

SKAGEN Global LUX B EUR

Q3 2024 Quarterly Report

All data in EUR as of 30/09/2024 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 market hit an all-time-high again in the third quarter but also witnessed large volatility in different corners of the world. The Japanese market in particular acted like a giant yo-yo as the popular carry-trade against US tech suddenly lost its popularity. In a similar vein, the hype around artificial intelligence cooled as the market began to focus more on the financial return of the huge investments that have been announced year-to-date in this area. This topic will likely garner more attention in the coming months. In the general economy, higher price levels caused by the bout of inflation in recent years are beginning to bite. Consumers remain somewhat constrained in many geographies although employment numbers still look decent. Reported inflation figures continue to moderate in most geographies and interest rates are coming down. While geopolitical tension builds, the stock market continues to grind higher.

SKAGEN Global underperformed its benchmark index MSCI AC World in the third quarter. Some of the fund's largest positions treaded water and accumulated intrinsic value that we expect will be crystallized later and thus reflected in significantly higher stock prices in due course. The fund's three best performers in the period measured by absolute return contribution were DSV, Brown & Brown and Intercontinental Exchange (ICE). The Danish freight-forwarder acquired the German competitor Schenker, a move that has been in the making for some time. The transaction can add substantial value to the DSV share price if Schenker is skilfully integrated into the DSV corporate machine, a process that we foresee will take two to three years. Our US holdings in Brown & Brown and ICE performed well and delivered reports in-line with our investment hypotheses. Interestingly, with mortgage rates now beginning to tick down, ICE is coming closer to reaping the potentially huge benefits of its mortgage technology division that has been assembled piece-by-piece over the past few years. The fund's three largest detractors in absolute terms were Dollar General, Edwards Lifesciences and ASML. The Dutch chip-equipment maker ASML pulled back as the market rotated away from the chip industry and artificial intelligence theme. Dollar General and Edwards Lifesciences provided disappointing quarterly figures, and we sold out of both positions as further detailed below.

SKAGEN Global initiated four new positions and exited four positions during the third quarter. The following companies joined the fund: Waste Connections, Brunello Cucinelli, Munich Re and Stora Enso. We sold out of Waste Management, LVMH, Edwards Lifesciences and Dollar General. Our long-term view on the US waste sector remains positive. Waste Management is the largest player and has more than doubled its market cap since we first invested in the stock in 2018. The stock has been a solid relative outperformer and delivered high absolute returns. The company has grown its core business both organically and inorganically during this time. However, given its dominant domestic position in the waste collection and landfill space, Waste Management has attracted the eyes of regulators and now likely faces restrictions in terms of expanding the core bread-and-butter business through further acquisitions. To that point, we interpret its decision to buy the medical waste and professional services company Stericycle as a step away from its core business into an adjacent avenue to seek growth opportunities. We have therefore sold Waste Management and entered Waste Connections that is a smaller firm – but still the third largest in the country – with a long runway ahead focused on precisely garbage collection and landfill operations. The global luxury industry is another sector where we see tremendous opportunity for value creation over the next decade. Humans have long been attracted to luxury goods and this trend is unlikely to go out of fashion anytime soon. This does not mean that everything in the sector offers a good investment opportunity. On the contrary, we argue that stock-picking will remain key here. We sold most of our stake in the French luxury behemoth LVMH in the summer as our due diligence indicated strained consumer sentiment in the critical Chinese market. More recent data points have confirmed that the Chinese consumer indeed remains in the doldrums. With a market cap of more than €300 billion and annual revenues clocking in north of €80 billion, LVMH's customer base has widened markedly in recent years and growth will not be as easy to come by at this scale unless the aspiring consumer is fairing well. Hence, we exited LVMH and re-allocated some of the capital to the less well-known ultra-high-end luxury player Brunello Cucinelli. Named after its founder, Brunello Cucinelli is a mid-cap company (c. €5+ billion market cap) that hails from the hamlet of Solomeo, a village in Italy's cashmere valley not far from Perugia. The company operates according to its "humanistic capitalism" principle that prescribes profit sharing with all stakeholders and making some donations to charity. This approach has served the company well historically, but also held back margins compared to industry peers. We believe this margin gap will narrow in coming years as annual sales will ramp up from the current €1 billion mark. Another plus is that Brunello Cucinelli is not particularly reliant on sales in the Chinese market. We also re-engaged with the German reinsurance giant Munich Re. The company has skilfully navigated the inflationary environment, and we still see a compelling story around underappreciated capital returns combined with improved underwriting backed by a solid balance sheet. The fund also initiated a position in the Nordic paper, forest and packaging company Stora Enso. This stock is currently out of favour with the investment community, but things are changing in the company. A new Chairman has revitalized the executive management team with fresh talent and instilled a shareholder value mantra across the group. This mindset has been lacking for a while and there is certainly room for the company to surprise on the upside.

The medical device company Edwards Lifesciences left the portfolio after a disappointing quarter when the company lowered guidance but was unable to convincingly explain the underlying reasons. We believe the risk-reward potential is now tilted to the downside. The US discount chain Dollar General also delivered quarterly numbers below expectations. It is becoming increasingly apparent that the giants in the US retail sector are gradually taking market share at the expense of most other retail operators. The turnaround path for Dollar General looks challenging and we decided to exit the position.

