

ANNUAL REPORT 2017

# SKAGEN



ABSOLUTELY  
A GOOD YEAR

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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 39 00 or by email at [contact@skagenfunds.com](mailto:contact@skagenfunds.com).

SKAGEN Funds only has authorisation to market its money market fund SKAGEN Høyrente and fund-of-funds SKAGEN Select in Norway and SKAGEN Krona in Sweden. Information regarding these funds is included in the official accounts and audited information hereto. The Annual Report 2017 was originally prepared in Norwegian and in accordance with Norwegian requirements for mutual funds (§ 8 Securities Funds Act). 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 2017 is available at [www.skagenfondene.no](http://www.skagenfondene.no).

# Notice of electoral meeting in SKAGEN

## ELECTORAL MEETING

# 8.

MARCH

RADISSON BLU ATLANTIC HOTEL  
STAVANGER

We would like to invite unit holders in SKAGEN Funds to our electoral meeting which will be held at the Radisson BLU Atlantic Hotel in Stavanger on Thursday 8 March 2018 at 6pm.

### 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 and one deputy board member to the board of directors of SKAGEN AS
  - The election committee proposes that the current board member Per Gustav Blom be re-elected as unit holder elected board member for a term up to 2020
  - The election committee proposes that the current deputy board member Aina Haug be re-elected as unit holder elected deputy board member for a term up to 2020
5. Election to the nomination committee
  - The board proposes that the current member of the nomination committee Terje Vareberg be re-elected for a term up to 2021

### Voting

Unit holders in SKAGEN Funds may cast advance votes during the period from 21 February until 2 March 2018. You can obtain a voting slip by contacting Customer Services on +47 51 80 39 00. 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 2 March 2018 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 39 00. Please remember to bring a proof of identity and, where relevant, a certificate of incorporation.

After the formal part of the electoral meeting is over, there will be an information meeting and a status update from the funds. 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 39 00. The meeting is open to everyone.

Best regards  
The Board of Directors of SKAGEN AS

Odd Arild Grefstad  
Chairman of the Board of Directors

# Tradition and change

As the New Year dawns, it is a good time to reflect on my decision to join SKAGEN around one year ago. I am extremely proud to be leading this client-centric organisation with strong values and a strong heritage of entrepreneurship. I feel fortunate going to work every day – even taking the Stavanger weather into account.

## A year of milestones

It has been a fast-paced year for us in SKAGEN as well as for our clients. The equity fund SKAGEN Global celebrated 20 years and a total of NOK 46 billion in returns to its clients. The global property fund SKAGEN m2 turned five, and has already enjoyed several years of top rankings and strong performance. In December we launched a new “shadow activist” fund, SKAGEN Insight, which is based on a new concept that contributes to the improvement of companies. This fund makes activist investing accessible to a wider audience for the first time ever.

During the year we welcomed two new portfolio managers: emerging markets specialist Fredrik Bjelland who joined SKAGEN Kon-Tiki from Norges Bank Investment Management, and top ranked Nordic equities manager Øyvind Fjell who took over the reins of SKAGEN Vekst. Performance in our funds is stable and all of the funds have generated excellent absolute returns for the year. All of the fixed income funds have beaten their benchmark indices and among our equity funds, our global property fund SKAGEN m2 continues to outshine the market. Read more in the Investment Director’s report on page 5.

## Generational change

Not least, a major event for us in 2017 was the acquisition of SKAGEN by Storebrand, a leading player in the Nordic market for long-term savings and pensions. This was the final phase in a series of steps to effect generational change in SKAGEN. Under Storebrand, SKAGEN will continue as a separate company and independent fund manager while clients will have access to complementary, market-leading investment and savings solutions.

I would also like to extend my warmest welcome to our new Board, under the chairmanship of Odd Arild Grefstad, CEO of Storebrand. We look forward to their contribution in laying the groundwork for the best possible long-term development of the company in the best interests of our clients in all markets.

## Game changers in 2018

Looking ahead to 2018, our industry will certainly continue to be influenced by geopolitical unrest, the evolving demographics of ageing populations and the coming of age of the millennial generation – to mention just a few drivers.

One game changer is digital transformation, which has already had an effect on customer behaviour and expectations. There is much talk of robo-advice, machine learning and artificial intelligence. SKAGEN already dipped a toe into robo-advice last year with the introduction of the fund savings solution, SKAGEN Compass in Norway, but like other players we have barely released 10 percent of the potential. We will continue this journey in the years to come. These are the next big trends that will hugely benefit clients, for example by reducing hurdles and making decision-making easier.

Demands are increasingly being placed on the financial sector to take responsibility for making ours a more sustainable world. We are pleased to be able to share our work within responsible investing with our clients and stakeholders and explain how we integrate environmental, social and governance (ESG) into the investment decision-making. These factors are not only an integral part of our investment process, but we engage regularly with our portfolio companies on sustainability matters and make use

of our voting rights. We must continue to both have a positive impact and deliver the clear message that we are a force for good. Read more in our ESG update on page 7.

On the regulations side, the revised Markets in Financial Instruments Directive (MiFID II) came into effect on 3 January 2018 and among other things increases transparency related to costs for investment research. SKAGEN already has high standards when it comes to open communication, and in conjunction with MiFID II we have chosen to cover the costs for investment research ourselves. This was previously included in transaction fees.

## In it for the long run

Lastly, in these times of rapid change and an increasingly complex business environment, I am convinced that maintaining one’s independent thinking and long-term perspective is more important than ever. Just as important as adapting to the future is continuing to be true to the soul and character of SKAGEN. We are in it for the long run.



– Øyvind G. Schanke  
CEO





*Children painting spring flowers, 1894. By Viggo Johansen, one of the Skagen painters. The picture belongs to the Art Museums of Skagen (manipulated).*

## 2017 – absolutely a good year

– Alexandra Morris  
Investment director

2017 gave us a lot to be pleased about. Together with our clients, we celebrated funds that have been with us for many years; SKAGEN Global reached its 20 year milestone, SKAGEN Kon-Tiki turned 15 and SKAGEN m2 celebrated its 5-year anniversary. On the whole, it was also a very good year when it came to the absolute returns in our equity funds.

All of our equity funds delivered an absolute return exceeding 7 percent, in euro terms, and two funds generated returns of more than 13 percent, namely SKAGEN m2 and SKAGEN Kon-Tiki. The latter fund ben-

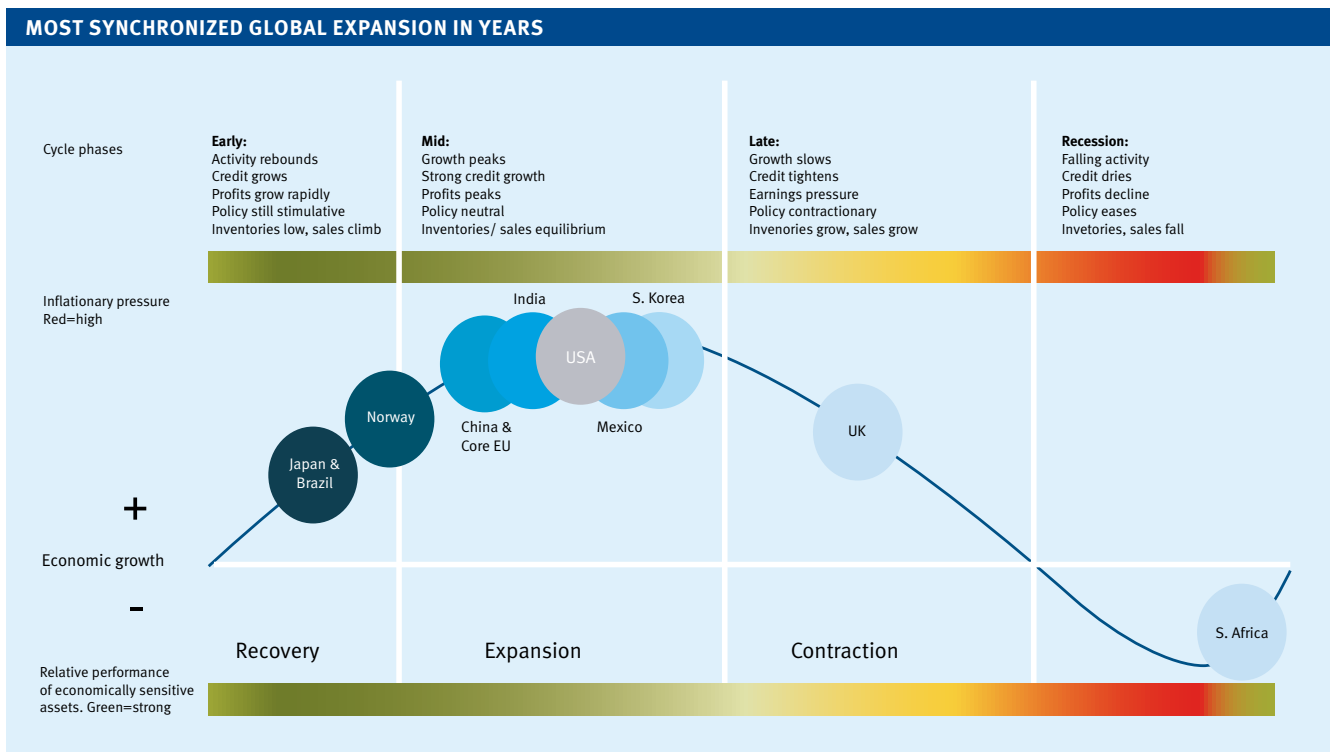
efited greatly from the strong performance of emerging markets.

During the year, emerging markets benefited from a combination of positive factors which, together, provided a tailwind that we have not seen for many years. These factors include everything from the improvement of earnings, stable currency prices, and strengthened economic growth to increased trade. In addition, commodities performed well, something that is particularly favourable for emerging markets.

The collective optimism was so great in

fact that it overshadowed the fact that the US Federal Reserve cautiously started to hike interest rates. This is something that tends to create some turmoil in emerging markets, but this was not the case in 2017. Not even the geopolitical turmoil and new round of corruption scandals could temper the upturn.

There was a fairly broad upturn in developed markets too. The US in particular stood out as the market has been on the ascent ever since Donald Trump took over the presidency. What started out as a crawl turned into a sprint after the new tax legis-



Source: Fidelity/SKAGEN, Diagram is for illustrative purposes only. Real world may not follow linear progression and changes could come less sequential.

lation was introduced.

There are a few other points that should also be highlighted. There were surprisingly few fluctuations last year, and we have to go as far back as January 2016 to find a month with a more than five percent drop in the MSCI All Country World Index.

It has generally been a long upwards march. If you divide the performance up into sectors, the MSCI US Index shows that the information technology sector was the big winner in the year, by a large margin.

Companies in this sector include the likes of Facebook, Apple, Amazon, Netflix and Google (the FAANGs), all of which performed extremely strongly last year. The situation was similar in emerging markets where Tencent, Alibaba, TSMC and Samsung Electronics (TATS) were the large leading companies for the year. It is interesting to note that the technology sector is now the largest sector in emerging markets.

To underline just how strong the performance of the technology sector was – and in particular that of a few individual companies – it is worth noting that the FAANGs now make up as much as 44 percent of the technology index NASDAQ 100 and accounted for 54 percent of the return during 2017. The Asian tigers accounted for 46

percent of the weight and 59 percent of the return in the MSCI Asia APEX 50 Index.

With such a formidable return from just a few typically growth stocks, it was not easy for value stocks to keep up with the developments in the year. Several of our funds ended up lagging slightly behind their respective benchmark indices for the year. We continue to see a preference for growth stocks over value stocks. In addition, our underweight in the IT sector is a contributing factor to the funds ending the year slightly behind their benchmark indices. As value managers, we believe that the price of most of these stocks is far too and not proportionate to the value creation potential going forward.

Time will tell if we are correct, but we see a significant risk of a correction for these stocks.

Although the above-mentioned economic developments may appear narrow, there are a number of indications that the future of the global economy looks brighter than it has done for many years. This will also benefit value stocks in the time to come.

For the first time in many years, we are entering a new year with synchronised and accelerating growth in most countries and

markets, and this gives us cause for optimism.

The economic outlook is better than it has been since the financial crisis, and there has been a real improvement in most places. The low volatility that can be observed in the market leads us to believe that very little negative news has been priced in.

While the sharp expansion in the markets last year along with the synchronised economic developments may appear frightening to some, there is no need to sound the alarm for the time being. Markets do not fall just because the upturn has lasted a long time. Nonetheless, one should continue to keep an eye on known geopolitical risk areas, such as the Korean peninsula and the Persian Gulf. In addition, negotiations around Brexit and the as yet unpredictable political developments in Europe and the US are also worth monitoring.

# Extending our ESG influence

In 2017, SKAGEN continued to build on our focus on environmental, social and corporate governance factors (ESG) in our investment process. We also went a step further and used our ESG stance to positively influence others and drive change.

In 2017, SKAGEN continued to build on our focus on environmental, social and corporate governance factors (ESG) in our investment process. We also went a step further and used our ESG stance to positively influence others and drive change.

During the year, SKAGEN launched five new fund-in-fund solutions, called SKAGEN Select, in the Norwegian market. These funds contain both internal and external funds and are subject to the same ESG policy that we apply to all our investments.

In the case of some of the external funds, however, we noted a few areas of concern and therefore engaged with the fund providers about their existing policies and holdings. As a result, through 2017 we saw several external fund managers adjusting their policies following our engagement. One example is a fund manager that implemented a more stringent approach to investing in gambling-related companies due to the many negative external factors within this industry.

As stated in our policy, SKAGEN will not invest in companies that breach basic human rights, harm the local population or the elected form of government, produce or sell weapons of mass destruction, land mines and cluster bombs or have a material part of their business within tobacco, pornography and gambling.

We have also taken advantage of our engagement with external managers to

promote the UN supported Principles for Responsible Investing (PRI), where we have been a signatory since 2012. During the year, we also nominated Investment Director Alexandra Morris as a board member at the PRI. Although she did not win a seat on the board, we feel that these activities fulfil our pledge to the PRI that we will “be active owners, incorporate ESG issues into our ownership policies and practices”, and “promote acceptance and implementation of the principles within the investment industry”.

SKAGEN has incorporated ESG 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. In addition, 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. We assess the sustainability of every holding in the same way that we assess other analysis material.

## Voting

During the year, there were a total of 225 votable shareholder meetings in the companies in our portfolios, with a total of 2 663 votable items on the agenda.

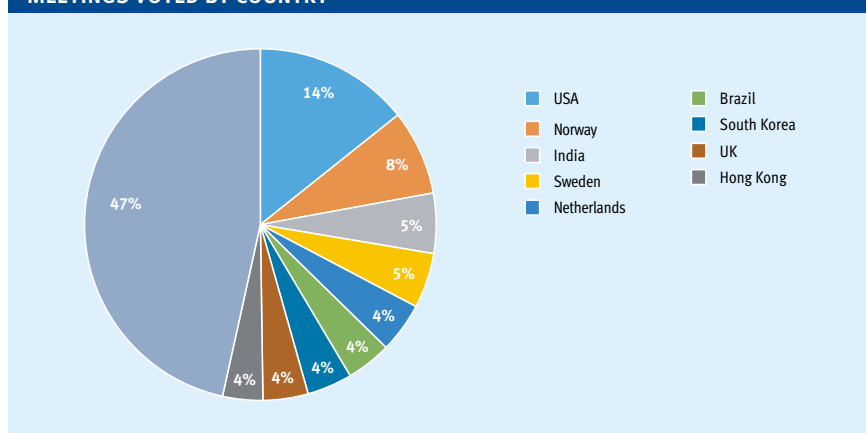
SKAGEN voted at 217 of these meetings, and on 98% of the votable items. This is an increase from 93% in 2016. In the meetings where we voted, 9.1% of the votes were against the company’s management on one or more items on the agenda. This is a slight increase from 6.1% at the end of 2016.

Value creation

Governance



MEETINGS VOTED BY COUNTRY

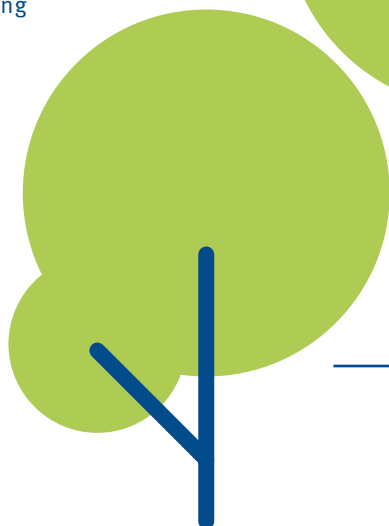




Sustainability

Processes

Voting



Incorporation



Unit holders



Engagement

The votes were cast in many countries around the world. While the US and Norway were the two countries with the most meetings voted, India came in as number three and Brazil as number six. This reflects SKAGEN's global focus when picking stocks.

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

All our voting records, including the reasons for voting against management, can be found on our website in the solution provided by Institutional Shareholder Services (ISS), which is one of the world's leading providers of corporate governance solutions. Our unit holders can drill down and find information on a company and ballot level.

### Engagement

SKAGEN believes in the importance of being active and responsible owners. We may therefore engage with companies based on our assessment of the significance of particular matters, risks im-

posed on a fund, size of holding, scope to effect change and opportunities to collaborate. SKAGEN believes that continuous dialogue ensures the best possible development, and thereby the best risk-adjusted returns to unit holders.

The dialogue with companies can be exercised by expressing SKAGEN's view, written or orally, to the company's management, advisers, and Board of directors.

Although we prefer to engage with companies in private, in our annual report we report on the number of engagements and particular instances that we deem of interest to our unit holders.

In 2017, SKAGEN was in direct contact with 16 companies about specific issues.

It is worth mentioning that during the year SKAGEN sent a delegation to South Korea. Our funds have large holdings in the country and we strive to keep abreast of developments and express our views to relevant stakeholders, particularly when it comes to the developments in the family-run conglomerates, known as chaebols.

The chaebols seem to slowly be moving in the right direction, though not without temporary setbacks. Still we expect to see positive governance-related developments in our long-term SKAGEN holdings such as Samsung Electronics and Hyundai Motors.

Our delegation met with both companies during their stay in the country. In addition, they met with external parties including Professor Youjae Yi, head of Hyundai's independent corporate governance committee. The dialogue was positive and we continue to speak to the companies about improvements in corporate governance.

During the year we also continued our dialogue with CMS Energy, a Michigan-based utility on the Norges Bank Investment Management watch list, about their transition to cleaner fuel. The company's overall coal exposure has fallen dramatically from approximately 40% in 2005 to 22% currently, after the recent retirement of 7 out of 12 coal plants. The coal exposure is set to decline to 15% in the next 5 years as CMS Energy retires more coal plants, switches to natural gas and adds a significant portion of wind assets to the portfolio. The concept is "Go green and go cheaper". The company has been in active dialogue with many shareholders to inform them of its plans.

At the end of 2017, we can therefore state that we are satisfied with the ESG developments in our portfolios. We are currently working on improving our policies and procedures further in order to meet the expectations of our unit holders going forward.



# Board of directors' report for SKAGEN's security funds 2017

At the end of 2017, SKAGEN AS (SKAGEN) managed combined assets of NOK 78.4 billion divided between six equity funds, five fixed income funds, five fund-of-funds in addition to mirror funds and feeder funds. All of the funds delivered positive returns in 2017.

## SKAGENs Equity fund

At the end of 2017, SKAGEN managed the equity funds SKAGEN Vekst, SKAGEN Global, SKAGEN Kon-Tiki, SKAGEN m2, SKAGEN Focus and SKAGEN Insight. SKAGEN m2 and SKAGEN Insight delivered excess return relative to their respective benchmark indices last year, while the other equity funds lagged their respective benchmark indices.

At the end of the year, SKAGEN managed total assets of NOK 71.4 billion in equity funds, down from NOK 76.4 billion at the end of 2016. This reflects NOK 14.1 billion in value developments and NOK 19.1 billion in net redemptions.

The market for index and quantitative funds has grown over recent years, to the detriment of active funds. This was one of the reasons why institutional clients made significant redemptions during the year. In the retail market, we have not seen redemptions of the same magnitude, despite some decline due to the launch of the equity savings account in Norway. Liquidity in the funds has not been challenged, however, and the redemptions have been handled in a routine manner.

## SKAGEN's fixed income funds

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 and SKAGEN Krona. During the year, the two money market funds SKAGEN Høyrente and SKAGEN Høyrente Institusjon were merged. All of the fixed income funds beat their benchmark indices in 2017.

At the end of 2017, SKAGEN managed total assets of NOK 6.3 billion in fixed income funds, down from NOK 6.6 billion at the end of 2016. The change comes from NOK 12 million in value development and NOK 261 million in net redemptions.

## SKAGEN's fund-of-funds

SKAGEN manages five fund-of-funds through the savings profile SKAGEN Select (see further details below). At the end of the year, these funds managed combined assets of around NOK 669 million kroner. Four of the five Select funds outperformed their respective comparison indices.

