

SKAGEN Global LUX B EUR

Q2 2024 Quarterly Report

All data in EUR as of 30/06/2024 unless otherwise stated

This is marketing communication



INVESTMENT OBJECTIVE

SKAGEN Global is a high conviction, active equity fund which aims to generate long-term capital growth by investing in undervalued companies from across the globe.

The Luxembourg SICAV was launched in 2019.

FUND INFORMATION

Start date	27/09/2019
Benchmark	MSCI ACWI
ISIN	LU1932715532
Morningstar Category	Global Large-Cap Blend Equity
Fixed Fee	0.55%
SFDR Category	Article 8
Portfolio Managers	Knut Gezelius Chris-Tommy Simonsen



Knut Gezelius & Chris-Tommy Simonsen

- ❖ Knut Gezelius CFA joined SKAGEN in May 2014.
- ❖ Previously Executive Director, Global Equity, Goldman Sachs Asset Management in London.
- ❖ Chris-Tommy Simonsen joined SKAGEN in 2006.
- ❖ Previously a Settlement Manager for Christiania Securities ASA in Oslo.

INVESTMENT COMMENTARY

The global equity markets hit all-time highs in the second quarter. Artificial intelligence once again powered a handful of large tech companies to record levels. Corporate earnings and inflation numbers featured frequently in the news but the future for these two parameters remains uncertain. The key question as to whether current interest rate levels are the new normal remains unanswered. SKAGEN Global underperformed its benchmark index in the quarter. The fund's portfolio has attractive upside potential while also offering some level of downside protection. In a market environment where a few select companies push the market index higher, the fund may not always keep up in relative terms, but over time we believe this balanced approach yields superior results for truly long-term investors.

The fund's three best performers in Q2 measured by absolute return contribution were Alphabet (Google), Moody's and TMX Group. The big-tech behemoth Alphabet delivered strong quarterly earnings demonstrating its powerful Search engine, YouTube media and emerging cloud franchises. Of the three business areas, we think the cloud segment remains the most undervalued by the market as it is the third player behind Amazon and Microsoft. However, it appears to be growing at a measured pace with increasing profitability. This development adds further option value to the investment case that continues to look compelling. The credit-rating agency Moody's has largely stayed out of the news, but its capital-light business model is robust and bond issuance has been solid so far this year. The mid-cap stock TMX Group, operator of the Canadian stock exchanges, hosted a Capital Markets Day in Toronto. SKAGEN Global attended this event to gain a deeper understanding of the company and met face-to-face with the executive team. The company has launched several initiatives to expand its footprint both in terms of product mix and geographical reach. We came away impressed by TMX Group and the equity story seems vastly underappreciated by the wider market, in our view.

The fund's three largest detractors in absolute terms were Dollar General, Estee Lauder and Canadian Pacific. Dollar General remains in turnaround-mode and the market is looking for firm signs that the returning CEO Todd Vasos is putting the company back on track. In early summer, SKAGEN Global traveled to Nashville in Tennessee to sit down with the CEO for an update. His message was clear: back to basics with a command-and-control structure. This strategy worked extremely well during his previous CEO tenure at Dollar General (2015-2022). While the US retail environment is obviously different in the post-pandemic world, the plan seems sensible to us. It will require good execution, however, and we will be looking for improved results over the next couple of quarters. Estee Lauder does not yet seem to have turned the corner and released another weak report. There was no specific news on Canadian Pacific other than the generally weak freight environment in North America and a looming strike among some rail workers. SKAGEN Global recently met with the CEO Keith Creel and we continue to like the long-term investment case.

SKAGEN Global initiated two new positions and exited two positions during Q2. We sold our shares in Nike. The footwear company has not been able to execute on the strategic plan laid out by the management team that took charge in 2020. As we exited Nike in mid-June, we avoided the sharp sell-off at the end of the month. The fund also bid farewell to Estee Lauder. The family-controlled beauty giant has struggled to revive growth in China post lockdown. Moreover, significant shortcomings in its supply chain have become apparent and we still have not seen a credible plan from the company to rectify these problems. Skechers is a newcomer in the fund. Founded in 1992, Skechers has grown to become the world's third largest athletic footwear company. While it is headquartered in California, the company derives over 60% of sales from outside the US with a growing presence in many international markets. The Indian market is a vast virtually untapped opportunity. In contrast to Nike, Skechers has skillfully navigated the world during and after the pandemic and we see large upside in the shares from current levels. The fund also initiated a position in Aegon, an international financial services group with a focus on life insurance and asset management. While Aegon is headquartered in the Netherlands, most of its business stems from North America. This is a deep-value investment case centered around a capital return story and we estimate Aegon could return approximately 50% of its market cap to shareholders over the next five years. It is worth highlighting that CEO Lard Friese is well-known to SKAGEN Global from his successful time as CEO of NN Group, one of our previous investments that delivered strong returns for the fund.

