



Skagen reef's lights/ship, 1892. Detail. By Carl Lochner, one of the Skagen painters. The picture is owned by the Skagens Museum.

SKAGEN Kon-Tiki

Statusrapport – januar 2016

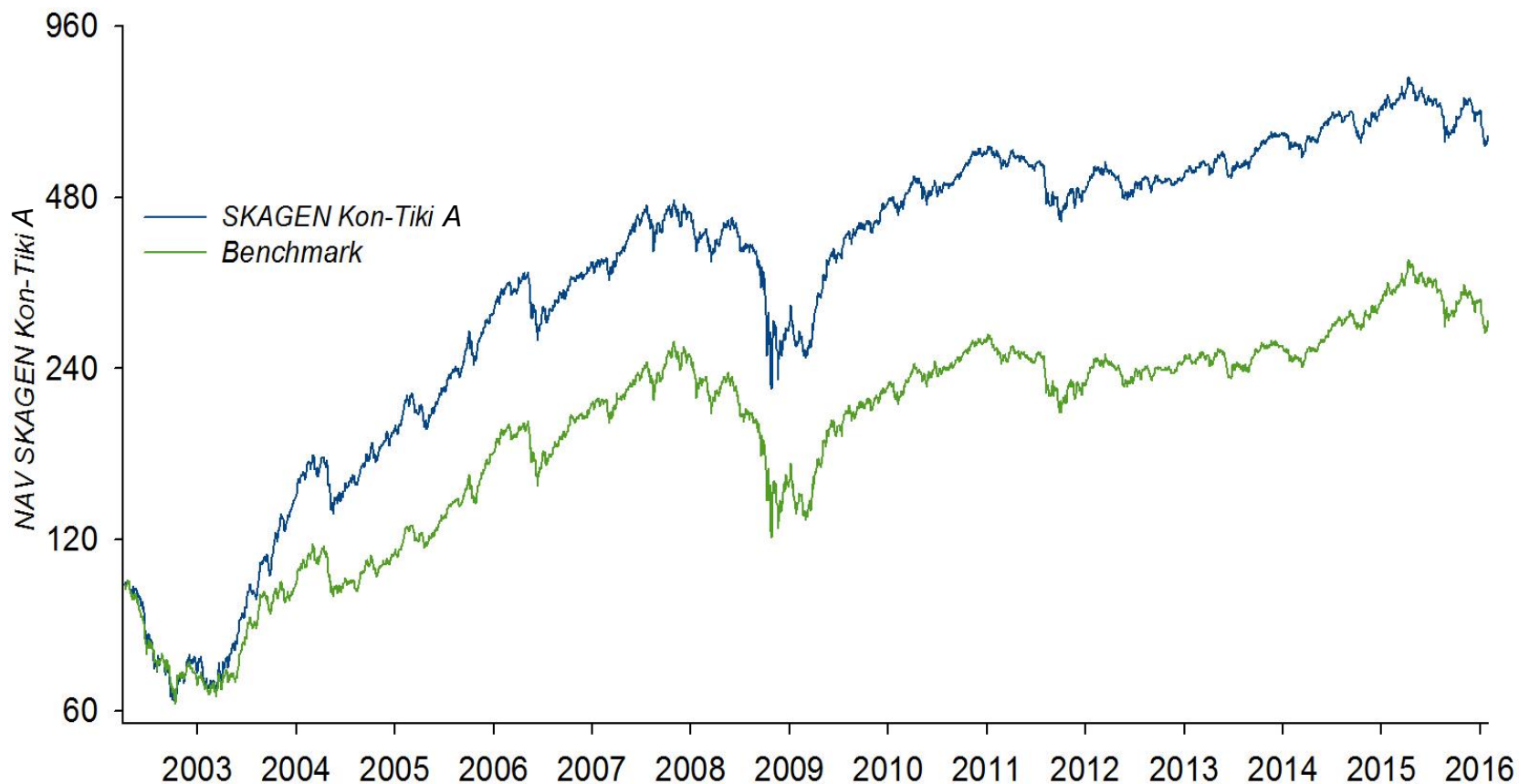
Kunsten å bruke sunn fornuft

Oppsummering – januar 2016

- SKAGEN Kon-Tiki* var ned 10 prosent i januar, mens vekstmarkedsindeksen var ned 8,2 prosent. Begynnelsen på året karakteriseres som en «risk off» periode, med fallende oljepriser og bekymringer relatert til Kinas utsikter.
- SKAGEN Kon-Tiki sine tre beste bidragsytere i januar var DRD Gold, Kiatnakin Bank og Golar LNG. Gruveselskapet DRD Gold steg sammen med resten av sektoren (og prisen på gull) da metallet delvis gjenvant sin rolle som «trygg havn» i perioden. Den thailandske banken Kiatnakin steg i løpet av måneden etter at det ble klart at markedsforholdene har bedret seg etter at et godt 4. kvartalsresultat som viste lysere utsikter for det innenlandske bilmarkedet ble sluppet. Golar LNG har vært svak de siste månedene, men steg kraftig i januar etter å ha annonsert et samarbeid med Schlumberger, noe som ble oppfattet som en sterk annerkjennelse av Golar LNG.
- På bunnen av listen over bidragsytere i januar finner vi nok en gang State Bank of India, Samsung Electronics og Great Wall Motor. State Bank of India ble sterkt påvirket av nye regler for tapsavsetning, noe som kan sette inntjeningen og kapitalsituasjonen under press. Samsung Electronics var ned etter svake foreløpige resultater for 4. kvartal. Den kinesiske bilprodusenten Great Wall Motor var ned etter at 4. kvartalsresultatet avdekket marginpress og økende konkurranse innen SUV segmentet.
- Fondet gikk ikke inn i noen ny posisjoner i januar, men solgte aksjene i Pivovarno Lasko i forbindelse med Heinekens oppkjøpstilbud.
- Vekstmarkedene handles fortsatt til en rabatt mot utviklede markeder og har en 2016e P/E på 10,9x og P/B på 1,2x sammenlignet med hhv. 15,2x og 2,0x for de utviklede markeder.
- Fondets portefølje forblir attraktivt verdsatt til en 2016e P/E på 7,08x og P/B på 1,0x. Topp 12 posisjonene står nå for nesten 52 prosent av fondet (opp fra 45 prosent ved begynnelsen av 2015) og fondet har totalt 67 posisjoner (ned fra 95 ved begynnelsen av 2015). Basert på et to-års perspektiv ser vi nå en oppside på 63 prosent for porteføljen.

* Med mindre annet er oppgitt er alle avkastningstallene for fondet i denne rapporten knyttet til klasse A, og er etter fradrag for gebyrer.

Avkastning, januar 2016

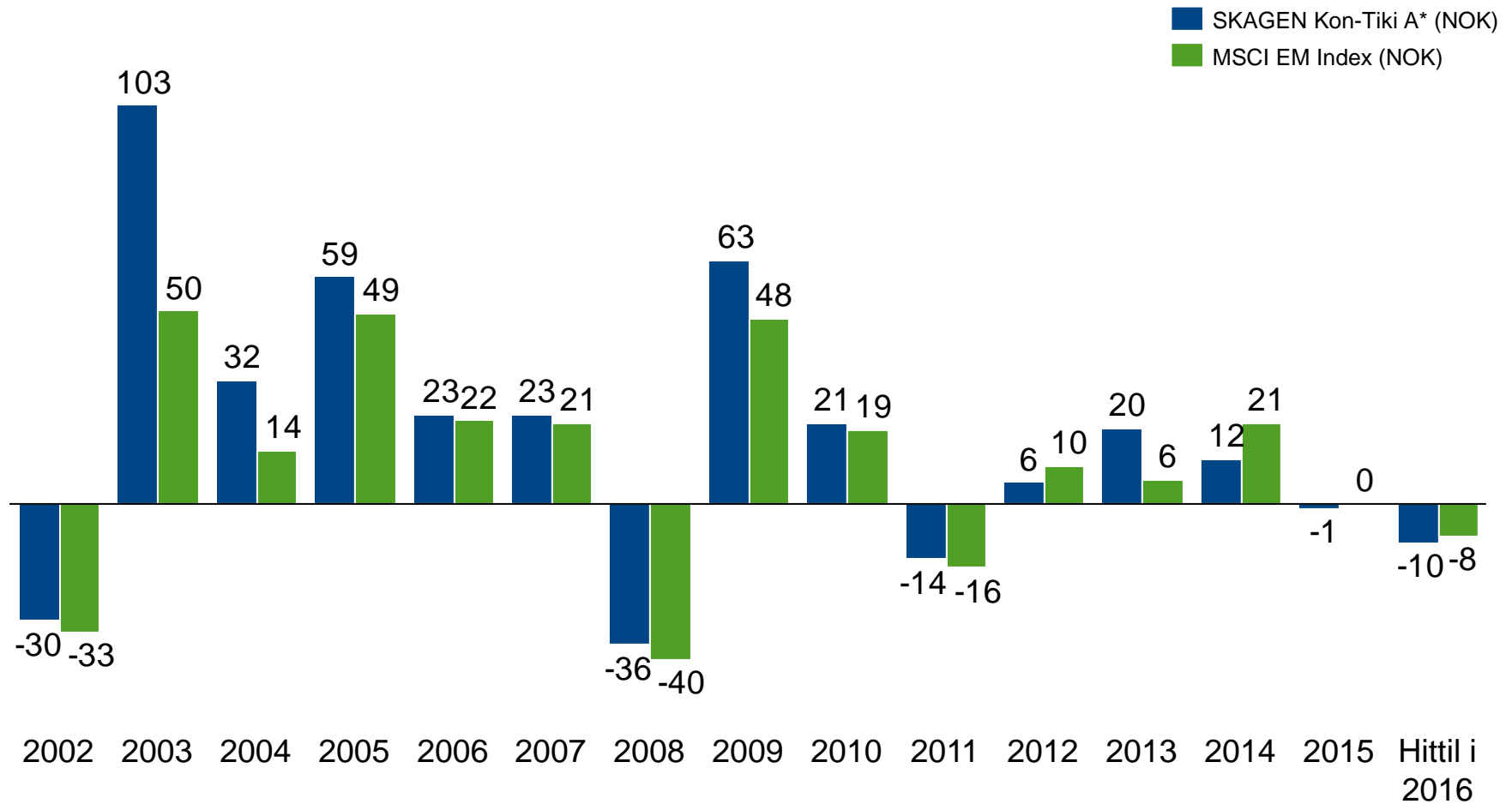


	Januar	QTD	2015	1 år	3 år	5 år	10 år	Siden start*
SKAGEN Kon Tiki A	-10,0%	-10,0%	-1,2%	-12,4%	5,1%	1,8%	6,4%	14,1%
MSCI EM Index	-8,2%	-8,2%	0,5%	-11,4%	5,9%	2,5%	4,6%	8,1%
Relativ avkastning	-1,8%	-1,8%	-1,7%	-1,1%	-0,8%	-0,7%	1,9%	6,0%

