



# SKAGEN Focus LUX B EUR

## February 2024 Monthly Report

All data in EUR as of 29/02/2024 unless otherwise stated

This is marketing communication



### INVESTMENT OBJECTIVE

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 a bias towards small and mid-cap companies.

### FUND INFORMATION

Start date	27/09/2019
Benchmark	MSCI ACWI
ISIN	LU1932704841
Morningstar Category	Global Flex-Cap Equity
Fixed Fee	0.60%
SFDR	Article 8
Portfolio Managers	Jonas Edholm David Harris



Jonas Edholm & David Harris

- ❖ Jonas Edholm joined SKAGEN in January 2015
- ❖ Previously Founder and Portfolio Manager, Labrusca Family Office, Stockholm, Sweden
- ❖ David Harris joined SKAGEN in January 2015
- ❖ Previously Analyst, Labrusca Family Office

### INVESTMENT COMMENTARY

After a strong end to 2023, SKAGEN Focus has meaningfully underperformed the market-cap weighted global indices both in the month and year to date. This is due to a further multiple expansion of the US technology complex, which increases the concentration risk in passive global equity mandates even further and creates cyclical headwinds for a large part of the portfolio. We now observe a record discount in global small and mid-caps relative to large/mega-caps.

The earnings season has been mixed but we note several companies flagging for a weaker 2024, and an increase in economic activity in 2025, which should soon be the focus of attention.

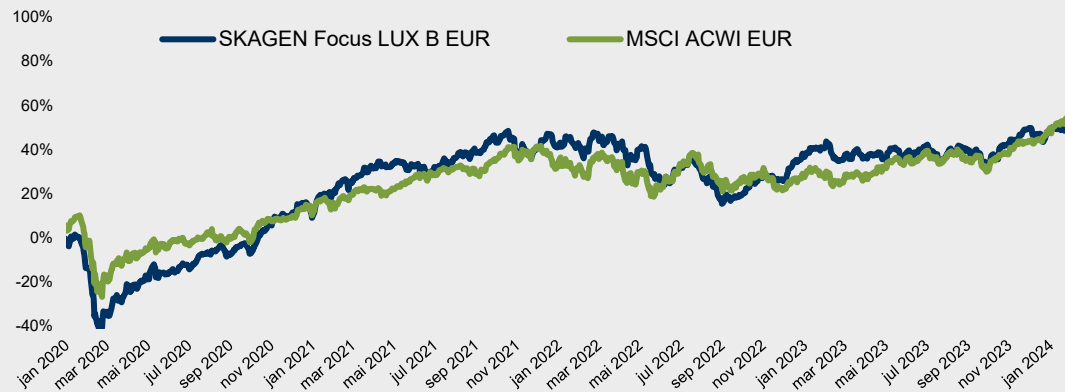
We exited our position in Japanese conglomerate Kyocera as the stock hit our price target in February. We increased our position in South Korean builder DL E&C, which trades at exceptionally cheap multiples and offers a mean-reversion opportunity in connection with the “value-up” program in South Korea which is currently intensifying.

The most positive contributors to fund performance in February were the South Korean auto-parts company Hyundai Mobis, the Italian truck maker Iveco and the US-based fuel-injection producer Phinia, all of which delivered stronger than expected earnings. On the negative side, our position in containerboard producer Cascades was pressured by lower output prices and a higher cost base for recycled products. Although the company missed earnings estimates meaningfully, we believe this is just a temporary setback.

We currently see an unusually large upside to our weighted price targets of almost 70%.

### FUND PERFORMANCE<sup>1</sup>

	Last Month	YTD 2024	1-Year	3-years	Since Start
<b>SKAGEN Focus LUX B EUR</b>	<b>-0.2%</b>	<b>-0.9%</b>	<b>5.7%</b>	<b>8.0%</b>	<b>9.6%</b>
MSCI AC World Index	4.7%	7.1%	20.7%	11.0%	10.6%
<i>Relative Return</i>	<i>-4.9%</i>	<i>-8.0%</i>	<i>-15.0%</i>	<i>-3.0%</i>	<i>-1.0%</i>



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.

