

VIKTIG INFORMASJON: Dette er markedsføring. Rapporten er ikke en anbefaling om å kjøpe eller selge fondsandeler. Før tegning oppfordres det til å lese fondets prospekt og nøkkelinformasjon, som er tilgjengelig på www.skagenfondene.no og hos våre distributører.

Strong end to the year

The fund generated a strong return in the last quarter of the year, both on a relative and absolute basis. The fund ended the fourth quarter meaningfully ahead of the underlying global equity markets and was also ahead of the benchmark for the full year. The financial market continued to focus on US inflation statistics and the Federal Reserve's interest rate hikes in the quarter. Inflation in the US appears to be peaking, which resulted in a markedly lower US dollar in the last few months of the year. Higher multiple stocks, across all sectors, continued to struggle but we observed a strong recovery in beaten down European industrials stocks, as the overall energy situation improved somewhat, and valuations had reached absurdly low levels during the summer and early autumn.

Japanese financials and European industrials drove returns

A major positive performance driver in the quarter was the re-rating of our small and mid-cap Japanese financial positions. Quite surprisingly, at the year end, the central bank of Japan announced an adjustment to the yield curve control mechanism and allowed the 10-year rate to increase. This will potentially allow banks to earn a higher net interest income which has been decreasing steadily over the last few decades. We therefore observed a strong performance in all our positions in this much ignored part of the market during the quarter, including the regional banks Keiyo Bank, Shiga Bank and Resona Holdings.

Another positive return driver came from our highly discounted European industrial positions. Steel dust waste recycler Befesa was strong as the company confirmed guidance. Atalaya Mining, the Spanish copper miner, re-rated strongly in the quarter from the low levels seen during the summer and early autumn. Copper prices increased meaningfully in the same period. Our Slovenian bank NLB Group was also one of the strongest performers and continued to deliver on the capital allocation catalyst in the period and into 2023.

Kyocera, the Japanese IT-conglomerate, was weaker in the quarter as

earnings disappointed. The company has supply chain constraints and higher input costs. However, we believe the peak in these pressures is now behind us and the valuation continues to look very attractive, especially when adjusting for the company's holding in KDDI, and about 3x cash earnings power.

Portfolio activity

We sold out of our position in Japanese regional bank Resona Holdings as the stock hit our price target. To replace it, we have established a position in Japan Post Holdings, which we think looks very attractive from a mid-term perspective. In addition to operating the country's postal network, the company also holds significant interests in Japan Post Bank and Japan Post Insurance, as well as non-core stakes in US insurance company Aflac. Most assets are listed, and there seems to be a considerable discount in the holding company valuation versus the listed asset base. There is also a major re-rating potential in the bank and insurance operation. Ultimately, the target for Japan Post Holding is to sell out of these businesses, and possibly return capital to shareholders.

We added a position in Swiss-based turbocharger producer Accelleron in the quarter. The company was spun off from ABB and traded down meaningfully until it reached our inception price point. This was due to both technical selling pressure from index investors and a fundamental misunderstanding of their business potential. Turbocharging was invented more than a century ago with the sole purpose of improving efficiency, and thus reducing the environmental impact given reduced fuel usage and less emissions. The company has a strong market position and is efficiently converting revenues into free cash flow, and returning these to shareholders. We believe the markets' concerns about the company's product relevance are overdone, as they will probably lead industrial development for applications for new fuel technologies going forward.



Foto: Shutterstock

We revisited our holding in German-based potash producer K+S at the end of the fourth quarter, following another unwarranted setback in its share price. We exited our position in Q1 at around EUR 35 and were able to once again invest in the company at a highly attractive level, with a 50 percent upside over a 2-3 year investment horizon. We believe the stock is discounting a collapse in potash prices which looks unlikely in light of the continued conflict in Ukraine with limited new supply coming into markets and seasonality-based demand increasing.



Foto: Shutterstock

Looking ahead to 2023

In 2023, we are entering a world with normalised interest rates and financial markets are gradually adjusting to this new reality. The financial markets will probably continue to reward discounted near-term earnings yields and tangible asset bases, which will bode well for common sense value investing. At the end of 2022, we held 49 positions with a substantial upside to our price targets, and as equity markets continue to de-rate the higher multiple areas of the equity markets, we will probably be able to find value in a broader spectrum than in previous years.

