

ANNUAL REPORT 2018

SKAGEN



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SKAGEN seeks to the best of its ability to ensure that all information given in this report is correct, however, makes reservations regarding possible errors and omissions.

The report should not be perceived as an offer or recommendation to buy or sell financial instruments. SKAGEN does not assume responsibility for direct or indirect loss or expenses incurred through use or understanding of the report. SKAGEN recommends that anyone wishing to invest in our funds contacts a qualified customer adviser by telephone on +47 51 80 39 00 or by email at contact@skagenfunds.com.

SKAGEN Funds only has authorisation to market its money market fund SKAGEN Høyrente and fund-of-funds SKAGEN Select in Norway. Information regarding these funds is included in the official accounts and audited information hereto. The Annual Report 2018 was originally prepared in Norwegian and in accordance with Norwegian requirements for mutual funds (§ 8 Securities Funds Act). This is a translated version that is published with reservations regarding possible errors and omissions as well as erroneous translation. In case of conflict between the Norwegian and the English versions, the Norwegian version shall prevail. The Norwegian version of the Annual Report 2018 is available at www.skagenfondene.no.

SKAGEN AS was bought by Storebrand Asset management AS in 2017 and is now part of the Storebrand Group. Storebrand Asset Management owns 100% of SKAGEN AS and Storebrand ASA owns 100% of Storebrand Asset Management AS. SKAGEN AS remains a separate company within the group, reporting to its own board.

Notice of electoral meeting in SKAGEN

ELECTORAL MEETING

6th

MARCH

CLARION ENERGY HOTEL
STAVANGER

We would like to invite unit holders in SKAGEN Funds to our electoral meeting at the Clarion Energy Hotel in Stavanger on Wednesday 6 March 2019 at 6pm.

Agenda for the electoral meeting:

1. Election of chairperson and two unit holders to sign the minutes
2. Board of directors' annual report
3. Auditor's report
4. Election of one board member and one deputy board member to the board of directors of SKAGEN AS
 - I. The election term of the prevailing unit holder elected board member Martin Petersson expires at the time of the electoral meeting. The election committee proposes that the prevailing deputy board member Aina Haug be elected as unit holder elected board member for a term up to 2021.
 - II. The prevailing deputy board member Aina Haug is nominated as unit holder elected board member. The election committee proposes that Hilde Hukkelberg be elected as unit holder elected deputy board member for a term up to 2021.
5. Election to the nomination committee
 - I. The board proposes that the current member of the nomination committee Trude Marit Risnes be re-elected for a term up to 2022.

Information about the nominated board member Hilde Hukkelberg

Hilde Hukkelberg is based in London and works as Director for Innovation Norway, overseeing the company's operations in the UK and Ireland. She also leads Tech City Executive Accelerator (TEA). Hukkelberg has been working in the UK for a number of years, and has previously also cooperated closely with innovation environments in Silicon Valley. She has an MBA from the University of Bath and studied mechanical engineering at the Norwegian University of Science and Technology (NTNU). Hukkelberg has a strong international background and has worked closely with small and large Norwegian companies seeking international expansion. She has deep insight into areas including artificial intelligence and digitalisation and has a broad international network.

Voting

Unit holders in SKAGEN Funds may cast advance votes during the period from 20 February until 1 March 2019. You can obtain a voting slip by contacting Customer Services on +47 51 80 39 00. Advance votes may be sent by email to legal@skagenfunds.com or by post to SKAGEN AS, P.O. Box 160, 4001 Stavanger, Norway, attn.: Customer Services. Your units as of 1 March 2019 will constitute the basis for the calculation of the number of votes.

It will also be possible to vote at the meeting itself. In this case, you must register upon arrival, and at the latest by the time the meeting begins.

In the election, voting rights are adjusted so that unit holders with the same values are entitled to the same number of votes. Unit holders may vote by proxy. You may obtain an approved proxy form by contacting Customer Services on +47 51 80 39 00. Please remember to bring a proof of identity and, where relevant, a certificate of incorporation.

Information meeting

After the formal part of the electoral meeting is over, there will be an information meeting and a status update from the funds. Light refreshments will be served after the meeting.

You can find further information on our website www.skagenfunds.com or by contacting Customer Services on +47 51 80 39 00. The meeting is open to everyone.

Best regards
The Board of Directors of SKAGEN AS

Jan Erik Saugestad
Chairman of the Board of Directors

A new chapter

The year 2018 saw SKAGEN assume its new position as part of the Storebrand Group, while remaining an independent fund manager. As a result, there have been changes to the SKAGEN board and some key leaders, and we initiated a process to identify how best to serve our clients and achieve synergies as part of a wider endeavour. This process is finished. We have been able to rationalise our offering, focusing on those areas where we find credible advantage.

SKAGEN's new strategy combines value-based investing with a leading wealth management offering here in Norway, and in Denmark, and distribution of our products and those of Storebrand and Delphi funds further afield. Service to professional investors in Norway and Sweden becomes the responsibility of the Storebrand team, the leading domestic institutional asset manager in Norway.

Investing

A rough year, with perhaps the worst December for equities since the Great Depression, was the backdrop to 2018. SKAGEN Global held up well, beating its benchmark index; and SKAGEN m2 cemented its place as one of the world's top ranked global property funds¹, beating its index for the third straight year. Read more in the Investment Director's report on page 5.

The SKAGEN investment team settled well after the first half changes. A partnership is in place to engage key personnel for the long-term, improving the stability of the investment platform and ensuring good alignment between owners, employees, and clients. We will do well when our clients do well.

The adoption of a combined sustainability policy has allowed us to combine Storebrand's 20 years of sustainability leadership with SKAGEN's proven record of active ownership. We continue to believe that companies that incorporate sustainability in their business strategy are the financial winners in the long term – and, as a result, the best companies to invest in. We believe in investing in the companies that can provide the best risk-adjusted returns for clients, without damaging the prospects of future generations.

Wealth management

Also during the year, SKAGEN launched an improved offering in Norway. This is built around our position as fund experts and our new solution for the equity savings account (ASK). This entailed the launch of over 600 external equity funds for Norwegian clients as well as the 'Recommended by SKAGEN' concept (Anbefalt av SKAGEN). Here, domestic consumers can access SKAGEN advice and award-winning² institutional fund selection capability from both Storebrand and SKAGEN. The client response has been encouraging and SKAGEN is well placed as one of the leading providers of savings solutions to the Norwegian market. Further enhancements are planned during 2019 and beyond.

International distribution

As one of the few exporters of financial products in Norway, SKAGEN has increased its international coverage with the opening of a client office in Frankfurt during 2018. This allows us to better support the growing interest we receive from the German market. Combining with Storebrand has allowed us to finally press on with the establishment of a more familiar Luxembourg fund domicile for our international clients. We expect launch during the first half of 2019.

New owners – the road ahead

Founded in 1767, Storebrand has brought a uniquely long-term perspective to their role as owner. Such stability is a key factor for an investment boutique such as SKAGEN. Within the firm, we are able to maintain a singular focus on what matters: the delivery of superior returns and service to clients. Pooling resources affords access to much greater development capacity and expertise. This will ensure SKAGEN's clients can access the

forward edge of technical development and digital transformation.

In 2018, SKAGEN celebrated a quarter century of service to our clients. Fewer companies than one might think make such milestones, especially in the fund management industry. Our founders took a local money manager, from West Coast Norway, and established it as a respected European fund house. Over 25 years, clients have enjoyed both market-beating return and periods of correction; excess return and underperformance. SKAGEN has seen both growth and contraction; good stories and bad. We are still here, and ready and eager to make a difference for our clients.

Outlook 2019

The year 2019, the Chinese year of the Earth Pig, promises both the potential for wealth and the likelihood of the unexpected – hardly a prediction then. Here in SKAGEN we will abide by the first and last rules of investing: buy low; sell high. It is evident that the market cycle is ageing, and that markets are frothy. While recession seems somewhat distant, perspective can quickly change. Corrections are part and parcel of the business of investing. SKAGEN's funds provide differentiated exposure to undervalued companies with attractive upside. Our advice remains the same as always: invest for the long-term and use your excess capital to buy the dips. An exciting year beckons. I wish you and yours, health, wealth, and happiness for 2019.



– Timothy Warrington
CEO

¹ The independent fund research company Citywire ranks SKAGEN m2 number two out of 226 global property funds in the world over three years, as of 31 December 2018.

² The Storebrand fund selection team was named best fund selection team in Norway by Tell Media in 2018.



Laurits Tuxen, *The North Sea in stormy weather. After sunset. Højen, 1909*. This painting is manipulated and belongs to The Art Museum of Skagen.

2018 – The storm after the calm

Following a relatively benign 2017, during which investors enjoyed steadily rising equity markets, 2018 was much rougher. Although we entered the year in optimistic mood, buoyed by a healthy global economy rediscovering synchronised growth, it faded soon after the Christmas decorations had come down. Indeed, 2018 was book-ended by levels of stock market volatility not seen since the Eurozone debt crisis in 2011 – the VIX spiked above 35 in both February and December – as the fear gauge averaged 16.6 for the year, up from a record low of 11.2 in 2017.

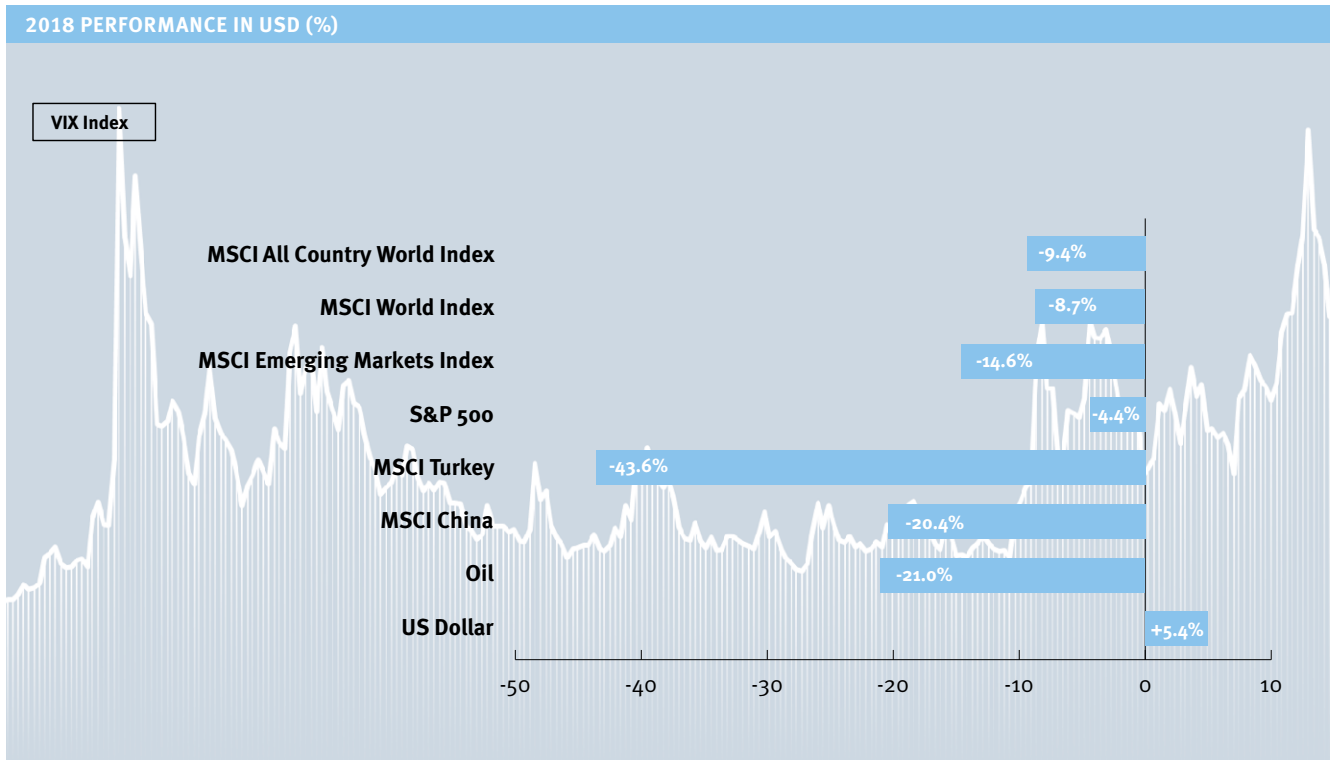
The factors that contributed to investors' jitters (trade tensions between the US and China, the pace of Federal Reserve tightening, Brexit and, most significantly, slowing global growth) inevitably took their toll on equity markets as risk appe-

tite diminished. Most countries suffered losses, particularly those in emerging markets, which underperformed developed ones for the first time in three years. The fourth quarter was especially demanding with many indices reaching bear market territory and global equities ended 2018 with their worst annual performance in a decade.

Unusually when markets are in a tail spin, emerging markets outperformed on a relative basis during the final quarter, supported by valuations at a 30%-50% discount to developed markets based on 2019 P/E and P/B multiples. Also contrary to previous years, value outperformed growth during the recent market turmoil and these factors provide reassurance as we enter the year ahead.

Our equity funds were not immune to the market pressures in 2018 and most

ended down for the year in absolute terms. Among our larger funds, SKAGEN Global held up best, buoyed by strong performance from its US holdings, to close 2018 above benchmark. SKAGEN Vekst was hurt, we believe disproportionately, for its relatively high energy weighting; the oil price fell over 20% over the year as growth fears took hold. SKAGEN Kon-Tiki also had a difficult 2018, largely due to its holdings in Turkey where the stock market fell over 43% in USD as the president fell out with the US and his own central bank. The fund's Turkish exposure has now been reduced as part of a wider portfolio review. Encouragingly, the team's work to address legacy positions and strengthen the fund's risk-reward profile during a transitional year already appears to be bearing fruit and Kon-Tiki outperformed its benchmark in the final quarter of the year.



Fears of slowing global economic growth took their toll on equity and oil markets in 2018. Source: MSCI.

Our three smaller funds experienced differing fortunes. The newest, SKAGEN Insight, had a tough year; the activist funds it shadows suffered as investors sought safety amid the market uncertainty, rather than companies undergoing or requiring change. We expect the fund's underperformance to reverse given the nature of these situations – falling valuations increase boardroom pressure – and the significant value within the portfolio. SKAGEN Focus, which is currently more small and mid-cap weighted, also suffered in the flight to safety as the market disregarded fundamentals and larger companies generally outperformed. Finally, our property fund SKAGEN m2 delivered the strongest absolute and relative returns as it outperformed its benchmark for the third consecutive year and is now Citywire's best global real estate fund measured over three years.

Expectations reset

The turn of a new year is often a good time for reflection and while fund management is a continuous process, rather than a series of 12-month periods, the

same applies to investment. Following a significant correction but without an economic recession, many asset markets have now been reset. Growth forecasts are arguably more realistic and while some risks remain unresolved, there are clear grounds for optimism. In the US, the Fed appears to be slowing its tightening cycle and there are signs President Trump is willing to compromise on trade with China. Meanwhile, across the Atlantic uncertainty in Europe should lift as Brexit approaches in March, even though the form it will take is still to be agreed.

Despite lower earnings expectations, company valuations generally look attractive, particularly in emerging markets with P/E and P/B ratios currently below their 2000-2018 averages. Developing world equities also look better placed to absorb any negative shocks to risk appetite than they were last year as external financing gaps have been closed, interest rates have risen and currencies are cheaper.

My conviction for the year ahead is that the bearish sentiment currently prevailing across equity markets will provide contrar-

ian investors with opportunities, especially if volatility remains elevated, and that those with broad mandates like SKAGEN are best placed to capitalise. Our portfolio managers have identified several exciting new investments amid the recent turmoil and are enthusiastic about the year ahead. As SKAGEN enters its twenty-sixth year of investing, our focus on finding the best undervalued companies to deliver long-term returns for our clients remains undimmed and I look forward to updating you on our progress throughout 2019.



– Alexandra Morris
Investment director

More active owners

SKAGEN has been incorporating environmental, social and governance (ESG) factors in its investment process for more than 15 years. In the period since we formulated our first policy in 2002, both the policy and process have transformed from simple norms-based screening into full integration around how we pick our investments.

It is only through investing sustainably that our portfolio managers are fully able to identify both the risks and opportunities arising from environmental, social and governance factors. A sustainable approach to investing is also important if we are to be good long-term stewards of our clients' capital.

Common group policy

During 2018, SKAGEN has worked closely together with our parent company Storebrand to introduce a common Group policy for sustainable investments. This work culminated in the publication of the revised policy at the start of this year.

The revised group policy combines the strengths of both Storebrand and SKAGEN. Storebrand has over 20 years of experience from sustainable analysis, integration and exclusion of companies in its investment portfolio. SKAGEN has long and good experience of active ownership through direct dialogue with companies' management teams and boards and voting at general meetings.

As part of the work, we acknowledged that companies which incorporate sustainability in their business strategy are the financial winners in the long term – and as a result, the best companies to invest in. We believe in investing in the

companies that can provide the best risk-adjusted returns for clients, without damaging the prospects of future generations.

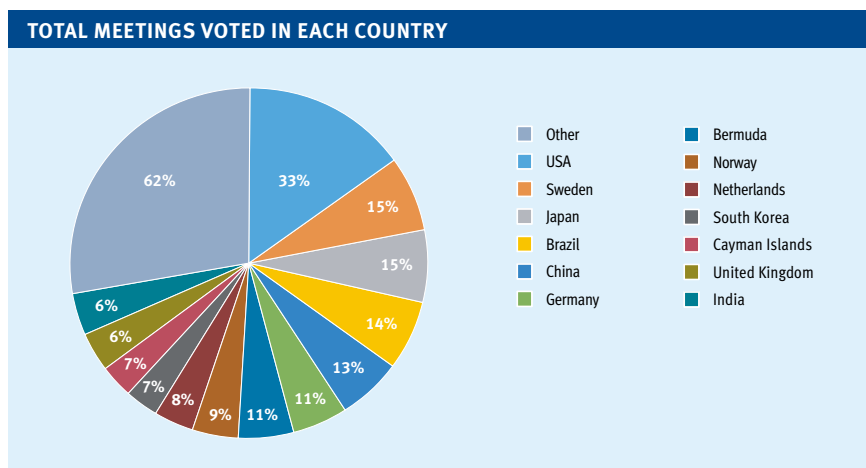
Open about exclusions

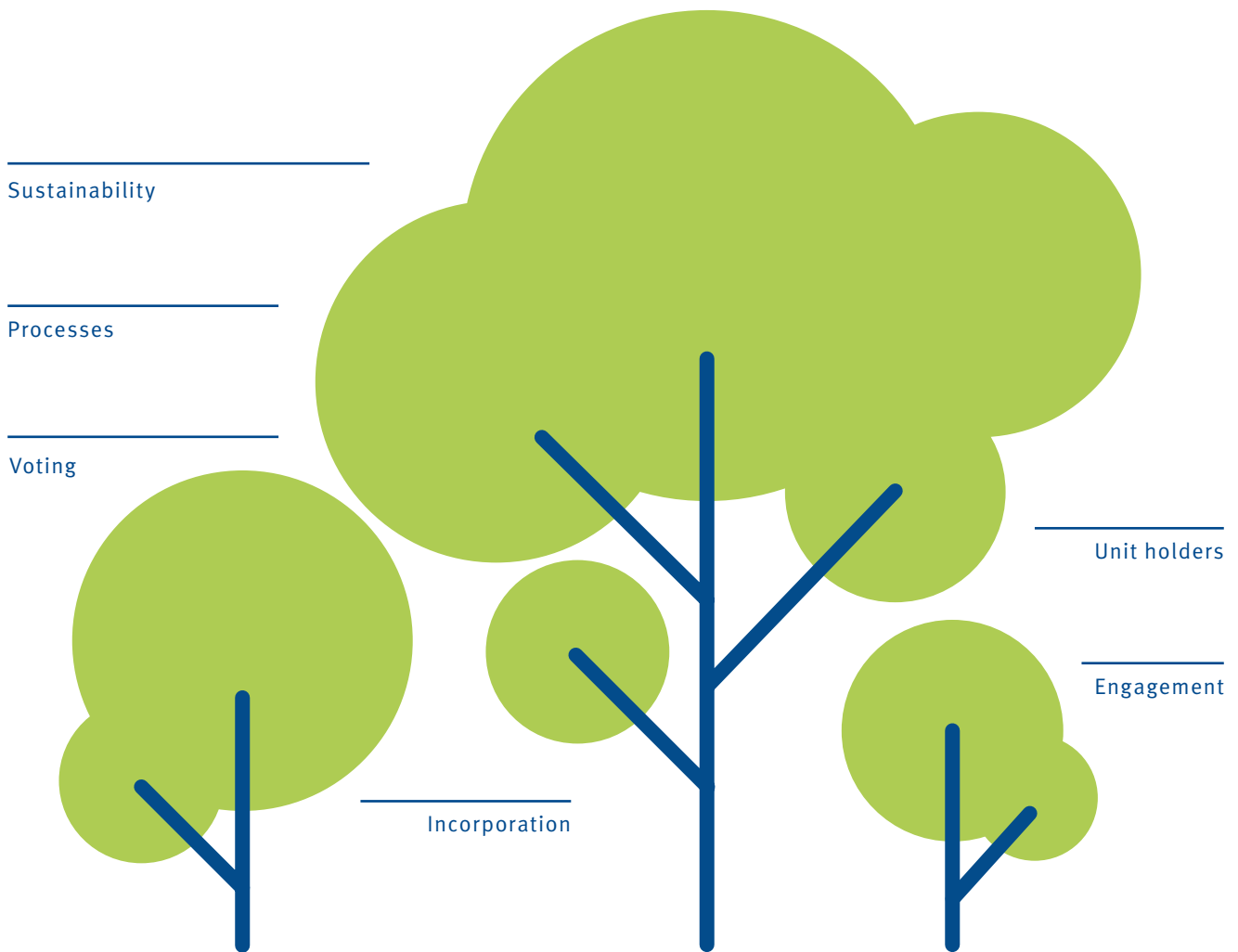
The revised policy, like previous iterations, takes international laws, norms and conventions as its starting point. Companies will be excluded from our investment universe if breaches are considered serious or the risk of a breach re-occurring is considered high. In addition, we will also exclude investments in companies within certain single product

categories or industries that are deemed unsustainable.

