

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.

Roller-coaster ride continues

Global equity markets continued their roller-coaster ride in the third quarter. After a strong rebound in July as lower commodity prices raised hopes that inflation was peaking, stocks fell sharply in the latter part of the quarter due to continued fears over higher interest rates and lower economic growth. The absolute return of SKAGEN Vekst was also impacted by the more challenging outlook. From a relative perspective, the fund lagged the return of the benchmark due to a much lower exposure to US equities that benefitted from a very strong dollar.

Contributors

The world's largest cellular operator, China Mobile, was among the biggest positive contributors to the fund's absolute return. The company reported very strong numbers for the second quarter with accelerating top line growth combined with improving margins. The company also raised its interim dividend by 35%. At the current share price, net cash accounts for close to 50% of the market value, and the stock pays an annual dividend yield of close to 10%. As we expect both earnings and the payout ratio to increase in the coming years, we continue to see significant upside in both the dividend and the share price of China Mobile.

Another strong performer was the Finnish company UPM as the market is finally acknowledging the company's attractive position in the current energy environment. It has large energy (hydro and nuclear power) assets in Finland combined with long-term potential in hydrogen and synthetic fuel production. With its large new mill in Uruguay coming into production early next year, we expect to see an inflection point in free cash flow generation. Given its already strong balance sheet, this should lead to an improved dividend and share price.

Detractors

The Norwegian telecom company Telenor was among the largest detractors to the fund's absolute return in the quarter. After the forced sale of Myanmar, negative COVID effects in Thailand, and now high energy prices, the market is increasingly questioning the sustainability of the company's current dividend. While the fundamental development has

been softer than we initially anticipated, we still expect the company to be able to cover their dividends within the next three years – making the current 9% dividend yield look very attractive. Specifically, we see improvements from: (i) cost savings from the copper decommissioning in Norway, (ii) merger synergies in Malaysia and Thailand, and (iii) normalisation in capital expenditures.

Ping An Insurance also had a difficult quarter, as continued lockdowns in China are impacting the company's ability to generate sales. While we agree that the short-term outlook remains challenging, we have not changed our long-term investment thesis. The company provides good exposure to a structurally growing life insurance market in China. We are buying this exposure through a well-managed company trading at an extremely depressed valuation.

Portfolio activity

Following the sell-off in technology-related companies, we initiated a new position in Alphabet, Google's parent company. Given its current valuation, combined with a stronger commitment to paying out its massive annual free cash flow, we now see a much smaller risk of a continued de-rating of the stock. With solid earnings growth from its core search business, combined with a shrinking number of shares, we expect EPS growth to translate into an attractive total return. While the company has not been immune to the sector-wide slow-down, we have gained more confidence in its ability to withstand competition – unlike what we have seen from Meta (Facebook) and Snap.

Following company meetings in Korea, we decided to increase our stake in KB Financial. The meeting gave us more confidence in the quality of the bank's loan book, and management's willingness to continue increasing its dividends and buying back shares. We also increased our position in Ping An insurance as discussed above. Finally, we added to the logistic provider DSV following a weak share price development.



Foto: Shutterstock

Key sells

In order to fund these investments, we reduced several positions where the fundamental upside has narrowed following strong share price performance. We therefore reduced our positions in the pharma company Novo Nordisk, the shipping company Flex LNG, the aluminium company Norsk Hydro, and the oil and gas company Vår Energy.

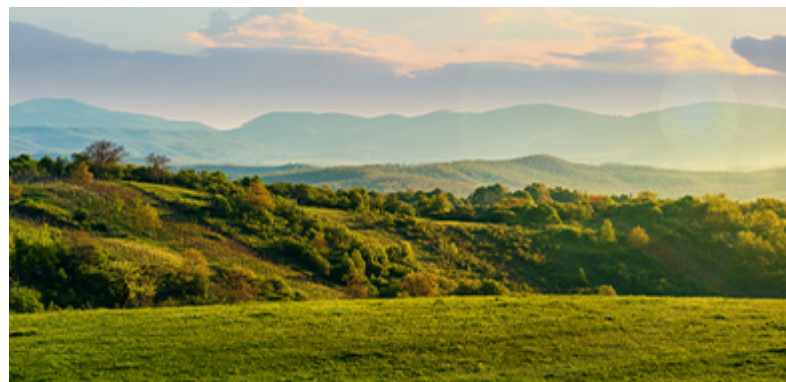


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Outlook

It is important to remember that the strong performance in stocks over the past decade has been very unevenly distributed. Even after the latest correction, quality growth stocks generally continue to trade at an elevated valuation, while more capital-intensive industries trade at more reasonable prices. 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 market stocks trading at very attractive levels following ten years of underperformance. This is particularly compelling as many EM countries 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

