

All data in SEK as of 31/05/2018 unless otherwise stated.

Performance Commentary

The fund has outperformed the underlying global equity markets so far in 2018. Concerns regarding the political situation in Italy, where anti-establishment and far right parties have attempted to bring a populist government to the Eurozone's third largest economy, pushed up sovereign debt risk premiums. This environment has negatively affected our Italian positions, including Telecom Italia and UniCredit, which were among the main detractors in the month.

On the positive side, our positions in the energy space, and particularly in the US exploration company Whiting Petroleum, were among the positive contributors in May. SBI Holdings continued to deliver a solid return and was the top contributor in May.

We exited our positions in our Korean cement names Hanil Cement and Asia Cement. The "dynamic duo" hit their respective price targets following anticipation of combined infrastructure investments on the Korean peninsula. We have continued to scale into our recently established positions, namely US security solutions company ADT, US communications company Avaya and German food retailer Metro.

Historical performance (net of fees)

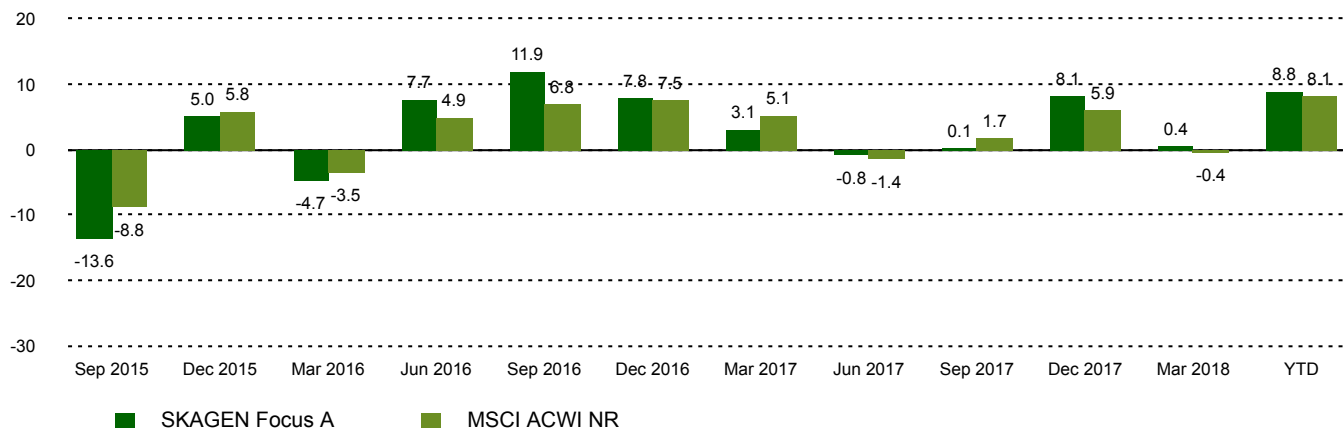
Period	SKAGEN Focus A	Benchmark index
Last month	-2.5%	0.7%
Year to date	8.8%	8.1%
Last year	16.0%	13.7%
Last 3 years	7.4%	8.7%
Last 5 years	n/a	n/a
Last 10 years	n/a	n/a
Since start	7.7%	8.9%

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	136.95 SEK
Fixed management fee	1.60%
Total expense ratio (2017)	1.48%
Benchmark index	MSCI ACWI NR
AUM (mill.)	2853.51 SEK
Number of holdings	36
Lead manager	Filip Weintraub

Quarterly Performance



Contributors in the month

Largest contributors

Holding	Weight (%)	Contribution (%)
Whiting Petroleum Corp	3.00	0.86
SBI Holdings Inc/Japan	7.95	0.81
Teva Pharmaceutical Industries	2.94	0.52
Fila Korea Ltd	2.16	0.27
X-Fab Silicon Foundries SE	2.23	0.23

Absolute contribution based on NOK returns at fund level

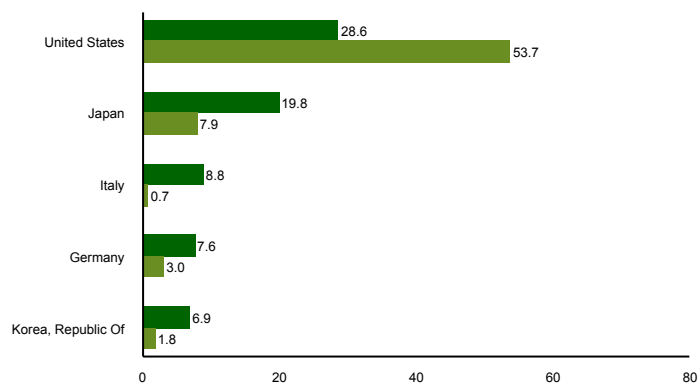
Largest detractors

Holding	Weight (%)	Contribution (%)
Telecom Italia SpA/Milano	6.03	-1.07
Hyundai Motor Co	3.70	-0.64
UniCredit SpA	2.56	-0.62
Bank of Kyoto Ltd/The	3.53	-0.41
American International Group I	5.56	-0.29

Top ten investments

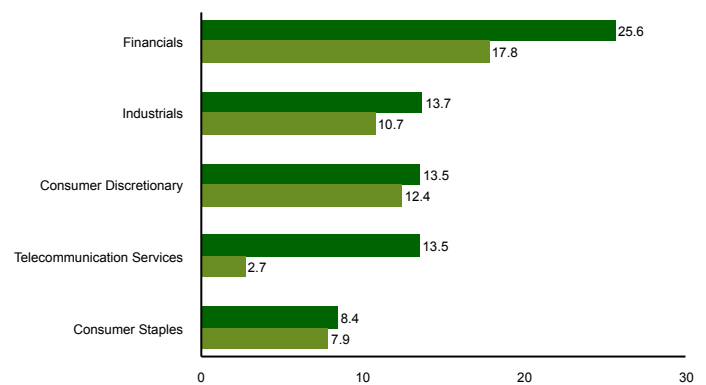
Holding	Sector	Country	%
SBI Holdings	Financials	Japan	7.6
AIG	Financials	United States	6.0
Telecom Italia Spa	Telecommunication Services	Italy	5.8
Softbank Group	Telecommunication Services	Japan	3.9
China Telecom	Telecommunication Services	China	3.8
Hyundai Motor	Consumer Discretionary	Korea, Republic Of	3.5
Bank of Kyoto	Financials	Japan	3.3
Teva Pharmaceutical Industries	Health Care	United States	3.3
Gold Fields Ltd	Materials	South Africa	3.1
Hawaiian Holdings	Industrials	United States	3.1
Combined weight of top 10 holdings			43.5

Country exposure (top five)



■ SKAGEN Focus A ■ MSCI ACWI NR

Sector exposure (top five)



■ SKAGEN Focus A ■ MSCI ACWI NR

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Important information

Unless otherwise stated, performance data relates to class A units and is net of fees. 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.