SKAGEN Focus LUX B EUR

Q3 2025 Quarterly Report

All data in EUR as of 30/09/2025 unless otherwise stated

This is marketing communication. Please refer to the prospectus and the Key Investor Document before making any final investment decision.

SKAGEN
Part of Storebrand

INVESTMENT OBECTIVE

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. For more information, please refer to the prospectus.

FUND INFORMATION

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

SUSTAINABILITY DISCLOSURES

For more information, please refer to the ESG disclosures in the prospectus.

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

At the end of the quarter, global equity markets remained deeply polarized. On one hand, artificial intelligence-related stocks, particularly mega-cap names, are trading at stretched valuations, with signs of irrational exuberance emerging. The financing of these massive projects and the long-term returns they may generate remain highly uncertain. This dynamic has led to an unprecedented concentration within equity indices: the so-called "Magnificent 7" recently accounted for 32% of the S&P 500's total market capitalization, while the top 10 companies made up 24% of the MSCI ACWI.

On the other hand, stocks tied to the traditional real economy – especially small and mid-cap companies – are trading at depressed valuations, particularly outside the US. Sectors such as construction, automotive, consumer retail, and broader industrials remain notably undervalued. The valuation gap between small/mid-cap and large/mega-cap equities globally is at historically wide levels. We believe the European small and mid-cap segment, in particular, offers compelling opportunities, both from a valuation standpoint and given potential catalysts ahead.

The portfolio delivered a positive absolute return during the quarter but lagged the MSCI ACWI, and to a lesser extent, the MSCI ACWI SMID. One of the key contributors was Eugene Technology, a South Korean semiconductor machinery producer that had flown under the radar until recently. The stock gained significant investor attention during the quarter, becoming the portfolio's strongest performer. We took the opportunity to scale down the position into strength. Precious metals exposure also added meaningfully to performance. Silvercorp Metals and Aya Gold & Silver benefited from rising gold and silver prices, which reached new highs during the period. Despite the rally, we believe the market continues to underestimate the free cash flow potential of these companies at current metal price levels. In the automotive sector, parts-producer Forvia posted a strong return, supported by progress on its restructuring efforts aimed at improving profitability. Japanese Mazda also rallied, driven by better-than-expected earnings and clarity around US tariffs. On the weaker side, CNH Industrial declined due to lack of recovery in the agricultural machinery segment, as well as disappointing results from competitors. US food retailer Albertsons was also one of the weaker performers amid signs of a persistently promotional and competitive market environment.

Following company meetings and reassessments of near-term catalysts, we reduced our positions in CNH Industrial and Albertsons, as the expected drivers of performance now appear delayed. We increased our exposure to Methanex, which we believe is well-positioned to generate strong free cash flow and is making solid progress in integrating its recent acquisition of OCI. Several holdings reached our price targets during the quarter. We exited Hyakugo Bank, a Japanese regional bank, following a highly successful investment journey since 2023. We also sold our position in Kalmar, the Finnish container handling equipment company and recent spin-off from Cargotec, at price target. On the purchasing side, we initiated a new position in KCC, a lesser-known and under-researched South Korean industrial conglomerate. The company operates in paints, silicone, and building materials – segments currently at cycle-low levels – with significant potential for mean reversion. Importantly, KCC holds a large portfolio of non-core investments, valued at approximately the same level as its entire market capitalisation, adding to the upside potential. We also initiated a position in B&M, the UK-listed value retailer. The current stock price appears to reflect an overly pessimistic outlook, while improving fundamentals and a new management team provide support for a re-rating. In addition, we added Alior Bank, a Polish financial institution trading at what we view as an unjustified discount to intrinsic value and which we think is unduly punished by overall structural concerns.

Global equity markets remain highly polarized, with a strong bias toward large and mega-cap technology stocks. In contrast, small and mid-cap companies – particularly those tied to the "real economy" – continue to trade at record discounts relative to both their historical averages and their larger-cap peers globally. Our portfolio is firmly positioned in this discounted segment of the market, with a significant overweight in European small and mid-cap equities. As of quarter-end, the portfolio holds 47 positions, with the top 10 representing 31% of total assets. Approximately 90% of the fund is allocated to small and mid-cap names. We see meaningful weighted upside to our aggregated price target of around 80%. Fund valuation metrics remain highly compelling, with the portfolio trading at approximately 0.7x book value and 10x earnings.

