

**IMPORTANT INFORMATION:** This is marketing communication. The report should not be perceived as a recommendation to buy or sell fund units. Prior to subscription, we encourage you to read the fund's prospectus and key investor information document which are available at [www.skagenfunds.com](http://www.skagenfunds.com), from our local representatives and from our distributors.

## Performance Commentary

Most market indices globally posted a strong rebound during October, in particular the US. Emerging Market equities fell, however, largely due to weakness in Chinese and Taiwanese equities after Xi Jinping's inauguration. SKAGEN Kon-Tiki outperformed its benchmark in October and is ahead of benchmark year to date. Our top contributors were X5, Suzano and Samsung. Russian-listed retailer X5 appreciated due to a fair value adjustment from zero to last price traded. Brazilian pulp producer Suzano delivered better than expected Q3 results on resilient pulp prices and a welcome share buyback program. While Samsung Electronics still faces a challenging market, there are signs that the memory cycle could reach the bottom next year and the company could strengthen its market position during the downturn. Our top detractors were Ping An, Prosus and WH Group, all of which are directly and indirectly exposed to the Chinese market turmoil. Ping An has been weak as Covid restrictions continue to curb activity. Prosus fell on the back of its exposure to Tencent, where investors are increasingly concerned about regulatory risk. We exited two positions in October, namely Mahindra & Mahindra as the share price reached our fair value estimate and Turquoise Hill Resources following Rio Tinto's takeover offer. The portfolio trades on around 5x 2022 earnings and 0.7x price to book; approximately half the valuation of the EM index. We believe that the portfolio offers an attractive risk/reward proposition almost regardless of macro backdrop.

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. Subscriptions are made in fund units and not directly in stocks or other securities. The fund has risk profile 6. The benchmark reflects the fund's investment mandate. Since the fund is actively managed, the portfolio will deviate from the composition of the benchmark.

## Historical performance (net of fees)

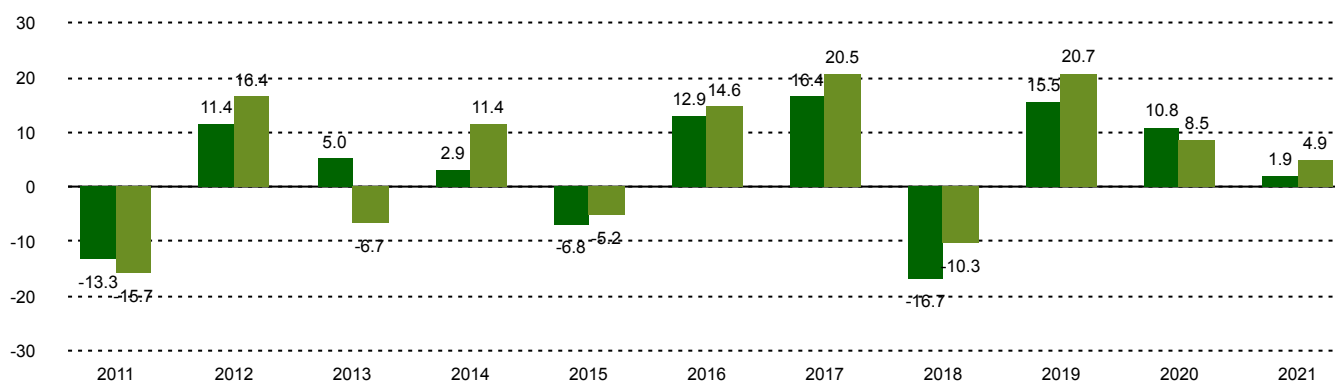
Period	SKAGEN Kon-Tiki A	Benchmark index
Last month	-1.3%	-4.0%
Year to date	-18.7%	-18.8%
Last 12 months	-20.8%	-19.2%
Last 3 years	-1.1%	-0.5%
Last 5 years	-2.3%	0.1%
Last 10 years	1.8%	3.6%
Since start	9.4%	6.3%

## Fund Facts

Type	Equity
Domicile	Norway
Launch date	05.04.2002
Morningstar category	Global Emerging Markets Equity
ISIN	NO0010140502
NAV	82.66 EUR
Fixed management fee	2.00% + performance fee*
Total expense ratio (2021)	1.67%
Benchmark index	MSCI EM NR USD
AUM (mill.)	1189.30 EUR
Number of holdings	47
Portfolio manager	Fredrik Bjelland Cathrine Gether

\*10.00% performance fee calculated daily and charged annually if the fund's value development is better than the benchmark. The total management fee charged represents a maximum of 4.00% p.a. and a minimum of 1.00% p.a. The performance fee may be charged even if the fund's units have depreciated in value if the value development is better than the benchmark.