Note: Alle avkastningstall utover 12 måneder er annualisert (geometrisk avkastning)

* Startdato: 5. april 2002

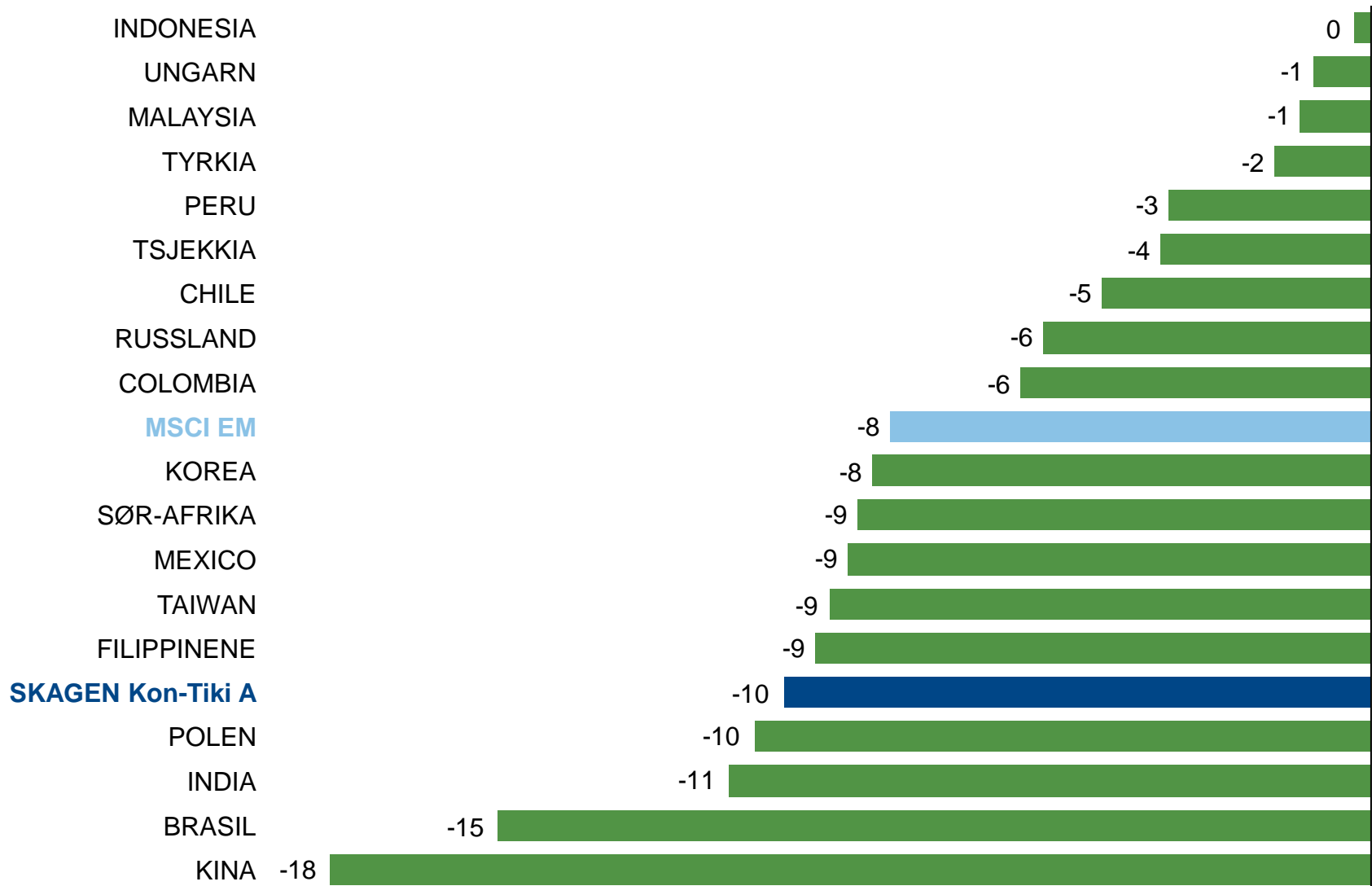
SKAGEN Kon-Tiki har slått indeks i 11 av 14 år (%)



Note: Alle tall i NOK, etter gebyrer

* Startdato: 5. april 2002

Utvikling i vekstmarkedene i januar 2016 i NOK (%)



Viktigste bidragsytere i januar 2016

Største positive bidragsytere

Selskap	NOK millioner
DRDGOLD Ltd	38
Kiatnakin Bank PCL	31
Golar LNG Ltd	24
Bidvest Group Ltd	21
EIS Eczacibasi Ilac ve Sinai v	17
LG Electronics Inc	15
Richter Gedeon Nyrt	14
Eczacibasi Yatirim Holding Ort	9
Haci Omer Sabanci Holding AS	5
Moscow Exchange MICEX-RTS OAO	3

Total verdiskapning i januar 2016:

Største negative bidragsytere

Selskap	NOK millioner
State Bank of India	-383
Samsung Electronics Co Ltd	-376
Great Wall Motor Co Ltd	-291
Hyundai Motor Co	-262
Bharti Airtel Ltd	-243
Frontline Ltd	-218
Mahindra & Mahindra Ltd	-147
Investment AB Kinnevik	-140
Samsung SDI Co Ltd	-108
Naspers Ltd	-106

NOK -3 615 millioner

Note: Bidrag til absoluttavgkastning

Viktigste bidragsytere i 2015

Største positive bidragsytere

Selskap	NOK millioner
Samsung Electronics Co Ltd	625
Richter Gedeon Nyrt	585
Frontline 2012 Ltd	420
X5 Retail Group NV	381
Mahindra & Mahindra Ltd	274
Shiseido Co Ltd	264
Moscow Exchange MICEX-RTS OAO	245
LG Chem Ltd	239
Naspers Ltd	235
Indosat Tbk PT	222

Største negative bidragsytere

Selskap	NOK millioner
Banrisul	-575
Vale SA	-485
AirAsia BHD	-433
Hyundai Motor Co	-430
State Bank of India	-364
Haci Omer Sabanci Holding AS	-362
Cosan Ltd	-333
Hindalco Industries Ltd	-248
Cia Brasileira de Distribuicao	-244
Tullow Oil PLC	-233

Total verdiskaping i 2015: NOK 714 millioner

Note: Bidrag til absoluttavkastning

Kjøp og salg, januar 2016

Kjøp

Samsung SDI

Vi benyttet den svake aksjekursen i januar til fortsatt å øke posisjonen i vår eksponering i batterier til elektriske kjøretøy.

Salg

Pivovarna Lasko (Ut)

Vi solgte aksjene i forbindelse med Heinekens overtagelse.

Indosat

Vi reduserte posisjonen noe etter oppgang.

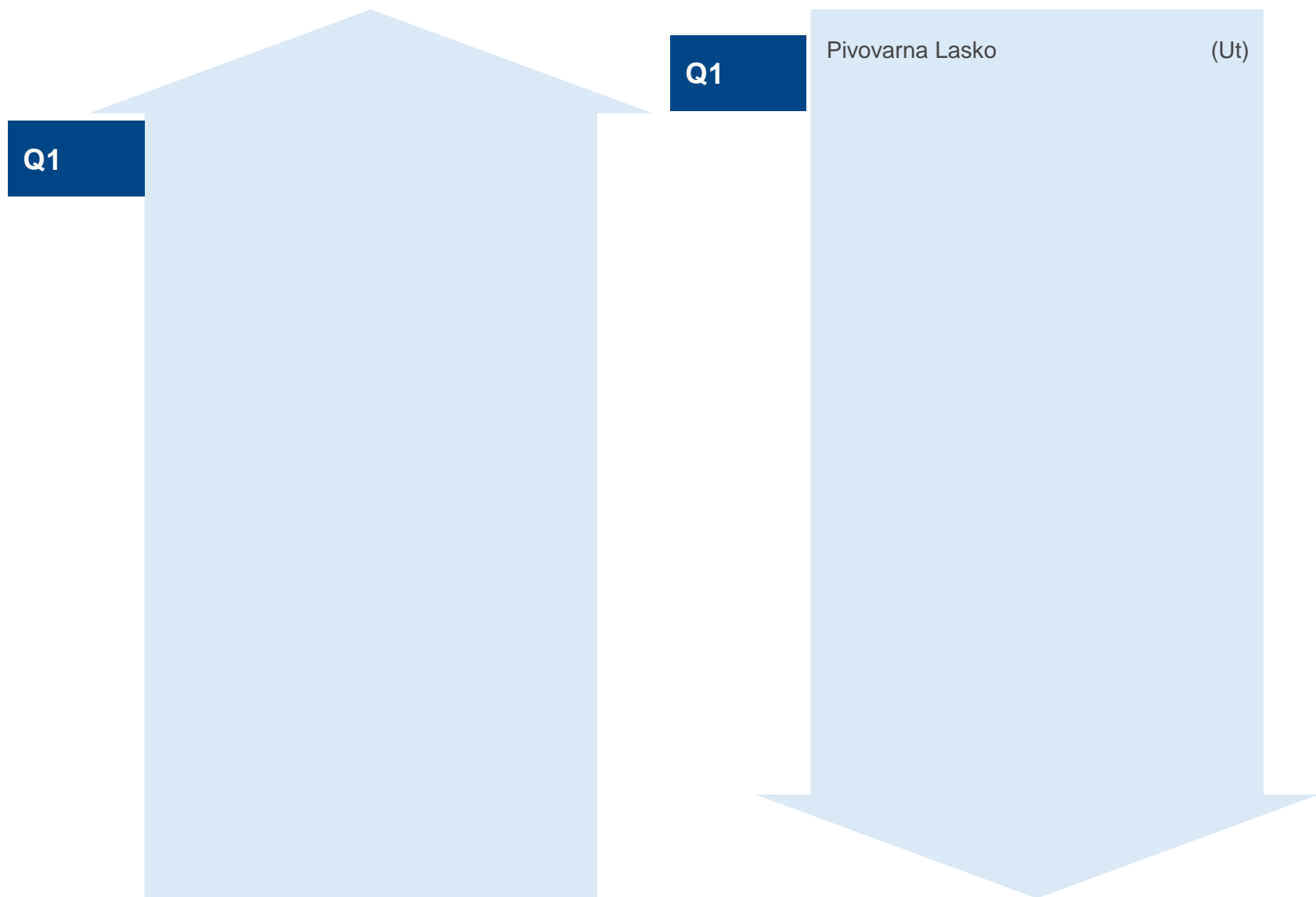
Bidvest

Vi reduserte posisjonen noe etter oppgang og på generell bekymring om Sør Afrika.

