

Performance Commentary

SKAGEN Vekst had a troublesome end to November with investors taking risk off the table in a couple of sectors that have performed well this year. Uncertainty surrounding the newly proposed US tax legislation also led to fairly large movements in the renewable space. Our largest detractor this month, Vestas, was particularly affected by this. Several of our materials holdings also developed weakly on the back of sliding commodity prices. On the positive side, we continue to see strong performance from our Russian exposure, with Sberbank, a 2.75% holding in the fund, delivering very encouraging figures on the back of an improving macro environment. This is also reflected in sales figures from Carlsberg. Other strong contributors included Lufthansa, Novo Nordisk and Broadcom.

During the month, we continued to add to holdings where we have high conviction for higher returns, primarily Applied Materials, Anglo American, Swatch and Northern Drilling. In addition, we added a new holding, the US pharma supplier Thermo Fisher Scientific. We trimmed and sold out of several minor holdings where we see better opportunities elsewhere or they reached our price targets. Amongst these were Danieli, Philips Lighting and IM Skaugen.

Historical performance (net of fees)

Period	SKAGEN Vekst A	Benchmark index
Last Month	-3.3%	-2.3%
Year to date	7.4%	8.8%
Last year	13.7%	12.8%
Last 3 years	6.1%	8.9%
Last 5 years	7.9%	10.8%
Last 10 years	2.9%	5.0%
Since start	13.4%	9.8%

The fund selects low-priced, high-quality companies in the Nordic region and from around the world.

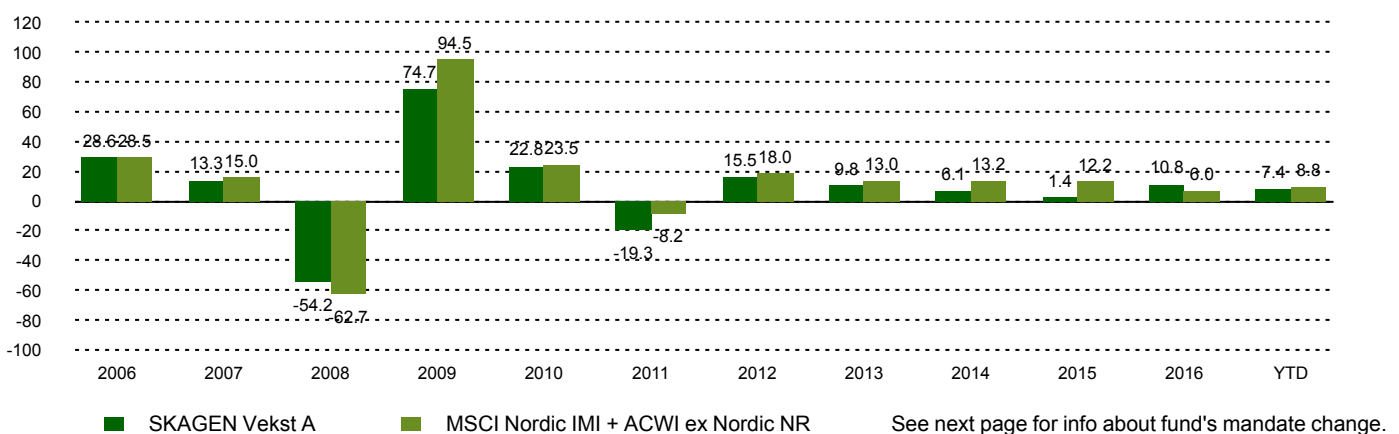
The objective is to provide the best possible risk adjusted return.

The fund is suitable for those with at least a five year investment horizon.

