

# Maj Invest Global Value Equities

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## Strategy Profile

April 2024

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# Maj Invest

Strategy	Global Value Equities
Company Description	Maj Invest is a Copenhagen-based asset management company with two major business areas: Asset Management and Private Equity. Maj Invest was founded in 2005 by the Danish pension fund LD Pensions, management and employees. Today Maj Invest is owned by management and employees
Investment Style/Strategy	The portfolio strategy follows a value-oriented philosophy. This philosophy is in itself a disciplined way of buying and selling securities based on their market value relative to their intrinsic value. By adopting this methodology, a strong and focused buy and sell discipline is implemented. Each stock is evaluated via a screening process on its relevant valuation metrics before being considered for further analysis and, ultimately, inclusion in the portfolio. Portfolio stocks are also regularly evaluated on their valuation metrics. This strategy ensures that only really cheap stocks are included in the portfolio, and that stocks which have become too expensive or fairly valued are removed.
Manager Biographies	<p><b>Kurt Kara</b> is Head of Equities, Global Value Equities and has 22 years of financial market experience. Kurt joined Maj Invest in 2005, and his responsibility has been the management of the Maj Invest Global Value Equities fund since its inception. Prior to joining Maj Invest, Kurt was Equity Strategist at Danske Bank. Previously he worked at Danske Capital as Portfolio Manager for the Danske Invest Latin American Equities fund.</p> <p><b>Ulrik Jensen</b> joined Maj Invest in 2006 and is Senior Portfolio Manager with co-responsibility for managing the Maj Invest Global Value Equities fund. Prior to joining Maj Invest, Ulrik was an Analyst and Portfolio Manager with Sparbank with responsibility for managing the bank's treasury holdings.</p> <p><b>Rasmus Pedersen</b> joined Maj Invest in 2015 as an analyst after finishing his studies. His main responsibility is general fundamental company research, data modelling, programming and business projects.</p>
Company AuM	11.4 bn USD
Company Inception	2005
Location	Copenhagen, Denmark; London, United Kingdom
Regulator	Finanstilsynet (Danish FSA)

## Global Value Equities

### Return period

End April 2024	Return %	+/- idx
Total Return*	547.0	178.3
Annualised Return*	9.9	1.8
Month	-3.6	0.1
Year to Date	7.6	2.8
3 years ann.	3.9	-1.7
5 years ann.	7.6	-2.8
10 years ann.	8.7	-0.2

\* Since inception August 4, 2004

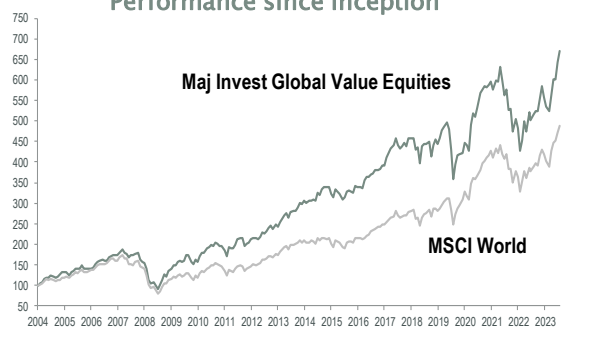
### Top 10 holdings

Country	Company	Weight (percent)
USA	Alphabet Inc	5.6%
USA	The Goldman Sachs Group Inc	5.4%
USA	American Express Co	5.4%
Japan	SoftBank Group Corp	4.8%
USA	CSX Corp	4.5%
USA	Lowe's Cos Inc	4.2%
USA	Kroger Co/The	4.2%
USA	Packaging Corp of America	4.0%
USA	Cigna Corp	3.7%
USA	HP Inc	3.7%

### Strategy information

Strategy size	6.5 bn USD
Strategy inception	08-04-2004
Benchmark	MSCI World NDR
No. of holdings	31
Concentration of top 10 holdings (%)	45
Base currency	USD
Portfolio Manager	Kurt Kara, Ulrik Jensen & Rasmus Quist Pedersen

### Performance since inception



### Top 10 sector allocation (relative %)

Sector	Weight
Consumer Discretionary	8.2
Telecommunication Services	6.4
Materials	3.3
Financials	2.6
Health Care	0.8
Industrials	-0.5
Real Estate	-2.1
Utilities	-2.5
Energy	-4.7
Information Technology	-12.8

