SKAGEN Focus
Status Report October 2015

The art of common sense

SKAGEN

Summary – October 2015

- The fund is a highly concentrated equity fund with a broad all-global mandate. The overall objective is to invest in a few select investments with an exceptional risk/reward profile from an absolute return perspective.

- The target number of positions is 30 - 35 and top ten positions should equal 40 - 50% of the portfolio. At the end of the month, the fund holds 31 positions, and top ten positions constitute 48%.

- October was a strong month for the fund and the NAV rose by 9.8% in EUR. Since inception on 26 May 2015, the fund has posted a return of -13.4%.

- Flash memory producer SanDisk, a roughly 3% position in the fund, was acquired in the month by US based Western Digital for a 44% premium (see more in comments).

- SanDisk, AIG and First Quantum were the strongest contributors to the fund's performance in the month measured as absolute contribution in NOK. Ubiquiti Networks, SK Hynix and MagForce were the main detractors.

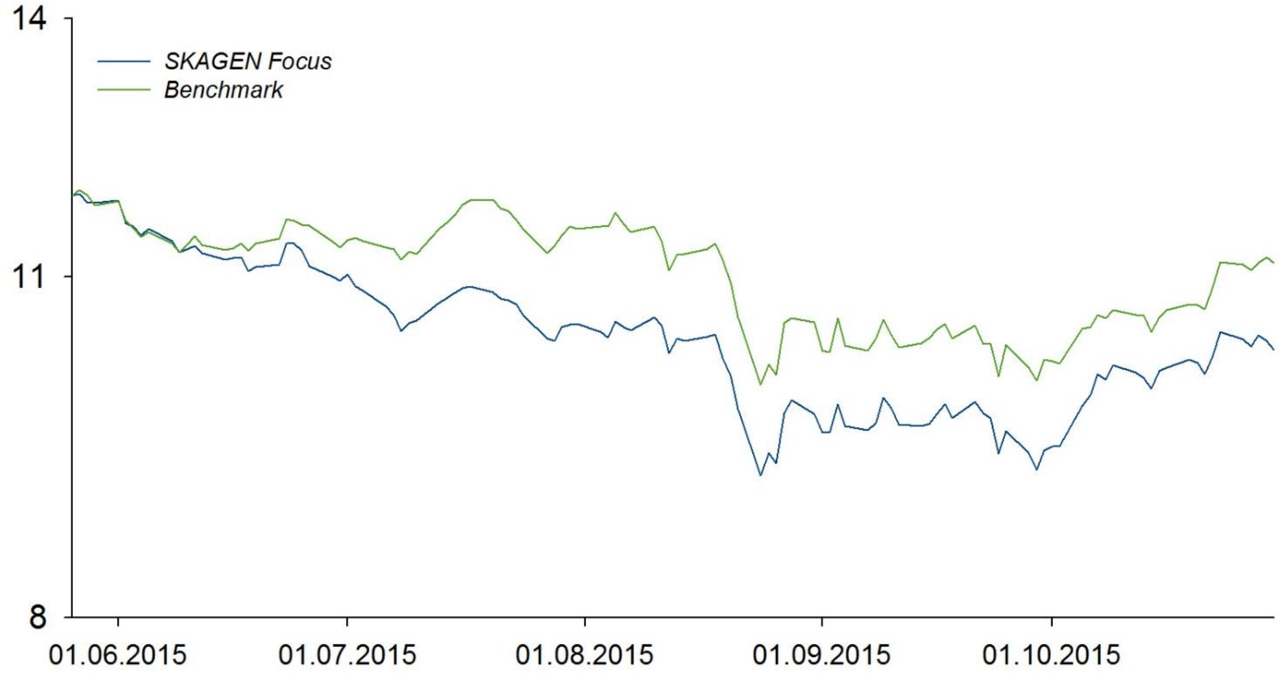
- Weakness in the commodity-related space, fuelled by Glencore's issues, allowed us to establish a position in Canada-based copper miner, First Quantum. We also started a position in Schaeffler AG, a German auto-parts supplier, which with unfortunate timing had to reduce the size and price for its IPO due to Volkswagen worries.

- The fund has a broad mandate to invest in all geographies and sectors. The fund is also market capitalisation-agnostic, and currently small-cap** positions constitute 30% of the fund, while mid-cap and large-cap positions account for 32% and 38%, respectively, of the invested portfolio. These figures may vary meaningfully over time.

