

## Performance Commentary

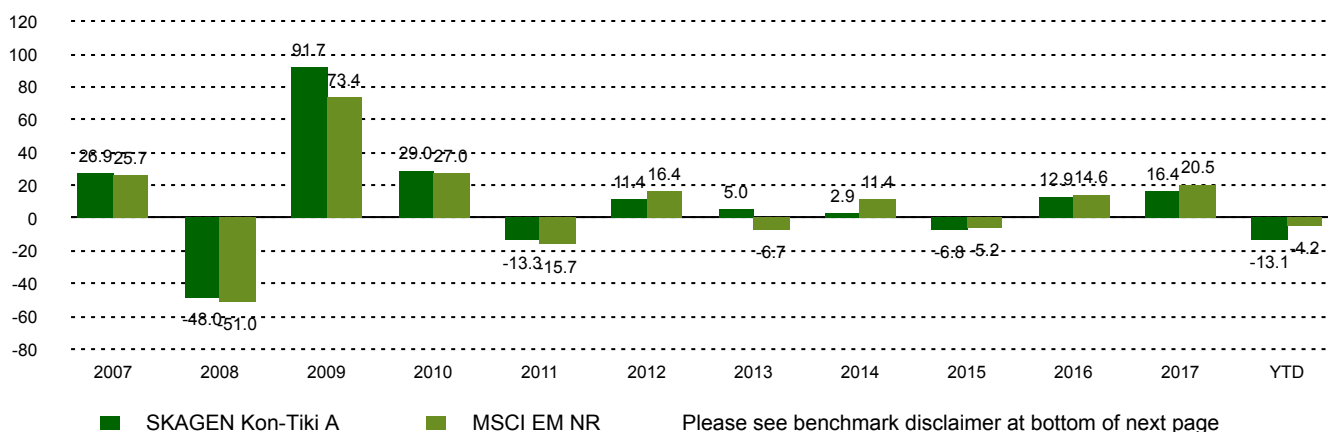
EM assets had a tough month in August as declines in Turkey and Argentina in particular sparked fears of global contagion. EM currency weakness was the theme of the month. A weak lira continued to hurt our Turkish holdings, including Sabanci. Currency weakness was also a major negative contributing factor to our Brazilian holdings Cosan and Marfrig. Marfrig also disappointed with a lower price tag than expected on the sale of US subsidiary Keystone. South African internet conglomerate Naspers' share price was up in ZAR terms despite regulatory pressures on core holding Tencent, but rand weakness influenced negatively also here. Sentiment around Samsung Electronics was positive, as the market is incorporating a "stronger for longer" cycle in the key memory division. Turnaround story Ericsson is finally getting some traction from encouraging results. Indian agrochemical company UPL was strong after announcing the acquisition of Arysta.

We aim to increase the turnover velocity of the fund by lowering the threshold to add new positions. This resulted in 2 new holdings in August. We are also implementing a more systematic risk management process to avoid unintended portfolio risks. We currently see almost 50% upside to the portfolio with a 2-year investment horizon. The portfolio trades at around 8x 19e P/E, which is a more than 25% discount to EM and compares to 15x for DM.

## Historical performance (net of fees)

Period	SKAGEN Kon-Tiki A	Benchmark index
Last month	-5.7%	-2.1%
Year to date	-13.1%	-4.2%
Last year	-7.7%	1.3%
Last 3 years	6.1%	10.1%
Last 5 years	3.5%	7.8%
Last 10 years	5.3%	5.9%
Since start	11.8%	7.6%

## Performance last ten years



## Contributors in the month

### Largest contributors

Holding	Weight (%)	Contribution (%)
Samsung Electronics Co Ltd	7.19	0.46
Ericsson	3.15	0.31
Richter Gedeon Nyrt	1.82	0.21
UPL Ltd	1.73	0.20
SHINEWAY PHARM	1.32	0.16

### Largest detractors

Holding	Weight (%)	Contribution (%)
Haci Omer Sabanci Holding AS	2.60	-1.17
Marfrig Global Foods SA	1.15	-0.43
Naspers Ltd	5.54	-0.43
Cosan Ltd	2.23	-0.40
X5 Retail Group NV	2.86	-0.37

Absolute contribution based on NOK returns at fund level

The art of common sense

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.

