



## Fund facts

**ISIN:** NO0008000445

**Launch date, share class:** 01.12.1993

**Launch date, fund:** 01.12.1993

**Domicile:** NO

**NAV:** 410.48 EUR

**AUM:** 972 MEUR

**Benchmark index:** MSCI Nordic/MSCI AC ex. Nordic

**Minimum purchase:** 50 EUR

**Fixed management fee:** 1.00 %

**Performance fee:** 10 % (see prospectus for details)

**Ongoing charge:** 1.00 %

**Number of holdings:** 51

**SFDR:** Article 8



**Søren Milo Christensen**  
Managed fund since  
09 April 2018



**Sondre Solvoll  
Bakketun**  
Managed fund since  
08 November 2022

## Investment strategy

SKAGEN Vekst invests in companies that are attractively priced relative to expected profitability and growth. The majority of the fund is invested in the Nordic region and the remainder worldwide. The fund is suitable for investors with a minimum 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. Effective 01.01.2014, the fund's investment mandate changed from investing a minimum of 50% of its assets in Norway to investing a minimum of 50% of its assets in the Nordic countries. This means that returns prior to the change were achieved under different circumstances than they are today.

# SKAGEN Vekst A

RISK PROFILE



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YTD RETURN

6.60 %

27.03.2024

ANNUAL RETURN

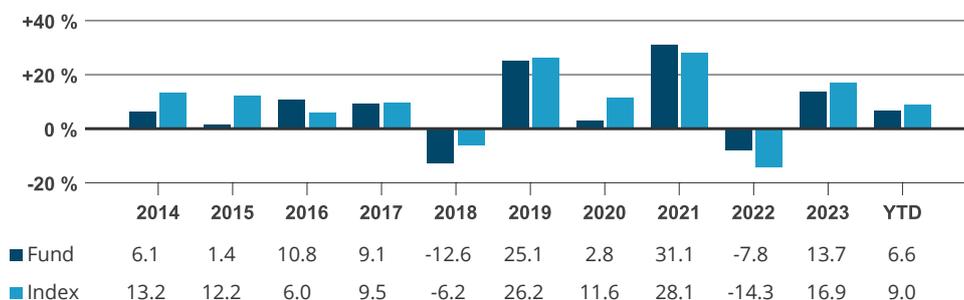
11.19 %

Average last 5 years

Monthly report for March as of 31.03.2024. 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)



Prior to 01.01.2014, the benchmark index was an evenly composed benchmark index consisting of the Oslo Stock Exchange Benchmark Index (OSEBX) and the MSCI All Country World. The benchmark index prior to 01.01.2010 was the Oslo Stock Exchange Benchmark Index (OSEBX).

Period	Fund (%)	Index (%)	Key figures	1 year	2 years	3 years
Last month	2.98	3.30	Standard deviation	-	-	12.82
Year to date	6.60	9.02	Standard deviation index	-	-	14.57
Last 12 months	17.43	24.23	Tracking error	-	-	7.31
Last 3 years	9.54	8.93	Information ratio	-	-	0.07
Last 5 years	11.19	11.76	Active share: 82 %			
Last 10 years	7.38	10.25				
Since inception	12.36	9.88				

Returns over 12 months are annualised.

## Q1 commentary 2024

**Global equity markets continued to power ahead in March, driven by renewed belief in the perfect scenario of slowing inflation combined with a manageable slowdown in economic growth. SKAGEN Vekst delivered a strong absolute return, as several of our large positions announced positive news during the month. The fund also delivered a strong absolute return for the first quarter of the year, but lagged the benchmark due to a lower weighting in the large US IT stocks that continued to drive the overall market.**

