

## Performance Commentary

Emerging markets have underperformed developed markets YTD and over the past decade. EM offers attractive characteristics of high growth, lower valuation and added diversification. The Q2 earnings season has been strong in EM, but improvement in profitability has been a global phenomenon. Valuations are more extended for most DM indices, however, while EM has suffered a de-rating during the recent global rebound due to a combination of weak share prices but improving fundamentals. We continue to believe that now is a good time to add EM diversification. August was characterised by Chinese regulatory intervention in a wide range of industries. It was a tough month for Kon-Tiki, for both stock-specific and market-related reasons. Atlantic Sapphire disappointed with higher costs and a delayed volume ramp-up. LG Electronics reversed on the back of battery fire risks. Naspers was volatile as the exchange offer affected flows combined with weakness in Tencent on regulatory concerns. Suzano started recovering again as it looks as though pulp prices might be bottoming out. Tech Mahindra gained on brighter prospects, while Hollysys strengthened on news of another premium buyout proposal. We exited East African Brewery, while we have new positions brewing for September entry. With a portfolio trading at 8x current year P/E, Kon-Tiki has become cheaper and the discount to EM has increased.

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.

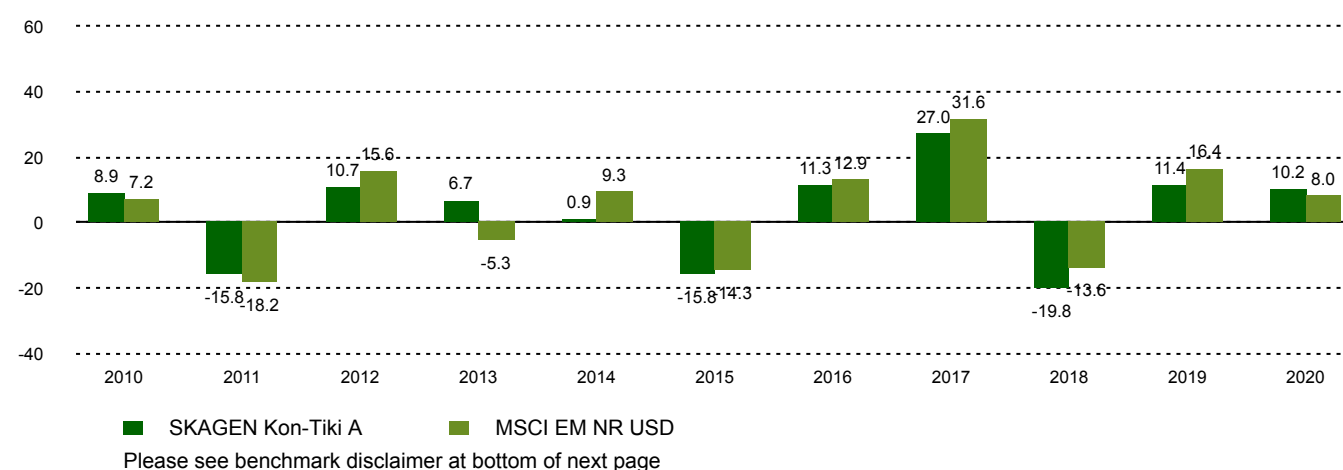
## Historical performance (net of fees)

Period	SKAGEN Kon-Tiki A	Benchmark index
Last month	-0.2%	3.7%
Year to date	6.1%	6.6%
Last year	30.8%	22.7%
Last 3 years	7.7%	7.8%
Last 5 years	6.2%	8.9%
Last 10 years	4.6%	6.2%
Since start	9.6%	6.2%

## Fund Facts

Type	Equity
Domicile	Norway
Launch date	05.04.2002
Morningstar category	Global Emerging Markets Equity
ISIN	NO0010140502
NAV	114.38 CHF
Fixed management fee	2.00%
Total expense ratio (2020)	2.18%
Benchmark index	MSCI EM NR USD
AUM (mill.)	1677.83 CHF
Number of holdings	47
Portfolio manager	Fredrik Bjelland Cathrine Gether

