



P.S. Krøyer's dog, "Fapt", Study, 1808. Detail. By Peder Severin Krøyer, one of the Skagen Painters. This image belongs to the Art Museums of Skagen.

SKAGEN Focus

Statusrapport april 2017

The art of common sense



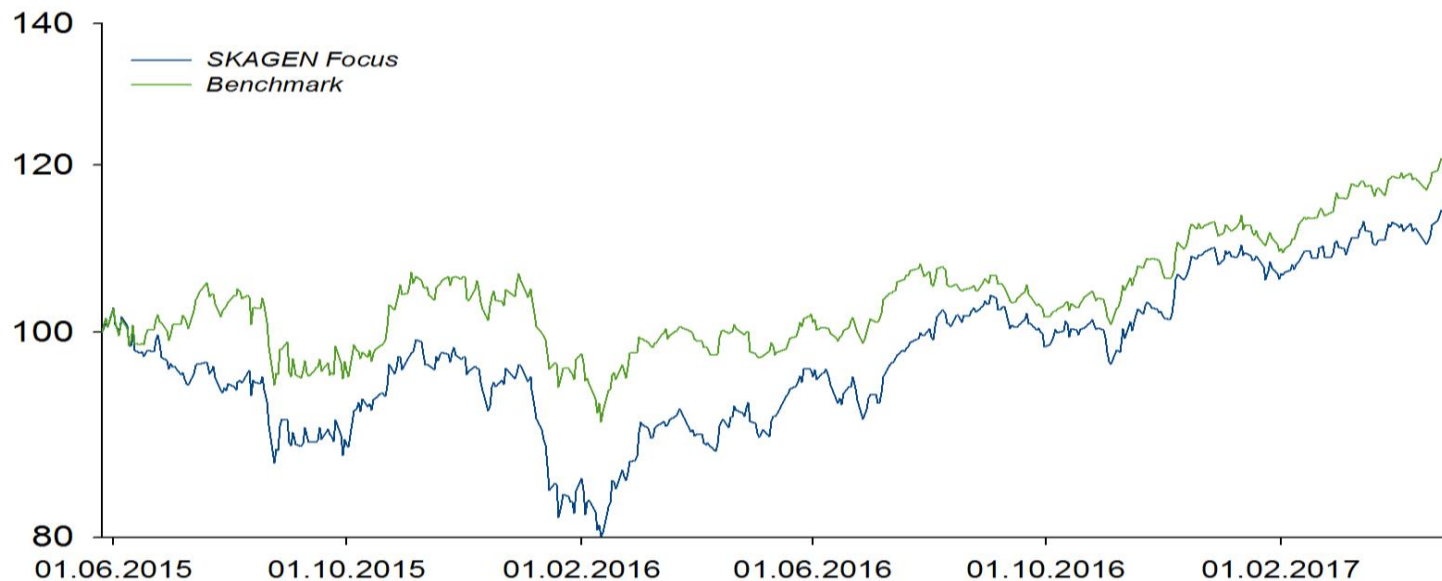
Sammendrag – april 2017

- SKAGEN Focus er et aktivt forvaltet konsentrert fond med et globalt investeringsmandat. Fondets strategi er å finne et begrenset antall selskaper av høy kvalitet til en lav pris.
- Fondet har en målsetning om å ha 30-35 selskaper i porteføljen, og de 10 største posisjonene skal utgjøre 40-50 prosent. Ved utgangen av måneden besto porteføljen av 34 selskaper, hvorav de ti største posisjonene utgjorde ca. 42,3 prosent av porteføljen. Kontanter utgjør 3,5 prosent.
- SKAGEN Focus* var opp 0,4 prosent i april, mens de utviklede markedene var opp 1,1 prosent. Hittil i år er fondet opp 5,1 prosent mens de globale aksjemarkedene er opp 8,0 prosent.
- Philips Lighting, E-mart og Alphabet var de sterkeste positive bidragsyterne i april. Synchrony, Gold Fields og Hyundai Motor var de sterkeste negative bidragsyterne.
- I løpet av måneden kjøpte vi oss inn i to nye selskaper. Vi deltok i noteringen av Gestamp, en spanske mellomstore produsenten av bildeler og det lille belgiske selskapet X-FAB. Vi reduserte posten i Philips Lighting etter kursoppgang.
- Fondets brede mandat reflekteres i både den geografiske og bransjemessige sammensetningen. SKAGEN Focus kan investere uavhengig av markedsverdi og ved utgangen av april utgjorde smallcaps** 13 prosent av fondet, mens mid-cap og large-cap utgjorde henholdsvis 46 prosent og 41 prosent. Disse tallene kan variere mye over tid.