### RISK PROFILE

We have classified this product as 5 out of 7, which is a medium-high risk class. This rates the potential losses from future performance at a medium-high level. Other risks not included in the summary risk indicator but materially relevant: Event risk, liquidity risk, operational risk, counterparty risk, derivatives risk. Be aware of currency risk. You will receive payments in a different currency, so the final return you will get depends on the exchange rate between the two currencies. This risk is not considered in the indicator shown above. This product does not include any protection from future market performance so you could lose some or all of your investment.

<sup>1</sup> Performance in EUR, net of fees



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### PERFORMANCE ATTRIBUTION<sup>1</sup>

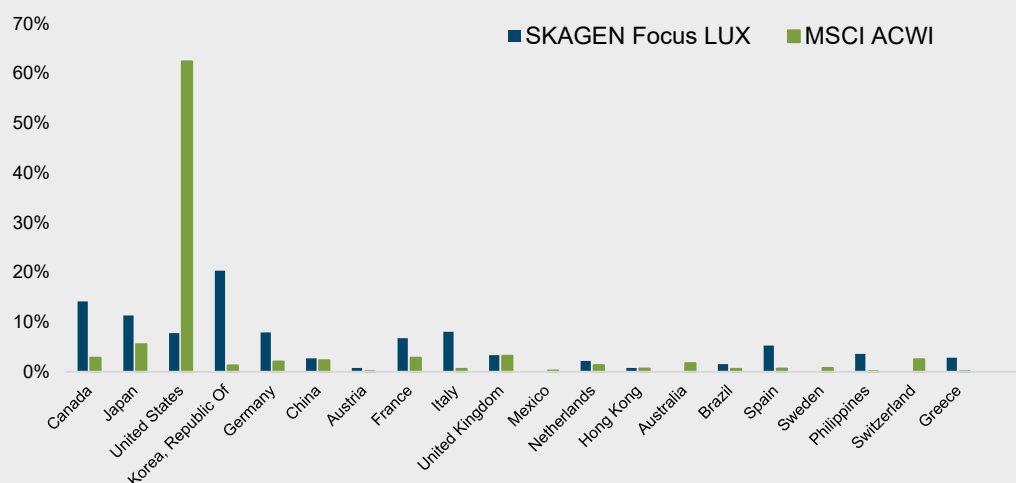
#### Largest contributors ↑

Holding	Weight	Contribution
Iveco Group NV	3.7%	1.2%
Phinia Inc	3.4%	0.5%
KB Financial Group Inc	2.9%	0.5%
Japan Post Holdings Co Ltd	4.4%	0.4%
GT Capital Holdings Inc	2.0%	0.4%

#### Largest detractors ↓

Holding	Weight	Contribution
Fortuna Silver Mines Inc	2.1%	-0.7%
Cascades Inc	3.1%	-0.5%
Signify NV	2.3%	-0.5%
Nexity SA	0.9%	-0.4%
Interfor Corp	2.7%	-0.4%

