

Performance Commentary

During the month, US equity markets displayed further weakness, which resulted in a correction for the S&P 500 Index of almost 10%, following record levels in September. While the US market turbulence also resonated globally, the recent correction has uncovered several opportunities and given rise to unwarranted attractive price points. Signs of a weaker outlook across industrial and cyclical assets have been emerging in this reporting season and the substantial divergence between the US equity market and large areas of the global equity market outside the US is gradually narrowing. Accordingly, our assets in Emerging Markets held up quite well as we witnessed strong performance in South African Gold Fields and Brazil-based ethanol and sugar producer Sao Martinho. The latter rallied following a rise in the underlying sugar price. Despite our relatively limited US equity exposure, some of our domestic holdings suffered from the overall decline and poor sentiment. Two examples are AIG and Avaya Holdings, despite the absence of new fundamental information. We used the broad based declines to initiate two new positions in the fund and re-engage some of our US holdings such as Viacom, Hawaiian Holdings, Avya and ADT. We initiated new positions in German "Do-It-Yourself" retailer Hornbach Holding and Japanese staffing company Pasona.

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.

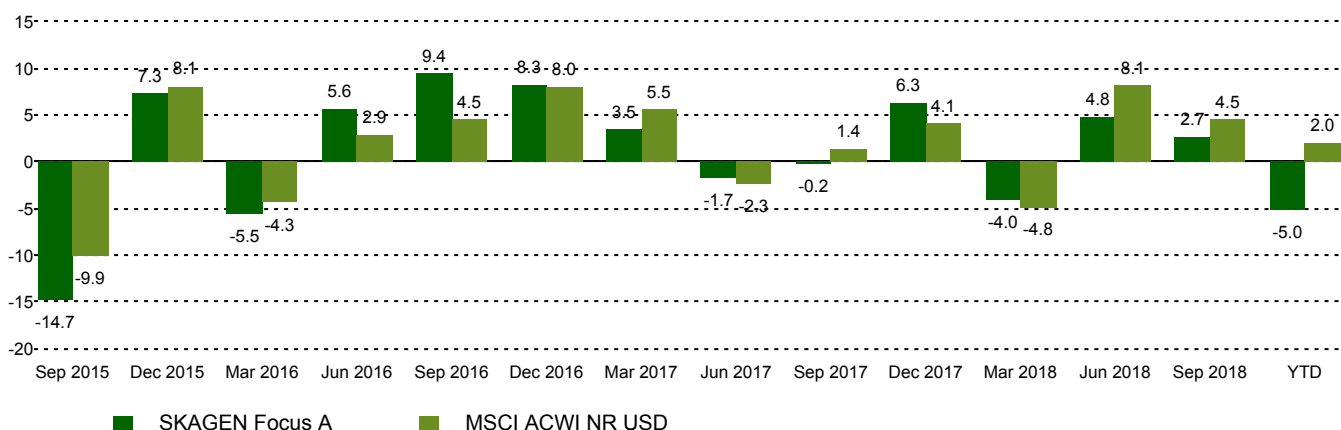
Historical performance (net of fees)

Period	SKAGEN Focus A	Benchmark index
Last month	-8.1%	-5.2%
Year to date	-5.0%	2.0%
Last year	-1.8%	2.5%
Last 3 years	5.8%	6.8%
Last 5 years	n/a	n/a
Last 10 years	n/a	n/a
Since start	0.7%	4.0%

Fund Facts

Type	Equity
Domicile	Norway
Launch date	26.05.2015
Morningstar category	Global Flex-Cap Equity
ISIN	NO0010735129
NAV	12.17 EUR
Fixed management fee	1.60%
Total expense ratio (2017)	1.48%
Benchmark index	MSCI ACWI NR USD
AUM (mill.)	215.52 EUR
Number of holdings	35
Portfolio manager	Jonas Edholm

Quarterly Performance



Contributors in the month

Largest contributors

Holding	Weight (%)	Contribution (%)
Sao Martinho SA	4.48	0.73
Gold Fields Ltd	2.74	0.37
OMV AG	3.72	0.10
KOC Holding AS	1.72	0.04
Viacom Inc	4.21	0.02

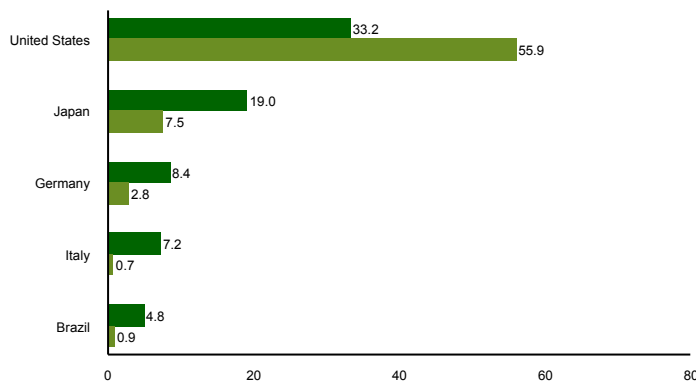
Largest detractors

Holding	Weight (%)	Contribution (%)
American International Group I	5.60	-1.07
SoftBank Group Corp	4.52	-0.88
Avaya Holdings Corp	2.77	-0.70
KCC Corp	2.29	-0.69
Hyundai Motor Co	3.30	-0.60

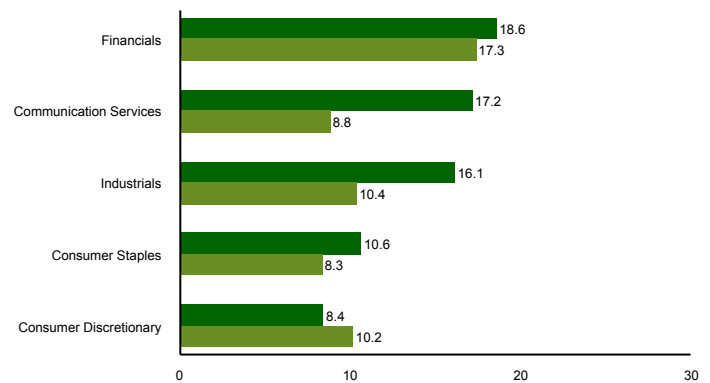
Top ten investments

Holding	Sector	Country	%
Telecom Italia Spa	Communication Services	Italy	5.9
AIG	Financials	United States	5.2
Sao Martinho SA	Consumer Staples	Brazil	4.8
Viacom Inc	Communication Services	United States	4.6
Softbank Group	Communication Services	Japan	4.4
Bank of Kyoto	Financials	Japan	4.3
OMV AG	Energy	Austria	4.2
Hawaian Holdings	Industrials	United States	4.1
Helmerich & Payne	Energy	United States	3.4
JBS	Consumer Staples	United States	3.1
Combined weight of top 10 holdings			44.0

Country exposure (top five)



Sector exposure (top five)



■ SKAGEN Focus A ■ MSCI ACWI NR USD

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Important information

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