



## Fund facts

**ISIN:** NO0010657356  
**Launch date, share class:** 31.10.2012  
**Launch date, fund:** 31.10.2012  
**Domicile:** NO  
**NAV:** 22.54 EUR  
**AUM:** 122 MEUR  
**Benchmark index:** MSCI ACWI Real Estate IMI  
**Minimum purchase:** 50 EUR  
**Fixed management fee:** 1.50 %  
**Performance fee:** 10.00 % (see prospectus for details)  
**Ongoing charge:** 1.50 %  
**Number of holdings:** 31  
**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.

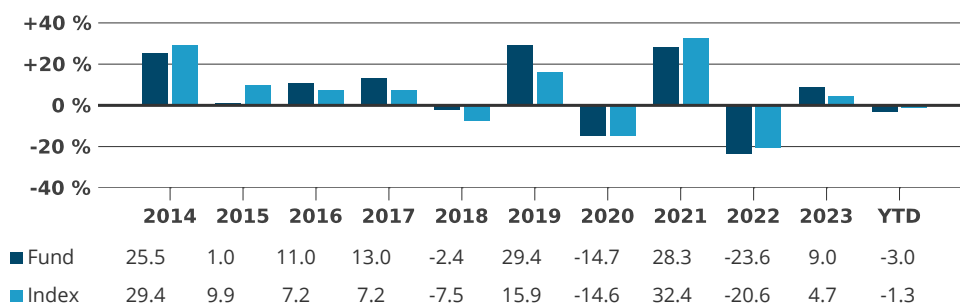
# SKAGEN m2 A

RISK PROFILE	YTD RETURN	ANNUAL RETURN
	-2.96 %	0.10 %
6 of 7 (SRRI)	28.06.2024	Average last 5 years

Monthly report for June as of 30.06.2024. 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](http://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	-0.75	1.23	Standard deviation	-	-	-
Year to date	-2.96	-1.31	Standard deviation index	-	-	-
Last 12 months	7.08	6.63	Tracking error	-	-	-
Last 3 years	-3.99	-2.98	Information ratio	-	-	-
Last 5 years	0.10	-1.21	Active share: 84 %			
Last 10 years	4.73	3.73				
Since inception	4.48	4.31				

Returns over 12 months are annualised.

## Q2 commentary 2024

**The expectations for the second quarter were fairly muted following a rather disappointing first quarter despite encouraging words from management teams that the worst is behind us. The real estate sector unfortunately continues to have a 'top-down' focus, which dictates the direction of travel. Major government yields have been up this quarter, hurting the sector. Although the ECB cut interest rates in June, we will likely have to wait until the tail end of summer for rate cut in markets like the UK and US. Elections have become a dominant factor, reminding us of the influence of political factors on the sector. In Sweden, we saw the first policy rate cut by the Riksbank as anticipated and there are expectations of another rate cut potentially in August. This was a long-awaited sign and we have most likely passed the peak for now. The ECB and the Fed are expected to follow suit in the near future, which will also be beneficial for local real estate markets. Investors are now pricing in two cuts by the Fed this year, one less than at the end of the first quarter. It is evident that macro news is still a major driver of the listed real estate sector. However, our thesis that when inflation falls, policy rates will likely follow still holds. Interest rates act like gravity on risky assets, meaning that real estate as an interest rate sensitive asset should benefit. There are many signs indicating that real estate values are bottoming and that the sharp slowdown in new construction in general is quite positive for long-term values.**



SKAGEN m2 still holds an overweight in Scandinavia and Europe. The ability to move between geographies to take advantage of different micro and macro factors is a great benefit to SKAGEN m2. The first quarter results were solid which is unlikely to surprise as they arrived so shortly after a decent FY results season. The outlook is much rosier than a year ago although you wouldn't think so looking at some of the share prices.

