



Fund facts

ISIN: NO0010735129

Launch date, share class: 26.05.2015

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Domicile: NO

NAV: 19.84 EUR

AUM: 317 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

4.18 %

28.06.2024

ANNUAL RETURN

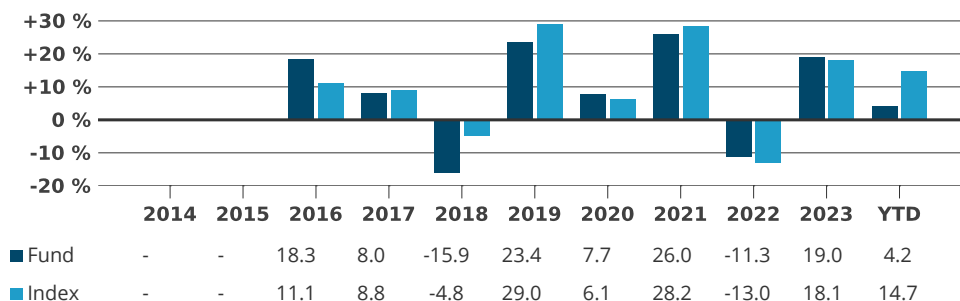
9.92 %

Average last 5 years

Monthly report for June as of 30.06.2024. 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

Historical return in EUR (net of fees)



Period	Fund (%)	Index (%)	Key figures	1 year	2 years	3 years
Last month	-2.47	3.55	Standard deviation	-	-	-
Year to date	4.18	14.72	Standard deviation index	-	-	-
Last 12 months	13.31	22.97	Tracking error	-	-	-
Last 3 years	5.41	9.15	Information ratio	-	-	-
Last 5 years	9.92	12.15	Active share: 100 %			
Last 10 years	-	-				
Since inception	5.82	9.09				

Returns over 12 months are annualised.

Q2 commentary 2024

SKAGEN Focus lagged the market-cap weighted global benchmark in the quarter. There are several factors which, combined, are creating the current quite extreme market environment. The equity market's obsession with the AI theme is the driving force behind the narrow and concentrated equity rally in global equity indices. Only a handful of mega-cap stocks are being propelled higher, mainly by momentum and passive index flows, which is reflected in the lack of market breadth. Valuations look especially elevated in these pockets of the global equity markets. At the other end of the spectrum, such as in large pockets of the small and mid-cap area, the recessionary environment is being severely felt and the expectation of an eventual cyclical recovery has been pushed out to 2025. The central banks' unwillingness to commit to rate cuts in the face of inflation volatility is a contributing factor.

This has given rise to an investment environment not been seen for many decades. For instance, the Russell 2000 Index in relation to Nasdaq 100 is trading at levels not seen since 1985. The global value index gave back all gains (since 2020) versus the global growth index in just the last few weeks of the quarter. Global small and mid-caps are trading at a 40% discount to large and mega caps measured on price-to-book, and a 20% discount on price-to-earnings – levels not seen since the inception of these time-series. We believe the recent headwinds for both value and small/mid-cap stocks create an interesting investment opportunity in the medium term. 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 like us.



One of the strongest contributors to fund performance during the quarter was precious metals producer Fortuna Mining. The company is finally being discovered by the market, following strong delivery in the new Segula gold asset and the generally strong performance of underlying gold and silver prices.

Another strong contributor was Greek-domiciled container shipping operator Danos, which re-rated sharply towards our price target amid higher time-charter rates and speculation of a buy-out offer from its founder. On the negative side, shares of our North American lumber producer Interfor traded lower amid continued depressed lumber prices in the region, affecting its short-term profitability. We do however see a significant mean-reversion opportunity towards historical margins and substantial asset-backing from duty payments. Another weak performer was investment holding company Peugeot Invest, one of the main owners of car manufacturer Stellantis, which currently offers a historically high discount of more than 60% to its underlying NAV. Shares traded lower in the quarter mainly driven by the broad selloff in French equities, reflecting uncertainty following the call for a snap election. We see strong potential for a reduced discount cap and underlying drivers that could support a rerating.

