

## A gradual easing

Most global equity markets ended the third quarter higher as fears surrounding the COVID-19 crisis gradually eased and economies continued to open up after the unprecedented shutdowns. Base metals also ticked higher with the US dollar index declining. Oil remained relatively steady. The widely followed US generic government 10-year bond yield hovered around the 0.65% mark.

SKAGEN Global underperformed its benchmark index MSCI AC World during the quarter.

### Attribution

The fund's three strongest quarterly performers measured by absolute return were DSV Panalpina, Nike and Abbott Laboratories. The Danish logistics company DSV Panalpina operates an asset-light business model connecting shippers and receivers while also providing value-added services. The company has benefited from continued migration towards online shopping and tight transportation capacity.

Meanwhile, the international athletics sportswear giant Nike delivered a stellar quarter and smashed market expectations as digital sales accelerated. We see a long runway for the pivot towards direct-to-consumer and digital distribution channels that should drive sales and margins meaningfully higher over the next few years.

Finally, the US health care conglomerate Abbott Laboratories has been at the forefront of developing fast and reliable tests for COVID-19 detection. The company's relentless focus on cutting-edge product innovation and value creation for all stakeholders in its ecosystem is a core part of our long-term investment thesis.



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### Key sells

The fund exited four holdings (Ageas, CME Group, JP Morgan, Pernod Ricard) during the quarter. We stepped away from the global exchange operator CME Group. While the business model contains many attractive features, we believe the magnitude of the downside case in our scenario analysis has increased in the wake of the COVID-19 crisis during which huge sums of debt have been injected into the global economic system. In essence, the risk-reward profile is less attractive on a fundamental basis. As previously communicated, we also sold out of Ageas, JP Morgan and Pernod Ricard.

The fund's three largest quarterly detractors in absolute terms were Beazley, Hannover Re and Baxter International. The UK specialty insurer Beazley made an ad-hoc intra-quarter announcement that claims from event cancellations will be significantly higher than previously thought, thus exceeding the company's reinsurance protection limit for these business lines. This negative announcement took the market by surprise and put pressure on the stock. The additional claims hit also means the capital surplus buffer now is back at roughly the pre-equity raise level as of this spring. However, Beazley also highlighted large price increases on new underwritten premiums that should translate into significantly higher earnings over time, provided that the claims side remains manageable. Nevertheless, given this unexpected development we have adhered to our risk management framework and scaled back the position size.

Separately, the German reinsurer Hannover Re and the US medtech firm Baxter International delivered quarterly results that were slightly weaker than market expectations. This was largely due to the somewhat greater than anticipated COVID-19 impact on the business. However, we believe this is largely short-term noise and the long-term investment cases are still valid.

### Key buy

The fund initiated one new position (MSCI) during the quarter. MSCI provides mission-critical investment decision support tools for the equity, fixed income and alternative investment markets, including its flagship products – the MSCI indices. In our view, its scalable and wide-moat business model coupled with material optionality around ESG products is an attractive and undervalued investment opportunity when evaluated over a multi-year investment horizon.



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### Outlook

The current market debate centres around the speed of reopening, implications of a potential second wave and the outcome of the US presidential election. While these variables may certainly be important for the market direction in the short-to-medium term, they are not fundamentally forecastable for SKAGEN Global. We therefore continue to focus our attention on the fund's disciplined investment process to identify undervalued long-term opportunities that are able to perform well under a wide variety of macro scenarios. If fundamentals were to worsen for any of our holdings, we have built up an attractive pipeline of candidates that may enter the fund as more attractive replacements. The portfolio remains appreciably undervalued.

SKAGEN Global investerer i en aktivt forvaltet og diversifisert portefølje av undervurderte selskaper over hele verden, inkludert vekstmarkeder.

Målet er å gi andelseierne best mulig risikojustert avkastning over tid.

Fondet passer for investorer som har minst fem års investeringshorisont.

