

All data in SEK as of 31.10.2017 unless otherwise stated.

Performance Commentary

In a month like October without any major negative news, we often see an increase in investors' appetite for bonds. This in turn drives prices higher and causes corporate bond spreads to decrease. At the end of October, the European Central bank (ECB) commented on the future of its QE-programs. As expected, the ECB will gradually reduce the amount of bonds it buys in the market each month. The bank did not specify a final end date for the QE-programs and it seems as though it will take a long time for the ECB to stop being a net-buyer of bonds. The market reaction was muted and this was treated as business as usual.

SKAGEN Credit had a good month at the same time as there was a general tightening in bond spreads. No single name in the portfolio stands out either as being a major contributor or detractor. In October we sold out of our 2.5 percentage position in Tallink, but apart from that there were few other changes in the fund.

Historical performance (net of fees)

Period	SKAGEN Credit SEK	Benchmark index
Last Month	0.1%	-0.1%
Year to date	1.3%	-0.7%
Last year	1.6%	-0.8%
Last 3 years	0.8%	-0.5%
Last 5 years	n/a	n/a
Last 10 years	n/a	n/a
Since start	0.6%	-0.4%

SKAGEN Credit is our global corporate bond fund.

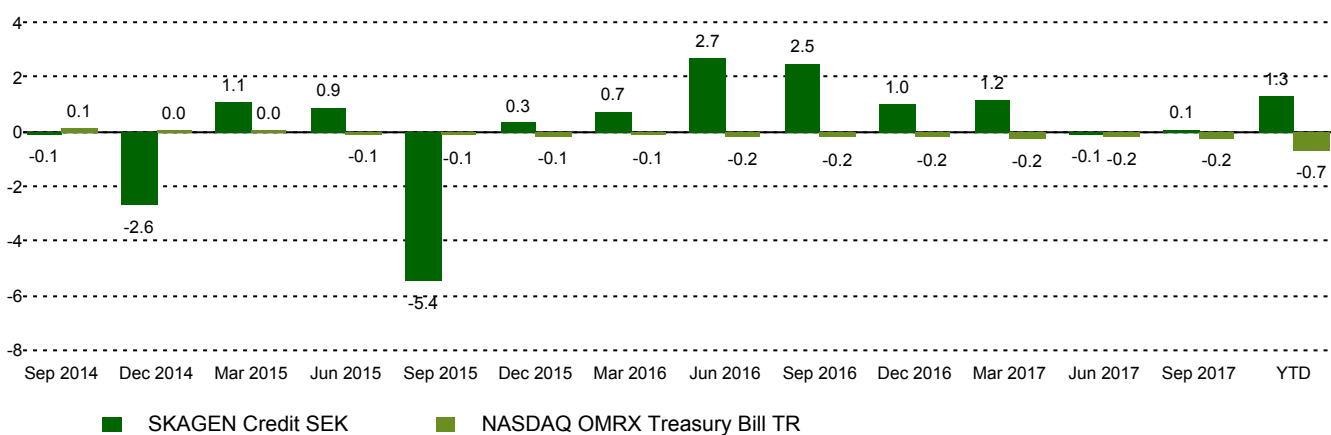
The fund is suitable for investors who have at least a two year investment horizon.

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

Fund Facts

Type	Fixed income
Domicile	Norway
Launch date	30.05.2014
Morningstar category	Other Bond
ISIN	NO0010710726
NAV	98.29 SEK
Fixed management fee	0.80%
Benchmark index	NASDAQ OMRX Treasury Bill TR
AUM (mill.)	25.95 SEK
Duration	0.95
WAL	2.29
Yield	-0.50%
Number of holdings	38
Lead manager	Ola Sjöstrand

Quarterly Performance



Contributors in the month

Largest contributors

Holding	Weight (%)	Contribution (%)
Petrobras	2.45	0.05
Bombardier Inc	2.24	0.05
Bharti Airtel International	3.07	0.05
Glencore	4.53	0.04
Standard Chartered	1.60	0.03

