



Fund facts

ISIN: NO0010735129

Launch date, share class: 26.05.2015

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Domicile: NO

NAV: 20.16 EUR

AUM: 321 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: 50

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



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YTD RETURN

5.81 %

27.03.2024

ANNUAL RETURN

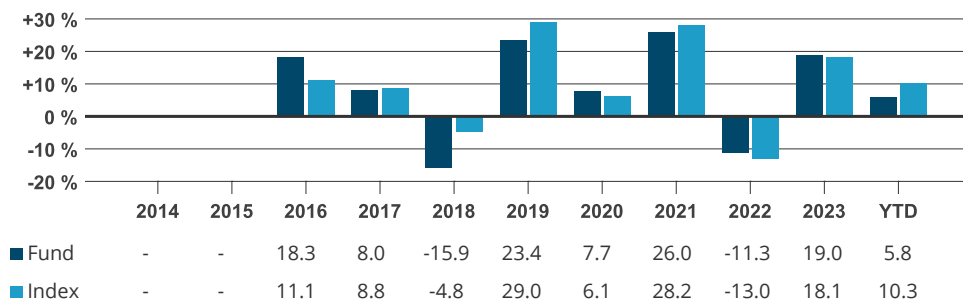
10.54 %

Average last 5 years

Monthly report for March as of 31.03.2024. 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

Historical return in EUR (net of fees)



Period	Fund (%)	Index (%)
Last month	6.04	3.01
Year to date	5.81	10.31
Last 12 months	17.47	26.67
Last 3 years	7.93	10.28
Last 5 years	10.54	11.96
Last 10 years	-	-
Since inception	6.17	8.88

Key figures	1 year	2 years	3 years
Standard deviation	-	-	15.02
Standard deviation index	-	-	13.28
Tracking error	-	-	9.72
Information ratio	-	-	-0.22
Active share: 100 %			

Returns over 12 months are annualised.

Q1 commentary 2024

The markets got off to a strong start to the year, but following a strong end to 2023, SKAGEN Focus has meaningfully underperformed the market-cap weighted global indices year-to-date. This is due to a further multiple expansion of the US technology complex combined with cyclical headwinds for a large part of the portfolio. Concentration in global equity markets has continued to increase dramatically and this is evident through the increasing share of the US equity market globally, the rise in the share of the technology sector, and the dominance of the biggest companies in most regions. This reinforces the concentration risk in global passive equity mandates further. We have in recent months observed an even larger discount in select market areas, including global small and mid-caps compared to large/mega-caps, and the fund is optimally positioned to benefit from any type of mean reversion.



We have previously written about the rapidly changing investment landscape in Japan. The corporate governance reform and the Japanese regulator's "name and shame" list have proven to be quite effective at getting companies' attention and producing real change in corporate governance and capital allocation policies. Share buybacks and the gradual unwinding of crossholdings are now almost everyday news items in corporate Japan. Interestingly, the South Korean government and regulator have noticed the progress being made in their neighbouring country and have decided to pursue similar methods to try and remove the infamous "Korean discount". This sparked a substantial rally in lower-priced Korean stocks during the quarter. Several of our holdings in Korea, including our banking positions in KB Financial and DGB Financial, rallied sharply and we believe that an increase in share buybacks, higher pay-out ratios, unwinding of crossholdings in conglomerate structures and improvement in capital allocation policies should support a further re-rating. As of the end of March, 20% of the portfolio is invested in South Korea across seven positions, all of which we believe to be vastly undervalued.

Our strongest contributor to performance during the quarter was Italian truck producer Iveco, which entered our top 10 positions last November, following an on-site visit. We felt that Iveco offered a substantial discount to fair value and an underappreciated ability to generate cash flow. Following solid order momentum, strong earnings numbers, and an informative Capital Markets Day, the share gained more than 70% during the quarter. We have therefore trimmed our position. Another strong performer was our US-based automotive supplier Phinia. Phinia is a significantly undervalued company that was spun off from Borg Warner in 2023 and is still mostly unknown to most market participants. Phinia recently delivered strong earnings numbers in combination with a buyback program. On the negative side, our Canadian packaging producer Cascades delivered disappointing earnings numbers as containerboard prices fell and lagging price hikes to cover raising input costs put pressure on margins. The company is making progress in restructuring its tissue segment and a potential carve-out remains a catalyst.

We closed our position in Japanese conglomerate Kyocera which reached our price target as the market has increasingly been pricing in changes in its capital allocation strategy. We also sold our remaining shares in Austrian brickmaker Wienerberger. The shares now reflect fair value after gaining more than 50 percent since we first entered the company. We continued to scale down our positions in Japanese conglomerate Panasonic and US food retailer Albertsons, both of which have some upside left, but we see more attractive risk reward elsewhere. As mentioned, we trimmed our position in Iveco following the strong rally as the shares are closing in on our price target. We also reduced our positions in Japanese regional bank Keiyo Bank and Japan Post Holdings as the stocks have re-rated sharply following the realisation of higher interest rates in Japan and improved capital allocation. We entered two new core positions during quarter: DL E&C and Swire properties. DL E&C is a South Korean construction company, which trades at exceptionally cheap multiples, and offers a mean reversion opportunity in combination with the value-up program, which is gaining more traction in South Korea. Our second addition is the highly undervalued Hong Kong based conglomerate Swire Pacific, which offers a rare "triple discount" investment situation, and we believe that the underlying subsidiaries Swire Properties and Cathay Pacific are substantially undervalued. We hold the B-shares, which are trading at a 20 percent discount to the A-shares. We continued to build our position in Aya Gold & Silver, following secured financing as its turnaround and asset expansion is coming to an end. We also increased our position in ethanol producer Sao Martinho and German potash producer K+S, given their increasingly attractive risk/reward profiles.

The fund continues to be well diversified in terms of fundamental exposure and is well positioned to capture the opportunities created by the current record valuation gap between small and mid-cap stocks and large/mega cap stocks. At the end of the quarter, the portfolio consists of 50 positions of which 82% is invested in small and mid-cap positions. The top 10 positions amount to 32% of the fund and our weighted upside to price target is more than 60% at the end of the quarter.

Contribution last month

 Largest contributors	Weight (%)	Contribution (%)	 Largest detractors	Weight (%)	Contribution (%)
Iveco Group NV	3.42	0.90	E-MART Inc	1.66	-0.14
Fortuna Silver Mines Inc	2.21	0.77	Nickel Asia Corp	1.30	-0.12
Phinia Inc	3.92	0.57	Nexity SA	0.62	-0.09
KB Financial Group Inc	3.17	0.42	Siltronic AG	2.07	-0.06
Norma Group SE	1.74	0.41	Cascades Inc	2.38	-0.06

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	4.4	South Korea	19.5	Materials	26.2
Hyundai Mobis Co Ltd	4.4	Canada	15.1	Industrials	25.2
Phinia Inc	4.0	United States	14.5	Financials	19.6
Methanex Corp	3.4	Japan	9.2	Consumer discretionary	14.6
K+S AG	2.8	Germany	8.0	Consumer Staples	7.3
China Communications Services Corp Ltd	2.7	Spain	6.7	Information technology	4.4
Danaos Corp	2.7	France	3.9	Real estate	1.8
Interfor Corp	2.6	Philippines	3.2	Total share	99.1 %
KB Financial Group Inc	2.5	China	2.7		
Korean Reinsurance Co	2.5	Greece	2.7		
Total share	32.1 %	Total share	85.5 %		

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/ 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/ 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
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
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
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
For Facilities Services information please refer to our webpages.