

Performance Commentary

The global equity market kick-started 2018 and posted one of the best opening months in three decades. The market cheered the US tax reform package, synchronised global growth and continued low interest rates, sending stock indices to new all-time-highs.

The fund's top-3 relative performers were Autoliv, Microsoft and Waters. The Swedish automotive safety supplier surged as the market began to price in the revenue growth and margin expansion opportunity that are key to our investment thesis. Quarterly reports from the American technology behemoth Microsoft and the specialty instrument company Waters were also well received by the market. These stocks remain high-conviction positions in the fund. On the negative side, our three largest detractors were Hiscox, Unilever and Red Electrica, which lagged behind mainly due to their more defensive profiles and some FX headwinds.

We continued to build our position in Intercontinental Exchange and added selectively to Capgemini and Schindler, in part funded by China Mobile. In response to strong share price performance, the fund trimmed Skechers, Dollar General and NN Group. No new positions were initiated in January.

The fund selects undervalued companies from around the world, including emerging markets, with attractive risk-reward for long-term investors.

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.

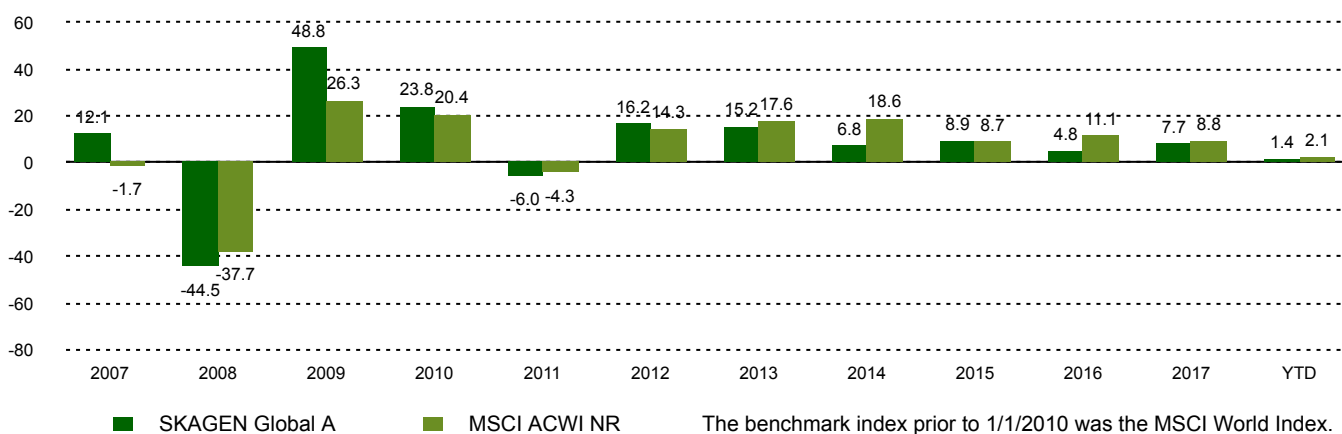
Historical performance (net of fees)

Period	SKAGEN Global A	Benchmark index
Last month	1.4%	2.1%
Year to date	1.4%	2.1%
Last year	9.5%	10.7%
Last 3 years	6.2%	8.2%
Last 5 years	8.5%	13.0%
Last 10 years	6.7%	7.8%
Since start	13.8%	4.7%

Fund Facts

Type	Equity
Domicile	Norway
Launch date	07.08.1997
Morningstar category	Global Large-Cap Blend Equity
ISIN	NO0008004009
NAV	174.41 EUR
Fixed management fee	1.00%
Total expense ratio (2017)	1.00%
Benchmark index	MSCI ACWI NR
AUM (mill.)	2813.89 EUR
Number of holdings	45
Lead manager	Knut Gezelius

Performance last ten years



Contributors in the month

Largest contributors

Holding	Weight (%)	Contribution (%)
Autoliv Inc	2.66	0.27
Microsoft Corp	5.49	0.16
Waters Corp	2.75	0.13
Alphabet Inc	2.03	0.09
Capgemini SE	2.69	0.09

Largest detractors

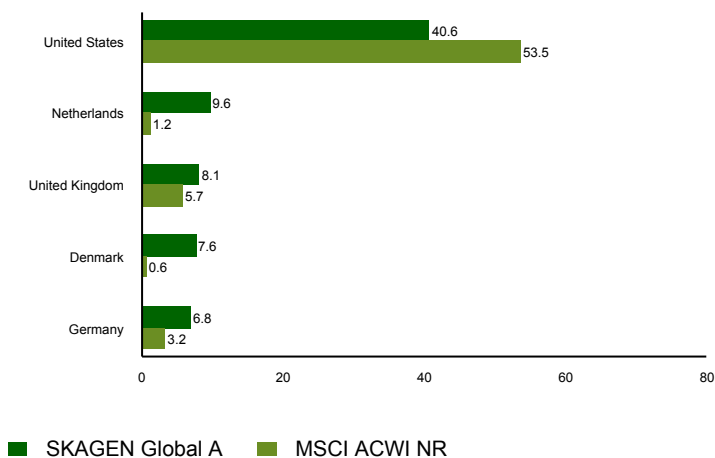
Holding	Weight (%)	Contribution (%)
Red Electrica Corp	1.90	-0.22
Samsung Electronics	3.30	-0.17
Hiscox Ltd	3.62	-0.17
CMS Energy Corp	1.28	-0.16
Unilever NV	4.04	-0.15

Absolute contribution based on NOK returns at fund level

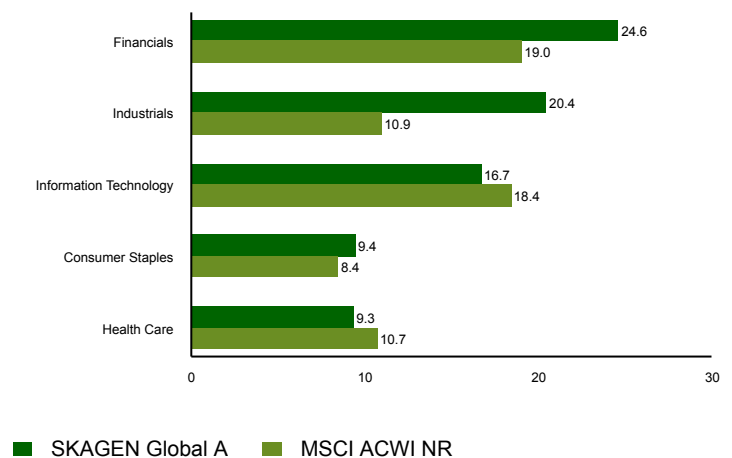
Top ten investments

Holding	Sector	Country	%
Citigroup	Financials	United States	5.7
Microsoft	Information Technology	United States	5.6
CK Hutchison Holdings	Industrials	Hong Kong	5.4
3M	Industrials	United States	4.9
Unilever CVA	Consumer Staples	Netherlands	4.2
Hiscox	Financials	United Kingdom	3.7
Intercontinental Exchange Inc	Financials	United States	3.4
Beazley PLC	Financials	United Kingdom	3.3
Samsung Electronics	Information Technology	Korea, Republic Of	3.3
Cap Gemini	Information Technology	France	3.1
Combined weight of top 10 holdings			42.6

Country exposure (top five)



Sector exposure (top five)



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Important information

Unless otherwise stated, performance data relates to class A units and is net of fees. Except otherwise stated, the source of all information is SKAGEN AS. 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 download 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 our local representatives. 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.