

## Performance Commentary

Following the excess sell-off during the latter part of last year, the fund rebounded strongly. The sharp global equity correction provided us with a solid opportunity to reposition the fund, and ca. 50% of the fund's positions are less than one year old at the start of 2019.

Our recently added holding in Canadian copper miner Ivanhoe reported a new unprecedented intersection of copper in one of its assets. This, in combination with a rising copper price, propelled the share price higher. Our biggest contributor in the month, however, was US-based chicken producer Pilgrim's Pride. The US and China are seeking to draw up a new trade deal whereby there are discussions about reopening US chicken exports into China. There has been a ban on such exports since 2015 and a reopening could unlock substantial revenue possibilities. Another contributor was Hawaiian Holdings, following reassuring guidance for the coming quarters and as the US government shutdown ironically postponed a competitors' launch into Hawaii. Our cash position increased as we scaled down holdings approaching price targets, including German food retailer Metro and South African gold-miner Gold Fields. We continued to build our positions in Australian copper and gold miner OZ Minerals.

## Historical performance (net of fees)

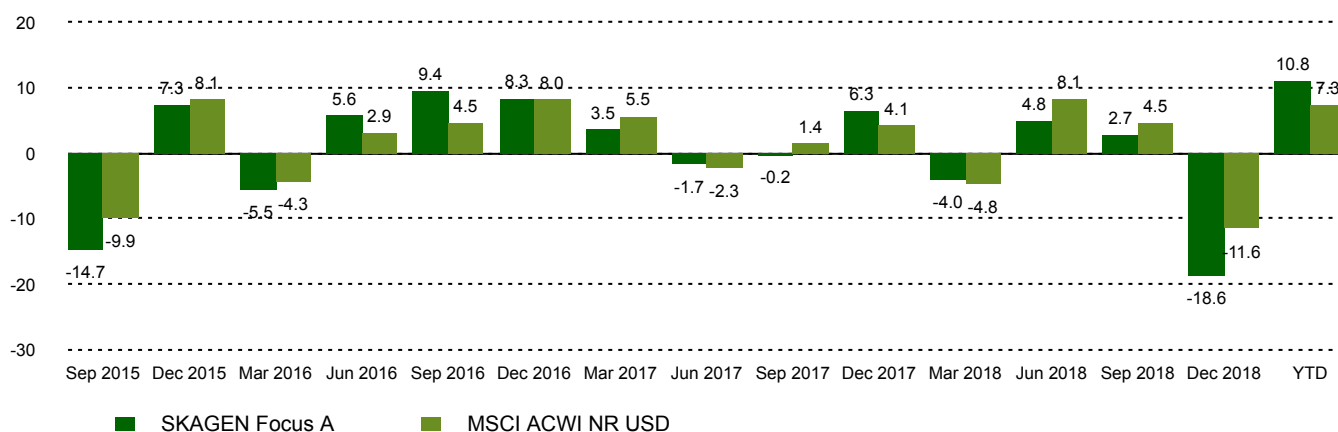
Period	SKAGEN Focus A	Benchmark index
Last month	10.8%	7.3%
Year to date	10.8%	7.3%
Last year	-8.6%	0.0%
Last 3 years	10.2%	9.7%
Last 5 years	n/a	n/a
Last 10 years	n/a	n/a
Since start	0.2%	3.7%

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.

## Fund Facts

Type	Equity
Domicile	Norway
Launch date	26.05.2015
Morningstar category	Global Flex-Cap Equity
ISIN	NO0010735129
NAV	11.94 EUR
Fixed management fee	1.60%
Total expense ratio (2018)	0.8%
Benchmark index	MSCI ACWI NR USD
AUM (mill.)	165.78 EUR
Number of holdings	34
Portfolio manager	Jonas Edholm

## Quarterly Performance



## Contributors in the month



### Largest contributors

Holding	Weight (%)	Contribution (%)
Pilgrim's Pride Corp	3.42	0.80
Hawaiian Holdings Inc	3.69	0.61
Teva Pharmaceutical Industries	2.52	0.59
Sao Martinho SA	5.10	0.56
Ivanhoe Mines Ltd	3.13	0.51



