

All data in EUR 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.

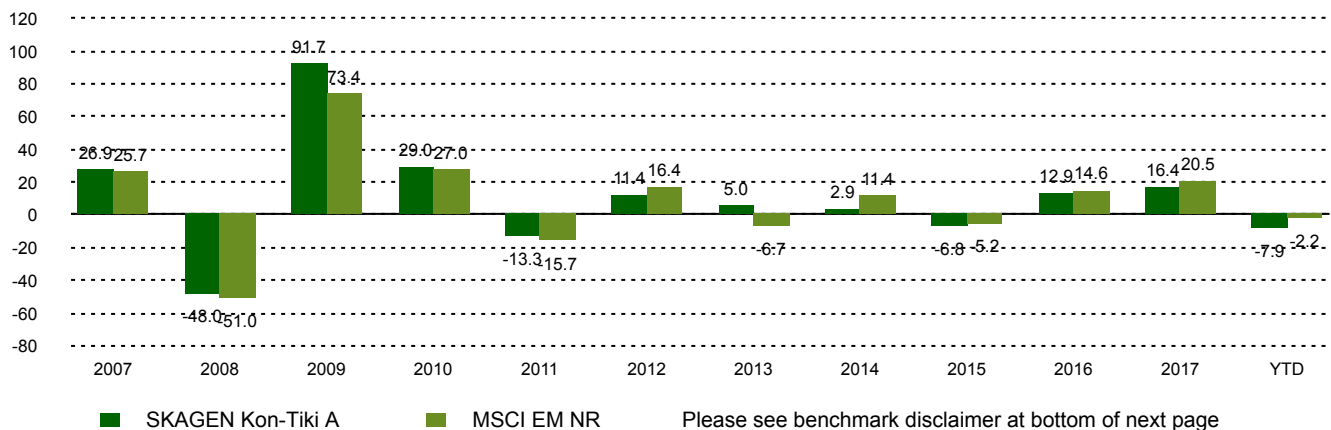
Historical performance (net of fees)

| Period | SKAGEN Kon-Tiki A | Benchmark index |
|---------------|-------------------|-----------------|
| Last month | -1.1% | 1.8% |
| Year to date | -7.9% | -2.2% |
| Last year | -2.5% | 4.8% |
| Last 3 years | 3.6% | 6.8% |
| Last 5 years | 4.5% | 7.9% |
| Last 10 years | 5.7% | 5.9% |
| Since start | 12.2% | 7.8% |

Fund Facts

| | |
|----------------------------|-------------------------------------|
| Type | Equity |
| Domicile | Norway |
| Launch date | 05.04.2002 |
| Morningstar category | Global Emerging Markets Equity |
| ISIN | NO0010140502 |
| NAV | 86.13 EUR |
| Fixed management fee | 2.00% |
| Total expense ratio (2017) | 1.59% |
| Benchmark index | MSCI EM NR |
| AUM (mill.) | 2550.44 EUR |
| 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 |

Largest detractors

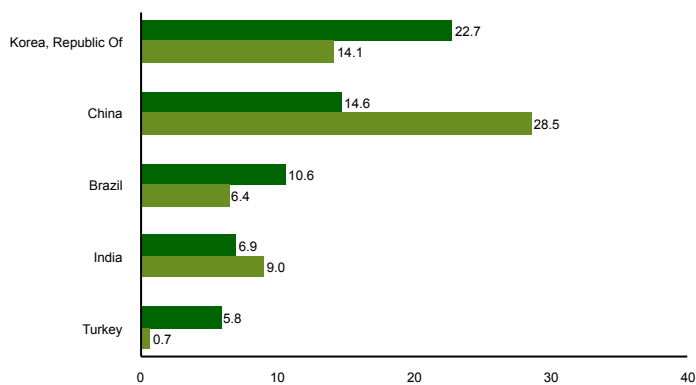
| Holding | Weight (%) | Contribution (%) |
|------------------------------|------------|------------------|
| SHINEWAY PHARM | 1.55 | -0.61 |
| Golar LNG Ltd | 3.96 | -0.52 |
| AG Anadolu Grubu Holding AS | 1.64 | -0.43 |
| Haci Omer Sabanci Holding AS | 3.21 | -0.42 |
| LG Electronics Inc | 3.13 |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

Absolute contribution based on NOK returns at fund level

Top ten investments

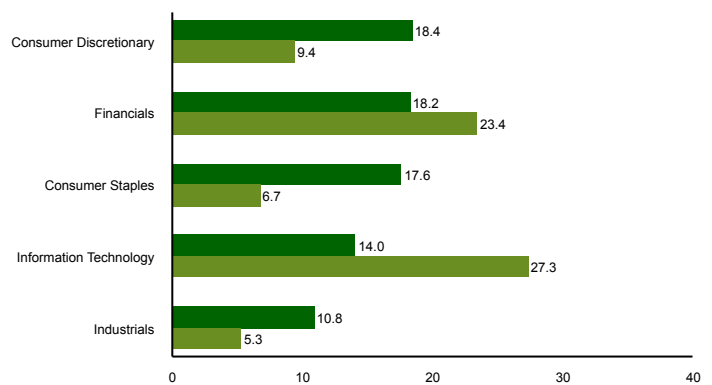
| Holding | Sector | Country | % |
|------------------------------------|------------------------|--------------------|------|
| Samsung Electronics | Information Technology | Korea, Republic Of | 6.8 |
| Hyundai Motor | Consumer Discretionary | Korea, Republic Of | 5.9 |
| Naspers | Consumer Discretionary | 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

Contact



+47 51 80 37 09



contact@skagenfunds.com



SKAGEN AS, Post Box 160, 4001, Stavanger, Norway

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.