

## Performance Commentary

After a weak start to the month, stocks recovered in the second half of August driven by easing concerns over possible trade wars and continued solid earnings reports. The biggest contribution to SKAGEN Vekst's absolute return came from our Danish transport and logistics company DSV. The company reported strong results for the second quarter and announced a new buy-back program. The Danish manufacturer of wind turbines Vestas also had a strong month. In addition to strong results from its service business, order intake improved and market concerns around price pressure eased somewhat. The largest negative contribution came from our Russian bank Sberbank. The strong results for the second quarter were not enough to counter the increased uncertainty caused by new US sanctions and a weak rouble. The Norwegian conglomerate Bonheur also had a difficult month, as the market fears the outcome of the forthcoming debt restructuring of its 50%-owned offshore drilling company Fred Olsen Energy. SKAGEN Vekst initiated a new position in the Norwegian fast-moving consumer goods company Orkla in August. We see significant upside to earnings estimates driven by higher margins and use of its under-levered balance sheet to acquire new businesses.

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.

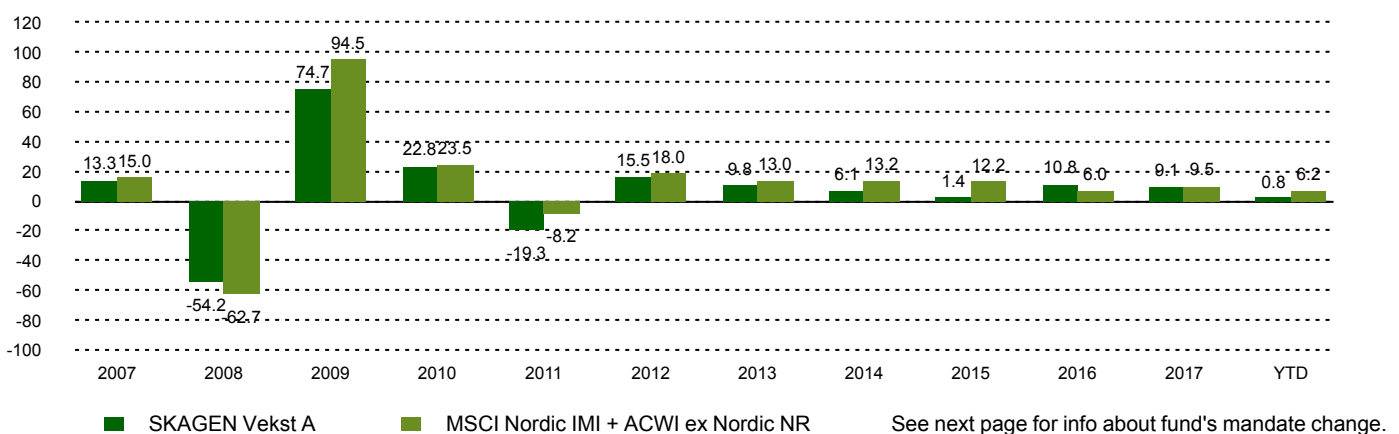
## Historical performance (net of fees)

| Period        | SKAGEN Vekst A | Benchmark index |
|---------------|----------------|-----------------|
| Last month    | 0.0%           | 1.0%            |
| Year to date  | 0.8%           | 6.2%            |
| Last year     | 5.2%           | 9.6%            |
| Last 3 years  | 8.5%           | 8.9%            |
| Last 5 years  | 7.2%           | 10.9%           |
| Last 10 years | 4.4%           | 7.0%            |
| Since start   | 13.1%          | 9.8%            |

## Fund Facts

|                            |                                     |
|----------------------------|-------------------------------------|
| Type                       | Equity                              |
| Domicile                   | Norway                              |
| Launch date                | 01.12.1993                          |
| Morningstar category       | Global Flex-Cap Equity              |
| ISIN                       | NO0008000445                        |
| NAV                        | 251.43 EUR                          |
| Fixed management fee       | 1.00%                               |
| Total expense ratio (2017) | 2.13%                               |
| Benchmark index            | MSCI Nordic IMI + ACWI ex Nordic NR |
| AUM (mill.)                | 823.05 EUR                          |
| Number of holdings         | 48                                  |
| Portfolio manager          | Søren Christensen                   |

