

Performance Commentary

Equity market volatility has picked up, probably due to fear of higher interest rates and overall market reluctance to factor in further mid-term earnings growth. Longer duration yields, especially in the US, are beginning to compete with generally low equity earnings yields. Fila Korea was the strongest performer in the month, as the company announced better than expected results and a stock split. We believe the stock is substantially undervalued considering its stake in US-listed Acushnet. Our Spanish auto-parts producer Gestamp re-rated after producing decent results despite earlier announced cost setbacks and currency headwinds. Korean Hanil Cement was the largest detractor, but announced a coming split into one holding company and one operational company, which we think could help visualise the underlying value in their asset base. German Schaeffler was weaker following an announcement of weaker than anticipated margin development. US-based media conglomerate Viacom is a new position. Viacom's fundamental performance and stock price have been pressured by the shift from traditional TV/cable platforms to streaming online services. We believe the markets have more than accounted for the harsh operating environment and underestimates the turnaround potential. The new management has cut debt and lowered the cost base in recent years, and a transformation towards direct distribution models is in full force.

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.

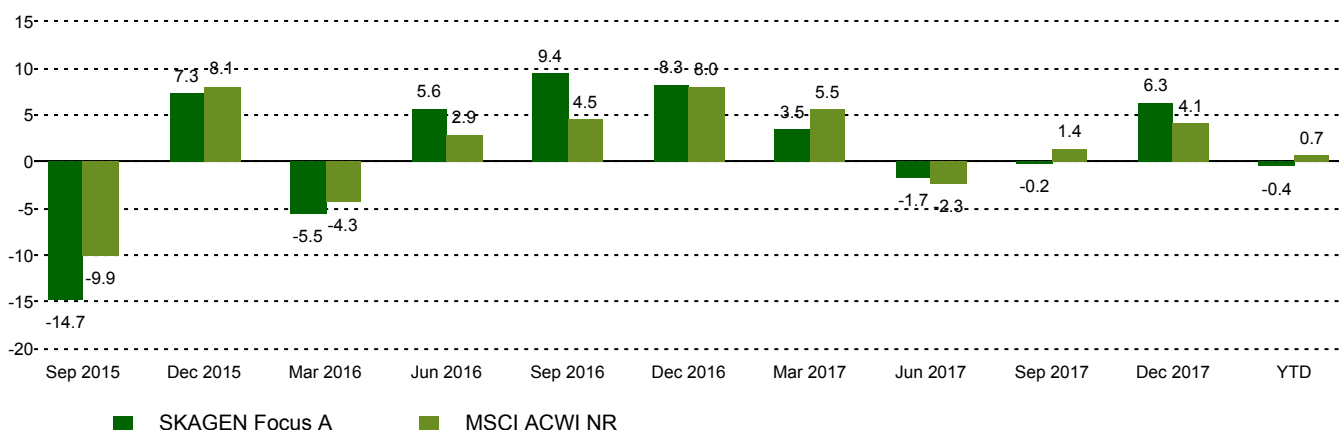
Historical performance (net of fees)

| Period | SKAGEN Focus A | Benchmark index |
|---------------|----------------|-----------------|
| Last month | -2.4% | -1.3% |
| Year to date | -0.4% | 0.7% |
| Last year | 4.0% | 4.4% |
| Last 3 years | n/a | n/a |
| Last 5 years | n/a | n/a |
| Last 10 years | n/a | n/a |
| Since start | 2.6% | 4.5% |

Fund Facts

| | |
|----------------------------|------------------------|
| Type | Equity |
| Domicile | Norway |
| Launch date | 26.05.2015 |
| Morningstar category | Global Flex-Cap Equity |
| ISIN | NO0010735129 |
| NAV | 12.76 EUR |
| Fixed management fee | 1.60% |
| Total expense ratio (2017) | 1.48% |
| Benchmark index | MSCI ACWI NR |
| AUM (mill.) | 265.75 EUR |
| Number of holdings | 35 |
| Lead manager | Filip Weintraub |

