

Performance Commentary

SKAGEN Focus recovered ground after a "red October" and delivered a healthy absolute return in November. Crude oil prices have fallen sharply following US waivers for several countries to import Iranian oil and overall higher than expected stockpiles.

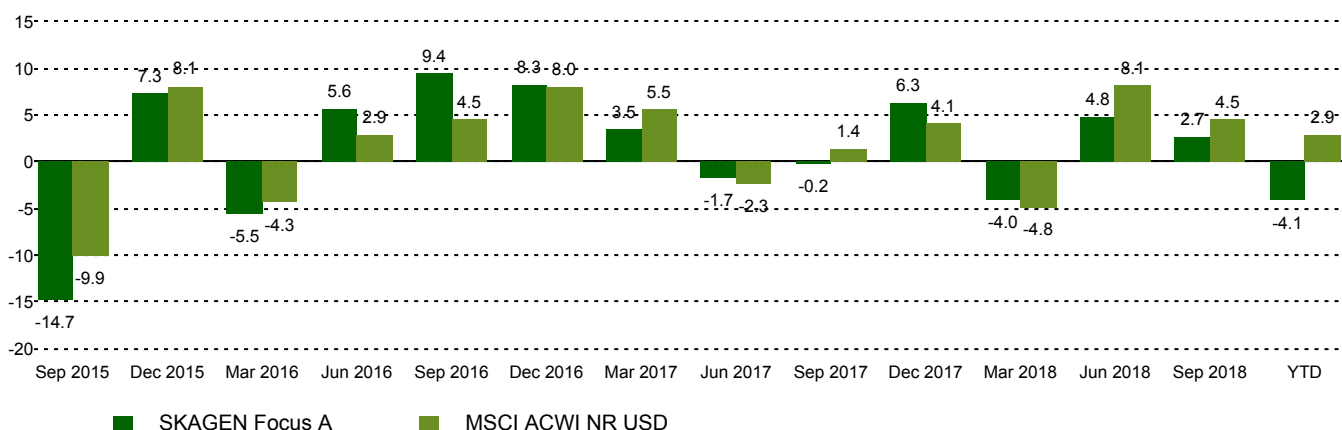
This benefitted our top-ten position in airline Hawaiian Holdings, which rose sharply and was the best performer in the month. The oil price weakness also uncovered an opportunity to establish a new position in beaten-down Japanese small cap JAPEX, whose underlying asset base vastly exceeds the current market cap. Telecom Italia delivered a solid earnings report and signs are emerging that the Italian administration is moving towards one network in the broadband rollout. Despite recent solid performance, the stock still trades at a substantial discount to fair value in our opinion and remains a sizable position in the fund.

Our recently added position in oil and gas integrated company OMV fell back somewhat. The weaker oil price also hurt Brazilian ethanol producer Sao Martinho. We trimmed our position in Renault as the probability of a structural change from alliance to full merger fell markedly following the leader's dismissal. Instead, we added a highly attractive restructuring situation in the same region and a substantially undervalued Eastern European financial company.

Historical performance (net of fees)

Period	SKAGEN Focus A	Benchmark index
Last month	1.0%	0.9%
Year to date	-4.1%	2.9%
Last year	-1.0%	3.8%
Last 3 years	5.1%	5.8%
Last 5 years	n/a	n/a
Last 10 years	n/a	n/a
Since start	1.0%	4.2%

Quarterly Performance



Contributors in the month

Largest contributors

Holding	Weight (%)	Contribution (%)
Telecom Italia SpA/Milano	6.14	0.84
Hawaiian Holdings Inc	4.24	0.55
Pilgrim's Pride Corp	3.52	0.51
Bank of Kyoto Ltd/The	4.40	0.39
KCC Corp	2.26	0.36

Largest detractors

Holding	Weight (%)	Contribution (%)
Sao Martinho SA	4.70	-0.37
Renault SA	1.69	-0.32
OMV AG	4.09	-0.28
X-Fab Silicon Foundries SE	1.63	-0.25
Hornbach Holding AG & Co KGaA	1.50	-0.19

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.

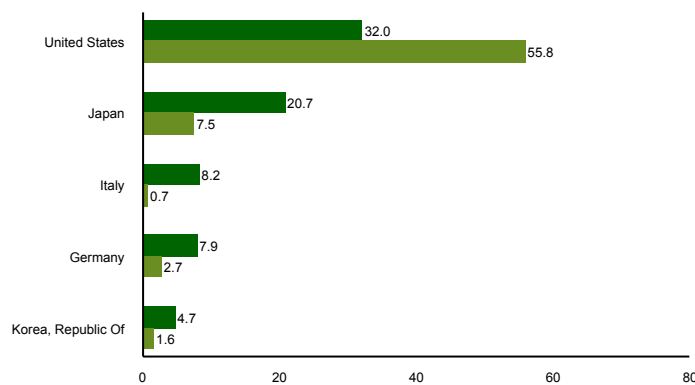
Fund Facts

Type	Equity
Domicile	Norway
Launch date	26.05.2015
Morningstar category	Global Flex-Cap Equity
ISIN	NO0010735129
NAV	12.29 EUR
Fixed management fee	1.60%
Total expense ratio (2017)	1.48%
Benchmark index	MSCI ACWI NR USD
AUM (mill.)	192.60 EUR
Number of holdings	34
Portfolio manager	Jonas Edholm

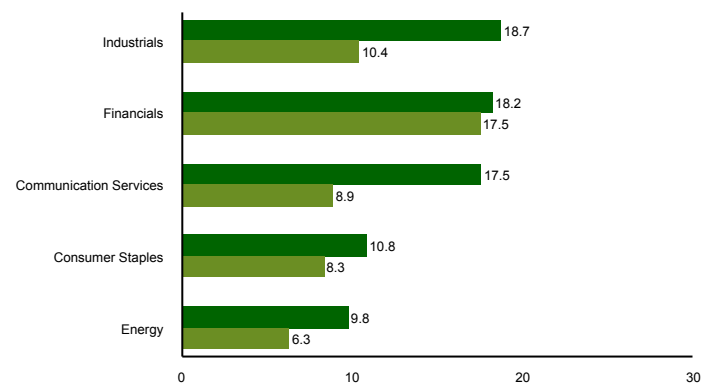
Top ten investments

Holding	Sector	Country	%
Telecom Italia Spa	Communication Services	Italy	6.6
AIG	Financials	United States	5.8
Softbank Group	Communication Services	Japan	4.6
Hawaiian Holdings	Industrials	United States	4.6
Bank of Kyoto	Financials	Japan	4.6
Sao Martinho SA	Consumer Staples	Brazil	4.4
Viacom Inc	Communication Services	United States	4.0
OMV AG	Energy	Austria	3.9
JBS	Consumer Staples	United States	3.6
Helmerich & Payne	Energy	United States	3.2
Combined weight of top 10 holdings			45.3

Country exposure (top five)



Sector exposure (top five)



■ SKAGEN Focus A ■ MSCI ACWI 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. 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.