## Performance last ten years



## Contributors in the month



### Largest contributors

Holding	Weight (%)	Contribution (%)
Suzano SA	3.41	0.39
Tech Mahindra Ltd	1.47	0.31
Hollysys Automation Technologies	1.38	0.31
Prosus NV	1.51	0.22
Sberbank of Russia PJSC	3.63	0.19



### Largest detractors

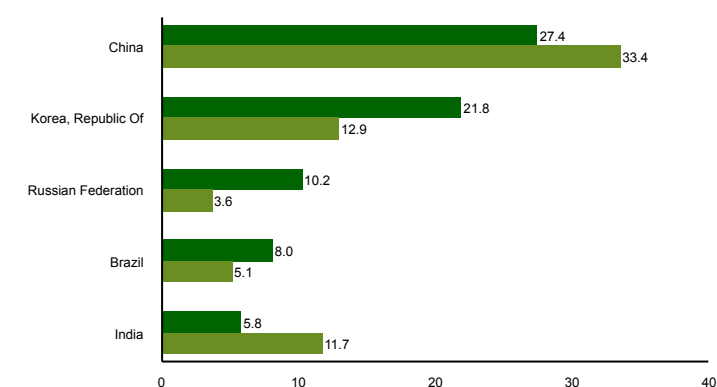
Holding	Weight (%)	Contribution (%)
Atlantic Sapphire ASA	2.27	-0.92
LG Electronics Inc	7.36	-0.80
Naspers Ltd	3.69	-0.73
Ping An Insurance Group Co	5.79	-0.69
Alibaba Group Holding Ltd	3.02	-0.50

Absolute contribution based on NOK returns at fund level

## Top ten investments

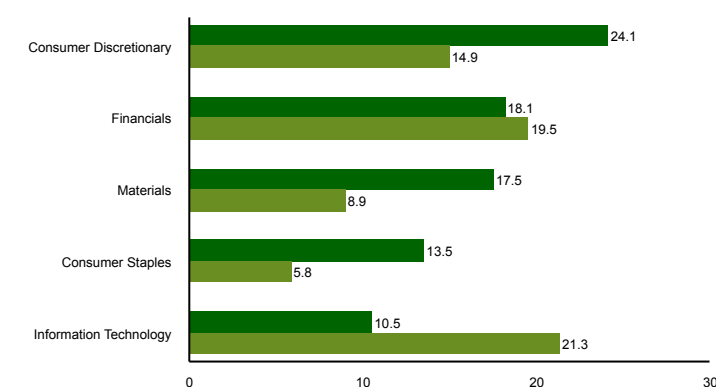
Holding	Sector	Country	%
LG Electronics Inc	Consumer Discretionary	Korea, Republic Of	7.3
Ping An Insurance Group Co of China Ltd	Financials	China	5.4
Prosus NV	Consumer Discretionary	China	4.2
Hyundai Motor Co	Consumer Discretionary	Korea, Republic Of	4.0
Samsung Electronics Co Ltd	Information Technology	Korea, Republic Of	3.9
UPL Ltd	Materials	India	3.8
Sberbank of Russia PJSC	Financials	Russian Federation	3.8
Suzano SA	Materials	Brazil	3.8
Sendas Distribuidora SA	Consumer Staples	Brazil	3.4
Cnooc Ltd	Energy	China	3.2
Combined weight of top 10 holdings			42.7

## 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

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 performance shown does not take account of any commissions and costs charged when subscribing to and redeeming shares. The return may become negative as a result of negative price developments. Key Investor Information Documents (KIIDs) and Prospectuses for all our funds are available on [www.skagenfunds.ch](http://www.skagenfunds.ch). This document 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 document. Information for Swiss Investors: ACOLIN Fund Services AG, Leutschenbachstrasse 50, 8050 Zurich, Schweiz is the Legal Representative in Switzerland. The prospectus, the key information documents or the key investor information documents, the statutes and the current Semi-Annual and Annual Report may be obtained, free of charge, from the Swiss Representative. Frankfurter Bankgesellschaft (Schweiz) AG, Börsenstrasse 16, 8001 Zurich, is the Paying Agent in Switzerland. This is an advertising document.

Benchmark disclaimer: 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.