

SKAGEN Global LUX B EUR

Q2 2023 Quarterly Report

All data in EUR as of 30/06/2023 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

A rude awakening

After several months of trading water, global equity markets were in for a rude awakening in the first quarter when yet another banking crisis caused tremors in the world of finance. More on this topic below. Elsewhere, commodity prices broadly declined and reached levels below those seen at the time of Russia's unprovoked and illegal invasion of Ukrainian territory. Other lesser-known global market news includes hyperinflation in Lebanon crippling the country, new guidelines requiring large Korean companies to submit corporate filings in English and the final regulatory approval of the merger between the railways Canadian Pacific and Kansas City Southern in North America. Canadian Pacific is a top-5 position in SKAGEN Global.

Performance

SKAGEN Global underperformed its benchmark index MSCI AC World in the first quarter but ended the period ahead of the benchmark measured over one year, five years and since inception.

Attribution

The fund's three best performers in the first quarter measured by absolute return were DSV, Microsoft and LVMH. We entered 2023 with large upside in these three names according to our proprietary analysis. Indeed, the market seems to have taken notice of their significant undervaluation. We believe that there is still substantial return potential in all three stocks and execution continues to be in-line with our (high) expectations.

The fund's three largest detractors in absolute terms were Dollar General, Nasdaq and Abbott Laboratories. The US discount retailer Dollar General likely retreated as a defensive name when the market advanced with enthusiasm. However, we remain firm believers in the long-term story and see the small temporary pullback as a buying opportunity. There was no major news behind the decline in Nasdaq or Abbott Laboratories.

Portfolio Activity

SKAGEN Global initiated a new position in Mainfreight, a mid-cap freight and logistics company based in New Zealand with operations worldwide. Established in 1978, Mainfreight remains a founder-led company that currently employs 10,000 people. It provides logistical services with a global customer base, though roughly 50% of the business comes from Australia and New Zealand. Mainfreight has a long track record of prudent and methodical expansion while fostering a corporate culture focused on quality and customer service. We see a well-run base business with significant embedded optionality at a very attractive price point for long-term investors.

As far as we know, this is the first time since SKAGEN Global's inception in 1997 that a New Zealand based company is joining the portfolio. It is thanks to the fund's unique and unconstrained investment mandate that we are able to scour the globe for under-researched stocks with the most compelling long-term risk-reward profiles. Increasing the fund's exposure to this region with a targeted investment also brings positive portfolio construction attributes, in our view.

The fund disposed of its last few remaining shares in the Swiss private equity firm Partners Group where fundamentals have deteriorated. We also substantially trimmed our holding in the French luxury goods producer Hermes as the stock reached new peak levels and stretched valuation beyond our appetite as pragmatic value investors.

Reflections and Outlook

There were several spectacular blow-ups in the banking sector in the quarter. Some observers may be shocked that these collapses could occur given the huge regulatory frameworks imposed on the banking sector in the wake of the financial crisis 15 year ago. However, we are not entirely surprised given the excess that has built up in the financial system after a decade of zero-level interest rates. Followers of SKAGEN Global will know that we have largely stayed away from the entire banking sector for several years as our internal analysis has clearly pointed to unfavourable fundamentals and outsized tail risk. The fund only owns one bank, JP Morgan, which we believe will be the winner of the current banking crisis.

This is a good time to highlight that every day a portfolio manager faces three decisions: buy, sell or do nothing. Each option requires thoughtful consideration and will impact future returns, but the two action-oriented decisions (buy, sell) typically garner the most attention.

SKAGEN Global employs an internally developed, highly customised investment process with dynamic feedback mechanisms where each investment that makes it into the fund has to pass through a fine mesh of detailed bottom-up analysis. We consistently assess, to various degrees, many different alternatives from a variety of sectors and geographies, but only in rare instances do they qualify for a position in the fund given the high entry requirements. To illustrate this process with an example, last summer we met with the executive team of the US regional bank First Republic, one of the banks caught up in the current banking turmoil. Our internal analysis quickly identified the stock as a no-go for SKAGEN Global as we deemed its risk profile unfavourable. This example highlights how we routinely search for new ideas with an open – but critical – mind. Most of the time this due diligence happens behind the scenes without commentary in fund reports; nevertheless, it comprises a key component of our work to secure, at all times, the best long-term investments for the fund.

SKAGEN Global is presently attractively valued with considerable upside for investors sharing our multi-year investment horizon.

