

## Performance Commentary

In August, activists continued to have a tough time in the equity market. Consequently, the performance of our shadow activism-strategy remained lacklustre. This development was exaggerated by increasing trade tensions that have generally had a negative impact on the market valuation of our holdings. We are working hard to remedy the situation and strengthen fund performance. In short, we believe there are good reasons for an optimistic stance: the valuation of many of our portfolio companies are at rock bottom-levels, while the operational performance has been broadly in-line with expectations. The increased market uncertainty has also made companies more susceptible to activists' change agendas. While painful in the short term, the volatility is expected to be a positive over the medium term as it is the catalyst for encouraging changes at our portfolio companies. Roxgold and Conduent were the fund's largest positive and negative contributors, respectively. Conduent did however announce a possible break-up and the activist strengthened his grip on the company, buying more shares and orchestrating further board changes – two positives in our view. The outlook for the fund is unchanged; there is a lot of value potential across the portfolio. The vast majority of our portfolio companies, and the progress they have made, remain deeply misunderstood and underappreciated by the market.

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.

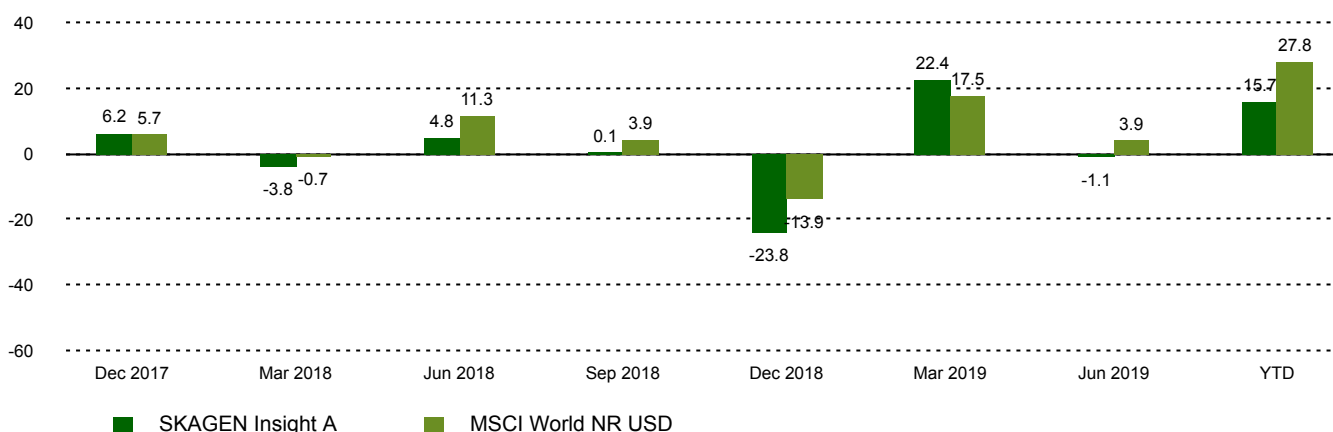
## Historical performance (net of fees)

Period	SKAGEN Insight A	Benchmark index
Last month	-4.8%	-0.1%
Year to date	15.7%	27.8%
Last year	-13.2%	8.1%
Last 3 years	n/a	n/a
Last 5 years	n/a	n/a
Last 10 years	n/a	n/a
Since start	0.3%	18.3%

## Fund Facts

Type	Equity
Domicile	Norway
Launch date	21.08.2017
Morningstar category	Global Large-Cap Blend Equity
ISIN	NO0010801558
NAV	102.83 SEK
Fixed management fee	1.5%
Total expense ratio (2018)	1.50%
Benchmark index	MSCI World NR USD
AUM (mill.)	222.43 SEK
Number of holdings	30
Portfolio manager	Tomas Johansson

## Quarterly Performance



## Contributors in the month

### Largest contributors

Holding	Weight (%)	Contribution (%)
Roxgold Inc	3.19	0.73
Newell Brands Inc	2.96	0.58
Maxell Holdings Ltd	4.43	0.39
Kyushu Railway Co	4.19	0.35
Katakura Industries Co Ltd	4.72	0.34

### Largest detractors

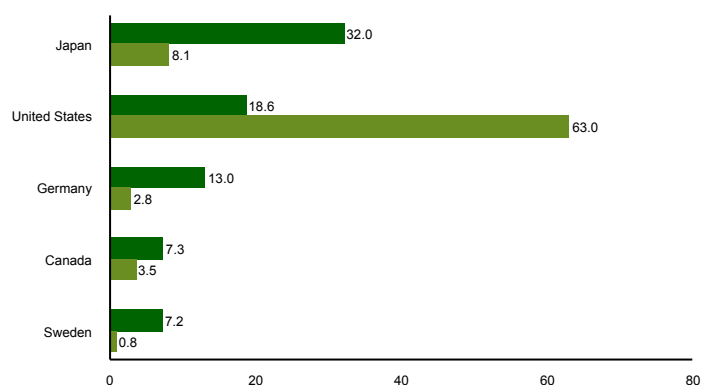
Holding	Weight (%)	Contribution (%)
Conduent Inc	3.70	-1.14
General Electric Co	3.23	-0.64
Pasona Group Inc	6.10	-0.61
Armstrong Flooring Inc	3.48	-0.61
LEC Inc	2.03	-0.48

Absolute contribution based on NOK returns at fund level

## Top ten investments

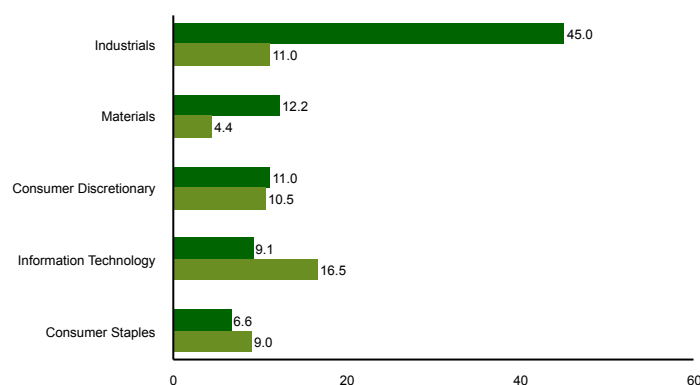
Holding	Sector	Country	%
Thyssenkrupp AG	Materials	Germany	8.6
Teikoku Sen-I Co Ltd	Industrials	Japan	6.4
Eltel AB	Industrials	Sweden	5.9
Pasona Group Inc	Industrials	Japan	5.6
Katakura Industries Co Ltd	Industrials	Japan	4.8
Maxell Holdings Ltd	Information Technology	Japan	4.5
Kyushu Railway Co	Industrials	Japan	3.8
Hudson's Bay Co	Consumer Discretionary	Canada	3.7
Roxgold Inc	Materials	Canada	3.5
Stock Spirits Group PLC	Consumer Staples	United Kingdom	3.5
Combined weight of top 10 holdings			50.4

## Country exposure (top five)



■ SKAGEN Insight A ■ MSCI World NR USD

## 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.