## New funds and products in 2017

In May, the concept Compass by SKAGEN was launched, whereby clients get help from an interactive guide to select their optimal savings profile. The Select funds were launched in connection with this initiative. There are five savings profiles which range from 15 to 100 percent equity fund exposure. SKAGEN's equity and fixed income funds make up the bulk of the Select funds. In addition, the funds consist of a few carefully selected external funds. In December, the combination fund SKAGEN Balanse 60/40 was merged with SKAGEN Select 60.

On 1 September, the equity savings account (ASK) was launched in Norway. SKAGEN offers an ASK solution for SKAGEN's own equity funds. In 2018, SKAGEN will provide a solution whereby SKAGEN's ASK clients will be able to choose from a large selection of external funds in addition to SKAGEN's own funds.

Individual pension savings (IPS) is a new pension savings product which was launched on 1 November in Norway. SKAGEN offers IPS to Norwegian retail clients. The scheme involves saving up to NOK 40 000 per year and realising tax advantages according to how much one saves.

On 4 December, the equity fund SKAGEN Insight was launched. The fund follows activist campaigns globally and its strategy is to invest alongside the 30-40 most attractive campaigns in the world. The value creation in the fund occurs through

the companies improving through active ownership. One month after launch, the fund had assets under management of NOK 155 million.

## Environmental, social and governance (ESG) factors

SKAGEN is an active manager and the companies' attitudes to and work with ESG are of central importance in the management

RETURNS 2017	
Fund	Return (NOK)
SKAGEN Avkastning	3,06
SKAGEN Credit	2,81
SKAGEN Credit NOK	2,36
SKAGEN Credit SEK *	1,02
SKAGEN Credit EUR A **	0,70
SKAGEN Credit EUR B **	1,06
SKAGEN Focus A	16,87
SKAGEN Focus B	17,20
SKAGEN Focus C	17,48
SKAGEN Global A	16,58
SKAGEN Global B	16,82
SKAGEN Global C	17,04
SKAGEN Global D	17,16
SKAGEN Global II	17,32
SKAGEN Global III	16,91
SKAGEN Høyrente	1,50
SKAGEN Insight A	
SKAGEN Kon-Tiki A	25,93
SKAGEN Kon-Tiki B	26,51
SKAGEN Kon-Tiki C	26,22
SKAGEN Kon-Tiki D	26,51
SKAGEN Kon-Tiki E	26,64
SKAGEN Krona	5,12
SKAGEN m2 A	22,33
SKAGEN m2 B	22,64
SKAGEN m2 C	22,88
SKAGEN Tellus A	6,35
SKAGEN Tellus B	6,71
SKAGEN Tellus C	6,76
SKAGEN Vekst A	18,03
SKAGEN Vekst B	18,20
SKAGEN Vekst C	19,89

\* SEK  
\*\* EUR



*Odd Arild Grefstad  
Chairman of the Board*



*Kristian Falnes  
Board member*



*Jan Erik Saugestad  
Board member*



*Viveka Ekberg  
Board member*



*Leiv Askvig  
Deputy member*



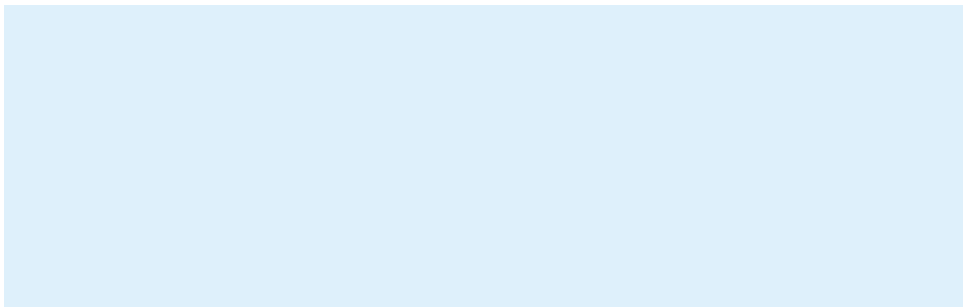
*Tove Selnes  
Deputy member*



*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*

of 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 217 general meetings, on 96.4 percent of the votable items. Of the 257 items where we voted, we voted against the company's management (on one or more points) in 9.1 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. Throughout 2017 SKAGEN has been in active dialogue with 16 portfolio companies.

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

Investing in securities funds entails risk related to future value development. Investors may therefore receive higher or lower returns than expected, and may also make

a loss on investments. Nevertheless, a general characteristic of 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.

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.

Throughout 2017, the market has reacted positively to the expected political developments, which has in turn contributed to the market upturn. The election results in the Netherlands and France did not give rise to the negative market fluctuations anticipated beforehand. Towards the end of the year, the market was characterised by the Brexit negotiations and these are expected to increase further in

2018. The tax reform in the US provided US stocks with a further lift. Another important development has been that emerging markets continued the trend from 2016 by once again performing significantly better than developed markets.

Unusually, there was very little fluctuation in the value development of all of SKAGEN's securities funds throughout the year. This resulted in unusually good risk-adjusted returns for almost all of our funds. In 2017, SKAGEN Tellus had a risk-adjusted return that was normal for this fund.

The unusually low level of fluctuation in the markets that characterised 2017, is expected to increase in 2018. This can provide good opportunities for an active manager like SKAGEN, who can take advantage of the fluctuations.

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. 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 in the funds in addition to a loan facility in order to meet large client redemptions.

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 are evaluated twice a year in an internal control process involving the managers responsible for all areas of activity.

#### Administrative conditions

Øyvind G. Schanke was appointed Managing Director of SKAGEN on 1 February. Schanke was previously Chief Investment Officer for Asset Strategies for Norway's Government Pension Fund Global ("the oil fund"). During the year, two well-profiled portfolio managers also joined SKAGEN; Øyvind Fjell took over the management of SKAGEN Vekst while Fredrik Bjelland is a new member of the Kon-Tiki team. They both have long and broad portfolio management experience and have their roots in Rogaland.

The end of November also marked a milestone as SKAGEN's co-founder and portfolio

manager, Kristoffer Stensrud, left the company. Stensrud played a key role in establishing SKAGEN's investment philosophy and position in the market, and in the general development of the fund management industry in Norway. In 2017, Stensrud had an advisory role and he has contributed to ensuring a good transition to the current investment team and their continued adherence to SKAGEN's investment philosophy.

In the autumn of 2016, SKAGEN started a reorganisation process to adapt the organisation to changed external conditions. The reorganisation took the form of a voluntary redundancy programme, and the process came to an end in the spring of 2017.

In October 2017, Storebrand ASA entered into an agreement to buy all of the company's A shares and 10 000 B shares. The transaction was finalised in December once all the necessary regulatory authorisations had been given. SKAGEN is a subsidiary of Storebrand Asset Management AS. SKAGEN will continue as an independent fund manager with the same investment philosophy. In connection with the acquisition, changes have been made to the company's Board of Directors.

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's head office is

located in Stavanger, Norway.

SKAGEN's Board of Directors is made up of one woman and five men in addition to two female deputy members and one male deputy member. The management team in SKAGEN consists of two women and five men while four of the nineteen portfolio managers are women. In total, SKAGEN has 138 employees, of which 45 are women. The company is focused on having a versatile and inclusive working environment and the Board is of the opinion that there is no discrimination on the grounds of ethnicity, religion, philosophy, disability, sexual orientation, sexual identity and sexual expression.

#### 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 2017 (ALL FIGURES IN NOK 1000)	SKAGEN VEKST 2017	SKAGEN GLOBAL 2017	SKAGEN KON-TIKI 2017	SKAGEN m <sup>2</sup> 2017	SKAGEN FOCUS 2017	SKAGEN INSIGHT 2017	SKAGEN SELECT 100 2017	SKAGEN SELECT 80 2017	SKAGEN SELECT 60 2017	SKAGEN SELECT 30 2017	SKAGEN SELECT 15 2017
INCOME STATEMENT	1 320 515	4 225 246	7 270 170	213 165	345 900	686	8 961	3 743	2 263	326	403
<b>Allocation of net income</b>											
Transfer to/from retained earnings	1 320 515	4 225 246	7 270 170	213 165	345 900	686	8 961	3 743	2 263	326	302
Allocated for distribution to unit holders	-	-	-	-	-	-	-	-	-	-	101
Net distributed to unit holders during the year	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1 320 515</b>	<b>4 225 246</b>	<b>7 270 170</b>	<b>213 165</b>	<b>345 900</b>	<b>686</b>	<b>8 961</b>	<b>3 743</b>	<b>2 263</b>	<b>326</b>	<b>403</b>

INCOME STATEMENT 2017 (ALL FIGURES IN NOK 1000)	SKAGEN TELLUS 2017	SKAGEN AVKASTNING 2017	SKAGEN HØYRENTE 2017	SKAGEN KRONA (1000 SEK) 2017	SKAGEN CREDIT 2017	SKAGEN CREDIT NOK 2017	SKAGEN CREDIT SEK (1000 SEK) 2017	SKAGEN CREDIT EUR (1000 EUR) 2017
INCOME STATEMENT	55 776	45 529	41 003	14	9 543	3 856	268	128,5
<b>Allocation of net income</b>								
Transfer to/from retained earnings	20 443	15 453	288	-213	-1 929	1 827	-878	-949,5
Allocated for distribution to unit holders	35 333	30 076	40 715	-	11 471	2 029	-	1 078,0
Net distributed to unit holders during the year	-	-	-	227	-	-	1 146	-
<b>Total</b>	<b>55 776</b>	<b>45 529</b>	<b>41 003</b>	<b>14</b>	<b>9 543</b>	<b>3 856</b>	<b>268</b>	<b>128,5</b>

Board of Directors SKAGEN AS, Stavanger 21 February 2018

Odd Arild Grefstad  
Chairman of the Board

Kristian Falnes  
Board member

Jan Erik Saugestad  
Board member

Viveka Ekberg  
Board member

Per Gustav Blom  
Board member,  
elected by unit holders


Martin Pettersson  
Board member,  
elected by unit holders

# Annual Financial Statement 2017

INCOME STATEMENT		SKAGEN Vekst		SKAGEN Global		SKAGEN Kon-Tiki		SKAGEN m²		
(all figures in 1,000NOK)		Notes	2017	2016	2017	2016	2017	2016	2017	2016
<b>Portfolio revenue and costs</b>										
Interest income and costs			-92	-146	5 562	1 568	4 217	-36 454	575	1 101
Dividends			172 811	175 360	638 260	767 474	582 530	739 621	20 596	25 361
Realised capital gain/loss	7		697 630	194 441	2 250 471	3 607 300	6 027 545	2 088 114	38 776	23 294
Change unrealised gain/loss	6		632 006	1 016	1 731 766	-4 688 940	1 257 749	-458 591	176 464	10 653
Transaction-related custodian costs	7		-161	-127	-192	-379	-307	-558	-194	-215
Currency gain/loss			6 511	-20 125	-68 703	-197 889	-87 232	37 354	-2 059	-1 206
<b>PORTFOLIO RESULT</b>			<b>1 508 706</b>	<b>350 421</b>	<b>4 557 163</b>	<b>-510 867</b>	<b>7 784 500</b>	<b>2 369 486</b>	<b>234 158</b>	<b>58 987</b>
<b>Management revenue and costs</b>										
Management fee - fixed	8		-80 077	-72 835	-274 290	-295 146	-583 986	-568 140	-15 620	-14 225
Management fee - variable	8		-94 678	-	-	-	123 881	56 485	-5 725	-3 865
<b>ASSET MANAGEMENT RESULT</b>			<b>-174 755</b>	<b>-72 835</b>	<b>-274 290</b>	<b>-295 146</b>	<b>-460 105</b>	<b>-511 655</b>	<b>-21 345</b>	<b>-18 089</b>
<b>RESULT BEFORE TAX</b>			<b>1 333 951</b>	<b>277 586</b>	<b>4 282 873</b>	<b>-806 013</b>	<b>7 324 395</b>	<b>1 857 831</b>	<b>212 813</b>	<b>40 898</b>
Tax cost	10		-13 435	-5 347	-57 627	-39 564	-54 225	-69 425	352	-1 991
<b>NET INCOME</b>			<b>1 320 515</b>	<b>272 239</b>	<b>4 225 246</b>	<b>-845 577</b>	<b>7 270 170</b>	<b>1 788 406</b>	<b>213 165</b>	<b>38 906</b>
<b>Allocation of net income</b>										
Transfer to/from retained earnings	9		1 320 515	272 239	4 225 246	-845 577	7 270 170	1 788 406	213 165	38 906
Allocated for distribution to unit holders	9		-	-	-	-	-	-	-	-
Net distributed to unit holders during the year	9		-	-	-	-	-	-	-	-
<b>TOTAL</b>			<b>1 320 515</b>	<b>272 239</b>	<b>4 225 246</b>	<b>-845 577</b>	<b>7 270 170</b>	<b>1 788 406</b>	<b>213 165</b>	<b>38 906</b>
<b>BALANCE SHEET</b>										
			31.12.2017	31.12.2016	31.12.2017	31.12.2016	31.12.2017	31.12.2016	31.12.2017	31.12.2016
<b>Assets</b>										
Norwegian securities at cost price	3,6,7		724 478	1 055 456	-	-	692 854	546 544	91 479	41 676
Foreign securities at cost price	3,6,7		5 865 990	5 078 102	20 933 106	22 326 119	16 187 155	20 377 849	877 975	808 054
Unrealised capital gain/loss	3,6,7		1 856 995	1 225 714	6 491 457	4 759 627	10 428 835	9 171 479	253 861	77 404
Accrued interest securities	6		-	-	-	-	-	-	-	-
<b>TOTAL SECURITIES PORTFOLIO</b>			<b>8 447 463</b>	<b>7 359 272</b>	<b>27 424 563</b>	<b>27 085 746</b>	<b>27 308 844</b>	<b>30 095 872</b>	<b>1 223 315</b>	<b>927 134</b>
Dividend receivable			4 009	16 136	25 879	56 671	125 930	187 366	436	2 616
Accrued interest bank			-	-	-	-	-	-	-	-
<b>TOTAL ACCRUED INCOME</b>			<b>4 009</b>	<b>16 136</b>	<b>25 879</b>	<b>56 671</b>	<b>125 930</b>	<b>187 366</b>	<b>436</b>	<b>2 616</b>
Accounts receivable - brokers			-	30	5 211	-	95 469	105 581	-	28
Accounts receivable - management company	1		5	5	3	6	13	30	-	4
Tax receivable on dividends			12 012	7 440	48 790	33 218	9 047	7 617	627	787
Other receivables			6 374	-	2 563	-	3 008	32 786	2 544	361
<b>TOTAL OTHER RECEIVABLES</b>			<b>18 387</b>	<b>7 474</b>	<b>56 567</b>	<b>33 224</b>	<b>107 538</b>	<b>146 015</b>	<b>3 171</b>	<b>1 181</b>
Bank deposits			199 305	100 290	201 092	1 188 101	709 582	608 632	46 246	37 252
<b>TOTAL ASSETS</b>			<b>8 669 164</b>	<b>7 483 173</b>	<b>27 708 100</b>	<b>28 363 743</b>	<b>28 251 895</b>	<b>31 037 886</b>	<b>1 273 168</b>	<b>968 183</b>
<b>Equity Capital</b>										
Unit capital at par value	9		348 653	359 126	1 635 091	1 951 147	3 039 165	4 179 396	636 617	592 279
Premium	9		4 033 014	3 530 218	14 744 470	16 475 787	14 556 610	19 328 060	338 587	223 384
<b>TOTAL PAID-IN EQUITY CAPITAL</b>			<b>4 381 667</b>	<b>3 889 344</b>	<b>16 379 562</b>	<b>18 426 934</b>	<b>17 595 775</b>	<b>23 507 456</b>	<b>975 204</b>	<b>815 663</b>
Retained earnings	9		4 166 229	3 568 671	11 238 641	9 841 565	10 395 913	7 112 947	286 098	143 452
Allocated to unitholders for reinvestment in new units	9		-	-	-	-	-	-	-	-
<b>TOTAL EQUITY CAPITAL</b>			<b>8 547 897</b>	<b>7 458 015</b>	<b>27 618 203</b>	<b>28 268 499</b>	<b>27 991 687</b>	<b>30 620 403</b>	<b>1 261 302</b>	<b>959 115</b>
<b>Debt</b>										
Deferred tax	10		-	-	-	-	-	-	-	263
Accounts payable - brokers			4 835	-	-	-	-	13 531	1 611	-
Accounts payable - management company			115 853	17 917	68 940	69 289	22 918	84 621	10 224	7 412
Other debt	10		579	7 241	20 957	25 955	237 289	319 330	31	1 393
<b>TOTAL OTHER DEBT</b>			<b>121 267</b>	<b>25 158</b>	<b>89 898</b>	<b>95 244</b>	<b>260 207</b>	<b>417 482</b>	<b>11 867</b>	<b>9 068</b>
<b>TOTAL DEBT AND EQUITY CAPITAL</b>			<b>8 669 164</b>	<b>7 483 173</b>	<b>27 708 100</b>	<b>28 363 743</b>	<b>28 251 895</b>	<b>31 037 886</b>	<b>1 273 168</b>	<b>968 183</b>

  
Odd Arild Grefstad  
Chairman of the Board

  
Kristian Falnes  
Board member

  
Jan Erik Saugestad  
Board member

  
Viveka Ekberg  
Board member

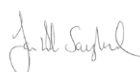
  
Per Gustav Blom  
Board member,  
elected by unit holders

  
Martin Pettersson  
Board member,  
elected by unit holders


INCOME STATEMENT		SKAGEN Focus	SKAGEN Insight	SKAGEN Select 100	SKAGEN Select 80	SKAGEN Select 60	SKAGEN Select 30	SKAGEN Select 15	
(all figures in 1,000 NOK)		2017	2016	04.07.2017 - 31.12.2017	14.12.2016 - 31.12.2017	14.12.2016 - 31.12.2017	14.12.2016 - 31.12.2017	14.12.2016 - 31.12.2017	
Notes									
<b>Portfolio revenue and costs</b>									
Interest income and costs		415	262	6	16	82	323	65	76
Dividends		32979	21781	308	-	-	-	-	-
Realised capital gain/loss	7	275008	56862	383	141	171	27318	-18	13
Change unrealised gain/loss	6	74340	113943	190	8898	3550	-25293	307	325
Transaction-related custodian costs	7	-322	-190	-	-	-	-	-	-
Currency gain/loss		1573	-3399	66	11	-1	-1	1	-
<b>PORTFOLIO RESULT</b>		<b>383992</b>	<b>189259</b>	<b>954</b>	<b>9066</b>	<b>3802</b>	<b>2347</b>	<b>354</b>	<b>414</b>
<b>Management revenue and costs</b>									
Management fee - fixed	8	-35248	-18561	-169	-105	-48	-39	-9	-11
Management fee - variable	8	1440	-8364	-18	-	-	-	-	-
<b>ASSET MANAGEMENT RESULT</b>		<b>-33809</b>	<b>-26925</b>	<b>-188</b>	<b>-105</b>	<b>-48</b>	<b>-39</b>	<b>-9</b>	<b>-11</b>
<b>RESULT BEFORE TAX</b>		<b>350183</b>	<b>162334</b>	<b>766</b>	<b>8961</b>	<b>3753</b>	<b>2308</b>	<b>346</b>	<b>403</b>
Tax cost	10	-4283	-2196	-80	-	-10	-46	-19	-
<b>NET INCOME</b>		<b>345900</b>	<b>160138</b>	<b>686</b>	<b>8961</b>	<b>3743</b>	<b>2263</b>	<b>326</b>	<b>403</b>
<b>Allocation of net income</b>									
Transfer to/from retained earnings	9	345900	160138	686	8961	3743	2263	326	302
Allocated for distribution to unit holders	9	-	-	-	-	-	-	-	101
Net distributed to unit holders during the year	9	-	-	-	-	-	-	-	-
<b>TOTAL</b>		<b>345900</b>	<b>160138</b>	<b>686</b>	<b>8961</b>	<b>3743</b>	<b>2263</b>	<b>326</b>	<b>403</b>
<b>BALANCE SHEET</b>									
		31.12.2017	31.12.2016	31.12.2017	31.12.2017	31.12.2017	31.12.2017	31.12.2017	31.12.2017
<b>Assets</b>									
Norwegian securities at cost price	3,6,7	-	-	-	95651	45845	291903	20293	27863
Foreign securities at cost price	3,6,7	2254910	1549346	151419	41506	16329	76933	1529	-
Unrealised capital gain/loss	3,6,7	142275	67930	190	8898	3550	19165	307	325
Accrued interest securities	6	-	-	-	-	-	-	-	-
<b>TOTAL SECURITIES PORTFOLIO</b>		<b>2397184</b>	<b>1617277</b>	<b>151609</b>	<b>146056</b>	<b>65724</b>	<b>388001</b>	<b>22130</b>	<b>28188</b>
Dividend receivable		3567	1639	231	-	-	-	-	-
Accrued interest bank		-	-	-	-	-	-	-	-
<b>TOTAL ACCRUED INCOME</b>		<b>3567</b>	<b>1639</b>	<b>231</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Accounts receivable - brokers		-	6019	-	-	-	-	-	-
Accounts receivable - management company		1	2	-	-	-	-	-	-
Tax receivable on dividends		452	101	1	-	-	-	-	-
Other receivables		900	912	555	2730	-	-	513	-
<b>TOTAL OTHER RECEIVABLES</b>		<b>1354</b>	<b>7034</b>	<b>556</b>	<b>2730</b>	<b>-</b>	<b>-</b>	<b>513</b>	<b>-</b>
Bank deposits		109932	102374	10393	9105	5653	6472	1894	1769
<b>TOTAL ASSETS</b>		<b>2512037</b>	<b>1728323</b>	<b>162788</b>	<b>157890</b>	<b>71377</b>	<b>394473</b>	<b>24537</b>	<b>29956</b>
<b>Equity Capital</b>									
Unit capital at parvalue	9	1986772	1576418	133928	133640	64134	362852	23670	28744
Premium	9	136928	-27850	20259	9879	3048	-26633	239	214
<b>TOTAL PAID-IN EQUITY CAPITAL</b>		<b>2123701</b>	<b>1548568</b>	<b>154187</b>	<b>143519</b>	<b>67182</b>	<b>336219</b>	<b>23910</b>	<b>28957</b>
Retained earnings	9	379935	149538	725	8281	3858	56519	341	277
Allocated to unitholders for reinvestment in new units	9	-	-	-	-	-	-	-	101
<b>TOTAL EQUITY CAPITAL</b>		<b>2503636</b>	<b>1698106</b>	<b>154912</b>	<b>151800</b>	<b>71041</b>	<b>392738</b>	<b>24250</b>	<b>29336</b>
<b>Debt</b>									
Deferred tax	10	-	-	-	-	-	-	5	-
Accounts payable - brokers		-	16049	7637	-	-	-	-	-
Accounts payable - management company		7866	14168	171	59	28	27	4	6
Other debt	10	535	-	69	6031	308	1709	277	615
<b>TOTAL OTHER DEBT</b>		<b>8401</b>	<b>30217</b>	<b>7877</b>	<b>6090</b>	<b>336</b>	<b>1736</b>	<b>286</b>	<b>621</b>
<b>TOTAL DEBT AND EQUITY CAPITAL</b>		<b>2512037</b>	<b>1728323</b>	<b>162788</b>	<b>157890</b>	<b>71377</b>	<b>394473</b>	<b>24537</b>	<b>29956</b>

