

SKAGEN Global

Unconstrained Global Equities

SKAGEN Global is a global equity strategy which aims to generate long-term capital growth. The fund is managed by Knut Gezelius and Chris-Tommy Simonsen.

Investment Strategy

SKAGEN Global invests in companies believed to be undervalued by the portfolio managers who apply a pragmatic approach to value. They typically look beyond companies that may be optically cheap based on traditional valuation metrics, such as Price/Book which they consider is ill-suited for a world increasingly powered by intangible assets, and place greater emphasis on cash flow, profitability and balance sheet strength.

The fund's core long-term holdings are typically undervalued "structural winners" which are expected to outperform competitors across economic and market cycles. The fund may complement its core holdings with more tactical investments if and when such attractive opportunities present themselves. This combination enables the fund to deliver excess return in a range of different scenarios.

1. Long-term perspective: The portfolio managers' investment horizon is at least 3-5 years but can be significantly longer. They attach greater value to fundamentals than short-term trends and evaluate stocks based on long-term forecasts rather than quarterly results. This approach is particularly conducive to finding investment opportunities in companies with an underappreciated ability to compound in value over time, which is illustrated by several of the fund's core holdings remaining in the portfolio for many years.

2. Unconstrained mandate: A broad footprint means the portfolio's sector, geography and market cap exposure may change materially over time, depending on where the portfolio managers find the best investment opportunities in terms of company fundamentals. This freedom also means that the portfolio managers can invest tactically over shorter horizons to exploit mis-pricing during periods of extreme market dislocation. This flexibility, combined with the portfolio managers' ability and willingness to adapt to different market environments and opportunities in a forward-looking way, offers a distinct competitive advantage.

3. Partnership approach: Close alignment of interest is sought between company management and shareholders which places a high value on strong (or improving) corporate governance. The portfolio managers believe that thorough analysis of both quantitative (e.g. share ownership, management incentives) and qualitative (e.g. competence, integrity) factors cannot easily be replicated by a computer, which therefore provides SKAGEN Global with a distinctive edge. They also regularly engage with portfolio companies to drive positive change and value creation.

Portfolio Characteristics

SKAGEN Global is a high conviction portfolio that normally holds 30-50 holdings, but the range may be somewhat extended in either direction depending on market conditions and available investment opportunities. The fund is actively managed and constructed bottom-up by the portfolio managers who are benchmark agnostic. They have the freedom to invest away from the index in their best ideas and this is reflected in a portfolio with which can diverge significantly from the index.

To reduce risk the fund maintains a sensible balance between sectors and geographic regions as deemed appropriate by the portfolio managers. Holdings improve their downside protection against permanent loss of capital by exhibiting strong core earnings, cash flow growth and / or cost restructuring opportunities coupled with a solid balance sheet.

* All information as at 31 December 2023

¹ Benchmark prior to 1 January 2010 was the MSCI World Index

² Percentage of stocks in the portfolio that differs from the benchmark index

³ Portfolio turnover is calculated by taking either the total amount of new securities purchased or the amount of securities sold (whichever is less) over the previous 12-month period, divided by the total net asset value (NAV) of the fund



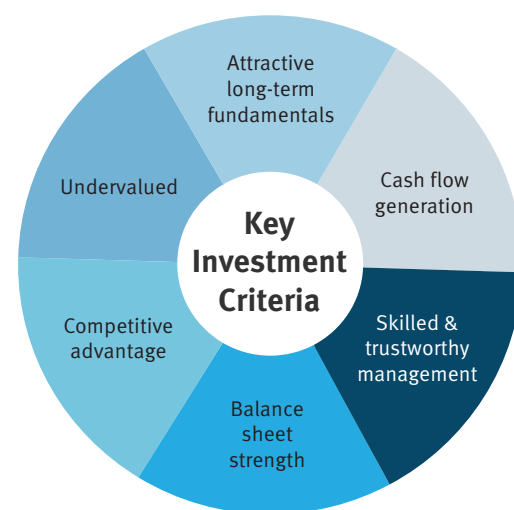
Fund Strategy

Portfolio managers	Knut Gezelius Chris-Tommy Simonsen
Equity strategy	Global
Benchmark	MSCI AC World Index ¹
No. of holdings	30-50
Active Share ²	89%
Market cap bias	Mid / large
Investment horizon	3-5 years
Portfolio turnover ratio ³	15%
Launch date	7 August 1997

Portfolio Managers



Knut Gezelius & Chris-Tommy Simonsen



Painting: P.S. Krøyer, From the moor north of Skagen, 1885. This painting is manipulated and belongs to The Art Museums of Skagen.