



SKAGEN Focus LUX B EUR

Q4 2021 Quarterly Report

All data in EUR as of 31/12/2021 unless otherwise stated



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 Q3 2019.

FUND INFORMATION

Start date	27/09/2019
Benchmark	MSCI ACWI
ISIN	LU1932704841
Morningstar Category	Global Flex-Cap Equity
Fixed Management Fee	0.60%
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

A positive quarter

The fund posted another quarter of positive returns but lagged the overall global equity market. The year-end rally in the US equity market accompanied by a much stronger US dollar were major headwinds for the fund as our exposure to US assets is markedly lower than any underlying benchmark. Currently no fewer than 83 companies in the S&P500 now trade above 10 times sales which is unprecedented. The valuation spread versus Emerging Markets and Japan has never been greater. For us, as contrarian and price-driven investors, this spells major opportunities for the coming year. A large proportion of our portfolio is exposed to South Korea, Canada and Japan in equities trading at a discount to even these much cheaper averages.

Portfolio drivers

In one area of the ignored and underpriced global equity market, namely Japanese banks, we observed a significant re-rating of our own Aichi Bank, a small regional bank which announced a merger with smaller Chukyo Bank. In addition, the bank has substantially increased its dividend payout. Since the announcement, the equity has re-rated about 30% and contributed significantly to year-end performance. We also initiated new positions in smaller regional banks Shiga Bank and Keiyo Bank. These banks trade at discounted multiples to tangible book values and are forming alliances with other Japanese regional banks boosting future potential profitability. There is substantial room for increased capital allocation to shareholders as the banks' balance sheets are extremely overcapitalised.

We increased our position in the discounted Japanese conglomerate Panasonic. The company reported earnings numbers that were somewhat below our expectations, as we believe they were temporarily negatively impacted by raw material costs, semi-conductor shortages and supply chain issues. However, Panasonic's EV battery unit, which is one of the largest producers of batteries to Tesla, is posting substantial growth and strengthening its market position. We believe this unit is underappreciated by equity markets as well as undiscovered from an environmental perspective.

Another positive contributor in the quarter was Austrian based Raiffeisen Bank. In early 2021 the company was plagued by litigation issues and higher credit provisions. Since then, the litigation issue has cleared, and the bank posted very strong earnings which propelled a re-rating towards our price target. The share price is up more than 80% in less than a year and we exited the position.

Less favourable developments in the quarter include the issues faced by Fortuna Silver regarding a Mexican mine permit, which hit the stock hard in Q4. This issue was resolved in December, and the stock regained most of the drawdown after we had increased our position. We were also surprised by the magnitude of the cost overruns in Argonaut Gold, which put a dent in the otherwise solid performance of the equity.

We continued to increase our position in Cascades, the Canadian packaging and tissue producer, currently the fund's largest position. Following a year of dialogue with management, we recently escalated our level of engagement to convey our thoughts on the company's suboptimal structure. We believe there is a solid case for a separation of the Tissue business and a clearer focus on the remaining Containerboard business. We are pleased to see that the company has scheduled a strategic update shortly, possibly a result of our joint efforts with other shareholders.

New positions

We accumulated a position in Vitesco Technologies, Continental's Powertrain unit that was spun off in September 2021. While the traditional Powertrain segment is structurally challenged due to the ongoing electric transition, Vitesco appears better placed than its peers to navigate the transition to electric mobility. We estimate that shares are trading at 2-3 times mid-term core earnings power which we believe is unwarranted given the strong balance sheet and underlying cash flow stream and future potential.

We also added US based Textainer, one of the world's leading lessors and managers of shipping containers. Following supply disruption in global trade, the operating environment has substantially improved which bodes well for revenue growth combined with favourable credit conditions. Importantly, the company is now locking in higher profitability contracts with long duration which we believe the market underestimates.



