

Performance Commentary

The fund ended the month substantially behind global equity markets. The main negative contributor was Teva Pharmaceuticals, one of the world's largest sellers of generic drugs. The company announced weaker than expected Q2 numbers and lowered guidance. While the miss in itself and lowered guidance were not huge, the real issue lies in the financial leverage following an ill-timed acquisition made a couple of years ago. Teva will have to de-lever its balance sheet and re-establish an experienced management team. Nevertheless, we believe Teva has a decent chance of coming out stronger than before in the mid-term as the number of generic players will effectively be reduced in the new pricing environment. On the positive side, we have seen favourable developments in our Eastern European beverage producer Stock Spirits, which rallied almost 50% after reporting stabilising market shares and core profitability. The Brazilian food company JBS also continued to make a strong comeback, and is now up 45% (in BRL) since mid-June, making its way back into a top-10 position.

We sold out of E-mart as the position reached our target price. We initiated a new position in the US financials sector, which will be highlighted in coming updates.

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.

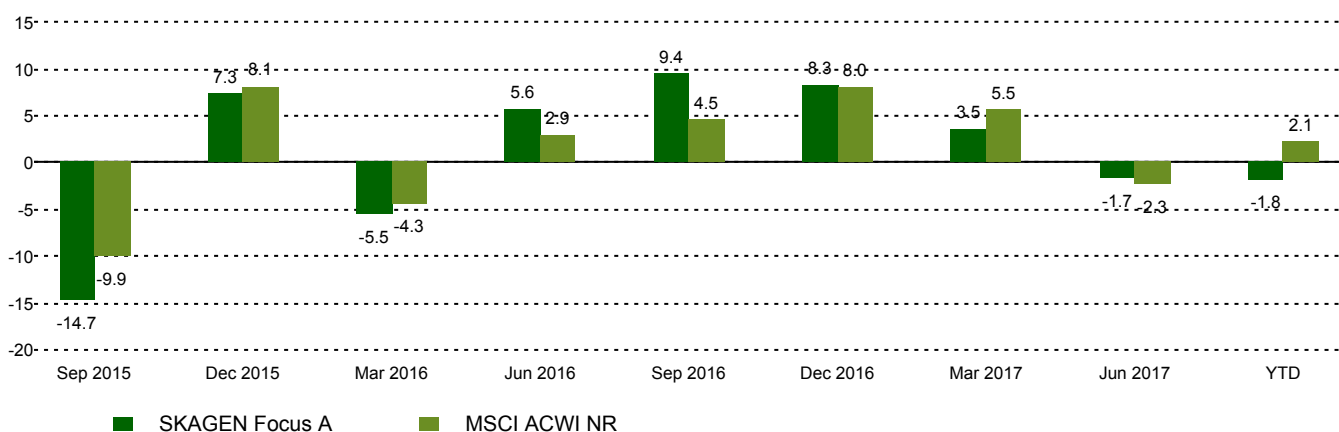
Historical performance (net of fees)

Period	SKAGEN Focus A	Benchmark index
Last Month	-2.5%	-0.7%
Year to date	-1.8%	2.1%
Last year	4.9%	9.8%
Last 3 years	n/a	n/a
Last 5 years	n/a	n/a
Last 10 years	n/a	n/a
Since start	-0.8%	2.3%

Fund Facts

Type	Equity
Domicile	Norway
Launch date	26.05.2015
Morningstar category	Global Flex-Cap Equity
ISIN	NO0010735129
NAV	11.65 EUR
Fixed management fee	1.60%
Total expense ratio (2016)	2.24%
Benchmark index	MSCI ACWI NR
AUM (mill.)	275.13 EUR
Number of holdings	32
Lead manager	Filip Weintraub

