



## Fund facts

ISIN: NO0010657356

Launch date, share class: 31.10.2012

Launch date, fund: 31.10.2012

Domicile: NO

NAV: 21.26 EUR

AUM: 126 MEUR

Benchmark index: MSCI ACWI Real Estate IMI

Minimum purchase: 50 EUR

Fixed management fee: 1.50 %

Performance fee: 10 % (see prospectus for details)

Ongoing charge: 1.50 %

Number of holdings: 32

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



6 of 7 (SRRI)

YTD RETURN

-0.24 %

29.09.2023

ANNUAL RETURN

0.51 %

Average last 5 years

Monthly report for September as of 30.09.2023. 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 (%)
Last month	-0.64	-3.84
Year to date	-0.24	-5.58
Last 12 months	-2.49	-6.90
Last 3 years	1.76	1.72
Last 5 years	0.51	-1.09
Last 10 years	4.78	3.71
Since inception	4.24	3.84

Returns over 12 months are annualised.

Key figures	1 year	2 years	3 years
Standard deviation	-	-	15.83
Standard deviation index	-	-	16.04
Tracking error	-	-	5.25
Information ratio	-	-	0.04
Active share: 85 %			

## Quarterly commentary, Q3 2023

**SKAGEN m2 outperformed its benchmark in the third quarter and is well ahead of the benchmark year to date. The third quarter was volatile for the global real estate markets, impacted by rate increases in many countries, and a slightly more hawkish rhetoric than was expected from some central banks. The global real estate market delivered negative returns over the period, weighed down by negative US performance and to some extent Asia, where gloomy news from large, debt-burdened Chinese developers dominated the headlines. Europe and Scandinavia rebounded slightly from the Q2 trough levels but continue to trade at very depressed valuation levels. The market is still very macro driven and interest rate sensitive. As communicated earlier, we think we are closer to the end of the rate cycle than the beginning, and we believe that once we see a shift in monetary policy, company-specific fundamentals will once again start to matter more. Some companies will struggle in a higher for longer interest rate environment, particularly those with higher leverage, short maturities and a lower proportion of fixed vs floating rates. We believe this creates exciting hunting grounds for an active real estate investor like SKAGEN m2, and that there are several solid companies that will be able to weather this tough economic environment and thrive long term.**

The fund's top three contributors in the quarter were Norwegian Self Storage Group (SSG), US-listed real estate and infrastructure operator DigitalBridge and Eastern European industrial warehouse owner and developer CTP. On 20 September, SSG announced that they had reached an agreement whereby TIAA would launch a recommended cash offer for 100% of the shares of Self Storage Group. The bid translated into a premium of about 67% to the last trading price. SSG has been a position in SKAGEN m2 since 2017, demonstrating our long-term commitment, patience and contrarianism where we have strong conviction in a case. It also highlights the thorough research and analysis process that is key in an

active mandate. If the bid and tender process is successful, this position will have generated 18% annual return for our unitholders since SKAGEN m2 initiated the position. DigitalBridge's share price continued to climb in the third quarter, following a decent second quarter report and recent announcement regarding the successful recapitalisation of the Data Bank data centre portfolio. This allows them de-consolidate the assets from the balance sheet – a clear trigger in the investment case and another step towards simplifying the corporate structure. CTP has a dominant position in CEE countries that are set to benefit from continued structural trends in logistics. CTP is designed for growth in its respective markets and supported by continued demand growth. As of August, the company had let 7% more spaces than last year, and rental growth was about 11% higher than last year on average, defying rumours of a slowdown.

The fund's main detractors in the third quarter were US residential real estate company Independence Realty Trust (IRT), US American Tower (AMT) and Spanish office player Arima. IRT delivered a second quarter report with mixed results. Increasing occupancy and improving FFO guidance due to lower costs were well received, however lower reported ROI on its value-add pipeline and slightly lower blended rate growth than its peers for the quarter came in as a negative. We believe IRT is well positioned with its class B product to withstand a tougher US economic environment and will be more insulated from the increasing supply of class A products coming in the sunbelt states. American Tower is a global provider of wireless communications infrastructure and leases the land and tower structure to communications companies. The lease structure is long term, and AMT is therefore very interest rate sensitive, particularly in the short term. Long term we see AMT benefitting from an increase in demand generated by the digital revolution that will lead to continued investment and demand for their towers globally.

