

## Performance Commentary

August was a month to forget for EM investors. The travails started as the Fed cut interest rates for the first time in a decade while downplaying hopes of a sustained easing cycle. The trade war escalated, and China let the yuan slip to the lowest level in a decade. EM currencies had their worst August in more than 20 years. Economic indicators are weakening, signalling that the drawn-out trade war is taking a toll. Policy makers globally are reducing rates, while the bond market is signalling deep worries. An extreme flight to safety has led to a hostile asset and sector rotation. With a cyclical overweight, this played to Kon-Tiki's disadvantage with energy/raw material related names suffering in particular. State Bank of India was weak on emerging concerns about a slowing external environment and resultant headwinds to asset quality and growth. Russian grocery retailer X5 delivered solid results while China Unicom got a welcome lift from talks of a 5G network share with China Telecom. The "yearly" labour strike at Hyundai seems to be resolved and results were promising. We expect certain politicians and central bankers to have a large say in short-term market developments. Kon-Tiki is a diversified portfolio with an overweight of companies driven by internal factors trading at a big discount to EM, at 2020e P/E of 7.5x versus 11x.

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.

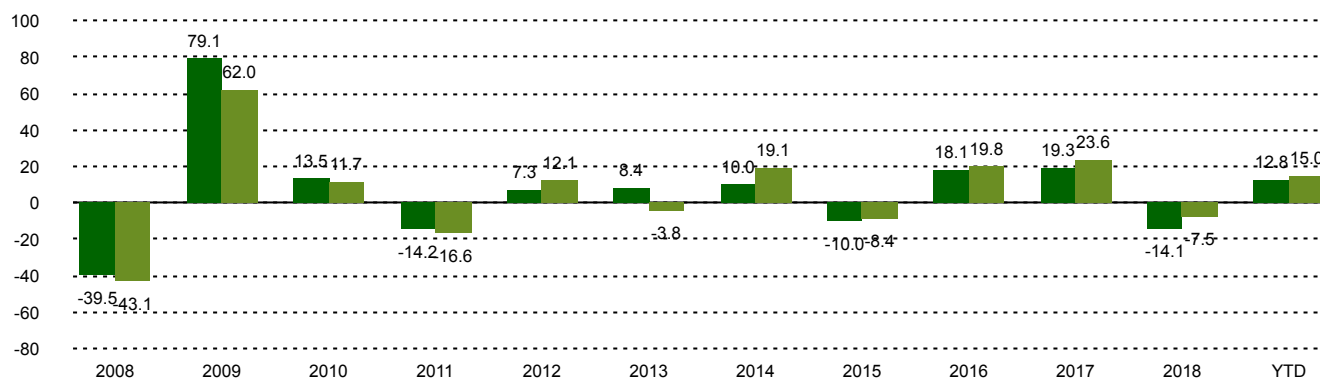
## Historical performance (net of fees)

Period	SKAGEN Kon-Tiki A	Benchmark index
Last month	-4.0%	-2.8%
Year to date	12.8%	15.0%
Last year	3.4%	2.9%
Last 3 years	6.5%	10.6%
Last 5 years	3.4%	7.5%
Last 10 years	6.2%	7.5%
Since start	12.3%	8.4%

## Fund Facts

Type	Equity
Domicile	Norway
Launch date	05.04.2002
Morningstar category	Global Emerging Markets Equity
ISIN	NO0010140502
NAV	891.02 SEK
Fixed management fee	2.00%
Total expense ratio (2018)	1.16%
Benchmark index	MSCI EM NR USD
AUM (mill.)	18842.62 SEK
Number of holdings	45
Portfolio manager	Cathrine Gether Fredrik Bjelland

## Performance last ten years



■ SKAGEN Kon-Tiki A ■ MSCI EM NR USD

Please see benchmark disclaimer at bottom of next page

## Contributors in the month



### Largest contributors

Holding	Weight (%)	Contribution (%)
Hyundai Motor Co	4.50	0.24
X5 Retail Group NV	2.68	0.17
China Unicom Hong Kong Ltd	2.82	0.16
China Shineway Pharmaceutical	0.91	0.13
Dragon Capital	1.54	0.12



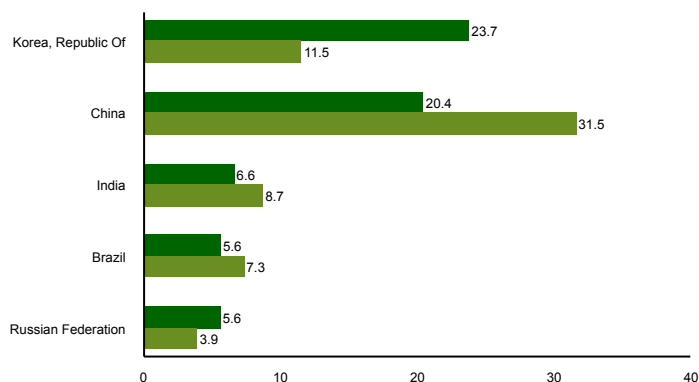
### Largest detractors

Holding	Weight (%)	Contribution (%)
Borr Drilling Ltd	1.11	-0.67
Golar LNG Ltd	1.67	-0.57
State Bank of India	2.62	-0.52
Naspers Ltd	4.53	-0.23
Ivanhoe Mines Ltd	2.64	-0.23

## Top ten investments

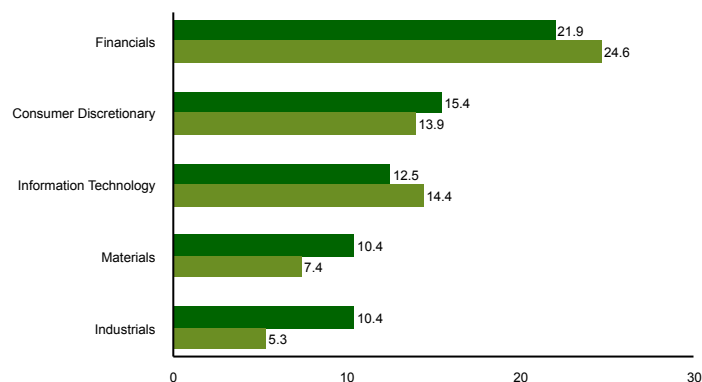
Holding	Sector	Country	%
Samsung Electronics Co Ltd	Information Technology	Korea, Republic Of	8.8
Ping An Insurance Group	Financials	China	6.1
Hyundai Motor Co	Consumer Discretionary	Korea, Republic Of	4.8
Naspers Ltd	Consumer Discretionary	South Africa	4.6
Bank Of China Ltd	Financials	China	4.3
LG Electronics Inc	Consumer Discretionary	Korea, Republic Of	3.1
Atlantic Sapphire AS	Consumer Staples	Norway	3.0
China Unicom Hong Kong Ltd	Communication Services	China	2.9
X5 Retail Group NV	Consumer Staples	Russian Federation	2.9
Aeroflot PJSC	Industrials	Russian Federation	2.7
Combined weight of top 10 holdings			43.3

## Country exposure (top five)



■ SKAGEN Kon-Tiki A ■ MSCI EM NR USD

## Sector exposure (top five)



■ SKAGEN Kon-Tiki A ■ MSCI EM NR USD

## Contact



0200-11 22 60



kundservice@skagenfonder.se



SKAGEN AS, Box 11, 101 20  
Stockholm

## Important information

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.