

## Performance Commentary

October was another strong month both for the equity market and for SKAGEN Vekst. As global markets prepared for another round of trade talks, the central banks once again lowered their growth rates on the back of lower growth and uncertainty. For global investors looking for positive real returns, there seems to be little or no alternative to equities in the current market. SKAGEN Vekst ended the month close to an all-time high in Norwegian kroner on the back of strong equity markets as quarterly figures from companies relieved some uncertainty among investors. The fund delivered somewhat weaker returns than the index and the Nordic markets in a volatile month. This was mainly due to our exposure to financials and to one renewable energy company in the industrial sector, namely Bonheur. On the positive side, the strong real return came from exposure to technology and energy shares. In October, one of our strongest performers was the Russian oil and gas company Gazprom, which delivered strong figures and a further commitment to increased dividends to shareholders. We expect companies with attractive yield to continue their positive development as investors have no (or few) alternatives to make returns elsewhere in the financial markets.

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.

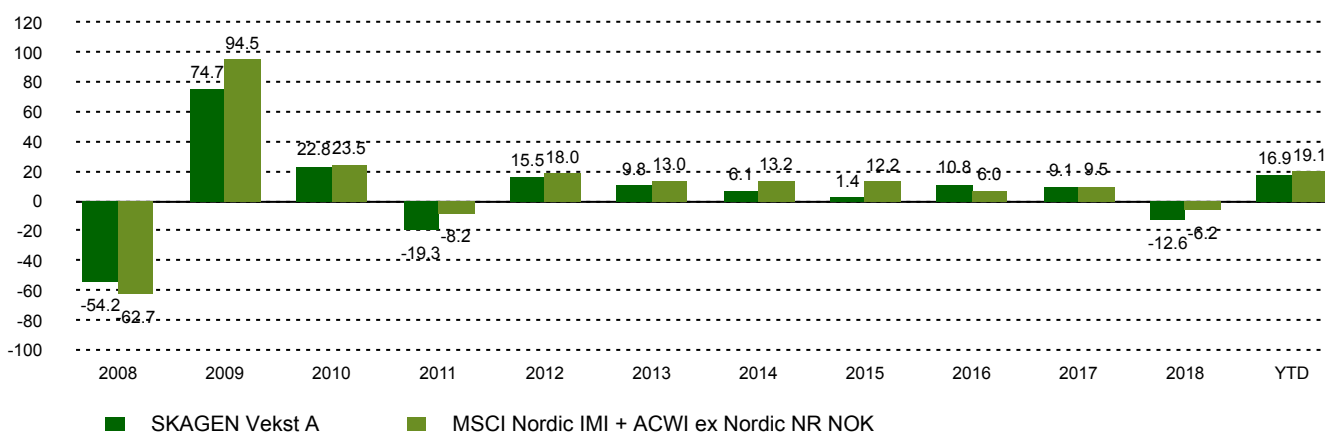
## Historical performance (net of fees)

Period	SKAGEN Vekst A	Benchmark index
Last month	-0.1%	1.1%
Year to date	16.9%	19.1%
Last year	7.7%	11.5%
Last 3 years	6.7%	9.1%
Last 5 years	4.5%	8.1%
Last 10 years	6.2%	11.0%
Since start	12.5%	9.6%

## Fund Facts

Type	Equity
Domicile	Norway
Launch date	01.12.1993
Morningstar category	Global Flex-Cap Equity
ISIN	NO0008000445
NAV	254.75 EUR
Fixed management fee	1.00%
Total expense ratio (2018)	1.00%
Benchmark index	MSCI Nordic IMI + ACWI ex Nordic NR NOK
AUM (mill.)	728.78 EUR
Number of holdings	53
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 (%)
Novo Nordisk A/S	6.51	0.47
Gazprom PJSC	2.67	0.45
Holmen AB	1.73	0.43
Samsung Electronics Co Ltd	4.47	0.34
Citigroup Inc	4.54	0.23



### Largest detractors

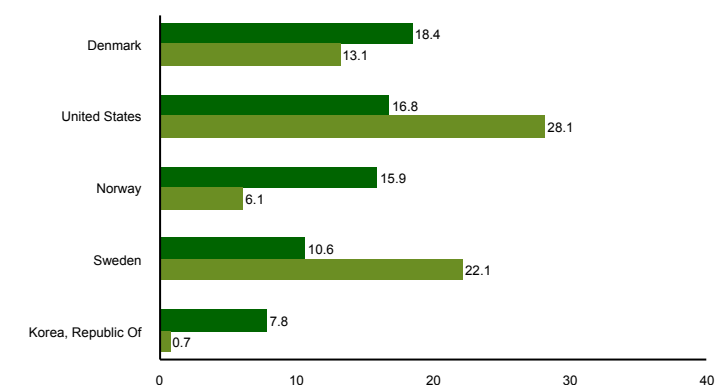
Holding	Weight (%)	Contribution (%)
Bonheur ASA	4.19	-0.42
Yara International ASA	3.65	-0.33
HitecVision AS	0.74	-0.15
American International Group Inc	2.92	-0.12
Chubb Ltd	1.73	-0.08

Absolute contribution based on NOK returns at fund level

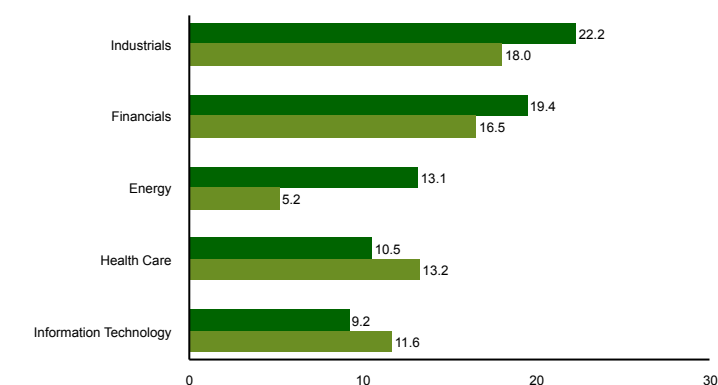
## Top ten investments

Holding	Sector	Country	%
Novo Nordisk A/S	Health Care	Denmark	6.7
Samsung Electronics Co Ltd	Information Technology	Korea, Republic Of	4.6
Citigroup Inc	Financials	United States	4.4
Bonheur ASA	Industrials	Norway	4.1
Royal Dutch Shell PLC	Energy	Netherlands	3.9
Yara International ASA	Materials	Norway	3.5
Kinnevik AB	Financials	Sweden	3.3
CK Hutchison Holdings Ltd	Industrials	Hong Kong	3.2
Gazprom PJSC	Energy	Russian Federation	2.9
American International Group Inc	Financials	United States	2.8
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 ■ 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).

The art of common sense