## Performance last ten years



■ SKAGEN Kon-Tiki A ■ MSCI EM NR USD The benchmark is MSCI EM Index. This index did not exist at the fund's inception, consequently the benchmark prior to 1/1/2004 was MSCI World AC Index. This is not reflected in the graph above which shows MSCI EM Index since the fund's inception.

Historical returns are no guarantee for future returns. Future returns will depend, inter alia, on market developments, the fund manager's skill, the fund's risk profile and management fees. The return may become negative as a result of negative price developments. There is a risk associated with investing in the fund due to market movements, currency developments, interest rate levels, economic, sector and company-specific conditions.

## Contributors in the month



### Largest contributors

Holding	Weight (%)	Contribution (%)
Suzano SA	3.95	0.63
Samsung Electronics Co	5.76	0.46
TotalEnergies SE	4.77	0.45
Sendas Distribuidora SA	3.06	0.34
Shell PLC	5.30	0.28



### Largest detractors

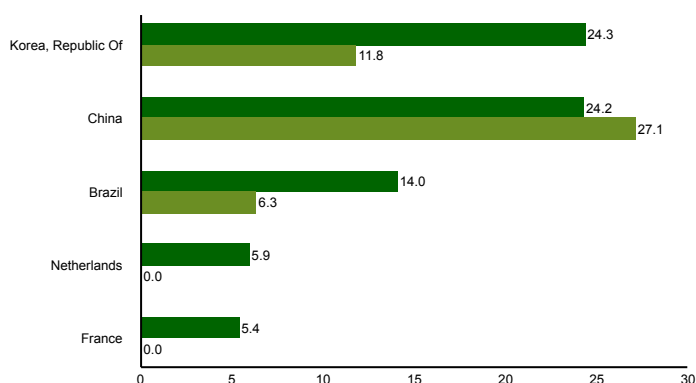
Holding	Weight (%)	Contribution (%)
Ping An Insurance Group	6.16	-1.45
Prosus NV	3.05	-0.71
WH Group Ltd	2.58	-0.66
Naspers Ltd	2.64	-0.62
Alibaba Group Holding	2.26	-0.62

Weights shown are the average for the period. Absolute contribution based on NOK returns at fund level.

## Top ten investments

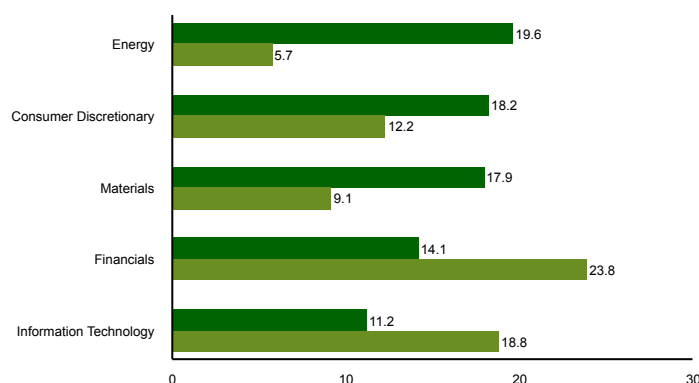
Holding	Sector	Country	%
Samsung Electronics Co Ltd	Information Technology	Korea, Republic Of	6.8
Shell PLC	Energy	Netherlands	5.9
Ping An Insurance Group Co of China Ltd	Financials	China	5.6
TotalEnergies SE	Energy	France	5.4
Cnooc Ltd	Energy	China	5.1
LG Electronics Inc	Consumer Discretionary	Korea, Republic Of	5.1
Suzano SA	Materials	Brazil	4.6
UPL Ltd	Materials	India	4.1
Hyundai Motor Co	Consumer Discretionary	Korea, Republic Of	3.5
Sendas Distribuidora SA	Consumer Staples	Brazil	3.3
Combined weight of top 10 holdings			49.3

## Country exposure (top five)



■ SKAGEN Kon-Tiki A ■ MSCI EM NR USD

## Sector exposure (top five)



■ SKAGEN Kon-Tiki A ■ MSCI EM NR USD

## Important information

This report is intended for investment professionals only. All information is based on the most up-to-date data available. Unless otherwise stated, performance data relates to class A units and is net of fees. AUM data as per the end of the previous month. Except otherwise stated, the source of all information is SKAGEN AS. 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.



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