

Performance Commentary

SKAGEN Focus has had decent performance so far this year, despite a moderate headwind from continued index-herd buying into so-called growth companies. In this environment, we continue to identify new contrarian investment areas and ultimately companies priced substantially below our estimate of fair value. For instance, we have gradually built a position in Canadian Lumber producer West Fraser Timber, having closely followed the collapse of lumber prices. Our analysis indicates that West Fraser is trading at levels not consistent with even current beaten down lumber price levels, and as such offers an attractive risk/reward. We scaled down our position in Pilgrim's Pride during the month, following a 70% rally this year. Pilgrim's Pride is the fund's best performer this year as the market has started to factor in higher chicken prices and opportunities for US chicken producers to increase exports to China. Our position in US insurer AIG was the largest positive contributor in April, as anticipations of cost savings, which ramped up in late 2018, and corrective actions should enable the current turnaround to reach its underwriting-profitability goal for the challenged General Insurance business. We exited KOC Holdings as the shares reached our price target and we see better opportunities elsewhere. Gold Fields also reached price target and our search within the relevant eco-system led us to our new position in Canada-domiciled gold miner Roxgold. This smaller-cap miner trades at an unusually large discount to fair value with tangible catalysts for re-rating in the mid-term.

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.

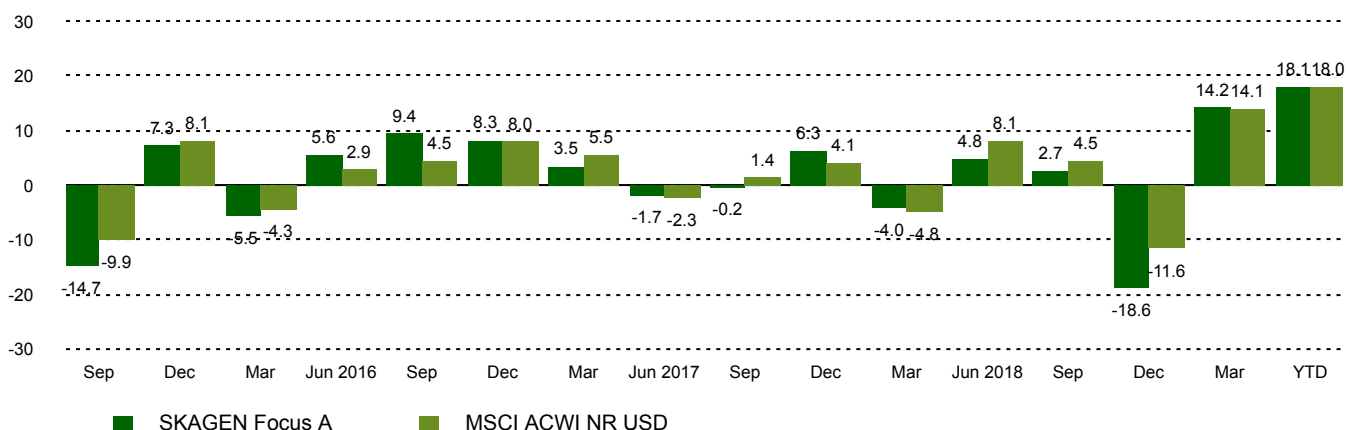
Historical performance (net of fees)

| Period | SKAGEN Focus A | Benchmark index |
|---------------|----------------|-----------------|
| Last month | 3.4% | 3.4% |
| Year to date | 18.1% | 18.0% |
| Last year | -4.5% | 12.3% |
| Last 3 years | 8.9% | 12.1% |
| Last 5 years | n/a | n/a |
| Last 10 years | n/a | n/a |
| Since start | 1.8% | 6.1% |

