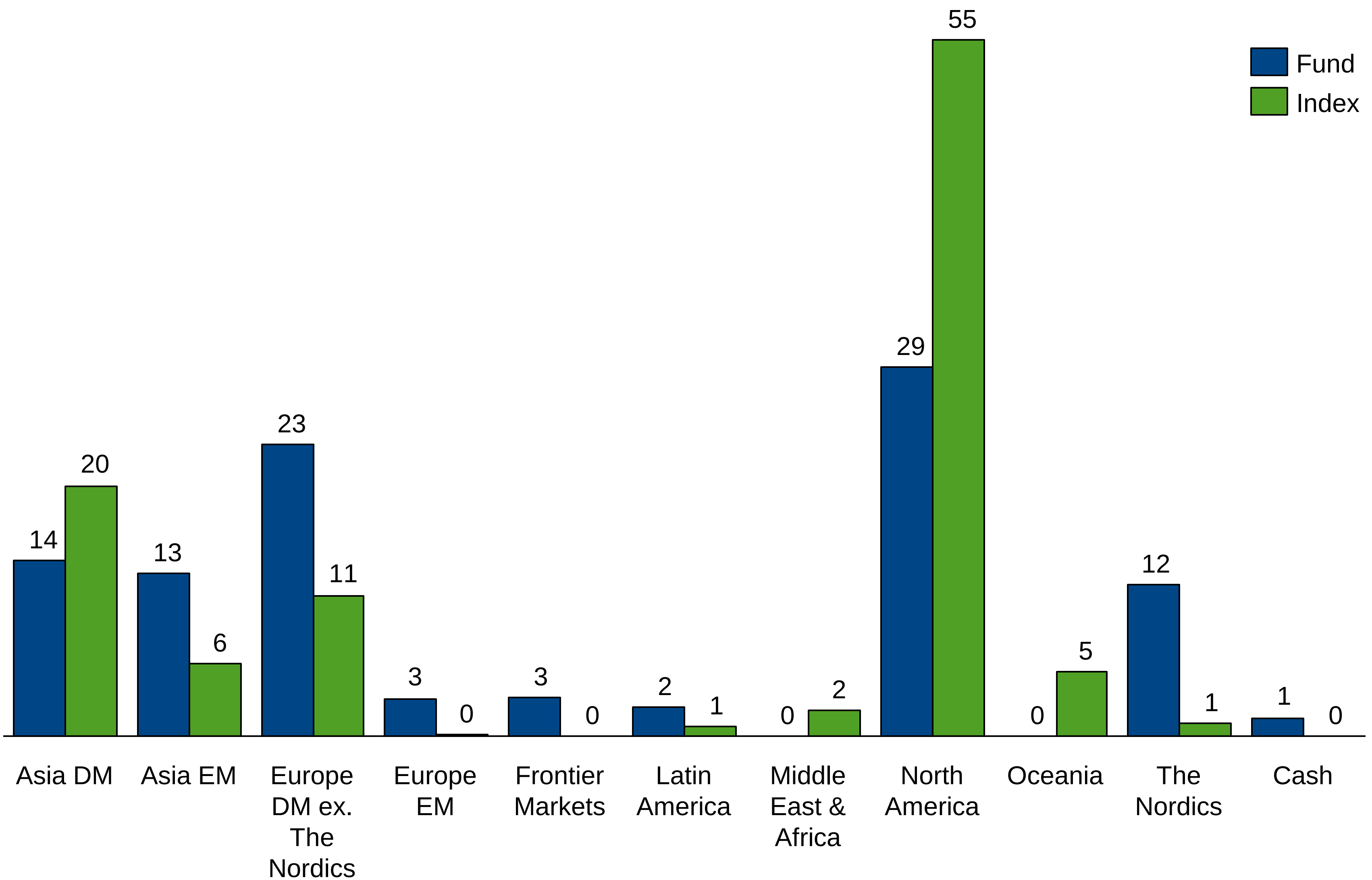
Founded in 2005 by Casino, Mercialys is one of the top real estate companies in France and Europe, specializing in the enhancement, transformation and promotion of shopping centres. Mercialys owns a real estate portfolio of over 50 centres, with more than 800,000 square metres of retail space throughout France. Mercialys is positioned in the convenient range of the shopping centre industry, as well as within the experience malls or destination malls segment. Mercialys is well established in France and has been very skilled in its active management of its assets. Casino is still the majority owner.

