



# SKAGEN m<sup>2</sup> LUX B EUR

## Q1 2024 Quarterly Report

All data in EUR as of 31/03/2024 unless otherwise stated

This is marketing communication



### INVESTMENT OBJECTIVE

SKAGEN m<sup>2</sup> is a long-only, actively managed equity strategy that seeks to generate long-term capital growth by investing in listed real estate companies from across the globe. A Luxembourg SICAV was launched in 2019.

### FUND INFORMATION

Start date	15/10/2019
Benchmark	MSCI ACWI Real Estate IMI
ISIN	LU1932723478
Morningstar Category	Property – Indirect Global
Fixed Fee	0.60%
SFDR Category	Article 8
Portfolio Managers	Michael Gobitschek & Anne Line Kristensen Larsen



Michael Gobitschek & Anne Line Kristensen, CFA

#### Michael Gobitschek

- ❖ Joined SKAGEN in 2005 with previous experience in M&A advisory
- ❖ Masters in Finance and Economics from Stockholm School of Business

#### Anne Line Kristensen, CFA

- ❖ Joined SKAGEN in 2016
- ❖ Masters in Finance and International Business from Aarhus University

### INVESTMENT COMMENTARY

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 m<sup>2</sup> 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 m<sup>2</sup> 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 m<sup>2</sup>. 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.



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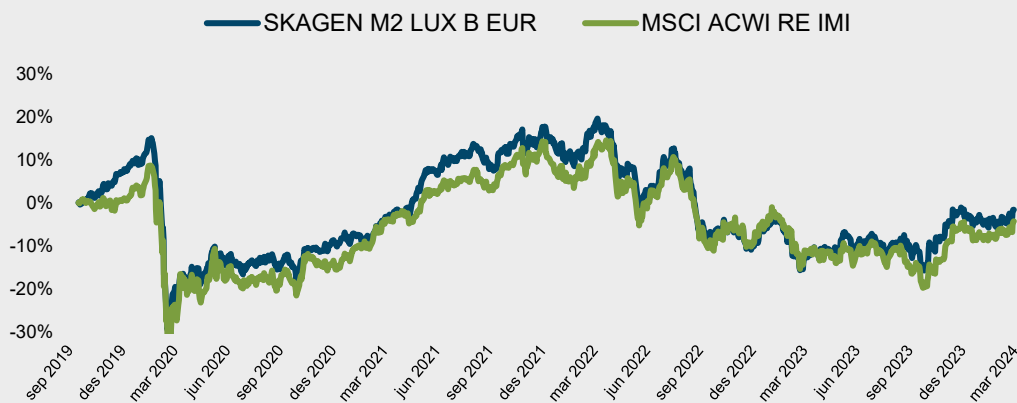
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### FUND PERFORMANCE

	Q1 2024	1-Year	3-Year	Since Start
<b>SKAGEN m<sup>2</sup> LUX B EUR</b>	-0.1%	11.6%	1.0%	-0.4%
MSCI ACWI Real Estate IMI	1.1%	7.4%	0.2%	-1.0%
<i>Relative Return</i>	-1.2%	4.2%	0.8%	0.6%



As at 31/03/2024 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	36
Top 10 weighting	47.1%
Active Share	86%
Turnover ratio	43%
Investment horizon <sup>1</sup>	5 years

### PERFORMANCE ATTRIBUTION<sup>2</sup>

#### Largest contributors ▲

Holding	Weight	Contribution
Equinix Inc	1.2%	0.6%
DigitalBridge Group Inc	5.7%	0.4%
Mitsui Fudosan Co Ltd	1.0%	0.3%
Tokyu Fudosan Holdings Corp	3.1%	0.2%
UMH Properties Inc	2.9%	0.1%

#### Largest detractors ▼

Holding	Weight	Contribution
Catena AB	6.0%	-0.7%
Aedifica SA	3.1%	-0.6%
Shurgard Self Storage Ltd	4.6%	-0.6%
Castellum AB	3.2%	-0.5%
Americold Realty Trust Inc	2.6%	-0.5%

### PORTFOLIO INFORMATION

COUNTRY EXPOSURE		
	Fund	Benchmark
United States	36.8%	60.3%
Japan	8.2%	8.2%
Hong Kong	0.0%	4.2%
United Kingdom	8.5%	2.9%
Singapore	12.2%	2.5%
Canada	5.6%	1.7%
Sweden	1.0%	1.5%
France	2.4%	1.2%
Belgium	4.2%	0.7%
Spain	4.6%	0.3%

TOP 10 HOLDINGS	
Catena Ab Npv	7.1%
Digitalbridge Group Inc Cl A New	5.5%
Prologis Inc Com	4.9%
American Tower Corp	4.6%
Ctp N.V	4.6%
Grainger Plc Ord	4.5%
Shurgard Sel Sto L Npv	4.5%
Independence Rlty Tr Inc Com	3.9%
Tokyu Fudosan Hldg Npv	3.8%
Equinix Inc Com	3.7%
<i>Combined weight</i>	47.1%

<sup>1</sup> For guidance purposes only <sup>2</sup> 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 31.03.2024.

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 and Storebrand Global ESG Lux) 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.

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.fr/contact/investor-rights>

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/>