



## Fund facts

ISIN: NO0010735129

Launch date, share class: 26.05.2015

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Domicile: NO

NAV: 19.64 EUR

AUM: 296 MEUR

Benchmark index: MSCI All Country World Index

Minimum purchase: 50 EUR

Fixed management fee: 1.60 %

Performance fee: 10.00 % (see prospectus for details)

Ongoing charge: 1.60 %

Number of holdings: 48

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

3.82 %

31.12.2024

ANNUAL RETURN

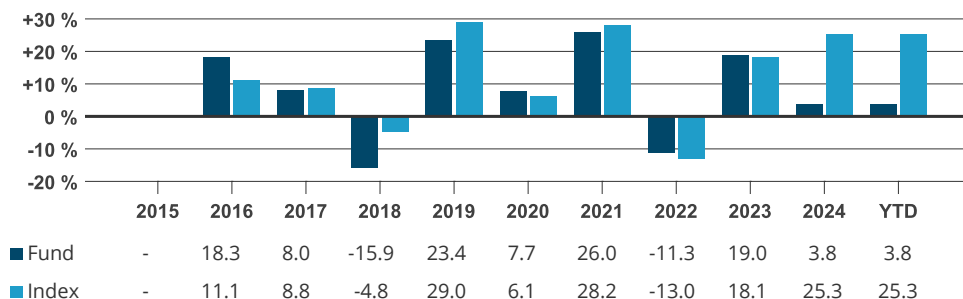
8.26 %

Average last 5 years

Monthly report for December as of 31.12.2024. 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](http://www.skagenfunds.com)

## Historical return in EUR (net of fees)



Period	Fund (%)	Index (%)	Key figures	1 year	3 years	5 years
Last month	-2.38	-0.42	Standard deviation	9.93	15.03	20.86
Year to date	3.82	25.34	Standard deviation index	8.03	13.28	15.03
Last 12 months	3.82	25.34	Tracking error	8.61	9.35	11.39
Last 3 years	3.11	8.77	Information ratio	-2.50	-0.61	-0.32
Last 5 years	8.26	11.84	Active share: 100 %			
Last 10 years	-	-				
Since inception	5.46	9.60				

Returns over 12 months are annualised.

## Q4 commentary 2024

**The fourth quarter was an unusually eventful one and global equity markets powered higher mainly driven by US equity markets, as has been the case for most of the year. The fund lagged the overall global indices mainly due to its lower weighting towards US equity markets and despite several positions reaching price target and exiting the fund in the period. Trump was elected and brought home a red "clean sweep", with Republicans now controlling both chambers in the US. Trump is widely expected to lower taxes, bring down regulations and introduce tariffs for imports into the US. These potential future events were priced into US equity markets, but also kept a lid on already rock-bottom valuations in small and mid-caps in Europe and selected areas of Asia.**

At the end of the year, it is quite clear that the constant flow of capital into passive and semi-passive global equity products is seriously distorting equity markets and removing the natural price discovery mechanism in many areas, for example in the small and mid-cap complex outside the US. Heading into 2025, it is safe to say that these distorting forces have reached ground-breaking levels and systemic risks stemming from this lack of diversification is a growing threat to global passive equity investors. For active, value-based and contrarian investment managers like us, naturally constrained by valuation hurdles, these developments presented substantial headwinds in the year but gave rise to lucrative investment opportunities in ignored and severely discounted areas of the global equity market when looking ahead to 2025.



The strongest contributor to fund performance in the quarter was US regional bank First Horizon which hit our price target and exited the fund. US based methanol producer Methanex rebounded strongly following a stock setback due to the recent acquisition of additional methanol assets. Our Japanese gaming producer Akatsuki was discovered by investors and the shares contributed solidly in the period.

Among the negative contributors we find German steel-waste recycler Befesa which has been struggling with lower industrial activity in China and lower metal prices. Interfor, our Canadian lumber producer, fell back as housing activity expectations were pared back due to rising interest rates. Aya Gold and Silver, our sole precious metal holding in the fund, fell in the period but the impact was limited as we had trimmed the position earlier in the year.

