

Performance Commentary

SKAGEN Focus delivered a return largely in line with global equity markets in January. Three of the fund's top-10 positions are located in the Japanese equity market, namely internet and tech conglomerate Softbank, financial conglomerate SBI Holdings and regional bank Bank of Kyoto. We continue to believe that the Japanese equity market represents one of the more attractive regions globally in terms of company specific valuation opportunities with tangible catalysts, in the form of improved capital allocation discipline. The markets are currently discovering the potential hidden value proposition in SBI Holdings, and the stock was a main positive contributor. Bank of Kyoto, or should we say Bank of Nintendo, also presented stronger than expected results and pushed the share prices higher. We also observed strong positive developments in our Italian bank Unicredit and oil service company Helmerich and Payne. Following a strong run at year-end, shares of the Swiss industrial baker Aryzta were lower as they disappointed on guidance for 2018. While gold prices have increased quite solidly since last year, South African Gold Fields was weaker due to currency volatility. During the month we exited US refiner Andeavor, UK beverage company Stocks Spirits and Japanese cement producer Taiheiyu Cement as the shares reached our price targets. We initiated three new positions, which we are gradually building towards target weight.

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.

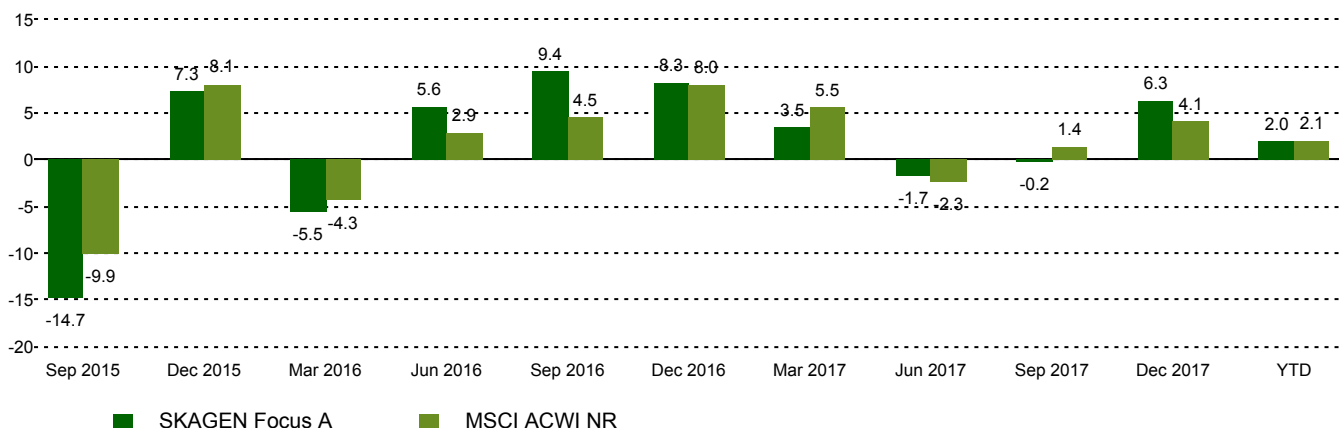
Historical performance (net of fees)

Period	SKAGEN Focus A	Benchmark index
Last month	2.0%	2.1%
Year to date	2.0%	2.1%
Last year	9.6%	10.7%
Last 3 years	n/a	n/a
Last 5 years	n/a	n/a
Last 10 years	n/a	n/a
Since start	3.6%	5.2%

Fund Facts

Type	Equity
Domicile	Norway
Launch date	26.05.2015
Morningstar category	Global Flex-Cap Equity
ISIN	NO0010735129
NAV	13.06 EUR
Fixed management fee	1.60%
Total expense ratio (2017)	1.48%
Benchmark index	MSCI ACWI NR
AUM (mill.)	254.85 EUR
Number of holdings	34
Lead manager	Filip Weintraub

Quarterly Performance



Contributors in the month

Largest contributors

Holding	Weight (%)	Contribution (%)
SBI Holdings Inc	7.16	0.58
UniCredit SpA	2.68	0.27
Hanil Cement Co Ltd	2.24	0.21
Helmerich & Payne Inc	3.29	0.20
Schaeffler AG	3.03	0.18

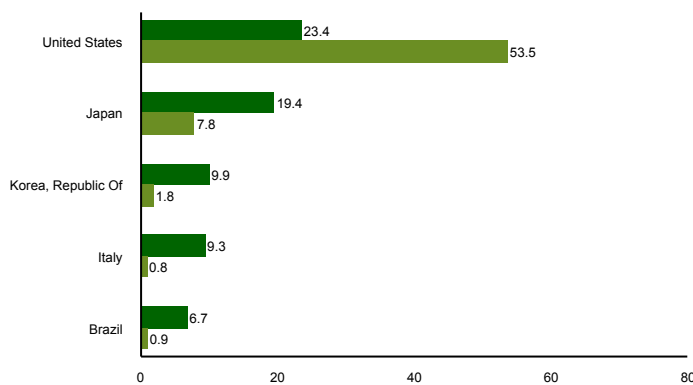
Largest detractors

Holding	Weight (%)	Contribution (%)
Aryzta AG	2.49	-0.93
Gold Fields Ltd	3.48	-0.27
Tachi-S Co Ltd	1.95	-0.14
Sao Martinho SA	2.81	-0.14
SoftBank Group Corp	3.79	-0.12

Top ten investments

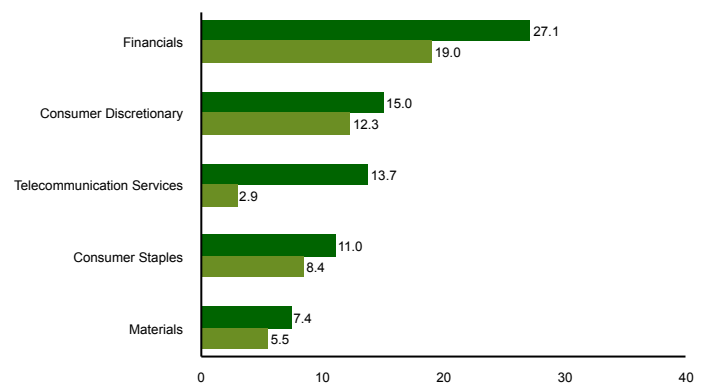
Holding	Sector	Country	%
SBI Holdings	Financials	Japan	7.3
AIG	Financials	United States	5.9
Telecom Italia Spa	Telecommunication Services	Italy	5.5
Softbank Group	Telecommunication Services	Japan	4.3
China Telecom	Telecommunication Services	China	3.9
Bank of Kyoto	Financials	Japan	3.8
Jbs	Consumer Staples	Brazil	3.8
Gold Fields Ltd	Materials	South Africa	3.6
Fila Korea	Consumer Discretionary	Korea, Republic Of	3.5
Renault SA	Consumer Discretionary	France	3.1
Combined weight of top 10 holdings			44.7

Country exposure (top five)



■ SKAGEN Focus A ■ MSCI ACWI NR

Sector exposure (top five)



■ SKAGEN Focus A ■ MSCI ACWI NR

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Important information

Unless otherwise stated, performance data relates to class A units and is net of fees. 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.