* Med mindre annet er oppgitt er alle avkastningstall for fondet i denne rapporten knyttet til klasse A, og etter fradrag for gebyrer.

** Small-cap defineres som selskap med en markedsverdi under 2 milliarder USD, og Large-cap som mer enn 10 milliarder USD.

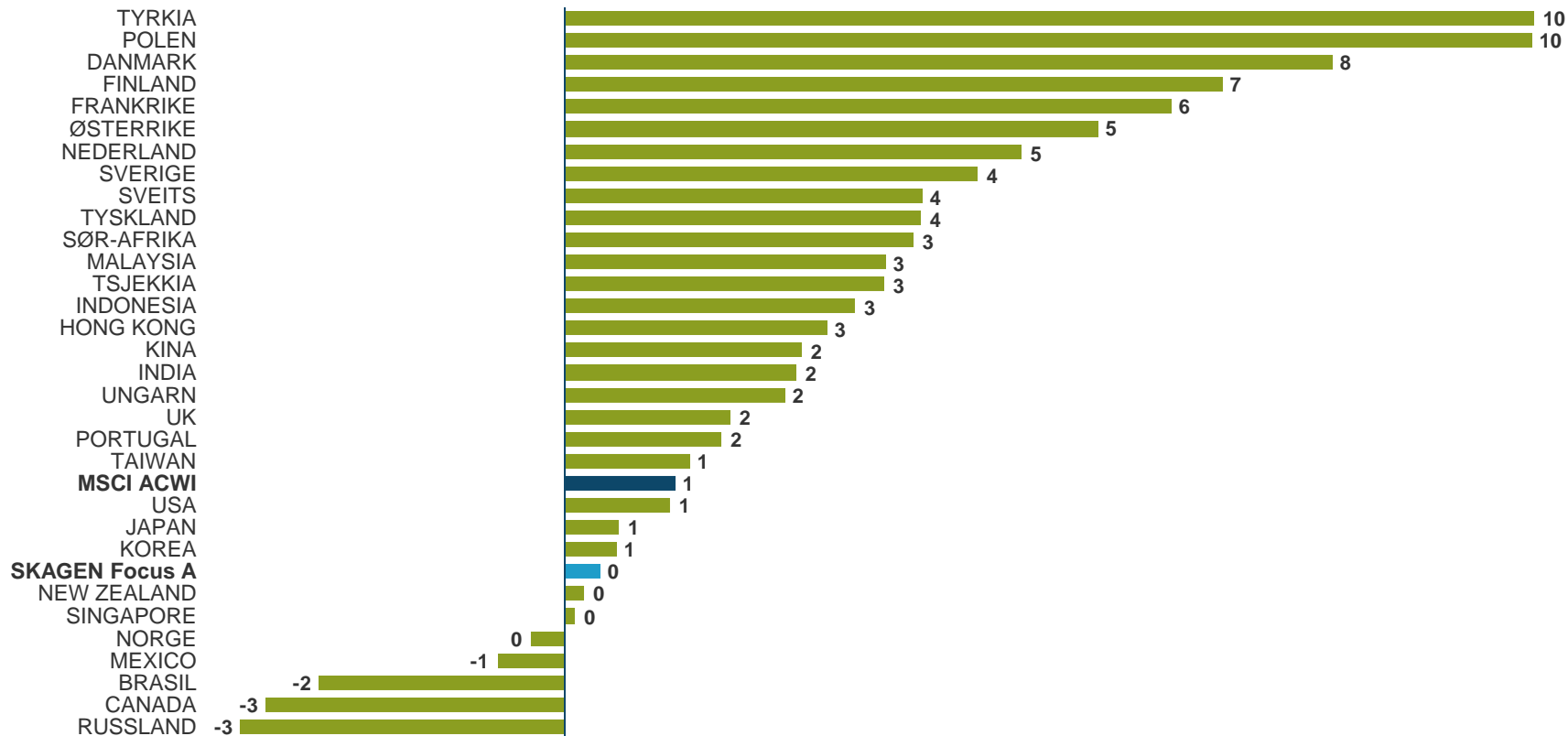
SKAGEN Focus A avkastning i april (i NOK)



	april	QTD	Hittil i år	1 år	Siden start*
SKAGEN Focus A	0,4%	0,4%	5,1%	24,7%	6,6%
Verdensindeks*	1,1%	1,1%	8,0%	22,4%	9,9%
Meravkastning	-0,8%	-0,8%	-2,9%	2,2%	-3,3%

