

Performance Commentary

Emerging markets have underperformed developed markets YTD and over the past decade. EM offers attractive characteristics of high growth, lower valuation and added diversification. The Q2 earnings season has been strong in EM, but improvement in profitability has been a global phenomenon. Valuations are more extended for most DM indices, however, while EM has suffered a de-rating during the recent global rebound due to a combination of weak share prices but improving fundamentals. We continue to believe that now is a good time to add EM diversification. August was characterised by Chinese regulatory intervention in a wide range of industries. It was a tough month for Kon-Tiki, for both stock-specific and market-related reasons. Atlantic Sapphire disappointed with higher costs and a delayed volume ramp-up. LG Electronics reversed on the back of battery fire risks. Naspers was volatile as the exchange offer affected flows combined with weakness in Tencent on regulatory concerns. Suzano started recovering again as it looks as though pulp prices might be bottoming out. Tech Mahindra gained on brighter prospects, while Hollysys strengthened on news of another premium buyout proposal. We exited East African Brewery, while we have new positions brewing for September entry. With a portfolio trading at 8x current year P/E, Kon-Tiki has become cheaper and the discount to EM has increased.

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.

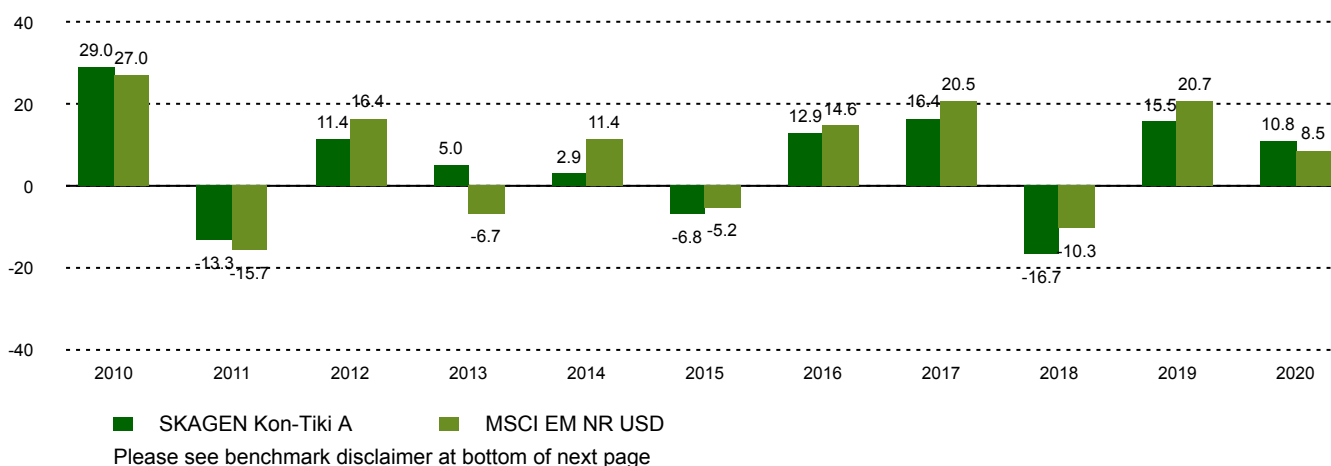
Historical performance (net of fees)

Period	SKAGEN Kon-Tiki A	Benchmark index
Last month	-0.8%	3.1%
Year to date	6.1%	6.6%
Last year	30.3%	22.2%
Last 3 years	9.2%	9.3%
Last 5 years	6.5%	9.1%
Last 10 years	5.3%	7.0%
Since start	11.4%	7.9%

Fund Facts

Type	Equity
Domicile	Norway
Launch date	05.04.2002
Morningstar category	Global Emerging Markets Equity
ISIN	NO0010140502
NAV	105.78 EUR
Fixed management fee	2.00%
Total expense ratio (2020)	2.18%
Benchmark index	MSCI EM NR USD
AUM (mill.)	1561.22 EUR
Number of holdings	47
Portfolio manager	Fredrik Bjelland Cathrine Gether

