

All data in SEK as of 31/07/2018 unless otherwise stated.

## Performance Commentary

EM equities staged a tentative comeback in July but continued to trail their developed market peers as the threat of a global trade war and the repercussions of a slowdown in China weigh on investors' risk appetite. In addition, heightened political risk continues to drive currency weakness in countries like Turkey, which fell further during the month. This was also reflected in Kon-Tiki's performance, which was negatively impacted by our holdings in Sabanci and Anadolu Grubu. Having risen more than 100% by the end of June, China Shineway Pharma fell sharply as Chinese healthcare stocks came into focus following a vaccine scandal involving falsified production data. We consider the sell-off to be indiscriminate and expect the company to deliver 40%+ earnings growth in 2018. On the positive side, Brazilian retailer CBD delivered strong results on the back of accelerating sales growth while Banrisul re-rated in a strong market. State Bank of India gained on rising balance sheet clean-up expectations. We did not enter or exit any positions during the month but made selected adjustments to our portfolio weightings. As a result, we now see 45% upside to the portfolio, which trades at around 8x 19e P/E (25% discount to EM) and 1x P/B.

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.

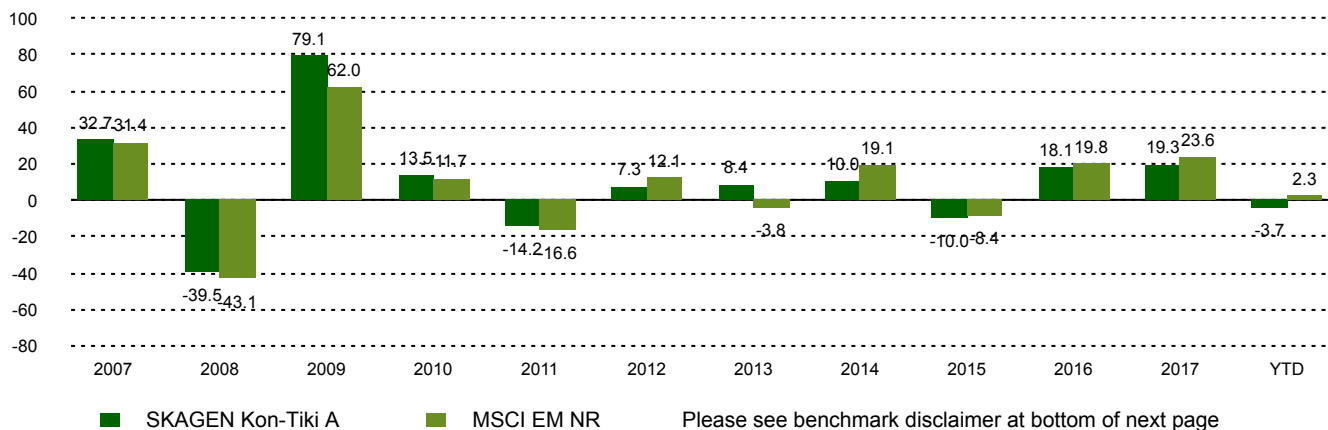
## Historical performance (net of fees)

Period	SKAGEN Kon-Tiki A	Benchmark index
Last month	-2.8%	0.1%
Year to date	-3.7%	2.3%
Last year	4.9%	12.7%
Last 3 years	6.4%	9.7%
Last 5 years	8.0%	11.6%
Last 10 years	6.7%	6.9%
Since start	13.1%	8.7%

## Fund Facts

Type	Equity
Domicile	Norway
Launch date	05.04.2002
Morningstar category	Global Emerging Markets Equity
ISIN	NO0010140502
NAV	884.76 SEK
Fixed management fee	2.00%
Total expense ratio (2017)	1.59%
Benchmark index	MSCI EM NR
AUM (mill.)	26293.04 SEK
Number of holdings	44
Portfolio manager	Cathrine Gether Fredrik Bjelland

## Performance last ten years



## Contributors in the month

### Largest contributors

Holding	Weight (%)	Contribution (%)
Cia Brasileira de Distribuicao	3.06	0.32
State Bank of India	2.52	0.31
Banrisul	2.41	0.30
Cia Cervecerias Unidas SA	1.98	0.18
Mahindra & Mahindra Ltd	2.96	0.17

Absolute contribution based on NOK returns at fund level

### Largest detractors

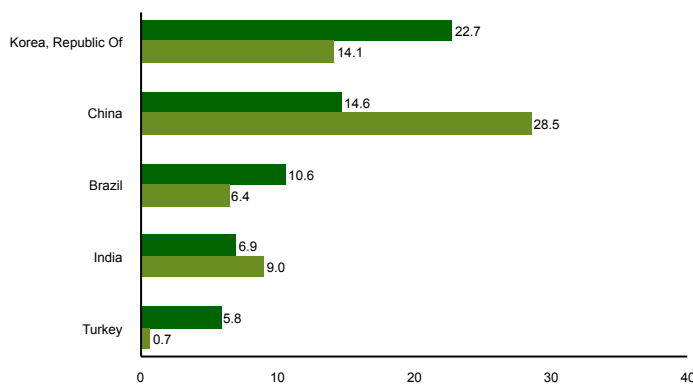
Holding	Weight (%)	Contribution (%)
SHINEWAY PHARM	1.55	-0.61
Golar LNG Ltd	3.96	-0.52
AG Anadolu Grubu Holding AS	1.64	-0.43
Haci Omer Sabanci Holding AS	3.21	-0.42
LG Electronics Inc	3.13	-0.38

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## Top ten investments

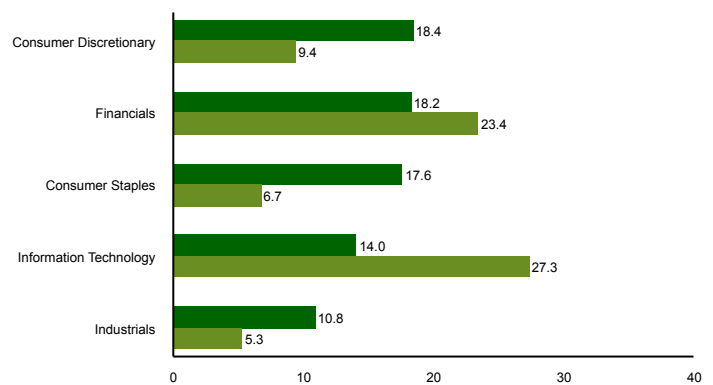
Holding	Sector	Country	%
Samsung Electronics	Information Technology	Korea, Republic Of	6.8
Hyundai Motor	Consumer Discretionary	Korea, Republic Of	5.9
Naspers	Consumer Discretionary	South Africa	5.5
Golar LNG	Industrials	United States	3.6
Borr Drilling	Energy	Norway	3.5
Haci Omer Sabanci Holding	Financials	Turkey	3.2
Cia Brasileira de Distribuicao	Consumer Staples	Brazil	3.2
Ericsson	Information Technology	Sweden	3.0
LG Electronics	Consumer Discretionary	Korea, Republic Of	3.0
X5 Retail Group	Consumer Staples	Russian Federation	2.9
Combined weight of top 10 holdings			40.5

## Country exposure (top five)



■ SKAGEN Kon-Tiki A ■ MSCI EM NR

## Sector exposure (top five)



■ SKAGEN Kon-Tiki A ■ MSCI EM NR

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## Important information

Unless otherwise stated, performance data relates to class A units and is net of fees. 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.