

## Performance Commentary

October witnessed renewed optimism in equity markets, once again helped by looser monetary policies. Emerging markets outperformed global markets. We detect some signs of stabilisation in select data releases combined with renewed optimism around a trade deal (yet again). We expect continued volatility in the near future in anticipation of news around a potential trade deal and economic data which may point in differing directions. During the month, we sold out of Turkish Air in the days following Turkey's Syria offensive. China Unicom was weak in the period, despite in-line results and a positive 5G co-share deal with China Telecom. With the stock trading at 2.3x EV/EBITDA 20e, we believe the foundation for a strong recovery is in place with signs that the competitive environment is improving. For Euronav, a combination of regulatory, seasonal and geopolitical events has created one of the strongest crude-tanker environments since 2008. We see an attractive dividend story firming up. Samsung Electronics delivered solid results and an upbeat memory outlook means a cyclical recovery might be closer. Kon-Tiki has a diversified portfolio with an overweight of companies driven by internal factors. The fund trades at a significant discount to EM at 2020e P/E of 7.8x (versus 11.3x).

The fund selects low-priced, high-quality companies, mainly in emerging economies.

The objective is to provide the best possible risk adjusted return.

The fund is suitable for those with at least a five year investment horizon.

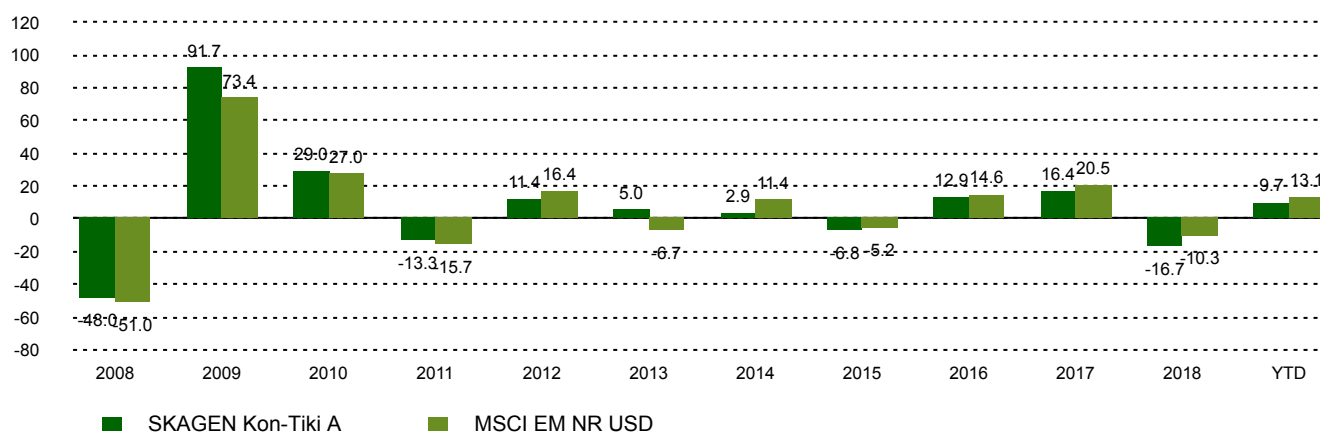
## Fund Facts

Type	Equity
Domicile	Norway
Launch date	05.04.2002
Morningstar category	Global Emerging Markets Equity
ISIN	NO0010140502
NAV	85.51 EUR
Fixed management fee	2.00%
Total expense ratio (2018)	1.16%
Benchmark index	MSCI EM NR USD
AUM (mill.)	1771.53 EUR
Number of holdings	46
Portfolio manager	Cathrine Gether Fredrik Bjelland

## Historical performance (net of fees)

Period	SKAGEN Kon-Tiki A	Benchmark index
Last month	0.6%	1.8%
Year to date	9.7%	13.1%
Last year	8.5%	14.0%
Last 3 years	2.5%	6.7%
Last 5 years	2.0%	5.4%
Last 10 years	5.6%	6.7%
Since start	11.3%	7.5%

## Performance last ten years



Please see benchmark disclaimer at bottom of next page

## Contributors in the month



### Largest contributors

Holding	Weight (%)	Contribution (%)
Samsung Electronics Co Ltd	8.57	0.69
Euronav NV	3.15	0.64
State Bank of India	2.40	0.40
Richter Gedeon Nyrt	1.93	0.29
Borr Drilling Ltd	0.98	0.28