Following a strong re-rating towards price target, Greek shipping operator Danaos, Italian truck producer Iveco and French cable manufacturer Nexans have now left the fund. We also closed our positions in car-rental company SIXT and Fortuna Mining following strong performance, as we were closing in on price target and see better risk reward elsewhere. We also sold our final shares in South Korean specialty chemicals producer Lotte Fine Chemical, as the position reached its duration limit and the investment case related catalysts did not cause the shares to rerate as anticipated. Amidst the exceptional market conditions, we continue to apply our price driven and contrarian investment process. During the quarter we initiated four new core positions and started to incubate two more. Two of the most recent additions are US specialty insurer Old Republic and Spanish listed stainless-steel producer Acerinox. Both, we believe, are below most investors' radars and trade at unwarranted discounts to fair value and peers. Old Republic is built upon several subsidiaries with expert knowledge in niche insurance markets and is also continuously adding new concepts and business lines to its corporate structure. The company's general insurance business has consistently delivered a combined ratio of around 90-91%, reflecting the above average underwriting skill and capacity. We see substantial probability for mean reversion in the title insurance business, where income has been sharply reduced as the housing market has been essentially frozen in the US since interest rates started to move higher. In the case of stainless-steel producer Acerinox, this is an investment situation anchored by a confusing stock listing in Spain, but the vast majority of the business is primarily in the US. US specialty and stainless-steel producers trade at roughly double the multiple of our recently established position. A cyclically depressed outlook in general for stainless steel and a temporary strike allowed us to enter the investment case at the appropriate price point, with the potential for the equity to double in price over the next 2-3 years.

We continue to see a substantial probability that the gap between small and mid-cap stocks and large /mega cap stocks will at least partially close, and we anticipate a similar situation for value versus growth assets over the next two to three years. The extreme investment environment outlined above, combined with the addition of new positions, has resulted in an elevated fund upside of 74% to our weighted price targets for the 49 positions in the portfolio at quarter end. 84% of the fund is currently invested in small and mid-cap stocks. The top ten holdings account for 32% of the fund and 35% of investment cases were initiated less than one year ago.

Contribution last month

 Largest contributors	Weight (%)	Contribution (%)	 Largest detractors	Weight (%)	Contribution (%)
Hyundai Mobis Co Ltd	3.21	0.56	Phinia Inc	4.46	-0.51
China Communications Services Corp Ltd	3.19	0.54	Fortuna Silver Mines Inc	1.32	-0.50
Sao Martinho S/A	2.00	0.30	Methanex Corp	3.84	-0.34
Whirlpool Corp	1.48	0.19	Peugeot Invest SA	1.95	-0.30
Japan Post Holdings Co Ltd	3.69	0.16	LG H&H Co Ltd	1.68	-0.29

Absolute contribution based on NOK returns at fund level.

Portfolio information

Top 10 investments	Share (%)	Country exposure	Share (%)	Sector exposure	Share (%)
Phinia Inc	4.3	South Korea	17.8	Materials	26.9
Japan Post Holdings Co Ltd	3.8	United States	15.7	Financials	22.0
Methanex Corp	3.8	Canada	12.2	Industrials	18.3
Hyundai Mobis Co Ltd	3.5	Japan	9.4	Consumer discretionary	15.4
China Communications Services Corp Ltd	3.3	Spain	8.9	Consumer Staples	7.1
K+S AG	2.9	Germany	7.0	Information technology	4.4
KB Financial Group Inc	2.9	United Kingdom	3.7	Real estate	2.5
Old Republic International Corp	2.6	China	3.3	Communication Services	1.2
Cascades Inc	2.6	Philippines	3.0		
First Horizon Corp	2.6	Singapore	2.3		
Total share	32.3 %	Total share	83.1 %	Total share	97.8 %

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/ 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/ 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
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
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
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
For Facilities Services information please refer to our webpages.