

ANNUAL REPORT 2016

# SKAGEN



AN EVENTFUL YEAR

## CONTENTS

### INVITATION

Notice of electoral meeting 2017 > 3

### LEADER

An industry undergoing rapid change > 4  
Leif Ola Rød

### INVESTMENT DIRECTOR'S REPORT

A skill and an art > 5  
Active fund management

### ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE

Continued focus on ESG > 8

### ANNUAL FINANCIAL STATEMENT AND BOARD OF DIRECTORS' REPORT

Board of directors' report > 10  
Financial statement > 13  
Auditor's report > 39



2016 was an eventful year and most of SKAGEN's funds delivered positive returns. Please see our Market Report for the portfolio managers' comments on what happened in the various funds last year. You can find the market report here: [www.skagenfunds.com/reports](http://www.skagenfunds.com/reports)

SKAGEN seeks to the best of its ability to ensure that all information given in this report is correct, however, makes reservations regarding possible errors and omissions.

The report should not be perceived as an offer or recommendation to buy or sell financial instruments. SKAGEN does not assume responsibility for direct or indirect loss or expenses incurred through use or understanding of the report. SKAGEN recommends that anyone wishing to invest in our funds contacts a qualified customer adviser by telephone on +47 51 80 37 09 or by email at [contact@skagenfunds.com](mailto:contact@skagenfunds.com).

SKAGEN Funds only has authorisation to market its money market funds SKAGEN Høyrente and SKAGEN Høyrente Institusjon and combination fund SKAGEN Balanse 60/40 in Norway and SKAGEN Krona in Sweden. Information regarding these funds is included in the official accounts and audited information hereto. The Annual Report 2016 was originally prepared in Norwegian. This is a translated version that is published with reservations regarding possible errors and omissions as well as erroneous translation. In case of conflict between the Norwegian and the English versions, the Norwegian version shall prevail. The Norwegian version of the Annual Report 2016 is available at [www.skagenfondene.no](http://www.skagenfondene.no).



# Notice of electoral meeting in SKAGEN

We would like to invite unit holders in SKAGEN Funds to our electoral meeting which will be held at the Clarion Hotel Energy in Madla, Stavanger on Wednesday 8 March 2017 at 6pm.

## ELECTORAL MEETING

# 8

MARCH

CLARION HOTEL ENERGY  
STAVANGER

### Agenda for the electoral meeting:

1. Election of chairperson and two unit holders to sign the minutes
2. Board of directors' annual report
3. Auditor's report
4. Election of one board member to the board of directors of SKAGEN AS
  - The election committee proposes that the current board member Martin Petersson be re-elected as unit holder-elected board member for a term up to 2019
5. Election to the nomination committee
  - The board proposes that the current member of the nomination committee Per Olof Höglund be re-elected for a term up to 2020
6. Voting

### Voting

Unit holders in SKAGEN Funds may cast advance votes during the period from 20 February until 3 March 2017. You can obtain a voting slip by contacting Customer Services on +47 51 80 37 09. Advance votes may be sent by email to [legal@skagenfunds.com](mailto:legal@skagenfunds.com), or by post to SKAGEN AS, P.O. Box 160, 4001 Stavanger Norway. Your units as of 3 March 2017 will constitute the basis for the calculation of the number of votes.

It will also be possible to vote at the meeting itself. In this case, you must register upon arrival, and at the latest by the time the meeting begins.

In the election, voting rights are adjusted so that unit holders with the same values are entitled to the same number of votes. Unit holders may vote by proxy. You may obtain an approved proxy form by contacting Customer Services on +47 51 80 37 09. Please remember to bring a proof of identity and, where relevant, a certificate of incorporation.

### Funds discussion

After the formal part of the electoral meeting is over, there will be an information meeting and a discussion about the funds with some of the portfolio managers. Light refreshments will be served after the meeting.

You can find further information on our website [www.skagenfunds.com](http://www.skagenfunds.com) or by contacting Customer Services on +47 51 80 37 09. The meeting is open to everyone.

Best regards  
The Board of Directors of SKAGEN AS

Henrik Lisaeth  
Chairman of the Board of Directors

# Dear Readers,

While the history books will most likely associate 2016 with Brexit and Donald Trump, other less renowned events will have a much more lasting impact on the fund management industry.

As the outgoing Chief Executive Officer of SKAGEN AS, I would like to take this opportunity to say a few words about the industry that I have been a part of for the past 25 years.

One of the biggest investment trends since the financial crisis is the great investor rotation out of active investments and into passive ones. This trend continued unabated in 2016 and is expected to continue also this year. According to Morningstar quoted by MarketWatch, active funds saw outflows of USD 285.2 billion in 2016, while passive funds attracted USD 428.7 billion.

Moreover, this trend is set to continue, spurred on by changes in regulation as well as technological shifts in the fund management industry – all around the world. At the time of writing, just over one out of every three invested dollars in the world is in passive funds.

Two issues are worth noting: first, a highly fragmented European fund market has seen and will see even more regulation and integration in the coming years. The European Commission has stated that it will recommend that EU regulators investigate the asset management industry “to ensure more competition and better service for consumers”. Looking at the European fund landscape it is easy to agree that more integration and improved service is needed, particularly in Europe.

Second, in the past year, we have witnessed many large, global fund providers uniting to improve efficiency. In addition, platforms have boosted their market share as the preferred means of distribution for the future and automated solutions are now the vehicle of choice for investment advice to the mass market. Local fund providers are now competing in a global arena, and it is rare to find customers dropping by their local branches to top

up their savings.

The winners in the changing European fund industry will be those that can provide good long-term returns, customer-focused service and optimised distribution, all while maintaining a simple and understandable business model. This chimes well with how we work at SKAGEN.

Although the long-term effects remain to be seen, one point is clear: SKAGEN aims to be a part of the changes. We have in the past year appointed a dedicated Chief Investment Officer, Alexandra Morris, to head up the portfolio management team and we have set up an innovation team to make sure we keep up with the changes.

The next leg of the SKAGEN journey will be steered by Øyvind Schanke, who replaces me as CEO at the beginning of February. He comes to us with a deep belief in active management and sees the strong growth in index management worldwide as an opportunity for SKAGEN. Both the company and our clients should therefore be in capable hands as he works to ensure that SKAGEN remains a preferred provider of actively managed funds.

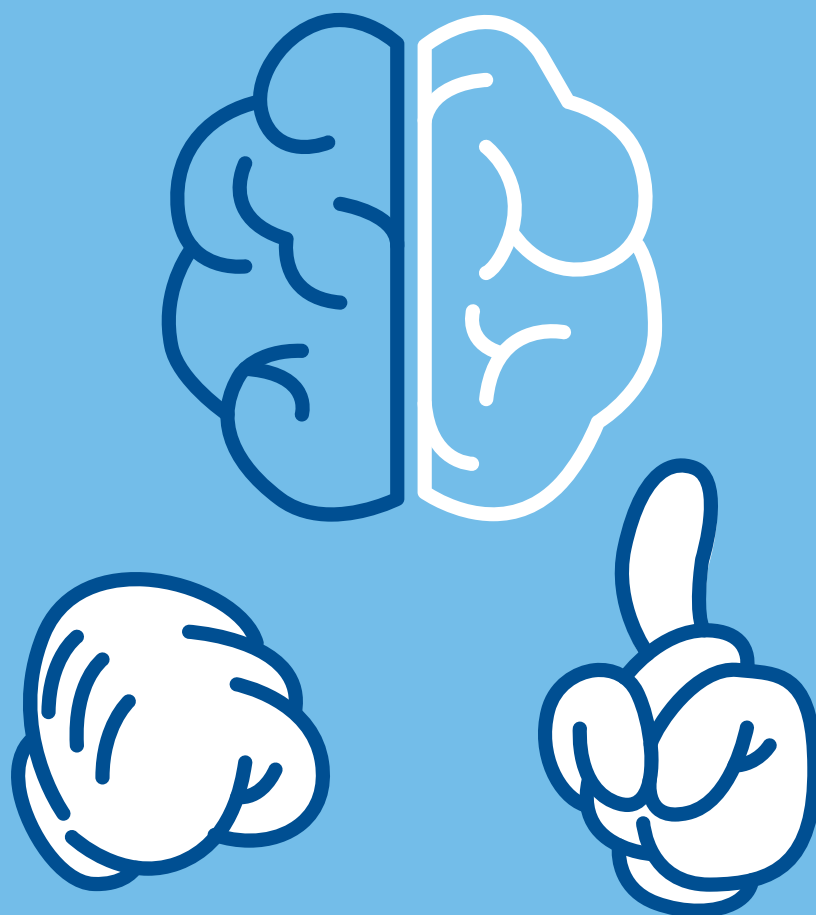


– Leif Ola Rød  
CEO

SKAGEN is a truly active fund manager. No sideways look towards the benchmark, no hiding behind the largest stocks or benchmark-tactics – blending in is not our business. SKAGEN is experienced and has a long tradition in active management.

These are some of the reasons why I joined SKAGEN, which has a team of some of the best portfolio managers in Scandinavia and a proven long-term track record.

Active fund management has been through a rough patch lately. Underperformance and outflow have been the norm in recent years and this trend continued in 2016. Amidst all the changes that our industry is experiencing, we at SKAGEN stick to what we know, namely stock picking.



## A skill and an art

Stock picking is both a skill and an art. Both are equally important and you cannot have one without the other.

– Alexandra Morris  
Investment Director

The skill lies in the ability to use one's education and experience, and apply it to understand complex business cases, financial accounts and valuation methodology. It is the ability to look at all sides of the investment story, not missing any relevant opportunities or risks that may be pertinent to your conclusion.

The art lies in the ability to look into the future and understand the human di-

mension of the financial markets, existing portfolio companies and potential portfolio companies' management, board and owners as well as their customers' future likes and dislikes. The art also lies in the ability to take a bird's eye view of the world economy and make good decisions on a detailed company and portfolio level.

Combining art and skill is a potent cocktail. These are the ingredients of SKA-

GEN's success along with our value approach to stock picking, our unconventional methods of finding opportunities and our determination to provide our unit holders with the best possible returns.

After my first four months at SKAGEN, I see that there are various dimensions to our key strengths, and these can be illustrated as above.



### Nine out of 11 ahead

2016 was a good year for the majority of our funds and most chief investment officers would be satisfied to see 9 out of 11 funds performing ahead of their benchmarks. Nevertheless, as an organisation we always want more for our unit holders and will continue to strive for the perfect score.

SKAGEN Kon-Tiki has beaten its benchmark 11 out of 15 years; we are behind over the last three years. The four best performing portfolio companies earned our unit holders two billion Norwegian kroner in 2016. These were Cosan, a Brazilian diversified energy company, X5, a Russian supermarket chain, Samsung Electronics, a Korean technology company and Banrisul, a Brazilian bank. SKAGEN Kon-Tiki is starting to pull ahead again and the second half of 2016 was markedly better than the first half, with the fund ahead of its benchmark in the period. 2016 also marked the year when Kristoffer Stensrud chose to hand over

sole leadership of the fund to Knut Harald Nilsson. Knut Harald has managed the fund together with Kristoffer over the last 10 years.

SKAGEN Global, which turns 20 this year, has beaten its benchmark 15 out of 19 years. Over these almost twenty years, the fund has delivered a performance of over 14 percent per year. While 2015 was a good year for the fund where we were ahead of benchmark, we were not able to follow up this good performance in 2016. We were surprised by Brexit in the first half, and in the second half the rotation out of healthcare stocks and unfavourable company news led to weak performance from two pharma stocks in the portfolio, Roche and Teva. This is a harsh reminder that avoiding losers is crucial to good performance. As active fund managers, we know we will deviate from benchmark – both on the up- and downside. We are working hard to ensure that 2017 will be an “up” year.

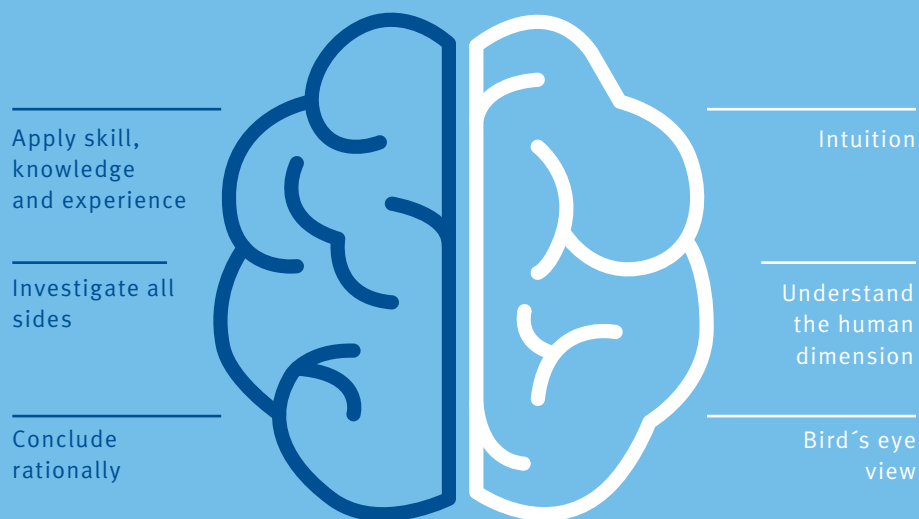
I would like to emphasise that outper-

formance in SKAGEN Kon-Tiki and SKAGEN Global is our number one priority for 2017.

SKAGEN Vekst invests about half of its assets in the Nordics and the rest globally. The fund has grown twentyfold since its inception in 1993. In 2016, SKAGEN Vekst beat its benchmark, driven by its investments in companies like Oriflame, a Swedish cosmetics firm, Samsung Electronics and Norsk Hydro, a Norwegian aluminium company.

Our global property fund SKAGEN m2 also performed well in 2016. SKAGEN m2 had a few teething problems at inception four years ago, but a successful change of portfolio managers and a clean-up of the portfolio has put this fund firmly back on track. SKAGEN m2 is an exciting product for clients looking for international exposure to real estate.

Last, but not the least, I would like to review our latest equity fund family member, SKAGEN Focus. SKAGEN Focus is a global equity fund that has a very clearly



defined mandate and strategy. The fund delivered formidable performance last year, outperforming its benchmark by a significant margin.

SKAGEN offers several fixed income funds, a number of which have been part of the SKAGEN family for many years. Our fixed income funds consistently deliver excellent returns, not only against their benchmarks, but against competition as well. This is demonstrated by the 5 and 4 star ratings from Morningstar for SKAGEN Tellus and SKAGEN Avkastning, respectively.

You may read more about our fixed income and our equity funds in the portfolio updates in our Market Report.

#### **A promising year**

2017 promises to be an exciting year and the global economy is off to a good start. The US economy is strong, and a new president will be in place by the end of January. What this will mean for investors remains to be seen.

What we do know is that Europe is

expected to do better this year following a clean-up of Italian banks and better exports on the back of a weaker euro. The great unknown is the timeline and the effects of the UK activating Article 50 and starting the Brexit process. The British Prime Minister has signalled that the formal process will start at the end of March. With the British government in effect ending a half of a century of foreign and economic policy, European collaboration will surely be put to the test.

The spring months will also probably be filled with noise surrounding the election in France. Still, one should not be distracted from the fact that the US central bank may continue to raise interest rates. They already started to do so in December and have signalled that there may be more to come. Meanwhile, there are important events such as the German elections and China's Communist party congress scheduled for the second half of the year.

What President Trump will, or will not, do when it comes to protectionism is far

from clear. Will he use smoke and mirrors to achieve big headlines, or will he actually implement import taxes and export subsidies or other major measures that would hinder global trade? The current business climate in emerging markets is improving. A trade war would reverse this.

However, aside from these clouds, the skies have turned brighter in emerging markets. After several years of profits being downgraded due to high cost inflation and slow demand, emerging markets are now on the path to recovery. Costs are coming down and demand is picking up which is in itself very positive for the companies. Combining this with very low valuation, we may be in for positive equity performance in emerging markets. We believe they may turn out to be the best place to be in 2017; the combination of improving earnings and record low valuation is indeed potent.

# Continued focus on ESG

In 2016 SKAGEN continued to increase its focus on sustainability in the funds.

It is gratifying to note that we have received good feedback on our increased focus on and clarification around how we integrate environmental, social and corporate governance factors (ESG) into our investment processes. The feedback has come from our clients, other players in the fund industry, consultants and the UN supported Principles for Responsible Investment (UN PRI).

It was also gratifying to be ranked joint third place in Morningstar's rating of Norwegian asset management companies within ESG. The overview from the international fund information supplier, Morningstar, was published on their Norwegian website and was based on their new Sustainability Rating. The number of globes allocated to a fund demonstrates how well a portfolio takes into account ESG factors in Morningstar's view.

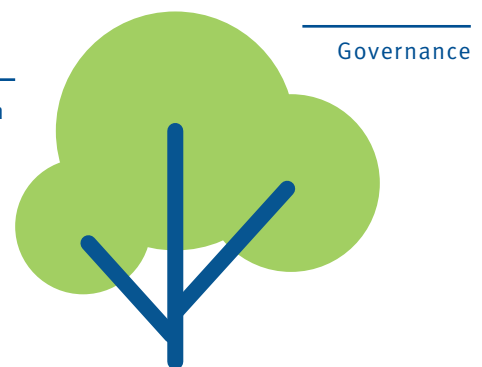
SKAGEN has incorporated ESG factors

in the investment process for the past fifteen years. Amongst other things, this enables us to identify challenges before they escalate and consequently reduce the value of the funds' investments.

Sustainability and good governance can provide companies with competitive advantages and support value creation, which contributes to maximising returns over time to the benefit of our unit holders. The portfolio managers assess the sustainability in every holding to see whether it has relevance to the investment in the same way that they assess other analysis material.

## Voting

During the course of 2016, SKAGEN voted in more shareholder meetings. During the year, there were a total of 248 votable shareholder meetings, with a total of 2 863 votable items on the agenda.



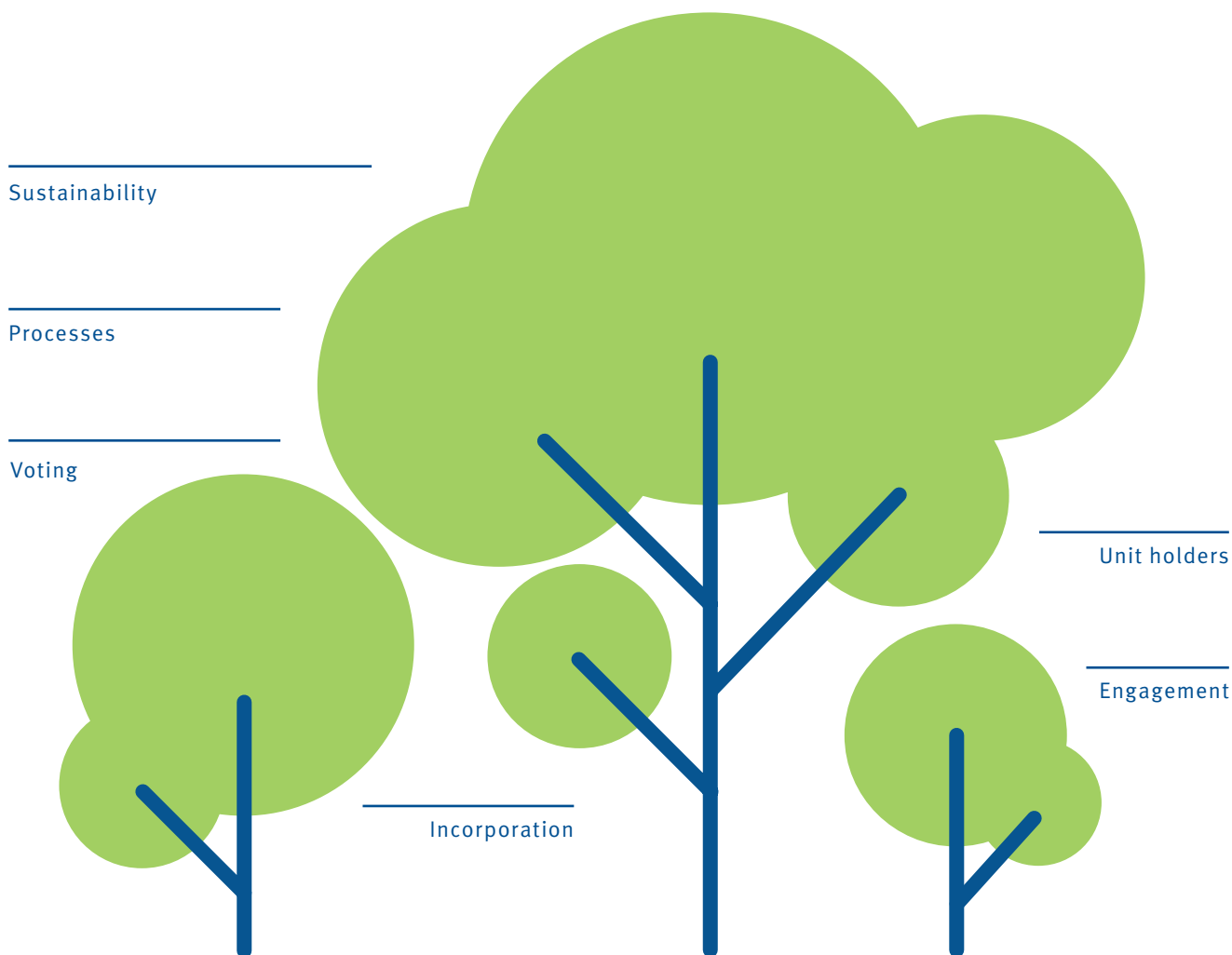
SKAGEN voted at 231 of these meetings, on 93 percent of the votable items. This is an increase from 86 percent in 2015.

In the meetings where we voted, 6.1 percent of the votes were against the company's management on one or more items on the agenda. This is a slight decrease from 7.6 percent at the end of 2015.

SKAGEN has, in line with our policy, typically voted against items related to:

- The issuance of equity without pre-emptive rights for existing shareholders
- Excessive management remuneration without links to results
- The election of board members who are not deemed sufficiently independent





When we launched our new website in November 2015, we also added an online solution from Institutional Shareholder Services (ISS), which is the world's leading provider of corporate governance solutions. Our unit holders can now find out how the funds have voted in the companies they own the day after the votes have been cast. An explanation is available in the instances where we have voted against the company's management on general meeting ballot items.

#### Engagement

SKAGEN engages with the companies in our portfolios. The portfolio managers regularly speak with management in the companies where we are invested. We record the cases where we have had direct contact on a specific issue.

SKAGEN engaged with 13 companies on various ESG issues during the course

of 2016. One case worth mentioning is our interaction with Banco do Estado do Rio Grande do Sul, which for years has run the salary payments for government employees in the state of Rio Grande Do Sul. The state, which is the largest shareholder in the bank with a 57 percent stake, announced in January that they would start charging for the right to run the business.

The Brazilian Shareholder Association sent a letter voicing concerns over smaller shareholders' rights in this matter. The portfolio managers of the emerging markets fund SKAGEN Kon-Tiki contacted the bank about similar concerns, and sent a separate letter to management where we stated our view. The fund also supported the election of an independent member to the board in April.

Our newest fund, SKAGEN Focus, has been involved in two so-called proxy

fight between investors and key people in two companies, namely Stock Spirits and Omega Protein. We won in both cases. In addition we have continued to follow up on the engagement we have had with the UK-based security company G4S and were gratified to note that the company sold its operations in Israel in December.

At the end of 2016, we can therefore state that we are satisfied with the developments in this area. However, we work continuously to improve our sustainability policy. Our journey so far has taken us from the first rounds of reporting to UN PRI to an A-rating for the year 2015. New rounds of reporting are approaching and we look forward to developing further in order to maintain our good results.

# Board of director's report for SKAGEN's Security Funds 2016

At the end of 2016, SKAGEN AS (SKAGEN) managed combined assets of NOK 83.3 billion divided between five equity funds, six fixed income funds, one combination fund, in addition to mirror funds and feeder funds. Nine out of our 11 equity and fixed income funds delivered positive returns in 2016; nine out of eleven outperformed their respective benchmark indexes.

## **SKAGEN's equity and combination funds in 2016**

At the end of 2016, SKAGEN managed the equity funds SKAGEN Vekst, SKAGEN Global, SKAGEN Kon-Tiki, SKAGEN m2 and SKAGEN Focus, in addition to the combination fund SKAGEN Balanse. SKAGEN is an active manager. The return in the funds will therefore vary over time and should be assessed in a long-term perspective. Three of our equity funds outperformed their respective benchmark indexes last year.

