

Performance Commentary

The fund generated a strong absolute return in October, driven by solid earnings results from several top-10 positions and a continuation of an overall rotation into value assets. We believe there are several parameters in place for a sustained rotation into value equities. In such an environment, SKAGEN Focus with its deeper value and contrarian investment philosophy would benefit significantly. During the month, we scaled down our position in communication provider Avaya following strong performance. We continued to increase our positions in newly initiated German automotive supplier Continental, which announced a full spin-off of its Powertrain unit, and Italian bank Unicredit. We believe the Italian bank offers clear catalysts for a re-rating following a difficult period. The company will likely form a German holding company consisting of the non-Italian operations to lower funding costs and deliver value for shareholders. We initiated a new position in US based Hewlett Packard Enterprise, a rare value opportunity within the US technology sector at more than 10% free cash flow yield. Canadian gold miner Roxgold gave back some of its recent strong performance in October on the back of general gold price weakness. We reduced our position in JapEx following a strong re-rating of the shares during the year.

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.

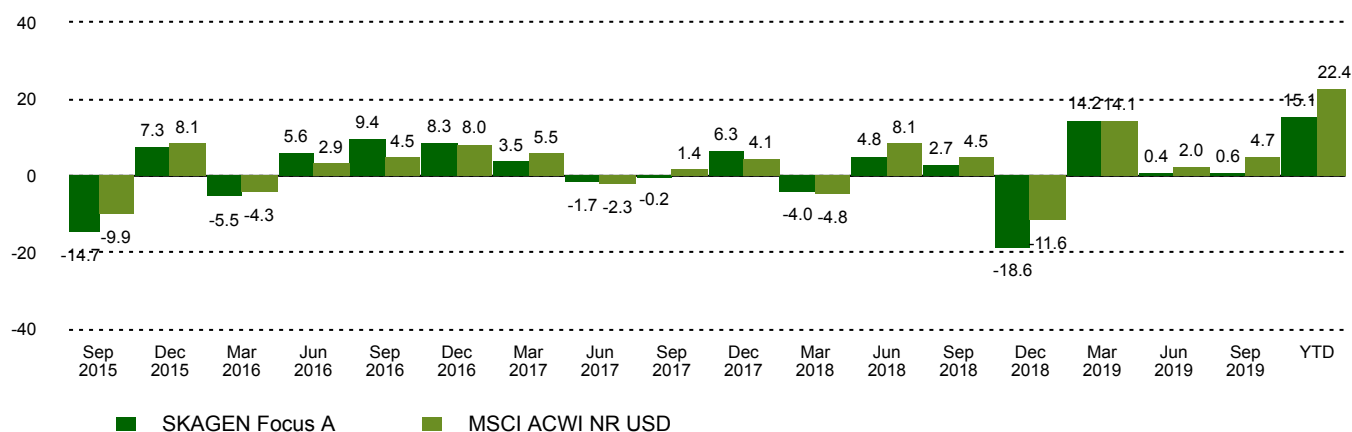
Historical performance (net of fees)

Period	SKAGEN Focus A	Benchmark index
Last month	-0.3%	0.5%
Year to date	15.1%	22.4%
Last year	1.9%	14.2%
Last 3 years	3.8%	10.6%
Last 5 years	n/a	n/a
Last 10 years	n/a	n/a
Since start	1.0%	6.2%

Fund Facts

Type	Equity
Domicile	Norway
Launch date	26.05.2015
Morningstar category	Global Flex-Cap Equity
ISIN	NO0010735129
NAV	12.40 EUR
Fixed management fee	1.60%
Total expense ratio (2018)	0.8%
Benchmark index	MSCI ACWI NR USD
AUM (mill.)	175.12 EUR
Number of holdings	35
Portfolio manager	Jonas Edholm

Quarterly Performance



Contributors in the month



Largest contributors

Holding	Weight (%)	Contribution (%)
STMicroelectronics NV	3.81	0.68
OMV AG	5.48	0.52
Avaya Holdings Corp	1.77	0.37
West Fraser Timber Co Ltd	2.02	0.33
OZ Minerals Ltd	3.19	0.28



Largest detractors

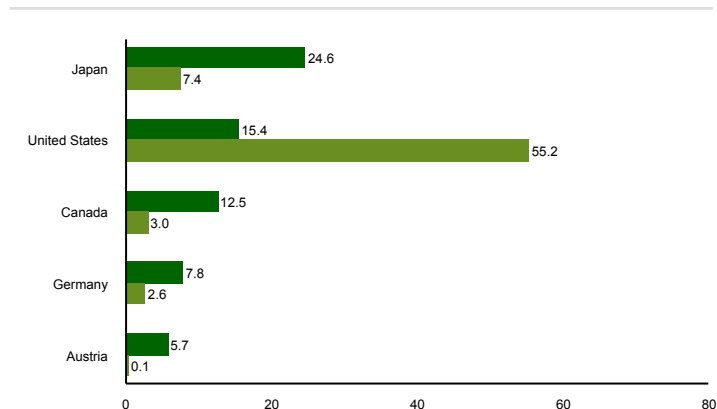
Holding	Weight (%)	Contribution (%)
China Unicom Hong Kong Ltd	5.59	-0.31
Viacom Inc	2.97	-0.30
American International Group Inc	5.51	-0.22
Roxgold Inc	3.41	-0.22
Ivanhoe Mines Ltd	3.83	-0.13

Absolute contribution based on NOK returns at fund level

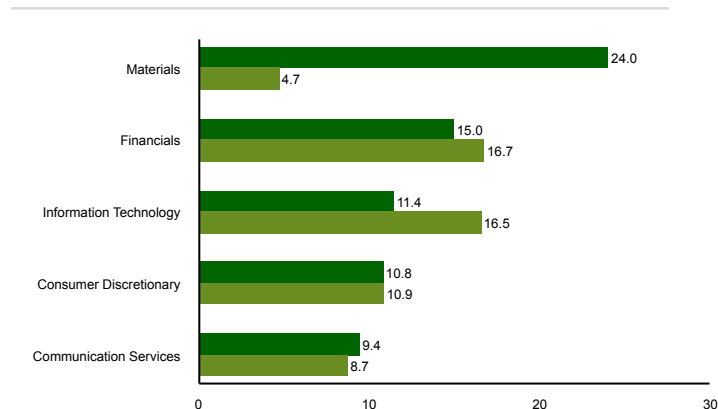
Top ten investments

Holding	Sector	Country	%
OMV AG	Energy	Austria	5.7
China Unicom Hong Kong Ltd	Communication Services	China	5.2
American International Group Inc	Financials	United States	5.0
Hitachi Ltd	Information Technology	Japan	4.3
Bank of Kyoto Ltd/The	Financials	Japan	4.3
Sao Martinho SA	Consumer Staples	Brazil	4.2
Toyota Industries Corp	Consumer Discretionary	Japan	4.2
Ivanhoe Mines Ltd	Materials	Canada	3.7
STMicroelectronics NV	Information Technology	Switzerland	3.5
Dow Inc	Materials	United States	3.5
Combined weight of top 10 holdings			43.7

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

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