

## Performance Commentary

Emerging market equities underperformed developed markets as Chinese growth expectations were revised downwards following recent regulatory tightening. Inflationary pressures continued to build as energy prices rose further leading to monetary tightening in many emerging economies. Among the fund's contributors, Chinese internet companies rebounded on abating regulatory noise, which helped our recent investment in Alibaba and long-term holding Prosus. Copper producer Ivanhoe Mines also performed well as phase 1 production in its flagship Kamoakakula project in DRC ramps up and phase 2 expansion runs ahead of schedule. The main detractors were mostly recent high-flyers. LG Electronics continued to deliver strong top line growth, but the market is becoming increasingly concerned by margin headwinds due to rising commodity prices. We do not share these concerns, given LG's strong market positions and innovation pipeline. Margins also came under short-term pressure at Indian crop solutions company UPL, but we expect UPL to outperform its guidance as it continues to add value to farmers globally. The market sell-off last quarter and SKAGEN Kon-Tiki's underperformance during it, have left the portfolio trading at an unwarranted discount to our estimate of fair value and the opportunity-set available to us. As a result, we made no changes to the portfolio during the month and will patiently wait for the market to recognise its true value.

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.

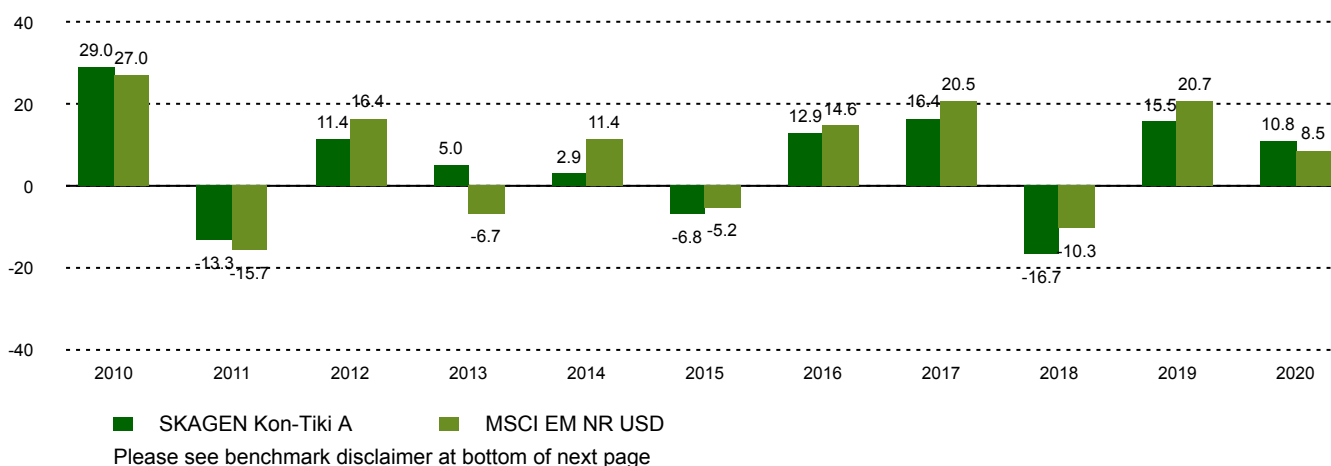
## Historical performance (net of fees)

| Period        | SKAGEN Kon-Tiki A | Benchmark index |
|---------------|-------------------|-----------------|
| Last month    | 1.2%              | 1.1%            |
| Year to date  | 4.7%              | 5.4%            |
| Last year     | 26.5%             | 18.2%           |
| Last 3 years  | 9.8%              | 11.6%           |
| Last 5 years  | 5.6%              | 8.2%            |
| Last 10 years | 5.1%              | 6.9%            |
| Since start   | 11.2%             | 7.8%            |

## Fund Facts

|                            |                                     |
|----------------------------|-------------------------------------|
| Type                       | Equity                              |
| Domicile                   | Norway                              |
| Launch date                | 05.04.2002                          |
| Morningstar category       | Global Emerging Markets Equity      |
| ISIN                       | NO0010140502                        |
| NAV                        | 104.43 EUR                          |
| Fixed management fee       | 2.00%                               |
| Total expense ratio (2020) | 2.18%                               |
| Benchmark index            | MSCI EM NR USD                      |
| AUM (mill.)                | 1486.52 EUR                         |
| Number of holdings         | 47                                  |
| Portfolio manager          | Fredrik Bjelland<br>Cathrine Gether |

