

Performance Commentary

February was a rollercoaster month for the global stock exchanges and SKAGEN Vekst. The month started with a correction, continuing the weakness from the last days of January, but quickly corrected upwards after the initial drop.

Strong performance was seen during the month in semiconductor equipment-maker Applied Materials, which rose nicely after reporting strong earnings and outlook. Vestas Wind also rose, having assuaged the worst market fears with a relatively upbeat outlook. Russian bank Sberbank and dry bulk shipping company Golden Ocean Group also performed well in the period.

There were no clear underperformers during the month, but Lonza continues to be pummeled for weak communication and guidance after Q1-reporting. Samsung also performed below par due to some concerns on the memory cycle being close to peak and OLED-orders lagging after weak iPhone X-performance so far.

The fund sold out of Swatch after the stock reached our valuation target. Of other notable transactions, the fund added to Maersk during the period, taking advantage of short-term volatility to add to a stock trading at a low valuation, attractive dividend yield and exposure to a strengthening container-market.

Historical performance (net of fees)

Period	SKAGEN Vekst A	Benchmark index
Last month	-1.3%	-1.1%
Year to date	-0.4%	0.8%
Last year	3.3%	5.8%
Last 3 years	4.4%	4.7%
Last 5 years	6.7%	9.8%
Last 10 years	3.5%	6.4%
Since start	13.3%	9.8%

The fund selects low-priced, high-quality companies in the Nordic region and from around the world.

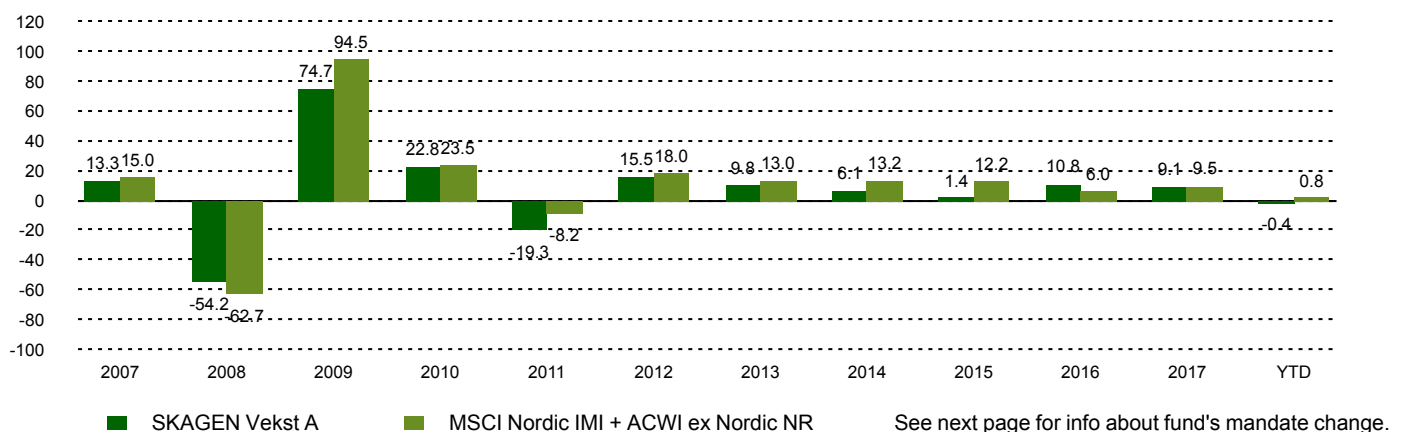
The objective is to provide the best possible risk adjusted return.

The fund is suitable for those with at least a five year investment horizon.