### Largest detractors

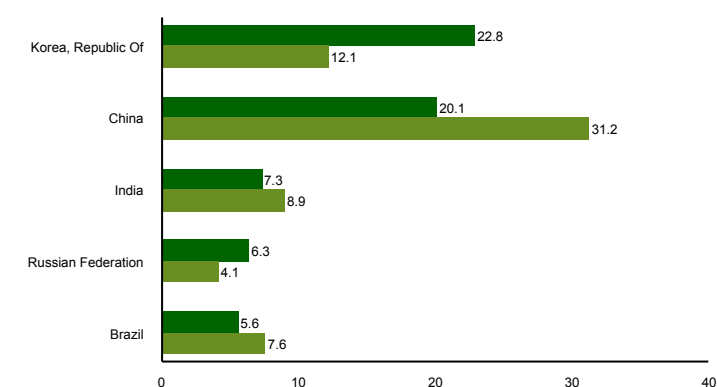
Holding	Weight (%)	Contribution (%)
Turk Hava Yollari AO	1.02	-0.29
China Unicom Hong Kong Ltd	3.11	-0.17
Naspers Ltd	3.02	-0.15
X5 Retail Group NV	2.60	-0.10
Hyundai Motor Co	4.46	-0.09

Absolute contribution based on NOK returns at fund level

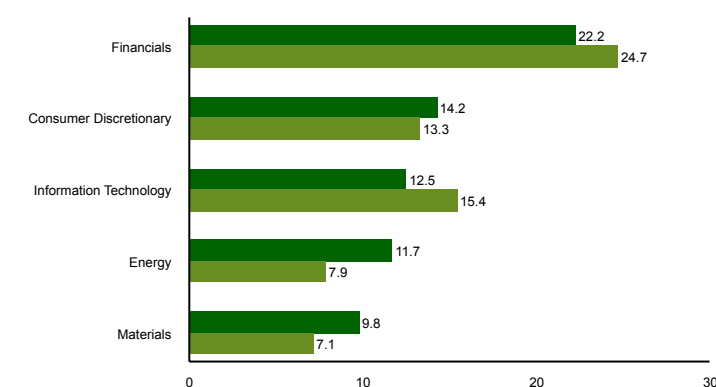
## Top ten investments

Holding	Sector	Country	%
Samsung Electronics Co Ltd	Information Technology	Korea, Republic Of	8.1
Ping An Insurance Group Co of China Ltd	Financials	China	6.1
Hyundai Motor Co	Consumer Discretionary	Korea, Republic Of	4.4
LG Electronics Inc	Consumer Discretionary	Korea, Republic Of	3.4
Euronav NV	Energy	Belgium	3.3
Bank Of China Ltd	Financials	China	3.1
Royal Dutch Shell PLC	Energy	Netherlands	3.0
Atlantic Sapphire AS	Consumer Staples	Norway	3.0
China Unicom Hong Kong Ltd	Communication Services	China	2.9
Naspers Ltd	Consumer Discretionary	South Africa	2.8
Combined weight of top 10 holdings			40.1

## Country exposure (top five)


■ SKAGEN Kon-Tiki A
■ MSCI EM NR USD

## Sector exposure (top five)


■ SKAGEN Kon-Tiki A
■ MSCI EM NR USD

## Contact



+47 51 80 37 09



contact@skagenfunds.com



SKAGEN AS, Post Box 160, 4001, Stavanger, Norway

## Important information

This report is intended for investment professionals only. The content is not to be viewed by or used with retail investors. Unless otherwise stated, performance data relates to class A units and is net of fees. AUM data as of the end of the previous month. Except otherwise stated, the source of all information is SKAGEN AS. Historical returns are no guarantee for future returns. Future returns will depend, inter alia, on market developments, the fund manager's skills, the fund's risk profile and subscription and management fees. The return may become negative as a result of negative price developments. You can download more information including subscription/redemption forms, full prospectus, Key Investor Information Documents (KIID), General Commercial Terms, Annual Reports and Monthly Reports from our local websites or our local representatives. Statements reflect the portfolio managers' viewpoint at a given time, and this viewpoint may be changed without notice. This report should not be perceived as an offer or recommendation to buy or sell financial instruments. SKAGEN AS does not assume responsibility for direct or indirect loss or expenses incurred through use or understanding of this report. Employees of SKAGEN AS may be owners of securities issued by companies that are either referred to in this report or are part of a fund's portfolio.

The benchmark index is the MSCI EM Index (net total return), this index did not exist at the inception of the fund and consequently the benchmark index prior to 1/1/2004 was the MSCI World AC Index. This is not reflected in the table/graph above which shows the MSCI EM Index since the funds inception.