



Fund facts

ISIN: NO0010657356

Launch date, share class: 31.10.2012

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Domicile: NO

NAV: 24.85 EUR

AUM: 132 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: 30

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



4 of 7

YTD RETURN

7.02 %

30.09.2024

ANNUAL RETURN

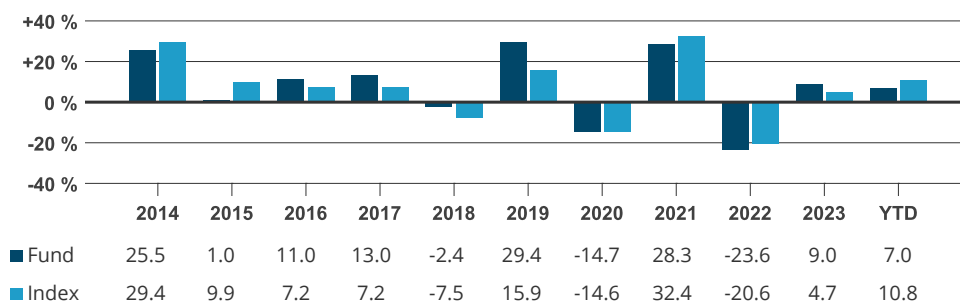
0.91 %

Average last 5 years

Monthly report for September as of 30.09.2024. 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	3 years	5 years
Last month	2.67	3.28	Standard deviation	14.43	16.02	17.95
Year to date	7.02	10.83	Standard deviation index	13.83	16.28	17.94
Last 12 months	16.88	22.89	Tracking error	4.19	4.55	5.10
Last 3 years	-1.02	0.64	Information ratio	-1.43	-0.36	0.04
Last 5 years	0.91	0.70	Active share: 84 %			
Last 10 years	5.34	4.47				
Since inception	5.24	5.23				

Returns over 12 months are annualised.

Q3 commentary 2024

The third quarter has been all about the anticipated rebound for real estate in all the major real estate markets. Investors started to believe in the long-awaited first Fed rate cut in September, following those by the ECB and Swedish Riksbank amongst others.

In the US, real estate continues to outperform as interest rates decline and optimism grows for additional Fed rate cuts in 2024 and beyond. Unlike the fourth quarter of last year, the market has been more cautious about pricing in further rate cuts too quickly or too aggressively in the near term. Historically, real estate performs well following central bank tightening cycles. As we have previously noted, this could create a "perfect storm" for real estate, with potential rate cuts, a soft landing for the US economy, and real estate being the most underweighted sector. The recovery is underway, and we may be at the beginning of a multiyear expansion phase for the sector. As capital costs decrease and valuations rise, supported by favourable economic conditions, real estate fundamentals are likely to improve. Despite these positive trends, valuations remain below those of other sectors, creating opportunities to purchase assets well below replacement costs, which have been significantly impacted by inflation. Additionally, there are signs that transaction volumes are picking up, and capitalisation rates will likely compress as a result. We are still in a phase where public real estate appears undervalued relative to private real estate, though this gap should close as more transactional data becomes available. Furthermore, we have long argued that supply is being underestimated for the sector's future performance. Some segments and geographic areas have become scarce due to reduced development activity following COVID, inflation, and higher capital costs. In these constrained areas, new supply will require significant rent increases, which will continue to drive sector value. The month ended with a big



surprise in the Chinese real estate market when the government launched a massive stimulus package with the aim of saving a sector that is critical to the country's economy. Real estate sector stocks skyrocketed as a result and caught up much of their lost ground.

