



Fund facts

ISIN: NO0010657356

Launch date, share class: 31.10.2012

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Domicile: NO

NAV: 23.09 EUR

AUM: 128 MEUR

Benchmark index: MSCI ACWI Real Estate IMI

Minimum purchase: 50 EUR

Fixed management fee: 1.50 %

Performance fee: 10 % (see prospectus for details)

Ongoing charge: 1.50 %

Number of holdings: 32

SFDR: Article 8



Michael Gobitschek
Managed fund since
31 October 2012



Anne Line Kristensen
Managed fund since
01 July 2022

Investment strategy

SKAGEN m2 provides exposure to a normally difficult to access global real estate market. The fund selects low-priced, high-quality real estate companies from around the world. 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 benchmark reflects the fund's investment mandate. Since the fund is actively managed, the portfolio will deviate from the composition of the benchmark.

SKAGEN m2 A

RISK PROFILE



6 of 7 (SRRI)

YTD RETURN

-0.56 %

27.03.2024

ANNUAL RETURN

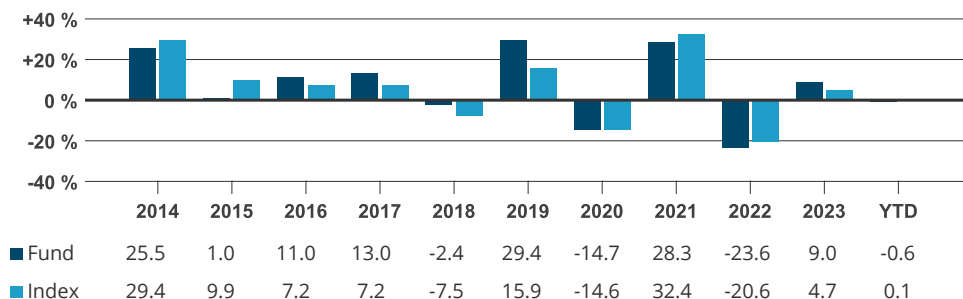
0.66 %

Average last 5 years

Monthly report for March as of 31.03.2024. All data in EUR unless otherwise stated.

Historical returns are no guarantee for future returns. Future returns will depend, inter alia, on market developments, the fund manager's skills, the fund's risk profile and subscription and management fees. The return may become negative as a result of negative price developments. The fund's Key Investor Information Document and prospectus are available on www.skagenfunds.com

Historical return in EUR (net of fees)



In the period from 11.07.2017 to 30.09.2019, the benchmark index was the MSCI ACWI Real Estate IMI ex REITS.

Period	Fund (%)	Index (%)	Key figures	1 year	2 years	3 years
Last month	3.34	2.16	Standard deviation	-	-	15.97
Year to date	-0.56	0.10	Standard deviation index	-	-	16.01
Last 12 months	13.81	10.14	Tracking error	-	-	4.93
Last 3 years	0.45	0.04	Information ratio	-	-	0.08
Last 5 years	0.66	-1.45	Active share: 84 %			
Last 10 years	5.98	4.83				
Since inception	4.80	4.54				

Returns over 12 months are annualised.

Q1 commentary 2024

The real estate sector delivered negative returns in the first quarter, missing out on the general market's rally. This is mainly due to continued rate volatility in combination with uncertainties around commercial real estate bank exposure, mainly in the US; a risk later deemed manageable by the Fed Chairman Jerome Powell. Stubbornly higher-than-expected CPI numbers pushed rate cut hopes out further, negatively affecting the sector performance in almost all regions.

It is evident that macro news is still a major driver for the listed real estate sector. At the end of the quarter, the Fed signalled three rate cuts in 2024. We believe that it is better to focus on the longer-term interest rate trend and use the opportunities that valuation drops create, rather than on short-term speculation. There are many signs to indicate that real estate values are bottoming out and that the sharp slowdown in new construction in general is quite positive for long-term values. Our thesis is that when inflation continues to fall, policy rates are expected to follow. Interest rates act like gravity on risky assets, meaning real estate as an interest rate sensitive asset should benefit. SKAGEN m2 is well positioned for when central banks start to cut rates, with the Swedish central bank set to lead the way. The fund ended the quarter slightly behind benchmark.