SKAGEN previously operated with an implicit exclusion list, but as part of the revision process, we now publish an explicit exclusion list on our website. It is important to note that exclusions are to be used as a last resort, and should only be applied where companies clearly fail to demonstrate change or improvements.

At the end of 2018, there were 171 companies on the Group exclusion list. New categories of exclusion for SKAGEN include companies which derive more than 25 percent of their revenue from





the production of coal or 20 percent of their revenue from oil sands in addition to owners of palm oil producers with unsustainable business practices.

The revised policy has an even greater focus on active ownership. To that end, an observation list has been introduced enabling us to work in a more targeted manner to encourage companies to make positive change. In cases where a company is suspected to be in breach of our sustainability criteria but is working to improve, they will be put on an observation list to give us more time to fully evaluate the situation. Likewise, there may be cases where we see a company is working on corrective action, but such measures have yet to be fully implemented. We will place clear demands on the companies on the observation list and expect to see concrete improvement measures within a defined timeframe. The list of companies under observation is available on our website.

Active owners

Despite these modifications, some things do not change. We continue to screen all potential holdings before any investment

is made. We also continue to use our position to influence companies in the direction we believe is right. This is done by voting at shareholder meetings and through direct dialogue with the companies.

Each year we conduct a large number of meetings with both potential and existing holdings in our portfolios. The meetings typically include in-depth dialogue around environmental, social and governance issues with the companies. In 2018, SKAGEN was in direct dialogue with 17 companies on specific environmental, social and governance issues; one more than in 2017.

At SKAGEN, we generally vote at more than 95 percent of shareholder meetings of the companies where we have holdings. SKAGEN has, in line with our policy, typically voted against items related to:

- The issuance of equity without preemptive rights for existing shareholders
- Excessive management remuneration without links to results
- The election of board members who are not deemed sufficiently independent

Votes cast in 2018

During the year, there were a total of 223 votable shareholder meetings in the companies in our portfolios, with a total of 2 564 votable items on the agenda.

SKAGEN voted at 217 of these meetings, and on 97% of the votable items. This is a slight decrease from 98% in 2017. At the meetings where we voted, 6.4% of the votes cast were against the company's management on one or more items on the agenda. This is a slight increase from 6.1% at the end of 2017.

All our voting records, including the reasons for voting against management, can be found on our website in the solution provided by Institutional Shareholder Services (ISS), which is one of the world's leading providers of corporate governance solutions. Our unit holders can drill down and find information on a company and ballot level.

Board of directors' report for SKAGEN's security funds 2018

At the end of 2018, SKAGEN AS (SKAGEN) managed combined assets of NOK 58.2 billion divided between six equity funds, three fixed income funds and five fund-of-funds in addition to mirror funds.

SKAGEN's equity funds

At the end of 2018, SKAGEN managed the equity funds SKAGEN Vekst, SKAGEN Global, SKAGEN Kon-Tiki, SKAGEN m2, SKAGEN Focus and SKAGEN Insight. SKAGEN Global and SKAGEN m2 delivered excess return relative to their respective benchmark indices last year, while the other equity funds lagged their respective benchmark indices.

At the end of the year, SKAGEN managed total assets of NOK 52.5 billion in equity funds, down from NOK 71.7 billion at the end of 2017. This reflects NOK 6.3 billion from falling asset values and NOK 12.9 billion in net redemptions.

Despite risk on in the first half, 2018 proved a tough year for global equity markets, ending in arguably the weakest December since the Great Depression. Investors allocated away from risk assets and, in common with several active equity boutiques, SKAGEN was not immune to this. Confidence in emerging markets, in particular, was weak. Liquidity in the funds has not been challenged, however, and the redemptions have been handled in a routine manner.

SKAGEN's fixed income funds

At the end of the year, SKAGEN managed total assets of NOK 5.3 billion in fixed income funds divided between the bond funds SKAGEN Avkastning and SKAGEN Tellus, and the money market fund SKAGEN Høyrente. All three fixed income funds generated positive risk-adjusted returns. During 2018, the management of SKAGEN's fixed income funds was transferred to Storebrand while SKAGEN Credit and SKAGEN Krona were closed (see further details below).

At the end of 2018, SKAGEN managed total assets of NOK 5.3 billion in fixed income funds, down from NOK 6.4 billion at the end of 2017. The change comes from

NOK 100 million in falling asset values and NOK 1.0 billion in net redemptions.

SKAGEN's fund-of-funds

SKAGEN manages five fund-of-funds through the savings profile SKAGEN Select. At the end of the year, these funds managed combined assets of around NOK 689 million. All five Select funds lagged their respective benchmark indices, driven by the underlying equity funds.

In addition, SKAGEN holds NOK 358 million in cash and NOK 529 million in third party funds on behalf of clients within the equity savings account (ASK) umbrella.

Fund changes and new products in 2018

In May 2018, SKAGEN's Board of Directors made the decision to liquidate the fixed income funds SKAGEN Credit and SKAGEN Krona. The master feeder structure SKAGEN Credit funds and the Swedish fixed income fund SKAGEN Krona were established to offer local currency denominated fixed income funds to clients in the applicable markets. However, the anticipated level of assets under management were not attained. The Storebrand Group offers a broad range of fixed income funds and a strategic assessment was undertaken to determine which fixed income mandates the Group plans to offer in future. This assessment concluded that there was no commercial or strategic justification to maintain SKAGEN Credit or SKAGEN Krona. Liquidation of the funds was finalised in late summer.

Storebrand Asset Management (SAM) assumed responsibility for the portfolio management of SKAGEN's fixed income funds, SKAGEN Tellus, SKAGEN Avkastning and SKAGEN Høyrente in the autumn of 2018. SAM offers an exceptional environment for macroeconomic analysis and fixed income management and is one of

the leading fixed income managers in Scandinavia. For unit holders, it is business as usual. The funds continue to be standalone funds under the SKAGEN brand and clients continue to receive newsletters, monthly reports and invitations to relevant events from SKAGEN.

In November, SKAGEN launched an ASK platform including over 600 external equity funds for retail clients as well as the 'Recommended by SKAGEN' concept (Anbefalt av SKAGEN), making the firm one of Norway's largest fund providers. To

RETURNS 2018, NET OF FEES

Fund	Return (NOK)
SKAGEN Vekst A	-11.95%
SKAGEN Vekst B	-11.77%
SKAGEN Vekst C	-11.60%
SKAGEN Global A	-3.08%
SKAGEN Global B	-2.88%
SKAGEN Global C	-2.62%
SKAGEN Global D	-2.52%
SKAGEN Kon-Tiki A	-16.02%
SKAGEN Kon-Tiki B	-15.63%
SKAGEN Kon-Tiki C	-15.98%
SKAGEN Kon-Tiki D	-15.94%
SKAGEN Kon-Tiki E	-15.91%
SKAGEN m2 A	-1.61%
SKAGEN m2 B	-1.34%
SKAGEN m2 C	-1.64%
SKAGEN Focus A	-15.25%
SKAGEN Focus B	-14.98%
SKAGEN Focus C	-15.26%
SKAGEN Avkastning	0.76%
SKAGEN Tellus A	0.16%
SKAGEN Tellus B	0.52%
SKAGEN Høyrente	1.19%
SKAGEN Select 15	-1.80%
SKAGEN Select 30	-2.85%
SKAGEN Select 60	-4.58%
SKAGEN Select 80	-6.18%
SKAGEN Select 100	-7.90%
SKAGEN Insight A	-24.91%
SKAGEN Insight B	-24.90%
SKAGEN Insight C	-24.87%
SKAGEN Global II	-2.53%
SKAGEN Global III	-2.71%



*Jan Erik Saugestad
Chairman of the Board*



*Kristian Falnes
Board member*



*Kathinka Koch Somerseth
Board member*



*Viveka Ekberg
Board member*



*Leiv Askvig
Deputy member*



*Tove Selnes
Deputy member*



*Per Gustav Blom
Board member, elected by unit holders*



*Martin Petersson
Board member, elected by unit holders*

assist clients, SKAGEN's team of fund specialists has selected around twenty recommended funds in various categories that have the quality stamp 'Recommended by SKAGEN'. Only clients with an equity savings account in SKAGEN have access to the recommended fund list. The platform includes an improved digital solution to ensure an optimum user experience alongside a market leading fund offering. These measures will contribute to maintaining SKAGEN's position as fund specialist in the Norwegian market.

Environmental, social and governance (ESG) factors

SKAGEN is an active manager and the portfolio companies' attitudes to and work with ESG are of central importance in the management of the funds. The firm believes that companies with a healthy focus on ESG have a competitive advantage which in turn contributes to increased value creation. During the course of the year SKAGEN has voted at 223 general meetings, on 96.3 percent of the votable items. Of the 2,564 items voted, SKAGEN voted against the company's management (on one or more points) in 6.4 percent of the cases. SKAGEN typically votes against items related to the issuance of equity without pre-emptive rights for existing shareholders, excessive management remuneration without links to results, and the election of board members who are not deemed sufficiently independent. Information about voting is published on the SKAGEN website. Throughout 2018 SKAGEN has been in

active dialogue with 17 portfolio companies to change aspects of their business that are considered detrimental to long-term value creation. (For further information, please read the ESG update on page 7).

Risk management in SKAGEN's securities funds

Investing in securities funds entails risk related to future value development. Investors may therefore receive higher or lower returns than expected, and may also make a loss on investments. Nevertheless, a general characteristic of securities funds is that risk is diversified across many different investments in different sectors and geographical regions. This diversification is expected to benefit clients over time and their returns should be higher relative to the risk of buying single stocks or bonds.

SKAGEN monitors and measures risk in the securities funds in accordance with Norwegian laws and regulations. All of SKAGEN's funds have risk profiles approved by the Board. The Board and the Managing Director regularly receive risk reviews from SKAGEN's independent risk management function.

Despite tensions in Turkey, macroeconomic uncertainty in Italy and an uncertain Brexit process, global equities continued to rise until September. This optimism came from strong economic data, low unemployment as well as tax cuts in the US and an expected increase in activity indicated in global PMI surveys. However, negativity then took hold, resulting in a sell-off towards the end of the year. Rising interest



*Aina Haug
Deputy member, elected by unit holders*

rates, the strong US dollar and rising trade tensions between US and China were the main culprits.

SKAGEN expects the increased volatility to continue throughout 2019 driven by the possibility of monetary policy tightening in the US and Europe, continued trade tensions with an ensuing slowdown in economic activity in China, a potentially more pronounced economic slowdown from Brexit than earlier anticipated as well as geopolitical instabilities from upcoming elections. Currency risk is expected to stay at the same level.

SKAGEN's securities funds are also exposed to liquidity risk, i.e. the risk that the funds' investments cannot be converted to cash within an expected timeframe or at an expected price. The risk is limited by monitoring the volumes sold, having an extensive counterparty network as well as the possibility to trade outside the market. In addition, certain cash reserves are maintained in the funds in addition to a loan facility in order to meet large client redemptions.

Internal control and compliance

Fund management also entails operational risk, typically associated with inadequate or failing internal processes or systems, human error or external events. Operational risk is managed by, amongst other things, maintaining focus on good processes, routines and systems, continuous training of employees, communication measures as well as updating and drawing lessons from event registers. Incidents are evaluated twice a year in an internal control process involving the managers responsible for all areas of activity.

Effective from 1 July 2018, SKAGEN has outsourced certain functions and tasks to other entities within the Storebrand Group. The outsourcing covers management of SKAGEN's fixed income funds, securities settlement, accounting, calculation of net asset value, unit holder settlement and unit holder register for SKAGEN's funds, service towards professional clients in Norway and Sweden, the incoming client call centre, and reporting. SKAGEN remains responsible for risk management and internal control of these activities.

In order to align with Storebrand Group policy, the legal, risk and compliance department was reorganised during 2018. SKAGEN's Chief Risk & Compliance Officer is responsible for both the legally required Compliance function and the Risk function, and works independently of SKAGEN's main reporting lines, reporting directly to the Board in addition to the CEO, to comply with regulatory requirements. She also reports to the Storebrand Group CRO, and is included in the Group's compliance forum.

During 2018, SKAGEN has implemented

the amended Markets in Financial Instruments Directive (MiFID II) and General Data Protection Regulation (GDPR) in the organisation. Both MiFID II and GDPR aim to strengthen investor protection and improve reporting to the unit holders.

Administrative conditions

In June 2018, the Board appointed Tim Warrington as CEO of SKAGEN; an appointment that ensures continuity and a strong client focus. Tim Warrington has been with SKAGEN for ten years and was previously responsible for international distribution and domestic wealth management before taking on the role of Deputy CEO in June 2013.

Also in June, Cathrine Gether and Fredrik Bjelland took over the management of SKAGEN Kon-Tiki from Knut Harald Nilsson. Cathrine Gether joined the emerging markets fund in 2009 from Millennium Capital Partners in London and has 18 years of experience from the financial industry. She works closely alongside Fredrik Bjelland who joined SKAGEN in 2017 from Norges Bank Investment Management (NBIM), where he was a Portfolio Manager and Head of China, Special Mandates. He has long and broad experience from managing equities in emerging and developed markets.

At the same time, Jonas Edholm took over as Lead Portfolio Manager of SKAGEN Focus from Filip Weintraub. Jonas was instrumental in initiating and launching SKAGEN Focus with Filip in 2015. He has extensive industry experience and continues to work closely with Portfolio Manager David Harris.

In April 2018, Søren Milo Christensen took over as Lead Portfolio Manager of SKA-

GEN Vekst from Øyvind Fjell. Søren joined SKAGEN in May 2010 as Portfolio Manager of the global equity fund, SKAGEN Global and has 18 years' experience from the industry. As Lead Portfolio Manager of the Global/Nordic equity fund SKAGEN Vekst, he works closely alongside Portfolio Manager Alexander Stensrud.

Finally, in September 2018, Jan Erik Saugestad was appointed Chairman of SKAGEN's Board of Directors, taking the reins from Odd Arild Grefstad. Jan Erik Saugestad is the CEO of Storebrand Asset Management (SAM) and joined SKAGEN's board in December 2017. In addition, Kathinka Koch Sommerseth, Chief Marketing Officer at Storebrand, was appointed board member.

Since 2017, SKAGEN has been part of the Storebrand Group, a leading player in the Nordic market for long-term savings and pensions. While SKAGEN remains an independent fund manager, clients will now have access to a broader product spectrum and financial services offering. One of the opportunities SKAGEN's clients will now benefit from is the common platform which the firm is establishing with Storebrand Asset Management.

The securities funds have no employees. The company does not pollute the environment. All the securities funds are managed by SKAGEN and have Handelsbanken as their custodian. SKAGEN's head office is located in Stavanger, Norway.

Going concern

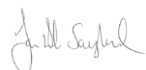
The Board confirms that the premise of the funds and the management company as going concerns continues to be fulfilled.

Proposal for the allocation of funds' income:

INCOME STATEMENT 2018 (ALL FIGURES IN NOK 1000)	SKAGEN VEKST 2018	SKAGEN GLOBAL 2018	SKAGEN KON-TIKI 2018	SKAGEN m ² 2018	SKAGEN FOCUS 2018	SKAGEN INSIGHT 2018
INCOME STATEMENT	-944 428	-789 556	-4 040 634	-23 201	-313 028	-65 110
Allocation of net income						
Transfer to/from retained earnings	-944 428	-789 556	-4 040 634	-23 201	-313 028	-65 110
Allocated for distribution to unit holders	-	-	-	-	-	-
Net distributed to unit holders during the year	-	-	-	-	-	-
Total	-944 428	-789 556	-4 040 634	-23 201	-313 028	-65 110

INCOME STATEMENT 2018 (ALL FIGURES IN NOK 1000)	SKAGEN SELECT 100 2018	SKAGEN SELECT 80 2018	SKAGEN SELECT 60 2018	SKAGEN SELECT 30 2018	SKAGEN SELECT 15 2018	SKAGEN TELLUS 2018	SKAGEN AVKASTNING 2018	SKAGEN HØYRENTE 2018
INCOME STATEMENT	-15 200	-6 383	-16 490	-985	-565	-5 396	12 438	36 227
Allocation of net income								
Transfer to/from retained earnings	-15 200	-6 383	-16 490	-985	-701	-36 448	-13 694	-2 008
Allocated for distribution to unit holders	-	-	-	-	136	31 052	26 133	38 235
Net distributed to unit holders during the year	-	-	-	-	-	-	-	-
Total	-15 200	-6 383	-16 490	-985	-565	-5 396	12 438	36 227

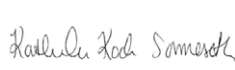
Board of Directors SKAGEN AS, 19 February 2019



Jan Erik Saugestad
Chairman of the Board



Kristian Falnes
Board member



Kathinka Koch Sommerseth
Board member



Viveka Ekberg
Board member



Per Gustav Blom
Board member,
elected by unit holders

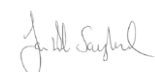


Martin Petersson
Board member,
elected by unit holders

Annual Financial Statement 2018

INCOME STATEMENT		SKAGEN Vekst		SKAGEN Global		SKAGEN Kon-Tiki		SKAGEN m²		
(all figures in 1,000NOK)		Notes	2018	2017	2018	2017	2018	2017	2018	2017
Portfolio revenue and costs										
Interest income and costs			1663	-92	1367	5562	7728	4217	268	575
Dividends			215 525	172 811	517 037	638 260	503 228	582 530	30 985	20 596
Realised capital gain/loss	7		604 894	697 630	2 221 121	2 250 471	3 038 534	6 027 545	98 209	38 776
Change unrealised gain/loss	6		-1 672 454	632 006	-3 289 752	1 731 766	-7 269 963	1 257 749	-125 454	176 464
Transaction-related custodian costs	7		-131	-161	-236	-192	-934	-307	-128	-194
Currency gain/loss			719	6 511	86 489	-68 703	-21 677	-87 232	1 309	-2 059
PORTFOLIO RESULT			-849 784	1 508 706	-463 975	4 557 163	-3 743 085	7 784 500	5 188	234 158
Management revenue and costs										
Management fee - fixed	8		-77 341	-80 077	-255 455	-274 290	-427 177	-583 986	-19 379	-15 620
Management fee - variable	8		-	-94 678	-17 585	-	189 978	123 881	-7 445	-5 725
ASSET MANAGEMENT RESULT			-77 341	-174 755	-273 040	-274 290	-237 199	-460 105	-26 824	-21 345
RESULT BEFORE TAX			-927 124	1 333 951	-737 016	4 282 873	-3 980 284	7 324 395	-21 636	212 813
Tax cost	10		-17 304	-13 435	-52 540	-57 627	-60 350	-54 225	-1 565	352
NET INCOME			-944 428	1 320 515	-789 556	4 225 246	-4 040 634	7 270 170	-23 201	213 165
Allocation of net income										
Transfer to/from retained earnings	9		-944 428	1 320 515	-789 556	4 225 246	-4 040 634	7 270 170	-23 201	213 165
Allocated for distribution to unit holders	9		-	-	-	-	-	-	-	-
Net distributed to unit holders during the year	9		-	-	-	-	-	-	-	-
TOTAL			-944 428	1 320 515	-789 556	4 225 246	-4 040 634	7 270 170	-23 201	213 165
BALANCE SHEET										
			31.12.18	31.12.17	31.12.18	31.12.17	31.12.18	31.12.17	31.12.18	31.12.17
Assets										
Norwegian securities at cost price	3,6,7		1 074 788	724 478	-	-	566 475	692 854	115 397	91 479
Foreign securities at cost price	3,6,7		5 298 348	5 865 990	20 223 089	20 933 106	13 702 255	16 187 155	10 037 721	877 975
Unrealised capital gain/loss	3,6,7		184 542	1 856 995	3 201 714	6 491 457	3 158 942	10 428 835	128 402	253 861
Accrued interest securities	6		-	-	-	-	-	-	-	-
TOTAL SECURITIES PORTFOLIO			6 557 678	8 447 463	23 424 803	27 424 563	17 427 672	27 308 844	1 247 520	1 223 315
Dividend receivable			12 149	4 009	15 452	25 879	110 585	125 930	1 109	436
Accrued interest bank			-	-	-	-	-	-	-	-
TOTAL ACCRUED INCOME			12 149	4 009	15 452	25 879	110 585	125 930	1 109	436
Deferred tax asset			-	-	-	-	-	-	-	-
Accounts receivable - brokers			-	-	-	5 211	7 643	95 469	8 469	-
Accounts receivable - management company			-	1	1	3	102 970	13	-	-
Tax receivable on dividends			14 216	12 012	41 520	48 790	3 171	9 047	577	627
Other receivables			-	6 374	-	2 563	101 108	3 008	-	2 544
TOTAL OTHER RECEIVABLES			14 216	18 387	41 522	56 567	214 893	107 538	9 046	3 171
Bank deposits			82 045	199 305	317 050	201 092	216 787	709 582	30 240	46 246
TOTAL ASSETS			6 666 088	8 669 164	23 798 827	27 708 100	17 969 938	28 251 895	1 287 915	1 273 168
Equity Capital										
Unit capital at par value	9		3 078 13	3 486 53	14 485 59	16 350 91	23 178 41	3 039 165	653 354	636 617
Premium	9		3 807 296	4 033 014	13 860 210	14 744 470	11 565 111	14 556 610	426 218	338 587
TOTAL PAID-IN EQUITY CAPITAL			4 115 109	4 381 667	15 308 758	16 379 562	13 882 952	17 595 775	1 079 572	975 204
Retained earnings	9		2 530 606	4 166 229	8 408 883	11 238 641	4 056 597	10 395 913	195 953	286 098
Allocated to unitholders for reinvestment in new units	9		-	-	-	-	-	-	-	-
TOTAL EQUITY CAPITAL			6 645 716	8 547 897	23 717 642	27 618 203	17 939 550	27 991 687	1 275 525	1 261 302
Debt										
Deferred tax	10		-	-	-	-	-	-	-	-
Accounts payable - brokers			928	4 835	-	-	12 553	-	-	1 611
Accounts payable - management company			17 654	115 853	79 440	68 940	-	22 918	12 186	10 224
Other debt	10		1 791	579	1 745	20 957	17 835	237 289	204	31
TOTAL OTHER DEBT			20 373	121 267	81 185	89 898	30 388	260 207	12 390	11 867
TOTAL DEBT AND EQUITY CAPITAL			6 666 088	8 669 164	23 798 827	27 708 100	17 969 938	28 251 895	1 287 915	1 273 168


