Part of Storebrand

SKAGEN Kon-Tiki A

RISK PROFILE	YTD RETURN	ANNUAL RETURN
4 of 7	7.45 %	2.74 %
	31.12.2024	Average last 5 years

Monthly report for December as of 31.12.2024. All data in EUR 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

Fund facts

ISIN: NO0010140502
Launch date, share class: 05.04.2002
Launch date, fund: 05.04.2002
Domicile: NO
NAV: 102.97 EUR
AUM: 1,297 MEUR
Benchmark index: MSCI Emerging Markets Index
Minimum purchase: 50 EUR
Fixed management fee: 2.00 %
Performance fee: 10.00 % (see prospectus for details)
Ongoing charge: 2.00 %
Number of holdings: 43
SFDR: Article 8

Fredrik Bjelland
Managed fund since 27 August 2017

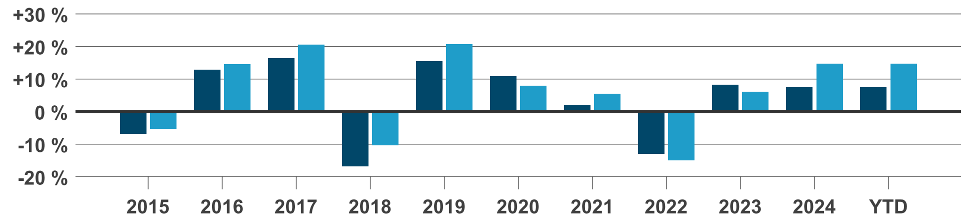
Cathrine Gether
Managed fund since 30 September 2010

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.

Historical return in EUR (net of fees)



	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	YTD
Fund	-6.8	12.9	16.4	-16.7	15.5	10.8	1.9	-12.9	8.3	7.5	7.5
Index	-5.2	14.6	20.5	-10.3	20.7	8.0	5.4	-14.9	6.1	14.7	14.7

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 (%)
Last month	-1.75	1.86
Year to date	7.45	14.68
Last 12 months	7.45	14.68
Last 3 years	0.46	1.19
Last 5 years	2.74	3.14
Last 10 years	3.03	5.16
Since inception	9.50	6.75

Returns over 12 months are annualised.

Key figures	1 year	3 years	5 years
Standard deviation	10.60	14.75	17.41
Standard deviation index	10.19	13.62	15.40
Tracking error	5.04	6.57	6.69
Information ratio	-1.44	-0.11	-0.06

Active share: 85 %

Q4 commentary 2024

2024 was generally a good year for risk assets as global equities posted another year of positive returns led by the Technology, Media and Telecommunications (TMT) sector. The overriding theme of the year was artificial intelligence (AI) entering the mainstream as computing breakthroughs and growing use cases fuelled the imagination. Unsurprisingly, many of the key beneficiaries of these emerging technologies can be found in the US, which posted very strong returns. However, many of the enabling and hardware-related beneficiaries can be found in Taiwan, which posted the highest 2024 returns of major stock markets globally. At the other end of the spectrum, commodity prices softened, partly due to a strengthening US dollar but also on weaker industrial demand as macro data from China continues to soften.

2024 was also characterised by multiple political events, including the US presidential election, where the return of Donald Trump was seen as a(nother) headwind for emerging markets. While this partly explains the underperformance vs global equities, many of EM's problems in 2024 were self-inflicted. Across Latin America, a shift to the Left (Argentina excluded!) and more profligate spending was met by weaker currencies and central banks needing to hike interest rates; a toxic cocktail for equities as evidenced multiple times in history and by the Brazilian market's collapse in 2024. Perhaps the most surprising event of the year was December's declaration of emergency martial law by President Yoon in South Korea. Although the declaration was swiftly ruled invalid, the political fall-out and higher risk premium will likely linger for some time. 2024 performance was below our expectations and significantly behind the benchmark, mostly due to our heavy exposure to Brazil. The underperformance was particularly acute in the fourth quarter as the pressure on the Brazilian Real intensified due to concerns about the fiscal outlook under the Lula administration. The fund also suffered from its large exposure to South

Korea although the relative return was supported by good security selection. We benefited from the AI theme through our investments in Taiwan, but our relative underweight here and in India also negatively impacted the fund's relative performance. At the single-stock level, the top 3 contributors for the year were the larger Chinese holdings including oil and gas producer CNOOC and insurance group Ping An as well as Taiwan Semiconductor (TSMC). On the negative side, 4 out of the 5 largest detractors were Brazilian, with conglomerates Simpar and Cosan as well as cash & carry retailer Assai suffering from higher leverage as interest rate expectations continue to rise. These trends were present also in December when both TSMC and Ping An performed strongly. Korean cosmetics manufacturer Cosmax also rebounded in December on improved sentiment towards the sector and the company's growth outlook for 2025. As mentioned above, pressure in Brazil continued into December with Simpar, Cosan and its ethanol and fuel distribution subsidiary Raizen being the top detractors. The fallout from the turmoil in Korea was largely confined to our position in Samsung Electronics at the single-stock level as we had already started to shift our exposure within financials.