** Unless otherwise stated, all performance data in this report relates to class A units and is net of fees.*
*** Small-cap defined as market cap below USD 2bn, Large-cap more than USD 10bn.*

SKAGEN Focus A results, October 2015

EUR, net of fees

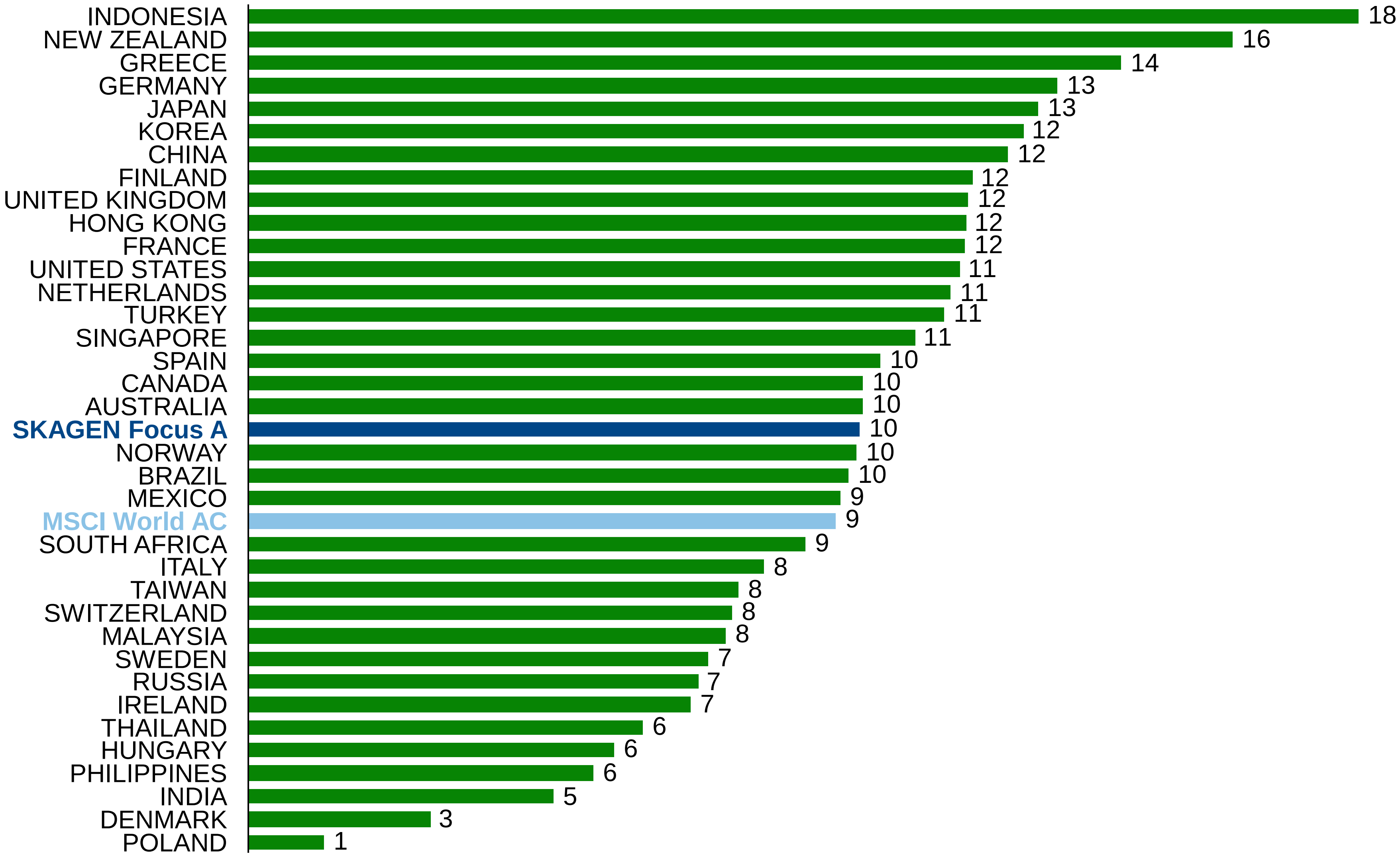


	October	Since inception*
SKAGEN Focus A	9,8%	-13,4%
MSCI AC World Index	9,4%	-6,1%
Excess return	0,4%	-7,4%