Viktigste endringer i 1. kvartal 2016

Økte poster

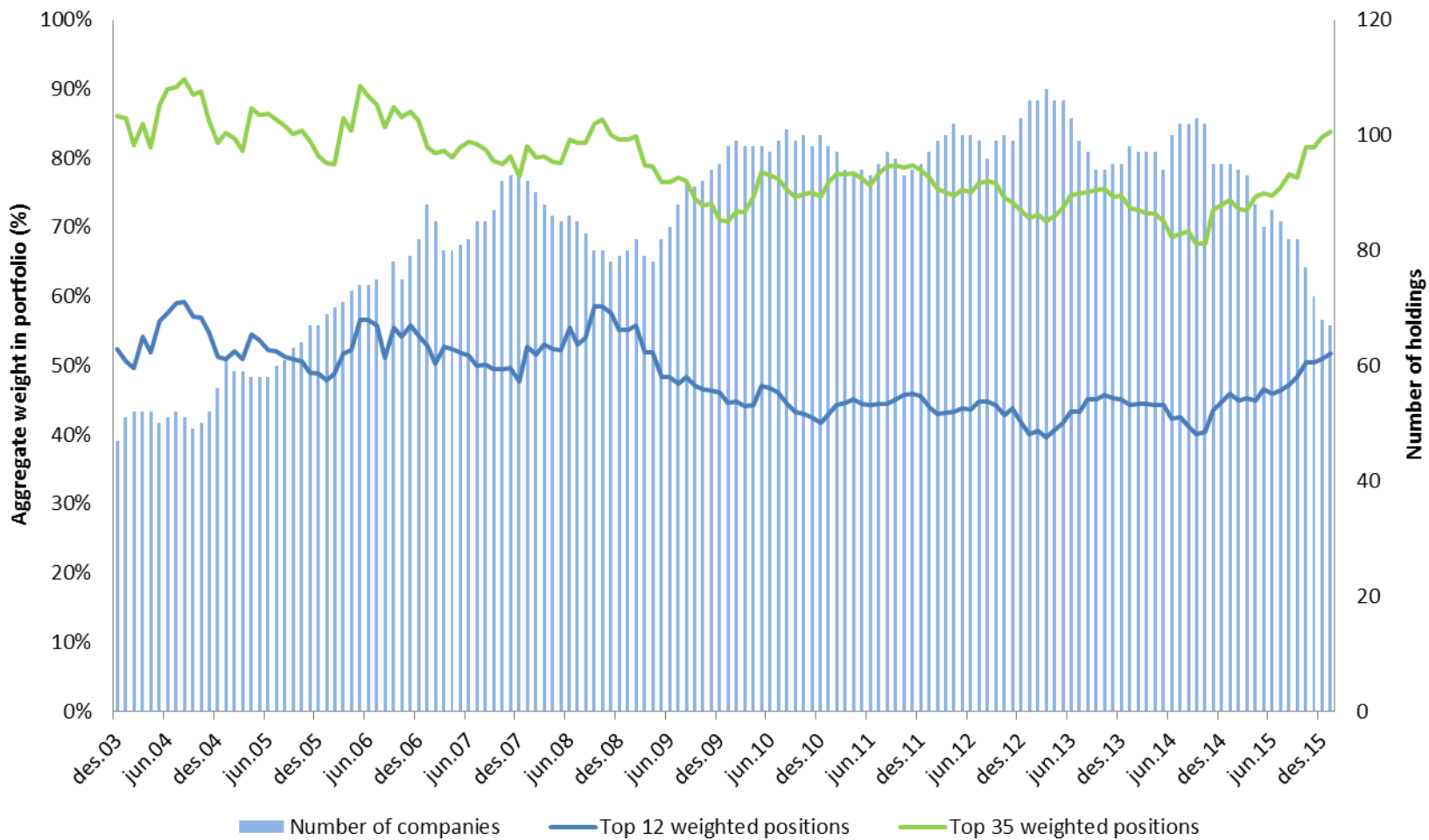
Reduserte poster



Største poster i SKAGEN Kon-Tiki, januar 2016

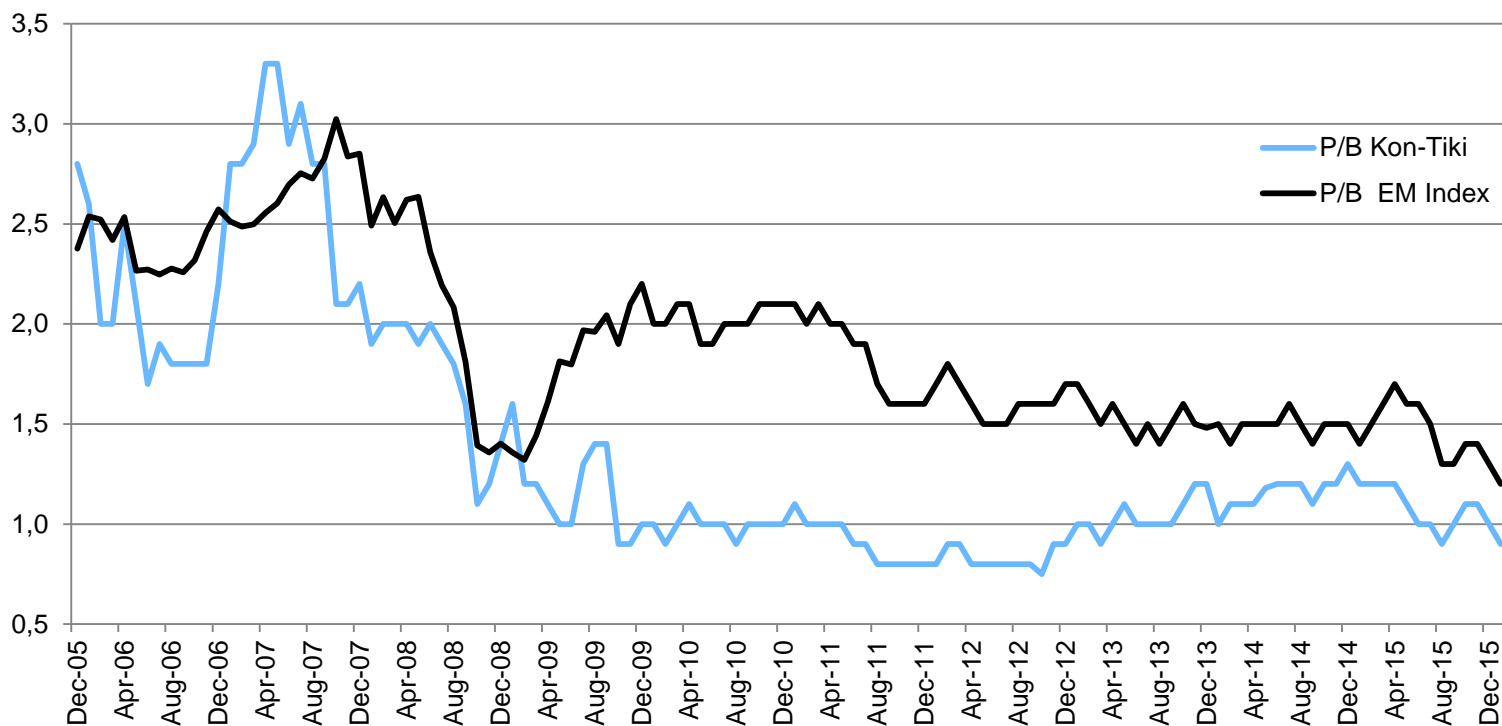
	Posisjonens størrelse, %	Pris	P/E 2015e	P/E 2016e	P/BV last	Div. yield 15e (%)	Kurs mål	Oppside %
Hyundai Motor	8,5	96 900	4,0	4,0	0,4	4,2	170 000	75
Samsung Electronics	8,2	999 000	7,8	7,1	0,8	2,1	1 600 000	60
Mahindra & Mahindra	5,4	1 233	16,4	13,0	2,8	1,1	2 000	62
Sabancı Holding	4,5	8,6	7,1	5,9	0,9	1,2	14	64
Richter Gedeon	4,4	5 564	20,2	18,5	1,7	1,2	7 500	35
State Bank of India	4,1	180	5,5	5,1	0,8	2,5	450	150
Bharti Airtel	3,5	290	14,5	9,7	1,8	0,9	400	38
ABB	3,3	147	14,7	12,2	2,6	3,8	200	36
Naspers	3,2	1 996	39,9	26,6	10,4	0,3	2 500	25
X5 Retail Group	2,5	18,5	14,2	12,3	3,1	0,0	25	35
LG Electronics	2,1	30 650	44,6	7,7	0,4	1,5	40 000	31
SBI Holdings	2,1	1 188	9,1	8,5	0,7	2,9	3 000	153
Vektet topp 12	51,7		8,5	7,5	0,9	2,0		64
Vektet topp 35	83,9		9,0	7,8	1,0	2,4		63
Vekstmarkedsindeksen			12,2	10,9	1,2	3,2		
Topp 35 @ kursmål			14,9	12,8	1,6	1,5		

