



Fund facts

ISIN: NO0010735129

Launch date, share class: 26.05.2015

Launch date, fund: 26.05.2015

Domicile: NO

NAV: 17.64 EUR

AUM: 274 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: 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



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YTD RETURN

10.22 %

30.06.2023

ANNUAL RETURN

6.47 %

Average last 5 years

Monthly report for June as of 30.06.2023. 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 (%)	Key figures	1 year	2 years	3 years
Last month	2.64	3.39	Standard deviation	-	-	16.91
Year to date	10.22	11.46	Standard deviation index	-	-	14.09
Last 12 months	11.45	11.66	Tracking error	-	-	9.99
Last 3 years	17.48	12.32	Information ratio	-	-	0.52
Last 5 years	6.47	9.46	Active share: 100 %			
Last 10 years	-	-				
Since inception	5.02	7.65				

Returns over 12 months are annualised.

Select few companies push global equity markets higher

The fund lagged the market-cap weighted world benchmark in the quarter. The recent upturn in global equity markets has mainly been driven by a select few large cap technology companies. We have seen a remarkable development in equity valuations in specific technology segments as the market currently ascribes a vast premium to companies that are active or perceived as being active in the AI segment. This development has quickly spread to other related companies and the price discovery mechanism is almost eliminated in times like these. Similar computer-driven strategies and passive index investing give equity valuations very little consideration and are highly "anti-value" in nature.

We believe these recent headwinds for both value and small/mid-cap stocks create an interesting investment opportunity in the mid-term perspective. The narrow focus of interest leaves a large part of the global equity market ignored, which creates interesting opportunities for contrarian and price-driven investors. The main concern is still that central banks will trigger a major recession, which is more than priced in in many areas of the market, offering us structurally well positioned companies at a substantial discount, compared to their normalised earnings power.

Our strongest contributor to performance during the quarter was Japanese conglomerate Panasonic. The shares have seen a sharp re-rating in the past few months following a strong earnings report and increased guidance in IRA related revenues in the US. The restructuring of the conglomerate is now starting to produce tangible results for shareholders. Our positions in Japanese IT-conglomerate Kyocera and mining machinery producer Komatsu also performed well. Another strong performer was Brazilian sugar and ethanol producer Sao Martinho which has benefitted from the recent steep rise of sugar prices driven by much improved demand and supply effects in combination with the operating leverage from sugarcane yield recovery. Our South Korean discount retailer E-mart fell back on short-term worries

regarding the weak performance of its hypermarkets. The market seems to be ignoring the substantial asset-backed discount offered in the current valuation as they hold substantial real estate and a stake in Samsung Life. Shares of our methanol producer Methanex traded lower on the back of falling spot prices, reflecting various negative forces including a weaker than expected Chinese economy. We believe that the market underestimates the company's mid-term free cash flow potential, compelling growth outlook and capital allocation strategy. Another detractor to performance was our below-the-radar gold producer Fortuna Silver Mines. Shares fell in-line with industry peers reflecting lower gold and silver prices. We remain focused on the self-funded ramp up of its world-class high-grade asset Seguela, which recently started production and may substantially contribute to cash flow generation going forward.

An important part of our investment process involves being disciplined enough to sell positions that are approaching fair value, as well as maintaining an attractive upside towards our weighted target prices (currently >60%). We closed our position in Kimberly Clark de Mexico as we believe the shares now reflect their normalised earnings potential. We also closed our position in South Korean P&C insurer DB Insurance following a recent rerating towards its target price. The company has managed to improve its underwriting profit in recent years, driven by rising premiums. Our third exit at target price was turbocharger producer Accelleron, which spun off from ABB last year as a new and unknown entity for the market, which enabled us to exploit this market inefficiency. During the quarter we also trimmed and closed several positions approaching price targets, including mining and construction equipment maker Komatsu and sugar and ethanol producer Sao Martinho.