  
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Board member,  
elected by unitholders

  
Martin Pettersson  
Board member,  
elected by unitholders



INCOME STATEMENT		SKAGEN Avkastning		SKAGEN Høyrente		SKAGEN Tellus		SKAGEN Krona *		
(all figures in 1,000 NOK)		Notes	2017	2016	2017	2016	2017	2016	2017	2016
<b>Portfolio revenue and costs</b>										
Interest income and costs			28717	33798	48621	59700	33859	29026	257	956
Dividends			-	-	-	-	-	-	-	-
Realised capital gain/loss	7		15387	7013	-6456	-7498	11531	40065	-	-
Change unrealised gain/loss	6		17702	-6072	5843	17145	15148	-61402	210	339
Transaction-related custodian costs	7		-11	-10	-8	-5	-17	-21	-16	-23
Currency gain/loss			-8588	17981	-	-	2128	-4528	-	-
<b>PORTFOLIO RESULT</b>			<b>53208</b>	<b>52710</b>	<b>48001</b>	<b>69342</b>	<b>62648</b>	<b>3139</b>	<b>450</b>	<b>1272</b>
<b>Management revenue and costs</b>										
Management fee - fixed	8		-7679	-7804	-6998	-7549	-6872	-7898	-437	-443
Management fee - variable	8		-	-	-	-	-	-	-	-
<b>ASSET MANAGEMENT RESULT</b>			<b>-7679</b>	<b>-7804</b>	<b>-6998</b>	<b>-7549</b>	<b>-6872</b>	<b>-7898</b>	<b>-437</b>	<b>-443</b>
<b>RESULT BEFORE TAX</b>			<b>45529</b>	<b>44906</b>	<b>41003</b>	<b>61793</b>	<b>55776</b>	<b>-4759</b>	<b>14</b>	<b>829</b>
Tax cost	10		-	-	-	-	-	-	-	-
<b>NET INCOME</b>			<b>45529</b>	<b>44906</b>	<b>41003</b>	<b>61793</b>	<b>55776</b>	<b>-4759</b>	<b>14</b>	<b>829</b>
<b>Allocation of net income</b>										
Transfer to/from retained earnings	9		15453	-3675	288	24055	20443	-61037	-213	-334
Allocated for distribution to unit holders	9		30076	48581	40715	37738	35333	56279	-	-
Net distributed to unit holders during the year	9		-	-	-	-	-	-	227	1163
<b>TOTAL</b>			<b>45529</b>	<b>44906</b>	<b>41003</b>	<b>61793</b>	<b>55776</b>	<b>-4759</b>	<b>14</b>	<b>829</b>

BALANCE SHEET	31.12.2017	31.12.2016	31.12.2017	31.12.2016	31.12.2017	31.12.2016	31.12.2017	31.12.2016
<b>Assets</b>								
Norwegian securities at cost price	3,6,7	1259253	1113654	2440894	2087859	84108	83898	-
Foreign securities at cost price	3,6,7	283910	235304	-	-	713542	913360	329598
Unrealised capital gain/loss	3,6,7	18188	487	-541	-5426	34938	19791	77
Accrued interest securities	6	6199	6705	5049	5984	9978	14716	58
<b>TOTAL SECURITIES PORTFOLIO</b>		<b>1567551</b>	<b>1356150</b>	<b>2445401</b>	<b>2088417</b>	<b>842567</b>	<b>1031765</b>	<b>329733</b>
Dividend receivable		-	-	-	-	-	-	-
Accrued interest bank		-	-	-	-	-	-	-
<b>TOTAL ACCRUED INCOME</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Accounts receivable - brokers		-	-	-	-	-	-	-
Accounts receivable - management company		-	4	-	-	-	4	-
Tax receivable on dividends		-	-	-	-	-	-	-
Other receivables		1887	1389	-	1524	692	-	-
<b>TOTAL OTHER RECEIVABLES</b>		<b>1887</b>	<b>1393</b>	<b>-</b>	<b>1524</b>	<b>692</b>	<b>4</b>	<b>-</b>
Bank deposits		169811	149222	729186	526479	22578	20303	74223
<b>TOTAL ASSETS</b>		<b>1739249</b>	<b>1506765</b>	<b>3174587</b>	<b>2616420</b>	<b>865837</b>	<b>1052072</b>	<b>403956</b>
<b>Equity Capital</b>								
Unit capital at parvalue	9	1230948	1063361	3097382	2558160	684868	838405	403492
Premium	9	456887	390616	57712	48623	146801	193866	2323
<b>TOTAL PAID-IN EQUITY CAPITAL</b>		<b>1687835</b>	<b>1453977</b>	<b>3155094</b>	<b>2606783</b>	<b>831669</b>	<b>1032271</b>	<b>405814</b>
Retained earnings	9	19764	2698	-28384	-29375	-6909	-39449	-2040
Allocated to unitholders for reinvestment in new units	9	29632	48137	40158	37181	35121	56077	-
<b>TOTAL EQUITY CAPITAL</b>		<b>1737231</b>	<b>1504812</b>	<b>3166868</b>	<b>2614588</b>	<b>859880</b>	<b>1048898</b>	<b>403774</b>
<b>Debt</b>								
Deferred tax	10	-	-	-	-	-	-	-
Accounts payable - brokers		-	-	-	-	-	-	-
Accounts payable - management company		2018	1953	2020	1831	1635	1914	176
Other debt	10	-	-	5700	-	4321	1260	6
<b>TOTAL OTHER DEBT</b>		<b>2018</b>	<b>1953</b>	<b>7720</b>	<b>1831</b>	<b>5956</b>	<b>3173</b>	<b>182</b>
<b>TOTAL DEBT AND EQUITY CAPITAL</b>		<b>1739249</b>	<b>1506765</b>	<b>3174587</b>	<b>2616420</b>	<b>865837</b>	<b>1052072</b>	<b>403956</b>


\* In 1,000 SEK

  
Odd Arild Grefstad  
Chairman of the Board

  
Kristian Falnes  
Board member

  
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Board member,  
elected by unitholders

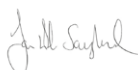
INCOME STATEMENT		SKAGEN Credit		SKAGEN Credit NOK		SKAGEN Credit SEK*		SKAGEN Credit EUR**		
(all figures in 1,000 NOK)		Notes	2017	2016	2017	2016	2017	2016	2017	2016
<b>Portfolio revenue and costs</b>										
Interest income and costs			12551	11516	5839	8812	470	1717	321,0	416,7
Dividends			-	-	-	-	-	-	-	-
Realised capital gain/loss	7		1808	3495	-2736	-5709	828	-1280	-331,8	-213,7
Change unrealised gain/loss	6		-3206	-7725	1228	-13	-2315	3650	-1047,7	465,7
Transaction-related custodian costs	7		-27	-41	-21	-27	-17	-24	-1,6	-1,5
Currency gain/loss			-1585	-300	901	7127	1497	-1713	1287,5	-62,8
<b>PORTFOLIO RESULT</b>			<b>9543</b>	<b>6945</b>	<b>5211</b>	<b>10191</b>	<b>464</b>	<b>2350</b>	<b>227,4</b>	<b>604,4</b>
<b>Management revenue and costs</b>										
Management fee - fixed	8		-	-	-1354	-1136	-196	-256	-98,9	-57,1
Management fee - variable	8		-	-	-	-	-	-	-	-
<b>ASSET MANAGEMENT RESULT</b>			<b>-</b>	<b>-</b>	<b>-1354</b>	<b>-1136</b>	<b>-196</b>	<b>-256</b>	<b>-98,9</b>	<b>-57,1</b>
<b>RESULT BEFORE TAX</b>			<b>9543</b>	<b>6945</b>	<b>3856</b>	<b>9054</b>	<b>268</b>	<b>2094</b>	<b>128,5</b>	<b>547,3</b>
Tax cost	10		-	-	-	-	-	-	-	-
<b>NET INCOME</b>			<b>9543</b>	<b>6945</b>	<b>3856</b>	<b>9054</b>	<b>268</b>	<b>2094</b>	<b>128,5</b>	<b>547,3</b>
<b>Allocation of net income</b>										
Transfer to/from retained earnings	9		-1929	-13304	1827	4011	-878	1156	-949,5	-740,5
Allocated for distribution to unit holders	9		11471	20249	2029	5043	-	-	1078,0	1287,8
Net distributed to unit holders during the year	9		-	-	-	-	1146	939	-	-
<b>TOTAL</b>			<b>9543</b>	<b>6945</b>	<b>3856</b>	<b>9054</b>	<b>268</b>	<b>2094</b>	<b>128,5</b>	<b>547,3</b>
<b>BALANCE SHEET</b>										
			31.12.2017	31.12.2016	31.12.2017	31.12.2016	31.12.2017	31.12.2016	31.12.2017	31.12.2016
<b>Assets</b>										
Norwegian securities at cost price	3,6,7		54084	69233	140337	170051	13715	46139	17457,6	13369,4
Foreign securities at cost price	3,6,7		229824	208256	-	-	-	-	-	-
Unrealised capital gain/loss	3,6,7		6294	9499	1865	637	-455	1860	-966,0	81,7
Accrued interest securities	6		3958	4036	-	-	-	-	-	-
<b>TOTAL SECURITIES PORTFOLIO</b>			<b>294160</b>	<b>291023</b>	<b>142202</b>	<b>170687</b>	<b>13260</b>	<b>48000</b>	<b>16491,6</b>	<b>13451,2</b>
Dividend receivable			-	-	-	-	-	-	-	-
Accrued interest bank			-	-	-	-	-	-	-	-
<b>TOTAL ACCRUED INCOME</b>			<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Accounts receivable - brokers			-	-	-	-	-	-	-	-
Accounts receivable - management company			-	-	-	-	2	-	-	-
Tax receivable on dividends			-	-	-	-	-	-	-	-
Other receivables			1284	3343	37	893	-	-	-	-
<b>TOTAL OTHER RECEIVABLES</b>			<b>1284</b>	<b>3343</b>	<b>37</b>	<b>893</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>
Bank deposits			22072	43922	3307	3485	482	1275	321,1	272,5
<b>TOTAL ASSETS</b>			<b>317515</b>	<b>338288</b>	<b>145546</b>	<b>175065</b>	<b>13743</b>	<b>49278</b>	<b>16812,7</b>	<b>13723,7</b>
<b>Equity Capital</b>										
Unit capital at par value	9		292306	301028	139648	166135	14961	49864	18434,5	13782,4
Premium	9		20753	29573	1226	485	-353	-1101	-1064,9	-337,0
<b>TOTAL PAID-IN EQUITY CAPITAL</b>			<b>313059</b>	<b>330602</b>	<b>140874</b>	<b>166621</b>	<b>14608</b>	<b>48763</b>	<b>17369,6</b>	<b>13445,4</b>
Retained earnings	9		-6912	-12459	1144	817	-1162	-339	-1750,3	-1141,6
Allocated to unitholders for reinvestment in new units	9		11369	20146	2029	5043	-	-	1078,0	1287,8
<b>TOTAL EQUITY CAPITAL</b>			<b>317515</b>	<b>338288</b>	<b>144047</b>	<b>172481</b>	<b>13445</b>	<b>48424</b>	<b>16697,3</b>	<b>13591,6</b>
<b>Debt</b>										
Deferred tax	10		-	-	-	-	-	-	-	-
Accounts payable - brokers			-	-	-	-	-	-	-	-
Accounts payable - management company			-	-	317	341	34	92	25,4	19,6
Other debt	10		-	-	1182	2244	264	762	90,0	112,5
<b>TOTAL OTHER DEBT</b>			<b>-</b>	<b>-</b>	<b>1499</b>	<b>2584</b>	<b>297</b>	<b>854</b>	<b>115,5</b>	<b>132,1</b>
<b>TOTAL DEBT AND EQUITY CAPITAL</b>			<b>317515</b>	<b>338288</b>	<b>145546</b>	<b>175065</b>	<b>13743</b>	<b>49278</b>	<b>16812,7</b>	<b>13723,7</b>

\* In 1,000 SEK

\*\* In 1,000 EUR

  
Odd Arild Grefstad  
Chairman of the Board

  
Kristian Falnes  
Board member

  
Jan Erik Saugestad  
Board member

  
Viveka Ekberg  
Board member

  
Per Gustav Blom  
Board member,  
elected by unit holders

  
Martin Pettersson  
Board member,  
elected by unit holders

# General notes 2017

## NOTE 1: ACCOUNTING PRINCIPLES

All figures in NOK 1,000 unless otherwise stated.

The accounts for 2017 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 29.12.2017.

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 deposit/overdraft in foreign currency are valued at the prevailing exchange rate at the time of pricing 29.12.2017.

### 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 31.12.2017. For SKAGEN Krona and SKAGEN Credit SEK the distribution to the unit holders as the issue of new units is done as of 19.12.2017.

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 DERIVATIVEIVES

SKAGEN Credit holds interest rate Derivativeives. A more detailed description is given in the SKAGEN Credit notes. The other funds have not held financial Derivativeives 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 2017 was:

SKAGEN Vekst	68 %
SKAGEN Global	34 %
SKAGEN Kon Tiki	17 %
SKAGEN m <sup>2</sup>	43 %
SKAGEN Focus	64 %
SKAGEN Insight*	15 %
SKAGEN Select 100*	10 %
SKAGEN Select 80*	39 %
SKAGEN Select 60*	3 %
SKAGEN Select 30*	25 %
SKAGEN Select 15*	21 %
SKAGEN Avkastning	49 %
SKAGEN Høyrente	77 %
SKAGEN Tellus	101 %
SKAGEN Krona	672 %
SKAGEN Credit	49 %

### For the feederfunds:

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

## NOTE 5: SUBSCRIPTION FEE

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

## NOTE 6: REFER TO PAGES 29 TO 46

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

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

Transaction costs are booked as a part of the cost price of securities and are included in the gain/loss calculation based on the realisation principle.

SKAGEN Vekst has only been charged transaction-related custodian costs and these are charged to expenses on an ongoing basis.

Throughout 2017, the fund has paid NOK 10,204,000 in broker's fees and other fees.

### 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:

	Unit class A	Unit class B	Unit class C	Total
Management fee - fixed	79 839	42	196	80 077
Management fee - variable	94 609	69	-	94 678
<b>Total management fee</b>	<b>174 448</b>	<b>111</b>	<b>196</b>	<b>174 755</b>

### NOTE 9. EQUITY RECONCILIATION

Equity capital as of 01.01.2017	7 458 015
Issue of units 2017	787 363
Redemption of units 2017	-1 017 997
Distribution to unit holders 2017	-
Net income 2017	1 320 515
<b>Equity capital as of 31.12.2017</b>	<b>8 547 897</b>

	Class	31.12.2017	31.12.2016	31.12.2015
Number of units issued	A	3 460 927	3 585 360	3 972 933
Number of units issued	B	2 081	2 736	5 753
Number of units issued	C	23 524	3 163	141 003
Base price per unit (in NOK)*	A	2 451,2382	2 076,7288	1 986,0307
Base price per unit (in NOK)*	B	2 467,1673	2 087,1972	1 992,0727
Base price per unit (in NOK)*	C	2 510,6716	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.

### 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 2017 and 2016 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 & 10**

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

Transaction costs are booked as a part of the cost price of securities and are included in the gain/loss calculation based on the realisation principle.

SKAGEN Focus has only been charged transaction-related custodian costs and these are charged to expenses on an ongoing basis.

Throughout 2017, the fund has paid NOK 4,884,000 in broker's fees and other fees.

**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:

	Unit class A	Unit class B	Unit class C	Total
Management fee - fixed	31 764	1 958	1 527	35 248
Management fee - variable	-1 741	197	104	-1 440
<b>Total management fee</b>	<b>30 023</b>	<b>2 155</b>	<b>1 631</b>	<b>33 809</b>

**NOTE 9. EQUITY RECONCILIATION**

Equity capital as of 01.01.2017	1 698 106
Issue of units 2017	1 429 489
Redemption of units 2017	-969 860
Distribution to unit holders 2017	-
Net income 2017	345 900
<b>Equity capital as of 31.12.2017</b>	<b>2 503 636</b>

	Class	31.12.2017	31.12.2016	31.12.2015
Number of units issued	A	16 374 631	14 762 660	9 577 105
Number of units issued	B	1 800 936	91 893	24 875
Number of units issued	C	1 692 155	909 627	1 200 000
Base price per unit (in NOK)*	A	125,8464	107,6848	96,4892
Base price per unit (in NOK)*	B	126,7891	108,1833	96,6965
Base price per unit (in NOK)*	C	126,9274	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:	2017	2016
Interest income	577	265
Taxable dividend	24 758	16 113
3 % of tax-exempt dividend	247	170
Taxable gain/loss outside the Norwegian tax exempt rule "Fritaksmetoden"	-	-
Currency gain/loss	1 573	-3 399
<b>Total taxable income</b>	<b>27 154</b>	<b>13 148</b>

Management fee - fixed	-35 248	-18 561
Management fee - variable	1 440	-8 364
<b>Total tax deductible costs</b>	<b>-33 809</b>	<b>-26 925</b>

<b>Nettaxable income</b>	<b>-6 654</b>	<b>-13 777</b>
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<b>Calculation basis - tax payable (A)</b>	<b>-6 654</b>	<b>-13 777</b>
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**Tax payable in the income statement:**

Tax payable (A x 24 %)	-	-
Taxes payable from previous years	-	-
Use of carried forward losses	-	-
Credit allowance for withholding tax paid outside EU/EEA	-	-
Use of carried forward credit allowance	-	-
<b>Tax payable</b>	<b>-</b>	<b>-</b>

**Deferred tax/- tax asset:**

Unrealised gain/loss outside the Norwegian tax exempt rule "Fritaksmetoden"	-	-
Carry forward losses	-20 431	-13 777
<b>Basis derferred tax/- tax asset (B)</b>	<b>-20 431</b>	<b>-13 777</b>

Deferred tax/- tax asset (B x 23 %)	-4 699	-3 306
Carry forward credit allowance for withholding tax paid	-1 957	-
Unused credit allowance for withholding tax paid this year	-3 213	-1 957
<b>Net deferred tax/- tax asset</b>	<b>-9 869</b>	<b>-5 263</b>

Deferred tax asset is not booked in the balance sheet.

**Tax cost in the income statement:**

Tax payable, not assessed	-	-
Tax payable, assessed	-	18
Change deferred tax/- tax asset	-	-
Refund withholding tax previous years	-	-
Withholding tax on foreign dividends	4 283	2 178
<b>Total tax cost</b>	<b>4 283</b>	<b>2 196</b>

Payable tax owing is incorporated in other debt.

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

Transaction costs are booked as a part of the cost price of securities and are included in the gain/loss calculation based on the realisation principle.

SKAGEN Global has only been charged transaction-related custodian costs and these are charged to expenses on an ongoing basis.

Throughout 2017, the fund has paid NOK 26,132,000 in broker's fees and other fees.