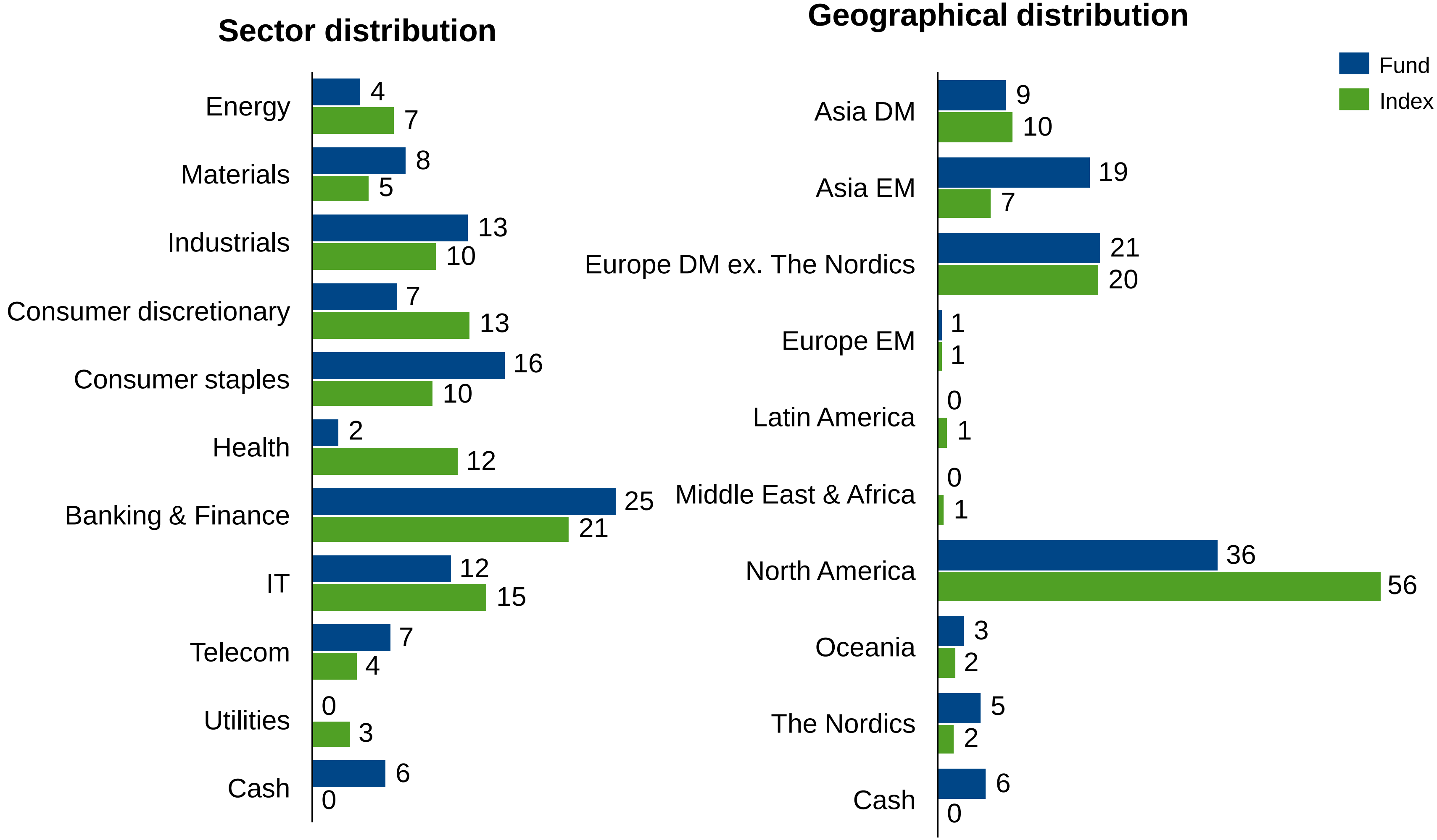
Note: All returns beyond 12 months are annualised (geometric return)
** Inception date: 26. May 2015*

SKAGEN

Markets in October in EUR (%)



Sector and geographical distribution vs index (Oct. 2015)



SKAGEN

Main contributors MTD 2015

Largest positive contributors

Company	NOK (000)
Sandisk Corp	8 323
American International Group I	6 697
First Quantum Minerals Ltd	5 086
Jenoptik AG	4 813
Pan American Silver Corp	4 409

Largest negative contributors

Company	NOK (000)
Ubiquiti Networks Inc	-3 650
SK Hynix Inc	-2 102
Magforce AG	-147
Hyundai Motor Co GDR	-6

Value Creation MTD (NOK MM): -15

NB: Contribution to absolute return

Main contributors QTD 2015

Largest positive contributors

Company	NOK (000)
Sandisk Corp	8 323
American International Group I	6 697
First Quantum Minerals Ltd	5 086
Jenoptik AG	4 813
Pan American Silver Corp	4 409

Largest negative contributors

Company	NOK (000)
Ubiquiti Networks Inc	-3 650
SK Hynix Inc	-2 102
Magforce AG	-147
Hyundai Motor Co GDR	-6

Value Creation QTD (NOK MM): -55

NB: Contribution to absolute return

Main contributors YTD 2015

Largest positive contributors

Company	NOK (000)
Omega Protein Corp	14 102
Jenoptik AG	11 882
American International Group I	9 548
First Quantum Minerals Ltd	5 086
Sandisk Corp	5 014

