SKAGEN m²
A Global Listed Real Estate Fund

SKAGEN m2 is an actively managed equity fund that seeks to generate long-term capital growth by investing in listed real estate companies from across the globe. The fund is managed by Michael Gobitschek and Anne Line Kristensen Larsen.

Investment Strategy

The fund's strategy is to find high quality but undervalued property companies that capture the underlying returns of global real estate investment. SKAGEN m2 provides an attractive alternative to investing directly in property by offering comparable returns but with higher liquidity.

m2 is expected to generate long-term returns in the range between conventional equities and bonds through the application of a total return strategy to create value for unitholders. Alongside capital appreciation, the portfolio managers believe that the compounding effect of reinvesting retained earnings is a key driver of real estate's attractive returns over time. The fund also creates value by exploiting special situations, such as capital management initiatives, M&A activity, shareholder activist campaigns, macro distortions and restructuring or asset rotation opportunities.

SKAGEN m2 is benchmark agnostic; the portfolio managers have complete freedom to invest with conviction away from the index to find value and deliver attractive long-term risk-adjusted returns. Holdings typically have an embedded growth model (e.g. properties undergoing refurbishment, repositioning and / or development), combined with recurring cash flow-generating assets.

The portfolio managers supplement bottom-up research with top-down analysis to exploit the cyclical nature of real estate markets by positioning the portfolio where geographic and sub-sector tailwinds are strongest. The fund also seeks to exploit investment opportunities created by structural changes in demographics, consumption patterns and sustainability. The ideal investment for SKAGEN m2 is a company positioned to exploit the long-term mega trends driving property markets, such as urbanisation, growing middle-class affluence and the rise of e-commerce, combined with attractive fundamentals and valuation.

Portfolio Characteristics

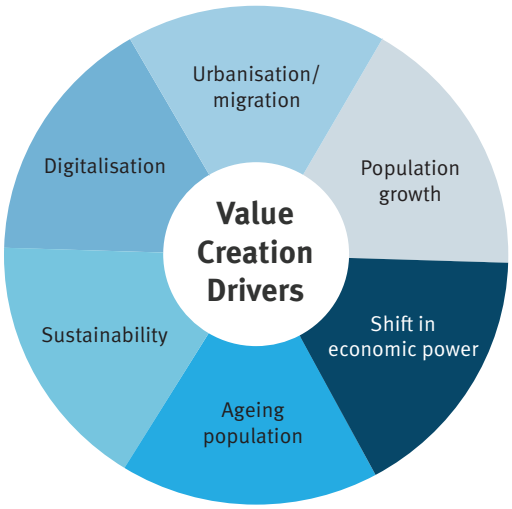
The high conviction portfolio typically consists of 25 to 35 companies with the top 10 holdings representing 45-55 percent of assets. The fund's unconstrained global mandate is exploited to create a portfolio diversified by geography, category, value drivers and economic sensitivity. SKAGEN m2's investment horizon is typically two to four years but can be longer as the portfolio managers attach greater value to fundamentals than short-term trends.

Fund Strategy

Portfolio managers	Michael Gobitschek Anne Line Kristensen Larsen
Equity strategy	Global Real Estate
Benchmark	MSCI ACWI Real Estate IMI[1]
No. of holdings	25-35
Active Share[2]	84%
Market cap bias	None
Investment horizon	2-4 years
Portfolio turnover ratio[3]	19%
Launch date	31 October 2012

Portfolio Managers

Michael Gobitschek & Anne Line Kristensen Larsen



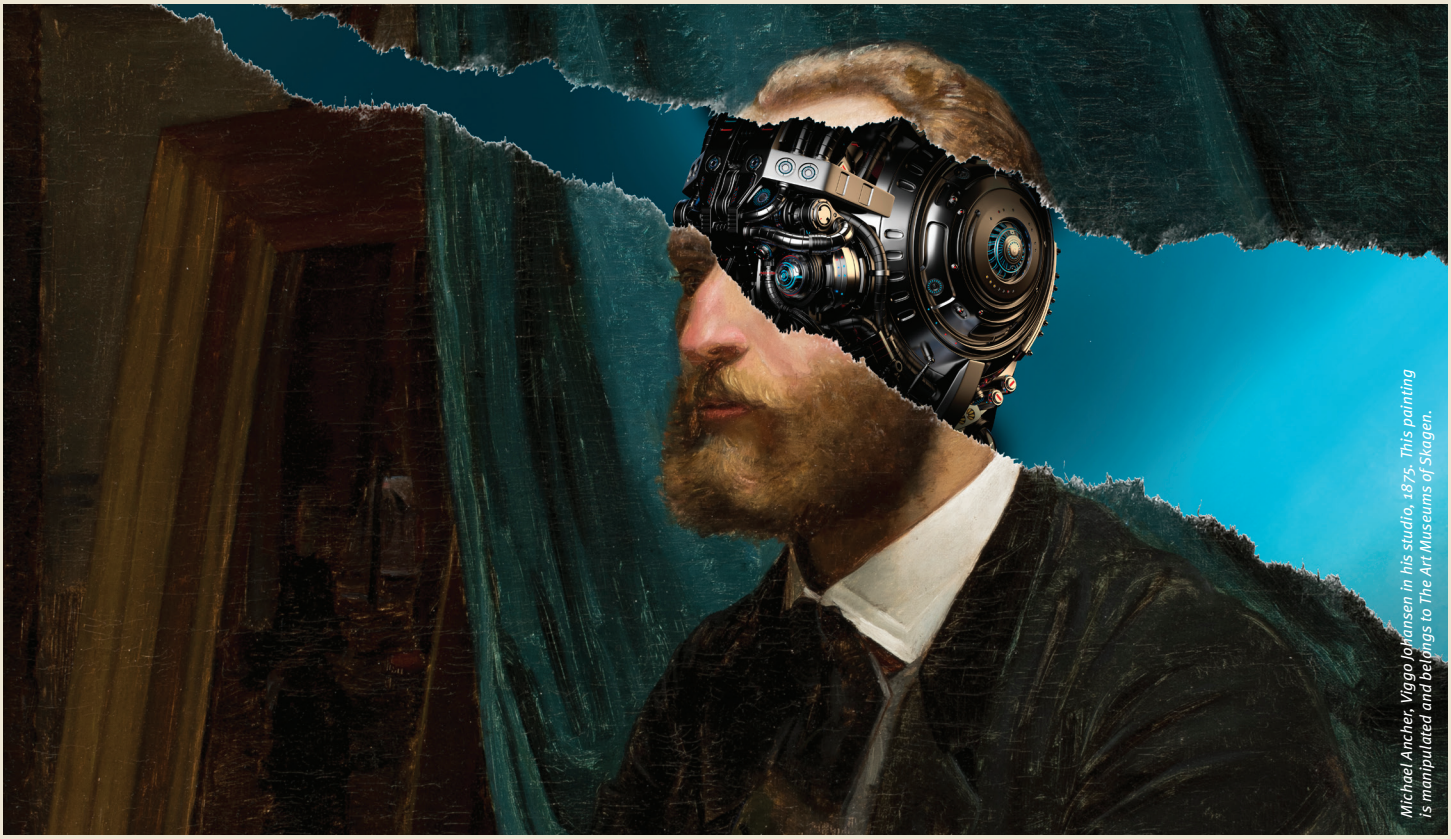
** All information as at 31 December 2023*

