



## Fund facts

ISIN: NO0010140502

Launch date, share class: 05.04.2002

Launch date, fund: 05.04.2002

Domicile: NO

NAV: 81.33 GBP

AUM: 1,171 MGBP

Benchmark index: MSCI Emerging Markets Index

Minimum purchase: 25 GBP

Fixed management fee: 2.00 %

Performance fee: 10 % (see prospectus for details)

Ongoing charge: 2.00 %

Number of holdings: 51

SFDR: Article 8



**Fredrik Bjelland**  
Managed fund since  
27 August 2017



**Cathrine Gether**  
Managed fund since  
30 September 2010



**Espen Klette**  
Managed fund since  
01 July 2022

## Investment strategy

SKAGEN Kon-Tiki is a value-based emerging markets equity fund. It seeks to generate long-term capital growth through an actively managed, high conviction portfolio of companies which are listed in, or have significant exposure to, developing markets. Subscriptions are made in fund units and not directly in stocks or other securities. The benchmark reflects the fund's investment mandate. Since the fund is actively managed, the portfolio will deviate from the composition of the benchmark.

# SKAGEN Kon-Tiki A

RISK PROFILE



6 of 7 (SRRI)

YTD RETURN

3.54 %

30.06.2023

ANNUAL RETURN

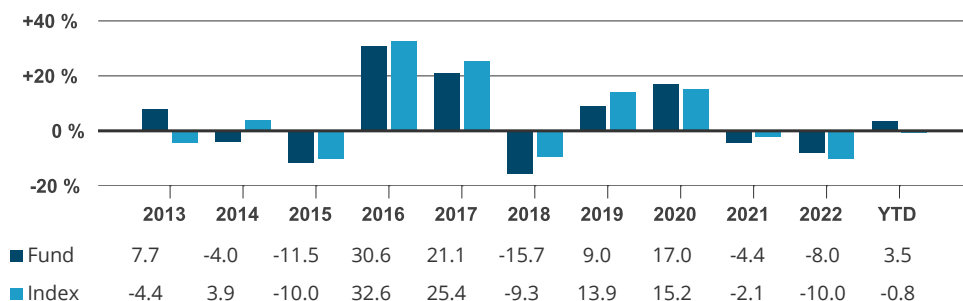
1.08 %

Average last 5 years

Monthly report for June as of 30.06.2023. All data in GBP unless otherwise stated.

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. The fund's Key Investor Information Document and prospectus are available on [www.skagenfunds.com](http://www.skagenfunds.com)

## Historical return in GBP (net of fees)



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 01.01.2004 was the MSCI World AC Index.

Period	Fund (%)	Index (%)	Key figures	1 year	2 years	3 years
Last month	2.73	1.19	Standard deviation	-	-	15.50
Year to date	3.54	-0.76	Standard deviation index	-	-	13.08
Last 12 months	7.19	-2.80	Tracking error	-	-	7.25
Last 3 years	4.83	1.15	Information ratio	-	-	0.51
Last 5 years	1.08	1.69	Active share: 86 %			
Last 10 years	3.33	4.84				
Since inception	11.53	8.14				

Returns over 12 months are annualised.

## AI enters the mainstream

**Global equity markets continued to scale the proverbial 'wall of worry' as growing excitement surrounding the potential of artificial intelligence (AI) more than offset the growing body of evidence pointing towards a continued slowdown in the global economy. Emerging Market equities (again) trailed those of developed markets as the lacklustre COVID-recovery in China continued to disappoint. While we expect pent-up demand, especially for consumer services, to be released over time, it is increasingly clear that the structural headwinds related to excess debt and a still-fragile property market will necessitate further stimulus in China.**

On a more positive note, major Emerging Markets such as Taiwan and South Korea benefitted from their prominent positions in the technology value chain. With valuations still at reasonable levels, especially in South Korea, we expect this tailwind to remain in place. Within commodities, we have observed a growing bifurcation between a weakening of the most cyclically sensitive metals and oil compared with the relative stability of critical metals to deliver on the energy transition. This is no doubt helped by growing investments related to the inflation reduction act (IRA) in the US. It may therefore come as a surprise that Brazil was the best performing EM during the quarter, which we ascribe to the current high real rates and scope for easing monetary policy in the coming quarters.



