

Performance Commentary

October saw continued signs of a rotation from mega-cap technology companies into less expensive cyclical areas of the global equity market. These tech giants, which currently trade at elevated multiples and represent a record high concentration risk in US and global indices, face anti-trust investigations, growing suspicion over their business models and ethics, as well as difficult growth comparisons for 2021. The fund's strong relative performance since the market lows in mid-March continued in October. Ivanhoe Mines was the largest contributor as the Canada-based copper miner's vast African asset base approaches first production. KB Financial also performed strongly after the undervalued Korean bank posted solid quarterly earnings. Avaya was another positive contributor as the market increasingly recognises the US communications provider's dominant market position in the current home-working environment. Hitachi Construction Machinery detracted from performance on unconfirmed rumours of its divestment from Hitachi, which was stronger. We believe the market underestimates both the number of potential acquirers and sale price. We sold down our position in Australian miner OZ Minerals and US infrastructure company Eagle Materials as both hit our price targets. We increased our position in US food retailer Albertsons and French investment company FFP.

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.

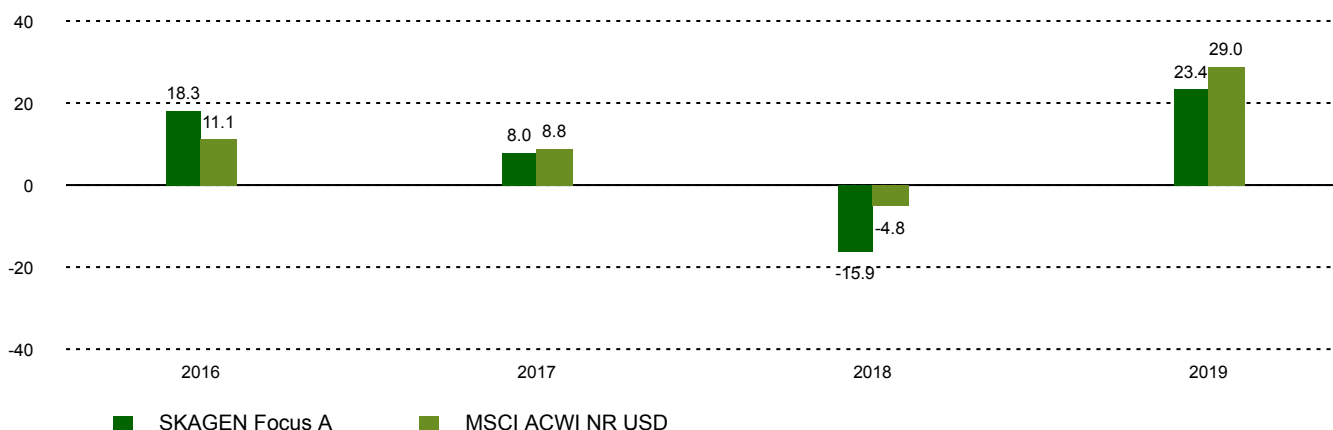
Historical performance (net of fees)

Period	SKAGEN Focus A	Benchmark index
Last month	-0.4%	-2.8%
Year to date	-11.0%	-5.4%
Last year	-4.6%	-0.3%
Last 3 years	-1.5%	5.3%
Last 5 years	2.9%	6.8%
Last 10 years	n/a	n/a
Since start	-0.1%	5.0%

Fund Facts

Type	Equity
Domicile	Norway
Launch date	26.05.2015
Morningstar category	Global Flex-Cap Equity
ISIN	NO0010735129
NAV	11.83 EUR
Fixed management fee	1.60%
Total expense ratio (2019)	1.23%
Benchmark index	MSCI ACWI NR USD
AUM (mill.)	101.48 EUR
Number of holdings	35
Portfolio manager	Jonas Edholm

Performance last ten years



Contributors in the month



Largest contributors

Holding	Weight (%)	Contribution (%)
Ivanhoe Mines Ltd	6.53	0.69
KB Financial Group Inc	4.44	0.51
Avaya Holdings Corp	2.76	0.37
Roxgold Inc	8.13	0.31
Lincoln National Corp	2.15	0.28



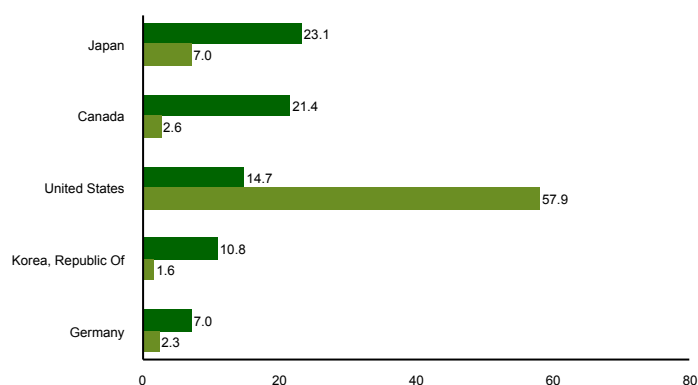
Largest detractors

Holding	Weight (%)	Contribution (%)
Hitachi Construction Machinery	3.34	-1.08
UPM-Kymmene Oyj	3.55	-0.19
Ence Energia y Celulosa SA	1.38	-0.16
TBS Holdings Inc	1.82	-0.15
Nova Ljubljanska Banka dd	1.47	-0.13

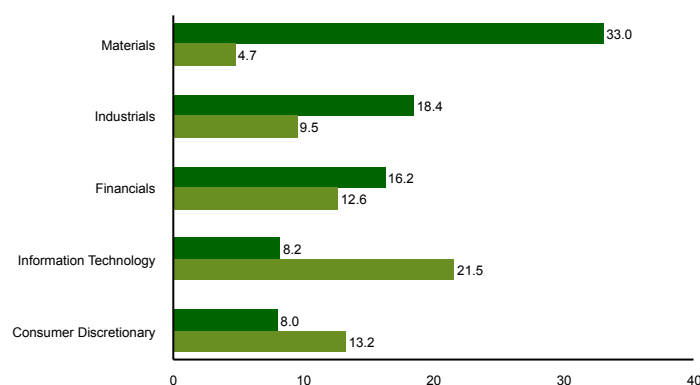
Top ten investments

Holding	Sector	Country	%
Roxgold Inc	Materials	Canada	8.0
Ivanhoe Mines Ltd	Materials	Canada	7.1
Hitachi Ltd	Information Technology	Japan	5.4
Toyota Industries Corp	Consumer Discretionary	Japan	5.2
West Fraser Timber Co Ltd	Materials	Canada	4.9
KB Financial Group Inc	Financials	Korea, Republic Of	4.8
Korean Reinsurance Co	Financials	Korea, Republic Of	4.4
UPM-Kymmene Oyj	Materials	Finland	3.5
Stock Spirits Group PLC	Consumer Staples	United Kingdom	3.0
Albertsons Cos Inc	Consumer Staples	United States	2.9
Combined weight of top 10 holdings			49.0

Country exposure (top five)



Sector exposure (top five)



■ SKAGEN Focus A ■ MSCI ACWI NR USD

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Important information

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