**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 realtive 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:

	Class A	Class B	Class C	Class D	Total
Management fee - fixed	266 540	6 038	1 706	6	274 290
Management fee - variable	-	-	-	-	-
<b>Total management fee</b>	<b>266 540</b>	<b>6 038</b>	<b>1 706</b>	<b>6</b>	<b>274 290</b>

**NOTE 9. EQUITY RECONCILIATION**

Equity capital as of 01.01.2017	28 268 499
Issue of units 2017	1 490 129
Redemption of units 2017	-6 365 671
Distribution to unit holders 2017	-
Net income 2017	4 225 246
<b>Equity capital as of 31.12.2017</b>	<b>27 618 202</b>

	Class	31.12.2017	31.12.2016	31.12.2015
Number of units issued	A	15 791 817	18 592 856	22 776 656
Number of units issued	B	383 694	705 908	1 330 076
Number of units issued	C	174 615	211 918	165 245
Number of units issued	D	787	787	787
Base price per unit (in NOK)*	A	1 688,9144	1 448,7275	1 464,5507
Base price per unit (in NOK)*	B	1 693,4259	1 449,5589	1 462,4149
Base price per unit (in NOK)*	C	1 705,0408	1 456,7849	1 466,7888
Base price per unit (in NOK)*	D	1 709,5865	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:	2017	2016
Interest income	7 425	2 039
Taxable dividend	397 991	426 030
3% of tax-exempt dividend	7 208	10 243
Taxable gain/loss outside the Norwegian tax exempt rule "Fritaksmetoden"	-	-
Currency gain/loss	-68 703	-197 889
<b>Total taxable income</b>	<b>343 921</b>	<b>240 423</b>
Management fee - fixed	-274 290	-295 146
Management fee - variable	-	-
<b>Total tax deductible costs</b>	<b>-274 290</b>	<b>-295 146</b>
<b>Net taxable income</b>	<b>69 631</b>	<b>-54 723</b>
<b>Calculation basis - tax payable (A)</b>	<b>69 631</b>	<b>-54 723</b>

Tax payable in the income statement:		
Tax payable (Ax 24 %)	16 711	-
Taxes payable from previous years	-	-
Use of carried forward losses	-13 133	-
Credit allowance for withholding tax paid outside EU/EEA	-3 578	-
Use of carried forward credit allowance	-	-
<b>Tax payable</b>	<b>-</b>	<b>-</b>

Deferred tax/- tax asset:		
Unrealised gain/loss outside the Norwegian tax exempt rule "Fritaksmetoden"	-	-
Carry forward losses	-	-54 723
<b>Basis deferred tax/- tax asset (B)</b>	<b>-</b>	<b>-54 723</b>
Deferred tax/- tax asset (B x 23 %)	-	-13 133
Carry forward credit allowance for withholding tax paid	-114 283	-60 032
Unused credit allowance for withholding tax paid this year	-46 671	-54 251
<b>Net deferred tax/- tax asset</b>	<b>-160 954</b>	<b>-127 417</b>

Deferred tax asset is not booked in the balance sheet.

Tax cost in the income statement:		
Tax payable, not assessed	-	-
Tax payable, assessed	-	-
Change deferred tax/- tax asset	-	-
Refund withholding tax previous years	-3 194	-37 177
Withholding tax on foreign dividends	60 821	76 741
<b>Total tax cost</b>	<b>57 627</b>	<b>39 564</b>

Payable tax owing is incorporated in other debt.



SKAGEN m<sup>2</sup> Note 7, 8, 9 & 10

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

Transaction costs are booked as a part of the cost price of securities and are included in the gain/loss calculation based on the realisation principle. SKAGEN m<sup>2</sup> has only been charged transaction-related custodian costs and these are charged to expenses on an ongoing basis.

Throughout 2017, the fund has paid NOK 946,000 in broker's fees and other fees.

## 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. The benchmark index prior to 11 July 2017 was the MSCI ACWI Real Estate IMI Net Total Return Index USD measured in Norwegian kroner. As of 11.07.2017, the benchmark index is the MSCI ACWI Real Estate IMI ex REITS Net Total Return Index 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 lower 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:

	Class A	Class B	Class C	Total
Management fee - fixed	15 567	41	12	15 620
Management fee - variable	5 700	16	8	5 725
<b>Total management fee</b>	<b>21 267</b>	<b>58</b>	<b>20</b>	<b>21 345</b>

## NOTE 9. EQUITY RECONCILIATION

Equity capital as of 01.01.2017	959 115
Issue of units 2017	463 072
Redemption of units 2017	-374 050
Distribution to unit holders 2017	-
Net income 2017	213 165
<b>Equity capital as of 31.12.2017</b>	<b>1 261 302</b>

	Class	31.12.2017	31.12.2016	31.12.2015
Number of units issued	A	6 330 991	5 906 031	6 595 853
Number of units issued	B	28 347	9 918	9 917
Number of units issued	C	6 837	6 837	6 837
Base price per unit (in NOK)*	A	198,1328	161,9658	154,5390
Base price per unit (in NOK)*	B	199,3605	162,5638	154,7885
Base price per unit (in NOK)*	C	199,6425	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:	2017	2016
Interest income	617	1 102
Taxable dividend	13 471	21 009
3 % of tax-exempt dividend	214	131
Taxable gain/loss outside the Norwegian tax exempt rule "Fritaksmetoden"	1 245	1 281
Currency gain/loss	-2 059	-1 206
<b>Total taxable income</b>	<b>13 489</b>	<b>22 317</b>
Management fee - fixed	-15 620	-14 225
Management fee - variable	-5 725	-3 865
<b>Total tax deductible costs</b>	<b>-21 345</b>	<b>-18 089</b>
<b>Net taxable income</b>	<b>-7 856</b>	<b>4 228</b>
<b>Calculation basis - tax payable (A)</b>	<b>-7 856</b>	<b>4 228</b>

Tax payable in the income statement:		
Tax payable (Ax 24 %)	-	1 057
Taxes payable from previous years	-	-35
Use of carried forward losses	-	-
Credit allowance for withholding tax paid outside EU/EEA	-	-1 057
Use of carried forward credit allowance	-	-
<b>Tax payable</b>	<b>-</b>	<b>-35</b>

Deferred tax/- tax asset:		
Unrealised gain/loss outside the Norwegian tax exempt rule "Fritaksmetoden"	5 707	3 627
Carry forward losses	-7 856	-
<b>Basis deferred tax/- tax asset (B)</b>	<b>-2 148</b>	<b>3 627</b>
Deferred tax/- tax asset (Bx 23 %)	-494	871
Carry forward credit allowance for withholding tax paid	-607	-
Unused credit allowance for withholding tax paid this year	-889	-607
<b>Net deferred tax/- tax asset</b>	<b>-1 991</b>	<b>263</b>

Deferred tax asset is not booked in the balance sheet.

Tax cost in the income statement:		
Tax payable, not assessed	-	-
Tax payable, assessed	-	-35
Change deferred tax/- tax asset	-263	-404
Refund withholding tax previous years	-1 101	-
Withholding tax on foreign dividends	1 012	2 431
<b>Total tax cost</b>	<b>-352</b>	<b>1 991</b>

Payable tax owing is incorporated in other debt.

**SKAGEN Kon-Tiki Note 7, 8, 9, 10 & 11****NOTE 7. CUSTODIAN COSTS, BROKER'S FEES AND OTHER FEES**

Transaction costs are booked as a part of the cost price of securities and are included in the gain/loss calculation based on the realisation principle. SKAGEN Kon-Tiki has only been charged transaction-related custodian costs and these are charged to expenses on an ongoing basis.

Throughout 2017, the fund has paid NOK 39,637,000 in broker's fees and other fees.

**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:

	Class A	Class B	Class C	Class D	Class E	Total
Management fee- fixed	450 624	19 997	14 493	11 930	86 942	583 986
Management fee- variable	-93 523	-6 925	-3 529	-2 558	-17 345	-123 881
<b>Total management fee</b>	<b>357 101</b>	<b>13 072</b>	<b>10 964</b>	<b>9 372</b>	<b>69 596</b>	<b>460 105</b>

**NOTE 9. EQUITY RECONCILIATION**

Equity capital as of 01.01.2017	30 620 403
Issue of units 2017	3 921 613
Redemption of units 2017	-13 820 499
Distribution to unit holders 2017	-
Net income 2017	7 270 170
<b>Equity capital as of 31.12.2017</b>	<b>27 991 687</b>

	Class	31.12.2017	31.12.2016	31.12.2015
Number of units issued	A	25 356 714	27 498 757	31 948 647
Number of units issued	B	777 974	3 683 960	6 016 062
Number of units issued	C	879 852	1 018 553	843 882
Number of units issued	D	1 081 544	906 149	2 000 282
Number of units issued	E	2 295 564	8 686 541	11 890 124
Base price per unit (in NOK)*	A	918,7069	729,5223	684,8898
Base price per unit (in NOK)*	B	933,6201	738,0070	689,6829
Base price per unit (in NOK)*	C	925,1733	732,9878	686,5286
Base price per unit (in NOK)*	D	931,4964	736,3176	688,1148
Base price per unit (in NOK)*	E	937,1644	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 2017 and 2016 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 Insight Note 7, 8, 9 &amp; 10

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

Transaction costs are booked as a part of the cost price of securities and are included in the gain/loss calculation based on the realisation principle.

SKAGEN Insight has only been charged transaction-related custodian costs and these are charged to expenses on an ongoing basis.

Throughout 2017, the fund has paid NOK 135,000 in broker's fees and other fees.

**NOTE 8. MANAGEMENT FEE**

A fixed management fee of 1.5% p.a. of the daily assets under management is calculated. In addition, a variable management fee is charged: 1/10 of better value development in the fund's asset value compared with the fund's benchmark index, MSCI World Daily Total return Net \$ measured in Norwegian kroner, as long as the accumulated relative value development between the fund and its benchmark index, from the time of the previous charge/settlement up to 31 December is greater than zero (relative high watermark). The variable management fee is calculated daily and charged annually on 31 December. The total management fee is limited, however, so the total fee may not exceed 4 percent p.a. of the average assets under management.

**NOTE 9. EQUITY RECONCILIATION**

Equity capital as of 04.07.2017*	-
Issue of units 2017	155 829
Redemption of units 2017	-1 603
Distribution to unit holders 2017	-
Net income 2017	686
<b>Equity capital as of 31.12.2017</b>	<b>154 912</b>

\* The fund was established on 04.07.2017, but activity in the fund did not start until 21.08.2017.

	<b>31.12.2017</b>
Number of units issued	1 339 277
Base price per unit (in NOK)*	115,6272

\* 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**

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.

<b>Calculation basis - tax payable:</b>	<b>2017</b>
Interest income	6
Taxable dividend	304
3% of tax-exempt dividend	-
Taxable gain/loss outside the Norwegian tax exempt rule "Fritaksmetoden"	-
Currency gain/loss	66
<b>Total taxable income</b>	<b>376</b>

Management fee - fixed	-169
Management fee - variable	-18
<b>Total tax deductible costs</b>	<b>-188</b>

<b>Net taxable income</b>	<b>189</b>
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<b>Calculation basis - tax payable (A)</b>	<b>189</b>
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<b>Tax payable in the income statement:</b>	
Tax payable (Ax 24 %)	45
Taxes payable from previous years	-
Use of carried forward losses	-
Credit allowance for withholding tax paid outside EU/EEA	-11
Use of carried forward credit allowance	-
<b>Tax payable</b>	<b>34</b>

<b>Deferred tax/- tax asset:</b>	
Unrealised gain/loss outside the Norwegian tax exempt rule "Fritaksmetoden"	-
Carry forward losses	-
<b>Basis deferred tax/- tax asset (B)</b>	<b>-</b>

Deferred tax/- tax asset (B x 23 %)	-
Carry forward credit allowance for withholding tax paid	-
Unused credit allowance for withholding tax paid this year	-
<b>Net deferred tax/- tax asset</b>	<b>-</b>

Deferred tax asset is not booked in the balance sheet.

<b>Tax cost in the income statement:</b>	
Tax payable, not assessed	34
Tax payable, assessed	-
Change deferred tax/- tax asset	-
Refund withholding tax previous years	-
Withholding tax on foreign dividends	46
<b>Total tax cost</b>	<b>80</b>

Payable tax owing is incorporated in other debt.

**SKAGEN Select 100 Note 7, 8, 9 & 10****NOTE 7. CUSTODIAN COSTS, BROKER'S FEES AND OTHER FEES**

The fund is only charged transaction-related custodian costs and these are charged to expenses on an ongoing basis. The same applies to transaction-related costs in the underlying funds.

**NOTE 8. MANAGEMENT FEE**

The fund is an equity fund whose assets are invested in securities funds units in equity funds managed by SKAGEN AS and external fund managers in Norway and abroad. A fixed management fee of 0.20 percent p.a. of the daily assets under management in the fund is charged. The management fee that is charged in the underlying funds will come in addition. If all the underlying funds deliver a return that is in line with their respective benchmark indexes, the total annual cost is expected to be 1.43 percent. The actual total annual cost may be higher or lower than this, depending on the underlying funds' relative performance from year to year. The annualised cost for 2017 was 1.29 percent.

The total management fee in the fund and underlying funds may not exceed 4 percent per year.

**NOTE 9. EQUITY RECONCILIATION**

Equity capital as of 14.12.2016*	-
Issue of units 2017	168 706
Redemption of units 2017	-25 867
Distribution to unit holders 2017	-
Net income 2017	8 961
<b>Equity capital as of 31.12.2017</b>	<b>151 800</b>

\* The fund was established on 14.12.2016, but the activity in the fund did not start before 06.03.2017.

	<b>31.12.2017</b>
Number of units issued	1 336 403
Base price per unit (in NOK)*	113,5215

\* 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 fund is taxable with 24 percent of general income, but is principally exempt from tax on gains and does not have the right to deduct losses on realisation of units in equity funds. The taxable income therefore consists of currency gains and interest income minus tax-deductible costs such as the management fee, interest costs and currency losses.

<b>Calculation basis - tax payable:</b>	<b>2017</b>
Interest income	16
Taxable gain/loss outside the Norwegian tax exempt rule "Fritaksmetoden"	-
Currency gain/loss	11
<b>Total taxable income</b>	<b>27</b>
Management fee - fixed	-105
<b>Total tax deductible costs</b>	<b>-105</b>
<b>Net taxable income</b>	<b>-78</b>
<b>Calculation basis - tax payable (A)</b>	<b>-78</b>
<b>Tax payable in the income statement:</b>	
Tax payable (A x 24 %)	-
Taxes payable from previous years	-
Use of carried forward losses	-
<b>Tax payable</b>	<b>-</b>
<b>Deferred tax/- tax asset:</b>	
Unrealised gain/loss outside the Norwegian tax exempt rule "Fritaksmetoden"	-
Carry forward losses	-78
<b>Basis deferred tax/- tax asset (B)</b>	<b>-78</b>
Deferred tax/- tax asset (B x 23 %)	-18
<b>Net deferred tax/- tax asset</b>	<b>-18</b>

Deferred tax asset is not booked in the balance sheet.

<b>Tax cost in the income statement:</b>	
Tax payable, not assessed	-
Tax payable, assessed	-
Change deferred tax/- tax asset	-
<b>Total tax cost</b>	<b>-</b>

Payable tax owing is incorporated in other debt.

**SKAGEN Select 80 Note 7, 8, 9 & 10****NOTE 7. CUSTODIAN COSTS, BROKER'S FEES AND OTHER FEES**

The fund is only charged transaction-related custodian costs and these are charged to expenses on an ongoing basis. The same applies to transaction-related costs in the underlying funds.

**NOTE 8. MANAGEMENT FEE**

The fund is a combination fund whose assets are invested in securities funds units in equity and fixed income funds managed by SKAGEN AS and external fund managers in Norway and abroad. A fixed management fee of 0.20 percent p.a. of the daily assets under management in the fund is charged. The management fee that is charged in the underlying funds will come in addition. If all the underlying funds deliver a return that is in line with their respective benchmark indexes, the total annual cost is expected to be 1.24 percent. The actual total annual cost may be higher or lower than this, depending on the underlying funds' relative performance from year to year. The annualised cost for 2017 was 1.13 percent.

The total management fee in the fund and underlying funds may not exceed 4 percent per year.

**NOTE 9. EQUITY RECONCILIATION**

Equity capital as of 14.12.2016*	-
Issue of units 2017	80 181
Redemption of units 2017	-12 883
Distribution to unit holders 2017	-
Net income 2017	3 743
<b>Equity capital as of 31.12.2017</b>	<b>71 041</b>

\* The fund was established on 14.12.2016, but the activity in the fund did not start before 06.03.2017.

	<b>31.12.2017</b>
Number of units issued	641 342
Base price per unit (in NOK)*	110,7140

\* 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 fund is taxable with 24 percent of general income, but is principally exempt from tax on gains and does not have the right to deduct losses on realisation of units in equity funds. The net realised gains from fixed income funds are not tax exempt, however. The taxable income therefore consists of net realised gains on fixed income fund units, currency gains and interest income minus tax-deductible costs such as the management fee, interest rate costs and currency losses.

<b>Calculation basis - tax payable:</b>	<b>2017</b>
Interest income	82
Taxable gain/loss outside the Norwegian tax exempt rule "Fritaksmetoden"	-
Taxable gain/loss fixed income fund units	8
Currency gain/loss	-1
<b>Total taxable income</b>	<b>89</b>
Management fee - fixed	-48
<b>Total tax deductible costs</b>	<b>-48</b>
<b>Net taxable income</b>	<b>40</b>
<b>Calculation basis - tax payable (A)</b>	<b>40</b>
<b>Tax payable in the income statement:</b>	
Tax payable (A x 24 %)	10
Taxes payable from previous years	-
Use of carried forward losses	-
<b>Tax payable</b>	<b>10</b>
<b>Deferred tax/- tax asset:</b>	
Unrealised gain/loss outside the Norwegian tax exempt rule "Fritaksmetoden"	-
Unrealised gain/loss fixed income fund units	2
Carry forward losses	-
<b>Basis deferred tax/- tax asset (B)</b>	<b>2</b>
Deferred tax/- tax asset (B x 23 %)	-
<b>Net deferred tax/- tax asset</b>	<b>-</b>

Deferred tax asset is not booked in the balance sheet.

<b>Tax cost in the income statement:</b>	
Tax payable, not assessed	10
Tax payable, assessed	-
Change deferred tax/- tax asset	-
<b>Total tax cost</b>	<b>10</b>

Payable tax owing is incorporated in other debt.

**SKAGEN Select 60 Note 7, 8, 9, 10 & 11****NOTE 7. CUSTODIAN COSTS, BROKER'S FEES AND OTHER FEES**

The fund is only charged transaction-related custodian costs and these are charged to expenses on an ongoing basis. The same applies to transaction-related costs in the underlying funds.

**NOTE 8. MANAGEMENT FEE**

The fund is a combination fund whose assets are invested in securities funds units in equity and fixed income funds managed by SKAGEN AS and external fund managers in Norway and abroad. A fixed management fee of 0.10 percent p.a. of the daily assets under management in the fund is charged. The management fee that is charged in the underlying funds will come in addition. If all the underlying funds deliver a return that is in line with their respective benchmark indexes, the total annual cost is expected to be 0.98 percent. The actual total annual cost may be higher or lower than this, depending on the underlying funds' relative performance from year to year. The annualised cost for 2017 was 0.85 percent.

The total management fee in the fund and underlying funds may not exceed 4 percent per year.

**NOTE 9. EQUITY RECONCILIATION**

Equity capital as of 14.12.2016*	-
Issue of units 2017	49 583
Redemption of units 2017	-4 965
Merge SKAGEN Balanse 60/40 13.12.2017**	345 857
Distribution to unit holders 2017	-
Net income 2017	2 263
<b>Equity capital as of 31.12.2017</b>	<b>392 738</b>

\* The fund was established on 14.12.2016, but the activity in the fund did not start before 06.03.2017.

\*\* The compensation is settled by the issuance of units in the acquiring fund, SKAGEN Select 60. See note 11 for further details.

	<b>31.12.2017</b>
Number of units issued	3 628 517
Base price per unit (in NOK)*	108,1900

\* 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 fund is taxable with 24 percent of general income, but is principally exempt from tax on gains and does not have the right to deduct losses on realisation of units in equity funds. The net realised gains from fixed income funds are not tax exempt, however. The taxable income therefore consists of net realised gains on fixed income fund units, currency gains and interest income minus tax-deductible costs such as the management fee, interest rate costs and currency losses.