Fund Facts

Type	Equity
Domicile	Norway
Launch date	01.12.1993
Morningstar category	Global Flex-Cap Equity
ISIN	NO0008000445
NAV	245.82 EUR
Fixed management fee	1.00%
Total expense ratio (2016)	1.00%
Benchmark index	MSCI Nordic IMI + ACWI ex Nordic NR
AUM (mill.)	890.41 EUR
Number of holdings	38
Lead manager	Øyvind Fjell

Performance last ten years



Contributors in the month

Largest contributors

Holding	Weight (%)	Contribution (%)
Sberbank of Russia	2.64	0.43
Novo Nordisk A/S	7.90	0.40
Deutsche Lufthansa AG	3.77	0.29
Broadcom Ltd	4.93	0.21
Carlsberg A/S	4.86	0.21

Absolute contribution based on NOK returns at fund level

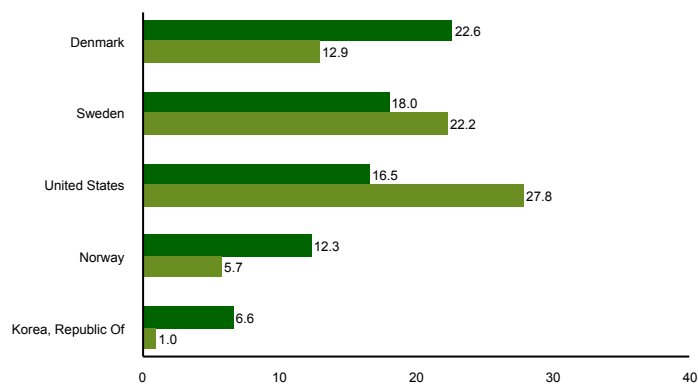
Largest detractors

Holding	Weight (%)	Contribution (%)
Vesta Wind Systems	2.81	-1.20
Norsk Hydro ASA	3.75	-0.40
Boliden AB	2.36	-0.20
Applied Materials Inc	4.44	-0.19
Samsung Electronics	6.91	-0.19

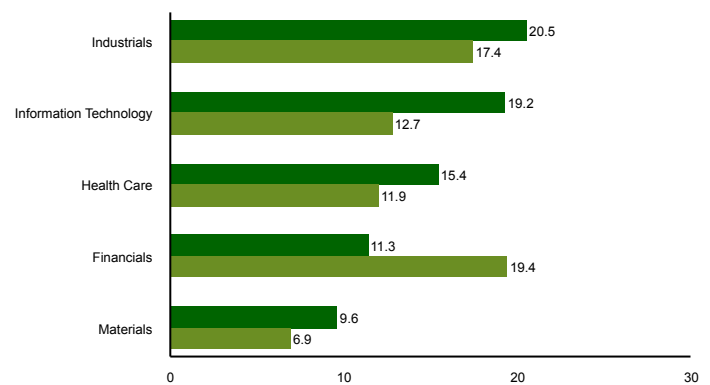
Top ten investments

Holding	Sector	Country	%
Novo Nordisk	Health Care	Denmark	8.1
Samsung Electronics	Information Technology	Korea, Republic Of	6.6
Lonza Group AG	Health Care	Switzerland	5.7
DSV	Industrials	Denmark	5.3
Broadcom Ltd	Information Technology	United States	5.0
Carlsberg	Consumer Staples	Denmark	4.9
Volvo	Consumer Discretionary	Sweden	4.9
Applied Materials	Information Technology	United States	4.7
Citigroup	Financials	United States	4.4
Deutsche Lufthansa AG	Industrials	Germany	4.2
Combined weight of top 10 holdings			54.0

Country exposure (top five)



Sector exposure (top five)



■ SKAGEN Vekst A ■ MSCI Nordic IMI + ACWI ex Nordic NR

■ SKAGEN Vekst A ■ MSCI Nordic IMI + ACWI ex Nordic NR

Contact



+47 51 80 37 09



contact@skagenfunds.com



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

Important information

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

Effective 1/1/2014, the Fund's investment mandate changed from investing a minimum of 50% of its funds in Norway to investing a minimum of 50% of its funds in the Nordic countries. This means that returns prior to the change were achieved under different circumstances than they are today. Prior to 1/1/2014, the benchmark index was an evenly composed benchmark index consisting of the Oslo Stock Exchange Benchmark Index (OSEBX) and the MSCI All Country World. The benchmark index prior to 1/1/2010 was the Oslo Stock Exchange Benchmark Index (OSEBX).