

## Performance Commentary

The rise of global equity markets in July was initially characterised by overall poor participation across sectors. US trade negotiations with EU/China resulted in a weaker development of cyclical and companies with dependence on global trade. Nonetheless, the fund posted a healthy absolute return in July driven by company-specific developments. The shares of our 2<sup>nd</sup> largest position, Softbank, rose more than 10% in July as investors seem to be discovering the major discount to net asset value and the IPO of the mobile unit draws closer. Brazil-based sugar producer Sao Martinho also contributed strongly as the company posted better than anticipated results and displays an attractive free cash flow yield going forward. Hawaiian Holdings posted record earnings and has never carried more passengers than in the last quarter, which drove the shares markedly higher. US card provider Synchrony Financial fell in the period after losing a high-profile client to a competitor, but seems able to mitigate the negative impact by freeing up capital and initiating a substantial share buy-back in 2019 when the contract matures. We recently established a position in Japanese Toyota Industries. The company sits in the middle of a complex cross-holding structure in the Toyota sphere and carries an equity portfolio worth more than the entire market cap of the company, allowing us to buy the core operation at a very attractive price.

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.

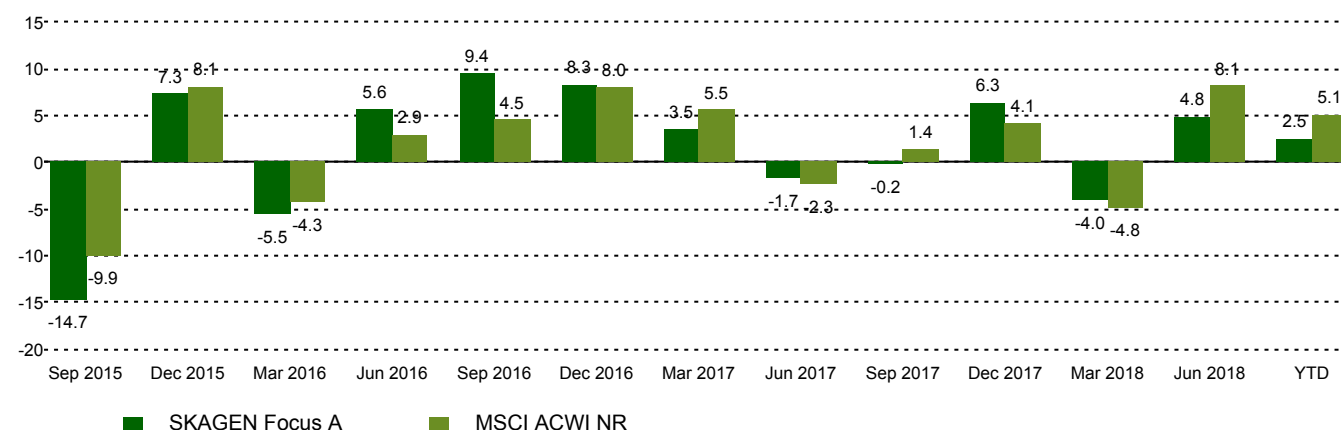
## Historical performance (net of fees)

Period	SKAGEN Focus A	Benchmark index
Last month	1.9%	2.1%
Year to date	2.5%	5.1%
Last year	9.9%	11.2%
Last 3 years	7.7%	6.7%
Last 5 years	n/a	n/a
Last 10 years	n/a	n/a
Since start	3.2%	5.3%

## Fund Facts

Type	Equity
Domicile	Norway
Launch date	26.05.2015
Morningstar category	Global Flex-Cap Equity
ISIN	NO0010735129
NAV	13.13 EUR
Fixed management fee	1.60%
Total expense ratio (2017)	1.48%
Benchmark index	MSCI ACWI NR
AUM (mill.)	271.36 EUR
Number of holdings	33
Portfolio manager	Jonas Edholm

## Quarterly Performance



## Contributors in the month



### Largest contributors

Holding	Weight (%)	Contribution (%)
SoftBank Group Corp	5.04	0.67
Sao Martinho SA	3.93	0.58
Hawaiian Holdings Inc	3.51	0.37
SBI Holdings Inc/Japan	6.10	0.33
Telecom Italia SpA/Milano	6.05	0.25



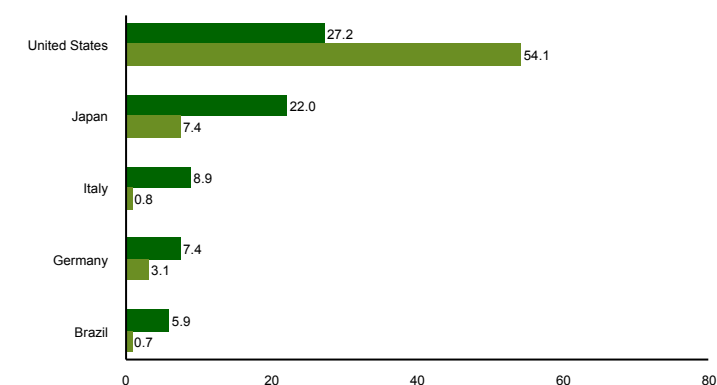
### Largest detractors

Holding	Weight (%)	Contribution (%)
Synchrony Financial	2.46	-0.37
Helmerich & Payne Inc	2.57	-0.18
KOC Holding AS	1.29	-0.16
Teva Pharmaceutical Industries	3.21	-0.14
Viacom Inc	3.25	-0.13

## Top ten investments

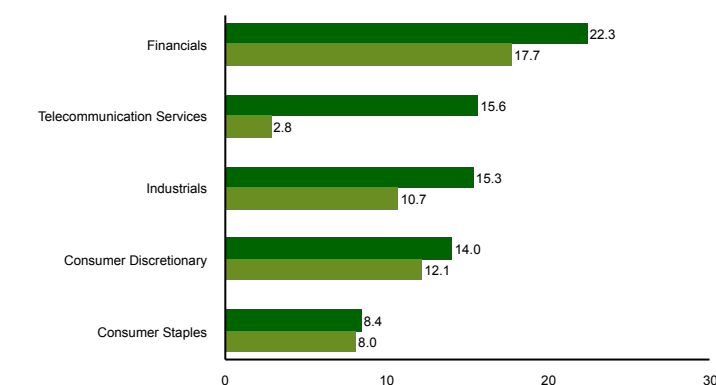
Holding	Sector	Country	%
SBI Holdings	Financials	Japan	6.5
Telecom Italia Spa	Telecommunication Services	Italy	6.3
Softbank Group	Telecommunication Services	Japan	5.0
AIG	Financials	United States	5.0
China Telecom	Telecommunication Services	China	4.3
Sao Martinho SA	Consumer Staples	Brazil	4.1
Gold Fields Ltd	Materials	South Africa	4.0
Hawaiian Holdings	Industrials	United States	3.7
Hyundai Motor	Consumer Discretionary	Korea, Republic Of	3.5
Bank of Kyoto	Financials	Japan	3.4
Combined weight of top 10 holdings			45.8

## 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.