SKAGEN Kon-Tiki – porteføljekonsentrasjon



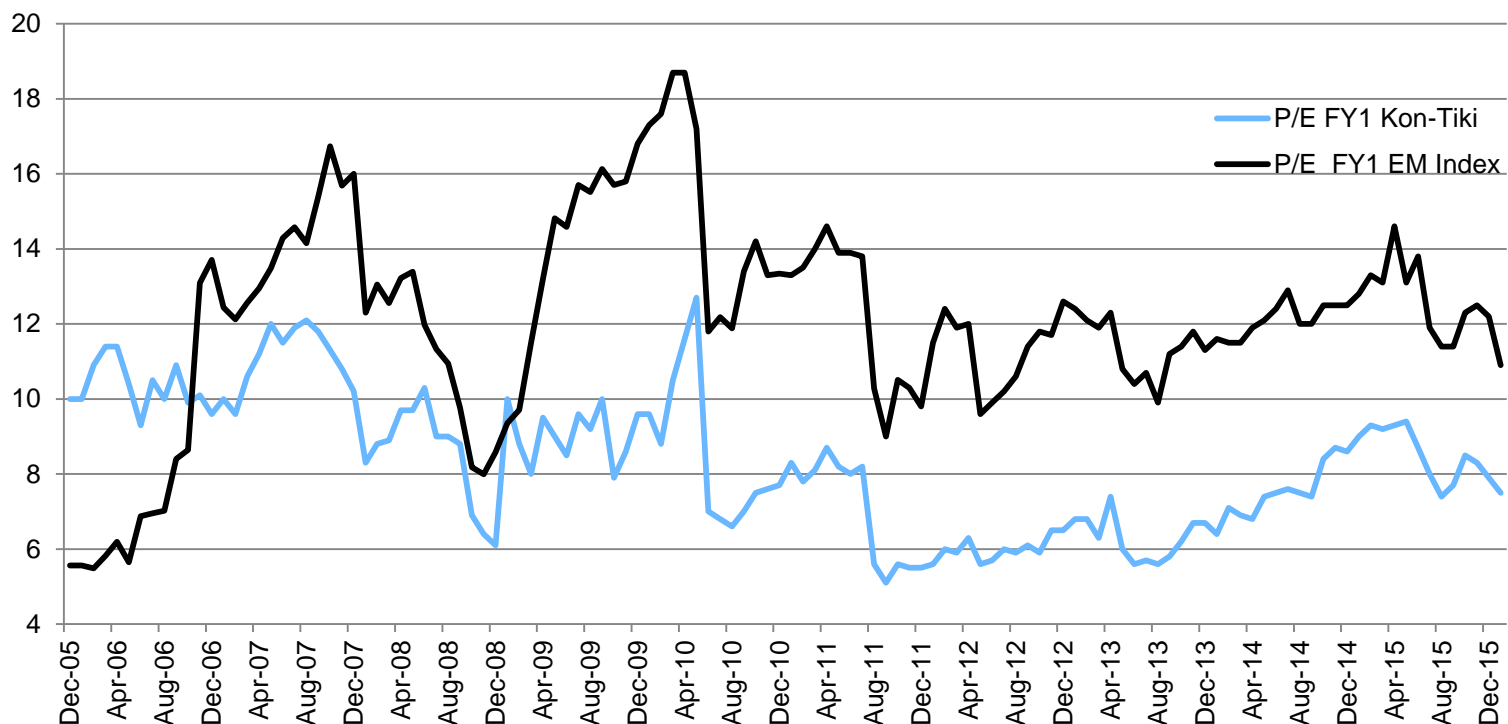
Kilde: SKAGEN AS per 31. januar 2016

P/BV for SKAGEN Kon-Tiki versus vekstmarkedene



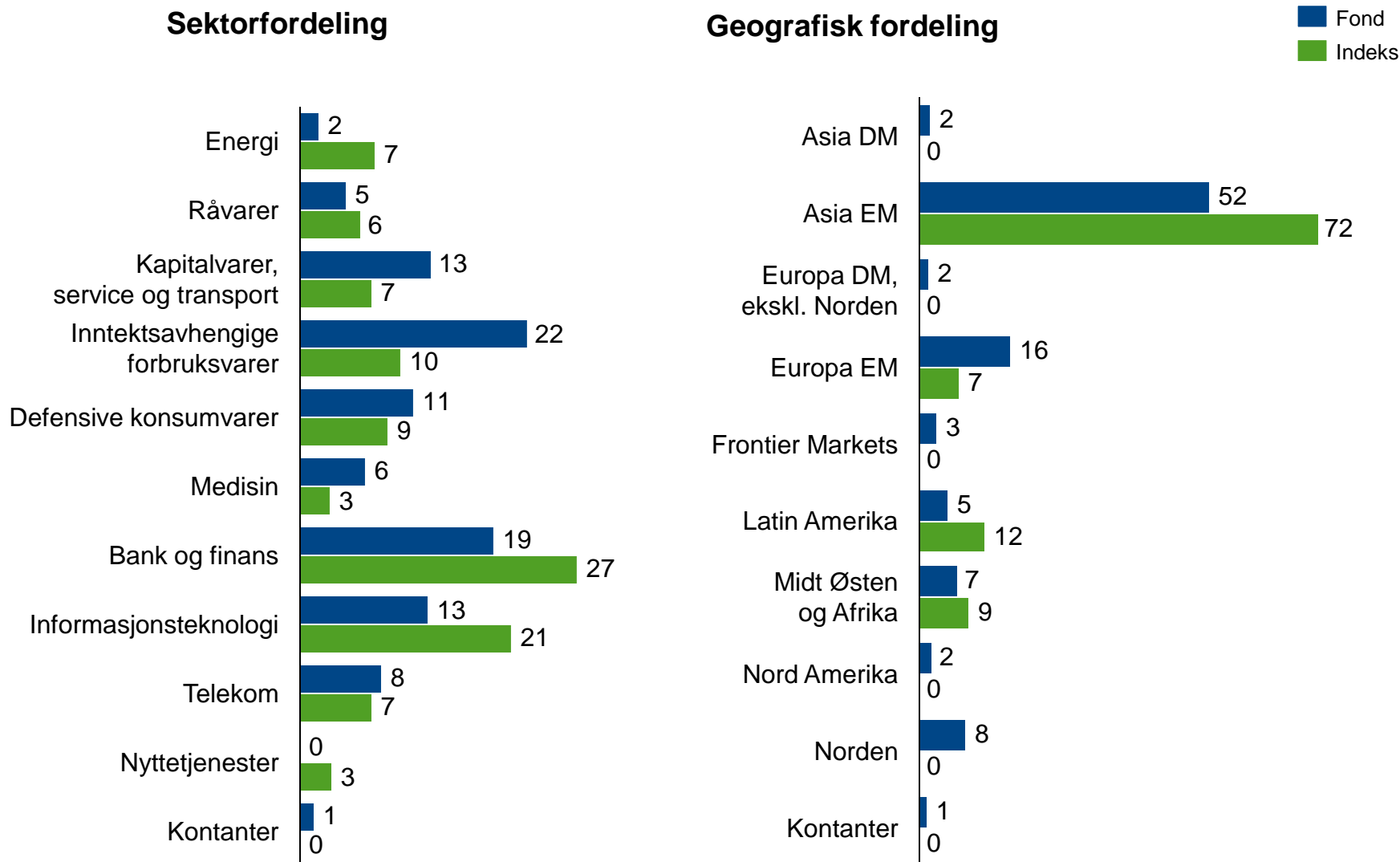
Per 31. januar 2016

P/E SKAGEN Kon-Tiki versus vekstmarkedene



Per 31. januar 2016

Sektor og geografisk fordeling mot indeks (%)



Nyheter og annet om porteføljeselskaper - på engelsk



Key earnings releases and corporate news, January 2016

Hyundai Motor
(8.5% weight):

4Q15 weak as expected but margin recovery in auto division and dividend are positives

Implications for Investment Case: Margin recovery in auto is a positive and hopefully sustainable, while underlying cash flow generation is decent. Furthermore, management delivered on its shareholder distribution promises with a 21% payout ratio for FY15. Management reconfirmed its commitment to increase this to “industry level” medium term (likely defined as 2019/2020) and CFO mentioned 30% as a goal. The company also said they are analyzing a share buy-back. However, HMC faces headwind from its strong EM exposure (65% of unit sales), with both FX and weak demand hitting. Also, its relatively low exposure to SUVs, which is gaining market share globally and especially in China, is unhelpful. Aging model lineup has depressed margins lately amid elevated incentive spending. This is not an easy fix, but HMC is addressing this with new models. Is Hyundai a value trap? We believe not. RoE on a depressed FY15 was +10% (down from 16% in FY10). This is hardly value destructive (EM universe at trailing 10.6%) and should, hopefully, be the trough. Despite increasing CAPEX (new China factories and ramp up in R&D on “green” cars), free cash flow generation is ok. Its balance sheet is strong and improving shareholder remuneration provides a current dividend yield of 4%, while buy-back could add support. P/E on (hopefully) depressed earnings is 4.0x and pref. discount is 29%. Everybody acknowledge the near term headwind, so expectations are reset with FY16 margin expectation on par with FY16 and limited growth. Recent strength in USD is helpful and a 8% gain in JPY versus KRW cross rate since end November provides some support to competitiveness versus Japanese OEMs.

Event summary: 4Q15 net profit declined 8% YoY but rose 27% QoQ, helped by a recovery in China. Operating profit declined 19% YoY and rose 1% QoQ. This was dragged down by one-off losses as well as weak profit for the financing operation (year-end promotions). Operating profit for the auto operation 22% QoQ on a 10% QoQ sales increase with operating margin +70bp QoQ to 7.3%. This confirms management’s statement back in October that auto margins had likely troughed. However, December production rush (unit sales +9% YoY), might provide some headwind to 1Q16 margin on lower utilization to improve network inventory situation. Net cash for auto operation rose by KRW 700bn QoQ to KRW 14.7tr (KRW 54,700 per share). Guidance for 2016 is unit sales of 5.01m which is a modest 1% growth versus FY15 at 4.96m (flat on FY14).

Undervalued: Yes, ordinary share trades at P/E of 5.2x on consensus for 2016 and P/BV of 0.54x versus global OEMs at 7.0x and 1.1x respectively. Admittedly, current RoE of 10% peers, but this is well reflected in valuation. The Samsung pref. buy back news has reduced HMC pref. discount somewhat, but it has increase from 25% at the beginning of December to 29% now. This should narrow, supported by increasing dividend and an attractive 4.0% pref. share yield for FY15. Pref. share P/E is 3.7x on 2016 consensus and P/BV 0.4x. Our 2y forward target price of KRW 200,000 is based on P/BV of 0.8x and P/E of 6.5x for 2017e, which provides upside of +100% plus dividend.

Key earnings releases and corporate news, January 2016 (cont.)

Samsung
Electronics
(8.3% weight):

4Q15 in line; muted 2016 outlook

Event summary: 4Q15 operating profit was in line with pre-announcement and +16% YoY but -17% QoQ. Weaker EM currencies impact negatively in 4Q15. While Semiconductor OP of KRW 2.8tr was slightly below expectations (margin of 21.2% down from 28.5% in 3Q15), Consumer electronics surprised on the upside with OP of KRW 820bn for a margin of 5.9% (up from 3.1% in 3Q15 and 1.3% in 4Q14). Mobile OP of KRW 2,23tr was slightly down QoQ due to negative mix and negative FX impact but its margin of 8.9% was stable QoQ. Management painted a bleak picture of 2016 outlook, which adds to comments from other tech giants as Apple and TSMC. Head of IR told it will be challenging to reach 2015 operating profit level and added that 1H16 will be challenging.

FY15 operating profit of KRW 26.4tr (USD 22bn) divided by division: Semi/memory 48%, Mobile 38%, Display panel 9% and Consumer electronics 5%.

Despite spending KRW 3.7tr on buyback in 4Q15, Samsung increased its net cash by KRW 1.8tr to 58.7tr (KRW 403k per share) which equals 40% of pref. share price.

Final dividend was set at KRW 20,000, which was slightly disappointing. Total dividend for FY15 of KRW 3tr is only 22% of its FCF of KRW 13.0tr lagging behind the guided 30-50% to be spent on dividend/buyback on average for 2015-2017. In terms of the buy-back, the company completed its first batch on 12 January with 2.23m ordinary (1.5% of outstanding) and 1.24m preference shares (5.4% of outstanding) for a proceed of KRW 4.3tr. The second of 3-4 batches started 28 January and includes a buyback of 2.1m ordinary shares and 0.53m preference shares. As the discount on pref. share is now down to 14% versus 22% before the announcement in October, the relative share to ordinary is higher but a 20% share of pref. is still above its 13% of share count after cancellation of the first batch.

