



SKAGEN Focus LUX B EUR

Q4 2024 Quarterly Report

All data in EUR as of 31/12/2024 unless otherwise stated

This is marketing communication



INVESTMENT OBJECTIVE

SKAGEN Focus is a high conviction equity fund that seeks to generate long-term capital growth by investing in a portfolio of global companies with a bias towards small and mid-cap companies.

The Luxembourg SICAV was launched in 2019.

FUND INFORMATION

Start date	27/09/2019
Benchmark	MSCI ACWI
ISIN	LU1932704841
Morningstar Category	Global Flex-Cap Equity
Fixed Fee	0.60%
SFDR Category	Article 8
Portfolio Managers	Jonas Edholm David Harris



Jonas Edholm & David Harris

- ❖ Jonas Edholm joined SKAGEN in January 2015
- ❖ Previously Founder and Portfolio Manager, Labrusca Family Office, Stockholm, Sweden
- ❖ David Harris joined SKAGEN in January 2015
- ❖ Previously Analyst, Labrusca Family Office

INVESTMENT COMMENTARY

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.



SKAGEN Focus LUX B EUR

Q4 2024 Quarterly Report

All data in EUR as of 31/12/2024 unless otherwise stated

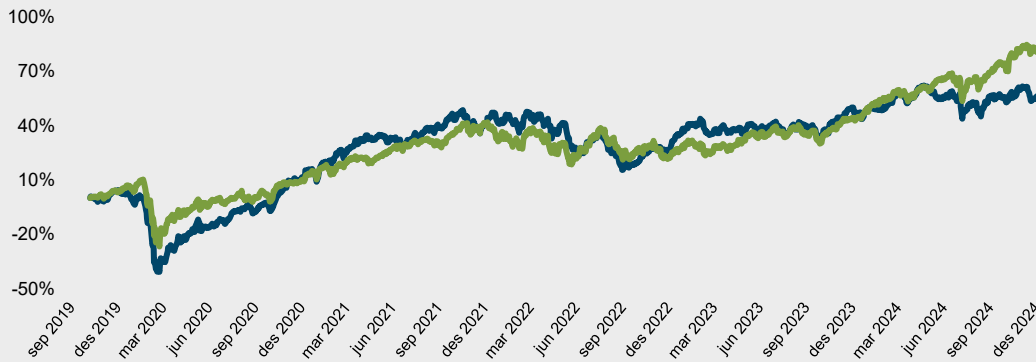
This is marketing communication



FUND PERFORMANCE

	Q4 2024	1-Year	3-Year	Since Start
SKAGEN Focus LUX B EUR	0.6%	4.1%	3.5%	9.0%
MSCI ACWI	6.7%	25.3%	8.8%	12.2%
Relative Return	-6.1%	-21.2%	-5.3%	-3.1%

— SKAGEN Focus LUX B EUR — MSCI ACWI



As at 31/12/2024 in EUR, net of fees

Historical returns are no guarantee for future returns. Future returns will depend, inter alia, on market developments, the fund manager's skill, the fund's risk profile and management fees. The return may become negative as a result of negative price developments. There is a risk associated with investing in the fund due to market movements, currency developments, interest rate levels, economic, sector and company-specific conditions.

RISK PROFILE

We have classified this product as 5 out of 7, which is a medium-high risk class. This rates the potential losses from future performance at a medium-high level. Other risks not included in the summary risk indicator but materially relevant: Event risk, liquidity risk, operational risk, counterparty risk, derivatives risk. Be aware of currency risk. You will receive payments in a different currency, so the final return you will get depends on the exchange rate between the two currencies. This risk is not considered in the indicator shown above. This product does not include any protection from future market performance so you could lose some or all of your investment.