For the month of September, the top contributors were Self Storage group, Brazilian logistics operator LOG and Japanese diversified data centre operator Keihanshin Building. The bottom contributors were UK self-storage company Big Yellow, Independence Realty Trust and pan-European health care operator Aedefica.

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.

## Contribution last month

 Largest contributors	Weight (%)	Contribution (%)
Self Storage Group ASA	5.42	2.88
LOG Commercial Properties e Participacoes SA	3.10	0.20
Keihanshin Building Co Ltd	2.16	0.12
Marcus Corp/The	3.60	0.07
DigitalBridge Group Inc	4.24	0.05

 Largest detractors	Weight (%)	Contribution (%)
Independence Realty Trust Inc	3.94	-0.65
Shurgard Self Storage Ltd	4.14	-0.60
CBRE Group Inc	3.60	-0.48
Aedifica SA	2.86	-0.45
American Tower Corp	4.11	-0.38

Absolute contribution based on NOK returns at fund level.

## Portfolio information

Top 10 investments	Share (%)	Country exposure	Share (%)	Sector exposure	Share (%)
Self Storage Group ASA	7.5	United States	37.0	Real estate	84.7
Catena AB	5.1	Sweden	8.6	Industrials	7.5
Grainger PLC	4.6	Norway	7.5	Communication Services	6.6
EQUINIX INC	4.5	Japan	7.3	Cash, not invested	1.0
DigitalBridge Group Inc	4.4	United Kingdom	7.3	Consumer discretionary	0.2
Shurgard Self Storage Ltd	4.0	Belgium	6.8	Total share	100.0 %
American Tower Corp	3.9	Singapore	5.5		
Independence Realty Trust Inc	3.9	Spain	5.1		
CTP NV	3.8	Netherlands	3.8		
Marcus Corp/The	3.8	Brazil	3.5		
Total share	45.4 %	Total share	92.4 %		

## 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 SKAGEN 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.

SKAGEN AS is a management company authorised by the Norwegian supervisory authority, Finanstilsynet, for the management of UCITS under the Norwegian Act on Securities Funds. SKAGEN AS has its registered office at Skagen 3, Torgterrassen, 4006 Stavanger, Norway. SKAGEN AS is part of the Storebrand Group and owned 100% by Storebrand Asset Management AS. Storebrand Group consists of all companies owned directly or indirectly by Storebrand ASA.

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 <https://www.skagenfunds.com/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/> 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.

SKAGEN 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: <https://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 <https://www.skagenfunds.com/funds>

**Important information for UK Investors**

SKAGEN AS UK Branch is located at 15 Stratton Street, London, W1J 8LQ. The SKAGEN AS UK Branch is authorised by Finanstilsynet and subject to the Financial Conduct Authority's Temporary Permission regulation. Details about the extent of the authorisation and regulation by the Financial Conduct Authority are available on request. The SKAGEN AS UK Branch has temporary permission from the UK FCA to carry out its authorised activities under the UCITS Directive. For more information, please contact SKAGEN's team based in the UK office:

<https://www.skagenfunds.co.uk/contact-us-uk/>

**Important Information for Luxembourg Investors**

SKAGEN AS has appointed Svenska Handelsbanken as Paying Agent.

Svenska Handelsbanken AB (publ), Luxembourg Branch, 15, Rue Bender, L-1229 Luxembourg. For more information, please contact SKAGEN's Stavanger based International team: [international@skagenfunds.com](mailto:international@skagenfunds.com)

**Important Information for Irish Investors**

In Ireland, SKAGEN AS has appointed Caceis Ireland Limited, One Custom House Plaza, International Financial Services Centre, Dublin, to act as Paying Agent for Ireland. For more information, please contact SKAGEN's Stavanger based International team: [international@skagenfunds.com](mailto:international@skagenfunds.com)

**Important Information for Dutch Investors**

For more information, please contact SKAGEN's Stavanger based international team: [international@skagenfunds.com](mailto:international@skagenfunds.com)

**Important Information for Icelandic Investors**

For more information, please contact SKAGEN's Stavanger based international team: [international@skagenfunds.com](mailto:international@skagenfunds.com)