

Performance Commentary

May got off to a tumultuous start as trade tensions between the US and China resurfaced and caught global equity markets off-guard. The sell-off accelerated when it became evident that the souring of relations extends beyond just trade. Chinese telecom equipment manufacturer Huawei was placed on the US Commerce Department 'Entity List', effectively banning the sale of Huawei products in the US on security grounds and severely limiting the company's ability to source key components from US suppliers. China retaliated by introducing new tariffs and creating an 'Unreliable Entity List' of foreign companies damaging the legitimate interests of Chinese companies. Despite the challenging backdrop, SKAGEN Kon-Tiki held up well, significantly outperforming our benchmark. State Bank of India performed strongly on the back of the recent election while a successful primary placement for Atlantic Sapphire further de-risked its growth ambitions. On the negative side, Samsung Electronics suffered from trade war concerns and a weaker Korean won while Borr Drilling was caught up in a sector sell-off on weaker oil prices. We tendered our shares in Russian food retailer Lenta, which was subject to an offer from Severgroup but did not add any new companies. The portfolio remains attractively valued, trading on 9x 2019 P/E and 0.9x 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.

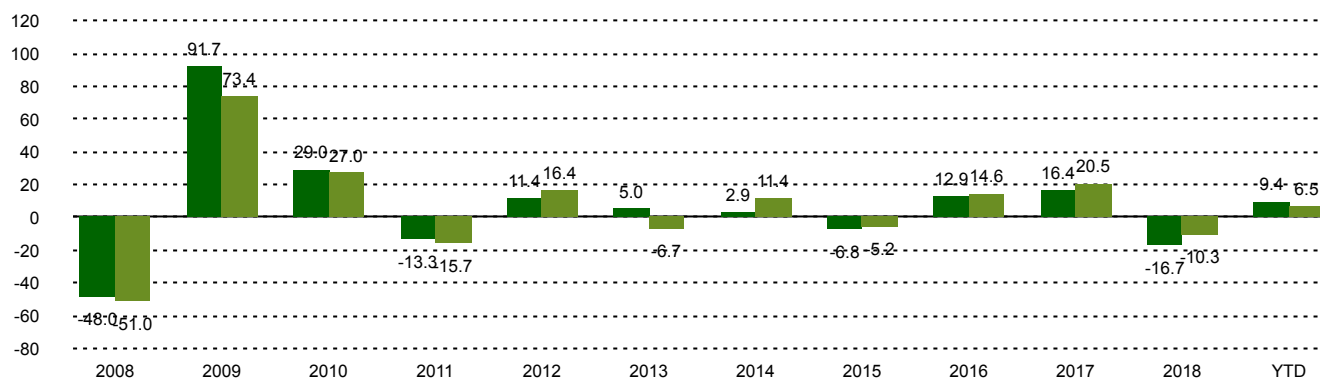
Historical performance (net of fees)

| Period | SKAGEN Kon-Tiki A | Benchmark index |
|---------------|-------------------|-----------------|
| Last month | -5.4% | -6.9% |
| Year to date | 9.4% | 6.5% |
| Last year | -7.4% | -4.7% |
| Last 3 years | 6.3% | 9.7% |
| Last 5 years | 1.7% | 5.9% |
| Last 10 years | 7.3% | 7.5% |
| Since start | 11.6% | 7.3% |

Fund Facts

| | |
|----------------------------|-------------------------------------|
| Type | Equity |
| Domicile | Norway |
| Launch date | 05.04.2002 |
| Morningstar category | Global Emerging Markets Equity |
| ISIN | NO0010140502 |
| NAV | 85.29 EUR |
| Fixed management fee | 2.00% |
| Total expense ratio (2018) | 1.16% |
| Benchmark index | MSCI EM NR USD |
| AUM (mill.) | 2000.71 EUR |
| Number of holdings | 50 |
| Portfolio manager | Cathrine Gether Fredrik Bjelland |