<b>Calculation basis - tax payable:</b>	<b>2017</b>
Interest income	323
Taxable gain/loss outside the Norwegian tax exempt rule "Fritaksmetoden"	-
Taxable gain/loss fixed income fund units	-4
Currency gain/loss	-1
<b>Total taxable income</b>	<b>318</b>
Management fee - fixed	-39
<b>Total tax deductible costs</b>	<b>-39</b>
<b>Net taxable income</b>	<b>279</b>

<b>Calculation basis - tax payable (A)</b>	<b>279</b>
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<b>Tax payable in the income statement:</b>	
Tax payable (Ax 24 %)	67
Taxes payable from previous years	-
Use of carried forward losses	-
<b>Tax payable</b>	<b>67</b>

<b>Tax payable in the balance sheet:</b>	
Tax payable (Ax 24 %)	67
Tax payable SKAGEN Balanse 60/40 at the time of the merger	417
<b>Tax payable in the balance sheet</b>	<b>484</b>

<b>Deferred tax/- tax asset:</b>	
Unrealised gain/loss outside the Norwegian tax exempt rule "Fritaksmetoden"	-
Unrealised gain/loss fixed income fund units	-132
Carry forward losses	-
<b>Basis deferred tax/- tax asset (B)</b>	<b>-132</b>
Deferred tax/- tax asset (B x 23 %)	-30
<b>Net deferred tax/- tax asset</b>	<b>-30</b>

Deferred tax asset is not booked in the balance sheet.

<b>Tax cost in the income statement:</b>	
Tax payable, not assessed	67
Change in deferred tax from the time of the merger until 31.12.2017	-21
<b>Total tax cost</b>	<b>46</b>

Payable tax owing is incorporated in other debt.

**NOTE 11. MERGER**

On 13.12.2017 a tax-free merger took place with the combination fund SKAGEN Balanse 60/40.

For accounting purposes, the merger is carried out according to the acquisition method. This means that the values in the relinquishing fund SKAGEN Balanse 60/40 as of 13.12.2017 were taken into the acquiring fund SKAGEN Select 60 at real value. The values in SKAGEN Select 60 are carried forward at book value.

The income statement includes figures from SKAGEN Balanse 60/40 as from the time of coming into effect in the accounts on 13.12.2017. Pro forma figures have been established for the total merged unit which demonstrates the figures such as they would have been if the funds had been a unit throughout the whole of 2017. SKAGEN Select 60 was launched on 06.03.2017, hence no pro forma figures are shown for 2016.

	<b>Proforma 2017</b>
Portfolio result	41 991
Asset management result	-39
Result before tax	41 953
<b>Net income</b>	<b>41 338</b>

Assumptions in the compilation of the pro forma figures:

- based on the official annual accounts for the merged units
- no other excess values have been identified
- pro forma information has a higher degree of uncertainty than historical accounting figures



**SKAGEN Select 30 Note 7, 8, 9 & 10****NOTE 7. CUSTODIAN COSTS, BROKER'S FEES AND OTHER FEES**

The fund is only charged transaction-related custodian costs and these are charged to expenses on an ongoing basis. The same applies to transaction-related costs in the underlying funds.

**NOTE 8. MANAGEMENT FEE**

The fund is a combination fund whose assets are invested in securities funds units in equity and fixed income funds managed by SKAGEN AS and external fund managers in Norway and abroad. A fixed management fee of 0.10 percent p.a. of the daily assets under management in the fund is charged. The management fee that is charged in the underlying funds will come in addition. If all the underlying funds deliver a return that is in line with their respective benchmark indexes, the total annual cost is expected to be 0.77 percent. The actual total annual cost may be higher or lower than this, depending on the underlying funds' relative performance from year to year. The annualised cost for 2017 was 0.51 percent.

The total management fee in the fund and underlying funds may not exceed 4 percent per year.

**NOTE 9. EQUITY RECONCILIATION**

Equity capital as of 14.12.2016*	-
Issue of units 2017	27 487
Redemption of units 2017	-3 563
Distribution to unit holders 2017	-
Net income 2017	326
<b>Equity capital as of 31.12.2017</b>	<b>24 250</b>

\* The fund was established on 14.12.2016, but the activity in the fund did not start before 03.05.2017.

	<b>31.12.2017</b>
Number of units issued	236 704
Base price per unit (in NOK)*	102,4323

\* 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 fund is taxable with 24 percent of general income, but is principally exempt from tax on gains and does not have the right to deduct losses on realisation of units in equity funds. The net realised gains from fixed income funds are not tax exempt, however. The taxable income therefore consists of net realised gains on fixed income fund units, currency gains and interest income minus tax-deductible costs such as the management fee, interest rate costs and currency losses.

<b>Calculation basis - tax payable:</b>	<b>2017</b>
Interest income	65
Taxable gain/loss outside the Norwegian tax exempt rule "Fritaksmetoden"	-
Taxable gain/loss fixed income fund units	0
Currency gain/loss	1
<b>Total taxable income</b>	<b>66</b>
Management fee - fixed	-9
<b>Total tax deductible costs</b>	<b>-9</b>
<b>Net taxable income</b>	<b>57</b>
<b>Calculation basis - tax payable (A)</b>	<b>57</b>
<b>Tax payable in the income statement:</b>	
Tax payable (A x 24 %)	14
Taxes payable from previous years	-
Use of carried forward losses	-
<b>Tax payable</b>	<b>14</b>
<b>Deferred tax/- tax asset:</b>	
Unrealised gain/loss outside the Norwegian tax exempt rule "Fritaksmetoden"	-
Unrealised gain/loss fixed income fund units	24
Carry forward losses	-
<b>Basis deferred tax/- tax asset (B)</b>	<b>24</b>
Deferred tax/- tax asset (B x 23 %)	5
<b>Net deferred tax/- tax asset</b>	<b>5</b>

Deferred tax asset is not booked in the balance sheet.

<b>Tax cost in the income statement:</b>	
Tax payable, not assessed	14
Tax payable, assessed	-
Change deferred tax/- tax asset	5
<b>Total tax cost</b>	<b>19</b>

Payable tax owing is incorporated in other debt.

**SKAGEN Select 15 Note 7, 8, 9 & 10****NOTE 7. CUSTODIAN COSTS, BROKER'S FEES AND OTHER FEES**

The fund is only charged transaction-related custodian costs and these are charged to expenses on an ongoing basis. The same applies to transaction-related costs in the underlying funds.

**NOTE 8. MANAGEMENT FEE**

The fund is a combination fund whose assets are invested in securities funds units in equity and fixed income funds managed by SKAGEN AS and external fund managers in Norway and abroad. A fixed management fee of 0.10 percent p.a. of the daily assets under management in the fund is charged. The management fee that is charged in the underlying funds will come in addition. If all the underlying funds deliver a return that is in line with their respective benchmark indexes, the total annual cost is expected to be 0.67 percent. The actual total annual cost may be higher or lower than this, depending on the underlying funds' relative performance from year to year. The annualised cost for 2017 was 0.46 percent.

The total management fee in the fund and underlying funds may not exceed 4 percent per year.

**NOTE 9. EQUITY RECONCILIATION**

Equity capital as of 14.12.2016*	-
Issue of units 2017	32 339
Redemption of units 2017	-3 407
Net income 2017	403
Distribution to unit holders 2017	-101
Expected reinvestment related to allocation for reinvestment	101
<b>Equity capital as of 31.12.2017</b>	<b>29 336</b>

\* The fund was established on 14.12.2016, but the activity in the fund did not start before 03.05.2017.

	<b>31.12.2017</b>
Number of units issued	287 436
Base price per unit (in NOK)*	102,0607

\* 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 fund is taxable with 24 percent of general income, but is exempt from tax on gains and does not have the right to deduct losses on realisation of units in equity funds. The net realised gains from fixed income funds are not tax exempt, however. The taxable income therefore consists of net realised gains on fixed income fund units, currency gains and interest income minus tax-deductible costs such as the management fee, interest rate costs and currency losses. The taxable net profit is in principle distributed among unitholders so that the fund is in a non-taxpaying position.

**SKAGEN Høyrente Note 7, 8, 9, 10 & 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 0.25 percent p.a. of daily assets under management.

**NOTE 9. EQUITY RECONCILIATION**

Equity capital as of 01.01.2017	2 614 588
Issue of units 2017	2 553 034
Redemption of units 2017	-2 441 695
Merger with SKAGEN Høyrente Institusjon 20.10.2017**	399 937
Net income 2017	41 003
Allocated to unit holders for reinvestment	-40 715
Expected reinvestment related to allocation for reinvestment	40 715
<b>Equity capital as of 31.12.2017</b>	<b>3 166 868</b>

	31.12.2017	31.12.2016	31.12.2015
Number of units issued	30 973 820	25 581 600	28 456 578
Base price per unit (in NOK)*	102,2288	102,1952	102,0299

\* 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 compensation is settled by the issuance of units in the acquiring fund, SKAGEN Høyrente. See note 11 for further details.

**NOTE 10. TAX NOTE**

The fixed income funds are taxable with 24 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. MERGER**

On 20.10.2017 a tax-free merger took place with the money market fund SKAGEN Høyrente Institusjon.

For accounting purposes, the merger is carried out according to the acquisition method. This means that the values in the relinquishing fund SKAGEN Høyrente Institusjon as of 20.10.2017 were taken into the acquiring fund SKAGEN Høyrente at real value. The values in SKAGEN Høyrente are carried forward at book value.

The income statement includes figures from SKAGEN Høyrente Institusjon as from the time of coming into effect in the accounts on 20.10.2017. Pro forma figures have been established for the total merged unit which demonstrates the figures such as they would have been if the funds had been a unit throughout the whole of 2017 and 2016.

	Proforma	
	2017	2016
Portfolio result	54 893	82 310
Asset management result	-7 690	-8 688
Result before tax	47 204	73 623
<b>Net income</b>	<b>47 204</b>	<b>73 623</b>

Assumptions in the compilation of the pro forma figures:

- based on the official annual accounts for the merged units
- no other excess values have been identified
- pro forma information has a higher degree of uncertainty than historical accounting figures

**SKAGEN Avkastning Note 7, 8, 9, 10 & 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 01.01.2017	1 504 812
Issue of units 2017	650 085
Redemption of units 2017	-463 196
Net income 2017	45 529
Allocated to unit holders for reinvestment	-30 076
Expected reinvestment related to allocation for reinvestment	30 076
<b>Equity capital as of 31.12.2017</b>	<b>1 737 231</b>

	31.12.2017	31.12.2016	31.12.2015
Number of units issued	12 309 477	10 633 615	11 706 786
Base price per unit (in NOK)*	141,1117	141,4966	143,2900

\* 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 24 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 31.12.2017 overdrafts in EUR, USD and MXN bank account in order to reduce the currency exposure of the investments in the Portuguese Government, Hellenic Republic Government, Spanish Government, Dominican Republic og Mexican Government.

**SKAGEN Krona Note 7, 8, 9 & 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 01.01.2017	372 467
Issue of units 2017	241 726
Redemption of units 2017	-210 432
Net income 2017	14
Of which is allocated to unit holders	-227
Reinvested for unit holders applicable to income year	227
<b>Equity capital as of 31.12.2017</b>	<b>403 774</b>

	31.12.2017	31.12.2016	31.12.2015
Number of units issued	4 034 917	3 720 381	6 112 774
Base price per unit (in SEK)*	100,0620	100,0922	100,2245

\* 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 24 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 & 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:

	Class A	Class B	Class C	Total
Management fee - fixed	6 192	250	430	6 872
<b>Total management fee</b>	<b>6 192</b>	<b>250</b>	<b>430</b>	<b>6 872</b>

**NOTE 9. EQUITY RECONCILIATION**

Equity capital as of 01.01.2017	1 048 898
Issue of units 2017	129 973
Redemption of units 2017	-374 767
Net income 2017	55 776
Allocated to unit holders for reinvestment	-35 333
Expected reinvestment related to allocation for reinvestment	35 333
<b>Equity capital as of 31.12.2017</b>	<b>859 880</b>

	Class	31.12.2017	31.12.2016	31.12.2015
Number of units issued	A	5 978 707	7 021 672	6 963 959
Number of units issued	B	356 261	434 388	556 217
Number of units issued	C	513 710	927 986	1 835 503
Base price per unit (in NOK)*	A	123,8962	124,0465	137,8480
Base price per unit (in NOK)*	B	135,0602	130,7430	140,5395
Base price per unit (in NOK)*	C	137,9256	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 24 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 Credit Note 7, 8, 9, 10, 11 & 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 01.01.2017	338 288
Issue of units 2017	165 901
Redemption of units 2017	-196 217
Net income 2017	9 543
Allocated to unit holders for reinvestment	-11 471
Expected reinvestment related to allocation for reinvestment	11 471
<b>Equity capital as of 31.12.2017</b>	<b>317 515</b>

	31.12.2017	31.12.2016	31.12.2015
Number of units issued	2 923 062	3 010 284	1 758 242
Base price per unit (in NOK)*	108,6001	112,3589	120,1695

\* 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 24 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 & 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:

	Class A	Class B	Total
Management fee - fixed	57,6	41,2	98,9
<b>Total management fee</b>	<b>57,6</b>	<b>41,2</b>	<b>98,9</b>

**NOTE 9. EQUITY RECONCILIATION**

Equity capital as of 01.01.2017	13 591,6
Issue of units 2017	7 163,7
Redemption of units 2017	-4 186,5
Net income 2017	128,5
Allocated to unit holders for reinvestment	-1 078,0
Expected reinvestment related to allocation for reinvestment	1 078,0
<b>Equity capital as of 31.12.2017</b>	<b>16 697,3</b>

	Class	31.12.2017	31.12.2016	31.12.2015
Number of units issued	A	857 901	786 764	382 870
Number of units issued	B	985 546	591 475	149 240
Base price per unit (in EUR)*	A	8,7744	9,8195	9,5003
Base price per unit (in EUR)*	B	9,3042	9,9120	9,5533

\* 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 24 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 31.12.2017 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 & 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 01.01.2017	172 481
Issue of units 2017	68 079
Redemption of units 2017	-100 369
Net income 2017	3 856
Allocated to unit holders for reinvestment	-2 029
Expected reinvestment related to allocation for reinvestment	2 029
<b>Equity capital as of 31.12.2017</b>	<b>144 047</b>

	31.12.2017	31.12.2016	31.12.2015
Number of units issued	1 396 476	1 661 354	1 479 894
Base price per unit (in NOK)*	103,1612	103,8159	96,5472

\* 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 24 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 31.12.2017 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 & 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 01.01.2017	48 424
Issue of units 2017	9 360
Redemption of units 2017	-44 606
Net income 2017	268
Allocated to unit holders for reinvestment	-1 146
Expected reinvestment related to allocation for reinvestment	1 146
<b>Equity capital as of 31.12.2017</b>	<b>13 445</b>

	31.12.2017	31.12.2016	31.12.2015
Number of units issued	149 608	498 643	206 165
Base price per unit (in SEK)*	89,8113	97,0587	92,5348

\* 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 24 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 31.12.2017 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 31.12.2017 (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
Novo Nordisk A/S-B	Health care	1 566 000	504 842	DKK	691 033	186 191	8,09 %	0,08 %	København
Samsung Electronics Co Ltd Pref	Information technology	35 000	209 126	KRW	559 919	350 793	6,56 %	0,19 %	Seoul
Lonza Group AG	Health care	225 000	417 683	CHF	497 234	79 551	5,82 %	0,30 %	Zürich
DSVAS	Industrials	705 918	403 893	DKK	455 007	51 114	5,33 %	0,37 %	København
Applied Materials Inc	Information technology	1 015 000	390 526	USD	424 258	33 732	4,97 %	0,10 %	NASDAQ
Carlsberg AS-B	Consumer staples	407 500	262 747	DKK	400 493	137 745	4,69 %	0,34 %	København
Volvo AB	Consumer discretionary	2 540 000	303 440	SEK	387 703	84 262	4,54 %	0,15 %	Stockholm
Broadcom Ltd	Information technology	181 569	371 517	USD	381 399	9 882	4,47 %	0,04 %	New York
Deutsche Lufthansa AG	Industrials	1 260 000	298 659	EUR	380 201	81 543	4,45 %	0,27 %	Xetra
Citigroup Inc	Financials	600 000	214 349	USD	365 053	150 704	4,28 %	0,02 %	New York
Norsk Hydro ASA	Materials	5 147 387	149 196	NOK	320 940	171 744	3,76 %	0,25 %	Oslo
Kinnevik AB-B	Financials	1 139 000	236 655	SEK	315 718	79 064	3,70 %	0,49 %	Stockholm
Vestas Wind Systems AS	Industrials	557 000	382 786	DKK	315 080	-67 706	3,69 %	0,26 %	København
Sberbank of Russia Pref	Financials	8 800 000	146 572	RUB	236 174	89 603	2,77 %	0,88 %	Moscow
Telia Co AB	Telecom	6 250 000	281 140	SEK	228 346	-52 794	2,67 %	0,14 %	Stockholm
Boliden AB	Materials	710 000	190 332	SEK	199 146	8 814	2,33 %	0,26 %	Stockholm
Anglo American Plc	Materials	1 100 000	151 454	GBP	188 597	37 144	2,21 %	0,09 %	London
Golden Ocean Group Ltd	Industrials	2 660 000	88 903	NOK	177 289	88 386	2,08 %	1,87 %	Oslo
Outokumpo Oyj	Materials	2 295 354	179 762	EUR	174 507	-5 255	2,04 %	0,55 %	Helsinki
Bonheur ASA	Energy	1 940 076	169 301	NOK	174 122	4 820	2,04 %	4,56 %	Oslo
Lundin Petroleum AB	Energy	800 000	106 314	SEK	150 180	43 866	1,76 %	0,24 %	Stockholm
APMoller - Maersk A/S	Industrials	10 000	148 445	DKK	143 001	-5 444	1,67 %	0,10 %	København
Wilh. Wilhelmsen Holding ASA	Industrials	512 647	36 664	NOK	126 880	90 216	1,49 %	1,48 %	Oslo
Thermo Fisher Scientific Inc	Health care	80 000	126 646	USD	124 206	-2 440	1,45 %	0,02 %	New York
Flex LNG Ltd	Energy	8 770 000	104 873	NOK	113 572	8 699	1,33 %	2,38 %	Oslo
Northern Drilling Ltd	Energy	1 694 000	77 847	NOK	107 569	29 722	1,26 %	3,68 %	Unotert
Borr Drilling Ltd	Energy	2 997 764	90 503	NOK	103 723	13 220	1,21 %	0,63 %	Oslo
SAPSE	Information technology	109 000	56 182	EUR	100 052	43 871	1,17 %	0,01 %	Frankfurt
Gazprom Oao ADR	Energy	2 695 000	110 160	USD	97 179	-12 982	1,14 %	0,02 %	Euroclear
ABB Ltd	Industrials	425 000	56 090	SEK	93 590	37 500	1,10 %	0,02 %	Stockholm
Swatch Group AG	Consumer discretionary	28 000	76 573	CHF	93 393	16 820	1,09 %	0,09 %	Zürich
Fujitec Co Ltd	Industrials	790 000	76 280	JPY	93 325	17 045	1,09 %	0,84 %	Tokyo
Golar LNG Ltd	Industrials	360 000	86 502	USD	87 748	1 246	1,03 %	0,36 %	NASDAQ
Holmen AB	Materials	133 610	54 932	SEK	58 231	3 299	0,68 %	0,22 %	Stockholm
Hitec Vision AS	Financials	792 668	7 191	NOK	49 145	41 955	0,58 %	4,18 %	Unotert
AG Anadolu Grubu Holding AS	Consumer staples	654 669	22 383	TRY	33 448	11 065	0,39 %	0,41 %	Istanbul
<b>Total securities portfolio <sup>1)</sup></b>			<b>6 590 467</b>		<b>8 447 463</b>	<b>1 856 995</b>	<b>98,93 %</b>		