### Largest detractors

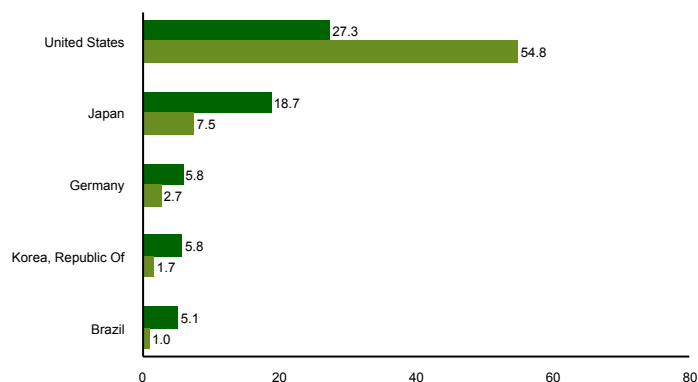
Holding	Weight (%)	Contribution (%)
Nova Ljubljanska Banka dd	1.79	-0.14
Aichi Bank Ltd/The	1.31	-0.11
Telecom Italia SpA/Milano	4.95	-0.09
UniCredit SpA	0.96	-0.01
Bank of Kyoto Ltd/The	4.48	0.00

Absolute contribution based on NOK returns at fund level

## Top ten investments

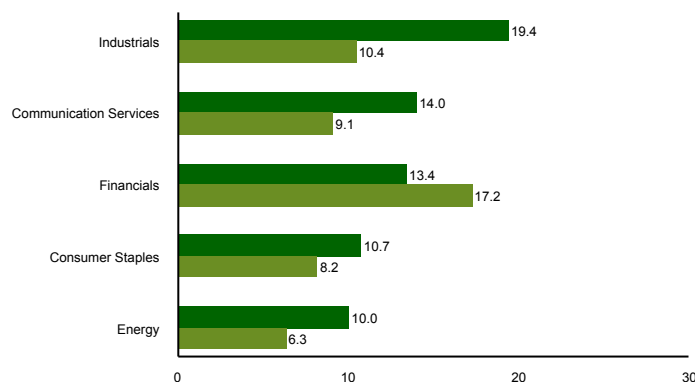
Holding	Sector	Country	%
AIG	Financials	United States	5.9
Sao Martinho SA	Consumer Staples	Brazil	5.1
Bank of Kyoto	Financials	Japan	4.4
OMV AG	Energy	Austria	4.4
China Unicom Hong Kong Ltd	Communication Services	China	4.3
Telecom Italia Spa	Communication Services	Italy	4.1
Avaya Holdings Corp	Information Technology	United States	3.6
JBS	Consumer Staples	United States	3.5
Ivanhoe Mines Ltd	Materials	Canada	3.4
Viacom Inc	Communication Services	United States	3.3
Combined weight of top 10 holdings			42.0

## Country exposure (top five)



■ SKAGEN Focus A ■ MSCI ACWI NR USD

## Sector exposure (top five)



■ SKAGEN Focus A ■ MSCI ACWI NR USD

## Contact



+47 51 80 37 09



contact@skagenfunds.com



SKAGEN AS, Post Box 160, 4001, Stavanger, Norway

## Important information

This report is intended for investment professionals only. The content is not to be viewed by or used with retail investors. Unless otherwise stated, performance data relates to class A units and is net of fees. AUM data as of the end of the previous month. Except otherwise stated, the source of all information is SKAGEN AS. Historical returns are no guarantee for future returns. Future returns will depend, inter alia, on market developments, the fund manager's skills, the fund's risk profile and subscription and management fees. The return may become negative as a result of negative price developments. You can download more information including subscription/redemption forms, full prospectus, Key Investor Information Documents (KIID), General Commercial Terms, Annual Reports and Monthly Reports from our local websites or our local representatives. Statements reflect the portfolio managers' viewpoint at a given time, and this viewpoint may be changed without notice. This report should not be perceived as an offer or recommendation to buy or sell financial instruments. SKAGEN AS does not assume responsibility for direct or indirect loss or expenses incurred through use or understanding of this report. Employees of SKAGEN AS may be owners of securities issued by companies that are either referred to in this report or are part of a fund's portfolio.