



SKAGEN m² LUX B EUR

Q4 2024 Quarterly Report

All data in EUR as of 31/12/2024 unless otherwise stated

This is marketing communication



INVESTMENT OBJECTIVE

SKAGEN m² 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	LU1932723122
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 US election dominated the first half of the quarter, driving a surprising surge in US real estate due to the so-called "Trump growth trade." This rally was unexpected, as treasury yields climbed sharply amid fears that Trump's policies could fuel inflation. The Federal Reserve's mid-quarter rate cut further boosted US real estate performance, followed by additional rate cuts in December. Meanwhile, the ECB and Sweden's Riksbank reduced rates by a quarter, and the Fed lowered its forecast for 2025 rate cuts from four to two due to persistent inflation. However, rising bond yields and political uncertainty in Europe weighed on the sector late in the quarter.

For 2024, European real estate delivered negative total returns, underperforming US real estate and even Asian markets, despite challenges in China. US-listed real estate valuations remain significantly higher than their European counterparts, reflecting two key markets in the fund's portfolio. European real estate struggled with muted earnings growth due to deleveraging and liquidity management over the past two years, though this should improve in 2025 as the sector transitions back to growth, supported by stabilized asset values and lower capital costs. Valuations across most markets remain below historical averages, suggesting attractive opportunities. Real estate has underperformed the wider market for several years, exacerbated by the war in Ukraine and rising long-term interest rates. Although the sector has recovered from recent lows, it still trades at a discount, with many sub-sectors lagging. However, there are reasons for optimism: the downward cycle in asset values appears to have ended, and central banks continue to cut rates, paving the way for stronger performance ahead.

SKAGEN m²'s top performing position in the quarter was the US-listed global data centre landlord Equinix, which benefited from the ongoing imbalance between the demand for data centre capacity and limited supply. This trend is expected to continue due to the high costs of construction, power constraints, and the overall complexity of data centre operations. The US-listed real estate service company CBRE was the fund's second-best performer in the quarter, mainly after a good year with solid reports and the strong rebound for real estate in the US following the interest cut trade. CBRE should benefit from increased transactions but also the ongoing institutionalization of commercial real estate. The third best performing position was also a US company, Independence Reality Trust, which benefited from the positive sentiment in the rental housing sector. The fund's largest detractor in the quarter was the Swedish warehouse operator Catena, which underperformed despite a strong first half of the year and no specific company news. The decline was primarily driven by broader weakness in the Swedish real estate sector, fuelled by investor concerns that rising US yields could spill over into Scandinavia. The second-largest detractor was the US-based Digital Bridge, which faced challenges following a disappointing earnings report and a downward revision of its annual guidance.

During the quarter we added several new names including Kimco Realty Corp, a US retail operator specialising in grocery-anchored shopping and necessity centres. In 2024, the retail sector staged a long-awaited comeback, driven by a favorable demand-supply dynamic following years of underinvestment amid concerns about the "death of malls". We initiated a position in US homebuilder Beazer Homes, attracted by its compelling valuation. The investment is based on anticipated increased mobility from lower mortgage rates, coupled with a persistently undersupplied US housing market. Beazer's sizable land bank also presents an intriguing growth opportunity. Our second new position was in Scandinavian social infrastructure through participation in the IPO of Sweden's Intea Fastigheter. Intea manages and develops properties with a long-term focus, primarily serving sectors such as justice, higher education, healthcare, and public services. Growth prospects are particularly strong in the justice sector, where a significant undersupply of facilities, especially prisons, is expected over the next decade. We also added Swedish residential rental company Svea Fastigheter to the portfolio at a notable discount to peers and net asset value. With a diversified rental portfolio and a substantial land bank, Svea is well-positioned to benefit from lower capital costs in Sweden's rent-regulated market. In other portfolio moves, we exited our long-term holding in CKA Holding and reinvested in Swire Properties, a diversified Hong Kong-focused name we've held previously. Swire is buying back shares at attractive valuations. While Hong Kong carries risks, it also offers significant upside after years of underperformance reflected in share prices. Additionally, we sold our position in Hong Kong-based ESR Properties after the Starwood-led consortium announced a bid. Although dissatisfied with the price, we exited at the bid level to recycle capital into higher-conviction opportunities. We took a new position in US self-storage operator Public Storage. The sector has underperformed recently due to an unfavourable supply dynamic, which we believe is now improving, making the timing of the investment advantageous. Lastly, we added Ventas Inc., a US healthcare-focused company specializing in senior housing and skilled nursing. Both segments have structural growth tailwinds, with active construction at multi-year lows and the 80+ age population expected to grow significantly in the coming years. This should drive higher occupancy rates and rent growth above inflation.