Largest negative contributors

Company	NOK (000)
SK Hynix Inc	-15 235
South32 Ltd	-13 947
Whiting Petroleum Corp	-9 909
Rentech Inc	-8 787
AirAsia BHD	-8 032

Value Creation YTD (NOK MM): -32

NB: Contribution to absolute return

Most important changes Q4 2015

Holdings increased

Q4

Schaeffler AG	(New)
First Quantum Minerals Ltd	(New)
Infineon Technologies AG	
Rentech Inc	
Fila Korea Ltd	
Fourlis Holdings SA	

Holdings reduced

Q4

Komatsu Ltd
First Quantum Minerals Ltd
Sandisk Corp
Softbank Group Corp
Hyundai Motor Co

Holdings increased and decreased during October 2015

Key buys in October

- **Schaeffler AG (new)**: This German industrial company produces engine and transmissions solutions as well as rolling bearings for auto OEMs. The company launched its IPO just one day after the VW scandal hit, and had to reduce both the size and price in the transaction. For more information see the fact sheet later in the report.

- **First Quantum (new):** The company is a Canada-based copper miner. We believe the issues surrounding Glencore have created some very attractive entry points in commodities in genera.. However, this was particularly true in the case of First Quantum. For more information see the fact sheet later in the report.

Key sells in October

- **SanDisk:** The company was acquired by Western Digital for a 44% premium in the month, and its weight was scaled down to reflect the gap between market price and bid price.

- **Komatsu**: The company's recovery now seems to be delayed until 2017 which reduces the near-term risk/reward potential.

Top 10 positions in SKAGEN Focus

	Price	P/E 2015e	P/E 2016e	P/BV last	Price target	Upside to target %	Holding size, %
American International Group Inc	63,06	13,0	11,5	0,8	90	43%	7,9%
Omega Protein Corp	18,20	14,1	11,5	1,4	20	10%	5,9%
Carlsberg AS-B	556,00	15,9	12,7	1,6	822	48%	5,4%
Jenoptik AG	14,69	17,7	16,3	2,1	20	36%	4,7%
SBI Holdings Inc	1 381,00	10,8	9,5	0,8	3 000	117%	4,4%
Citizens Financial Group Inc	24,30	15,4	12,8	0,7	35	44%	4,4%
SK Hynix Inc	30 700,00	5,1	6,1	1,1	65 000	112%	4,3%
China Telecom Corp Ltd	4,07	17,0	15,6	1,1	8	97%	4,0%
South32 Ltd	1,47	22,5	14,5	0,7	3	105%	3,4%
Hyundai Motor Co Pref	114 000,00	4,2	4,2	0,4	200 000	75%	3,4%
Top 10 positions		**11,0**	**10,1**	**0,9**			**47,9%**
Total Equity (29 positions)							**93,9 %**
Cash							**6,1 %**
Total Portfolio							**100,0%**

Key earnings releases and corporate news, October 2015

Citizens Financial

(4.4%)

Investment case update: The company is the 13th largest regional bank in the US. After suffering from a long period of mismanagement within Royal Bank of Scotland (still owns 21% of CFG), the company is producing returns that are roughly half the level of relevant US regional bank competitors; capital levels are also meaningfully higher than its peers. CFG reported net income of USD 220m which should be compared to earnings of USD 189m last year with a healthy 8% loan growth. Return on equity increased from 5.8% last year to 6.6% in the third quarter. The efficiency ratio fell to 66% from 68% and credit metrics were largely stable. Tier one ratio was at 11.8% at the end of the quarter. The company remains on track to achieve its USD 200m savings target by end 2016. Overall we think these results confirm that the company is executing well and is on track to improve returns to at least peer group levels in the mid-term. The stock is trading below book value and the balance sheet is still overcapitalised. Assuming the company manages to close the profitability gap to its peer group to returns around 10%, the upside in the equity is around 1.0x book value or about USD 35 per share. This would equal 13x EPS of USD 2.60 in 2017-2018.

Summary: The company reported third quarter earnings of USD 220m (189m last year) or 0.4/share (0.34/share last year). No restructuring charges or special items were recorded. Total revenue of USD 1.2bn increased 4% from the prior year, with growth in both net interest income and fee income.

China Telecom

(4.3%)

Investment case update: China Telecom (CT) is one of China's three largest telephone communication providers, and in addition owns the largest broadband network in the world. Earnings reported came in line with expectations. The period reporting highlighted not only fundamentals, but the structure of the recently announced pooling of mobile towers with the other major operators – TowerCo.

In a substantial transaction, the Chinese carriers injected USD 36bn of network assets such as base stations into a new company (China Tower Co). The company is controlled by the nation carriers with China Mobile as the largest owner with 38% and Unicom and China Telecom with 28% each. An injection from Beijing-based China Reform will also help the new company to build a network of electric-car charging stations. For China Telecom, the asset disposal gain will affect 2015 earnings by approximately 15%. However, uncertainty still looms over key areas like billable tenancies to each operator, lease fees charged, operating expenses and maintenance cap-ex savings by operators, which would be transferred to the tower company. China Tower Co will be separately listed at a later stage.

