

## Performance Commentary

SKAGEN Insight enjoyed a good start to 2019, driven by broad-based positive performance across the portfolio. Much has happened at our companies during the past year that the market has yet to price in. More than 40% of the portfolio is exposed to companies that activists have recently helped transform. Over the past decade, we have only seen similar conditions twice before: in the aftermath of the financial crisis and the so-called euro crisis. Both times, patient activist investors were well rewarded. Our shadow-activism strategy should also benefit.

Diebold Nixdorf and Hertz were the fund's largest positive contributors in January. Diebold gained 75% during the month on no material news. Still, the stock remains deeply undervalued, in our view. Banca Popolare di Sondrio was the only significant detractor, negatively impacted by political uncertainty in Italy.

There is a lot of value potential across the portfolio as many holdings have traded down due to myopic investors' concerns and not to deteriorating fundamentals. 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 positive change.

## Historical performance (net of fees)

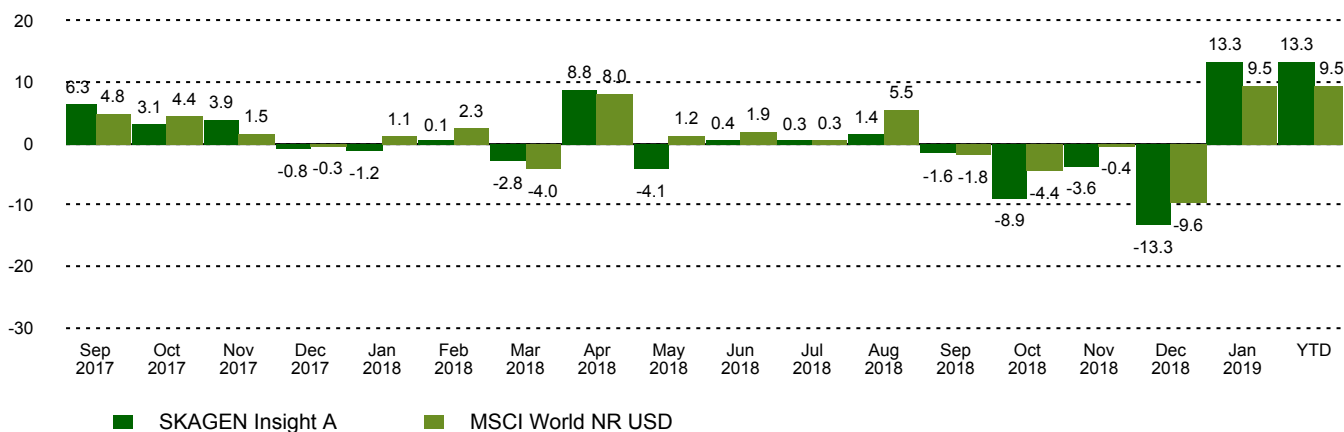
Period	SKAGEN Insight A	Benchmark index
Last month	13.3%	9.5%
Last 2 months	-1.7%	-1.1%
Last 3 months	-5.3%	-1.4%
Year to date	13.3%	9.5%
Since start	-1.1%	13.7%

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	100.67 SEK
Fixed management fee	1.5%
Total expense ratio (2018)	1.50%
Benchmark index	MSCI World NR USD
AUM (mill.)	194.83 SEK
Number of holdings	30
Portfolio manager	Tomas Johansson

## Monthly performance



## Contributors in the month

### Largest contributors

Holding	Weight (%)	Contribution (%)
Diebold Nixdorf Inc	3.19	1.58
Hertz Global Holdings Inc	5.88	1.05
General Electric Co	3.28	1.03
Pasona Group Inc	3.42	0.63
Armstrong Flooring Inc	5.39	0.52

### Largest detractors

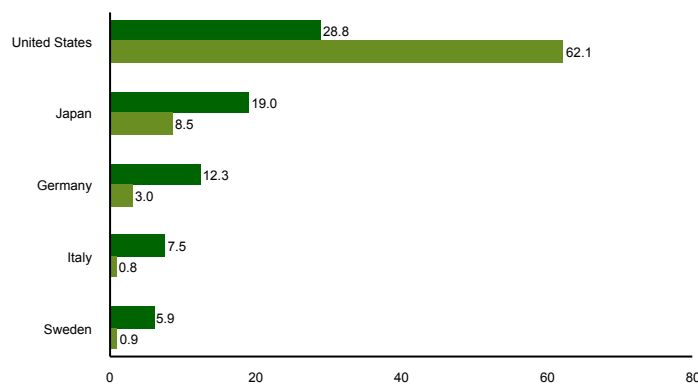
Holding	Weight (%)	Contribution (%)
Banca Popolare di Sondrio SCPA	2.48	-0.35
ABB Ltd	3.57	-0.08
Ericsson	1.81	-0.05
Telecom Italia SpA/Milano	5.06	-0.03
Dai-ichi Life Holdings Inc	1.44	0.01

Absolute contribution based on NOK returns at fund level

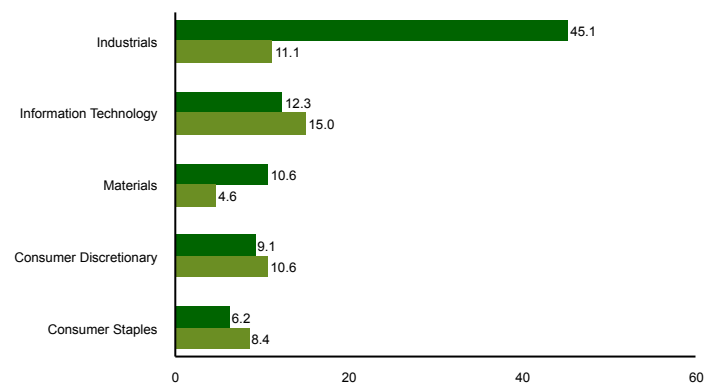
## Top ten investments

Holding	Sector	Country	%
thyssenkrupp	Materials	Germany	7.0
Teikoku Sen-I Co	Industrials	Japan	6.7
Hertz Global Holdings	Industrials	United States	6.0
Telecom Italia Spa	Communication Services	Italy	5.4
Armstrong Flooring	Industrials	United States	5.2
Eltel	Industrials	Sweden	4.2
Rexel	Industrials	France	4.2
General Electric	Industrials	United States	3.9
Maxell Holdings	Information Technology	Japan	3.8
BHP Billiton Ltd	Materials	Australia	3.6
Combined weight of top 10 holdings			49.9

## Country exposure (top five)



## Sector exposure (top five)



■ SKAGEN Insight A ■ MSCI World NR USD

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## 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.