

## 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.

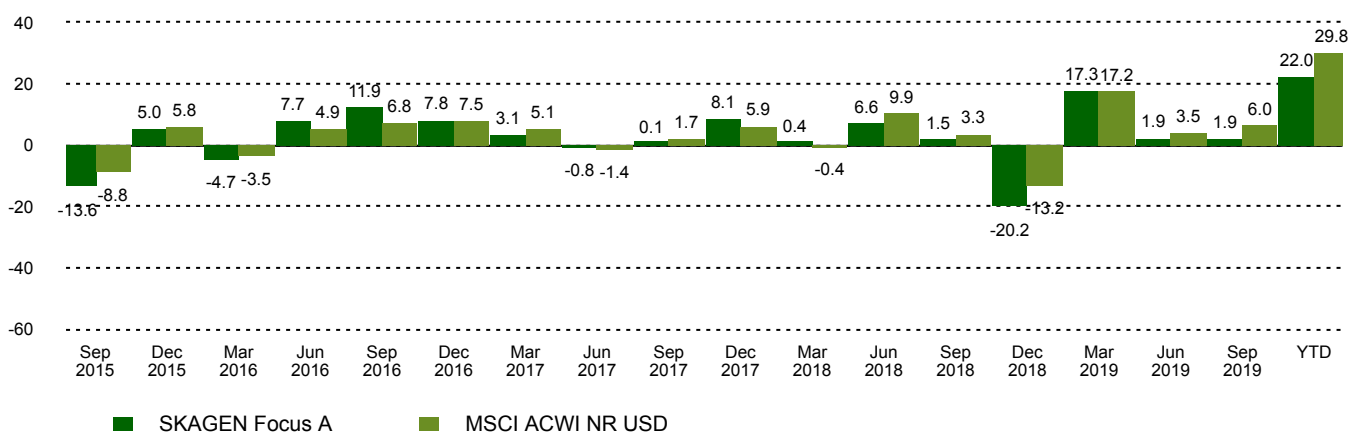
## Historical performance (net of fees)

Period	SKAGEN Focus A	Benchmark index
Last month	0.2%	0.9%
Year to date	22.0%	29.8%
Last year	5.3%	18.0%
Last 3 years	6.8%	13.7%
Last 5 years	n/a	n/a
Last 10 years	n/a	n/a
Since start	4.5%	10.0%

## Fund Facts

Type	Equity
Domicile	Norway
Launch date	26.05.2015
Morningstar category	Global Flex-Cap Equity
ISIN	NO0010735129
NAV	133.19 SEK
Fixed management fee	1.60%
Total expense ratio (2018)	0.8%
Benchmark index	MSCI ACWI NR USD
AUM (mill.)	1877.08 SEK
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

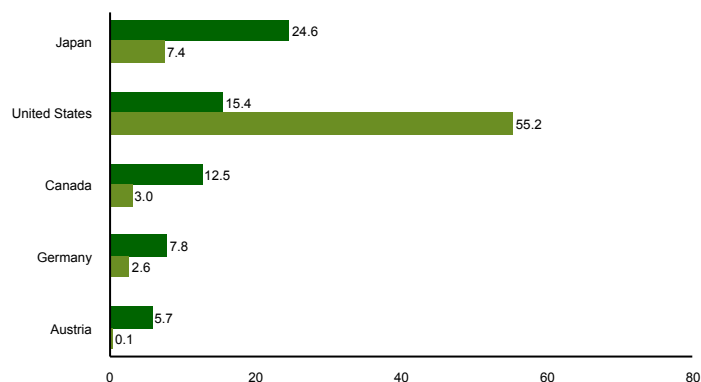
Holding	Weight (%)	Contribution (%)
China Unicom Hong Kong Ltd	5.59	-0.31
Viacom Inc	2.97	-0.30
American International Group Inc	5.51	-0.22
Roxgold Inc	3.41	-0.22
Ivanhoe Mines Ltd	3.83	-0.13

Absolute contribution based on NOK returns at fund level

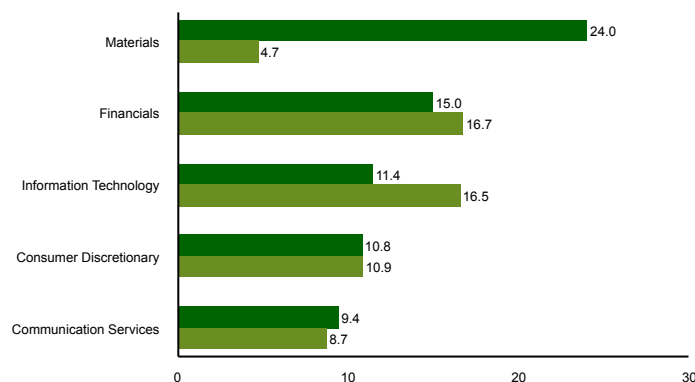
## Top ten investments

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)



## Sector exposure (top five)



■ SKAGEN Focus A ■ MSCI ACWI NR USD

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## Contact



0200-11 22 60



kundservice@skagenfonder.se



SKAGEN AS, Box 11, 101 20  
Stockholm

## Important information

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.