[1] The fund's benchmark index is the MSCI ACWI Real Estate IMI Net total return index USD. In the period from 11 July 2017 to 30 September 2019, the benchmark was the MSCI ACWI Real Estate IMI ex REITS

[2] Percentage of stocks in the portfolio that differs from the benchmark index

[3] Portfolio turnover is calculated by taking either the total amount of new securities purchased or the amount of securities sold (whichever is less) over the previous 12-month period, divided by the total net asset value (NAV) of the fund

Painting reference: Johan Peter von Wildenradt, The architect Ulrik Plesner's first extension to Brøndum's Hotel, 1892. This painting is manipulated and belongs to The Art Museums of Skagen.



Investment Philosophy

SKAGEN's investment philosophy is centred on active, value-based fund management; a combination we believe ensures the best results for clients.

SKAGEN portfolio managers aim to outperform the broader stock market, enabled by unconstrained mandates and the freedom to invest with conviction in their best ideas. They are agile when selecting the companies with the greatest potential to create value and how it can be achieved. We also believe that engagement with companies is key to delivering sustainable risk-adjusted returns.

Value

All SKAGEN portfolio managers invest bottom-up by selecting the companies they believe will deliver the most value for clients. Investment decisions are based on detailed analysis and deep knowledge of companies, irrespective of their inclusion or position in an index. We strive to beat the market and create portfolios that diverge from conventional benchmarks to achieve this.

- **Unconstrained:** Unconstrained mandates give us the freedom to search for the best opportunities from across the globe. They also enable us to create diversified portfolios by geography, sector and investment theme to control risks for clients.
- **Conviction:** We are high conviction investors who build concentrated portfolios of our best ideas. We act quickly and decisively when price targets are reached, or if an investment case deteriorates, and redeploy capital into more attractive ideas to optimise the funds' returns.

Active

We invest in companies whose assets or earnings potential isn't fully reflected in their share price and take a broad view of value creation. Portfolio managers typically identify businesses with clear catalysts to correct their mispricing and those with an underappreciated ability to compound value over time.

- **Agility:** We often look beyond traditional metrics to uncover value hidden on company balance sheets or within revaluation triggers. Agile thinking can also lead us to businesses whose intrinsic earnings capacity or growth potential is underestimated by the market.
- **Engagement:** Releasing value can require engagement and patience to maximise long-term results. We are active owners and engage with our portfolio companies on key business, financial, environmental, social and governance issues, using performance indicators to drive sustainable returns and revaluation over time.

Thorvald Niss, Artists on their way to Skagen, 1889. This painting is manipulated and belongs to The Art Museums of Skagen.

History

SKAGEN was originally founded in Stavaner, Norway in 1993 with the goal of generating long-term growth for clients´ assets. From investing solely on behalf of friends and family, SKAGEN grew into a leading Scandinavian fund manager with a broad European footprint.

SKAGEN became part of Storebrand Asset Management (SAM) in 2017 and subsequently merged into SAM in November 2023. As part of the merger, SKAGEN Funds are now owned and administrered by SAM which has outsourced their managemnt to a newly established legal entity - named SKAGEN AS - an investment firm that operates as an independent boutique with its own Board.

The portfolio managers have significant co-investment in the SKAGEN Funds. This serves to align interest with clients, and SKAGEN is committed to maintaining its culture of independent thinking and high performance.

www.skagenfunds.com

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: https://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: https://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.

Important Information for French Investors
Pour plus d'informations, veuillez contacter l'équipe internationale de SKAGEN basée à Stavanger: international@skagenfunds.com Pour des informations sur les services d'infrastructure, veuillez vous référer à www.skagenfunds.fr.

Important Information for German Investors
Bei der Entscheidung, in den Fonds zu investieren, sollten alle Merkmale oder Ziele des Fonds, wie sie in seinem Prospekt beschrieben sind, berücksichtigt werden https://www.skagenfunds.de/funds.
Kontakt: international@skagenfunds.com

The art of common sense

SKAGEN funds

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