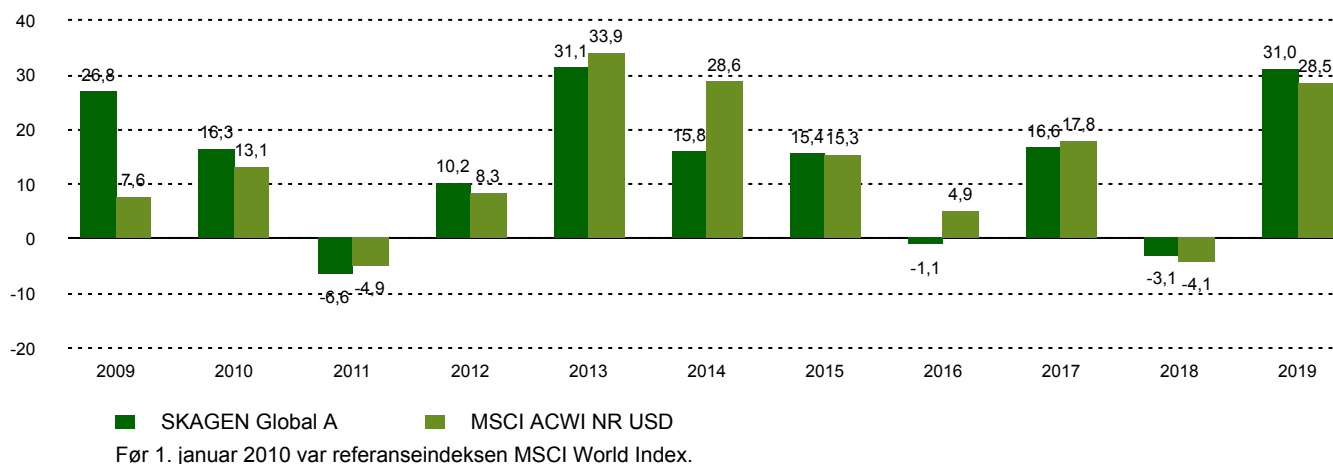
## Historisk avkastning

Periode	SKAGEN Global A	Referanseindeks
Siste måned	3,5%	4,8%
Hittil i kvartal	5,6%	6,4%
Hittil i år	10,9%	9,2%
Siste år	14,2%	15,3%
Siste 3 år	14,9%	13,5%
Siste 5 år	13,0%	12,7%
Siste 10 år	12,4%	13,8%
Siden start	14,7%	6,2%

## Fondsfakta

Type	Aksjefond
Domisil	Norge
Start dato	07.08.1997
Morningstarkategori	Globale, Store selskaper, Blanding
ISIN	NO0008004009
NAV	2377,96 NOK
Årlig forvaltningshonorar	1.00%
Totalkostnad (2019)	1.28%
Referanseindeks	MSCI ACWI NR USD
Forvaltningskapital (mill.)	30649,30 NOK
Antall poster	33
Porteføljeforvalter	Knut Gezelius

## Avkastning siste 10 år



## Bidragstere i kvartalet



### Største positive bidragstere

Navn	Vekt (%)	Bidrag (%)
DSV PANALPINA	3,82	1,02
NIKE Inc	2,30	0,54
Abbott Laboratories	3,28	0,49
Mastercard Inc	4,09	0,44
Adobe Inc	4,59	0,42



### Største negative bidragstere

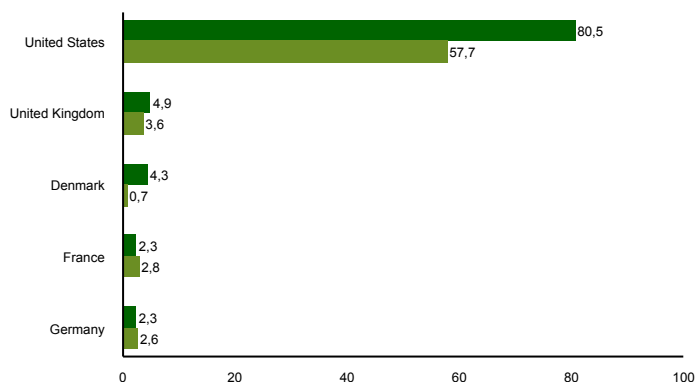
Navn	Vekt (%)	Bidrag (%)
Beazley PLC	4,02	-0,95
Hannover Rueck SE	2,48	-0,34
Baxter International	3,14	-0,28
RELX PLC	2,44	-0,15
JPMorgan Chase & Co	1,98	-0,10

I NOK for alle andelsklasser

## 10 største investeringer

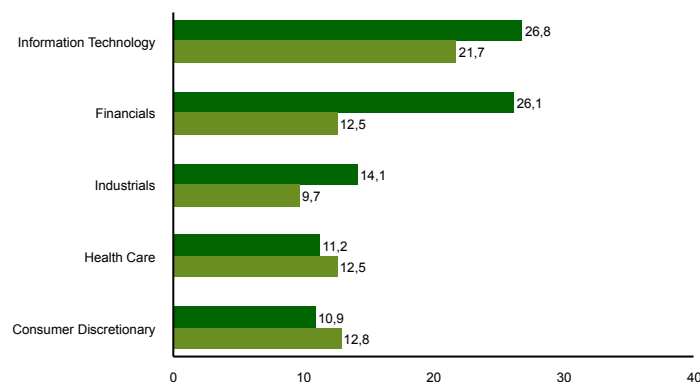
Navn	Sektor	Land	%
Microsoft Corp	Information Technology	United States	6,5
Intercontinental Exchange Inc	Financials	United States	6,1
Adobe Inc	Information Technology	United States	4,9
Mastercard Inc	Information Technology	United States	4,4
DSV PANALPINA A/S	Industrials	Denmark	4,3
Marsh & McLennan Cos Inc	Financials	United States	4,2
Visa Inc	Information Technology	United States	4,1
Alphabet Inc	Communication Services	United States	4,0
Accenture PLC	Information Technology	United States	3,7
Nasdaq Inc	Financials	United States	3,5
Samlet vektning			45,6

## Landeksponering (topp 5)



■ SKAGEN Global A ■ MSCI ACWI NR USD

## Bransjefordeling (topp 5)



■ SKAGEN Global A ■ MSCI ACWI NR USD

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## Viktig informasjon

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