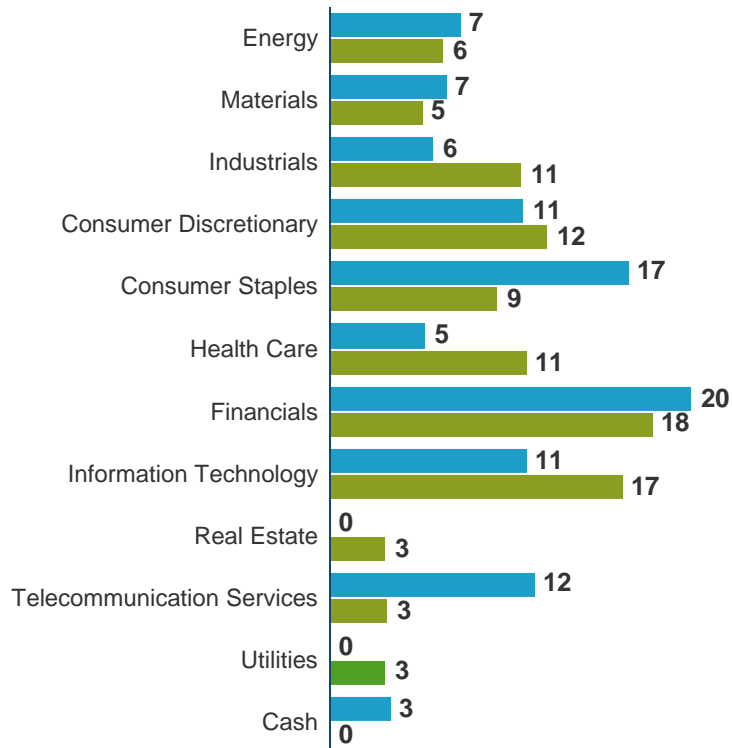
Note: Alle tall utover 12 måneder er annualisert (geometrisk avkastning) * Startdato: 26. mai 2015

Markeder i april 2017, NOK (%)

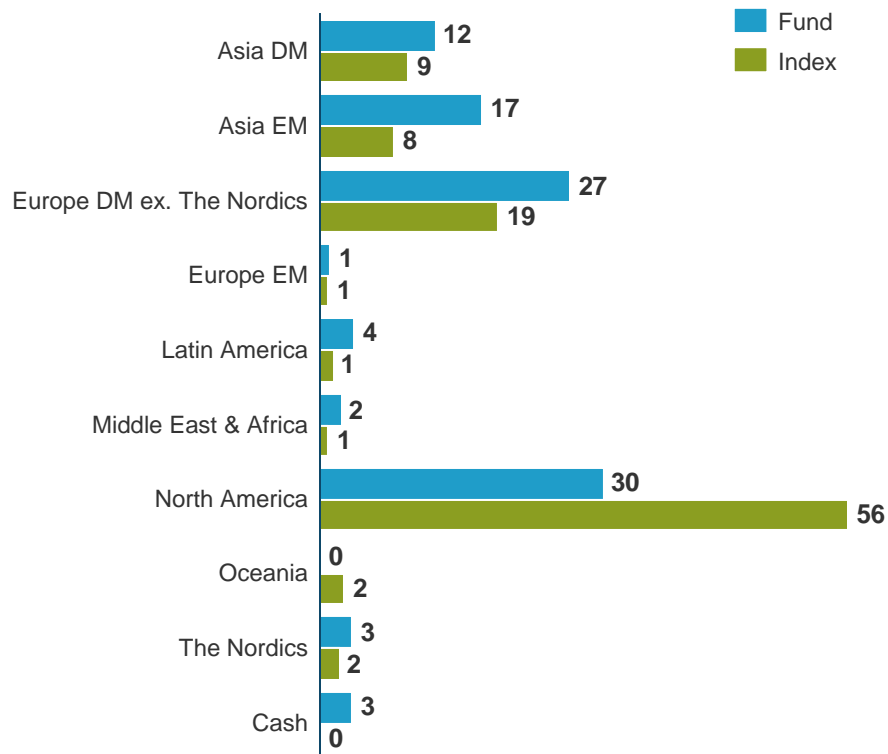


Sektor og geografisk fordeling mot indeks, april 2017

Sektor distribution



Geographical distribution



Kjøp og salg i april 2017

Kjøp

- **Gestamp (ny)** – Vi deltok i noteringen av selskapet (EUR 3 mrd i markedsverdi). Se faktaark.
- **X-FAB (ny)** – Vi deltok i noteringen av selskapet (EUR 1 mrd i markedsverdi). Se faktaark.

