

Performance Commentary

The earnings season has been solid across emerging markets (EM), which has continued to support inflow to EM equity funds. Samsung Electronics continues to benefit from strong market dynamics in memory while X5 Retail Group demonstrates solid growth and positive operating leverage. Hyundai Motor, on the other hand, continues to suffer from sales disruption in China and weak US demand. State Bank of India demonstrated that it has not yet finished cleaning up after the merger.

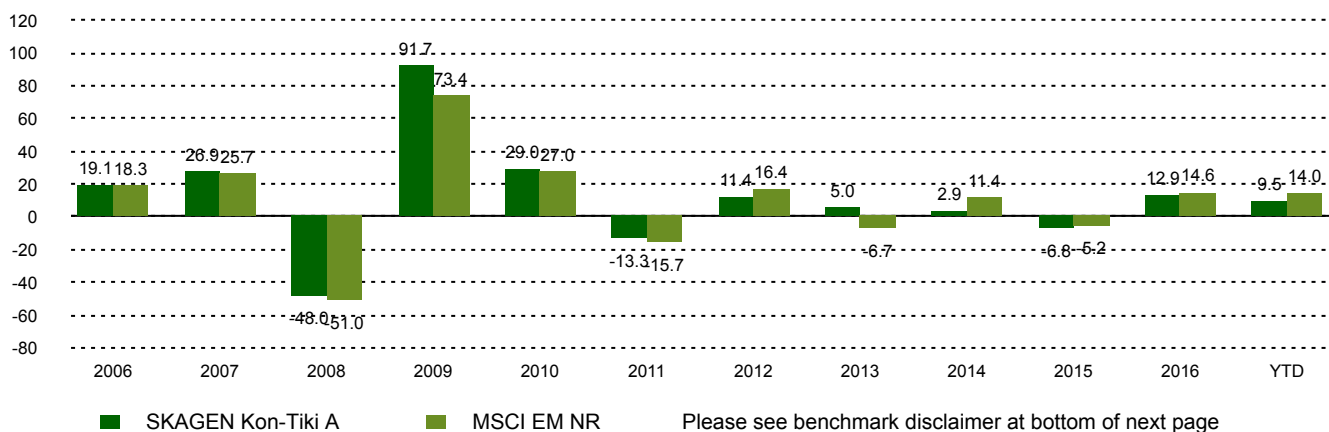
We saw increasing tension on the Korean peninsula. We would note that this is nothing new and it did not materially impact Korean equities. Three of the fund's top five contributors in August were Korean.

EM equities have delivered solid absolute and relative returns since early 2016. However, the asset class has lagged developed market equities over the past 5 years. From a valuation perspective, EM equities are still relatively attractive. With decelerating inflation and improving margins and earnings, we still see EM equities as relatively attractive. Our top 35 holdings, representing 86% of the assets, are valued at 11x earnings for 2017e versus 13x for EM in general. They are valued at only 1.1x equity versus 1.7x for our universe. We see a weighted upside of 31% for our portfolio.

Historical performance (net of fees)

Period	SKAGEN Kon-Tiki A	Benchmark index
Last Month	-0.4%	1.4%
Year to date	9.5%	14.0%
Last year	13.9%	16.9%
Last 3 years	2.3%	6.1%
Last 5 years	5.4%	6.5%
Last 10 years	4.9%	3.9%
Since start	13.2%	8.1%

Performance last ten years



Contributors

Largest contributors

Holding	Weight (%)	Contribution (%)
LG Electronics Inc	2.59	0.36
Cosan Ltd	3.02	0.33
Banrisul	2.89	0.32
Samsung SDI	2.07	0.27
LG Chem Ltd	1.46	0.17

Absolute contribution based on NOK returns at fund level

Largest detractors

Holding	Weight (%)	Contribution (%)
State Bank of India	3.34	-0.42
Hyundai Motor Co	7.22	-0.41
Samsung Electronics Co	7.41	-0.30
Golar LNG	2.05	-0.21
Mahindra & Mahindra	3.96	-0.21

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.

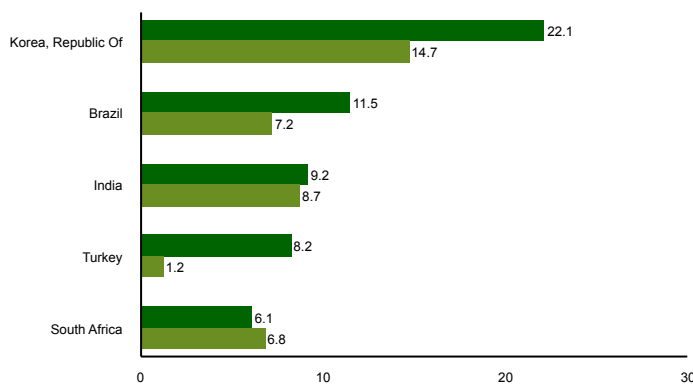
Fund Facts

Type	Equity
Domicile	Norway
Launch date	05.04.2002
Morningstar category	Global Emerging Markets Equity
ISIN	NO0010140502
NAV	87.98 EUR
Fixed management fee	2.00%
Total expense ratio (2016)	1.81%
Benchmark index	MSCI EM NR
AUM (mill.)	3489.55 EUR
Number of holdings	51
Lead manager	Knut Harald Nilsson

Top ten investments

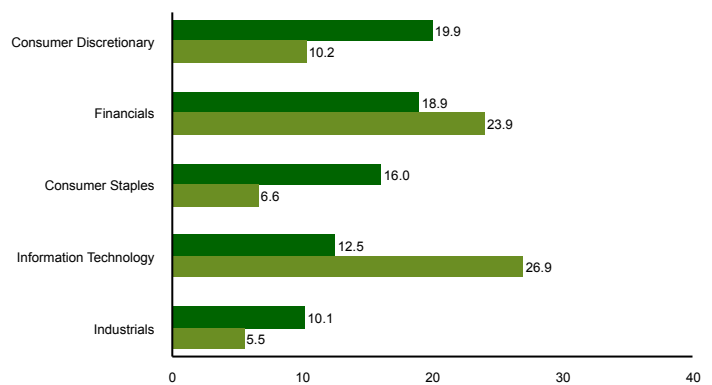
Holding	Sector	Country	%
Samsung Electronics	Information Technology	Korea, Republic Of	6.99
Hyundai Motor	Consumer Discretionary	Korea, Republic Of	6.60
Naspers	Consumer Discretionary	South Africa	4.56
Haci Omer Sabanci Holding	Financials	Turkey	4.28
X5 Retail Group	Consumer Staples	Russian Federation	4.01
Mahindra & Mahindra	Consumer Discretionary	India	3.61
Richter Gedeon	Health Care	Hungary	3.24
Cosan	Consumer Staples	Brazil	3.13
State Bank of India	Financials	India	3.03
Banrisul	Financials	Brazil	2.85
Combined weight of top 10 holdings			42.30

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

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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.