



## Fund facts

ISIN: NO0010735129

Launch date, share class: 26.05.2015

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Domicile: NO

NAV: 19.72 EUR

AUM: 309 MEUR

Benchmark index: MSCI All Country World Index

Minimum purchase: 50 EUR

Fixed management fee: 1.60 %

Performance fee: +/- 10.00 % (see prospectus for details)

Ongoing charge: 1.60 %

Number of holdings: 49

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

3.54 %

30.09.2024

ANNUAL RETURN

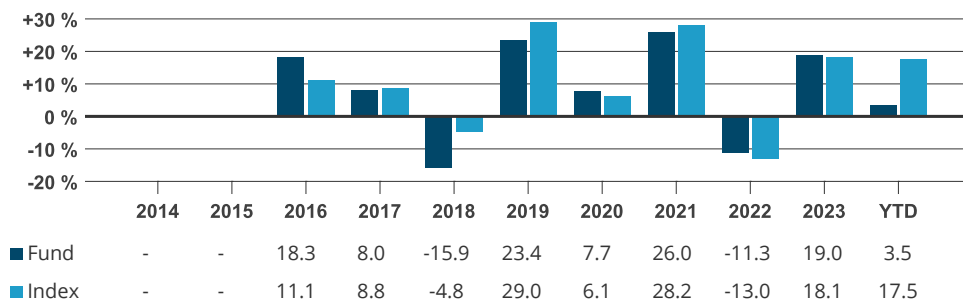
9.66 %

Average last 5 years

Monthly report for September as of 30.09.2024. 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 (%)
Last month	1.74	1.48
Year to date	3.54	17.45
Last 12 months	10.55	24.99
Last 3 years	3.72	9.45
Last 5 years	9.66	11.66
Last 10 years	-	-
Since inception	5.58	9.11

Key figures	1 year	3 years	5 years
Standard deviation	12.62	15.10	20.83
Standard deviation index	8.78	13.15	14.87
Tracking error	9.30	9.54	11.47
Information ratio	-1.55	-0.60	-0.17
Active share: 100 %			

Returns over 12 months are annualised.

## Q3 commentary 2024

**It was an eventful and volatile quarter in global equity markets, with inflation cooling, weaker economic data from the US, central banks cutting interest rates and increased focus on the outcome of the upcoming US elections. In early August, the interest rate hike in Japan caused significant turmoil in the financial markets, leading to a major unwinding of the so-called carry trade and significant market dislocations. In September the Fed began easing, confirming that a global synchronised stimulus cycle is indeed taking shape. We believe this will have tremendous implications and will potentially turn the global equity markets' roadmap upside down, allowing the losers of the past to become the winners in the next investment cycle. Early signs of this have emerged with the recent awakening of more cyclical areas of the market. The historical valuation divergence between small/mid-caps and large/mega caps globally is still vast and largely untapped.**

Our strongest contributor during the quarter was the recently initiated position Mohawk Industries, a significantly discounted US-based flooring company that got off to a flying start in the fund, following a strong earnings report that caused shares to rerate from depressed levels. Another strong contributor was US automotive supplier Phinia, which the general investment community has started to notice, following its ignored and significantly undervalued spinoff from BorgWarner in July 2023. The shares have doubled since we initiated the position one year ago, as the company has delivered several strong earnings reports and is on track to generate substantial cash flow for the year. We have now closed our position in Phinia at our price target. Higher precious metal prices and impressive new resource estimates drove our position in Canada-domiciled silver producer Aya higher during the quarter. The company is a rare breed among its peers as it runs a pure play silver mine in Morocco, with a first mover advantage and is fully financed. The market has begun to discover the potential of its biggest undeveloped asset, which indicates significant growth potential along with very attractive economics. We



have reduced the position into strength. On the negative side our worst detractors were STMicroelectronics, Grupo Traxion and Methanex. We fully exited our position in STMicroelectronics due to a cyclical decline in estimates and a potential reduction in our mid-term normalised earnings outlook. Traxion, an undervalued transportation company, remains well positioned to benefit from Mexico's nearshoring trend. While concerns over a weaker currency and macroeconomic factors have put pressure on the share price, which now reflects an overly pessimistic outlook, we believe the mid-term investment thesis remains solid. We also reduced our position in Methanex, a methanol producer, which has now dropped out of our top 10 holdings. This decision followed Methanex's acquisition of OCI's methanol business, which delayed the capital allocation catalysts we had been anticipating for the coming year.