Implications for Investment Case: Slightly negative, due to muted 2016 outlook but this was no big surprise and we would note that Samsung management is normally conservative and paranoid.

Undervalued: Yes. Based on a conservative sum-of-parts, we calculate a value per share of KRW 1.7m. Of this, semiconductor and handsets contributed KRW c550k each. The pref. share discount has narrowed from 22% to 14% post the buy-back announcement on 30 October. With management commitment to buy back 3.4x relative share of pref. shares if discount is 10% or more, we would expect the discount to stay at this level or below. Our pref. share price target of KRW 1.5tr is based on a 10% discount to sum-of-parts or a 10% pref. share discount.

The largest companies in SKAGEN Kon-Tiki



Samsung Electronics is one of the world's largest producers of consumer electronics, with over 155,000 employees. The company is global #1 in mobile phones and smartphones, the world's largest in TV and a global #1 in memory chips. Samsung also produces appliances, cameras, printers, PCs and air-conditioning units.



Hyundai Motor is the world's 4th largest car maker, including their 39% stake in Kia Motor. Sold 4.9m cars in 2014 and has a ca. 5% global market share. Focus on smaller/less expensive cars. Strong position in several countries and in emerging markets such as India and China.



Mahindra & Mahindra is the largest manufacturer of utility vehicles in India (50% market share) and tractors (40% market share). It has several listed subsidiaries including Tech Mahindra and M&M financial services (largest financier of UVs and tractors in India).



Largest bank in India with 17% market share (ca. 25% including 5 associate banks). Also presence in life insurance, asset management and investment banking. 15,000 branches, 32,000 ATMs, 130 million customers and over 220,000 employees. Largest Indian overseas bank with 190 offices in 34 countries.



Turkey's leading and financial conglomerate in sectors including financial services, energy, cement, retail and industrials. The company has 10 companies currently listed on the Istanbul Stock Exchange and operates in 18 countries across Europe, the Middle East, Asia, North Africa and North and South America. Controlled by the Sabanci family.

The largest companies in SKAGEN Kon-Tiki (continued)



Hungarian pharmaceutical company established in 1901 with focus on CEE. Transitioning from generic-focused to more specialised through higher margin, innovative products within its women's health division (Esmya) and nervous system treatments (Cariprazine). Significant upside potential from US marketing approval of Cariprazine and extended usage of Esmya is not reflected in the current valuation at 30-40% discount to peers.



Bharti Airtel is India's largest private integrated telecom company, and it is a leading global player (#4) with operations in 20 countries across Asia and Africa. They had around 287m customers across their operations at the end of June 2014. They separated out towers into part-owned unit (passive infrastructure). Bharti family and SingTel own 30% each.



ABB is a leader in power and automation technologies that enable utility and industrial customers to improve performance while lowering environmental impact. The group operates in around 100 countries and employs 146,000 people. Approximately 50% of sales stem from emerging markets and this share is rapidly increasing.



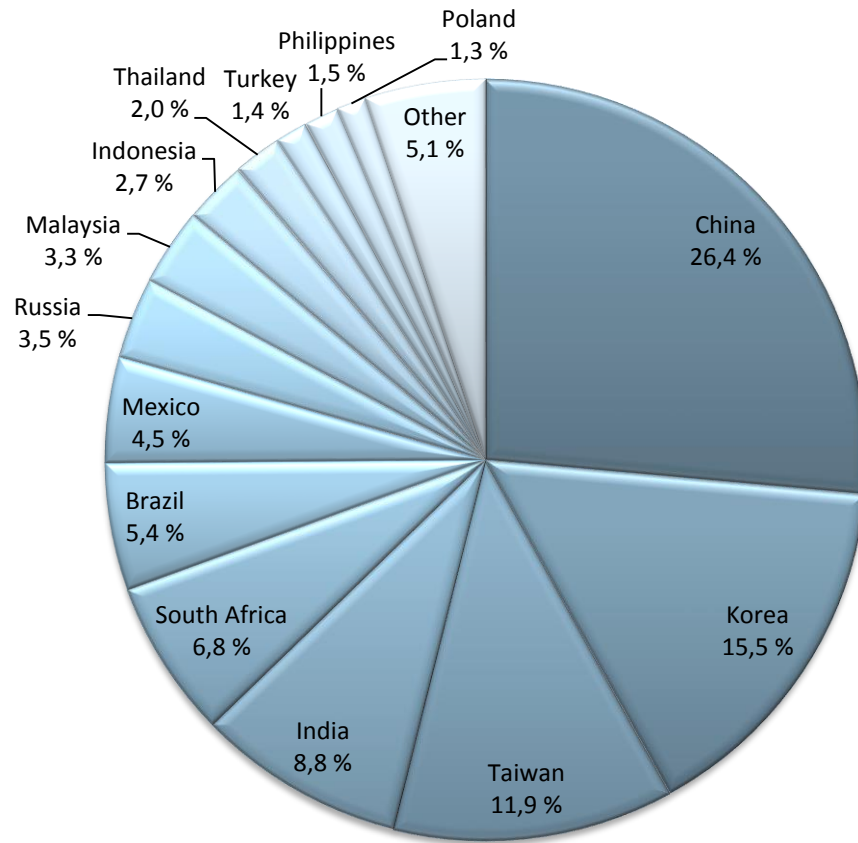
South-African listed media and internet holding company incorporated in 1915. They have a strong Pay-TV business in South-Africa and Sub-Saharan African countries and a fast growing internet division focused on commerce, communities, content, communication and games. They hold a 34% stake in Chinese Tencent and 29% of Russian Mail.ru.



X5 is a leading Russian food retailer, operating through several retail formats: discount stores under the Pyaterochka brand, supermarket chain under the Perekrestok brand, hypermarket chain under the Karusel brand and convenience stores under different brands. Modern retail is gaining share in the Russian retail market, and X5 is well positioned with their formats in the current difficult trading environment. They are also in the middle of an aggressive expansion and refurbishment period.

Additional information

Country weights for MSCI EM index

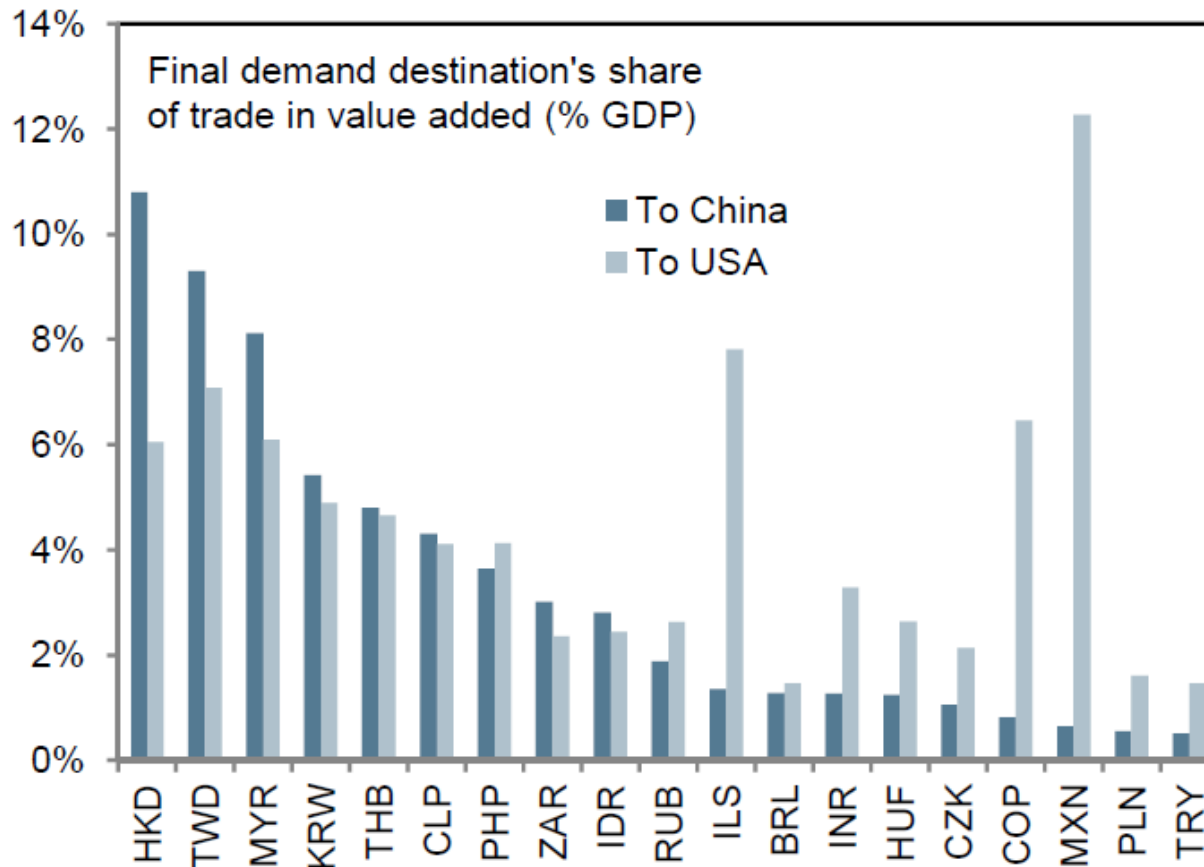


MSCI China has now included US-listed ADRs (50% partial inclusion) to the index, effective December 1. That means the reshuffled MSCI China index will see a notable expansion in internet (IT) and consumer discretionary companies (from 6.8% to 16.2%), at the expense of financials and telecom (from 52% to 46.5%).

This also means that China increases its weight in the MSCI EM index from 24.2% in November to 26.4%.

Source: MSCI as of 7 January 2016

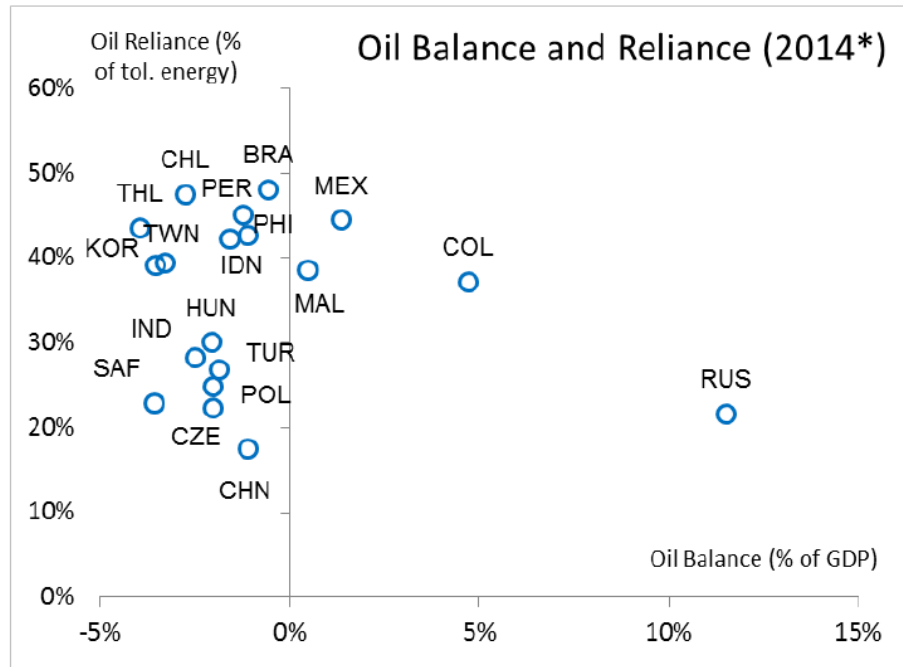
Asia and commodity producers that are most exposed to a China slowdown



Source: OECD, Goldman Sachs Global Investment Research

Oil Balance and Oil Reliance splits EM into Winners and Losers...

