

# IMPORTANT INFORMATION

This is marketing communication and should not be construed as investment advice.

This presentation has been prepared for investors in those countries, where the fund is registered with the respective Financial Services Authority.

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. Statements reflect the portfolio managers' viewpoint at a given time, and this viewpoint may be changed without notice. Employees of SKAGEN AS may own securities in companies mentioned in the presentation or included in a fund's portfolio.

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Subscriptions are carried out in fund units and not directly in shares or other securities.

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>



From the moors north of Skagen, 1885, By P.S. Krøyer, one of the Skagen Painters. This image belongs to the Skagens Museum.

## Market update

# SKAGEN Global

11 April 2024



# SKAGEN Global: Gross absolute & relative annualized performance

All figures in % EUR as per 2024 Q1 unless otherwise noted

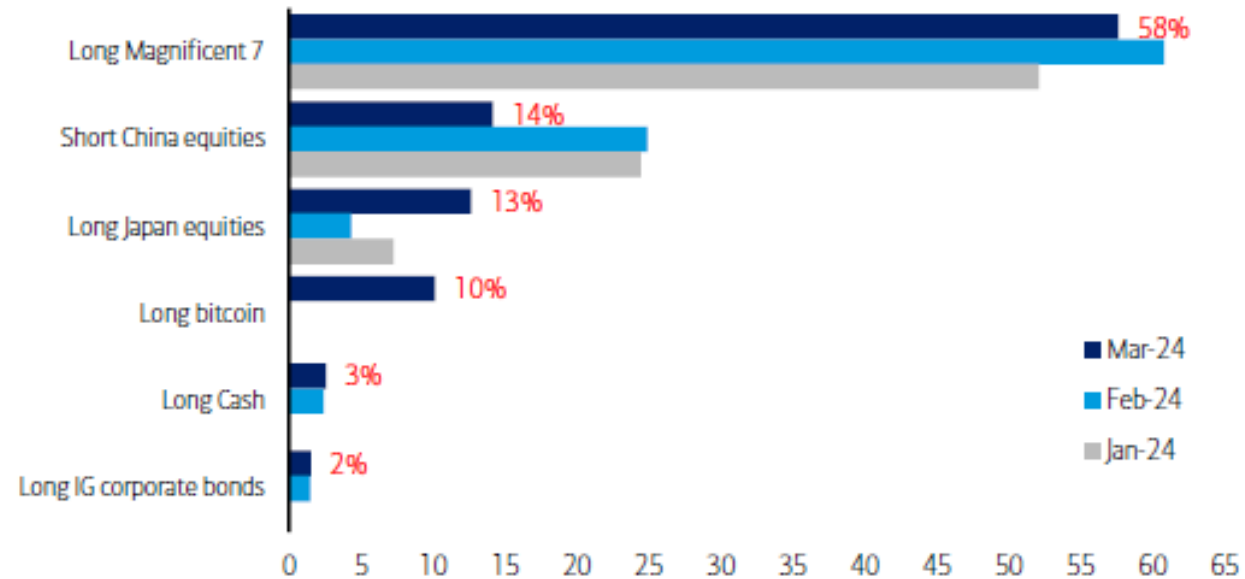


	YTD	Last 3 years	Last 5 years	Last 10 years	Since inception
Relative gross return	0.03 %	0.71 %	0.75 %	-0.89 %	9.09 %

- Performance in EUR (> 1 year annualized)
- All return figures are gross of fees and measured in EUR as at 2024-03-31
- All return figures over 12 months are annualized
- The benchmark index is the MSCI All Country World Index. The benchmark index prior to 1/1/2010 was the MSCI World Index.
- 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 management fees. The return may become negative as a result of negative price developments. There is risk associated with investing in funds due to market movements, currency developments, interest rate levels, economic, sector and company-specific conditions. The fund is denominated in NOK. Returns may increase or decrease as a result of currency fluctuations.
- Source: SKAGEN / Storebrand Power BI Fund Performance Report