Historically, real estate has demonstrated strong performance following central bank tightening cycles. We believe the current environment presents an attractive entry point for reinvesting in the sector, driven by the potential for further interest rate cuts. Over time, this is expected to lead to higher cash flows and earnings, with a renewed focus on opportunities and growth rather than balance sheet repair. The sector's recovery appears to be underway, potentially marking the start of a multiyear expansion phase, provided economic developments trend positively. This recovery is likely to progress in two phases: first, a period of multiple expansion, followed by improving fundamentals driven by lower capital costs and rising valuations. Valuations in the real estate sector remain below those of other industries, offering opportunities to acquire assets well below replacement costs. Inflation has significantly increased replacement costs, further enhancing the appeal of current pricing. There are encouraging signs that transaction activity is picking up, with capitalisation rates showing signs of compression. Additionally, supply dynamics appear favourable. Some segments and geographies are experiencing scarcity due to limited development activity post-COVID, alongside inflation and higher capital costs. This scarcity is likely to necessitate substantial rent increases for new supply, driving further value creation within the sector. Against this backdrop, real estate presents exciting opportunities for long-term investors like SKAGEN m². We remain focused on resilient companies operating in trend-driven subsegments that are undervalued, capable of thriving in various market conditions, and equipped with solid balance sheets – an attribute that is becoming less of a concern as balance sheets improve across the sector. The portfolio is strategically overweight in high-growth real estate segments, including digital real estate, housing, and warehouses – key beneficiaries of structural demand trends and a shifting yield curve as interest rates decline. As the world's largest asset class, real estate deserves your attention. Don't overlook the potential it offers!



SKAGEN m² LUX B EUR

Q4 2024 Quarterly Report

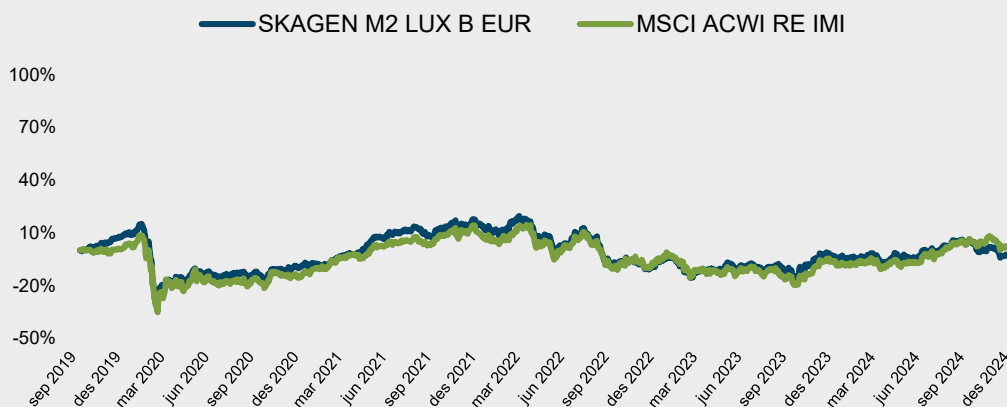
All data in EUR as of 31/12/2024 unless otherwise stated

