



## Fund facts

ISIN: NO0010735129

Launch date, share class: 26.05.2015

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Domicile: NO

NAV: 19.05 EUR

AUM: 303 MEUR

Benchmark index: MSCI All Country World Index

Minimum purchase: 50 EUR

Fixed management fee: 1.60 %

Performance fee: 10 % (see prospectus for details)

Ongoing charge: 1.60 %

Number of holdings: 48

SFDR: Article 8



**Jonas Edholm**  
Managed fund since  
25 May 2015



**David Harris**  
Managed fund since  
30 June 2016

## Investment strategy

SKAGEN Focus is a high conviction equity fund that seeks to generate long-term capital growth by investing in a portfolio of global companies across the market capitalisation spectrum, with the majority of exposure invested in small and mid-cap companies. 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.

# SKAGEN Focus A

RISK PROFILE



4 of 7

YTD RETURN

19.01 %

31.12.2023

ANNUAL RETURN

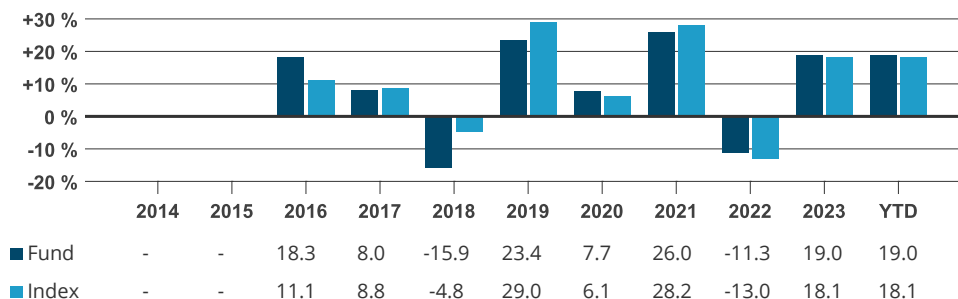
12.07 %

Average last 5 years

Monthly report for December as of 31.12.2023. 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](http://www.skagenfunds.com)

## Historical return in EUR (net of fees)



Period	Fund (%)	Index (%)	Key figures	1 year	2 years	3 years
Last month	5.15	3.52	Standard deviation	-	-	15.48
Year to date	19.01	18.06	Standard deviation index	-	-	13.34
Last 12 months	19.01	18.06	Tracking error	-	-	9.57
Last 3 years	9.98	9.41	Information ratio	-	-	0.06
Last 5 years	12.07	12.49	Active share: 100 %			
Last 10 years	-	-				
Since inception	5.65	7.90				

Returns over 12 months are annualised.

## Quarterly commentary, Q4 2023

**Several company-specific events propelled SKAGEN Focus higher in the last quarter of the year and the fund generated a solid absolute and relative return in the quarter and the year as a whole. For 2023, the fund's performance versus the global benchmark should be considered especially strong given the substantial value headwinds caused by the dramatic rebound in US technology and AI-related stocks. Here huge amounts of market cap have been built ahead of any meaningful revenues. As a result, we now observe substantial concentration risks in passive and semi-passive investment strategies. As inflation heads lower there is a strong case for interest rate normalisation – downwards this time. Reduced cyclical pressures could act as a powerful re-rating driver in many of the currently substantially discounted and ignored areas of the global equity markets. This is especially true in the global small and mid-cap area, which is trading at a rare, if not unique, discount to larger cap stocks.**

When stocks are priced too cheaply, industrial and strategic interest awakens. As we hunt for these substantial discounts in global equity markets, it was pleasing to receive no less than three buy-out offers in the period, both directly and indirectly, which boosted fund performance. First, US listed container leasing company Textainer received a 46% bid premium from an infrastructure fund. German powertrain producer Vitesco Technologies was bought out by its main owner Schaeffler at a 20% premium, following a more than 40% run in 2023. Finally, Japanese staffing operator Pasona sold its Benefit One stake following a bidding contest and rallied more than 70% in November alone. We have earlier highlighted the remarkable undervaluation of Pasona's stock compared to its vast asset base. All three positions have exited the fund at price target in the period.