SKAGEN Focus er et aksjefond hvor forvalterne kun investerer i sine aller beste ideer. Målet er å skape langsiktig avkastning ved å investere i en portefølje med vekt på små og mellomstore selskaper. Det tegnes i fondsandeler, og ikke direkte i aksjer eller andre verdipapirer. Fondet har risikoprofil 6. Referanseindeksen reflekterer fondets investeringsmandat. Siden fondet er aktivt forvaltet vil imidlertid porteføljen avvike fra indeksens sammensetning.

Historisk avkastning

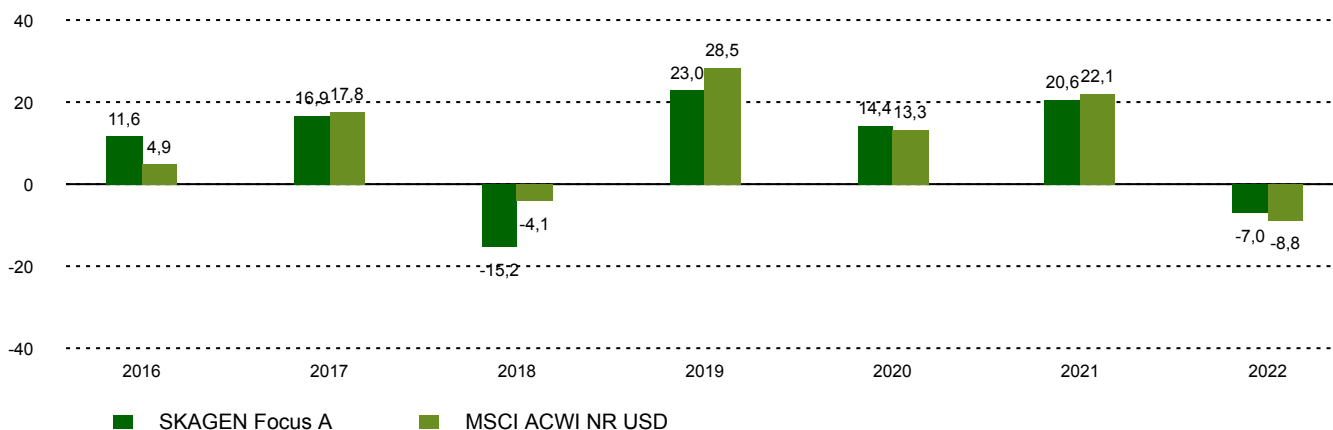
Periode	SKAGEN Focus A	Referanseindeks
Siste måned	-0,6%	-5,1%
Hittil i kvartal	6,7%	-0,8%
Hittil i år	-7,0%	-8,8%
Siste 12 måneder	-7,0%	-8,8%
Siste 3 år	8,7%	8,0%
Siste 5 år	6,0%	9,2%
Siste 10 år	n/a	n/a
Siden start	7,1%	9,8%

Fondsfakta

Type	Aksjefond
Domisil	Norge
Start dato	26.05.2015
Morningstarkategori	Global, Fleksibel kapitalisering
ISIN	NO0010735129
NAV	168,28 NOK
Årlig forvaltningshonorar	1.60% + resultatavhengig forvaltningsgodtgjørelse*
Totalkostnad (2021)	1.40%
Referanseindeks	MSCI ACWI NR USD
Forvaltningskapital (mill.)	2342,94 NOK
Antall poster	50
Porteføljeforvalter	Jonas Edholm

*10,00% resultatavhengig forvaltningsgodtgjørelse beregnes daglig og belastes årlig hvis relativ verdiutvikling er bedre enn referanseindeksen. Samlet forvaltningsgodtgjørelse maks 3,20 % p.a. og min. 0,80 % p.a. Resultatavhengig forvaltningsgodtgjørelse kan belastes selv om fondets andeler har gått ned i verdi dersom verdiutviklingen er bedre enn referanseindeksen.

Avkastning siste 10 år



Historisk avkastning er ingen garanti for fremtidig avkastning. Fremtidig avkastning vil blant annet avhenge av markedsutviklingen, forvalterens dyktighet, fondets risikoprofil og forvaltningshonorar. Avkastningen kan bli negativ som følge av kurstap. Det er knyttet risiko til investeringer i fondet på grunn av markedsbevegelser, utvikling i valuta, rentenivåer, konjunkturer, bransje- og selskapsespesifikke forhold.

