

## Performance Commentary

SKAGEN Insight enjoyed a good start to 2019, driven by broad-based positive performance across the portfolio. Much has happened at our companies during the past year that the market has yet to price in. More than 40% of the portfolio is exposed to companies that activists have recently helped transform. Over the past decade, we have only seen similar conditions twice before: in the aftermath of the financial crisis and the so-called euro crisis. Both times, patient activist investors were well rewarded. Our shadow-activism strategy should also benefit.

Diebold Nixdorf and Hertz were the fund's largest positive contributors in January. Diebold gained 75% during the month on no material news. Still, the stock remains deeply undervalued, in our view. Banca Popolare di Sondrio was the only significant detractor, negatively impacted by political uncertainty in Italy.

There is a lot of value potential across the portfolio as many holdings have traded down due to myopic investors' concerns and not to deteriorating fundamentals. Insight has a portfolio of deeply undervalued and underappreciated companies where fundamental trends are moving in the right direction and activists are increasingly becoming the catalyst for positive change.

## Historical performance (net of fees)

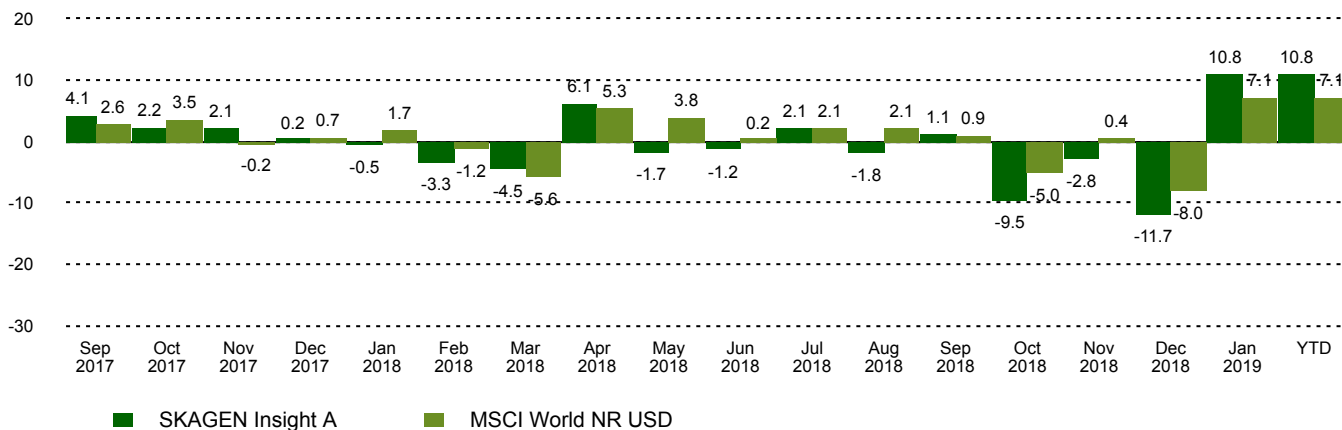
| Period        | SKAGEN Insight A | Benchmark index |
|---------------|------------------|-----------------|
| Last month    | 10.8%            | 7.1%            |
| Last 2 months | -2.2%            | -1.5%           |
| Last 3 months | -4.9%            | -1.1%           |
| Year to date  | 10.8%            | 7.1%            |
| Since start   | -6.7%            | 7.3%            |

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.