<sup>1)</sup> For liquidity in the portfolio as of 31.12.2017, 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 31.12.2017 (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
Citigroup Inc	Financials	2 508 828	660 670	USD	1 526 426	865 755	5,53 %	0,09 %	New York
Microsoft Corp	Information technology	2 111 570	505 990	USD	1 476 890	970 900	5,35 %	0,03 %	NASDAQ
CK Hutchison Holdings Ltd	Industrials	13 987 098	1 275 120	HKD	1 435 527	160 407	5,20 %	0,36 %	Hong Kong
3M Co	Industrials	679 340	972 796	USD	1 307 410	334 614	4,73 %	0,11 %	New York
Unilever NV-Cva	Consumer staples	2 403 374	821 165	EUR	1 108 473	287 308	4,01 %	0,14 %	Amsterdam
Samsung Electronics Co Ltd Pref	Information technology	67 273	163 408	KRW	1 076 213	912 805	3,90 %	0,37 %	Seoul
Hiscox Ltd	Financials	6 379 869	805 265	GBP	1 033 485	228 221	3,74 %	2,22 %	London
Beazley PLC	Financials	15 423 182	792 543	GBP	912 164	119 621	3,30 %	2,93 %	London
NN Group NV	Financials	2 338 636	513 884	EUR	829 722	315 837	3,00 %	0,69 %	Amsterdam
Intercontinental Exchange Inc	Financials	1 436 581	845 065	USD	828 824	-16 241	3,00 %	0,25 %	New York
Medtronic Plc	Health care	1 201 846	799 391	USD	793 533	-5 858	2,87 %	0,09 %	New York
China Mobile Ltd	Telecom	9 542 990	903 338	HKD	791 222	-112 116	2,86 %	0,05 %	Hong Kong
Carlsberg AS-B	Consumer staples	787 337	544 224	DKK	773 798	229 574	2,80 %	0,66 %	København
Marsh & McLennan Cos Inc	Financials	1 147 317	734 795	USD	763 533	28 738	2,76 %	0,22 %	New York
Waters Corp	Health care	457 137	662 085	USD	722 112	60 027	2,61 %	0,57 %	New York
Novo Nordisk A/S-B	Health care	1 511 107	473 884	DKK	666 810	192 926	2,41 %	0,08 %	København
Henkel AG & Co	Consumer staples	524 705	625 949	EUR	568 735	-57 214	2,06 %	0,29 %	Xetra
Deutsche Wohnen SE	Real Estate	1 580 350	520 997	EUR	565 968	44 972	2,05 %	0,45 %	Frankfurt
Cappemini SA	Information technology	579 919	394 550	EUR	563 303	168 753	2,04 %	0,34 %	Paris
Red Electrica Corp SA	Utilities	2 977 730	489 813	EUR	547 244	57 432	1,98 %	0,55 %	Madrid
Chubb Ltd	Financials	450 350	532 741	USD	538 100	5 359	1,95 %	0,10 %	New York
Comcast Corp	Consumer discretionary	1 635 719	374 822	USD	535 655	160 832	1,94 %	0,04 %	NASDAQ
Alphabet Inc Class C	Information technology	62 261	315 261	USD	532 706	217 445	1,93 %	0,02 %	NASDAQ
DSV AS	Industrials	796 239	505 646	DKK	513 225	7 578	1,86 %	0,42 %	København
Ageas	Financials	1 030 112	388 500	EUR	411 966	23 465	1,49 %	0,49 %	Brussel
SAP SE	Information technology	440 300	417 752	EUR	404 157	-13 595	1,46 %	0,04 %	Frankfurt
Mayr-Melnhof Karton AG	Materials	329 433	169 928	EUR	396 392	226 465	1,43 %	1,65 %	Wien
Cms Energy Corp	Utilities	983 635	346 014	USD	380 425	34 410	1,38 %	0,35 %	New York
Baidu Inc ADR	Information technology	197 310	287 810	USD	377 858	90 047	1,37 %	0,07 %	NASDAQ
Autoliv Inc SDR	Industrials	351 284	281 345	SEK	367 647	86 303	1,33 %	0,40 %	Stockholm
Autoliv Inc	Industrials	329 677	263 811	USD	342 562	78 751	1,24 %	0,38 %	New York
Relx Plc	Industrials	1 741 887	320 865	GBP	335 175	14 310	1,21 %	0,16 %	London
Relx NV	Industrials	1 780 248	317 978	EUR	335 129	17 150	1,21 %	0,18 %	Amsterdam
Irsa Sa ADR	Real Estate	1 351 774	112 599	USD	327 167	214 567	1,18 %	2,34 %	New York
Koninklijke Philips NV	Health care	987 856	234 862	EUR	306 039	71 178	1,11 %	0,10 %	Amsterdam
Columbia Property Trust Inc	Real Estate	1 567 080	274 714	USD	294 068	19 354	1,06 %	1,31 %	New York
Koninklijke DSM NV	Materials	370 804	180 464	EUR	290 176	109 712	1,05 %	0,20 %	Amsterdam
Sony Corp Sponsored ADR	Consumer discretionary	779 981	183 736	USD	286 673	102 937	1,04 %	0,06 %	New York
Schindler Holding AG	Industrials	150 708	259 410	CHF	283 722	24 312	1,03 %	0,37 %	Zürich
China Mobile Ltd ADR	Telecom	626 528	301 402	USD	258 910	-42 492	0,94 %	0,02 %	New York
Dollar General Corp	Consumer discretionary	328 644	199 579	USD	249 936	50 357	0,90 %	0,12 %	New York
Skechers USA Inc	Consumer discretionary	771 582	174 320	USD	238 730	64 409	0,86 %	0,58 %	New York
Thyssenkrupp AG	Materials	999 100	222 451	EUR	237 638	15 186	0,86 %	0,16 %	Frankfurt
Hyundai Motor Co Pref (2pb)	Consumer discretionary	276 662	196 198	KRW	216 004	19 805	0,78 %	0,74 %	Seoul
CK Asset Holdings Ltd	Real Estate	2 231 000	148 039	HKD	159 417	11 378	0,58 %	0,06 %	Hong Kong
Hyundai Motor Co Pref (1p)	Consumer discretionary	201 435	137 849	KRW	144 473	6 624	0,52 %	0,80 %	Seoul
Golar LNG Ltd	Industrials	592 543	131 060	USD	144 429	13 369	0,52 %	0,59 %	NASDAQ
Sony Corp	Consumer discretionary	307 856	69 652	JPY	113 619	43 967	0,41 %	0,02 %	Tokyo
Lundin Petroleum AB	Energy	518 272	66 404	SEK	97 293	30 889	0,35 %	0,15 %	Stockholm
Schindler Holding AG Registered share	Industrials	7 501	12 960	CHF	13 882	922	0,05 %	0,01 %	Zürich
<b>Total securities portfolio <sup>1)</sup></b>			<b>20 933 106</b>		<b>27 424 563</b>	<b>6 491 457</b>	<b>99,27 %</b>		

<sup>1)</sup> For liquidity in the portfolio as of 31.12.2017, 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 31.12.2017 (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	86 664	683 886	KRW	1 386 424	702 538	4,92 %	0,47 %	Seoul
Naspers Ltd	Consumer discretionary	573 499	247 294	ZAR	1 307 819	1 060 525	4,64 %	0,13 %	Johannesburg
Haci Omer Sabanci Holding AS	Financials	50 218 523	1 095 998	TRY	1 203 850	107 852	4,27 %	2,46 %	Istanbul
Mahindra & Mahindra Ltd GDR	Consumer discretionary	5 891 382	137 489	USD	1 122 397	984 908	3,98 %	0,95 %	Euroclear
Hyundai Motor Co Pref (2pb)	Consumer discretionary	1 370 000	232 005	KRW	1 069 626	837 621	3,80 %	3,64 %	Seoul
LG Electronics Inc Pref	Consumer discretionary	2 820 152	764 275	KRW	1 014 569	250 294	3,60 %	16,41 %	Seoul
Golar LNG Ltd	Industrials	4 100 000	1 046 049	USD	999 354	-46 695	3,55 %	4,06 %	NASDAQ
X5 Retail Group NV GDR	Consumer staples	3 199 168	324 819	USD	988 001	663 183	3,51 %	1,18 %	Euroclear
Cia Brasileira de Distribuicao - Pref	Consumer staples	4 600 000	706 310	BRL	898 618	192 308	3,19 %	2,76 %	Sao Paulo
Gree Electric Appliances Inc of Zhuhai	Consumer staples	15 719 914	751 270	CNY	863 509	112 239	3,06 %	0,26 %	Hong Kong
Cosan Ltd	Consumer staples	10 846 230	606 573	USD	860 249	253 676	3,05 %	6,44 %	New York
Hyundai Motor Co Pref (1p)	Consumer discretionary	1 149 300	185 097	KRW	824 298	639 201	2,92 %	4,58 %	Seoul
Banco Do Estado Rio Grande Do Sul SA Pref	Financials	22 085 900	517 040	BRL	814 473	297 433	2,89 %	11,02 %	Sao Paulo
State Bank of India	Financials	19 525 000	445 073	INR	774 760	329 687	2,75 %	0,23 %	National India
Richter Gedeon Nyrt	Health care	3 524 562	383 789	HUF	756 516	372 727	2,68 %	1,89 %	Budapest
Borr Drilling Ltd	Energy	21 250 000	563 267	NOK	735 250	171 983	2,61 %	4,44 %	Oslo
Kinnevik AB-B	Financials	2 322 146	395 164	SEK	643 674	248 509	2,28 %	0,99 %	Stockholm
Great Wall Motor Co Ltd	Consumer discretionary	67 200 000	70 908	HKD	629 227	558 319	2,23 %	2,17 %	Hong Kong
Ericsson LM-B SHS	Information technology	11 000 000	607 486	SEK	592 113	-15 373	2,10 %	0,36 %	Stockholm
AG Anadolu Grubu Holding AS	Consumer staples	10 837 139	313 127	TRY	553 690	240 563	1,96 %	6,77 %	Istanbul
Cia Cervecias Unidas SAADR	Consumer staples	2 193 449	387 122	USD	530 517	143 395	1,88 %	1,19 %	New York
China Unicom Hong Kong Ltd	Telecom	45 828 000	554 482	HKD	506 302	-48 180	1,80 %	0,15 %	Hong Kong
LG Chem Ltd Pref	Materials	259 179	179 108	KRW	493 981	314 873	1,75 %	3,37 %	Seoul
Tullow Oil Plc	Energy	20 626 650	1 014 254	GBP	471 531	-542 722	1,67 %	1,49 %	London
Samsung SDI Co Ltd	Information technology	300 000	215 097	KRW	469 597	254 501	1,67 %	0,44 %	Seoul
Bolloré SA	Industrials	10 180 233	277 969	EUR	452 779	174 810	1,61 %	0,35 %	Paris
Samsung Electronics Co Ltd Pref GDR	Information technology	55 409	54 595	USD	446 715	392 120	1,58 %	0,15 %	Euroclear
Marfrig Global Foods SA	Consumer staples	24 395 800	395 849	BRL	441 979	46 130	1,57 %	3,93 %	Sao Paulo
Vietnam Enterprise Investments Ltd	Financials	9 000 000	257 177	GBP	439 668	182 490	1,56 %	4,09 %	Dublin
Korean Reinsurance Co	Financials	4 860 366	182 711	KRW	409 235	226 524	1,45 %	4,04 %	Seoul
Bangkok Bank Public Co-Nvdr	Financials	7 180 000	319 338	THB	363 895	44 557	1,29 %	0,38 %	Bangkok
JSELtd	Financials	3 514 971	136 477	ZAR	357 323	220 846	1,27 %	4,05 %	Johannesburg
Indosat Tbk Pt	Telecom	123 010 850	341 628	IDR	355 452	13 825	1,26 %	2,26 %	Indonesia
Enka Insaat Ve Sanayi AS	Industrials	26 555 815	218 014	TRY	345 208	127 194	1,22 %	0,58 %	Istanbul
UPL Ltd	Materials	3 385 650	70 111	INR	330 636	260 525	1,17 %	0,67 %	National India
Hollysys Automation Technologies Ltd	Information technology	1 751 648	321 252	USD	318 963	-2 289	1,13 %	2,90 %	New York
Rumo SA	Industrials	9 779 958	158 334	BRL	313 944	155 610	1,11 %	0,63 %	Sao Paulo
LG Corp Pref	Industrials	808 430	118 669	KRW	307 546	188 877	1,09 %	24,39 %	Seoul
China Shineway Pharmaceutical	Health care	36 934 000	280 824	HKD	281 688	864	1,00 %	4,47 %	Hong Kong
East African Breweries Ltd	Consumer staples	13 772 849	237 291	KES	259 613	22 322	0,92 %	1,74 %	Nairobi
Bangkok Bank PCL-Foreign Reg	Financials	4 407 600	183 217	THB	242 185	58 968	0,86 %	0,23 %	Bangkok
Lenta Ltd GDR	Consumer staples	4 474 814	222 335	USD	212 947	-9 388	0,76 %	0,92 %	Euroclear
Ghana Commercial Bank Ltd	Financials	18 001 604	90 783	GHS	164 035	73 252	0,58 %	6,79 %	Ghana
Vina Capital Vietnam Opportunity Fund Ltd	Financials	4 392 100	92 364	GBP	161 226	68 862	0,57 %	2,22 %	London
Atlantic Sapphire AS	Consumer staples	462 809	129 587	NOK	129 587	-	0,46 %	10,00 %	Oslo
China Unicom Hong Kong Ltd ADR	Telecom	1 111 678	136 167	USD	122 984	-13 182	0,44 %	0,04 %	New York
Telefonaktiebolaget LM Ericsson ADR	Information technology	2 000 000	121 481	USD	109 240	-12 242	0,39 %	0,07 %	New York
Eczacıbası Yatırım Holding	Health care	4 450 203	35 324	TRY	104 763	69 438	0,37 %	4,24 %	Istanbul
Eis Eczacıbası İlaç ve Sınai	Health care	8 740 882	48 056	TRY	83 099	35 044	0,29 %	1,28 %	Istanbul
Mahindra & Mahindra Ltd	Consumer discretionary	330 244	13 384	INR	31 760	18 376	0,11 %	0,03 %	National India
Hyundai Motor Co GDR	Consumer discretionary	33 510	10 090	USD	12 029	1 939	0,04 %	0,07 %	Euroclear
<b>Total securities portfolio <sup>3)</sup></b>			<b>16 880 008</b>		<b>27 308 844</b>	<b>10 428 835</b>	<b>96,90 %</b>		

<sup>3)</sup> For liquidity in the portfolio as of 31.12.2017, 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 31.12.2017 (in 1,000 NOK)

Security	Sector <sup>2)</sup>	Number of shares	Acquisition value NOK	Currency	Market value NOK	Unrealised gain/loss	Share of fund	Share in company/ share class	Stock exchange
CatenaAB	Property companies incl. REITS	561 194	69 619	SEK	87 231	17 612	6,93 %	1,50 %	Stockholm
DCarnegie & CoAB	Property companies incl. REITS	617 345	49 837	SEK	75 440	25 603	5,99 %	0,84 %	Stockholm
DeutscheWohnenSE	Property companies incl. REITS	206 000	52 225	EUR	73 774	21 549	5,86 %	0,06 %	Frankfurt
MitsuiFudosanCoLtd	Property companies incl. REITS	378 000	73 578	JPY	69 301	-4 277	5,51 %	0,04 %	Tokyo
InmobiliariaColonialSA	Property companies incl. REITS	786 374	46 220	EUR	63 979	17 759	5,08 %	0,18 %	Madrid
OlavThonRealEstatesselskapASA	Property companies incl. REITS	310 000	41 401	NOK	50 530	9 129	4,02 %	0,29 %	Oslo
GlobalLogisticPropertiesLtd	Property companies incl. REITS	2 312 700	31 930	SGD	47 700	15 770	3,79 %	0,05 %	Singapore
CAImmobilienAnlagenAG	Property companies incl. REITS	188 083	30 800	EUR	47 673	16 873	3,79 %	0,19 %	Wien
CKAssetHoldingsLtd	Property companies incl. REITS	666 000	43 856	HKD	47 589	3 733	3,78 %	0,02 %	Hong Kong
IrsaSaADR	Property companies incl. REITS	196 011	24 867	USD	47 440	22 573	3,77 %	0,34 %	New York
BUWOGAG	Property companies incl. REITS	166 925	37 940	EUR	47 139	9 199	3,75 %	0,15 %	Wien
SunHungKaiProperties	Property companies incl. REITS	330 000	41 994	HKD	45 020	3 026	3,58 %	0,01 %	Hong Kong
DicAssetAG	Property companies incl. REITS	428 358	30 977	EUR	44 305	13 328	3,52 %	0,62 %	Xetra
CapitalLandLtd	Property companies incl. REITS	1 850 000	37 571	SGD	39 968	2 397	3,18 %	0,04 %	Singapore
ImmofinanzAG	Property companies incl. REITS	1 613 752	25 011	EUR	34 032	9 021	2,70 %	0,14 %	Wien
SelfStorageGroupASA	Property companies incl. REITS	1 984 965	29 966	NOK	33 347	3 381	2,65 %	3,12 %	Oslo
AtriumLjungbergAB	Property companies incl. REITS	255 291	30 659	SEK	33 251	2 592	2,64 %	0,20 %	Stockholm
MeliaHotelsInternational	Property companies incl. REITS	272 000	26 976	EUR	30 725	3 748	2,44 %	0,12 %	Madrid
ColumbiaPropertyTrustInc	Property companies incl. REITS	162 137	27 157	USD	30 426	3 268	2,42 %	0,14 %	New York
SekisuiHouseLtd	Property companies incl. REITS	197 000	26 829	JPY	29 115	2 286	2,31 %	0,03 %	Tokyo
FarEastConsortiumInternationalLtd	Property companies incl. REITS	5 889 000	27 067	HKD	28 957	1 890	2,30 %	0,26 %	Hong Kong
PhoenixMillsLtd	Property companies incl. REITS	355 160	13 637	INR	28 511	14 874	2,27 %	0,23 %	National India
MRVEngenharia	Property companies incl. REITS	735 500	24 238	BRL	27 378	3 141	2,18 %	0,17 %	Sao Paulo
Shangri-LaAsiaLtd	Property companies incl. REITS	1 425 000	16 562	HKD	26 447	9 885	2,10 %	0,04 %	Hong Kong
SLGreenRealtyCorp	Property companies incl. REITS	31 562	27 442	USD	26 047	-1 395	2,07 %	0,03 %	New York
EntraASA	Property companies incl. REITS	198 279	20 112	NOK	24 190	4 078	1,92 %	0,11 %	Oslo
AscendasIndiaTrust	Property companies incl. REITS	3 357 000	17 920	SGD	23 627	5 707	1,88 %	0,36 %	Singapore
SMPrimeHoldingsInc	Property companies incl. REITS	3 543 400	10 851	PHP	21 752	10 901	1,73 %	0,01 %	Philippines
KeckSengInvestments	Property companies incl. REITS	1 994 000	14 690	HKD	14 603	-87	1,16 %	0,59 %	Hong Kong
SohoChinaLtd	Property companies incl. REITS	2 568 500	11 630	HKD	12 280	651	0,98 %	0,05 %	Hong Kong
OberoRealtyLtd	Property companies incl. REITS	187 210	5 892	INR	11 535	5 643	0,92 %	0,06 %	National India
<b>Total securities portfolio <sup>1)</sup></b>			<b>969 454</b>		<b>1 223 315</b>	<b>253 861</b>	<b>97,21 %</b>		

<sup>1)</sup> For liquidity in the portfolio as of 31.12.2017, 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 m<sup>2</sup> the FIFO principle is applied when calculating the realised capital gain/loss when selling securities.

# SKAGEN Focus

## Note 6. Securities portfolio as of 31.12.2017 (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
SBIHoldingsInc	Financials	994 200	126 791	JPY	170 072	43 281	6,80 %	0,44 %	Tokyo
AmericanInternationalGroupInc	Financials	304 612	156 614	USD	148 396	-8 219	5,93 %	0,03 %	New York
ChinaTelecomCorpLtd	Telecom	25 985 600	111 831	HKD	101 132	-10 699	4,04 %	0,19 %	Hong Kong
BankofKyotoLtd	Financials	226 600	81 476	JPY	96 579	15 103	3,86 %	0,30 %	Tokyo
JbsSA	Consumer staples	3 845 200	88 375	BRL	93 360	4 986	3,73 %	0,14 %	Sao Paulo
Andeavor	Energy	97 600	71 430	USD	91 248	19 818	3,65 %	0,06 %	New York
FilaKoreaLtd	Consumer discretionary	144 500	84 890	KRW	90 255	5 364	3,61 %	1,18 %	Seoul
SoftbankGroupCorp	Telecom	138 500	73 159	JPY	89 701	16 543	3,59 %	0,01 %	Tokyo
GoldFieldsLtd	Materials	2 494 900	73 684	ZAR	89 191	15 507	3,57 %	0,30 %	Johannesburg
TelecomItaliaSpa	Telecom	11 621 400	81 509	EUR	82 246	737	3,29 %	0,08 %	Brsaltaliana
Helmerich&PayneInc	Energy	154 600	70 572	USD	81 712	11 140	3,27 %	0,14 %	New York
SynchronyFinancial	Financials	249 172	64 983	USD	78 663	13 681	3,14 %	0,03 %	New York
SchaefflerAG	Industrials	524 370	64 895	EUR	76 152	11 257	3,04 %	0,32 %	Frankfurt
AryztaAG	Consumer staples	231 107	70 847	CHF	74 970	4 123	3,00 %	0,25 %	Zürich
X-FabSiliconFoundriesSE	Information technology	786 648	59 554	EUR	74 178	14 624	2,97 %	0,60 %	Brussel
BrighthouseFinancialsInc	Financials	153 500	71 867	USD	73 600	1 733	2,94 %	0,13 %	NASDAQ
SaoMartinhoSA	Consumer staples	1 510 000	68 096	BRL	72 129	4 032	2,88 %	0,41 %	Sao Paulo
CITGroupInc	Financials	177 450	63 842	USD	71 430	7 588	2,86 %	0,14 %	New York
HyundaiMotorCoPref(2pb)	Consumer discretionary	87 790	69 987	KRW	68 542	-1 445	2,74 %	0,23 %	Seoul
TevaPharmaceutical-SpADR	Health care	441 000	140 716	USD	68 332	-72 384	2,73 %	0,04 %	New York
GestampAutomocionSA	Consumer discretionary	1 116 500	56 649	EUR	65 318	8 669	2,61 %	0,19 %	Madrid
UniCreditSpA	Financials	417 400	57 994	EUR	63 877	5 883	2,55 %	0,02 %	Brsaltaliana
RenaultSA	Consumer discretionary	74 000	61 012	EUR	60 991	-21	2,44 %	0,03 %	Paris
CarlsbergAS-B	Consumer staples	57 300	45 380	DKK	56 315	10 934	2,25 %	0,05 %	København
HanilCementCoLtd	Materials	44 540	44 087	KRW	48 753	4 665	1,95 %	0,59 %	Seoul
Tachi-SCoLtd	Consumer discretionary	320 000	48 061	JPY	47 933	-128	1,92 %	0,88 %	Tokyo
WhitingPetroleumCorp	Energy	219 150	63 573	USD	47 450	-16 123	1,90 %	0,24 %	New York
MagforceAG	Health care	672 154	32 822	EUR	43 522	10 700	1,74 %	2,55 %	Xetra
TelecomItaliaRsp	Telecom	6 810 000	39 370	EUR	39 867	497	1,59 %	0,11 %	Brsaltaliana
StockSpiritsGroupPlc	Consumer staples	1 012 381	18 704	GBP	30 105	11 401	1,20 %	0,51 %	London
TeikokuSen-I CoLtd	Industrials	182 400	26 920	JPY	29 970	3 051	1,20 %	0,67 %	Tokyo
MassimoZanettiBeverageGroupSpA	Consumer staples	348 984	26 645	EUR	25 366	-1 278	1,01 %	1,02 %	Brsaltaliana
AsiaCementCoLtd	Materials	23 002	14 514	KRW	19 367	4 854	0,77 %	0,70 %	Seoul
TaiheiyoCementCorp	Materials	40 430	12 173	JPY	14 281	2 108	0,57 %	0,03 %	Tokyo
HeidelbergerDruckmaschinenAG	Industrials	424 964	11 888	EUR	12 001	112	0,48 %	0,15 %	Xetra
AsiaCementCoLtdRights	Materials	3 351	-	KRW	180	180	0,01 %	0,10 %	Seoul
<b>Total securities portfolio <sup>1)</sup></b>			<b>2 254 909</b>		<b>2 397 184</b>	<b>142 275</b>	<b>95,84 %</b>		