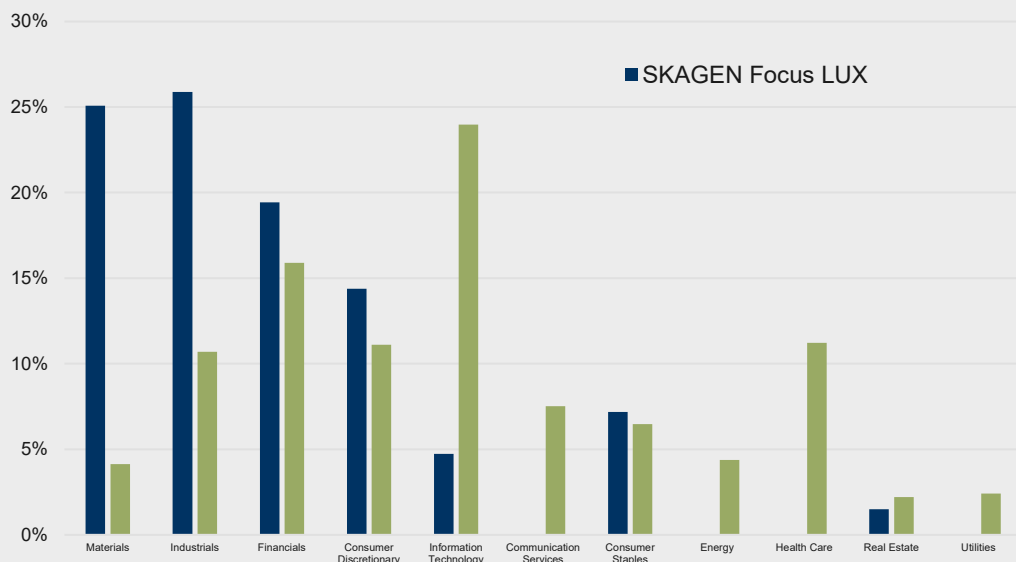
### COUNTRY EXPOSURE



### PORTFOLIO STATISTICS<sup>2</sup>

No. of holdings	46
Top 10 weighting	32.6%
Active Share	100%
Turnover ratio	70%
Investment horizon	5 years+

### SECTOR EXPOSURE



### TOP TEN HOLDINGS

Japan Post Hold	4.6%
Iveco Group	4.3%
Hyundai Mobis	4.3%
Methanex Corp	3.8%
Phinia Inc Com	3.6%
Cascades Inc	3.2%
Danaos Corp	2.8%
Kb Financial Group	2.7%
Interfor Corp	2.7%
China Comm Service	2.6%
<b>Total</b>	<b>34.6%</b>

<sup>1</sup> Year to date absolute contribution based on EUR returns at fund level for SKAGEN Focus LUX B.

<sup>2</sup> Active Share and turnover ratio figures for Norwegian-domiciled fund. Investment horizon for guidance purposes only.



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### IMPORTANT INFORMATION

This is a marketing communication, and this document is intended for professional investors only. Except otherwise stated, the source of all information is Storebrand Luxembourg SICAV as at 29/02/2024.

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. 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 depends on the individual circumstances of each investor and may imply the payment of additional taxes. Before any investment is made in the Sub-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 SICAV, (RCS Registration Number: B 234106) is an investment company with variable capital (société d'investissement à capital variable) incorporated under the form of a société anonyme in the Grand Duchy of Luxembourg. It qualifies as a UCITS and falls under the supervision of the Luxembourg financial supervisory authority, Commission de Surveillance du Secteur Financier (the "CSSF"). Storebrand SICAV has appointed Fund Rock Management Company S.A. to act as its designated management company and further FundRock has appointed Storebrand and SKAGEN AS as its investment managers. The SICAV has appointed Storebrand Asset Management as Global Distributor and Storebrand Asset Management has appointed SKAGEN AS as Global Sub-Distributor.

SKAGEN AS is a management company authorised by the Norwegian supervisory authority, Finanstilsynet, for the management of UCITS under the Norwegian Act on Securities Funds Act. SKAGEN AS is part of the Storebrand Group and owned 100% by Storebrand Asset Management AS. Storebrand Group consists of all companies owned directly or indirectly by Storebrand ASA.

No offer to purchase shares can be made or accepted prior to receipt by the offeree of the Sub-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 <https://www.skagenfunds.lu/funds>

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: <https://www.skagenfunds.lu/contact/investor-rights/>

Storebrand Asset Management AS or FundRock Management Company S.A. may terminate arrangements for marketing under the Cross-border Distribution Directive denotification process.