## Fund Facts

|                            |                               |
|----------------------------|-------------------------------|
| Type                       | Equity                        |
| Domicile                   | Norway                        |
| Launch date                | 21.08.2017                    |
| Morningstar category       | Global Large-Cap Blend Equity |
| ISIN                       | NO0010801558                  |
| NAV                        | 9.72 EUR                      |
| Fixed management fee       | 1.5%                          |
| Total expense ratio (2018) | 1.50%                         |
| Benchmark index            | MSCI World NR USD             |
| AUM (mill.)                | 19.22 EUR                     |
| Number of holdings         | 30                            |
| Portfolio manager          | Tomas Johansson               |

## Monthly performance



## Contributors in the month

### Largest contributors

| Holding                   | Weight (%) | Contribution (%) |
|---------------------------|------------|------------------|
| Diebold Nixdorf Inc       | 3.19       | 1.58             |
| Hertz Global Holdings Inc | 5.88       | 1.05             |
| General Electric Co       | 3.28       | 1.03             |
| Pasona Group Inc          | 3.42       | 0.63             |
| Armstrong Flooring Inc    | 5.39       | 0.52             |

Absolute contribution based on NOK returns at fund level

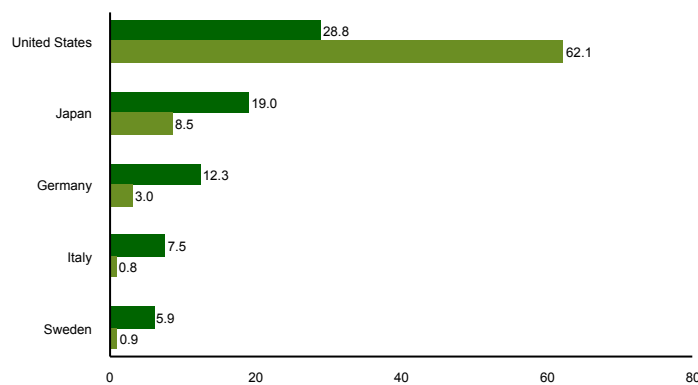
### Largest detractors

| Holding                        | Weight (%) | Contribution (%) |
|--------------------------------|------------|------------------|
| Banca Popolare di Sondrio SCPA | 2.48       | -0.35            |
| ABB Ltd                        | 3.57       | -0.08            |
| Ericsson                       | 1.81       | -0.05            |
| Telecom Italia SpA/Milano      | 5.06       | -0.03            |
| Dai-ichi Life Holdings Inc     | 1.44       | 0.01             |

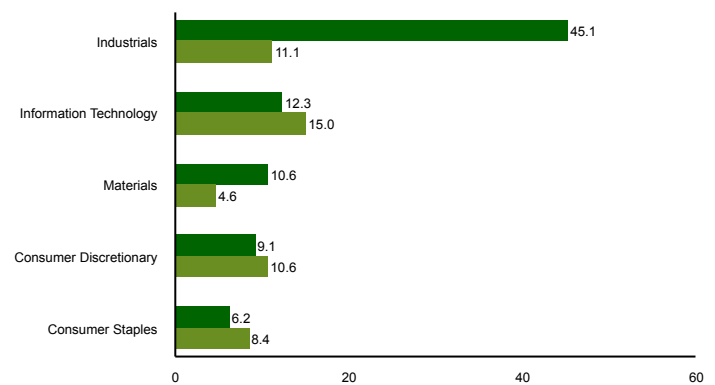
## Top ten investments

| Holding                            | Sector                 | Country       | %    |
|------------------------------------|------------------------|---------------|------|
| thyssenkrupp                       | Materials              | Germany       | 7.0  |
| Teikoku Sen-I Co                   | Industrials            | Japan         | 6.7  |
| Hertz Global Holdings              | Industrials            | United States | 6.0  |
| Telecom Italia Spa                 | Communication Services | Italy         | 5.4  |
| Armstrong Flooring                 | Industrials            | United States | 5.2  |
| Eltel                              | Industrials            | Sweden        | 4.2  |
| Rexel                              | Industrials            | France        | 4.2  |
| General Electric                   | Industrials            | United States | 3.9  |
| Maxell Holdings                    | Information Technology | Japan         | 3.8  |
| BHP Billiton Ltd                   | Materials              | Australia     | 3.6  |
| Combined weight of top 10 holdings |                        |               | 49.9 |

## Country exposure (top five)



## Sector exposure (top five)



■ SKAGEN Insight A ■ MSCI World NR USD

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## Important information

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