

Performance Commentary

Rising trade war tensions and concerns about the global growth outlook characterised the developments in global equity markets in August. So-called low volatility assets now make up a substantial part of the global market cap and we observe record valuation deviations versus our own universe of value equities. In this environment, gold and silver assets look attractive to us as contrarian value investors. Indeed our Canadian miner Roxgold surged to new highs during the month and is a new top-10 position in the fund. We also took the opportunity to buy into Fortuna Silver, a silver miner with a strong balance sheet and best-in-class growth outlook. US communication solution provider Avaya generated positive contributions after reports re-surfaced that they are considering competing buyout offers. Following months of negotiations, CBS and Viacom, both of which are positions in the fund, agreed to merge. We believe this marks the beginning of the process to finally remove the deal-related overhang that has plagued their share prices for the past two years, and instead focus on synergies, attractive valuation and growth potential. Sugar and ethanol producer Sao Martinho was weaker on continued sugar price weakness. However, the stock trades at a compelling free cash flow yield 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.

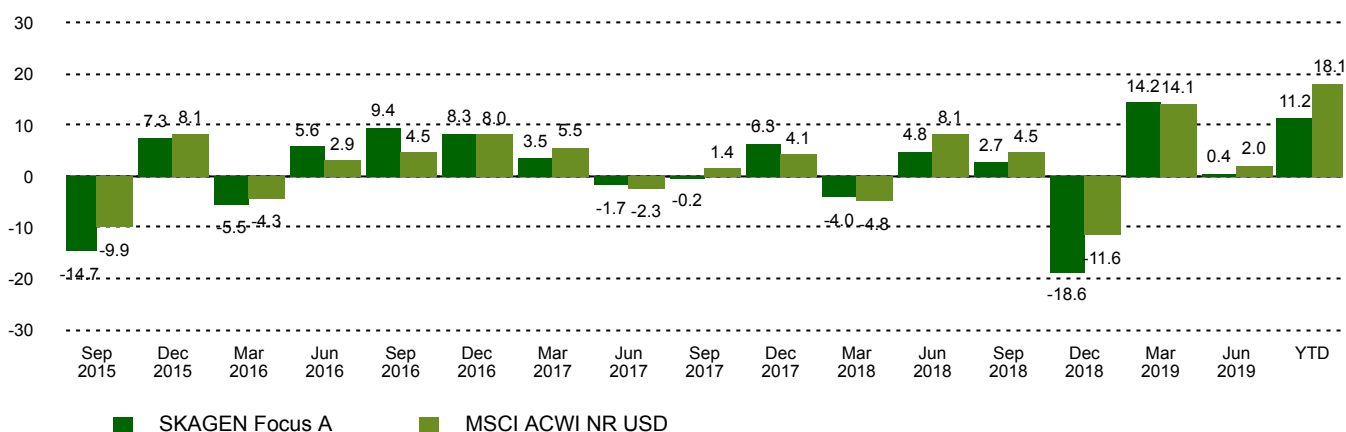
Historical performance (net of fees)

Period	SKAGEN Focus A	Benchmark index
Last month	-4.5%	-2.0%
Year to date	11.2%	18.1%
Last year	-7.5%	5.2%
Last 3 years	2.6%	9.6%
Last 5 years	n/a	n/a
Last 10 years	n/a	n/a
Since start	0.2%	5.6%

Fund Facts

Type	Equity
Domicile	Norway
Launch date	26.05.2015
Morningstar category	Global Flex-Cap Equity
ISIN	NO0010735129
NAV	11.98 EUR
Fixed management fee	1.60%
Total expense ratio (2018)	0.8%
Benchmark index	MSCI ACWI NR USD
AUM (mill.)	176.40 EUR
Number of holdings	34
Portfolio manager	Jonas Edholm

Quarterly Performance



Contributors in the month

Largest contributors

Holding	Weight (%)	Contribution (%)
Roxgold Inc	3.90	0.89
Avaya Holdings Corp	2.44	0.49
Japan Petroleum Exploration Co Ltd	3.34	0.48
Toyota Industries Corp	3.51	0.32
China Unicom Hong Kong Ltd	5.17	0.30

Largest detractors

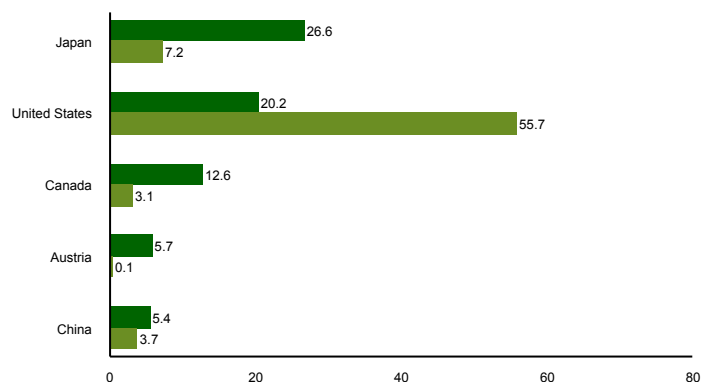
Holding	Weight (%)	Contribution (%)
Sao Martinho SA	4.46	-0.82
Viacom Inc	3.15	-0.57
Ivanhoe Mines Ltd	4.06	-0.35
OZ Minerals Ltd	2.96	-0.32
Pasona Group Inc	3.07	-0.31

Absolute contribution based on NOK returns at fund level

Top ten investments

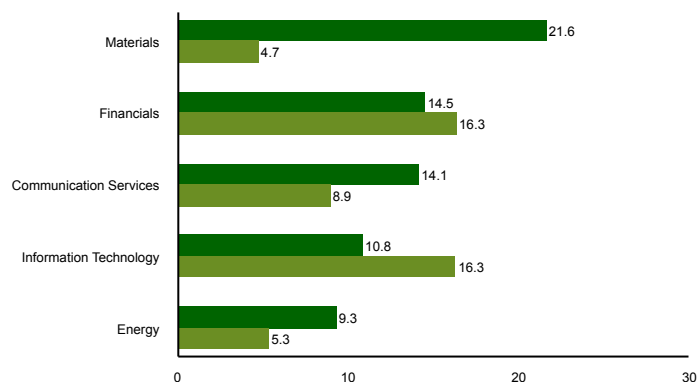
Holding	Sector	Country	%
American International Group Inc	Financials	United States	7.4
OMV AG	Energy	Austria	5.7
China Unicom Hong Kong Ltd	Communication Services	China	5.4
Roxgold Inc	Materials	Canada	4.4
Bank of Kyoto Ltd/The	Financials	Japan	4.3
Hitachi Ltd	Information Technology	Japan	4.3
Sao Martinho SA	Consumer Staples	Brazil	4.1
Ivanhoe Mines Ltd	Materials	Canada	4.0
Toyota Industries Corp	Consumer Discretionary	Japan	3.7
STMicroelectronics NV	Information Technology	Switzerland	3.7
Combined weight of top 10 holdings			47.1

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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