SKAGEN Global A

Alle tall er i DKK per 30/06/2020

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Cautiously optimistic

Markets rebounded sharply during the second quarter as fears surrounding the COVID-19 crisis gradually eased and economies began to open up after the unprecedented shutdowns. In the US, the Dow Jones Industrial Average index posted its strongest quarter in 33 years and the MSCI Emerging Markets index noted the largest quarterly gain since 2009. Interestingly, gold also advanced, with futures contracts exceeding USD 1,800 per ounce for the first time since 2011.

SKAGEN Global underperformed its benchmark index MSCI AC World during the quarter.

Attribution
The fund's three strongest quarterly performers measured by absolute return were Microsoft, Adobe and Home Depot. The US technology companies Microsoft and Adobe benefited from their digital business models, which are less impacted than other business operations by physical shutdowns. The home improvement giant Home Depot gained as the US consumer remained in good shape and drove a solid demand environment with room for further acceleration.

The fund's three largest quarterly detractors in absolute terms were Hiscox, JP Morgan and Beazley. Falling interest rates and a deteriorating economic outlook weighed on these financial holdings. In the case of the specialty insurers Hiscox and Beazley, fears of steeply rising claims in the wake of the coronavirus may have further penalised the stocks. Although the situation obviously remains fluid, we believe that claims will ultimately be lower than feared as contract law is strong and insurance policy language around pandemics has been carefully worded following previous notorious epidemics such as SARS, MERS and the Avian Flu. On a more positive note, the insurance pricing cycle seems to have turned steeply upwards after the COVID-19 losses added to the string of outsized losses experienced in recent years that have strained reserves in many lines. Beazley has taken advantage of the more favourable pricing environment and recently launched a capital raise in which SKAGEN Global participated.

Portfolio Activity
The fund initiated three new positions (ASML, Intuitive Surgical, Verisk Analytics) and exited five holdings (ADP, Equinor, Hiscox, Medtronic, Schindler) during the quarter.

ASML is a Dutch developer and manufacturer of lithography systems used in the production of chips for the structurally growing semiconductor market. The company enjoys an unrivalled market position in lithography with machines using extreme ultraviolet light (EUV) to project silicon features onto memory chips. We believe this technology championed by ASML has a multi-year – possibly a decade or more – advantage versus competing alternatives. The long-term fundamental support for EUV is compelling and under-priced.

Intuitive Surgical is the US firm behind the renowned da Vinci system that controls over 98% of the globally installed base of robotic assistance platforms for general surgery. We estimate that the total addressable market is poised for significant growth in the next decade. The firm's scale advantage coupled with 70 percent recurring revenue creates an underappreciated cash-generative flywheel model. As one might expect, the volume of elective surgical procedures has declined dramatically during the COVID-19 crisis, thus offering an attractive entry point as we project pent-up demand to return once the virus subsides.

Verisk Analytics is a leading data analytics partner to the insurance, energy and financial services sectors. Revenue composition is largely subscription based with profound pricing power, in our view. The dynamic business model is attractive for long-term investors and we also consider the optionality around further international expansion and product innovation underappreciated.

Foto: Shutterstock

Foto: Bloomberg

Key sells
We exited our position in ADP, the US business outsourcing provider, as fundamentals now look less attractive versus other available opportunities. As previously communicated, we also sold out of Equinor, Hiscox, Medtronic and Schindler in the quarter.

Outlook
The current market debate centres around the speed of reopening and the risk of a second wave that would postpone the prospect of a robust economic recovery. At the same time, the US presidential election is fast approaching and will probably soon start to have a more pronounced impact on market movements as the discount mechanism seeks to price in the outcome.
Whatever the developments might be, they are beyond the control of SKAGEN Global and we therefore focus our attention on our investment process in order to identify undervalued long-term opportunities. The portfolio is attractively valued, even after the second quarter market rally, and as long-term equity investors we look to the future with cautious optimism.

Kvartalsvis rapport

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SKAGEN Global investerer i en aktivt forvaltet og diversifisert portefølje av undervurderte selskaper over hele verden, inkludert vekstmarkeder.

Målet er å gi andelseierne best mulig risikojustert avkastning over tid.

Fondet passer for investorer som har minst fem års investeringshorisont.