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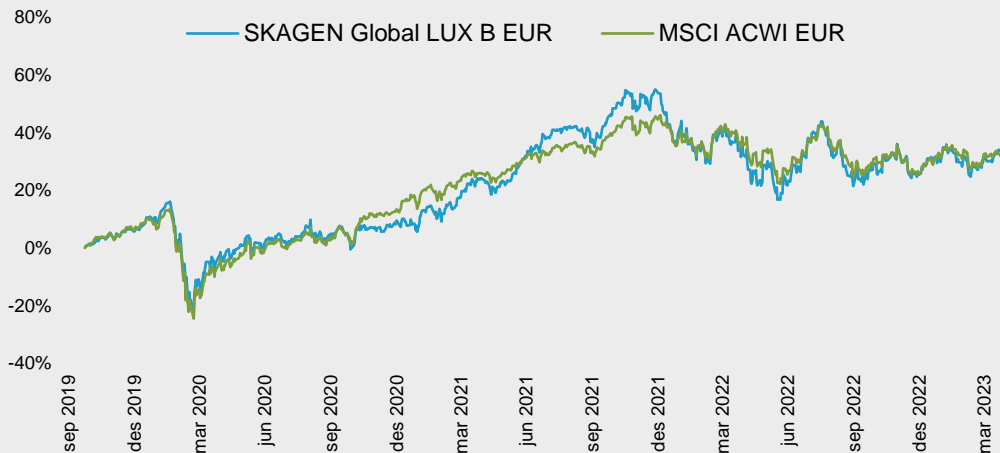
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FUND PERFORMANCE

	Q2 2023	1-Year	Since Start
SKAGEN Global LUX B EUR	5.9%	14.4%	9.4%
MSCI ACWI	5.7%	11.7%	9.6%
Relative Return	0.2%	2.8%	-0.2%



As at 30/06/2023 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	30
Top 10 weighting	44.8%
Active Share	87%
Turnover ratio	47%
Investment horizon ¹	5 years

PERFORMANCE ATTRIBUTION²

Largest contributors ▲

Holding	Weight	Contribution
Microsoft Corp	5.2%	1.7%
DSV A/S	6.0%	1.6%
Alphabet Inc	3.8%	1.2%
LVMH	3.8%	0.9%
ASML Holding NV	3.0%	0.8%

Largest detractors ▼

Holding	Weight	Contribution
Dollar General Corp	2.6%	-1.0%
Nasdaq Inc	4.3%	-1.0%
Estee Lauder Cos Inc/The	3.4%	-0.8%
NIKE Inc	3.3%	-0.2%
Abbott Laboratories	3.8%	-0.1%

PORTFOLIO INFORMATION

	COUNTRY EXPOSURE	
	Fund	Benchmark
United States	76.3 %	60.7%
France	3.8 %	2.9%
Denmark	6.3 %	0.8%
Netherlands	3.1 %	1.3%
Korea, Republic Of	1.9 %	1.3%
Canada	6.2 %	3.0%
Sweden	0.0 %	0.7%
United Kingdom	0.0 %	3.6%
Switzerland	0.0 %	2.8%
New Zealand	0.9 %	0.1%

	SECTOR EXPOSURE	
	Fund	Benchmark
Financials	31.0 %	15.4%
Information Technology	17.0 %	22.1%
Industrials	18.4 %	10.5%
Health Care	10.6 %	11.8%
Consumer Discretionary	10.0 %	11.3%
Communication Services	3.5 %	7.3%
Consumer Staples	6.5 %	7.3%
Utilities	0.0 %	2.8%
Energy	0.0 %	4.6%
Materials	0.0 %	4.6%

TOP 10 HOLDINGS	
DSV AS	6.3 %
Microsoft Corp	5.8 %
Cdn Pac Kans Cy	5.1 %
Moodys Corp Com	4.4 %
Brown & Brown Inc	4.3 %
JPMorgan Chase & Co	3.9 %
Accenture Plc	3.9 %
Abbott Lab	3.8 %
Marsh & McLennan Co's	3.7 %
Visa Inc	3.7 %
Combined weight	44.8%

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 30/06/2023.

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 and SKAGEN AS as its investment managers. The SICAV has appointed Storebrand Asset Management as Global Distributor and Storebrand Asset Management has appointed SKAGEN AS as Global Sub-Distributor.

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 Act. 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 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.lu/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 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 SKAGEN AS UK Branch to act as Facility Agent in the UK. SKAGEN's London Office is located at 15 Stratton Street, London, W1J 8LQ. The SKAGEN AS UK Branch is authorised by Finanstilsynet and subject to limited regulation by the Financial Conduct Authority. 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.

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, can be found here: <https://www.skagenfunds.com/sustainability/sustainable-investing/>

Important Information for German Investors

The Storebrand SICAV has appointed SKAGEN AS Branch Germany to act as Information Agent in Germany. SKAGEN AS's German Office is located in Barckhausstrasse 1, 60325 Frankfurt, Germany. The SKAGEN AS Branch in Germany acts as local market representative.

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 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 Austrian Investors

The Storebrand SICAV has appointed Raiffeisen Bank International AG to act as Local Paying, Information and Contact Agent for the SICAV. Raiffeisen Bank International AG's offices are located at Am Stadtpark 9, 1030 Vienna, Austria.

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.at/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.at/sustainability/sustainable-investing/>