

VIKTIG INFORMASJON: Dette er markedsføring. Rapporten er ikke en anbefaling om å kjøpe eller selge fondsandeler. Før tegning oppfordres det til å lese fondets prospekt og nøkkelinformasjon, som er tilgjengelig på www.skagenfondene.no og hos våre distributører.

Inflation and war

The first quarter of 2022 started off on a weak note as continued elevated inflation pushed interest rates up higher. The tragic events in Ukraine did not help, as Russia is a significant exporter of oil and gas as well as numerous other commodities. The market therefore started pricing in a higher discount rate combined with lower global growth and margin pressure in companies' earnings. SKAGEN Vekst was also affected but still managed to outperform its benchmark index, as strong performance in several of our commodity and financial companies made up for the losses in our Russian holdings. We currently have three Russian stocks in the portfolio which are all priced at 0 as of quarter end.

Contributors

The biggest contributors to the fund's absolute return in the quarter were all commodity-related companies. The Chinese exploration and production company CNOOC benefitted from high oil and gas prices. The stock also benefitted from announcing several shareholder friendly initiatives, including buying back its own stock. We had a meeting with the company's top management in March and continue to see the company's capital allocation moving in the right direction. The energy company Shell also benefitted from higher oil and gas prices. Aside from high prices, the company is also well positioned to take advantage of the current regional gas dislocations in its trading business. With the balance sheet now fixed, management also acknowledged the need to increase return to shareholders in their discussions of the Q4 results. The Swedish mining company Boliden was another strong performer on back of higher commodity prices. The company also delivered a solid result for Q4, showing strong operational performance and continuing the value accretive expansion of its smelting business. At the current earnings power, the company is now in a position to return significant amounts of capital to shareholders.

Our three Russian holdings Sberbank, Gazprom, and Segezha were all among the biggest detractors as SKAGEN made the decision to write the

value of these stocks down to 0 as we are not able to sell the shares in the current market. Outside Russia, the Swedish personal care company Essity was one of the weakest performers as higher raw materials and energy costs have reduced earnings estimates. This is not the first time the company faces higher input costs and it has an excellent track record of recovering raw material inflation through pricing. Thus, we still believe the company will be able to protect its margins and find the current valuation very attractive.

Portfolio activity

We initiated a new position in the Norwegian oil and gas company Vår Energi in February. We are attracted to a shareholder friendly distribution policy. Unlike many other energy companies, Vår has a clear strategy to only allocate capital to its core area of expertise and has no plans to invest in low return green energy projects. At the current elevated oil and gas prices, we will receive a significant part of the current stock price as dividends over the next few years. Even assuming more normalised energy prices, the company will continue to generate an attractive cash flow and pay a solid dividend.

We also entered the Korean Bank, KB Financial Group in March as the stock fell along with the wider market due to the geopolitical uncertainty around Ukraine. The stock now trades at less than half times book, below five times earnings, and pays a direct dividend yield above 5%. This seems completely misplaced for a bank generating a return on equity of close to 10% and it is expected to grow earnings as interest rates moves higher. The bank has also started to address the significant discount by buying back its own shares.

We exited the Swedish steel company SSAB in March as it hit our target price. The stock has increased almost 150% since we bought it less than two years ago during the second half of 2020.



Foto: Shutterstock

Uneven distribution

It is important to remember that the strong performance in stocks over the past decade has been very unevenly distributed. This has resulted in a situation where quality growth stocks trade at historically high valuations, while more capital-intensive industries often trade at more reasonable valuations. An important driver behind this development is the dramatic fall in long-term interest rates we have seen in the period.



Foto: Shutterstock

Outlook

We think the odds of sustainably higher inflation and higher interest rates have risen significantly over the past 12 months. While sanctions against Russia have increased the short-term pressure on commodities, we also see long-term second order effects through a reversal of the globalisation we have become accustomed to. We are therefore comfortable with our current exposure towards companies that do well in an environment with higher inflation and interest rates – such as financial and energy related companies. We also see several emerging markets stocks trading at very attractive levels following 10 years of underperformance. We find this situation particularly compelling as many EM markets have not yet benefitted from a reopening of their economy.

