

Performance Commentary

July was generally a good month for stocks, as fears of a global trade war subsided. The largest contribution to SKAGEN Vekst's absolute return came from Swiss-listed Lonza Group. The company reported a very strong result for the second quarter, showing accelerating revenue growth combined with increasing margins. Our Danish pharma company Novo Nordisk also had a strong month, as the market digested a number of positive data points for its promising pipeline drug oral semaglutide.

One of the largest negative contributors was our US-listed semiconductor company Broadcom, as the company announced the unexpected acquisition of software company CA Technologies. Norsk Hydro also had a difficult month, along with other commodity-related names, as concerns over slowing Chinese growth take their toll.

SKAGEN Vekst initiated a new position in Danske Bank in July where we see significant upside. The share price has taken a beating following continued news reports that the bank's branch in Estonia was used to launder large amounts of money in the period from 2007 to 2015. To fund this purchase, we sold out of the Japanese elevator company Fujitec.

Historical performance (net of fees)

Period	SKAGEN Vekst A	Benchmark index
Last month	2.7%	3.1%
Year to date	0.7%	5.2%
Last year	5.4%	8.6%
Last 3 years	5.3%	5.8%
Last 5 years	6.9%	10.3%
Last 10 years	4.3%	7.1%
Since start	13.1%	9.8%

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

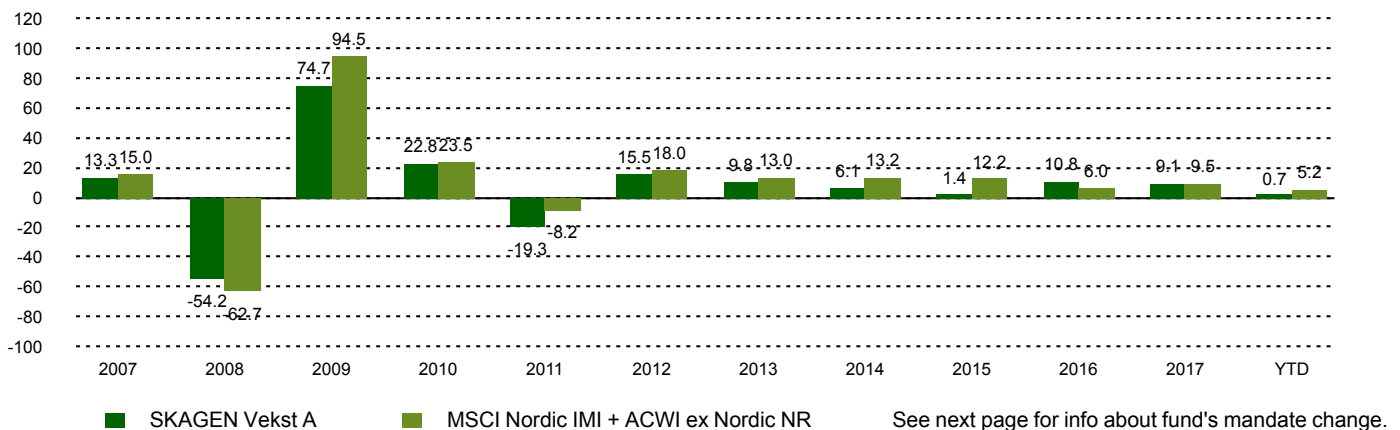
The objective is to provide the best possible risk adjusted return.

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	251.40 EUR
Fixed management fee	1.00%
Total expense ratio (2017)	2.13%
Benchmark index	MSCI Nordic IMI + ACWI ex Nordic NR
AUM (mill.)	844.40 EUR
Number of holdings	47
Portfolio manager	Søren Christensen

Performance last ten years



Contributors in the month

Largest contributors

Holding	Weight (%)	Contribution (%)
Lonza Group AG	3.99	0.60
Novo Nordisk A/S	6.03	0.46
AP Moller - Maersk A/S	2.72	0.42
Volvo AB	4.02	0.39
Citigroup Inc	4.50	0.24

Absolute contribution based on NOK returns at fund level

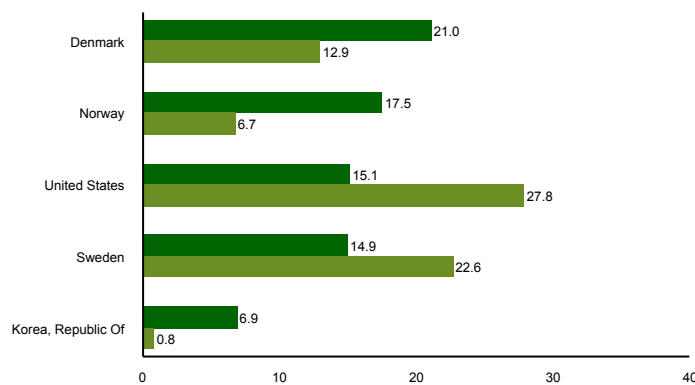
Largest detractors

Holding	Weight (%)	Contribution (%)
Tyson Foods Inc	0.99	-0.17
Norsk Hydro ASA	3.26	-0.16
Broadcom Inc	1.89	-0.16
Golar LNG Ltd	1.08	-0.14
Shangri-La Asia Ltd	0.96	-0.14

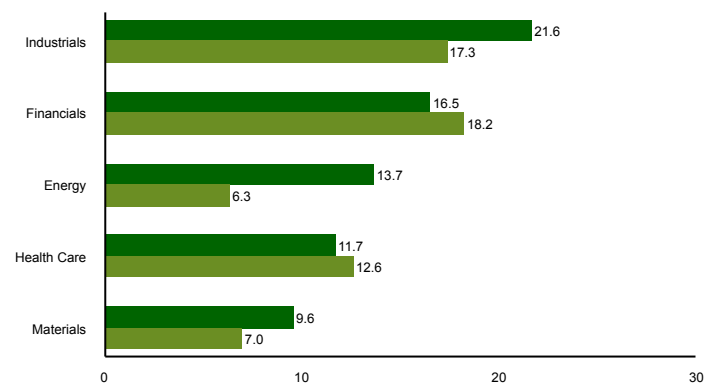
Top ten investments

Holding	Sector	Country	%
Novo Nordisk	Health Care	Denmark	6.0
Citigroup	Financials	United States	4.4
DSV	Industrials	Denmark	4.3
Lonza Group AG	Health Care	Switzerland	4.0
Volvo	Consumer Discretionary	Sweden	3.8
Samsung Electronics	Information Technology	Korea, Republic Of	3.7
Carlsberg	Consumer Staples	Denmark	3.7
Royal Dutch Shell PLC	Energy	Netherlands	3.4
CK Hutchison Holdings	Industrials	Hong Kong	3.4
Kinnevik	Financials	Sweden	3.2
Combined weight of top 10 holdings			39.8

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).

