

Performance Commentary

The fund has generated a solid absolute return so far this year amidst an extremely strong start to the investment year. The broad global equity market sell-off and collapse in higher yielding corporate bonds in late Q418 proved to be excessive, at least in specific names. We also suspect that the Fed's recent move to a more neutral bias has fired up the overall risk appetite among investors. Ivanhoe Mining was the top-performing position in February. The company recently released a pre-feasibility study of the Kamoa-Kakula copper exploration area and an economic assessment of the asset going forward. The results of this are extremely impressive and support our positive view on the shares. Softbank was a strong performer in the month as the company announced a share buy-back of no less than USD 5.5 billion, emphasising the undervaluation of the stock. Softbank claims the net assets are worth roughly double the current market cap. Teva Pharmaceuticals was a weak performer in the month as the company disappointed investors with conservative guidance for the year. We have continued to build our positions in highly discounted Australian copper miner OZ Minerals and Hitachi, a severely undervalued Japanese conglomerate. We exited our position in Gold Fields as the shares re-rated towards our price target following stronger underlying gold price and consolidation support.

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.

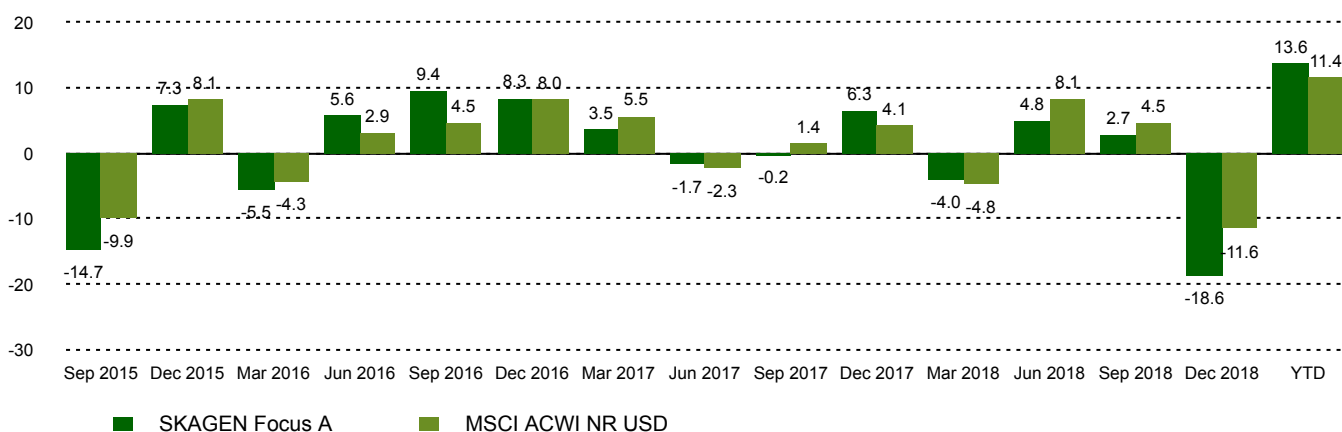
Historical performance (net of fees)

| Period | SKAGEN Focus A | Benchmark index |
|---------------|----------------|-----------------|
| Last month | 2.4% | 3.9% |
| Year to date | 13.6% | 11.4% |
| Last year | -4.1% | 5.3% |
| Last 3 years | 10.0% | 11.0% |
| Last 5 years | n/a | n/a |
| Last 10 years | n/a | n/a |
| Since start | 0.8% | 4.7% |

Fund Facts

| | |
|----------------------------|------------------------|
| Type | Equity |
| Domicile | Norway |
| Launch date | 26.05.2015 |
| Morningstar category | Global Flex-Cap Equity |
| ISIN | NO0010735129 |
| NAV | 12.23 EUR |
| Fixed management fee | 1.60% |
| Total expense ratio (2018) | 0.8% |
| Benchmark index | MSCI ACWI NR USD |
| AUM (mill.) | 183.98 EUR |
| Number of holdings | 35 |
| Portfolio manager | Jonas Edholm |