Largest detractors

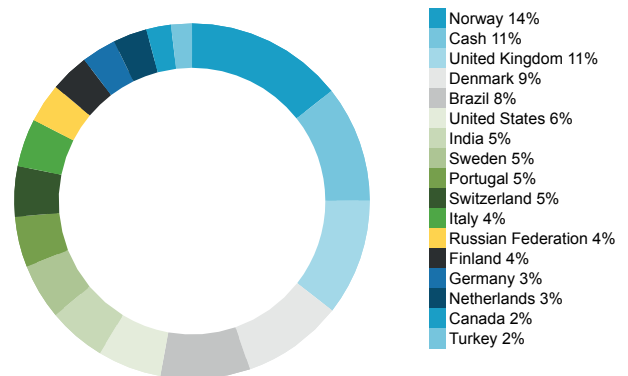
Holding	Weight (%)	Contribution (%)
Jacob Holm & Sonner	3.74	-0.02
Turkiye Halk Bankasi	1.89	-0.02
Schaeffler Finance	3.25	0.00
Lennar Corp	1.24	0.00
Sagax	1.18	0.00

Absolute contribution based on NOK returns at fund level

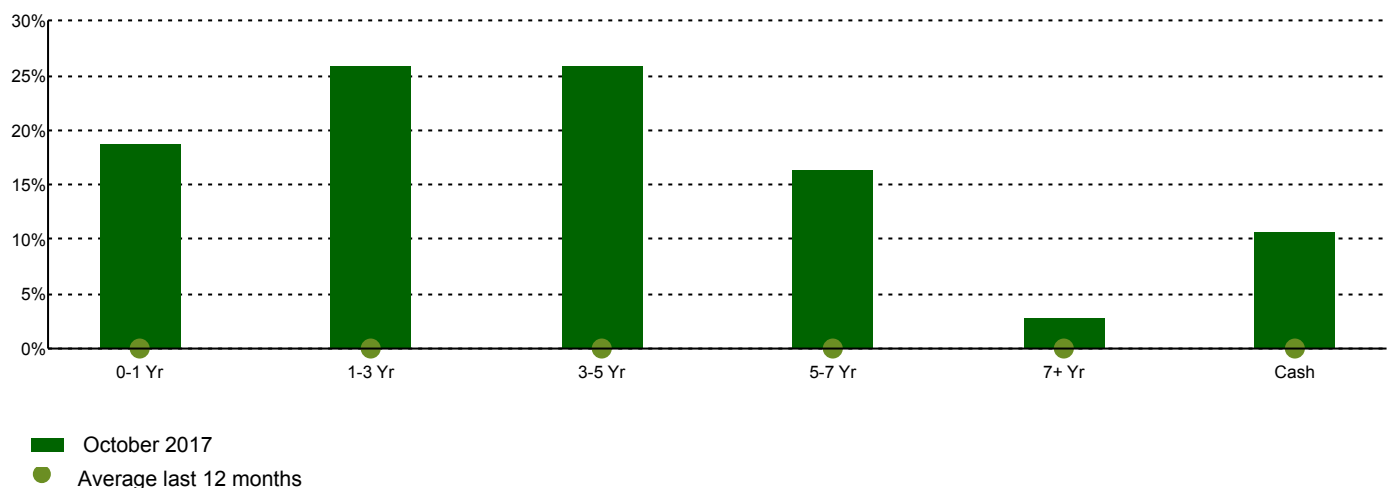
Top 10 investments

Holding	Percentage of Fund
BKK	4.7
Heathrow Funding Ltd	4.6
EDP Finance BV	4.6
Glencore Canada Financial Corp	4.6
Jacob Holm & Sonner Holding AS	3.7
Citycon Treasury BV	3.5
Jaguar Land Rover Automotive Plc	3.4
Schaeffler Finance BV	3.3
DSV A/S	3.1
Bharti Airtel International	3.1
Total	38.6

Country exposure



Maturity structure



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Important information

Unless otherwise stated, performance data relates to class A units and is net of fees. Except otherwise stated, the source of all information is SKAGEN AS. Historical returns are no guarantee for future returns. Future returns will depend, inter alia, on market developments, the fund manager's skills, the fund's risk profile and subscription and management fees. The return may become negative as a result of negative price developments. You can download more information including subscription/redemption forms, full prospectus, Key Investor Information Documents (KIID), General Commercial Terms, Annual Reports and Monthly Reports from our local websites or our local representatives. Statements reflect the portfolio managers' viewpoint at a given time, and this viewpoint may be changed without notice. This report should not be perceived as an offer or recommendation to buy or sell financial instruments. SKAGEN AS does not assume responsibility for direct or indirect loss or expenses incurred through use or understanding of this report. Employees of SKAGEN AS may be owners of securities issued by companies that are either referred to in this report or are part of a fund's portfolio.