Recent political elections and rising geopolitical confrontations point to a more uncertain world that is now drifting in a different direction than before the pandemic. Add an altered economic backdrop and it seems a regime change is underway in the financial markets. These tend to happen roughly every ten years or so and this time is (probably) no different. At the same time, digital and technological developments continue to march ahead at full speed. We take account of all these top-down aspects while simultaneously conducting bottom-up research to construct a resilient portfolio with an attractive risk-reward profile for long-term investors. SKAGEN Global looks compellingly valued with material upside over the next few years.

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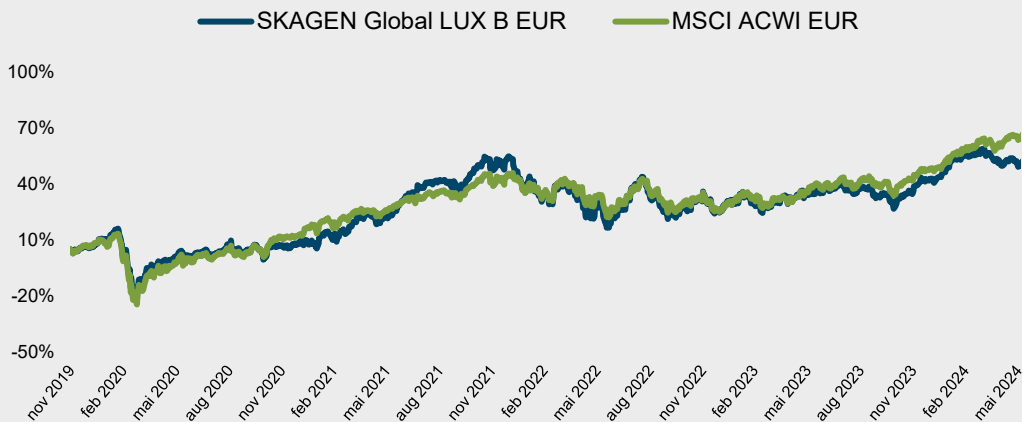
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FUND PERFORMANCE¹

	Q2 2024	YTD	1-Year	3-Year	Since Start
SKAGEN Global LUX B EUR	-2.3%	8.6 %	11.5%	5.7%	9.8%
MSCI ACWI	3.7%	14.7 %	21.5%	9.0%	12.0%
Relative Return	-6.0%	-6.1 %	-10.1%	-3.4%	-2.2%



As at 30/06/2024 in EUR, net of fees

Historical returns are no guarantee for future returns. Future returns will depend, inter alia, on market developments, the fund manager's skill, the fund's risk profile and management fees. The return may become negative as a result of negative price developments. There is a risk associated with investing in the fund due to market movements, currency developments, interest rate levels, economic, sector and company-specific conditions.

RISK PROFILE

We have classified this product as 5 out of 7, which is a medium-high risk class. This rates the potential losses from future performance at a medium-high level. Other risks not included in the summary risk indicator but materially relevant: Event risk, liquidity risk, operational risk, counterparty risk, derivatives risk. Be aware of currency risk. You will receive payments in a different currency, so the final return you will get depends on the exchange rate between the two currencies. This risk is not considered in the indicator shown above. This product does not include any protection from future market performance so you could lose some or all of your investment.

PORTFOLIO STATISTICS

No. of holdings	31
Top 10 weighting	45.9%
Active Share	88%
Turnover ratio	47%
Investment horizon ¹	5 years

PERFORMANCE ATTRIBUTION²

Largest contributors ▲

Holding	Weight	Contribution
Alphabet Inc	4.7%	2.2%
ASML Holding NV	3.5%	2.9%
Brown & Brown Inc	4.4%	4.4%
JPMorgan Chase & Co	4.8%	4.0%
Waste Management Inc	3.9%	3.8%

Largest detractors ▼

Holding	Weight	Contribution
NIKE Inc	3.2%	-0.9%
DSV A/S	4.8%	-0.4%
Estee Lauder Cos Inc/The	2.4%	-0.4%
MSCI Inc	3.1%	-0.3%
Accenture PLC	3.7%	-0.2%

PORTFOLIO INFORMATION

COUNTRY EXPOSURE		
	Fund	Benchmark
United States	70.3%	63.5%
Canada	11.2%	2.7%
Denmark	5.2%	0.9%
Netherlands	5.0%	1.4%
France	3.5%	2.5%
Korea, Republic Of	1.9%	1.2%
United Kingdom	1.7%	3.3%
New Zealand	1.0%	0.1%
Sweden	0.0%	0.7%
Switzerland	0.0%	2.5%

SECTOR EXPOSURE		
	Fund	Benchmark
Financials	40.8%	15.6%
Industrials	17.7%	10.3%
Information Technology	10.3%	25.9%
Health Care	9.8%	10.9%
Consumer Discretionary	9.7%	10.4%
Communication Services	5.5%	7.9%
Consumer Staples	2.9%	6.2%
Energy	0.0%	4.4%
Materials	0.0%	4.0%
Utilities	0.0%	2.5%

TOP 10 HOLDINGS	
CDN Pac Kans Cy	6.9%
Alphabet Inc	5.5%
DSV	5.2%
Jpmorgan Chase & Co	5.2%
Moody's Corp Com	5.0%
Abbott Lab Com	4.9%
Brown & Brown Inc Com	4.6%
Mastercard Inc Cl A	4.4%
Visa Inc Com Cl A Stk	4.2%
Intercontinental Exchange	4.1%
Combined Weight	45.9%

¹ For guidance purposes only ² Contribution to absolute return year-to-date

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IMPORTANT INFORMATION

This is a marketing communication, and this document is intended for professional investors only. Except otherwise stated, the source of all information is Storebrand Luxembourg SICAV as at 30.06.2024.