Exposure Increases as Oil Balance Rises and Reliance Increases



Oil balance - net oil production (% of GDP), oil reliance – energy needs that come from oil (% of total); 2014* = 2015 average oil price and USD FX applied to 2014 oil production/consumption to capture the oil price action in 2015.

Source: BP Statistical Review (2015), US EAI, CEIC, Haver Analytics, Morgan Stanley Research estimates

Unconditionally Speaking

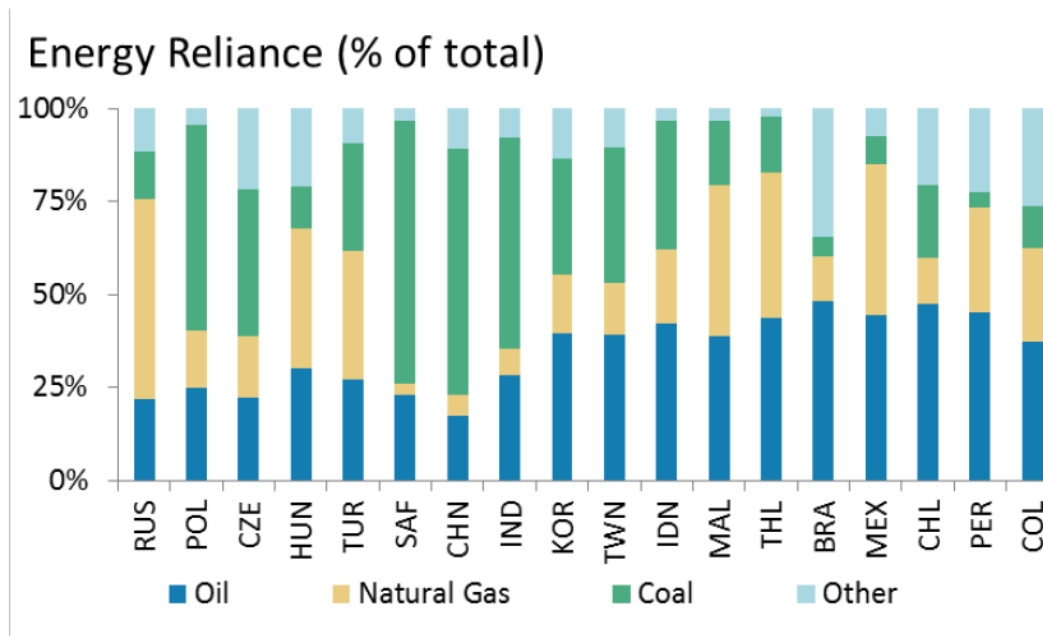
- **The biggest beneficiaries:** Korea, Taiwan, Thailand, India, Turkey, South Africa, Chile.
- **The most adversely affected:** Russia, Colombia, Mexico, Malaysia.

Mixed Messages

1. **Indonesia and South Africa:** Oil importers but commodity exporters – see page 5.
2. **Mexico:** Heavy reliance on oil but nuances matter (fiscal revenues hedged, local prices well above global prices produce less exposure).
3. **Mexico and Brazil:** Face weaker trend revenues from prospective exploration.

Oil Dominates Energy Use for Half of EM, Gas / Coal dominate some key economies

Exposure Increases as Reliance on Oil Goes Up



Oil Reliance

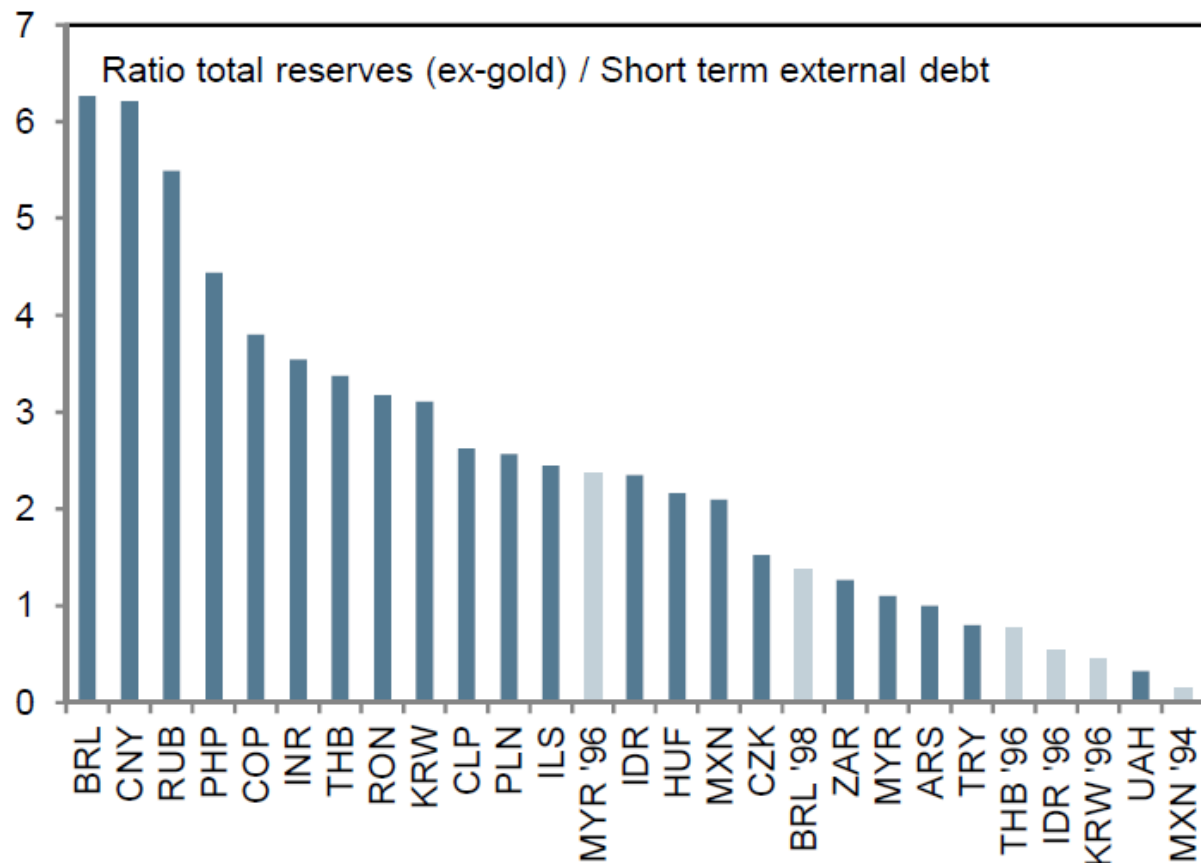
- AXJ ex-China and LatAm economies depend on oil far more than China and CEEMEA economies.
- Oil accounts for more than 40% of energy use in all LatAm economies (ex-Colombia).

Gas and Coal Reliance

- 1. Coal reliance:** Highest in South Africa, China, India, Poland.
- 2. Gas reliance:** Highest in Russia, Thailand, Mexico, Malaysia, Thailand.
- 3. Other:** Around a quarter of the energy needs come from hydroelectric sources in Brazil, Colombia, Peru.

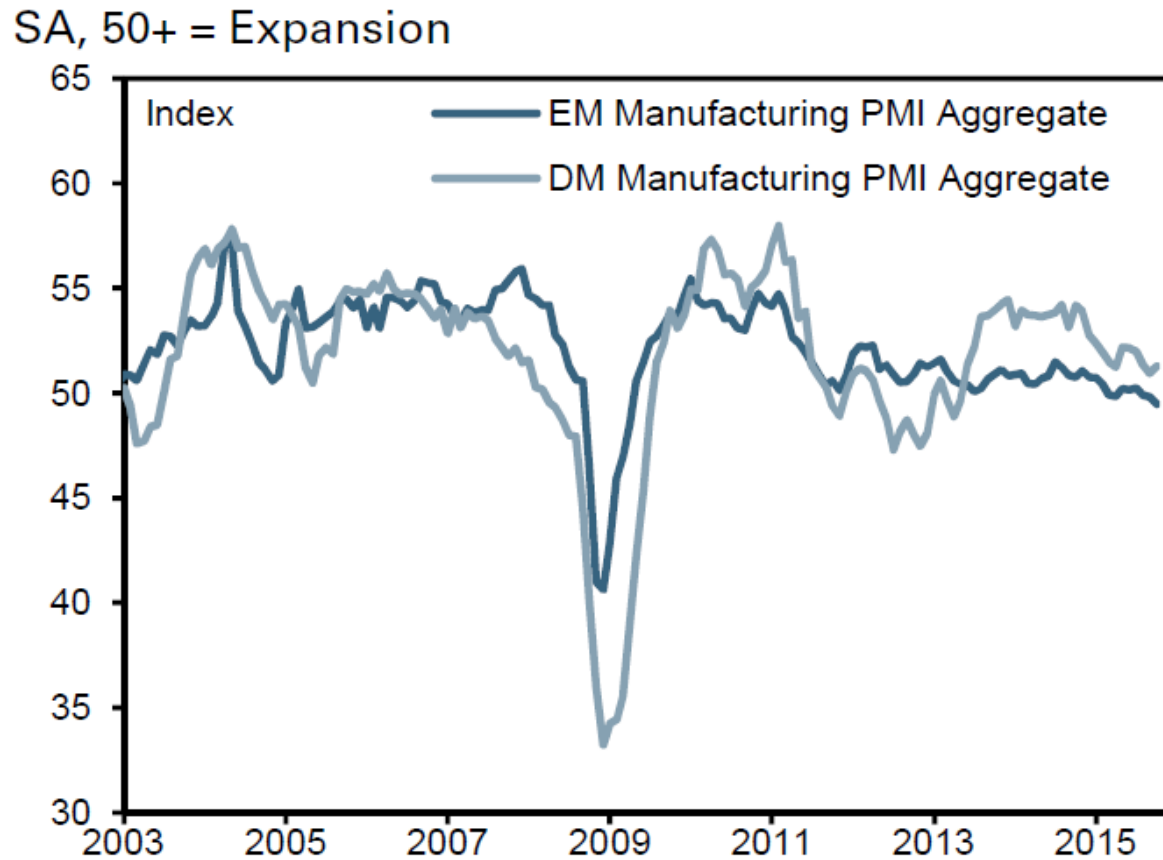
Source: BP Statistical Review (2014), Morgan Stanley Research estimates