Quarterly Performance



Contributors in the month

Largest contributors

| Holding | Weight (%) | Contribution (%) |
|--------------------------------|------------|------------------|
| Fila Korea Ltd | 3.81 | 0.60 |
| CIT Group Inc | 2.30 | 0.19 |
| Gestamp Automocion SA | 1.72 | 0.18 |
| SoftBank Group Corp | 4.53 | 0.16 |
| Heidelberger Druckmaschinen AG | 1.82 | 0.14 |

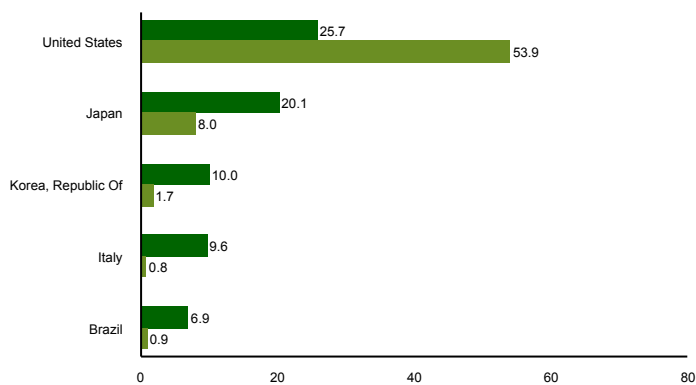
Largest detractors

| Holding | Weight (%) | Contribution (%) |
|--------------------------------|------------|------------------|
| Hanil Cement Co Ltd | 2.21 | -0.59 |
| Schaeffler AG | 2.66 | -0.49 |
| BrightHouse Financial Inc | 2.83 | -0.35 |
| China Telecom Corp Ltd | 3.77 | -0.34 |
| American International Group I | 5.87 | -0.33 |

Top ten investments

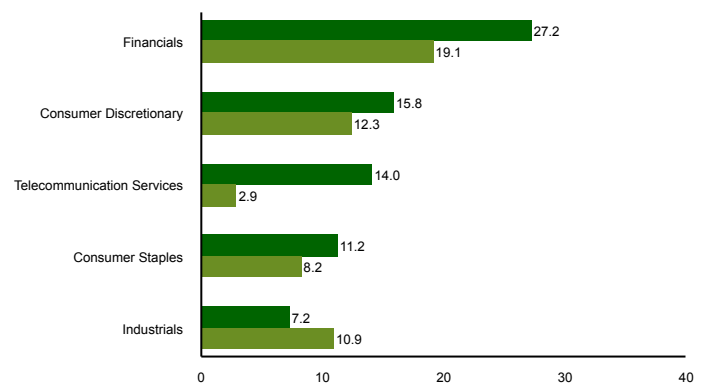
| Holding | Sector | Country | % |
|------------------------------------|----------------------------|--------------------|------|
| SBI Holdings | Financials | Japan | 7.3 |
| Telecom Italia Spa | Telecommunication Services | Italy | 5.8 |
| AIG | Financials | United States | 5.7 |
| Softbank Group | Telecommunication Services | Japan | 4.6 |
| Fila Korea | Consumer Discretionary | Korea, Republic Of | 4.2 |
| Jbs | Consumer Staples | Brazil | 3.7 |
| China Telecom | Telecommunication Services | China | 3.6 |
| Bank of Kyoto | Financials | Japan | 3.6 |
| Gold Fields Ltd | Materials | South Africa | 3.4 |
| Renault SA | Consumer Discretionary | France | 3.3 |
| Combined weight of top 10 holdings | | | 45.2 |

Country exposure (top five)



■ SKAGEN Focus A ■ MSCI ACWI NR

Sector exposure (top five)



■ SKAGEN Focus A ■ MSCI ACWI NR

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Important information

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