PORTFOLIO STATISTICS

No. of holdings	42
Top 10 weighting	31.6%
Active Share	100%
Turnover ratio	77%
Investment horizon ¹	2-3 years

PERFORMANCE ATTRIBUTION²

Largest contributors ▲

Holding	Weight	Contribution
Methanex Corp	3.6%	0.3%
Nexity SA	2.9%	0.3%
Akatsuki Inc	2.1%	0.3%
Swire Pacific Ltd	2.6%	0.3%
Nickel Asia Corp	1.0%	0.2%

Largest detractors ▼

Holding	Weight	Contribution
Interfor Corp	2.7%	-0.5%
Beazer Homes USA Inc	2.2%	-0.5%
Aya Gold & Silver Inc	2.0%	-0.4%
Canfor Corp	2.3%	-0.4%
Samsung Fire & Marine	2.5%	-0.3%

PORTFOLIO INFORMATION

COUNTRY EXPOSURE³

	Fund	Benchmark
South Korea	14.0%	0.9%
United States	10.1%	65.4%
Spain	5.5%	0.5%
Canada	13.6%	2.8%
Japan	12.4%	4.8%
France	6.7%	2.2%
Finland	3.1%	0.2%
United Kingdom	5.4%	3.1%
Germany	5.0%	1.9%
Philippines	3.6%	0.1%

SECTOR EXPOSURE

	Fund	Benchmark
Materials	27.3%	3.5%
Industrials	23.3%	10.2%
Financials	16.1%	16.8%
Consumer Discretionary	15.9%	11.3%
Information Technology	3.1%	26.0%
Communication Services	2.3%	8.2%
Consumer Staples	7.3%	5.9%
Energy	0.0%	3.8%
Health Care	0.0%	9.7%
Real Estate	3.0%	2.0%

TOP 10 HOLDINGS

ACERINOX SA COMMON STOCK	4.1%
METHANEX CORP COMMON	3.7%
CASCADES INC COMMON STOCK	3.5%
JAPAN POST HOLDINGS CO	3.4%
KALMAR OYJ COMMON STOCK	3.1%
NEXITY SA COMMON STOCK	3.0%
ALBERTSONS COS INC COMMON	2.9%
KOREAN REINSURANCE CO	2.8%
SWIRE PACIFIC LTD COMMON	2.6%
TAKUMA CO LTD COMMON	2.6%
Combined Weight	31.6%

¹ For guidance purposes only ² Monthly contribution to absolute return ³ Fund exposure based on country of risk



SKAGEN Focus LUX B EUR

Q4 2024 Quarterly Report

All data in EUR as of 31/12/2024 unless otherwise stated

This is marketing communication



IMPORTANT INFORMATION

This is a marketing communication, and this document is intended for professional investors only. Except otherwise stated, the source of all information is Storebrand Luxembourg SICAV as at 31/12/2024.

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. 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 depends on the individual circumstances of each investor and may imply the payment of additional taxes. Before any investment is made in the Sub-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 SICAV, (RCS Registration Number: B 234106) is an investment company with variable capital (société d'investissement à capital variable) incorporated under the form of a société anonyme in the Grand Duchy of Luxembourg. It qualifies as a UCITS and falls under the supervision of the Luxembourg financial supervisory authority, Commission de Surveillance du Secteur Financier (the "CSSF"). Storebrand SICAV has appointed Fund Rock Management Company S.A. to act as its designated management company and further FundRock has appointed Storebrand Asset Management AS as its investment manager. Following the merger between Storebrand Asset Management AS and SKAGEN AS, SKAGEN's portfolio team continues to manage the SKAGEN SICAV sub-funds from a new separate legal entity named SKAGEN AS under an outsourcing agreement with Storebrand Asset Management AS. The SICAV has appointed Storebrand Asset Management as Global Distributor.

No offer to purchase shares can be made or accepted prior to receipt by the offeree of the Sub-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.lu/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>

Storebrand Asset Management AS or FundRock Management Company S.A. may terminate arrangements for marketing under the Cross-border Distribution Directive denotification process.