Fund Facts

| | |
|----------------------------|------------------------|
| Type | Equity |
| Domicile | Norway |
| Launch date | 26.05.2015 |
| Morningstar category | Global Flex-Cap Equity |
| ISIN | NO0010735129 |
| NAV | 12.72 EUR |
| Fixed management fee | 1.60% |
| Total expense ratio (2018) | 0.8% |
| Benchmark index | MSCI ACWI NR USD |
| AUM (mill.) | 185.05 EUR |
| Number of holdings | 35 |
| Portfolio manager | Jonas Edholm |

Quarterly Performance



Contributors in the month

Largest contributors

| Holding | Weight (%) | Contribution (%) |
|--------------------------------|------------|------------------|
| American International Group I | 6.66 | 0.60 |
| Pilgrim's Pride Corp | 2.78 | 0.54 |
| Nexans SA | 2.63 | 0.44 |
| Avaya Holdings Corp | 3.38 | 0.40 |
| Toyota Industries Corp | 2.97 | 0.37 |

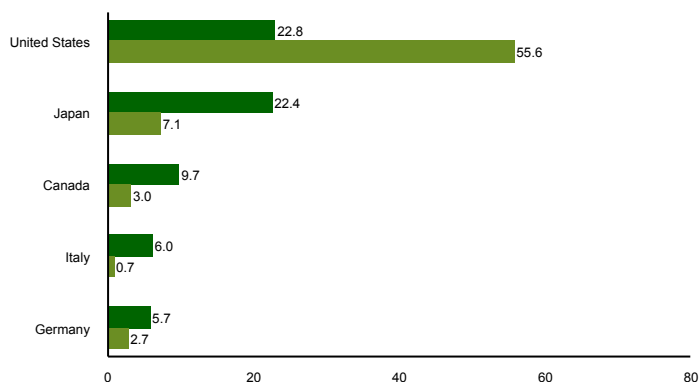
Largest detractors

| Holding | Weight (%) | Contribution (%) |
|----------------------------|------------|------------------|
| Telecom Italia SpA/Milano | 4.31 | -0.40 |
| China Unicom Hong Kong Ltd | 4.70 | -0.30 |
| Teikoku Sen-I Co Ltd | 1.87 | -0.20 |
| OZ Minerals Ltd | 2.84 | -0.19 |
| MagForce AG | 1.66 | -0.10 |

Top ten investments

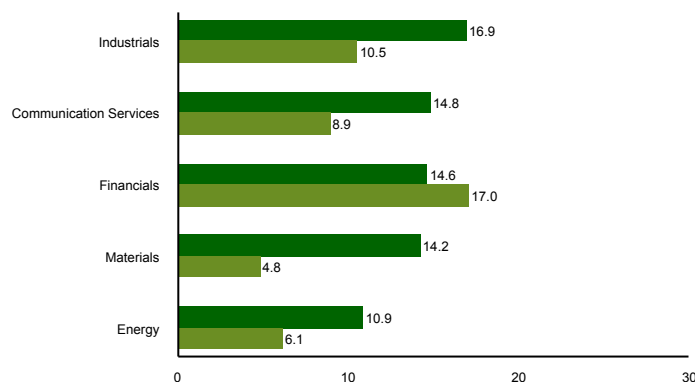
| Holding | Sector | Country | % |
|------------------------------------|------------------------|---------------|------|
| AIG | Financials | United States | 6.8 |
| OMV AG | Energy | Austria | 4.8 |
| China Unicom Hong Kong Ltd | Communication Services | China | 4.7 |
| Bank of Kyoto | Financials | Japan | 4.3 |
| Telecom Italia Spa | Communication Services | Italy | 4.1 |
| Sao Martinho SA | Consumer Staples | Brazil | 3.8 |
| Ivanhoe Mines Ltd | Materials | Canada | 3.8 |
| Avaya Holdings Corp | Information Technology | United States | 3.5 |
| Hitachi Ltd | Industrials | Japan | 3.3 |
| Toyota Industries | Consumer Discretionary | Japan | 3.2 |
| Combined weight of top 10 holdings | | | 42.4 |

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.

