SKAGEN Vekst A

Alle tall er i DKK per 30/06/2020

SKAGEN
Part of Storebrand

A strong quarter for stocks

Global stock markets enjoyed a strong quarter following heavy losses in the first three month of the year. Initially, this was mainly driven by a focus on the massive fiscal and monetary stimulus globally. However, towards the end of the quarter we did start to see positive economic data pointing to a faster recovery than the market had initially feared. This also had a positive effect on the holdings in SKAGEN Vekst, and the fund posted a strong absolute return for the quarter. We continued to see high volatility in the currency markets with, for example, the Norwegian kroner strengthening along with the oil price – impacting the return of NOK-based investors.

Contributors

The optimism around a faster global recovery generally helped our more cyclically exposed companies like banks and commodity companies. However, some of the largest positive contribution to SKAGEN Vekst's absolute return came from our holdings with exposure to green energy. Our second largest holding is Bonheur, a Norwegian company which owns and operates wind farms in the UK and Scandinavia. The company posted a strong first quarter result driven by good wind conditions. The stock price was also helped by the fact that we did not see a broad cancellation of planned wind projects, boosting market confidence in Bonheur's future pipeline and the outlook for its wind installation vessels. This is also the main reason for the strong performance of the Danish manufacturer of wind turbines, Vestas. The company is seeing limited impact from the COVID-19 crisis on existing production plans, while new orders are continuing at an impressive pace. Kinnevik AB, the Swedish investment firm, also demonstrated strong performance in the quarter driven by their underlying digital investments. Their long-term investment in European based fashion retailer Zalando has been particularly fruitful. Kinnevik reduced their stake in Zalando during the quarter and declared an extraordinary dividend to shareholders. This highlights Kinnevik's business strategy of gradually divesting more mature businesses and re-cycling capital for growth opportunities at the same time as rewarding shareholders. We continue to see great growth potential in Kinnevik's digital growth stories within consumer goods, telecoms and healthcare.

The largest negative contributor was Shell, the Dutch-British oil and gas company, which announced their first cut in dividend payments since WWII and suspended their next tranche of buybacks as global energy prices tumbled. This vertically integrated oil major has over the last couple of years worked on firming up their balance sheet and sold off assets outside their core operations. In addition to their strong focus on natural gas, they have continued to streamline their business towards lower production cost assets and gradually increased their focus on renewable and lower carbon emission energy. But with global demand for energy plummeting, the company has been forced back to the drawing board to cut costs and strengthen their financial position.

Amidst the strong market, some of our more typically defensive stocks like telecoms generally had a difficult quarter. Stocks listed in Hong Kong were also hit after the Chinese government said it planned to impose a national security law on the city. For these reasons, our investment in the Chinese mobile giant, China Mobile, was among the weakest performers in the quarter.

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Portfolio activity

While the market has moved up a long way from the bottom in mid-March, we still see significant upside in many cyclical companies. We therefore increased our exposure to the financial sector, initiating new positions in the British insurance company Beazley and the Chinese insurance company Ping An, while also adding to our existing position in Citigroup and Korean Re. In the materials sector, we initiated a new position in the Africa-exposed mining company Ivanhoe Mines, while also increasing our exposure to the Swedish miner Boliden. The Finnish forest industry company UPM-Kymmene also entered the portfolio during the second quarter. We think management will continue its proven track record of restructuring its older and less profitable paper business while growing its more lucrative fibre products, wood products, molecular bioproducts and low-emission energy business. With their continued development of biorefining in Europe and expansion of operations in Uruguay, we see longer term earnings power increasing significantly from current levels.

Outlook

With more hard evidence of the massive fiscal and monetary policy having a positive effect on the real economy, we see scope for higher estimates for economic activity and ultimately company earnings. Combined with still depressed share prices within more cyclically exposed stocks, we think the current set-up looks attractive for our holdings overall. While this is our base case, we do expect the market to continue along its volatile path, particularly as the uncertainty over a potential "second wave" of COVID-19 remains. Aside from the virus, the ongoing geopolitical situation in Hong Kong along with the upcoming US presidential election are the main events that may create volatility in the near term.

Kvartalsvis rapport

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SKAGEN Vekst investerer i en aktivt forvaltet og diversifisert portefølje av undervurderte selskaper over hele verden. Halvparten av porteføljen er konsentrert rundt Norden.

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

Fondet passer for investorer som har minst fem års investeringshorisont.