EM external balance sheets are in better shape than previous crisis episodes



Source: Haver Analytics, Goldman Sachs Global Investment Research

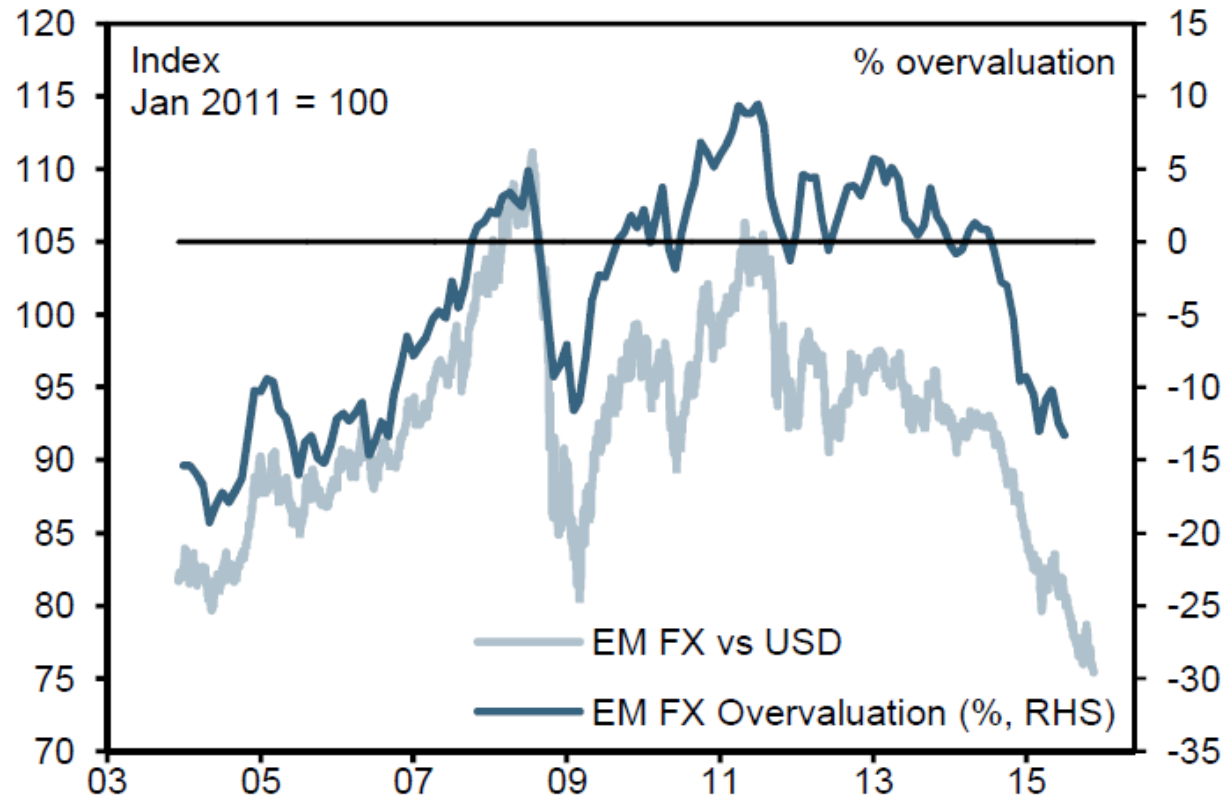
EM and DM Manufacturing PMI



Source: Haver Analytics, Goldman Sachs Global Investment Research.

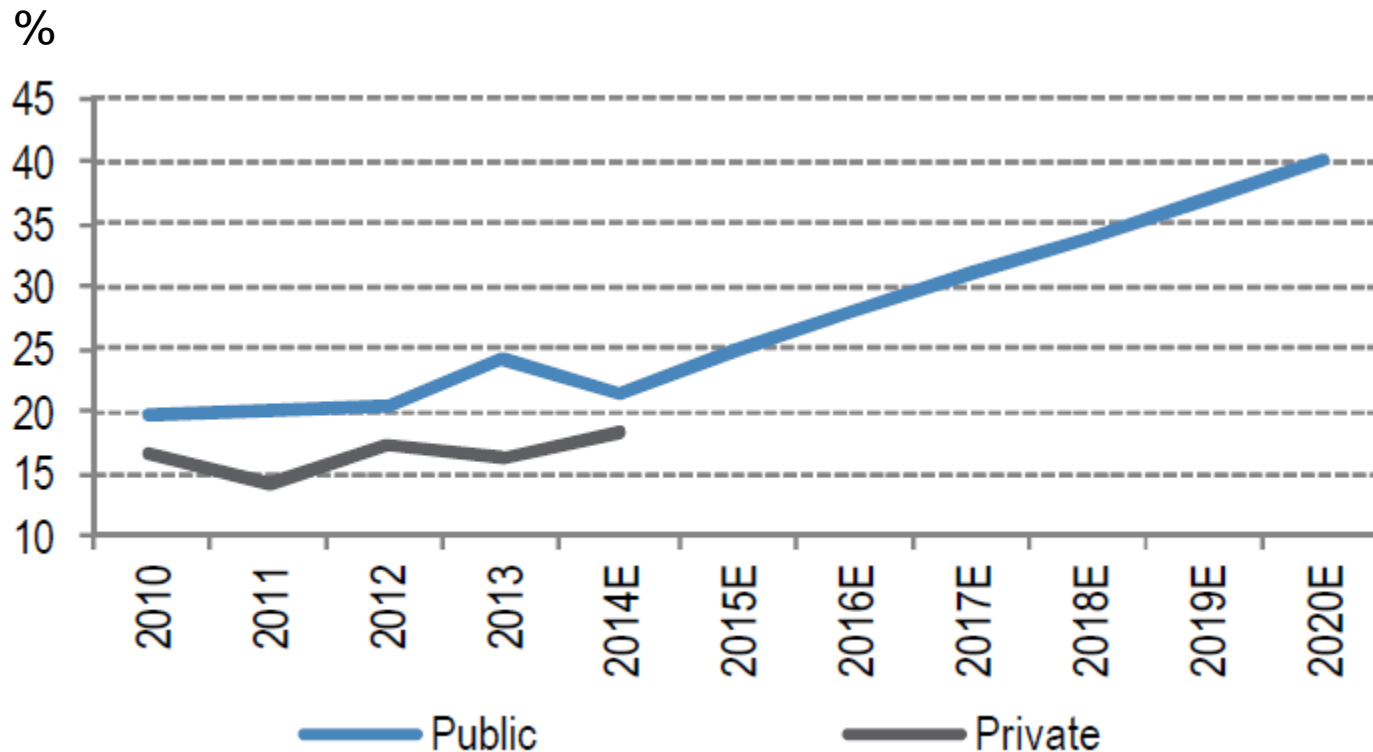
EM FX versus USD and EM FX «over/undervaluation»

Major EMs, overvaluation calculated using GSDEER values



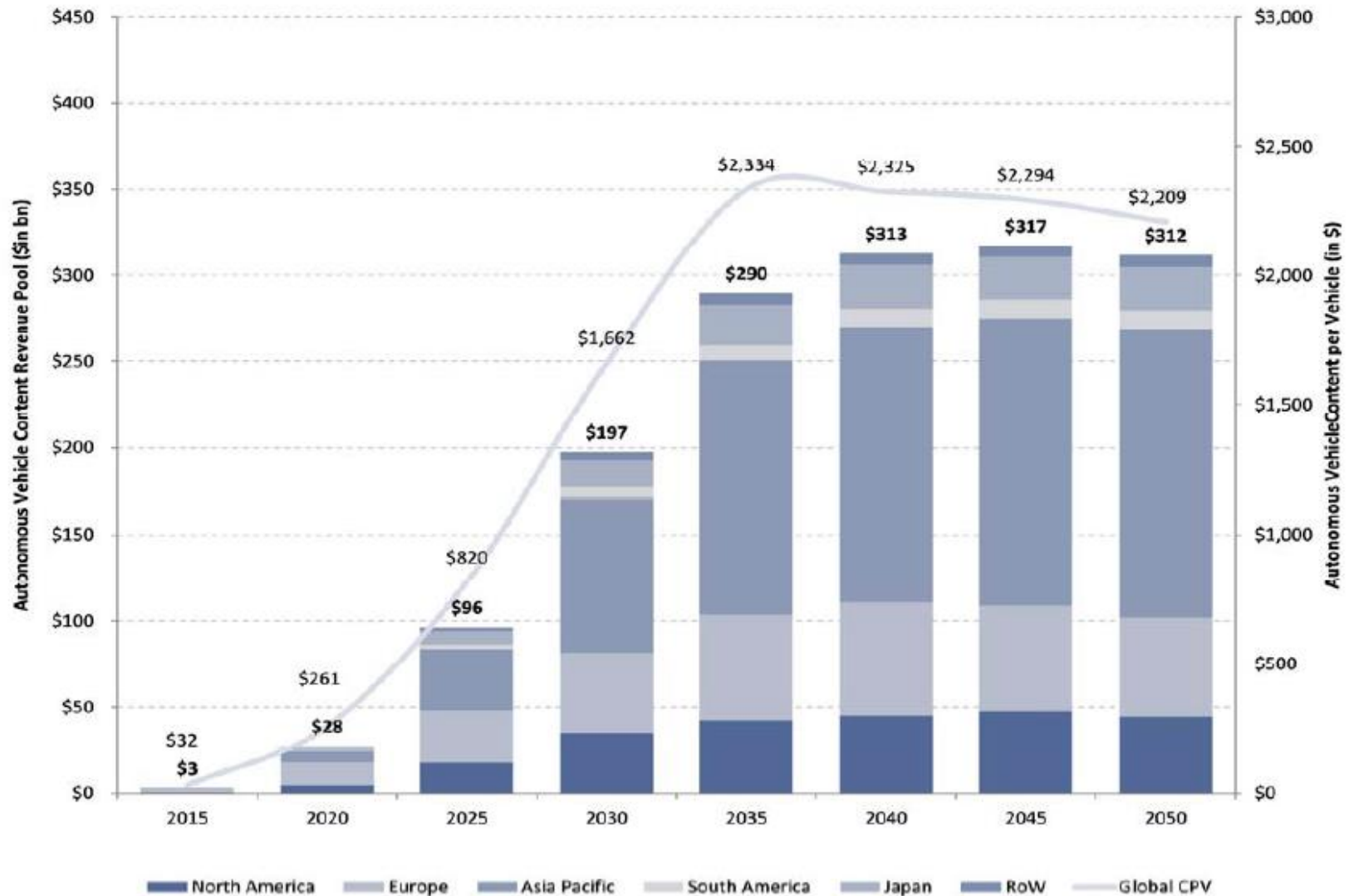
Source: Goldman Sachs, Goldman Sachs Global Investment Research.

