

## Performance Commentary

Despite evidence of the trade war starting to hurt earnings in the most exposed sectors, global equities continued to move higher in July. The main reason is a continued decline in interest rates which make stocks look more attractive on a relative basis. This also helped SKAGEN Vekst, and the fund reached a new all-time-high in July.

Gazprom was once again a strong performer, as the market continues to gain confidence in the company's newfound focus on capital allocation. Applied Materials was another strong performer, as several memory companies announced an improved demand outlook. On the negative side, Novo Nordisk was hurt by continued political focus on the high cost of health care in the US.

The Danish facility service company ISS entered the portfolio in July. We expect the company's investments in technology along with focus on key clients and regions to help profitability going forward – something clearly not reflected in the current low valuation.

While we have seen an impressive start to the year, global equity markets still look attractively valued compared to the implied return of other asset classes. However, it is worth highlighting the increased dependence of low interest rates to support the current valuation.

## Historical performance (net of fees)

Period	SKAGEN Vekst A	Benchmark index
Last month	1.0%	1.3%
Year to date	17.5%	16.1%
Last year	1.9%	3.5%
Last 3 years	7.4%	8.1%
Last 5 years	4.1%	8.2%
Last 10 years	7.6%	12.3%
Since start	12.7%	9.5%

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

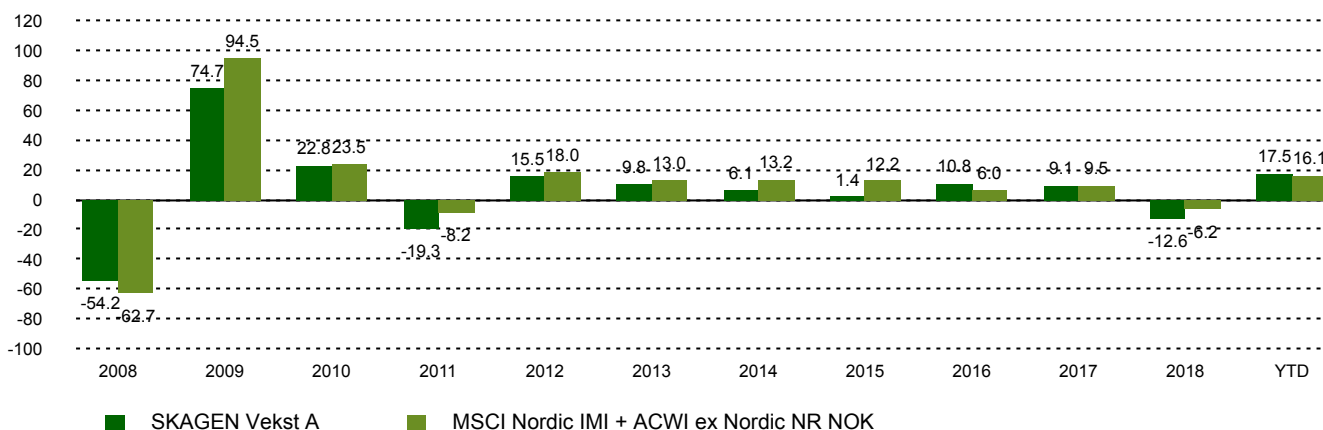
The objective is to provide the best possible risk adjusted return.

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	256.09 EUR
Fixed management fee	1.00%
Total expense ratio (2018)	1.00%
Benchmark index	MSCI Nordic IMI + ACWI ex Nordic NR NOK
AUM (mill.)	744.93 EUR
Number of holdings	52
Portfolio manager	Søren Christensen

## Performance last ten years



■ SKAGEN Vekst A ■ MSCI Nordic IMI + ACWI ex Nordic NR NOK

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

## Contributors in the month



### Largest contributors

Holding	Weight (%)	Contribution (%)
Applied Materials Inc	1.72	0.27
Gazprom PJSC	2.60	0.26
Citigroup Inc	4.64	0.25
American International Group Inc	2.84	0.24
Carlsberg A/S	3.09	0.17



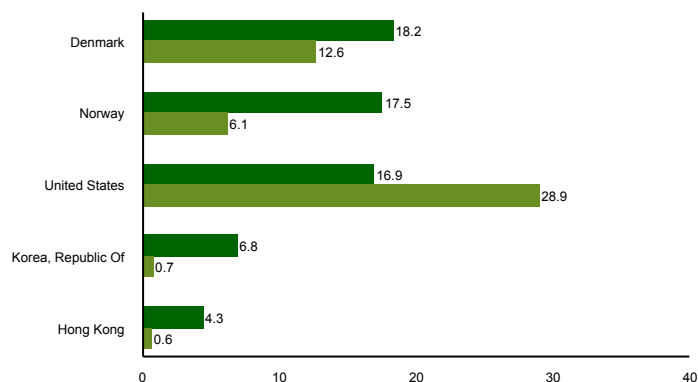
### Largest detractors

Holding	Weight (%)	Contribution (%)
Novo Nordisk A/S	6.39	-0.17
Hyundai Motor Co	1.79	-0.10
AP Moller - Maersk A/S	1.39	-0.10
Korean Reinsurance Co	1.25	-0.10
DSV A/S	3.31	-0.09

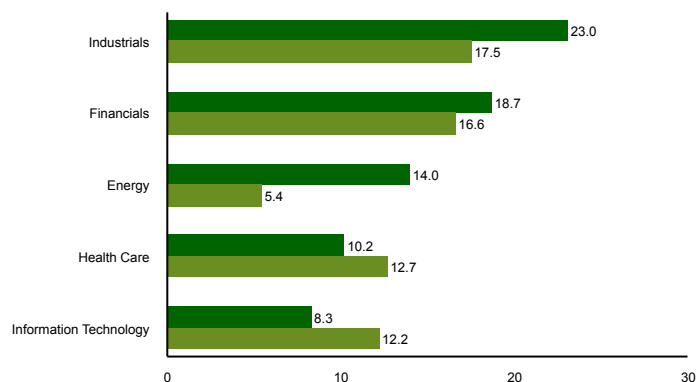
## Top ten investments

Holding	Sector	Country	%
Novo Nordisk A/S	Health Care	Denmark	6.3
Citigroup Inc	Financials	United States	4.7
Bonheur ASA	Industrials	Norway	4.2
Yara International ASA	Materials	Norway	4.0
Samsung Electronics Co Ltd	Information Technology	Korea, Republic Of	3.9
Royal Dutch Shell PLC	Energy	Nicaragua	3.6
DSV A/S	Industrials	Denmark	3.3
CK Hutchison Holdings Ltd	Industrials	Hong Kong	3.2
Carlsberg A/S	Consumer Staples	Denmark	3.1
Kinnevik AB	Financials	Malaysia	3.0
Combined weight of top 10 holdings			39.4

## 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. 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).