

Performance Commentary

SKAGEN Insight performed in-line with the broader equity market during July. We continue to see an increased sense of urgency at several of our portfolio companies. More broadly, we have seen the number of activist campaigns increase +15% YoY so far this year.

ThyssenKrupp and Eitel were the fund's largest positive contributors. ThyssenKrupp's positive share price performance was driven by market speculation that the recent departures of the company's CEO and Supervisory Board Chairman will unlock the roadmap to value-accretive restructuring. We share this view and believe that ThyssenKrupp could be worth as much as double its current market value if its suboptimal structure is untangled. Consequently, this situation remains Insight's largest position because of its attractive risk-reward profile.

Diebold Nixdorf and Armstrong Flooring were the fund's largest detractors. The transformation process at Diebold is accelerating with a new CEO at the helm but this has resulted in some near term pain for investors. We continue to believe, however, that it will translate into longer term gains. Insight has a portfolio of deeply undervalued and underappreciated companies where fundamental trends are moving in the right direction and activists are increasingly becoming the catalyst for change.

Historical performance (net of fees)

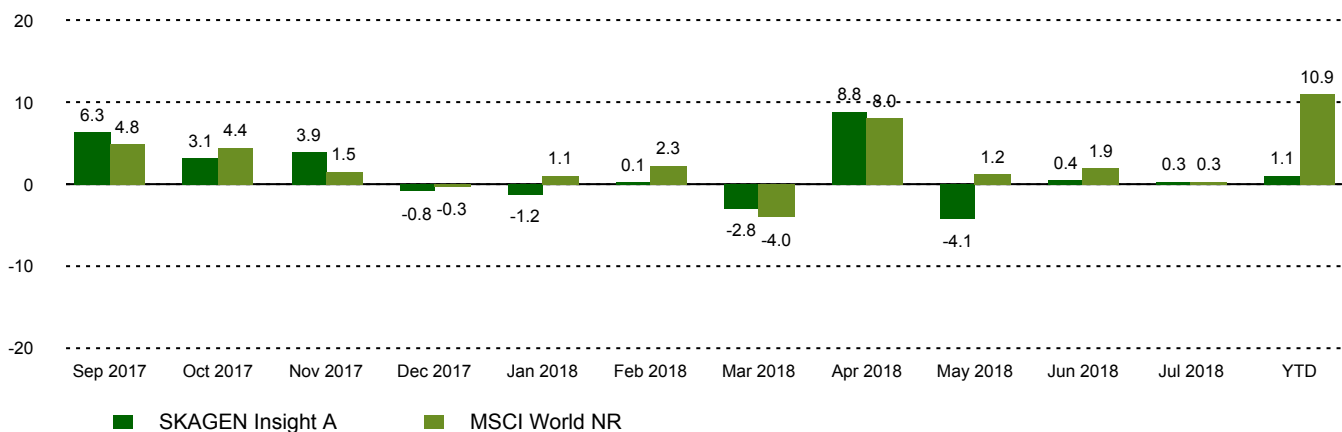
| Period | SKAGEN Insight A | Benchmark index |
|---------------|------------------|-----------------|
| Last month | 0.3% | 0.3% |
| Last 2 months | 0.7% | 2.2% |
| Last 3 months | -3.4% | 3.5% |
| Year to date | 1.1% | 10.9% |
| Since start | 14.3% | 23.4% |

SKAGEN Insight invests in a diversified and actively managed portfolio of companies exposed to some of the most attractive activist campaigns globally. Activists seek to unlock value by urging companies to make improvements. SKAGEN Insight "shadows" activists by investing in these companies. The objective is to provide the best possible risk adjusted return. The fund is suitable for those with at least a five year investment horizon.