Bidragsytere i kvartalet



Største positive bidragsytere

Navn	Vekt (%)	Bidrag (%)
Befesa SA	1,80	0,66
Atalaya Mining PLC	1,34	0,63
Kimberly-Clark de Mexico	2,98	0,53
DB Insurance Co Ltd	2,54	0,51
Fortuna Silver Mines	1,72	0,51



Største negative bidragsytere

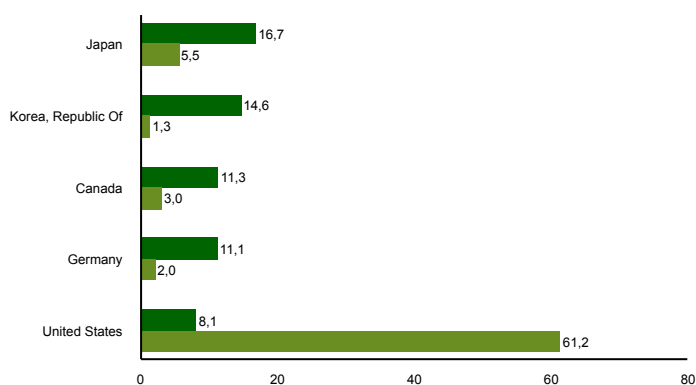
Navn	Vekt (%)	Bidrag (%)
Canfor Pulp Products	2,26	-0,48
Kyocera Corp	2,96	-0,37
Ubisoft Entertainment	1,47	-0,19
Albertsons Cos Inc	2,49	-0,17
Ence Energia y Celulosa	1,94	-0,14

Veksten viser gjennomsnittet for perioden. I NOK for alle andelsklasser

10 største investeringer

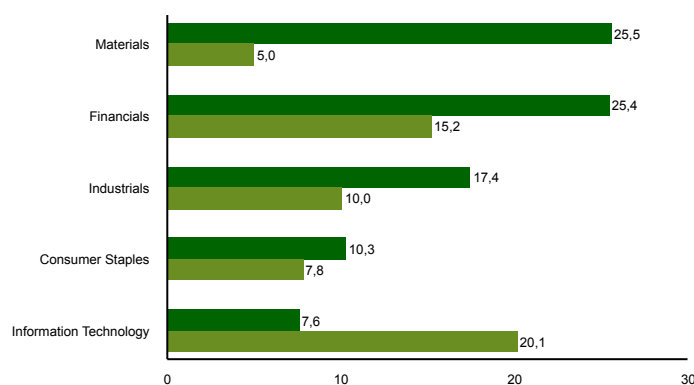
Navn	Sektor	Land	%
Methanex Corp	Materials	Canada	3,3
KB Financial Group Inc	Financials	Korea, Republic Of	3,3
Textainer Group Holdings Ltd	Industrials	China	3,2
Komatsu Ltd	Industrials	Japan	3,1
Vitesco Technologies Group AG	Consumer Discretionary	Germany	3,1
Endeavour Mining PLC	Materials	Burkina Faso	3,1
DB Insurance Co Ltd	Financials	Korea, Republic Of	3,0
Panasonic Holdings Corp	Consumer Discretionary	Japan	2,8
China Communications Services Corp Ltd	Industrials	China	2,8
Kyocera Corp	Information Technology	Japan	2,7
Samlet vekting			30,4

Landeksponering (topp 5)



■ SKAGEN Focus A ■ MSCI ACWI NR USD

Bransjefordeling (topp 5)



■ SKAGEN Focus A ■ MSCI ACWI NR USD

Viktig informasjon

All informasjon er basert på mest oppdaterte tall tilgjengelig. Med mindre noe annet er opplyst, vil avkastningsdata være relatert til andelsklasse A og vises etter fradrag for honorarer. Forvaltningskapital per utgangen av forrige måned. All informasjon er fremstilt av SKAGEN AS (SKAGEN) med mindre noe annet er opplyst. SKAGEN fraskriver seg ethvert ansvar for direkte- og indirekte tap samt utgifter pådratt i forbindelse med bruk av eller forståelsen av innholdet i rapporten. Ansatte i SKAGEN vil kunne eie finansielle instrumenter utstedt av selskaper som er omtalt i rapporten eller som fondene har i sine porteføljer.



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