

Performance Commentary

EM equities enjoyed a strong start to 2019 as US interest rate expectations and the dollar fell on dovish comments from the Fed. Moreover, tentative signs of easing US-China trade tensions and Chinese policy loosening spurred renewed optimism across most major asset classes.

SKAGEN Kon-Tiki benefited from the broad rally, especially in Brazil, while a weak start to the year in India negatively affected Mahindra & Mahindra and State Bank of India. January saw a number of our holdings reverse some of last year's losses, including Samsung Electronics and Naspers. Land-based salmon farmer Atlantic Sapphire also contributed strongly on the back of rising analyst coverage and operational progress, which was confirmed during our site visit. We did not add any new positions during January but exited Chinese auto manufacturer Great Wall, which rebounded strongly from recent lows on rising stimulus expectations.

The portfolio continues to be attractively valued at 9x 19e P/E and 1x reported P/B, a 15% and 35% discount respectively to the EM index. With EM itself trading at a 20% discount to global markets, we believe the risk/reward proposition of the portfolio remains very favourable.

Historical performance (net of fees)

Period	SKAGEN Kon-Tiki A	Benchmark index
Last month	9.2%	8.4%
Year to date	9.2%	8.4%
Last year	-10.7%	-7.0%
Last 3 years	9.2%	12.8%
Last 5 years	3.7%	8.3%
Last 10 years	10.9%	10.9%
Since start	11.8%	7.5%

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

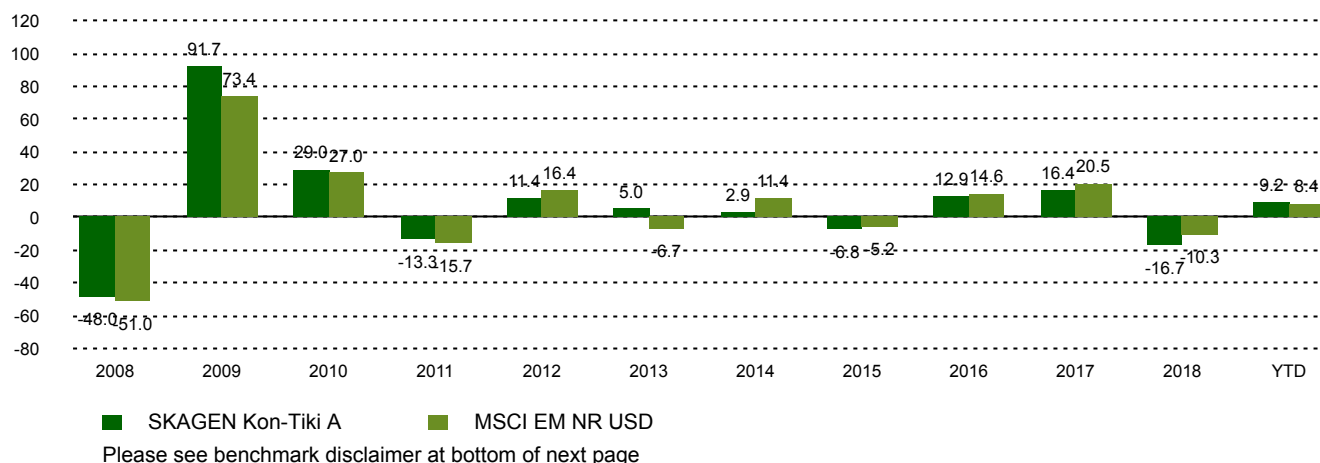
The objective is to provide the best possible risk adjusted return.

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	85.06 EUR
Fixed management fee	2.00%
Total expense ratio (2018)	1.16%
Benchmark index	MSCI EM NR USD
AUM (mill.)	1812.42 EUR
Number of holdings	50
Portfolio manager	Cathrine Gether Fredrik Bjelland

Performance last ten years



Contributors in the month



Largest contributors

Holding	Weight (%)	Contribution (%)
Samsung Electronics Co Ltd	7.44	0.98
Naspers Ltd	5.43	0.58
Atlantic Sapphire AS	2.40	0.58
Cia Brasileira de Distribuicao	2.66	0.57
Cosan Ltd	2.61	0.54



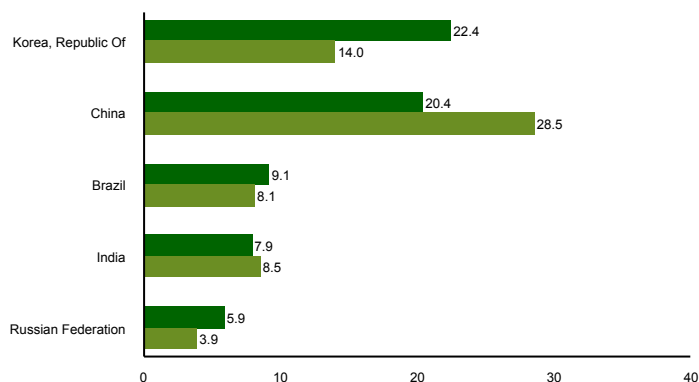
Largest detractors

Holding	Weight (%)	Contribution (%)
Mahindra & Mahindra Ltd	2.37	-0.48
State Bank of India	3.30	-0.19
Ghana Commercial Bank Ltd	0.72	-0.06
Ericsson	1.55	-0.04
UPL Ltd	2.65	-0.03

Top ten investments

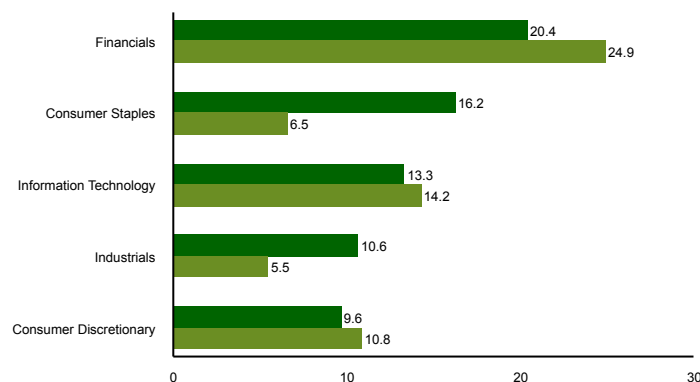
Holding	Sector	Country	%
Samsung Electronics	Information Technology	Korea, Republic Of	7.9
Naspers	Communication Services	South Africa	5.4
Hyundai Motor	Consumer Discretionary	Korea, Republic Of	4.4
Bank of China	Financials	China	3.5
X5 Retail Group	Consumer Staples	Russian Federation	3.3
State Bank of India	Financials	India	3.1
LG Electronics	Consumer Discretionary	Korea, Republic Of	3.0
China Unicom Hong Kong Ltd	Communication Services	China	2.9
UPL	Materials	India	2.6
Bangkok Bank	Financials	Thailand	2.6
Combined weight of top 10 holdings			38.8

Country exposure (top five)



■ SKAGEN Kon-Tiki A ■ MSCI EM NR USD

Sector exposure (top five)



■ SKAGEN Kon-Tiki A ■ MSCI EM NR USD

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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.