Salg

- **Philips Lighting** – Aksjen har steget kraftig (+60% siden vi kjøpte i juni 2016) på grunn av sterk inntjening og kontantstrøm. Selskapet har plassert aksjer to ganger og fri flyt av aksjen har økt. Vi reduserte posten for å reflektere risiko og avkastningsmulighet i kursen framover.
- **E-Mart** – selskapet kom inn i porteføljen i midten av 2016 og aksjen har steget kraftig på tegn om bedre tider innen hypermarkeder. Vi reduserte posten for å reflektere risiko og avkastningsmulighet i kursen framover.

Viktigste bidragsytere april

Største positive bidragsytere

<i>Company</i>	<i>NOK (000)</i>
Philips Lighting	9 758
E-MART	9 155
Alphabet	6 146
Softbank Group	5 279
Carlsberg	5 129

Største negative bidragsytere

<i>Company</i>	<i>NOK (000)</i>
Synchrony Financial	-7 648
Gold Fields Ltd	-4 930
Hyundai Motor	-3 904
AIG	-3 647
Whiting Petroleum	-3 507

Value Creation MTD (NOK MM): 14

Note: Bidrag til absoluttavkastning

Viktigste bidragsytere hittil i år

Største positive bidragsytere

<i>Company</i>	<i>NOK (000)</i>
E-MART	25 375
Philips Lighting	20 613
Adient	12 326
Samsung SDI	11 783
Jenoptik	11 645

Største negative bidragsytere

<i>Company</i>	<i>NOK (000)</i>
Whiting Petroleum	-19 164
Aryzta	-15 619
Synchrony Financial	-10 260
Teva Pharmaceutical Industries	-9 833
AIG	-9 545

Value Creation YTD (NOK MM): 114

Note: Bidrag til absoluttavkastning

Viktigste endringer i 2. kvartal 2017

Økte poster

Q2

Gestamp Automocion (Ny)
X-FAB (Ny)
CIT Group
Taiheiyo Cement
Gold Fields Ltd
Hyundai Motor
Tesoro
Adient

Reduserte poster

Q2

E-MART
Philips Lighting
Infineon Technologies
SK Hynix
Synchrony Financial
Pilgrim's Pride
E-MART

Største poster i SKAGEN Focus

	Price	P/E 2017e	P/E 2018e	P/BV last	Price target	Upside to target %	Holding size, %
American International Group Inc	60,91	12,2	10,9	0,8	90,0	48 %	6,8%
Telecom Italia Spa	0,82	11,8	10,6	0,6	1,2	47 %	4,4%
Tesoro Corp	79,71	14,8	11,7	1,7	120,0	51 %	4,3%
Taiheiyo Cement Corp	371,00	8,7	11,4	1,3	495,0	33 %	4,0%
Softbank Group Corp	8 442,00	9,7	13,2	3,0	11000,0	30 %	3,8%
Teva Pharmaceutical-Sp ADR	31,58	6,6	6,6	1,1	90,0	185 %	3,7%
SBI Holdings Inc	1 545,00	13,9	12,9	0,8	3000,0	94 %	3,6%
Jbs SA	10,27	7,1	6,1	1,2	20,0	95 %	3,5%
CIT Group Inc	46,31	17,5	12,5	0,9	55,0	19 %	3,5%
China Telecom Corp Ltd	3,80	15,4	13,8	1,0	8,0	111 %	3,5%
Top 10 positions		10,8	10,3	1,0		68,2%	41,0%
Total Equity (35 positions)							96,5 %
Cash							3,5 %
Total Portfolio							100,0%

Per 30. april

JBS er største aksjonær i Pilgrim's Pride, som utgjør 1,0 % av fondet. Disse to posisjonene bør ses på som en, med en total vekt på 4,5 %.

Nyheter på engelsk

Key earnings releases and corporate news, April 2017

China Telecom (4.0% weight)

Investment case update

China Telecom is the second largest telecom service provider behind China Mobile, in a maturing industry yet with potentially massive growth in data downloads. In Q1, total operating revenue grew by 7.5% driven by solid results in all segments. The mobile service segment (40% of sales) continues to be the main growth driver, up 13% YoY, driven by increased 4G penetration and a growing subscriber base (a net addition of 6.5m during the quarter). The fixed line service segment (60% of sales) grew by 4%. EBITDA increased by 4% YoY, less than top line due to increased costs, mainly attributed to tower leasing fees and increased personnel expenses. As the period of elevated capex levels is potentially coming to an end, we think this could bring the attention to the attractive mid-term free cash flow dynamics of the company. The stock is attractive on current earnings power and at a major discount to industry peers at EV/EBITDA of less than 4x.