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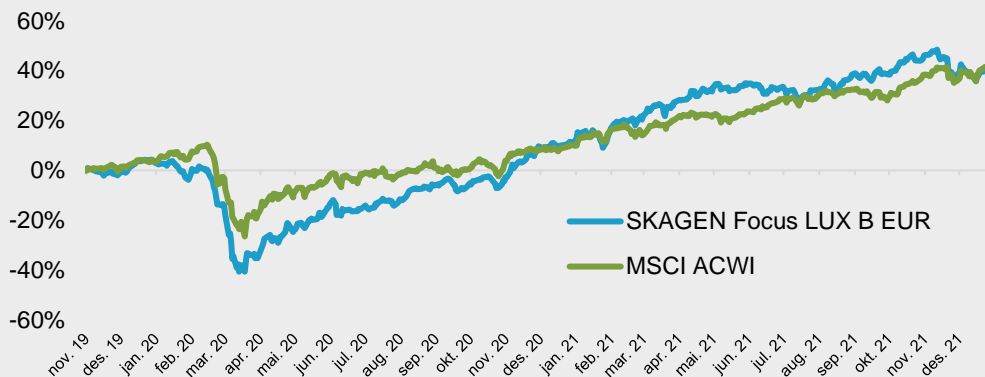
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FUND PERFORMANCE¹

	Q4 2021	YTD	1-year	Since Start
SKAGEN Focus LUX B EUR	1.4%	26.2%	26.2%	17.2%
MSCI ACWI	8.7%	27.5%	27.5%	17.1%
<i>Relative Return</i>	<i>-7.3%</i>	<i>-1.3%</i>	<i>-1.3%</i>	<i>0.1%</i>



PERFORMANCE ATTRIBUTION²

Largest contributors ↑

Holding	Weight	Contribution
Albertsons Cos Inc	4.3%	4.1%
Ivanhoe Mines Ltd	5.3%	2.9%
Hitachi Ltd	4.7%	2.4%
Stock Spirits Group PLC	3.1%	1.5%
Pasona Group Inc	2.4%	1.4%

Largest detractors ↓

Holding	Weight	Contribution
MagForce AG	1.8%	-0.8%
Ubisoft Entertainment SA	1.6%	-0.8%
Ontex Group NV	1.0%	-0.4%
Bear Creek Mining Corp	0.5%	-0.4%
Canfor Pulp Inc	2.2%	-0.4%

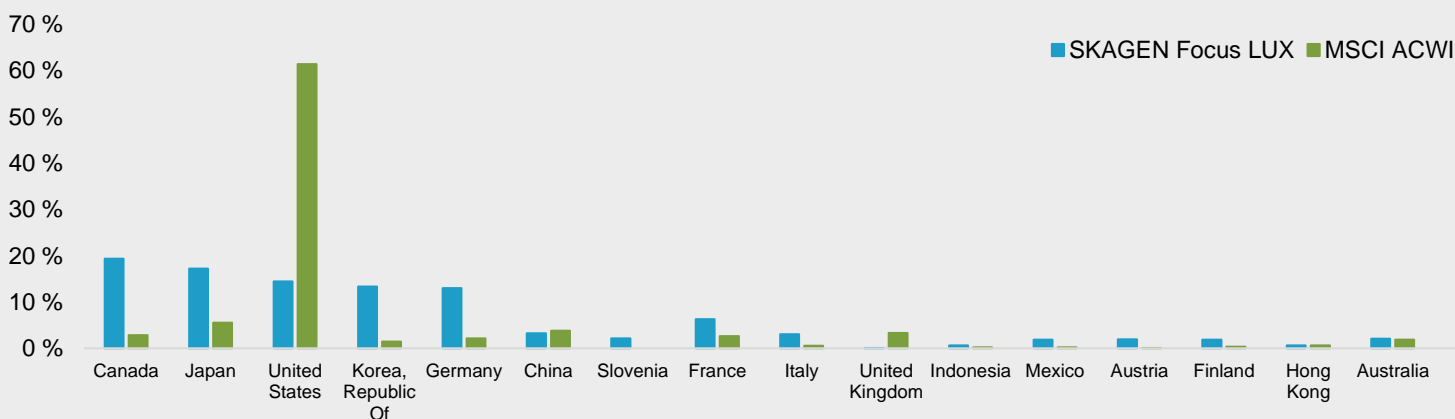
PORTFOLIO STATISTICS

No. of holdings	42
Top 10 weighting	36%
Active Share	100%
Turnover ratio	77%
Investment horizon ³	2-3 years

