SKAGEN Vekst A

RISK PROFILE	YTD RETURN	ANNUAL RETURN
4 of 7	3.19 %	10.91 %
	31.01.2025	Average last 5 years

Part of Storebrand

Fund facts

ISIN: NO0008000445
Launch date, share class: 01.12.1993
Launch date, fund: 01.12.1993
Domicile: NO
NAV: 444.46 EUR
AUM: 1,056 MEUR
Benchmark index: MSCI Nordic/MSCI AC ex. Nordic
Minimum purchase: 50 EUR
Fixed management fee: 1.00 %
Performance fee: 10.00 % (see prospectus for details)
Ongoing charge: 1.00 %
Number of holdings: 54
SFDR: Article 8

Søren Milo Christensen
Managed fund since
09 April 2018

Sondre Solvoll Bakketun
Managed fund since
08 November 2022

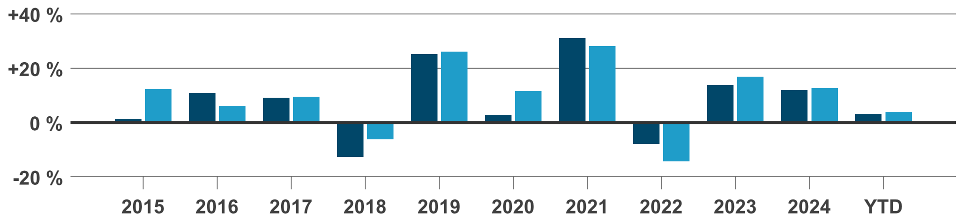
Investment strategy

SKAGEN Vekst invests in companies that are attractively priced relative to expected profitability and growth. The majority of the fund is invested in the Nordic region and the remainder worldwide. The fund is suitable for investors with a minimum five-year investment horizon. Subscriptions are made in fund units and not directly in stocks or other securities. The benchmark reflects the fund's investment mandate. Since the fund is actively managed, the portfolio will deviate from the composition of the benchmark. Effective 01.01.2014, the fund's investment mandate changed from investing a minimum of 50% of its assets in Norway to investing a minimum of 50% of its assets in the Nordic countries. This means that returns prior to the change were achieved under different circumstances than they are today.

Monthly report for January as of 31.01.2025. All data in EUR unless otherwise stated.

Historical returns are no guarantee for future returns. Future returns will depend, inter alia, on market developments, the fund manager's skills, the fund's risk profile and subscription and management fees. The return may become negative as a result of negative price developments. The fund's Key Investor Information Document and prospectus are available on www.skagenfunds.com

Historical return in EUR (net of fees)



	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	YTD
Fund	1.4	10.8	9.1	-12.6	25.1	2.8	31.1	-7.8	13.7	11.9	3.2
Index	12.2	6.0	9.5	-6.2	26.2	11.6	28.1	-14.3	16.9	12.6	3.9

Prior to 01.01.2014, the benchmark index was an evenly composed benchmark index consisting of the Oslo Stock Exchange Benchmark Index (OSEBX) and the MSCI All Country World. The benchmark index prior to 01.01.2010 was the Oslo Stock Exchange Benchmark Index (OSEBX).

Period	Fund (%)	Index (%)
Last month	3.19	3.87
Year to date	3.19	3.87
Last 12 months	14.39	15.04
Last 3 years	7.03	7.65
Last 5 years	10.91	10.51
Last 10 years	7.75	9.06
Since inception	12.29	9.85

Returns over 12 months are annualised.

Key figures	1 year	3 years	5 years
Standard deviation	5.91	12.29	16.84
Standard deviation index	8.39	13.81	15.96
Tracking error	5.95	6.40	7.45
Information ratio	-0.11	-0.10	0.05

Active share: 82 %

Monthly commentary, January 2025

Global stock markets started the year on a positive note as Trump initially held back from imposing higher tariffs on foreign goods combined with hopes that lower interest rates in Europe would help improve economic activity in that region. SKAGEN Vekst was also helped by these drivers but marginally lagged the benchmark, as our holdings in Emerging Markets did not keep up with the gains seen elsewhere.