Fact

In Q117, the company reported revenue of RMB 91.4bn. EBITDA came in at RMB 24.8bn. The company added 6.5m mobile subscribers during the quarter to the current total base of 221.5m.

Alphabet (3.0% weight)

Investment case update

As margins and CAPEX have normalised (leading to a significant re-rating of the stock), the key to our investment thesis going forward is the combination of continued high growth and high incremental return on invested capital (growing 20+% and still generating significant FCF). The Q12017 report confirmed our thesis on both as there is evidence of a) growth, with revenues up 22% YoY and operating income +23%, and b) high incremental return on invested capital, with FCF up 35% YoY. The company trades at an FCF/EV yield of 3.5% (2017 numbers) with FCF growing 30+%.

Facts

Alphabet reported very strong Q1 2017 results. Overall revenues grew 22% YoY (24% on an FX neutral basis) with continued strong growth in the core sites business (mainly Search but increasingly also YouTube) and “other bets”. Despite the worse mix (fastest growing areas like YouTube and “other bets” have lower/negative margins), operating income was up 24% YoY, due to significant operating leverage in the core search business. Capital intensity continues to decline, resulting in a 35% increase in FCF. To understand the scale of a dominant global online business, here are a few facts on Alphabet’s 2nd largest business: YouTube viewers are now watching more than 1bn hours of video per day (a tenfold increase since 2012). Users upload 65 years of video each day (or 400 hours of video a minute).

Key earnings releases and corporate news, April 2017 (cont.)

Gold Fields (2.5% weight)

Investment case update

Gold Fields Ltd is one of the world's largest gold exploration companies with total production capacity of 2.2m ounces and reserves of 50m ounces. The company is headquartered in South Africa, but the bulk of the assets are located outside South Africa, in Australia (50%), South America (7%) and West Africa (35%). The one asset in South Africa is South Deep, one of the largest gold reserves in the world. The company reported weak production numbers for the first quarter, with total production down by 3% YoY and 12% sequentially, while all-in costs rose 6% YoY. Main weakness came from the South Deep asset, a weakness that was flagged by management following operational disruptions, and from the Australian assets, which lost 18 days of production due to unfortunate weather conditions. Management reiterated full-year guidance, which we think is positive and could indicate that previous guidance given for South Deep may have been somewhat conservative. The market's implicit perception of reserve life continues to be quite pessimistic, and we think the market may underestimate the future potential for reserve conversions in the mid-term. The South Deep asset may be at an inflection point and is currently valued at an implicitly negative value. The major investments into this asset are now largely behind the company and expectations for production guidance may be too depressed. The stock trades at the same depressed valuation (3x EV/EBITDA at steady state gold price) as the other South African operators despite the fact that the asset base is outside South Africa.

Fact

Gold Fields reported total production during Q1 of 513k oz, down 3% YoY. Total mining revenue came in at USD 624m, down 2% YoY. Group all-in sustaining cost USD/oz increased 6% YoY to a level of USD 1016/oz. Management reiterated full-year guidance with total gold production of 2.10m oz to 2.15m oz with all-in cost of between USD 1010/oz and USD 1030/oz.

Whiting Petroleum (2.0% weight)

Investment case update

Whiting Petroleum is an independent E&P company primarily focused on on-shore oil properties in the US and Canada. The company raised capital in early 2015 after the poorly timed acquisition of Kodiak Oil and Gas in late 2014, funded mostly by debt. Following the capital-raise, the company has struggled in a lower oil price environment. While the company produced an overall net loss in Q117, there was solid net cash generation from operations of USD 182m, up more than USD 80m over last year. Realised prices increased more than 40% over last year. The company raised the production guidance marginally to 46m MMBOE (+1%) and confirmed the annual capital budget of USD 1.1bn. The company's lending group reaffirmed the USD 2.5bn borrowing base with unchanged covenants which is important since debt levels still are quite elevated. The overall guidance seems to imply dramatically higher efficiency ratios, and more specifically an almost 50% reduction in reserve development costs for the year and going forward. On an overall basis we think the higher efficiency ratios are underestimated by the market and there is an overly negative focus on the balance sheet, which is slowly improving and we see further opportunities for non-core asset sales in the mid-term. Production is gradually increasing which stands in contrast to the dramatic cuts over the last two years. In the mid-term, we continue to see the company as attractively valued, both in relation to its reserve base and its normalised earnings power.

Fact

The company reported a net loss of USD 54m in the quarter compared to a loss of USD 174m a year ago. Production in the quarter totalled 10.6 MMBOE; 84% crude oil/natural gas liquids, which was a 20% decrease on last year.

Key earnings releases and corporate news, April 2017 (cont.)

