

**IMPORTANT INFORMATION:** This is marketing communication. The report should not be perceived as a recommendation to buy or sell fund units. Prior to subscription, we encourage you to read the fund's prospectus and key investor information document which are available at [www.skagenfunds.com](http://www.skagenfunds.com), from our local representatives and from our distributors.

## Performance Commentary

During October, global equity markets went from being dominated by recession fears and hawkish central banks to the hope of peak Fed hawkishness being in sight. Fund performance lagged global equity markets slightly. Following recent months of volatility, we believe valuations now look extremely compelling in small and mid-cap stocks compared to larger cap stocks on a global basis. The favourable risk/reward seems particularly pronounced in the early cyclical value areas of the equity market. Our largest contributor to performance during October was Kimberly-Clark de Mexico, the leading provider of disposable consumer paper products to the Mexican market. The company has been facing multiple headwinds in terms of cost increases. Our investment thesis is built around their pricing power ability and earnings recovery on the back of a cost normalisation. We saw tangible signs of this in their latest earnings report. Another positive contributor was our US food retailer Albertsons which received a buyout offer from its peer Kroger, confirming its undervaluation and wider potential. Our biggest detractor during the month was China Communication Services, a significantly undervalued service provider and our only direct exposure to China. The company reported solid numbers but was under pressure from the overall deteriorating growth-outlook in the region.

SKAGEN Focus is a high conviction equity fund that seeks to generate long-term capital growth by investing in a portfolio of global companies 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 fund has risk profile 6. The benchmark reflects the fund's investment mandate. Since the fund is actively managed, the portfolio will deviate from the composition of the benchmark.

## Historical performance (net of fees)

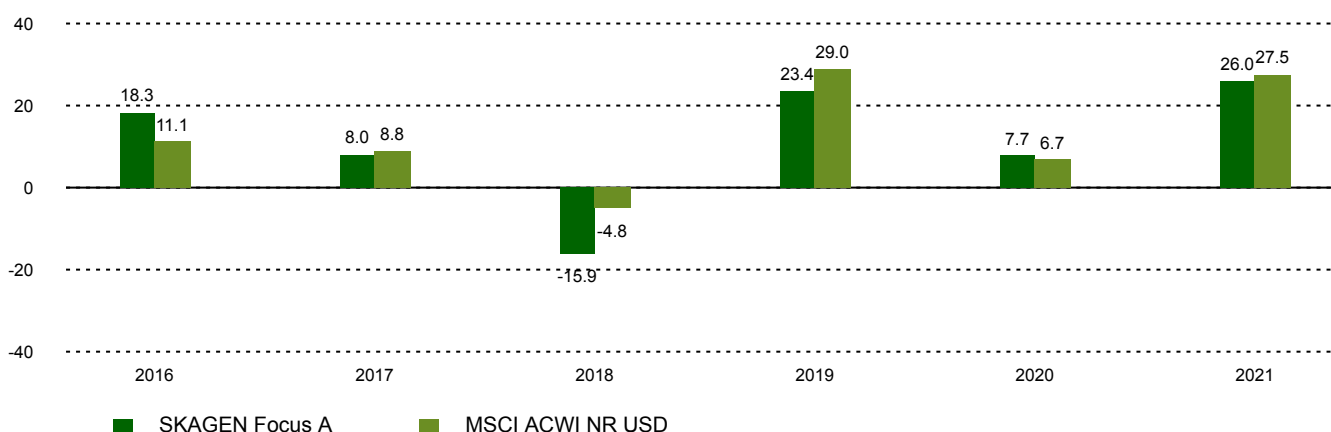
| Period         | SKAGEN Focus A | Benchmark index |
|----------------|----------------|-----------------|
| Last month     | 4.0%           | 5.1%            |
| Year to date   | -14.8%         | -9.3%           |
| Last 12 months | -15.6%         | -6.3%           |
| Last 3 years   | 7.4%           | 9.2%            |
| Last 5 years   | 4.4%           | 8.8%            |
| Last 10 years  | n/a            | n/a             |
| Since start    | 3.5%           | 7.4%            |

## Fund Facts

|                            |                          |
|----------------------------|--------------------------|
| Type                       | Equity                   |
| Domicile                   | Norway                   |
| Launch date                | 26.05.2015               |
| Morningstar category       | Global Flex-Cap Equity   |
| ISIN                       | NO0010735129             |
| NAV                        | 15.37 EUR                |
| Fixed management fee       | 1.60% + performance fee* |
| Total expense ratio (2021) | 1.40%                    |
| Benchmark index            | MSCI ACWI NR USD         |
| AUM (mill.)                | 212.07 EUR               |
| Number of holdings         | 49                       |
| Portfolio manager          | Jonas Edholm             |

\*10.00% performance fee calculated daily and charged annually if the fund's value development is better than the benchmark index. The total management fee charged represents a maximum of 3.20% p.a. and a minimum of 0.80% p.a. The performance fee may be charged even if the fund's units have depreciated in value if the value development is better than the benchmark index.

