

All data in EUR as of 31/05/2018 unless otherwise stated.

Performance Commentary

May was a volatile month for the global equity market. The fund's top-three performers in absolute terms were Microsoft, Autoliv and Adobe. Microsoft continues to grow in the cloud segment, Autoliv's corporate split is garnering attention and Adobe's structural advantage in content creation is becoming better understood.

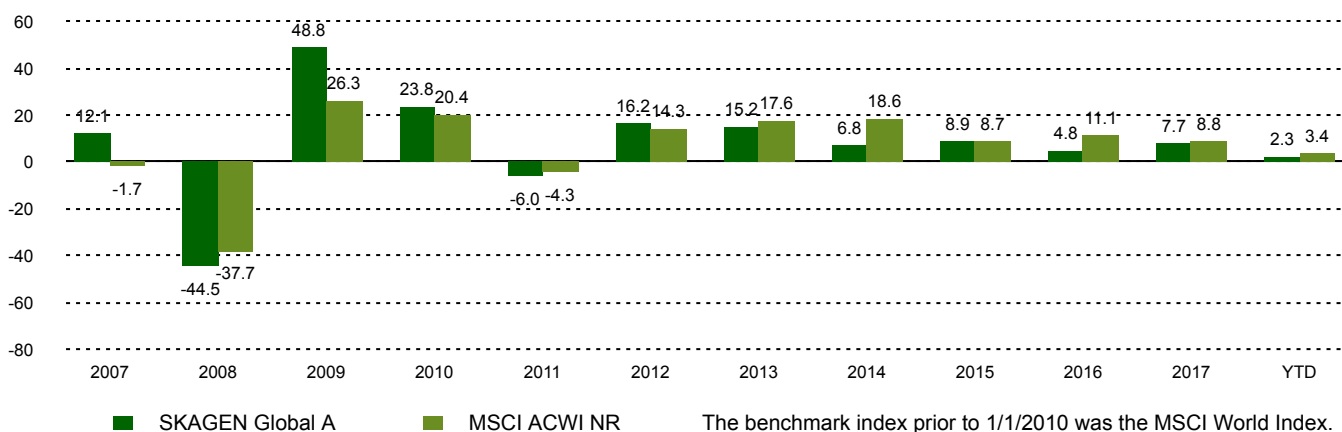
The bottom-three performers were NN Group, IRSA and Samsung Electronics. NN Group reported slightly weak Q1 numbers. IRSA suffered from the deteriorating macro environment in Argentina. Samsung Electronics executed a stock split but the negative performance was mainly noise.

The fund initiated three new positions in May. After a brief hiatus, the Finnish forest-based bio-industry leader UPM is back in SKAGEN Global. This is a textbook example of when reality differs from perceived reality. While graphic paper is in secular decline, UPM is transforming itself into a different animal under a highly skilled management team and a prudent board ensuring superior capital allocation. We also purchased the credit rating agency Moody's as we believe that their long-term opportunity to capitalise on higher bond issuance in emerging markets as they mature is undervalued. We will disclose the third company once we have built up the position sufficiently.

Historical performance (net of fees)

Period	SKAGEN Global A	Benchmark index
Last month	3.1%	3.4%
Year to date	2.3%	3.4%
Last year	4.0%	8.1%
Last 3 years	2.9%	5.4%
Last 5 years	6.7%	11.1%
Last 10 years	6.1%	7.9%
Since start	13.6%	4.7%

Performance last ten years



Contributors in the month

Largest contributors

Holding	Weight (%)	Contribution (%)
Microsoft Corp	6.40	0.39
Autoliv Inc	3.06	0.31
Adobe Systems Inc	1.90	0.24
Medtronic PLC	2.09	0.17
DSV A/S	2.78	0.16

Largest detractors

Holding	Weight (%)	Contribution (%)
NN Group NV	2.12	-0.19
IRSA Inversiones y Representac	0.89	-0.15
Samsung Electronics Co Ltd	3.51	-0.14
Capgemini SE	3.57	-0.06
Ageas	1.71	-0.05

Absolute contribution based on NOK returns at fund level

The art of common sense

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.

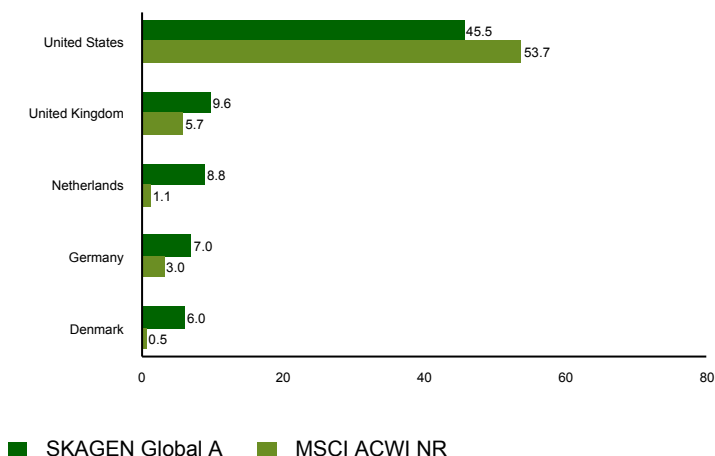
Fund Facts

Type	Equity
Domicile	Norway
Launch date	07.08.1997
Morningstar category	Global Large-Cap Blend Equity
ISIN	NO0008004009
NAV	175.83 EUR
Fixed management fee	1.00%
Total expense ratio (2017)	1.00%
Benchmark index	MSCI ACWI NR
AUM (mill.)	2662.70 EUR
Number of holdings	45
Lead manager	Knut Gezelius

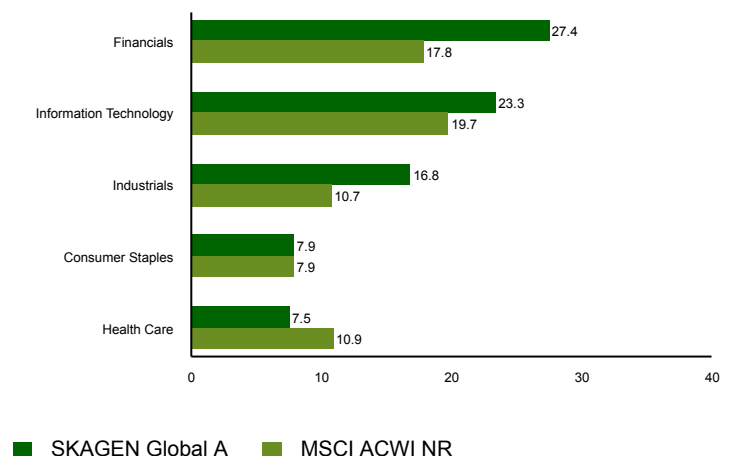
Top ten investments

Holding	Sector	Country	%
Microsoft	Information Technology	United States	6.6
Intercontinental Exchange Inc	Financials	United States	4.7
Unilever CVA	Consumer Staples	Netherlands	4.5
3M	Industrials	United States	4.3
Hiscox	Financials	United Kingdom	4.2
Beazley PLC	Financials	United Kingdom	4.2
Citigroup	Financials	United States	3.6
Samsung Electronics	Information Technology	Korea, Republic Of	3.5
Cap Gemini	Information Technology	France	3.5
Autoliv	Industrials	United States	3.2
Combined weight of top 10 holdings			42.4

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.