The US bank Citigroup was the largest positive contributor to the fund's absolute return in January. The company delivered a very strong quarterly result, showing good progress in its restructuring plan. Management also announced a sizeable buy-back program that is very value accretive given the current depressed valuation. The announcement of the buy-back program also reassured the market that the regulatory headwinds that Citigroup are facing have peaked. We reduced the position slightly following strong share price development but still see significant upside. If management can execute on its plans to improve profitability, the stock can still double over the coming 3 years. Yara had a strong start to the year as fertiliser prices rose throughout the month. Demand is strong as the Northern Hemisphere enters peak buying season and India has returned to market with two tenders in short order. The supply side remains tight with China on the sidelines, Europe at only 75% capacity and Iran still out of the export market. In addition, the European Commission recently proposed tariffs on fertiliser imports from Russia and Belarus. The proposal is planned to be implemented from July this year with gradually increasing tariffs that aim to reach "prohibitive levels" in three years' time. While these products are likely to find their way to market through other channels, this is clearly positive for European fertiliser companies. The Nordic bank Nordea also had a positive start to the year driven by hopes of a stronger economic environment in Europe and the Nordics. The company delivered results in-line with expectations in January. We reduced the position slightly following the strong share price performance but still see meaningful upside. While the stock lacks obvious triggers, it remains severely undervalued vs. its profitability and stability and we expect it to gradually re-rate as the market gains confidence in the sustainability of the current profitability. However, even with no re-rating, we see a 10%+ annualised return driven by dividends and buy-backs alone.

The Danish logistics company DSV was the largest detractor to the fund's absolute return in January driven by fear of reduced global trade. The stock was also hit by news of an ongoing conflict within the board of directors. While we haven't been able to talk to the company about this, we generally support the stated view that the board wants a more international profile in the board room. With regard to tariffs, we think the picture is more nuanced than the market currently prices in. While lower volumes are obviously negative, increased complexity around tariffs has typically helped the company's margins, as they are able to sell additional services to clients. The Chinese Insurance company Ping An also had a difficult month on the back of a generally weak market in China. The lower interest rate environment also had a negative impact on the longer-term earnings expectations of the company. While a lower interest rate is negative, we feel increasingly confident that we have reached the bottom for the overall Chinese economy and that the political leadership will continue to expand stimulus gradually until consumer confidence returns. Regardless, at 5x earnings, the stock is priced as a company in terminal decline – a view we strongly disagree with. Even a small improvement in the operating environment should result in a doubling of the share price. The Danish pharma giant Novo Nordisk was also among the largest negative contributors in January. Increased uncertainty around tariffs combined with slightly weaker than expected numbers from key peer Eli Lilly were the main reasons for the soft performance. The stock therefore fell back during the month, despite announcing impressive Phase 1 data for the injectable version of is drug Amecretin. Treatment on the highest dose led to a 22% weight loss after just 36 weeks. While it is still early days, the data is highly encouraging and has the potential to be a best-in-class product for obesity. Novo has also previously disclosed impressive data for its oral version of this drug. We believe the company will try to move straight to phase 3 for both the oral and injectable versions, and thus potentially extend the long-term patent protection for the obesity franchise.

