

All data in EUR as of 31.10.2017 unless otherwise stated.

## Performance Commentary

Confirmation of broad-based global growth and a good start to the earnings season drove global equity markets higher in October. SKAGEN Global outperformed its benchmark driven by strong results from several key holdings. The best monthly performers were Microsoft, Samsung Electronics and 3M, all of which reported Q3 earnings numbers ahead of market expectations. One of the largest detractors was the pharma company Merck, as the company announced a 12-18 month delay in the follow-up study on its key cancer drug. The fund added a new position in the global provider of information and analytics, RELX Group. The company is undergoing a massive transformation from sleepy publisher to an innovation-driven data analytics company. Two pharma companies, Merck and Roche, left the portfolio as we see a changed policy stance from the FDA accelerating the approval rate of competing generic drugs. Roche has made a significant contribution to absolute return since we bought the stock while the absolute contribution from Merck, while positive, has been more muted. We exited the holdings as new facts have changed our estimate of fair value – we no longer see upside from current levels. The fund also sold out of Toyota Industries following strong share price performance.

The fund selects undervalued companies from around the world, including emerging markets, with attractive risk-reward for long-term investors.

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.

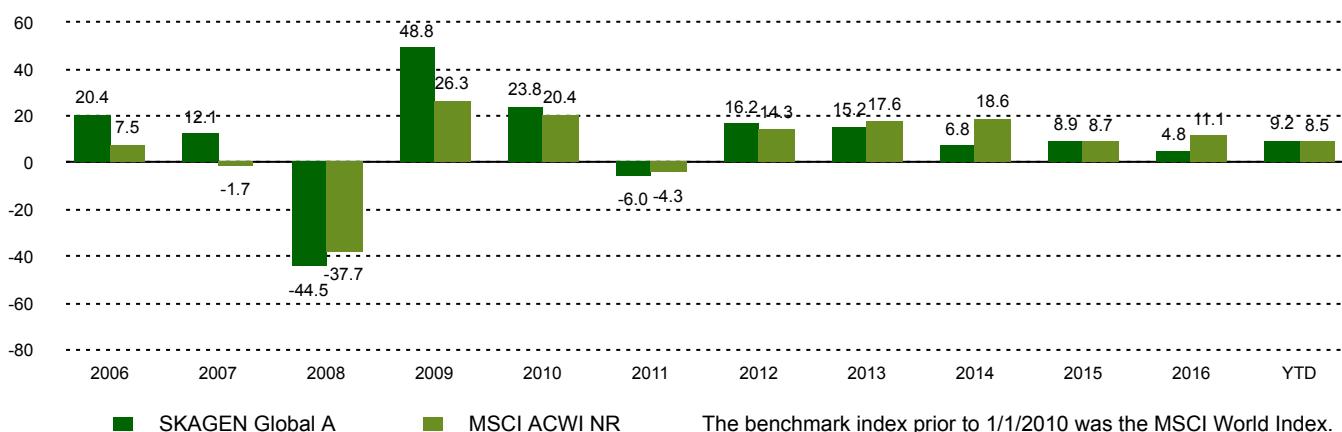
## Historical performance (net of fees)

Period	SKAGEN Global A	Benchmark index
Last Month	4.7%	3.8%
Year to date	9.2%	8.5%
Last year	16.3%	15.8%
Last 3 years	7.9%	10.6%
Last 5 years	9.5%	13.2%
Last 10 years	4.8%	5.9%
Since start	14.0%	4.6%

## Fund Facts

Type	Equity
Domicile	Norway
Launch date	07.08.1997
Morningstar category	Global Large-Cap Blend Equity
ISIN	NO0008004009
NAV	174.32 EUR
Fixed management fee	1.00%
Total expense ratio (2016)	1.00%
Benchmark index	MSCI ACWI NR
AUM (mill.)	2784.85 EUR
Number of holdings	42
Lead manager	Knut Gezelius

## Performance last ten years



## Contributors in the month

### Largest contributors

Holding	Weight (%)	Contribution (%)
Microsoft Corp	5.07	0.73
Samsung Electronics	4.66	0.60
3M Co	4.64	3.19
Hiscox Ltd	3.19	1.15
Skechers USA Inc	1.15	0.39

Absolute contribution based on NOK returns at fund level

### Largest detractors

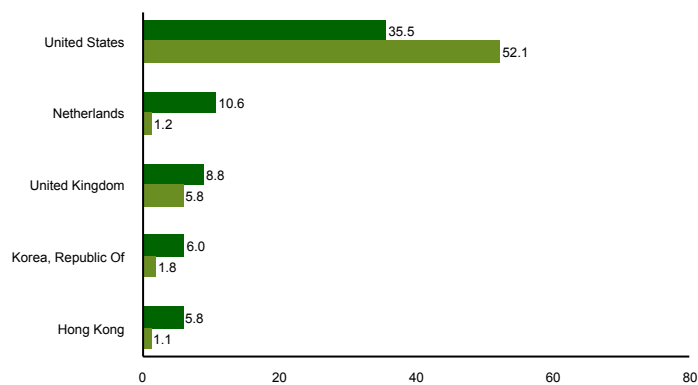
Holding	Weight (%)	Contribution (%)
Roche Holding AG	2.97	-0.19
Merck & Co Inc	3.84	-0.16
Golar LNG Ltd	0.40	-0.02
Comcast Corp	2.13	-0.01
Toyota Industries Corp	0.06	0.00

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## Top ten investments

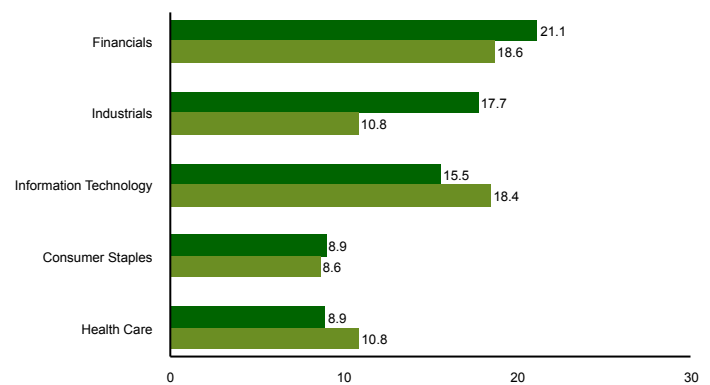
Holding	Sector	Country	%
Citigroup	Financials	United States	5.5
CK Hutchison Holdings	Industrials	Hong Kong	5.2
Microsoft	Information Technology	United States	5.2
Samsung Electronics	Information Technology	Korea, Republic Of	4.7
3M	Industrials	United States	4.6
Unilever CVA	Consumer Staples	Netherlands	4.1
China Mobile	Telecommunication Services	China	3.8
Hiscox	Financials	United Kingdom	3.6
NN Group	Financials	Netherlands	3.3
Medtronic Plc	Health Care	United States	2.9
Combined weight of top 10 holdings			42.8

## Country exposure (top five)



■ SKAGEN Global A ■ MSCI ACWI NR

## Sector exposure (top five)



■ SKAGEN Global A ■ MSCI ACWI NR

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## Important information

Unless otherwise stated, performance data relates to class A units and is net of fees. 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.