

All data in EUR as of 31/10/2018 unless otherwise stated.

## Performance Commentary

The cocktail of higher interest rates, fears of a global trade war, and slowing Chinese growth combined with higher energy and labour costs meant that October was a tough month for global equity markets and SKAGEN Vekst. One of the biggest positive contributors to SKAGEN Vekst was the Norwegian fast moving consumer goods company Orkla. The company delivered strong numbers for the third quarter, showing early signs of improving margins. This was followed by the company's capital markets day, where Orkla announced clear targets for margins and cash flow improvements. The scope for margin and cash flow improvement was the main reason we bought the shares in August this year. The largest negative contribution came from our Norwegian dry bulk shipping company Golden Ocean. The stock was mainly hit by renewed concerns around a global trade war combined with signs of slowing Chinese growth. We still think the strong anti-pollution stance of the Chinese government will push demand for higher quality imported coal and iron, even in an environment with slower economic growth. We used the weakness in October to add to our positions in Citigroup, AIG, and Golar LNG.

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.

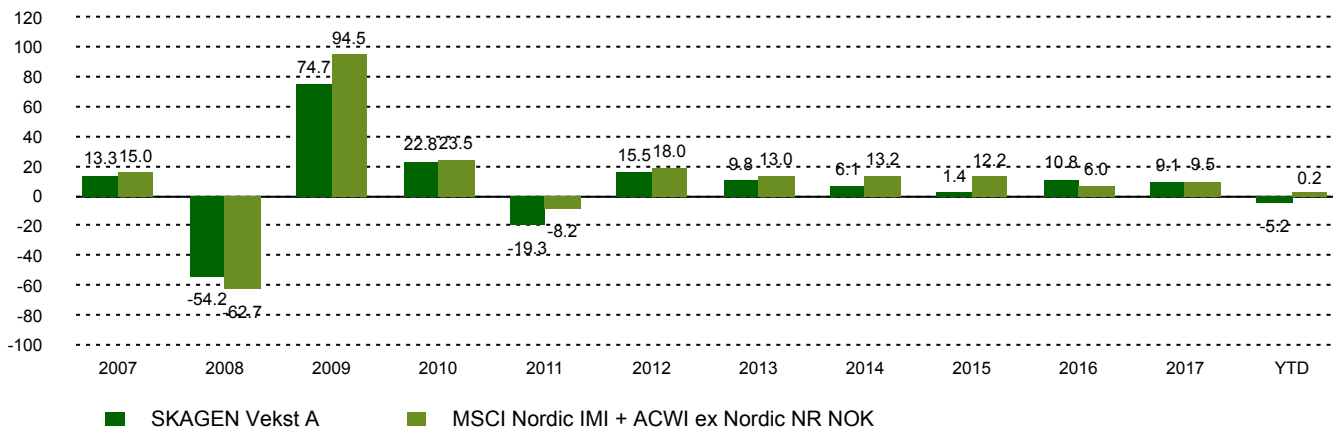
## Historical performance (net of fees)

Period	SKAGEN Vekst A	Benchmark index
Last month	-7.5%	-6.3%
Year to date	-5.2%	0.2%
Last year	-6.9%	-1.5%
Last 3 years	4.2%	5.4%
Last 5 years	4.2%	8.2%
Last 10 years	8.6%	13.3%
Since start	12.7%	9.5%

## Fund Facts

Type	Equity
Domicile	Norway
Launch date	01.12.1993
Morningstar category	Global Flex-Cap Equity
ISIN	NO0008000445
NAV	236.60 EUR
Fixed management fee	1.00%
Total expense ratio (2017)	2.13%
Benchmark index	MSCI Nordic IMI + ACWI ex Nordic NR NOK
AUM (mill.)	810.06 EUR
Number of holdings	46
Portfolio manager	Søren Christensen

## Performance last ten years



See next page for info about fund's mandate change.

## Contributors in the month

### Largest contributors

Holding	Weight (%)	Contribution (%)
Telia Co AB	3.13	0.13
Orkla ASA	1.62	0.10
Golar LNG Ltd	1.27	0.05
Tyson Foods Inc	1.32	0.05
FLEX LNG Ltd	2.56	0.03

### Largest detractors

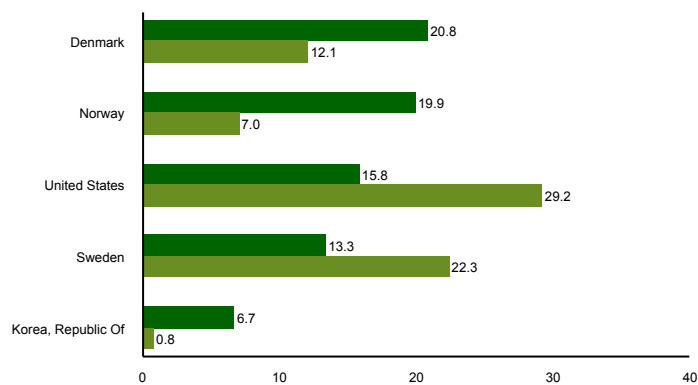
Holding	Weight (%)	Contribution (%)
Golden Ocean Group Ltd	2.30	-0.51
Danske Bank A/S	1.27	-0.38
Volvo AB	2.78	-0.36
American International Group I	1.75	-0.34
CK Hutchison Holdings Ltd	3.38	-0.34

Absolute contribution based on NOK returns at fund level

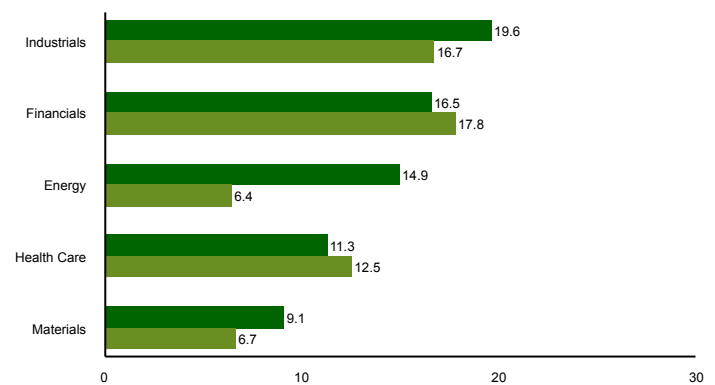
## Top ten investments

Holding	Sector	Country	%
Novo Nordisk	Health Care	Denmark	6.0
Citigroup	Financials	United States	4.6
DSV	Industrials	Denmark	4.0
Samsung Electronics	Information Technology	Korea, Republic Of	3.9
Carlsberg	Consumer Staples	Denmark	3.9
Lonza Group AG	Health Care	Switzerland	3.8
Royal Dutch Shell PLC	Energy	Netherlands	3.6
CK Hutchison Holdings	Industrials	Hong Kong	3.4
Vestas Wind Systems	Industrials	Denmark	3.3
Telia	Communication Services	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 NOK   
 ■ SKAGEN Vekst A   
 ■ MSCI Nordic IMI + ACWI ex Nordic NR NOK

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## Important information

Unless otherwise stated, performance data relates to class A units and is net of fees. AUM data as of the end of the previous month. 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.

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).