Performance last ten years



Contributors in the month



Largest contributors

Holding	Weight (%)	Contribution (%)
Suzano SA	3.41	0.39
Tech Mahindra Ltd	1.47	0.31
Hollysys Automation Technologies	1.38	0.31
Prosus NV	1.51	0.22
Sberbank of Russia PJSC	3.63	0.19



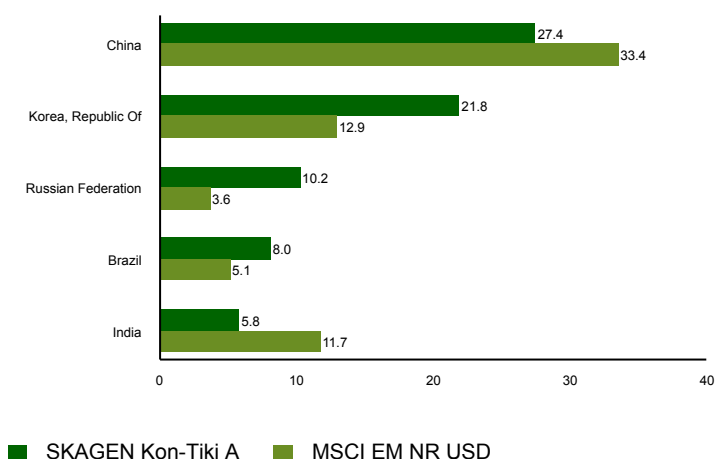
Largest detractors

Holding	Weight (%)	Contribution (%)
Atlantic Sapphire ASA	2.27	-0.92
LG Electronics Inc	7.36	-0.80
Naspers Ltd	3.69	-0.73
Ping An Insurance Group Co	5.79	-0.69
Alibaba Group Holding Ltd	3.02	-0.50

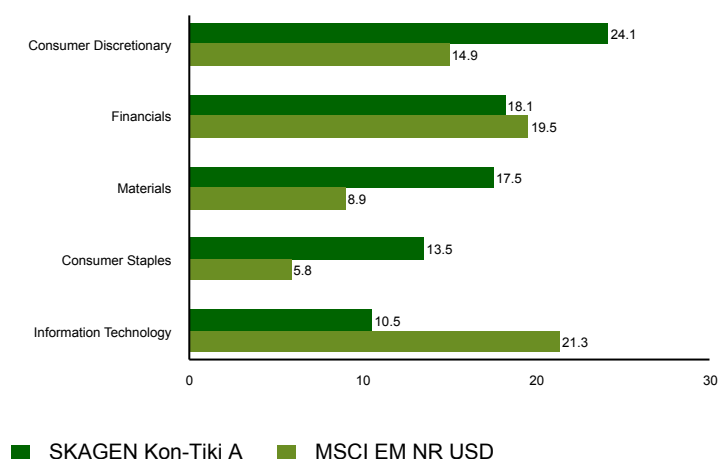
Top ten investments

Holding	Sector	Country	%
LG Electronics Inc	Consumer Discretionary	Korea, Republic Of	7.3
Ping An Insurance Group Co of China Ltd	Financials	China	5.4
Prosus NV	Consumer Discretionary	China	4.2
Hyundai Motor Co	Consumer Discretionary	Korea, Republic Of	4.0
Samsung Electronics Co Ltd	Information Technology	Korea, Republic Of	3.9
UPL Ltd	Materials	India	3.8
Sberbank of Russia PJSC	Financials	Russian Federation	3.8
Suzano SA	Materials	Brazil	3.8
Sendas Distribuidora SA	Consumer Staples	Brazil	3.4
Cnooc Ltd	Energy	China	3.2
Combined weight of top 10 holdings			42.7

Country exposure (top five)



Sector exposure (top five)



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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.