CIT (3.6% weight)

Investment case update

The US specialty finance conglomerate CIT reported mixed Q117 numbers but, adjusted for one-time items, the numbers roughly met expectations with quite solid core trends. The many one-time items are mostly a result of the major transformation which the company is currently undergoing, as the sale of the commercial air portfolio (USD 10.4bn) was finalised in the quarter. The transaction has released substantial capital and as a start the company has redeemed USD 4.8bn in debt and completed a tender offer for USD 969m. The company states it has already secured 40% of its cost-reduction goal towards 2018, and the core return on equity (assuming the commercial air separation and the USD 3bn capital return) rose to 7.8% in the quarter. Interestingly, during the call, management indicated there could be potential for another USD 1-1.5bn share buyback towards 2018. The company has established an overall target to reach 10% return on equity by 2018. The core regional bank, the old One West franchise, is currently under-earning compared to other similar regional banks and fundamentally should be able to reach peer group profitability in the mid-term. This is also driven by a rapidly growing deposit base as overall funding. The equity is trading below book value and with further simplification of the corporate structure combined with peer group profitability in the bank, there is substantial upside to the current equity price.

Fact

CIT announced a Q117 net profit of USD 163m excluding extraordinary items. Tangible equity per share was USD 46/share at the end of the quarter.

Phillips Lighting (2.5% weight)

Investment case update

Positive. Key to the investment case has been that LIGHT continues to grow LED business while expanding margins. This report showed both; an acceleration in LED growth (17%) as well as an improvement in free cash flow of EUR 80m. EBITDA margin improved 280bp due to procurement savings, higher production efficiency and mix improvement. Working capital decreased YoY by EUR 170m and now stands at 9.8% of sales, an improvement of 180bp vs. last year and 15% in 2015. Free cash flow per share should be above EUR 3 per share for FY2017 and we therefore raised our target price to EUR 33. The 3.5 million shares they acquired on Royal Philips sell-down, will be cancelled in Q2. On the other hand, the lock-up for Royal Philips to sell more shares ended today – this overhang could result in a lukewarm share price in the short term.

Fact

Light reported Q1 sales of EUR 1.7bn and net income of EUR 61m.

The 10 largest companies in SKAGEN Focus



AIG is an international insurance company serving commercial, institutional and individual customers. The company provides property-casualty insurance, life insurance and retirement services. AIG was at the very centre of the financial crisis as the central bank for mortgage insurance – it was bailed out in a USD 180bn bail out. The company has two core insurance holdings: Sun America and Chartis that it intends to keep.



Telecom Italia S.p.A., through subsidiaries, offers fixed line and mobile telephone and data transmission services in Italy and abroad. Telecom Italia is a former state telecommunications monopoly. The company has two main operations: Domestic telecom (75% of revenues) and a majority stake in TIM Participacoes (25% of revenues, 67% owned), Brazil's second largest mobile operator.



Tesoro Corporation refines and markets petroleum products and provides transporting services. The company operates refineries, as well as a network of retail and refuelling stations in the western United States. Tesoro also markets gasoline and diesel fuel to independent marketers and commercial end users.



Largest cement company in Japan and 13th largest globally with approximately 40m tons total capacity (about 60% in Japan). The Japanese cement market is an oligopoly with three players following consolidation. Geographic revenue mix: Japan 80%, US 15%, Other 5% (Singapore, Vietnam, HK, Philippines, Australia). Segment revenue mix: Cement 65%, Mineral resources 10%, Environmental business 8%, Construction materials 10%, Other 7%; private/public 50/50. Integrated with minerals business providing large part of internal raw material needs.



Japan-based Softbank is a telecom and internet conglomerate. The company's main assets are 1) the Chinese online giant Alibaba Group (32% holding). Alibaba is the leading online commerce platform in China, active both in retail and wholesale; 2) US-based telecom operator Sprint (80% ownership) which provides wireless services in the US and is the third largest wireless network operator after Verizon and AT&T; and 3) domestic telecoms (mainly Softbank Mobile, third largest telco in Japan after KDDI and NTT Docomo).

The 10 largest companies in SKAGEN Focus (cont.)



Teva's history can be traced back to Jerusalem in the 1930s. Today Teva is the world's largest producer of drugs that have gone off-patent. HQ in Israel; presence in 60 countries; 45k employees. Teva's strategy is to focus on 1) Central nervous system (CNS) 2) Respiratory and 3) Improved versions of existing drugs (not just Teva drugs) and 4) Production of biosimilar drugs. In July 2016, The US Federal Trade Commission granted Teva approval for the acquisition of Allergan's generics business (Actavis).