The top performer for SKAGEN m2 in the quarter was the US multifamily housing operator Independence Reality Trust, mainly as a result of increased interest in the multifamily housing sector following aggressive acquisitions by private equity giants like Blackstone and KKR. There were a number of takeouts in the first half, most notably the USD 10bn public takeout of Air Communities in April. This gave the underpriced sector a much-needed boost. The second-best performing stock was the Spanish office operator Arima that received a takeout offer. Another positive contributor was the biggest detractor in first quarter, namely the pan Asian investment manager platform ESR. The company also received indications of interest in a takeout by a Starwood-led consortium, although the terms of the potential takeout have not yet been disclosed. The worst performer in the period was the yield sensitive digital real estate manager Digital Bridge. This was not due to any company specific news, but rather to increased bond yields weighing on the stock. The US logistics giant Prologis also lost ground for same reason but also due to local and temporary supply concerns.

In the quarter we added the undervalued and misunderstood Norwegian Public Property Invest after participating in the IPO. The company specialises in public tenant-based assets in Norway and holds a strong position in the Norwegian market. They have the opportunity to strengthen this further through acquisitions as unlisted Norwegian real estate syndicates will likely have to refinance and recapitalise. The company trades at a huge discount to underlying assets, mainly due to its main owner and interim CEO. We expect a permanent CEO to be appointed in the near future. Our second new holding in the portfolio, Swedish Prisma Properties, was also acquired through an IPO. Prisma is a fast-growing property owner and developer, specialising in modern, necessity-driven discount retail. Prisma has high, inflation adjusted and long yielding leasing contracts. The company has good upside potential both operationally with high growth and financially with lower interest rates. The assets are located in Scandinavia. We sold out of our Madrid-based office operator Arima to finance our participation in the IPOs. Arima is in a pending takeout situation with an uncertain outcome, so we exited at a decent bid premium. In the quarter there was also a potential takeout proposal for the Asian investment manager ESR. This is also pending with an uncertain outcome as the details have not yet been disclosed. In both cases, the takeout proposals came from consortiums led by private equity, activity we have been arguing will increase due to low valuations and the fact that some of the larger buyers have called the bottom of the cycle. We sold out of the Brazilian residential developer MRV on elevated political risk.

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 as a backdrop – should bring with it lots of exciting 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. We look forward to exciting times ahead.

## Contribution last month

 Largest contributors	Weight (%)	Contribution (%)	 Largest detractors	Weight (%)	Contribution (%)
Independence Realty Trust Inc	4.47	0.60	Shurgard Self Storage Ltd	4.44	-0.51
UMH Properties Inc	2.98	0.21	Nexity SA	1.29	-0.50
Prologis Inc	4.17	0.15	Cellnex Telecom SA	3.84	-0.37
Sun Communities Inc	3.60	0.15	Helios Towers PLC	3.40	-0.21
Public Property Invest AS	2.33	0.15	Aedifica SA	3.35	-0.17

Absolute contribution based on NOK returns at fund level.

## Portfolio information

Top 10 investments	Share (%)	Country exposure	Share (%)	Sector exposure	Share (%)
Catena AB	6.7	United States	37.7	Real estate	87.9
DigitalBridge Group Inc	5.5	Sweden	11.6	Communication Services	7.6
Independence Realty Trust Inc	4.8	Belgium	7.5	Unclassified	2.7
EQUINIX INC	4.8	United Kingdom	5.8	<b>Total share</b>	<b>98.2 %</b>
CTP NV	4.7	Japan	5.8		
American Tower Corp	4.7	Singapore	4.9		
Prologis Inc	4.3	Netherlands	4.7		
Shurgard Self Storage Ltd	4.2	Spain	3.7		
Grainger PLC	4.0	Brazil	3.5		
Sun Communities Inc	3.8	Tanzania	3.3		
<b>Total share</b>	<b>47.4 %</b>	<b>Total share</b>	<b>88.4 %</b>		

## 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/](http://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/](http://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](mailto: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](mailto: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](mailto: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](mailto:international@skagenfunds.com)  
For Facilities Services information please refer to our webpages.