Other positive contributors included UK housebuilder Persimmon, which rallied strongly on hopes of lower interest rates ahead and increased building activity. Italian cement producer Cementir was also a

positive contributor in the quarter on strong earnings. There were few negative performers in the period, but German joining technology company Norma was lower despite additional activist interest. Nickel Asia in the Philippines also fell in the quarter mostly due to lower nickel prices.

Beyond our three buy-out offers, we closed several positions at price target during the quarter, including Japanese regional bank Shiga Bank, Slovenian bank NLB and Korean semiconductor equipment maker Eugene Technology. We also exited US cinema operator Marcus Corp, due to a lack of forward catalyst realisation. We added to our truck maker Iveco, which is now a top-10 position, as we have increased conviction in its industry positioning and mid-term potential relative to its current valuation. We also added to our undervalued position in wafer producer Siltronic and continued building our position in US regional bank First Horizon. We also added to laggards with exceptionally attractive risk reward, such as South Korean retailer E-mart. Positions were initiated in deeply discounted Korean machinery producer Doosan Bobcat and US agriculture machinery maker CNH Industrial. Both stocks price in an earnings power potential far below their normalised levels. We added Philippine conglomerate GT Capital, which holds several unique domestic assets in the country, has major re-rating potential and offers an attractive discount-on-discount situation. We also established a position in Takuma, a Japanese waste-treatment plant operator, whose earnings power is underappreciated, while being a well-capitalised but undervalued and misunderstood ESG gem.

A new investment cycle is building with the anticipation of less cyclical pressures heading into the new year. The valuation gap between large caps and small and mid-cap stocks globally is at a record high and presents a unique dislocation for investors. We believe the fund is uniquely positioned to benefit from this investment environment. We enter 2024 with 48 positions in the fund and a concentration of 34% in the top ten. We observe an unusually large upside to our weighted price targets (69%) as we have recently added several new positions with solid upside to our fair value estimates. The portfolio is attractively valued at a solid discount to book value and at 9x price to earnings power.

## Contribution last month

 Largest contributors	Weight (%)	Contribution (%)	 Largest detractors	Weight (%)	Contribution (%)
Phinia Inc	3.23	0.36	Korean Reinsurance Co	2.48	-0.34
Pasona Group Inc	0.79	0.34	Panasonic Holdings Corp	2.41	-0.25
Interfor Corp	2.81	0.26	China Communications Services Corp Ltd	2.67	-0.24
Methanex Corp	3.99	0.20	Japan Post Holdings Co Ltd	4.33	-0.21
Signify NV	2.49	0.20	Viscofan SA	2.49	-0.19

Absolute contribution based on NOK returns at fund level.

## Portfolio information

Top 10 investments	Share (%)	Country exposure	Share (%)	Sector exposure	Share (%)
Japan Post Holdings Co Ltd	4.2	South Korea	17.6	Materials	26.6
Kyocera Corp	3.9	Canada	14.8	Industrials	22.9
Hyundai Mobis Co Ltd	3.8	Japan	13.9	Financials	17.1
Methanex Corp	3.7	United States	10.0	Consumer discretionary	13.9
Phinia Inc	3.3	Germany	7.0	Information technology	8.9
Iveco Group NV	3.0	Spain	6.8	Consumer Staples	8.1
Interfor Corp	2.9	France	4.4	Real estate	0.8
Cascades Inc	2.9	Philippines	3.5	Total share	98.4 %
Danaos Corp	2.8	United Kingdom	3.3		
STMicroelectronics NV	2.8	Italy	3.0		
Total share	33.3 %	Total share	84.3 %		

## 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/](http://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/](http://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](mailto: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](mailto: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](mailto: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](mailto:international@skagenfunds.com)  
For Facilities Services information please refer to our webpages.