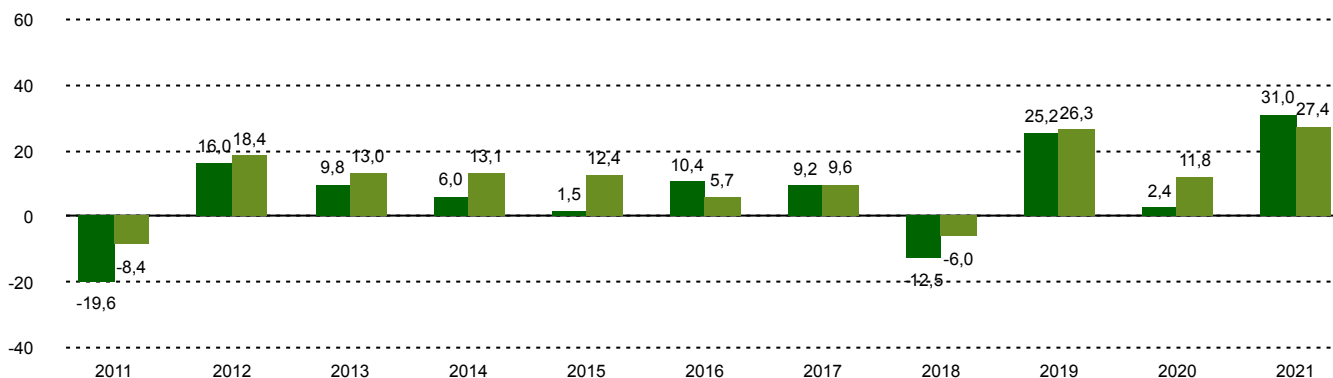
Periode	SKAGEN Vekst A	Referanseindeks
Siste måned	-10,2%	-8,4%
Hittil i kvartal	-7,1%	-2,9%
Hittil i år	-14,9%	-19,4%
Siste 12 måneder	-10,3%	-12,9%
Siste 3 år	6,9%	7,1%
Siste 5 år	5,1%	6,6%
Siste 10 år	6,3%	8,5%
Siden start	11,9%	9,2%

Fondsfakta

Type	Aksjefond
Domisil	Norge
Start dato	01.12.1993
Morningstarkategori	Globale, Store selskaper, Blanding
ISIN	NO0008000445
NAV	2324,84 DKK
Årlig forvaltningshonorar	1.00% + resultatavhengig forvaltningsgodtgjørelse*
Totalkostnad (2021)	2.80%
Referanseindeks	MSCI Nordic IMI + ACWI ex Nordic NR NOK
Forvaltningskapital (mill.)	6282,07 DKK
Antall poster	53
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 (%)
China Mobile Ltd	3,04	0,48
UPM-Kymmene Oyj	2,81	0,43
Nordea Bank Abp	3,84	0,29
FLEX LNG Ltd	0,94	0,29
Shell PLC	3,26	0,25



Største negative bidragsytere

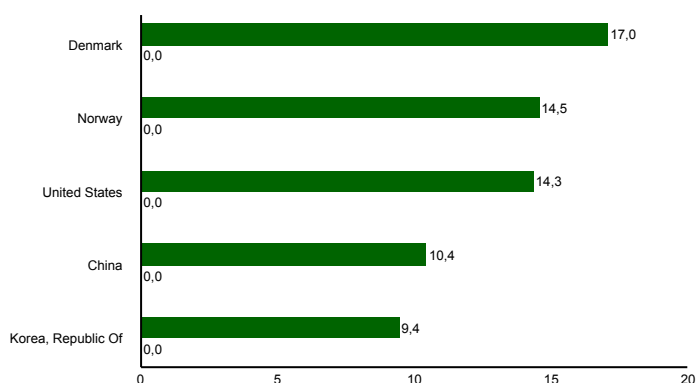
Navn	Vekt (%)	Bidrag (%)
Telenor ASA	3,08	-0,84
Bonheur ASA	5,17	-0,70
H Lundbeck A/S	2,11	-0,66
Ping An Insurance Group	2,86	-0,61
Essity AB	3,01	-0,51

Veksten viser gjennomsnittet for perioden. I NOK for alle andelsklasser

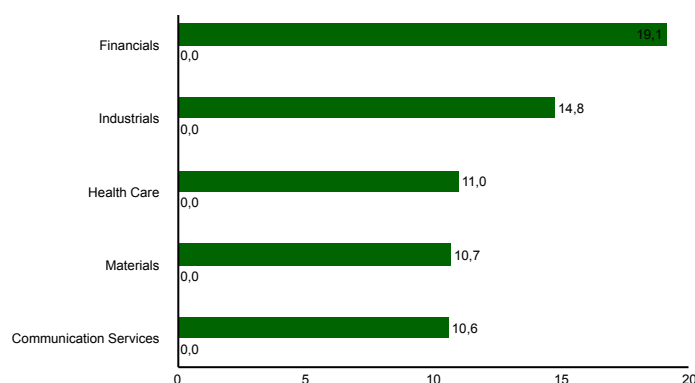
10 største investeringer

Navn	Sektor	Land	%
Novo Nordisk A/S	Health Care	Denmark	9,2
Bonheur ASA	Industrials	Norway	4,6
Yara International ASA	Materials	Brazil	4,1
Nordea Bank Abp	Financials	Finland	4,1
Shell PLC	Energy	Netherlands	3,7
Broadcom Inc	Information Technology	United States	3,6
China Mobile Ltd	Communication Services	China	3,4
UPM-Kymmene Oyj	Materials	Finland	3,2
Carlsberg AS	Consumer Staples	Denmark	3,2
CK Asset Holdings Ltd	Real Estate	Hong Kong	3,2
Samlet vektning			42,1

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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