Board of Directors SKAGEN AS, 19 February 2019


Jan Erik Saugestad
Chairman of the Board


Kristian Falnes
Board member


Kathinka Koch Somerseth
Board member

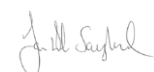

Viveka Ekberg
Board member


Per Gustav Blom
Board member,
elected by unitholders


Martin Pettersson
Board member,
elected by unitholders

INCOME STATEMENT		SKAGEN Focus		SKAGEN Insight		SKAGEN Select 100		SKAGEN Select 80		
(all figures in 1,000 NOK)		Notes	2018	2017	2018	04.07.2017 - 31.12.2017	2018	14.12.2016 - 31.12.2017	2018	14.12.2016 - 31.12.2017
Portfolio revenue and costs										
Interest income and costs			787	415	9	6	38	16	263	82
Dividends			43 560	32 979	4 421	308	-	-	-	-
Realised capital gain/loss	7		83 274	275 008	4 826	383	958	141	-15	171
Change unrealised gain/loss	6		-416 612	74 340	-70 273	190	-15 826	8 898	-6 434	3 550
Transaction-related custodian costs	7		-228	-322	-109	-	-8	-	-5	-
Currency gain/loss			-1 356	1 573	-173	66	5	11	-	-1
PORTFOLIO RESULT			-290 576	383 992	-61 299	954	-14 832	9 066	-6 190	3 802
Management revenue and costs										
Management fee - fixed	8		-34 444	-35 248	-3 327	-169	-368	-105	-190	-48
Management fee - variable	8		16 805	1 440	-	-18	-	-	-	-
ASSET MANAGEMENT RESULT			-17 638	-33 809	-3 327	-188	-368	-105	-190	-48
RESULT BEFORE TAX			-308 214	350 183	-64 626	766	-15 200	8 961	-6 380	3 753
Tax cost	10		-4 814	-4 283	-484	-80	-	-	-2	-10
NET INCOME			-313 028	345 900	-65 110	686	-15 200	8 961	-6 383	3 743
Allocation of net income										
Transfer to/from retained earnings	9		-313 028	345 900	-65 110	686	-15 200	8 961	-6 383	3 743
Allocated for distribution to unit holders	9		-	-	-	-	-	-	-	-
Net distributed to unit holders during the year	9		-	-	-	-	-	-	-	-
TOTAL			-313 028	345 900	-65 110	686	-15 200	8 961	-6 383	3 743
BALANCE SHEET										
			31.12.18	31.12.17	31.12.18	31.12.17	31.12.18	31.12.17	31.12.18	31.12.17
Assets										
Norwegian securities at cost price	3,6,7		-	-	-	-	132 084	95 651	74 819	45 845
Foreign securities at cost price	3,6,7		1 841 129	2 254 910	2 574 399	1 514 119	54 428	41 506	28 239	16 329
Unrealised capital gain/loss	3,6,7		-274 337	142 275	-70 083	190	-6 927	8 898	-2 884	3 550
Accrued interest securities	6		-	-	-	-	-	-	-	-
TOTAL SECURITIES PORTFOLIO			1 566 792	2 397 184	187 356	151 609	179 585	146 056	100 175	65 724
Dividend receivable			4 478	3 567	596	231	-	-	-	-
Accrued interest bank			-	-	-	-	-	-	-	-
TOTAL ACCRUED INCOME			4 478	3 567	596	231	-	-	-	-
Deferred tax asset			-	-	-	-	-	-	10	-
Accounts receivable - brokers			2 129	-	-	-	-	-	-	-
Accounts receivable - management company			9 849	1	-	-	-	-	-	-
Tax receivable on dividends			1 176	452	95	1	-	-	-	-
Other receivables			1 449	900	-	555	534	2 730	291	-
TOTAL OTHER RECEIVABLES			14 602	1 354	95	556	534	2 730	301	-
Bank deposits			5 697 7	10 993 2	3 030	10 393	9 373	9 105	7 239	5 653
TOTAL ASSETS			1 642 849	2 512 037	191 077	162 788	189 492	157 890	107 715	71 377
Equity Capital										
Unit capital at par value	9		1 536 835	1 986 772	2 187 778	1 339 288	1 811 149	1 336 640	1 036 637	64 134
Premium	9		181 563	136 928	26 034	20 259	16 050	9 879	6 643	3 048
TOTAL PAID-IN EQUITY CAPITAL			1 718 398	2 123 701	2 444 812	1 541 877	1 971 199	1 435 519	1 103 280	67 182
Retained earnings	9		-75 548	379 935	-54 543	725	-7 802	8 281	-2 631	3 858
Allocated to unitholders for reinvestment in new units	9		-	-	-	-	-	-	-	-
TOTAL EQUITY CAPITAL			1 642 849	2 503 636	190 269	154 912	189 397	151 800	107 649	71 041
Debt										
Deferred tax	10		-	-	-	-	-	-	-	-
Accounts payable - brokers			-	-	-	7 637	-	-	-	-
Accounts payable - management company			-	7 866	728	171	95	59	53	28
Other debt	10		-	535	79	69	-	6 031	13	308
TOTAL OTHER DEBT			-	8 401	808	7 877	95	6 090	66	336
TOTAL DEBT AND EQUITY CAPITAL			1 642 849	2 512 037	191 077	162 788	189 492	157 890	107 715	71 377

Board of Directors SKAGEN AS, 19 February 2019



Jan Erik Saugestad
Chairman of the Board




Kristian Falnes
Board member



Kathinka Koch Somerseth
Board member



Viveka Ekberg
Board member



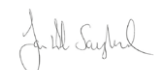
Per Gustav Blom
Board member,
elected by unitholders



Martin Pettersson
Board member,
elected by unitholders

INCOME STATEMENT		SKAGEN Select 60		SKAGEN Select 30		SKAGEN Select 15	
(all figures in 1,000 NOK)		2018	14.12.2016 - 31.12.2017	2018	14.12.2016 - 31.12.2017	2018	14.12.2016 - 31.12.2017
Notes							
Portfolio revenue and costs							
		1705	323	175	65	161	76
		-	-	-	-	-	-
	7	4590	27 318	-	-18	39	13
	6	-22 230	-25 293	-1 125	307	-736	325
	7	-7	-	-	-	-	-
		-105	-1	-1	1	-	-
		-16 048	2 347	-951	354	-536	414
Management revenue and costs							
	8	-362	-39	-33	-9	-30	-11
	8	-	-	-	-	-	-
		-362	-39	-33	-9	-30	-11
		ASSET MANAGEMENT RESULT	-39	-33	-9	-30	-11
		RESULT BEFORE TAX	-16 410	2 308	-984	346	403
	10	-81	-46	-1	-19	-	-
		NET INCOME	-16 490	2 263	-985	326	403
Allocation of net income							
	9	-16 490	2 263	-985	326	-701	302
	9	-	-	-	-	136	101
	9	-	-	-	-	-	-
		TOTAL	-16 490	2 263	-985	326	403
BALANCE SHEET							
		31.12.18	31.12.17	31.12.18	31.12.17	31.12.18	31.12.17
Assets							
	3,6,7	254 558	291 903	34 034	20 293	28 977	27 863
	3,6,7	66 972	76 933	2 223	1 529	-	-
	3,6,7	-3 065	19 165	-817	307	-411	325
	6	-	-	-	-	-	-
		TOTAL SECURITIES PORTFOLIO	318 465	388 001	35 439	22 130	28 566
		-	-	-	-	-	-
		-	-	-	-	-	-
		TOTAL ACCRUED INCOME	-	-	-	-	-
		195	-	26	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
		18	-	151	513	-	-
		TOTAL OTHER RECEIVABLES	213	177	513	-	-
		6 111	6 472	2 253	1 894	1 288	1 769
		TOTAL ASSETS	324 788	394 473	37 869	24 537	29 956
Equity Capital							
	9	314 262	362 852	38 016	23 670	29 810	28 744
	9	-19 279	-26 633	450	239	244	214
		TOTAL PAID-IN EQUITY CAPITAL	294 983	336 219	38 466	30 054	28 957
	9	29 445	56 519	-638	341	-414	277
	9	-	-	-	-	136	101
		TOTAL EQUITY CAPITAL	324 428	392 738	37 828	29 776	29 336
Debt							
	10	-	-	-	5	-	-
		-	-	-	-	-	-
		85	27	9	4	8	6
	10	276	1 709	32	277	70	615
		TOTAL OTHER DEBT	360	1 736	42	286	621
		TOTAL DEBT AND EQUITY CAPITAL	324 788	394 473	37 869	29 854	29 956

Board of Directors SKAGEN AS, 19 February 2019


Jan Erik Saugestad
Chairman of the Board


Kristian Falnes
Board member


Kathinka Koch Somerseth
Board member

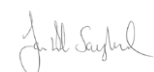

Viveka Ekberg
Board member


Per Gustav Blom
Board member,
elected by unit holders


Martin Pettersson
Board member,
elected by unit holders

INCOME STATEMENT		SKAGEN Høyrente		SKAGEN Avkastning		SKAGEN Tellus	
(all figures in 1,000 NOK)	Notes	2018	2017	2018	2017	2018	2017
Portfolio revenue and costs							
Interest income and costs		52 475	48 621	33 866	28 717	32 188	33 859
Dividends		-	-	-	-	-	-
Realised capital gain/loss	7	-4 780	-6 456	7 127	15 387	8 474	11 531
Change unrealised gain/loss	6	-3 854	5 843	-15 375	17 702	-39 335	15 148
Transaction-related custodian costs	7	46	-8	-11	-11	-23	-17
Currency gain/loss		-	-	-4 148	-8 588	-1 026	2 128
PORTFOLIO RESULT		43 888	48 001	21 460	53 208	279	62 648
Management revenue and costs							
Management fee - fixed	8	-7 661	-6 998	-9 021	-7 679	-5 674	-6 872
Management fee - variable	8	-	-	-	-	-	-
ASSET MANAGEMENT RESULT		-7 661	-6 998	-9 021	-7 679	-5 674	-6 872
RESULT BEFORE TAX		36 227	41 003	12 438	45 529	-5 396	55 776
Tax cost	10	-	-	-	-	-	-
NET INCOME		36 227	41 003	12 438	45 529	-5 396	55 776
Allocation of net income							
Transfer to/from retained earnings	9	-2 008	288	-13 694	15 453	-36 448	20 443
Allocated for distribution to unit holders	9	38 235	40 715	26 133	30 076	31 052	35 333
Net distributed to unit holders during the year	9	-	-	-	-	-	-
TOTAL		36 227	41 003	12 438	45 529	-5 396	55 776
BALANCE SHEET							
		31.12.18	31.12.17	31.12.18	31.12.17	31.12.18	31.12.17
Assets							
Norwegian securities at cost price	3,6,7	2 373 431	2 440 894	1 217 790	1 259 253	90 021	84 108
Foreign securities at cost price	3,6,7	-	-	274 636	283 910	552 768	713 542
Unrealised capital gain/loss	3,6,7	-4 396	-541	2 814	18 188	-4 396	34 938
Accrued interest securities	6	5 016	5 049	7 665	6 199	10 824	9 978
TOTAL SECURITIES PORTFOLIO		2 374 052	2 445 401	1 502 904	1 567 551	649 216	842 567
Dividend receivable		-	-	-	-	-	-
Accrued interest bank		3 067	-	-	-	-	-
TOTAL ACCRUED INCOME		3 067	-	-	-	-	-
Deferred tax asset		-	-	-	-	-	-
Accounts receivable - brokers		-	-	-	-	-	-
Accounts receivable - management company		-	-	-	-	-	-
Tax receivable on dividends		-	-	-	-	-	-
Other receivables		1 470	-	398	1 887	5 872	692
TOTAL OTHER RECEIVABLES		1 470	-	398	1 887	5 872	692
Bank deposits		563 150	729 186	171 507	169 811	33 807	22 578
TOTAL ASSETS		2 941 739	3 174 587	1 674 810	1 739 249	688 894	865 837
Equity Capital							
Unit capital at par value	9	2 874 863	3 097 382	1 197 198	1 230 948	576 161	684 868
Premium	9	50 658	57 712	445 083	456 887	112 405	146 801
TOTAL PAID-IN EQUITY CAPITAL		2 925 521	3 155 094	1 642 281	1 687 835	688 566	831 669
Retained earnings	9	-27 523	-28 384	4 555	19 764	-31 804	-6 909
Allocated to unitholders for reinvestment in new units	9	37 677	40 158	25 689	29 632	30 840	35 121
TOTAL EQUITY CAPITAL		2 935 675	3 166 868	1 672 525	1 737 231	687 602	859 880
Debt							
Deferred tax	10	-	-	-	-	-	-
Accounts payable - brokers		-	-	-	-	-	-
Accounts payable - management company		584	2 020	2 214	2 018	1 292	1 635
Other debt	10	5 479	5 700	71	-	-	4 321
TOTAL OTHER DEBT		6 064	7 720	2 285	2 018	1 292	5 956
TOTAL DEBT AND EQUITY CAPITAL		2 941 739	3 174 587	1 674 810	1 739 249	688 894	865 837

Board of Directors SKAGEN AS, 19 February 2019



Jan Erik Saugestad
Chairman of the Board




Kristian Falnes
Board member



Kathinka Koch Somerseth
Board member



Viveka Ekberg
Board member



Per Gustav Blom
Board member,
elected by unitholders



Martin Pettersson
Board member,
elected by unitholders

General notes 2018

NOTE 1: ACCOUNTING PRINCIPLES

All figures in NOK 1,000 unless otherwise stated.

The accounts for 2018 are prepared in accordance with the Norwegian accounting law and regulation for annual financial statements for securities funds.

Financial instruments:

All financial instruments, such as shares, bonds, certificates and interest rate swaps, are valued at fair value (market value).

Determination of fair value:

Securities are valued at market prices as of 31.12.2018.

Bonds and notes, for which there are no "marketmaker" prices, are at all times valued against the applicable credit spreads and yield curve.

Unlisted equities are valued according to the latest trading price, value adjustments made by brokers and/or internal valuations.

Currency exchange rates:

Securities and bank deposit/overdraft in foreign currency are valued at the prevailing exchange rate at the time of pricing 31.12.2018.

Treatment of transaction costs:

Transaction costs related to purchase of financial instruments (broker's fees and other fees) are booked as part of the cost price of the instruments and follow the principle of realisation.

Allocated to unitholders for reinvestment:

Net taxable income in the fixed income funds, comprised of interest income, realised capital gain/loss and other income with deduction of management fee and transaction-related custodian costs, is distributed to the unit holders as the issue of new units as of 31.12.2018.

All distribution to unit holders in fixed income funds are treated as allocations of profit in accordance with the regulation for annual financial statements for securities funds. Distribution from fixed income funds are accounted for by entering reinvestments as new units in the fund in the financial year.

NOTE 2: FINANCIAL DERIVATIVES

None of the funds have held financial derivatives during the year 2018.

NOTE 3: FINANCIAL MARKET RISK

Through investment in Norwegian and foreign businesses, the equity funds are exposed to share price, currency exchange and liquidity risks. The fixed income funds are exposed to interest and credit risks and liquidity risks. Furthermore, the fixed income funds are exposed to currency risks in those cases where the funds invest in currencies other than the fund's functional currency. The functional currency is NOK for all funds.

In addition to laws, regulations and articles of association regulating the risks in the funds, the funds are managed with a conscious focus on company-specific risks related to the companies constituting the funds' portfolios.

NOTE 4: TURNOVER RATE

The turnover rate is a measure related to the average duration of the investments in the fund. The turnover rate is calculated as whichever is the smaller amount of either purchases and sales of securities in the portfolio during the year, divided by average assets under management during the year. The formula is an approach for calculating the funds' turnover rate.

The funds' turnover rate for the year 2018 was:

SKAGEN Vekst	37%
SKAGEN Global	41%
SKAGEN Kon Tiki	25%
SKAGEN m ²	29%
SKAGEN Focus	75%
SKAGEN Insight	78%
SKAGEN Select 100	6%
SKAGEN Select 80	5%
SKAGEN Select 60	1%
SKAGEN Select 30	0%
SKAGEN Select 15	24%
SKAGEN Avkastning	46%
SKAGEN Høyrente	30%
SKAGEN Tellus	70%

NOTE 5: SUBSCRIPTION FEE

There are no subscription or redemption fees for any of the funds.

NOTE 6: REFER TO PAGES 27 TO 40

SKAGEN Vekst Note 7, 8, 9, 10 & 11

NOTE 7. CUSTODIAN COSTS, BROKER'S FEES AND OTHER FEES

Transaction costs are booked as a part of the cost price of securities and are included in the gain/loss calculation based on the realisation principle.

SKAGEN Vekst has only been charged transaction-related custodian costs and these are charged to expenses on an ongoing basis.

Throughout 2018, the fund has paid NOK 4,051,000 in broker's fees and other fees.

NOTE 8. MANAGEMENT FEE

The fixed management fee is calculated for all classes in percent p.a. of the daily assets under management in the class as follows:

Unit class	Fixed management fee percent p.a.
A	1,0%
B	0,8%
C	0,6%

In addition, unit classes A and B are charged a variable management fee of 1/10 of the return above 6 percent p.a. measured in Norwegian kroner, as long as the unit value on 31.12 is more than the unit value the last time the fund was charged a variable management fee (high watermark). Unit class C is charged a variable management fee of 1/10 of the better value development in the unit value than the balanced and continually rebalanced index composed of the MSCI Nordic Countries IMI Index and the MSCI All Country World Index ex Nordic Countries (Daily Total Return Net \$ measured in Norwegian kroner). The variable management fee in class C is charged/calculated only if the accumulated relative value development from the previous charge/calculation up to and including 31 December is greater than zero.

Management fee allocated to the respective unit classes:

	Unit class A	Unit class B	Unit class C	Total
Management fee - fixed	76 986	33	321	77 341
Management fee - variable	-	-	-	-
Total management fee	76 986	33	321	77 341

NOTE 9. EQUITY RECONCILIATION

Equity capital as of 01.01.2018	8 547 897
Issue of units 2018	484 765
Redemption of units 2018	-1 442 518
Distribution to unit holders 2018	-
Net income 2018	-944 428
Equity capital as of 31.12.2018	6 645 716

	Class	31.12.2018	31.12.2017	31.12.2016
Number of units issued	A	3 040 700	3 460 927	3 585 360
Number of units issued	B	1 517	2 081	2 736
Number of units issued	C	35 910	23 524	3 163
Base price per unit (in NOK)*	A	2 158,2819	2 451,2382	2 076,7288
Base price per unit (in NOK)*	B	2 176,7511	2 467,1673	2 087,1972
Base price per unit (in NOK)*	C	2 219,4868	2 510,6716	2 094,2248

* Base price is set at the end of the last working day of the year and is based on the best prevailing estimate. Finalised figures as of 31.12 are used in the annual financial statement. Consequently minor timing differences may occur.

The sole difference between unit class A, unit class B and unit class C is related to the management fee, see note 8.

NOTE 10. TAX NOTE

Equity funds are, in principle, exempt from tax on gains and do not have the right to deduct losses on realisation of equities when calculating taxable income. Furthermore, dividends received from companies within the EU/EEA are, in principle, tax-exempt. However, 3 percent of dividends received from these companies are treated as taxable to Norway.

Dividends received from companies outside the EU/EEA are taxable. The funds may in addition be charged withholding tax on dividends received from all foreign companies.

The tax cost for the years 2018 and 2017 in SKAGEN Vekst is associated with withholding tax on foreign dividends.

NOTE 11. RISK AMOUNT (in NOK)

RISK amount determined as of 01.01:

1994	1995	1996	1997	1998	1999	2000
-0,35	-0,37	3,28	-0,50	1,73	1,26	3,62
2001	2002	2003	2004	2005	2006	
3,77	0,51	2,03	3,06	-7,03	-9,44	

SKAGEN Focus Note 7, 8, 9 & 10
NOTE 7. CUSTODIAN COSTS, BROKER'S FEES AND OTHER FEES

Transaction costs are booked as a part of the cost price of securities and are included in the gain/loss calculation based on the realisation principle.

SKAGEN Focus has only been charged transaction-related custodian costs and these are charged to expenses on an ongoing basis.

Throughout 2018, the fund has paid NOK 3,030,000 in broker's fees and other fees.