<sup>1)</sup> For liquidity in the portfolio as of 31.12.2017, 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 Insight

## Note 6. Securities portfolio as of 31.12.2017 (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
ThyssenkruppAG	Materials	36 651	8 389	EUR	8 718	329	5,79 %	0,01 %	Frankfurt
Seven&iHoldingsCoLtd	Consumer staples	22 976	7 904	JPY	7 812	-91	5,19 %	0,00 %	Tokyo
MondelezInternationalInc	Consumer staples	22 154	7 920	USD	7 753	-167	5,15 %	0,00 %	NASDAQ
AmericanInternationalGroupInc	Financials	14 428	7 168	USD	7 029	-139	4,67 %	0,00 %	New York
Dai-ichiLifeHoldingsInc	Financials	37 140	6 283	JPY	6 267	-16	4,16 %	0,00 %	Tokyo
EricssonLM-BSHS	Information technology	116 355	6 138	SEK	6 263	125	4,16 %	0,00 %	Stockholm
RexelSA	Industrials	42 152	6 273	EUR	6 260	-12	4,16 %	0,01 %	Paris
DieboldNixdorfInc	Information technology	46 675	7 019	USD	6 240	-779	4,14 %	0,05 %	New York
PerrigoCoPLC	Health care	8 659	6 114	USD	6 171	57	4,10 %	0,01 %	New York
NHHHotelGroupSA	Consumer discretionary	94 972	5 591	EUR	5 597	6	3,72 %	0,03 %	Madrid
ConduentInc	Information technology	41 705	5 385	USD	5 511	125	3,66 %	0,02 %	New York
CognizantTechnologySolutionsCorp	Information technology	9 389	5 567	USD	5 452	-115	3,62 %	0,00 %	NASDAQ
BilfingerSE	Industrials	12 111	4 502	EUR	4 707	205	3,13 %	0,03 %	Frankfurt
ABB Ltd	Industrials	21 462	4 592	CHF	4 705	113	3,12 %	0,00 %	Zürich
CBREGroupInc	Real Estate	13 183	4 701	USD	4 668	-32	3,10 %	0,00 %	New York
ArmstrongFlooringInc	Industrials	33 359	4 633	USD	4 615	-18	3,06 %	0,13 %	New York
EltelAB	Industrials	141 782	3 853	SEK	4 110	257	2,73 %	0,09 %	Stockholm
GeneralElectricCo	Industrials	27 511	4 078	USD	3 925	-153	2,61 %	0,00 %	New York
SyscoCorp	Consumer staples	7 860	3 895	USD	3 903	8	2,59 %	0,00 %	New York
GeneralMotorsCo	Consumer discretionary	11 560	3 992	USD	3 874	-118	2,57 %	0,00 %	New York
TeikokuSen-ICoLtd	Industrials	23 475	3 805	JPY	3 857	52	2,56 %	0,09 %	Tokyo
GSHomeShoppingInc	Consumer discretionary	2 208	3 640	KRW	3 664	25	2,43 %	0,03 %	Seoul
dormakabaHoldingAG	Industrials	414	3 165	CHF	3 153	-12	2,09 %	0,01 %	Zürich
BHPBillitonLtd	Materials	16 650	2 908	AUD	3 150	241	2,09 %	0,00 %	Sydney
MaxellHoldingsLtd	Information technology	17 953	3 175	JPY	3 138	-38	2,08 %	0,03 %	Tokyo
E.ONSE	Utilities	35 154	3 279	EUR	3 129	-151	2,08 %	0,00 %	Frankfurt
StewartInformationServicesCorp	Financials	8 984	3 051	USD	3 107	57	2,06 %	0,04 %	New York
TerexCorp	Industrials	5 903	2 268	USD	2 327	60	1,55 %	0,01 %	New York
HertzGlobalHoldingsInc	Industrials	12 849	2 239	USD	2 322	83	1,54 %	0,02 %	New York
ImmofinanzAG	Real Estate	76 337	1 533	EUR	1 610	77	1,07 %	0,01 %	Wien
StockSpiritsGroupPlc	Consumer staples	53 427	1 574	GBP	1 589	15	1,05 %	0,03 %	London
IlukaResourcesLtd	Materials	24 109	1 441	AUD	1 569	128	1,04 %	0,01 %	Sydney
MorganStanley	Financials	3 644	1 580	USD	1 563	-16	1,04 %	0,00 %	New York
DeckersOutdoorCorp	Consumer discretionary	2 379	1 494	USD	1 561	67	1,04 %	0,01 %	New York
BaxterInternationalInc	Health care	2 950	1 575	USD	1 559	-16	1,04 %	0,00 %	New York
DepomedInc	Health care	11 087	697	USD	730	33	0,48 %	0,02 %	New York
<b>Total securities portfolio<sup>1)</sup></b>			<b>151 419</b>		<b>151 609</b>	<b>190</b>	<b>100,67 %</b>		

<sup>1)</sup> For liquidity in the portfolio as of 31.12.2017, please refer to the balance sheet.

### Allocation of the acquisition cost:

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

# SKAGEN Select 100

Note 6. Securities portfolio as of 31.12.2017 (in 1,000 NOK)

Security	Sector	Acquisition value NOK	Currency	Market value NOK	Unrealised gain/loss	Share of fund	Stock exchange
<b>Equity fund</b>							
SKAGEN Vekst A	10 721	24 941	NOK	26 281	1 339	16,93 %	2)
SKAGEN Global A	14 583	23 516	NOK	24 630	1 113	15,86 %	2)
SKAGEN Focus A	195 401	22 659	NOK	24 590	1 932	15,84 %	2)
SKAGEN Kon-Tiki A	15 978	13 637	NOK	14 680	1 042	9,45 %	2)
SKAGEN M2 A	59 494	10 897	NOK	11 788	891	7,59 %	2)
Kennox Strat Value - A Acc	642 046	9 958	GBP	10 304	345	6,64 %	3)
Lindsell Train Global Equity Fund	777 732	9 409	USD	10 257	849	6,61 %	3)
Somerset Global Emerging Markets Screened Fund	726 823	8 266	GBP	8 835	570	5,69 %	3)
Ashmore SICAV - Emerging Markets Frontier Equity Fund	7 579	6 936	USD	7 370	433	4,75 %	3)
LGT Sustainable Equity Global Sub-Fund	789	6 937	USD	7 321	384	4,72 %	3)
<b>Total equity fund</b>		<b>137 157</b>		<b>146 056</b>	<b>8 898</b>	<b>94,07 %</b>	
<b>Total securities portfolio <sup>1)</sup></b>		<b>137 157</b>		<b>146 056</b>	<b>8 898</b>	<b>94,07 %</b>	

<sup>1)</sup> For liquidity in the portfolio as of 31.12.2017, please refer to the balance sheet.

<sup>2)</sup> The fund is not listed on the stock exchange, but is priced on all Norwegian bank days by the fund management company SKAGEN AS. The prices are available on the website [www.skagenfondene.no](http://www.skagenfondene.no) and are published in relevant newspapers.

<sup>3)</sup> The fund is not listed on the stock exchange, but is priced daily by the fund's administrator. The prices are available via public pricing sources, such as Bloomberg.

**Allocation of the acquisition cost:**

For SKAGEN Select 100 the FIFO principle is applied when calculating the realised capital gain/loss when selling securities.

# SKAGEN Select 80

## Note 6. Securities portfolio as of 31.12.2017 (in 1,000 NOK)

Security	Number of shares	Acquisition value NOK	Currency	Market value NOK	Unrealised gain/loss	Share of fund	Stock exchange
<b>Equity fund</b>							
SKAGEN VekstA	4 681	10 864	NOK	11 474	610	15,88 %	2)
SKAGEN FocusA	67 989	7 799	NOK	8 556	757	11,84 %	2)
SKAGEN GlobalA	4 976	7 956	NOK	8 405	449	11,63 %	2)
SKAGEN Kon-TikiA	5 684	4 817	NOK	5 222	405	7,23 %	2)
Kennox Strat Value-AAcc	266 200	4 114	GBP	4 272	158	5,91 %	3)
Lindsell Train Global Equity Fund	303 502	3 610	USD	4 003	392	5,54 %	3)
LGTSustainable Equity Global Sub-Fund	377	3 298	USD	3 497	199	4,84 %	3)
Somerset Global Emerging Markets Screened Fund	242 473	2 755	GBP	2 948	193	4,08 %	3)
Ashmore SICAV - Emerging Markets Frontier Equity Fund	2 810	2 552	USD	2 732	180	3,78 %	3)
SKAGEN M2A	13 153	2 402	NOK	2 606	205	3,61 %	2)
<b>Total equity fund</b>		<b>50 166</b>		<b>53 715</b>	<b>3 548</b>	<b>74,32 %</b>	
<b>Fixed income fund</b>							
SKAGEN Høyrente	71 432	7 212	NOK	7 209	-4	9,97 %	2)
SKAGEN Avkastning	34 619	4 795	NOK	4 801	6	6,64 %	2)
<b>Total fixed income fund</b>		<b>12 007</b>		<b>12 009</b>	<b>2</b>	<b>16,62 %</b>	
<b>Total securities portfolio <sup>1)</sup></b>		<b>62 174</b>		<b>65 724</b>	<b>3 550</b>	<b>90,94 %</b>	

<sup>1)</sup> For liquidity in the portfolio as of 31.12.2017, please refer to the balance sheet.

<sup>2)</sup> The fund is not listed on the stock exchange, but is priced on all Norwegian bank days by the fund management company SKAGEN AS. The prices are available on the website [www.skagenfondene.no](http://www.skagenfondene.no) and are published in relevant newspapers.

<sup>3)</sup> The fund is not listed on the stock exchange, but is priced daily by the fund's administrator. The prices are available via public pricing sources, such as Bloomberg.

#### Allocation of the acquisition cost:

For SKAGEN Select 80 the FIFO principle is applied when calculating the realised capital gain/loss when selling securities.

# SKAGEN Select 60

## Note 6. Securities portfolio as of 31.12.2017 (in 1,000 NOK)

Security	Number of shares	Acquisition value NOK	Currency	Market value NOK	Unrealised gain/loss	Share of fund	Stock exchange
<b>Equity fund</b>							
SKAGEN VekstA	20 920	41 492	NOK	51 279	9 787	13,06 %	2)
SKAGEN GlobalA	21 176	31 754	NOK	35 765	4 011	9,11 %	2)
SKAGEN FocusA	277 110	34 757	NOK	34 873	117	8,88 %	2)
SKAGEN Kon-TikiA	27 034	19 864	NOK	24 837	4 972	6,33 %	2)
Kennox Strat Value-AAcc	1 214 657	19 365	GBP	19 493	128	4,96 %	3)
Lindsell Train Global Equity Fund	1 439 850	19 066	USD	18 990	-76	4,84 %	3)
LGTSustainable Equity Global Sub-Fund	1 648	15 384	USD	15 299	-86	3,90 %	3)
Somerset Global Emerging Markets Screened Fund	965 036	11 607	GBP	11 731	125	2,99 %	3)
SKAGEN M2A	59 163	11 588	NOK	11 722	134	2,99 %	2)
Ashmore SICAV - Emerging Markets Frontier Equity Fund	12 030	11 512	USD	11 698	186	2,98 %	3)
<b>Total equity fund</b>		<b>216 389</b>		<b>235 686</b>	<b>19 296</b>	<b>60,02 %</b>	
<b>Fixed income fund</b>							
SKAGEN Høyrente	607 846	61 364	NOK	61 340	-24	15,62 %	2)
SKAGEN Avkastning	436 997	60 724	NOK	60 598	-127	15,43 %	2)
Payden Absolute Return Bond Fund	300 470	30 358	NOK	30 378	19	7,74 %	3)
<b>Total fixed income fund</b>		<b>152 447</b>		<b>152 316</b>	<b>-132</b>	<b>38,79 %</b>	
<b>Total securities portfolio <sup>1)</sup></b>		<b>368 837</b>		<b>388 001</b>	<b>19 165</b>	<b>98,81 %</b>	

<sup>1)</sup> For liquidity in the portfolio as of 31.12.2017, please refer to the balance sheet.

<sup>2)</sup> The fund is not listed on the stock exchange, but is priced on all Norwegian bank days by the fund management company SKAGEN AS. The prices are available on the website [www.skagenfondene.no](http://www.skagenfondene.no) and are published in relevant newspapers.

<sup>3)</sup> The fund is not listed on the stock exchange, but is priced daily by the fund's administrator. The prices are available via public pricing sources, such as Bloomberg.

#### Allocation of the acquisition cost:

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

# SKAGEN Select 30

## Note 6. Securities portfolio as of 31.12.2017 (in 1,000 NOK)

Security	Number of shares	Acquisition value NOK	Currency	Market value NOK	Unrealised gain/loss	Share of fund	Stock exchange
<b>Equity fund</b>							
SKAGEN VekstA	639	1 501	NOK	1 565	64	6,32 %	2)
SKAGEN Kon-TikiA	1 475	1 277	NOK	1 355	78	5,47 %	2)
SKAGEN FocusA	8 996	1 066	NOK	1 132	66	4,57 %	2)
SKAGEN GlobalA	658	1 078	NOK	1 112	33	4,49 %	2)
Kennox StratValue-AAcc	56 116	880	GBP	901	20	3,63 %	3)
LGT Sustainable Equity Global Sub-Fund	72	649	USD	670	21	2,70 %	3)
<b>Total equity fund</b>		<b>6 451</b>		<b>6 735</b>	<b>284</b>	<b>27,17 %</b>	
<b>Fixed income fund</b>							
SKAGEN Høyrente	39 221	3 960	NOK	3 958	-2	15,97 %	2)
SKAGEN Avkastning	28 464	3 950	NOK	3 947	-3	15,92 %	2)
Payden Absolute Return Bond Fund	24 010	2 415	NOK	2 427	12	9,79 %	3)
Dimensional Funds - Global Short Fixed Income Fund	220 798	2 202	NOK	2 199	-3	8,87 %	3)
PGIM Global Corporate Bond Fund	178	1 960	NOK	1 992	31	8,04 %	3)
Templeton Global Bond Fund	82 405	883	NOK	871	-12	3,51 %	3)
<b>Total fixed income fund</b>		<b>15 371</b>		<b>15 394</b>	<b>24</b>	<b>62,11 %</b>	
<b>Total securities portfolio <sup>1)</sup></b>		<b>21 822</b>		<b>22 130</b>	<b>307</b>	<b>89,28 %</b>	

<sup>1)</sup> For liquidity in the portfolio as of 31.12.2017, please refer to the balance sheet.

<sup>2)</sup> The fund is not listed on the stock exchange, but is priced on all Norwegian bank days by the fund management company SKAGEN AS. The prices are available on the website [www.skagenfondene.no](http://www.skagenfondene.no) and are published in relevant newspapers.

<sup>3)</sup> The fund is not listed on the stock exchange, but is priced daily by the fund's administrator. The prices are available via public pricing sources, such as Bloomberg.

#### Allocation of the acquisition cost:

For SKAGEN Select 30 the FIFO principle is applied when calculating the realised capital gain/loss when selling securities.

# SKAGEN Select 15

## Note 6. Securities portfolio as of 31.12.2017 (in 1,000 NOK)

Security	Number of shares	Acquisition value NOK	Currency	Market value NOK	Unrealised gain/loss	Share of fund	Stock exchange
<b>Equity fund</b>							
SKAGEN Focus A	9 632	1 107	NOK	1 212	105	4,04 %	2)
SKAGEN Global A	629	1 006	NOK	1 063	57	3,55 %	2)
SKAGEN Vekst A	432	998	NOK	1 059	61	3,53 %	2)
SKAGEN Kon-Tiki A	961	817	NOK	883	66	2,95 %	2)
<b>Total equity fund</b>		<b>3 928</b>		<b>4 217</b>	<b>289</b>	<b>14,07 %</b>	
<b>Fixed income fund</b>							
SKAGEN Høyrente	50 489	5 098	NOK	5 095	-3	17,00 %	2)
SKAGEN Avkastning	36 195	5 016	NOK	5 019	3	16,75 %	2)
Payden Absolute Return Bond Fund	42 044	4 232	NOK	4 251	19	14,18 %	3)
Dimensional Funds - Global Short Fixed Income Fund	396 438	3 959	NOK	3 949	-11	13,18 %	3)
PGIM Global Corporate Bond Fund	330	3 641	NOK	3 696	55	12,33 %	3)
Templeton Global Bond Fund	185 586	1 989	NOK	1 962	-27	6,55 %	3)
<b>Total fixed income fund</b>		<b>23 935</b>		<b>23 971</b>	<b>36</b>	<b>79,99 %</b>	
<b>Total securities portfolio <sup>1)</sup></b>		<b>27 863</b>		<b>28 188</b>	<b>325</b>	<b>94,06 %</b>	

<sup>1)</sup> For liquidity in the portfolio as of 31.12.2017, please refer to the balance sheet.

<sup>2)</sup> The fund is not listed on the stock exchange, but is priced on all Norwegian bank days by the fund management company SKAGEN AS. The prices are available on the website [www.skagenfondene.no](http://www.skagenfondene.no) and are published in relevant newspapers.

<sup>3)</sup> The fund is not listed on the stock exchange, but is priced daily by the fund's administrator. The prices are available via public pricing sources, such as Bloomberg.

#### Allocation of the acquisition cost:

For SKAGEN Select 15 the FIFO principle is applied when calculating the realised capital gain/loss when selling securities.







