

All data in EUR as of 31.07.2017 unless otherwise stated.

Performance Commentary

Global corporate bonds continued its winning strike and spreads on both Investment Grade and High Yield rated bonds continued to decrease in the month. SKAGEN Credit did not develop as well with credit spreads pretty much unchanged in July. Some of this is the result of SKAGEN Credit being invested in bonds that have a substantially shorter time to maturity than the average bond. The average time to maturity in the fund is slightly more than two years compared to the average of 5-6 years many corporate bond indices have. The best contributor was JBS as it bounced back in July following news it had refinanced its short term debt. There were few changes of the holdings in the fund. A Samvardhana Motherson EUR bond was replaced by a USD bond from the same issuer. There are in general few EUR denominated bonds where the risk-reward looks attractive for the moment. Most of this could be explained by the ECB buying corporate bonds in the market. As a consequence of this there are few EUR denominated bonds in the holdings list and that will most likely continue to be the case as long as ECB continues to push spreads.

SKAGEN Credit is our global corporate bond fund.

The fund is suitable for investors who have at least a two year investment horizon.

SKAGEN Credit EUR A is a currency-hedged feeder fund that invests its assets in the master fund SKAGEN Credit.

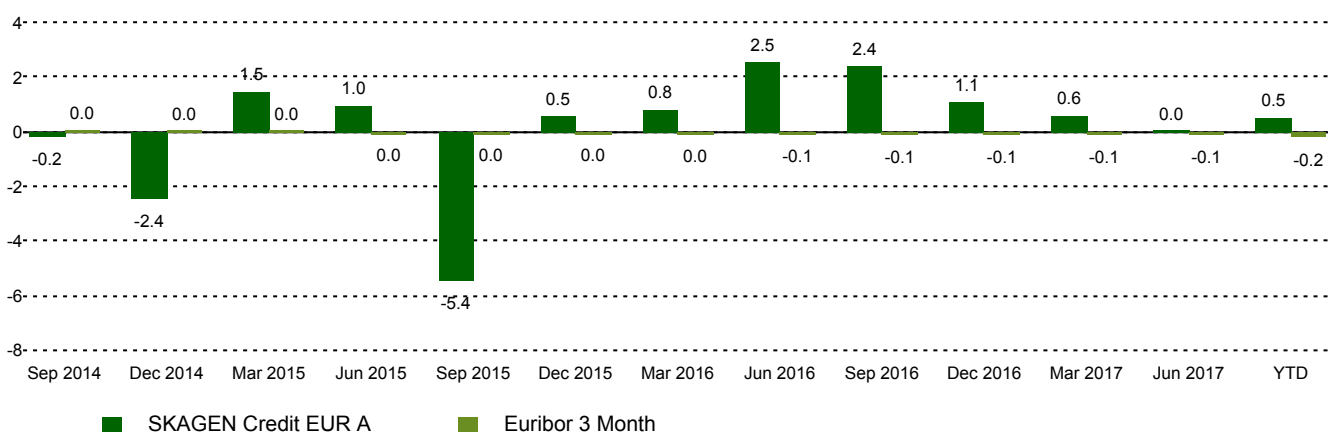
Historical performance (net of fees)

Period	SKAGEN Credit EUR A	Benchmark index
Last Month	-0.1%	0.0%
Year to date	0.5%	-0.2%
Last year	2.4%	-0.3%
Last 3 years	0.8%	-0.1%
Last 5 years	n/a	n/a
Last 10 years	n/a	n/a
Since start	0.7%	-0.1%

Fund Facts

Type	Fixed income
Domicile	Norway
Launch date	30.05.2014
Morningstar category	Global Corporate Bond - EUR Hedged
ISIN	NO0010710767
NAV	8.76 EUR
Fixed management fee	0.80%
Benchmark index	Euribor 3 Month
AUM (mill.)	16.03 EUR
Duration	0.94
WAL	2.32
Yield	-0.11%
Number of holdings	39
Lead manager	Ola Sjöstrand

Quarterly Performance



Contributors

Largest contributors

Holding	Weight (%)	Contribution (%)
JBS Investments GmbH	2.19	0.12
Glencore Funding LLC	2.79	0.06
Cosan	2.93	0.04
Fiat Chrysler Finance	4.01	0.04
Petrobras Global Finance	3.15	0.04