Fund Facts

Type	Equity
Domicile	Norway
Launch date	01.12.1993
Morningstar category	Global Flex-Cap Equity
ISIN	NO0008000445
NAV	248.53 EUR
Fixed management fee	1.00%
Total expense ratio (2017)	2.13%
Benchmark index	MSCI Nordic IMI + ACWI ex Nordic NR
AUM (mill.)	878.83 EUR
Number of holdings	35
Lead manager	Øyvind Fjell

Performance last ten years



Contributors in the month

Largest contributors

Holding	Weight (%)	Contribution (%)
Applied Materials Inc	5.18	0.65
Vestas Wind Systems A/S	3.45	0.28
Sberbank of Russia PJSC	3.21	0.22
Golden Ocean Group Ltd	2.26	0.15
Kinnevik AB	3.89	0.14

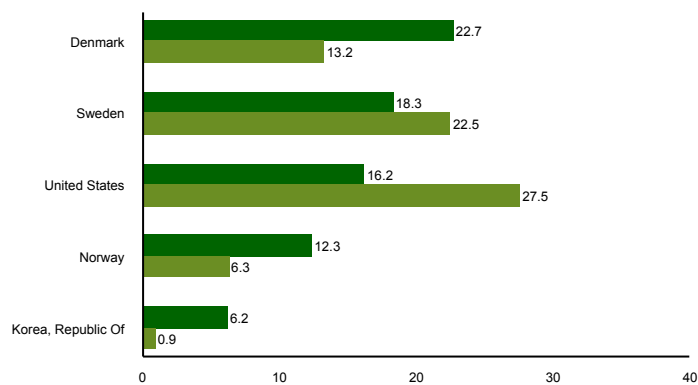
Largest detractors

Holding	Weight (%)	Contribution (%)
Novo Nordisk A/S	7.79	-0.34
Volvo AB	4.75	-0.27
Samsung Electronics Co Ltd	6.21	-0.26
Lonza Group AG	5.62	-0.24
Deutsche Lufthansa AG	4.23	-0.17

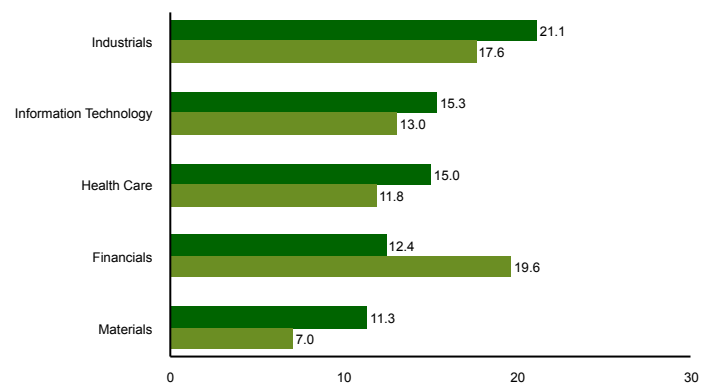
Top ten investments

Holding	Sector	Country	%
Novo Nordisk	Health Care	Denmark	7.8
Samsung Electronics	Information Technology	Korea, Republic Of	6.2
Applied Materials	Information Technology	United States	5.7
Lonza Group AG	Health Care	Switzerland	5.5
Carlsberg	Consumer Staples	Denmark	4.8
DSV	Industrials	Denmark	4.8
Volvo	Consumer Discretionary	Sweden	4.6
Citigroup	Financials	United States	4.4
Deutsche Lufthansa AG	Industrials	Germany	4.2
Kinnevik	Financials	Sweden	4.0
Combined weight of top 10 holdings			52.0

Country exposure (top five)



Sector exposure (top five)



■ SKAGEN Vekst A ■ MSCI Nordic IMI + ACWI ex Nordic NR

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Contact



020 799 74 34



info@skagenfunds.nl



SKAGEN AS, Gustav Mahlerplein 2,
1082 MA Amsterdam

Important information

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

Effective 1/1/2014, the Fund's investment mandate changed from investing a minimum of 50% of its funds in Norway to investing a minimum of 50% of its funds in the Nordic countries. This means that returns prior to the change were achieved under different circumstances than they are today. Prior to 1/1/2014, the benchmark index was an evenly composed benchmark index consisting of the Oslo Stock Exchange Benchmark Index (OSEBX) and the MSCI All Country World. The benchmark index prior to 1/1/2010 was the Oslo Stock Exchange Benchmark Index (OSEBX).

