

Named portfolio manager/adviser(s):

Kristian Falnes (since March 2010), Torkell Eide (since July 2009), Søren Milo Christensen (since May 2010)

Peer group: Global mainstream equities

Location: Stavanger

Launch date: August 1997

Fund size (June 2011): Nkr34.6bn

Contact group: +47 51213858 or
www.skagenfunds.com

Further information on S&P's fund coverage can be found at
www.FundsInsights.com



Report date August 2011

Investment style

	Value	Blend	Growth
Large-Cap			
Mid-Cap			
Small-Cap			

Performance statistics

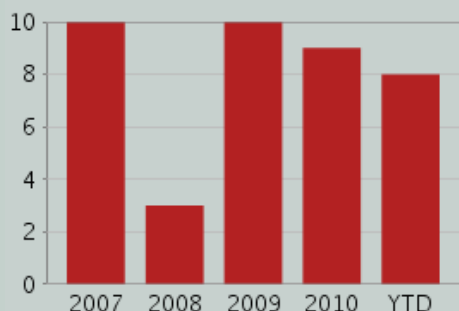
	Three years
Fund	-0.4%
Standard & Poor's peer median	-8.6%
Index**	-3.1%
Fund rank	1019/4768
Volatility adjusted ranking	1000/4768

Note: returns are cumulative

Three-year risk characteristics

Maximum monthly drawdown (%)	-25.6
Volatility	29.6
Correlation	1.0
Beta	1.2

Calendar year decile ranks



Decile ranking in discrete annual periods. First decile shown as rank 10, second decile as rank nine, with tenth decile as rank one.

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Standard & Poor's opinion (July 2011)

The global team led by Kristian Falnes, who took over as lead manager on this fund from Filip Weintraub in March 2010, has generated impressive returns over the last 15 months. The fund ranked top quartile in its S&P peer group in 2010 after a strong second half, and has continued its peer-relative outperformance thus far into 2011. Performance has been driven by strong stock selection across a number of regions and sectors, more than sufficient to offset any specific stock problems.

Fund changes under Falnes have been gradual and minimal, reflecting the consistency and discipline of the investment philosophy and process. Overall structure and composition has changed little, with the fund well diversified across region, sectors and the market capitalisation scale; it retains its clear tilt to emerging markets with direct exposure unaltered at 32% and indirect exposure almost certainly higher.

The team, all of whom are generalists, has clearly settled well, working closely together with an effective collegial mentality, discussing companies, events and exchanging views. Torkell Eide and Søren Milo Christensen (experienced managers who unfortunately had no previous track records for us to analyse) contribute notably in terms of stock ideas. Falnes retains responsibility for portfolio construction and a veto on stock selection.

Falnes established an excellent record on Skagen Vekst fund (a 50/50 Norwegian/global equities mandate) and the team has made an impressive start on this global fund. Overall, the fund easily retains its S&P AA (New) rating.

Fund manager & team

The Skagen team comprises nine generalist fund managers and one trader. Kristian Falnes, former manager of the Skagen Vekst fund, took over this portfolio in March 2010; he has 25 years' industry experience and has been at Skagen for 14 years. He is supported by two newer arrivals, Torkell Eide and Søren Milo Christensen, who joined Skagen in 2009 and 2010. Eide has six years' industry experience (including portfolio management experience in long/short European equities) and Christensen has 11 years' portfolio management experience. They are supported by team trader Chris-Tommy Simonsen.

Kristian Falnes - CIO - MBA (BI Norwegian School of Management), AFA, joined Skagen in 1997 with experience at Laerdal Finans and SR Fonds. He ran the Skagen Vekst fund from November 1997 until March 2010.

Torkell Eide - portfolio manager - BSc economics (London School of Economics), after a spell as a consultant at McKinsey from 2004 to 2006, joined AKO Capital LLP, London, as a senior analyst. He moved to Skagen as a portfolio manager in 2009.

Søren Milo Christensen - portfolio manager - MSc finance & accounting (Copenhagen Business School), spent 10 years as a portfolio manager at BankInvest, managing Japanese (2000-07), Asian (2007-08) and then new frontier funds (2008-09) prior to joining Skagen in 2010.

Kristoffer Stensrud - business (Copenhagen Business School), has over 30 years' investment experience via Borsinformation, SR Fonds and Carnegie-Jensen. He co-founded Skagen in 1993.

Management style

Since January 2010 the fund's performance reference benchmark, which it aims to outperform, has been the MSCI AC World index (in Norwegian kroner). The change from the former index (MSCI World) reflects the fund's existing (and utilised) ability to invest in emerging markets equities.

The approach is bottom-up and contrarian, looking for well-managed, financially strong companies that are out-of-favour and undervalued by the market. Ideas may be generated by running specific screens, from news items or from other company visits. Research focuses on balance sheet strength, cashflows and management track record. It looks to identify a catalyst that will allow the value to be released or recognised.

