

Performance Commentary

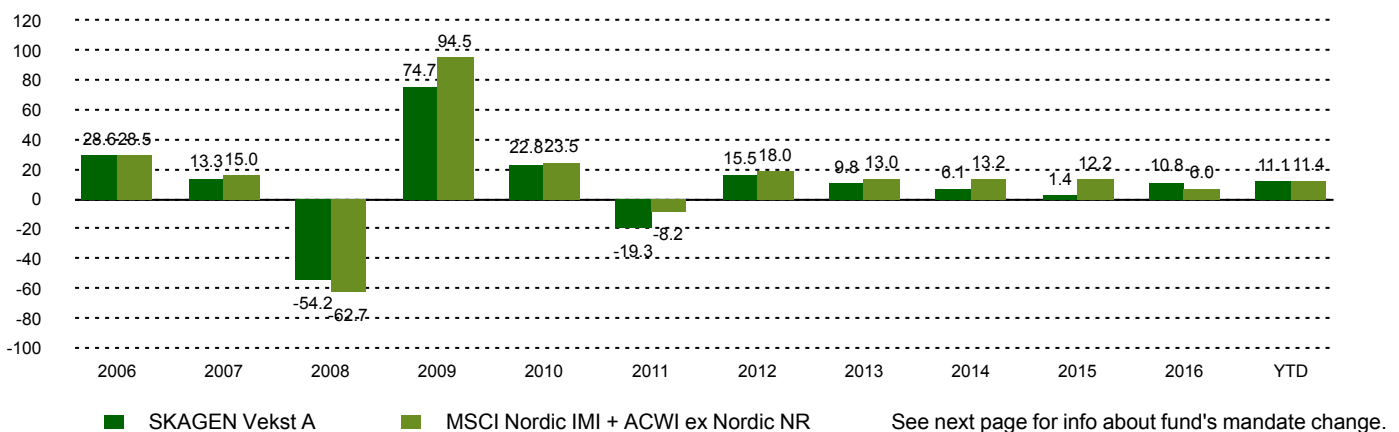
SKAGEN Vekst had a strong month in both relative and absolute terms, mainly as a result of improved macroeconomic news and generally positive quarterly figures from many of our portfolio companies. All our semiconductor-orientated companies – namely Samsung, Broadcom and Applied Materials – delivered strong returns on the back of robust quarterly sales figures and an improved outlook for memory prices. Another strong contributor was the Danish brewery giant Carlsberg, which presented a promising update at their capital markets day and outlined the potential for better prices and growth going forward.

Negative contribution mainly came from companies with exposure to materials. Expectations are retracting somewhat for our Finnish stainless steel producer Outokumpu and the Italian manufacturer of steel and iron machinery, Danieli & Co. Although the figures were disappointing and the outlook is muted, there is still good underlying demand for the products. We sold out of the Japanese financial tech company SBI Holding after a strong run. We also exited a few smaller positions. The German airline company Lufthansa was a newcomer to the portfolio in October. We also participated in a capital raise in Borr Drilling and Golden Ocean.

Historical performance (net of fees)

Period	SKAGEN Vekst A	Benchmark index
Last Month	4.2%	2.7%
Year to date	11.1%	11.4%
Last year	21.2%	18.4%
Last 3 years	7.5%	10.3%
Last 5 years	8.8%	11.5%
Last 10 years	2.5%	4.4%
Since start	13.6%	10.0%

Performance last ten years



Contributors in the month

Largest contributors

Holding	Weight (%)	Contribution (%)
Samsung Electronics Co	6.53	0.87
Broadcom Ltd	4.86	0.58
Applied Materials Inc	4.26	0.57
Novo Nordisk A/S	7.87	0.51
Deutsche Lufthansa AG	1.98	0.41

Absolute contribution based on NOK returns at fund level

Largest detractors

Holding	Weight (%)	Contribution (%)
Outokumpu Oyj	1.92	-0.11
Danieli	0.83	-0.09
Wilh Wilhelmsen Holding	1.54	-0.07
Golar LNG Ltd	0.99	-0.06
Philips Lighting	0.91	-0.03

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.

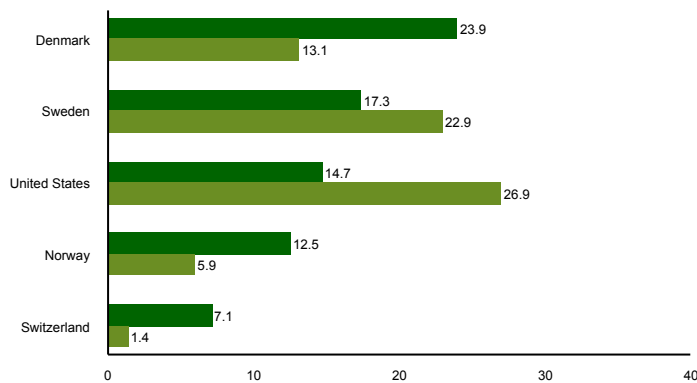
Fund Facts

Type	Equity
Domicile	Norway
Launch date	01.12.1993
Morningstar category	Global Flex-Cap Equity
ISIN	NO0008000445
NAV	254.26 EUR
Fixed management fee	1.00%
Total expense ratio (2016)	1.00%
Benchmark index	MSCI Nordic IMI + ACWI ex Nordic NR
AUM (mill.)	842.67 EUR
Number of holdings	39
Lead manager	Øyvind Fjell

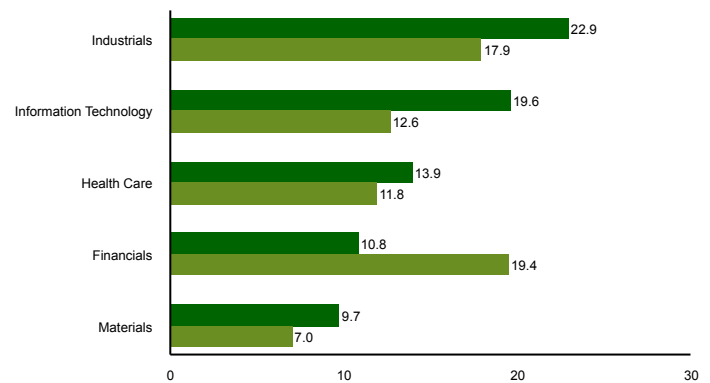
Top ten investments

Holding	Sector	Country	%
Novo Nordisk	Health Care	Denmark	7.7
Samsung Electronics	Information Technology	Korea, Republic Of	6.8
Lonza Group AG	Health Care	Switzerland	6.1
DSV	Industrials	Denmark	5.3
Broadcom Ltd	Information Technology	United States	5.1
Carlsberg	Consumer Staples	Denmark	4.9
Vestas Wind Systems	Industrials	Denmark	4.5
Applied Materials	Information Technology	United States	4.4
Citigroup	Financials	United States	4.3
Volvo	Consumer Discretionary	Sweden	4.2
Combined weight of top 10 holdings			53.3

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 Bank S.A., Germany Branch, Lilienthalallee 34-36, 80939 Munich, Germany is the Information Agent for the Federal Republic of Germany.

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).