SKAGEN
Part of Storebrand

SKAGEN Vekst A

RISK PROFILE	YTD RETURN	ANNUAL RETURN
4 of 7	4.04 %	15.33 %
	30.05.2025	Average last 5 years

Monthly report for May as of 31.05.2025. 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: 448.10 EUR
AUM: 1,051 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 cost: 1.00 %
Number of holdings: 51
SFDR: Article 8

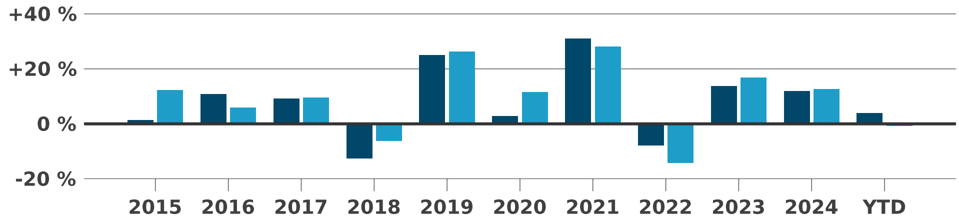
Søren Milo Christensen
Managed fund since
09 April 2018

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	4.0
Index	12.2	6.0	9.5	-6.2	26.2	11.6	28.1	-14.3	16.9	12.6	-0.7

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	6.19	5.23
Year to date	4.04	-0.69
Last 12 months	3.48	0.88
Last 3 years	7.60	7.40
Last 5 years	15.33	11.19
Last 10 years	6.98	7.50
Since inception	12.18	9.58

Returns over 12 months are annualised.

Key figures	1 year	3 years	5 years
Standard deviation	9.68	12.99	13.19
Standard deviation index	12.66	14.67	13.92
Tracking error	5.16	6.06	6.88
Information ratio	0.56	-0.02	0.60

Active share: 83 %

Monthly commentary, May 2025

In May 2025, global stock markets posted strong gains, supported by easing US-China trade tensions and renewed optimism in the US technology sector. The S&P 500 rallied sharply, driven by tariff rollbacks and solid corporate earnings, particularly among tech companies. European and emerging markets also performed well, despite lingering concerns over potential US tariffs. Nordic markets recorded positive returns overall, although Sweden lagged behind as its economy unexpectedly contracted in the first quarter, and trade uncertainty weighed on its export-oriented industries. Against this backdrop, SKAGEN Vekst delivered strong performance, significantly outperforming its benchmark for the month.

Our Korean banks, KB Financial Group and Hana Financial Group, were the two largest positive contributors to the fund's absolute return in May. This strong performance was driven by excellent first-quarter results that aligned with all the key elements of our investment theses: stable profitability, disciplined lending growth, and increased capital generation through balance sheet optimisation. These factors led to enhanced shareholder returns through share buybacks. Both banks have delivered strong performance since being added to the portfolio, but we continue to see substantial upside. Historically, Korean banks traded at a significant discount to global peers, as they prioritised growth over profitability and showing little regard for stock valuation. That is no longer the case. With a return on equity of 10%, they should trade closer to 1x book value, implying a potential upside of nearly 100% from current levels. We've invested in similar revaluation dynamics in the US and European banking sectors over the past decade, with a high success rate. When banks – or any company – begin to address severe undervaluation by shifting focus from growth to capital return via buybacks, the market typically responds with a re-rating. Another strong performer in May was Yara. After a good Q1 report at the end of April the fertiliser market continued to improve throughout May with Yara raising prices on several occasions throughout the month, reflecting solid late-season demand. Coupled with the fall in gas prices from the first quarter, this led to improved margins, which the market rewarded with a notable rise in the share price.

