

All data in EUR as of 31/08/2018 unless otherwise stated.

Performance Commentary

During the month, we continued to observe an extreme divergence between the US equity market and its European counterparts. A combination of political uncertainty in Europe, in particular Italy, and a continued harsh rhetoric around US-imposed trade tariffs have given rise to this rather extreme environment. Our US exposure is concentrated around a number of special situations such as US airline Hawaiian Holdings, communications company Avaya Holdings and security solutions provider ADT. Following the massive de-rating, valuations in non-US equity markets are starting to look quite attractive, even in the broader sense. Our fairly new position in Metro, the German wholesaler retailer, was one of the top contributors in the month as the restructuring situation attracted a new main owner in EPGC, an Eastern European investment company. Japanese IT conglomerate Softbank performed strongly as the IPO for its telecom business is approaching and the company reported yet another round of solid fundamental results. Gold Fields was one of the main detractors as the company delivered a disappointing update on its sole South African asset South Deep in an environment in which the gold price has also been surprisingly weak. Our Italian positions in Unicredit and Telecom Italia were plagued by the current Italian budget uncertainty, but now trade at extremely attractive multiples.

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.

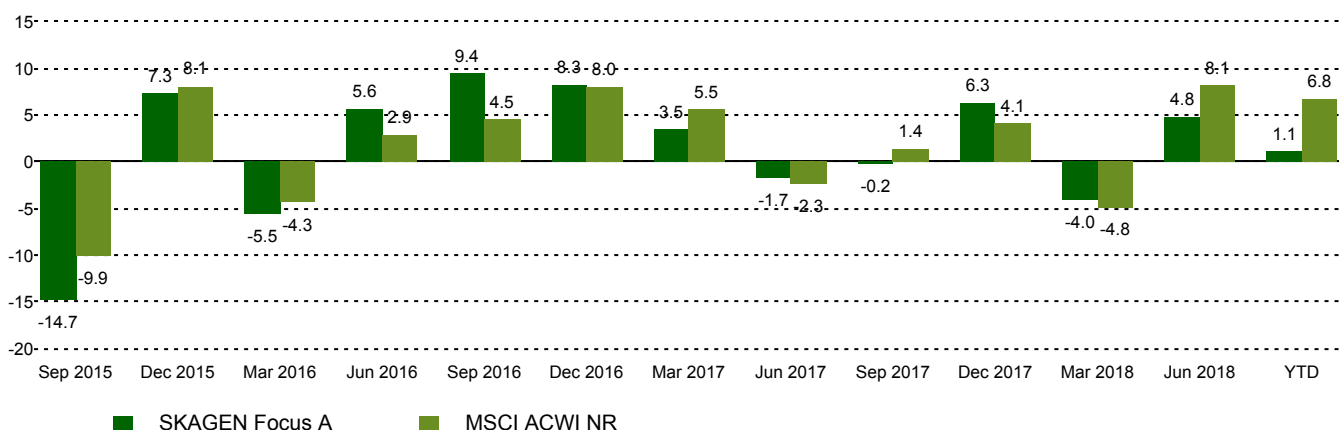
Historical performance (net of fees)

Period	SKAGEN Focus A	Benchmark index
Last month	-1.4%	1.6%
Year to date	1.1%	6.8%
Last year	11.1%	13.8%
Last 3 years	10.2%	10.5%
Last 5 years	n/a	n/a
Last 10 years	n/a	n/a
Since start	2.7%	5.7%

Fund Facts

Type	Equity
Domicile	Norway
Launch date	26.05.2015
Morningstar category	Global Flex-Cap Equity
ISIN	NO0010735129
NAV	12.95 EUR
Fixed management fee	1.60%
Total expense ratio (2017)	1.48%
Benchmark index	MSCI ACWI NR
AUM (mill.)	236.67 EUR
Number of holdings	33
Portfolio manager	Jonas Edholm

Quarterly Performance



Contributors in the month

👍 Largest contributors

Holding	Weight (%)	Contribution (%)
SoftBank Group Corp	5.11	0.74
Metro AG	1.88	0.44
MagForce AG	1.60	0.41
Avaya Holdings Corp	2.72	0.37
Synchrony Financial	2.67	0.31

👎 Largest detractors

Holding	Weight (%)	Contribution (%)
Gold Fields Ltd	3.22	-1.29
Telecom Italia SpA/Milano	5.92	-0.97
Unicredit SpA	2.41	-0.45
Sao Martinho SA	3.95	-0.38
KOC Holding AS	1.18	-0.22

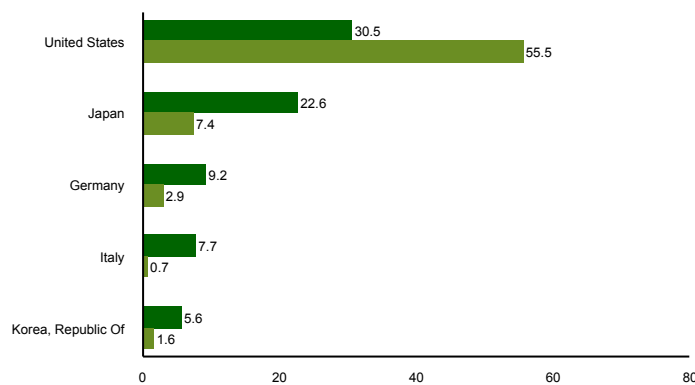
Absolute contribution based on NOK returns at fund level

The art of common sense

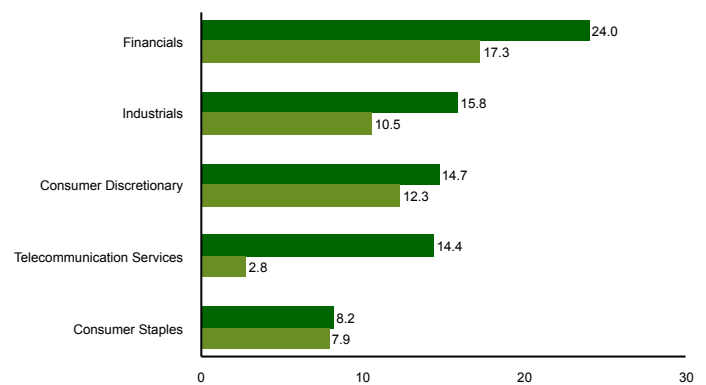
Top ten investments

Holding	Sector	Country	%
SBI Holdings	Financials	Japan	6.4
AIG	Financials	United States	5.4
Telecom Italia Spa	Telecommunication Services	Italy	5.4
Softbank Group	Telecommunication Services	Japan	5.2
Sao Martinho SA	Consumer Staples	Brazil	3.8
China Telecom	Telecommunication Services	China	3.8
Bank of Kyoto	Financials	Japan	3.7
Hyundai Motor	Consumer Discretionary	Korea, Republic Of	3.5
Viacom Inc	Consumer Discretionary	United States	3.5
Hawaiian Holdings	Industrials	United States	3.4
Combined weight of top 10 holdings			44.1

Country exposure (top five)



Sector exposure (top five)



■ SKAGEN Focus A ■ MSCI ACWI NR

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