Overall, company reports were solid during the quarter, and mostly in line with expectations. The fund's top performers in Q1 were the Japanese conglomerates Tokyu Fudosan and Mitsui Fudosan. Japan hiked their interest rates for the first time since 2007, which led to positive developments for real estate names given the negative real interest rate environment. The fundamentals for the Japanese real estate sector are also positive. In addition, the government initiative to improve overall corporate governance related to cross holdings, poor return on capital and over-liquidity helped the stock market. Digital Bridge, the US digital real estate owner and operator benefitted from the general datacentre tailwinds in the quarter,

but also announced that they have completed the last stage of their transformation path and deconsolidated the last datacentre they had on balance sheet, a key to our investment thesis. The worst performer in the quarter was the pan Asian investment manager ESR, which delivered a report well below expectations, mainly because of poor performance in Chinese assets due to the slow pace of recovery. During the quarter the well-known real estate private equity firm Starwood Capital took out a stake from founding shareholders, which removed some of the governance risk that has been weighing on the company lately. In addition, ESR sold some of its non-core assets, something investors have been waiting for. Despite this good news, company performance was poor in the quarter.

We entered UK listed tower owner and operator Helios Towers. The company serves high growth markets in Africa and the Middle East where a fast-growing young population, an underpenetrated mobile phone market and economic growth are driving demand. Helios is operating as the leader in most of its nine markets, each of which offer significant opportunities for highly profitable growth. We also bought a small position in the leading French housing developer Nexity, a company that has been a strong performer in the portfolio previously. Nexity performed poorly in the quarter due to the interest rate backlash, but also due to a report that failed to meet expectations because of the interest rate sensitive construction market. Both new positions are set to benefit from lower interest rates when the time comes.

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. After underperforming the wider equity market for another year, we believe the outlook for global real estate in 2024 – with a potentially more favourable interest rate environment – should bring with it lots of good opportunities for long-term stock pickers like SKAGEN m2. The portfolio has an overweight in high growth real estate segments like digital real estate and warehouses, which will be the main beneficiaries of a yield curve shift entering lower interest rate environments.

Contribution last month

 Largest contributors	Weight (%)	Contribution (%)	 Largest detractors	Weight (%)	Contribution (%)
Catena AB	6.65	1.37	ESR Group Ltd	2.66	-0.57
Tokyu Fudosan Holdings Corp	3.59	0.99	EQUINIX INC	4.22	-0.26
Helios Towers PLC	2.21	0.59	CK Asset Holdings Ltd	1.85	-0.17
CTP NV	4.42	0.54	Nexity SA	1.10	-0.11
Independence Realty Trust Inc	4.03	0.54	Capitaland Investment Ltd/Singapore	2.72	-0.05

Absolute contribution based on NOK returns at fund level.

Portfolio information

Top 10 investments	Share (%)	Country exposure	Share (%)	Sector exposure	Share (%)
Catena AB	7.2	United States	35.8	Real estate	90.8
DigitalBridge Group Inc	5.5	Sweden	12.3	Communication Services	7.0
Prologis Inc	4.9	Japan	8.0	Consumer discretionary	0.3
American Tower Corp	4.6	Belgium	7.6	Total share	98.1 %
CTP NV	4.5	United Kingdom	6.0		
Shurgard Self Storage Ltd	4.5	Spain	5.6		
Grainger PLC	4.4	Singapore	5.0		
Independence Realty Trust Inc	3.8	Netherlands	4.5		
Tokyu Fudosan Holdings Corp	3.8	Brazil	3.9		
LOG Commercial Properties e Participacoes SA	3.6	Tanzania	2.4		
Total share	46.8 %	Total share	91.3 %		

Sustainability

SKAGEN's approach to sustainability

Our ESG approach is built on four pillars. In keeping with SKAGEN's active investment philosophy, our sustainability activities centre on active engagement with our holding companies, which is where we believe we can have the greatest impact. We recognise, however, that the full potential of a sustainable investment strategy is best realised when combining the following four pillars.