### Track record

#### Annual returns % (USD)

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	Return since inception		Ann. Volatility
										Total	Annualised	
<b>Strategy (gross)</b>	13.02	21.67	-10.09	24.83	4.31	21.83	-24.65	26.53	7.62	546.97	9.92	16.74
<b>Benchmark</b>	7.51	22.40	-8.71	27.67	15.90	21.82	-18.14	23.79	4.84	368.70	8.14	15.57
<b>Excess Return</b>	5.51	-0.73	-1.38	-2.84	-11.59	0.01	-6.51	2.74	2.79	178.27	1.78	
<b>AuM (\$ m)</b>	3,951	5,549	5,460	7,258	11,043	12,851	7,637	6,867	6,451			

Source: Maj Invest, Benchmark: MSCI World Total Return Net (Bloomberg ticker: NDDUWI Index)

### Top 10 country allocation (relative %)

Country	Weight
USA	4.4
Japan	3.1
South Korea	1.9
France	1.9
Holland	1.8
Italy	-0.9
Spain	-1.1
Australia	-1.8
Canada	-3.1
United Kingdom	-5.3

# Monthly Commentary | April 2024

Investors dialed back bets on imminent Federal Reserve rate cuts after data showed US employers added 303,000 jobs in March, in a further sign of a buoyant labour market and a boost to President Biden's re-election bid. April's figures from the labour department were much stronger than the 200,000 job gains expected by economists, and higher than those for January and February. The unemployment rate edged down to 3.8 per cent, compared with a predicted 3.9 per cent. The data came as the Fed is weighing when to start cutting interest rates from their current range of between 5.25 per cent and 5.5 per cent. Strong jobs data and higher-than-expected inflation in recent months have caused the Fed to signal there is no rush to start lowering interest rates. This month, Fed chair Jerome Powell said he needed greater confidence that inflation was falling to the central bank's 2 per cent target before moving.

The European Central Bank sent a strong signal that it would consider cutting interest rates at its next meeting in June after holding them at all-time highs. The ECB said after its governing council met in Frankfurt that its benchmark deposit rate would stay at 4 per cent until rate-setters were sure price pressures had stabilised. But president Christine Lagarde told reporters that a small minority of policymakers had argued for an immediate cut. In a shift from previous language, the ECB said it would be appropriate to cut rates if underlying price pressures, its updated forecasts, and the impact of previous rate rises boosted confidence that inflation was closing in on its 2 per cent target in a sustained manner. Eurozone inflation has fallen from a 2022 peak of 10.6 per cent to 2.4 per cent in March – close to the central bank's goal.

The largest positive contributors to this month's portfolio performance were the American companies American Express and Goldman Sachs. American Express generated revenues that topped estimates in the first quarter as consumers continued to flock to the company's premium credit card offerings. Revenues jumped 11% in the quarter. As a result, the company said it still expects full-year revenues to grow as much as 11% compared to 2023. Goldman Sachs' profit rose 28 per cent in the first quarter as strong performance at its hallmark trading business helped the Wall Street bank easily surpass analysts' estimates. The bank said net income for the first three months of the year was \$4.1 billion, up from \$3.2 billion a year earlier and almost \$1 billion ahead of analyst forecasts.

SoftBank was the most negative contributor this month due to weakness in its largest holding, Arm Holdings. The company was downgraded during the month, which reflects the cautious stance on the company and sector overall. Analysts referenced that their downgrades were based on their estimate that the royalty revenue from smartphones could experience some weakness during the year.

In April, we added two new positions to the portfolio, Elevance Health Inc and Newmont Corp. Elevance Health is a provider of health plans but also includes CarelonRx which is its pharmacy benefits manager. CarelonRx was created and launched during Anthem's rebranding to Elevance in mid-2022. It is a high-quality business that, at the time of purchase and despite sustainable double-digit EPS growth, started at a 30 percent discount to the market. We decided to sell our position in Barrick Gold Corp and instead buy Newmont Corp, because we saw Newmont as a more attractive business coupled with the fact that it had underperformed Barrick Gold significantly. Lastly, we decided to exit our position in Daito Trust after delivering good returns and use the proceeds to buy more into Shimano.



Kurt Kara



Ulrik Jensen



Rasmus Quist  
Pedersen

# Disclaimer

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