Summary: Q315 topline in line with consensus, bottom line beat consensus by 15.3%. CT will lower 4G Capex budget and spend more on fixed line capex, keeping full year guidance unchanged. Expected negative EBITDA impact as a result of increase in rental expense for the towers reported (one-off). Due to lower depreciation and amortisation, as well as share of earnings from TowerCo as 27.9% shareholder, we expect major cost savings and earnings enhancement on an ongoing basis.

Key earnings releases and corporate news, October 2015 (cont.)

Whiting Petroleum (1.5%)

Investment case update: Whiting Petroleum is an independent E&P company primarily focused on on-shore oil properties in the US. The company raised capital in early 2015 after the poorly timed acquisition of Kodiak Oil and Gas in late 2014, funded mostly with debt. The company is working hard to adapt to the realities of a lower oil price. The Q3 operating results disclosed a marginal loss but importantly non-core asset sales and efforts to de-lever the balance sheet continue at a brisk pace. The company has completed USD 400m of non-core assets this year to reduce its USD 5bn debt pile. We still expect more asset sales (up to USD 1bn this year), and the company should be able to fund its 2016 capital plan with minimal borrowings on its revolver which lenders recently confirmed at USD 3.5bn. At the same time production costs are falling rapidly (down over 50% YoY). Capital spending was down 46% from last quarter and sharply lower from last year. Guidance for full-year production was somewhat trimmed, although not adjusted for the asset sales.

Summary: On an adjusted basis the company reported a USD 35m loss in the quarter, but headline numbers were dragged down by non-cash write offs of USD 1.7bn, related to oil and gas properties and the Kodiak purchase in 2014. The production in the quarter totalled 14.8 MMBOE, 89% crude oil/natural gas liquids, which was a 38% increase on last year.

SBI Holdings (4.4%)

Investment case update: The Japanese financial conglomerate SBI Holdings has three main businesses: Financial Services; Asset Management and Biotech. In the second quarter, profits fell to JPY 5bn (-66% QoQ) after the company suffered from negative changes in fair value and profit/loss on sales of investment securities. Retail investment activity also slowed late in the quarter. Excluding these fair value changes overall profit fell approximately 15% over the last quarter. In Financial Services profits fell by 15% while core SBI Securities was more or less flat from last year while the insurance operation posted weak results with large accidents in the quarter. The negative changes in fair value of JPY 4.8bn dragged the results down in Asset Management. The bio-related business showed some improvement from last quarter, posting a small profit. Although displaying a short-term volatile earnings picture, we believe the shares are undervalued compared to the underlying earnings power and potentially hidden values in the biotech segment. A future separate listing of its bio-tech unit would be a positive catalyst for the shares.

Summary: The company announced Q216 results with pre-tax profits falling by 66% from last quarter to JPY 5bn. The results are impacted by changes in fair value estimates in investment securities in its asset management business.

Key earnings releases and corporate news, October 2015 (cont.)

South32 (3.4%)

Investment case update: South32 reported quarterly production, with overall production levels above expectations, particularly in alumina, coal, manganese and at the Cannington mine. Aluminium (37% of EBITDA) production was up 10% year on year, primarily on the back of stronger production and manganese (14% of EBITDA) increased to a production record of 1.28mt, which is an increase of 8% year on year. The company remains on track to achieve guidance with the exception of South Africa Manganese which is currently under review. With net debt reduced by USD 206m (despite the weaker commodity prices), and expectations of a 25% reduction in group and unallocated costs this year, the company looks to be delivering strongly.

Summary: South32 released its Q1 FY16 production. Overall, production results were solid, particularly in alumina, coal, manganese and at the Cannington mine. The company maintained production guidance and plans to further reduce debt.

First Quantum (1.5%)

Investment case update: First Quantum is a Canada-based mining and metals company. It has seven mines across the world. It produces copper (70%), nickel (20%), gold, zinc and platinum. It mainly operates mines in Zambia, Spain, Finland, Australia and Turkey. Major development projects are Enterprise (Zambia), Cobre Panama (Panama), Haquira (Peru) and Taca Taca (Argentina). The company provided updates on the Cobre Panama project and Sentinel but also updated guidance on production costs and overall production. For Cobre Panama, the project is 35% complete and capital costs are estimated to be 7% lower than earlier projected, mainly due to lower costs for equipment and raw materials. For Sentinel and Kansanshi, the Zambian power situation is stabilising and the mines are now being fully provided, after earlier disruptions. Overall C1 cost estimate is lowered to 1.20-1.35 (-8% from earlier guidance). The company gave a commitment to reduce net debt by over USD 1bn through a combination of asset sales and strategic initiatives by end of 2016. Copper production is now expected to be 385k - 410k for 2015, somewhat lower than earlier guidance. Overall we think the copper production has the potential to almost double by 2018 with current projects. The market has focused on the large debt position (net debt/ebitda 4x), and the announced intentions are steps in the right direction. We think there are plenty of opportunities to execute on asset sales, for instance the power plant in Panama (estimated value of USD 1bn).

