

## Performance Commentary

Recent geopolitical turmoil led to increased volatility and EM equities underperformed global equities given the continued USD strength. Fundamentals in EM remain strong, however, with a few noticeable exceptions like Turkey and Argentina. After strength in April when activist Elliott marked his entrance, Hyundai reverted down when no further news came about potential shareholder friendly measures. Bannrisul was also weak on the back of disappointing results and full-year guidance. Continued uncertainty in Turkey put further pressure on the lira and the banking sector, including Sabanci. Borr Drilling and Tullow Oil were strong on the back of continued oil price strength. After weakness YTD, State Bank of India gained on signs that the balance sheet clean-up has been completed. Samsung SDI continued up with management signaling improved results ahead. We initiated a position in Chinese A-listed Robam after a share price fall of around 35% over 3 months. Robam is a premium kitchen appliances manufacturer. Strong underlying market growth as well as market share gains, combined with a cheap valuation should be a recipe for a successful journey. With selective buying in other Chinese holdings, China now represents 16% of the portfolio (from 10% at the beginning of 2018). We see around 40% upside to the current portfolio, which trades at around 8x 19e P/E (25% discount to EM) and 1.1x 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.

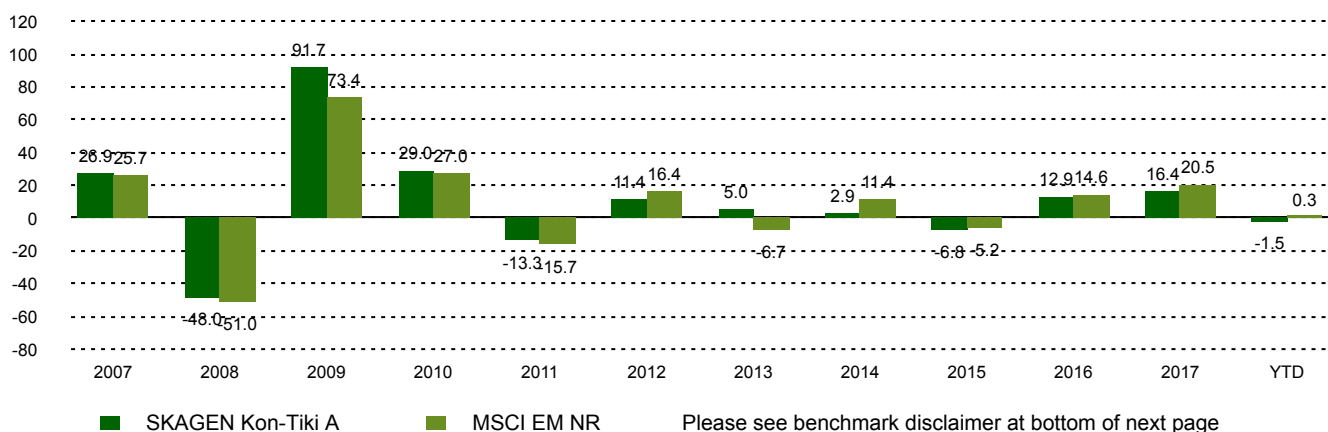
## Historical performance (net of fees)

Period	SKAGEN Kon-Tiki A	Benchmark index
Last month	-1.1%	-0.3%
Year to date	-1.5%	0.3%
Last year	3.4%	9.9%
Last 3 years	2.1%	4.0%
Last 5 years	4.4%	6.8%
Last 10 years	5.2%	4.6%
Since start	12.8%	8.1%

## Fund Facts

Type	Equity
Domicile	Norway
Launch date	05.04.2002
Morningstar category	Global Emerging Markets Equity
ISIN	NO0010140502
NAV	92.12 EUR
Fixed management fee	2.00%
Total expense ratio (2017)	1.59%
Benchmark index	MSCI EM NR
AUM (mill.)	2628.76 EUR
Number of holdings	43
Lead manager	Knut Harald Nilsson

## Performance last ten years



## Contributors in the month

### Largest contributors

Holding	Weight (%)	Contribution (%)
Borr Drilling Ltd	3.43	0.43
State Bank of India	2.35	0.25
Samsung SDI Co Ltd	2.11	0.20
Mahindra & Mahindra Ltd	4.44	0.18
Tullow Oil PLC	1.83	0.15

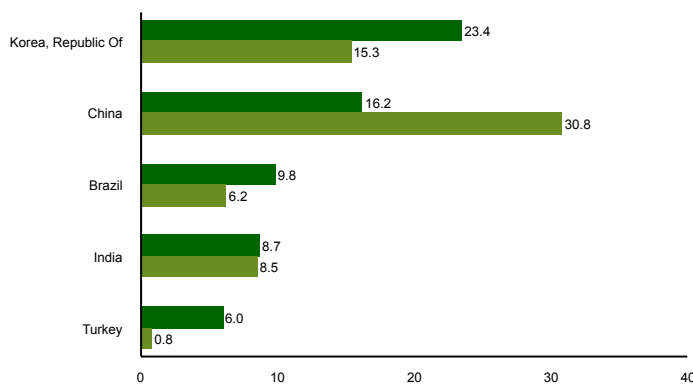
### Largest detractors

Holding	Weight (%)	Contribution (%)
Hyundai Motor Co	6.89	-1.12
Bannrisul	2.34	-0.58
Haci Omer Sabanci Holding AS	3.39	-0.47
LG Electronics Inc	3.38	-0.34
Golar LNG Ltd	4.35	-0.32

## Top ten investments

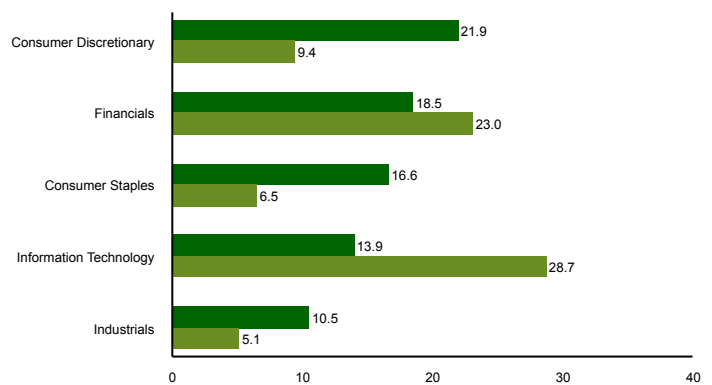
Holding	Sector	Country	%
Hyundai Motor	Consumer Discretionary	Korea, Republic Of	6.7
Samsung Electronics	Information Technology	Korea, Republic Of	6.7
Mahindra & Mahindra	Consumer Discretionary	India	4.9
Naspers	Consumer Discretionary	South Africa	4.7
Golar LNG	Industrials	United States	3.9
Borr Drilling	Energy	Norway	3.6
LG Electronics	Consumer Discretionary	Korea, Republic Of	3.3
Cia Brasileira de Distribuicao	Consumer Staples	Brazil	3.3
Haci Omer Sabanci Holding	Financials	Turkey	3.3
Ericsson	Information Technology	Sweden	3.2
Combined weight of top 10 holdings			43.4

## 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.