

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](http://www.skagenfondene.no) og hos våre distributører.

## Financial troubles in the US

The fund produced a strong return in the first quarter of the year and outperformed its benchmark index. The fund was also well ahead of the MSCI ACWI Value index. The financial markets have been remarkably resilient considering the recent developments in US financial stocks. Not only did we witness several large bank failures, including Silicon Valley Bank and Signature Bank, but a general collapse in US regional banks' valuations. So far, the financial markets seem to interpret these issues as largely isolated, and instead prefer to price in the potential positive impact of lower interest rates ahead.

Late in the quarter, this led to a rotation from banks and related cyclicals to more rate-sensitive sectors, such as technology stocks. Overall, we see a major risk of increased regulation for smaller US banks and across the entire US banking system following the above developments. New and tougher liquidity and capital frameworks will be initiated. These developments will no doubt uncover interesting opportunities for us as contrarian and price-driven investors later in 2023 when the dust has settled.

### Solid company-specific catalysts deliver

Several company-specific catalysts helped lift the net asset value of the fund in the quarter. For instance, one of the strongest contributors was Italian truck producer Iveco, which announced earnings that exceeded consensus by a wide margin. They also delivered on capital allocation catalysts, such as a share buyback. In addition, we welcomed very solid earnings and guidance from the French semiconductor producer STMicroelectronics, and the stock responded strongly. Our sole Chinese position, China Communication Services, delivered a long-awaited margin expansion, a core part of the investment thesis, and contributed solidly in the quarter.

On the negative side, our recently initiated position in Canfor Corp. has

yet to re-rate higher and we are still building the position.

### Key sells

We exited our position in Gen Digital as the company's leverage and interest rate cost may exceed our initial expectations. We exited our small position in the US regional bank Synovus Financial immediately following the first indications of the banking turmoil with signs of deposit flight. We currently do not hold any exposure to US financials.

We closed our position in Canadian steel producer StelCo following a strong rerating in shares combined with extensive buybacks and dividends, as our investment thesis played out and the shares now reflect fair value. We also sold out of German Commerzbank at price target, following a 50+% holding period return, for the second time in 1.5 years, following successful progress on restructuring and net interest income tailwinds.

### New portfolio additions

We have initiated a position in Korean auto-supplier Hyundai Mobis which mainly operates as a supplier to Hyundai and Kia. We believe the company is a leader in EV powertrain and shows good potential to increase its footprint outside its legacy client base. The balance sheet is strong and trades at close to a negative enterprise value, as they hold a vast stake in Hyundai Motors.

We continued to add to our position in Japan Post Holding, the conglomerate which owns not only the postal services network in Japan, but also stakes in Japan Post Bank and Japan Post Insurance, as well as several other non-core assets. The valuation of the stock is highly attractive as there is a seemingly vast discount at holding company level as well in the underlying portfolio holdings.



Foto: Shutterstock

In addition, we started to accumulate a position in Canadian lumber producer Interfor. The lumber price is trading at depressed levels, and we believe the stock is priced well below normalised earnings power. In addition, the company has more than USD 500m on deposit from the lumber dispute between the US and Canada, of which the bulk is off-balance sheet, representing roughly half the current market cap in a full after-tax refund.



Foto: Shutterstock

### Investment universe expanding

For a contrarian and value-based investor like SKAGEN Focus, the current investment environment provides several new areas of investment opportunity. For instance, the turbulence in financials, particularly in the US, will eventually lead to interesting opportunities. We focus on finding solid companies at a substantial discount to fair value in these out-of-favour sectors at the right time in the cycle. At the end of the quarter, the portfolio consists of 49 positions of which 75% is invested in small and mid-cap positions. The top-10 concentration has increased from 31% to 35%. We still see a large upside to our weighted price targets of around 61% at the end of the quarter.

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 av globale selskaper av alle størrelser, men hvor majoriteten investeres i 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

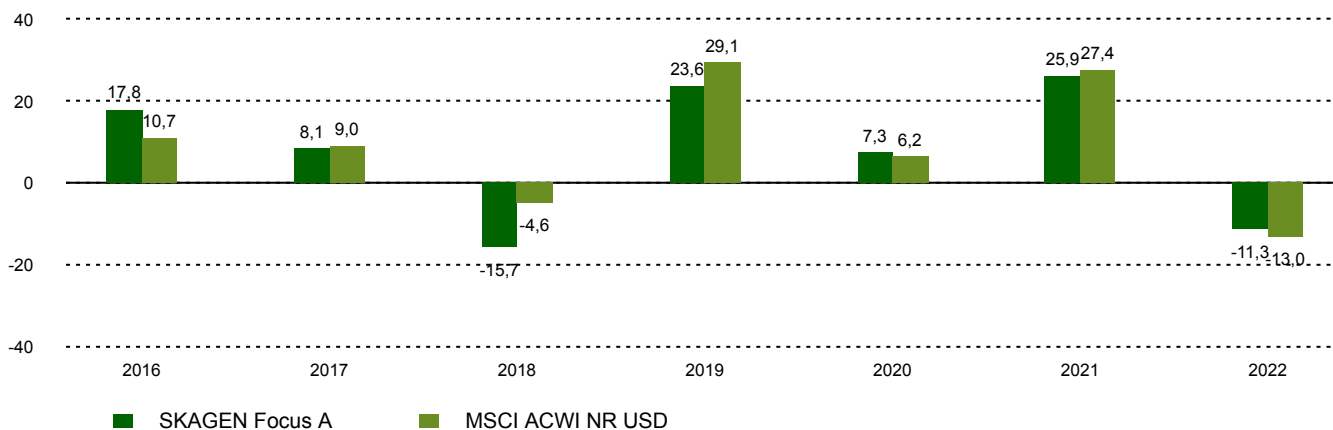
| Periode          | SKAGEN Focus A | Referanseindeks |
|------------------|----------------|-----------------|
| Siste måned      | -1,9%          | 0,7%            |
| Hittil i kvartal | 9,8%           | 5,6%            |
| Hittil i år      | 9,8%           | 5,6%            |
| Siste 12 måneder | -3,8%          | -5,1%           |
| Siste 3 år       | 26,4%          | 15,5%           |
| Siste 5 år       | 7,4%           | 10,0%           |
| Siste 10 år      | n/a            | n/a             |
| Siden start      | 5,1%           | 7,1%            |