The Sub-fund takes sustainability risk and ESG characteristics into account as part of its selection process. In that respect the Sub-fund promotes environmental and/or social characteristics within the meaning of Art 8 of SFDR. For the assessment areas like corporate strategy, corporate governance, transparency and the product and service range of a company are taken into account. Further information about sustainability-related aspects of the Sub-fund, including the sustainability disclosure summary in English, can be found here: <https://www.skagenfunds.lu/sustainability/sustainable-investing/>

The decision to invest in the Sub-fund should take into account all the characteristics or objectives of the Sub-fund as described in its prospectus <https://www.skagenfunds.lu/funds/>

The Storebrand SICAV has registered its 7 Sub-Funds (SKAGEN Kon-Tiki Lux, SKAGEN Focus Lux, SKAGEN Global Lux, SKAGEN m2 Lux, Storebrand Global Solutions Lux and Storebrand Global ESG Lux) for public distribution in Luxembourg, the UK, Germany, Austria, the Netherlands, Belgium, and France.

#### Important Information for Luxembourg Investors

Storebrand SICAV has appointed Fund Rock Management Company S.A. to act as its designated management company. FundRock Management Company S.A.'s offices are located at: 33, rue de Gasperich, 5826 Hesperange, Grand Duchy of Luxembourg.

#### Important Information for UK Investors

The Storebrand SICAV has appointed SKAGEN AS UK Branch to act as Facility Agent in the UK. SKAGEN's London Office is located at 15 Stratton Street, London, W1J 8LQ. The SKAGEN AS UK Branch is authorised by Finanstilsynet and subject to limited regulation by the Financial Conduct authority. Details about the extent of the authorisation and regulation by the Financial Conduct Authority are available on request. The SKAGEN AS UK Branch has temporary permission from the UK FCA to carry out its authorised activities under the UCITS Directive.

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Further information about sustainability-related aspects of the Sub-fund, including the sustainability disclosure summary in English, can be found here: <https://www.skagenfunds.com/sustainability/sustainable-investing/>

#### Important Information for German Investors

The Storebrand SICAV has appointed SKAGEN AS Branch Germany to act as Information Agent in Germany. SKAGEN AS's German Office is located in Barckhausstrasse 1, 60325 Frankfurt, Germany. The SKAGEN AS Branch in Germany acts as local market representative.

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 German language is available here: <https://www.skagenfunds.de/contact/investor-rights>

Further information about sustainability-related aspects of the Sub-fund, including the sustainability disclosure summary in German language, can be found here: <https://www.skagenfunds.de/sustainability/sustainable-investing>

#### Important Information for Belgian Investors

The Storebrand SICAV has appointed Caceis Belgium SA/NV to act as the Financial Service Provider for the SICAV. Caceis Belgium SA/NV's offices are located at: Avenue du port 86C B320, 1000 Brussels Belgium.

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: <https://www.skagenfunds.com/contact/investor-rights>

Further information about sustainability-related aspects of the Sub-fund, including the sustainability disclosure summary in English language, can be found here: <https://www.skagenfunds.com/sustainability/sustainable-investing>

#### Important Information for French Investors

The Storebrand SICAV has appointed CACEIS Bank as the Centralizing Correspondent for the SICAV. CACEIS Bank's offices are located at 1-3 Place Valhubert, F-75013 PARIS, France.

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: <https://www.skagenfunds.fr/contact/investor-rights>

Further information about sustainability-related aspects of the Sub-fund, including the sustainability disclosure summary in French language, can be found here: <https://www.skagenfunds.fr/sustainability/sustainable-investing>

#### Important Information for Austrian Investors

The Storebrand SICAV has appointed Raiffeisen Bank International AG to act as Local Paying, Information and Contact Agent for the SICAV. Raiffeisen Bank International AG's offices are located at Am Stadtpark 9, 1030 Vienna, Austria.

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 German language is available here: <https://www.skagenfunds.at/contact/investor-rights>

Further information about sustainability-related aspects of the Sub-fund, including the sustainability disclosure summary in German language, can be found here: <https://www.skagenfunds.at/sustainability/sustainable-investing>