

Performance Commentary

SKAGEN Insight lagged the broader equity market in May. Part of the reason is that the fund is underweight the US market on valuation grounds, which performed strongly during the month. However, the larger the valuation gap between the US and the rest of the world, the more confident we are that our position is the right one on a forward-looking basis.

ThyssenKrupp and Armstrong Flooring were the fund's largest positive contributors in May. The former performed strongly on news that the prominent activist investor Elliott is building a position in the company. Together with existing activist shareholder Cevian Capital, they are effectively set to become the group's largest owner, which could tip the power balance on ThyssenKrupp's supervisory board and unlock significant valuation creation. A separation of its elevator division, for example, would crystallise material hidden value for shareholders. Consequently, ThyssenKrupp remains Insight's largest position because of its attractive risk-reward profile. Diebold Nixdorf and Hertz were the fund's largest detractors. Both companies released first quarter results in-line with our expectations but they failed to please myopic investors. We remain committed to these positions and view them as deeply undervalued. To illustrate, Diebold's current market value is around USD 900m versus its normalised annual cash generation of more than USD 300m.

SKAGEN Insight invests in a diversified and actively managed portfolio of companies exposed to some of the most attractive activist campaigns globally. Activists seek to unlock value by urging companies to make improvements. SKAGEN Insight "shadows" activists by investing in these companies. The objective is to provide the best possible risk adjusted return. The fund is suitable for those with at least a five year investment horizon.

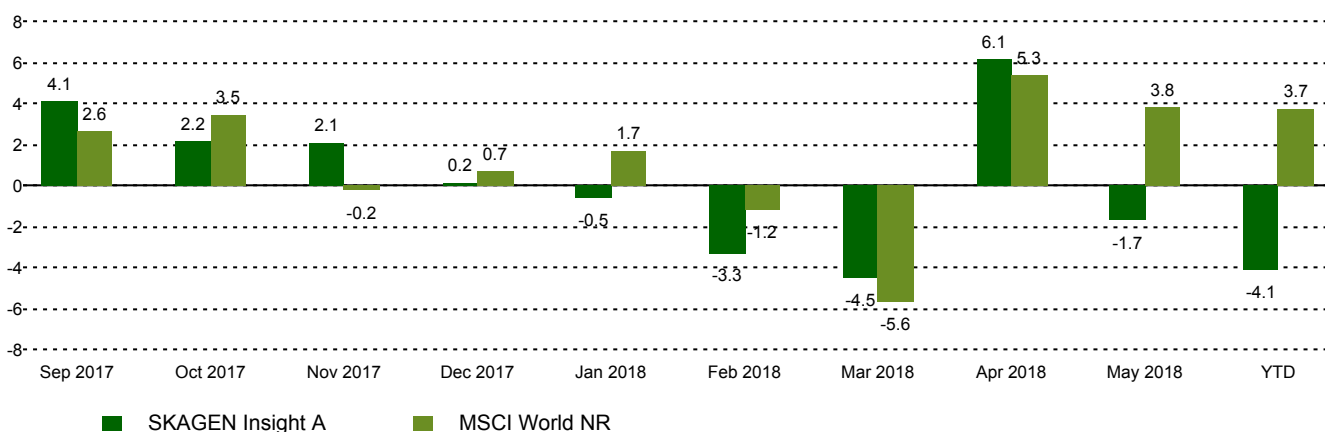
Historical performance (net of fees)

Period	SKAGEN Insight A	Benchmark index
Last month	-1.7%	3.8%
Last 2 months	4.4%	9.4%
Last 3 months	-0.3%	3.2%
Year to date	-4.1%	3.7%
Since start	5.1%	11.9%

Fund Facts

Type	Equity
Domicile	Norway
Launch date	21.08.2017
Morningstar category	Global Large-Cap Blend Equity
ISIN	NO0010801558
NAV	11.29 EUR
Fixed management fee	1.5%
Total expense ratio (2017)	n/a
Benchmark index	MSCI World NR
AUM (mill.)	29.53 EUR
Number of holdings	32
Lead manager	Tomas Johansson

Monthly performance



Contributors in the month

👍 Largest contributors

Holding	Weight (%)	Contribution (%)
thyssenkrupp AG	6.87	0.35
Armstrong Flooring Inc	3.55	0.33
General Motors Co	2.01	0.26
Hudson's Bay Co	3.03	0.24
Teikoku Sen-I Co Ltd	5.10	0.21

👎 Largest detractors

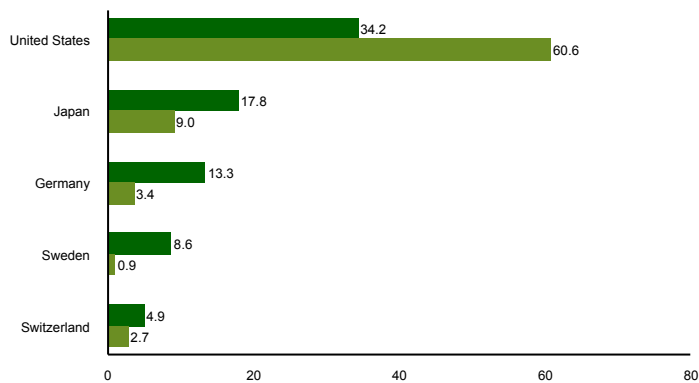
Holding	Weight (%)	Contribution (%)
Diebold Nixdorf Inc	4.85	-1.25
Hertz Global Holdings Inc	3.71	-1.18
Hyundai Motor Co	2.76	-0.49
Maxell Holdings Ltd	2.89	-0.39
Banca Popolare di Sondrio SCPA	1.91	-0.25

Absolute contribution based on NOK returns at fund level

Top ten investments

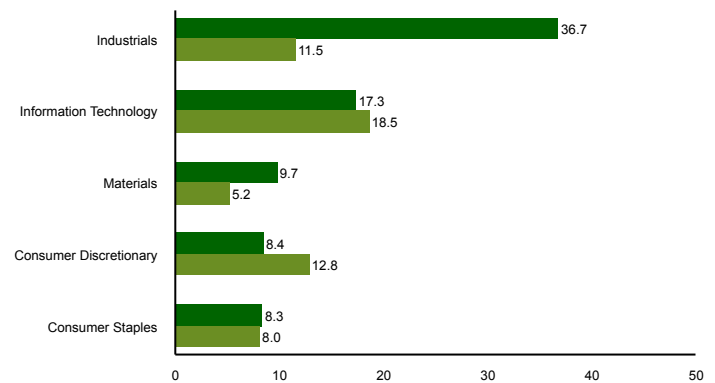
Holding	Sector	Country	%
thyssenkrupp	Materials	Germany	7.1
Teikoku Sen-I Co	Industrials	Japan	5.1
Eltel	Industrials	Sweden	4.9
Diebold Nixdorf	Information Technology	United States	4.8
Mondelez International	Consumer Staples	United States	4.1
Perrigo Company	Health Care	United States	4.1
Conduent	Information Technology	United States	4.0
General Electric	Industrials	United States	4.0
Rexel	Industrials	France	3.9
Ericsson	Information Technology	Sweden	3.7
Combined weight of top 10 holdings			45.8

Country exposure (top five)



■ SKAGEN Insight A ■ MSCI World NR

Sector exposure (top five)



■ SKAGEN Insight A ■ MSCI World NR

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