# Owning the Magnificent 7 stocks remains a crowded trade

**Chart 13: "Long Magnificent 7" the most crowded trade**  
What do you think is currently the most crowded trade?



Source: BofA Global Fund Manager Survey

**SKAGEN Global has only 1 of the Mag7 stocks on the fund's top-10 list**

# Acronym mania signaling bubble territory approaching?

**MARKETS**

## Goldman names 'Seven Samurai' of market-boosting Japanese stocks

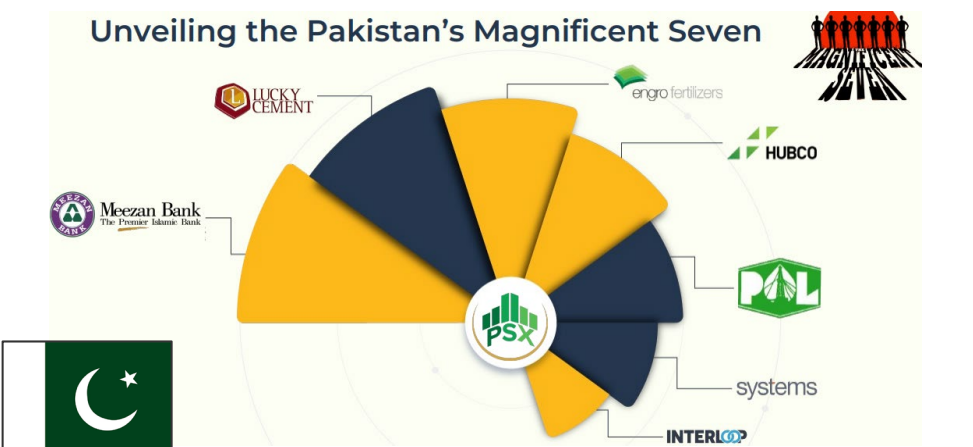
Toyota and Tokyo Electron make list of standouts as investors look for capital efficiency

**Japan's Seven Samurai Stocks**

These include Screen Holdings, Advantest, Disco, Tokyo Electron, Toyota Motor, Subaru and Mitsubishi Corp. In a note on Sunday, the brokerage named these the Seven Samurai stocks after the classic Akira Kurosawa film of that title.



## Unveiling the Pakistan's Magnificent Seven





The infographic features a central PSX index logo surrounded by seven segments representing different companies: Lucky Cement, Meezan Bank, Engro Fertilizers, HUBCO, PAL, Systems, and Interloop. A flag of Pakistan is shown to the left of the infographic.

**CNN BUSINESS** Markets Tech Media Calculators Videos

## A healthier option than the Magnificent 7? Meet Europe's 'Granolas'

By Anna Cooban, CNN  
3 minute read · Published 11:57 AM EST, Tue February 27, 2024

**nuveen**  
A TIAA Company

**CIO Weekly Commentary**  
12 February 2024

CIO VIEWS: STRATEGY AND PORTFOLIO CONSTRUCTION

## Magnificent munis

# Main contributors/detractors to absolute performance 2024 Q1

## Top-3



**ASML**

**J.P.Morgan**

## Bottom-3



**DSV**





# Brown & Brown Insurance brokerage



- Strong quarter with 7.7% organic revenue growth
- Management expects property catastrophe insurance rates to moderate in 2024 H1, with no significant changes in market conditions for other lines
- Family-controlled company – CFO at CMD in Sep 2023:

*"We have an ownership culture. We spend the money like it's our own because 21%, 22% of it is our money, so we're not going to do anything unusual. We're not going to waste money inside the organization."*



## 2023 Year in Review



Achieved our interim annual revenue milestone of \$4 billion



Grew profitably – expanded EBITDAC Margin - Adjusted by over 400 basis points in past 4 years



Increased our dividend for the 30<sup>th</sup> consecutive year



Cash flow from operations in excess of \$1 billion



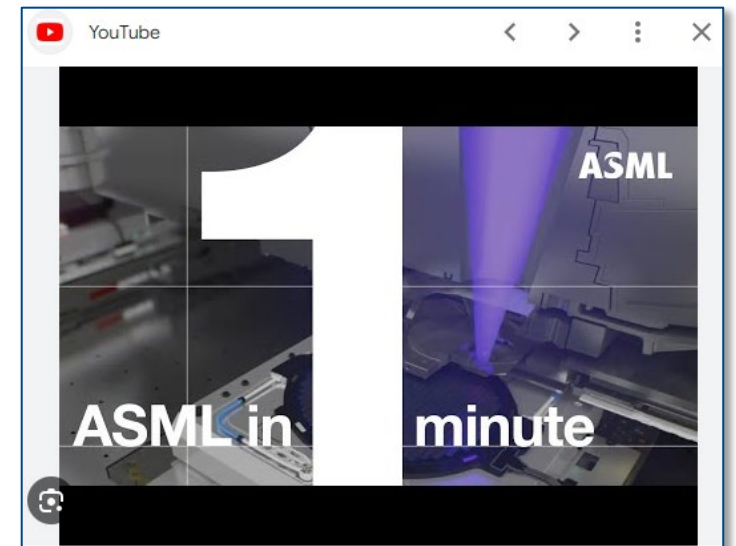
Enhanced our team and capabilities – 16,000+ teammates and certified again as a Great Place to Work™