## Performance last ten years



Historical returns are no guarantee for future returns. Future returns will depend, inter alia, on market developments, the fund manager's skill, the fund's risk profile and management fees. The return may become negative as a result of negative price developments. There is a risk associated with investing in the fund due to market movements, currency developments, interest rate levels, economic, sector and company-specific conditions.

## Contributors in the month



### Largest contributors

| Holding                  | Weight (%) | Contribution (%) |
|--------------------------|------------|------------------|
| Kimberly-Clark de Mexico | 3.01       | 0.42             |
| Atalaya Mining PLC       | 1.09       | 0.39             |
| Sixt SE                  | 1.60       | 0.31             |
| Textainer Group Holdings | 3.38       | 0.21             |
| Ence Energia y Celulosa  | 2.10       | 0.18             |



### Largest detractors

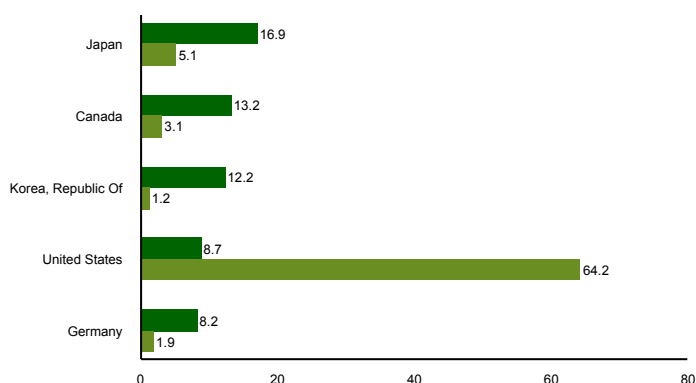
| Holding                       | Weight (%) | Contribution (%) |
|-------------------------------|------------|------------------|
| China Communications Services | 2.70       | -0.62            |
| Korean Reinsurance Co         | 2.47       | -0.27            |
| Shiga Bank Ltd/The            | 2.33       | -0.26            |
| Sumitomo Osaka Cement         | 2.18       | -0.23            |
| Endeavour Mining PLC          | 2.03       | -0.20            |

Weights shown are the average for the period. Absolute contribution based on NOK returns at fund level.

## Top ten investments

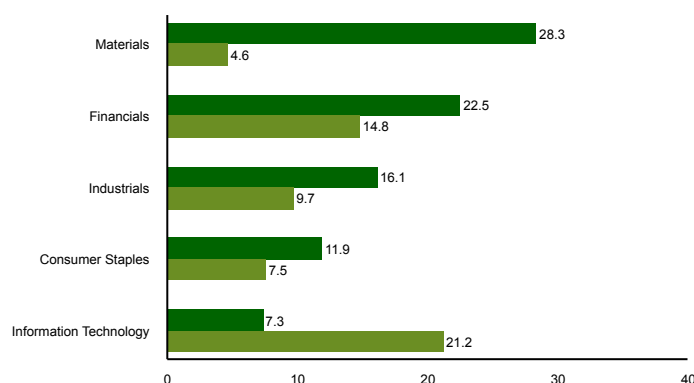
| Holding                            | Sector                 | Country            | %    |
|------------------------------------|------------------------|--------------------|------|
| Textainer Group Holdings Ltd       | Industrials            | China              | 3.5  |
| Viscofan SA                        | Consumer Staples       | Spain              | 3.5  |
| Kimberly-Clark de Mexico SAB de CV | Consumer Staples       | Mexico             | 3.4  |
| KB Financial Group Inc             | Financials             | Korea, Republic Of | 3.2  |
| Kyocera Corp                       | Information Technology | Japan              | 3.2  |
| Vitesco Technologies Group AG      | Consumer Discretionary | Germany            | 3.2  |
| Panasonic Holdings Corp            | Consumer Discretionary | Japan              | 2.8  |
| Methanex Corp                      | Materials              | Canada             | 2.7  |
| Canfor Pulp Products Inc           | Materials              | Canada             | 2.6  |
| Resona Holdings Inc                | Financials             | Japan              | 2.5  |
| Combined weight of top 10 holdings |                        |                    | 30.6 |

## Country exposure (top five)



■ SKAGEN Focus A ■ MSCI ACWI NR USD

## Sector exposure (top five)



■ SKAGEN Focus A ■ MSCI ACWI NR USD

## Important information

This report is intended for investment professionals only. All information is based on the most up-to-date data available. Unless otherwise stated, performance data relates to class A units and is net of fees. AUM data as per the end of the previous month. Except otherwise stated, the source of all information is SKAGEN AS. SKAGEN AS does not assume responsibility for direct or indirect loss or expenses incurred through use or understanding of this report. Employees of SKAGEN AS may be owners of securities issued by companies that are either referred to in this report or are part of a fund's portfolio.



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