SKAGEN Vekst investerer i selskaper som er lavt priset i forhold til forventet lønnsomhet og vekst. Fondet investerer hovedsakelig i Norden og sekundært i resten av verden. Målet er å oppnå best mulig risikostjert avkastning for den risikoen fondet tar. Fondet passer til investorer som har minst fem års investeringshorisont. Det tegnes i fondsandeler, og ikke direkte i aksjer eller andre verdipapirer. Fondet har risikoprofil 6. Referanseindeksen reflekterer fondets investeringsmandat. Siden fondet er aktivt forvaltet vil imidlertid porteføljen avvike fra indeksens sammensetning.

Historisk avkastning

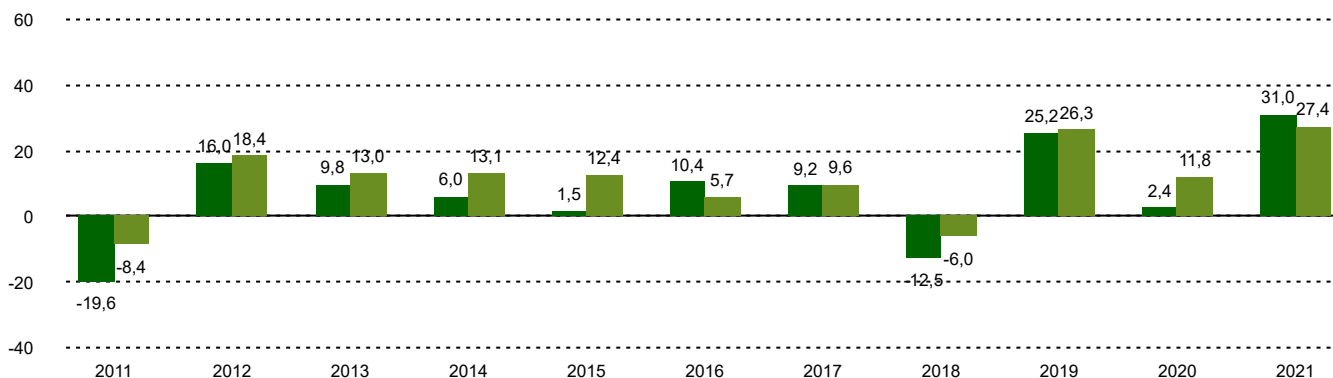
Periode	SKAGEN Vekst A	Referanseindeks
Siste måned	1,3%	3,7%
Hittil i kvartal	-3,7%	-6,1%
Hittil i år	-3,7%	-6,1%
Siste år	12,3%	9,9%
Siste 3 år	13,1%	14,4%
Siste 5 år	7,8%	10,5%
Siste 10 år	7,6%	10,9%
Siden start	12,6%	10,0%

Fondsfakta

Type	Aksjefond
Domisil	Norge
Start dato	01.12.1993
Morningstarkategori	Globale, Store selskaper, Blanding
ISIN	NO0008000445
NAV	2631,66 DKK
Årlig forvaltningshonorar	1.00% + resultatavhengig forvaltningsgodtgjørelse*
Totalkostnad (2021)	2.80%
Referanseindeks	MSCI Nordic IMI + ACWI ex Nordic NR NOK
Forvaltningskapital (mill.)	6424,37 DKK
Antall poster	51
Porteføljeforvalter	Søren Christensen

*10,00% resultatavhengig forvaltningsgodtgjørelse beregnes daglig og belastes årlig for avkastning utover 6 % p.a. Andelsklassen har høyvannmerke. Variabelt forvaltningshonorar belastes kun dersom andelsverdien 31.12 er høyere enn ved forrige belastning. Resultatavhengig forvaltningsgodtgjørelse kan belastes selv om fondets andeler har gått ned i verdi dersom verdiutviklingen er bedre enn referanseindeksen.

Avkastning siste 10 år



■ SKAGEN Vekst A ■ MSCI Nordic IMI + ACWI ex Nordic NR NOK 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 OSEBX.

Historisk avkastning er ingen garanti for fremtidig avkastning. Fremtidig avkastning vil blant annet avhenge av markedsutviklingen, forvalterens dyktighet, fondets risikoprofil og forvaltningshonorar. Avkastningen kan bli negativ som følge av kurstap. Det er knyttet risiko til investeringer i fondet på grunn av markedsbevegelser, utvikling i valuta, rentenivåer, konjunkturer, bransje- og selskapsespesifikke forhold.