# ASML

The Dutch supplier to the semiconductor industry

- ASML has a dominating market position and sells advanced lithography technology to the semiconductor industry
- Delivered record bookings of €9.2 bn, capacity expansion continues in 2024 as demand remains strong
- Mid-to-long term business targets will be updated at the Capital Markets Day in Holland in November 2024
- Balance sheet is net cash with strong cash flow generation going forward

# ASML





# JP Morgan

## The only bank in SKAGEN Global

- JP Morgan is one of the largest banks with global operations in over 60 countries and 300,000 employees under CEO Jamie Dimon
- The bank continues to take market share and recruit top talent
- JP Morgan capitalized on the banking turmoil last year by acquiring most of First Republic Bank's assets at a very attractive price



Dear Fellow Shareholders,



Jamie Dimon,  
Chairman and  
Chief Executive  
Officer

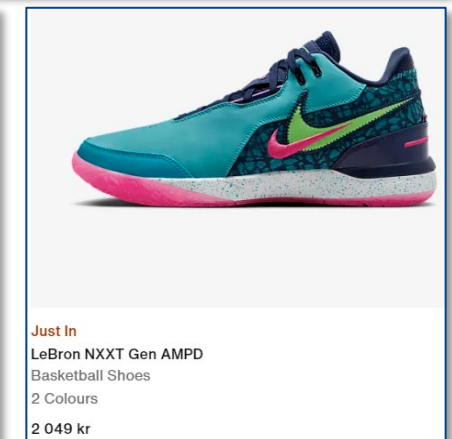
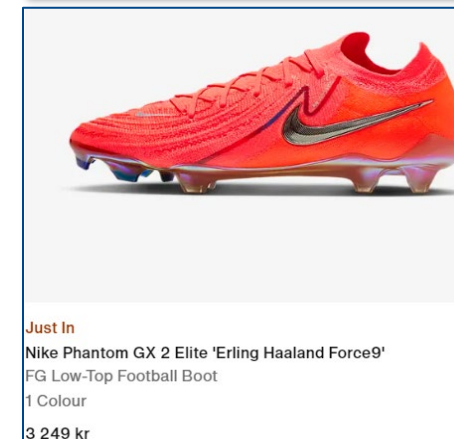
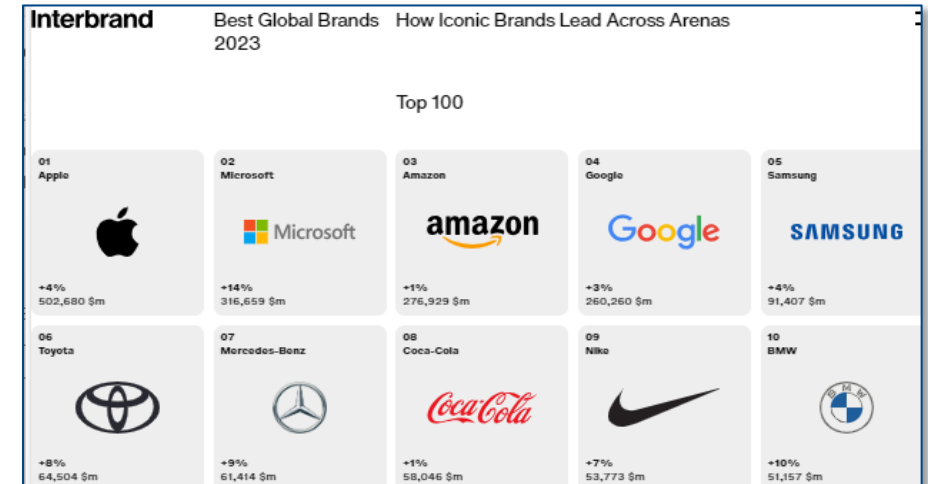
Across the globe, 2023 was yet another year of significant challenges, from the terrible ongoing wars and violence in the Middle East and Ukraine to mounting terrorist activity and growing geopolitical tensions, importantly with China. Almost all nations felt the effects last year of global economic uncertainty, including higher

# Nike

Still struggling from the pandemic hit, but the brand remains strong



- Guidance indicates continued headwinds for the top-line
- Nike cites a "multi-year innovation cycle" causing short-term pain for long-term gain
- Some question marks around the Direct-To-Consumer (DTC) strategy as Nike products are re-surfacing at US department stores
- Nike ranks #9 on Interbrand's "Best Global Brands 2023"



