

Performance Commentary

Renewed concerns over a prolonged trade war between the US and China dragged global equity markets lower in May. This also had a negative impact on SKAGEN Vekst's absolute return and, in particular, on companies geared towards global trade and general economic growth. Companies like Broadcom, Citigroup, and Borr Drilling were therefore among the worst performers in May.

Our positive contributors were mainly driven by company specific news. Norwegian holding company Bonheur benefited from the first sell-side analyst taking up coverage. The Russian energy giant Gazprom moved higher on the back of a 60% increase in the dividend and positive guidance on future dividends. Finally, the US finance and insurance corporation AIG delivered an outstanding quarterly result, demonstrating that the new management team's efforts to improve underwriting and costs are finally paying off. Following the recent market weakness, we increased our positions in Outokumpu, Danske Bank, Northern Drilling, Flex LNG and Gazprom. We still view global equity markets as attractively valued, particularly compared to the implied return of other asset classes. However, we do note that a prolonged global trade war would have a detrimental impact on the global economy and the stock market.

Historical performance (net of fees)

Period	SKAGEN Vekst A	Benchmark index
Last month	-5.5%	-5.6%
Year to date	10.7%	9.7%
Last year	-4.1%	0.0%
Last 3 years	5.6%	6.4%
Last 5 years	2.6%	7.2%
Last 10 years	7.7%	12.1%
Since start	12.5%	9.4%

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

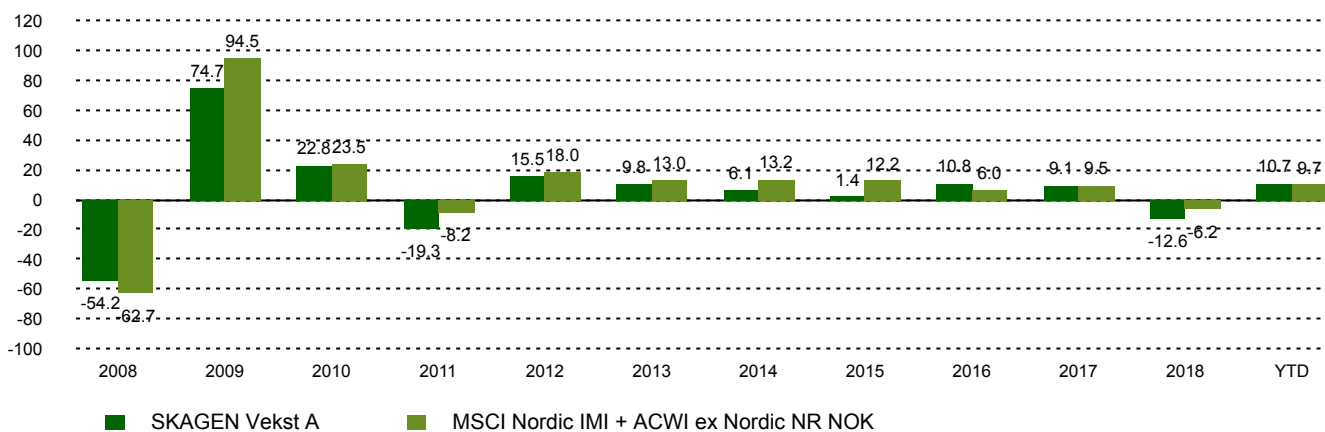
The objective is to provide the best possible risk adjusted return.

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	241.36 EUR
Fixed management fee	1.00%
Total expense ratio (2018)	1.00%
Benchmark index	MSCI Nordic IMI + ACWI ex Nordic NR NOK
AUM (mill.)	758.35 EUR
Number of holdings	48
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 (%)
Bonheur ASA	3.62	0.50
Gazprom PJSC	1.96	0.49
American International Group I	2.68	0.23
Orkla ASA	1.70	0.19
Tyson Foods Inc	1.90	0.10



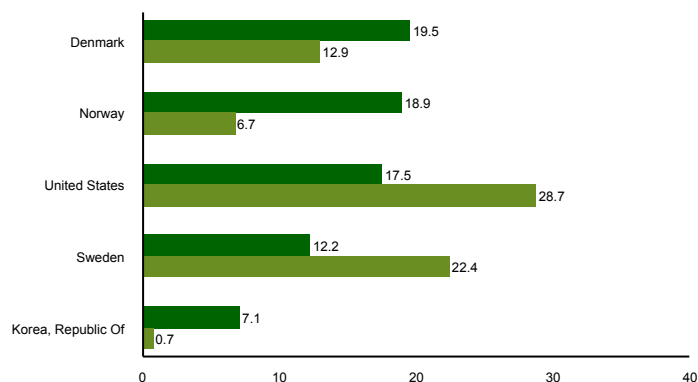
Largest detractors

Holding	Weight (%)	Contribution (%)
Citigroup Inc	4.70	-0.51
Broadcom Inc	2.49	-0.47
Golden Ocean Group Ltd	1.37	-0.38
Borr Drilling Ltd	1.10	-0.36
Kinnevik AB	3.23	-0.34

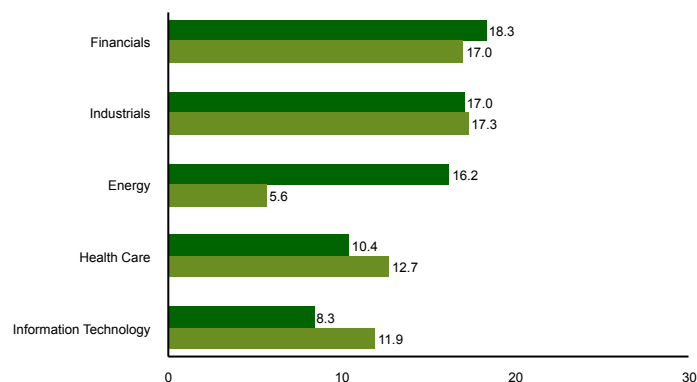
Top ten investments

Holding	Sector	Country	%
Novo Nordisk	Health Care	Denmark	6.5
Citigroup	Financials	United States	4.5
Bonheur	Energy	Norway	3.9
Samsung Electronics	Information Technology	Korea, Republic Of	3.8
Yara International ASA	Materials	Norway	3.8
Royal Dutch Shell PLC	Energy	Netherlands	3.7
DSV	Industrials	Denmark	3.5
CK Hutchison Holdings	Industrials	Hong Kong	3.3
Carlsberg	Consumer Staples	Denmark	3.3
Vestas Wind Systems	Industrials	Denmark	3.2
Combined weight of top 10 holdings			39.7

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

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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).