

## Performance Commentary

The fund ended the month substantially behind global equity markets. The main negative contributor was Teva Pharmaceuticals, one of the world's largest sellers of generic drugs. The company announced weaker than expected Q2 numbers and lowered guidance. While the miss in itself and lowered guidance were not huge, the real issue lies in the financial leverage following an ill-timed acquisition made a couple of years ago. Teva will have to de-lever its balance sheet and re-establish an experienced management team. Nevertheless, we believe Teva has a decent chance of coming out stronger than before in the mid-term as the number of generic players will effectively be reduced in the new pricing environment. On the positive side, we have seen favourable developments in our Eastern European beverage producer Stock Spirits, which rallied almost 50% after reporting stabilising market shares and core profitability. The Brazilian food company JBS also continued to make a strong comeback, and is now up 45% (in BRL) since mid-June, making its way back into a top-10 position.

We sold out of E-mart as the position reached our target price. We initiated a new position in the US financials sector, which will be highlighted in coming updates.

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.

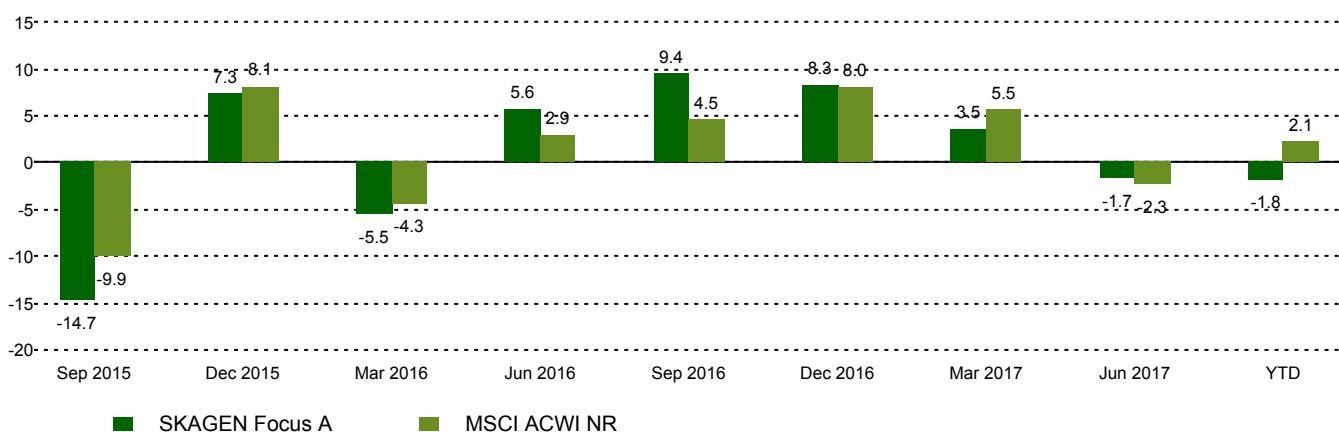
## Historical performance (net of fees)

Period	SKAGEN Focus A	Benchmark index
Last Month	-2.5%	-0.7%
Year to date	-1.8%	2.1%
Last year	4.9%	9.8%
Last 3 years	n/a	n/a
Last 5 years	n/a	n/a
Last 10 years	n/a	n/a
Since start	-0.8%	2.3%

## Fund Facts

Type	Equity
Domicile	Norway
Launch date	26.05.2015
Morningstar category	Global Flex-Cap Equity
ISIN	NO0010735129
NAV	11.65 EUR
Fixed management fee	1.60%
Total expense ratio (2016)	2.24%
Benchmark index	MSCI ACWI NR
AUM (mill.)	275.13 EUR
Number of holdings	32
Lead manager	Filip Weintraub

## Quarterly Performance



## Contributors

### Largest contributors

Holding	Weight (%)	Contribution (%)
Stock Spirits Group PLC	2.59	0.82
JBS SA	3.55	0.46
Gold Field Ltd	3.30	0.32
Samsung SBI Co Ltd	2.45	0.29
Magforce AG	1.92	0.26

Absolute contribution based on NOK returns at fund level

### Largest detractors

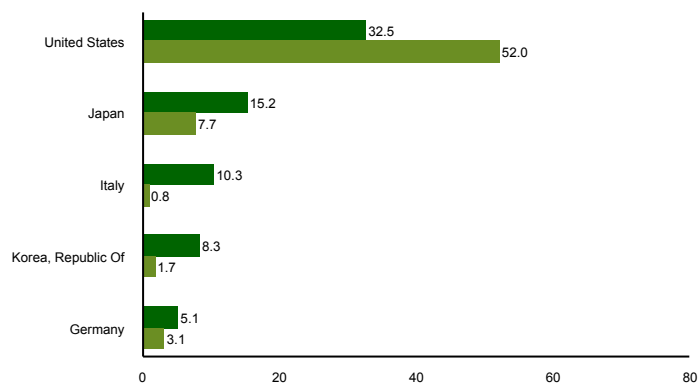
Holding	Weight (%)	Contribution (%)
Teva Pharmaceutical	2.66	-2.10
AIG	7.42	-0.70
Telecom Italia Spa	5.99	-0.48
X-Fab Silicon Foundries	2.70	-0.47
Helmerich & Payne	2.48	-0.43

All data in EUR as of 31.08.2017 unless otherwise stated.

## Top ten investments

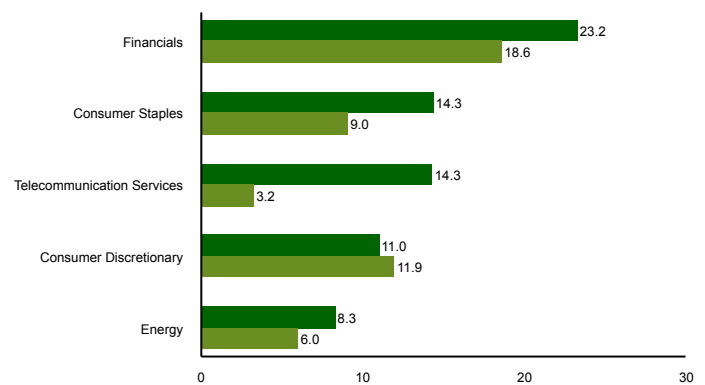
Holding	Sector	Country	%
AIG	Financials	United States	6.35
Telecom Italia Spa	Telecommunication Services	Italy	5.58
Andeavor	Energy	United States	4.71
China Telecom	Telecommunication Services	China	4.49
Taiheiyo Cement	Materials	Japan	4.46
Softbank Group	Telecommunication Services	Japan	4.18
Jbs	Consumer Staples	Brazil	3.70
UniCredit	Financials	Italy	3.68
Bank of Kyoto	Financials	Japan	3.52
Gold Fields Ltd	Materials	South Africa	3.46
Combined weight of top 10 holdings			44.13

## Country exposure (top five)



■ SKAGEN Focus A ■ MSCI ACWI NR

## Sector exposure (top five)



■ SKAGEN Focus A ■ MSCI ACWI NR

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