Largest detractors

Holding	Weight (%)	Contribution (%)
Seadrill	0.21	-0.01
Jaguar Land Rover	3.36	-0.01
Frontier Communications	0.69	-0.01
DSV AS	3.20	0.00
Danske Bank A/S	2.34	0.00

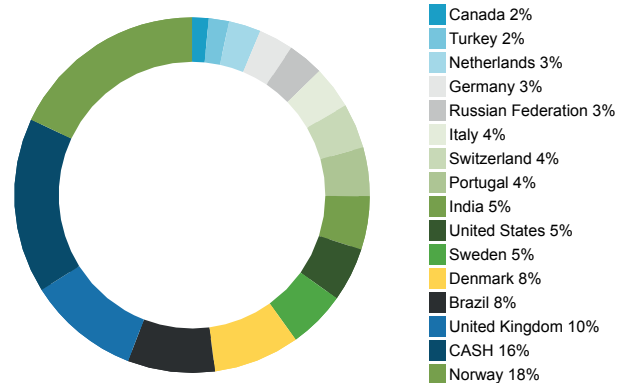
Absolute contribution based on NOK returns at fund level

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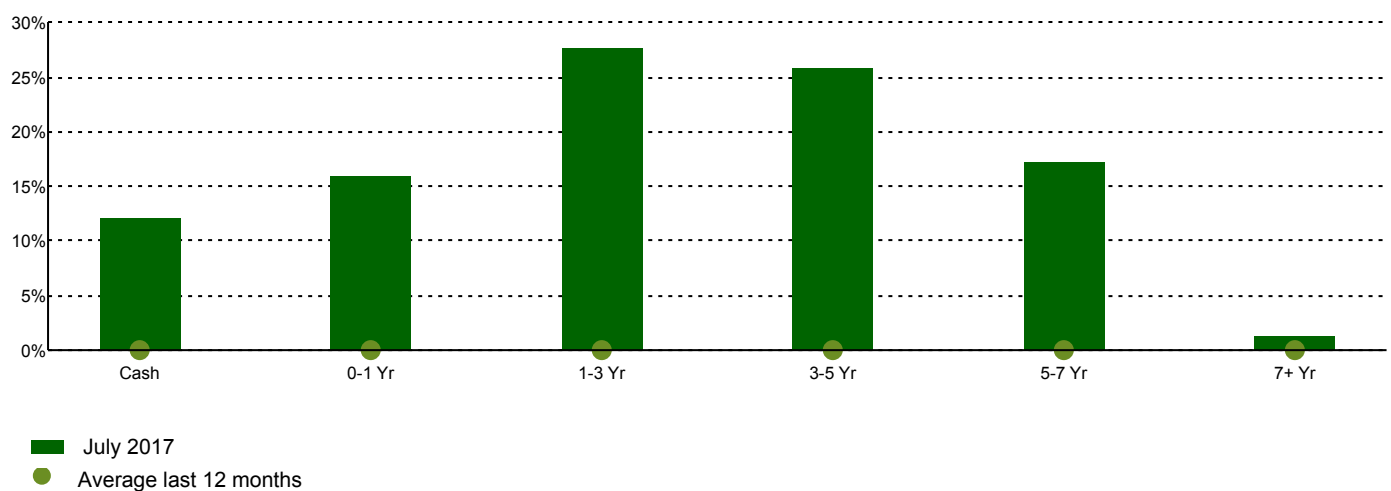
Top 10 investments

Holding	Percentage of Fund
BKK	4.68
Heathrow Funding Ltd	4.45
EDP Finance BV	4.43
Glencore Canada Financial Corp	4.08
Jaguar Land Rover Automotive Plc	3.23
Schaeffler Finance BV	3.17
DSV A/S	3.04
Petrobras Global Finance BV	3.00
Agder Energi AS	2.92
Total	48.88

Country exposure



Maturity structure



Contact



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Important information

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

Don't take any unnecessary risks.

← Lower risk | Higher risk →
Typically lower rewards | Typically higher rewards

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Read the Key Investor Information Document.

THIS IS A MANDATORY ANNOUNCEMENT