

All data in EUR as of 31.05.2017 unless otherwise stated.

Performance Commentary

Capital continued to flow into emerging market equities driven by a profit turnaround. Return on equity in EM again exceeded that of developed markets.

Our Korean holdings performed strongly in May supported by anticipation of improved governance following the election of Mr. Moon as President. We also see signs that the excessive discount on our preference shares is narrowing. On the flipside, political uncertainty in Brazil created headwinds after accusations of President Temer knowing about corruption. This might delay needed reforms.

We sold out of Sistema after Rosneft announced a significant claim against the company, as we are uncertain of the objectiveness of the Russian legal system. We also exited Apollo Tyres, after a strong return, and OCI Co.

L.M. Ericsson and China Unicom entered the portfolio, which now consists of 54 holdings. The top 35 holdings represent 84% of capital. These are valued at a weighted average P/E of 10.1x on our 2017 estimates versus 12.1x for the MSCI EM index. Trailing P/BV is 1.1x versus 1.7x for reference index. For our largest holdings, we see a weighted average upside to our target prices of 29%.

Historical performance

Period	SKAGEN Kon-Tiki A	Benchmark index
Year to date	10.94%	10.09%
Last year	25.70%	25.96%
Last 3 years	4.33%	8.33%
Last 5 years	6.67%	6.63%
Last 10 years	5.43%	4.14%
Since Start	13.50%	7.95%

The fund selects low-priced, high-quality companies, mainly in emerging economies.

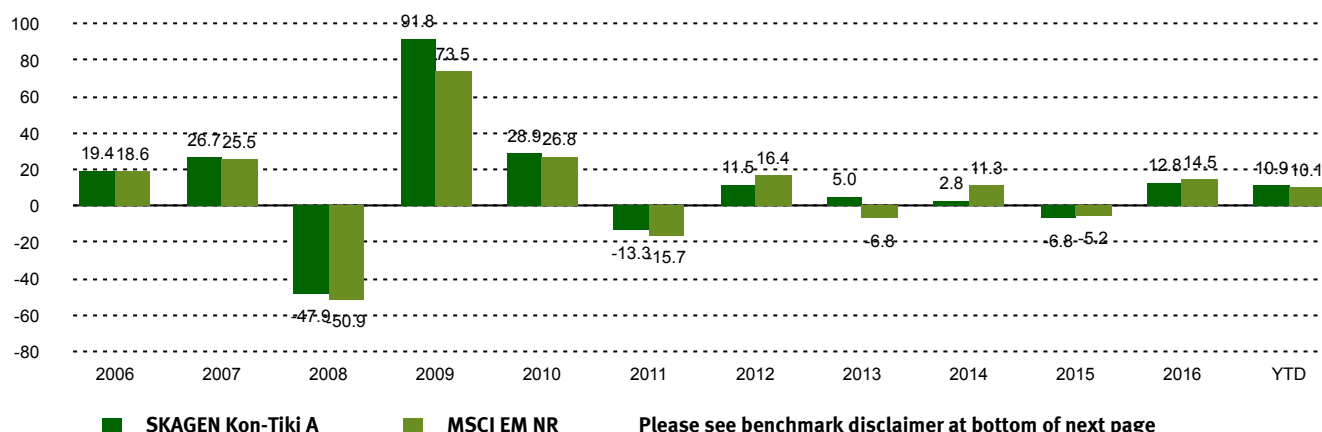
The objective is to provide the best possible risk adjusted return.

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	89.17 EUR
Fixed management fee	2.00%
Total expense ratio (2016)	1.81%
Benchmark index	MSCI EM NR
Assets under management (mill.)	3578.98 EUR
Number of holdings	54
Lead manager	Knut Harald Nilsson

Performance last ten years



Contributors

Largest contributors in the month

Holding	Weight (%)	Contribution (%)
Hyundai Motor	7.68	0.88
LG Electronics	2.44	0.56
Naspers	5.63	0.52
Samsung SDI	2.40	0.40
X5 Retail Group	4.10	0.25

Based on NOK returns at fund level

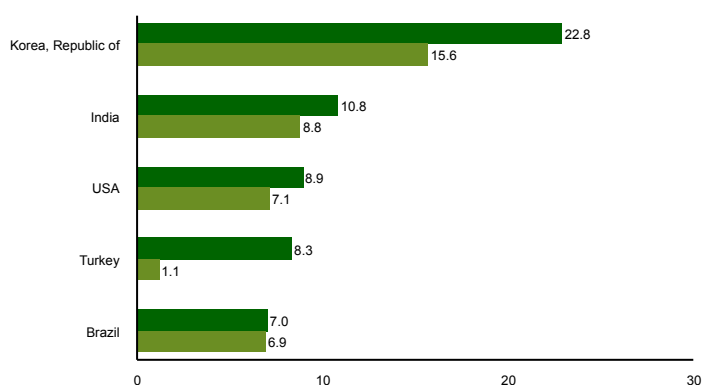
Largest detractors in the month

Holding	Weight (%)	Contribution (%)
Sistema	0.23	-0.35
SBI Holdings	2.78	-0.22
Borr Drilling	1.67	-0.19
Cosan	3.22	-0.17
Golden Ocean Group	0.57	-0.13

Top ten investments

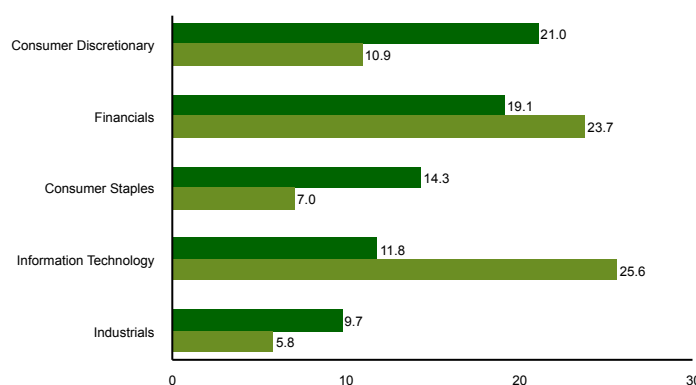
Holding	Sector	Country	%
Hyundai Motor	Consumer Discretionary	Korea, Republic of	7.65
Samsung Electronics	Information Technology	Korea, Republic of	6.89
Naspers	Consumer Discretionary	South Africa	4.74
Haci Omer Sabanci Holding	Financials	Turkey	4.31
Mahindra & Mahindra	Consumer Discretionary	India	3.98
X5 Retail Group	Consumer Staples	Russia	3.81
Richter Gedeon	Health Care	Hungary	3.46
State Bank of India	Financials	India	3.18
Cosan	Consumer Staples	USA	2.78
Kinnevik	Telecommunication Services	Sweden	2.58
Combined weight of top 10 holdings			43.38

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

Historical returns are no guarantee for future returns. Future returns will depend, inter alia, on market developments, the fund manager's skill, the fund's risk profile and management fees. The return may become negative as a result of negative price developments. The return the client receives may also be impacted by taxation. For general guidelines regarding taxation please see the prospectus. For more detailed information we strongly urge you to contact your local tax advisor.

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.