Alibaba, the Chinese internet conglomerate, was the largest detractor from the fund's absolute return in May, due to a somewhat weak quarterly result. The main disappointment came from lower-than-expected margins in the cloud business, along with widening losses in the local services segment. On a more positive note, the monetisation of the core e-commerce business exceeded expectations, and the cloud division reported accelerated top-line growth. Our investment thesis is based on four key pillars: i) a return to solid growth in the core e-commerce business, ii) improved profitability in the cloud segment driven by scale, iii) reduced losses in new business areas, and iv) addressing the stock's undervaluation through share buybacks. The latest results confirmed encouraging progress in the e-commerce segment. While the margin miss in the cloud business is a concern, we view it as a temporary setback and will look for confirmation that the business is evolving in line with trends observed among US peers. Regarding the widening losses in local services, we intend to engage with the company. Continued investment of cash flow from the strong core business into persistently loss-making ventures would undermine our investment thesis. Tyson Foods was another weak performer in May. The company reported results at the beginning of the month and while the numbers were good, the market did not appreciate the company failing to hike its guidance following a good start to the year. In addition, the company still struggles with the downcycle in its beef segment. We note, however, that they see early signs of herd rebuilding, an early indicator of the cycle bottoming out. While it will take time to turn the corner in beef, we believe the stock could benefit from further signs of herd rebuilding in the coming quarters as well as continued strength in chicken and prepared foods. We took advantage of the weakness in the stock and bought back some of the shares we sold in April. Bakkafrost also had a weak month driven by weaker than expected earnings for the first quarter and the general weakness in the salmon price. A strong biological development across the industry has helped spur supply growth which has put downward pressure on the salmon price. While high prices are desirable, a strong biology is vital for the long-term case. We are confident in Bakkafrost's ability to maintain its leading operating margin while continuing its growth trajectory and have used the weakness over the last few months to steadily grow our position as it has returned to attractive valuation levels.

After the quick rebound in global markets, we have sold some of the shares we bought during the tariff turmoil in April. Stocks like SKF, ISS, Citigroup, DSV and Broadcom are all up between 20% and 60% since the bottom in April and we have trimmed all these positions on the back of this. We also exited our position in Millicom in May as the stock had a very strong run on the back of solid operational results over the past couple of years. May saw the return of an old acquaintance for SKAGEN Vekst as we entered a position in Molson Coors Beverage Company, which was a holding in the fund in the late 2010s. The company is the world's fifth largest brewing company in addition to being a large non-alcoholic beverage producer. Since the last time it was part of the fund, the company has used its strong cash flow to pay down debt and has recently started to buy back large amounts of its own shares. The company is facing a slow and steady structural volume decline in its legacy business but with price increases and its strategy of adding more premium products to its portfolio, Molson should be able to continue to deliver topline growth. Coupled with large buybacks and earnings per share, Molson has the potential to grow nicely in the coming years. At less than 9 times earnings, the market shows little faith in the company, but we view the risk reward as compelling. We also added to our positions in Novo Nordisk and Essity during the month.

We have reduced our exposure to the US stock market over the past 12 months, 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 Korea, where depressed valuations contrast sharply with the potential for positive change. On 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 materialize. 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 (%)
KB Financial Group Inc	3.04	0.53
Hana Financial Group Inc	3.03	0.46
Yara International ASA	3.51	0.36
DSV A/S	3.47	0.35
Skf AB	2.98	0.30

Largest detractors	Weight (%)	Contribution (%)
Alibaba Group Holding Ltd	2.08	-0.11
Tyson Foods Inc	0.98	-0.09
Bakkafrost P/F	1.14	-0.08
Cadeler A/S	0.93	-0.05
Molson Coors Beverage Co	0.30	-0.03

Absolute contribution based on NOK returns at fund level.

Portfolio information

Top 10 investments	Share (%)
Novo Nordisk A/S	**6.9**
Nordea Bank Abp	**4.1**
ISS A/S	**3.8**
Yara International ASA	**3.6**
DSV A/S	**3.3**
Hana Financial Group Inc	**3.3**
KB Financial Group Inc	**3.3**
Ping An Insurance Group Co of China Ltd	**3.2**
Essity AB	**3.1**
Skf AB	**3.0**
Total share	**37.6 %**

Country exposure	Share (%)
Denmark	**20.3**
Sweden	**12.9**
United States	**12.1**
South Korea	**11.9**
Finland	**10.4**
Norway	**9.3**
Brazil	**5.2**
China	**5.1**
United Kingdom	**2.0**
Hong Kong SAR China	**1.9**
Total share	**91.1 %**

Sector exposure	Share (%)
Financials	**23.4**
Industrials	**18.2**
Materials	**10.2**
Consumer Staples	**9.9**
Health care	**9.0**
Information technology	**7.9**
Real estate	**4.7**
Communication Services	**4.1**
Energy	**4.0**
Consumer discretionary	**3.1**
Total share	**94.5 %**

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

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
For Facilities Services information please refer to our webpages.