At the end of 2016, SKAGEN managed total assets of NOK 76.8 billion in equity and combination funds, down from NOK 92.1 billion at the end of 2015. This reflects NOK 1.3 billion in value development and NOK 16.7 billion in net redemptions.

The market for index funds and smart beta has grown over recent years, to the detriment of active funds. This was one of the reasons why some of the equity funds experienced significant redemptions in 2016, of which 90 percent was on the part of institutional clients. Liquidity in the funds has not been challenged, however, and the redemptions have been handled in a routine manner.

## **SKAGEN's fixed income funds in 2016**

At the end of the year, SKAGEN managed the bond funds SKAGEN Avkastning, SKAGEN Tellus and SKAGEN Credit and the money market funds SKAGEN Høyrente, SKAGEN Høyrente Institusjon and SKAGEN Kroma. All of the fixed income funds beat their benchmark indexes in 2016.

At the end of 2016, SKAGEN managed total assets of NOK 6.6 billion in fixed income funds, down from 7.2 billion at the end of 2015. The change comes from NOK 100 million in value development and NOK 700 million from net redemptions.

## **Environmental, social and governance (ESG) factors**

SKAGEN works actively with social, environmental and governance factors in our funds. We believe that companies with a healthy focus on ESG have a competitive advantage which in turn contributes to increased value creation. During the course of the year we have voted at 231 general meetings, on 93 percent of the votable items. On the items where we voted, we voted against the company's management (on one or more points) in 6.1 percent of the cases. SKAGEN typically votes against items related to the issuance of equity without pre-emptive rights for existing shareholders, excessive management remuneration without links to results and the election of board members who are not deemed sufficiently independent. Information about voting is published on our website. Together with other shareholders, SKAGEN got two new independent board members elected in two of our portfolio companies, and we have throughout 2016 been in active dialogue with 13 portfolio companies.

## **General risk associated with investing in securities funds**

Investing in securities funds entails risk related to future value development. Invest-



*Henrik Lisaeth*  
Chairman of the Board



*Åge Westbø*  
Board member, elected by  
shareholders



*Anne Sophie K. Stensrud*  
Board member, elected by  
shareholders



*Leiv Askvig*  
Board member, elected by  
shareholders



*Simen Vier Simensen*  
Deputy member, elected by  
shareholders



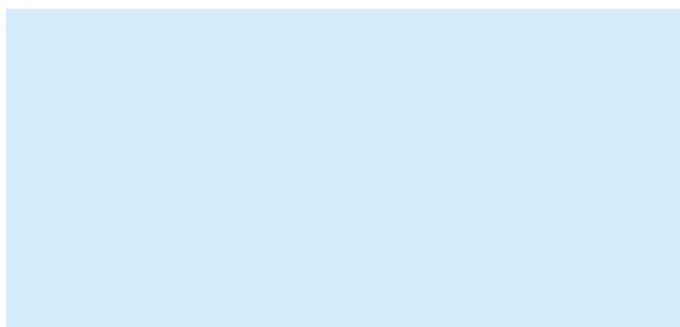
*Jesper Rangvid*  
Deputy member, elected by  
shareholders



*Kristoffer Stensrud*  
Deputy member, elected by  
unit holders



*Per Gustav Blom*  
Board member, elected by unit  
holders



*Martin Petersson*  
Board member, elected by  
unit holders



*Aina Haug*  
Deputy member, elected by  
unit holders

tors may therefore receive higher or lower returns than expected, and may also make a loss on investments. Nevertheless, a general characteristic of securities funds, including SKAGEN's securities funds, is that risk is diversified across many different investments in different sectors and geographical regions. This diversification is expected to benefit clients over time and their returns should be higher relative to the risk of buying single stocks or bonds.

#### **Risk management in SKAGEN's securities funds**

SKAGEN monitors and measures risk in the securities funds in accordance with Norwegian laws and regulations. Each of the securities funds has a risk profile that is approved by the Board. The Board and the managing director regularly receive risk reports drawn up by the company's independent risk management function, which highlight relevant risk factors including market risk, credit risk and liquidity risk.

The value development of all of SKA-

GEN's securities funds was in line with the normal annual fluctuations and their respective risk profiles in 2016. Over time, the highest return is expected to come from the equity funds, somewhat lower return is expected from the bond funds and the lowest return from the money market funds. The equity fund SKAGEN m<sup>2</sup> invests in listed property companies and is expected to have a risk level and deliver a return between those of the other equity funds and the bond funds over time. That was the case in 2016.

#### **Market risk**

The risk in the funds' investments is divided between general market risk and specific risk linked to the individual investments. For both our equity and fixed income funds, the majority of the risk is associated with general market risk. Political and economic conditions, general interest rate developments and foreign exchange rate fluctuations are particularly pertinent to general market risk. When something unexpected happens, the

funds are typically affected almost as much as the rest of the market. Throughout 2016, political risk has been a more significant factor, particularly in relation to the Brexit referendum and the US presidential election. The specific risk associated with concrete investments is independent of other fluctuations. The specific risk is reduced by diversifying SKAGEN's portfolios, so that our securities funds as a whole are most exposed to general market risk.

Political risk is expected to continue in 2017, due to several important elections amongst other things. It is, however, worth noting that just a few days after the Brexit outcome in June and a few hours after the Trump victory in November, the downturn had become an upturn in the stock market. Presidential elections, terrorist attacks, natural disasters and other external shocks have not had a particularly lasting effect on the market over the past decade. That being said, short-term market fluctuations provide an active manager like SKAGEN with good opportunities, as we can use

## BOARD OF DIRECTORS' REPORT

the fluctuations to our advantage. Whether the particular events in 2016 will have long lasting effects, it is too early to say. The most important issue is whether increased populism will result in higher inflation, and whether such a development would have an effect on interest rates. At the time of writing, we are seeing higher headline inflation as a result of increasing commodity prices. However, we have not yet seen any substantial change to core inflation.

### Credit and counterparty risk

The fixed income funds' investments are based on analyses of each issuer's creditworthiness and the economic, macro political and institutional circumstances of the country in which the bond is issued. Credit risk is reduced by increasing demands in terms of credit worthiness and type of issuer. Counterparty risk is reduced by seeking delivery on payment and by keeping a close eye on brokers' credit ratings and/or market credit premium as well as accounts.

### Liquidity risk

SKAGEN's securities funds are also exposed to liquidity risk, i.e. the risk that the funds' investments cannot be converted to cash within an expected timeframe or at an expected price. Liquidity risk may occur if, for example, certain securities are not frequently traded in the market. The risk is limited by monitoring the volumes sold,

having an extensive counterparty network as well as the possibility to trade outside the market. In addition, certain cash reserves are maintained.

### Operational risk

Fund management also entails operational risk, typically associated with inadequate or failing internal processes or systems, human error or external events. Operational risk is managed by, amongst other things, maintaining focus on good processes, routines and systems, continuous training of employees, communication measures as well as updating and drawing lessons from event registers. Incidents and near-misses are evaluated twice a year in an internal control process involving the managers responsible for all areas of activity.

### Administrative conditions

In 2016, SKAGEN starting using a proprietary system to manage unit holder registration and settlement in the funds. The board is satisfied that the transition from VPS went as planned, with no particular remarks from the Norwegian Financial Services Authority. Thanks to our new system, we can now provide our clients in Norway and abroad with a significantly better and more flexible technical solution.

Alexandra Morris was appointed new Investment Director on 1 September 2016. She has 20 years' experience as analyst,

portfolio manager and latterly as Investment Director at DNB. She is SKAGEN's first investment director focused solely on this one role.

In the autumn of 2016, SKAGEN started a reorganisation process in order to adapt the organisation to changing market conditions, assets under management and strategy. This process is expected to be completed in the spring of 2017.

Øyvind Schanke takes up the role as new Managing Director of SKAGEN on 1 February 2017, and replaces Leif Ola Rød, who has led SKAGEN since 2014. Schanke joins SKAGEN from a position as the Chief Investment Officer for Asset Strategies for Norway's Government Pension Fund Global (the "oil fund") and has 21 years of experience from the finance industry. The board would like to thank Leif Ola Rød for his solid contribution to SKAGEN.

The securities funds have no employees. The company does not pollute the environment. All the securities funds are managed by SKAGEN and have Handelsbanken as their custodian. SKAGEN is located in Stavanger, Norway.

### Going concern

The Board confirms that the premise of the funds and the management company as going concerns continues to be fulfilled.

## Proposal for the allocation of funds' income:

INCOME STATEMENT 2016 (ALL FIGURES IN NOK 1000)	SKAGEN VEKST 2016	SKAGEN GLOBAL 2016	SKAGEN KON-TIKI 2016	SKAGEN m <sup>2</sup> 2016	SKAGEN FOCUS 2016	SKAGEN BALANCE 60/40 2016	SKAGEN TELLUS 2016	SKAGEN AVKASTNING 2016
INCOME STATEMENT	272 239	-845 577	1 788 406	38,906	160 138	7 636	-4 759	44 906
<b>Allocation of net income</b>								
Transfer to/from retained earnings	272 239	-845 577	1 788 406	38 906	160 138	7 636	-61 037	-3 675
Allocated for distribution to unit holders	-	-	-	-	-	-	56 279	48 581
Net distributed to unit holders during the year	-	-	-	-	-	-	-	-
<b>Total</b>	<b>272 239</b>	<b>-845 577</b>	<b>1 788 406</b>	<b>38 906</b>	<b>160 138</b>	<b>7 636</b>	<b>-4 759</b>	<b>44 906</b>

INCOME STATEMENT 2016 (ALL FIGURES IN NOK 1000)	SKAGEN HØYRENT 2016	SKAGEN HØYRENT INSTITUSJON 2016	SKAGEN KRONA (IN 1000 SEK) 2016	SKAGEN CREDIT 2016	SKAGEN CREDIT NOK 2016	SKAGEN CREDIT SEK (IN 1000 SEK) 2016	SKAGEN CREDIT EUR (IN 1000 EUR) 2016
INCOME STATEMENT	61 793	11 830	829	6 945	9 054	2 094	547.3
<b>Allocation of net income</b>							
Transfer to/from retained earnings	24 055	426	-334	-13 304	4 011	1 156	-740.5
Allocated for distribution to unit holders	37 738	11 404	-	20 249	5 043	-	1 287.8
Net distributed to unit holders during the year	-	-	1,163	-	-	939	-
<b>Total</b>	<b>61 793</b>	<b>11 830</b>	<b>829</b>	<b>6 945</b>	<b>9 054</b>	<b>2 094</b>	<b>547.3</b>

Board of Directors SKAGEN AS, Stavanger 3 February 2017

Henrik Lisæth

Leiv Askvig

Åge K. Westbø

J. Kristoffer C. Stensrud

Per Gustav Blom

Martin Petersson



# Annual Financial Statement 2016


INCOME STATEMENT			SKAGEN Vekst		SKAGEN Global		SKAGEN Kon-Tiki		SKAGEN m²		SKAGEN Focus		
(all figures in 1,000NOK)			Notes	2016	2015	2016	2015	2016	2015	2016	2015	26.05.2015 - 31.12.2015	
Portfolio revenue and costs													
Interest income and costs				-146	-1 642	1 568	-20 253	-36 454	-44 055	1 101	847	262	234
Dividends				175 360	177 934	767 474	759 302	739 621	1 249 620	25 361	49 062	21 781	6 943
Realised capital gain/loss			7	194 441	750 027	3 607 300	6 461 412	2 088 114	3 893 787	23 294	94 099	56 862	10 879
Change unrealised gain/loss			6	1 016	-283 834	-4 688 940	-1 924 864	-4 585 591	-4 506 367	10 653	-83 975	113 943	-44 522
Guarantee commission				-	-	-	-	-	-	-	-	-	-
Transaction-related custodian costs			7	-127	-129	-379	-432	-558	-540	-215	-454	-190	-10
Currency gain/loss				-20 125	43 326	-197 889	398 870	37 354	218 342	-1 206	5 608	-3 399	2 837
PORTFOLIO RESULT				350 421	685 682	-510 867	5 674 035	2 369 486	810 787	58 987	65 187	189 259	-23 730
Management revenue and costs													
Management fee - fixed			8	-72 835	-81 807	-295 146	-360 499	-568 140	-783 647	-14 225	-17 861	-18 561	-7 201
Management fee - variable			8	-	-11 750	-	-370	56 485	130 520	-3 865	8 863	-8 364	5 617
ASSET MANAGEMENT RESULT				-72 835	-93 557	-295 146	-360 869	-511 655	-653 127	-18 089	-8 997	-26 925	-1 584
RESULT BEFORE TAX				277 586	592 125	-806 013	5 313 165	1 857 831	157 660	40 898	56 190	162 334	-25 314
Tax cost			10	-5 347	3 464	-39 564	-100 411	-69 425	-115 485	-1 991	-7 893	-2 196	-2 504
NET INCOME				272 239	595 588	-845 577	5 212 754	1 788 406	42 175	38 906	48 297	160 138	-27 818
Allocation of net income													
Transfer to/from retained earnings			9	272 239	595 588	-845 577	5 212 754	1 788 406	42 175	38 906	48 297	160 138	-27 818
Allocated for distribution to unit holders			9	-	-	-	-	-	-	-	-	-	-
Net distributed to unit holders during the year			9	-	-	-	-	-	-	-	-	-	-
TOTAL				272 239	595 588	-845 577	5 212 754	1 788 406	42 175	38 906	48 297	160 138	-27 818
BALANCE SHEET													
			31.12.2016	31.12.2015	31.12.2016	31.12.2015	31.12.2016	31.12.2015	31.12.2016	31.12.2015	31.12.2016	31.12.2015	
Assets													
Norwegian securities at cost price			3,6,7	1 055 456	1 404 369	-	-	546 544	1 389 093	41 676	51 073	-	-
Foreign securities at cost price			3,6,7	5 078 102	5 522 299	22 326 119	24 408 235	20 377 849	24 308 029	808 054	881 796	1 549 346	1 055 313
Unrealised capital gain/loss			3,6,7	1 225 714	1 230 110	4 759 627	9 489 191	9 171 479	9 684 462	77 404	66 993	67 930	-44 522
Accrued interest securities			6	-	-	-	-	-	-	-	128	-	-
TOTAL SECURITIES PORTFOLIO				7 359 272	8 156 778	27 085 746	33 897 425	30 095 872	35 381 584	927 134	999 990	1 617 277	1 010 791
Dividend receivable				16 136	19 940	56 671	69 029	187 366	224 073	2 616	1 787	1 639	3 158
Accrued interest bank				-	-	-	-	-	-	-	-	-	-
TOTAL ACCRUED INCOME				16 136	19 940	56 671	69 029	187 366	224 073	2 616	1 787	1 639	3 158
Deferred tax asset				-	-	-	-	-	-	-	-	-	-
Accounts receivable - brokers				30	10	-	240 021	105 581	11 175	28	13 053	6 019	-
Accounts receivable - management company				5	4	6	18	30	52	4	4 852	2	2 382
Tax receivable on dividends				7 440	5 961	33 218	42 813	7 617	29 206	787	1 077	101	-
Other receivables				-	-	-	705	32 787	-	361	769	912	-
TOTAL OTHER RECEIVABLES				7 474	5 974	33 224	283 556	146 015	40 433	1 181	19 751	7 034	2 382
Bank deposits				100 290	37 228	1 188 101	1 429 076	608 632	618 335	37 252	12 668	102 374	27 641
TOTAL ASSETS				7 483 173	8 219 921	28 363 743	35 679 086	31 037 886	36 264 425	968 183	1 034 196	1 728 323	1 043 971
Equity Capital													
Unit capital at parvalue			9	359 126	411 969	1 951 147	2 427 276	4 179 396	5 269 900	592 279	661 261	1 576 418	1 080 198
Premium			9	3 530 218	3 958 828	16 475 787	19 442 939	19 328 060	24 320 424	223 384	235 702	-27 850	-22 972
TOTAL PAID-IN EQUITY CAPITAL				3 889 344	4 370 797	18 426 934	21 870 215	23 507 456	29 590 323	815 663	896 963	1 548 568	1 057 226
Retained earnings			9	3 568 671	3 812 360	9 841 565	13 684 335	7 112 947	6 599 374	143 452	125 036	149 538	-15 401
Allocated to unitholders for reinvestment in new units			9	-	-	-	-	-	-	-	-	-	-
TOTAL EQUITY CAPITAL				7 458 015	8 183 157	28 268 499	35 554 550	30 620 403	36 189 697	959 115	1 021 999	1 698 106	1 041 825
Debt													
Deferred tax			10	-	-	-	-	-	-	263	668	-	-
Accounts payable - brokers				-	-	-	558	13 531	-	-	742	16 049	-
Accounts payable - management company				17 917	31 798	69 289	87 337	84 621	39 017	7 412	-	14 168	-
Other debt			10	7 241	4 965	25 955	36 642	319 330	35 711	1 393	10 787	-	2 146
TOTAL OTHER DEBT				25 158	36 763	95 244	124 537	417 482	74 728	9 068	12 197	30 217	2 146
TOTAL DEBT AND EQUITY CAPITAL				7 483 173	8 219 921	28 363 743	35 679 086	31 037 886	36 264 425	968 183	1 034 196	1 728 323	1 043 971

Board of Directors SKAGEN AS, Stavanger 3 February 2017

  
Henrik Lisæth

  
Leiv Askvig

  
Åge K. Westbø

  
J. Kristoffer C. Stensrud

  
Per Gustav Blom

  
Martin Petersson

INCOME STATEMENT		SKAGEN Tellus		SKAGEN Avkastning		SKAGEN Høyrente		SKAGEN Høyrente Institusjon		SKAGEN Krona*		
(all figures in 1,000 NOK)		Notes	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Portfolio revenue and costs												
Interest income and costs			29026	44774	33798	47438	59700	69331	13610	16482	956	2155
Dividends			-	-	-	-	-	-	-	-	-	-
Realised capital gain/loss			40065	95548	7013	56039	-7498	-4170	-2488	-2107	-	-
Change unrealised gain/loss	6		-61402	-74503	-6072	-60098	17145	-25251	1850	-2678	339	-201
Guarantee commission			-	-	-	-	-	-	-	-	-	-
Transaction-related custodian costs	7		-21	-42	-10	-24	-5	-5	-4	-5	-23	-19
Currency gain/loss			-4528	-2724	17981	-18441	-	-	-	-	-	-
PORTFOLIO RESULT			3139	63053	52710	24913	69342	39904	12969	11692	1272	1934
Management revenue and costs												
Management fee - fixed	8		-7898	-9702	-7804	-9224	-7549	-7664	-1139	-1165	-443	-852
Management fee - variable	8		-	-	-	-	-	-	-	-	-	-
ASSET MANAGEMENT RESULT			-7898	-9702	-7804	-9224	-7549	-7664	-1139	-1165	-443	-852
RESULT BEFORE TAX			-4759	53350	44906	15689	61793	32240	11830	10527	829	1083
Tax cost	10		-	-	-	-	-	-	-	-	-	-
NET INCOME			-4759	53350	44906	15689	61793	32240	11830	10527	829	1083
Allocation of net income												
Transfer to/from retained earnings	9		-61037	-61061	-3675	-52638	24055	-21674	426	1069	-334	1083
Allocated for distribution to unit holders	9		56279	114411	48581	68328	37738	53914	11404	9458	-	-
Net distributed to unit holders during the year	9		-	-	-	-	-	-	-	-	1163	-
TOTAL			-4759	53350	44906	15689	61793	32240	11830	10527	829	1083
BALANCE SHEET												
			31.12.2016	31.12.2015	31.12.2016	31.12.2015	31.12.2016	31.12.2015	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Assets												
Norwegian securities at cost price	3,6		83898	63360	1113654	1238681	2087859	2278741	479094	404444	-	-
Foreign securities at cost price	3,6		913360	1122673	235304	296999	-	-	-	-	357204	500573
Unrealised capital gain/loss	3,6		19791	81193	487	6559	-5426	-22571	-1100	-2950	-133	-472
Accrued interest securities	6		14716	18162	6705	7631	5984	5994	1129	1032	163	278
TOTAL SECURITIES PORTFOLIO			1031765	1285388	1356150	1549869	2088417	2262163	479123	402526	357234	500379
Dividend receivable			-	-	-	-	-	-	-	-	-	-
Accrued interest bank			-	-	-	-	-	-	-	-	-	-
TOTAL ACCRUED INCOME			-	-	-	-	-	-	-	-	-	-
Deferred tax asset			-	-	-	-	-	-	-	-	-	-
Accounts receivable - brokers			-	-	-	-	-	-	-	-	-	-
Accounts receivable - management company	4		5	4	3	-	-	-	-	-	-	-
Tax receivable on dividends			-	-	-	-	-	-	-	-	-	-
Other receivables			-	-	1389	-	1524	951	1700	-	-	-
TOTAL OTHER RECEIVABLES			4	5	1393	3	1524	951	1700	-	-	-
Bank deposits	11		20303	10503	149222	130698	526479	642182	373892	186931	15647	113072
TOTAL ASSETS			1052072	1295895	1506765	1680570	2616420	2905297	854716	589457	372881	613452
Equity Capital												
Unit capital at par value	9		838405	935568	1063361	1170679	2558160	2845658	845498	583133	372038	611277
Premium	9		193866	229724	390616	436152	48623	63214	5838	5740	4010	6555
TOTAL PAID-IN EQUITY CAPITAL			1032271	1165292	1453977	1606831	2606783	2908872	851337	588873	376048	617833
Retained earnings	9		-39449	12367	2698	3043	-29375	-58810	-8599	-9362	-3581	-5184
Allocated to unitholders for reinvestment in new units	9		56077	114373	48137	67683	37181	53305	11642	9697	-	-
TOTAL EQUITY CAPITAL			1048898	1292032	1504812	1677557	2614588	2903367	854380	589207	372467	612648
Debt												
Deferred tax			-	-	-	-	-	-	-	-	-	-
Accounts payable - brokers			-	-	-	-	-	-	-	-	-	-
Accounts payable - management company			1914	2331	1953	2178	1831	1930	336	250	94	148
Other debt			1260	1533	-	835	-	-	-	-	320	655
TOTAL OTHER DEBT			3173	3864	1953	3013	1831	1930	336	250	415	803
TOTAL DEBT AND EQUITY CAPITAL			1052072	1295895	1506765	1680570	2616420	2905297	854716	589457	372881	613452

\* In 1,000 SEK

Board of Directors SKAGEN AS, Stavanger 3 February 2017



Henrik Lisæth



Leiv Askvig



Åge K. Westbø



J. Kristoffer C. Stensrud



Per Gustav Blom



Martin Petersson

# FINANCIAL STATEMENT

INCOME STATEMENT		SKAGEN Credit		SKAGEN Credit NOK		SKAGEN Credit SEK*		SKAGEN Credit EUR**		SKAGEN Balance60/40		
(all figures in 1,000 NOK)		Notes	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Portfolio revenue and costs												
Interest income and costs			11516	10962	8812	10696	1717	1635	416,7	322,5	2417	3307
Dividends			-	-	-	-	-	-	-	-	-	-
Realised capital gain/loss			3495	2902	-5709	7790	-1280	727	-213,7	21,3	6559	18055
Change unrealised gain/loss	6		-7725	3473	-13	-5415	3650	-2205	465,7	-348,5	-664	-3227
Guarantee commission			-	-	-	-	-	-	-	-	-	-
Transaction-related custodian costs	7		-41	-38	-27	-32	-24	-24	-1,5	-2,2	-	-
Currency gain/loss			-300	1367	7127	-15723	-1713	-645	-62,8	-140,2	-	-
PORTFOLIO RESULT			6945	18665	10191	-2683	2350	-512	604,4	-147,1	8312	18135
Management revenue and costs												
Management fee - fixed	8		-	-	-1136	-984	-256	-195	-57,1	-33,0	-	-
Management fee - variable	8		-	-	-	-	-	-	-	-	-	-
ASSET MANAGEMENT RESULT			-	-	-1136	-984	-256	-195	-57,1	-33,0	-	-
RESULT BEFORE TAX			6945	18665	9054	-3667	2094	-708	547,3	-180,1	8312	18135
Tax cost	10		-	-	-	-	-	-	-	-	-676	-445
NET INCOME			6945	18665	9054	-3667	2094	-708	547,3	-180,1	7636	17691
Allocation of net income												
Transfer to/from retained earnings	9		-13304	2283	4011	-3667	1156	-1065	-740,5	-349,2	7636	17691
Allocated for distribution to unit holders	9		20249	16381	5043	-	-	-	1287,8	169,1	-	-
Net distributed to unit holders during the year	9		-	-	-	-	939	357	-	-	-	-
TOTAL			6945	18665	9054	-3667	2094	-708	547,3	-180,1	7636	17691
BALANCE SHEET												
			31.12.2016	31.12.2015	31.12.2016	31.12.2015	31.12.2016	31.12.2015	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Assets												
Norwegian securities at cost price	3,6		69233	15338	170051	143674	46139	20690	13369,4	5409,0	307761	303147
Foreign securities at cost price	3,6		208256	171344	-	-	-	-	-	-	-	-
Unrealised capital gain/loss	3,6		9499	17224	637	650	1860	-1790	81,7	-383,9	24205	24869
Accrued interest securities	6		4036	4162	-	100	-	-8	-	-	-	-
TOTAL SECURITIES PORTFOLIO			291023	208068	170687	144424	48000	18892	13451,2	5025,0	331966	328016
Dividend receivable			-	-	-	-	-	-	-	-	-	-
Accrued interest bank			-	-	-	-	-	-	-	-	-	-
TOTAL ACCRUED INCOME			-	-	-	-	-	-	-	-	-	-
Deferred tax asset	10		-	-	-	-	-	-	-	-	130	220
Accounts receivable - brokers			-	-	-	-	-	-	-	-	-	-
Accounts receivable - management company			-	-	-	-	3	-	-	0,1	-	-
Tax receivable on dividends			-	-	-	-	-	-	-	-	-	-
Other receivables			3343	-	893	-	-	100	-	-	4410	-
TOTAL OTHER RECEIVABLES			3343	-	893	-	3	100	-	0,1	4540	220
Bank deposits	11		43922	3220	3485	1637	1275	121	272,5	47,1	2084	2151
TOTAL ASSETS			338288	211287	175065	146061	49278	19114	13723,7	5072,1	338590	330386
Equity Capital												
Unit capital at parvalue	9		301028	175824	166135	147989	49864	20617	13782,4	5321,1	235437	238370
Premium	9		29573	24889	485	-638	-1101	-58	-337,0	-18,6	58321	54827
TOTAL PAID-IN EQUITY CAPITAL			330602	200714	166621	147351	48763	20558	13445,4	5302,5	293757	293198
Retained earnings	9		-12459	-5798	817	-4343	-339	-1489	-1141,6	-408,4	38944	36295
Allocated to unitholders for reinvestment in new units	9		20146	16372	5043	-	-	-	1287,8	169,1	-	-
TOTAL EQUITY CAPITAL			338288	211287	172481	143008	48424	19070	13591,6	5063,1	332702	329492
Debt												
Deferred tax	10		-	-	-	-	-	-	-	-	-	-
Accounts payable - brokers			-	-	-	-	-	-	-	-	-	-
Accounts payable - management company			-	-	341	287	92	43	19,6	9,0	-	-
Other debt	10		-	-	2244	2766	762	1	112,5	-	5889	894
TOTAL OTHER DEBT			-	-	2584	3053	854	44	132,1	9,0	5889	894
TOTAL DEBT AND EQUITY CAPITAL			338288	211287	175065	146061	49278	19114	13723,7	5072,1	338590	330386

\* In 1,000 SEK

\*\* In 1,000 EUR

Board of Directors SKAGEN AS, Stavanger 3 February 2017

Henrik Lisæth

Leiv Askvig

Åge K. Westbø

J. Kristoffer C. Stensrud

Per Gustav Blom

Martin Petersson

# General notes 2016

## NOTE 1: ACCOUNTING PRINCIPLES

All figures in NOK 1,000 unless otherwise stated.