## Performance last ten years



## Contributors in the month



### Largest contributors

| Holding               | Weight (%) | Contribution (%) |
|-----------------------|------------|------------------|
| Prosus NV             | 4.18       | 0.29             |
| Alibaba Group Holding | 3.54       | 0.29             |
| Ivanhoe Mines Ltd     | 1.73       | 0.29             |
| Atlantic Sapphire ASA | 1.25       | 0.26             |
| Magnit PJSC           | 2.25       | 0.12             |



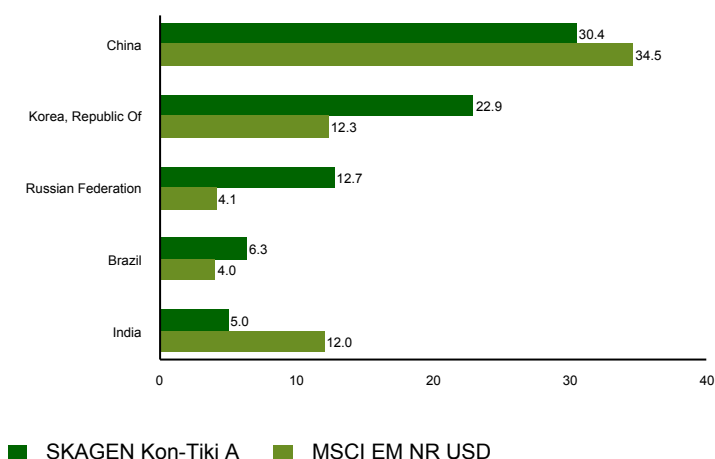
### Largest detractors

| Holding                      | Weight (%) | Contribution (%) |
|------------------------------|------------|------------------|
| Sendas Distribuidora SA      | 3.04       | -0.84            |
| Suzano SA                    | 3.01       | -0.52            |
| Samsung Electronics Co       | 3.65       | -0.39            |
| LG Electronics Inc           | 6.76       | -0.31            |
| Turquoise Hill Resources Ltd | 1.33       | -0.24            |

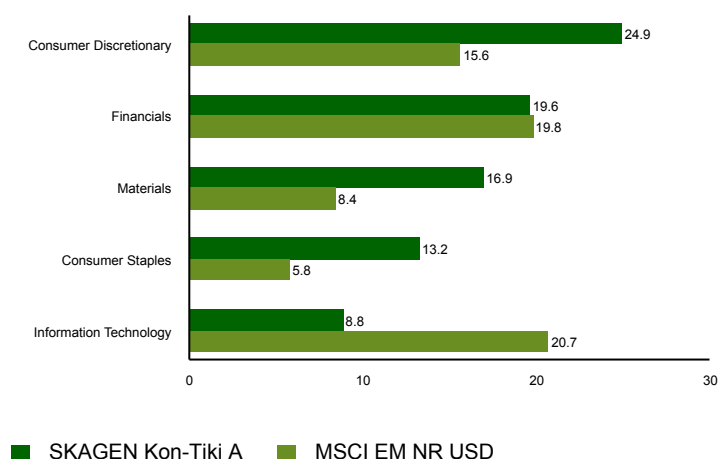
## Top ten investments

| Holding                                 | Sector                 | Country            | %    |
|---|------------------------|--------------------|------|
| LG Electronics Inc                      | Consumer Discretionary | Korea, Republic Of | 6.9  |
| Ping An Insurance Group Co of China Ltd | Financials             | China              | 6.3  |
| Prosus NV                               | Consumer Discretionary | China              | 4.4  |
| Cnooc Ltd                               | Energy                 | China              | 4.3  |
| Sberbank of Russia PJSC                 | Financials             | Russian Federation | 4.3  |
| Hyundai Motor Co                        | Consumer Discretionary | Korea, Republic Of | 4.0  |
| UPL Ltd                                 | Materials              | India              | 3.9  |
| Alibaba Group Holding Ltd               | Consumer Discretionary | China              | 3.7  |
| Samsung Electronics Co Ltd              | Information Technology | Korea, Republic Of | 3.7  |
| X5 Retail Group NV                      | Consumer Staples       | Russian Federation | 3.2  |
| Combined weight of top 10 holdings      |                        |                    | 44.8 |

## Country exposure (top five)



## Sector exposure (top five)



## 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.