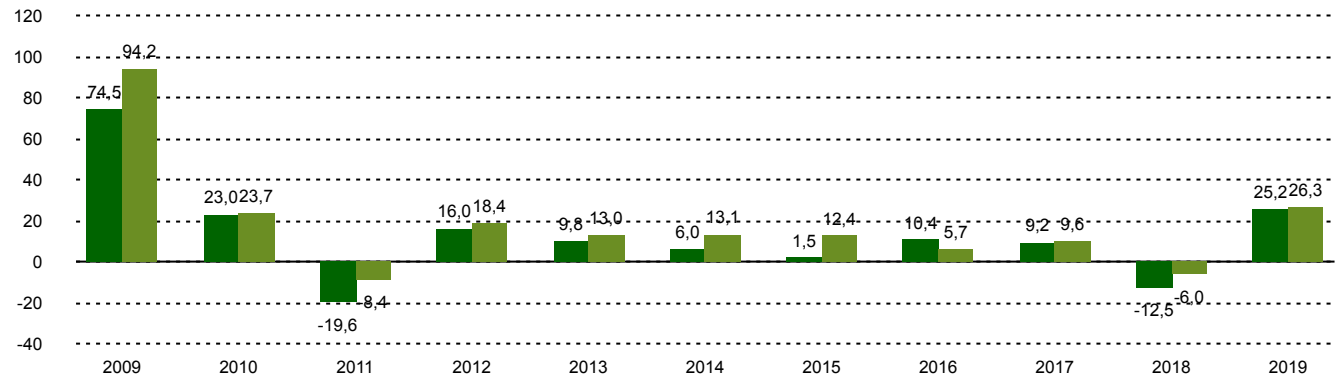
Historisk avkastning

Periode	SKAGEN Vekst A	Referanseindeks
Siste måned	2,8%	1,3%
Hittil i kvartal	14,1%	17,4%
Hittil i år	-17,5%	-5,7%
Siste år	-11,2%	4,0%
Siste 3 år	-2,0%	4,9%
Siste 5 år	0,7%	5,1%
Siste 10 år	4,1%	9,7%
Siden start	11,6%	9,2%

Fondsfakta

Type	Aksjefond
Domisil	Norge
Start dato	01.12.1993
Morningstarkategori	Global, Fleksibel kapitalisering
ISIN	NO0008000445
NAV	1680,85 DKK
Årlig forvaltningshonorar	1.00%
Totalkostnad (2019)	1.00%
Referanseindeks	MSCI Nordic IMI + ACWI ex Nordic NR NOK
Forvaltningskapital (mill.)	4444,03 DKK
Antall poster	49
Porteføljeforvalter	Søren Christensen

Avkastning siste 10 år



Endring av fondets mandat - se nederst på neste side

Bidragsytere i kvartalet

Største positive bidragsytere

Navn	Vekt (%)	Bidrag (%)
Bonheur ASA	4,99	2,28
Kinnevik AB	3,07	1,12
Vestas Wind Systems A/S	3,82	0,58
Broadcom Inc	2,68	0,56
DSV PANALPINA A/S	2,56	0,54

Største negative bidragsytere

Navn	Vekt (%)	Bidrag (%)
Royal Dutch Shell PLC	3,22	-0,55
China Mobile Ltd	3,18	-0,43
CK Hutchison Holdings Ltd	3,37	-0,28
FLEX LNG Ltd	1,36	-0,25
Telenor ASA	2,46	-0,21

I NOK for alle andelsklasser

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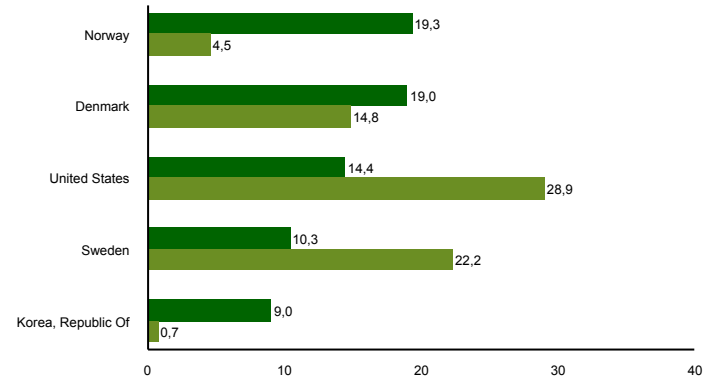
10 største investeringer

Navn	Sektor	Land	%
Novo Nordisk A/S	Health Care	Denmark	7,9
Bonheur ASA	Industrials	Norway	5,6
Yara International ASA	Materials	Norway	4,9
Samsung Electronics Co Ltd	Information Technology	Korea, Republic Of	4,2
Vestas Wind Systems A/S	Industrials	Denmark	3,8
Citigroup Inc	Financials	United States	3,6
Kinnevik AB	Financials	Sweden	3,3
CK Hutchison Holdings Ltd	Industrials	United Kingdom	2,9
Broadcom Inc	Information Technology	United States	2,9
Royal Dutch Shell PLC	Energy	Netherlands	2,8
Samlet vekting			42,0

Landeksponering (topp 5)



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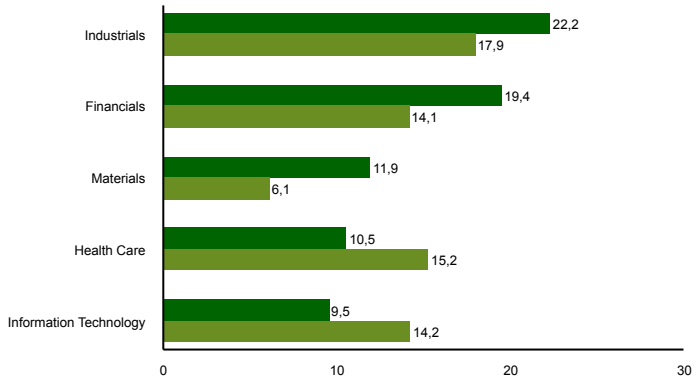
Bransjefordeling (topp 5)



SKAGEN Vekst A MSCI Nordic IMI + ACWI ex Nordic NR NOK

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Viktig informasjon

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Fondets investeringsmandat ble endret med virkning fra 01.01.2014 fra at fondet investerte minst 50 % av sine midler i Norge til at fondet investerer minst 50 % av sine midler i Norden. Dette betyr at avkastning før endringen ble oppnådd under andre omstendigheter enn i dag. Fondets referanseindeks er MSCI Nordic/MSCI AC ex. Nordic. Før 01.01.2014 var referanseindeksen en likt sammensatt referanseindeks av Oslo Børs Hovedindeks (OSEBX) og MSCI All Country World. Referanseindeksen før 01.01.2010 var Oslo Børs Hovedindeks (OSEBX).