Quarterly Performance



Contributors in the month



Largest contributors

| Holding | Weight (%) | Contribution (%) |
|---------------------------|------------|------------------|
| Ivanhoe Mines Ltd | 3.85 | 0.98 |
| Telecom Italia SpA/Milano | 4.17 | 0.51 |
| SoftBank Group Corp | 1.86 | 0.49 |
| ADT Inc | 3.37 | 0.40 |
| Pasona Group Inc | 2.48 | 0.37 |



Largest detractors

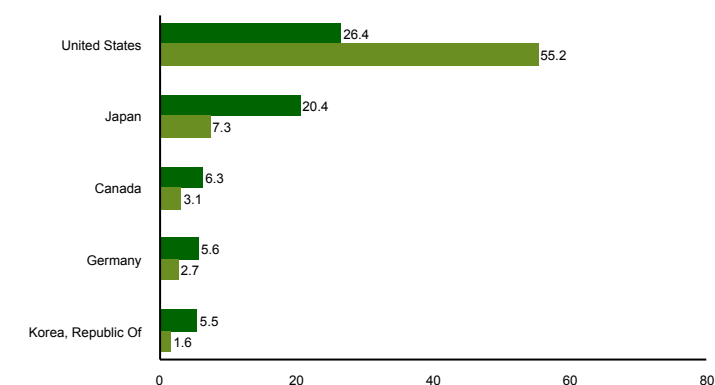
| Holding | Weight (%) | Contribution (%) |
|--------------------------------|------------|------------------|
| Teva Pharmaceutical Industries | 2.25 | -0.32 |
| Sao Martinho SA | 4.26 | -0.29 |
| Avaya Holdings Corp | 3.45 | -0.28 |
| West Fraser Timber Co Ltd | 1.30 | -0.25 |
| X-Fab Silicon Foundries SE | 1.34 | -0.18 |

Absolute contribution based on NOK returns at fund level

Top ten investments

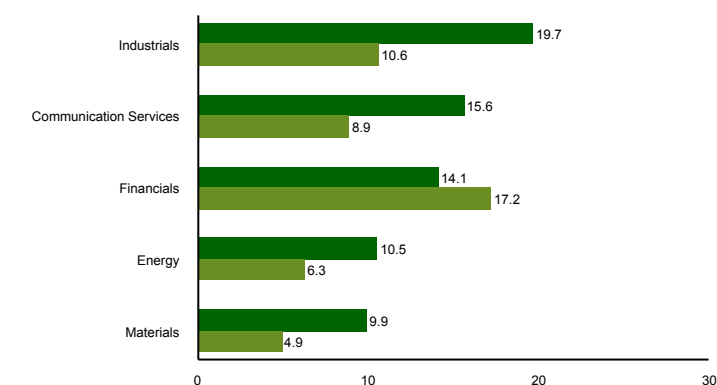
| Holding | Sector | Country | % |
|------------------------------------|------------------------|---------------|------|
| AIG | Financials | United States | 6.5 |
| China Unicom Hong Kong Ltd | Communication Services | China | 5.0 |
| OMV AG | Energy | Austria | 4.9 |
| Bank of Kyoto | Financials | Japan | 4.6 |
| Telecom Italia Spa | Communication Services | Italy | 4.5 |
| Ivanhoe Mines Ltd | Materials | Canada | 4.3 |
| Sao Martinho SA | Consumer Staples | Brazil | 4.0 |
| ADT Inc | Industrials | United States | 3.4 |
| Viacom Inc | Communication Services | United States | 3.4 |
| Avaya Holdings Corp | Information Technology | United States | 3.2 |
| Combined weight of top 10 holdings | | | 43.7 |

Country exposure (top five)



■ SKAGEN Focus A ■ MSCI ACWI NR USD

Sector exposure (top five)



■ SKAGEN Focus A ■ MSCI ACWI NR USD

Contact



020 799 74 34



info@skagenfunds.nl



SKAGEN AS, Gustav Mahlerplein 2,
1082 MA Amsterdam

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. 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 find 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 branch office. 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.