Quarterly Performance



Contributors

Largest contributors

Holding	Weight (%)	Contribution (%)
Stock Spirits Group PLC	2.59	0.82
JBS SA	3.55	0.46
Gold Field Ltd	3.30	0.32
Samsung SBI Co Ltd	2.45	0.29
Magforce AG	1.92	0.26

Absolute contribution based on NOK returns at fund level

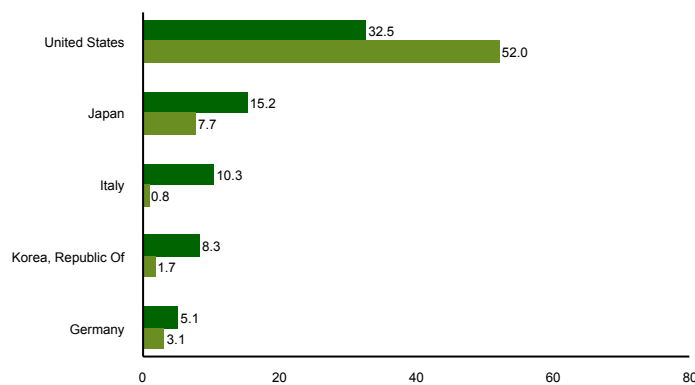
Largest detractors

Holding	Weight (%)	Contribution (%)
Teva Pharmaceutical	2.66	-2.10
AIG	7.42	-0.70
Telecom Italia Spa	5.99	-0.48
X-Fab Silicon Foundries	2.70	-0.47
Helmerich & Payne	2.48	-0.43

Top ten investments

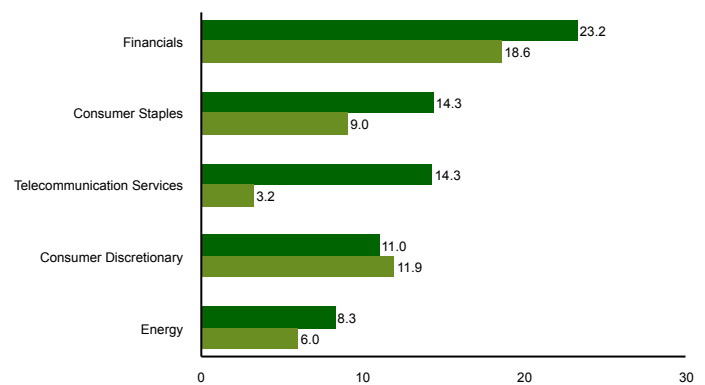
Holding	Sector	Country	%
AIG	Financials	United States	6.35
Telecom Italia Spa	Telecommunication Services	Italy	5.58
Andeavor	Energy	United States	4.71
China Telecom	Telecommunication Services	China	4.49
Taiheiyo Cement	Materials	Japan	4.46
Softbank Group	Telecommunication Services	Japan	4.18
Jbs	Consumer Staples	Brazil	3.70
UniCredit	Financials	Italy	3.68
Bank of Kyoto	Financials	Japan	3.52
Gold Fields Ltd	Materials	South Africa	3.46
Combined weight of top 10 holdings			44.13

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

Unless otherwise stated, performance data relates to class A units and is net of fees. Except otherwise stated, the source of all information is SKAGEN AS. Historical returns are no guarantee for future returns. Future returns will depend, inter alia, on market developments, the fund manager's skills, the fund's risk profile and subscription and management fees. The return may become negative as a result of negative price developments. You can download more information including subscription/redemption forms, full prospectus, Key Investor Information Documents (KIID), General Commercial Terms, Annual Reports and Monthly Reports from our local websites or our local representatives. Statements reflect the portfolio managers' viewpoint at a given time, and this viewpoint may be changed without notice. This report should not be perceived as an offer or recommendation to buy or sell financial instruments. SKAGEN AS does not assume responsibility for direct or indirect loss or expenses incurred through use or understanding of this report. Employees of SKAGEN AS may be owners of securities issued by companies that are either referred to in this report or are part of a fund's portfolio.