

## Performance Commentary

January was impacted by fears of the Corona virus potentially reducing activity in the global economy, especially in China. The fairly promising rotation into value assets that we observed at the end of 2019 stalled, and capital flows once again moved into expensive and over-owned quality/growth stocks. We think this provides good opportunities to buy into value assets, especially Chinese and commodity-related names, at extremely cheap valuations. Indeed, we scaled up several of our positions at highly attractive price levels. Our Brazilian sugar and ethanol producer Sao Martinho hit its price target early in January, following a more than 60% rally since October, and we exited the position. We also witnessed the first price hike in pulp following last year's dramatic declines, which boosted our positions in Canfor Pulp and Ence. Roxgold was a strong position in January, as the company unveiled new gold discoveries and the gold price rose following the market turmoil. Japanese Teikoku-Sen-I was again a target for activism as yet another shareholder called for improved capital allocation, increased dividends and share-buybacks. Ivanhoe Mines gave back some of its solid 2019 gains, but we suspect this is temporary, as the valuation is increasingly attractive. We started to build a position in a major Korean bank, trading at a highly attractive valuation with tangible catalysts for revaluation in the mid-term.

The fund is a concentrated global equity fund with a mandate to invest in all cap-sizes, geographies and sectors globally. With our concentrated portfolio of 30-35 core positions, we aim to generate absolute returns at a controlled level of absolute risk.

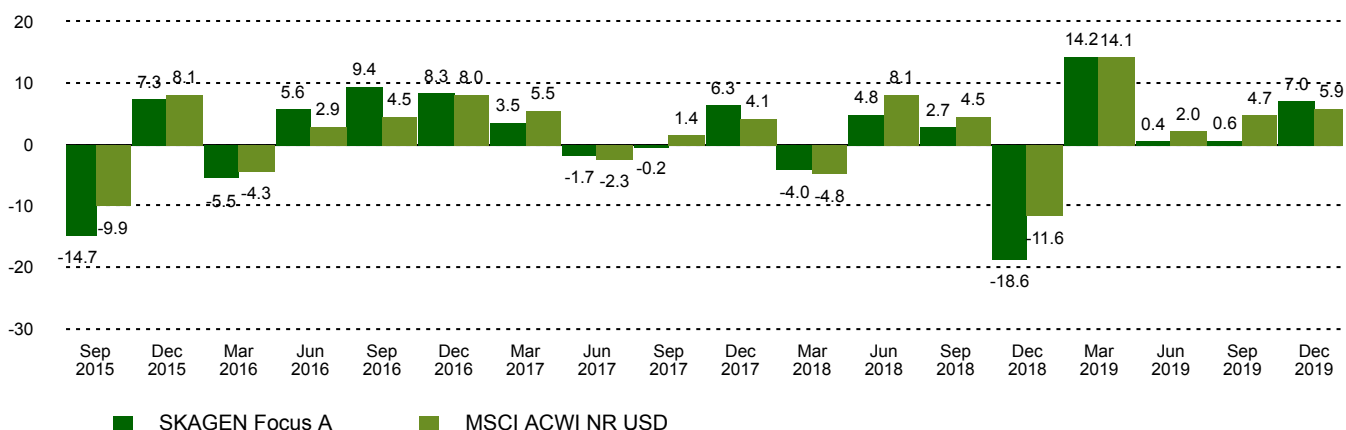
## Historical performance (net of fees)

Period	SKAGEN Focus A	Benchmark index
Last month	-6.0%	1.1%
Year to date	-6.0%	1.1%
Last year	4.6%	21.6%
Last 3 years	1.6%	10.4%
Last 5 years	n/a	n/a
Last 10 years	n/a	n/a
Since start	1.1%	7.3%

## Fund Facts

Type	Equity
Domicile	Norway
Launch date	26.05.2015
Morningstar category	Global Flex-Cap Equity
ISIN	NO0010735129
NAV	12.49 EUR
Fixed management fee	1.60%
Total expense ratio (2019)	1.23%
Benchmark index	MSCI ACWI NR USD
AUM (mill.)	165.06 EUR
Number of holdings	35
Portfolio manager	Jonas Edholm

## Quarterly Performance



## Contributors in the month

### Largest contributors

Holding	Weight (%)	Contribution (%)
Sao Martinho SA	2.04	0.29
Roxgold Inc	3.61	0.19
Teikoku Sen-I Co Ltd	1.74	0.19
Nova Ljubljanska Banka dd	2.18	0.14
MagForce AG	1.75	0.10