The accounts for 2016 are prepared in accordance with the Norwegian accounting law and regulation for annual financial statements for securities funds.

### Financial instruments:

All financial instruments, such as shares, bonds, certificates and interest rate swaps, are valued at fair value (market value).

### Determination of fair value:

Securities are valued at market prices as of 30.12.2016.

Bonds and notes, for which there are no "marketmaker" prices, are at all times valued against the applicable credit spreads and yield curve.

Unlisted equities are valued according to the latest trading price, value adjustments made by brokers and/or internal valuations.

### Currency exchange rates:

Securities and bank deposits/overdrafts in foreign currency are valued at the prevailing exchange rate at the time of pricing 30.12.2016

### Treatment of transaction costs:

Transaction costs related to purchase of financial instruments (broker's fees and other fees) are booked as part of the cost price of the instruments and follow the principle of realisation.

### Allocated to unitholders for reinvestment:

Net taxable income in the fixed income funds, comprised of interest income, realised capital gain/loss and other income with deduction of management fee and transaction-related custodian costs, is distributed to the unit holders as the issue of new units as of 31.12.2016. For SKAGEN Krona and SKAGEN Credit SEK the distribution to the unit holders as the issue of new units is done as of 19.12.2016.

All distribution to unit holders in fixed income funds are treated as allocations of profit in accordance with the regulation for annual financial statements for securities funds. Distribution from fixed income funds are accounted for by entering reinvestments as new units in the fund in the financial year.

## NOTE 2: FINANCIAL DERIVATIVES

SKAGEN Credit holds interest rate derivatives. A more detailed description is given in the SKAGEN Credit notes. The other funds have not held financial derivatives during the year.

## NOTE 3: FINANCIAL MARKET RISK

Through investment in Norwegian and foreign businesses, the equity funds are exposed to share price, currency exchange and liquidity risks. The fixed income funds are exposed to interest and credit risks and liquidity risks. Furthermore, the fixed income funds are exposed to currency risks in those cases where the funds invest in currencies other than the fund's functional currency.

### Overview of funds which have functional currency other than NOK:

	Functional currency
SKAGEN Krona	SEK
SKAGEN Credit SEK	SEK
SKAGEN Credit EUR	EUR

In addition to laws, regulations and articles of association regulating the risks in the funds, the funds are managed with a conscious focus on company-specific risks related to the companies constituting the funds' portfolios.

## NOTE 4: TURNOVER RATE

The turnover rate is a measure related to the average duration of the investments in the fund. The turnover rate is calculated as whichever is the smaller amount of either purchases and sales of securities in the portfolio during the year, divided by average assets under management during the year. The formula is an approach for calculating the funds' turnover rate.

### The funds' turnover rate for the year 2016 was:

SKAGEN Vekst	26 %
SKAGEN Global	61 %
SKAGEN Kon Tiki	10 %
SKAGEN m <sup>2</sup>	30 %
SKAGEN Focus	57 %
SKAGEN Balanse 60/40	18 %
SKAGEN Avkastning	21 %
SKAGEN Høyrente	49 %
SKAGEN Høyrente Institusjon	75 %
SKAGEN Tellus	71 %
SKAGEN Krona	380 %
SKAGEN Credit	34 %

### For the feederfunds:

SKAGEN Credit NOK	For all feederfunds it is the turnover rate in the masterfund SKAGEN Credit which applies.
SKAGEN Credit SEK	
SKAGEN Credit EUR	

## NOTE 5: SUBSCRIPTION FEE

There are no subscription or redemption fees for any of the funds.

## NOTE 6: REFER TO PAGES 25 TO 38

## SKAGEN Vekst Note 7, 8, 9, 10 and 11

## NOTE 7. CUSTODIAN COSTS, BROKER'S FEES AND OTHER FEES

As of 2016, transaction costs are booked as a part of the cost price of financial instruments and are included in the gain/loss calculation based on the realisation principle. The change in principle resulted in a booking of costs amounting to TNOK 5,432 associated with the existing securities portfolio. The equity capital in the fund is unchanged as a result of the new practice, since the portfolio is valued at market value and the unrealised profit/loss on the portfolio therefore changes accordingly from the same point in time.

The figures for 2015 have been revised to provide comparable figures.

Throughout 2016, the fund has paid TNOK 4,474 in broker's fees and other fees.

SKAGEN Vekst has only been charged transaction-related custodian costs and these are charged to expenses at the time of the transaction.

## NOTE 8. MANAGEMENT FEE

The fixed management fee is calculated for all classes in percent p.a. of the daily assets under management in the class as follows:

Unit class	Fixed management fee percent p.a.
A	1,0%
B	0,8%
C	0,6%

In addition, unit classes A and B are charged a variable management fee of 1/10 of the return above 6 percent p.a. measured in Norwegian kroner, as long as the unit value on 31.12 is more than the unit value the last time the fund was charged a variable management fee (high watermark). Unit class C is charged a variable management fee of 1/10 of the better value development in the unit value than the balanced and continually rebalanced index composed of the MSCI Nordic Countries IMI Index and the MSCI All Country World Index ex Nordic Countries (Daily Total Return Net \$ measured in Norwegian kroner). The variable management fee in class C is charged/calculated only if the accumulated relative value development from the previous charge/calculation up to and including 31 December is greater than zero.

Management fee allocated to the respective unit classes:

	2016			
	Unit class A	Unit class B	Unit class C	Total
Management fee - fixed	71 836	49	950	72 835
Management fee - variable	-	-	-	-
<b>Total management fee</b>	<b>71 836</b>	<b>49</b>	<b>950</b>	<b>72 835</b>

## NOTE 9. EQUITY RECONCILIATION

Equity capital as of 01.01.2016	8 183 157
Issue of units 2016	461 717
Redemption of units 2016	-1 459 098
Distribution to unit holders 2016	-
Net income 2016	272 239
<b>Equity capital as of 31.12.2016</b>	<b>7 458 015</b>

	Class	31.12.2016	31.12.2015	31.12.2014
Number of units issued	A	3 585 360	3 972 933	4 671 239
Number of units issued	B	2 736	5 753	4 801
Number of units issued	C	3 163	141 003	-
Base price per unit (in NOK)*	A	2 076,7288	1 986,0307	1 847,7680
Base price per unit (in NOK)*	B	2 087,1972	1 992,0727	1 882,5363
Base price per unit (in NOK)*	C	2 094,2248	1 994,7290	-

\*Base price is set at the end of the last working day of the year and is based on the best prevailing estimate. Finalised figures as of 31.12 are used in the annual financial statement. Consequently minor timing differences may occur. The sole difference between unit class A, unit class B and unit class C is related to the management fee, see note 8.



## FINANCIAL STATEMENT

### NOTE 10. TAX NOTE

Equity funds are, in principle, exempt from tax on gains and do not have the right to deduct losses on realisation of equities when calculating taxable income. Furthermore, dividends received from companies within the EU/EEA are, in principle, tax-exempt. However, 3 percent of dividends received from these companies are treated as taxable to Norway.

Dividends received from companies outside the EU/EEA are taxable. The funds may in addition be charged withholding tax on dividends received from all foreign companies.

The tax cost for the years 2016 and 2015 in SKAGEN Vekst is associated with withholding tax on foreign dividends.

### NOTE 11. RISK AMOUNT (IN NOK)

RISK amount determined as of 01.01:

1994	1995	1996	1997	1998	1999	2000
-0,35	-0,37	3,28	-0,50	1,73	1,26	3,62
2001	2002	2003	2004	2005	2006	
3,77	0,51	2,03	3,06	-7,03	-9,44	

## SKAGEN Focus Note 7, 8, 9 and 10

### NOTE 7. CUSTODIAN COSTS, BROKER'S FEES AND OTHER FEES

As of 2016, transaction costs are booked as a part of the cost price of financial instruments and are included in the gain/loss calculation based on the realisation principle. The change in principle resulted in a booking of costs amounting to TNOK 1,491 associated with the existing securities portfolio. The equity capital in the fund is unchanged as a result of the new practice, since the portfolio is valued at market value and the unrealised profit/loss on the portfolio therefore changes accordingly from the same point in time.

The figures for 2015 have been revised to provide comparable figures.

Throughout 2016, the fund has paid TNOK 2,653 in broker's fees and other fees.

SKAGEN Focus has only been charged transaction-related custodian costs and these are charged to expenses at the time of the transaction.

### NOTE 8. MANAGEMENT FEE

The fixed management fee is calculated for all classes in percent p.a. of the daily assets under management in the class as follows:

Unit class	Fixed management fee percent p.a.
A	1,6%
B	1,3%
C	1,0%

In addition the three unit classes are charged a variable management fee of 1/10 better value development in the unit value than the benchmark index MSCI All Country World Daily Total Return Net \$ measured in Norwegian kroner. The variable management fee is calculated daily and charged yearly on 31 December for all three unit classes. In the event of poorer value development in the unit value than the benchmark index, 10 percent of the underperformance is deducted from the fixed management fee. The total management fee therefore has an upper and a lower limit, so the combined fee may not exceed 3.2 percent p.a. and may not be less than 0.8 percent p.a. of the average assets under management in unit classes A and C. In unit class B the corresponding upper limit is 2.9 percent p.a. and lower limit is 0.5 percent p.a.

Management fee allocated to the respective unit classes:

	2016			
	Unit class A	Unit class B	Unit class C	Total
Management fee - fixed	17 300	51	1 209	18 561
Management fee - variable	7 334	31	998	8 364
<b>Total management fee</b>	<b>24 634</b>	<b>83</b>	<b>2 208</b>	<b>26 925</b>

### NOTE 9. EQUITY RECONCILIATION

Equity capital as of 01.01.2016	1 041 825
Issue of units 2016	744 516
Redemption of units 2016	-248 373
Distribution to unit holders 2016	-
Net income 2016	160 138
<b>Equity capital as of 31.12.2016</b>	<b>1 698 106</b>

	Class	31.12.16	31.12.15
Number of units issued	A	14 762 660	9 577 105
Number of units issued	B	91 893	24 875
Number of units issued	C	909 627	1 200 000
Base price per unit (in NOK)*	A	107,6848	96,4892
Base price per unit (in NOK)*	B	108,1833	96,6965
Base price per unit (in NOK)*	C	108,0429	96,3062

\*Base price is set at the end of the last working day of the year and is based on the best prevailing estimate. Finalised figures as of 31.12 are used in the annual financial statement. Consequently minor timing differences may occur. The sole difference between the three unit classes is related to the management fee, see note 8.

### NOTE 10. TAX NOTE

Equity funds are, in principle, exempt from tax on gains and do not have the right to deduct losses on realisation of equities when calculating taxable income. Furthermore, dividends received from companies within the EU/EEA are, in principle, tax-exempt. However, 3 percent of dividends received from these companies are treated as taxable to Norway.

Dividends received from companies outside the EU/EEA are taxable. The funds may in addition be charged withholding tax on dividends received from all foreign companies.

Calculation basis - tax payable	2016	2015 - 31.12.2015
Net interest income	265	234
Taxable dividend	16 113	6 827
3% of tax-exempt dividend	170	3
Taxable gain/loss outside the Norwegian tax exemption rule "Fritaksmetoden"	-	-
Currency gain/loss	-3 399	2 837
<b>Total taxable income</b>	<b>13 148</b>	<b>9 902</b>
Management fee - fixed	-18 561	-7 201
Management fee - variable	-8 364	5 617
<b>Total tax deductible costs</b>	<b>-26 925</b>	<b>-1 584</b>
<b>Net taxable income</b>	<b>-13 777</b>	<b>8 318</b>
<b>Calculation basis - tax payable (A)</b>	<b>-13 777</b>	<b>8 318</b>

Basis deferred tax asset in the balance sheet		
Carry forward losses	13 777	-
Carry forward credit allowance for withholding tax paid	8 154	-
<b>Basis deferred tax asset (B)</b>	<b>21 930</b>	<b>-</b>
<b>Net deferred tax asset in the balance sheet (B x 24%)</b>	<b>5 263</b>	<b>-</b>

Net deferred tax asset is not booked in the balance sheet

Tax payable in the income statement		
Tax payable (A x 25%)	-	2 246
Credit allowance for withholding tax paid outside EU/EEA	-	-449
<b>Tax payable</b>	<b>-</b>	<b>1 796</b>

Tax cost in the income statement		
Tax payable, not assessed	-	1 796
Tax payable, assessed	18	-
Withholding tax on foreign dividends	2 178	708
Change deferred tax	-	-
<b>Total tax cost</b>	<b>2 196</b>	<b>2 504</b>

Tax payable is incorporated in other debt.

SKAGEN Focus was launched on 26.05.2015.

## SKAGEN Global Note 7, 8, 9 and 10

### NOTE 7. CUSTODIAN COSTS, BROKER'S FEES AND OTHER FEES

As of 2016, transaction costs are booked as a part of the cost price of financial instruments and are included in the gain/loss calculation based on the realisation principle. The change in principle resulted in a booking of costs amounting to TNOK 40,650 associated with the existing securities portfolio. The equity capital in the fund is unchanged as a result of the new practice, since the portfolio is valued at market value and the unrealised profit/loss on the portfolio therefore changes accordingly from the same point in time.

The figures for 2015 have been revised to provide comparable figures.

Throughout 2016, the fund has paid TNOK 40,452 in broker's fees and other fees.

SKAGEN Global has only been charged transaction-related custodian costs and these are charged to expenses at the time of the transaction.

### NOTE 8. MANAGEMENT FEE

The fixed management fee is calculated for all classes in percent p.a. of the daily assets under management in the class as follows:

Unit class	Fixed management fee percent p.a.
A	1,0%
B	0,8%
C	0,6%
D	0,5%

In addition all four unit classes are charged a variable management fee of 1/10 better value development in the unit value than the benchmark index MSCI All Country World Daily Total Return Net \$ measured in Norwegian kroner. The variable management fee is calculated daily and charged yearly on 31 December for unit classes A and B. For unit classes C and D, the variable management fee is calculated daily and charged quarterly, but the variable management fee for a given quarter may only be charged provided that the accumulated relative value development between the fund and the MSCI All Country World Daily Total Return Net \$ measured in Norwegian kroner from the previous charge up to and including the given quarter is greater than zero (high watermark).

Management fee allocated to the respective unit classes:

	2016				
	Unit class A	Unit class B	Unit class C	Unit class D	Total
Management fee - fixed	282 378	11 153	1 609	5	295 146
Management fee - variable	-	-	-	-	-
<b>Total management fee</b>	<b>282 378</b>	<b>11 153</b>	<b>1 609</b>	<b>5</b>	<b>295 146</b>

### NOTE 9. EQUITY RECONCILIATION

Equity capital as of 01.01.2016	35 554 550
Issue of units 2016	2 462 389
Redemption of units 2016	-8 902 862
Distribution to unit holders 2016	-
Net income 2016	-845 577
<b>Equity capital as of 31.12.2016</b>	<b>28 268 499</b>

	Class	31.12.2016	31.12.2015	31.12.2014
Number of units issued	A	18 592 856	22 776 656	29 345 494
Number of units issued	B	705 908	1 330 076	1 687 304
Number of units issued	C	211 918	165 245	-
Number of units issued	D	787	787	-
Base price per unit (in NOK)*	A	1 448,7275	1 464,5507	1 268,7961
Base price per unit (in NOK)*	B	1 449,5589	1 462,4149	1 266,2486
Base price per unit (in NOK)*	C	1 456,7849	1 466,7888	-
Base price per unit (in NOK)*	D	1 459,2010	1 467,7476	-

\*Base price is set at the end of the last working day of the year and is based on the best prevailing estimate. Finalised figures as of 31.12 are used in the annual financial statement. Consequently minor timing differences may occur.

The sole difference between the unit classes is related to the management fee, see note 8.

### NOTE 10. TAX NOTE

Equity funds are, in principle, exempt from tax on gains and do not have the right to deduct losses on realisation of equities when calculating taxable income. Furthermore, dividends received from companies within the EU/EEA are, in principle, tax-exempt. However, 3 percent of dividends received from these companies are treated as taxable to Norway.

Dividends received from companies outside the EU/EEA are taxable. The funds may in addition be charged withholding tax on dividends received from all foreign companies.

Calculation basis - tax payable	2016	2015
Net interest income and guarantee commission	2 039	-20 253
Taxable dividend	426 030	415 277
3 % of tax-exempt dividend	10 243	10 321
Taxable gain/loss outside the the Norwegian tax exempt rule "Fritaksmetoden"	-	3 682
Currency gain/loss	-197 889	398 870
<b>Total taxable income</b>	<b>240 423</b>	<b>807 897</b>
Management fee - fixed	-295 146	-360 499
Management fee - variable	-	-370
<b>Total tax deductible costs</b>	<b>-295 146</b>	<b>-360 869</b>

<b>Net taxable income</b>	<b>-54 723</b>	<b>447 028</b>
---------------------------	----------------	----------------

Carry forward losses	-	-
----------------------	---	---

<b>Calculation basis - tax payable (A)</b>	<b>-54 723</b>	<b>447 028</b>
--	----------------	----------------

Tax payable in the income statement		
Tax payable (A x 25 %)	-	120 697
Taxes payable from previous years	-	30 523
Use of carried forward credit allowance	-	-44 581
Credit allowance for withholding tax paid	-	-53 558
<b>Tax payable</b>	<b>-</b>	<b>53 082</b>

Basis deferred tax asset in the balance sheet		
Carry forward losses	54 723	-
Carry forward credit allowance for withholding tax paid	476 180	242 096
<b>Basis deferred tax asset (B)</b>	<b>530 903</b>	<b>242 096</b>

<b>Net deferred tax asset in the balance sheet (B x 24 %)</b>	<b>127 417</b>	<b>60 524</b>
Deferred tax asset is not booked in the balance sheet		

Tax cost in the income statement		
Tax payable, not assessed	-	53 082
Withholding tax on foreign dividends	39 564	48 463
Change deferred tax	-	-1 134
<b>Total tax cost</b>	<b>39 564</b>	<b>100 411</b>

Tax payable is incorporated in other debt.

## FINANCIAL STATEMENT

### SKAGEN Kon-Tiki Note 7, 8, 9, 10 and 11

#### NOTE 7. CUSTODIAN COSTS, BROKER'S FEES AND OTHER FEES

As of 2016, transaction costs are booked as a part of the cost price of financial instruments and are included in the gain/loss calculation based on the realisation principle. The change in principle resulted in a booking of costs amounting to TNOK 47,482 associated with the existing securities portfolio. The equity capital in the fund is unchanged as a result of the new practice, since the portfolio is valued at market value and the unrealised profit/loss on the portfolio therefore changes accordingly from the same point in time.

The figures for 2015 have been revised to provide comparable figures.

Throughout 2016, the fund has paid TNOK 25,517 in broker's fees and other fees.

SKAGEN Kon-Tiki has only been charged transaction-related custodian costs and these are charged to expenses at the time of the transaction.

#### NOTE 8. MANAGEMENT FEE

The fixed management fee is calculated for all classes in percent p.a. of the daily assets under management in the class as follows:

Unit class	Fixed management fee percent p.a.
A	2,00 %
B	1,50 %
C	1,75 %
D	1,50 %
E	1,25 %

In addition the five unit classes are charged a variable management fee of 1/10 better value development in the unit value than the benchmark index MSCI Emerging Markets Index Daily Traded Net Total Return \$ measured in Norwegian kroner. In the event of poorer value development in the unit value than the benchmark index, 10 percent of the underperformance is deducted from the fixed management fee. The total management fee therefore has an upper and a lower limit, so the combined fee may not exceed 4 percent p.a. and may not be less than 1 percent p.a. of the average assets under management in unit classes A, C, D and E. In unit class B, the corresponding upper limit is 3.5 percent p.a. and lower limit is 0.5 percent p.a. The variable management fee is calculated daily and charged yearly on 31 December for all five unit classes.

Management fee allocated to the respective unit classes:

	2016					
	Unit class A	Unit class B	Unit class C	Unit class D	Unit class E	Total
Management fee - fixed	400 972	48 414	7 801	15 467	95 486	568 140
Management fee - variable	-37 081	-5 233	-1 095	-2 687	-10 389	-56 485
<b>Total management fee</b>	<b>363 891</b>	<b>43 181</b>	<b>6 706</b>	<b>12 780</b>	<b>85 096</b>	<b>511 655</b>

#### NOTE 9. EQUITY RECONCILIATION

Equity capital as of 01.01.2016	36 189 697
Issue of units 2016	3 387 630
Redemption of units 2016	-10 745 330
Distribution to unit holders 2016	-
Net income 2016	1 788 406
<b>Equity capital as of 31.12.2016</b>	<b>30 620 403</b>

	Class	31.12.2016	31.12.2015	31.12.2014
Number of units issued	A	27 498 757	31 948 647	64 178 326
Number of units issued	B	3 683 960	6 016 062	10 406 552
Number of units issued	C	1 018 553	843 882	-
Number of units issued	D	906 149	2 000 282	-
Number of units issued	E	8 686 541	11 890 124	-
Base price per unit (in NOK)*	A	729,5223	684,8898	693,2737
Base price per unit (in NOK)*	B	738,0070	689,6829	694,9191
Base price per unit (in NOK)*	C	732,9878	686,5286	-
Base price per unit (in NOK)*	D	736,3176	688,1148	-
Base price per unit (in NOK)*	E	740,0434	689,9052	-

\*Base price is set at the end of the last working day of the year and is based on the best prevailing estimate. Finalised figures as of 31.12 are used in the annual financial statement. Consequently minor timing differences may occur. The sole difference between the five unit classes is related to the management fee, see note 8.