NOTE 8. MANAGEMENT FEE

The fixed management fee is calculated for all classes in percent p.a. of the daily assets under management in the class as follows:

Unit class	Fixed management fee percent p.a.
A	1,6%
B	1,3%
C	1,0%

In addition the three unit classes are charged a variable management fee of 1/10 better value development in the unit value than the benchmark index MSCI All Country World Daily Total Return Net \$ measured in Norwegian kroner. The variable management fee is calculated daily and charged yearly on 31 December for all three unit classes. In the event of poorer value development in the unit value than the benchmark index, 10 percent of the underperformance is deducted from the fixed management fee. The total management fee therefore has an upper and a lower limit, so the combined fee may not exceed 3.2 percent p.a. and may not be less than 0.8 percent p.a. of the average assets under management in unit classes A and C. In unit class B the corresponding upper limit is 2.9 percent p.a. and lower limit is 0.5 percent p.a.

Management fee allocated to the respective unit classes:

	Unit class A	Unit class B	Unit class C	Total
Management fee - fixed	29 319	3 015	2 110	34 444
Management fee - variable	-14 542	-1 843	-420	-16 805
Total management fee	14 777	1 172	1 690	17 638

NOTE 9. EQUITY RECONCILIATION

Equity capital as of 01.01.2018	2 503 636
Issue of units 2018	510 260
Redemption of units 2018	-1 058 019
Distribution to unit holders 2018	-
Net income 2018	-313 028
Equity capital as of 31.12.2018	1 642 849

	Class	31.12.2018	31.12.2017	31.12.2016
Number of units issued	A	11 554 684	16 374 631	14 762 660
Number of units issued	B	1 641 785	1 800 936	91 893
Number of units issued	C	2 171 881	1 692 155	909 627
Base price per unit (in NOK)*	A	106,6586	125,8464	107,6848
Base price per unit (in NOK)*	B	107,7939	126,7891	108,1833
Base price per unit (in NOK)*	C	107,5558	126,9274	108,0429

* Base price is set at the end of the last working day of the year and is based on the best prevailing estimate. Finalised figures as of 31.12 are used in the annual financial statement. Consequently minor timing differences may occur.

The sole difference between the three unit classes is related to the management fee, see note 8.

NOTE 10. TAX NOTE

Equity funds are, in principle, exempt from tax on gains and do not have the right to deduct losses on realisation of equities when calculating taxable income. Furthermore, dividends received from companies within the EU/EEA are, in principle, tax-exempt. However, 3 percent of dividends received from these companies are treated as taxable to Norway.

Dividends received from companies outside the EU/EEA are taxable. The funds may in addition be charged withholding tax on dividends received from all foreign companies.

Calculation basis - tax payable:	2018	2017
Interest income	787	577
Taxable dividend	32 073	24 758
3 % of tax-exempt dividend	345	247
Taxable gain/loss outside the Norwegian tax exempt rule "Fritaksmetoden"	-	-
Currency gain/loss	-1 356	1 573
Total taxable income	31 849	27 154
Management fee - fixed	-34 444	-35 248
Management fee - variable	16 805	1 440
Total tax deductible costs	-17 638	-33 809

Nettaxable income	14 210	-6 654
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Calculation basis - tax payable (A)	14 210	-6 654
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Tax payable in the income statement:

Tax payable (A x 23 %)	3 268	-
Taxes payable from previous years	-	-
Use of carried forward losses	-3 268	-
Credit allowance for withholding tax paid outside EU/EEA	-	-
Use of carried forward credit allowance	-	-
Tax payable	-	-

Deferred tax/- tax asset:

Unrealised gain/loss outside the Norwegian tax exempt rule "Fritaksmetoden"	-	-
Carry forward losses	-6 383	-20 431
Basis deferred tax/- tax asset (B)	-6 383	-20 431

Deferred tax/- tax asset (B x 22 %)	-1 404	-4 699
Carry forward credit allowance for withholding tax paid	-5 170	-1 957
Unused credit allowance for withholding tax paid this year	-4 089	-3 213
Net deferred tax/- tax asset	-10 664	-9 869

Deferred tax asset is not booked in the balance sheet.

Tax cost in the income statement:

Tax payable, not assessed	-	-
Tax payable, assessed	-	-
Change deferred tax/- tax asset	-	-
Refund withholding tax previous years	-	-
Withholding tax on foreign dividends	4 814	4 283
Total tax cost	4 814	4 283

Payable tax owing is incorporated in other debt.

SKAGEN Global Note 7, 8, 9 & 10
NOTE 7. CUSTODIAN COSTS, BROKER'S FEES AND OTHER FEES

Transaction costs are booked as a part of the cost price of securities and are included in the gain/loss calculation based on the realisation principle.

SKAGEN Global has only been charged transaction-related custodian costs and these are charged to expenses on an ongoing basis.

Throughout 2018, the fund has paid NOK 15,855,000 in broker's fees and other fees.

NOTE 8. MANAGEMENT FEE

The fixed management fee is calculated for all classes in percent p.a. of the daily assets under management in the class as follows:

Unit class	Fixed management fee percent p.a.
A	1,0%
B	0,8%
C	0,6%
D	0,5%

In addition all four unit classes are charged a variable management fee of 1/10 better value development in the unit value than the benchmark index MSCI All Country World Daily Total Return Net \$ measured in Norwegian kroner. The variable management fee is calculated daily and charged yearly on 31 December for unit classes A and B. For unit classes C and D, the variable management fee is calculated daily and charged quarterly, but the variable management fee for a given quarter may only be charged provided that the accumulated relative value development between the fund and the MSCI All Country World Daily Total Return Net \$ measured in Norwegian kroner from the previous charge up to and including the given quarter is greater than zero (high watermark).

Management fee allocated to the respective unit classes:

	Class A	Class B	Class C	Class D	Total
Management fee - fixed	249 676	4 138	1 634	7	255 455
Management fee - variable	17 258	328	-	-	17 585
Total management fee	266 934	4 466	1 634	7	273 040

NOTE 9. EQUITY RECONCILIATION

Equity capital as of 01.01.2018	27 618 202
Issue of units 2018	1 308 841
Redemption of units 2018	-4 419 846
Distribution to unit holders 2018	-
Net income 2018	-789 556
Equity capital as of 31.12.2018	23 717 641

	Class	31.12.2018	31.12.2017	31.12.2016
Number of units issued	A	14 052 831	15 791 817	18 592 856
Number of units issued	B	272 773	383 694	705 908
Number of units issued	C	159 095	174 615	211 918
Number of units issued	D	787	787	787
Base price per unit (in NOK)*	A	1 636,9146	1 688,9144	1 448,7275
Base price per unit (in NOK)*	B	1 644,6655	1 693,4259	1 449,5589
Base price per unit (in NOK)*	C	1 660,4474	1 705,0408	1 456,7849
Base price per unit (in NOK)*	D	1 666,5583	1 709,5865	1 459,2010

* Base price is set at the end of the last working day of the year and is based on the best prevailing estimate. Finalised figures as of 31.12 are used in the annual financial statement. Consequently minor timing differences may occur.

The sole difference between the four unit classes is related to the management fee, see note 8.

NOTE 10. TAX NOTE

Equity funds are, in principle, exempt from tax on gains and do not have the right to deduct losses on realisation of equities when calculating taxable income. Furthermore, dividends received from companies within the EU/EEA are, in principle, tax-exempt. However, 3 percent of dividends received from these companies are treated as taxable to Norway.

Dividends received from companies outside the EU/EEA are taxable. The funds may in addition be charged withholding tax on dividends received from all foreign companies.

Calculation basis - tax payable:	2018	2017
Interest income	1 367	7 425
Taxable dividend	276 099	397 991
3% of tax-exempt dividend	7 228	7 208
Taxable gain/loss outside the Norwegian tax exempt rule "Fritaksmetoden"	-	-
Currency gain/loss	86 489	-68 703
Total taxable income	371 183	343 921
Management fee - fixed	-255 455	-274 290
Management fee - variable	-17 585	-
Total tax deductible costs	-273 040	-274 290
Net taxable income	98 142	69 631
Calculation basis - tax payable (A)	98 142	69 631
Tax payable in the income statement:		
Tax payable (Ax 23 %)	22 573	16 711
Taxes payable from previous years	-	-
Use of carried forward losses	-	-13 133
Credit allowance for withholding tax paid outside EU/EEA	-22 573	-3 578
Use of carried forward credit allowance	-	-
Tax payable	-	-
Deferred tax/- tax asset:		
Unrealised gain/loss outside the Norwegian tax exempt rule "Fritaksmetoden"	-	-
Carry forward losses	-	-
Basis deferred tax/- tax asset (B)	-	-
Deferred tax/- tax asset (B x 22 %)	-	-
Carry forward credit allowance for withholding tax paid	-99 650	-114 283
Unused credit allowance for withholding tax paid this year	-12 061	-46 671
Net deferred tax/- tax asset	-111 712	-160 954

Deferred tax asset is not booked in the balance sheet.

Tax cost in the income statement:		
Tax payable, not assessed	-	-
Tax payable, assessed	-	-
Change deferred tax/- tax asset	-	-
Refund withholding tax previous years	-	-3 194
Withholding tax on foreign dividends	52 540	60 821
Total tax cost	52 540	57 627

Payable tax owing is incorporated in other debt.

SKAGEN m² Note 7, 8, 9 & 10
NOTE 7. CUSTODIAN COSTS, BROKER'S FEES AND OTHER FEES

Transaction costs are booked as a part of the cost price of securities and are included in the gain/loss calculation based on the realisation principle. SKAGEN m² has only been charged transaction-related custodian costs and these are charged to expenses on an ongoing basis.

Throughout 2018, the fund has paid NOK 464,000 in broker's fees and other fees.

NOTE 8. MANAGEMENT FEE

The fixed management fee is calculated for all classes in percent p.a. of the daily assets under management in the class as follows:

Unit class	Fixed management fee percent p.a.
A	1,5%
B	1,2%
C	1,0%

In addition all three unit classes are charged a variable management fee of 1/10 better value development in the unit value than the benchmark index, the MSCI ACWI Real Estate IMI ex REITS Net Total Return Index USD measured in Norwegian kroner. In the event of poorer value development in the unit value than the benchmark index, 10 percent of the underperformance is deducted from the fixed management fee. The total management fee therefore has an upper and a lower limit such that the combined fee may not exceed 3 percent p.a. and may not be lower than 0.75 percent p.a. of the average assets under management in unit classes A and C. In unit class B, the corresponding upper limit is 2.7 percent p.a. and lower limit is 0.45 percent p.a. The variable management fee is calculated daily and charged yearly on 31 December for all three unit classes.

Management fee allocated to the respective unit classes:

	Class A	Class B	Class C	Total
Management fee - fixed	16 795	714	1 869	19 379
Management fee - variable	5 908	473	1 064	7 445
Total management fee	22 703	1 187	2 933	26 824

NOTE 9. EQUITY RECONCILIATION

Equity capital as of 01.01.2018	1 261 302
Issue of units 2018	479 559
Redemption of units 2018	-442 135
Distribution to unit holders 2018	-
Net income 2018	-23 201
Equity capital as of 31.12.2018	1 275 525

	Class	31.12.2018	31.12.2017	31.12.2016
Number of units issued	A	5 308 902	6 330 991	5 906 031
Number of units issued	B	480 997	28 347	9 918
Number of units issued	C	743 643	6 837	6 837
Base price per unit (in NOK)*	A	194,9357	198,1328	161,9658
Base price per unit (in NOK)*	B	196,6813	199,3605	162,5638
Base price per unit (in NOK)*	C	196,3755	199,6425	162,4716

* Base price is set at the end of the last working day of the year and is based on the best prevailing estimate. Finalised figures as of 31.12 are used in the annual financial statement. Consequently minor timing differences may occur.

The sole difference between the three unit classes is related to the management fee, see note 8.

NOTE 10. TAX NOTE

Equity funds are, in principle, exempt from tax on gains and do not have the right to deduct losses on realisation of equities when calculating taxable income. Furthermore, dividends received from companies within the EU/EEA are, in principle, tax-exempt. However, 3 percent of dividends received from these companies are treated as taxable to Norway.

Dividends received from companies outside the EU/EEA are taxable. The funds may in addition be charged withholding tax on dividends received from all foreign companies.

Calculation basis - tax payable:	2018	2017
Interest income	268	617
Taxable dividend	17 265	13 471
3% of tax-exempt dividend	412	214
Taxable gain/loss outside the Norwegian tax exempt rule "Fritaksmetoden"	-	1 245
Currency gain/loss	1 309	-2 059
Total taxable income	19 252	13 489
Management fee - fixed	-19 379	-15 620
Management fee - variable	-7 445	-5 725
Total tax deductible costs	-26 824	-21 345
Net taxable income	-7 571	-7 856
Calculation basis - tax payable (A)	-7 571	-7 856

Tax payable in the income statement:		
Tax payable (Ax 23%)	-	-
Taxes payable from previous years	-	-
Use of carried forward losses	-	-
Credit allowance for withholding tax paid outside EU/EEA	-	-
Use of carried forward credit allowance	-	-
Tax payable	-	-

Deferred tax/- tax asset:		
Unrealised gain/loss outside the Norwegian tax exempt rule "Fritaksmetoden"	5 614	5 707
Carry forward losses	-15 469	-7 856
Basis deferred tax/- tax asset (B)	-9 856	-2 148
Deferred tax/- tax asset (Bx 22%)	-2 168	-494
Carry forward credit allowance for withholding tax paid	-1 488	-607
Unused credit allowance for withholding tax paid this year	-851	-889
Net deferred tax/- tax asset	-4 507	-1 991

Deferred tax asset is not booked in the balance sheet.

Tax cost in the income statement:		
Tax payable, not assessed	-	-
Tax payable, assessed	-	-
Change deferred tax/- tax asset	-	-263
Refund withholding tax previous years	-	-1 101
Withholding tax on foreign dividends	1 565	1 012
Total tax cost	1 565	-352

Payable tax owing is incorporated in other debt.

SKAGEN Kon-Tiki Note 7, 8, 9, 10 & 11**NOTE 7. CUSTODIAN COSTS, BROKER'S FEES AND OTHER FEES**

Transaction costs are booked as a part of the cost price of securities and are included in the gain/loss calculation based on the realisation principle. SKAGEN Kon-Tiki has only been charged transaction-related custodian costs and these are charged to expenses on an ongoing basis.

Throughout 2018, the fund has paid NOK 22,300,000 in broker's fees and other fees.

NOTE 8. MANAGEMENT FEE

The fixed management fee is calculated for all classes in percent p.a. of the daily assets under management in the class as follows:

Unit class	Fixed management fee percent p.a.
A	2,00 %
B	1,50 %
C	1,75 %
D	1,50 %
E	1,25 %

In addition the five unit classes are charged a variable management fee of 1/10 better value development in the unit value than the benchmark index MSCI Emerging Markets Index Daily Traded Net Total Return \$ measured in Norwegian kroner. In the event of poorer value development in the unit value than the benchmark index, 10 percent of the underperformance is deducted from the fixed management fee. The total management fee therefore has an upper and a lower limit, so the combined fee may not exceed 4 percent p.a. and may not be less than 1 percent p.a. of the average assets under management in unit classes A, C, D and E. In unit class B, the corresponding upper limit is 3.5 percent p.a. and lower limit is 0.5 percent p.a. The variable management fee is calculated daily and charged yearly on 31 December for all five unit classes.

Management fee allocated to the respective unit classes:

	Class A	Class B	Class C	Class D	Class E	Total
Management fee - fixed	369 592	8 976	11 929	13 347	23 334	427 177
Management fee - variable	-170 716	-5 141	-5 067	-4 416	-4 638	-189 978
Total management fee	198 875	3 835	6 861	8 931	18 696	237 199

NOTE 9. EQUITY RECONCILIATION

Equity capital as of 01.01.2018	27 991 687
Issue of units 2018	1 759 669
Redemption of units 2018	-7 771 172
Distribution to unit holders 2018	-
Net income 2018	-4 040 634
Equity capital as of 31.12.2018	17 939 550

	Class	31.12.2018	31.12.2017	31.12.2016
Number of units issued	A	19 176 622	25 356 714	27 498 757
Number of units issued	B	575 182	777 974	3 683 960
Number of units issued	C	3 638 841	879 852	1 018 553
Number of units issued	D	1 143 475	1 081 544	906 149
Number of units issued	E	1 919 294	2 295 564	8 686 541
Base price per unit (in NOK)*	A	771,5570	918,7069	729,5223
Base price per unit (in NOK)*	B	787,7145	933,6201	738,0070
Base price per unit (in NOK)*	C	777,3030	925,1733	732,9878
Base price per unit (in NOK)*	D	783,0071	931,4964	736,3176
Base price per unit (in NOK)*	E	788,0381	937,1644	740,0434

* Base price is set at the end of the last working day of the year and is based on the best prevailing estimate. Finalised figures as of 31.12 are used in the annual financial statement. Consequently minor timing differences may occur.

The sole difference between the five unit classes is related to the management fee, see note 8.

NOTE 10. TAX NOTE

Equity funds are, in principle, exempt from tax on gains and do not have the right to deduct losses on realisation of equities when calculating taxable income. Furthermore, dividends received from companies within the EU/EEA are, in principle, tax-exempt. However, 3 percent of dividends received from these companies are treated as taxable to Norway.

Dividends received from companies outside the EU/EEA are taxable. The funds may in addition be charged withholding tax on dividends received from all foreign companies.

The tax cost for the years 2018 and 2017 in SKAGEN Kon-Tiki is associated with withholding tax on foreign dividends.

NOTE 11. RISK AMOUNT (in NOK)

RISK amount determined as of 01.01:

2003	2004	2005	2006
3,26	1,80	-0,11	0,00

SKAGEN Insight Note 7, 8, 9 & 10

NOTE 7. CUSTODIAN COSTS, BROKER'S FEES AND OTHER FEES

Transaction costs are booked as a part of the cost price of securities and are included in the gain/loss calculation based on the realisation principle.

SKAGEN Insight has only been charged transaction-related custodian costs and these are charged to expenses on an ongoing basis.

Throughout 2018, the fund has paid NOK 249,000 in broker's fees and other fees.

NOTE 8. MANAGEMENT FEE

The fixed management fee is calculated for all classes in percent p.a. of the daily assets under management in the class as follows:

Unit class	Fixed management fee percent p.a.
A	1,50%
B	0,75%
C	0,70%

In addition, all three unit classes are charged a variable management fee of 1/10 of better value development in the fund's asset value compared with the fund's benchmark index, MSCI World Daily Total return Net \$ measured in Norwegian kroner, as long as the accumulated relative value development between the fund and its benchmark index, from the time of the previous charge/settlement up to 31 December is greater than zero (relative high watermark). The total management fee is limited, however, so the total fee may not exceed 4 percent p.a. of the average assets under management for all three unit classes. The variable management fee is calculated daily and charged annually on 31 December for all three unit classes.

Management fee allocated to the respective unit classes:

	Class A	Class B	Class C	Total
Management fee - fixed	2931	48	349	3327
Management fee - variable	-	-	-	-
Total management fee	2931	48	349	3327

NOTE 9. EQUITY RECONCILIATION

Equity capital as of 01.01.2018	154 912
Issue of units 2018	203 449
Redemption of units 2018	-102 982
Distribution to unit holders 2018	-
Net income 2018	-65 110
Equity capital as of 31.12.2018	190 269

The fund was established on 04.07.2017, but activity in the fund did not start until 21.08.2017.

	Class	31.12.2018	31.12.2017
Number of units issued	A	1 735 147	1 339 277
Number of units issued	B	59 011	
Number of units issued	C	393 620	
Base price per unit (in NOK)*	A	86,8302	115,6272
Base price per unit (in NOK)*	B	87,4648	
Base price per unit (in NOK)*	C	87,5058	

* Base price is set at the end of the last working day of the year and is based on the best prevailing estimate. Finalised figures as of 31.12 are used in the annual financial statement. Consequently minor timing differences may occur.

NOTE 10. TAX NOTE

Equity funds are, in principle, exempt from tax on gains and do not have the right to deduct losses on realisation of equities when calculating taxable income. Furthermore, dividends received from companies within the EU/EEA are, in principle, tax-exempt. However, 3 percent of dividends received from these companies are treated as taxable to Norway.

Dividends received from companies outside the EU/EEA are taxable. The funds may in addition be charged withholding tax on dividends received from all foreign companies.

Calculation basis - tax payable:	2018	2017
Interest income	9	6
Taxable dividend	2819	304
3% of tax-exempt dividend	48	-
Taxable gain/loss outside the Norwegian tax exempt rule "Fritaksmetoden"	-	-
Currency gain/loss	-173	66
Total taxable income	2704	376
Management fee - fixed	-3327	-169
Management fee - variable	-	-18
Total tax deductible costs	-3327	-188
Net taxable income	-623	189
Calculation basis - tax payable (A)	-623	189

Tax payable in the income statement:

Tax payable (A x 23 %)	-	45
Taxes payable from previous years	-	-
Use of carried forward losses	-	-
Credit allowance for withholding tax paid outside EU/EEA	-	-11
Use of carried forward credit allowance	-	-
Tax payable	-	34

Deferred tax/- tax asset:

Unrealised gain/loss outside the Norwegian tax exempt rule "Fritaksmetoden"	-	-
Carry forward losses	-623	-
Basis deferred tax/- tax asset (B)	-623	-
Deferred tax/- tax asset (B x 22 %)	-137	-
Carry forward credit allowance for withholding tax paid	-	-
Unused credit allowance for withholding tax paid this year	-343	-
Net deferred tax/- tax asset	-481	-

Deferred tax asset is not booked in the balance sheet.

