

Performance Commentary

May was a strong month in both relative and absolute terms for SKAGEN Vekst. Some of the tension and worries eased off in global equity markets and we saw a renewed focus on global growth and trade. In SKAGEN Vekst we implemented some of the changes initiated earlier in the year and have added nine new companies to the portfolio during the second quarter. One of these is the Hong Kong listed conglomerate CK Hutchison Holdings, which is now a top 10 holding in the fund. The company has a long history of creating shareholder value. Given the quality and growth prospects of the underlying assets, we find the current valuation of less than 10x earnings highly attractive. As previously mentioned, we are widening the portfolio somewhat to access companies, particularly in the Nordics, where market cap size is not a hindrance to the strong absolute value proposition. We believe that by accessing some of the companies that have fallen outside the largest 15-20 companies in an index, we can find true value and great opportunities for investments that can bring superior return at lower risk. During May we have seen strong performance both from long-term holdings, like Bonheur (focus on renewable energy), but also in newer holdings like Danish transport and logistics company DSV.

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.

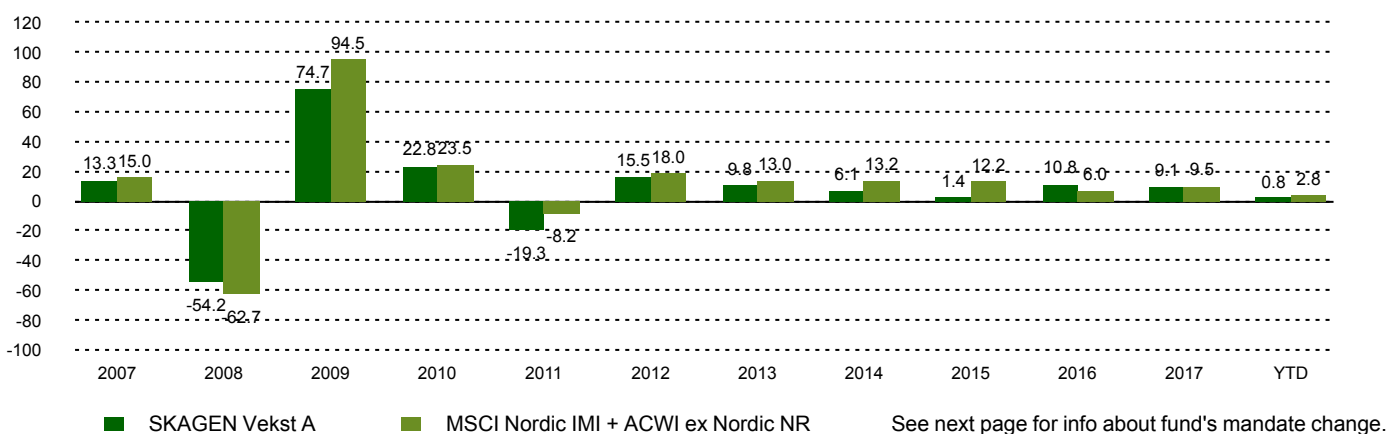
Historical performance (net of fees)

Period	SKAGEN Vekst A	Benchmark index
Last month	4.3%	2.8%
Year to date	0.8%	2.8%
Last year	4.3%	4.9%
Last 3 years	3.3%	4.1%
Last 5 years	6.5%	9.4%
Last 10 years	2.8%	5.0%
Since start	13.2%	9.8%

Fund Facts

Type	Equity
Domicile	Norway
Launch date	01.12.1993
Morningstar category	Global Flex-Cap Equity
ISIN	NO0008000445
NAV	251.62 EUR
Fixed management fee	1.00%
Total expense ratio (2017)	2.13%
Benchmark index	MSCI Nordic IMI + ACWI ex Nordic NR
AUM (mill.)	821.82 EUR
Number of holdings	46
Lead manager	Søren Christensen

Performance last ten years



Contributors in the month

Largest contributors

Holding	Weight (%)	Contribution (%)
Lonza Group AG	3.75	0.46
Bonheur ASA	2.63	0.43
DSV A/S	5.02	0.35
Lundin Petroleum AB	1.82	0.30
Golden Ocean Group Ltd	2.42	0.22

Absolute contribution based on NOK returns at fund level

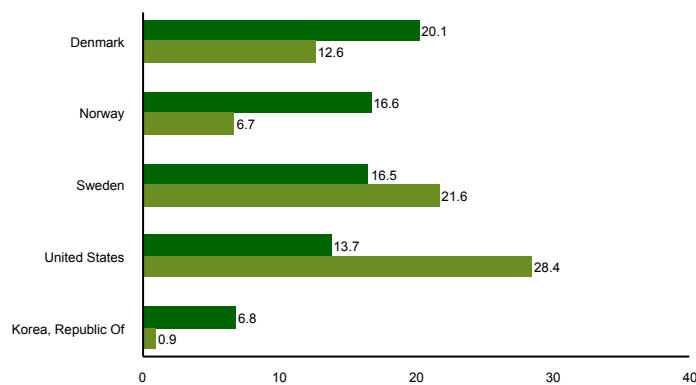
Largest detractors

Holding	Weight (%)	Contribution (%)
Hyundai Motor Co	1.60	-0.21
Wilh Wilhelmsen Holding ASA	1.39	-0.17
Samsung Electronics Co Ltd	3.96	-0.15
AP Moller - Maersk A/S	2.48	-0.12
Telia Co AB	3.06	-0.10

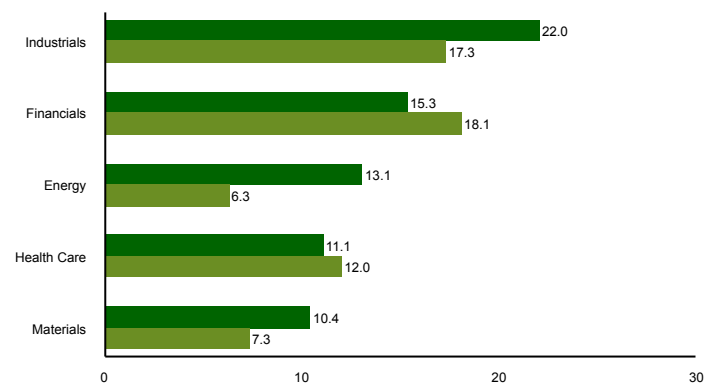
Top ten investments

Holding	Sector	Country	%
Novo Nordisk	Health Care	Denmark	5.5
DSV	Industrials	Denmark	4.7
Carlsberg	Consumer Staples	Denmark	4.6
Volvo	Consumer Discretionary	Sweden	4.2
Citigroup	Financials	United States	4.2
Samsung Electronics	Information Technology	Korea, Republic Of	4.0
Lonza Group AG	Health Care	Switzerland	3.8
Norsk Hydro	Materials	Norway	3.6
Kinnevik	Financials	Sweden	3.5
CK Hutchison Holdings	Industrials	Hong Kong	3.4
Combined weight of top 10 holdings			41.5

Country exposure (top five)



Sector exposure (top five)



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

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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).

