



Fund facts

ISIN: NO0008000445

Launch date, share class: 01.12.1993

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Domicile: NO

NAV: 355.98 EUR

AUM: 849 MEUR

Benchmark index: MSCI Nordic/MSCI AC ex. Nordic

Minimum purchase: 50 EUR

Fixed management fee: 1.00 %

Performance fee: 10 % (see prospectus for details)

Ongoing charge: 1.00 %

Number of holdings: 50

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.

SKAGEN Vekst A

RISK PROFILE



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YTD RETURN

5.10 %

31.10.2023

ANNUAL RETURN

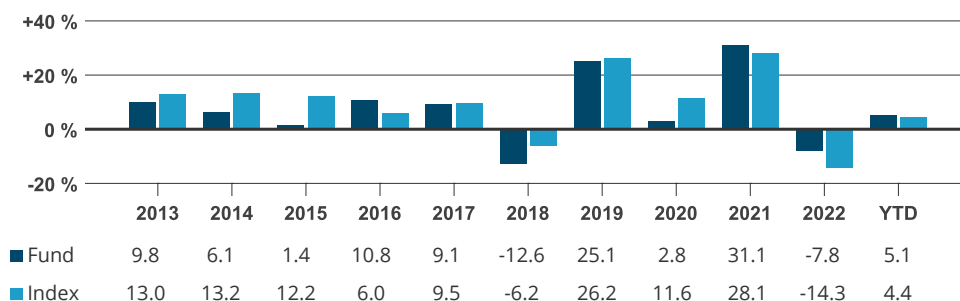
8.51 %

Average last 5 years

Monthly report for October as of 31.10.2023. 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)



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 (%)	Key figures	1 year	2 years	3 years
Last month	-4.48	-3.15	Standard deviation	-	-	15.50
Year to date	5.10	4.42	Standard deviation index	-	-	15.31
Last 12 months	9.42	4.65	Tracking error	-	-	7.49
Last 3 years	15.16	9.19	Information ratio	-	-	0.80
Last 5 years	8.51	8.60	Active share: 80 %			
Last 10 years	6.34	8.42				
Since inception	12.00	9.33				

Returns over 12 months are annualised.

Monthly commentary, October 2023

Global equities struggled in October as yields on government bonds continued to rise. We also saw renewed focus on geopolitical risk with increased tension in the Middle East after the Hamas attack on Israel. Norwegian-based investors were once again helped by a weakening currency.



From a relative perspective, the fund underperformed the overall benchmark. The Danish pharma giant Novo Nordisk was once again the largest positive contributor to the fund's absolute return. The company pre-released headline numbers for the third quarter showing much higher earnings growth than the market expected. Novo also raised its 2023 guidance again, now expecting to grow the top line by 32-38% and earnings before interest and taxes by 40-46%. It continues to be the largest position in the fund as we still see the market failing to price in the huge opportunity in the obesity market and Novo's ability to capitalise on that. The Swedish personal care company Essity was another positive performer following a strong result showing the company's resilient pricing power in a period of falling input costs. We continue to have high conviction in the stock as we see further room for margin expansion combined with structural improvements from the exit of low-margin businesses in the coming period. The US IT company Broadcom was also a strong contributor to the fund's absolute return in October. While there was a lack of company specific news, the stock benefitted from increased confidence in capital spending from its key customers. Unlike many of its peers, Broadcom does not trade at an exuberant valuation, despite being a clear beneficiary of key clients like Google, Apple, Facebook, and Microsoft increasing investments in artificial intelligence (AI). Thus, it continues to be a high conviction holding in SKAGEN Vekst.

The Danish transport and logistics provider DSV was the largest detractor to absolute return in October. This was driven by a combination of a weaker than expected result, a change in CEO, and the announcement of a new joint venture (JV) in Saudi Arabia. Of the three events, the new JV is the most significant for the investment case. Following the announcement, we have gained confidence in the financial aspects of the JV and the downside protection the company has put in place. However, we still have some outstanding concerns relating to ESG factors and are in the process of clarifying these. Bonheur and Yara were also negative contributors in October. Bonheur delivered a good set of Q3 results, but the stock price suffered due to general weakness in the wind energy market. Due to increased costs, the viability of several large wind farm projects in the US have been questioned and some have been cancelled. This has in turn led to fears of more delays and potential cancellations across the wind energy space. Bonheur has a solid portfolio of producing wind farms that alone almost justifies the current value of the company, and we don't see that the company is exposed to the same risks as some of the other wind farm developers that have taken large asset write-downs. Given the very low valuation, we added to our position on the share price weakness. Yara delivered weak Q3 results as volumes and price achievement were lower than expected. This disappointed the market, and the stock price was weak. Yara's quarterly results tend to be quite volatile, and we therefore pay little heed to the quarter-by-quarter movements. Farmers have in general pulled back on fertiliser spend in 2023 which should lead to increased demand next year as nutrient replenishment needs increase. While we don't think we can time the bottom of the fertiliser cycle perfectly, we see Yara as attractive at the current valuation for the longer-term investor and added to our position on the recent share price weakness.