Tax cost in the income statement:

Tax payable, not assessed	-	34
Tax payable, assessed	-	-
Change deferred tax/- tax asset	-	-
Refund withholding tax previous years	-	-
Withholding tax on foreign dividends	484	46
Total tax cost	484	80

Payable tax owing is incorporated in other debt.

SKAGEN Select 100 Note 7, 8, 9 & 10**NOTE 7. CUSTODIAN COSTS, BROKER'S FEES AND OTHER FEES**

The fund is only charged transaction-related custodian costs and these are charged to expenses on an ongoing basis. The same applies to transaction-related costs in the underlying funds.

NOTE 8. MANAGEMENT FEE

The fund is an equity fund whose assets are invested in securities funds units in equity funds managed by SKAGEN AS and external fund managers in Norway and abroad. A fixed management fee of 0.20 percent p.a. of the daily assets under management in the fund is charged. The management fee that is charged in the underlying funds will come in addition. If all the underlying funds deliver a return that is in line with their respective benchmark indexes, the total annual cost is expected to be 1.43 percent. The actual total annual cost may be higher or lower than this, depending on the underlying funds' relative performance from year to year. The annualised cost for 2018 was 1.26 percent.

The total management fee in the fund and underlying funds may not exceed 4 percent per year.

NOTE 9. EQUITY RECONCILIATION

Equity capital as of 01.01.2018	151 800
Issue of units 2018	124 809
Redemption of units 2018	-72 012
Distribution to unit holders 2018	-
Net income 2018	-15 200
Equity capital as of 31.12.2018	189 397

The fund was established on 14.12.2016, but the activity in the fund did not start before 06.03.2017.

	31.12.18	31.12.17
Number of units issued	1 811 494	1 336 403
Base price per unit (in NOK)*	104,5549	113,5215

* Base price is set at the end of the last working day of the year and is based on the best prevailing estimate. Finalised figures as of 31.12 are used in the annual financial statement. Consequently minor timing differences may occur.

NOTE 10. TAX NOTE

The fund is taxable with 23 percent of general income, but is principally exempt from tax on gains and does not have the right to deduct losses on realisation of units in equity funds. The taxable income therefore consists of currency gains and interest income minus tax-deductible costs such as the management fee, interest costs and currency losses.

Calculation basis - tax payable:	2018	2017
Interest income	38	16
Taxable gain/loss outside the Norwegian tax exempt rule "Fritaksmetoden"	-	-
Currency gain/loss	5	11
Total taxable income	43	27
Management fee - fixed	-368	-105
Total tax deductible costs	-368	-105
Net taxable income	-324	-78
Calculation basis - tax payable (A)	-324	-78

Tax payable in the income statement:

Tax payable (Ax 23 %)	-	-
Taxes payable from previous years	-	-
Use of carried forward losses	-	-
Tax payable	-	-

Deferred tax/- tax asset:

Unrealised gain/loss outside the Norwegian tax exempt rule "Fritaksmetoden"	-	-
Carry forward losses	-402	-78
Basis deferred tax/- tax asset (B)	-402	-78
Deferred tax/- tax asset (Bx 22 %)	-88	-18
Net deferred tax/- tax asset	-88	-18

Deferred tax asset is not booked in the balance sheet.

Tax cost in the income statement:

Tax payable, not assessed	-	-
Tax payable, assessed	-	-
Change deferred tax/- tax asset	-	-
Total tax cost	-	-

Payable tax owing is incorporated in other debt.

SKAGEN Select 80 Note 7, 8, 9 & 10**NOTE 7. CUSTODIAN COSTS, BROKER'S FEES AND OTHER FEES**

The fund is only charged transaction-related custodian costs and these are charged to expenses on an ongoing basis. The same applies to transaction-related costs in the underlying funds.

NOTE 8. MANAGEMENT FEE

The fund is a combination fund whose assets are invested in securities funds units in equity and fixed income funds managed by SKAGEN AS and external fund managers in Norway and abroad. A fixed management fee of 0.20 percent p.a. of the daily assets under management in the fund is charged. The management fee that is charged in the underlying funds will come in addition. If all the underlying funds deliver a return that is in line with their respective benchmark indexes, the total annual cost is expected to be 1.24 percent. The actual total annual cost may be higher or lower than this, depending on the underlying funds' relative performance from year to year. The annualised cost for 2018 was 1.08 percent.

The total management fee in the fund and underlying funds may not exceed 4 percent per year.

NOTE 9. EQUITY RECONCILIATION

Equity capital as of 01.01.2018	71 041
Issue of units 2018	62 695
Redemption of units 2018	-19 704
Distribution to unit holders 2018	-
Net income 2018	-6 383
Equity capital as of 31.12.2018	107 649

The fund was established on 14.12.2016, but the activity in the fund did not start before 06.03.2017.

	31.12.18	31.12.17
Number of units issued	1 036 372	641 342
Base price per unit (in NOK)*	103,8755	110,7140

* Base price is set at the end of the last working day of the year and is based on the best prevailing estimate. Finalised figures as of 31.12 are used in the annual financial statement. Consequently minor timing differences may occur.

NOTE 10. TAX NOTE

The fund is taxable with 23 percent of general income, but is principally exempt from tax on gains and does not have the right to deduct losses on realisation of units in equity funds. The net realised gains from fixed income funds are not tax exempt, however. The taxable income therefore consists of net realised gains on fixed income fund units, currency gains and interest income minus tax-deductible costs such as the management fee, interest rate costs and currency losses.

Calculation basis - tax payable:	2018	2017
Interest income	263	82
Taxable gain/loss outside the Norwegian tax exempt rule "Fritaksmetoden"	-	-
Taxable gain/loss fixed income fund units	-17	8
Currency gain/loss	-	-1
Total taxable income	247	89
Management fee - fixed	-190	-48
Total tax deductible costs	-190	-48
Net taxable income	57	40
Calculation basis - tax payable (A)	57	40

Tax payable in the income statement:

Tax payable (Ax 23 %)	13	10
Taxes payable from previous years	-	-
Use of carried forward losses	-	-
Tax payable	13	10

Deferred tax/- tax asset:

Unrealised gain/loss outside the Norwegian tax exempt rule "Fritaksmetoden"	-	-
Unrealised gain/loss fixed income fund units	-47	2
Carry forward losses	-	-
Basis deferred tax/- tax asset (B)	-47	2
Deferred tax/- tax asset (Bx 22 %)	-10	-
Net deferred tax/- tax asset	-10	-

Deferred tax asset is not booked in the balance sheet.

Tax cost in the income statement:

Tax payable, not assessed	13	10
Tax payable, assessed	-	-
Change deferred tax/- tax asset	-11	-
Total tax cost	2	10

Payable tax owing is incorporated in other debt.

SKAGEN Select 60 Note 7, 8, 9 & 10**NOTE 7. CUSTODIAN COSTS, BROKER'S FEES AND OTHER FEES**

The fund is only charged transaction-related custodian costs and these are charged to expenses on an ongoing basis. The same applies to transaction-related costs in the underlying funds.

NOTE 8. MANAGEMENT FEE

The fund is a combination fund whose assets are invested in securities funds units in equity and fixed income funds managed by SKAGEN AS and external fund managers in Norway and abroad. A fixed management fee of 0.10 percent p.a. of the daily assets under management in the fund is charged. The management fee that is charged in the underlying funds will come in addition. If all the underlying funds deliver a return that is in line with their respective benchmark indexes, the total annual cost is expected to be 0.98 percent. The actual total annual cost may be higher or lower than this, depending on the underlying funds' relative performance from year to year. The annualised cost for 2018 was 0.88 percent.

The total management fee in the fund and underlying funds may not exceed 4 percent per year.

NOTE 9. EQUITY RECONCILIATION

Equity capital as of 01.01.2018	392 738
Issue of units 2018	41 353
Redemption of units 2018	-93 172
Distribution to unit holders 2018	-
Net income 2018	-16 490
Equity capital as of 31.12.2018	324 428

The fund was established on 14.12.2016, but the activity in the fund did not start before 06.03.2017.

	31.12.18	31.12.17
Number of units issued	3 142 624	3 628 517
Base price per unit (in NOK)*	103,2382	108,1900

* Base price is set at the end of the last working day of the year and is based on the best prevailing estimate. Finalised figures as of 31.12 are used in the annual financial statement. Consequently minor timing differences may occur.

NOTE 10. TAX NOTE

The fund is taxable with 23 percent of general income, but is principally exempt from tax on gains and does not have the right to deduct losses on realisation of units in equity funds. The net realised gains from fixed income funds are not tax exempt, however. The taxable income therefore consists of net realised gains on fixed income fund units, currency gains and interest income minus tax-deductible costs such as the management fee, interest rate costs and currency losses.

Calculation basis - tax payable:	2018	2017
Interest income	1 706	323
Taxable gain/loss outside the Norwegian tax exempt rule "Fritaksmetoden"	-	-
Taxable gain/loss fixed income fund units	-41	-4
Currency gain/loss	-105	-1
Total taxable income	1 560	318
Management fee - fixed	-362	-39
Total tax deductible costs	-362	-39

Net taxable income **1 198** **279**

Calculation basis - tax payable (A) **1 198** **279**

Tax payable in the income statement:		
Tax payable (Ax 23 %)	276	67
Taxes payable from previous years	-	-
Use of carried forward losses	-	-
Tax payable	276	67

Tax payable in the balance sheet:		
Tax payable (Ax 23 %)	276	67
Tax payable SKAGEN Balance 60/40 at the time of the merger	-	417
Tax payable in the balance sheet	276	484

Deferred tax/- tax asset:		
Unrealised gain/loss outside the Norwegian tax exempt rule "Fritaksmetoden"	-	-
Unrealised gain/loss fixed income fund units	-887	-132
Carry forward losses	-	-
Basis deferred tax/- tax asset (B)	-887	-132

Deferred tax/- tax asset (B x 22 %)	-195	-30
Net deferred tax/- tax asset	-195	-30

Deferred tax asset is not booked in the balance sheet.

Tax cost in the income statement:		
Tax payable, not assessed	276	67
Change in deferred tax from the time of the merger until 31.12.2017	-	-21
Change deferred tax/- tax asset	-195	-
Total tax cost	81	46

Payable tax owing is incorporated in other debt.

SKAGEN Select 30 Note 7, 8, 9 & 10**NOTE 7. CUSTODIAN COSTS, BROKER'S FEES AND OTHER FEES**

The fund is only charged transaction-related custodian costs and these are charged to expenses on an ongoing basis. The same applies to transaction-related costs in the underlying funds.

NOTE 8. MANAGEMENT FEE

The fund is a combination fund whose assets are invested in securities funds units in equity and fixed income funds managed by SKAGEN AS and external fund managers in Norway and abroad. A fixed management fee of 0.10 percent p.a. of the daily assets under management in the fund is charged. The management fee that is charged in the underlying funds will come in addition. If all the underlying funds deliver a return that is in line with their respective benchmark indexes, the total annual cost is expected to be 0.77 percent. The actual total annual cost may be higher or lower than this, depending on the underlying funds' relative performance from year to year. The annualised cost for 2018 was 0.66 percent.

The total management fee in the fund and underlying funds may not exceed 4 percent per year.

NOTE 9. EQUITY RECONCILIATION

Equity capital as of 01.01.2018	24 250
Issue of units 2018	22 149
Redemption of units 2018	-7 587
Distribution to unit holders 2018	-
Net income 2018	-985
Equity capital as of 31.12.2018	37 828

The fund was established on 14.12.2016, but the activity in the fund did not start before 03.05.2017.

	31.12.18	31.12.17
Number of units issued	380 157	236 704
Base price per unit (in NOK)*	99,5089	102,4323

* Base price is set at the end of the last working day of the year and is based on the best prevailing estimate. Finalised figures as of 31.12 are used in the annual financial statement. Consequently minor timing differences may occur.

NOTE 10. TAX NOTE

The fund is taxable with 23 percent of general income, but is principally exempt from tax on gains and does not have the right to deduct losses on realisation of units in equity funds. The net realised gains from fixed income funds are not tax exempt, however. The taxable income therefore consists of net realised gains on fixed income fund units, currency gains and interest income minus tax-deductible costs such as the management fee, interest rate costs and currency losses.

Calculation basis - tax payable:	2018	2017
Interest income	175	65
Taxable gain/loss outside the Norwegian tax exempt rule "Fritaksmetoden"	-	-
Taxable gain/loss fixed income fund units	-	0
Currency gain/loss	-1	1
Total taxable income	174	66
Management fee - fixed	-33	-9
Total tax deductible costs	-33	-9
Net taxable income	141	57
Calculation basis - tax payable (A)	141	57

Tax payable in the income statement:		
Tax payable (A x 23 %)	32	14
Taxes payable from previous years	-	-
Use of carried forward losses	-	-
Tax payable	32	14

Deferred tax/- tax asset:		
Unrealised gain/loss outside the Norwegian tax exempt rule "Fritaksmetoden"	-	-
Unrealised gain/loss fixed income fund units	-118	24
Carry forward losses	-	-
Basis deferred tax/- tax asset (B)	-118	24
Deferred tax/- tax asset (B x 22 %)	-26	5
Net deferred tax/- tax asset	-26	5

Deferred tax asset is not booked in the balance sheet.

Tax cost in the income statement:		
Tax payable, not assessed	32	14
Tax payable, assessed	-	-
Change deferred tax/- tax asset	-31	5
Total tax cost	1	19

Payable tax owing is incorporated in other debt.

SKAGEN Select 15 Note 7, 8, 9 & 10**NOTE 7. CUSTODIAN COSTS, BROKER'S FEES AND OTHER FEES**

The fund is only charged transaction-related custodian costs and these are charged to expenses on an ongoing basis. The same applies to transaction-related costs in the underlying funds.

NOTE 8. MANAGEMENT FEE

The fund is a combination fund whose assets are invested in securities funds units in equity and fixed income funds managed by SKAGEN AS and external fund managers in Norway and abroad. A fixed management fee of 0.10 percent p.a. of the daily assets under management in the fund is charged. The management fee that is charged in the underlying funds will come in addition. If all the underlying funds deliver a return that is in line with their respective benchmark indexes, the total annual cost is expected to be 0.67 percent. The actual total annual cost may be higher or lower than this, depending on the underlying funds' relative performance from year to year. The annualised cost for 2018 was 0.59 percent.

The total management fee in the fund and underlying funds may not exceed 4 percent per year.

NOTE 9. EQUITY RECONCILIATION

Equity capital as of 01.01.2018	29 336
Issue of units 2018	15 065
Redemption of units 2018	-14 059
Net income 2018	-565
Distribution to unit holders 2018	-136
Expected reinvestment related to allocation for reinvestment	136
Equity capital as of 31.12.2018	29 776

The fund was established on 14.12.2016, but the activity in the fund did not start before 03.05.2017.

	31.12.18	31.12.17
Number of units issued	298 104	287 436
Base price per unit (in NOK)*	99,8861	102,0607

* Base price is set at the end of the last working day of the year and is based on the best prevailing estimate. Finalised figures as of 31.12 are used in the annual financial statement. Consequently minor timing differences may occur.

NOTE 10. TAX NOTE

The fund is taxable with 23 percent of general income, but is exempt from tax on gains and does not have the right to deduct losses on realisation of units in equity funds. The net realised gains from fixed income funds are not tax exempt, however. The taxable income therefore consists of net realised gains on fixed income fund units, currency gains and interest income minus tax-deductible costs such as the management fee, interest rate costs and currency losses. The taxable net profit is in principle distributed among unitholders so that the fund is in a non-taxpaying position.

SKAGEN Høyrente Note 7, 8, 9 & 10**NOTE 7. CUSTODIAN COSTS, BROKER'S FEES AND OTHER FEES**

The fund is only charged transaction-related custodian costs and the costs are charged to expenses at the time of the transaction.

NOTE 8. MANAGEMENT FEE

The management fee constitutes 0.25 percent p.a. of daily assets under management.

NOTE 9. EQUITY RECONCILIATION

Equity capital as of 01.01.2018	3 166 868
Issue of units 2018	1 222 664
Redemption of units 2018	-1 490 083
Net income 2018	36 227
Allocated to unit holders for reinvestment	38 235
Expected reinvestment related to allocation for reinvestment	-38 235
Equity capital as of 31.12.2018	2 935 675

	31.12.18	31.12.17	31.12.16
Number of units issued	28 748 634	30 973 820	25 581 600
Base price per unit (in NOK)*	102,1179	102,2288	102,1952

* Base price is set at the end of the last working day of the year and is based on the best prevailing estimate. Finalised figures as of 31.12 are used in the annual financial statement. Consequently minor timing differences may occur

NOTE 10. TAX NOTE

The fixed income funds are taxable with 23 percent of net realised capital gain on interest-bearing securities, interest income accrued, currency gain/loss, minus tax-deductible costs, which, amongst other things, include the management fee. The taxable net profit is in principle distributed among unitholders so that the fund is in a non-taxpaying position.

SKAGEN Avkastning Note 7, 8, 9, 10 & 11

NOTE 7. CUSTODIAN COSTS, BROKER'S FEES AND OTHER FEES

The fund is only charged transaction-related custodian costs and the costs are charged to expenses at the time of the transaction.

NOTE 8. MANAGEMENT FEE

The management fee constitutes 0.5 percent p.a. of daily assets under management.

NOTE 9. EQUITY RECONCILIATION

Equity capital as of 01.01.2018	1 737 231
Issue of units 2018	510 004
Redemption of units 2018	-587 148
Net income 2018	12 438
Allocated to unit holders for reinvestment	-26 133
Expected reinvestment related to allocation for reinvestment	26 133
Equity capital as of 31.12.2018	1 672 525

	31.12.18	31.12.17	31.12.16
Number of units issued	11 971 983	12 309 477	10 633 615
Base price per unit (in NOK)*	139,7155	141,1117	141,4966

* Base price is set at the end of the last working day of the year and is based on the best prevailing estimate. Finalised figures as of 31.12 are used in the annual financial statement. Consequently minor timing differences may occur.

NOTE 10. TAX NOTE

The fixed income funds are taxable with 23 percent of net realised capital gain on interest-bearing securities, interest income accrued, currency gain/loss, minus tax-deductible costs, which, amongst other things, include the management fee. The taxable net profit is in principle distributed among unitholders so that the fund is in a non-taxpaying position.

NOTE 11. CURRENCY RISK

SKAGEN Avkastning does not use currency hedging instruments against the Norwegian krone, but has as of 31.12.2018 overdrafts in USD, EUR and MXN bank accounts in order to reduce the currency exposure of the investments in the Portuguese Government, Hellenic Republic Government, Dominican Republic and Mexican Government.

SKAGEN Tellus Note 7, 8, 9 & 10

NOTE 7. CUSTODIAN COSTS, BROKER'S FEES AND OTHER FEES

The fund is only charged transaction-related custodian costs and the costs are charged to expenses at the time of the transaction.

NOTE 8. MANAGEMENT FEE

The fixed management fee is calculated for all classes in percent p.a. of the daily assets under management in the class as follows:

Unit class	Fixed management fee percent p.a.
A	0,80 %
B	0,45 %
C	0,40 %

Management fee allocated to the respective unit classes:

	Class A	Class B	Class C	Total
Management fee - fixed	5 549	98	28	5 674
Total management fee	5 549	98	28	5 674

NOTE 9. EQUITY RECONCILIATION

Equity capital as of 01.01.2018	859 880
Issue of units 2018	291 243
Redemption of units 2018	-458 125
Net income 2018	-5 396
Allocated to unit holders for reinvestment	-31 052
Expected reinvestment related to allocation for reinvestment	31 052
Equity capital as of 31.12.2018	687 602

	Class	31.12.18	31.12.17	31.12.16
Number of units issued	A	5 679 513	5 978 707	7 021 672
Number of units issued	B	82 101	356 261	434 388
Number of units issued	C	-	513 710	927 986
Base price per unit (in NOK)*	A	119,2070	123,8962	124,0465
Base price per unit (in NOK)*	B	129,5086	135,0602	130,7430
Base price per unit (in NOK)*	C	-	137,9256	130,7430

* Base price is set at the end of the last working day of the year and is based on the best prevailing estimate. Finalised figures as of 31.12 are used in the annual financial statement. Consequently minor timing differences may occur.

The sole difference between the three unit classes is related to the management fee, see note 8.

NOTE 10. TAX NOTE

The fixed income funds are taxable with 23 percent of net realised capital gain on interest-bearing securities, interest income accrued, currency gain/loss, minus tax-deductible costs, which, amongst other things, include the management fee. The taxable net profit is in principle distributed among unitholders so that the fund is in a non-taxpaying position.