# DSV

## Danish freight-forwarder getting ready for a cyclical upturn

- DSV is primarily a freight-forwarder coordinating shipments between senders and receivers while providing value-added services
- Air freight division results were weaker than expected in the quarterly report
- Overall, freight rates have normalized (=come down) after the pandemic peak with supply chain bottlenecks easing
- New CEO Jens Lund (ex-COO, ex-CFO) has worked 20+ years at DSV



# Mainfreight

Logistics firm based in New Zealand

- 50% of sales in New Zealand and Australia
- Facing similar, sluggish freight market dynamics as DSV
- Founder-led company
- Recently opened a new intermodal terminal warehouse in Sydney ----->



SKAGEN

# Key portfolio changes in 2023



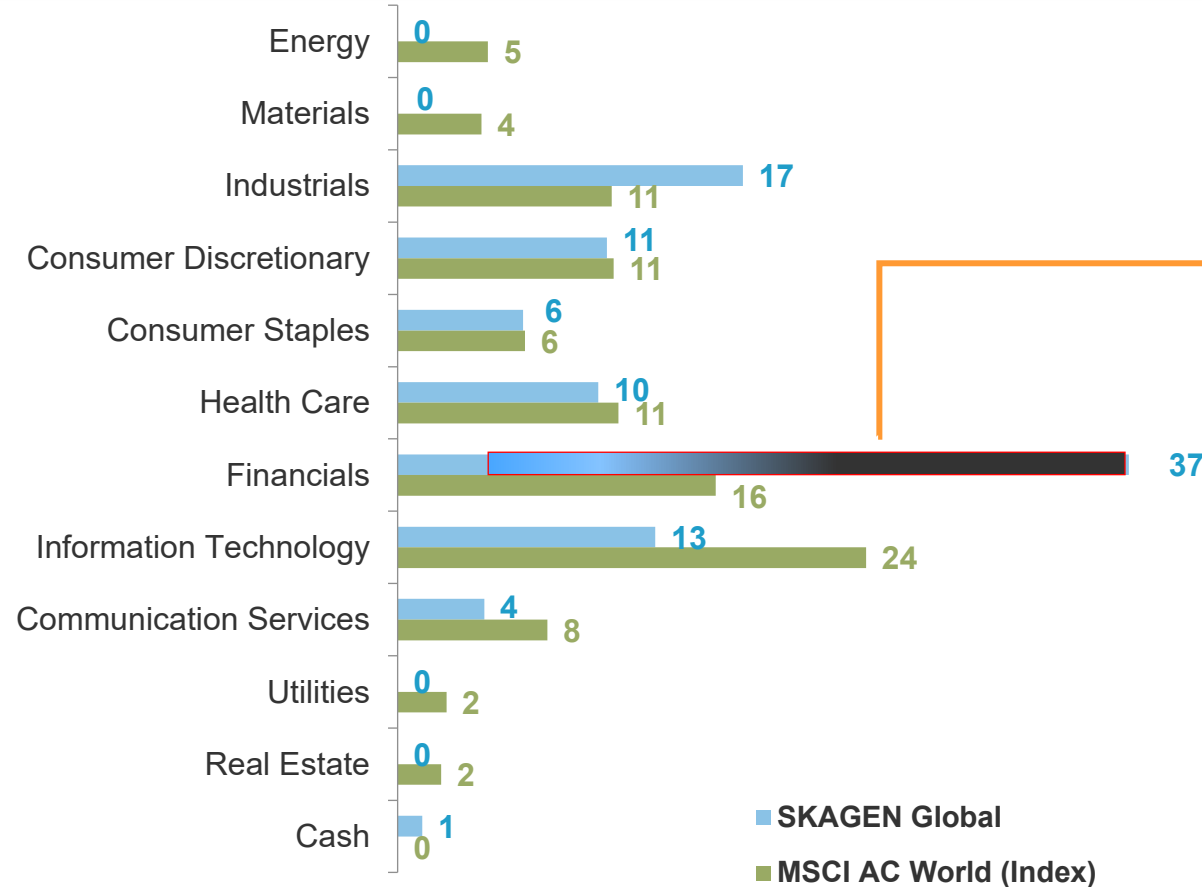
*Note: Subscriptions done in fund units and not directly in shares or other financial instruments*



