

## Performance Commentary

We are focused on generating strong long-term returns and therefore make investments over a multi-year horizon. So far, 2018 has been a difficult year for activist investors globally. The short-term return of our shadow activism strategy has therefore also been unsatisfactory. We remain convinced that the strategy will prove itself over time. Throughout November, we saw a broad-based devaluation of activist-led situations in the wake of elevated market uncertainty. We have taken a strong contrarian view in carefully selected situations as we believe that market volatility makes companies more susceptible to change, which increases activists' ability to be a positive catalyst. Hence, short-term volatility is actually a good thing for the medium-term. During November, Hertz and Telecom Italia were the fund's largest positive contributors. Hertz was up close to 40% on the back of strong earnings and a confident message by management. Another strong contributor was our newest position, Newell Brands, which gained more than 50% during the month. Eitel and Thyssenkrupp were the fund's largest detractors. We see great value potential across the portfolio as many holdings have traded down due to nervousness of myopic investors and not to deteriorating fundamentals. Insight has a portfolio of deeply undervalued companies where fundamental trends are moving in the right direction and activists are increasingly the catalyst for positive change.

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.

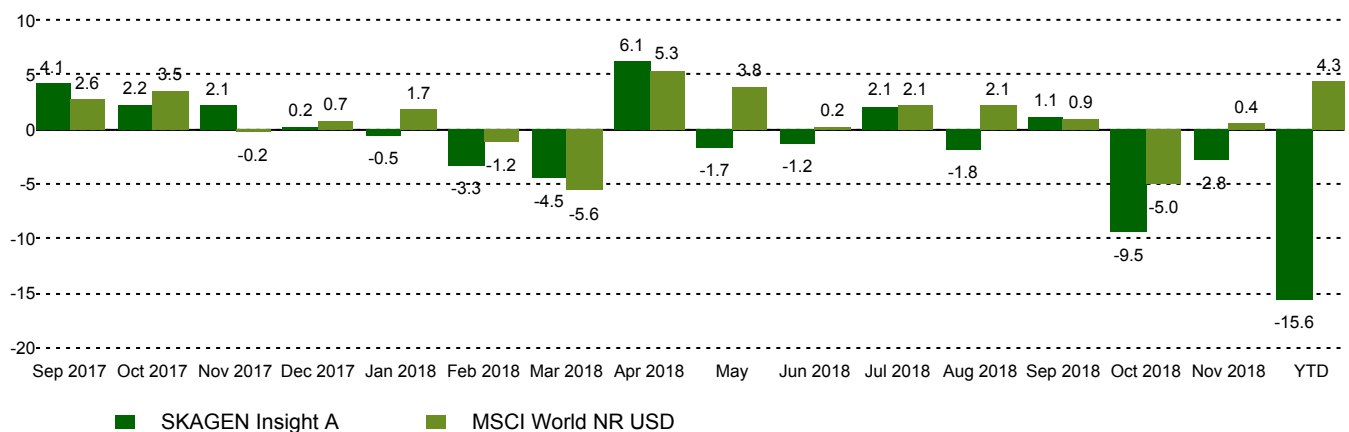
## Historical performance (net of fees)

| Period        | SKAGEN Insight A | Benchmark index |
|---------------|------------------|-----------------|
| Last month    | -2.8%            | 0.4%            |
| Last 2 months | -12.0%           | -4.6%           |
| Last 3 months | -11.0%           | -3.7%           |
| Year to date  | -15.6%           | 4.3%            |
| Since start   | -5.9%            | 9.6%            |

## Fund Facts

|                            |                               |
|----------------------------|-------------------------------|
| Type                       | Equity                        |
| Domicile                   | Norway                        |
| Launch date                | 21.08.2017                    |
| Morningstar category       | Global Large-Cap Blend Equity |
| ISIN                       | NO0010801558                  |
| NAV                        | 9.94 EUR                      |
| Fixed management fee       | 1.5%                          |
| Total expense ratio (2017) | 1.50%                         |
| Benchmark index            | MSCI World NR USD             |
| AUM (mill.)                | 23.25 EUR                     |
| Number of holdings         | 32                            |
| Portfolio manager          | Tomas Johansson               |