Performance last ten years



■ SKAGEN Kon-Tiki A ■ MSCI EM NR USD

Please see benchmark disclaimer at bottom of next page

Contributors in the month



Largest contributors

| Holding | Weight (%) | Contribution (%) |
|---------------------------|------------|------------------|
| State Bank of India | 3.24 | 0.47 |
| Atlantic Sapphire AS | 2.91 | 0.30 |
| Ghana Commercial Bank Ltd | 0.70 | 0.17 |
| LG Electronics Inc | 3.38 | 0.14 |
| Rumo SA | 0.97 | 0.14 |



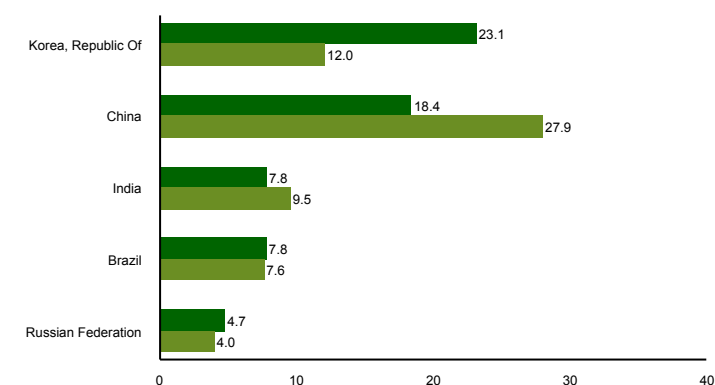
Largest detractors

| Holding | Weight (%) | Contribution (%) |
|--------------------------------|------------|------------------|
| Samsung Electronics Co Ltd | 7.82 | -0.58 |
| Borr Drilling Ltd | 1.77 | -0.56 |
| Naspers Ltd | 4.23 | -0.53 |
| Hollysys Automation Technologi | 2.29 | -0.29 |
| BJ ENT WATER | 1.96 | -0.28 |

Top ten investments

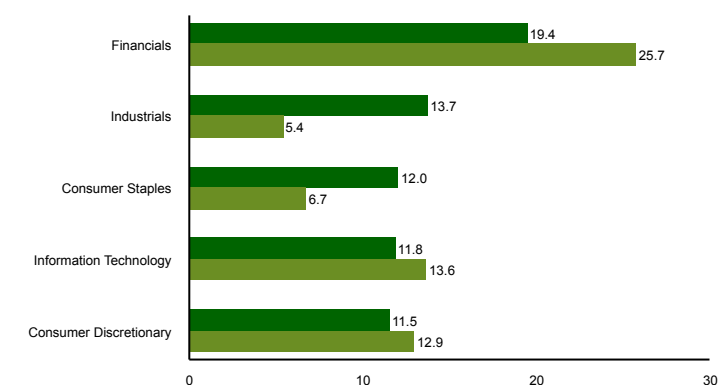
| Holding | Sector | Country | % |
|------------------------------------|------------------------|--------------------|------|
| Samsung Electronics | Information Technology | Korea, Republic Of | 7.8 |
| Hyundai Motor | Consumer Discretionary | Korea, Republic Of | 4.5 |
| Naspers | Communication Services | South Africa | 4.1 |
| Bank of China | Financials | China | 3.8 |
| LG Electronics | Consumer Discretionary | Korea, Republic Of | 3.6 |
| State Bank of India | Financials | India | 3.1 |
| Atlantic Sapphire | Consumer Staples | Norway | 3.1 |
| China Unicom Hong Kong Ltd | Communication Services | China | 2.9 |
| X5 Retail Group | Consumer Staples | Russian Federation | 2.7 |
| Ping An Insurance Co | Financials | China | 2.6 |
| Combined weight of top 10 holdings | | | 38.3 |

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

Unless otherwise stated, performance data relates to class A units and is net of fees. AUM data as of the end of the previous month. Except otherwise stated, the source of all information is SKAGEN AS. 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 download 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 our local representatives. 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.