SK Hynix (4.3%)

Investment case update: SK Hynix is one of the four largest producers of DRAM memory after years of consolidation in the industry, and a smaller producer of NAND. The company reported quarterly numbers in-line with expectations of sales of KRW 4.93trn (+6% QoQ) and operating profit of KRW 1.38trn (+1% QoQ), with tailwind from weaker Korean won. The company should become net cash positive in the current quarter and is still highly profitable with 22% ROE, although returns might fall to mid-teens into 2016. Hynix continues to buy back shares, enjoys a solid balance sheet and generates plenty of cash. The company trades at an astronomically high 2.1x EV/EBITDA.

Summary: The company reported quarterly numbers in line with expectations of sales of KRW 4.93trn (+6% QoQ) and operating profit of KRW 1.38trn (+1% QoQ), with tailwind from weaker Korean won. Bit/Shipment growth was + 11%, while ASP for DRAM was -11%, primarily due to falling PC shipments which were now only 20% of shipments. OPM fell 200 bps to 28%, both QoQ and YoY, and exactly the same for EBITDA margin.

Key earnings releases and corporate news, October 2015 (cont.)

SanDisk (3.0%)

Investment case update: SanDisk is one of the largest producers of flash memory in the world, behind Samsung. With recent backing from Chinese tech group Unisplendour, Western Digital announced an agreement to acquire SanDisk for USD 19bn. The payout equals USD 86.50/share. The premium from when the deal was leaked was about 44%. The composition of the bid is subject to certain conditions, but is primarily cash composition. We invested in SanDisk in the summer at a time when management execution mistakes and a cyclical downturn produced a major correction in the share price, yielding a share price substantially below technology and installed capacity value. The M&A activity in the semi-conductor space has been elevated as of late, with companies facing an environment with higher development costs for more advanced products and a more concentrated client base.

CIT Group (3.0%)

Investment case update: CIT Group is a specialty finance company with businesses within middle market lending, factoring, retail finance, aerospace, equipment and rail leasing. The company published its pro-forma CIT/One West financials and also announced the departure of its CEO, John Thain, who will remain chairman. Importantly, the company also announced that it would explore strategic alternatives for a large part of its assets, for instance a sale or spin-off of its air-leasing business and its Canadian and Chinese operations. The shares responded positively, rising 15% on the day. The changes are not surprising considering the company has been earning poor returns of about 5% since emerging from bankruptcy, and investors have grown increasingly impatient. We think a spin-off of the air-leasing business is the most likely outcome. We see the equity as undervalued, with a sum-of the parts value of USD 65.

Komatsu (1.6%)

Investment case update: Japanese construction and mining equipment producer Komatsu reported weak numbers with revenues down 5% and operating profit down 20% from a year ago. Negative numbers were generally expected after competitors like Caterpillar, Hitachi Construction and Joy Global disclosed weak operating trends. However, full year guidance was maintained, which stands in contrast to its peer group, explained by more aggressive cost cuts and help from the weak yen. In North America, there was a strong positive development with a 28% surge in sales, while sales in Latin America (-16%) and China (-44%) were significantly weaker. Japanese sales were relatively stable from last year. We think the current very conservative guidance for mining equipment units could be met or even be exceeded with replacement demand. Also, parts sales are overall showing a high degree of resilience. Any further signs of stabilisation in the mining segment would be a positive catalyst for the stock.

Summary: In 1H16 overall revenues fell to JPY 892bn from JPY 942bn a year earlier. Operating profit fell to JPY 99bn from JPY 125bn, a decline of 20%. Full year guidance was maintained at JPY 1880bn in sales and JPY 221bn in operating profit.

Schaeffler (SHA GY) EUR 12.5

ESG Approved

SCHAEFFLER

History, what they do and how case was found

- Schaeffler AG is an integrated automotive and industrial supplier with more than EUR 12bn in sales and 84k employees. Founded and mainly owned by the Schaeffler family (which also holds a majority stake in Continental, CON GY). Two main operating segments:

- *Automotive (*75% of sales*)* - Production of components such as engine systems, transmission systems and chassis. Broad client list of OEMs, which currently stands for around 60% of segment revenues, the rest is aftermarket sales.