#### NOTE 10. TAX NOTE

Equity funds are, in principle, exempt from tax on gains and do not have the right to deduct losses on realisation of equities when calculating taxable income. Furthermore, dividends received from companies within the EU/EEA are, in principle, tax-exempt. However, 3 percent of dividends received from these companies are treated as taxable to Norway.

Dividends received from companies outside the EU/EEA are taxable. The funds may in addition be charged withholding tax on dividends received from all foreign companies.

The tax cost for the years 2016 and 2015 in SKAGEN Kon-Tiki is associated with withholding tax on foreign dividends.

#### NOTE 11. RISK AMOUNT (in NOK)

RISK amount determined as of 01.01:

2003	2004	2005	2006
3,26	1,80	-0,11	0,00

**SKAGEN m<sup>2</sup> Note 7, 8, 9 and 10****NOTE 7. CUSTODIAN COSTS, BROKER'S FEES AND OTHER FEES**

As of 2016, transaction costs are booked as a part of the cost price of financial instruments and are included in the gain/loss calculation based on the realisation principle. The change in principle resulted in a booking of costs amounting to TNOK 865 associated with the existing securities portfolio. The equity capital in the fund is unchanged as a result of the new practice, since the portfolio is valued at market value and the unrealised profit/loss on the portfolio therefore changes accordingly from the same point in time.

The figures for 2015 have been revised to provide comparable figures.

Throughout 2016, the fund has paid TNOK 828 in broker's fees and other fees.

SKAGEN m2 has only been charged transaction-related custodian costs and these are charged to expenses at the time of the transaction.

**NOTE 8. MANAGEMENT FEE**

The fixed management fee is calculated for all classes in percent p.a. of the daily assets under management in the class as follows:

Unit class	Fixed management fee percent p.a.
A	1,5%
B	1,2%
C	1,0%

In addition all three unit classes are charged a variable management fee of 1/10 better value development in the unit value than the benchmark index MSCI ACWI Real Estate IMI Net Total Return USD measured in Norwegian kroner. In the event of poorer value development in the unit value than the benchmark index, 10 percent of the underperformance is deducted from the fixed management fee. The total management fee therefore has an upper and a lower limit such that the combined fee may not exceed 3 percent p.a. and may not be less than 0.75 percent p.a. of the average assets under management in unit classes A and C. In unit class B, the corresponding upper limit is 2.7 percent p.a. and lower limit is 0.45 percent p.a. The variable management fee is calculated daily and charged yearly on 31 December for all three unit classes.

Management fee allocated to the respective unit classes:

	2016			
	Unit class A	Unit class B	Unit class C	Total
Management fee - fixed	14 196	18	10	14 225
Management fee - variable	3 853	7	5	3 865
<b>Total management fee</b>	<b>18 049</b>	<b>25</b>	<b>16</b>	<b>18 089</b>

**NOTE 9. EQUITY RECONCILIATION**

Equity capital as of 01.01.2016	1 021 999
Issue of units 2016	210 212
Redemption of units 2016	-312 003
Distribution to unit holders 2016	-
Net income 2016	38 906
<b>Equity capital as of 31.12.2016</b>	<b>959 115</b>

	Class	31.12.2016	31.12.2015	31.12.2014
Number of units issued	A	5 906 031	6 595 853	5 791 763
Number of units issued	B	9 918	9 917	10 634
Number of units issued	C	6 837	6 837	-
Base price per unit (in NOK)*	A	161,9658	154,5390	144,2631
Base price per unit (in NOK)*	B	162,5638	154,7885	144,1397
Base price per unit (in NOK)*	C	162,4716	154,5053	-

\*Base price is set at the end of the last working day of the year and is based on the best prevailing estimate. Finalised figures as of 31.12 are used in the annual financial statement. Consequently minor timing differences may occur. The sole difference between the three unit classes is related to the management fee, see note 8.

**NOTE 10. TAX NOTE**

Equity funds are, in principle, exempt from tax on gains and do not have the right to deduct losses on realisation of equities when calculating taxable income. Furthermore, dividends received from companies within the EU/EEA are, in principle, tax-exempt. However, 3 percent of dividends received from these companies are treated as taxable to Norway.

Dividends received from companies outside the EU/EEA are taxable. The funds may in addition be charged withholding tax on dividends received from all foreign companies.

Calculation basis - tax payable	2016	2015
Net interest income	1 102	847
Taxable dividend	21 009	28 960
3 % of tax-exempt dividend	131	603
Taxable gain/loss outside the Norwegian tax exemption rule "Fritaksmetoden"	1 281	2 823
Currency gain/loss	-1 206	5 608
<b>Total taxable income</b>	<b>22 317</b>	<b>38 842</b>
Management fee - fixed	-14 225	-17 861
Management fee - variable	-3 865	8 863
<b>Total tax deductible costs</b>	<b>-18 089</b>	<b>-8 997</b>

<b>Net taxable income</b>	<b>4 228</b>	<b>29 844</b>
---------------------------	--------------	---------------

<b>Calculation basis - tax payable (A)</b>	<b>4 228</b>	<b>29 844</b>
--	--------------	---------------

Tax payable in the income statement		
Tax payable (Ax 25 %)	1 057	8 058
Taxes payable from previous years	-35	48
Credit allowance for withholding tax paid outside EU/EEA	-1 057	-2 410
Use of carried forward credit allowance	-	-
<b>Tax payable</b>	<b>-35</b>	<b>5 696</b>

Basis deferred tax/deferred tax asset in the balance sheet		
Unrealised gain/loss outside the Norwegian tax exemption rule "Fritaksmetoden"	3 627	2 670
Carry forward losses	-	-
Carry forward credit allowance for withholding tax paid	-2 531	-
<b>Basis deferred tax/deferred tax asset (B)</b>	<b>1 096</b>	<b>2 670</b>

<b>Net deferred tax/deferred tax asset in the balance sheet (B x 24 %)</b>	<b>263</b>	<b>668</b>
--	------------	------------

Tax cost in the income statement		
Tax payable, not assessed	-	5 696
Tax payable, assessed	-35	-
Change deferred tax/deferred tax asset	-404	-1 172
Withholding tax on foreign dividends	2 431	3 370
<b>Total tax cost</b>	<b>1 991</b>	<b>7 893</b>

Tax payable is incorporated in other debt.



## FINANCIAL STATEMENT

### SKAGEN Balanse 60/40 Note 7, 8, 9 and 10

#### NOTE 7. CUSTODIAN COSTS, BROKER'S FEES AND OTHER FEES

The fund is only charged potential transaction-related custodian costs and the costs are charged to expenses at the time of the transaction.

#### NOTE 8. MANAGEMENT FEE

SKAGEN Balanse 60/40 is not charged a management fee but the underlying funds are charged management fees in accordance with the prospectus for each fund.

The applicable management fee in the underlying funds is as follows:

	Fixed fee in percent p.a. of the daily assets under management	Variable management fee
SKAGEN Avkastning	0,5%	-
SKAGEN Tellus, unit class A	0,8%	-
SKAGEN Høyrente	0,25 %	-
SKAGEN Høyrente Institusjon	0,15 %	-
SKAGEN Vekst, unit class A	1,0%	1/10 of return above 6 % p.a.
SKAGEN Global, unit class A	1,0%	*
SKAGEN Kon-Tiki, unit class A	2,0%	**

\* 1/10 of better value development measured in percent in the fund's asset value compared with the benchmark index MSCI All Country World Daily Total Return Net \$, measured in Norwegian kroner.

\*\* 1/10 of better value development in percent in the fund's asset value compared with the benchmark index MSCI Emerging Markets Index Daily Traded Net Total Return \$, measured in Norwegian kroner. In case of poorer value development in the fund's net asset value relative to the benchmark, 10 percent of the difference will be deducted from the fixed management fee. However the total management fee may not exceed 4 percent p.a. and may not be lower than 1 percent p.a. of average assets under management.

#### NOTE 9. EQUITY RECONCILIATION

Equity capital as of 01.01.2016	329 492
Issue of units 2016	78 504
Redemption of units 2016	-82 931
Distribution to unit holders 2016	
Net income 2016	7 636
<b>Equity capital as of 31.12.2016</b>	<b>332 702</b>

	31.12.2016	31.12.2015	31.12.2014
Number of units issued	2 354 368	2 383 705	2 305 707
Base price per unit (in NOK)*	141,3150	138,2503	130,2580

\*Base price is set at the end of the last working day of the year and is based on the best prevailing estimate. Finalised figures as of 31.12 are used in the annual financial statement. Consequently minor timing differences may occur.

#### NOTE 10. TAX NOTE

SKAGEN Balanse 60/40 is exempt from tax on gains and does not have the right to deduct losses on realisation of units in equity funds domiciled within the EU/EEA area. The fund is charged tax on gains and has the right to deduct losses on realisation of units in fixed income funds. Finally, accrued interests are included in the tax basis.

Calculation basis - tax payable	2016	2015
Net interest income	2 417	3 316
Realised gain/loss from sale of units in fixed income funds	-62	-105
<b>Total taxable income</b>	<b>2 355</b>	<b>3 212</b>
Total tax deductible costs	-	-
Net taxable income	2 355	3 212
<b>Calculation basis - tax payable (A)</b>	<b>2 355</b>	<b>3 212</b>

Tax payable in the income statement		
Tax payable (Ax 25 %)	589	867
Taxes payable from previous years	-3	-
<b>Payable tax</b>	<b>586</b>	<b>867</b>

Basis deferred tax/deferred tax asset in the balance sheet		
Unrealised gain/loss on units in fixed income funds (B)	-543	-880
<b>Deferred tax/deferred tax asset in the balance sheet (B x 24 %)</b>	<b>-130</b>	<b>-220</b>

Tax cost in the income statement		
Tax payable, not assessed	586	867
Change deferred tax/deferred tax asset	90	-422
<b>Total tax cost</b>	<b>676</b>	<b>445</b>

Tax payable is incorporated in other debt.

### SKAGEN Høyrente Note 7, 8, 9 and 10

#### NOTE 7. CUSTODIAN COSTS, BROKER'S FEES AND OTHER FEES

The fund is only charged transaction-related custodian costs and the costs are charged to expenses at the time of the transaction.

#### NOTE 8. MANAGEMENT FEE

The management fee constitutes 0.25 percent p.a. of daily assets under management.

#### NOTE 9. EQUITY RECONCILIATION

Equity capital as of 01.01.2016	2 903 367
Issue of units 2016	2 066 483
Redemption of units 2016	-2 417 055
Net income 2016	61 793
Allocated to unit holders for reinvestment	-37 738
Expected reinvestment related to allocation for reinvestment	37 738
<b>Equity capital as of 31.12.2016</b>	<b>2 614 588</b>

	31.12.2016	31.12.2015	31.12.2014
Number of units issued	25 581 600	28 456 578	32 249 376
Base price per unit (in NOK)*	102,1952	102,0299	103,4846

\*Base price is set at the end of the last working day of the year and is based on the best prevailing estimate. Finalised figures as of 31.12 are used in the annual financial statement. Consequently minor timing differences may occur.

#### NOTE 10. SKATTENOTE

The fixed income funds are taxable with 25 percent of net realised capital gain on interest-bearing securities, interest income accrued, currency gain/loss, minus tax-deductible costs, which, amongst other things, include the management fee. The taxable net profit is in principle distributed among unitholders so that the fund is in a non-taxpaying position.

### SKAGEN Høyrente Institusjon Note 7, 8, 9 and 10

#### NOTE 7. CUSTODIAN COSTS, BROKER'S FEES AND OTHER FEES

The fund is only charged transaction-related custodian costs and the costs are charged to expenses at the time of the transaction.

#### NOTE 8. MANAGEMENT FEE

The management fee constitutes 0.15 percent p.a. of daily assets under management.

#### NOTE 9. EQUITY RECONCILIATION

Equity capital as of 01.01.2016	589 207
Issue of units 2016	922 752
Redemption of units 2016	-669 409
Net income 2016	11 830
Allocated to unit holders for reinvestment	-11 404
Expected reinvestment related to allocation for reinvestment	11 404
<b>Equity capital as of 31.12.2016</b>	<b>854 380</b>

	31.12.2016	31.12.2015	31.12.2014
Number of units issued	8 454 985	5 831 328	8 136 195
Base price per unit (in NOK)*	101,0412	101,0422	102,2277

\*Base price is set at the end of the last working day of the year and is based on the best prevailing estimate. Finalised figures as of 31.12 are used in the annual financial statement. Consequently minor timing differences may occur.

#### NOTE 10. TAX NOTE

The fixed income funds are taxable with 25 percent of net realised capital gain on interest-bearing securities, interest income accrued, currency gain/loss, minus tax-deductible costs, which, amongst other things, include the management fee. The taxable net profit is in principle distributed among unitholders so that the fund is in a non-taxpaying position.

**SKAGEN Avkastning Note 7, 8, 9, 10 and 11****NOTE 7. CUSTODIAN COSTS, BROKER'S FEES AND OTHER FEES**

The fund is only charged transaction-related custodian costs and the costs are charged to expenses at the time of the transaction.

**NOTE 8. MANAGEMENT FEE**

The management fee constitutes 0.5 percent p.a. of daily assets under management.

**NOTE 9. EQUITY RECONCILIATION**

Equity capital as of 01.01.2016	1 677 557
Issue of units 2016	316 145
Redemption of units 2016	-533 796
Net income 2016	44 906
Allocated to unit holders for reinvestment	-48 581
Expected reinvestment related to allocation for reinvestment	48 581
<b>Equity capital as of 31.12.2016</b>	<b>1 504 812</b>

	31.12.2016	31.12.2015	31.12.2014
Number of units issued	10 633 615	11 706 786	12 193 797
Base price per unit (in NOK)*	141,4966	143,2900	142,9234

\*Base price is set at the end of the last working day of the year and is based on the best prevailing estimate. Finalised figures as of 31.12 are used in the annual financial statement. Consequently minor timing differences may occur.

**NOTE 10. TAX NOTE**

The fixed income funds are taxable with 25 percent of net realised capital gain on interest-bearing securities, interest income accrued, currency gain/loss, minus tax-deductible costs, which, amongst other things, include the management fee. The taxable net profit is in principle distributed among unitholders so that the fund is in a non-taxpaying position.

**NOTE 11. CURRENCY RISK**

SKAGEN Avkastning does not use currency hedging instruments against the Norwegian krone, but has as of 31.12.2016 overdrafts in EUR bank account in order to reduce the currency exposure of the investments in the Croatian Government International Bond, Portuguese Government, Spanish Government and Hellenic Republic Government.

**SKAGEN Krona Note 7, 8, 9 and 10 (in 1,000 SEK)****NOTE 7. CUSTODIAN COSTS, BROKER'S FEES AND OTHER FEES**

The fund is only charged transaction-related custodian costs and the costs are charged to expenses at the time of the transaction.

**NOTE 8. MANAGEMENT FEE**

The management fee constitutes 0.2 percent p.a. of daily assets under management.

**NOTE 9. EQUITY RECONCILIATION**

Equity capital as of 01.01.2016	612 648
Issue of units 2016	188 310
Redemption of units 2016	-429 320
Net income 2016	829
Of which is allocated to unit holders	-1 163
Reinvested for unit holders applicable to income year	1 163
<b>Equity capital as of 31.12.2016</b>	<b>372 467</b>

	31.12.2016	31.12.2015	31.12.2014
Number of units issued	3 720 381	6 112 774	6 332 632
Base price per unit (in SEK)*	100,0922	100,2245	100,0338

\*Base price is set at the end of the last working day of the year and is based on the best prevailing estimate. Finalised figures as of 31.12 are used in the annual financial statement. Consequently minor timing differences may occur.

**NOTE 10. TAX NOTE**

The fixed income funds are taxable with 25 percent of net realised capital gain on interest-bearing securities, interest income accrued, currency gain/loss, minus tax-deductible costs, which, amongst other things, include the management fee. The taxable net profit is in principle distributed among unitholders so that the fund is in a non-taxpaying position.

**SKAGEN Tellus Note 7, 8, 9 and 10****NOTE 7. CUSTODIAN COSTS, BROKER'S FEES AND OTHER FEES**

The fund is only charged transaction-related custodian costs and the costs are charged to expenses at the time of the transaction.

**NOTE 8. MANAGEMENT FEE**

The fixed management fee is calculated for all classes in percent p.a. of the daily assets under management in the class as follows:

Unit class	Fixed management fee percent p.a.
A	0,80%
B	0,45%
C	0,40%

Management fee allocated to the respective unit classes:

	Unit class A	Unit class B	Unit class C	Total
Management fee - fixed	6 846	284	768	7 898
<b>Total management fee</b>	<b>6 846</b>	<b>284</b>	<b>768</b>	<b>7 898</b>

**NOTE 9. EQUITY RECONCILIATION**

Equity capital as of 01.01.2016	1 292 032
Issue of units 2016	254 837
Redemption of units 2016	-493 211
Net income 2016	-4 759
Allocated to unit holders for reinvestment	-56 279
Expected reinvestment related to allocation for reinvestment	56 279
<b>Equity capital as of 31.12.2016</b>	<b>1 048 898</b>

	Class	31.12.2016	31.12.2015	31.12.2014
Number of units issued	A	7 021 672	6 963 959	8 213 082
Number of units issued	B	434 388	556 217	303 749
Number of units issued	C	927 986	1 835 503	-
Base price per unit (in NOK)*	A	124,0465	137,8480	134,3725
Base price per unit (in NOK)*	B	130,7430	140,5395	134,6566
Base price per unit (in NOK)*	C	130,7430	138,4037	-

\*Base price is set at the end of the last working day of the year and is based on the best prevailing estimate. Finalised figures as of 31.12 are used in the annual financial statement. Consequently minor timing differences may occur.

The sole difference between the three unit classes is related to the management fee, see note 8.

**NOTE 10. TAX NOTE**

The fixed income funds are taxable with 25 percent of net realised capital gain on interest-bearing securities, interest income accrued, currency gain/loss, minus tax-deductible costs, which, amongst other things, include the management fee. The taxable net profit is in principle distributed among unitholders so that the fund is in a non-taxpaying position.

## FINANCIAL STATEMENT

### SKAGEN Credit Note 7, 8, 9, 10, 11 and 12

#### NOTE 7. CUSTODIAN COSTS, BROKER'S FEES AND OTHER FEES

The fund is only charged transaction-related custodian costs and the costs are charged to expenses at the time of the transaction.

#### NOTE 8. MANAGEMENT FEE

SKAGEN Credit is part of a master-feeder structure and SKAGEN Credit is the master fund. No management fee is charged in SKAGEN Credit. The management fee is charged directly in the respective feeder funds: SKAGEN Credit NOK, SKAGEN Credit SEK, SKAGEN Credit EUR and SKAGEN Credit GBP.

#### NOTE 9. EQUITY RECONCILIATION

Equity capital as of 01.01.2016	211 287
Issue of units 2016	271 173
Redemption of units 2016	-151 116
Net income 2016	6 945
Allocated to unit holders for reinvestment	-20 249
Expected reinvestment related to allocation for reinvestment	20 249
<b>Equity capital as of 31.12.2016</b>	<b>338 288</b>

	31.12.2016	31.12.2015	31.12.2014
Number of units issued	3 010 284	1 758 242	1 278 662
Base price per unit (in NOK)*	112,3589	120,1695	115,5046

\*Base price is set at the end of the last working day of the year and is based on the best prevailing estimate. Finalised figures as of 31.12 are used in the annual financial statement. Consequently minor timing differences may occur.

#### NOTE 10. TAX NOTE

The fixed income funds are taxable with 25 percent of net realised capital gain on interest-bearing securities and financial contracts, interest income accrued, currency gain/loss, minus tax-deductible costs, which, amongst other things, include accrued interest costs. The taxable net profit is in principle distributed among unitholders so that the fund is in a non-taxpaying position.

#### NOTE 11. CURRENCY RISK

SKAGEN Credit does not use any kind of instruments to reduce currency risk.

#### NOTE 12. INTEREST RATE RISK

SKAGEN Credit holds interest rate swaps to reduce the interest rate risk in the fund. The risk is reduced by reducing the duration. The fund enters into contracts where the fixed interest rate is swapped by floating interest rate. The principal amount in the contracts will not be settled and consequently they are not booked in the fund's balance sheet. It is only the net receivable/obligation which is booked in the accounts. Note 6 gives an overview of the interest rate swaps entered into as of end of year. Those contracts are representative of the contracts held by the fund during the year.

### SKAGEN Credit EUR Note 7, 8, 9, 10 and 11 (in 1,000 EUR)

#### NOTE 7. CUSTODIAN COSTS, BROKER'S FEES AND OTHER FEES

The fund is only charged transaction-related custodian costs, some are charged directly and some indirectly through the master fund. The costs are charged to expenses at the time of the transaction.

#### NOTE 8. MANAGEMENT FEE

SKAGEN Credit EUR is part of a master-feeder structure and SKAGEN Credit EUR is a feeder fund. SKAGEN Credit is the master fund. The management fee in SKAGEN Credit EUR constitutes 0.8 percent p.a. of daily assets under management in unit class A and 0.45 percent p.a. in unit class B.

Management fee allocated to the respective unit classes:

	2016 Unit class A	Unit class B	Total
Management fee - fixed	47,4	9,7	57,1
<b>Total management fee</b>	<b>47,4</b>	<b>9,7</b>	<b>57,1</b>

#### NOTE 9. EQUITY RECONCILIATION

Equity capital as of 01.01.2016	5 063
Issue of units 2016	8 336
Redemption of units 2016	-355
Net income 2016	547
Allocated to unit holders for reinvestment	-1 288
Expected reinvestment related to allocation for reinvestment	1 288
<b>Equity capital as of 31.12.2016</b>	<b>13 592</b>

	Class	31.12.2016	31.12.2015	31.12.2014
Number of units issued	A	786 764	382 870	248 305
Number of units issued	B	591 475	149 240	61 540
Base price per unit (in EUR)*	A	9,8195	9,5003	9,7557
Base price per unit (in EUR)*	B	9,9120	9,5533	9,7755

\*Base price is set at the end of the last working day of the year and is based on the best prevailing estimate. Finalised figures as of 31.12 are used in the annual financial statement. Consequently minor timing differences may occur. The sole difference between the share class A and share class B is related to the management fee, see note 8.

#### NOTE 10. TAX NOTE

The fixed income funds are taxable with 25 percent of net realised capital gain on interest-bearing securities, interest income accrued, currency gain/loss, minus tax-deductible costs, which, amongst other things, include the management fee. The taxable net profit is in principle distributed among unitholders so that the fund is in a non-taxpaying position.

#### NOTE 11. CURRENCY RISK

SKAGEN Credit EUR does not use currency hedging instruments against the euro, but has as of 31.12.2016 overdrafts in USD, GBP, NOK and SEK bank accounts in order to reduce the currency exposure in their share of the underlying US dollar, British pound sterling, Norwegian krone and Swedish krone investments in the master fund SKAGEN Credit.

**SKAGEN Credit NOK Note 7, 8, 9, 10 and 11****NOTE 7. CUSTODIAN COSTS, BROKER'S FEES AND OTHER FEES**

The fund is only charged transaction-related custodian costs, some are charged directly and some indirectly through the master fund. The costs are charged to expenses at the time of the transaction.

**NOTE 8. MANAGEMENT FEE**

SKAGEN Credit NOK is part of a master-feeder structure and SKAGEN Credit NOK is a feeder fund. SKAGEN Credit is the master fund. The management fee in SKAGEN Credit NOK constitutes 0.8 percent p.a. of daily assets under management.

**NOTE 9. EQUITY RECONCILIATION**

Equity capital as of 01.01.2016	143 008
Issue of units 2016	119 946
Redemption of units 2016	-99 527
Net income 2016	9 054
Allocated to unit holders for reinvestment	-5 043
Expected reinvestment related to allocation for reinvestment	5 043
<b>Equity capital as of 31.12.2016</b>	<b>172 481</b>

	<b>31.12.2016</b>	<b>31.12.2015</b>	<b>31.12.2014</b>
Number of units issued	1 661 354	1 479 894	909 784
Base price per unit (in NOK)*	103,8159	96,5472	98,2463

\*Base price is set at the end of the last working day of the year and is based on the best prevailing estimate. Finalised figures as of 31.12 are used in the annual financial statement. Consequently minor timing differences may occur.

**NOTE 10. TAX NOTE**

The fixed income funds are taxable with 25 percent of net realised capital gain on interest-bearing securities, interest income accrued, currency gain/loss, minus tax-deductible costs, which, amongst other things, include the management fee. The taxable net profit is in principle distributed among unitholders so that the fund is in a non-taxpaying position.

