

Performance Commentary

The market continued to be volatile in November, as the markets tried to make up their mind around the growth outlook for China, the severity of the trade war, and the magnitude of further interest rate hikes in the US. The biggest contributor to SKAGEN Vekst's absolute return came from Danish wind turbine manufacturer Vestas, as the market gained further conviction around easing price pressure.

Our two oilrig companies Borr Drilling and Northern Drilling were the biggest detractors as the lower oil price has reduced the market's confidence in the magnitude and timing of an improved demand environment. We initiated a new position in Avenir LNG in November. In our view, Avenir is in a unique position, as they should be able to take advantage of the growing global market for LNG at the same time as being an important contributor to the continuous development of new market expenses. We used the market concern around the global trade war to increase our exposure to the diversified protein company Tyson Foods. Similarly, market concern around Chinese growth enabled us to add to our position in the global hotel operator Shangri-La at very attractive levels. To fund these, we reduced our position in the specialty pharma company Lonza, as strong share price performance has reduced the upside.

Historical performance (net of fees)

Period	SKAGEN Vekst A	Benchmark index
Last month	-0.4%	-0.4%
Year to date	-5.6%	-0.2%
Last year	-4.2%	0.4%
Last 3 years	3.0%	3.6%
Last 5 years	4.0%	8.1%
Last 10 years	9.7%	14.9%
Since start	12.7%	9.4%

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

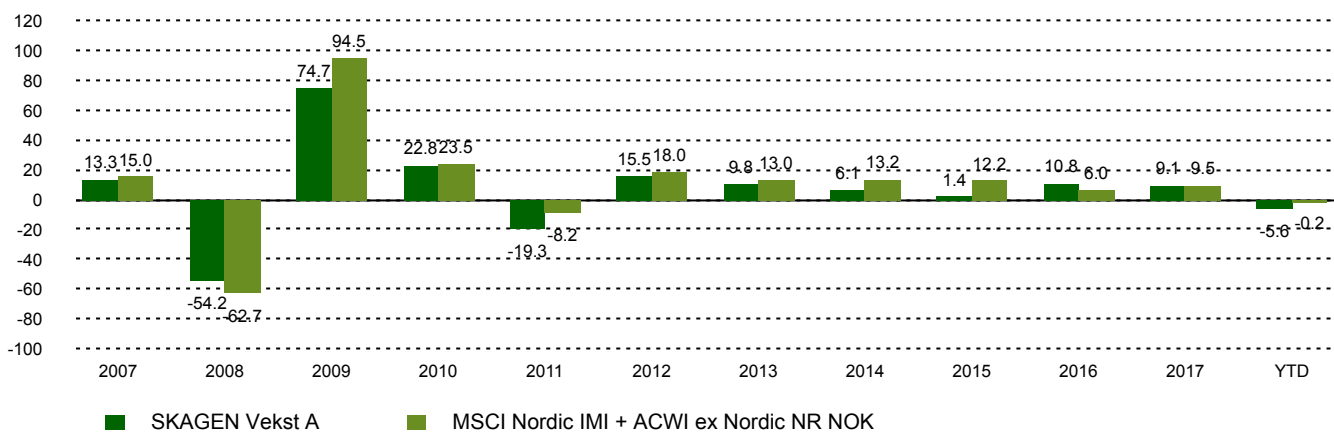
The objective is to provide the best possible risk adjusted return.

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	235.55 EUR
Fixed management fee	1.00%
Total expense ratio (2017)	2.13%
Benchmark index	MSCI Nordic IMI + ACWI ex Nordic NR NOK
AUM (mill.)	736.73 EUR
Number of holdings	47
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 (%)
Vestas Wind Systems A/S	3.72	0.74
Novo Nordisk A/S	6.17	0.58
AP Moller - Maersk A/S	2.65	0.36
China Mobile Ltd	3.02	0.25
CK Hutchison Holdings Ltd	3.50	0.21

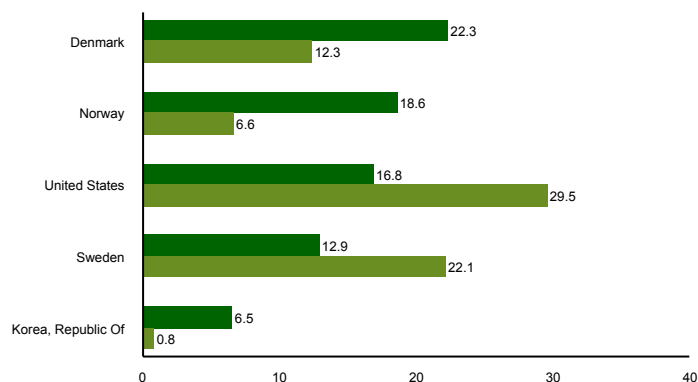
Largest detractors

Holding	Weight (%)	Contribution (%)
Borr Drilling Ltd	1.31	-0.26
Northern Drilling Ltd	1.88	-0.24
Norsk Hydro ASA	2.44	-0.19
Kinnevik AB	2.83	-0.18
HitecVision AS	0.72	-0.16

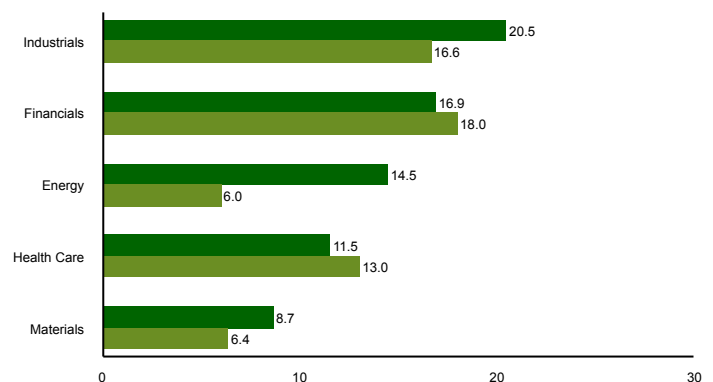
Top ten investments

Holding	Sector	Country	%
Novo Nordisk	Health Care	Denmark	6.5
Citigroup	Financials	United States	4.6
Vestas Wind Systems	Industrials	Denmark	4.0
Carlsberg	Consumer Staples	Denmark	3.9
DSV	Industrials	Denmark	3.9
Samsung Electronics	Information Technology	Korea, Republic Of	3.8
CK Hutchison Holdings	Industrials	Hong Kong	3.6
Royal Dutch Shell PLC	Energy	Netherlands	3.5
Lonza Group AG	Health Care	Switzerland	3.5
China Mobile	Communication Services	China	3.1
Combined weight of top 10 holdings			40.3

Country exposure (top five)



Sector exposure (top five)



■ 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).