SKAGEN Vekst

Note 6. Securities portfolio as of 31.12.2018 (in 1,000 NOK)

Security	Sector	Number of shares	Acquisition value NOK	Currency	Market value NOK	Unrealised gain/loss	Share of fund	Share in company/ share class	Stock exchange
Novo Nordisk A/S-B	Health care	1 150 000	375 045	DKK	454 542	79 497	6,84 %	0,06 %	Copenhagen
Citigroup Inc	Financials	623 600	237 661	USD	281 079	43 418	4,23 %	0,03 %	New York
Carlsberg AS-B	Consumer staples	290 000	186 986	DKK	266 493	79 507	4,01 %	0,24 %	Copenhagen
Samsung Electronics Co Ltd Pref	Information technology	1 039 466	124 217	KRW	259 812	135 595	3,91 %	0,13 %	Seoul
Royal Dutch Shell PLC	Energy	950 000	259 438	EUR	241 297	-18 141	3,63 %	0,02 %	Amsterdam
Vestas Wind Systems AS	Industrials	363 520	249 821	DKK	237 349	-12 472	3,57 %	0,18 %	Copenhagen
DSV AS	Industrials	413 545	236 611	DKK	235 498	-1 113	3,54 %	0,22 %	Copenhagen
CK Hutchison Holdings Ltd	Industrials	2 800 000	259 295	HKD	232 900	-26 394	3,51 %	0,07 %	Hong Kong
Telia Co AB	Information technology	5 500 000	247 403	SEK	225 580	-21 823	3,39 %	0,13 %	Stockholm
Kinnevik AB-B	Financials	965 000	192 946	SEK	201 477	8 532	3,03 %	0,40 %	Stockholm
China Mobile Ltd	Information technology	2 397 000	175 662	HKD	199 777	24 115	3,01 %	0,01 %	Hong Kong
Lonza Group AG	Health care	80 844	148 290	CHF	180 943	32 653	2,72 %	0,11 %	Zürich
Bonheur ASA	Energy	1 903 798	166 136	NOK	178 195	12 060	2,68 %	4,48 %	Oslo Børs
APMøller-Maersk A/S	Industrials	16 400	216 262	DKK	178 080	-38 182	2,68 %	0,16 %	Copenhagen
Volvo AB	Consumer discretionary	1 526 994	182 422	SEK	172 983	-9 439	2,60 %	0,09 %	Stockholm
Broadcom Inc	Information technology	77 300	154 705	USD	170 180	15 475	2,56 %	0,02 %	New York
Flex LNG Ltd	Energy	13 500 000	171 481	NOK	166 725	-4 756	2,51 %	3,67 %	Oslo Børs
Norsk Hydro ASA	Materials	4 000 000	124 519	NOK	156 840	32 321	2,36 %	0,19 %	Oslo Børs
Yara International ASA	Materials	470 000	161 425	NOK	156 745	-4 680	2,36 %	0,17 %	Oslo Børs
Sberbank of Russia Pref	Financials	7 500 000	124 919	RUB	155 420	30 501	2,34 %	0,75 %	Moscow
American International Group Inc	Financials	401 000	167 267	USD	136 826	-30 441	2,06 %	0,05 %	New York
Chubb Ltd	Financials	116 000	125 975	USD	129 739	3 764	1,95 %	0,03 %	New York
Hyundai Motor Co Pref (1p)	Consumer discretionary	229 000	158 936	KRW	124 949	-33 987	1,88 %	0,94 %	Seoul
Golden Ocean Group Ltd	Industrials	2 300 000	82 645	NOK	120 405	37 760	1,81 %	1,59 %	Oslo Børs
Orkla ASA	Consumer staples	1 705 000	119 219	NOK	116 008	-3 211	1,75 %	0,17 %	Oslo Børs
Holmen AB	Materials	630 000	133 866	SEK	107 677	-26 189	1,62 %	0,51 %	Stockholm
Tyson Foods Inc	Consumer staples	222 000	122 987	USD	102 639	-20 348	1,54 %	0,08 %	New York
Northern Drilling Ltd	Energy	2 020 000	103 448	NOK	102 616	-832	1,54 %	1,88 %	Oslo Børs
Thermo Fisher Scientific Inc	Health care	52 000	82 320	USD	100 754	18 434	1,52 %	0,01 %	New York
Gazprom Oao ADR	Energy	2 610 000	106 491	USD	100 084	-6 408	1,51 %	0,02 %	Euroclear
Shangri-La Asia Ltd	Consumer discretionary	7 366 000	105 587	HKD	94 511	-11 076	1,42 %	0,21 %	Hong Kong
Anglo American Plc	Materials	490 000	67 466	GBP	94 458	26 992	1,42 %	0,04 %	London
Applied Materials Inc	Information technology	308 000	118 505	USD	87 307	-31 198	1,31 %	0,03 %	NASDAQ
Golar LNG Ltd	Industrials	450 000	105 433	USD	84 779	-20 654	1,28 %	0,45 %	NASDAQ
Danske Bank A/S	Financials	490 000	115 046	DKK	83 802	-31 244	1,26 %	0,05 %	Copenhagen
Wilh. Wilhelmsen Holding ASA	Industrials	512 647	36 664	NOK	82 639	45 975	1,24 %	1,48 %	Oslo Børs
ABB Ltd	Industrials	475 000	65 507	SEK	79 194	13 688	1,19 %	0,02 %	Stockholm
Korean Reinsurance Co	Financials	1 150 000	98 980	KRW	77 406	-21 574	1,16 %	0,96 %	Seoul
Baidu Inc ADR	Information technology	52 700	94 810	USD	72 366	-22 445	1,09 %	0,02 %	NASDAQ
Borr Drilling Ltd	Energy	3 200 000	98 138	NOK	68 480	-29 658	1,03 %	0,60 %	Oslo Børs
Lundin Petroleum AB	Energy	300 000	43 498	SEK	64 892	21 394	0,98 %	0,09 %	Stockholm
Hitec Vision AS	Financials	742 668	6 737	NOK	44 560	37 823	0,67 %	3,92 %	Oslo Børs
Outokumpo Oyj	Materials	1 400 000	109 642	EUR	44 285	-65 357	0,67 %	0,34 %	Helsinki
Boliden AB	Materials	205 000	53 854	SEK	38 451	-15 404	0,58 %	0,07 %	Stockholm
Enka Insaat Ve Sanayi AS	Industrials	4 101 543	31 927	TRY	30 595	-1 331	0,46 %	0,08 %	Istanbul
AG Anadolu Grubu Holding AS	Consumer staples	543 133	18 570	TRY	9 058	-9 511	0,14 %	0,34 %	Istanbul
Avenir LNG	Energy	520 000	4 377	NOK	7 280	2 903	0,11 %	0,47 %	Oslo Børs
Total securities portfolio ¹⁾			6 373 136		6 557 678	184 542	98,69%		

¹⁾ For liquidity in the portfolio as of 31.12.2018, please refer to the balance sheet.

Allocation of the acquisition cost:

For SKAGEN Vekst the average acquisition value is applied when calculating the realised capital gain/loss when selling shares.

SKAGEN Global

Note 6. Securities portfolio as of 31.12.2018 (in 1,000 NOK)

Security	Sector	Number of shares	Acquisition value NOK	Currency	Market value NOK	Unrealised gain/loss	Share of fund	Share in company/ share class	Stock exchange
Microsoft Corp	Information technology	1 734 070	415 531	USD	1 524 931	1 109 400	6,43 %	0,02 %	NASDAQ
IntercontinentalExchangeInc	Financials	2 067 825	1 208 371	USD	1 348 652	140 280	5,69 %	0,36 %	New York
HiscoxLtd	Financials	6 777 542	867 389	GBP	1 211 734	344 345	5,11 %	2,36 %	London
UnileverNV-Cva	Consumer staples	2 551 374	887 280	EUR	1 197 823	310 544	5,05 %	0,15 %	Amsterdam
BeazleyPLC	Financials	20 771 650	1 113 544	GBP	1 153 513	39 968	4,86 %	3,94 %	London
Marsh&McLennanCosInc	Financials	1 248 317	799 635	USD	861 933	62 298	3,63 %	0,25 %	New York
UPM-KymmeneOyj	Materials	3 369 331	973 409	EUR	738 881	-234 528	3,12 %	0,63 %	Helsinki
SamsungElectronicsCoLtdPref	Information technology	2 921 150	141 911	KRW	730 133	588 222	3,08 %	0,35 %	Seoul
DSVAS	Industrials	1 250 225	811 717	DKK	711 956	-99 761	3,00 %	0,67 %	Copenhagen
DeutscheWohnenSE	Property	1 738 071	578 257	EUR	688 311	110 054	2,90 %	0,49 %	Frankfurt
AccenturePlc	Information technology	552 961	770 763	USD	675 091	-95 672	2,85 %	0,09 %	New York
JPMorganChase&Co	Financials	742 550	718 939	USD	627 599	-91 339	2,65 %	0,02 %	New York
MedtronicPlc	Health care	791 246	526 286	USD	623 132	96 846	2,63 %	0,06 %	New York
SchindlerHoldingAG	Industrials	362 581	656 414	CHF	620 349	-36 065	2,62 %	0,89 %	Zürich
3MCo	Industrials	374 140	535 758	USD	617 218	81 459	2,60 %	0,06 %	New York
HomeDepotInc	Consumer discretionary	410 213	706 097	USD	610 241	-95 856	2,57 %	0,04 %	New York
ComcastCorp	Information technology	1 925 599	451 431	USD	567 677	116 245	2,39 %	0,04 %	NASDAQ
AlphabetIncClassC	Information technology	62 261	315 261	USD	558 252	242 991	2,35 %	0,02 %	NASDAQ
MastercardInc.	Information technology	332 995	466 297	USD	543 892	77 595	2,29 %	0,03 %	New York
NNGroupNV	Financials	1 542 942	348 099	EUR	531 601	183 502	2,24 %	0,45 %	Amsterdam
WatersCorp	Health care	324 617	470 314	USD	530 208	59 894	2,24 %	0,43 %	New York
AdobeInc	Information technology	267 800	466 253	USD	524 563	58 310	2,21 %	0,05 %	New York
CappgeminiSA	Information technology	609 224	478 384	EUR	523 545	45 161	2,21 %	0,36 %	Paris
NasdaqInc	Financials	733 832	545 431	USD	518 257	-27 174	2,19 %	0,45 %	New York
Moody'sCorp	Financials	420 893	591 144	USD	510 319	-80 825	2,15 %	0,22 %	New York
SAPSE	Information technology	591 900	542 158	EUR	509 419	-32 739	2,15 %	0,05 %	Frankfurt
TysonFoodsInc	Consumer staples	1 061 688	558 291	USD	490 858	-67 433	2,07 %	0,36 %	New York
Ageas	Financials	1 254 467	486 189	EUR	488 100	1 911	2,06 %	0,62 %	Brussel
RelxPlc	Industrials	2 605 758	452 234	EUR	463 596	11 361	1,95 %	0,13 %	Amsterdam
OldDominionFreightLineInc	Industrials	398 712	511 550	USD	426 294	-85 256	1,80 %	0,49 %	NASDAQ
Mayr-MelnhofKartonAG	Materials	374 438	224 743	EUR	407 784	183 041	1,72 %	1,87 %	Wien
RelxPlc	Industrials	1 917 725	350 870	GBP	341 912	-8 959	1,44 %	0,10 %	London
NissanChemicalCorp	Materials	721 051	220 015	JPY	327 542	107 527	1,38 %	0,48 %	Tokyo
HannoverRueckversicherungAG	Financials	219 000	253 886	EUR	255 198	1 312	1,08 %	0,18 %	Frankfurt
WasteManagementInc	Industrials	325 500	251 066	USD	250 790	-276	1,06 %	0,08 %	New York
SonyCorpSponsoredADR	Consumer discretionary	463 639	109 217	USD	193 805	84 588	0,82 %	0,04 %	New York
CmsEnergyCorp	Utilities	398 128	140 050	USD	171 143	31 093	0,72 %	0,14 %	New York
SonyCorp	Consumer discretionary	307 856	69 652	JPY	129 309	59 656	0,55 %	0,02 %	Tokyo
ChubbLtd	Financials	115 570	136 713	USD	129 258	-7 455	0,55 %	0,03 %	New York
DollarGeneralCorp	Consumer discretionary	74 700	50 474	USD	69 901	19 427	0,29 %	0,03 %	New York
SchindlerHoldingAGREGISTEREDSHARE	Industrials	7 501	12 960	CHF	12 563	-397	0,05 %	0,01 %	Zürich
SamsungElectronicsCoLtd	Information technology	25 000	9 105	KRW	7 520	-1 585	0,03 %	0,00 %	Seoul
Total securities portfolio ¹⁾			20 223 089		23 424 803	3 201 714	98,78%		

¹⁾ For liquidity in the portfolio as of 31.12.2018, please refer to the balance sheet.

Allocation of the acquisition cost:

For SKAGEN Global the average acquisition value is applied when calculating the realised capital gain/loss when selling shares.

SKAGEN Kon-Tiki

Note 6. Securities portfolio as of 31.12.2018 (in 1,000 NOK)

Security	Sector	Number of shares	Acquisition value NOK	Currency	Market value NOK	Unrealised gain/loss	Share of fund	Share in company/ share class	Stock exchange
Samsung Electronics Co Ltd Pref	Information technology	4 540 000	794 529	KRW	1 134 760	340 231	6,33 %	0,55 %	Seoul
Naspers Ltd	Information technology	549 928	237 130	ZAR	958 301	721 170	5,34 %	0,13 %	Johannesburg
X5Retail Group NVGDR	Consumer staples	2 982 168	323 220	USD	639 811	316 590	3,57 %	1,10 %	Euroclear
Bank of China Ltd	Financials	170 000 000	728 800	HKD	635 565	-93 235	3,54 %	0,20 %	Hong Kong
State Bank of India	Financials	17 025 000	388 085	INR	625 281	237 195	3,49 %	0,19 %	National India
LG Electronics Inc Pref	Consumer staples	2 820 152	764 275	KRW	577 582	-186 693	3,22 %	16,41 %	Seoul
UPL Ltd	Materials	5 272 955	235 566	INR	496 260	260 694	2,77 %	1,04 %	National India
Mahindra & Mahindra Ltd GDR	Consumer staples	5 028 169	58 672	USD	494 110	435 438	2,76 %	0,40 %	Euroclear
Cosan Ltd	Consumer staples	6 427 729	361 416	USD	489 732	128 316	2,73 %	4,33 %	New York
Cia Brasileira de Distribuicao - Pref	Consumer staples	2 615 700	401 630	BRL	472 569	70 939	2,64 %	1,56 %	Sao Paulo
Hyundai Motor Co Pref (2pb)	Consumer staples	766 600	129 821	KRW	458 797	328 975	2,56 %	2,10 %	Seoul
LG Chem Ltd Pref	Materials	284 179	218 396	KRW	431 817	213 420	2,41 %	3,70 %	Seoul
China Unicom Hong Kong Ltd	Information technology	45 828 000	554 482	HKD	423 771	-130 711	2,36 %	0,15 %	Hong Kong
Banco Do Estado Rio Grande Do Sul SA Pref	Financials	8 179 000	182 294	BRL	404 726	222 432	2,26 %	4,04 %	Sao Paulo
Atlantic Sapphire AS	Consumer staples	5 844 306	174 587	NOK	403 257	228 671	2,25 %	9,35 %	Oslo Børs
Richter Gedeon Nyrt	Health care	2 387 049	259 925	HUF	400 360	140 435	2,23 %	1,28 %	Budapest
Sinotrans Ltd	Industrials	105 517 000	468 246	HKD	396 822	-71 424	2,21 %	4,92 %	Hong Kong
Hollysys Automation Technologies Ltd	Information technology	2 546 588	467 824	USD	386 067	-81 757	2,15 %	4,22 %	NASDAQ
Samsung SDI Co Ltd	Information technology	220 000	176 550	KRW	374 479	197 929	2,09 %	0,32 %	Seoul
Ping An Insurance Group Co of China Ltd	Financials	5 233 602	403 924	CNY	369 766	-34 158	2,06 %	0,05 %	Schenzhen
Golar LNG Ltd	Industrials	1 915 904	488 812	USD	360 953	-127 859	2,01 %	1,89 %	NASDAQ
Bangkok Bank Public Co - Nvdr	Financials	6 500 000	289 095	THB	353 362	64 267	1,97 %	0,34 %	Bangkok
Cia Cervecerias Unidas SAADR	Consumer staples	1 526 000	269 324	USD	332 021	62 697	1,85 %	0,83 %	New York
Beijing Enterprises Water Group Ltd	Nyttjetjenester	75 000 000	394 552	HKD	331 000	-63 551	1,85 %	0,80 %	Hong Kong
Hyundai Motor Co Pref (1p)	Consumer staples	604 557	102 324	KRW	329 864	227 540	1,84 %	2,48 %	Seoul
Korean Reinsurance Co	Financials	4 860 366	182 711	KRW	327 151	144 439	1,82 %	4,04 %	Seoul
Borr Drilling Ltd	Energy	14 560 024	391 889	NOK	311 585	-80 304	1,74 %	2,73 %	Oslo Børs
Aeroflot PJSC	Industrials	24 228 400	478 162	RUB	305 693	-172 469	1,70 %	2,18 %	Moscow
Tullow Oil Plc	Energy	13 430 538	588 980	GBP	265 302	-323 678	1,48 %	0,96 %	London
Vietnam Enterprise Investments Ltd	Financials	5 180 945	148 047	GBP	261 142	113 095	1,46 %	2,36 %	Euroclear
LG Corp Pref	Industrials	808 430	118 669	KRW	256 054	137 384	1,43 %	24,39 %	Seoul
Ericsson LM-BSHS	Information technology	2 913 646	160 909	SEK	221 810	60 901	1,24 %	0,09 %	Stockholm
Enka Insaat Ve Sanayi AS	Industrials	28 865 015	218 014	TRY	215 316	-2 698	1,20 %	0,58 %	Istanbul
Wuliangye Yibin Co Ltd A	Consumer staples	3 054 888	191 580	CNY	195 752	4 172	1,09 %	0,08 %	Schenzhen
China Shineway Pharmaceutical	Health care	22 953 000	168 283	HKD	193 205	24 922	1,08 %	2,78 %	Hong Kong
Samsung Electronics Co Ltd Pref GDR	Information technology	30 370	29 924	USD	189 845	159 922	1,06 %	0,09 %	London
Rumo SA	Industrials	4 822 958	93 559	BRL	182 920	89 361	1,02 %	0,31 %	Sao Paulo
Marfrig Global Foods SA	Consumer staples	14 604 590	236 976	BRL	177 902	-59 073	0,99 %	2,35 %	Sao Paulo
Ivanhoe Mines Ltd Class A	Materials	11 557 470	188 276	CAD	173 740	-14 537	0,97 %	1,14 %	Toronto
Vina Capital Vietnam Opportunity Fund Ltd	Financials	4 392 100	92 364	GBP	161 797	69 433	0,90 %	2,36 %	London
Ping An Insurance Group Co	Financials	1 960 000	157 170	HKD	149 914	-7 255	0,84 %	0,03 %	Hong Kong
Lenta Ltd GDR	Consumer staples	5 455 068	263 958	USD	145 705	-118 253	0,81 %	1,12 %	Euroclear
Ghana Commercial Bank Ltd	Financials	16 855 104	85 001	GHS	137 252	52 250	0,77 %	6,36 %	Ghana
Mexichem Sab De CV	Materials	5 800 000	153 986	MXN	127 392	-26 593	0,71 %	0,28 %	Mexico
Indosat Tbk PT	Information technology	123 010 850	341 628	IDR	124 364	-217 264	0,69 %	2,26 %	Indonesia
East African Breweries Ltd	Consumer staples	8 327 449	143 473	KES	123 694	-19 779	0,69 %	1,05 %	Nairobi
Lundin Mining Corp	Materials	2 950 000	111 992	CAD	105 533	-6 459	0,59 %	0,40 %	Toronto
Turquoise Hill Resources Ltd	Materials	7 350 000	113 648	USD	105 000	-8 648	0,59 %	0,37 %	New York
China Unicom Hong Kong Ltd ADR	Information technology	1 111 678	136 167	USD	102 602	-33 565	0,57 %	0,04 %	New York
Bangkok Bank PCL-Foreign Reg	Financials	1 818 700	75 600	THB	100 819	25 219	0,56 %	0,10 %	Bangkok
Euronav SA	Industrials	1 540 000	110 038	EUR	94 835	-15 203	0,53 %	0,70 %	Brussel
Euronav SA	Industrials	1 439 906	102 579	USD	86 394	-16 184	0,48 %	0,65 %	New York
Suzano Papel E Celulose SA	Materials	925 500	82 996	BRL	78 627	-4 369	0,44 %	0,08 %	Sao Paulo
Telefonaktiebolaget LM Ericsson ADR	Information technology	955 816	58 057	USD	73 403	15 346	0,41 %	0,03 %	New York
Turquoise Hill Resources Ltd	Materials	4 000 000	61 481	CAD	57 086	-4 395	0,32 %	0,20 %	Toronto
Hangzhou Robam Appliances Co Ltd	Consumer staples	2 005 394	80 988	CNY	50 992	-29 996	0,28 %	0,21 %	Schenzhen
Great Wall Motor Co Ltd	Consumer staples	5 029 000	8 308	HKD	24 976	16 668	0,14 %	0,16 %	Hong Kong
Lundin Mining Corp SDR	Materials	520 000	19 837	SEK	18 838	-999	0,11 %	0,07 %	Stockholm
Total securities portfolio ¹⁾			14 268 730		17 427 672	3 158 942	97,20%		

¹⁾ For liquidity in the portfolio as of 31.12.2018, please refer to the balance sheet.

Allocation of the acquisition cost:

For SKAGEN Kon-Tiki the average acquisition value is applied when calculating the realised capital gain/loss when selling shares.