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. 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 depends on the individual circumstances of each investor and may imply the payment of additional taxes. Before any investment is made in the Sub-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 SICAV, (RCS Registration Number: B 234106) is an investment company with variable capital (société d'investissement à capital variable) incorporated under the form of a société anonyme in the Grand Duchy of Luxembourg. It qualifies as a UCITS and falls under the supervision of the Luxembourg financial supervisory authority, Commission de Surveillance du Secteur Financier (the "CSSF"). Storebrand SICAV has appointed Fund Rock Management Company S.A. to act as its designated management company and further FundRock has appointed Storebrand Asset Management AS as its investment manager. Following the merger between Storebrand Asset Management AS and SKAGEN AS, SKAGEN's portfolio team continues to manage the SKAGEN SICAV sub-funds from a new separate legal entity named SKAGEN AS under an outsourcing agreement with Storebrand Asset Management AS. The SICAV has appointed Storebrand Asset Management as Global Distributor.

No offer to purchase shares can be made or accepted prior to receipt by the offeree of the Sub-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 <https://www.skagenfunds.lu/funds>

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>

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The Sub-fund takes sustainability risk and ESG characteristics into account as part of its selection process. In that respect the Sub-fund promotes environmental and/or social characteristics within the meaning of Art 8 of SFDR. For the assessment areas like corporate strategy, corporate governance, transparency and the product and service range of a company are taken into account. Further information about sustainability-related aspects of the Sub-fund, including the sustainability disclosure summary in English, can be found here: <https://www.skagenfunds.lu/sustainability/sustainable-investing/>

The decision to invest in the Sub-fund should take into account all the characteristics or objectives of the Sub-fund as described in its prospectus <https://www.skagenfunds.lu/funds/>

The Storebrand SICAV has registered its 7 Sub-Funds (SKAGEN Kon-Tiki Lux, SKAGEN Focus Lux, SKAGEN Global Lux, SKAGEN m2 Lux, Storebrand Global Solutions Lux, Storebrand Global ESG Plus Lux and Storebrand EM ESG Plus) for public distribution in Luxembourg, the UK, Germany, Austria, the Netherlands, Belgium, and France.

Important Information for Luxembourg Investors

Storebrand SICAV has appointed Fund Rock Management Company S.A. to act as its designated management company. FundRock Management Company S.A.'s offices are located at: 33, rue de Gasperich, 5826 Hesperange, Grand Duchy of Luxembourg.

Important Information for UK Investors

The Storebrand SICAV has appointed Storebrand Asset Management UK Ltd (SAM UK Ltd) to act as Facility Agent in the UK.

The investment products and services of SAM UK Ltd are only available to professional clients and eligible counterparties. They are not available to retail clients. This document does not constitute an offer to buy or sell shares in any of the products offered by SAM UK Ltd.

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Important Information for Belgian Investors

The Storebrand SICAV has appointed Caceis Belgium SA/NV to act as the Financial Service Provider for the SICAV. Caceis Belgium SA/NV's offices are located at: Avenue du port 86C B320, 1000 Brussels Belgium.

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Further information about sustainability-related aspects of the Sub-fund, including the sustainability disclosure summary in English language, can be found here: <https://www.skagenfunds.com/sustainability/sustainable-investing>

Important Information for French Investors

The Storebrand SICAV has appointed CACEIS Bank as the Centralizing Correspondent for the SICAV. CACEIS Bank's offices are located at 1-3 Place Valhubert, F-75013 PARIS, France.

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Further information about sustainability-related aspects of the Sub-fund, including the sustainability disclosure summary in French language, can be found here: <https://www.skagenfunds.fr/sustainability/sustainable-investing>

Important Information for German Investors

The Facilities Services information for German investors can be found here: <https://www.skagenfunds.de/how-to-invest/facilities-services-fur-investoren/>

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 German language is available here: <https://www.skagenfunds.de/contact/investor-rights>

Further information about sustainability-related aspects of the Sub-fund, including the sustainability disclosure summary in German language, can be found here: <https://www.skagenfunds.de/sustainability/sustainable-investing>

Important Information for Dutch Investors

The Facilities Services information for investors in the Netherlands, including all legal documents and practical information, can be found here:

<https://www.skagenfunds.nl/how-to-invest/facilities-services-for-investors/>