**NOTE 11. CURRENCY RISK**

SKAGEN Credit NOK does not use currency hedging instruments against the Norwegian krone, but has as of 31.12.2016 overdrafts in USD, EUR, GBP and SEK bank accounts in order to reduce the currency exposure in their share of the underlying US dollar, euro, British pound sterling and Swedish krone investments in the master fund SKAGEN Credit.

**SKAGEN Credit SEK Note 7, 8, 9, 10 and 11 (in 1,000 SEK)****NOTE 7. CUSTODIAN COSTS, BROKER'S FEES AND OTHER FEES**

The fund is only charged transaction-related custodian costs, some are charged directly and some indirectly through the master fund. The costs are charged to expenses at the time of the transaction.

**NOTE 8. MANAGEMENT FEE**

SKAGEN Credit SEK is part of a master-feeder structure and SKAGEN Credit SEK is a feeder fund. SKAGEN Credit is the master fund. The management fee in SKAGEN Credit SEK constitutes 0.8 percent p.a. of daily assets under management.

**NOTE 9. EQUITY RECONCILIATION**

Equity capital as of 01.01.2016	19 070
Issue of units 2016	39 573
Redemption of units 2016	-12 313
Net income 2016	2 094
Allocated to unit holders for reinvestment	-939
Expected reinvestment related to allocation for reinvestment	939
<b>Equity capital as of 31.12.2016</b>	<b>48 424</b>

	<b>31.12.2016</b>	<b>31.12.2015</b>	<b>31.12.2014</b>
Number of units issued	498 643	206 165	274 786
Base price per unit (in SEK)*	97,0587	92,5348	97,4753

\*Base price is set at the end of the last working day of the year and is based on the best prevailing estimate. Finalised figures as of 31.12 are used in the annual financial statement. Consequently minor timing differences may occur.

**NOTE 10. TAX NOTE**

The fixed income funds are taxable with 25 percent of net realised capital gain on interest-bearing securities, interest income accrued, currency gain/loss, minus tax-deductible costs, which, amongst other things, include the management fee. The taxable net profit is in principle distributed among unitholders so that the fund is in a non-taxpaying position.

**NOTE 11. CURRENCY RISK**

SKAGEN Credit SEK does not use currency hedging instruments against the Swedish krone, but has as of 31.12.2016 overdrafts in USD, EUR, GBP and NOK bank accounts in order to reduce the currency exposure in their share of the underlying US dollar, euro, British pounds sterling and Norwegian krone investments in the master fund SKAGEN Credit.



# SKAGEN Vekst

## Note 6. Securities portfolio as of 31.12.2016 (in 1,000 NOK)

Security	Sector	Number of shares	Acquisition value NOK	Currency	Market value NOK	Unrealised gain/loss	Share of fund	Share in company/ share class	Stock exchange
Samsung Electronics Co Ltd Pref	Information Technology	47 000	280 827	KRW	482 011	201 184	6,46 %	0,23 %	Seoul
ContinentalAG	Consumer Discretionary	252 000	139 867	EUR	420 154	280 287	5,63 %	0,13 %	Frankfurt
SAPSE	Information Technology	515 000	238 067	EUR	387 070	149 003	5,19 %	0,04 %	Frankfurt
NorwegianAir ShuttleASA	Industrials	1 300 000	200 616	NOK	373 100	172 484	5,00 %	3,64 %	Oslo
Citigroup Inc	Financials	725 000	259 005	USD	370 861	111 856	4,97 %	0,03 %	New York
CarlsbergAS-B	Consumer Staples	460 000	291 973	DKK	342 220	50 247	4,59 %	0,39 %	København
NorskHydroASA	Materials	8 000 000	205 706	NOK	330 400	124 694	4,43 %	0,39 %	Oslo
Hennes & MauritzAB	Consumer Discretionary	1 250 000	324 719	SEK	299 994	-24 725	4,02 %	0,09 %	Stockholm
KinnevikAB-B	Telecommunication Services	1 425 000	296 078	SEK	294 622	-1 456	3,95 %	0,61 %	Stockholm
EricssonLM-BSHS	Information Technology	4 522 950	349 543	SEK	229 177	-120 366	3,07 %	0,15 %	Stockholm
RocheHoldingAG-Genusschein	Health Care	106 000	229 901	CHF	208 766	-21 135	2,80 %	0,02 %	Zürich
TeliaCoAB	Telecommunication Services	5 880 000	270 096	SEK	204 436	-65 660	2,74 %	0,14 %	Stockholm
BonheurASA	Energy	2 777 795	242 405	NOK	200 696	-41 710	2,69 %	6,53 %	Oslo
VolvoAB	Consumer Discretionary	1 885 000	159 470	SEK	189 954	30 484	2,55 %	0,12 %	Stockholm
DanskeBankA/S	Financials	725 000	105 611	DKK	189 553	83 943	2,54 %	0,07 %	København
eBayInc	Information Technology	690 000	137 899	USD	176 360	38 460	2,36 %	0,06 %	NASDAQ
ABB Ltd	Industrials	942 440	124 379	SEK	171 198	46 818	2,29 %	0,04 %	Stockholm
Kemira OYJ	Materials	1 350 000	130 354	EUR	148 626	18 272	1,99 %	0,87 %	Helsinki
SKFAB-B Shares	Industrials	908 000	140 010	SEK	144 130	4 121	1,93 %	0,22 %	Stockholm
SBI Holdings Inc	Financials	1 139 000	96 714	JPY	124 957	28 243	1,67 %	0,51 %	Tokyo
Kia Motors Corporation	Consumer Discretionary	425 000	130 536	KRW	119 383	-11 154	1,60 %	0,10 %	Seoul
Sberbank of Russia Pref	Financials	6 500 000	94 190	RUB	119 000	24 810	1,59 %	0,65 %	Moscow
Swatch Group AG	Consumer Discretionary	44 000	115 141	CHF	117 990	2 849	1,58 %	0,14 %	Zürich
Philips Lighting NV	Industrials	550 000	108 892	EUR	116 809	7 917	1,57 %	0,37 %	Amsterdam
Golden Ocean Group Ltd	Industrials	2 642 660	65 732	NOK	109 142	43 410	1,46 %	2,49 %	Oslo
Novo Nordisk A/S-B	Health Care	350 000	107 526	DKK	108 810	1 284	1,46 %	0,02 %	København
Wilh. Wilhelmsen Holding ASA	Industrials	522 647	37 379	NOK	103 484	66 105	1,39 %	1,51 %	Oslo
Catena AB	Real Estate	830 100	74 311	SEK	101 025	26 714	1,35 %	2,32 %	Stockholm
Sodastream International Ltd	Consumer Staples	294 500	66 049	USD	100 059	34 010	1,34 %	1,40 %	NASDAQ
Shire Plc-ADR	Health Care	66 000	103 606	USD	96 785	-6 821	1,30 %	0,02 %	NASDAQ
Lundin Petroleum AB	Energy	471 000	46 434	SEK	88 369	41 935	1,18 %	0,14 %	Stockholm
Gazprom Oao ADR	Energy	2 000 000	82 281	USD	86 919	4 638	1,16 %	0,02 %	London Int.
Koninklijke Philips NV	Industrials	325 000	66 191	EUR	85 542	19 352	1,15 %	0,03 %	Amsterdam
HLundbeck A/S	Health Care	220 000	42 146	DKK	77 149	35 004	1,03 %	0,11 %	København
Danieli & Officine Meccaniche SpA	Industrials	527 390	67 936	EUR	72 470	4 534	0,97 %	1,30 %	Brsaltaliana
Cal-Maine Foods Inc	Consumer Staples	189 600	88 481	USD	72 038	-16 442	0,97 %	0,43 %	New York
Golar LNG Ltd	Industrials	340 400	86 992	USD	67 201	-19 791	0,90 %	0,34 %	NASDAQ
Medi-Stim ASA	Health Care	850 072	10 633	NOK	62 480	51 847	0,84 %	4,64 %	Oslo
Credit Suisse Group AG	Financials	500 000	99 213	CHF	61 854	-37 360	0,83 %	0,02 %	Zürich
Strongpoint ASA	Information Technology	3 429 227	39 239	NOK	55 553	16 315	0,74 %	7,73 %	Oslo
CF Industries Holdings Inc	Materials	180 000	36 066	USD	48 780	12 714	0,65 %	0,08 %	New York
HitecVision AS	Financials	792 668	7 191	NOK	44 389	37 199	0,59 %	4,18 %	Unlisted
GCL-Poly Energy Holdings Ltd	Energy	35 000 000	65 216	HKD	36 131	-29 085	0,48 %	0,19 %	Hong Kong
Solstad Offshore ASA	Energy	2 417 853	105 713	NOK	27 805	-77 908	0,37 %	3,42 %	Oslo
Rec Silicon ASA	Energy	21 000 000	31 267	NOK	23 940	-7 327	0,32 %	0,83 %	Oslo
Yazici Holding AS	Consumer Staples	654 669	22 383	TRY	21 062	-1 321	0,28 %	0,41 %	Istanbul
PhotoCure ASA	Health Care	399 267	16 106	NOK	16 769	663	0,22 %	1,85 %	Oslo
Goodtech ASA	Industrials	1 950 949	44 407	NOK	13 657	-30 751	0,18 %	8,53 %	Oslo
TTS Group ASA	Industrials	2 411 069	24 080	NOK	9 114	-14 966	0,12 %	2,78 %	Oslo
Nordic Mining ASA	Materials	900 000	6 092	NOK	3 672	-2 420	0,05 %	0,97 %	Oslo Axxess
I.M. Skaugen SE	Industrials	1 554 152	18 891	NOK	3 606	-15 285	0,05 %	5,74 %	Oslo
<b>TOTAL SECURITIES PORTFOLIO <sup>1)</sup></b>			<b>6 133 559</b>		<b>7 359 272</b>	<b>1 225 714</b>	<b>98,63 %</b>		

<sup>1)</sup> For liquidity in the portfolio as of 31.12.2016, please refer to the balance sheet.

### Allocation of the acquisition cost:

For SKAGEN Vekst the average acquisition value is applied when calculating the realised capital gain/loss when selling shares.

# SKAGEN Global

## Note 6. Securities portfolio as of 31.12.2016 (in 1,000 NOK)

Security	Sector	Number of shares	Acquisition value NOK	Currency	Market value NOK	Unrealised gain/loss	Share of fund	Share in company/share class	Stock exchange
American International Group Inc	Financials	2 772 001	903 797	USD	1 557 998	654 201	5,51 %	0,27 %	New York
Unilever NV-Cva	Consumer Staples	4 073 553	1 380 056	EUR	1 446 159	66 103	5,11 %	0,24 %	Amsterdam
Citigroup Inc	Financials	2 696 167	710 004	USD	1 378 943	668 939	4,88 %	0,09 %	New York
CK Hutchison Holdings Ltd	Industrials	13 582 098	1 230 262	HKD	1 325 192	94 930	4,69 %	0,35 %	Hong Kong
General Electric Co	Industrials	4 796 440	979 757	USD	1 304 368	324 610	4,61 %	0,05 %	New York
Roche Holding AG-Genusschein	Health Care	631 458	941 586	CHF	1 243 653	302 067	4,40 %	0,09 %	Zürich
Microsoft Corp	Information Technology	2 142 570	513 419	USD	1 145 777	632 358	4,05 %	0,03 %	NASDAQ
Samsung Electronics Co Ltd Pref	Information Technology	109 204	265 260	KRW	1 119 947	854 688	3,96 %	0,53 %	Seoul
3M Co	Industrials	689 340	987 116	USD	1 059 341	72 225	3,75 %	0,11 %	New York
Merck & Co Inc	Health Care	2 077 710	958 769	USD	1 052 623	93 854	3,72 %	0,08 %	New York
Teva Pharmaceutical-Sp ADR	Health Care	2 899 630	1 098 551	USD	904 575	-193 976	3,20 %	0,29 %	NASDAQ
NN Group NV	Financials	2 932 306	631 611	EUR	856 835	225 224	3,03 %	0,88 %	Amsterdam
Comcast Corp	Consumer Discretionary	1 363 151	609 839	USD	810 031	200 191	2,86 %	0,06 %	NASDAQ
China Mobile Ltd	Telecommunication Services	8 611 990	829 969	HKD	785 775	-44 194	2,78 %	0,04 %	Hong Kong
G4S Plc	Industrials	30 479 929	873 654	GBP	761 862	-111 792	2,69 %	1,96 %	London
Cap Gemini SA	Information Technology	1 016 719	691 728	EUR	739 612	47 884	2,62 %	0,59 %	Paris
Medtronic Plc	Health Care	1 178 946	783 954	USD	722 688	-61 266	2,56 %	0,09 %	New York
Alphabet Inc Class C	Information Technology	103 881	526 006	USD	689 995	163 989	2,44 %	0,03 %	NASDAQ
Dollar General Corp	Consumer Discretionary	1 008 115	614 456	USD	642 608	28 152	2,27 %	0,36 %	New York
Carlsberg AS-B	Consumer Staples	787 337	544 224	DKK	585 744	41 520	2,07 %	0,66 %	København
Akzo Nobel NV	Materials	741 798	373 426	EUR	399 851	26 425	1,41 %	0,29 %	Amsterdam
Kingfisher Plc	Consumer Discretionary	10 354 978	395 989	GBP	385 819	-10 169	1,36 %	0,46 %	London
Cms Energy Corp	Utilities	997 835	351 010	USD	357 400	6 391	1,26 %	0,36 %	New York
Toyota Industries Corp	Consumer Discretionary	847 628	250 053	JPY	348 327	98 275	1,23 %	0,26 %	Tokyo
Ageas	Financials	1 015 112	383 434	EUR	346 511	-36 924	1,23 %	0,47 %	Brussel
Skechers USA Inc	Consumer Discretionary	1 552 387	350 724	USD	328 379	-22 345	1,16 %	1,16 %	New York
Hiscox Ltd	Financials	2 874 906	320 338	GBP	310 985	-9 353	1,10 %	1,01 %	London
Mayr-Melnhof Karton AG	Materials	333 933	172 249	EUR	305 202	132 954	1,08 %	1,67 %	Wien
Autoliv Inc SDR	Industrials	314 457	245 577	SEK	306 161	60 585	1,08 %	0,36 %	Stockholm
Koninklijke Philips NV	Industrials	1 159 386	273 903	EUR	305 158	31 256	1,08 %	0,12 %	Amsterdam
ServiceMaster Global Holdings Inc	Consumer Discretionary	945 676	288 194	USD	306 572	18 378	1,08 %	0,70 %	New York
Autoliv Inc	Industrials	304 442	239 248	USD	296 451	57 203	1,05 %	0,35 %	New York
Novo Nordisk A/S-B	Health Care	955 307	286 438	DKK	296 992	10 555	1,05 %	0,05 %	København
Columbia Property Trust Inc	Real Estate	1 589 780	289 144	USD	295 655	6 511	1,05 %	1,29 %	New York
Baidu Inc ADR	Information Technology	200 160	291 968	USD	283 204	-8 764	1,00 %	0,07 %	NASDAQ
China Mobile Ltd ADR	Telecommunication Services	573 692	280 607	USD	258 853	-21 754	0,92 %	0,01 %	New York
Irsa Sa ADR	Real Estate	1 423 572	118 580	USD	225 909	107 329	0,80 %	2,46 %	New York
Lenovo Group Ltd	Information Technology	38 742 506	283 916	HKD	202 120	-81 797	0,71 %	0,35 %	Hong Kong
Koninklijke DSM NV	Materials	366 587	177 218	EUR	189 516	12 298	0,67 %	0,20 %	Amsterdam
Sony Corp Sponsored ADR	Consumer Discretionary	790 981	186 328	USD	190 802	4 475	0,67 %	0,06 %	New York
Johnson Controls International Plc	Industrials	477 751	55 476	USD	169 351	113 874	0,60 %	0,05 %	New York
Amerco	Industrials	51 405	146 849	USD	163 501	16 652	0,58 %	0,26 %	NASDAQ
State Bank of India GDR	Financials	496 529	91 101	USD	157 035	65 934	0,56 %	0,06 %	National India
Samsung Electronics Co Ltd	Information Technology	11 108	94 970	KRW	143 253	48 283	0,51 %	0,01 %	Seoul
Lundin Petroleum AB	Energy	713 723	79 668	SEK	133 909	54 241	0,47 %	0,21 %	Stockholm
Sony Corp	Consumer Discretionary	545 656	123 454	JPY	131 843	8 389	0,47 %	0,04 %	Tokyo
Sanofi	Health Care	104 889	69 730	EUR	73 207	3 478	0,26 %	0,01 %	Paris
State Bank of India	Financials	1 261 856	32 513	INR	40 054	7 541	0,14 %	0,02 %	National India
<b>TOTAL SECURITIES PORTFOLIO <sup>1)</sup></b>			<b>22 326 119</b>		<b>27 085 746</b>	<b>4 759 627</b>	<b>95,77 %</b>		

<sup>1)</sup> For liquidity in the portfolio as of 31.12.2016, please refer to the balance sheet.

### Allocation of the acquisition cost:

For SKAGEN Global the average acquisition value is applied when calculating the realised capital gain/loss when selling shares.

# SKAGEN Kon-Tiki

## Note 6. Securities portfolio as of 31.12.2016 (in 1,000 NOK)

Security	Sector	Number of shares	Acquisition value NOK	Currency	Market value NOK	Unrealised gain/los	Share of fund	Share in company/share class	Stock exchange
Samsung Electronics Co Ltd Pref	Information Technology	163 000	782 390	KRW	1 671 655	889 265	5,46 %	0,79 %	Seoul
RichterGedeonNyrt	Health Care	8 134 857	885 803	HUF	1 485 466	599 663	4,85 %	4,36 %	Budapest
NaspersLtd	Consumer Discretionary	1 074 593	463 367	ZAR	1 363 093	899 726	4,45 %	0,25 %	Johannesburg
X5 Retail Group NVGDR	Consumer Staples	4 853 130	492 749	USD	1 355 285	862 535	4,42 %	1,79 %	London Int.
Haci Omer Sabanci Holding AS	Financials	56 848 322	1 240 691	TRY	1 272 568	31 877	4,15 %	2,79 %	Istanbul
Hyundai Motor Co Pref (2pb)	Consumer Discretionary	1 670 000	282 809	KRW	1 187 998	905 189	3,88 %	4,44 %	Seoul
Mahindra & Mahindra Ltd GDR	Consumer Discretionary	7 622 740	177 848	USD	1 154 563	976 715	3,77 %	1,23 %	London Int.
Hyundai Motor Co Pref (1p)	Consumer Discretionary	1 630 000	262 515	KRW	1 116 381	853 866	3,64 %	6,49 %	Seoul
Cosan Ltd	Consumer Staples	16 220 419	907 123	USD	1 048 325	141 201	3,42 %	9,30 %	New York
State Bank of India	Financials	28 375 000	646 809	INR	900 679	253 871	2,94 %	0,37 %	National India
SBI Holdings Inc	Financials	7 759 600	603 768	JPY	851 289	247 521	2,78 %	3,46 %	Tokyo
Kinnevik AB-B	Telecommunication Services	3 582 146	609 581	SEK	740 616	131 035	2,42 %	1,53 %	Stockholm
ABB Ltd	Industrials	4 068 279	335 329	SEK	739 018	403 690	2,41 %	0,18 %	Stockholm
Banco Do Estado Rio Grande Do Sul SA Pref	Financials	25 985 500	608 331	BRL	709 042	100 711	2,31 %	12,97 %	Sao Paulo
CNH Industrial NV	Industrials	9 138 348	555 765	USD	683 410	127 645	2,23 %	0,67 %	New York
Great Wall Motor Co Ltd	Consumer Discretionary	79 522 500	83 910	HKD	639 075	555 164	2,09 %	2,57 %	Hong Kong
Cia Brasileira de Distribuicao - Pref	Consumer Staples	4 205 800	643 971	BRL	608 827	-35 144	1,99 %	2,53 %	Sao Paulo
Samsung Electronics Co Ltd Pref GDR	Information Technology	119 489	117 733	USD	609 785	492 051	1,99 %	0,29 %	London Int.
LG Electronics Inc Pref	Consumer Discretionary	3 050 000	826 565	KRW	559 887	-266 679	1,83 %	17,75 %	Seoul
Tech Mahindra Ltd	Information Technology	8 784 608	354 670	INR	544 866	190 196	1,78 %	0,90 %	National India
Bharti Airtel Ltd	Telecommunication Services	14 022 628	536 370	INR	543 752	7 382	1,77 %	0,35 %	National India
Samsung SDI Co Ltd	Information Technology	670 000	480 383	KRW	522 654	42 271	1,71 %	0,97 %	Seoul
Indosat Tbk PT	Telecommunication Services	126 424 850	341 055	IDR	521 066	180 011	1,70 %	2,33 %	Indonesia
Golar LNG Ltd	Industrials	2 022 557	614 659	USD	399 290	-215 369	1,30 %	2,02 %	NASDAQ
Cia Cervecerias Unidas SAADR	Consumer Staples	2 193 449	387 122	USD	396 029	8 907	1,29 %	1,19 %	New York
Korean Reinsurance Co	Financials	4 860 366	182 711	KRW	396 540	213 828	1,29 %	4,04 %	Seoul
Rumo Logistica Operadora	Industrials	23 535 800	284 054	BRL	382 084	98 029	1,25 %	1,76 %	Sao Paulo
Kiatnakin Bank Plc	Financials	27 066 000	242 098	THB	384 053	141 955	1,25 %	3,20 %	Bangkok
Sistema PJSC FCF	Telecommunication Services	115 287 412	606 630	RUB	376 908	-229 722	1,23 %	1,19 %	Moscow
JSELtd	Financials	3 514 971	136 477	ZAR	363 649	227 172	1,19 %	4,05 %	Johannesburg
China Sheway Pharmaceutical	Health Care	36 934 000	280 824	HKD	360 771	79 947	1,18 %	4,47 %	Hong Kong
Yazici Holding AS	Consumer Staples	10 837 139	313 127	TRY	348 644	35 518	1,14 %	6,77 %	Istanbul
LG Chem Ltd Pref	Materials	259 179	179 108	KRW	332 949	153 841	1,09 %	3,40 %	Seoul
Marfrig Global Foods SA	Consumer Staples	18 537 800	291 987	BRL	323 982	31 995	1,06 %	3,56 %	Sao Paulo
Enka Insaat Ve Sanayi AS	Industrials	24 246 616	218 014	TRY	319 136	101 122	1,04 %	0,58 %	Istanbul
UPL Ltd	Materials	3 805 618	78 808	INR	312 375	233 567	1,02 %	0,75 %	National India
Bollere SA	Industrials	10 155 415	277 287	EUR	308 775	31 488	1,01 %	0,35 %	Paris
Tullow Oil Plc	Energy	9 241 978	821 783	GBP	307 388	-514 394	1,00 %	1,01 %	London
Vietnam Enterprise Investments Ltd	Financials	9 000 000	257 177	GBP	282 875	25 698	0,92 %	4,07 %	Dublin
Apollo Tyres Ltd	Consumer Discretionary	11 855 954	99 793	INR	278 112	178 320	0,91 %	2,33 %	National India
Aberdeen Asset Management Plc	Financials	9 475 609	293 750	GBP	259 323	-34 426	0,85 %	0,72 %	London
Mahindra & Mahindra Ltd	Consumer Discretionary	1 565 122	126 864	INR	235 236	108 371	0,77 %	0,25 %	National India
GCL Poly Energy Holdings Ltd	Energy	224 088 000	369 048	HKD	231 326	-137 722	0,76 %	1,21 %	Hong Kong
LG Corp Pref	Industrials	808 430	118 669	KRW	225 931	107 262	0,74 %	24,39 %	Seoul
Lenovo Group Ltd	Information Technology	43 490 000	280 193	HKD	226 887	-53 306	0,74 %	0,39 %	Hong Kong
OCI Co Ltd	Materials	396 454	301 427	KRW	223 296	-78 131	0,73 %	1,66 %	Seoul
Norwegian Air Shuttle ASA	Industrials	700 000	65 751	NOK	200 900	135 149	0,66 %	1,96 %	Oslo Børs
Eis Eczacibasi Ilacve Sinai	Health Care	24 263 192	133 394	TRY	185 202	51 808	0,60 %	3,54 %	Istanbul
Borr Drilling Ltd	Energy	6 250 000	105 500	NOK	181 250	75 750	0,59 %	8,06 %	Unotert
EFG-Hermes Holding SAE	Financials	13 778 665	237 808	EGP	165 576	-72 231	0,54 %	2,24 %	Cairo
East African Breweries Ltd	Consumer Staples	7 471 622	123 086	KES	155 649	32 562	0,51 %	0,94 %	Nairobi
Golden Ocean Group Ltd	Industrials	3 695 653	97 061	NOK	152 630	55 570	0,50 %	3,49 %	Oslo Børs
Massmart Holdings Ltd	Consumer Staples	1 932 340	147 925	ZAR	153 535	5 610	0,50 %	0,89 %	Johannesburg
Ghana Commercial Bank Ltd	Financials	18 001 604	90 783	GHS	129 231	38 448	0,42 %	6,79 %	Ghana
Vina Capital Vietnam Opportunity Fund Ltd	Financials	4 392 100	92 364	GBP	128 002	35 638	0,42 %	2,11 %	London
Eczacibasi Yatirim Holding	Health Care	5 044 098	40 038	TRY	109 582	69 543	0,36 %	4,80 %	Istanbul
Cosco Shipping Energy Transportation	Industrials	21 964 000	121 846	HKD	105 566	-16 280	0,34 %	1,69 %	Hong Kong
Euronav SA	Industrials	1 318 060	125 340	EUR	90 666	-34 674	0,30 %	0,83 %	Brussel
Norfinance AS	Financials	578 397	57 840	NOK	63 661	5 821	0,21 %	9,89 %	Unotert
Frontline Ltd	Industrials	970 287	49 346	NOK	60 158	10 812	0,20 %	0,57 %	Oslo Børs
Asia Cement China Holdings	Materials	22 407 000	82 610	HKD	44 520	-38 090	0,15 %	1,43 %	Hong Kong
Deep Sea Supply Plc	Energy	17 250 931	171 047	NOK	23 979	-147 068	0,08 %	5,92 %	Oslo Børs
Diamond Bank Plc	Financials	718 971 941	154 156	NGN	17 715	-136 441	0,06 %	3,10 %	Lagos
Hyundai Motor Co GDR	Consumer Discretionary	33 510	10 090	USD	11 261	1 172	0,04 %	0,07 %	London
Euronav SA	Industrials	97 655	8 387	USD	6 681	-1 706	0,02 %	0,06 %	New York
EFG-Hermes Holding GDR	Financials	232 480	8 193	USD	4 512	-3 682	0,01 %	0,08 %	London Int.
Bollere SA	Industrials	24 818	682	EUR	737	54	0,00 %	0,60 %	Paris
<b>TOTAL SECURITIES PORTFOLIO <sup>1)</sup></b>			<b>20 924 393</b>		<b>30 095 872</b>	<b>9 171 479</b>	<b>98,24 %</b>		

<sup>1)</sup> For liquidity in the portfolio as of 31.12.2016, please refer to the balance sheet.