Japanese company established in 1999 as an online financial services company, incubation arm of Softbank. Acquired E*Trade Securities in 2003, Softbank sold out in 2006. Three main businesses: i) Financial services; ii) Asset management, iii) Biotech Financial services. Building an ecosystem to offer full range of financial services: SBI Securities: Dominant provider of online securities services in Japan, #3 in new tax-saving NISA behind Nomura and Daiwa. SBI Sumishin Net Bank: pure-play internet bank. Also active within insurance (Life & Non-life), Mortgages (through securitisation), trading system and FX trading.



Brazil-based JBS has transformed itself from a mid-sized local beef producer to the world's largest animal protein processor in just a few years since its IPO in 2007. It is now the world's #1 beef, #2 poultry and #3 pork producer by sales. The company operates in six main segments: JBS USA Beef (40% of sales, US beef processing), Moy Park (14%, UK-based chicken and foodservice provider), Pilgrim's Pride (14%, 2nd largest chicken producer globally; separately listed in the US; PPC US, JBS ownership 75%), JBS Mercosul (13%, Brazil-based beef processing), JBS USA Pork (10%), JBS Foods (9%, prepared foods and poultry processing).



CIT Group is a specialty finance company with businesses within middle market lending, factoring, retail finance, aerospace, equipment and rail leasing. With a somewhat troubled background, the then stand-alone company was acquired in 2001 by Tyco. However, after Tyco ran into financial trouble it was spun-off in 2002. In 2009, the company was forced to reorganise itself through a Chapter 11 filing, but was relisted in 2010. In July 2014, the company announced the acquisition of OneWest bank for USD 3.4bn.



China Telecom is a full services integrated information service operator in China. The company, along with its subsidiaries, is engaged in the provision of basic communications services, including wireline telecommunications services, mobile telecommunications services, value-added services, such as Internet access services, integrated information services and other related services. China Mobile, China Telecom and Unicom are the largest and dominant service providers in the country. China Telecom is the growing 2nd player behind China Mobile in a maturing industry, yet with massive growth in data downloads.

Gestamp Automoción (GEST SM) EUR 5.2



History, what they do and how case was found

- The Riberas family founded Spain's largest steel company in 1958 and has since diversified into auto-parts through Gestamp Automoción in 1991. In 2011, Gestamp acquired ThyssenKrupp Metal Forming (TKMF).
- The Spanish domiciled company is a global leader in critical auto components such as Body-in-White, Chassis and Mechanisms (15% global market share) and related technologies, primarily through so called hot stamping (15% global market share). Closest peer is Magna (MGA US), a US listed auto-parts company.
- The primary client base is made up of global auto-producers (OEMs). The demand is driven by requirements to produce lighter and safer components for vehicles. OEMs are busy developing new models within electric vehicles and self-driving cars, and are therefore keen on outsourcing the production of these items.
- Hot stamping technology means using a heated blank that forms and hardens quickly in the die, parts can be made larger, stronger and more complex than ever before. This results in fewer structural parts per vehicle with as much as 30–35 % weight reduction of individual parts.
- Company was listed in an IPO with 30% free float where the family are sellers. Japanese Mitsui owns 12.5% of the shares following the IPO.
- **ESG** – no specific issues identified.

Rationale for investment

- Outsourcing from OEMs to companies like Gestamp is increasing rapidly – mid-term company-specific opportunity to gain additional market share. Outsourcing contracts are on average 7 years in duration.
- Fundamental drivers such as move to lighter electric vehicles and lower emission support increased hot stamping technology use in the mid-term. Also, increased safety requirements are driving demand for the company's products.
- Valuation looks highly attractive on a mid-term normalised capital expenditure basis (free cash flow yield 12-13%) and EV/EBITDA of 5x. The company is in the middle of a growth/investing phase (high asset growth), however, where new capacity is built in the mid-term to support increased demand.

Potential triggers

- Gradual market realisation that current investment phase is rational and confirmation of returns on incremental investments above 10%.
- Structural events related to the 12.5% stake owned by Japanese Mitsui and the opportunity to approach Japanese OEMs through their network.
- Successful de-levering of balance sheet as net debt to EBITDA is higher than peer average, around 2x, and is a concern to some investors.

Risks

- Client concentration; 25% of sales are with the largest client and top five clients make up 66% of revenues
- Global auto sales
- Input costs, mainly steel

Target price

We set a price target of EUR 10 / share which is 7x mid-term EV/EBITDA earning power.

