

Performance Commentary

Emerging market equities' return lagged that of global equities in November. We continued to see inflow into the asset class which is now at its highest level since 2010. The strong EM equity return in 2017 is primarily driven by earnings growth, which is expected to exceed 20% for 2017.

Our final portfolio companies reported their quarterly results. Indian tractor and automaker, Mahindra & Mahindra, delivered strong result growth; they are benefitting from solid demand recovery in rural demand, which represents 2/3 of profit. Our Hungarian pharma company, Richter Gedeon, also delivered solid results and raised full-year guidance. Golar LNG was the largest positive contributor. We see several near-term catalysts with the start-up of two FLNG projects. The LNG transport market has also improved and is no longer a cash drag. X5 Retail Group continued to retreat after weak 3Q17 margins, but we believe this to be temporary. We exited two minor positions, namely Massmart and Lenovo, due to lack of conviction. We also took profit in SBI Holdings after a strong gain.

Our portfolio now consists of 48 companies with the top 35 representing 85% of assets. Weighted P/E for 2018 is 9.4x versus 12.7x on consensus for MSCI EM. We see a weighted upside of 31% for our largest holdings.

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.

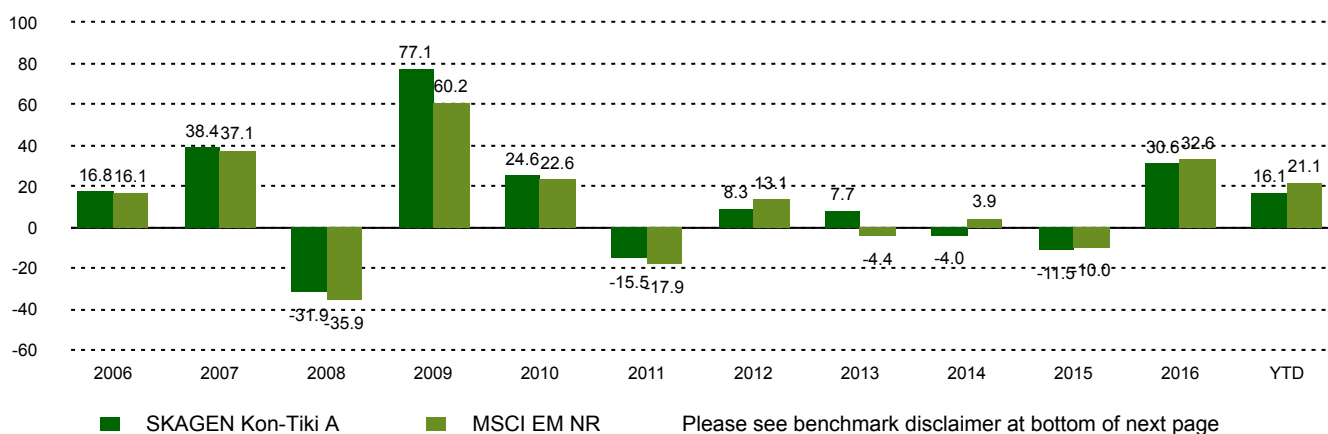
Fund Facts

Type	Equity
Domicile	Norway
Launch date	05.04.2002
Morningstar category	Global Emerging Markets Equity
ISIN	NO0010140502
NAV	79.61 GBP
Fixed management fee	2.00%
Total expense ratio (2016)	1.81%
Benchmark index	MSCI EM NR
AUM (mill.)	3138.71 GBP
Number of holdings	48
Lead manager	Knut Harald Nilsson

Historical performance (net of fees)

Period	SKAGEN Kon-Tiki A	Benchmark index
Last Month	-2.5%	-1.9%
Year to date	16.1%	21.1%
Last year	20.2%	22.4%
Last 3 years	8.7%	11.4%
Last 5 years	7.2%	8.2%
Last 10 years	7.2%	5.7%
Since start	15.8%	10.7%

Performance last ten years



Contributors in the month

Largest contributors

Holding	Weight (%)	Contribution (%)
Golar LNG Ltd	2.35	0.55
Naspers Ltd	4.59	0.55
Cosan Ltd	2.79	0.25
State Bank of India	2.65	0.18
Mahindra & Mahindra	3.73	0.18

Absolute contribution based on NOK returns at fund level

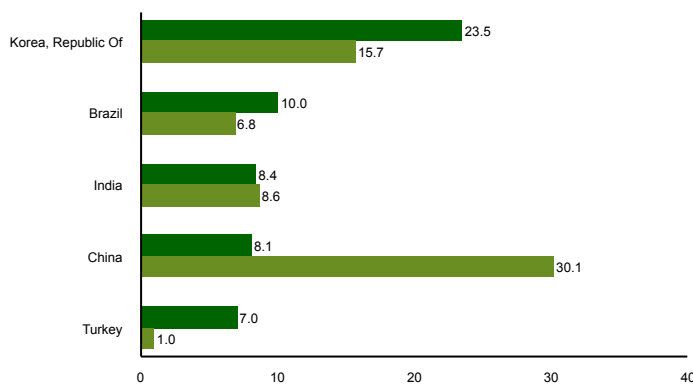
Largest detractors

Holding	Weight (%)	Contribution (%)
X5 Retail Group	3.85	-0.34
Banrisul	2.43	-0.27
Samsung Electronics	8.34	-0.24
Haci Omer Sabanci	3.83	-0.20
Cia Brasileira	2.54	-0.20

Top ten investments

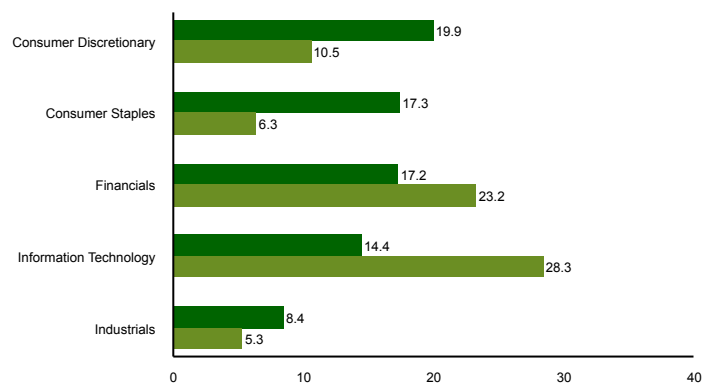
Holding	Sector	Country	%
Samsung Electronics	Information Technology	Korea, Republic Of	7.9
Hyundai Motor	Consumer Discretionary	Korea, Republic Of	7.0
Naspers	Consumer Discretionary	South Africa	4.5
Haci Omer Sabanci Holding	Financials	Turkey	3.7
X5 Retail Group	Consumer Staples	Russian Federation	3.6
Mahindra & Mahindra	Consumer Discretionary	India	3.6
Cosan Ltd	Consumer Staples	Brazil	3.0
LG Electronics	Consumer Discretionary	Korea, Republic Of	2.9
Richter Gedeon	Health Care	Hungary	2.9
Golar LNG	Industrials	United States	2.7
Combined weight of top 10 holdings			41.7

Country exposure (top five)



■ SKAGEN Kon-Tiki A ■ MSCI EM NR

Sector exposure (top five)



■ SKAGEN Kon-Tiki A ■ MSCI EM NR

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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.