- ✓ Exclusion
- ✓ Enhanced due diligence
- ✓ ESG factsheet
- ✓ Active ownership

IMPORTANT INFORMATION

This is a marketing communication. Except otherwise stated, the source of all information is Storebrand Asset Management AS. Statements reflect the portfolio managers viewpoint at a given time, and this viewpoint may be changed without notice.

Future fund performance is subject to taxation which depends on the personal situation of each investor, and which may change in the future.

The tax treatment of the gains and losses made by the investor and distributions received by the investor depend on the individual circumstances of each investor and may imply the payment of additional taxes. Before any investment is made in the Fund, investors are urged to consult with their tax advisor for a complete understanding of the tax regime, which is applicable to their individual case.

Storebrand Asset Management AS is a management company authorised by the Norwegian supervisory authority, Finanstilsynet, for the management of UCITS under the Norwegian Act on Securities Funds and has its registered office at Professor Kohts vei 9, 1366 Lysaker, Norway. Storebrand Asset management AS is part of the Storebrand Group and owned 100% by Storebrand ASA. Storebrand Group consists of all companies owned directly or indirectly by Storebrand ASA.

Following the merger of Storebrand Asset Management AS and SKAGEN AS, SKAGEN's portfolio team will continue to manage the funds' portfolios from the new separate legal entity, SKAGEN AS, while Storebrand Asset Management AS carries out the role of the management company.

No offer to purchase units can be made or accepted prior to receipt by the offeree of the Fund's prospectus and PRIIPS KID (for UK: KIID) and the completion of all appropriate documentation. You can download more information including subscription/redemption forms, full prospectus, PRIIPs KID (for UK: KIID), General Commercial Terms, Annual Reports and Monthly Reports in English language from SKAGEN's webpages.

Investors rights to complain and certain information on redress mechanisms are made available to investors pursuant to our complaints handling policy and procedure. The summary of investor rights in English is available here: www.skagenfunds.com/contact/investor-rights/ The investor rights summary is available in all languages of the countries where the fund is registered with the national Financial Services Authority. Please refer to SKAGEN's webpages and choose your respective country for this information.

Storebrand Asset Management AS may terminate arrangements for marketing under the Cross-border Distribution Directive denotification process.

For further information about sustainability-related aspects of the Fund, including the sustainability disclosure summary in English, please refer to: www.skagenfunds.com/sustainability/sustainable-investing/ The sustainability disclosure summary is available in all languages of the countries where the fund is registered with the national Financial Services Authority. Please refer to SKAGEN's webpages and choose your respective country for this information.

The decision to invest in the Fund should take into account all the characteristics or objectives of the Fund as described in its prospectus.

Important information for UK Investors

Storebrand Asset Management AS has established a subsidiary in the UK. Storebrand Asset Management UK Ltd is located at 15 Stratton Street, London, W1J 8LQ. Storebrand Asset Management UK Ltd is an Appointed Representative of Robert Quinn Advisory LLP, which is authorised and regulated by the Financial Conduct Authority. Storebrand Asset Management UK Ltd is incorporated in England and the registered office is at 15 Stratton Street, London, England, W1J 8LQ. The investment products and services of Storebrand Asset Management UK Ltd are only available to professional clients and eligible counterparties. They are not available to retail clients. For more information, please contact Storebrand Asset management UK Ltd.'s team.

Important Information for Luxembourg Investors

For more information, please contact SKAGEN's Stavanger based International team: international@skagenfunds.com
For Facilities Services information please refer to our webpages.

Important Information for Irish Investors

For more information, please contact SKAGEN's Stavanger based International team: international@skagenfunds.com
For Facilities Services information please refer to our webpages.

Important Information for Dutch Investors

For more information, please contact SKAGEN's Stavanger based international team: international@skagenfunds.com
For Facilities Services information please refer to our webpages.

Important Information for Icelandic Investors

For more information, please contact SKAGEN's Stavanger based international team: international@skagenfunds.com
For Facilities Services information please refer to our webpages.