- *Industrial* (25% of sales*)* – Production of rolling bearings and power transmission solutions . Company recently launched a cost-cutting program to increase margins in this segment .

- The company was listed on the market on 9 October after cutting the IPO size by 50% due to the VW turmoil .

Key figures (EUR):

Market cap	8.7bn
EV/EBITDA 2015	5.9x
EV/EBITDA 2016E	5.3X
Net debt/EBITDA	2.2x
Free float	11%

Rationale for investment

- After the reduced IPO size and subsequent launch at price (EUR 12.50), the stock is trading at a more than 30% discount to peers.

- Exaggerated negative impact related to VW emission scandal; the company could in the longer term even benefit from a shift from diesel to other engine types.

- Proven history of high and stable margins over the cycle. Competitive advantage is technology know-how and ability to remain strong in margins through integrated modules.

-The turnaround initiative within the industrial segment will support margin expansions going forward.

Potential triggers

- Increase of free float from current 11% by further share sales, another 75m shares are expected after minimum 6 months; possible index inclusions to follow.

- Newly listed company with lower free float, and as such partly undiscovered by investors; launch of analyst coverage will follow.

- The “Volkswagen discount” to fade as the company manages to deliver on its targets.

- Increased margin delivery in its industrial segment through cost-cutting program.

Risks

- Short term share overhang – the initial IPO amount was reduced by 50% because of low interest and unfortunate timing in the light of the VW scandal.

- Exposure to Volkswagen/German automakers.

- Slowing global automobile sales including China/Asia (25% of revenues).

Target price

Our target price is set at EUR 19 which is in line with other high quality automotive/industrial peers on an EV/EBITDA basis.

Team Focus, October2015

www.schaeffler.com

3U addition to fact sheet

Unpopular

- The company cut its IPO size by 50% after the VW emission scandal. Also worries related to Chinese auto-sales are pressuring the sector.

Under-researched

- Currently very few analysts are covering the stock. Undoubtedly, many will launch coverage over the coming months.

Under-valued

- The stock is trading at an EV/EBITDA multiple of about 5x which is a discount of 30% or more to many automotive/industrial peers.

First Quantum Minerals CAD 5

ESG Approved

FIRST QUANTUM MINERALS LTD.

History, what they do and how case was found

- First Quantum is a Canada-based mining and metals company. It has seven mines across the world. It produces copper (70%), nickel (20%), gold, zinc and platinum. It operates mainly mines in Zambia, Spain, Finland, Australia and Turkey.
- In 2014, First Quantum produced 420k tonnes of copper, 46k tonnes of nickel, 230k ounces of gold, 56k tonnes of zinc and 60k ounces of platinum.
- Major development projects – Enterprise (Zambia), Cobre Panama (Panama), Haquira (Peru) and Taca Taca (Argentina).
- Company is top 5 copper producer in the world.

Rationale for investment

- Unique growth potential – company's copper production expected to almost double by 2018 with current projects
- Significant free cash flow potential starting in 2017; larger projects have been finalised; USD 1.0bn or more in 2017/2018 according to company (at inception price market cap USD 2.5bn) but obviously assumes a recovery in copper prices.
- Low cost producer – cash costs lowered to between USD 1.25-1.40 in Q2 from 1.77 in Q1 (-25%), sees lower costs ahead and has been helped by currency and energy costs overall; company has reduced work force and lowered salaries.

Potential triggers

- De-levering transactions –stretched balance sheet at net debt/EBITDA at 4x; but major opportunities to de-lever through asset sales; for instance the Panama-based power plant which is finalised in 2015 (approx. USD 1bn). Long term target is 2x net debt/EBITDA.
- Positive outlook for copper prices; primarily supply side driven. Major supply cuts coming through as evidenced by Glencore's recent adjustments; copper has rarely traded at marginal cash costs. No new projects are being approved with prevailing copper prices.

Risks

- Balance sheet leverage and ability to meet debt covenants
- Further fall in copper prices
- Political risk - half of current revenue and reserves come from Zambia which has experienced political instability in the past few years.

Target price

On mid-term earnings power, the stock trades at 3.5x EV/EBITDA multiples. Our target price of CAD 12/share assumes partly successful de-levering and marginally higher copper prices, at EV/EBITDA 6x.

Key figures (CAD):

Market cap	3.6bn
P/E 2015	30.0x
P/E 2016	10.5X
ROE 2015	4.3%
EV/EBITDA 2016E	6.5x
Dividend yield	1.3%
P/B	0.3x

Owners

Capital Group 15%, Blackrock 13%, Sailingstone Capital 10%

Team Focus, October 2015
www.first-quantum.com

3U addition to fact sheet

Unpopular

- The entire commodity sector is unpopular currently; with the real or perceived problems in commodity trading giant Glencore. Sentiment has turned even more negative as of late.

