

## 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.

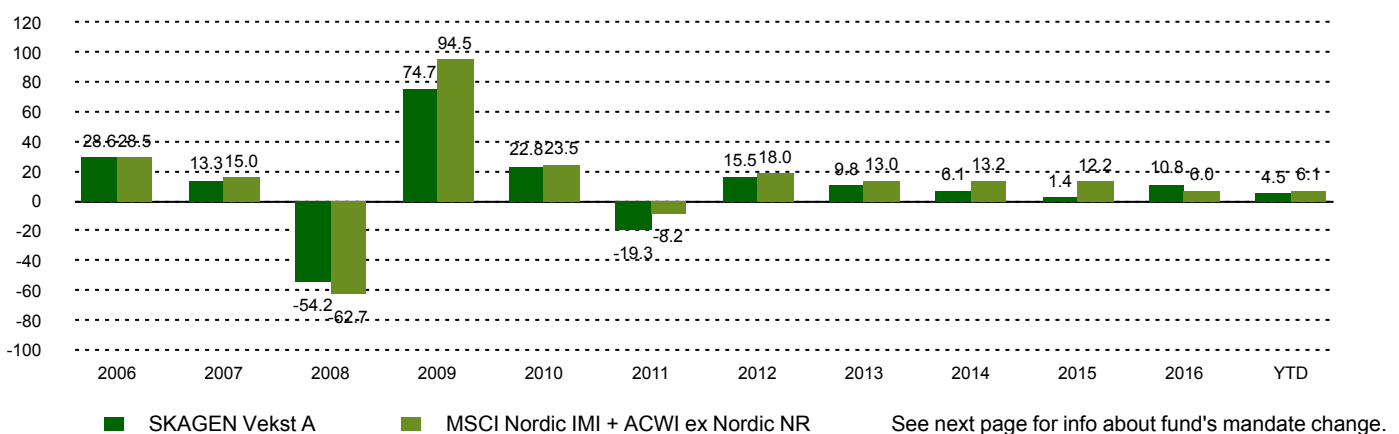
## Historical performance (net of fees)

| 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

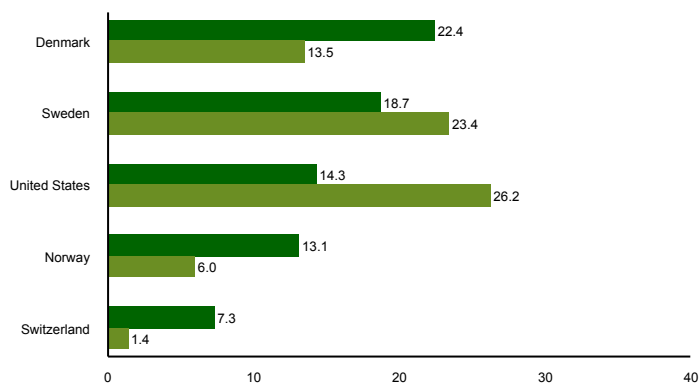
### Largest detractors

| 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            |

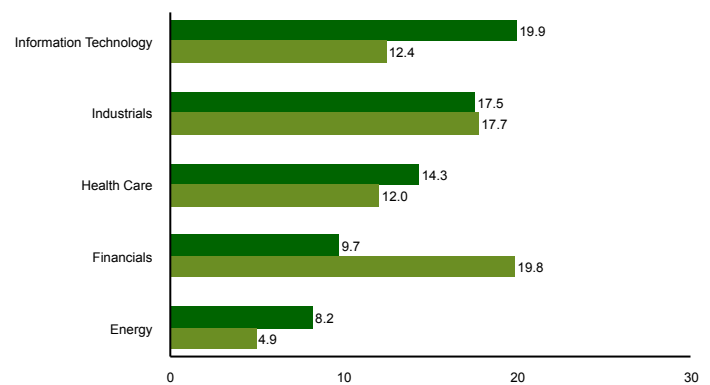
## Top ten investments

| 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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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).