Korea: Government's target dividend payout for public companies



Source: Ministry of Strategy and Finance.

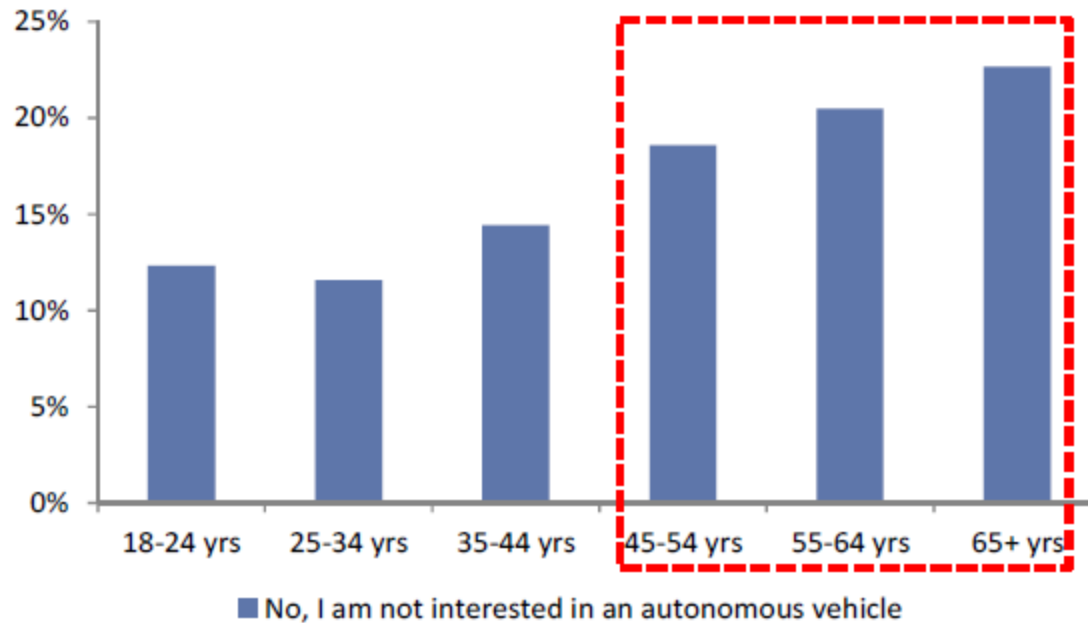
Autonomous cars – content revenue pool 2015-2050e



Source: Goldman Sachs Global Investment Research.

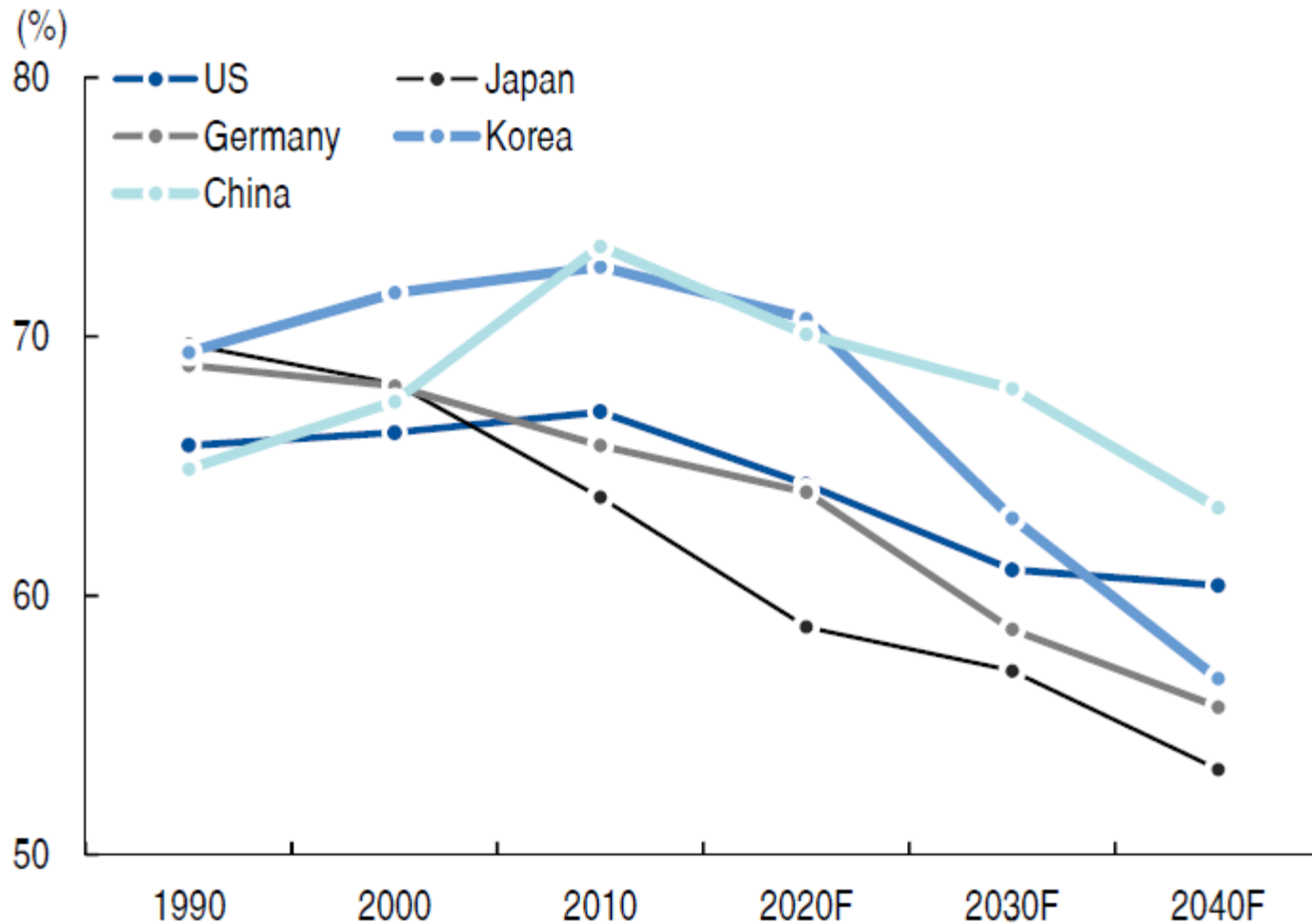
Autonomous car sceptics skewed toward older population

Age composition of the group not interested in autonomous driving



Source: Goldman Sachs Global Investment Research.

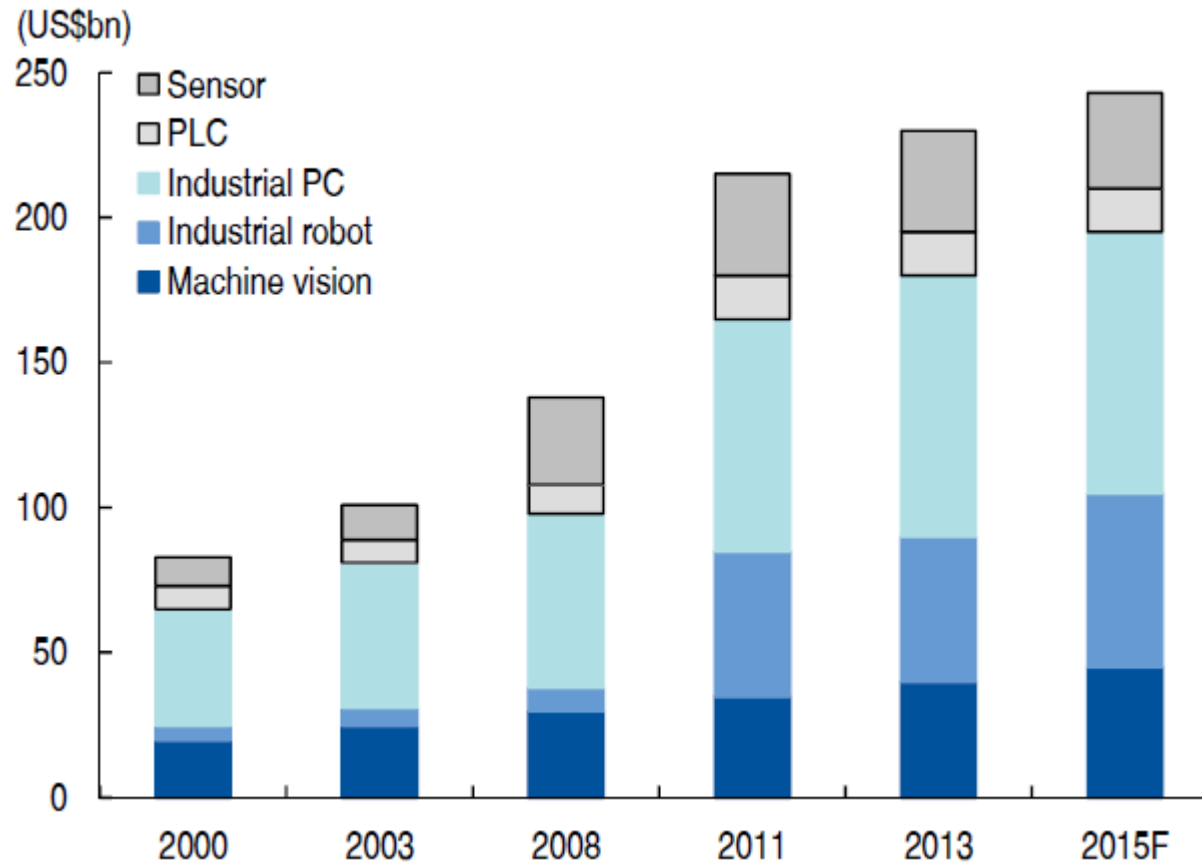
Proportion of economically-active people is declining



Source: CEIC, KDB Daewoo Securities Research.

Which makes boosting productivity paramount

Global automation market trend



Source: MOTIE, KDB Daewoo Securities Research.

Millennials Spending Habits

People born between 1982 and early 2000s

Female



Male



Source: Boston Consulting Group.

For mer informasjon, vennligst se:
Siste [Markedsrapport](#)
Informasjon om [SKAGEN Kon-Tiki A](#) på våre nettsider

Historisk avkastning er ingen garanti for framtidig avkastning. Framtidig avkastning vil blant annet avhenge av markedsutviklingen, forvalters dyktighet, fondets risiko, samt kostnader ved kjøp og forvaltning. Avkastningen kan bli negativ som følge av kurstap.

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