Fund Facts

| | |
|----------------------------|-------------------------------|
| Type | Equity |
| Domicile | Norway |
| Launch date | 21.08.2017 |
| Morningstar category | Global Large-Cap Blend Equity |
| ISIN | NO0010801558 |
| NAV | 116.89 SEK |
| Fixed management fee | 1.5% |
| Total expense ratio (2017) | 1.50% |
| Benchmark index | MSCI World NR |
| AUM (mill.) | 306.64 SEK |
| Number of holdings | 30 |
| Portfolio manager | Tomas Johansson |

Monthly performance



Contributors in the month

Largest contributors

| Holding | Weight (%) | Contribution (%) |
|-----------------|------------|------------------|
| thyssenkrupp AG | 6.95 | 0.64 |
| Eitel AB | 4.89 | 0.44 |
| Rexel SA | 3.87 | 0.41 |
| GEA Group AG | 2.71 | 0.38 |
| Depomed Inc | 1.34 | 0.36 |

Absolute contribution based on NOK returns at fund level

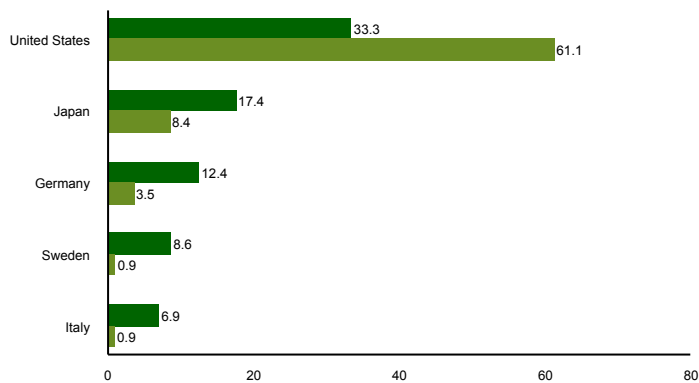
Largest detractors

| Holding | Weight (%) | Contribution (%) |
|---------------------------|------------|------------------|
| Diebold Nixdorf Inc | 5.01 | -0.48 |
| Armstrong Flooring Inc | 4.01 | -0.29 |
| Hudson's Bay Co | 3.96 | -0.28 |
| Seven & i Holdings Co Ltd | 2.95 | -0.22 |
| dormakaba Holding AG | 1.73 | -0.13 |

Top ten investments

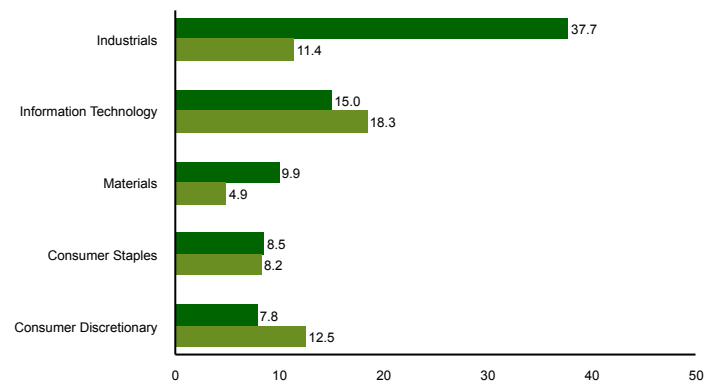
| Holding | Sector | Country | % |
|------------------------------------|----------------------------|---------------|------|
| thyssenkrupp | Materials | Germany | 7.1 |
| Teikoku Sen-I Co | Industrials | Japan | 5.2 |
| Eltel | Industrials | Sweden | 5.1 |
| Mondelez International | Consumer Staples | United States | 4.6 |
| Diebold Nixdorf | Information Technology | United States | 4.5 |
| Perrigo Company | Health Care | United States | 4.4 |
| Armstrong Flooring | Industrials | United States | 4.1 |
| Rexel | Industrials | France | 4.1 |
| Hertz Global Holdings | Industrials | United States | 3.9 |
| Telecom Italia Spa | Telecommunication Services | Italy | 3.9 |
| Combined weight of top 10 holdings | | | 46.8 |

Country exposure (top five)



■ SKAGEN Insight A ■ MSCI World NR

Sector exposure (top five)



■ SKAGEN Insight A ■ MSCI World 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.