Part of Storebrand

SKAGEN Vekst A

RISK PROFILE	YTD RETURN	ANNUAL RETURN
4 of 7	13.37 %	11.36 %
	31.10.2024	Average last 5 years

Monthly report for October as of 31.10.2024. 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

Fund facts

ISIN: NO0008000445
Launch date, share class: 01.12.1993
Launch date, fund: 01.12.1993
Domicile: NO
NAV: 436.55 EUR
AUM: 1,058 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: 53
SFDR: Article 8

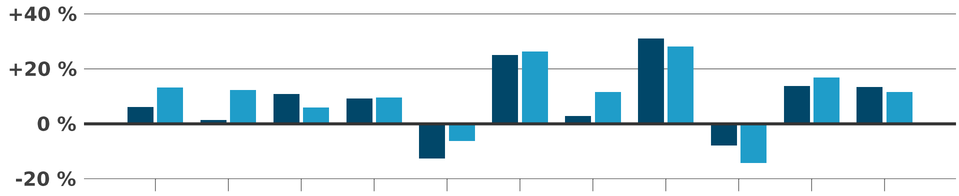
Søren Milo Christensen
Managed fund since 09 April 2018

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.

Historical return in EUR (net of fees)



	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	YTD
Fund	6.1	1.4	10.8	9.1	-12.6	25.1	2.8	31.1	-7.8	13.7	13.4
Index	13.2	12.2	6.0	9.5	-6.2	26.2	11.6	28.1	-14.3	16.9	11.6

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	-1.07	-1.90
Year to date	13.37	11.60
Last 12 months	22.63	24.93
Last 3 years	6.25	4.63
Last 5 years	11.36	10.88
Last 10 years	7.86	9.46
Since inception	12.33	9.76

Returns over 12 months are annualised.

Key figures	1 year	3 years	5 years
Standard deviation	6.16	12.67	16.93
Standard deviation index	9.13	14.20	15.85
Tracking error	6.47	6.93	7.53
Information ratio	-0.35	0.23	0.06

Active share: 80 %

Monthly commentary, October 2024

October was a tale of two halves with most markets generally trending upwards in the first half before heading in the opposite direction and ending the month flat or slightly down. The Norwegian krone had another weak month, which meant that NOK investors saw positive returns in most markets. SKAGEN Vekst delivered a decent absolute return measured in NOK and comfortably outperformed its benchmark which was more or less flat for the month. Our relative outperformance was driven largely by our Korean holdings.

The Korean Bank KB Financial group was a strong contributor to the fund's absolute return in October. Aside from delivering a solid result for Q3, the bank announced its "value-up" plan which exceeded market expectations. The plan gave specific targets on profitability, growth, and shareholder return. In essence, the company plans to sustain current profitability levels, control growth, and continue to increase buybacks. Following a strong share price development versus peers, we decided to move some of our exposure from KB Financial to Hana Financial. Korean Reinsurance was another strong performer in October as the market increased its expectations for the announcement of their value-up plan. If the company announces anything remotely similar to what we have seen from the Korean banks, it would be very positive given the current valuation. Given the lack of material fundamental news, we used the strength to reduce our position. The Danish logistics company DSV also had a strong month, as they completed their long-awaited share offering to secure part of the already announced funding for the DB Schenker transaction. As this removed a key overhang on the stock, we participated in the placement despite a lack of the usual discount. Nokia was also a strong performer on the back of their Q3 report. While margins improved nicely, the underlying demand is still quite weak for several segments, but the market was happy to see glimmers of light and sent the stock price higher. We reduced our position somewhat as the resulting multiple expansion means the stock has moved closer to our estimate of fair value.

Following strong performance on the back of the aggressive stimulus package announced last month, the Chinese market fell back towards the end of October. This also hurt our Chinese holdings, including the IT conglomerate Alibaba. After reducing our stake at the peak of the stimulus optimism at the start of the month, we bought back the same shares 20% cheaper at the end of October. The Korean IT conglomerate Samsung Electronics had another difficult month as they continue to struggle to catch up to key peers in high bandwidth memory chips – which are in high demand due to the current AI capex cycle. We still believe it is a question of time before Samsung gets through the qualification process with key clients, and see significant upside given the current low valuation. We therefore used the weakness to increase our stake. UPM was another weak performer in October. The company announced a profit warning ahead of their Q3 results, citing weaker than expected demand across all markets coupled with a challenging raw material situation in Finland. UPM therefore downgraded its guidance for the full year 2024 and the stock price fell as a result. There is, however, an underlying positive trend in earnings but at a slower pace than expected. The company is still on track to deliver strongly improved cash flow in the coming years.