Hyundai Mobis, a key Korean automotive parts supplier, has now become the fund's largest holding. We view Hyundai Mobis as essentially the holding company for the Hyundai founding family group, with a significant stake in Hyundai Motors at its core. This company has strong potential for value enhancement, especially if the group undergoes restructuring, which could involve further share accumulation by the family. Additionally, profit margins are poised to increase, and the business outside of its traditional core is expanding rapidly. Excluding the value of its stake in Hyundai Motors, the company's valuation is extremely attractive, currently at historically low levels.

We successfully reduced our position in Japan Post Holdings before the recent market turbulence, as it approached our price target range. We later repurchased some of these shares at significantly more attractive levels. Additionally, we exited our position in Signify due to the lack of expected catalysts and fully closed our position in Fortuna Mining after a strong re-rating. Meanwhile, we continued to increase our investment in the underappreciated Spanish steel producer Acerinox, which has now entered our top 10 holdings. We also established a new core position in Kalmar, a materials handling equipment company spun off from Finland's Cargotec. This investment follows a familiar pattern where spun-off assets enter the equity market with little recognition and limited coverage. Initially, the market's preference has been to reinvest in Cargotec, resulting in technical selling pressure on Kalmar and creating an attractive valuation opportunity with significant re-rating potential over our 2-3 year investment horizon. Lastly, we initiated a new position in Akatsuki, a significantly undervalued Japanese gaming studio. We believe the market has overly discounted its earnings potential, while overlooking the company's substantial asset backing.

We believe there is a strong likelihood that the gap between small- and mid-cap stocks and large- and mega-cap stocks will narrow, at least partially. By the end of the quarter, the portfolio comprised 49 positions, with 86% of the fund invested in small- and mid-cap stocks. The top 10 holdings account for 32% of the fund's value. Additionally, the portfolio's weighted upside potential, based on our price targets, stood at a notably high 75% at the close of the quarter.

## Contribution last month

 Largest contributors	Weight (%)	Contribution (%)	 Largest detractors	Weight (%)	Contribution (%)
Interfor Corp	2.68	0.52	Methanex Corp	2.68	-0.45
Nexity SA	2.22	0.43	First Horizon Corp	3.79	-0.25
Canfor Corp	2.32	0.36	Siltronic AG	2.67	-0.22
GT Capital Holdings Inc	2.26	0.34	DL E&C Co Ltd	1.62	-0.15
Aya Gold & Silver Inc	1.84	0.32	KB Financial Group Inc	3.67	-0.14

Absolute contribution based on NOK returns at fund level.

## Portfolio information

Top 10 investments	Share (%)	Country exposure	Share (%)	Sector exposure	Share (%)
Hyundai Mobis Co Ltd	3.8	South Korea	20.0	Materials	27.7
KB Financial Group Inc	3.8	United States	14.2	Financials	23.8
First Horizon Corp	3.8	Canada	12.3	Industrials	20.7
Acerinox SA	3.1	Japan	9.3	Consumer discretionary	14.6
Japan Post Holdings Co Ltd	2.9	Spain	8.3	Consumer Staples	4.6
Cascades Inc	2.9	Germany	6.0	Information technology	3.3
Interfor Corp	2.9	United Kingdom	5.2	Real estate	2.4
Samsung Fire & Marine Insurance Co Ltd	2.9	France	3.9	Communication Services	1.4
Old Republic International Corp	2.7	Philippines	3.4		
Kalmar Oyj	2.7	Finland	2.7		
<b>Total share</b>	<b>31.6 %</b>	<b>Total share</b>	<b>85.3 %</b>	<b>Total share</b>	<b>98.5 %</b>

## 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.