While the sluggish economy currently dominates headlines, we think it is instructive to reflect on the overall global situation. One important area of concern is the geopolitical developments in recent years. Russia's illegal war against Ukraine has now lasted over 30 months and the Middle East is experiencing another full-blown armed conflict as Israel takes on Iran's proxies in the region. In short, there are more than just ominous signs that autocratic regimes are pushing forward and challenging the Western-led world order. So far, this creeping development has not been reflected in financial markets – one might even say that the stock market has remained unscathed. While we are not trying to predict an inflection event, our firm belief is that, given the current global situation, a prudent long-term investment strategy calls for strong balance sheets and well-managed companies that can withstand unexpected volatility. SKAGEN Global has assembled a collection of companies with these attributes that are, in our view, considerably undervalued. We believe this setup offers an attractive platform for long-term wealth creation.

SKAGEN Global LUX B EUR

Q3 2024 Quarterly Report

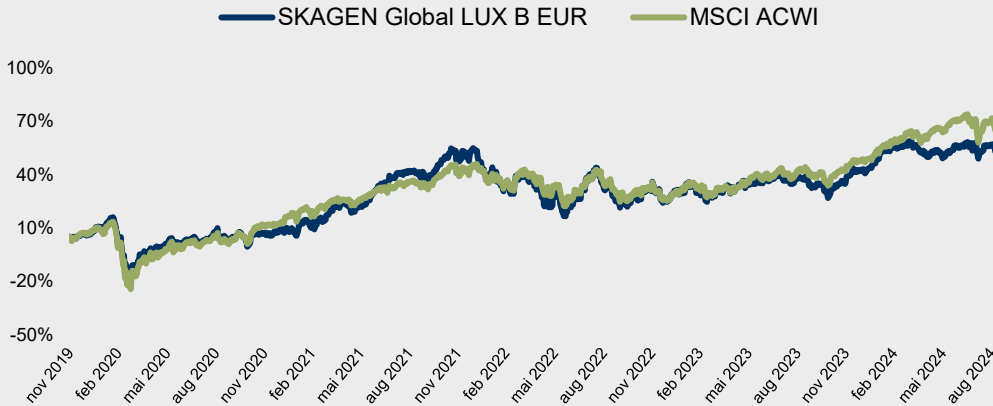
All data in EUR as of 30/09/2024 unless otherwise stated

This is marketing communication



FUND PERFORMANCE

	Q3 2024	YTD	1-Year	3-Year	Since Start
SKAGEN Global LUX B EUR	1.6%	10.3%	18.3%	4.9%	9.7%
MSCI ACWI	2.4%	17.4%	25.0%	9.5%	11.9%
Relative Return	-0.8%	-7.2%	-6.7%	-4.6%	-2.3%



As at 30/09/2024 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	50.7%
Active Share	88%
Turnover ratio	47%
Investment horizon ¹	5 years

PERFORMANCE ATTRIBUTION²

Largest contributors ▲

Holding	Weight	Contribution
DSV A/S	6.5%	0.9%
Home Depot Inc/The	3.8%	0.3%
Brunello Cucinelli SpA	1.6%	0.2%
Aegon Ltd	3.0%	0.2%
Hermes International SCA	1.7%	0.2%

Largest detractors ▼

Holding	Weight	Contribution
JPMorgan Chase & Co	4.1%	-0.3%
Samsung Electronics Co Ltd	1.6%	-0.3%
ASML Holding NV	2.6%	-0.2%
Moody's Corp	5.3%	-0.2%
Waste Connections Inc	3.3%	-0.2%

PORTFOLIO INFORMATION

COUNTRY EXPOSURE		
	Fund	Benchmark
Canada	53.5%	2.8%
Denmark	15.8%	0.8%
United States	7.0%	63.0%
Germany	5.6%	2.0%
Netherlands	3.6%	1.2%
Finland	3.5%	0.2%
Italy	2.3%	0.6%
Ireland	2.2%	1.0%
France	2.2%	2.5%
United Kingdom	2.1%	3.2%

SECTOR EXPOSURE		
	Fund	Benchmark
Financials	43.1%	16.2%
Industrials	23.2%	10.6%
Consumer Discretionary	11.6%	10.6%
Information Technology	9.0%	24.5%
Health Care	5.9%	10.9%
Communication Services	4.9%	7.8%
Materials	2.3%	4.1%
Consumer Staples	0.0%	6.4%
Energy	0.0%	4.0%
Real Estate	0.0%	2.2%

TOP 10 HOLDINGS	
Dsv A/S Common Stock	7.0%
Abbott Laboratories	5.5%
Moody's	5.0%
Alphabet	4.9%
Intercontinental Exchange	4.7%
Tmx Group Ltd Common	4.5%
Jpmorgan Chase & Co	4.2%
Msci Inc	4.0%
Mastercard Inc Common	3.8%
Canadian Pacific Kansas	7.2%
Combined Weight	50.7%

¹ For guidance purposes only ² Contribution to absolute return

SKAGEN Global LUX B EUR

Q3 2024 Quarterly Report

All data in EUR as of 30/09/2024 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 30.09.2024.

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/>