The Danish pharma giant Novo Nordisk was once again the largest contributor to the fund's absolute return in March following a bullish capital market day. The event touched on all the key elements of our investment thesis by i) providing the market with more confidence in the company's ability to scale supply of its blockbuster obesity product, ii) highlighting the positive trajectory for margin expansion from economies of scale, iii) showing impressive data for the oral version of one of its obesity products that is currently in the pipeline. While we still see strong upside potential in the stock, we trimmed the position following the strong performance. The large US bank Citigroup was another strong performer in March. Management has finally started to provide more details around its plans to improve profitability while also simplifying the structure of the financial conglomerate. This increased investor confidence in the bank's ability to reach its targets, leading to several analyst upgrades. We continue to like the current set-up, and see close to a 100% upside if the bank reaches its goals, combined with limited downside given its already depressed valuation. The Chinese oil and gas company CNOOC was also among the best contributors during the month. The company delivered strong results showing healthy production growth, strong developments in its oil and gas reserve, strong free cash flow, and an improvement in the

pay-out ratio. The company also gave positive guidance with regard to production growth while maintaining at least a 40% payout ratio. While CNOOC has delivered a very strong return so far this year, the stock continues to trade at an unwarrantedly large discount to its international peers, despite a much healthier production outlook.

The Hong Kong based conglomerate CK Asset Holdings was the largest negative contributor to the fund's absolute return in March. While the results for 2H 2023 were in-line with expectations, the company surprisingly cut its dividend by 10%, suggesting less confidence in management outlook. While the stock continues to trade at less than half the underlying values, we have been disappointed by only minor efforts to close this discount. Thus, we will review the case once we have discussed the outlook with the company. The Chinese insurance company Ping An also had a difficult month following an earnings miss in the asset management segment. We see this driven by one-off factors and continued to see positive underlying development in the life insurance business, with positive growth combined with improved agency efficiency. Trading at less than 5 times current earnings for a company with a long runway for structural growth is far too low, and we continue to see more than 100% upside in the stock. While the company has some exposure to the Chinese property markets, we find this exposure manageable, so we used the weakness to add to our position. The Finnish IT company TietoEvy was also among the weakest performers in March despite delivering Q4 results in-line with expectations. Importantly, the company also confirmed the expected separation of its banking unit as well as progress in its review of Tech Services. The weakness in the share price has partly been driven by cautious guidance for 2024 both from both Tieto and peers, and partly by some disappointment around the separation of the banking unit, which looks set to happen in the form of a spin-off/separate listing, instead of an outright sale. While we would also prefer a direct sale, we still believe the expected separation of the banking unit and tech services would help crystallize the underlying values in the company.

We initiated a new position in the Norwegian seismic company TGS in March. Following a very difficult period, the stock price is now at a level where we get a decent return even without a recovery in the seismic spending of oil and gas companies. We expect that the synergies effect from the upcoming merger with PGS will drive a material improvement in free cash flow, and be enough to provide us with a decent return in our base-case scenario. With just minor improvements in the underlying market, we easily see a 100% upside from these levels in our more positive scenario. We also continued to add to our position in the Swedish mining company Boliden as the recent weakness has driven the valuation down to extremely attractive levels. To fund these investments, we reduced our position in the salmon farmer Bakkafrost, the US IT company Broadcom, and the Korean re-insurance company Korean Re, as the strong share price development in these holdings has reduced the fundamental upside.

Overall, we still favour attractively priced companies within the financial, industrial, and energy sectors. These are also sectors where earnings expectations and valuation will not be unduly hurt in an environment where inflation does not return to the abnormally low levels we saw in the aftermath of the pandemic. Following the last month's rise, we again see substantial downside risk in a lot of highly priced growth companies, particular in the US stock market. If the current consensus of falling inflation and interest rates proves to be right, we expect the fund to lag the overall market, but still provide a decent absolute return in 2024. However, if inflation continues to surprise on the upside, the fund should provide much better downside protection than the benchmark – similar to what we saw in 2022.

## Contribution last month

 Largest contributors	Weight (%)	Contribution (%)	 Largest detractors	Weight (%)	Contribution (%)
Novo Nordisk A/S	8.93	0.93	CK Asset Holdings Ltd	1.62	-0.15
Citigroup Inc	2.82	0.45	Ping An Insurance Group Co of China Ltd	2.29	-0.08
Cnooc Ltd	2.97	0.44	TietoEVRY Oyj	1.66	-0.07
KB Financial Group Inc	3.83	0.41	CK Hutchison Holdings Ltd	1.63	-0.04
Boliden AB	3.02	0.36	Norse Atlantic ASA	0.19	-0.03

Absolute contribution based on NOK returns at fund level.