The Sub-fund takes sustainability risk and ESG characteristics into account as part of its selection process. In that respect the Sub-fund promotes environmental and/or social characteristics within the meaning of Art 8 of SFDR. For the assessment areas like corporate strategy, corporate governance, transparency and the product and service range of a company are taken into account. Further information about sustainability-related aspects of the Sub-fund, including the sustainability disclosure summary in English, can be found here: <https://www.skagenfunds.lu/sustainability/sustainable-investing/>

The decision to invest in the Sub-fund should take into account all the characteristics or objectives of the Sub-fund as described in its prospectus <https://www.skagenfunds.lu/funds/>

The Storebrand SICAV has registered its 7 Sub-Funds (SKAGEN Kon-Tiki Lux, SKAGEN Focus Lux, SKAGEN Global Lux, SKAGEN m2 Lux, Storebrand Global Solutions Lux, Storebrand Global ESG Plus Lux and Storebrand EM ESG Plus) for public distribution in Luxembourg, the UK, Germany, Austria, the Netherlands, Belgium, and France.

Important Information for Luxembourg Investors

Storebrand SICAV has appointed Fund Rock Management Company S.A. to act as its designated management company. FundRock Management Company S.A.'s offices are located at: 33, rue de Gasperich, 5826 Hesperange, Grand Duchy of Luxembourg.

Important Information for UK Investors

The Storebrand SICAV has appointed Storebrand Asset Management UK Ltd (SAM UK Ltd) to act as Facility Agent in the UK.

The investment products and services of SAM UK Ltd are only available to professional clients and eligible counterparties. They are not available to retail clients. This document does not constitute an offer to buy or sell shares in any of the products offered by SAM UK Ltd.

In the United Kingdom, this communication is issued by Storebrand Asset Management UK Ltd ("SAM UK") and approved by Robert Quinn Advisory LLP, which is authorised and regulated by the UK Financial Conduct Authority ("FCA"). SAM UK is an Appointed Representative of Robert Quinn Advisory LLP.

This material constitutes a financial promotion for the purposes of the Financial Services and Markets Act 2000 (the "Act") and the handbook of rules and guidance issued from time to time by the FCA (the "FCA Rules"). This material is for information purposes only and does not constitute an offer to subscribe for or purchase of any financial instrument. SAM UK neither provides investment advice to, nor receives and transmits orders from, persons to whom this material is communicated, nor does it carry on any other activities with or for such persons that constitute "MiFID or equivalent third country business" for the purposes of the FCA Rules. All information provided is not warranted as to completeness or accuracy and is subject to change without notice. This communication and any investment or service to which this material may relate is exclusively intended for persons who are Professional Clients or Eligible Counterparties for the purposes of the FCA Rules and other persons should not act or rely on it. This communication is not intended for use by any person or entity in any jurisdiction or country where such distribution or use would be contrary to local law or regulation.

Important Information for Belgian Investors

The Storebrand SICAV has appointed Caceis Belgium SA/NV to act as the Financial Service Provider for the SICAV. Caceis Belgium SA/NV's offices are located at: Avenue du port 86C B320, 1000 Brussels Belgium.

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>

Further information about sustainability-related aspects of the Sub-fund, including the sustainability disclosure summary in English language, can be found here: <https://www.skagenfunds.com/sustainability/sustainable-investing>

Important Information for French Investors

The Storebrand SICAV has appointed CACEIS Bank as the Centralizing Correspondent for the SICAV. CACEIS Bank's offices are located at 1-3 Place Valhubert, F-75013 PARIS, France.

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.fr/contact/investor-rights>

Further information about sustainability-related aspects of the Sub-fund, including the sustainability disclosure summary in French language, can be found here: <https://www.skagenfunds.fr/sustainability/sustainable-investing>

Important Information for German Investors

The Facilities Services information for German investors can be found here: <https://www.skagenfunds.de/how-to-invest/facility-services-fur-investoren/>

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 German language is available here: <https://www.skagenfunds.de/contact/investor-rights>

Further information about sustainability-related aspects of the Sub-fund, including the sustainability disclosure summary in German language, can be found here: <https://www.skagenfunds.de/sustainability/sustainable-investing>

Important Information for Dutch Investors

The Facilities Services information for investors in the Netherlands, including all legal documents and practical information, can be found here:

<https://www.skagenfunds.nl/how-to-invest/facilities-services-for-investors/>