

## Performance Commentary

SKAGEN Kon-Tiki suffered a setback in July due to a combination of stock-specific and regional issues. The shares of copper and gold miner Turquoise Hill Resources collapsed on news that the company's expansion project in Mongolia would be delayed by 16-30 months at a materially higher cost. While we remain confident that the project will be developed, the economics of it have weakened and any incremental financing will be at a higher cost. Our Korean holdings suffered on the back of trade war induced currency weakness and LG Electronics, in particular, warned of a deteriorating macro outlook. India was also weak, which affected Mahindra & Mahindra and State Bank.

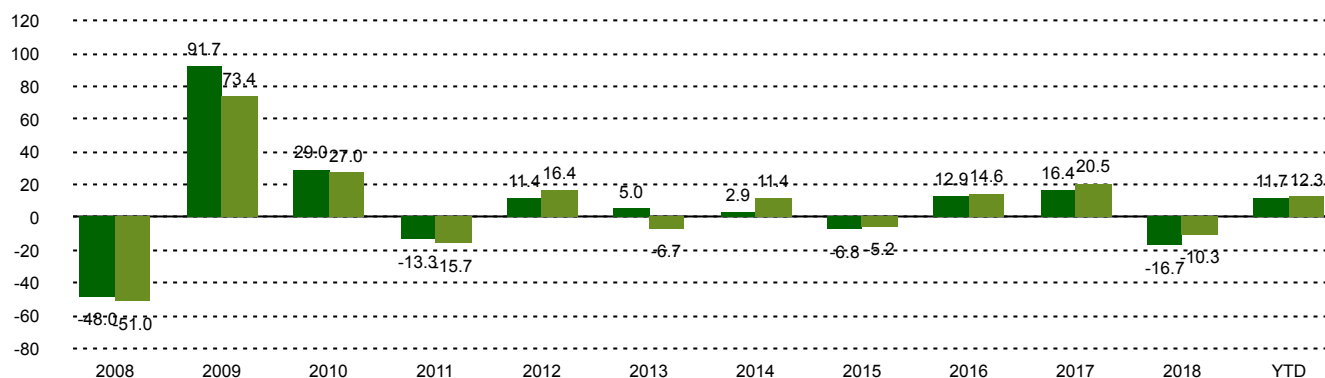
On the positive side, this year's top contributors Ping An and Naspers continued to deliver on the back of growing expectations of strong earnings and corporate simplification. We also benefited from a strong share price recovery in Indonesian telecoms operator Indosat driven by a potential tower sale, which should help alleviate its financial leverage. Turkish construction company Enka and Turkish Air also contributed positively.

We exited Chilean beverage company CCU as the shares reached our target price. The portfolio currently consists of 47 attractively valued companies, trading on 8x 2020 P&E and 0.9x current P&B.

## Historical performance (net of fees)

Period	SKAGEN Kon-Tiki A	Benchmark index
Last month	-2.1%	1.0%
Year to date	11.7%	12.3%
Last year	1.0%	3.0%
Last 3 years	4.7%	8.6%
Last 5 years	1.7%	5.7%
Last 10 years	6.3%	7.1%
Since start	11.6%	7.5%

## 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 (%)
Naspers Ltd	4.49	0.27
Ping An Insurance Group Co	5.72	0.24
Indosat Tbk PT	0.80	0.24
Aeroflot PJSC	2.49	0.22
Cosan Ltd	1.69	0.21



### Largest detractors

Holding	Weight (%)	Contribution (%)
Turquoise Hill Resources Ltd	0.85	-0.64
LG Electronics Inc	3.33	-0.50
Mahindra & Mahindra Ltd	2.04	-0.24
Hyundai Motor Co	4.41	-0.23
China Unicom Hong Kong Ltd	2.78	-0.20

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.

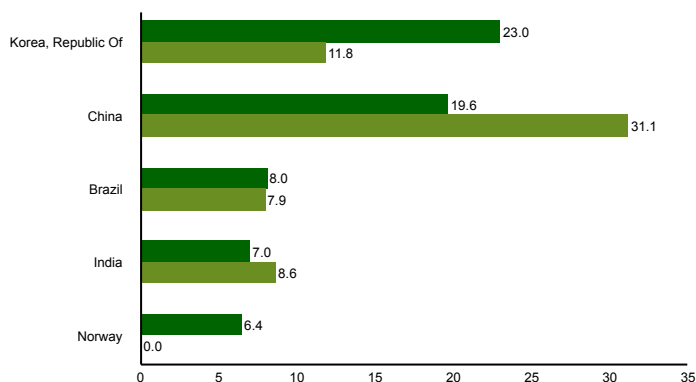
## Fund Facts

Type	Equity
Domicile	Norway
Launch date	05.04.2002
Morningstar category	Global Emerging Markets Equity
ISIN	NO0010140502
NAV	87.02 EUR
Fixed management fee	2.00%
Total expense ratio (2018)	1.16%
Benchmark index	MSCI EM NR USD
AUM (mill.)	1945.71 EUR
Number of holdings	47
Portfolio manager	Cathrine Gether Fredrik Bjelland

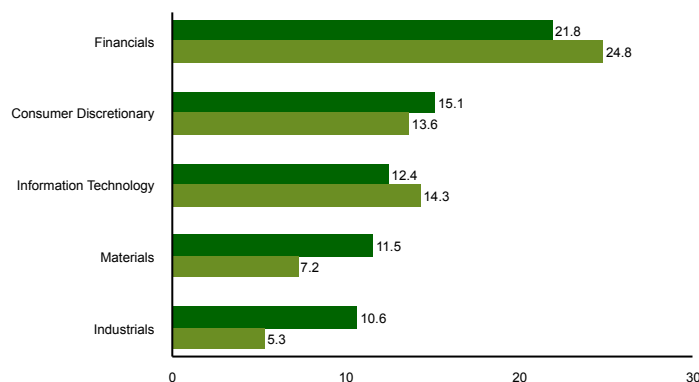
## Top ten investments

Holding	Sector	Country	%
Samsung Electronics Co Ltd	Information Technology	Korea, Republic Of	8.4
Ping An Insurance Group	Financials	China	5.9
Naspers Ltd	Consumer Discretionary	South Africa	4.6
Hyundai Motor Co	Consumer Discretionary	Korea, Republic Of	4.4
Bank Of China Ltd	Financials	China	4.3
LG Electronics Inc	Consumer Discretionary	Korea, Republic Of	3.2
Atlantic Sapphire AS	Consumer Staples	Norway	2.9
State Bank of India	Financials	India	2.9
Ivanhoe Mines Ltd	Materials	Canada	2.8
China Unicom Hong Kong Ltd	Communication Services	China	2.7
Combined weight of top 10 holdings			42.1

## Country exposure (top five)



## Sector exposure (top five)



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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.