Bidragsytere i kvartalet



Største positive bidragsytere

Navn	Vekt (%)	Bidrag (%)
CNOOC Ltd	2,74	0,69
Shell PLC	2,86	0,61
Boliden AB	1,67	0,46
FLEX LNG Ltd	1,35	0,39
China Mobile Ltd	2,85	0,32



Største negative bidragsytere

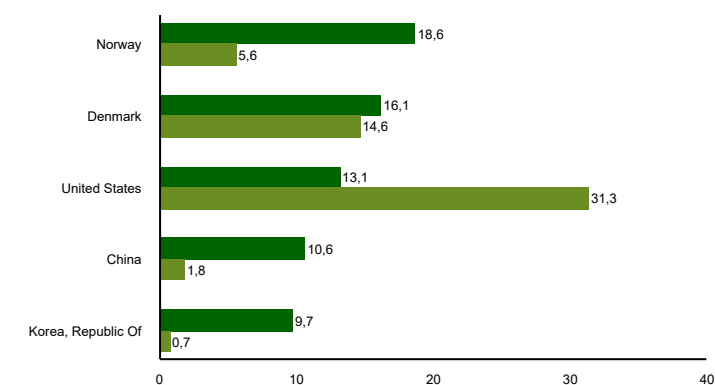
Navn	Vekt (%)	Bidrag (%)
Sberbank of Russia PJSC	1,43	-2,54
Gazprom PJSC	0,92	-1,62
Essity AB	2,86	-0,86
Carlsberg AS	2,42	-0,75
Segezha Group PJSC	0,44	-0,75

Veksten viser gjennomsnittet for perioden. I NOK for alle andelsklasser

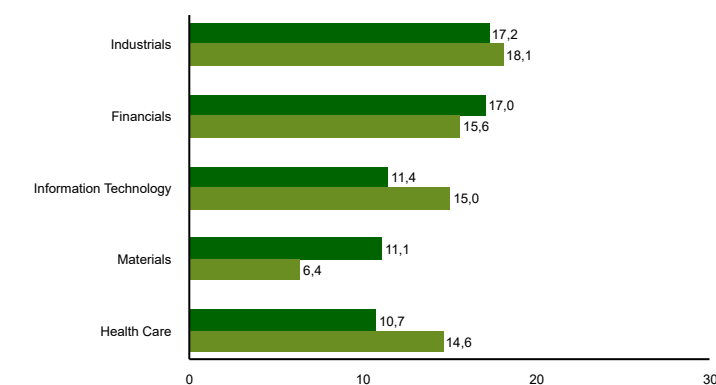
10 største investeringer

Navn	Sektor	Land	%
Novo Nordisk A/S	Health Care	Denmark	8,8
Bonheur ASA	Industrials	Norway	5,4
Yara International ASA	Materials	Brazil	4,5
Broadcom Inc	Information Technology	United States	3,9
Samsung Electronics Co Ltd	Information Technology	Korea, Republic Of	3,8
Nordea Bank Abp	Financials	Finland	3,4
Telenor ASA	Communication Services	Norway	3,3
Ping An Insurance Group Co of China Ltd	Financials	China	3,3
Shell PLC	Energy	Netherlands	3,1
Cnooc Ltd	Energy	China	3,0
Samlet vektning			42,4

Landeksponering (topp 5)



Bransjefordeling (topp 5)



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

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Viktig informasjon

All informasjon er basert på mest oppdaterte tall tilgjengelig. Med mindre noe annet er opplyst, vil avkastningsdata være relatert til andelsklasse A og vises etter fradrag for honorarer. Forvaltningskapital per utgangen av forrige måned. All informasjon er fremstilt av SKAGEN AS (SKAGEN) med mindre noe annet er opplyst. SKAGEN fraskriver seg ethvert ansvar for direkte- og indirekte tap samt utgifter pådratt i forbindelse med bruk av eller forståelsen av innholdet i rapporten. Ansatte i SKAGEN vil kunne eie finansielle instrumenter utstedt av selskaper som er omtalt i rapporten eller som fondene har i sine porteføljer.



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