SKAGEN Kon-Tiki again outperformed its benchmark in Q2, marking the fifth consecutive quarter of delivering excess returns. The fund benefitted from its overweight positioning in Brazil with both Raizen and Banco do Brasil making significant contributions during the quarter. Raizen is a leading bioenergy company with a vertically integrated business model and significant growth prospects thanks to its second-generation ethanol plants. We significantly increased our position during Q1 following site visits

in January. Banco do Brasil has continued to perform well despite a tougher economic backdrop and weakening asset quality. We believe that the bank is well positioned thanks to its solid capital position and high profitability and can therefore capitalise on available growth opportunities, especially related to agribusiness. Our larger South Korean holdings Samsung Electronics and LG Electronics also made significant contributions during Q2. The memory market has been in a protracted downcycle, but we believe it is close to the bottom. As the largest and most diversified memory producer, we expect Samsung Electronics to continue to benefit from the secular growth in computing needs and broader application of AI. LG Electronics has also suffered falling revenues in recent quarters, but management has made significant progress in restoring profitability through better pricing architecture, cost savings and growing traction as an automotive supplier, especially within electric vehicles. Our recent visit to the company supported our positive view on its outlook. The main negative contributors were our large Chinese internet holdings, especially Alibaba and Prosus, whose main asset is its stake in Tencent. Although we had reduced our China exposure somewhat in Q1 following the rally from October 2022 lows, the portfolio was not immune to the weakness. Interestingly, Prosus and its parent company Naspers recently announced further plans to untangle their crossholdings and release value from the stake in Tencent. South African PGM miner Sibanye-Stillwater also performed poorly during the quarter, predominantly due to a significant drop in the prices of its key commodities palladium and platinum.

We made a few changes to the portfolio during the quarter. We exited Chinese home appliances manufacturer Hisense as the stock reached our target price following the launch of a management incentive plan. We also re-introduced Hungarian pharmaceutical company Richter Gedeon, which adds an attractive defensive characteristic to the portfolio. More recently, we initiated a position in Norwegian crop nutrition company Yara International. Yara is a global fertiliser company with a significant presence in Brazil and around half of sales generated in EM. The shares have come under pressure recently due to softening fertiliser prices and weak volumes at a time of elevated input costs. However, we see material room for improvement as the incentives for fertiliser use are significant and Yara's premium product portfolio offers it some insulation. The company has a solid balance sheet and strong through-cycle cash generation, which leaves it well placed to capitalise on the next upturn. At just 1x price to book, the shares are trading at their lowest level since 2016.

As a result, the SKAGEN Kon-Tiki portfolio now consists of 47 companies, excluding four Russian holdings currently valued at zero, with good diversification across geographies and sectors. Overall, the portfolio trades on just 7x 2023 earnings and 0.8x price to book, a 45% discount to the broader EM index. We continue to believe that the portfolio offers an attractive risk/reward proposition across a wide range of macro scenarios.

## Contribution last month

 Largest contributors	Weight (%)	Contribution (%)	 Largest detractors	Weight (%)	Contribution (%)
Raizen SA	3.34	0.70	Sibanye Stillwater Ltd	1.86	-0.32
Sendas Distribuidora S/A	1.69	0.42	JP Morgan Chase Bank NA, Luxembourg	4.13	-0.25
Naspers Ltd	2.77	0.39	Guaranty Trust Holding Co PLC	0.63	-0.22
Cosan SA	2.04	0.38	Ping An Insurance Group Co of China Ltd	6.72	-0.13
Banco do Brasil SA	2.47	0.34	LG Chem Ltd	2.23	-0.12

Absolute contribution based on NOK returns at fund level.

## Portfolio information

Top 10 investments	Share (%)	Country exposure	Share (%)	Sector exposure	Share (%)
Ping An Insurance Group Co of China Ltd	6.6	China	25.0	Consumer discretionary	21.3
Cnooc Ltd	5.8	South Korea	23.7	Energy	18.3
LG Electronics Inc	5.4	Brazil	16.4	Financials	15.2
Samsung Electronics Co Ltd	4.6	Taiwan	5.2	Materials	13.0
Alibaba Group Holding Ltd	4.5	South Africa	4.7	Information technology	10.2
Raizen SA	3.7	CASH	3.9	Consumer Staples	8.3
UPL Ltd	3.5	India	3.5	Cash, not invested	3.9
Shell PLC	3.4	Netherlands	3.4	Industrials	3.4
Prosus NV	3.4	France	3.3	Fund	3.3
Cash equivalent	3.3	Cayman Islands	2.1	Communication Services	2.5
<b>Total share</b>	<b>44.1 %</b>	<b>Total share</b>	<b>91.1 %</b>	<b>Total share</b>	<b>99.5 %</b>

## Sustainability

### SKAGEN's approach to sustainability

Our ESG approach is built on four pillars. In keeping with SKAGEN's active investment philosophy, our sustainability activities centre on active engagement with our holding companies, which is where we believe we can have the greatest impact. We recognise, however, that the full potential of a sustainable investment strategy is best realised when combining the following four pillars.