Under-researched

- The stock is well-covered by 30 analysts; however main focus on shorter term perspective; the opportunities to de-lever the balance sheet seem underestimated in the analysis.

Under-valued

- At mid-term multiples the stock is trading at about 3.5x EV/EBITDA assuming decent success in de-levering the balance sheet and marginal rise in copper prices; we set a fair price of 6x EV/EBITDA for a target price of CAD 12.

The largest companies in SKAGEN Focus

AIG is an international insurance company serving commercial, institutional and individual customers. The company provides property-casualty insurance, life insurance and retirement services. AIG was at the very centre of the financial crisis as the central bank for mortgage insurance – it was bailed out in a USD 180bn bail out. The company has two core insurance holdings: Sun America and Chartis that it intends to keep. The company has set a target to achieve 10% ROE by 2015.

Omega Protein Corporation is a nutritional ingredient company and the United States that markets fish meal and fish oils from menhaden, an oily, virtually inedible fish found in the Gulf of Mexico and in the Atlantic Ocean. The Company fishes for its own source of raw material and without their own catch. They are the largest U.S. producer of Omega -3 fish oil and specialty fish meal products. These heart-healthy fish oils have experienced rapid growth as a dietary supplement and the fish meal is finding increasing usage nutritional food additives.

Carlsberg A/S is an international brewing company. The company produces branded beers and regional brands. Carlsberg makes most of its beer outside of Denmark and it is sold in markets around the world. The company also markets and produces soft drinks, water and wine.

Jenoptik AG is a Germany-based company engaged in the field of optoelectronics. Its main activities are divided into three segments: the Laser & Optical Systems segment, the Metrology segment, the Defence & Civil Systems segment. The Laser & Optical Systems segment encompasses Laser and Material processing division, which is engaged in semiconductor materials and diode lasers. The Metrology Segment is engaged in manufacturing of high precision contact and non-contact metrology systems; and the Traffic Solutions division comprises products and solutions for road safety. The focus areas of the Defence & Civil Systems are military and civil vehicle, rail and aircraft equipment.

Japanese company established in 1999 as an online financial services company, incubation arm of Softbank. Acquired E*Trade Securities in 2003, Softbank sold out in 2006. Three main businesses: i) Financial services; ii) Asset management, iii) Biotech Financial services: Building ecosystem to offer full range of financial services: SBI Securities: Dominant provider of online securities services in Japan #3 in new tax-saving NISA behind Nomura and Daiwa. SBI Sumishin Net Bank: pure-play internet bank. Also active within insurance (Life & Non-life), Mortgages (through securitization), trading system and FX trading.

The largest companies in SKAGEN Focus (cont.)

The company is one of the oldest financial firms in the US, with headquarters in Providence, Rhode Island, with its roots going back to 1828. It is today the 13th largest retail bank in the US with a footprint in New England, the Mid West and the Mid Atlantic, with over 1200 branches in 11 states. The company was listed in September 2014 after being spun off from the UK-based bank Royal Bank of Scotland (RBS).

SK Hynix Inc. is a Korea-based company engaged in the manufacture of semiconductors. The Company mainly develops and manufactures memory and non-memory semiconductors. Its memory semiconductors include dynamic random access memory (DRAM), multi-chip products (MCPs) and NAND flash memory semiconductors, which are used for cellular phones, PC, digital televisions, digital cameras and other electronic products. The company has the number three market share (in the current oligopoly) in DRAM, behind Samsung and Micron

China Telecom is full services integrated information service operator in China. The Company, along with its subsidiaries, is engaged in the provision of basic communications services, including wireline telecommunications services, mobile telecommunications services, value-added services, such as Internet access services, integrated information services and other related services within the service area of the Company. China Mobile, China Telecom and Unicom are the largest and dominant service providers in the country. China Telecom is the growing 2nd player behind China Mobile, in a maturing industry, yet with massive growth in data downloads.

Australia based South32 is a diversified mining company. The company is active in Alumina, Aluminium, Silver, Coal, Manganese and Nickel. The company was demerged from BHP Billiton in May 2015. The operating assets of the company are located in Australia (Alumina, Silver and Manganese), South Africa (Aluminium, Energy coal, Manganese) and Brazil (Aluminium). The majority of the assets are in the first or second quartile of their respective cost-curves. It is one of the few miner majors that do not have exposure to iron ore.

Hyundai Motor is the world's 5th largest car maker, including their 39% stake in Kia Motor. Sold 8m cars in 2014 and has a ca. 5% global market share. Focus on smaller/less expensive cars. Strong position in several countries and in emerging markets such as India and China.

For more information please visit:

Our latest Market report
Information on SKAGEN Focus A on our web pages

The art of common sense

SKAGEN