We continued to increase our positions in Japan Post Holdings and STMicroelectronics. We initiated a position in Korean conglomerate LG Household & Healthcare, through its preference share, which trades at a significant discount to fair value while being a substantial beneficiary of the Chinese reopening and normalisation of travel. We also initiated a position in the French mining and metals group Eramet, which operates globally and offers exposure to some of the world's largest manganese and nickel mines. The company has gone through a transformation in recent years which has led to an underappreciated, more focused business which we think is set to see strong improvement in profitability with significant growth optionality. At the end of the quarter, the fund consists of 49 positions trading at a weighted aggregated portfolio upside of 60 percent to our price targets. We believe the current narrow market upturn leaves a large part of the equity market ignored and mis-priced, which creates interesting and lucrative opportunities for us as contrarian and value-focused investors.

Contribution last month

 Largest contributors	Weight (%)	Contribution (%)	 Largest detractors	Weight (%)	Contribution (%)
Canfor Corp	2.25	0.47	Endeavour Mining PLC	4.88	-0.67
Interfor Corp	2.04	0.45	Kyocera Corp	3.42	-0.31
Panasonic Holdings Corp	3.39	0.39	Persimmon PLC	1.59	-0.27
Komatsu Ltd	2.68	0.28	CompuGroup Medical SE & Co KgaA	1.86	-0.24
Vitesco Technologies Group AG	1.48	0.27	LG H&H Co Ltd	1.00	-0.21

Absolute contribution based on NOK returns at fund level.

Portfolio information

Top 10 investments	Share (%)	Country exposure	Share (%)	Sector exposure	Share (%)
Endeavour Mining PLC	4.0	Japan	17.4	Materials	29.6
Kyocera Corp	4.0	South Korea	15.3	Industrials	19.6
Hyundai Mobis Co Ltd	3.6	Canada	14.5	Financials	16.3
Methanex Corp	3.6	Germany	9.5	Consumer discretionary	10.3
Japan Post Holdings Co Ltd	3.5	United States	7.1	Consumer Staples	9.6
Panasonic Holdings Corp	3.4	France	5.2	Information technology	9.3
Albertsons Cos Inc	3.3	China	5.1	Communication Services	2.2
China Communications Services Corp Ltd	2.9	Spain	5.0	Health care	1.6
Danaos Corp	2.8	Burkina Faso	4.0	Cash, not invested	1.3
Fortuna Silver Mines Inc	2.8	Greece	2.8		
Total share	33.7 %	Total share	85.8 %	Total share	100.0 %

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 SKAGEN 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.

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. SKAGEN AS has its registered office at Skagen 3, Torgterrassen, 4006 Stavanger, Norway. 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 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 <https://www.skagenfunds.com/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.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.

SKAGEN 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: <https://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 <https://www.skagenfunds.com/funds>

Important information for UK Investors

SKAGEN AS UK Branch is located at 15 Stratton Street, London, W1J 8LQ. The SKAGEN AS UK Branch is authorised by Finanstilsynet and subject to the Financial Conduct Authority's Temporary Permission regulation. 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. For more information, please contact SKAGEN's team based in the UK office:

<https://www.skagenfunds.co.uk/contact-us-uk/>

Important Information for Luxembourg Investors

SKAGEN AS has appointed Svenska Handelsbanken as Paying Agent.

Svenska Handelsbanken AB (publ), Luxembourg Branch, 15, Rue Bender, L-1229 Luxembourg. For more information, please contact SKAGEN's Stavanger based International team: international@skagenfunds.com

Important Information for Irish Investors

In Ireland, SKAGEN AS has appointed Caceis Ireland Limited, One Custom House Plaza, International Financial Services Centre, Dublin, to act as Paying Agent for Ireland. For more information, please contact SKAGEN's Stavanger based International team: international@skagenfunds.com

Important Information for Dutch Investors

For more information, please contact SKAGEN's Stavanger based international team: international@skagenfunds.com

Important Information for Icelandic Investors

For more information, please contact SKAGEN's Stavanger based international team: international@skagenfunds.com