# SKAGEN Tellus

## Note 6. Securities portfolio as of 31.12.2017 (in 1,000 NOK)

Security	Maturity	Coupon	Currency	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 NOK	Share of fund	Risk class <sup>4)</sup>
<b>FIXED RATE SECURITIES</b>													
<b>Government bonds</b>													
Norwegian Government	22.05.2019	4,50	NOK	78 000	84 108	0,42	1,33	2 144	82 372	84 517	-1 736	9,78 %	2
Portuguese Government	15.10.2025	2,87	EUR	7 000	66 651	1,44	7,00	417	75 813	76 230	9 162	8,82 %	2
Spanish Government	30.04.2025	1,60	EUR	6 000	55 241	0,89	6,86	633	61 642	62 275	6 401	7,21 %	2
New Zealand Government	17.04.2023	5,50	NZD	8 000	54 358	2,27	4,57	541	54 068	54 609	-290	6,32 %	3
Mexican Government	31.05.2029	8,50	MXN	120 000	62 162	7,90	7,06	190	53 268	53 458	-8895	6,19 %	3
Chilean Government	05.08.2020	5,50	CLP	3 710 000	45 904	3,53	2,33	1 100	51 751	52 851	5 847	6,12 %	3
Canadian Government	01.03.2018	1,25	CAD	8 000	49 891	1,07	0,17	218	52 240	52 458	2 349	6,07 %	3
US Government	31.05.2018	1,00	USD	6 000	49 323	1,47	0,41	42	48 966	49 008	-357	5,67 %	3
Peruvian Government	12.08.2037	6,90	PEN	15 000	37 158	5,94	10,63	1 001	42 433	43 433	5 275	5,03 %	3
Hellenic Republic Government	31.01.2033	3,90	EUR	4 085	31 695	4,48	11,03	111	37 687	37 798	5 991	4,38 %	2
Dominican Republic	27.01.2025	5,50	USD	4 000	33 704	4,58	5,61	770	34 632	35 402	928	4,10 %	3
Asian Development Bank	06.10.2026	6,20	INR	265 000	33 543	6,44	6,38	497	33 536	34 033	-7	3,94 %	3
UK Government	23.07.2018	1,25	GBP	3 000	30 766	0,32	0,56	183	33 365	33 548	2 599	3,88 %	2
US Government	31.03.2018	0,87	USD	4 000	31 901	1,42	0,25	72	32 666	32 739	765	3,79 %	3
Uruguay Government	20.06.2022	9,87	UYU	100 000	29 324	8,75	3,43	86	30 213	30 299	889	3,51 %	3
Dominican Republic	10.05.2024	11,50	DOP	150 000	28 449	8,69	4,36	411	29 250	29 660	801	3,43 %	3
Uruguay Government	15.03.2028	8,50	UYU	100 000	28 096	8,87	6,28	714	28 257	28 971	160	3,35 %	3
UK Government	07.03.2018	5,00	GBP	2 500	25 803	0,21	0,19	439	27 896	28 336	2 093	3,28 %	2
Slovenia Government	30.03.2026	5,12	EUR	1 000	11 933	0,49	6,93	381	13 472	13 852	1 538	1,60 %	2
Hellenic Republic Government	30.01.2037	4,00	EUR	994	7 638	4,58	12,84	28	9 063	9 091	1 425	1,05 %	2
<b>Total securities portfolio<sup>5)</sup></b>					<b>797 650</b>			<b>9 978</b>	<b>832 588</b>	<b>842 567</b>	<b>34 938</b>	<b>97,53 %</b>	
<b>Portfolio key figures</b>													
	<b>Class A</b>	<b>Class B</b>	<b>Class C</b>										
Yield	4,30 %	4,30 %	4,30 %										
Yield to clients <sup>1)</sup>	3,50 %	3,85 %	3,90 %										
Duration <sup>2)</sup>	4,41	4,41	4,41										

<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 31.12.2017, please refer to the balance sheet.

### Allocation of the acquisition cost:

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

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

Unit price as of 29.12.2017 Unit class A NOK 123,8962

Unit price as of 29.12.2017 Unit class B NOK 135,0602

Unit price as of 29.12.2017 Unit class C NOK 137,9256

Tnkr 29.207 is allocated for distribution to unit holders in unit class A,

Tnkr 2.216 is allocated for distribution to unit holders in unit class B and

Tnkr 3.910 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.

# SKAGEN Krona

## Note 6. Securities portfolio as of 31.12.2017 (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>3)</sup>
<b>FLOATING RATE SECURITIES</b>													
<b>Financial bonds</b>													
Sparebanken Vest	10.09.2018	-	12.03.2018	16 000	15 886	0,24	0,70	-	15 973	15 973	88	4,00%	5
Länsförsäkringar Bank AB	15.05.2018	0,24	15.02.2018	15 000	15 056	-0,10	0,13	5	15 026	15 031	-30	3,76%	5
Sparebank 1 SMN	29.10.2018	0,36	29.01.2018	13 000	13 020	0,12	0,09	8	13 033	13 041	12	3,26%	5
Sparebank 1 Nord-Norge	24.01.2019	0,22	24.01.2018	10 000	9 859	0,15	0,07	4	10 011	10 015	152	2,51%	5
Ikano Bank SE	01.02.2018	0,47	01.02.2018	10 000	10 000	0,10	0,01	8	10 003	10 011	3	2,50%	5
Ikano Bank SE	29.04.2019	0,71	29.01.2018	4 000	4 000	0,12	0,10	5	4 035	4 040	35	1,01%	5
<b>Industrial bonds</b>													
Volvo Treasury AB	26.02.2018	0,87	26.02.2018	13 600	13 633	-0,12	0,16	11	13 623	13 634	-10	3,41%	6
Arla Foods Amba	04.06.2018	1,06	05.03.2018	10 000	10 165	0,06	0,18	8	10 049	10 057	-116	2,52%	6
<b>Industrial securities</b>													
Bergvik Skog AB	18.04.2018			27 000	26 989	0,40	0,30	1	26 979	26 980	-11	6,75%	6
Indutrade	26.02.2018			25 000	24 997	0,26	0,16	1	24 990	24 991	-7	6,25%	6
Fabege AB	12.02.2018			20 000	19 994	0,25	0,12	4	19 991	19 995	-3	5,00%	6
Scania CV AB	27.04.2018			15 000	15 017	0,03	0,33	-2	15 009	15 007	-7	3,75%	6
Volkswagen Finans Sverige AB	05.02.2018			15 000	15 006	-0,02	0,10	-3	15 004	15 001	-2	3,75%	6
Olav Thon Real Estate selskap ASA	23.02.2018			15 000	14 998	0,21	0,15	1	14 996	14 996	-3	3,75%	6
Wallenstam	22.01.2018			15 000	14 995	0,20	0,07	4	14 994	14 998	-1	3,75%	6
Castellum AB	21.03.2018			15 000	14 997	0,19	0,22	1	14 994	14 994	-4	3,75%	6
Diös Fastigheter AB	05.03.2018			15 000	14 991	0,42	0,18	3	14 987	14 990	-3	3,75%	6
Intrum Justitia AB	08.02.2018			14 000	13 995	0,15	0,11	3	13 995	13 998	1	3,50%	6
Com Hem AB	01.06.2018			14 000	13 987	0,46	0,42	2	13 982	13 985	-5	3,50%	6
Arla Foods Finance	13.02.2018			12 000	12 005	0,15	0,13	-3	12 001	11 999	-4	3,00%	6
Vasakronan AB	16.03.2018			10 000	10 007	-0,01	0,21	-3	10 004	10 001	-4	2,50%	6
Fabege AB	15.01.2018			10 000	9 997	0,18	0,05	3	9 997	9 999	-0	2,50%	6
Castellum AB	22.03.2018			10 000	9 997	0,19	0,23	1	9 995	9 996	-2	2,50%	6
Vasakronan AB	14.03.2018			6 000	6 005	-0,01	0,21	-2	6 002	6 000	-3	1,50%	6
<b>Total securities portfolio <sup>4)</sup></b>					<b>329 598</b>			<b>58</b>	<b>329 675</b>	<b>329 733</b>	<b>77</b>	<b>82,48%</b>	
<b>Portfolio key figures</b>													
Yield		-0,03%											
Yield to clients <sup>1)</sup>		-0,23%											
Duration <sup>2)</sup>		0,16											

<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 31.12.2017, please refer to the balance sheet.

All securities are traded in the Swedish market.

Unit price as of 29.12.2017

SEK 100,0620

Tsek 227 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.

### Allocation of the acquisition cost:

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

# SKAGEN Credit

## Note 6. Securities portfolio as of 31.12.2017 (in 1,000 NOK)

Security	Maturity	Coupon	Currency	Interest adjustment point	Facevalue	Cost price NOK	Yield <sup>3)</sup>	Duration <sup>3)</sup>	Accrued interest	Market value	Market value incl accrued interest	Unrealised gain/loss	Share of fund	Risk class <sup>9)</sup>
<b>Energy</b>														
Gazprom OAO	11.04.2018	8,15	USD		1100	8 648	2,64	0,27	163	9 137	9 300	489	2,94%	6
Petrobras Global Finance BV	20.01.2020	5,75	USD		800	6 720	3,43	1,86	168	6 843	7 011	123	2,22%	6
Petrobras Global Finance BV	14.01.2021	3,75	EUR		300	2 967	1,34	2,8	106	3 157	3 264	191	1,03%	6
<b>Total energy</b>						<b>18 335</b>			<b>437</b>	<b>19 137</b>	<b>19 574</b>	<b>802</b>		
<b>Materials</b>														
Glencore Funding LLC	30.05.2023	4,12	USD		1 200	10 270	3,43	4,74	34	10 168	10 202	-102	3,23%	6
Glencore Canada Financial Corp	27.05.2020	7,37	GBP		400	4 683	1,41	2,19	195	5 043	5 238	360	1,66%	6
<b>Total materials</b>						<b>14 953</b>			<b>229</b>	<b>15 211</b>	<b>15 440</b>	<b>258</b>		
<b>Industrials</b>														
Schaeffler Finance BV	15.05.2023	4,75	USD		1 300	11 307	4,14	4,55	191	10 963	11 154	-344	3,53%	6
Heathrow Funding Ltd	20.03.2020	6	GBP		800	10 318	1,29	2,04	416	9 763	10 179	-555	3,22%	6
DSVA/S	18.03.2022	1,55	DKK	19.03.2018	5 000	6 314	0,53	0,23	4	6 876	6 880	562	2,18%	6
Heathrow Funding Ltd	10.09.2018	6,25	GBP		500	5 734	0,99	0,69	106	5 735	5 842	2	1,85%	6
Color Group AS	18.09.2019	6,08	NOK	19.03.2018	5 000	5 134	3,33	0,22	11	5 238	5 248	104	1,66%	6
Bombardier Inc	14.10.2022	6	USD		500	3 901	6,56	3,92	52	4 012	4 064	111	1,29%	6
Bombardier Inc	16.03.2020	7,75	USD		400	2 878	4,16	1,96	75	3 519	3 594	642	1,14%	6
<b>Total industrials</b>						<b>45 586</b>			<b>854</b>	<b>46 107</b>	<b>46 961</b>	<b>521</b>		
<b>Consumer discretionary</b>														
Jacob Holm & Sonner Holding AS	31.03.2022	3,75	EUR	28.03.2018	1 300	12 215	3,29	0,16	3	12 913	12 916	698	4,08%	6
Jaguar Land Rover Automotive Plc	01.03.2023	3,87	GBP		1 000	10 915	3,06	4,55	143	11 508	11 651	593	3,68%	6
Samvardhana Moterson Automotive	16.12.2021	4,87	USD		1 200	10 304	1,81	1,4	20	10 244	10 264	-60	3,25%	6
Best Buy Co Inc	15.03.2021	5,5	USD		1 000	8 554	2,78	2,67	132	8 814	8 946	260	2,83%	6
Fiat Chrysler Finance Europe	22.03.2021	4,75	EUR		800	8 190	1,18	2,95	290	8 739	9 030	550	2,86%	6
Fiat Finance & Trade SA	15.03.2018	6,62	EUR		600	5 669	0,24	0,21	311	5 970	6 281	301	1,99%	6
Volvo Car AB	07.03.2022	1,74	SEK	07.03.2018	4 000	3 760	0,86	0,37	5	4 138	4 143	378	1,31%	6
<b>Total consumer discretionary</b>						<b>59 607</b>			<b>904</b>	<b>62 326</b>	<b>63 230</b>	<b>2 720</b>		
<b>Consumer staples</b>														
Cosan	14.03.2023	5	USD		1 200	9 189	4,52	2,83	146	9 963	10 109	774	3,20%	6
JBS Investments GmbH	28.10.2020	7,75	USD		1 100	9 233	6,56	1,62	122	9 192	9 314	-40	2,95%	6
Lennar Corp	17.06.2019	4,5	USD		500	4 210	2,59	1,24	8	4 187	4 195	-23	1,33%	6
<b>Total consumer staples</b>						<b>22 632</b>			<b>276</b>	<b>23 342</b>	<b>23 618</b>	<b>710</b>		
<b>Financials</b>														
Länsförsäkringar Bank AB	27.04.2026	1,81	SEK	26.01.2018	9 000	9 001	0,41	0,31	30	9 378	9 408	377	2,97%	5
Danske Bank AS	29.09.2021	5,37	GBP		700	8 032	0,97	0,75	106	8 001	8 107	-31	2,56%	5
Bank of Baroda	23.07.2019	4,87	USD		750	4 781	2,91	1,45	131	6 321	6 452	1 539	2,04%	5
Türkiye Halk Bankası AS	13.07.2021	5	USD		800	6 399	6,39	3,01	153	6 287	6 440	-112	2,04%	5
Standard Chartered PLC	23.11.2022	3,62	EUR		500	4 838	1,05	4,54	19	5 512	5 531	674	1,75%	5
Standard Chartered Bank	03.04.2018	7,75	GBP		300	3 873	1,12	0,26	192	3 376	3 568	-497	1,13%	5
<b>Total Financials</b>						<b>36 925</b>			<b>630</b>	<b>38 875</b>	<b>39 505</b>	<b>1 950</b>		
<b>Information technology</b>														
Rolta Americas LLC	24.07.2019	0	USD		400	2 918	22,6	0,65	-	797	797	-2 121	0,25%	6
<b>Total information technology</b>						<b>2 918</b>			<b>-</b>	<b>797</b>	<b>797</b>	<b>-2 121</b>		
<b>Telecom</b>														
Bharti Airtel International	20.05.2024	5,35	USD		700	6 420	4,01	5,29	35	6 169	6 204	-251	1,96%	6
Bharti Airtel International	20.05.2021	3,37	EUR		400	3 872	0,66	3,19	82	4 286	4 368	414	1,38%	6
Frontier Communications Corp	15.09.2022	10,5	USD		400	3 395	19,05	2,98	101	2 492	2 594	-903	0,82%	6
<b>Total telecom</b>						<b>13 688</b>			<b>218</b>	<b>12 947</b>	<b>13 165</b>	<b>-741</b>		
<b>Utilities</b>														
BKK AS	22.05.2020	1,39	NOK	22.02.2018	16 000	15 858	1,49	0,15	24	16 086	16 110	228	5,09%	6
EDP Finance BV	01.10.2019	4,9	USD		1 600	12 672	2,35	1,65	160	13 657	13 817	985	4,37%	6
Agder Energy AS	04.04.2018	1,82	NOK	04.01.2018	10 000	10 069	1,13	0,02	44	10 019	10 063	-50	3,18%	6
<b>Total utilities</b>						<b>38 599</b>			<b>229</b>	<b>39 762</b>	<b>39 991</b>	<b>1 163</b>		
<b>Real estate</b>														
Entra ASA	12.10.2018	1,18	NOK		10 000	10 001	1,34	0,78	26	9 999	10 025	-1	3,17%	6
Olav Thon Real Estatesselskap	15.06.2018	1,23	NOK		8 000	7 999	1,22	0,45	29	8 002	8 030	2	2,54%	6
Olav Thon Real Estatesselskap ASA	24.05.2018	2,04	NOK	26.02.2018	5 000	5 023	1,17	0,16	10	5 019	5 029	-4	1,59%	6
American Tower Corp	15.02.2019	3,4	USD		500	3 891	2,41	1,08	53	4 134	4 186	243	1,32%	6
SAGAX AB	09.09.2020	3,5	EUR	15.01.2018	400	3 753	2	0,06	64	4 051	4 115	298	1,30%	6
<b>Total real estate</b>						<b>30 667</b>			<b>181</b>	<b>31 205</b>	<b>31 386</b>	<b>538</b>		
<b>Total securities portfolio<sup>3)</sup></b>						<b>283 908</b>			<b>3 958</b>	<b>289 709</b>	<b>293 667</b>	<b>5 801</b>	<b>92,87%</b>	

# SKAGEN Credit

## Note 6. Securities portfolio as of 31.12.2017 (in 1,000 NOK)

### Financial derivatives as of 31.12.2017 (in 1,000 NOK)

Derivative	Maturity	Coupon	Currency	Interest adjustment point	Facevalue	Net gain/loss financial contracts	Share of fund
<b>Interest rate derivatives</b>							
IRSEUR20180620	20.06.2018	-0,27	EUR		3 000	4 952	
IRSEUR20210511	11.05.2021	-0,28	EUR	11.05.2018	600	889	
IRSGBP20180129	29.01.2018	0,42	GBP	29.01.2018	1 200	12 101	
IRSGBP20230523	23.05.2023	0,58	GBP	23.05.2018	400	-419	
IRSUSD20180620	20.06.2018	1,63	USD	20.03.2018	3 500	7 635	
IRSUSD20190820	20.08.2019	1,44	USD	20.02.2018	2 000	4 084	
IRSUSD20210622	22.06.2021	1,66	USD	22.03.2018	1 000	452	
IRSUSD20230905	05.09.2023	1,49	USD	02.03.2018	1 000	-143	
IRSUSD20220927	27.09.2022	1,67	USD	28.03.2018	1 500	91	
IRSEUR20180620	20.06.2018	0,54	EUR		-3 000	-5 151	
IRSEUR20210511	11.05.2021	0,61	EUR		-600	-1 020	
IRSGBP20180129	29.01.2018	1,91	GBP		-1 200	-12 201	
IRSGBP20230523	23.05.2023	1,25	GBP		-400	370	
IRSUSD20180620	20.06.2018	1,47	USD		-3 500	-7 582	
IRSUSD20190820	20.08.2019	1,73	USD		-2 000	-4 092	
IRSUSD20210622	22.06.2021	1,91	USD		-1 000	-384	
IRSUSD20230905	05.09.2023	1,33	USD		-1 000	517	
IRSUSD20220927	27.09.2022	1,28	USD		-1 500	394	
<b>Total</b>						<b>493</b>	<b>0,15%</b>

### Portfolio key figures

Yield	2,35 %
Yield to feeder funds <sup>1)</sup>	2,35 %
Duration <sup>2)</sup>	1,06

<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 31.12.2017, please refer to the balance sheet.

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

Unit price as of 29.12.2017 108,6001

Tnkr 11.471 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 Credit the FIFO principle is applied when calculating the realised capital gain/loss when selling securities.



# SKAGEN Credit NOK

## Note 6. Securities portfolio as of 31.12.2017 (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	1 358 496	140 337	NOK	142 202	1 865	98,67 %
<b>Total securities portfolio <sup>1)</sup></b>		<b>140 337</b>		<b>142 202</b>	<b>1 865</b>	<b>98,67 %</b>

<sup>1)</sup> For liquidity in the portfolio as of 31.12.2017, 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 31.12.2017 SKAGEN Credit NOK owns 44,8% 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 31.12.2017 (in 1,000 NOK)

Security	Number of shares	Acquisition value SEK	Currency	Market value SEK	Unrealised gain/loss	Share of fund
<b>Fixed income fund</b>						
SKAGEN Credit	126 629	13 715	NOK	13 260	-455	98,55 %
<b>Total securities portfolio <sup>1)</sup></b>		<b>13 715</b>		<b>13 260</b>	<b>-455</b>	<b>98,55 %</b>

<sup>1)</sup> For liquidity in the portfolio as of 31.12.2017, 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 31.12.2017 SKAGEN Credit SEK owns 4,2% 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 31.12.2017 (in 1,000 NOK)

Security	Number of shares	Acquisition value EUR	Currency	Market value EUR	Unrealised gain/loss	Share of fund
<b>Fixed income fund</b>						
SKAGEN Credit	1 547 526	17 458	NOK	16 492	-966	98,75 %
<b>Total securities portfolio <sup>1)</sup></b>		<b>17 458</b>		<b>16 492</b>	<b>-966</b>	<b>98,75 %</b>

<sup>1)</sup> For liquidity in the portfolio as of 31.12.2017, 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 31.12.2017 SKAGEN Credit owns EUR 51,0% 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*

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#### *Opinion*

We have audited the financial statements of the mutual funds, which comprise the balance sheet as at 31 December 2017, 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, 2017:

SKAGEN Vekst	NOK	1 320 515 332
SKAGEN Global	NOK	4 225 245 718
SKAGEN Kon-Tiki	NOK	7 270 170 323
SKAGEN m <sup>2</sup>	NOK	213 165 477
SKAGEN Focus	NOK	345 900 000
SKAGEN Insight	NOK	685 987
SKAGEN Avkastning	NOK	45 528 905
SKAGEN Høyrente	NOK	41 003 003
SKAGEN Tellus	NOK	55 775 756
SKAGEN Krona	SEK	13 626
SKAGEN Select 100	NOK	8 961 228
SKAGEN Select 80	NOK	3 743 140
SKAGEN Select 60	NOK	2 262 552
SKAGEN Select 30	NOK	326 389
SKAGEN Select 15	NOK	402 827
SKAGEN Credit	NOK	9 542 700
SKAGEN Credit NOK	NOK	3 856 226
SKAGEN Credit SEK	SEK	268 340
SKAGEN Credit EUR	EUR	128 537

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 2017, 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

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



with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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### *Other information*

Management is responsible for the other information. The other information comprises the Board of Directors' report, invitation – notice of electoral meeting 2018, leader-tradition and change, investment's directors report – 2017 absolutely a good year, extending our ESG influence-continued focus on ESG, 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, included 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*

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### *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, 21 February 2018

**PricewaterhouseCoopers AS**

Gunstein Hadland  
State Authorised Public Accountant (Norway)

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



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Customer Services is open from Monday to Friday from 8 am to 5 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**  
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 Ole-Christian Tronstad  
 Anna S Marcus  
 Christian Sigersted Larsen

Front page:  
*Michael Ancher, After the last battle, 1905. This painting is manipulated and belongs to The Art Museums of Skagen.*

- Home market, or under home market supervision
- International market
- Marketing permission

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
Norway	X	X	X	X	X
Sweden	X	X	X	X	X
Denmark	X	X	X	X	X
UK	X	X	X	X	X
Netherlands	X	X	X	X	X
Luxembourg	X	X	X	X	X
Iceland	X	X	X	X	X
Ireland	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		