Position weights reflect the level of conviction in a stock, irrespective of the benchmark. A company is usually followed for some time prior to investment. The top 10 holdings are expected to account for 30-40% of the fund. To enhance diversification, the portfolio comprises around 90 names with no more than 20% in any one industry. The team takes a long-term view (five years) of companies and, reflecting the gradual approach to change, turnover is typically 20-30%.

SKAGEN GLOBAL FUND

Norwegian domiciled open-end investment fund (Ucits)

Fund owner: Skagen

Fund manager/adviser: Skagen

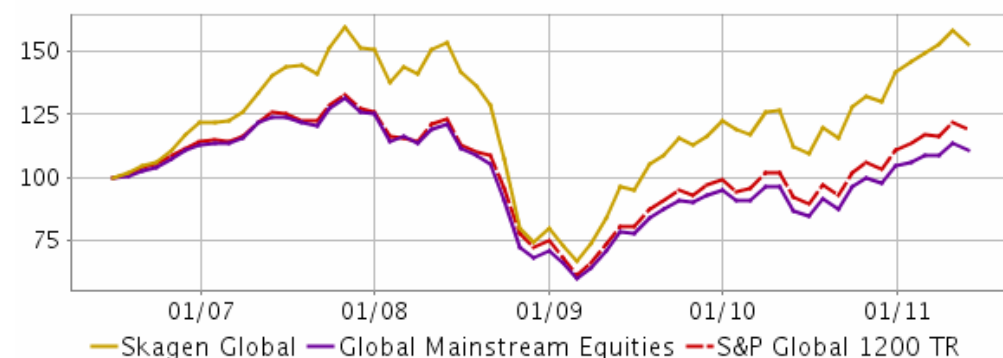
Portfolio & performance analysis (June 2011)

Peer-relative performance has been good since Kristian Falnes took over the fund in March 2010 (previous figures relate to former manager Filip Weintraub). After a strong H2, the fund ended 2010 in the top quartile, over 5 percentage points ahead of the S&P median fund. Outperformance has continued into 2011.

Returns in 2010 were driven by good stock selection in a number of regions and sectors, sufficient to offset stock-specific problems in mid-year (the fund held names, including BP and Transocean, closely connected to the Gulf of Mexico oil spill). The team admitted that it had underestimated the impact of the incident but used the ensuing weakness to add to its preferred oil-related names, and kept its position in BP. Positive contributors to 2011's year-to-date performance have included Parmalat, Pride and Total Access Telecommunication, offsetting the negative impact of Samsung Electronics, Citigroup and Ternium.

Changes in portfolio composition have been gradual. The number of holdings was almost unaltered at 89, while the top-10 concentration had decreased slightly to 34% (39% previously); Samsung Electronics was still the largest position in absolute terms. Sector and regional exposures have changed little. Stock selection has resulted in a broad geographic spread, with 25% in Europe ex UK, 30% in the US and 18% in Asia ex Japan. Within this, the clear tilt to emerging markets remains, with direct exposure, as last year, around 32% of the fund and indirect exposure almost certainly higher. In the European periphery, the fund has avoided banks due to ongoing concerns about asset quality and disclosure levels, preferring US stocks (eg, Citigroup). Market cap-wise it is evenly spread across the range, with 32% in companies below \$10bn market cap, 32% in names between \$10bn and \$50bn market cap and 26% in stocks above \$100bn. Recent portfolio activity has focused on adding to existing positions, for example Vimpelcom, Citigroup and Unilever.

Cumulative performance



Discrete performance (calendar years)

	2007		2008		2009		2010		YTD 31-05-11	
	%	Rank	%	Rank	%	Rank	%	Rank	%	Rank
Fund	24.1	195/3562	-47.2	3429/4496	53.7	311/5429	15.6	921/5982	7.9	1449/6275
Index**	10.2		-40.1		31.7		11.9		7.3	
Median	10.9		-43.7		32.7		10.0		5.9	

** S&P Global 1200

Fund benchmark: MSCI All Country World index

Share class screened: NO0008004009 (Ord)

STANDARD & POOR'S



Portfolio characteristics (1 June 2011)

No. of holdings	89
Turnover ratio (%)	N/A
% in top 10	34

Asset allocation

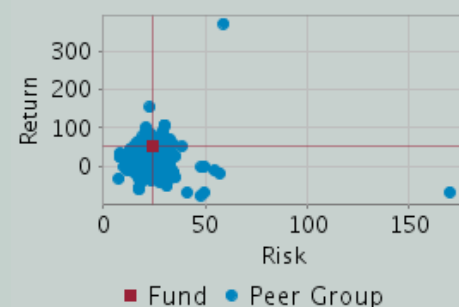
	%
Basic materials	9.0
Consumer goods	14.0
Financials	16.0
Healthcare	5.0
Industrials	15.0
Oil & gas	11.0
Technology	13.0
Telecoms	7.0
Utilities	5.0
Cash	5.0