We initiated a new position by participating in the IPO of Sveafastigheter, a Swedish residential real estate company with a large portfolio of rental units across Sweden. Like Public Property Invest, this was a spin-off from SBB which is still the largest shareholder. The affiliation with SBB contributed to low interest in the IPO and a decent entry point in terms of valuation. Management has stated clearly that the company has historically been overly focused on growth, but with a renewed focus on operations and a solid balance sheet after the IPO there is a lot of room for improvement. We also initiated a new position in the Korean Bank Hana Financial Group. With a solid return on equity of 10%, combined with controlled asset growth, the company will generate significant excess regulatory capital which will increasingly be used to buy back shares at a very attractive valuation. This will lead to an attractive accretion to earnings per share and book value per share, providing an attractive return even without a rerating in the valuation multiple. However, we strongly believe we will see a rerating – as we saw in other holdings like AIG, Citigroup, Nordea, and KB Financial as they went through similar transitions. We exited our positions in the Korean conglomerate SK Square and the Norwegian conglomerate Wilh Wilhelmsen Holdings as both stocks hit our target price following exceptionally strong share price performance.

Overall, we still favour attractively priced companies within the financial, industrial, and energy sectors. These are also sectors where earnings expectations and valuation will not be unduly hurt in an environment where inflation does not return to the abnormally low levels we saw in the aftermath of the pandemic. We still see substantial downside risk in a lot of highly priced growth companies, particularly in the US stock market. If the current consensus of falling inflation and interest rates proves to be right, we expect the fund to lag the overall market, but still provide a decent absolute return over the coming 12 months. However, if inflation surprises on the upside, the fund should provide much better downside protection than the benchmark – similar to what we saw in 2022, the autumn of 2023, and again in April this year. It is also worth pointing out, that the fund has shown better downside protection than the overall market in periods where the large IT companies sell off aggressively – like we saw in the latter part of July this year.

Contribution last month

Largest contributors	Weight (%)	Contribution (%)
KB Financial Group Inc	4.02	0.45
DSV A/S	3.77	0.37
Nokia Oyj	2.29	0.29
Korean Reinsurance Co	1.81	0.24
Citigroup Inc	2.70	0.19

Largest detractors	Weight (%)	Contribution (%)
UPM-Kymmene Oyj	3.35	-0.22
Alibaba Group Holding Ltd	2.08	-0.20
Essity AB	3.14	-0.19
Samsung Electronics Co Ltd	2.36	-0.17
Boliden AB	3.19	-0.16

Absolute contribution based on NOK returns at fund level.

Portfolio information

Top 10 investments	Share (%)
Novo Nordisk A/S	**8.3**
DSV A/S	**4.0**
KB Financial Group Inc	**3.7**
Nordea Bank Abp	**3.6**
Telenor ASA	**3.5**
UPM-Kymmene Oyj	**3.2**
Boliden AB	**3.1**
Yara International ASA	**3.1**
ISS A/S	**3.1**
Ping An Insurance Group Co of China Ltd	**3.0**
Total share	**38.5 %**

Country exposure	Share (%)
Denmark	**21.4**
United States	**13.5**
South Korea	**11.7**
Norway	**10.9**
Finland	**10.3**
Sweden	**9.8**
China	**8.8**
Brazil	**4.1**
United Kingdom	**2.2**
Hong Kong SAR China	**1.7**
Total share	**94.3 %**

Sector exposure	Share (%)
Financials	**21.6**
Industrials	**15.7**
Health care	**10.6**
Materials	**10.1**
Communication Services	**9.9**
Information technology	**8.5**
Consumer Staples	**7.4**
Energy	**6.2**
Real estate	**3.6**
Consumer discretionary	**2.8**
Total share	**96.4 %**

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

IMPORTANT INFORMATION

This is a marketing communication. Except otherwise stated, the source of all information is Storebrand Asset Management AS. Statements reflect the portfolio managers viewpoint at a given time, and this viewpoint may be changed without notice.

Future fund performance is subject to taxation which depends on the personal situation of each investor, and which may change in the future.

The tax treatment of the gains and losses made by the investor and distributions received by the investor depend on the individual circumstances of each investor and may imply the payment of additional taxes. Before any investment is made in the Fund, investors are urged to consult with their tax advisor for a complete understanding of the tax regime, which is applicable to their individual case.

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
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