

Performance Commentary

Along with the global equity markets, SKAGEN Vekst had a relatively slow August. Still, given the mixed results from companies reporting second quarter figures, we switched some of our investments into higher yielding ones and to an increasing degree tried to avoid cases where we see potential structural issues as autumn approaches. These include Norwegian, Teva, Ericsson and H&M. We continued to increase our stake in Vestas on the back of a Q2 report that we see as a timing issue of orders more than a structural slowdown. We also entered into Danish transport company DSV as their Q2 figures show the company is on a successful path to higher margins.

In August, Vekst used some of the liquidity to increase its exposure to materials which are becoming increasingly popular in the current attractive pricing environment. The fund currently has four investments that are directly seeing the positive effects of higher material prices and better sentiment for cyclical commodities. These are namely Norsk Hydro, Anglo American, Boliden and Outokumpu, and combined they account for 7.6% of the portfolio. As we enter into the notoriously risky September, SKAGEN Vekst holds a 4% cash position.

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

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

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

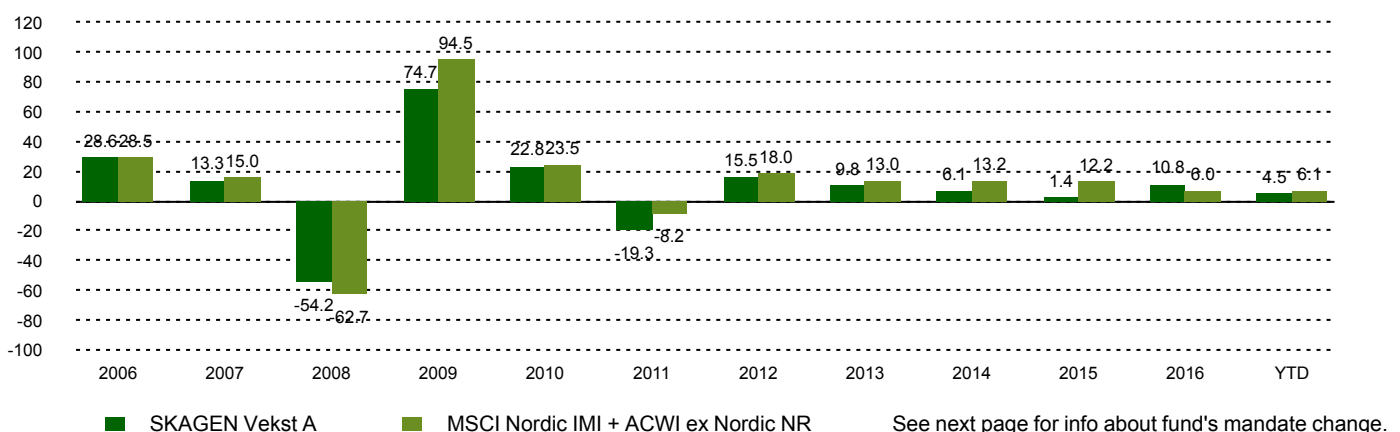
Historical performance (net of fees)

Period	SKAGEN Vekst A	Benchmark index
Last Month	0.2%	0.0%
Year to date	4.5%	6.1%
Last year	12.7%	11.6%
Last 3 years	4.0%	9.0%
Last 5 years	7.2%	10.3%
Last 10 years	2.3%	4.9%
Since start	13.4%	9.8%

Fund Facts

Type	Equity
Domicile	Norway
Launch date	01.12.1993
Morningstar category	Global Flex-Cap Equity
ISIN	NO0008000445
NAV	239.08 EUR
Fixed management fee	1.00%
Total expense ratio (2016)	1.00%
Benchmark index	MSCI Nordic IMI + ACWI ex Nordic NR
AUM (mill.)	841.24 EUR
Number of holdings	45
Lead manager	Øyvind Fjell

Performance last ten years



Contributors

Largest contributors

Holding	Weight (%)	Contribution (%)
Novo Nordisk	6.92	0.66
Golden Ocean Group	2.39	0.57
Norsk Hydro ASA	3.30	0.33
Sberbank of Russia	1.54	0.29
Lonza Group AG	6.29	0.25

Absolute contribution based on NOK returns at fund level

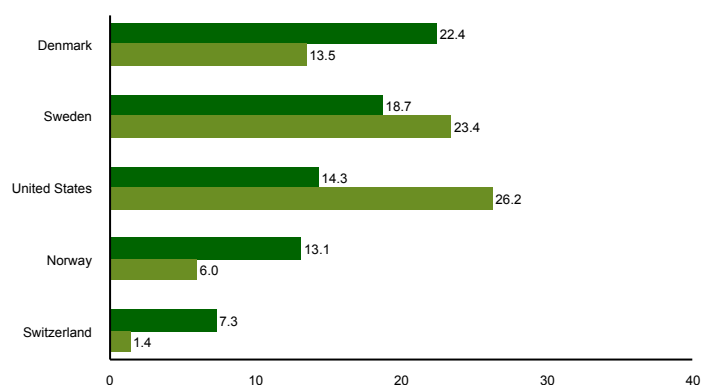
Largest detractors

Holding	Weight (%)	Contribution (%)
Teva Pharmaceuticals	0.39	-0.65
Vestas Wind Systems	4.26	-0.42
Ericsson	2.55	-0.30
Samsung Electronics Ltd	6.17	-0.26
Shire PLC	0.82	-0.16

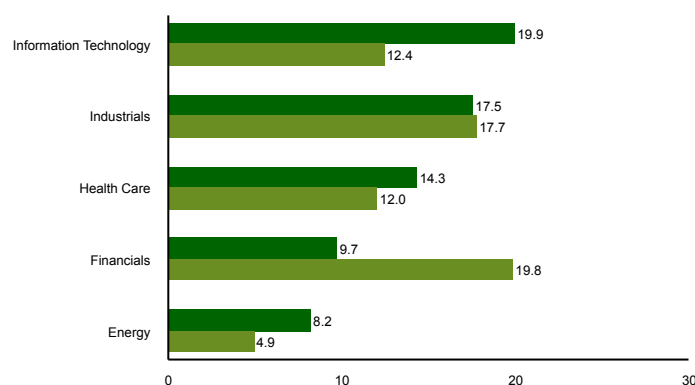
Top ten investments

Holding	Sector	Country	%
Novo Nordisk	Health Care	Denmark	7.68
Lonza Group AG	Health Care	Switzerland	6.31
Samsung Electronics	Information Technology	Korea, Republic Of	5.88
Carlsberg	Consumer Staples	Denmark	5.63
Broadcom Ltd	Information Technology	United States	4.96
Vestas Wind Systems	Industrials	Denmark	4.77
Citigroup	Financials	United States	4.43
Volvo	Consumer Discretionary	Sweden	3.90
Applied Materials	Information Technology	United States	3.62
Norsk Hydro	Materials	Norway	3.56
Combined weight of top 10 holdings			50.75

Country exposure (top five)



Sector exposure (top five)



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

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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.

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).