## Performance last ten years



## Contributors in the month

### Largest contributors

| Holding                   | Weight (%) | Contribution (%) |
|---------------------------|------------|------------------|
| DSV A/S                   | 4.25       | 0.59             |
| Vestas Wind Systems A/S   | 3.04       | 0.33             |
| AP Moller - Maersk A/S    | 2.90       | 0.30             |
| CK Hutchison Holdings Ltd | 3.60       | 0.29             |
| Holmen AB                 | 1.60       | 0.28             |

Absolute contribution based on NOK returns at fund level

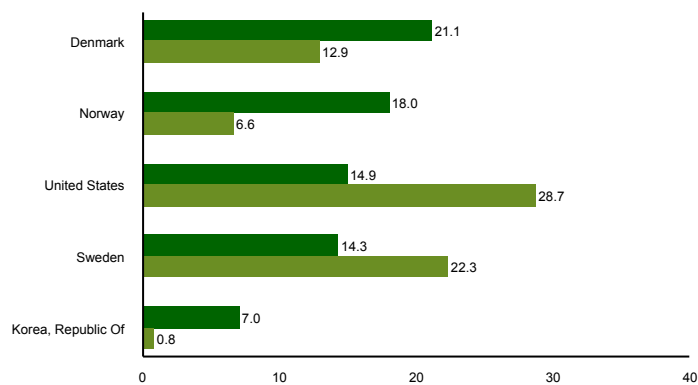
### Largest detractors

| Holding                 | Weight (%) | Contribution (%) |
|-------------------------|------------|------------------|
| Sberbank of Russia PJSC | 2.07       | -0.41            |
| Bonheur ASA             | 2.66       | -0.27            |
| Borr Drilling Ltd       | 1.46       | -0.15            |
| Telia Co AB             | 3.05       | -0.15            |
| Applied Materials Inc   | 1.52       | -0.14            |

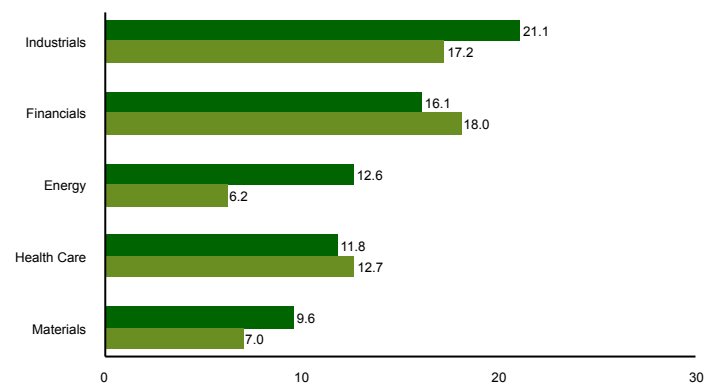
## Top ten investments

| Holding                            | Sector                 | Country            | %    |
|------------------------------------|------------------------|--------------------|------|
| Novo Nordisk                       | Health Care            | Denmark            | 5.8  |
| Lonza Group AG                     | Health Care            | Switzerland        | 4.3  |
| Citigroup                          | Financials             | United States      | 4.2  |
| DSV                                | Industrials            | Denmark            | 4.1  |
| Samsung Electronics                | Information Technology | Korea, Republic Of | 3.9  |
| Carlsberg                          | Consumer Staples       | Denmark            | 3.8  |
| CK Hutchison Holdings              | Industrials            | Hong Kong          | 3.7  |
| Volvo                              | Consumer Discretionary | Sweden             | 3.6  |
| Royal Dutch Shell PLC              | Energy                 | Netherlands        | 3.3  |
| Vestas Wind Systems                | Industrials            | Denmark            | 3.3  |
| 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).