- ✓ Exclusion
- ✓ Enhanced due diligence
- ✓ ESG factsheet
- ✓ Active ownership

## IMPORTANT INFORMATION

This is a marketing communication. Except otherwise stated, the source of all information is SKAGEN AS. Statements reflect the portfolio managers viewpoint at a given time, and this viewpoint may be changed without notice.

Future fund performance is subject to taxation which depends on the personal situation of each investor, and which may change in the future. The tax treatment of the gains and losses made by the investor and distributions received by the investor depend on the individual circumstances of each investor and may imply the payment of additional taxes. Before any investment is made in the Fund, investors are urged to consult with their tax advisor for a complete understanding of the tax regime, which is applicable to their individual case.

SKAGEN AS is a management company authorised by the Norwegian supervisory authority, Finanstilsynet, for the management of UCITS under the Norwegian Act on Securities Funds. SKAGEN AS has its registered office at Skagen 3, Torgterrassen, 4006 Stavanger, Norway. SKAGEN AS is part of the Storebrand Group and owned 100% by Storebrand Asset Management AS. Storebrand Group consists of all companies owned directly or indirectly by Storebrand ASA.

No offer to purchase units can be made or accepted prior to receipt by the offeree of the Fund's prospectus and PRIIPS KID (for UK: KIID) and the completion of all appropriate documentation. You can download more information including subscription/redemption forms, full prospectus, PRIIPs KID (for UK: KIID), General Commercial Terms, Annual Reports and Monthly Reports in English language from SKAGEN's webpages <https://www.skagenfunds.com/funds>

Investors rights to complain and certain information on redress mechanisms are made available to investors pursuant to our complaints handling policy and procedure. The summary of investor rights in English is available here:

<https://www.skagenfunds.com/contact/investor-rights/> The investor rights summary is available in all languages of the countries where the fund is registered with the national Financial Services Authority. Please refer to SKAGEN's webpages and choose your respective country for this information.

SKAGEN AS may terminate arrangements for marketing under the Cross-border Distribution Directive denotification process.

For further information about sustainability-related aspects of the Fund, including the sustainability disclosure summary in English, please refer to: <https://www.skagenfunds.com/sustainability/sustainable-investing/> The sustainability disclosure summary is available in all languages of the countries where the fund is registered with the national Financial Services Authority. Please refer to SKAGEN's webpages and choose your respective country for this information.

The decision to invest in the Fund should take into account all the characteristics or objectives of the Fund as described in its prospectus <https://www.skagenfunds.com/funds>

**Important information for UK Investors**

SKAGEN AS UK Branch is located at 15 Stratton Street, London, W1J 8LQ. The SKAGEN AS UK Branch is authorised by Finanstilsynet and subject to the Financial Conduct Authority's Temporary Permission regulation. Details about the extent of the authorisation and regulation by the Financial Conduct Authority are available on request. The SKAGEN AS UK Branch has temporary permission from the UK FCA to carry out its authorised activities under the UCITS Directive. For more information, please contact SKAGEN's team based in the UK office:

<https://www.skagenfunds.co.uk/contact-us-uk/>

**Important Information for Luxembourg Investors**

SKAGEN AS has appointed Svenska Handelsbanken as Paying Agent.

Svenska Handelsbanken AB (publ), Luxembourg Branch, 15, Rue Bender, L-1229 Luxembourg. For more information, please contact SKAGEN's Stavanger based International team: [international@skagenfunds.com](mailto:international@skagenfunds.com)

**Important Information for Irish Investors**

In Ireland, SKAGEN AS has appointed Caceis Ireland Limited, One Custom House Plaza, International Financial Services Centre, Dublin, to act as Paying Agent for Ireland. For more information, please contact SKAGEN's Stavanger based International team: [international@skagenfunds.com](mailto:international@skagenfunds.com)

**Important Information for Dutch Investors**

For more information, please contact SKAGEN's Stavanger based international team: [international@skagenfunds.com](mailto:international@skagenfunds.com)

**Important Information for Icelandic Investors**

For more information, please contact SKAGEN's Stavanger based international team: [international@skagenfunds.com](mailto:international@skagenfunds.com)