The largest companies in SKAGEN m² as of February 16

Deutsche Wohnen	Deutsche Wohnen is one of the leading listed residential companies in Germany with main focus in Berlin. Its operational focus is on managing and developing its residential property portfolio, currently comprises 144,000 units in total, of which 141,900 are residential units and 2,100 are commercial properties. Units are situated in core regions like Greater Berlin, Rhine-Main, Rhineland, Dresden, Hanover as well as in medium-sized German cities like Brunswick and Magdeburg. Deutsche Wohnen has a pending hostile takeover proposition from Vonovia, if successful it will create one of the largest Real Estate companies in Europe.
HCP	HCP is a fully integrated self-administered real estate investment trust that acquires, manages, and invests in health care (largest sector of the U.S. economy in relation to GDP) real estate located in the US and Mexico. HCP is well diversified across healthcare property types: senior housing (35% of NOI), skilled-nursing facilities (31%), medical office (13%), life science/labs (15%), and hospitals (6%). HCP has USD 22bn in AUM and a well-balanced portfolio of 1163 properties. The company has generated ~16% in average compounded return since its IPO in 1985, and has 29 years of consecutive dividend growth.
Columbia Property Trust	Columbia Property Trust, Inc. focuses on the acquisition, development, ownership, leasing, and operation of office properties. It owns 59 office buildings, with a total of 16.5mn square feet of space valued at $5.1bn. The company was listed without any new equity issued in Oct.13 to provide liquidity for shareholders. The trust bought back shares during the quarter after listing. Its core focus is on 16 main cities throughout US and it has an even split between exposures to central business districts and suburban areas. Occupancy rates average 91% and the properties are managed both internally and by external parties.
GGP	General Growth Properties (GGP), founded in 1954, is a real estate investment trust (REIT) that owns, leases, manages and develops shopping centres. The company is the second largest mall operator in the world. The company holds interests in 120 malls, 7 office properties and 6 other properties, generating an average of USD 564 in tenant sales per square foot (malls).
CBL CBL & ASSOCIATES PROPERTIES, INC.	CBL, founded in 1978 and listed in 1992, is a real estate investment trust (REIT) that owns, leases, manages, and develops shopping centers. The company held interests in 147 building, including 89 malls plus 30 adjacent associated center, four outlet centers, 10 Community Centers and 12 Office Buildings. generating an average of $360 in tenant sales per square foot (malls).

Geographical distribution versus benchmark February 2016

Percent



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Additional information

Why invest in listed property and SKAGEN m²?

Q. Why invest in listed property?

- **Listed global real estate securities provide exposure to properties but with the benefits of <u>liquidity</u>.**
- **Listed global real estate securities offer the ability to invest in properties around the world, with the <u>flexibility</u> to gain exposure to opportunities that are otherwise difficult to access.**
- **Listed global real estate securities enhance <u>diversification</u> effects in your portfolio.**

Q. Why SKAGEN m²?

- **The fund offers a great opportunity to have access to global listed real estate using SKAGEN's unique investment philosophy of finding investments that are <u>unpopular, undervalued and under researched</u>.**

SKAGEN m²

m²

- **Broad mandate:** Daily traded mutual equity fund, investing globally in listed real estate securities, including REITs, REOCs (Real Estate Operating Companies) and developers.
- **Recommended investment horizon:** Minimum 5 years.
- **Dividends:** No dividend payout; fund proceeds are reinvested at the fund level.
- **Benchmark:** MSCI ACWI Real Estate Net Return IMI.
- **Fee model:** Fixed annual fee 1.5 %*, no entry or exit fees.
- **Minimum subscription:** EUR 50.
- **Launch date:** 31 October 2012.

**Better/worse performance in terms of unit NAV growth relative to benchmark growth is split 90/10 between unit holders and the management company. Maximum annual fee is 3% and minimum fee is 0.75%.*

For more information please visit:

Our latest Market report

Information about SKAGEN m2 on our web pages