

Performance Commentary

Equity market volatility has picked up, probably due to fear of higher interest rates and overall market reluctance to factor in further mid-term earnings growth. Longer duration yields, especially in the US, are beginning to compete with generally low equity earnings yields. Fila Korea was the strongest performer in the month, as the company announced better than expected results and a stock split. We believe the stock is substantially undervalued considering its stake in US-listed Acushnet. Our Spanish auto-parts producer Gestamp re-rated after producing decent results despite earlier announced cost setbacks and currency headwinds. Korean Hanil Cement was the largest detractor, but announced a coming split into one holding company and one operational company, which we think could help visualise the underlying value in their asset base. German Schaeffler was weaker following an announcement of weaker than anticipated margin development. US-based media conglomerate Viacom is a new position. Viacom's fundamental performance and stock price have been pressured by the shift from traditional TV/cable platforms to streaming online services. We believe the markets have more than accounted for the harsh operating environment and underestimates the turnaround potential. The new management has cut debt and lowered the cost base in recent years, and a transformation towards direct distribution models is in full force.

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.

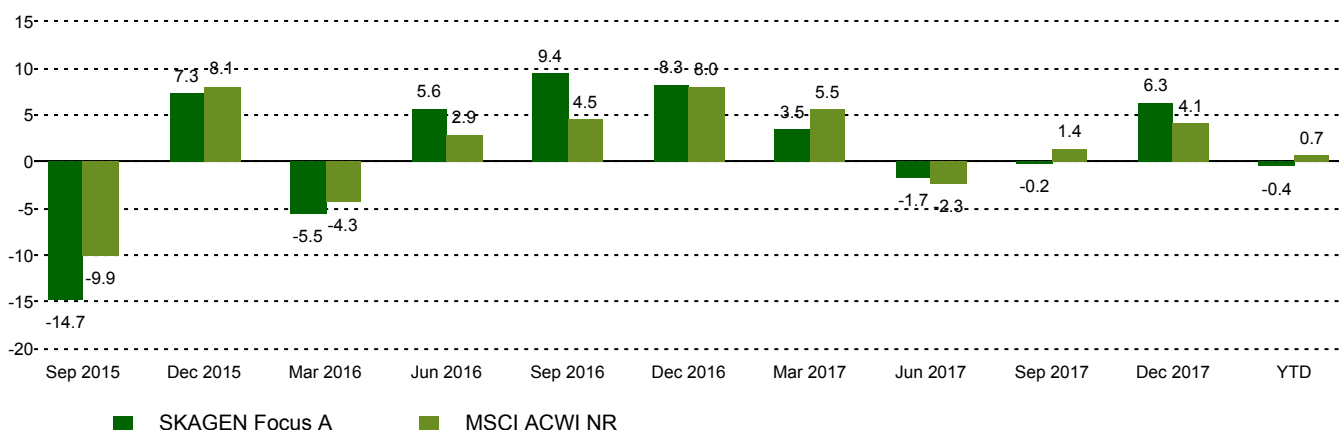
Historical performance (net of fees)

Period	SKAGEN Focus A	Benchmark index
Last month	-2.4%	-1.3%
Year to date	-0.4%	0.7%
Last year	4.0%	4.4%
Last 3 years	n/a	n/a
Last 5 years	n/a	n/a
Last 10 years	n/a	n/a
Since start	2.6%	4.5%

Fund Facts

Type	Equity
Domicile	Norway
Launch date	26.05.2015
Morningstar category	Global Flex-Cap Equity
ISIN	NO0010735129
NAV	12.76 EUR
Fixed management fee	1.60%
Total expense ratio (2017)	1.48%
Benchmark index	MSCI ACWI NR
AUM (mill.)	265.75 EUR
Number of holdings	35
Lead manager	Filip Weintraub

Quarterly Performance



Contributors in the month

Largest contributors

Holding	Weight (%)	Contribution (%)
Fila Korea Ltd	3.81	0.60
CIT Group Inc	2.30	0.19
Gestamp Automocion SA	1.72	0.18
SoftBank Group Corp	4.53	0.16
Heidelberger Druckmaschinen AG	1.82	0.14

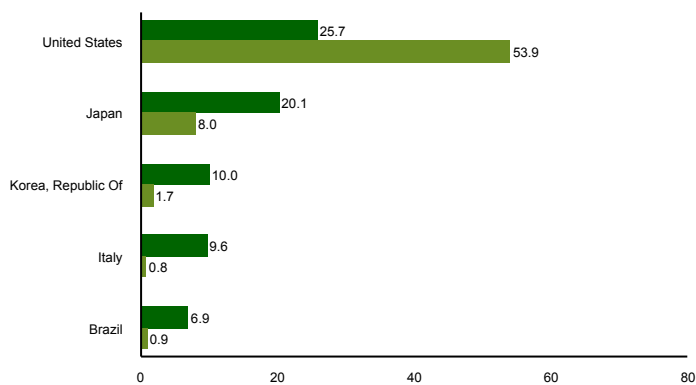
Largest detractors

Holding	Weight (%)	Contribution (%)
Hanil Cement Co Ltd	2.21	-0.59
Schaeffler AG	2.66	-0.49
BrightHouse Financial Inc	2.83	-0.35
China Telecom Corp Ltd	3.77	-0.34
American International Group I	5.87	-0.33

Top ten investments

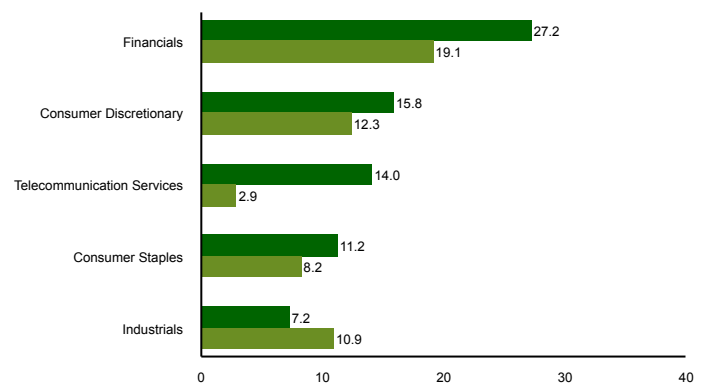
Holding	Sector	Country	%
SBI Holdings	Financials	Japan	7.3
Telecom Italia Spa	Telecommunication Services	Italy	5.8
AIG	Financials	United States	5.7
Softbank Group	Telecommunication Services	Japan	4.6
Fila Korea	Consumer Discretionary	Korea, Republic Of	4.2
Jbs	Consumer Staples	Brazil	3.7
China Telecom	Telecommunication Services	China	3.6
Bank of Kyoto	Financials	Japan	3.6
Gold Fields Ltd	Materials	South Africa	3.4
Renault SA	Consumer Discretionary	France	3.3
Combined weight of top 10 holdings			45.2

Country exposure (top five)



■ SKAGEN Focus A ■ MSCI ACWI NR

Sector exposure (top five)



■ SKAGEN Focus A ■ MSCI ACWI NR

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