

Performance Commentary

Global and Nordic equity markets enjoyed another strong month. As global indexes headed towards new highs, the fear of a global slowdown seemed forgotten. Despite weaker macro data for most of the second half of 2019, we have witnessed new highs in the value of growth companies and the dismissal of historical valuation metrics. Clearly the market believes that this time it is different. In SKAGEN Vekst we were rewarded for our ownership in Vestas, the Danish windmill producer, as the company reported record orders and a solid backlog of new contracts. The Danish freight and logistics company, DSV Panalpina, also attained an all-time high price as the incorporation of acquisitions went better than expected. The fund's overall performance was somewhat hampered by the Danish outsourcer and service company ISS as their outlook was more negative than anticipated and margins from poor contracts weigh down profitability. SKAGEN Vekst entered into Sparebanken Vest in November, as the much anticipated sell-down took place during the month. With historically strong profitability, moderate valuation and well-managed risks, we sought the opportunity to become an owner in what aspires to become 'Norway's best savings bank'.

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.

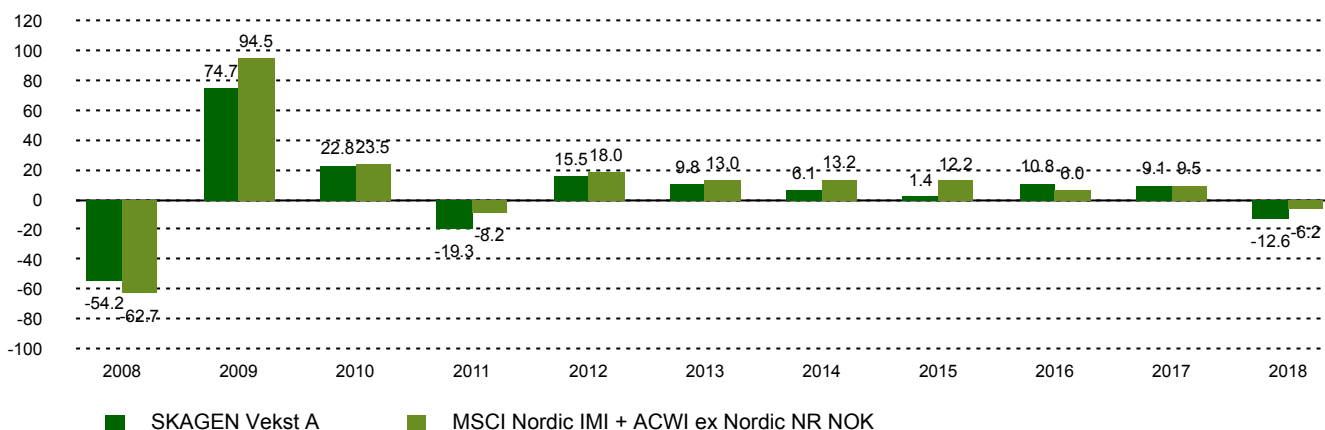
Historical performance (net of fees)

Period	SKAGEN Vekst A	Benchmark index
Last month	2.9%	3.5%
Year to date	20.3%	23.3%
Last year	11.3%	15.9%
Last 3 years	6.6%	9.5%
Last 5 years	5.0%	8.5%
Last 10 years	6.5%	10.9%
Since start	12.6%	9.7%

Fund Facts

Type	Equity
Domicile	Norway
Launch date	01.12.1993
Morningstar category	Global Flex-Cap Equity
ISIN	NO0008000445
NAV	262.26 EUR
Fixed management fee	1.00%
Total expense ratio (2018)	1.00%
Benchmark index	MSCI Nordic IMI + ACWI ex Nordic NR NOK
AUM (mill.)	734.13 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 (%)
Vestas Wind Systems A/S	2.93	0.45
DSV PANALPINA A/S	2.39	0.33
Kinnevik AB	3.42	0.26
Citigroup Inc	4.34	0.23
Novo Nordisk A/S	6.77	0.22



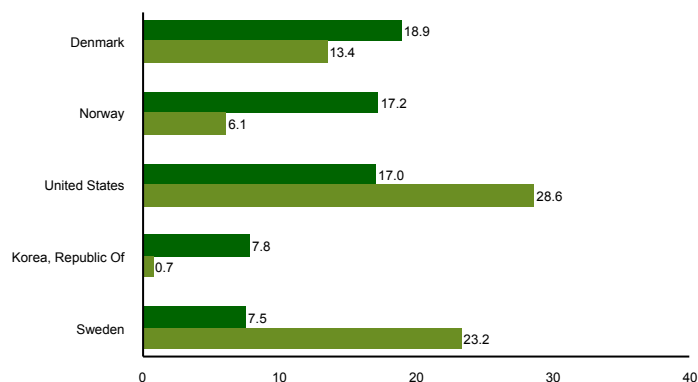
Largest detractors

Holding	Weight (%)	Contribution (%)
ISS A/S	1.37	-0.18
China Mobile Ltd	2.30	-0.17
Lonza Group AG	2.53	-0.14
Northern Drilling Ltd	0.81	-0.14
Yara International ASA	3.47	-0.10

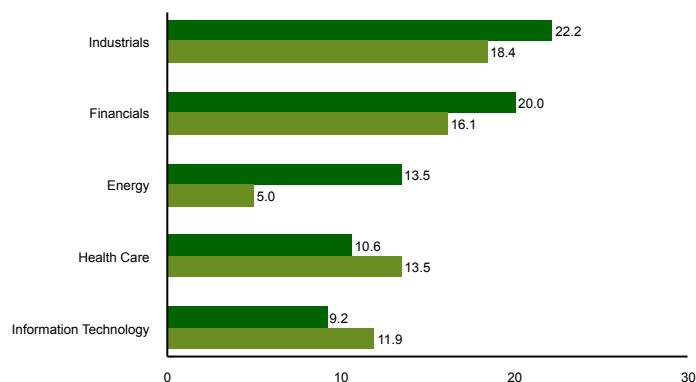
Top ten investments

Holding	Sector	Country	%
Novo Nordisk A/S	Health Care	Denmark	7.0
Citigroup Inc	Financials	United States	4.5
Samsung Electronics Co Ltd	Information Technology	Korea, Republic Of	4.3
Bonheur ASA	Industrials	Norway	4.3
Royal Dutch Shell PLC	Energy	Netherlands	4.0
Yara International ASA	Materials	Norway	3.6
CK Hutchison Holdings Ltd	Industrials	Hong Kong	3.2
Vestas Wind Systems A/S	Industrials	Denmark	3.2
Gazprom PJSC	Energy	Russian Federation	3.0
American International Group Inc	Financials	United States	2.9
Combined weight of top 10 holdings			39.9

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

Contact



+47 51 80 37 09



contact@skagenfunds.com



SKAGEN AS, Post Box 160, 4001, Stavanger, Norway

Important information

This report is intended for investment professionals only. The content is not to be viewed by or used with retail investors. 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. CACEIS Ireland Limited, One Custom House Plaza, International Financial Services Centre, Dublin is the Paying Agent in Ireland.

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