

Performance Commentary

The first month of 2019 was a stark contrast to the bleak end of 2018. Following a strong rebound in global equity markets, the Nordic markets followed suit and SKAGEN Vekst outperformed its combined benchmark index.

The top performer in the month was US Citigroup which reported strong profit figures on the back of higher than expected cuts in expenses and loan losses. Our long-standing holding in Norwegian Bonheur also contributed, as investors continued to buy into the concealed values within the holding company and there was further clarification around their ownership in Dolphin Drilling. The Q4 report should provide more transparency around renewables, profitability and the company's considerable cash pile.

The largest negative contributor was our Swedish telecom provider Telia, which took a breather after a strong finish to 2018 on the back of positive news-flow. Our Norwegian based dry bulk carrier Golden Ocean Group also had a tough month as mining problems in Brazil are reducing the demand for dry bulk ships. We continue to see good upside and sound operations in the company and expect market balance to return in the latter part of 2019.

Historical performance (net of fees)

Period	SKAGEN Vekst A	Benchmark index
Last month	6.8%	6.5%
Year to date	6.8%	6.5%
Last year	-7.6%	-2.0%
Last 3 years	7.5%	7.5%
Last 5 years	4.0%	8.5%
Last 10 years	9.6%	14.6%
Since start	12.5%	9.4%

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

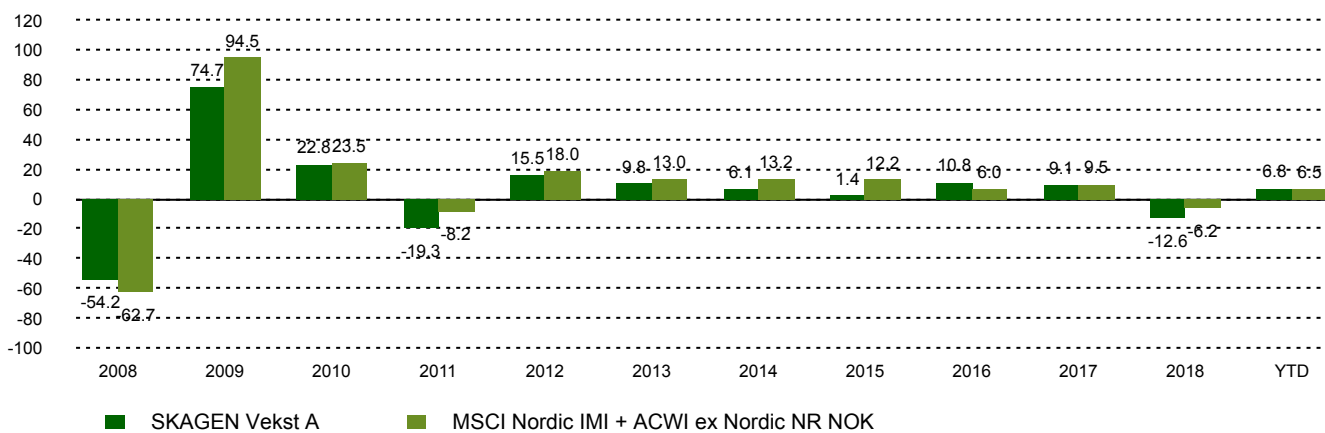
The objective is to provide the best possible risk adjusted return.

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	232.77 EUR
Fixed management fee	1.00%
Total expense ratio (2018)	1.00%
Benchmark index	MSCI Nordic IMI + ACWI ex Nordic NR NOK
AUM (mill.)	671.51 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 (%)
Citigroup Inc	4.48	0.81
Bonheur ASA	2.83	0.67
DSV A/S	3.56	0.64
Samsung Electronics Co Ltd	3.93	0.52
Sberbank of Russia PJSC	2.43	0.36



Largest detractors

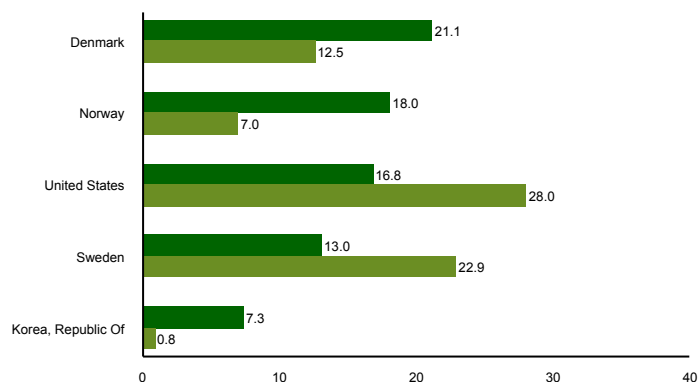
Holding	Weight (%)	Contribution (%)
Telia Co AB	3.20	-0.35
Golden Ocean Group Ltd	1.80	-0.31
FLEX LNG Ltd	2.45	-0.26
Shangri-La Asia Ltd	1.23	-0.21
Danske Bank A/S	1.20	-0.11

Absolute contribution based on NOK returns at fund level

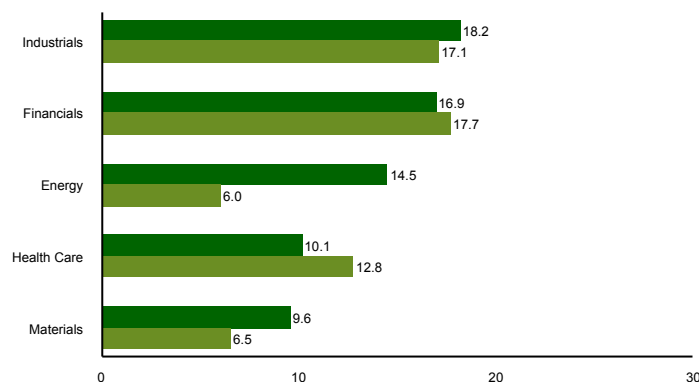
Top ten investments

Holding	Sector	Country	%
Novo Nordisk	Health Care	Denmark	6.6
Citigroup	Financials	United States	4.6
Samsung Electronics	Information Technology	Korea, Republic Of	4.3
Carlsberg	Consumer Staples	Denmark	4.1
Royal Dutch Shell PLC	Energy	Netherlands	3.6
DSV	Industrials	Denmark	3.5
CK Hutchison Holdings	Industrials	Hong Kong	3.4
Bonheur	Energy	Norway	3.2
Vestas Wind Systems	Industrials	Denmark	3.2
Telia	Communication Services	Sweden	2.9
Combined weight of top 10 holdings			39.4

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).