For the last quarter of 2024, the top 3 contributors were TSMC, West China Cement and Genomma Lab. Whilst TSMC has continued to perform on the back of the current hardware up-cycle (November sales were up a whopping 34%), both West China Cement and Genomma Lab are very company-specific 'stories'. We have long seen West China Cement as a misunderstood company as it generates most of its profits from Africa, namely Mozambique, Ethiopia and Democratic Republic of Congo, rather than in Western China. As we have seen from our visits to the DRC over the years, the region's cement needs are significant, in part driven by China's Belt and Road policy, and, as a result, local profit levels are very high compared with those in China when measured on a per tonne basis. It now looks like the market is starting to realise this, which has driven the shares up strongly this year. Genomma Lab is a Mexican over-the-counter (OTC) and FMCG company with its base in Mexico and operations spanning from USA and LatAm that we invested in during Q2 2023 after a visit to Mexico. The company is in the midst of a cost-savings programme that so far is on track and its Argentina exposure (c20% of sales) has gone from being a liability to an asset following the country's change in political direction under President Milei. Perhaps unsurprisingly, the market has re-rated the shares from <8x P/E when we invested to >12x P/E on higher earnings, which made the stock the highest returning name on the Mexican exchange in 2024. On the negative side, the weakest contributors were Alibaba, LG Electronics as well as our largest Brazilian holdings (Cosan, Simpar, Raizen and Assai). Whilst the retreat in Brazil has largely been market-related, it has been compounded in companies with higher leverage. Although most of our holdings have taken immediate steps to address any potential liquidity or re-financing needs, the Brazilian market largely operates on floating rates, which has led to much higher expected financing costs. We have not seen any major operational downgrades to date, but earnings expectations have come down in the order of 30-40% YTD due to this leverage effect. Long gone, unfortunately, are the expectations of multiple rate cuts that we saw at the start of the year. Alibaba has delivered decent returns YTD so this quarter's weakness should be seen in light of this. However, there can be no doubt that the economic data, and consumption-related in particular, coming out of China remains lacklustre and that this is weighing on discretionary related stocks. There seems to be little prospect, therefore, of a significant rebound in Alibaba's revenues when it reports calendar Q4 results. However, we keep the faith as management continues to sell non-core assets and buy back its still (in our opinion) undervalued shares. LG Electronics has been weak this whole year due to weak operating results and margin compression in its home entertainment (e.g. TVs) division. We continue to like the equity story due to LG's significant exposure to air conditioning and under-appreciated position in TV operating systems. One potential trigger for a re-rating is the upcoming IPO of its Indian subsidiary, which is considered more valuable than the entire Group, provided it can trade on the Indian stock exchange. This already worked for Hyundai, so we remain hopeful of a successful listing.

As communicated in October, we made a few minor adjustments to the portfolio in the quarter. We exited Brazilian retailer Lojas Renner and Chinese baijiu producer Wuliangye as they hit our target prices within a month or two of initiating the positions. We also exited Brazilian truck leasing company Vamos due to weaker unit economics under a higher-for-longer rate environment and to reduce our overall exposure to Brazil. We initiated a new position in Polish insurer Powszechny Zaklad Ubezpieczen (PZU) in December. PZU has de-rated significantly in the second half of the year due to higher insurance costs from European floods in 2024. We see the higher costs as adequately reflected by the market and management's medium- and long-term guidance is highly supportive of a re-rating back to historical levels. We also see upside from simplifying the group's structure, which includes two listed bank subsidiaries and the group's c9% dividend yield. We also made a number of changes to existing holdings where we believe the risk/reward warranted a fresh look. Examples of this are Samsung Electronics that we added to following a period of underperformance due to weak memory market dynamics and a loss of share to SK Hynix in High Bandwith Memory. We continue to believe that Samsung holds a leading position in memory and will be able to catch up with its smaller rival and were therefore happy to buy back some of the shares we had sold earlier in the year (at much higher levels). We also added to our position in Turkish bottler Coca-Cola Icecek as the shares came under pressure from unrest in the Middle East as well as Korean bank Hana Financial. Our increased position in Hana Financial was entirely funded by a sell-down in larger peer KB Financial, which has re-rated significantly more than Hana Financial on the back of its shareholder return plans under the Value Up programme. Our interactions with Hana Financial have showed us the same commitment to the programme so we find the risk/reward much more appealing. We also reduced our overall exposure to Korea (even before the martial law) by selling part of our stakes in Hyundai Motor, Korean Re and DGB Financial on the back of strong performance. We sold most of our stake in Chinese E&P CNOOC and trimmed West China Cement as the shares neared our target prices.