In the quarter, we sold several positions at our price targets. Following a very lucrative holding journey, we exited our position in South Korean bank KB Financial. Political uncertainty increased in the country towards the end of the year, as the President unexpectedly announced martial law. Although lasting only a few hours, the announcement catapulted the country into political turmoil. Equities in the region have held up rather well despite these developments, but we trimmed our positions in other South Korean companies such as Hyundai Mobis and Samsung Fire & Marine to reflect the increased political uncertainty. It is clear that the "Value-Up Program" has garnered support to lower the Korean discount across the country regardless of political lines, and the undervaluation of Korean equities due to corporate governance issues remains under scrutiny. In addition, we exited our holding in US regional bank First Horizon as the US election results and increased expectations of less regulation and M&A activity propelled the shares to our price target. Several new positions were added in the quarter reflecting brisk idea generation. We added a new position in the unknown and not well-covered car leasing and service company Ayvens listed in France, which trades at 0.5 times book value and 7 percent dividend yield. US food retailer Albertsons was re-initiated into the portfolio and offers investors a deep value and compelling risk/reward over a mid-term investment horizon. Austrian brick producer Wienerberger was accumulated in the quarter as the stock is substantially discounted and trades well below values supported by normalised earnings power. We added to our position in Spanish stainless producer Acerinox in the quarter, making it the largest position in the fund at year-end. We believe the equity market is overlooking the earnings power from the US segment within the company, which is the bulk of its earnings heading into 2025. The company may choose to crystallise this value by, for instance, listing part of the US operations in 2025. In addition, any potential normalisation of earnings power in the European operation is vastly underpriced in the shares.

At the end of the year, the US equity market is trading at a vast valuation premium to the rest of the world. What we call "The Magnificent Gap" – i.e. the valuation difference between US equity markets and small and mid-caps stocks outside the US – is still enormous heading into 2025. It is difficult to pinpoint the exact timing of any reversal or partial closure of the valuation gap, but in the medium term, small and mid-cap value stocks offer an attractive reward versus risk opportunity for patient investors. The recent very narrow market rise, which has left large areas of the global equity market ignored and severely discounted, is unsurprisingly reflected in a substantial upside of 79 percent to our weighted price targets in the fund at year end.

## Contribution last month

 Largest contributors	Weight (%)	Contribution (%)	 Largest detractors	Weight (%)	Contribution (%)
Methanex Corp	3.58	0.35	Interfor Corp	2.69	-0.53
Nexity SA	2.86	0.33	Beazer Homes USA Inc	2.17	-0.45
Akatsuki Inc	2.05	0.31	Aya Gold & Silver Inc	1.99	-0.41
Swire Pacific Ltd	2.51	0.26	Canfor Corp	2.28	-0.39
Nickel Asia Corp	1.00	0.21	Tate & Lyle PLC	1.98	-0.23

Absolute contribution based on NOK returns at fund level.

## Portfolio information

Top 10 investments	Share (%)	Country exposure	Share (%)	Sector exposure	Share (%)
Acerinox SA	4.1	United States	13.8	Materials	27.5
Methanex Corp	3.7	South Korea	13.8	Industrials	23.6
Cascades Inc	3.5	Canada	13.6	Financials	16.2
Japan Post Holdings Co Ltd	3.5	Japan	12.7	Consumer discretionary	16.0
Nexity SA	3.1	Spain	6.9	Consumer Staples	7.5
Kalmar Oyj	3.1	France	6.8	Information technology	3.1
Albertsons Cos Inc	2.9	United Kingdom	5.5	Real estate	3.1
Korean Reinsurance Co	2.8	Germany	5.1	Communication Services	2.3
Takuma Co Ltd	2.7	Philippines	3.7		
Swire Pacific Ltd	2.7	Finland	3.1		
<b>Total share</b>	<b>32.0 %</b>	<b>Total share</b>	<b>84.9 %</b>	<b>Total share</b>	<b>99.2 %</b>

## 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/](http://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/](http://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](mailto: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](mailto: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](mailto: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](mailto:international@skagenfunds.com)  
For Facilities Services information please refer to our webpages.