The fund's top performer for the quarter was CBRE, a US-listed global real estate services company. This success was driven by a strong second-quarter report with raised guidance, as well as a notable rebound in the US real estate market following an interest rate cut. CBRE is expected to benefit from increased transaction activity and the growing institutionalization of commercial real estate, which we believe is driving long-term demand for real estate services. Additionally, the trend toward outsourcing, combined with a higher proportion of contractual fees, should enhance revenue stability and fuel growth. The second-best performer was Shurguard, a pan-European self-storage platform, which also delivered a strong report and issued positive guidance for the year, excluding the revenue from its recent acquisition of Lok'n Store. Earlier in the year, concerns about an equity raise due to the acquisition had weighed on the stock, but this risk has since diminished. The company continues to expand its land and asset portfolio, with a project pipeline larger than ever, supporting its future growth. LOG Commercial Properties, a Brazilian logistics operator, was the worst performer of the quarter. The company slightly missed its second-quarter earnings estimates, and the central bank of Brazil, unlike many others, raised interest rates, which negatively impacted the Brazilian real estate sector. Swedish discount retailer Prisma Properties, a recent addition to the portfolio, experienced a slow start, primarily due to a lack of news and activity following its IPO. However, at the close of the quarter, the company announced its first acquisition as a listed entity, which is expected to drive further growth alongside its development pipeline. In mid-July, there was a significant IPO in the real estate sector. Lineage Logistics, the world's largest operator of cold storage warehouses, raised USD 5.1 billion in the largest public offering of 2024 and the biggest REIT IPO ever. SKAGEN m2 holds Americold, Lineage's peer and a cheaper competitor. This IPO not only highlights the strength of the real estate capital markets but also underscores the growing interest in the cold storage subsector. Digital Bridge, the fund's worst performer in the first half of the year, rebounded in mid-September after rumours surfaced that Switch, a data centre operator acquired by Digital Bridge in 2022, might be taken public again with an estimated value of USD 40 billion, a significant increase from the USD 10.6 billion takeover value in 2022. Regardless of the outcome, this reflects the strong demand for digital real estate.

During the quarter, we exited our position in the US hospitality company Marcus Corp. Following a recovery in its share price over the summer, we grew increasingly concerned about potential challenges for US consumer spending and the impact of slowing GDP growth on the hospitality and leisure sectors.

SKAGEN m2 continues to focus on resilient companies in trend-driven subsegments that are undervalued, can perform in various market conditions, have strong balance sheets, and are well-positioned for inflationary environments. After a prolonged period of underperformance compared to the broader equity market, real estate is starting to catch up. This may mark the beginning of a multi-year expansion phase for the sector, with the initial phase driven by multiple expansion, followed by fundamental improvements as capital costs decrease and valuations rise. Against this backdrop, the sector should present numerous exciting opportunities for long-term stock pickers like SKAGEN m2. The portfolio is overweight in high-growth real estate segments such as digital real estate, housing, and warehouses, all of which benefit from structural demand shifts and a favourable yield curve as we enter a lower interest rate environment. Real estate is the world's largest asset class—don't overlook it!

Contribution last month

 Largest contributors	Weight (%)	Contribution (%)	 Largest detractors	Weight (%)	Contribution (%)
DigitalBridge Group Inc	5.28	0.63	CTP NV	4.58	-0.08
Capitaland Investment Ltd/Singapore	2.73	0.42	Tokyu Fudosan Holdings Corp	2.37	-0.07
Nexity SA	1.43	0.28	Americold Realty Trust Inc	3.18	-0.07
EQUINIX INC	4.88	0.28	Independence Realty Trust Inc	4.45	-0.06
CBRE Group Inc	3.57	0.26	Mitsui Fudosan Co Ltd	0.38	-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	6.8	United States	37.3	Real estate	90.3
DigitalBridge Group Inc	5.5	Sweden	10.9	Communication Services	7.3
EQUINIX INC	4.9	Belgium	7.9	Total share	97.6 %
American Tower Corp	4.6	United Kingdom	5.6		
CTP NV	4.5	Singapore	5.4		
Shurgard Self Storage Ltd	4.5	Japan	4.7		
Independence Realty Trust Inc	4.2	Netherlands	4.5		
Prologis Inc	4.1	Spain	4.0		
Cellnex Telecom SA	4.0	China	3.4		
Grainger PLC	3.8	Tanzania	3.2		
Total share	47.0 %	Total share	87.0 %		

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.