SKAGEN m²

Note 6. Securities portfolio as of 31.12.2018 (in 1,000 NOK)

Security	Sector ²⁾	Number of shares	Acquisition value NOK	Currency	Market value NOK	Unrealised gain/loss	Share of fund	Share in company/ share class	Stock exchange
CatenaAB	Property companies incl. REITs	489 602	62 854	SEK	105 474	42 620	8,27 %	1,30 %	Stockholm
HemblaAB	Property companies incl. REITs	656 883	54 823	SEK	94 983	40 160	7,45 %	0,76 %	Stockholm
DeutscheWohnenSE	Property companies incl. REITs	187 107	55 349	EUR	74 098	18 749	5,81 %	0,05 %	Frankfurt
MitsuiFudosanCoLtd	Property companies incl. REITs	353 000	67 440	JPY	68 066	626	5,34 %	0,04 %	Tokyo
AroundtownSA	Property companies incl. REITs	865 122	52 251	EUR	61 840	9 589	4,85 %	0,08 %	Xetra
CAImmobilienAnlagenAG	Property companies incl. REITs	206 083	38 188	EUR	56 354	18 166	4,42 %	0,21 %	Wien
CapitalLandLtd	Property companies incl. REITs	2 415 000	49 299	SGD	47 727	-1 572	3,74 %	0,06 %	Singapore
CKAssetHoldingsLtd	Property companies incl. REITs	696 000	45 844	HKD	44 112	-1 732	3,46 %	0,02 %	Hong Kong
OlavThon EiendomsselskapASA	Property companies incl. REITs	310 000	41 401	NOK	43 400	1 999	3,40 %	0,29 %	Oslo Børs
KojamoOyj	Property companies incl. REITs	527 898	42 392	EUR	42 360	-32	3,32 %	0,21 %	Helsinki
EntraASA	Property companies incl. REITs	351 251	37 454	NOK	40 464	3 010	3,17 %	0,19 %	Oslo Børs
ShurgardSelfStorageEurope	Property companies incl. REITs	163 458	40 200	EUR	39 244	-956	3,08 %	0,18 %	Brussel
SelfStorageGroupASA	Property companies incl. REITs	2 376 147	36 542	NOK	38 494	1 951	3,02 %	3,61 %	Oslo Børs
InmobiliariaColonialSA	Property companies incl. REITs	463 651	32 386	EUR	37 343	4 957	2,93 %	0,09 %	Madrid
ColumbiaPropertyTrustInc	Property companies incl. REITs	221 937	38 260	USD	37 182	-1 079	2,92 %	0,19 %	New York
Shangri-LaAsiaLtd	Property companies incl. REITs	2 700 000	36 227	HKD	34 643	-1 584	2,72 %	0,08 %	Hong Kong
MeliaHotelsInternational	Property companies incl. REITs	v	41 945	EUR	34 301	-7 643	2,69 %	0,18 %	Madrid
SLGreenRealtyCorp	Property companies incl. REITs	49 462	40 042	USD	33 865	-6 177	2,66 %	0,06 %	New York
FarEastConsortiumInternationalLtd	Property companies incl. REITs	8 547 484	38 879	HKD	31 956	-6 923	2,51 %	0,37 %	Hong Kong
SekisuiHouseLtd	Property companies incl. REITs	237 000	32 331	JPY	30 260	-2 070	2,37 %	0,03 %	Tokyo
ImmofinanzAG	Property companies incl. REITs	143 375	23 652	EUR	29 667	6 015	2,33 %	0,13 %	Wien
SunHungKaiProperties	Property companies incl. REITs	231 000	29 735	HKD	28 515	-1 220	2,24 %	0,01 %	Hong Kong
AscendasIndiaTrust	Property companies incl. REITs	4 057 000	22 229	SGD	27 843	5 614	2,18 %	0,39 %	Singapore
MRVEngenharia	Property companies incl. REITs	925 500	24 561	BRL	25 521	960	2,00 %	0,21 %	Sao Paulo
PhoenixMillsLtd	Property companies incl. REITs	355 160	13 637	INR	24 845	11 208	1,95 %	0,23 %	National India
SMPPrimeHoldingsInc	Property companies incl. REITs	4 189 300	15 616	PHP	24 791	9 175	1,94 %	0,01 %	Philippines
ChinaVankeCoLtd	Property companies incl. REITs	772 000	24 283	HKD	22 714	-1 569	1,78 %	0,06 %	Hong Kong
StendorrenFastigheterAB	Property companies incl. REITs	202 000	19 489	SEK	19 735	247	1,55 %	0,79 %	Stockholm
ArimaRealEstateSOCIMISA	Property companies incl. REITs	140 000	13 088	EUR	12 475	-613	0,98 %	1,40 %	Madrid
KeckSengInvestments	Property companies incl. REITs	1 994 000	14 690	HKD	10 873	-3 817	0,85 %	0,59 %	Hong Kong
SohoChinaLtd	Property companies incl. REITs	3 068 500	13 354	HKD	9 469	-3 884	0,74 %	0,06 %	Hong Kong
IrsaSaADR	Property companies incl. REITs	71 011	12 073	USD	8 029	-4 044	0,63 %	0,12 %	New York
AtriumLjungbergAB	Property companies incl. REITs	24 977	2 985	SEK	3 709	724	0,29 %	0,02 %	Stockholm
LogCommercialPropertiesE	Property companies incl. REITs	66 775	4 783	BRL	2 685	-2 099	0,21 %	0,10 %	Sao Paulo
IrsaPropiedadesComerci-ADR	Property companies incl. REITs	3 078	836	USD	480	-356	0,04 %	0,01 %	NASDAQ
Total securities portfolio ¹⁾			1 119 118		1 247 520	128 402	97,82%		

¹⁾ For liquidity in the portfolio as of 31.12.2018, please refer to the balance sheet.

²⁾ REITs (Real Estate Investment Trusts) are listed, legal structures which are subject to favourable tax regulations in their country of origin. Conditional to receiving favourable tax treatment, the company must fulfil minimum requirements related to property exposure and a minimum share of the profits must be shared between owners.

Allocation of the acquisition cost:

For SKAGEN m² the FIFO principle is applied when calculating the realised capital gain/loss when selling securities.

SKAGEN Focus

Note 6. Securities portfolio as of 31.12.2018 (in 1,000 NOK)

Security	Sector	Number of shares	Acquisition value NOK	Currency	Market value NOK	Unrealised gain/loss	Share of fund	Share in company/ share class	Stock exchange
American International Group Inc	Financials	294 497	143 483	USD	100 486	-42 997	6,13 %	0,03 %	New York
Sao Martinho SA	Consumer staples	2 024 504	86 606	BRL	82 158	-4 447	5,01 %	0,56 %	Sao Paulo
Bank of Kyoto Ltd	Financials	205 878	74 788	JPY	73 794	-994	4,50 %	0,27 %	Tokyo
Softbank Group Corp	Information technology	118 876	71 463	JPY	68 485	-2 978	4,17 %	0,01 %	Tokyo
Hawaiian Holdings Inc	Industrials	277 672	78 184	USD	63 492	-14 692	3,87 %	0,56 %	New York
OMV AG	Energy	166 180	73 462	EUR	62 931	-10 531	3,84 %	0,05 %	Wien
Metro AG	Consumer staples	457 769	53 476	EUR	60 708	7 232	3,70 %	0,13 %	Xetra
Telecom Italia Spa	Information technology	11 385 875	81 390	EUR	54 480	-26 910	3,32 %	0,07 %	Brsaltaliana
Avaya Holdings Corp	Information technology	427 022	69 913	USD	53 831	-16 082	3,28 %	0,39 %	New York
Pilgrim's Pride Corp	Consumer staples	396 898	61 915	USD	53 298	-8 617	3,25 %	0,16 %	New York
Ivanhoe Mines Ltd Class A	Materials	3 432 954	63 166	CAD	51 606	-11 559	3,15 %	0,34 %	Toronto
KCC Corp	Industrials	20 568	53 368	KRW	49 398	-3 970	3,01 %	0,19 %	Seoul
Helmerich & Payne Inc	Energy	117 977	53 820	USD	48 968	-4 852	2,99 %	0,11 %	New York
Gold Fields Ltd	Materials	1 589 429	47 193	ZAR	47 250	57	2,88 %	0,19 %	Johannesburg
ADT Corp	Industrials	881 771	56 006	USD	45 883	-10 124	2,80 %	0,12 %	New York
China Unicom Hong Kong Ltd	Information technology	4 905 000	47 265	HKD	45 357	-1 909	2,76 %	0,02 %	Hong Kong
Japan Petroleum Exploration	Energy	272 000	47 969	JPY	42 301	-5 667	2,58 %	0,48 %	Tokyo
Viacom Inc Class B	Information technology	183 204	44 881	USD	40 765	-4 116	2,49 %	0,05 %	New York
Toyota Industries Corp	Consumer discretionary	99 190	46 622	JPY	39 817	-6 805	2,43 %	0,03 %	Tokyo
Telecom Italia Rsp	Information technology	9 598 280	56 338	EUR	39 627	-16 712	2,42 %	0,16 %	Brsaltaliana
Teva Pharmaceutical-SpADR	Health care	277 228	66 222	USD	37 012	-29 210	2,26 %	0,03 %	New York
OZ Minerals Ltd	Materials	650 000	34 860	AUD	34 867	6	2,13 %	0,20 %	Sydney
KOC Holding AS	Industrials	1 485 065	36 851	TRY	34 346	-2 505	2,09 %	0,06 %	Istanbul
Hyundai Motor Co Pref (2pb)	Consumer discretionary	57 241	44 911	KRW	34 258	-10 653	2,09 %	0,16 %	Seoul
Magforce AG	Health care	660 568	32 218	EUR	34 139	1 921	2,08 %	2,51 %	Xetra
Nexans	Industrials	135 324	34 795	EUR	32 597	-2 198	1,99 %	0,31 %	Paris
Nova Ljubljanska Banka GDR	Financials	250 000	25 826	EUR	32 201	6 376	1,96 %	0,25 %	London Int.
Teikoku Sen-I Co Ltd	Industrials	185 727	28 766	JPY	31 828	3 062	1,94 %	0,68 %	Tokyo
Pasona Group Inc	Industrials	325 000	35 570	JPY	28 860	-6 709	1,76 %	0,78 %	Tokyo
Hornbach Holding AG & Co	Consumer discretionary	65 000	34 153	EUR	26 514	-7 639	1,62 %	0,41 %	Xetra
X-Fab Silicon Foundries SE	Information technology	613 955	44 941	EUR	25 894	-19 046	1,58 %	0,47 %	Paris
Aichi Bank Ltd	Financials	76 074	30 582	JPY	22 738	-7 844	1,39 %	0,70 %	Tokyo
UniCredit SpA	Financials	227 632	27 967	EUR	22 298	-5 669	1,36 %	0,01 %	Brsaltaliana
Viacom Inc Class A	Information technology	66 565	20 323	USD	16 027	-4 295	0,98 %	0,13 %	New York
West Fraser Timber Co Ltd	Materials	35 000	14 809	CAD	14 972	163	0,91 %	0,05 %	Toronto
Hyundai Motor Co Pref (1p)	Consumer discretionary	24 939	17 031	KRW	13 607	-3 423	0,83 %	0,10 %	Seoul
Total securities portfolio ¹⁾			1 841 129		1 566 792	-274 337	95,51%		

¹⁾ For liquidity in the portfolio as of 31.12.2018, please refer to the balance sheet.

Allocation of the acquisition cost:

For SKAGEN Focus the FIFO principle is applied when calculating the realised capital gain/loss when selling securities.

SKAGEN Insight

Note 6. Securities portfolio as of 31.12.2018 (in 1,000 NOK)

Security	Sector	Number of shares	Acquisition value NOK	Currency	Market value NOK	Unrealised gain/loss	Share of fund	Share in company/ share class	Stock exchange
TeikokuSen-I CoLtd	Industrials	83 521	12 869	JPY	14 313	1 444	7,52 %	0,31 %	Tokyo
ThyssenkruppAG	Materials	92 629	20 340	EUR	13 738	-6 602	7,22 %	0,01 %	Frankfurt
HertzGlobalHoldingsInc	Industrials	90 474	13 896	USD	10 692	-3 204	5,62 %	0,11 %	New York
ArmstrongFlooringInc	Industrials	98 738	11 691	USD	10 122	-1 569	5,32 %	0,38 %	New York
TelecomItaliaRsp	Information technology	2 304 542	12 645	EUR	9 514	-3 130	5,00 %	0,04 %	Brsaltaliana
RexelSA	Industrials	91 714	13 128	EUR	8 445	-4 684	4,44 %	0,03 %	Paris
EltelAB	Industrials	642 463	16 194	SEK	8 034	-8 160	4,22 %	0,41 %	Stockholm
MaxellHoldingsLtd	Information technology	66 682	10 436	JPY	7 604	-2 831	4,00 %	0,13 %	Tokyo
BHPGroupLtd	Materials	36 400	6 815	AUD	7 595	780	3,99 %	0,00 %	Sydney
KatakuraIndustriesCoLtd	Industrials	83 870	8 950	JPY	7 362	-1 589	3,87 %	0,24 %	Tokyo
ABB Ltd	Industrials	44 198	9 321	CHF	7 261	-2 060	3,82 %	0,00 %	Zürich
Hudson'sBayCo	Consumer discretionary	151 807	9 374	CAD	7 020	-2 355	3,69 %	0,08 %	Toronto
HyundaiMotorCoPref(2pb)	Consumer discretionary	11 092	8 476	KRW	6 638	-1 838	3,49 %	0,03 %	Seoul
GEAGroupAG	Industrials	26 631	9 179	EUR	5 932	-3 247	3,12 %	0,01 %	Xetra
StockSpiritsGroupPlc	Consumer staples	249 953	5 457	GBP	5 734	278	3,01 %	0,12 %	London
PasonaGroupInc	Industrials	64 500	7 357	JPY	5 728	-1 629	3,01 %	0,15 %	Tokyo
BancaPopolare di Sondrio SCPA	Financials	199 271	6 540	EUR	5 193	-1 347	2,73 %	0,04 %	Brsaltaliana
Hain Celestial Group Inc Ltd	Consumer staples	36 700	7 140	USD	5 039	-2 101	2,65 %	0,04 %	New York
General Electric Co	Industrials	74 542	8 098	USD	4 886	-3 213	2,57 %	0,00 %	New York
Diebold Nixdorf Inc	Information technology	210 332	21 198	USD	4 534	-16 664	2,38 %	0,28 %	New York
General Motors Co	Consumer discretionary	15 451	5 229	USD	4 475	-754	2,35 %	0,00 %	New York
Conduent Inc	Information technology	48 229	6 192	USD	4 439	-1 753	2,33 %	0,02 %	New York
Ericsson LM-B SHS	Information technology	50 000	2 981	SEK	3 806	825	2,00 %	0,00 %	Stockholm
Dai-ichi Life Holdings Inc	Financials	21 510	3 595	JPY	2 914	-680	1,53 %	0,00 %	Tokyo
Immofinanz AG	Eiendom	13 872	2 801	EUR	2 870	69	1,51 %	0,01 %	Wien
E.ON SE	Nyttetjenester	33 511	2 861	EUR	2 862	1	1,50 %	0,00 %	Frankfurt
Newell Brands Inc	Consumer discretionary	16 600	2 326	USD	2 672	346	1,40 %	0,00 %	NASDAQ
Perrigo Co PLC	Health care	6 233	3 782	USD	2 091	-1 691	1,10 %	0,00 %	New York
Bilfinger SE	Industrials	7 815	2 972	EUR	1 971	-1 001	1,04 %	0,02 %	Frankfurt
Asserzio Therapeutics Inc	Health care	58 114	3 385	USD	1 816	-1 568	0,95 %	0,09 %	New York
Dormakaba Holding AG	Industrials	253	1 540	CHF	1 318	-221	0,69 %	0,01 %	Zürich
Seven & i Holdings Co Ltd	Consumer staples	1 950	670	JPY	736	66	0,39 %	0,00 %	Tokyo
Total securities portfolio ¹⁾			257 439		187 356	-70 083	98,49%		

¹⁾ For liquidity in the portfolio as of 31.12.2018, please refer to the balance sheet.

Allocation of the acquisition cost:

For SKAGEN Insight the FIFO principle is applied when calculating the realised capital gain/loss when selling securities.

SKAGEN Select 100

Note 6. Securities portfolio as of 31.12.2018 (in 1,000 NOK)

Security	Number of units	Acquisition value NOK	Currency	Market value NOK	Unrealised gain/loss	Share of fund	Stock exchange
Equity fund							
SKAGEN VekstA	14 811	34 773	NOK	31 967	-2 807	16,82 %	2)
SKAGEN GlobalA	18 529	30 209	NOK	30 331	122	15,96 %	2)
SKAGEN FocusA	269 898	32 034	NOK	28 787	-3 247	15,15 %	2)
SKAGEN Kon-TikiA	24 321	20 749	NOK	18 765	-1 985	9,87 %	2)
SKAGEN m2A	76 645	14 319	NOK	14 941	622	7,86 %	2)
Kennox Strat Value-AAcc	844 790	13 163	GBP	13 231	68	6,96 %	3)
Lindsell Train Global Equity Fund	872 753	10 887	USD	12 752	1 865	6,71 %	3)
Somerset Global Emerging Markets Screened Fund	996 552	11 472	GBP	10 662	-810	5,61 %	3)
Ashmore SICAV - Emerging Markets Frontier Equity Fund	11 060	10 181	USD	9 298	-883	4,89 %	3)
LGT Sustainable Equity Global Sub-Fund	983	8 726	USD	8 852	126	4,66 %	3)
Total equity fund		186 512		179 585	-6 927	94,49%	
Total securities portfolio ¹⁾		186 512		179 585	-6 927	94,49%	

¹⁾ For liquidity in the portfolio as of 31.12.2018, please refer to the balance sheet.

²⁾ The fund is not listed on the stock exchange, but is priced on all Norwegian bank days by the fund management company SKAGEN AS. The prices are available on the website www.skagenfondene.no and are published in relevant newspapers.

³⁾ The fund is not listed on the stock exchange, but is priced daily by the fund's administrator. The prices are available via public pricing sources, such as Bloomberg.

Allocation of the acquisition cost:

For SKAGEN Select 100 the FIFO principle is applied when calculating the realised capital gain/loss when selling securities.

SKAGEN Select 80

Note 6. Securities portfolio as of 31.12.2018 (in 1,000 NOK)

Security	Number of units	Acquisition value NOK	Currency	Market value NOK	Unrealised gain/loss	Share of fund	Stock exchange
Equity fund							
SKAGEN VekstA	7 923	18 508	NOK	17 100	-1 409	15,82 %	2)
SKAGEN GlobalA	8 071	13 095	NOK	13 211	116	12,23 %	2)
SKAGEN FocusA	117 552	13 880	NOK	12 538	-1 342	11,60 %	2)
SKAGEN Kon-TikiA	10 885	9 234	NOK	8 398	-836	7,77 %	2)
Kennox Strat Value-AAcc	467 577	7 317	GBP	7 323	6	6,78 %	3)
Lindsell Train Global Equity Fund	431 522	5 335	USD	6 305	970	5,83 %	3)
LGT Sustainable Equity Global Sub-Fund	656	5 854	USD	5 906	52	5,47 %	3)
Somerset Global Emerging Markets Screened Fund	460 344	5 152	GBP	4 925	-227	4,56 %	3)
Ashmore SICAV - Emerging Markets Frontier Equity Fund	5 063	4 580	USD	4 257	-324	3,94 %	3)
SKAGEN m2A	21 504	4 035	NOK	4 192	157	3,88 %	2)
Total equity fund		86 992		84 155	-2 837	77,88%	
Fixed income fund							
SKAGEN Høyrente	106 507	10 752	NOK	10 735	-17	9,93 %	2)
SKAGEN Avkastning	38 427	5 315	NOK	5 285	-30	4,89 %	2)
Total fixed income fund		16 067		16 020	-47	14,83%	
Total securities portfolio ¹⁾		103 059		100 175	-2 884	92,71%	

¹⁾ For liquidity in the portfolio as of 31.12.2018, please refer to the balance sheet.

²⁾ The fund is not listed on the stock exchange, but is priced on all Norwegian bank days by the fund management company SKAGEN AS. The prices are available on the website www.skagenfondene.no and are published in relevant newspapers.

³⁾ The fund is not listed on the stock exchange, but is priced daily by the fund's administrator. The prices are available via public pricing sources, such as Bloomberg.

Allocation of the acquisition cost:

For SKAGEN Select 80 the FIFO principle is applied when calculating the realised capital gain/loss when selling securities.

SKAGEN Select 60

Note 6. Securities portfolio as of 31.12.2018 (in 1,000 NOK)

Security	Number of units	Acquisition value NOK	Currency	Market value NOK	Unrealised gain/loss	Share of fund	Stock exchange
Equity fund							
SKAGEN VekstA	19 045	38 272	NOK	41 105	2 833	12,67 %	2)
SKAGEN GlobalA	17 352	26 650	NOK	28 403	1 753	8,76 %	2)
SKAGEN FocusA	252 578	31 972	NOK	26 940	-5 032	8,30 %	2)
SKAGEN Kon-TikiA	25 476	19 089	NOK	19 656	567	6,06 %	2)
Lindsell Train Global Equity Fund	1 116 873	15 023	USD	16 319	1 296	5,03 %	3)
Kennox Strat Value-AAcc	1 037 315	16 600	GBP	16 246	-354	5,01 %	3)
LGT Sustainable Equity Global Sub-Fund	1 371	12 905	USD	12 349	-556	3,81 %	3)
Somerset Global Emerging Markets Screened Fund	949 896	11 387	GBP	10 162	-1 225	3,13 %	3)
SKAGEN m2A	50 997	10 107	NOK	9 941	-166	3,06 %	2)
Ashmore SICAV - Emerging Markets Frontier Equity Fund	11 610	11 056	USD	9 760	-1 295	3,01 %	3)
Total equity fund		193 061		190 882	-2 178	58,84%	
Fixed income fund							
SKAGEN Avkastning	372 344	51 768	NOK	51 209	-559	15,78 %	2)
SKAGEN Høyrente	506 866	51 169	NOK	51 086	-83	15,75 %	2)
Payden Absolute Return Bond Fund	252 542	25 532	NOK	25 287	-245	7,79 %	3)
Total fixed income fund		128 469		127 582	-887	39,33%	
Total securities portfolio ¹⁾		321 530		318 465	-3 065	98,16%	

¹⁾ For liquidity in the portfolio as of 31.12.2018, please refer to the balance sheet.

