Part of Storebrand

SKAGEN Vekst A

RISK PROFILE	YTD RETURN	ANNUAL RETURN
4 of 7	5.51 %	13.63 %
	28.02.2025	Average last 5 years

Monthly report for February as of 28.02.2025. 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

Fund facts

ISIN: NO0008000445
Launch date, share class: 01.12.1993
Launch date, fund: 01.12.1993
Domicile: NO
NAV: 454.46 EUR
AUM: 1,061 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

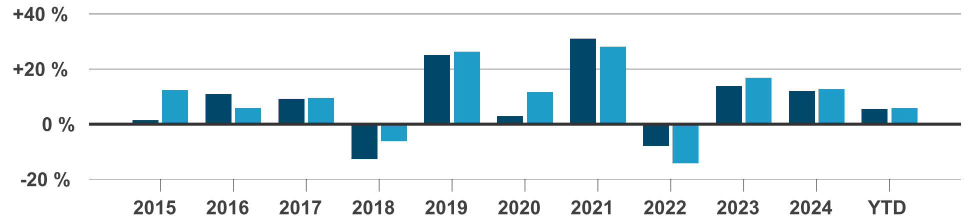
Søren Milo Christensen
Managed fund since 09 April 2018

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.

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	5.5
Index	12.2	6.0	9.5	-6.2	26.2	11.6	28.1	-14.3	16.9	12.6	5.7

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	2.25	1.72
Year to date	5.51	5.66
Last 12 months	14.02	12.77
Last 3 years	9.18	9.60
Last 5 years	13.63	12.90
Last 10 years	7.60	8.55
Since inception	12.34	9.88

Returns over 12 months are annualised.

Key figures	1 year	3 years	5 years
Standard deviation	5.83	12.05	16.12
Standard deviation index	7.96	13.58	15.33
Tracking error	5.85	6.41	7.44
Information ratio	0.21	-0.07	0.10

Active share: 81 %

Monthly commentary, February 2025

Amid ongoing concerns over tariffs and geopolitical issues, equity markets worldwide experienced significant volatility in February. SKAGEN Vekst posted a solid absolute return for the month, driven by strong earnings reports from several of our holdings and limited exposure to the generally weak US market. These factors contributed to the fund's outperformance relative to the benchmark in February.

The Chinese IT conglomerate Alibaba was the largest positive contributor to the fund's absolute return in January. Following news that the Chinese artificial intelligence company DeepSeek had developed an AI-model with exceptional cost-effectiveness and performance, the market started to question the belief that the US tech giants are the certain winners in AI. With Alibaba being China's largest public cloud service provider, and trading at a massive discount to its US peers, the market finally started to revalue the shares. The company also delivered a very strong quarterly result showing improvements in both its e-commerce and cloud business. We used the strength to reduce our position slightly, but still see the stock as undervalued relative to its improved growth outlook. The Danish integrated facility service company ISS also had a strong month following the announcement of a sizeable new buy-back program. We trimmed the position slightly on back of this strength but still see significant upside. Even after the strong run, the stock still trades below 10x earnings despite generating decent earnings growth and buying back close to 10% of the outstanding shares every year. Boliden was another strong performer in February on the back of a solid earnings report for the fourth quarter. The numbers were strong driven both by solid volumes and strong prices. Cash flow was also strong although partly driven by one-offs. The company decided to cancel its dividend to reduce the size of its planned share issue in connection with the acquisition of two mines from Lundin Mining, which we view as a prudent decision. The market was surprisingly happy with the report, and we took the opportunity to take some profit on our position.

The Korean Bank KB financial was the largest detractor to the fund's absolute return in February as the Q4 2024 result disappointed investors. Specifically, the capital ratio declined more than expected driven by weakness in the Korean Won. While the lower capital ratio is negative in the short run, we see no change to the long-term investment case. The stock trades at a massive discount to both its fundamental value and vs. peers with similar profitability in other markets. We also see the company continue to prioritise capital efficiency and buy-backs, and expect these developments to help close the significant discount. The US IT conglomerate Alphabet also had a difficult month as the latest quarterly result showed slower than expected growth in the cloud business combined with a higher-than-expected CAPEX guidance. We used the weakness to add to our position as we see this as an overreaction. The cloud business is still growing 30% a year, and more importantly, the search business continues its healthy growth. We therefore still expect the company to deliver strong earnings growth at a very reasonable valuation. With an improve capital allocation framework towards continued buy-backs, we continue to see healthy upside in the stock. The Danish pharma company Lundbeck was also among the largest detractors in February. The weak performance was driven by general fear over possible tariffs and a slightly weaker than expected result. While the quarterly results came in slightly weaker than expected, we see this as quarterly noise. The strategic brands continue their solid growth of almost 20% and there are no signs of this slowing down. Thus, we find the stock significantly undervalued at less than 10 times earnings. This is especially true after the acquisition of Longboard Pharmaceuticals, which has improved the structural earnings outlook of the company.

We added three new names to the portfolio in February. One of the newcomers is the Swedish industrial company SKF. Our investment thesis is based on two key points that are not reflected in the share price today. First, the company has implemented structural changes to its cost structure, which is not yet visible, as the demand is cyclically weak at present. Second, the spin-off of the Automotive business (expected in early 2026) will crystalize the significant value of the industrial business, that more than explains the entire market cap of SKF. We also initiated a new position in Wal-Mart de Mexico (Walmex), the leading retailer in Mexico and five other Central American countries. A combination of macro-related and regulatory uncertainties has enabled us to buy into a high quality, structurally growing stock at the lowest valuation in a decade. What makes the current set-up especially interesting is the fact that the company is in the process of implementing the exact same on-line strategy that worked so well for Walmart Inc. in the US market. The sporting goods supplier Puma also entered the Vekst portfolio in February. Puma's stock price has been on a steady downward trajectory for several years in tandem with the sector in general. We view this as driven by an overly optimistic valuation coming out of the pandemic together with weak consumer sentiment across markets. Puma has not performed especially weakly compared to peers in terms of market share but has faced margin headwinds. The company has a relatively new management team which we believe has a credible plan to keep topline momentum while also improving margins. At current market pricing, the stock trades at a significant discount to peers, and we don't see the market putting much value on a turnaround case. We therefore see the risk /reward as compelling. We exited our positions in the Chinese state-owned enterprises China Mobile (telecom operator) and CNOOC (upstream oil and gas producer). This was done as a risk-based sell-down following a group-wide decision by Storebrand Asset Management to exit all entities on the US Office of Foreign Assets Control (OFAC) sanctions list. We also exited Lerøy Seafood group in February as the stock reached our price target after a solid performance this year. The company has shown promising progress in its operations lately but at the current pricing we believe a lot of optimism is already priced in and see better value elsewhere. We used some of the proceeds to add to our position in another salmon supplier, Bakkafrost.

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 at 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 should remain resilient in 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.

Contribution last month

Largest contributors	Weight (%)	Contribution (%)
Alibaba Group Holding Ltd	2.32	0.67
ISS A/S	3.38	0.58
Boliden AB	3.21	0.48
Novo Nordisk A/S	8.00	0.47
Carlsberg AS	2.22	0.39

Largest detractors	Weight (%)	Contribution (%)
KB Financial Group Inc	2.72	-0.45
Alphabet Inc	1.84	-0.34
H Lundbeck A/S	2.27	-0.23
Yara International ASA	3.05	-0.18
Applied Materials Inc	1.06	-0.14

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

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.