TOP TEN HOLDINGS

Holding	Weight
Cascades Inc Com	5.5%
Panasonic Corp	4.2%
Marcus Corp Del Com	3.8%
KB Financial Group	3.6%
Ivanhoe Mines Ltd	3.4%
Commerzbank AG NPV	3.3%
China Com Service	3.2%
Canfor Pulp Prods	3.2%
Sixt SE NPV	3.2%
Korean Reinsurance	3.1%
<i>Combined Weight</i>	<i>36.4%</i>

COUNTRY EXPOSURE



¹ As at 31/12/2021 in EUR, net of fees

² Contribution to absolute return year-to-date

³ For guidance purposes only



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IMPORTANT INFORMATION

The information in this presentation pertains to SKAGEN in its role as Investment Manager and Global Sub-Distributor. For more information on Storebrand SICAV and SKAGEN Focus Lux please see the complete prospectus. This document is intended for investment professionals only. The content is not to be viewed by or used with retail investors. Except otherwise stated, the source of all information is Storebrand AS at 31 Desember 2021. This document is published in Stavanger, Norway by SKAGEN AS. 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.

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 and SKAGEN AS as its investment managers. The SICAV has appointed Storebrand Asset Management as Global Distributor and Storebrand Asset Management has appointed SKAGEN AS as Global Sub-Distributor.

SKAGEN AS is a management company authorised by the Norwegian supervisory authority, Finanstilsynet, for the management of UCITS under the Norwegian Act on Securities Funds (Act of 25 November 2011 n.o. 11). SKAGEN AS has its registered office at Skagen 3, Torgterrassen, 4006 Stavanger, Norway. Postbox 160, 4001 Stavanger. SKAGEN AS is part of the Storebrand Group and owned 100% by Storebrand Asset Management AS. Storebrand Group consists of all companies owned directly or indirectly by Storebrand ASA.

Any offering is made only pursuant to the relevant Prospectus, together with the current financial statements of the relevant fund or vehicle, if available, and the relevant subscription application, all of which must be read in their entirety. No offer to purchase shares can be made or accepted prior to receipt by the offeree of these documents and the completion of all appropriate documentation. No offer to sell (or solicitation of an offer to buy) will be made in any jurisdiction in which such offer or solicitation would be unlawful. This is not an advertisement and is not intended for public use or distribution.

The 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 Multifactor Lux, Storebrand Global ESG Lux) for public distribution in the UK, the Netherlands, Belgium and Germany.

For all fund documentation including the KIID, the prospectus, the Annual Report and Half Year Report, unit holder information and the prices of the unit are available on request and free of charge from the counterparties below. More information is also available on the webpages: www.skagenfunds.com and www.storebrandfunds.com.

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 the SKAGEN AS UK Branch to act as Facility Agent in the UK. SKAGEN AS London Office is located at 48 Dover Street, London W1S 4FF. The SKAGEN UK Branch is authorized by Finanstilsynet and is subject to limited regulation by the Financial Conduct Authority. Details about the extent of the authorization and regulation by the FCA are available on request. The SKAGEN AS UK Branch has been appointed by the SICAV as the local market representative.

Important Information for German Investors

The Storebrand SICAV has appointed SKAGEN AS Branch Germany to act as Information Agent in Germany. SKAGEN AS's German Office is located in Barckhausstrasse 1, 60325 Frankfurt, Germany. The SKAGEN AS Branch in Germany acts as local market representative.

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.

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.

Important Information for Austrian Investors

The Storebrand SICAV has appointed Raiffeisen Bank International AG to act as Local Paying, Information and Contact Agent for the SICAV. Raiffeisen Bank International AG's offices are located at Am Stadtpark 9, 1030 Vienna, Austria.