In October we initiated a new position in the Faroese salmon farmer Bakkafrost and sold out of our position in Norsk Hydro. Bakkafrost is a fully vertically integrated salmon farmer with operations throughout the supply chain. The company is working on a turnaround in its Scottish salmon operations and the stock has been punished lately for poor results. We believe there is a good chance the company will succeed in turning around the Scottish business and initiated our position at levels where we estimate that the Faroese operations alone can justify the market value. Norsk Hydro was sold out and the proceeds were reinvested in Boliden as we see more upside in the latter.

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.

Contribution last month

 Largest contributors	Weight (%)	Contribution (%)	 Largest detractors	Weight (%)	Contribution (%)
Novo Nordisk A/S	8.80	0.86	DSV A/S	2.76	-0.48
Essity AB	3.13	0.30	Bonheur ASA	2.43	-0.37
Broadcom Inc	3.89	0.24	Yara International ASA	3.59	-0.37
Korean Reinsurance Co	1.81	0.22	Ping An Insurance Group Co of China Ltd	2.75	-0.17
Shell PLC	3.54	0.20	HitecVision AS	1.44	-0.14

Absolute contribution based on NOK returns at fund level.

Portfolio information

Top 10 investments	Share (%)	Country exposure	Share (%)	Sector exposure	Share (%)
Novo Nordisk A/S	9.0	Denmark	19.7	Financials	19.4
Telenor ASA	4.0	United States	14.1	Industrials	15.3
Broadcom Inc	3.9	South Korea	10.6	Information technology	11.7
Nordea Bank Abp	3.9	Finland	10.5	Health care	11.4
Yara International ASA	3.6	China	9.5	Communication Services	10.9
Shell PLC	3.6	Norway	9.5	Materials	9.8
Essity AB	3.3	Sweden	8.6	Energy	6.9
UPM-Kymmene Oyj	3.3	Brazil	3.6	Consumer Staples	6.8
Samsung Electronics Co Ltd	3.1	Netherlands	3.6	Consumer discretionary	2.4
KB Financial Group Inc	3.0	Hong Kong SAR China	2.1	Real estate	2.1
Total share	40.7 %	Total share	91.9 %	Total share	96.9 %

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 SKAGEN 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.

SKAGEN AS is a management company authorised by the Norwegian supervisory authority, Finanstilsynet, for the management of UCITS under the Norwegian Act on Securities Funds. SKAGEN AS has its registered office at Skagen 3, Torgterrassen, 4006 Stavanger, Norway. SKAGEN AS is part of the Storebrand Group and owned 100% by Storebrand Asset Management AS. Storebrand Group consists of all companies owned directly or indirectly by Storebrand ASA.

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 <https://www.skagenfunds.com/funds>

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: <https://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.

SKAGEN 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: <https://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 <https://www.skagenfunds.com/funds>

Important information for UK Investors

SKAGEN AS UK Branch is located at 15 Stratton Street, London, W1J 8LQ. The SKAGEN AS UK Branch is authorised by Finanstilsynet and subject to the Financial Conduct Authority's Temporary Permission regulation. Details about the extent of the authorisation and regulation by the Financial Conduct Authority are available on request. The SKAGEN AS UK Branch has temporary permission from the UK FCA to carry out its authorised activities under the UCITS Directive. For more information, please contact SKAGEN's team based in the UK office:

<https://www.skagenfunds.co.uk/contact-us-uk/>

Important Information for Luxembourg Investors

SKAGEN AS has appointed Svenska Handelsbanken as Paying Agent.

Svenska Handelsbanken AB (publ), Luxembourg Branch, 15, Rue Bender, L-1229 Luxembourg. For more information, please contact SKAGEN's Stavanger based International team: international@skagenfunds.com

Important Information for Irish Investors

In Ireland, SKAGEN AS has appointed Caceis Ireland Limited, One Custom House Plaza, International Financial Services Centre, Dublin, to act as Paying Agent for Ireland. For more information, please contact SKAGEN's Stavanger based International team: international@skagenfunds.com

Important Information for Dutch Investors

For more information, please contact SKAGEN's Stavanger based international team: international@skagenfunds.com

Important Information for Icelandic Investors

For more information, please contact SKAGEN's Stavanger based international team: international@skagenfunds.com