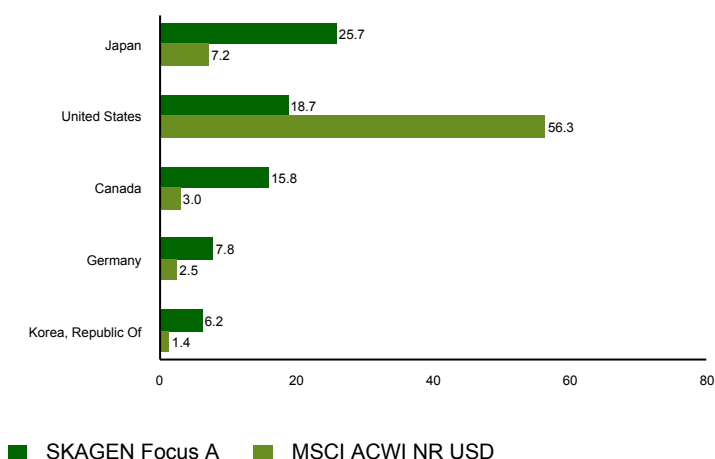
### Largest detractors

Holding	Weight (%)	Contribution (%)
Ivanhoe Mines Ltd	4.25	-0.79
Dow Inc	4.18	-0.51
ViacomCBS Inc	2.79	-0.41
OMV AG	4.55	-0.31
China Unicom Hong Kong Ltd	4.44	-0.28

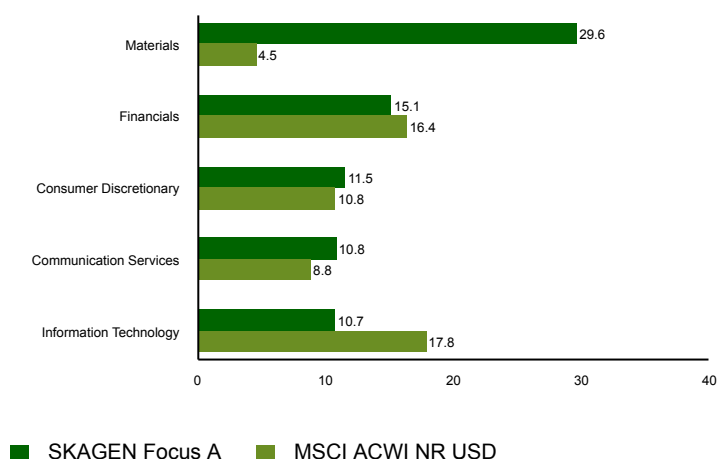
## Top ten investments

Holding	Sector	Country	%
Hitachi Ltd	Information Technology	Japan	4.7
OMV AG	Energy	Austria	4.5
China Unicom Hong Kong Ltd	Communication Services	China	4.5
Toyota Industries Corp	Consumer Discretionary	Japan	4.5
Roxgold Inc	Materials	Canada	4.3
Dow Inc	Materials	United States	4.1
Bank of Kyoto Ltd/The	Financials	Japan	4.1
Ivanhoe Mines Ltd	Materials	Canada	3.9
Avaya Holdings Corp	Information Technology	United States	3.7
Kroger Co	Consumer Staples	United States	3.6
Combined weight of top 10 holdings			42.0

## Country exposure (top five)



## Sector exposure (top five)



## Contact



020 799 74 34



info@skagenfunds.nl



SKAGEN AS, Gustav Mahlerplein 2,  
1082 MA Amsterdam

## Important information

Unless otherwise stated, performance data relates to class A units and is net of fees. AUM data as of the end of the previous month. 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. You can find more information including subscription/redemption forms, full prospectus, Key Investor Information Documents (KIID), General Commercial Terms, Annual Reports and Monthly Reports from our local websites or branch office. Statements reflect the portfolio managers' viewpoint at a given time, and this viewpoint may be changed without notice. This report should not be perceived as an offer or recommendation to buy or sell financial instruments. SKAGEN AS does not assume responsibility for direct or indirect loss or expenses incurred through use or understanding of this report. Employees of SKAGEN AS may be owners of securities issued by companies that are either referred to in this report or are part of a fund's portfolio.



**Don't take any unnecessary risks.**

← Lower risk  
Typically lower rewards

Higher risk  
Typically higher rewards →

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