## Fondsfakta

|                             |  |
|-----------------------------|--|
| Type                        | Aksjefond  |
| Domisil                     | Norge  |
| Start dato                  | 26.05.2015   |
| Morningstarkategori         | Global, Fleksibel kapitalisering                   |
| ISIN                        | NO0010735129                                       |
| NAV                         | 130,74 DKK   |
| Årlig forvaltningshonorar   | 1.60% + resultatavhengig forvaltningsgodtgjørelse* |
| Totalkostnad (2022)         | 1.73%  |
| Referanseindeks             | MSCI ACWI NR USD                                   |
| Forvaltningskapital (mill.) | 1917,91 DKK  |
| Antall poster               | 49   |
| 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 selskappspesifikke forhold.

## Bidragsytere i kvartalet



## Største positive bidragsytere

| Navn                          | Vekt (%) | Bidrag (%) |
|-------------------------------|----------|------------|
| STMicroelectronics            | 2,26     | 1,25       |
| China Communications Services | 2,80     | 1,03       |
| Endeavour Mining PLC          | 3,40     | 0,84       |
| Iveco Group NV                | 1,09     | 0,83       |
| Vitesco Technologies Group    | 2,04     | 0,75       |



## Største negative bidragsytere

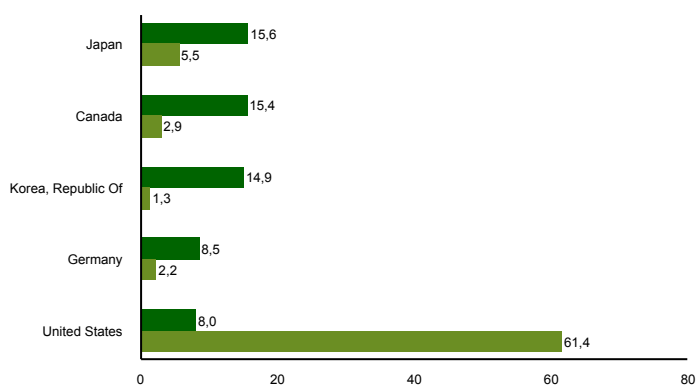
| Navn                  | Vekt (%) | Bidrag (%) |
|-----------------------|----------|------------|
| Canfor Pulp Products  | 1,48     | -0,31      |
| Gen Digital Inc       | 1,08     | -0,31      |
| Ubisoft Entertainment | 0,14     | -0,16      |
| Interfor Corp         | 0,61     | -0,09      |
| Fortuna Silver Mines  | 1,45     | -0,02      |

Veksten viser gjennomsnittet for perioden. I NOK for alle andelsklasser

## 10 største investeringer

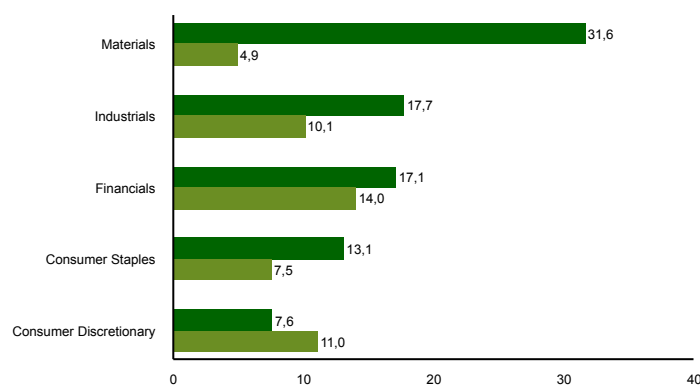
| Navn                                   | Sektor                 | Land               | %    |
|--|------------------------|--------------------|------|
| Albertsons Cos Inc                     | Consumer Staples       | United States      | 5,1  |
| Endeavour Mining PLC                   | Materials              | Burkina Faso       | 4,9  |
| Methanex Corp                          | Materials              | Canada             | 4,1  |
| Textainer Group Holdings Ltd           | Industrials            | China              | 3,1  |
| Kyocera Corp                           | Information Technology | Japan              | 3,1  |
| China Communications Services Corp Ltd | Industrials            | China              | 3,1  |
| Komatsu Ltd                            | Industrials            | Japan              | 3,0  |
| Fortuna Silver Mines Inc               | Materials              | Canada             | 2,9  |
| Hyundai Mobis Co Ltd                   | Consumer Discretionary | Korea, Republic Of | 2,8  |
| Panasonic Holdings Corp                | Consumer Discretionary | Japan              | 2,8  |
| Samlet vektning                        |                        |                    | 35,0 |

## 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 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.



+45 7010 4001



kundeservice@skagenfondene.dk



SKAGEN AS, Bredgade 25A 1260  
København K