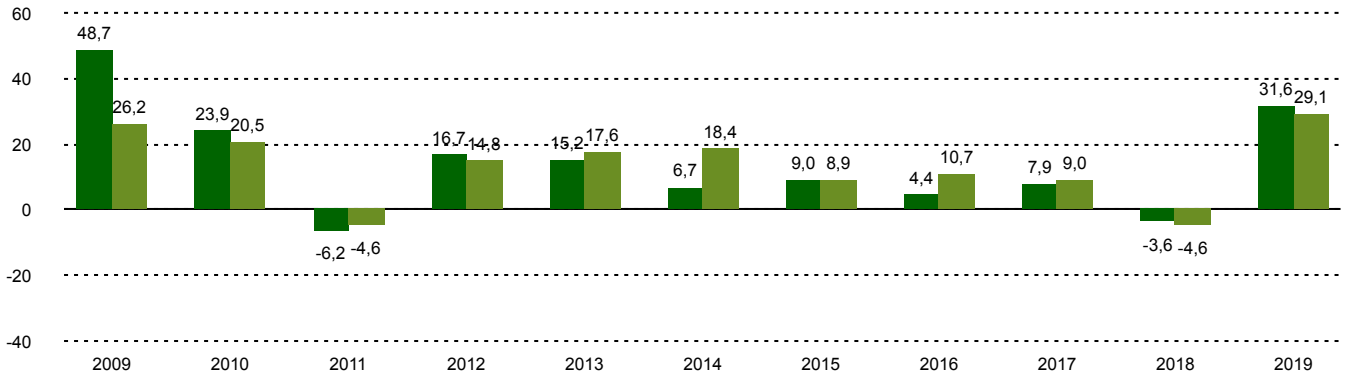
Historisk avkastning

Periode	SKAGEN Global A	Referanseindeks
Siste måned	0,1%	1,9%
Hittil i kvartal	12,5%	15,1%
Hittil i år	-5,0%	-7,2%
Siste år	5,4%	2,9%
Siste 3 år	7,7%	6,5%
Siste 5 år	6,0%	6,1%
Siste 10 år	8,9%	10,1%
Siden start	13,2%	4,7%

Fondsfakta

Type	Aksjefond
Domisil	Norge
Start dato	07.08.1997
Morningstarkategori	Globale, Store selskaper, Blanding
ISIN	NO0008004009
NAV	1542,08 DKK
Årlig forvaltningshonorar	1.00%
Totalkostnad (2019)	1.28%
Referanseindeks	MSCI ACWI NR USD
Forvaltningskapital (mill.)	20851,28 DKK
Antall poster	36
Porteføljeforvalter	Knut Gezelius

Avkastning siste 10 år



Før 1. januar 2010 var referanseindeksen MSCI World Index.

Bidragsytere i kvartalet

Største positive bidragsytere

Navn	Vekt (%)	Bidrag (%)
Microsoft Corp	6,33	1,11
Adobe Inc	4,07	0,94
Accenture PLC	3,42	0,66
Home Depot Inc/The	3,18	0,66
DSV PANALPINA A/S	3,07	0,65

Største negative bidragsytere

Navn	Vekt (%)	Bidrag (%)
Hiscox Ltd	0,76	-0,57
Ageas SA/NV	1,74	-0,45
CME Group Inc	2,00	-0,26
JPMorgan Chase & Co	3,67	-0,14
Beazley PLC	3,81	-0,12

I NOK for alle andelsklasser

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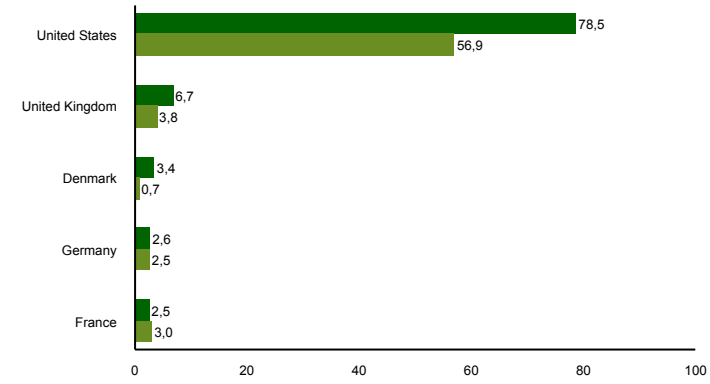
10 største investeringer

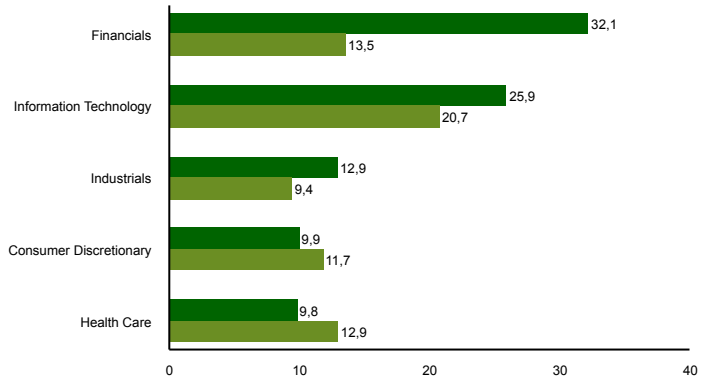
Navn	Sektor	Land	%
Microsoft Corp	Information Technology	United States	6,7
Intercontinental Exchange Inc	Financials	United States	5,9
Adobe Inc	Information Technology	United States	4,5
Marsh & McLennan Cos Inc	Financials	United States	4,2
Beazley PLC	Financials	United Kingdom	4,1
Visa Inc	Information Technology	United States	4,0
Mastercard Inc	Information Technology	United States	3,9
Accenture PLC	Information Technology	United States	3,7
JPMorgan Chase & Co	Financials	United States	3,6
DSV PANALPINA A/S	Industrials	Denmark	3,4
Samlet vekting			44,0

Landeksponering (topp 5)



SKAGEN Global A MSCI ACWI NR USD

Bransjefordeling (topp 5)



SKAGEN Global A MSCI ACWI NR USD

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