

Performance Commentary

The fund fell back in May as US-China trade tensions intensified, which coincided with falling commodity prices. We also observe that the Japanese equity market is trading at a record low valuation versus the US equity market. Overall, we believe the recent escalation in the US-China trade war has created deep market dislocations, which has resulted in unjustified discounts in a number of higher quality assets. We used this opportunity to establish a position in semi-conductor producer STMicroelectronics as the current valuation indicates substantial upside on current earnings power despite most likely being able to post solid growth rates over the mid-term. On the detractor side, our holding in deeply discounted Korean conglomerate KCC was, we believe, overly weak on a disappointing earnings report. In addition, private equity bids for Avaya took longer than anticipated, thereby removing the premium in the shares. Nonetheless, there were some bright spots in the portfolio in May. The fund's biggest holding, US insurance company AIG, was the best contributor in the month after delivering its first clean earnings "beat" in a decade. We exited our position in chicken producer Pilgrim's Pride at our price target, following a more than 75% rise in the equity price as the market now more fairly discounts the turn in the chicken price cycle. Our relatively new position in Canadian Gold miner Roxgold also performed strongly.

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.

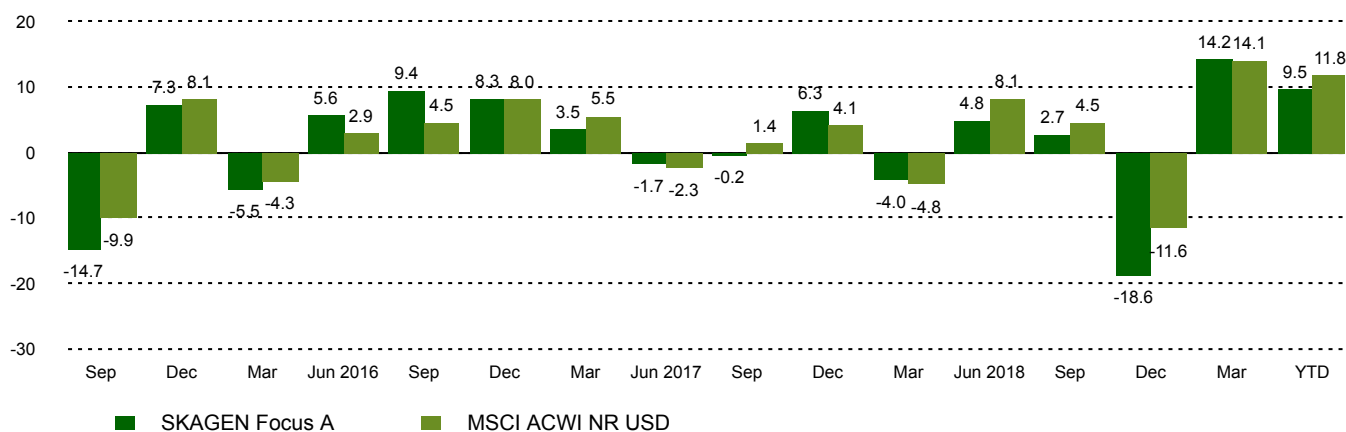
Historical performance (net of fees)

Period	SKAGEN Focus A	Benchmark index
Last month	-7.2%	-5.2%
Year to date	9.5%	11.8%
Last year	-11.4%	2.9%
Last 3 years	4.6%	8.9%
Last 5 years	n/a	n/a
Last 10 years	n/a	n/a
Since start	-0.1%	4.5%

Fund Facts

Type	Equity
Domicile	Norway
Launch date	26.05.2015
Morningstar category	Global Flex-Cap Equity
ISIN	NO0010735129
NAV	11.80 EUR
Fixed management fee	1.60%
Total expense ratio (2018)	0.8%
Benchmark index	MSCI ACWI NR USD
AUM (mill.)	195.53 EUR
Number of holdings	35
Portfolio manager	Jonas Edholm

Quarterly Performance



Contributors in the month



Largest contributors

Holding	Weight (%)	Contribution (%)
American International Group I	6.87	0.48
Roxgold Inc	2.34	0.46
Sao Martinho SA	4.04	0.13
Hitachi Ltd	3.61	0.12
Pilgrim's Pride Corp	1.14	0.11



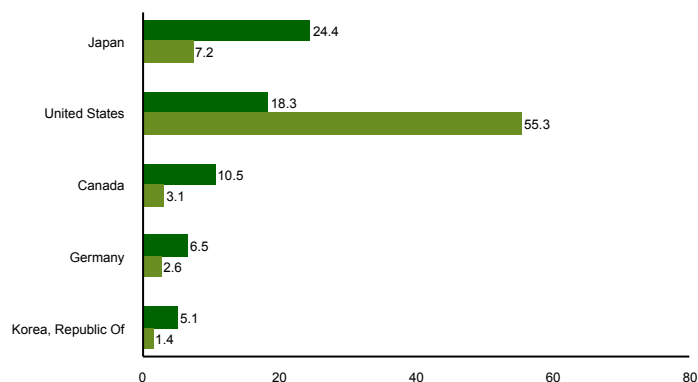
Largest detractors

Holding	Weight (%)	Contribution (%)
Avaya Holdings Corp	3.17	-1.30
KCC Corp	2.67	-0.86
West Fraser Timber Co Ltd	2.69	-0.64
OMV AG	4.75	-0.56
Helmerich & Payne Inc	3.18	-0.42

Top ten investments

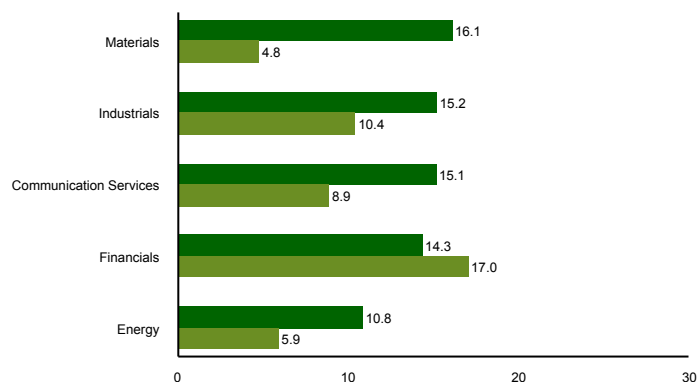
Holding	Sector	Country	%
AIG	Financials	United States	7.4
China Unicom Hong Kong Ltd	Communication Services	China	4.9
OMV AG	Energy	Austria	4.7
Bank of Kyoto	Financials	Japan	4.4
Sao Martinho SA	Consumer Staples	Brazil	4.4
Ivanhoe Mines Ltd	Materials	Canada	4.0
Telecom Italia Spa	Communication Services	Italy	3.9
Hitachi Ltd	Industrials	Japan	3.8
Toyota Industries	Consumer Discretionary	Japan	3.3
Pasona Group Inc	Industrials	Japan	3.2
Combined weight of top 10 holdings			44.1

Country exposure (top five)



■ SKAGEN Focus A ■ MSCI ACWI NR USD

Sector exposure (top five)



■ SKAGEN Focus A ■ MSCI ACWI NR USD

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Important information

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