In the Nordics we used strong share price performance to reduce our weightings in Nordea and Kinnevik and redeployed the capital into DSV, Novo Nordisk and Essity - all of which had a soft start to the year. In China we reduced the energy company CNOOC and the telecom company China Mobile following strong share price performance. We deployed some of that capital into the Chinese insurance company Ping An where we see higher upside following a softer share price. We reduced the US bank Citigroup and global energy company Shell as strong share price performance has reduced our fundamental upside. We also reduced our exposure to the insurance sector by reducing our position in both Chubb and AIG, as we see signs of peak profitability in the sector. Over the past 12 months, we have reduced our exposure to the US stock market, which we view as overvalued relative to both global markets and its own historical norms. Within the US, growth stocks in particular appear priced at levels that have historically resulted in poor future returns. By contrast, many markets outside the US trade near historical averages, offering compelling opportunities. We are especially optimistic about China and Korea, where depressed valuations contrast sharply with the potential for positive change. At a sector level, we have reduced exposure to IT over the past year. While AI presents a remarkable opportunity, this is increasingly reflected in inflated share prices. The strong growth has largely been driven by a fear among major IT players of losing their competitive moat. The sustained capital investment will eventually need to deliver tangible economic benefits to justify current valuations. We also see rising risks of the market questioning the one key investment merit of the dominant IT companies – low capital-intensive earnings growth. We continue to favour attractively valued companies in the financial, industrial, and energy sectors, which remain resilient to an environment where inflation does not revert to post-pandemic lows. From a macroeconomic perspective, we believe the market underestimates the likelihood of persistently higher inflation and interest rates. This is particularly evident in the US, where factors such as substantial budget deficits, immigration restrictions, and increased tariffs on foreign goods make a meaningful decline in inflation unlikely. We have positioned the fund to offer strong downside protection should the US market's "Goldilocks" scenario – or similar expectations for the IT sector – fail to materialise. However, if consensus predictions of declining inflation, steady economic growth, and robust IT sector profits prove accurate, we anticipate the fund may underperform the broader market but still deliver solid absolute returns over the next 12 months.

At the time of writing, the US announced that it is imposing 25% tariffs on imports from Canada and Mexico and 10% on China. With a lack of details, it is difficult to quantify the exact impact of these actions, but from a high level we have the following observations: i) this is obviously negative for both the economy and the stock market in the affected countries, ii) the relatively muted reaction on the first day of trading seems to suggest that most investors assume that some kind of last-minute deal will be reached, iii) the knee-jerk reaction of the market is outperformance of US stocks (taking into account the strengthening of the US dollar), iv) interestingly, China is the best performing stock market at the time of writing (also outperforming the US market), v) most countries are better prepared for Trump this time round, and will most likely retaliate, as we have already seen from Canada, vi) China in particular, is much better prepared, having reduced reliance on the US for its exports. As always, the key task for any portfolio manager is to evaluate how the economic impact compares to what is already priced into the market today. The limited reaction in Chinese stocks tells the story we have tried to convey to clients over the past 12 months – a lot of bad news is already priced into that market today. The polar opposite of this set-up is clearly the US market. Trading at a record high valuation despite stubbornly high inflation and historically high profit margins. Any prolonged trade war will result in higher inflation and/or lower economic activity – something that is clearly not in the price of US equities today.

Contribution last month

Largest contributors	Weight (%)	Contribution (%)
Citigroup Inc	3.31	0.48
Yara International ASA	3.12	0.38
Nordea Bank Abp	3.90	0.33
KB Financial Group Inc	2.94	0.32
Volvo AB	2.52	0.32

Largest detractors	Weight (%)	Contribution (%)
DSV A/S	3.75	-0.24
Novo Nordisk A/S	7.61	-0.21
Bonheur ASA	2.56	-0.17
Essity AB	3.07	-0.17
Ping An Insurance Group Co of China Ltd	3.30	-0.17

Absolute contribution based on NOK returns at fund level.

Portfolio information

Top 10 investments	Share (%)
Novo Nordisk A/S	**7.9**
Nordea Bank Abp	**3.7**
DSV A/S	**3.6**
Telenor ASA	**3.6**
Ping An Insurance Group Co of China Ltd	**3.5**
Citigroup Inc	**3.4**
UPM-Kymmene Oyj	**3.4**
ISS A/S	**3.2**
Yara International ASA	**3.2**
Boliden AB	**3.2**
Total share	**38.7 %**

Country exposure	Share (%)
Denmark	**21.0**
United States	**14.3**
South Korea	**11.3**
Norway	**10.8**
Finland	**10.6**
Sweden	**10.0**
China	**8.8**
Brazil	**4.4**
United Kingdom	**2.3**
Hong Kong SAR China	**1.9**
Total share	**95.4 %**