### Allocation of the acquisition cost:

For SKAGEN Kon-Tiki the average acquisition value is applied when calculating the realised capital gain/loss when selling shares.

# SKAGEN m<sup>2</sup>

## Note 6. Securities portfolio as of 31.12.2016 (in 1,000 NOK)

Security	Sector <sup>2)</sup>	Number of shares	Acquisition value NOK	Currency	Market value NOK	Unrealised gain/los	Share of fund	Share in company/ share class	Stock exchange
D Carnegie & Co AB	Property companies incl. REITs	516 251	38 680	SEK	53 295	14 614	5,55 %	0,72 %	Stockholm
SL Green Realty Corp	Property companies incl. REITs	54 562	42 821	USD	50 505	7 684	5,26 %	0,05 %	New York
Olav Thon Eiendomsselskap ASA	Property companies incl. REITs	313 000	41 676	NOK	50 080	8 404	5,22 %	0,29 %	Oslo Børs
Inmobiliaria Colonial SA	Property companies incl. REITs	817 580	46 591	EUR	48 849	2 258	5,09 %	0,23 %	Madrid
Catena AB	Property companies incl. REITs	395 888	46 552	SEK	48 181	1 629	5,02 %	1,11 %	Stockholm
Mitsui Fudosan Co Ltd	Property companies incl. REITs	233 000	47 403	JPY	46 500	-903	4,84 %	0,02 %	Tokyo
Deutsche Wohnen AG	Property companies incl. REITs	163 000	38 178	EUR	44 145	5 968	4,60 %	0,05 %	Frankfurt
Global Logistic Properties Ltd	Property companies incl. REITs	3 337 700	45 715	SGD	43 734	-1 981	4,56 %	0,07 %	Singapore
CBL & Associates Properties Inc	Property companies incl. REITs	380 000	46 404	USD	37 608	-8 797	3,92 %	0,22 %	New York
Mercialys SA	Property companies incl. REITs	215 282	34 249	EUR	37 603	3 354	3,92 %	0,23 %	Paris
Irsa SA ADR	Property companies incl. REITs	208 973	22 506	USD	32 965	10 459	3,43 %	0,36 %	New York
Columbia Property Trust Inc	Property companies incl. REITs	149 000	25 483	USD	27 710	2 227	2,89 %	0,12 %	New York
Axiare Patrimonio SOCIMISA	Property companies incl. REITs	198 943	20 649	EUR	24 954	4 305	2,60 %	0,28 %	Madrid
Dic Asset AG	Property companies incl. REITs	300 000	20 376	EUR	24 778	4 402	2,58 %	0,44 %	Xetra
PS Business Parks Inc	Property companies incl. REITs	24 000	15 274	USD	24 056	8 781	2,51 %	0,09 %	New York
Ashford Hospitality Trust Inc	Property companies incl. REITs	350 000	22 330	USD	23 373	1 044	2,43 %	0,36 %	New York
Big Yellow Group Plc	Property companies incl. REITs	310 000	27 582	GBP	22 603	-4 979	2,35 %	0,20 %	London
British Land Co Plc	Property companies incl. REITs	325 000	21 199	GBP	21 761	562	2,27 %	0,03 %	London
General Growth Properties Inc	Property companies incl. REITs	100 000	22 824	USD	21 506	-1 318	2,24 %	0,01 %	New York
CA Immobilien Anlagen AG	Property companies incl. REITs	118 662	16 793	EUR	18 810	2 017	1,96 %	0,12 %	Wien
SM Prime Holdings Inc	Property companies incl. REITs	3 811 800	11 039	PHP	18 749	7 710	1,95 %	0,01 %	Philippines
Ashford Hospitality Prime Inc	Property companies incl. REITs	158 000	15 439	USD	18 560	3 122	1,93 %	0,61 %	New York
Melia Hotels International	Consumer Discretionary	182 000	16 044	EUR	18 303	2 258	1,91 %	0,08 %	Madrid
Shangri-La Asia Ltd	Consumer Discretionary	1 900 000	20 104	HKD	17 252	-2 853	1,80 %	0,05 %	Hong Kong
Atrium Ljungberg AB	Property companies incl. REITs	128 327	13 063	SEK	17 295	4 232	1,80 %	0,10 %	Stockholm
Phoenix Mills Ltd	Property companies incl. REITs	355 160	13 637	INR	16 903	3 267	1,76 %	0,23 %	National India
Grivalia Properties Reic AE	Property companies incl. REITs	225 485	15 181	EUR	15 676	495	1,63 %	0,22 %	Athen
First Real Estate Investment Trust	Property companies incl. REITs	1 856 811	13 670	SGD	13 990	319	1,46 %	0,24 %	Singapore
Capita Land Ltd	Property companies incl. REITs	750 000	13 330	SGD	13 490	160	1,41 %	0,02 %	Singapore
Nomura Real Estate Master Fund Inc	Property companies incl. REITs	983	10 429	JPY	12 822	2 393	1,34 %	0,02 %	Tokyo
Beni Stabili SpA	Property companies incl. REITs	2 282 917	10 232	EUR	11 251	1 019	1,17 %	0,10 %	Milano
Soho China Ltd	Property companies incl. REITs	2 568 500	13 794	HKD	10 891	-2 903	1,13 %	0,05 %	Hong Kong
Ascendas India Trust	Property companies incl. REITs	1 780 200	7 454	SGD	10 762	3 308	1,12 %	0,19 %	Singapore
Keck Seng Investments	Consumer Discretionary	1 550 000	11 743	HKD	9 635	-2 108	1,00 %	0,46 %	Hong Kong
Obero Realty Ltd	Property companies incl. REITs	214 090	6 591	INR	8 022	1 431	0,84 %	0,06 %	National India
Emlak Konut Gayrimenkul Yatirim Ortakligi AS	Property companies incl. REITs	885 000	7 123	TRY	6 474	-650	0,67 %	0,02 %	Istanbul
Ashford Inc	Financials	10 900	7 573	USD	4 047	-3 527	0,42 %	0,54 %	New York
<b>TOTAL SECURITIES PORTFOLIO <sup>3)</sup></b>			<b>849 730</b>		<b>927 134</b>	<b>77 404</b>	<b>96,58 %</b>		

<sup>3)</sup> For liquidity in the portfolio as of 31.12.2016, please refer to the balance sheet.

<sup>2)</sup> REITs (Real Estate Investment Trusts) are listed, legal structures which are subject to favourable tax regulations in their country of origin. Conditional to receiving favourable tax treatment, the company must fulfil minimum requirements related to property exposure and a minimum share of the profits must be shared between owners.

### Allocation of the acquisition cost:

For SKAGEN m2 the FIFO principle is applied when calculating the realised capital gain/loss when selling securities.

# SKAGEN Focus

## Note 6. Securities portfolio as of 31.12.2016 (in 1,000 NOK)

Security	Sector	Number of shares	Acquisition value NOK	Currency	Market value NOK	Unrealised gain/los	Share of fund	Share in company/ share class	Stock exchange
American International Group Inc	Financials	238 000	116 420	USD	133 808	17 388	7,89 %	0,02 %	New York
Jbs SA	Consumer Staples	2 625 000	64 115	BRL	79 122	15 007	4,67 %	0,09 %	Sao Paulo
E-MART Inc	Consumer Staples	56 800	72 973	KRW	74 390	1 417	4,39 %	0,20 %	Seoul
Teva Pharmaceutical-SpADR	Health Care	235 000	90 514	USD	73 331	-17 183	4,32 %	0,02 %	NASDAQ
SBI Holdings Inc	Financials	613 000	64 995	JPY	67 251	2 256	3,97 %	0,27 %	Tokyo
Softbank Group Corp	Telecommunication Services	116 300	54 774	JPY	66 627	11 853	3,93 %	0,01 %	Tokyo
Tesoro Corp	Energy	88 000	61 032	USD	66 235	5 203	3,91 %	0,08 %	New York
Taiheiyo Cement Corp	Materials	2 210 000	54 577	JPY	60 328	5 751	3,56 %	0,17 %	Tokyo
Whiting Petroleum Corp	Energy	555 000	44 709	USD	57 363	12 654	3,38 %	0,20 %	New York
Philips Lighting NV	Industrials	255 361	49 650	EUR	54 234	4 584	3,20 %	0,17 %	Amsterdam
Telecom Italia Spa	Telecommunication Services	7 100 000	46 710	EUR	53 937	7 227	3,18 %	0,05 %	Brsaltaliana
Aryzta AG	Consumer Staples	137 707	52 371	CHF	52 295	-75	3,08 %	0,15 %	Zürich
China Telecom Corp Ltd	Telecommunication Services	13 014 000	61 548	HKD	51 715	-9 833	3,05 %	0,09 %	Hong Kong
Schaeffler AG	Industrials	398 033	50 708	EUR	50 775	67	2,99 %	0,24 %	Frankfurt
Fila Korea Ltd	Consumer Discretionary	100 600	62 751	KRW	50 757	-11 993	2,99 %	0,88 %	Seoul
CIT Group Inc	Financials	138 000	47 505	USD	50 699	3 194	2,99 %	0,07 %	New York
Infineon Technologies AG	Information Technology	335 000	39 426	EUR	50 199	10 773	2,96 %	0,03 %	Frankfurt
Alphabet Inc Class C	Information Technology	7 500	47 059	USD	49 852	2 792	2,94 %	0,00 %	NASDAQ
SK Hynix Inc	Information Technology	140 000	31 931	KRW	44 787	12 856	2,64 %	0,02 %	Seoul
Ence Energia Celulosa SA	Materials	1 909 208	36 032	EUR	43 494	7 462	2,57 %	0,76 %	Madrid
Adient Plc	Consumer Discretionary	85 555	40 905	USD	43 146	2 241	2,54 %	0,09 %	New York
Synchrony Financial	Financials	134 572	35 879	USD	42 016	6 137	2,48 %	0,02 %	New York
Carlsberg AS-B	Consumer Staples	49 600	35 727	DKK	36 900	1 173	2,18 %	0,04 %	København
Stock Spirits Group Plc	Consumer Staples	1 760 375	36 885	GBP	33 844	-3 041	2,00 %	0,88 %	London
Jenoptik AG	Industrials	225 909	25 484	EUR	33 677	8 193	1,99 %	0,39 %	Xetra
Magforce AG	Health Care	672 154	32 822	EUR	27 751	-5 071	1,64 %	2,62 %	Xetra
Telecom Italia Rsp	Telecommunication Services	3 750 000	20 218	EUR	23 382	3 164	1,38 %	0,06 %	Brsaltaliana
Samsung SDI Co Ltd	Information Technology	29 000	20 778	KRW	22 622	1 845	1,33 %	0,04 %	Seoul
Pilgrim's Pride Corp	Consumer Staples	115 000	21 760	USD	18 804	-2 956	1,11 %	0,05 %	New York
Fourlis Holdings SA	Consumer Discretionary	474 628	12 707	EUR	17 576	4 869	1,04 %	0,93 %	Athen
FFP	Financials	26 858	16 862	EUR	17 612	750	1,04 %	0,11 %	Paris
Omega Protein Corp	Consumer Staples	80 491	12 515	USD	17 317	4 803	1,02 %	0,36 %	New York
GCL-Poly Energy Holdings Ltd	Energy	16 500 000	31 962	HKD	17 033	-14 929	1,00 %	0,09 %	Hong Kong
TerraVia Holdings Inc	Materials	1 436 525	30 157	USD	13 599	-16 558	0,80 %	1,59 %	NASDAQ
Massimo Zanetti Beverage Group SpA	Consumer Staples	213 933	16 138	EUR	13 485	-2 653	0,80 %	0,62 %	Brsaltaliana
Samsung SDI Co Ltd Pref	Information Technology	18 720	8 749	KRW	7 315	-1 434	0,43 %	1,16 %	Seoul
<b>TOTAL SECURITIES PORTFOLIO<sup>1)</sup></b>			<b>1 549 346</b>		<b>1 617 277</b>	<b>67 930</b>	<b>95,38 %</b>		

<sup>1)</sup> For liquidity in the portfolio as of 31.12.2016, please refer to the balance sheet.

### Allocation of the acquisition cost:

For SKAGEN Focus the FIFO principle is applied when calculating the realised capital gain/loss when selling securities.



# SKAGEN Balanse 60/40

## Note 6. Securities portfolio as of 31.12.2016 (in 1,000 NOK)

Security	Number of shares	Acquisition value NOK	Currency	Market value NOK	Unrealised gain/loss	Share of fund
<b>Equity fund</b>						
SKAGEN Global	68 753	85 591	NOK	99 605	14 014	29,94 %
SKAGEN Vekst	24 026	43 056	NOK	49 895	6 840	15,00 %
SKAGEN Kon-Tiki	68 317	45 945	NOK	49 839	3 894	14,98 %
<b>Total equity fund</b>		<b>174 592</b>		<b>199 339</b>	<b>24 747</b>	<b>59,92 %</b>
<b>Fixed income fund</b>						
SKAGEN Høyrente Institusjon	498 982	49 746	NOK	49 745	-2	14,95 %
SKAGEN Høyrente	493 193	49 697	NOK	49 674	-22	14,93 %
SKAGEN Avkastning	242 520	33 726	NOK	33 208	-519	9,98 %
<b>Total fixed income fund</b>		<b>133 170</b>		<b>132 627</b>	<b>-543</b>	<b>39,86 %</b>
<b>TOTAL SECURITIES PORTFOLIO <sup>1)</sup></b>		<b>307 761</b>		<b>331 966</b>	<b>24 205</b>	<b>99,78 %</b>

<sup>1)</sup> For liquidity in the portfolio as of 31.12.2016, please refer to the balance sheet.

The underlying funds are all priced on each ordinary opening day for Norwegian banks by the fund management company SKAGEN AS. Prices are available on our homepage, [www.skagenfondene.no](http://www.skagenfondene.no), and are published in relevant newspapers.

### Allocation of the acquisition cost:

For SKAGEN Balanse 60/40 the FIFO principle is applied when calculating the realised capital gain/loss when selling securities.

# SKAGEN Høyrente

## Note 6. Securities portfolio as of 31.12.2016 (in 1,000 NOK)

Security	Maturity	Coupon	Interest adjustment point	Facevalue	Cost price (NOK)	Yield <sup>3)</sup>	Duration <sup>2)</sup>	Accrued interest	Market value	Market value incl accrued interest	Unrealised gain/loss	Share of fund	Risk class <sup>4)</sup>
<b>FLOATING RATE SECURITIES</b>													
<b>Financial bonds</b>													
Sandnes Sparebank	19.03.2018	2,73	19.01.2017	90 000	92 416	1,96	0,06	498	90 977	91 475	-1 440	3,50 %	5
Sparebank 1 Nord-Norge	15.01.2018	2,17	16.01.2017	87 000	88 430	1,81	0,05	393	87 586	87 979	-844	3,37 %	5
SpareBank 1 BV	24.04.2018	1,47	24.01.2017	85 000	84 882	1,87	0,06	236	84 886	85 122	4	3,26 %	5
BN Bank ASA	24.01.2019	1,95	24.01.2017	80 000	80 386	2,24	0,06	295	80 287	80 582	-98	3,09 %	5
Sandnes Sparebank	06.11.2018	1,97	06.02.2017	79 000	78 402	2,15	0,10	233	79 091	79 324	689	3,04 %	5
Sparebank 1 Østfold Akershus	18.01.2018	2,16	18.01.2017	78 000	79 378	1,91	0,05	346	78 440	78 787	-937	3,02 %	5
Sparebanken Sogn og Fjordane	21.08.2017	2,74	21.02.2017	65 000	66 675	1,64	0,14	198	65 514	65 712	-1 161	2,52 %	5
Kredittforeningen for Sparebanker	27.02.2018	2,03	27.02.2017	63 000	63 458	1,88	0,16	117	63 268	63 385	-190	2,43 %	5
Bank 1 Oslo Akershus AS	05.03.2018	2,24	06.03.2017	60 000	60 252	1,76	0,18	97	60 463	60 560	211	2,32 %	5
Helgeland Sparebank	16.08.2018	1,98	16.02.2017	55 000	55 699	1,92	0,13	136	55 351	55 487	-347	2,13 %	5
Sparebank 1 Telemark	28.01.2019	1,78	30.01.2017	46 000	46 161	2,09	0,08	146	46 129	46 275	-32	1,77 %	5
SpareBank 1 BV	13.03.2019	1,86	13.03.2017	45 000	45 189	2,07	0,19	42	45 137	45 179	-51	1,73 %	5
Sparebanken Øst	10.01.2019	1,91	10.01.2017	40 000	40 107	2,10	0,02	174	40 184	40 358	77	1,55 %	5
BN Bank ASA	22.05.2018	2,05	22.02.2017	40 000	39 914	1,97	0,14	89	40 212	40 301	299	1,54 %	5
Sparebanken Sogn og Fjordane	06.06.2017	1,81	06.03.2017	40 000	40 304	1,59	0,18	50	40 050	40 100	-254	1,54 %	5
Sparebanken Vest	30.06.2017	1,53	30.03.2017	40 000	39 738	1,55	0,24	2	39 994	39 995	255	1,53 %	5
Sparebank 1 SR-Bank	13.12.2018	1,94	13.03.2017	35 000	35 150	1,97	0,19	34	35 173	35 207	23	1,35 %	5
Kredittforeningen for Sparebanker	12.02.2019	1,89	13.02.2017	33 000	32 883	2,23	0,11	81	33 099	33 180	216	1,27 %	5
Sparebanken Sør	05.03.2018	2,06	06.03.2017	30 000	30 379	1,76	0,18	45	30 168	30 212	-211	1,16 %	5
Sparebank 1 Nordvest	20.03.2018	2,14	20.03.2017	30 000	30 225	1,86	0,21	20	30 162	30 182	-63	1,16 %	5
Kredittforeningen for Sparebanker	18.04.2017	1,62	18.01.2017	30 000	30 036	1,73	0,05	100	30 006	30 106	-30	1,15 %	5
Kredittforeningen for Sparebanker	29.09.2017	1,48	02.01.2017	30 000	29 949	1,66	0,25	110	29 973	30 083	24	1,15 %	5
Sparebanken Hedmark	20.02.2018	2,81	20.02.2017	28 000	28 452	1,77	0,14	87	28 402	28 490	-50	1,09 %	5
Sparebank 1 Telemark	12.09.2018	2,00	13.03.2017	25 000	25 108	1,90	0,19	26	25 148	25 174	40	0,96 %	5
Santander Consumer Bank AS	19.02.2018	1,88	20.02.2017	25 000	25 030	1,85	0,14	52	25 083	25 135	53	0,96 %	5
Sparebanken Sør	20.02.2019	1,55	20.02.2017	25 000	24 991	2,09	0,13	43	24 929	24 972	-62	0,96 %	5
Sparebank 1 Nordvest	25.01.2019	2,30	25.01.2017	20 000	20 164	2,24	0,07	86	20 220	20 305	56	0,78 %	5
Kredittforeningen for Sparebanker	10.02.2017	1,92	10.02.2017	17 000	17 009	1,62	0,11	46	17 006	17 052	-3	0,65 %	5
OBOS-banken AS	08.01.2018	1,51	09.01.2017	15 000	15 001	1,92	0,02	52	14 980	15 032	-21	0,58 %	5
Kredittforeningen for Sparebanker	29.10.2018	2,08	30.01.2017	12 000	12 016	2,15	0,08	44	12 081	12 125	65	0,46 %	5
OBOS-banken AS	25.08.2017	1,47	27.02.2017	11 000	10 913	1,72	0,16	16	10 990	11 006	77	0,42 %	5
Kredittforeningen for Sparebanker	18.01.2018	2,51	18.01.2017	10 000	10 122	1,91	0,05	52	10 093	10 145	-29	0,39 %	5
<b>Industrial bonds</b>													
Entra ASA	10.04.2017	2,38	10.01.2017	86 000	86 521	1,76	0,03	466	86 182	86 648	-340	3,32 %	6
Entra ASA	20.09.2018	2,41	20.03.2017	69 000	69 814	1,87	0,22	51	69 805	69 856	-9	2,68 %	6
Olav Thon Eiendomsselskap ASA	18.10.2019	1,81	18.01.2017	50 000	50 000	2,26	0,03	186	50 010	50 196	10	1,92 %	6
Olav Thon Eiendomsselskap ASA	31.10.2018	2,28	31.01.2017	20 000	20 216	1,97	0,09	77	20 219	20 297	3	0,78 %	6
<b>Power generation bonds</b>													
BKK AS	22.08.2017	2,38	22.02.2017	125 000	127 010	1,71	0,15	322	125 641	125 964	-1 369	4,83 %	6
BKK AS	22.05.2018	1,65	22.02.2017	110 000	110 131	1,82	0,14	197	110 029	110 225	-102	4,22 %	6
Agder Energi AS	04.04.2018	2,15	04.01.2017	75 000	75 300	1,88	0,01	394	75 463	75 857	163	2,91 %	6
Agder Energi AS	29.05.2017	1,52	28.02.2017	45 000	44 956	1,65	0,16	61	44 985	45 046	29	1,73 %	6
<b>Industrial certificates</b>													
Steen & Strøm AS	22.05.2017	1,85	22.02.2017	65 000	65 091	1,78	0,14	130	65 036	65 166	-56	2,50 %	
<b>FIXED RATE SECURITIES</b>													
<b>Industrial certificates</b>													
Olav Thon Eiendomsselskap ASA	15.03.2017	1,43		30 000	30 000	1,72	0,20	126	29 978	30 104	-22	1,15 %	6
Steen & Strøm AS	13.03.2017	1,84		30 000	30 002	1,73	0,20	27	30 003	30 031	2	1,15 %	6
<b>TOTAL SECURITIES PORTFOLIO <sup>5)</sup></b>					<b>2 087 859</b>			<b>5 984</b>	<b>2 082 433</b>	<b>2 088 417</b>	<b>-5 426</b>	<b>80,01 %</b>	
<b>Portfolio key figures</b>													
Yield	1,91 %												
Yield to clients <sup>1)</sup>	1,66 %												
Duration <sup>2)</sup>	0,09												

<sup>1)</sup> Yield adjusted for management fee.

All securities are traded in the Norwegian market.

