

Performance Commentary

Global and emerging market equities continued to advance in April as earlier central bank flexibility resulted in signs of growth stabilisation. A mixture of Chinese reflation and abating trade tensions supported China and Taiwan in particular. Kon-Tiki remained robust despite a significant underweight to these markets.

We exited Ericsson as the company has successfully executed on its turnaround plan and the mobile equipment market has returned to growth. Turkish Airlines made its way into the portfolio. The new Istanbul airport provides growth opportunities, is strategically located for European/Middle Eastern and Asian transit traffic and has a cost structure similar to the low-cost airlines, ensuring a strong competitive positioning.

Naspers was the strongest positive contributor after announcing they will create a NewCo listing in Amsterdam in order to address the discount to NAV. The Russian grocery retailer X5 surprised with strong operational performance in a difficult market. China Unicom was weak after strong performance YTD as results were slightly disappointing. Golar seems to be held back by the complexity of the investment case.

EM equities are now valued around historical averages, but still at a major discount to global markets. Kon-Tiki's value philosophy is reflected in a significant discount to this, trading at 0.9x P/B compared to 1.6x for EM in general.

Historical performance (net of fees)

Period	SKAGEN Kon-Tiki A	Benchmark index
Last month	2.1%	2.3%
Year to date	15.7%	14.4%
Last year	-3.2%	2.1%
Last 3 years	8.3%	12.0%
Last 5 years	4.4%	8.6%
Last 10 years	9.0%	9.3%
Since start	12.0%	7.8%

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

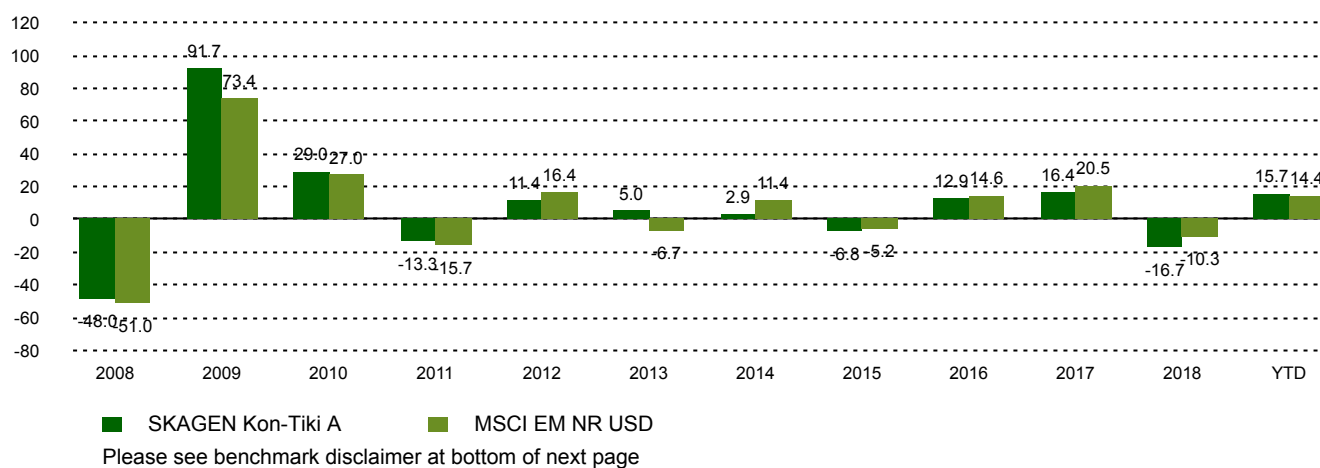
The objective is to provide the best possible risk adjusted return.

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	90.14 EUR
Fixed management fee	2.00%
Total expense ratio (2018)	1.16%
Benchmark index	MSCI EM NR USD
AUM (mill.)	1980.37 EUR
Number of holdings	51
Portfolio manager	Cathrine Gether Fredrik Bjelland

Performance last ten years



Contributors in the month



Largest contributors

Holding	Weight (%)	Contribution (%)
Naspers Ltd	4.76	0.57
X5 Retail Group NV	2.64	0.52
Hyundai Motor Co	4.19	0.51
PING AN	4.50	0.43
Euronav NV	2.09	0.32



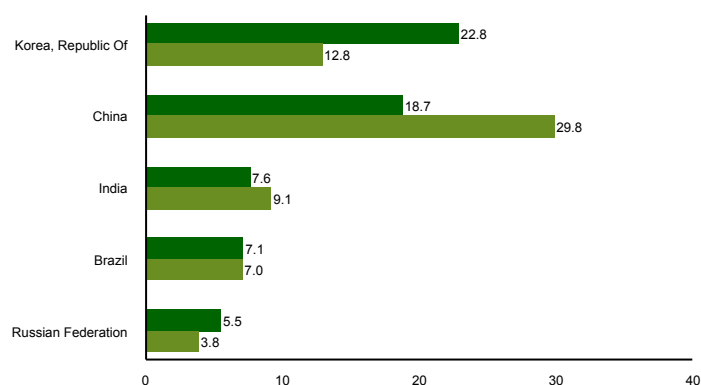
Largest detractors

Holding	Weight (%)	Contribution (%)
China Unicom Hong Kong Ltd	3.16	-0.21
Golar LNG Ltd	2.17	-0.17
Borr Drilling Ltd	2.16	-0.17
Mahindra & Mahindra Ltd	2.13	-0.16
LG Chem Ltd	2.29	-0.14

Top ten investments

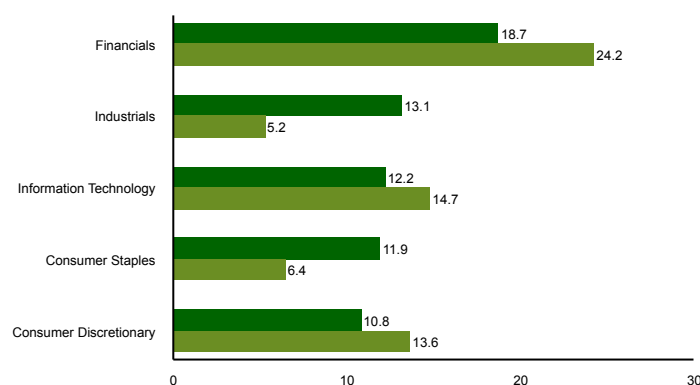
Holding	Sector	Country	%
Samsung Electronics	Information Technology	Korea, Republic Of	7.9
Naspers	Communication Services	South Africa	4.5
Hyundai Motor	Consumer Discretionary	Korea, Republic Of	4.4
Bank of China	Financials	China	3.6
LG Electronics	Consumer Discretionary	Korea, Republic Of	3.3
State Bank of India	Financials	India	3.0
China Unicom Hong Kong Ltd	Communication Services	China	3.0
Ping An Insurance Co	Financials	China	2.7
X5 Retail Group	Consumer Staples	Russian Federation	2.6
UPL	Materials	India	2.5
Combined weight of top 10 holdings			37.6

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.