Sector exposure	Share (%)
Financials	**23.9**
Industrials	**15.3**
Materials	**10.5**
Health care	**10.3**
Information technology	**8.6**
Communication Services	**8.6**
Consumer Staples	**7.4**
Energy	**6.0**
Real estate	**3.8**
Consumer discretionary	**2.9**
Total share	**97.5 %**

Sustainability

SKAGEN's approach to sustainability
Our ESG approach is built on four pillars. In keeping with SKAGEN's active investment philosophy, our sustainability activities centre on active engagement with our holding companies, which is where we believe we can have the greatest impact. We recognise, however, that the full potential of a sustainable investment strategy is best realised when combining the following four pillars.

- ✓ Exclusion
- ✓ Enhanced due diligence
- ✓ ESG factsheet
- ✓ Active ownership

Storebrand Asset Management AS is a management company authorised by the Norwegian supervisory authority, Finanstilsynet, for the management of UCITS under the Norwegian Act on Securities Funds and has its registered office at Professor Kohts vei 9, 1366 Lysaker, Norway. Storebrand Asset management AS is part of the Storebrand Group and owned 100% by Storebrand ASA. Storebrand Group consists of all companies owned directly or indirectly by Storebrand ASA.

Following the merger of Storebrand Asset Management AS and SKAGEN AS, SKAGEN's portfolio team will continue to manage the funds' portfolios from the new separate legal entity, SKAGEN AS, while Storebrand Asset Management AS carries out the role of the management company.

No offer to purchase units can be made or accepted prior to receipt by the offeree of the Fund's prospectus and PRIIPS KID (for UK: KIID) and the completion of all appropriate documentation. You can download more information including subscription/redemption forms, full prospectus, PRIIPs KID (for UK: KIID), General Commercial Terms, Annual Reports and Monthly Reports in English language from SKAGEN's webpages.

Investors rights to complain and certain information on redress mechanisms are made available to investors pursuant to our complaints handling policy and procedure. The summary of investor rights in English is available here: www.skagenfunds.com/contact/investor-rights/ The investor rights summary is available in all languages of the countries where the fund is registered with the national Financial Services Authority. Please refer to SKAGEN's webpages and choose your respective country for this information.

Storebrand Asset Management AS may terminate arrangements for marketing under the Cross-border Distribution Directive denotification process.

For further information about sustainability-related aspects of the Fund, including the sustainability disclosure summary in English, please refer to: www.skagenfunds.com/sustainability/sustainable-investing/ The sustainability disclosure summary is available in all languages of the countries where the fund is registered with the national Financial Services Authority. Please refer to SKAGEN's webpages and choose your respective country for this information.

The decision to invest in the Fund should take into account all the characteristics or objectives of the Fund as described in its prospectus.

Important information for UK Investors
Storebrand Asset Management AS has established a subsidiary in the UK. Storebrand Asset Management UK Ltd.is located at 15 Stratton Street, London, W1J 8LQ. Storebrand Asset Management UK Ltd is an Appointed Representative of Robert Quinn Advisory LLP, which is authorised and regulated by the Financial Conduct Authority. Storebrand Asset Management UK Ltd is incorporated in England and the registered office is at 15 Stratton Street, London, England, W1J 8LQ. The investment products and services of Storebrand Asset Management UK Ltd are only available to professional clients and eligible counterparties. They are not available to retail clients. For more information, please contact Storebrand Asset management UK Ltd.'s team.

Important Information for Luxembourg Investors
For more information, please contact SKAGEN's Stavanger based International team: international@skagenfunds.com
For Facilities Services information please refer to our webpages.

Important Information for Irish Investors
For more information, please contact SKAGEN's Stavanger based International team: international@skagenfunds.com
For Facilities Services information please refer to our webpages.

Important Information for Dutch Investors
For more information, please contact SKAGEN's Stavanger based international team: international@skagenfunds.com
For Facilities Services information please refer to our webpages.

Important Information for Icelandic Investors
For more information, please contact SKAGEN's Stavanger based international team: international@skagenfunds.com
For Facilities Services information please refer to our webpages.