<sup>2)</sup> Duration is a simplified expression of how much the price of the security will change if the interest rate changes by one percentage point.

Unit price as of 30.12.2016 NOK 102,1952

<sup>3)</sup> Yield is the average annual return of an interest bearing security until maturity.

TNOK 37,738 is allocated for distribution to unitholders.

<sup>4)</sup> Securities are divided into six risk classes according to their credit risk.

This will result in a reduction in the unit price equal to the distribution per unit at the time of distribution.

Class 1 has the lowest and class 6 the highest credit risk.

Risk class 1: Supranational organisations

Risk class 2: Government, and government guaranteed within the EEA

Risk class 3: Government, and government guaranteed outside the EEA

Risk class 4: County and local government

Risk class 5: Bank and financial institutions

Risk class 6: Industry

<sup>5)</sup> For liquidity in the portfolio as of 31.12.2016, please refer to the balance sheet.

### Allocation of the acquisition cost:

For SKAGEN Høyrente the FIFO principle is applied when calculating the realised capital gain/loss when selling securities.

# SKAGEN Høyrente Institusjon

## Note 6. Securities portfolio as of 31.12.2016 (in 1,000 NOK)

Security	Maturity	Coupon	Interest adjustment point	Face value NOK	Cost price (NOK)	Yield <sup>3)</sup>	Duration <sup>2)</sup>	Accrued interest	Market value	Market value incl accrued interest	Unrealised gain/loss	Share of fund	Risk class <sup>4)</sup>
<b>FLOATING RATE SECURITIES</b>													
<b>Financial bonds</b>													
Sparebanken Møre	05.09.2017	1,53	06.03.2017	45 000	45 064	1,62	0,18	50	44 996	45 046	-67	5,28%	5
Sparebank 1 SR-Bank	16.01.2017	3,00	16.01.2017	32 000	32 407	1,56	0,05	200	32 022	32 222	-385	3,78%	5
Kredittforeningen for Sparebanker	10.02.2017	1,92	10.02.2017	30 000	30 056	1,62	0,11	82	30 011	30 093	-45	3,53%	5
Sparebank 1 Nord-Norge	15.01.2018	2,17	16.01.2017	25 000	25 150	1,81	0,05	113	25 168	25 281	18	2,96%	5
Sparebank 1 Østfold Akershus	15.05.2017	1,93	15.02.2017	25 000	25 125	1,71	0,13	62	25 035	25 097	-90	2,94%	5
Sparebanken Sogn og Fjordane	06.06.2017	1,81	06.03.2017	25 000	25 084	1,59	0,18	31	25 031	25 063	-52	2,94%	5
Skandiabanken ASA	26.05.2017	1,51	27.02.2017	25 000	25 033	1,60	0,16	35	24 999	25 034	-33	2,94%	5
SpareBank 1 BV	04.12.2017	1,48	06.03.2017	25 000	24 998	1,68	0,18	27	24 981	25 008	-16	2,93%	5
Sandnes Sparebank	19.03.2018	2,73	19.01.2017	20 000	20 262	1,96	0,06	111	20 217	20 328	-45	2,38%	5
OBOS-banken AS	13.03.2019	1,63	13.03.2017	20 000	19 941	2,21	0,18	16	19 914	19 930	-27	2,34%	5
Eiendoms-kreditt AS	26.06.2017	1,78	27.03.2017	18 000	18 019	1,70	0,23	4	18 010	18 014	-8	2,11%	5
Sparebank 1 Nordvest	30.05.2017	1,56	28.02.2017	16 000	15 952	1,69	0,16	21	15 997	16 018	45	1,88%	5
Sparebanken Sør	30.11.2017	2,36	28.02.2017	15 000	15 135	1,68	0,16	30	15 111	15 141	-24	1,78%	5
Sparebanken Øst	03.07.2017	1,50	03.01.2017	14 000	14 023	1,70	0,01	52	14 001	14 053	-22	1,64%	5
Sparebanken Øst	16.01.2018	2,13	16.01.2017	11 000	11 034	1,81	0,05	49	11 070	11 118	35	1,30%	5
BN Bank ASA	14.11.2017	2,54	14.02.2017	10 000	10 287	1,79	0,12	33	10 084	10 118	-203	1,19%	5
Helgeland Sparebank	17.01.2018	2,15	17.01.2017	10 000	10 191	1,81	0,05	45	10 065	10 110	-126	1,19%	5
Sparebank 1 Nordvest	20.03.2018	2,14	20.03.2017	10 000	10 075	1,86	0,21	7	10 054	10 061	-21	1,18%	5
Sparebanken Sør	16.03.2017	3,03	16.03.2017	10 000	10 099	1,51	0,21	13	10 032	10 044	-67	1,18%	5
Helgeland Sparebank	15.03.2017	2,84	15.03.2017	10 000	10 118	1,51	0,20	13	10 027	10 040	-90	1,18%	5
BN Bank ASA	18.07.2017	1,50	18.01.2017	10 000	9 981	1,78	0,05	31	9 996	10 026	15	1,18%	5
OBOS-banken AS	25.08.2017	1,47	27.02.2017	9 000	8 991	1,72	0,16	13	8 992	9 005	1	1,06%	5
Sparebank 1 SMN	26.11.2018	1,97	27.02.2017	7 000	6 975	1,99	0,16	13	7 040	7 052	65	0,83%	5
Santander Consumer Bank AS	14.03.2019	2,54	14.03.2017	5 000	5 073	2,15	0,20	6	5 083	5 089	10	0,60%	5
Sparebanken Møre	09.10.2018	2,20	09.01.2017	5 000	5 020	2,03	0,03	25	5 049	5 074	29	0,60%	5
BN Bank ASA	15.03.2017	2,93	15.03.2017	5 000	5 060	1,60	0,20	4	5 014	5 018	-46	0,59%	5
Kredittforeningen for Sparebanker	18.04.2017	1,62	18.01.2017	5 000	5 004	1,73	0,05	17	5 001	5 018	-2	0,59%	5
Sparebank 1 Nordvest	08.11.2018	1,70	08.02.2017	5 000	4 972	2,15	0,10	13	4 998	5 011	27	0,59%	5
Sparebanken Møre	31.03.2017	1,58	31.03.2017	5 000	4 994	1,50	0,24	0	5 001	5 001	7	0,59%	5
Sparebank 1 SMN	18.06.2018	1,49	20.03.2017	5 000	4 976	1,82	0,21	2	4 990	4 992	14	0,59%	5
<b>Financial certificates</b>													
Sparebank 1 Telemark	15.06.2017	1,55		20 000	20 000	1,50	0,45	14	20 004	20 017	4	2,35%	5
<b>TOTAL SECURITIES PORTFOLIO <sup>5)</sup></b>					<b>479 094</b>			<b>1 129</b>	<b>477 994</b>	<b>479 123</b>	<b>-1 100</b>	<b>56,18%</b>	
<b>Portfolio key figures</b>													
Yield	1,62 %												
Yield to clients <sup>1)</sup>	1,47 %												
Duration <sup>2)</sup>	0,08												

<sup>1)</sup> Yield adjusted for management fee.

<sup>2)</sup> Duration is a simplified expression of how much the price of the security will change if the interest rate changes by one percentage point.

<sup>3)</sup> Yield is the average annual return of an interest bearing security until maturity.

<sup>4)</sup> Securities are divided into six risk classes according to their credit risk.

Class 1 has the lowest and class 6 the highest credit risk.

Risk class 1: Supranational organisations

Risk class 2: Government, and government guaranteed within the EEA

Risk class 3: Government, and government guaranteed outside the EEA

Risk class 4: County and local government

Risk class 5: Bank and financial institutions

Risk class 6: Industry

<sup>5)</sup> For liquidity in the portfolio as of 31.12.2016, please refer to the balance sheet.

All securities are traded in the Norwegian market.

Unit price as of 30.12.2016 NOK 101,0412

TNOK 11.404 is allocated for distribution to unit holders. This will result in a reduction in the unit price equal to the distribution per unit at the time of distribution.

### Allocation of the acquisition cost:

For SKAGEN Høyrente Institusjon the FIFO principle is applied when calculating the realised capital gain/loss when selling securities.

# SKAGEN Avkastning

Note 6. Securities portfolio as of 31.12.2016 (in 1,000 NOK)

Security	Maturity	Coupon	Currency	Interest adjustment point	Facevalue NOK	Cost price NOK	Yield <sup>3)</sup>	Duration <sup>2)</sup>	Accrued interest NOK	Market value NOK	Market value incl accrued interest NOK	Unrealised gain/loss	Share of fund	Risk class <sup>4)</sup>
<b>FLOATING RATE SECURITIES</b>														
<b>Financial bonds</b>														
Sparebanken Sør	20.02.2019	1,55	NOK	20.02.2017	70 000	70 006	2,09	0,13	121	69 800	69 921	-206	4,65 %	5
Sandnes Sparebank	06.11.2018	1,97	NOK	06.02.2017	55 000	55 891	2,15	0,10	163	55 063	55 226	-828	3,67 %	5
Sparebanken Vest	15.01.2018	2,20	NOK	16.01.2017	50 000	50 268	1,81	0,05	229	50 352	50 581	85	3,36 %	5
Kreditforeningen for Sparebanker	29.09.2017	1,48	NOK	02.01.2017	50 000	49 910	1,66	0,25	183	49 956	50 139	45	3,32 %	5
Aurskog Sparebank	03.09.2018	2,14	NOK	03.03.2017	48 000	48 620	2,05	0,17	74	48 316	48 390	-305	3,22 %	5
Sparebank 1 SR-Bank	13.12.2018	1,94	NOK	13.03.2017	40 000	39 804	1,97	0,19	39	40 198	40 236	394	2,68 %	5
OBOS-banken AS	08.01.2018	1,51	NOK	09.01.2017	40 000	40 015	1,92	0,02	138	39 947	40 085	-68	2,67 %	5
SpareBank 1 BV	24.04.2018	1,47	NOK	24.01.2017	40 000	39 464	1,87	0,06	111	39 946	40 057	482	2,66 %	5
Sparebank 1 SMN	26.11.2018	1,97	NOK	27.02.2017	37 000	36 714	1,99	0,16	67	37 210	37 277	497	2,48 %	5
Sparebanken Hedmark	30.10.2019	1,62	NOK	30.01.2017	35 000	34 741	2,30	0,06	96	34 869	34 966	128	2,33 %	5
Bank 1 Oslo Akershus AS	15.03.2017	2,84	NOK	15.03.2017	32 000	32 707	1,51	0,20	40	32 088	32 128	-619	2,14 %	5
Kreditforeningen for Sparebanker	27.02.2018	2,03	NOK	27.02.2017	30 000	30 363	1,88	0,16	56	30 128	30 184	-235	2,01 %	5
Kreditforeningen for Sparebanker	12.02.2019	1,89	NOK	13.02.2017	30 000	30 293	2,23	0,11	74	30 090	30 164	-203	2,01 %	5
Fana Sparebank	09.05.2017	1,45	NOK	09.02.2017	30 000	30 093	1,71	0,11	63	29 989	30 052	-104	2,00 %	5
OBOS-banken AS	25.08.2017	1,47	NOK	27.02.2017	30 000	29 655	1,72	0,16	44	29 973	30 017	318	2,00 %	5
Sparebanken Møre	02.03.2018	1,46	NOK	02.03.2017	30 000	29 958	1,77	0,16	35	29 956	29 991	-2	1,99 %	5
Sparebank 1 Telemark	12.09.2018	2,00	NOK	13.03.2017	27 000	27 398	1,90	0,19	29	27 159	27 188	-239	1,81 %	5
Santander Consumer Bank AS	19.02.2018	1,88	NOK	20.02.2017	27 000	27 036	1,85	0,14	56	27 090	27 146	54	1,81 %	5
Sparebank 1 Telemark	08.05.2018	1,96	NOK	08.02.2017	25 000	25 400	1,86	0,11	72	25 138	25 210	-262	1,68 %	5
BN Bank ASA	22.05.2018	2,05	NOK	22.02.2017	25 000	24 972	1,97	0,14	56	25 133	25 188	161	1,68 %	5
Sparebanken Øst	09.09.2019	1,91	NOK	09.03.2017	25 000	25 000	2,21	0,17	29	25 084	25 113	84	1,67 %	5
Brage Finans AS	18.12.2017	1,88	NOK	20.03.2017	25 000	24 954	2,20	0,21	16	24 971	24 987	18	1,66 %	5
Santander Consumer Bank AS	14.03.2019	2,54	NOK	14.03.2017	20 000	20 287	2,15	0,20	24	20 334	20 358	46	1,35 %	5
Sandnes Sparebank	19.03.2018	2,73	NOK	19.01.2017	20 000	20 702	1,96	0,06	111	20 217	20 328	-485	1,35 %	5
Jæren Sparebank	30.10.2018	2,28	NOK	30.01.2017	20 000	20 058	2,15	0,08	77	20 208	20 285	150	1,35 %	5
Sparebanken Sør	29.10.2018	1,91	NOK	30.01.2017	20 000	19 871	2,01	0,08	65	20 109	20 174	238	1,34 %	5
Totens Sparebank	27.09.2018	2,11	NOK	27.03.2017	20 000	20 328	2,02	0,23	5	20 111	20 116	-217	1,34 %	5
Sparebank 1 SMN	15.03.2017	3,08	NOK	15.03.2017	20 000	20 787	1,51	0,20	17	20 065	20 082	-722	1,34 %	5
Sparebank 1 Østfold Akershus	15.05.2017	1,93	NOK	15.02.2017	20 000	20 086	1,71	0,13	49	20 028	20 078	-58	1,34 %	5
Sparebanken Hedmark	04.12.2018	1,77	NOK	06.03.2017	20 000	19 968	1,98	0,17	26	20 034	20 059	66	1,33 %	5
Eiendoms-kreditt AS	04.12.2017	1,76	NOK	06.03.2017	20 000	20 080	1,85	0,17	25	20 012	20 037	-68	1,33 %	5
BN Bank ASA	12.08.2019	1,67	NOK	13.02.2017	20 000	19 600	2,40	0,10	44	19 918	19 962	318	1,33 %	5
Santander Consumer Bank AS	08.08.2019	1,78	NOK	08.02.2017	18 000	17 997	2,33	0,09	47	17 999	18 046	1	1,20 %	5
Storebrand ASA	24.05.2017	3,51	NOK	24.02.2017	15 000	15 117	2,23	0,15	54	15 090	15 144	-28	1,01 %	5
Sparebank 1 Sør Sunnmøre	20.02.2019	1,76	NOK	20.02.2017	13 000	13 007	2,23	0,13	25	12 992	13 017	-16	0,87 %	5
Lillestrøm Sparebank	05.04.2019	2,28	NOK	05.01.2017	12 000	12 125	2,35	0,01	66	12 118	12 184	-7	0,81 %	5
Jæren Sparebank	08.05.2018	2,07	NOK	08.02.2017	10 000	10 169	1,98	0,11	30	10 058	10 088	-111	0,67 %	5
Selbu Sparebank	03.12.2018	2,22	NOK	03.03.2017	10 000	10 068	2,21	0,16	16	10 067	10 083	-1	0,67 %	5
Pareto Bank ASA	09.01.2017	2,98	NOK	09.01.2017	10 000	10 129	1,67	0,03	68	10 004	10 072	-125	0,67 %	5
Ofoten Sparebank	18.06.2018	1,95	NOK	20.03.2017	10 000	10 014	2,05	0,21	7	10 022	10 028	7	0,67 %	5
Sparebank 1 Østfold Akershus	28.03.2019	1,74	NOK	28.03.2017	10 000	9 997	2,20	0,22	1	9 969	9 971	-28	0,66 %	5
<b>FIXED RATE SECURITIES</b>														
<b>Foreign government bonds</b>														
Portugese Government	15.10.2025	2,87	EUR		8 000	76 125	3,54	7,55	440	69 013	69 453	-7 112	4,62 %	2
Spanish Government	30.04.2025	1,60	EUR		6 400	58 114	1,16	7,71	624	60 126	60 750	2 011	4,04 %	2
Croatia Government International Bond	30.05.2022	3,87	EUR		6 000	54 067	2,32	4,80	1 243	58 721	59 964	4 654	3,99 %	2
Hellenic Republic Government	24.02.2032	3,00	EUR		5 000	28 452	7,47	10,60	1 157	30 908	32 064	2 456	2,13 %	2
Hellenic Republic Government	24.02.2031	3,00	EUR		3 000	18 547	7,41	10,11	694	18 867	19 561	321	1,30 %	2

TOTAL SECURITIES PORTFOLIO 5)		1 348 958	6 705	1 349 444	1 356 150	487	90,20 %
Portfolio key figures							
Yield	2,29 %						
Yield to clients 1)	1,79 %						
Duration 2)	1,31						

<sup>1)</sup> Yield adjusted for management fee.

All securities are traded in a telephone-based international market.

<sup>2)</sup> Duration is a simplified expression of how much the price of the security will change if the interest rate changes by one percentage point.

Unit price as of 30.12.2016 NOK 141,4966

<sup>3)</sup> Yield is the average annual return of an interest bearing security until maturity.

TNOK 48.581 is allocated for distribution to unit holders. This will result in a reduction in the unit price equal to the distribution per unit at the time of distribution.

<sup>4)</sup> Securities are divided into six risk classes according to their credit risk.

Class 1 has the lowest and class 6 the highest credit risk.

Risk class 1: Supranational organisations

Risk class 2: Government, and government guaranteed within the EEA

Risk class 3: Government, and government guaranteed outside the EEA

Risk class 4: County and local government

Risk class 5: Bank and financial institutions

Risk class 6: Industry

<sup>5)</sup> For liquidity in the portfolio as of 31.12.2016, please refer to the balance sheet.

#### Allocation of the acquisition cost:

For SKAGEN Avkastning the FIFO principle is applied when calculating the realised capital gain/loss when selling securities.

# SKAGEN Tellus

## Note 6. Securities portfolio as of 31.12.2016 (in 1,000 NOK)

Security	Maturity	Coupon	Currency	Facevalue NOK	Cost price NOK	Yield <sup>1)</sup>	Duration <sup>2)</sup>	Accrued interest NOK	Market value NOK	Market value incl accrued interest NOK	Unrealised gain/loss NOK	Share of fund	Risk class <sup>3)</sup>
<b>FIXED RATE SECURITIES</b>													
<b>Bond issued by supranational organisation</b>													
European Bank Recon & Dev	19.03.2018	5,75	INR	200 000	25 846	87,15	0,60	1 147	25 352	26 499	-494	2,52 %	1
<b>Foreign government bonds</b>													
US Government	30.06.2017	0,62	USD	10 800	88 468	0,64	0,49	-	92 938	92 938	4 470	8,85 %	3
US Government	31.03.2017	0,50	USD	10 000	85 616	0,52	0,25	109	86 055	86 165	439	8,21 %	3
Norwegian Government	19.05.2017	4,25	NOK	80 000	83 898	0,50	0,37	2 105	81 112	83 217	-2 786	7,93 %	2
Croatia Government International Bond	30.05.2022	3,87	EUR	8 300	74 798	2,32	4,80	1 719	81 231	82 950	6 433	7,90 %	2
Peruvian Government	12.08.2037	6,90	PEN	25 000	59 712	6,98	10,30	1 696	64 260	65 956	4 549	6,28 %	3
Chilean Government	05.08.2020	5,50	CLP	4 410 000	54 659	4,03	3,13	1 265	59 557	60 823	4 898	5,79 %	3
Portugese Government	15.10.2025	2,87	EUR	7 000	66 651	3,54	7,55	385	60 386	60 772	-6 265	5,79 %	2
Spanish Government	30.04.2025	1,60	EUR	6 000	55 241	1,16	7,71	585	56 368	56 953	1 127	5,42 %	2
New Zealand Government	17.04.2023	5,50	NZD	8 000	54 358	2,97	5,27	559	55 003	55 562	645	5,29 %	3
Hellenic Republic Government	24.02.2035	3,00	EUR	9 000	53 134	7,43	11,90	2 082	53 093	55 175	-41	5,25 %	2
UK Government	07.09.2017	1,00	GBP	5 000	54 636	0,01	0,69	169	53 542	53 711	-1 094	5,12 %	2
UK Government	23.01.2017	1,75	GBP	5 000	54 509	0,35	0,07	410	53 230	53 640	-1 278	5,11 %	2
Canadian Government	01.03.2018	1,25	CAD	8 000	49 891	0,67	1,15	215	51 684	51 899	1 793	4,94 %	3
Mexican Government	15.06.2017	5,00	MXN	120 000	50 145	6,37	0,43	112	49 919	50 030	-226	4,76 %	3
Slovenia Government	30.03.2026	5,12	EUR	3 500	41 766	0,84	7,60	1 231	43 836	45 067	2 070	4,29 %	2
Dominican Republic	10.05.2024	11,50	DOP	150 000	28 449	10,64	4,66	452	29 473	29 925	1 024	2,85 %	3
Lithuanian Government	01.02.2022	6,62	USD	2 000	15 480	3,16	4,23	475	20 009	20 484	4 528	1,95 %	2
<b>TOTAL SECURITIES PORTFOLIO<sup>5)</sup></b>					<b>997 258</b>			<b>14 716</b>	<b>1 017 049</b>	<b>1 031 765</b>	<b>19 791</b>	<b>98,26 %</b>	
<b>Portfolio key figures</b>													
	<b>Class A</b>	<b>Class B</b>	<b>Class C</b>										
Yield	4,59 %	4,59 %	4,59 %										
Yield to clients <sup>1)</sup>	3,79 %	4,14 %	4,19 %										
Duration <sup>2)</sup>	3,73	3,73	3,73										

<sup>1)</sup> Yield adjusted for management fee.

<sup>2)</sup> Duration is a simplified expression of how much the price of the security will change if the interest rate changes by one percentage point.

<sup>3)</sup> Yield is the average annual return of an interest bearing security until maturity.

<sup>4)</sup> Securities are divided into six risk classes according to their credit risk. Class 1 has the lowest and class 6 the highest credit risk.

Risk class 1: Supranational organisations  
 Risk class 2: Government, and government guaranteed within the EEA  
 Risk class 3: Government, and government guaranteed outside the EEA  
 Risk class 4: County and local government  
 Risk class 5: Bank and financial institutions  
 Risk class 6: Industry

<sup>5)</sup> For liquidity in the portfolio as of 31.12.2016, please refer to the balance sheet.

All securities are traded in a telephone-based international market.

Unit price as of 31.12.2016 unit class A NOK 124,0465  
 Unit price as of 31.12.2016 unit class B NOK 130,7430  
 Unit price as of 31.12.2016 unit class C NOK 130,7430

TNOK 53.028 is allocated for distribution to unit holders in unit class A, TNOK 1.812 is allocated for distribution to unit holders in unit class B and TNOK 1.439 is allocated for distribution to unit holders in unit class C. This will result in a reduction in the unit price equal to the distribution per unit at the time of distribution.

### Allocation of the acquisition cost:

For SKAGEN Tellus the FIFO principle is applied when calculating the realised capital gain/loss when selling securities.