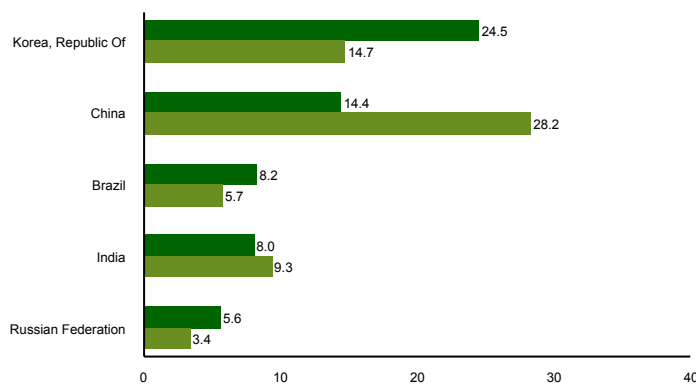
## Fund Facts

Type	Equity
Domicile	Norway
Launch date	05.04.2002
Morningstar category	Global Emerging Markets Equity
ISIN	NO0010140502
NAV	81.25 EUR
Fixed management fee	2.00%
Total expense ratio (2017)	1.59%
Benchmark index	MSCI EM NR
AUM (mill.)	2224.10 EUR
Number of holdings	47
Portfolio manager	Cathrine Gether Fredrik Bjelland

## Top ten investments

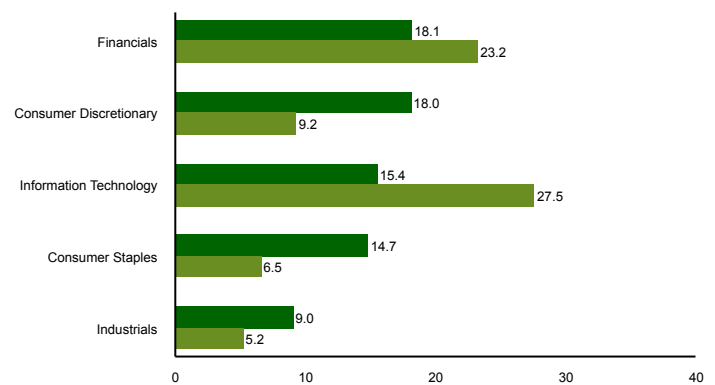
Holding	Sector	Country	%
Samsung Electronics	Information Technology	Korea, Republic Of	7.9
Hyundai Motor	Consumer Discretionary	Korea, Republic Of	6.0
Naspers	Consumer Discretionary	South Africa	5.2
LG Electronics	Consumer Discretionary	Korea, Republic Of	3.3
Ericsson	Information Technology	Sweden	3.2
Borr Drilling	Energy	Norway	3.2
State Bank of India	Financials	India	3.1
X5 Retail Group	Consumer Staples	Russian Federation	2.9
Mahindra & Mahindra	Consumer Discretionary	India	2.8
China Unicom Hong Kong Ltd	Telecommunication Services	China	2.8
Combined weight of top 10 holdings			40.4

## Country exposure (top five)



■ SKAGEN Kon-Tiki A ■ MSCI EM NR

## Sector exposure (top five)



■ SKAGEN Kon-Tiki A ■ MSCI EM NR

## Contact



020 799 74 34



info@skagenfunds.nl



SKAGEN AS, Gustav Mahlerplein 2,  
1082 MA Amsterdam

## Important information

Unless otherwise stated, performance data relates to class A units and is net of fees. Historical returns are no guarantee for future returns. Future returns will depend, inter alia, on market developments, the fund manager's skills, the fund's risk profile and subscription and management fees. The return may become negative as a result of negative price developments. You can find more information including subscription/redemption forms, full prospectus, Key Investor Information Documents (KIID), General Commercial Terms, Annual Reports and Monthly Reports from our local websites or branch office. Statements reflect the portfolio managers' viewpoint at a given time, and this viewpoint may be changed without notice. This report should not be perceived as an offer or recommendation to buy or sell financial instruments. SKAGEN AS does not assume responsibility for direct or indirect loss or expenses incurred through use or understanding of this report. Employees of SKAGEN AS may be owners of securities issued by companies that are either referred to in this report or are part of a fund's portfolio.

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.