# SKAGEN Global's portfolio looks very different from the index

## 2024 Q1

2024 Q1 Sector Weight (%)



**Examples:**

Insurance brokerage / Risk management / Consulting



Credit-Rating Agency



Exchanges



Payment



Source: SKAGEN and Bloomberg as of 2024 Q1

# Strong balance sheets provide protection against catastrophes



# Political risk assessment continues to be a core focus area



Source: *The Wall Street Journal*



# We actively seek strong alignment with the management team

Select CEOs with personal shareholdings in \$



**MSCI** 

**\$1+ billion**



**Ice** 

**\$520 million**



**MANFREIGHT** 

**\$130 million**



**accenture** 

**\$50 million**



**WM**   
WASTE MANAGEMENT

**\$43 million**





**\$13 million**

# Top-10 list

## March 2024

	Holding size, %	Price	P/E		EBIT margin 2023, %	ROE 2023, %	Net debt / EBITDA	Interest coverage	Price target upside
			2025e	2026e					
Canadian Pacific	6.1	119	23	20	37	9	3.4	6	47%
JP Morgan	4.9	200	12	11	N.A.	17	N.A.	N.A.	25%
Mastercard	4.6	482	29	25	58	N.A.	0.5	24	35%
Moody's	4.5	393	32	28	38	57	1.5	7	27%
DSV	4.5	1,122	18	16	12	17	1.5	12	96%
Brown & Brown	4.5	88	23	21	28	16	2.1	7	37%
Abbott Laboratories	4.4	114	22	20	22	20	0.9	10	36%
Alphabet (Google)	4.4	152	19	17	33	27	(0.8)	274	38%
Visa	4.4	279	25	22	67	47	(0.2)	33	52%
Intercontinental Exchange (ICE)	4.1	137	21	20	59	12	4.5	5	31%
<b>Weighted top 10</b>	<b>46.3</b>		<b>21</b>	<b>19</b>	<b>37*</b>	<b>17*</b>	<b>1.5*</b>	<b>10*</b>	<b>42%</b>
<b>Weighted total portfolio</b>	<b>98.6</b>		<b>23</b>	<b>20</b>	<b>29*</b>	<b>26*</b>	<b>1.1*</b>	<b>12*</b>	<b>39%</b>
<b>MSCI AC World</b>			<b>16</b>	<b>15</b>	<b>15</b>	<b>12</b>	<b>1.5*</b>	<b>6*</b>	

\*median

Competitive Advantage

Balance Sheet Strength

Undervalued



# The portfolio looks well positioned for 2024 and beyond

EM QUALITY OF LIFE	GLOBAL CONSUMER	SECTOR MISCLASSIFIED STOCKS	HIGH SWITCHING COST	UNDERVALUED OPERATIONAL EXCELLENCE	FAMILY OWNERSHIP	STRUCTURAL WINNERS
 <b>Abbott</b>	 mastercard					<b>CANADIAN PACIFIC</b>
						<b>ASML</b>
						<b>MOODY'S</b>

SKAGEN Global portfolio sample as at 2024 Q1

**Portfolio set to deliver attractive return in a wide variety of macro and market scenarios**

**- end**

# Appendix

# During a gold rush, sell the picks and shovels



# ASML is a picks-and-shovels play on AI

## ASML



*Work in progress...*



# Other potential AI beneficiaries in the SKAGEN Global portfolio



**Lexis+ : A legal generative AI platform**



**The Da Vinci Robotic Surgery System**

2023 R&D Budget:  
**\$45 billion**

# IMPORTANT INFORMATION

*Storebrand Asset Management AS (SAM) is a management company authorized by the Norwegian supervisory authority, Finanstilsynet, for the management of UITs under the Norwegian Act on Securities Funds and has its registered office at Professor Kohts vei 9, 1366 Lysaker, Norway.*

*Following the merger of SAM and the original SKAGEN AS in November 2023 a new SKAGEN AS (SKAGEN) has been established as an investment company authorised by Finanstilsynet for portfolio management under the Norwegian Act on Securities, having its registered office at Skagen 3, Torgterrassen, 4006 Stavanger, Norway. SAM and SKAGEN are part of the Storebrand Group. SAM is owned 100% by Storebrand ASA and SKAGEN is owned 100% by SAM. Storebrand Group consists of all companies owned directly or indirectly by Storebrand ASA.*

*SAM is the management company for the SKAGEN funds and has outsourced the management of the SKAGEN equity and combination funds to SKAGEN, ensuring a continuation in the portfolio management team.*

*An overview over related fees is available here: <https://www.skagenfunds.com/how-to-invest/fees/>*

*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 [www.skagenfunds.com](http://www.skagenfunds.com) and choose your respective country for this information.*

*SAM 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/>*

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*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>*