

Performance Commentary

SKAGEN Focus has had decent performance so far this year, despite a moderate headwind from continued index-herd buying into so-called growth companies. In this environment, we continue to identify new contrarian investment areas and ultimately companies priced substantially below our estimate of fair value. For instance, we have gradually built a position in Canadian Lumber producer West Fraser Timber, having closely followed the collapse of lumber prices. Our analysis indicates that West Fraser is trading at levels not consistent with even current beaten down lumber price levels, and as such offers an attractive risk/reward. We scaled down our position in Pilgrim's Pride during the month, following a 70% rally this year. Pilgrim's Pride is the fund's best performer this year as the market has started to factor in higher chicken prices and opportunities for US chicken producers to increase exports to China. Our position in US insurer AIG was the largest positive contributor in April, as anticipations of cost savings, which ramped up in late 2018, and corrective actions should enable the current turnaround to reach its underwriting-profitability goal for the challenged General Insurance business. We exited KOC Holdings as the shares reached our price target and we see better opportunities elsewhere. Gold Fields also reached price target and our search within the relevant eco-system led us to our new position in Canada-domiciled gold miner Roxgold. This smaller-cap miner trades at an unusually large discount to fair value with tangible catalysts for re-rating in the mid-term.

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.

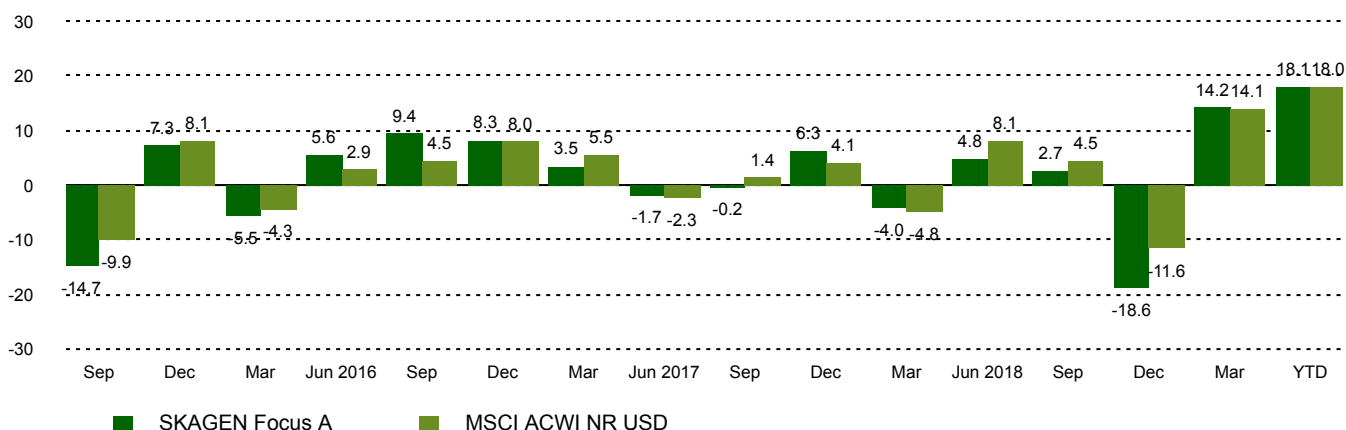
Historical performance (net of fees)

Period	SKAGEN Focus A	Benchmark index
Last month	3.4%	3.4%
Year to date	18.1%	18.0%
Last year	-4.5%	12.3%
Last 3 years	8.9%	12.1%
Last 5 years	n/a	n/a
Last 10 years	n/a	n/a
Since start	1.8%	6.1%

Fund Facts

Type	Equity
Domicile	Norway
Launch date	26.05.2015
Morningstar category	Global Flex-Cap Equity
ISIN	NO0010735129
NAV	12.72 EUR
Fixed management fee	1.60%
Total expense ratio (2018)	0.8%
Benchmark index	MSCI ACWI NR USD
AUM (mill.)	185.05 EUR
Number of holdings	35
Portfolio manager	Jonas Edholm

Quarterly Performance



Contributors in the month

Largest contributors

Holding	Weight (%)	Contribution (%)
American International Group I	6.66	0.60
Pilgrim's Pride Corp	2.78	0.54
Nexans SA	2.63	0.44
Avaya Holdings Corp	3.38	0.40
Toyota Industries Corp	2.97	0.37

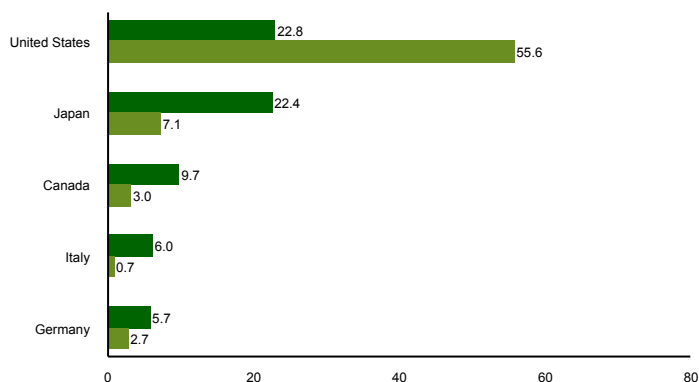
Largest detractors

Holding	Weight (%)	Contribution (%)
Telecom Italia SpA/Milano	4.31	-0.40
China Unicom Hong Kong Ltd	4.70	-0.30
Teikoku Sen-I Co Ltd	1.87	-0.20
OZ Minerals Ltd	2.84	-0.19
MagForce AG	1.66	-0.10

Top ten investments

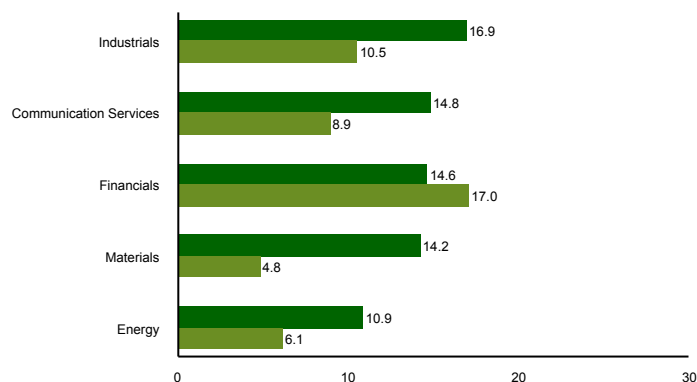
Holding	Sector	Country	%
AIG	Financials	United States	6.8
OMV AG	Energy	Austria	4.8
China Unicom Hong Kong Ltd	Communication Services	China	4.7
Bank of Kyoto	Financials	Japan	4.3
Telecom Italia Spa	Communication Services	Italy	4.1
Sao Martinho SA	Consumer Staples	Brazil	3.8
Ivanhoe Mines Ltd	Materials	Canada	3.8
Avaya Holdings Corp	Information Technology	United States	3.5
Hitachi Ltd	Industrials	Japan	3.3
Toyota Industries	Consumer Discretionary	Japan	3.2
Combined weight of top 10 holdings			42.4

Country exposure (top five)



■ SKAGEN Focus A ■ MSCI ACWI NR USD

Sector exposure (top five)



■ SKAGEN Focus A ■ MSCI ACWI NR USD

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Important information

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