

## Performance Commentary

October was another month of elevated market volatility. While painful in the short term, this is good news for us over the longer term; volatility increases activists' ability to become a catalyst for positive change at our portfolio companies.

General Motors and Ericsson were the largest positive contributors in October. When we entered into Ericsson last year, this was due to a combination of a deeply undervalued business and the right activist being in the right place. Since then, the activist has turned up the heat in the boardroom and the investment case has developed faster than anticipated. Following a string of good results, the share recently closed in on our target price. We have therefore reduced our stake materially and redeployed capital into new situations. Teikoku Sen-I and ThyssenKrupp were the main detractors. Teikoku is one of Insight's largest positive contributors year-to-date but gave up some of these gains as investors took profit in the wake of elevated market volatility. However, our investment case remains intact and we look forward to the upcoming proxy season when pressure on the company to implement value-accretive changes will increase further. 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.

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.

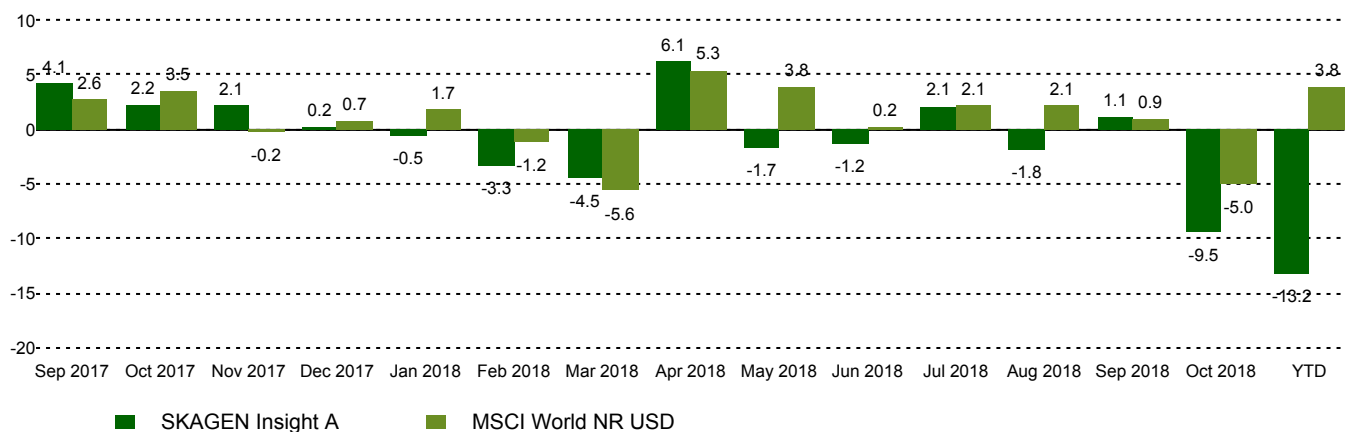
## Historical performance (net of fees)

Period	SKAGEN Insight A	Benchmark index
Last month	-9.5%	-5.0%
Last 2 months	-8.5%	-4.2%
Last 3 months	-10.2%	-2.1%
Year to date	-13.2%	3.8%
Since start	-4.0%	9.9%

## Fund Facts

Type	Equity
Domicile	Norway
Launch date	21.08.2017
Morningstar category	Global Large-Cap Blend Equity
ISIN	NO0010801558
NAV	10.22 EUR
Fixed management fee	1.5%
Total expense ratio (2017)	1.50%
Benchmark index	MSCI World NR USD
AUM (mill.)	26.92 EUR
Number of holdings	33
Portfolio manager	Tomas Johansson

## Monthly performance



## Contributors in the month

### Largest contributors

Holding	Weight (%)	Contribution (%)
General Motors Co	1.79	0.21
Ericsson	2.11	0.10
Stock Spirits Group PLC	2.31	0.07
Perrigo Co PLC	2.14	0.06
Dai-ichi Life Holdings Inc	2.31	0.02

### Largest detractors

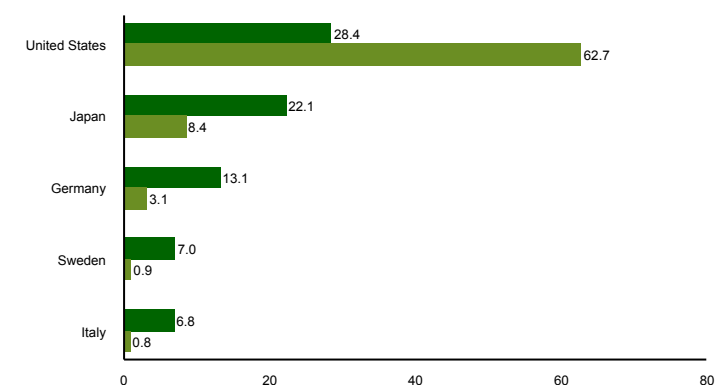
Holding	Weight (%)	Contribution (%)
Teikoku Sen-I Co Ltd	6.93	-1.03
thyssenkrupp AG	7.44	-1.00
Armstrong Flooring Inc	5.81	-0.67
Hertz Global Holdings Inc	4.94	-0.63
Maxell Holdings Ltd	3.40	-0.57

Absolute contribution based on NOK returns at fund level

## Top ten investments

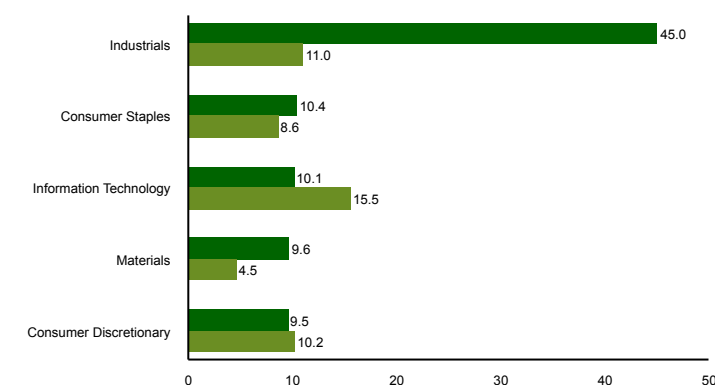
Holding	Sector	Country	%
thyssenkrupp	Materials	Germany	7.5
Teikoku Sen-I Co	Industrials	Japan	7.0
Armstrong Flooring	Industrials	United States	5.8
Eltel	Industrials	Sweden	5.3
Hertz Global Holdings	Industrials	United States	4.8
Rexel	Industrials	France	4.4
Telecom Italia Spa	Communication Services	Italy	4.4
Seven & i Holdings	Consumer Staples	Japan	4.0
Hudson's Bay Co	Consumer Discretionary	Canada	3.7
Katakura Industries Co Ltd	Industrials	Japan	3.4
Combined weight of top 10 holdings			50.3

## 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. 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.

**Don't take any unnecessary risks.**

Lower risk ← Typically lower rewards | Typically higher rewards → Higher risk

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THIS IS A MANDATORY ANNOUNCEMENT