

Performance Commentary

The fund delivered a solid absolute return in July despite headwinds from lower interest rates, which propelled a general rotation out of value assets. Markets are forward-looking and the continued lower yield dynamic requires a temporary inflationary situation, as communicated by central banks, and a reduced global growth outlook heading into next year. There is a fair probability that the tapering of the central banks' QE experiment and persistently higher inflation could result in precisely the opposite. The fund's best performer in July was our largest position, namely US food retailer Albertsons, which announced a strong earnings report and raised guidance. Argonaut Gold also performed well as the company disclosed solid progress in becoming a mid-tier gold miner. The fund benefitted from a revised takeover offer for our mobility service provider Europcar from a Volkswagen-led consortium. Fortuna Silver, which recently acquired our position in Roxgold, was weaker as the silver price declined somewhat but we see the shares offering sold value at current levels. Korean banking group KB Financial was also weaker, but the group released solid operating results at the end of the month. We initiated a position in Korean DB Insurance, which trades at a substantial discount to fair value and looks set to be able to raise prices and combined ratios in the medium term.

SKAGEN Focus is a high conviction equity fund that seeks to generate long-term capital growth by investing in a portfolio of global companies with a bias towards small and mid-cap companies.

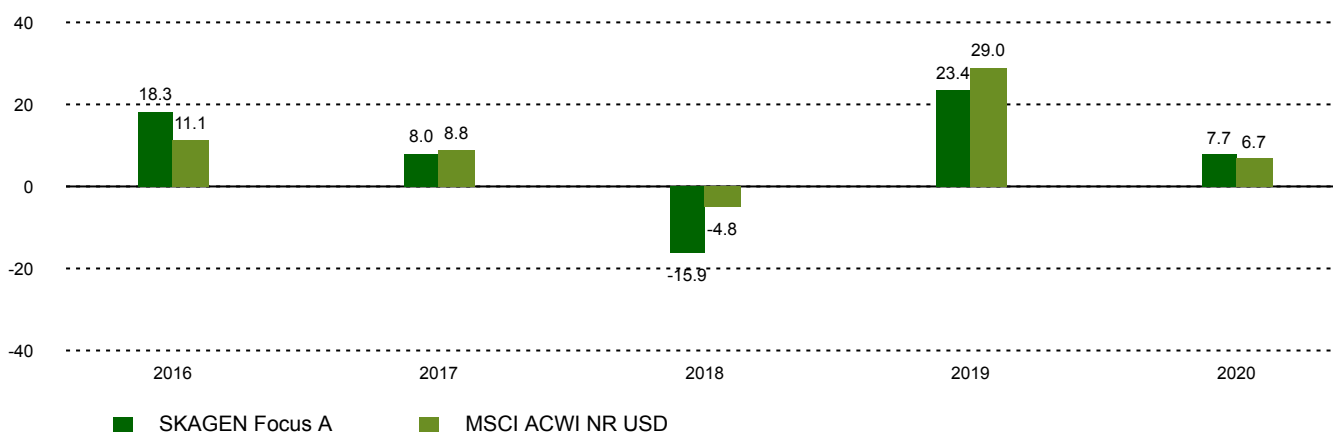
Historical performance (net of fees)

Period	SKAGEN Focus A	Benchmark index
Last month	-0.2%	0.7%
Year to date	17.9%	16.7%
Last year	52.6%	32.9%
Last 3 years	8.7%	13.3%
Last 5 years	9.8%	12.5%
Last 10 years	n/a	n/a
Since start	5.9%	9.1%

Fund Facts

Type	Equity
Domicile	Norway
Launch date	26.05.2015
Morningstar category	Global Flex-Cap Equity
ISIN	NO0010735129
NAV	16.88 EUR
Fixed management fee	1.60%
Total expense ratio (2020)	1.70%
Benchmark index	MSCI ACWI NR USD
AUM (mill.)	167.25 EUR
Number of holdings	42
Portfolio manager	Jonas Edholm

Performance last ten years



Contributors in the month



Largest contributors

Holding	Weight (%)	Contribution (%)
Albertsons Cos Inc	4.06	0.50
Argonaut Gold Inc	3.40	0.50
Vale Indonesia Tbk PT	1.60	0.33
Wienerberger AG	3.48	0.30
UPM-Kymmene Oyj	2.80	0.29



Largest detractors

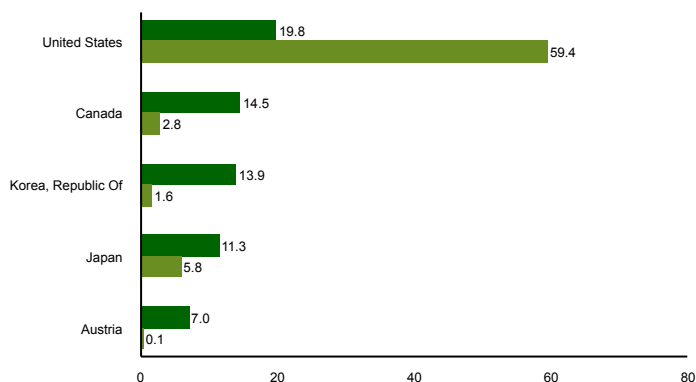
Holding	Weight (%)	Contribution (%)
KB Financial Group Inc	4.12	-0.33
Fortuna Silver Mines	2.35	-0.33
Canfor Pulp Products	2.05	-0.26
Ubisoft Entertainment	3.34	-0.23
Avaya Holdings Corp	2.74	-0.21

Absolute contribution based on NOK returns at fund level

Top ten investments

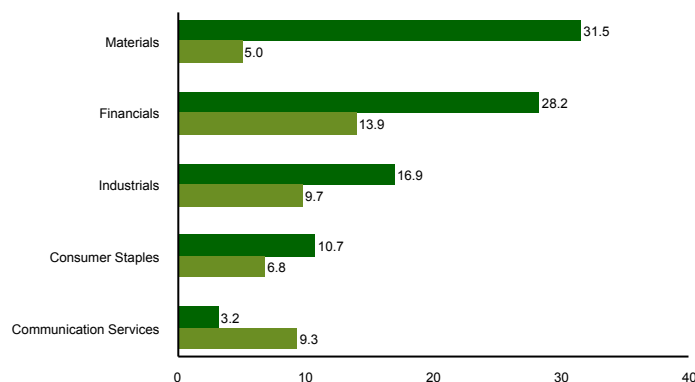
Holding	Sector	Country	%
Albertsons Cos Inc	Consumer Staples	United States	4.3
Ivanhoe Mines Ltd	Materials	Canada	4.2
Sixt SE	Industrials	Germany	4.1
KB Financial Group Inc	Financials	Korea, Republic Of	4.1
Argonaut Gold Inc	Materials	United States	3.8
Wienerberger AG	Materials	Austria	3.7
Cascades Inc	Materials	Canada	3.4
Korean Reinsurance Co	Financials	Korea, Republic Of	3.4
Raiffeisen Bank International AG	Financials	Austria	3.3
Ubisoft Entertainment SA	Communication Services	France	3.2
Combined weight of top 10 holdings			37.4

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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