# SKAGEN Krona

## Note 6. Securities portfolio as of 31.12.2016 (in 1,000 SEK)

Security	Maturity	Coupon	Interest adjustment point	Facevalue	Cost price SEK	Yield <sup>1)</sup>	Duration <sup>2)</sup>	Accrued interest SEK	Market value SEK	Market value incl accrued interest SEK	Unrealised gain/loss SEK	Share of fund	Risk class <sup>4)</sup>
<b>FLOATING RATE SECURITIES</b>													
<b>Financial bonds</b>													
Sparebanken Vest	10.09.2018	-	10.03.2017	18 000	17 874	0,84	1,69	-	17 829	17 829	-45	4,79 %	5
Länsförsäkringar Bank AB	15.05.2018	0,30	15.02.2017	17 000	17 064	-0,08	0,13	7	17 078	17 084	14	4,59 %	5
Sparebank 1 SMN	29.10.2018	0,37	30.01.2017	13 000	13 020	0,32	0,10	8	12 989	12 998	-31	3,49 %	5
Ikano Bank SE	01.02.2018	0,47	01.02.2017	10 000	10 000	0,27	0,09	8	10 012	10 020	12	2,69 %	5
Sparebank 1 Nord-Norge	24.01.2019	0,24	24.01.2017	10 000	9 859	0,35	0,05	5	9 949	9 954	91	2,68 %	5
Ikano Bank SE	29.04.2019	0,72	30.01.2017	4 000	4 000	0,53	0,12	5	4 009	4 014	9	1,08 %	5
<b>Industrial bonds</b>													
Tele2 AB	15.05.2017	2,30	15.02.2017	17 000	17 286	0,04	0,13	50	17 143	17 193	-142	4,62 %	6
Fortum Värme	27.11.2017	0,08	27.02.2017	17 000	17 000	0,09	0,16	1	17 001	17 002	1	4,57 %	6
Scania CVAB	02.10.2017	0,50	03.01.2017	12 000	12 049	-0,08	0,01	15	12 037	12 052	-12	3,24 %	6
Arla Foods a.m.b.a	04.06.2018	1,08	06.03.2017	10 000	10 165	0,41	0,18	8	10 107	10 115	-58	2,72 %	6
<b>Industrial securities</b>													
Castellum AB	06.02.2017			26 000	25 991	0,02	0,10	6	25 994	26 000	3	6,99 %	6
Indutrade	24.01.2017			25 000	24 984	0,05	0,07	13	24 986	24 999	2	6,72 %	6
Akelius	28.02.2017			16 000	15 997	0,13	0,16	1	15 997	15 998	-	4,30 %	6
Skanska Financial Services AB	16.01.2017			15 000	15 000	-0,06	0,05	-	15 001	15 001	1	4,03 %	6
Hexagon AB	11.04.2017			15 000	14 987	0,22	0,28	6	14 993	14 999	6	4,03 %	6
Bergvik Skog AB	17.02.2017			15 000	14 993	0,10	0,13	3	14 996	14 999	2	4,03 %	6
Volkswagen Finans Sverige AB	27.03.2017			15 000	14 984	0,22	0,24	8	14 988	14 997	4	4,03 %	6
Volkswagen Finans Sverige AB	02.05.2017			15 000	14 986	0,45	0,34	5	14 987	14 991	-	4,03 %	6
Olav Thon Eiendomsselskap ASA	23.05.2017			15 000	14 987	0,48	0,39	3	14 987	14 990	-	4,03 %	6
Trelleborg Treasury AB	06.03.2017			13 000	13 001	-0,04	0,18	-	13 003	13 003	2	3,49 %	6
Bergvik Skog AB	20.03.2017			12 000	11 991	0,19	0,22	4	11 994	11 998	3	3,22 %	6
Intrum Justitia AB	26.01.2017			11 000	10 997	-0,04	0,07	2	10 998	11 000	1	2,96 %	6
Fabege AB	09.02.2017			10 000	9 998	0,08	0,11	-	9 999	9 999	1	2,69 %	6
Castellum AB	25.01.2017			7 000	6 999	-	0,07	-	7 000	7 000	1	1,88 %	6
Fabege AB	13.03.2017			7 000	6 991	0,16	0,20	5	6 994	6 999	2	1,88 %	6
Citycon Oyj	14.03.2017			7 000	6 999	0,16	0,20	-	6 999	6 999	-	1,88 %	6
Indutrade	30.01.2017			5 000	4 998	0,06	0,08	1	4 999	5 000	-	1,34 %	6
<b>TOTAL SECURITIES PORTFOLIO <sup>3)</sup></b>					<b>357 204</b>			<b>163</b>	<b>357 071</b>	<b>357 234</b>	<b>-133</b>	<b>96,01 %</b>	
<b>Portfolio key figures</b>													
Yield	0,23 %												
Yield to clients <sup>1)</sup>	0,03 %												
Duration <sup>2)</sup>	0,22												

<sup>1)</sup> Yield adjusted for management fee.

<sup>2)</sup> Duration is a simplified expression of how much the price of the security will change if the interest rate changes by one percentage point.

<sup>3)</sup> Yield is the average annual return of an interest bearing security until maturity.

<sup>4)</sup> Securities are divided into six risk classes according to their credit risk.

Class 1 has the lowest and class 6 the highest credit risk.

Risk class 1: Supranational organisations

Risk class 2: Government, and government guaranteed within the EEA

Risk class 3: Government, and government guaranteed outside the EEA

Risk class 4: County and local government

Risk class 5: Bank and financial institutions

Risk class 6: Industry

<sup>5)</sup> For illiquidity in the portfolio as of 31.12.16, please refer to the balance sheet.

### Allocation of the acquisition cost:

For SKAGEN Krona the FIFO principle is applied when calculating the realised capital gain/loss when selling securities.

All securities are traded in the Swedish market.

Unit price as of 30.12.2016

SEK 100,0922

TSEK 1.163 is issued to unit holders.

In the event of distribution, this will result in a reduction in the unit price equal to the distribution per unit at the time of distribution.

# SKAGEN Credit

## Note 6. Securities portfolio as of 31.12.2016 (in 1,000 NOK)

Security	Maturity	Coupon	Currency	Interest adjustment point	Facevalue NOK	Costprice NOK	Yield <sup>3)</sup>	Duration <sup>2)</sup>	Accrued interest	Market value	Marketvalue incl accrued interest	Unrealised gain/loss	Share of fund	Risk class <sup>4)</sup>
<b>Energy</b>														
Gazprom OAO	11.04.2018	8,15	USD		900	6 568	2,68	1,19	140	8 276	8 416	1 708	2,51 %	6
Petrobras Global Finance BV	01.03.2018	5,87	USD		600	3 919	3,46	1,09	101	5 307	5 408	1 388	1,61 %	6
Petrobras Global Finance BV	20.01.2020	5,75	USD		300	2 409	5,39	2,64	66	2 612	2 679	203	0,80 %	6
Seadrill Ltd	15.09.2017	6,12	USD		300	1 980	172,94	0,25	47	1 323	1 370	-657	0,41 %	6
<b>Total Energy</b>						<b>14 875</b>			<b>354</b>	<b>17 519</b>	<b>17 873</b>	<b>2 643</b>		
<b>Raw Materials</b>														
Glencore Canada Financial Corp	27.05.2020	7,37	GBP		900	11 257	2,26	2,98	422	11 159	11 581	-98	3,46 %	6
Glencore Funding LLC	30.05.2023	4,12	USD		800	6 172	4,01	5,47	24	6 953	6 977	781	2,08 %	6
<b>Total Raw Materials</b>						<b>17 429</b>			<b>445</b>	<b>18 112</b>	<b>18 558</b>	<b>683</b>		
<b>Industrials</b>														
DSVA/S	18.03.2022	-	DKK	18.03.2022	8 000	10 162	0,51	5,24	-	10 058	10 058	-105	3,00 %	6
Schaeffler Finance BV	15.05.2023	4,75	USD		1 100	9 528	4,44	5,25	170	9 651	9 821	123	2,93 %	6
Tallink Group AS	18.10.2018	6,11	NOK	18.01.2017	6 000	6 145	3,83	0,06	75	6 263	6 338	118	1,89 %	6
Heathrow Funding Ltd	10.09.2018	6,25	GBP		500	5 734	1,09	1,62	102	5 776	5 878	43	1,76 %	6
Color Group AS	18.09.2019	6,40	NOK	20.03.2017	5 000	5 134	4,66	0,21	11	5 238	5 248	104	1,57 %	6
Heathrow Funding Ltd	20.03.2020	6,00	GBP		300	4 171	1,41	2,88	150	3 648	3 798	-523	1,13 %	6
Bombardier Inc	16.03.2020	7,75	USD		400	2 878	6,07	2,69	79	3 617	3 696	740	1,10 %	6
Bombardier Inc	14.10.2022	6,00	USD		200	1 487	8,70	4,46	22	1 646	1 668	159	0,50 %	6
<b>Total Industrials</b>						<b>45 238</b>			<b>608</b>	<b>45 897</b>	<b>46 505</b>	<b>658</b>		
<b>Consumer Discretionary</b>														
Jaguar Land Rover Automotive Plc	01.03.2023	3,87	GBP		1 000	11 158	3,29	5,32	137	10 995	11 133	-162	3,32 %	6
Best Buy Co Inc	15.03.2021	5,50	USD		900	7 668	2,90	3,48	125	8 500	8 625	832	2,58 %	6
Samvardhana Motherson Automotive	15.07.2021	4,12	EUR		600	5 335	-1,42	0,54	104	5 610	5 714	275	1,71 %	6
Fiat Finance & Trade SA	15.03.2018	6,62	EUR		400	3 704	0,66	1,14	192	3 890	4 081	186	1,22 %	6
Samvardhana Motherson Automotive	16.12.2021	4,87	USD		400	3 263	4,83	4,25	7	3 458	3 465	195	1,03 %	6
Fiat Chrysler Finance Europe	22.03.2021	4,75	EUR		300	3 019	2,16	3,74	101	3 004	3 105	-15	0,93 %	6
Volvo Car AB	07.03.2022	2,50	SEK	07.03.2017	3 000	2 758	-0,36	0,70	5	2 880	2 885	123	0,86 %	6
<b>Total Consumer Discretionary</b>						<b>36 904</b>			<b>671</b>	<b>38 337</b>	<b>39 008</b>	<b>1 433</b>		
<b>Consumer Staples</b>														
JBS Investments GmbH	28.10.2020	7,75	USD		1 100	9 404	-0,09	0,81	128	10 079	10 208	675	3,05 %	6
Cosan	14.03.2023	5,00	USD		1 200	9 189	5,85	5,02	153	9 919	10 073	730	3,01 %	6
Safeway Ltd	10.01.2017	6,00	GBP		400	4 647	3,16	0,03	248	4 258	4 506	-389	1,35 %	6
Lennar Corp	17.06.2019	4,50	USD		500	4 210	2,77	2,14	9	4 469	4 478	260	1,34 %	6
<b>Total Consumer Staples</b>						<b>27 449</b>			<b>539</b>	<b>28 726</b>	<b>29 265</b>	<b>1 276</b>		
<b>Financials</b>														
Sparebank 1 Telemark	15.06.2017	1,55	NOK		15 000	15 001	1,50	0,45	10	15 003	15 013	1	4,48 %	5
Länsförsäkringar Bank AB	27.04.2026	1,84	SEK	26.01.2017	9 000	9 001	-0,50	0,46	29	8 742	8 771	-258	2,62 %	5
Sparebank 1 Nord-Norge	26.05.2017	1,47	NOK	27.02.2017	7 000	7 002	1,46	0,16	9	7 001	7 010	-1	2,09 %	5
Bank of Baroda	23.07.2019	4,87	USD		750	4 781	2,81	2,33	138	6 785	6 923	2 003	2,07 %	5
Danske Bank AS	29.09.2021	5,37	GBP		600	6 918	2,21	1,67	87	6 725	6 812	-193	2,03 %	5
Türkiye Halk Bankası AS	13.07.2021	5,00	USD		800	6 399	6,76	3,74	161	6 447	6 608	48	1,97 %	5
Standard Chartered PLC	23.11.2022	3,62	EUR		600	5 742	2,35	5,29	21	5 824	5 845	83	1,75 %	5
Standard Chartered Bank	03.04.2018	7,75	GBP		200	2 706	1,39	1,17	123	2 295	2 417	-412	0,72 %	5
Banco Est Rio Grande Sul	02.02.2022	7,37	USD		250	1 959	9,86	3,79	66	1 959	2 025	-0	0,60 %	5
<b>Total Financials</b>						<b>59 510</b>			<b>644</b>	<b>60 781</b>	<b>61 425</b>	<b>1 271</b>		
<b>Information Technology</b>														
Rolta Americas LLC	24.07.2019	-	USD		400	2 918	82,34	1,41	-	766	766	-2 152	0,23 %	6
<b>Total Information Technology</b>						<b>2 918</b>			<b>-</b>	<b>766</b>	<b>766</b>	<b>-2 152</b>		
<b>Telecom</b>														
VimpelCom Holdings BV	01.03.2022	7,50	USD		850	6 478	5,05	4,12	183	8 144	8 327	1 666	2,49 %	6
Bharti Airtel International	20.05.2024	5,35	USD		700	6 420	4,62	5,92	37	6 316	6 353	-104	1,90 %	6
Bharti Airtel International	20.05.2021	3,37	EUR		500	4 834	1,42	4,03	94	4 912	5 007	78	1,49 %	6
Frontier Communications Corp	15.09.2022	10,50	USD		300	2 715	9,38	3,84	80	2 727	2 807	11	0,84 %	6
<b>Total Telecom</b>						<b>20 448</b>			<b>394</b>	<b>22 099</b>	<b>22 493</b>	<b>1 651</b>		
<b>Utilities</b>														
BKK AS	22.05.2020	1,78	NOK	22.02.2017	16 000	15 858	1,19	0,18	31	15 982	16 013	123	4,78 %	6
EDP Finance BV	01.10.2019	4,90	USD		1 600	12 672	3,06	2,51	169	14 442	14 610	1 770	4,36 %	6
Agder Energi AS	04.04.2018	2,15	NOK	04.01.2017	10 000	10 069	1,88	0,01	53	10 054	10 106	-15	3,02 %	6
EDP Finance BV	14.01.2021	5,25	USD		200	1 789	3,66	3,50	42	1 825	1 867	36	0,56 %	6
<b>Total Utilities</b>						<b>40 388</b>			<b>294</b>	<b>42 302</b>	<b>42 596</b>	<b>1 915</b>		
<b>Real Estate</b>														
Entra ASA	10.04.2017	2,38	NOK	10.01.2017	10 000	10 024	1,76	0,03	54	10 020	10 074	-4	3,01 %	6
American Tower Corp	15.02.2019	3,40	USD		300	2 304	2,32	2,00	33	2 640	2 673	336	0,80 %	6
<b>Total Real Estate</b>						<b>12 327</b>			<b>87</b>	<b>12 659</b>	<b>12 747</b>	<b>332</b>		
<b>TOTAL SECURITIES PORTFOLIO <sup>5)</sup></b>						<b>277 488</b>			<b>4 036</b>	<b>287 199</b>	<b>291 235</b>	<b>9 711</b>	<b>86,96 %</b>	

## FINANCIAL STATEMENT

### Note 6. Securities portfolio as of 31.12.2016 (in 1,000 NOK)

#### Financial derivatives as of 31.12.2016 (in NOK)

Derivative	Maturity	Coupon	Currency	Interest adjustment point	Face value	Net gain/loss financial contracts	Share of fund
<b>Interest rate derivatives</b>							
IRSEUR20180620	20.06.2018	-0,22	EUR	21.06.2017	3 000	2712	
IRSEUR20210511	11.05.2021	-0,21	EUR	11.05.2017	600	443	
IRSGBP20180129	29.01.2018	0,58	GBP	30.01.2017	1 200	11 599	
IRSGBP20230523	23.05.2023	0,56	GBP	23.05.2017	400	-586	
IRSUSD20180620	20.06.2018	1,00	USD	20.03.2017	3 500	9 138	
IRSUSD20190820	20.08.2019	0,91	USD	20.02.2017	2 000	4 939	
IRSUSD20210622	22.06.2021	1,00	USD	22.03.2017	1 000	881	
IRSUSD20230905	05.09.2023	0,93	USD	02.03.2017	1 000	287	
IRSUSD20220927	27.09.2022	1,00	USD	28.03.2017	1 500	735	
IRSEUR20180620	20.06.2018	0,54	EUR		-3 000	-3079	
IRSEUR20210511	11.05.2021	0,61	EUR		-600	-606	
IRSGBP20180129	29.01.2018	1,91	GBP		-1 200	-11 851	
IRSGBP20230523	23.05.2023	1,25	GBP		-400	516	
IRSUSD20180620	20.06.2018	1,47	USD		-3 500	-9 207	
IRSUSD20190820	20.08.2019	1,73	USD		-2 000	-5 086	
IRSUSD20210622	22.06.2021	1,91	USD		-1 000	-894	
IRSUSD20230905	05.09.2023	1,33	USD		-1 000	100	
IRSUSD20220927	27.09.2022	1,28	USD		-1 500	-251	
<b>TOTAL</b>						<b>-212</b>	<b>-0,07 %</b>

#### Portfolio key figures

Yield	3,02 %
Yield to feeder funds <sup>1)</sup>	3,02 %
Duration <sup>2)</sup>	1,13

<sup>1)</sup> Yield adjusted for management fee.

<sup>2)</sup> Duration is a simplified expression of how much the price of the security will change if the interest rate changes by one percentage point.

<sup>3)</sup> Yield is the average annual return of an interest bearing security until maturity.

<sup>4)</sup> Securities are divided into six risk classes according to their credit risk.

Class 1 has the lowest and class 6 the highest credit risk.

Risk class 1: Supranational organisations

Risk class 2: Government, and government guaranteed within the EEA

Risk class 3: Government, and government guaranteed outside the EEA

Risk class 4: County and local government

Risk class 5: Bank and financial institutions

Risk class 6: Industry

#### Allocation of the acquisition cost:

For SKAGEN Credit the FIFO principle is applied when calculating the realised capital gain/loss when selling securities.

<sup>5)</sup> For liquidity in the portfolio as of 31.12.2016, please refer to the balance sheet.

All securities are traded in a telephone-based international market.

Unit price as of 30.12.2016 112,3589

TNOK 20.249 is allocated for distribution to unit holders.

This will result in a reduction in the unit price equal to the distribution per unit at the time of distribution.

# SKAGEN Credit NOK

## Note 6. Securities portfolio as of 31.12.2016 (in 1,000 NOK)

Security	Number of shares	Acquisition value NOK	Currency	Market value NOK	Unrealised gain/loss	Share of fund
<b>Fixed income fund</b>						
SKAGEN Credit	1 615 863	170 051	NOK	170 687	637	99,41
<b>TOTAL SECURITIES PORTFOLIO %)</b>		<b>170 051</b>		<b>170 687</b>	<b>637</b>	<b>99,41 %</b>

<sup>1)</sup> For liquidity in the portfolio as of 31.12.2016, please refer to the balance sheet.

The management company SKAGEN AS sets prices for the underlying fund on every ordinary opening day for Norwegian banks. The price reflects the prices of the underlying securities in SKAGEN Credit. As of 31.12.2015, SKAGEN Credit NOK owns 50.5% of the units in SKAGEN Credit.

**Allocation of the acquisition cost:**

For SKAGEN Credit NOK the FIFO principle is applied when calculating the realised capital gain/loss when selling securities.

# SKAGEN Credit SEK

## Note 6. Securities portfolio as of 31.12.2016 (in 1,000 SEK)

Security	Number of shares	Acquisition value SEK	Currency	Market value SEK	Unrealised gain/loss	Share of fund
<b>Fixed income fund</b>						
SKAGEN Credit	430 367	46 139	NOK	48 000	1 860	99,12 %
<b>TOTAL SECURITIES PORTFOLIO %)</b>		<b>46 139</b>		<b>48 000</b>	<b>1 860</b>	<b>99,12 %</b>

<sup>1)</sup> For liquidity in the portfolio as of 31.12.2016, please refer to the balance sheet.

The management company SKAGEN AS sets prices for the underlying fund on every ordinary opening day for Norwegian banks. The price reflects the prices of the underlying securities in SKAGEN Credit. As of 31.12.2016 SKAGEN Credit SEK owns 13,4 % of the units in SKAGEN Credit.

**Allocation of the acquisition cost:**

For SKAGEN Credit SEK the FIFO principle is applied when calculating the realised capital gain/loss when selling securities.

..

# SKAGEN Credit EUR

## Note 6. Securities portfolio as of 31.12.2016 (in 1,000 EUR)

Security	Number of shares	Acquisition value EUR	Currency	Market value EUR	Unrealised gain/loss	Share of fund
<b>Fixed income fund</b>						
SKAGEN Credit	1 155 745	13 369	NOK	13 451	82	99,34 %
<b>TOTAL SECURITIES PORTFOLIO %)</b>		<b>13 369</b>		<b>13 451</b>	<b>82</b>	<b>99,34 %</b>

<sup>1)</sup> For liquidity in the portfolio as of 31.12.2016, please refer to the balance sheet.

The management company SKAGEN AS sets prices for the underlying fund on every ordinary opening day for Norwegian banks. The price reflects the prices of the underlying securities in SKAGEN Credit. As of 31.12.2016 SKAGEN Credit EUR owns 36,1 % of the units in SKAGEN Credit.

**Allocation of the acquisition cost:**

For SKAGEN Credit EUR the FIFO principle is applied when calculating the realised capital gain/loss when selling securities.



To the Board of Directors in SKAGEN AS

## *Independent Auditor's Report*

### *Report on the Audit of the Financial Statements*

---

#### *Opinion*

We have audited the financial statements of the mutual funds, which comprise the balance sheet as at 31 December 2016, the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies. The income statements are showing the following results for the year ended at December 31, 2016:

SKAGEN Vekst	NOK	272 238 590
SKAGEN Global	NOK	- 845 576 835
SKAGEN Kon-Tiki	NOK	1 788 406 374
SKAGEN m <sup>2</sup>	NOK	38 906 334
SKAGEN Balanse	NOK	7 636 174
SKAGEN Focus	NOK	160 138 449
SKAGEN Avkastning	NOK	44 906 014
SKAGEN Høyrente	NOK	61 792 892
SKAGEN Høyrente Institusjon	NOK	11 829 762
SKAGEN Tellus	NOK	- 4 758 560
SKAGEN Krona	SEK	828 965
SKAGEN Credit	NOK	6 944 642
SKAGEN Credit NOK	NOK	9 054 361
SKAGEN Credit SEK	SEK	2 094 192
SKAGEN Credit EUR	EUR	547 309

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the mutual funds as at 31 December 2016, and its financial performance for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

---

#### *Basis for Opinion*

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, included International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the mutual funds as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

---

PricewaterhouseCoopers AS, Kanalsletta 8, Postboks 8017, NO-4068 Stavanger

T: 02316, org.no.: 987 009 713 VAT, [www.pwc.no](http://www.pwc.no)

State authorised public accountants, members of The Norwegian Institute of Public Accountants, and authorised accounting firm



---

### *Other information*

Management is responsible for the other information. The other information comprises the Board of Directors' report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

---

### *Responsibilities of The Board of Directors for the Financial Statements*

The Board of Directors (management) is responsible for the preparation and fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the mutual funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

---

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the mutual funds' internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the mutual funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the mutual funds to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit

### *Report on Other Legal and Regulatory Requirements*

---

#### *Opinion on the Board of Directors' report*

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption, and the proposal for the allocation of the profit in each mutual fund is consistent with the financial statements and complies with the law and regulations.

---

#### *Opinion on Registration and Documentation*

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the mutual funds' accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Stavanger, 3 February 2017  
**PricewaterhouseCoopers AS**

Gunstein Hadland  
State Authorised Public Accountant (Norway)

Note: This translation from Norwegian has been prepared for information purposes only.



#### Head Office:

SKAGEN AS  
 Post Box 160, 4001 Stavanger  
 Norway  
 Tel: +47 51 80 37 09  
 Fax: +47 51 86 37 00  
 Company reg number: 867 462 732  
[contact@skagenfunds.com](mailto:contact@skagenfunds.com)  
[www.skagenfunds.com](http://www.skagenfunds.com)

#### UK Office:

SKAGEN AS  
 6th Floor  
 High Holborn House  
 52-54 High Holborn  
 London WC1V 6RL  
 United Kingdom  
[www.skagenfunds.co.uk](http://www.skagenfunds.co.uk)  
 FCA Firm No.:  
 SKAGEN AS 469697  
 Company No: FC029835  
 UK establishment No:  
 BR014818

#### Dutch Office:

Museumplein 5 D  
 1071 DJ Amsterdam  
 The Netherlands  
[www.skagenfunds.nl](http://www.skagenfunds.nl)  
 Registration number:  
 52328686

Customer Services is open from  
 Monday to Friday from 8 am to 9 pm  
 (CET). Please visit us at our office,  
 send an e-mail or call us and we will  
 do our best to help you.

#### Editorial team

Parisa Kate Lemaire, editor  
 Ole-Christian Tronstad  
 Trygve Meyer  
 Michael Metzler  
 Anna S Marcus  
 Vevika S  berg

#### Front page:

*Carl Locher, Shrimpers in Brittany, 1887. This painting is manipulated and belongs to The Art Museums of Skagen.*

SKAGEN AS markets the following funds in countries where the funds have been registered with the respective regulator:

Country	SKAGEN Global	SKAGEN Kon-Tiki	SKAGEN Focus	SKAGEN Vekst	SKAGEN m2	SKAGEN Tellus	SKAGEN Credit	SKAGEN Avkastning	SKAGEN H��yrente	SKAGEN H��yrente Institusjon	SKAGEN Balanse	SKAGEN Krona
Norway	X	X	X	X	X	X	X	X	X	X	X	
Sweden	X	X	X	X	X	X	X	X	X			X
Denmark	X	X	X	X	X	X	X	X				
UK	X	X	X	X	X	X	X					
Netherlands	X	X	X	X	X	X	X	X				
Luxembourg	X	X	X	X	X	X	X	X				
Iceland	X	X	X	X	X	X	X					
Ireland	X	X	X	X	X	X	X					
Germany	X	X	X	X		X						
Belgium	X	X	X	X								
France	X	X	X	X								
Switzerland	X	X	X									