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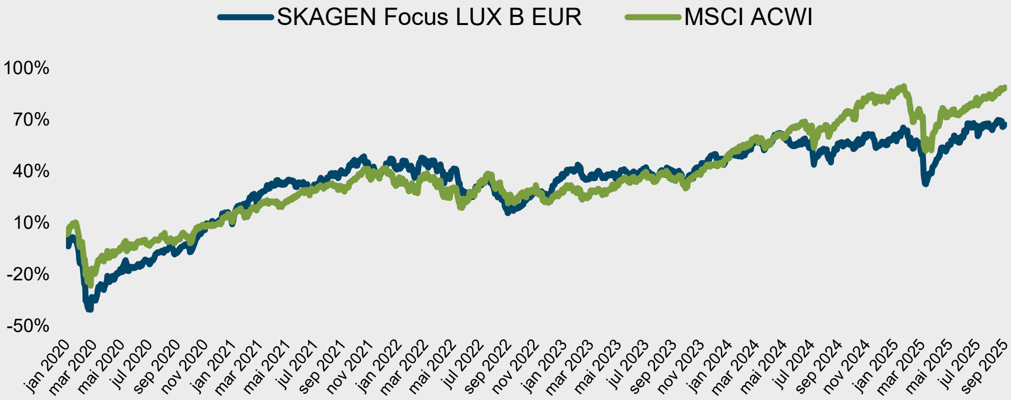
FUND PERFORMANCE

	Q3 2025	YTD	1-Year	3-Year	Since Start
SKAGEN Focus LUX B EUR	**4.7%**	**6.9%**	**7.5%**	**13.0%**	**9.1%**
MSCI ACWI	7.5%	4.4%	11.4%	15.9%	11.4%
Relative Return	*-2.8%*	*2.5%*	*-3.9%*	*-2.9%*	*-2.3%*



As at 30/09/2025 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. For more information, please refer to the prospectus.

PORTFOLIO STATISTICS

No. of holdings	49
Top 10 weighting	30.3%
Active Share	100%
Turnover ratio	77%
Investment horizon[1]	2-3 years

PERFORMANCE ATTRIBUTION[2]

Largest contributors ▲

Holding	Contribution
EUGENE TECHNOLOGY CO LTD	0.9%
NEXITY SA	0.6%
SILVERCORP METALS INC	0.5%
SILTRONIC AG	0.5%
AYA GOLD & SILVER INC	0.4%

Largest detractors ▼

Holding	Contribution
GT CAPITAL HOLDINGS INC	-0.5%
INTERFOR CORP	-0.5%
TATE & LYLE PLC	-0.3%
HYUNDAI MOBIS CO LTD	-0.3%
ALBERTSONS COS INC	-0.3%

PORTFOLIO INFORMATION

COUNTRY EXPOSURE[3]

	Fund	Benchmark
South Korea	20.6%	1.2%
France	14.2%	2.3%
Canada	10.1%	3.0%
Japan	8.3%	4.8%
United States	7.9%	63.4%
United Kingdom	6.4%	3.2%
Germany	5.3%	2.1%
Luxembourg	4.6%	0.1%
Netherlands	4.5%	1.2%
Mexico	3.8%	0.2%

SECTOR EXPOSURE

	Fund	Benchmark
Industrials	24.0%	10.7%
Materials	22.3%	3.6%
Financials	19.8%	17.4%
Consumer Discretionary	18.0%	10.7%
Information Technology	6.5%	27.2%
Consumer Staples	2.9%	5.3%
Real Estate	2.7%	1.9%
Communication Services	2.5%	8.8%
Energy	0.0%	3.5%
Health Care	0.0%	8.5%

TOP 10 HOLDINGS

HYUNDAI MOBIS CO LTD	4.0%
METHANEX CORP COMMON	3.8%
COMERICA INC COMMON STOCK	3.1%
BEAZER HOMES USA INC	3.1%
AYVENS SA COMMON STOCK	2.9%
KOREAN REINSURANCE CO	2.8%
SOPRA STERIA GROUP COMMON	2.7%
SAMSUNG FIRE & MARINE	2.7%
NEXITY SA COMMON STOCK	2.7%
BEFESA SA COMMON STOCK	2.6%
Combined Weight	**30.3%**

[1] For guidance purposes only [2] Contribution to absolute return [3] Fund exposure based on country of risk

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