This is marketing communication



FUND PERFORMANCE

	Q4 2024	1-Year	3-Year	Since Start
SKAGEN m² LUX B EUR	-7.6%	-0.8%	-5.9%	-0.4%
MSCI ACWI Real Estate IMI	-2.5%	8.3%	-3.4%	0.5%
Relative Return	-5.0%	-9.1%	-2.5%	-0.9%



As at 31/12/2024 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	47.3%
Active Share	86%
Turnover ratio	43%
Investment horizon ¹	5 years

PERFORMANCE ATTRIBUTION²

Largest contributors ▲

Holding	Weight	Contribution
Nexity SA	2.0%	0.2%
ESR Group Ltd	1.1%	0.2%
Swire Properties Ltd	1.4%	0.1%
Ventas Inc	0.3%	0.02%
Mitsui Fudosan Co Ltd	0.3%	0.01%

Largest detractors ▼

Holding	Weight	Contribution
DigitalBridge Group Inc	6.3%	-0.8%
American Tower Corp	3.7%	-0.4%
Cellnex Telecom SA	4.1%	-0.4%
Prologis Inc	4.2%	-0.3%
Shurgard Self Storage Ltd	4.5%	-0.3%

PORTFOLIO INFORMATION

COUNTRY EXPOSURE³

	Fund	Benchmark
Sweden	10.6%	1.3%
United States	42.8%	62.3%
Netherlands	5.1%	0.3%
Spain	3.7%	0.3%
Belgium	6.1%	0.5%
United Kingdom	9.6%	3.1%
Hong Kong	1.4%	4.2%
Brazil	2.2%	0.2%
Norway	3.3%	0.0%
Singapore	3.0%	2.4%

TOP 10 HOLDINGS

EQUINIX INC REIT USD	6.3%
DIGITALBRIDGE GROUP INC	6.0%
CATENA AB COMMON STOCK	5.7%
CTP NV COMMON STOCK EUR	5.1%
CBRE GROUP INC COMMON	4.4%
PROLOGIS INC REIT USD	4.4%
GRAINGER PLC COMMON STOCK	4.1%
UMH PROPERTIES INC REIT	4.0%
INDEPENDENCE REALTY TRUST	3.7%
CELLNEX TELECOM SA COMMON	3.7%
Combined weight	47.3%

¹ For guidance purposes only ² Contribution to absolute monthly ³ Fund exposure based on country of risk



SKAGEN m² LUX B EUR

Q4 2024 Quarterly Report

All data in EUR as of 31/12/2024 unless otherwise stated

This is marketing communication



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 31.12.2024.

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>

Storebrand Asset Management AS or FundRock Management Company S.A. may terminate arrangements for marketing under the Cross-border Distribution Directive denotification process.

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.

In the United Kingdom, this communication is issued by Storebrand Asset Management UK Ltd ("SAM UK") and approved by Robert Quinn Advisory LLP, which is authorised and regulated by the UK Financial Conduct Authority ("FCA"). SAM UK is an Appointed Representative of Robert Quinn Advisory LLP.

This material constitutes a financial promotion for the purposes of the Financial Services and Markets Act 2000 (the "Act") and the handbook of rules and guidance issued from time to time by the FCA (the "FCA Rules"). This material is for information purposes only and does not constitute an offer to subscribe for or purchase of any financial instrument. SAM UK neither provides investment advice to, nor receives and transmits orders from, persons to whom this material is communicated, nor does it carry on any other activities with or for such persons that constitute "MiFID or equivalent third country business" for the purposes of the FCA Rules. All information provided is not warranted as to completeness or accuracy and is subject to change without notice. This communication and any investment or service to which this material may relate is exclusively intended for persons who are Professional Clients or Eligible Counterparties for the purposes of the FCA Rules and other persons should not act or rely on it. This communication is not intended for use by any person or entity in any jurisdiction or country where such distribution or use would be contrary to local law or regulation.

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.

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>

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/>