KEY FIGURES:

Market cap	EUR	3.0bn
EV/EBITDA 18E		5.5x
P/E 18E		9.0x
Net debt / EBITDA		1.8x
EV/sales		0.8x

Owners:

Family	57.5%
Mitsui	12.5%
Free float	30.0%



Team Focus, April 2017

www.gestamp.com

3U addition to fact sheet

Unpopular

- Overall worries around a potentially peaking automotive cycle and higher than average leverage have affected the demand for the shares negatively.

Under-researched

- Analysts seem to underestimate the importance of profitable asset growth and overestimate the negative impact of short-term lower free cash flow yield.

Under-valued

- The stock is trading at an unwarranted discount to absolute fair value and peers in a mid-term perspective. We set a target price of EUR 10/share which is 7x mid-term EV/EBITDA.

X-FAB (XFAB FP) EUR 8



History, what they do and how case was found

- Belgian X-FAB, founded in 1992, is one of the leading pure-play foundry companies in the area of specialty analogue/mixed-signal chips. X-FAB provides manufacturing and design support services for semiconductor companies that either design these analogue/mixed-signal chips for use in their own products (e.g. Huawei, Samsung, Hitachi and ABB) or for their customers' products (e.g. Melexis, Sensata, AMS).
- These chips can be used across multiple end markets ranging from communications to automotive to industrial. In the case of X-FAB, the end markets are mainly Automotive, Industrial and Medical Applications (55% of sales).
- The company is an entrepreneurial story led by XTRION, a long-term shareholder and founder of X-FAB. XTRION, a holding company for co-founders, also controls Melexis, which is X-FAB's largest client.
- The company had its IPO in April 2017, in which we participated. The IPO was both a primary and secondary offering, adding EUR 250m to strengthen the company's balance sheet to a net cash position while letting early stage investors exit. The main shareholder and founder did not sell during the IPO and agreed to a minimum 3-year lock-in period.
- ESG – No major issues identified other than the potential conflict of interests with Melexis, which is improving post IPO due to the increased number of independent board members.

Rationale for investment

- X-FAB has developed a strong position within an industry that offers attractive features; a promising outlook with growth opportunities on the back of increasing semi-content driven demand from the electrification of cars and the Internet of Things, long product life cycles and limited pricing pressure, high barriers to entry and sticky clients.
- Foundries play a critical role in the semiconductor supply chain, focusing on complex technology, design support and manufacturing. They not only manufacture microchips; they also allow fabless companies to compete with traditional, vertically integrated ones.
- X-FAB has substantial tax loss carry-forwards as well as deferred tax assets which should benefit the company in the coming years in the form of a minimal tax rate.

Potential triggers

- Margin improvement through increased capacity utilisation
- Diversification of current client base
- Successful delivery on the strategy to reinvest earnings and grow the asset base at high returns
- Industry consolidation, X-FAB is still a very small player in a fragmented industry.

Risks

- **Client concentration** – Melexis represents 34% of sales. This exposure has been diversified throughout the years, a trend management aims at continuing. Top 3 clients represent 60%.
- **USD/EUR** – Depreciation of the USD vs EUR. 90% of sales are in USD while half of the cost base is in EUR.
- **Global auto sales** – 40% of sales are exposed to Automotive, where electrification and increased semi-content are key drivers.

Target price

- Our target price for X-FAB is EUR 13, equivalent to a 10x mid term EV/EBITDA multiple.

Key figures:

Market cap	EUR	1bn
Net debt/EBITDA		-1.5x
EV/ e17 EBITDA		6.6x
EV/Sales		1.3x
P/BV trailing		2.5x
Free float		39%

Owners

XTRION 61%

Team Focus, April 2017

www.xfab.com

3U addition to fact sheet

Unpopular

- During the company's second attempt to IPO its shares, X-FAB managed to come out at the bottom of the given price range, affected by overall worries regarding the potentially peaking auto cycle. X-FAB's low market cap size and low free float keeps the company off the radar of most investors.

Under-researched

- Analysts seems to underestimate X-FAB's positioning in the value chain and diversified exposure to end markets, with regard to the potential weakness in the auto cycle. Although end markets are cyclical in nature, X-FAB benefits from the continuous increase of semi-content, which continues to be a major driver across all the company's end markets.

Under-valued

- Share trades at an unwarranted discount to absolute fair value and the industry in a mid-term perspective. Our price target for X-FAB is EUR 13, equivalent to a 10x mid-term EV/EBITDA multiple.

For more information please visit:

Our latest [Market report](#)
Information on [SKAGEN Focus A](#) on our web pages

Unless otherwise stated, performance data relates to class A units and is 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 subscription and management fees. The return may become negative as a result of negative price developments. KIIDs and Prospectuses for all funds can be found on our website.

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