## Portfolio information

Top 10 investments	Share (%)	Country exposure	Share (%)	Sector exposure	Share (%)
Novo Nordisk A/S	<b>8.7</b>	Denmark	<b>20.2</b>	Financials	<b>19.9</b>
KB Financial Group Inc	<b>3.6</b>	United States	<b>14.1</b>	Industrials	<b>16.3</b>
Telenor ASA	<b>3.4</b>	South Korea	<b>12.0</b>	Information technology	<b>11.6</b>
Nordea Bank Abp	<b>3.4</b>	Finland	<b>10.0</b>	Health care	<b>10.7</b>
Broadcom Inc	<b>3.3</b>	Sweden	<b>9.8</b>	Communication Services	<b>10.0</b>
Samsung Electronics Co Ltd	<b>3.3</b>	Norway	<b>9.6</b>	Materials	<b>9.8</b>
ISS A/S	<b>3.2</b>	China	<b>8.5</b>	Consumer Staples	<b>7.0</b>
Shell PLC	<b>3.1</b>	Netherlands	<b>3.1</b>	Energy	<b>6.7</b>
Boliden AB	<b>3.1</b>	Brazil	<b>3.0</b>	Consumer discretionary	<b>2.5</b>
Volvo AB	<b>3.1</b>	Guatemala	<b>1.8</b>	Real estate	<b>1.5</b>
<b>Total share</b>	<b>38.3 %</b>	<b>Total share</b>	<b>92.1 %</b>	<b>Total share</b>	<b>96.0 %</b>

## 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 Storebrand Asset Management 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.

Storebrand Asset Management AS is a management company authorised by the Norwegian supervisory authority, Finanstilsynet, for the management of UCITS under the Norwegian Act on Securities Funds and has its registered office at Professor Kohts vei 9, 1366 Lysaker, Norway. Storebrand Asset management AS is part of the Storebrand Group and owned 100% by Storebrand ASA. Storebrand Group consists of all companies owned directly or indirectly by Storebrand ASA.

Following the merger of Storebrand Asset Management AS and SKAGEN AS, SKAGEN's portfolio team will continue to manage the funds' portfolios from the new separate legal entity, SKAGEN AS, while Storebrand Asset Management AS carries out the role of the management company.

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.

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: [www.skagenfunds.com/contact/investor-rights/](http://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.

Storebrand Asset Management 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: [www.skagenfunds.com/sustainability/sustainable-investing/](http://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.

#### **Important information for UK Investors**

Storebrand Asset Management AS has established a subsidiary in the UK. Storebrand Asset Management UK Ltd is located at 15 Stratton Street, London, W1J 8LQ. Storebrand Asset Management UK Ltd is an Appointed Representative of Robert Quinn Advisory LLP, which is authorised and regulated by the Financial Conduct Authority. Storebrand Asset Management UK Ltd is incorporated in England and the registered office is at 15 Stratton Street, London, England, W1J 8LQ. The investment products and services of Storebrand Asset Management UK Ltd are only available to professional clients and eligible counterparties. They are not available to retail clients. For more information, please contact Storebrand Asset management UK Ltd.'s team.

#### **Important Information for Luxembourg Investors**

For more information, please contact SKAGEN's Stavanger based International team: [international@skagenfunds.com](mailto:international@skagenfunds.com)  
For Facilities Services information please refer to our webpages.

#### **Important Information for Irish Investors**

For more information, please contact SKAGEN's Stavanger based International team: [international@skagenfunds.com](mailto:international@skagenfunds.com)  
For Facilities Services information please refer to our webpages.

#### **Important Information for Dutch Investors**

For more information, please contact SKAGEN's Stavanger based international team: [international@skagenfunds.com](mailto:international@skagenfunds.com)  
For Facilities Services information please refer to our webpages.

#### **Important Information for Icelandic Investors**

For more information, please contact SKAGEN's Stavanger based international team: [international@skagenfunds.com](mailto:international@skagenfunds.com)  
For Facilities Services information please refer to our webpages.