## Monthly performance



## Contributors in the month

### Largest contributors

| Holding                   | Weight (%) | Contribution (%) |
|---------------------------|------------|------------------|
| Hertz Global Holdings Inc | 6.18       | 1.80             |
| Telecom Italia SpA/Milano | 4.68       | 0.66             |
| Newell Brands Inc         | 1.33       | 0.57             |
| Maxell Holdings Ltd       | 3.58       | 0.41             |
| Armstrong Flooring Inc    | 6.04       | 0.26             |

Absolute contribution based on NOK returns at fund level

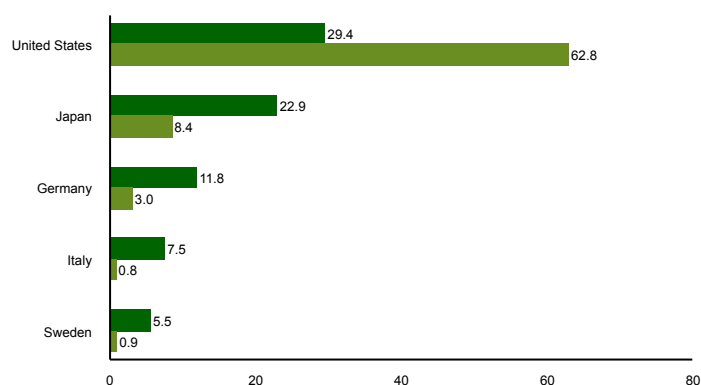
### Largest detractors

| Holding             | Weight (%) | Contribution (%) |
|---------------------|------------|------------------|
| Eitel AB            | 4.21       | -1.43            |
| thyssenkrupp AG     | 7.02       | -0.76            |
| Conduent Inc        | 1.78       | -0.70            |
| General Electric Co | 2.42       | -0.63            |
| GEA Group AG        | 3.02       | -0.34            |

## Top ten investments

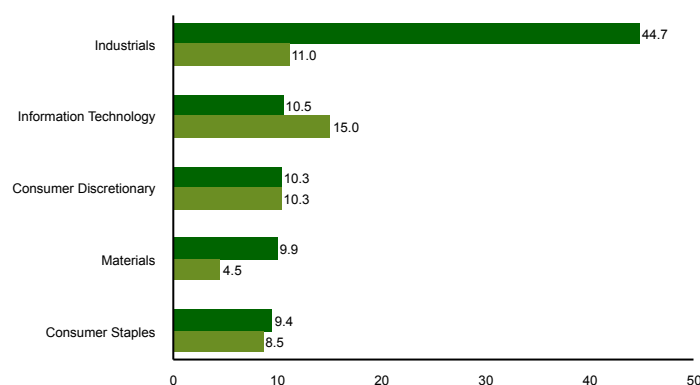
| Holding                            | Sector                 | Country       | %    |
|------------------------------------|------------------------|---------------|------|
| Teikoku Sen-I Co                   | Industrials            | Japan         | 7.0  |
| thyssenkrupp                       | Materials              | Germany       | 6.7  |
| Hertz Global Holdings              | Industrials            | United States | 6.6  |
| Armstrong Flooring                 | Industrials            | United States | 6.1  |
| Telecom Italia Spa                 | Communication Services | Italy         | 5.1  |
| Rexel                              | Industrials            | France        | 4.3  |
| Seven & i Holdings                 | Consumer Staples       | Japan         | 4.1  |
| Eltel                              | Industrials            | Sweden        | 3.9  |
| Hudson's Bay Co                    | Consumer Discretionary | Canada        | 3.8  |
| Maxell Holdings                    | Information Technology | Japan         | 3.6  |
| Combined weight of top 10 holdings |                        |               | 51.3 |

## Country exposure (top five)



■ SKAGEN Insight A ■ MSCI World NR USD

## Sector exposure (top five)



■ SKAGEN Insight A ■ MSCI World NR USD

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## Important information

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