Top 10 holdings

	%
Samsung Electronics Co *	6.5
Tyco International Ltd *	4.7
Elektrobras *	4.5
Pfizer *	3.5
Citigroup	3.4
Accenture PLC	2.8
Tesco PLC	2.3
Gazprom	2.1
Kyocera Corp *	2.1
LG Corp *	2.0

* In top 10 holdings a year ago

Risk return over five years (standard deviation)



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Symbols and definitions

Long-only fund ratings

AAA The fund demonstrates the highest standards of quality in its sector based on its investment process and management's consistency of performance as compared to funds with similar objectives.

AA The fund demonstrates very high standards of quality in its sector based on its investment process and management's consistency of performance as compared to funds with similar objectives.

A The fund demonstrates high standards of quality in its sector based on its investment process and management's consistency of performance as compared to funds with similar objectives.

Fund-of-hedge-funds ratings

Absolute return fund ratings

Specialist fund ratings

AAA The fund demonstrates the highest standards of quality based on its investment process, risk awareness and consistency of performance relative to its own objectives.

AA The fund demonstrates very high standards of quality based on its investment process, risk awareness and consistency of performance relative to its own objectives.

A The fund demonstrates high standards of quality based on its investment process, risk awareness and consistency of performance relative to its own objectives.

Ucits III flexible beta fund ratings

AAA The fund demonstrates the highest standards of quality based on its investment process, risk awareness and consistency relative to its own objectives and relative to comparable flexible beta funds.

AA The fund demonstrates very high standards of quality based on its investment process, risk awareness and consistency relative to its own objectives and relative to comparable flexible beta funds.

A The fund demonstrates high standards of quality based on its investment process, risk awareness and consistency relative to its own objectives and relative to comparable flexible beta funds.

All fund ratings

Not Rated (NR) Funds designated as Not Rated currently do not meet the requisite performance standards and/or the minimum qualitative criteria to achieve a fund rating.

Under Review (UR) Ratings are placed Under Review when significant management changes occur at the fund manager or fund management team level and Standard & Poor's Fund Services has not had the opportunity yet to evaluate their impact on the qualitative appraisal.

(New) Signifies where a major event has occurred for which there is no fund-specific track record available. This includes: funds recently launched, the implementation of a new investment process or mandate and may include structural changes within a fund team.

Tenure Review (TR) The fund manager/team involved in the management of the fund does not currently have the minimum 12 months' relevant investment management experience required to be eligible to be considered for a rating.

Long-term fund management rating LTFMR The fund has been rated in the A/AA/AAA fund rating band for five consecutive years or more, and continues to hold a rating.

Bond fund volatility ratings

The bond fund volatility rating is our current opinion of a fund's sensitivity to changing market conditions. Volatility ratings evaluate the fund's sensitivity to interest rate movement, credit risk, investment diversification or concentration, liquidity, leverage and other factors. For V1-V4 categories, risk is considered relative to a portfolio composed of government securities and denominated in the base currency of the fund.

V1 Bond funds that possess low sensitivity to changing market conditions. These funds possess an aggregate level of risk that is less than or equal to that of a portfolio comprising government securities maturing within one to three years, and denominated in the base currency of the fund. These funds possess an aggregate level of risk that is less than or equal to that of a portfolio comprising the highest quality fixed income instruments with an average maturity of 12 months or less. Within this category, certain funds are designated with a plus sign (+), indicating extremely low sensitivity to changing market conditions.

V2 Bond funds that possess low to moderate sensitivity to changing market conditions. These funds possess an aggregate level of risk that is less than or equal to that of a portfolio comprising government securities maturing within three to seven years, and denominated in the base currency of the fund.

V3 Bond funds that possess moderate sensitivity to changing market conditions. These funds possess an aggregate level of risk that is less than or equal to that of a portfolio comprising government securities maturing within seven to 10 years, and denominated in the base currency of the fund.

V4 Bond funds that possess moderate to high sensitivity to changing market conditions. These funds possess an aggregate level of risk that is less than or equal to that of a portfolio comprising government securities maturing beyond 10 years and denominated in the base currency of the fund.

V5 Bond funds that possess high sensitivity to changing market conditions. These funds may be exposed to a variety of significant risks including high concentration risks, high leverage, and investments in complex structured and/or less liquid securities.

V6 Bond funds that possess the highest sensitivity to changing market conditions. These funds include those with highly speculative investment strategies with multiple forms of significant risks, with little or no diversification benefits.

Absolute return fund N ratings

The N rating is Standard & Poor's indication of a fund's potential capital stability in normal markets. It is a qualitative rating but is based on annualised weekly downside deviation. N1 is the most stable and N9 the least.