²⁾ The fund is not listed on the stock exchange, but is priced on all Norwegian bank days by the fund management company SKAGEN AS. The prices are available on the website www.skagenfondene.no and are published in relevant newspapers.

³⁾ The fund is not listed on the stock exchange, but is priced daily by the fund's administrator. The prices are available via public pricing sources, such as Bloomberg.

Allocation of the acquisition cost:

For SKAGEN Select 60 the FIFO principle is applied when calculating the realised capital gain/loss when selling securities.

SKAGEN Select 30

Note 6. Securities portfolio as of 31.12.2018 (in 1,000 NOK)

Security	Number of units	Acquisition value NOK	Currency	Market value NOK	Unrealised gain/loss	Share of fund	Stock exchange
Equity fund							
SKAGEN VekstA	1 111	2 624	NOK	2 398	-226	6,31 %	2)
SKAGEN Kon-TikiA	2 949	2 531	NOK	2 275	-256	5,99 %	2)
SKAGEN GlobalA	1 081	1 785	NOK	1 769	-16	4,66 %	2)
SKAGEN FocusA	15 575	1 870	NOK	1 661	-209	4,37 %	2)
Kennox Strat Value-AAcc	81 673	1 277	GBP	1 279	2	3,37 %	3)
LGT Sustainable Equity Global Sub-Fund	106	946	USD	951	5	2,50 %	3)
Total equity fund		11 033		10 333	-699	27,17%	
Fixed income fund							
SKAGEN Avkastning	47 552	6 583	NOK	6 540	-43	17,21 %	2)
SKAGEN Høyrente	64 732	6 535	NOK	6 524	-11	17,17 %	2)
Payden Absolute Return Bond Fund	39 456	3 976	NOK	3 951	-26	10,40 %	3)
Dimensional Funds - Global Short Fixed Income Fund	364 409	3 626	NOK	3 648	21	9,60 %	3)
PGIM Global Corporate Bond Fund	278	3 055	NOK	3 003	-53	7,90 %	3)
Templeton Global Bond Fund	135 423	1 448	NOK	1 441	-7	3,79 %	3)
Total fixed income fund		25 224		25 106	-118	66,07%	
Total securities portfolio ¹⁾		36 257		35 439	-817	93,26%	

¹⁾ For liquidity in the portfolio as of 31.12.2018, please refer to the balance sheet.

²⁾ The fund is not listed on the stock exchange, but is priced on all Norwegian bank days by the fund management company SKAGEN AS. The prices are available on the website www.skagenfondene.no and are published in relevant newspapers.

³⁾ The fund is not listed on the stock exchange, but is priced daily by the fund's administrator. The prices are available via public pricing sources, such as Bloomberg.

Allocation of the acquisition cost:

For SKAGEN Select 30 the FIFO principle is applied when calculating the realised capital gain/loss when selling securities.

SKAGEN Select 15

Note 6. Securities portfolio as of 31.12.2018 (in 1,000 NOK)

Security	Number of shares	Acquisition value NOK	Currency	Market value NOK	Unrealised gain/loss	Share of fund	Stock exchange
Equity fund							
SKAGEN Global A	702	1 146	NOK	1 150	4	3,85 %	2)
SKAGEN Vekst A	516	1 205	NOK	1 113	-92	3,73 %	2)
SKAGEN Focus A	9 830	1 146	NOK	1 048	-97	3,51 %	2)
SKAGEN Kon-Tiki A	1 196	1 004	NOK	923	-80	3,09 %	2)
Total equity fund		4 500		4 234	-266	14,19%	
Fixed income fund							
SKAGEN Høyrente	54 338	5 485	NOK	5 477	-8	18,35 %	2)
SKAGEN Avkastning	39 567	5 475	NOK	5 442	-33	18,23 %	2)
Payden Absolute Return Bond Fund	41 127	4 143	NOK	4 118	-25	13,80 %	3)
Dimensional Funds - Global Short Fixed Income Fund	386 357	3 859	NOK	3 867	9	12,96 %	3)
PGIM Global Corporate Bond Fund	327	3 612	NOK	3 538	-75	11,85 %	3)
Templeton Global Bond Fund	177 641	1 903	NOK	1 890	-13	6,33 %	3)
Total fixed income fund		24 476		24 332	-145	81,52%	
Total securities portfolio ¹⁾		28 977		28 566	-411	95,71%	

¹⁾ For liquidity in the portfolio as of 31.12.2018, please refer to the balance sheet.

²⁾ The fund is not listed on the stock exchange, but is priced on all Norwegian bank days by the fund management company SKAGEN AS. The prices are available on the website www.skagenfondene.no and are published in relevant newspapers.

³⁾ The fund is not listed on the stock exchange, but is priced daily by the fund's administrator. The prices are available via public pricing sources, such as Bloomberg.

Allocation of the acquisition cost:

For SKAGEN Select 15 the FIFO principle is applied when calculating the realised capital gain/loss when selling securities.

SKAGEN Avkastning

Note 6. Securities portfolio as of 31.12.2018 (in 1,000 NOK)

Security	Maturity	Coupon	Currency	Interest adjustment point	Facevalue NOK	Costprice NOK	Yield ³⁾	Duration ²⁾	Accrued interest NOK	Market value NOK	Marketvalue inlaccrued interest NOK	Unrealised gain/loss NOK	Share of fund	Risk class ⁴⁾
FLOATING RATE SECURITIES														
Financial bonds														
Sandnes Sparebank	14.01.2020	1,67	NOK	14.01.2019	60000	60031	1,83	0,04	214	60180	60394	149	3,61 %	5
Sparebank 1 Nord-Norge	29.09.2021	2,13	NOK	31.12.2018	50000	50612	2,19	0,23	-	50455	50455	-156	3,02 %	5
Sparebanken Vest	01.09.2021	1,96	NOK	01.03.2019	50000	50500	2,20	0,16	76	50331	50408	-169	3,01 %	5
Kredittforeningen for Sparebanker	10.02.2020	1,90	NOK	11.02.2019	50000	50153	1,84	0,11	129	50224	50353	71	3,01 %	5
Sparebanken Møre	16.03.2020	1,81	NOK	18.03.2019	50000	50103	1,76	0,21	35	50157	50192	53	3,00 %	5
OBOS-banken AS	26.08.2019	1,78	NOK	25.02.2019	42000	42231	1,64	0,15	73	42086	42159	-145	2,52 %	5
Sparebank 1 SR-Bank	21.06.2021	2,24	NOK	21.03.2019	40000	40690	2,14	0,22	25	40484	40509	-206	2,42 %	5
BN Bank ASA	20.12.2022	2,01	NOK	20.03.2019	40000	40277	2,47	0,18	25	40084	40109	-192	2,40 %	5
Sparebanken Sogn og Fjordane	19.02.2021	1,73	NOK	19.02.2019	40000	40101	2,08	0,13	81	40071	40151	-30	2,40 %	5
SpareBank 1 BV	26.04.2021	1,65	NOK	28.01.2019	40000	40135	2,15	0,07	121	40067	40188	-68	2,40 %	5
Sparebanken Vest	01.02.2021	1,39	NOK	01.02.2019	40000	40000	2,08	0,07	93	39858	39951	-142	2,39 %	5
Sparebanken Sør	19.03.2020	1,93	NOK	19.03.2019	35000	35273	1,76	0,21	23	35164	35187	-109	2,10 %	5
Aurskog Sparebank	26.09.2019	1,86	NOK	26.03.2019	35000	35012	1,63	0,23	7	35083	35091	71	2,10 %	5
SpareBank 1 BV	30.08.2021	2,05	NOK	28.02.2019	30000	30379	2,20	0,16	53	30270	30323	-108	1,81 %	5
Sbanken ASA	17.01.2020	1,67	NOK	17.01.2019	30000	30049	1,75	0,05	104	30105	30210	57	1,81 %	5
Kredittforeningen for Sparebanker	11.11.2022	1,97	NOK	11.02.2019	30000	30180	2,63	0,08	80	30031	30111	-149	1,80 %	5
Fana Sparebank	20.11.2020	1,68	NOK	20.02.2019	30000	30000	2,13	0,13	57	30004	30062	4	1,80 %	5
Helgeland Sparebank	16.03.2022	2,18	NOK	20.03.2019	27000	27407	2,29	0,21	20	27275	27295	-132	1,63 %	5
Santander Consumer Bank AS	17.01.2020	1,84	NOK	17.01.2019	27000	27000	1,90	0,05	104	27105	27209	105	1,63 %	5
Pareto Bank ASA	23.06.2020	2,68	NOK	25.03.2019	25000	25372	2,15	0,23	7	25306	25314	-66	1,51 %	5
Sparebank 1 Ringerike	16.02.2021	2,07	NOK	18.02.2019	25000	25253	2,20	0,13	65	25173	25238	-79	1,51 %	5
Santander Consumer Bank AS	17.01.2022	2,04	NOK	17.01.2019	25000	25384	2,51	0,03	106	25153	25259	-230	1,51 %	5
BN Bank ASA	16.03.2020	1,83	NOK	15.03.2019	25000	25128	1,76	0,20	18	25084	25102	-43	1,50 %	5
Eiendomskreditt AS	26.01.2021	1,76	NOK	28.01.2019	25000	25000	2,30	0,07	81	25028	25109	28	1,50 %	5
Kredittforeningen for Sparebanker	17.09.2021	1,91	NOK	18.03.2019	25000	25000	2,32	0,19	19	25011	25030	11	1,50 %	5
Brae Finans AS	03.09.2021	1,79	NOK	04.03.2019	25000	24973	2,47	0,14	35	24880	24915	-93	1,49 %	5
Santander Consumer Bank AS	27.08.2021	1,62	NOK	27.02.2019	25000	24978	2,48	0,13	38	24821	24859	-158	1,49 %	5
Sparebanken Sogn og Fjordane	14.02.2020	1,76	NOK	14.02.2019	24000	24134	1,76	0,12	55	24079	24134	-55	1,44 %	5
Voss Veksel-Landmandsbk	31.03.2021	2,07	NOK	31.12.2018	20000	19995	2,27	0,23	-	20096	20096	102	1,20 %	5
Sbanken ASA	01.03.2021	1,78	NOK	01.03.2019	20000	20116	2,08	0,16	28	20063	20091	-53	1,20 %	5
OBOS-banken AS	30.01.2020	1,74	NOK	30.01.2019	20000	20120	1,84	0,08	60	20060	20120	-60	1,20 %	5
Leaseplan Corporation NV	07.08.2020	2,32	NOK	07.02.2019	20000	20203	2,47	0,11	70	19998	20067	-205	1,20 %	5
Haugesund Sparebank	26.01.2022	1,72	NOK	28.01.2019	20000	20065	2,44	0,05	63	19963	20026	-102	1,20 %	5
Brae Finans AS	07.06.2021	1,88	NOK	07.03.2019	20000	20000	2,41	0,16	25	19946	19971	-54	1,19 %	5
Eiendomskreditt AS	11.10.2021	1,66	NOK	11.01.2019	20000	19993	2,52	0,01	75	19942	20016	-52	1,20 %	5
Lillestrøm Sparebank	05.04.2019	2,21	NOK	07.01.2019	17000	17181	1,58	0,02	91	17041	17132	-140	1,02 %	5
Sparebank 1 Østfold Akershus	18.11.2019	1,77	NOK	18.02.2019	16000	16045	1,72	0,13	33	16037	16070	-8	0,96 %	5
Jæren Sparebank	07.09.2021	2,28	NOK	07.03.2019	15000	15247	2,33	0,18	23	15166	15189	-81	0,91 %	5
Sparebank 1 Nordvest	13.09.2021	2,26	NOK	13.03.2019	15000	15220	2,33	0,19	17	15143	15160	-77	0,91 %	5
Sparebanken Vest	04.06.2021	1,62	NOK	04.03.2019	15000	15020	2,15	0,16	18	14974	14992	-46	0,90 %	5
Sparebank 1 SMN	03.09.2021	1,53	NOK	04.03.2019	13000	12977	2,20	0,15	15	12938	12954	-39	0,77 %	5
Sparebank 1 Telemark	22.01.2021	2,43	NOK	22.01.2019	10000	10254	2,08	0,07	47	10191	10238	-63	0,61 %	5
Foreign government bonds														
Mexican Government	31.05.2029	8,50	MXN		170000	82665	9,01	6,47	282	73619	73902	-9046	4,42 %	3
Dominican Republic	27.01.2025	5,50	USD		7000	59947	5,71	4,85	1426	60207	61633	260	3,69 %	3
Portuguese Government	15.02.2030	3,87	EUR		4000	42163	1,92	9,01	1341	47133	48474	4970	2,90 %	2
Portuguese Government	15.10.2025	2,87	EUR		4000	37777	1,09	6,21	240	44100	44341	6324	2,65 %	2
Hellenic Republic Government	31.01.2028	3,75	EUR		3010	28755	4,36	7,25	1026	28490	29516	-265	1,76 %	2
Hellenic Republic Government	31.01.2033	3,90	EUR		2940	23329	4,79	10,05	1042	26557	27599	3228	1,65 %	2
Total securities portfolio ²⁾					1492426			7665	1495239	1502904	2814	89,86%		
Portfolio key figures														
Yield	2,21 %													
Yield to clients ¹⁾	1,71 %													
Duration ²⁾	1,28													

¹⁾ Yield adjusted for management fee.

²⁾ Duration is a simplified expression of how much the price of the security will change if the interest rate changes by one percentage point.

³⁾ Yield is the average annual return of an interest bearing security until maturity.

⁴⁾ Securities are divided into six risk classes according to their credit risk.

Class 1 has the lowest and class 6 the highest credit risk.

Risk class 1: Supranational organisations

Risk class 2: Government, and government guaranteed within the EEA

Risk class 3: Government, and government guaranteed outside the EEA

Risk class 4: County and local government

Risk class 5: Bank and financial institutions

Risk class 6: Industry

⁵⁾ For liquidity in the portfolio as of 31.12.2018, please refer to the balance sheet.

All securities are traded in a telephone-based international market.

Unit price as of 31.12.2018 NOK 139,7155

Tnkr 26.133 is allocated for distribution to unit holders. This will result in a reduction in the unit price equal to the distribution per unit at the time of distribution.

Allocation of the acquisition cost:

For SKAGEN Avkastning the FIFO principle is applied when calculating the realised capital gain/loss when selling securities.

SKAGEN Tellus

Note 6. Securities portfolio as of 31.12.2018 (in 1,000 NOK)

Security	Maturity	Coupon	Currency	Facevalue NOK	Cost price NOK	Yield ¹⁾	Duration ²⁾	Accrued interest NOK	Market value NOK	Market value incl accrued interest NOK	Unrealised gain/loss NOK	Share of fund	Risk class ³⁾
FIXED RATE SECURITIES													
Government bonds													
Norwegian Government	22.05.2019	4,50	NOK	85 000	90 021	0,82	0,37	2 337	86 183	88 520	-3 838	12,98 %	2
US Government	15.01.2019	1,12	USD	8 300	67 602	2,44	0,05	371	71 829	72 200	4 228	10,59 %	3
Chilean Government	05.08.2020	5,50	CLP	3 710 000	45 904	3,74	1,47	1 033	47 578	48 611	1 674	7,13 %	3
Czech Republic	11.04.2019	5,00	CZK	115 000	45 022	1,03	0,28	1 598	44 693	46 291	-329	6,79 %	3
Mexican Government	31.05.2029	8,50	MXN	100 000	51 802	9,01	6,47	166	43 305	43 472	-8497	6,37 %	3
Peruvian Government	12.08.2037	6,90	PEN	13 000	32 379	6,35	10,13	882	36 046	36 928	3 666	5,41 %	3
US Government	15.03.2019	1,00	USD	4 000	33 082	2,45	0,21	102	34 536	34 638	1 454	5,08 %	3
US Government	31.07.2019	1,62	USD	4 000	33 343	2,57	0,57	234	34 451	34 685	1 108	5,09 %	3
UK Government	22.07.2019	1,75	GBP	2 800	30 437	0,76	0,56	238	31 053	31 291	616	4,59 %	2
Asian Development Bank	06.10.2026	6,20	INR	265 000	33 543	7,43	5,71	482	30 583	31 064	-2 960	4,56 %	3
Hellenic Republic Government	15.02.2025	3,37	EUR	3 000	27 811	4,00	5,26	876	28 738	29 614	927	4,34 %	2
UK Government	07.03.2019	4,50	GBP	2 400	26 931	0,73	0,19	378	26 647	27 025	-284	3,96 %	2
Uruguay Government	20.06.2022	9,87	UYU	100 000	29 324	10,46	2,73	80	26 327	26 408	-2 997	3,87 %	3
Portuguese Government	15.02.2030	3,87	EUR	2 000	22 401	1,92	9,01	671	23 567	24 237	1 166	3,55 %	2
Portuguese Government	15.10.2025	2,87	EUR	2 000	18 665	1,09	6,21	120	22 050	22 170	3 385	3,25 %	2
Dominican Republic	15.02.2023	8,90	DOP	100 000	16 926	9,86	3,12	576	16 657	17 232	-269	2,53 %	3
Uruguay Government	15.03.2028	8,50	UYU	65 000	18 187	11,45	5,51	434	14 735	15 169	-3 452	2,22 %	3
Spanish Government	30.04.2025	1,60	EUR	1 000	9 927	0,71	5,98	106	10 428	10 535	502	1,54 %	2
Dominican Republic	10.05.2024	11,50	DOP	1	9 483	10,27	3,89	139	8 986	9 125	-497	1,34 %	3
Total securities portfolio ⁴⁾				642 789				10 824	638 392	649 216	-4 396	95,20%	
Portfolio key figures													
	Class A	Class B											
Yield	3,67%	3,67%											
Yield to clients ⁵⁾	2,87%	3,22%											
Duration ²⁾	2,67	2,67											

¹⁾ Yield adjusted for management fee.

²⁾ Duration is a simplified expression of how much the price of the security will change if the interest rate changes by one percentage point.

³⁾ Yield is the average annual return of an interest bearing security until maturity.

⁴⁾ Securities are divided into six risk classes according to their credit risk.

Class 1 has the lowest and class 6 the highest credit risk.

Risk class 1: Supranational organisations

Risk class 2: Government, and government guaranteed within the EEA

Risk class 3: Government, and government guaranteed outside the EEA

Risk class 4: County and local government

Risk class 5: Bank and financial institutions

Risk class 6: Industry

⁵⁾ For liquidity in the portfolio as of 31.12.2018, please refer to the balance sheet.

Allocation of the acquisition cost:

For SKAGEN Tellus the FIFO principle is applied when calculating the realised capital gain/loss when selling securities.

All securities are traded in a telephone-based international market.

Unit price as of 31.12.2018 Unit class A NOK 119,2070

Unit price as of 31.12.2018 Unit class B NOK 129,5086

Tnkr 29.207 is allocated for distribution to unit holders in unit class A,

Tnkr 2.216 is allocated for distribution to unit holders in unit class B and

This will result in a reduction in the unit price equal to the distribution per unit at the time of distribution.



To the Board of Directors of SKAGEN AS

Independent auditor's report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of SKAGEN' mutual funds as listed below. The financial statements comprise the balance sheet as at 31 December 2018, the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

- SKAGEN Vekst
- SKAGEN Global
- SKAGEN Kon-Tiki
- SKAGEN m²
- SKAGEN Focus
- SKAGEN Insight
- SKAGEN Select 100
- SKAGEN Select 80
- SKAGEN Select 60
- SKAGEN Select 30
- SKAGEN Select 15
- SKAGEN Høyrente
- SKAGEN Avkastning
- SKAGEN Tellus

In our opinion, the accompanying financial statements are prepared in accordance with law and regulations and give a true and fair view of the financial position of the mutual funds as at 31 December 2018, and its financial performance for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the mutual funds as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Other information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors (management) is responsible for the preparation in accordance with law and regulations, including fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the mutual funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to <https://revisorforeningen.no/revisjonsberetninger>



Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption and the proposed allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the mutual funds' accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Stavanger, 19 February 2019
PricewaterhouseCoopers AS

Gunstein Hadland
State Authorised Public Accountant

Note: This translation from Norwegian has been prepared for information purposes only.

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Customer Services is open from Monday to Friday from 8 am to 4 pm (CET). Please visit us at our office, send an e-mail or call us and we will do our best to help you.

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 Parisa Kate Lemaire, editor
 Ole-Christian Tronstad
 Trygve Meyer

Front page:
Laurits Tuxen, The North Sea in stormy weather. After sunset. Højen, 1909. This painting is manipulated and belongs to The Art Museum of Skagen.



SKAGEN AS markets the following funds in countries where the funds have been registered with the respective regulator:

Country	SKAGEN Global	SKAGEN Kon-Tiki	SKAGEN Focus	SKAGEN Vekst	SKAGEN m2	SKAGEN Insight	SKAGEN Tellus	SKAGEN Avkastning	SKAGEN Høyrente	SKAGEN Select
Norway	x	x	x	x	x	x	x	x	x	x
Sweden	x	x	x	x	x	x	x	x	x	x
Denmark	x	x	x	x	x	x	x	x		
UK	x	x	x	x	x	x	x			
Netherlands	x	x	x	x	x	x	x	x		
Luxembourg	x	x	x	x	x	x	x	x		
Iceland	x	x	x	x	x		x			
Finland	x	x	x	x	x	x	x			
Ireland	x	x	x	x	x		x			
Germany	x	x	x	x	x		x			
Belgium	x	x	x	x						
France	x	x	x	x	x					
Switzerland	x	x	x							