The fund maintains its deep value characteristics, trading at a c40% discount to the MSCI EM index on earnings and book values, while offering an attractive cash yield. This has, however, not been sufficient in 2024 as the gap between more expensive 'momentum markets' and those that have suffered an 'event' has widened. Against this challenging backdrop, we have attempted to balance the near-term risk against what we consider to be attractive long-term potential rewards. As a result, we have maintained an active approach to position sizing and trimmed winners and added to shares that have suffered more than we would have expected. As we position the portfolio for 2025, we see incremental opportunities in markets where we have recently spent more time, including Mexico, India and Eastern Europe and look forward to unveiling new positions as they become a reality.

Contribution last month

Largest contributors	Weight (%)	Contribution (%)
Taiwan Semiconductor Manufacturing Co Ltd	6.65	0.61
Ping An Insurance Group Co of China Ltd	8.86	0.49
Cosmax Inc	2.39	0.20
China Mobile Ltd	2.07	0.18
Coca-Cola Icecek AS	1.47	0.18

Largest detractors	Weight (%)	Contribution (%)
SIMPAR SA	1.37	-0.42
Cosan SA	1.75	-0.40
Raizen SA	1.76	-0.37
Hana Financial Group Inc	2.73	-0.33
Samsung Electronics Co Ltd	4.14	-0.28

Absolute contribution based on NOK returns at fund level.

Portfolio information

Top 10 investments	Share (%)
Ping An Insurance Group Co of China Ltd	**9.1**
Alibaba Group Holding Ltd	**7.9**
Taiwan Semiconductor Manufacturing Co Ltd	**7.3**
Prosus NV	**4.4**
Naspers Ltd	**4.3**
Samsung Electronics Co Ltd	**4.0**
LG Electronics Inc	**3.8**
Hon Hai Precision Industry Co Ltd	**3.3**
WH Group Ltd	**3.0**
Yara International ASA	**3.0**
Total share	**50.1 %**

Country exposure	Share (%)
China	**26.2**
South Korea	**21.1**
Brazil	**12.8**
Taiwan	**10.7**
South Africa	**5.0**
Hong Kong SAR China	**3.0**
France	**2.9**
Mexico	**2.4**
Cayman Islands	**2.3**
Türkiye	**2.2**
Total share	**88.7 %**

Sector exposure	Share (%)
Consumer discretionary	**25.6**
Financials	**17.5**
Information technology	**14.7**
Materials	**9.4**
Consumer Staples	**9.3**
Energy	**5.3**
Fund	**3.9**
Industrials	**3.4**
Communication Services	**2.7**
Health care	**2.4**
Total share	**94.1 %**

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 Storebrand Asset Management 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.

Storebrand Asset Management AS is a management company authorised by the Norwegian supervisory authority, Finanstilsynet, for the management of UCITS under the Norwegian Act on Securities Funds and has its registered office at Professor Kohts vei 9, 1366 Lysaker, Norway. Storebrand Asset management AS is part of the Storebrand Group and owned 100% by Storebrand ASA. Storebrand Group consists of all companies owned directly or indirectly by Storebrand ASA.

Following the merger of Storebrand Asset Management AS and SKAGEN AS, SKAGEN's portfolio team will continue to manage the funds' portfolios from the new separate legal entity, SKAGEN AS, while Storebrand Asset Management AS carries out the role of the management company.

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.

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: 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.

Storebrand Asset Management 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: 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.

Important information for UK Investors
Storebrand Asset Management AS has established a subsidiary in the UK. Storebrand Asset Management UK Ltd.is located at 15 Stratton Street, London, W1J 8LQ. Storebrand Asset Management UK Ltd is an Appointed Representative of Robert Quinn Advisory LLP, which is authorised and regulated by the Financial Conduct Authority. Storebrand Asset Management UK Ltd is incorporated in England and the registered office is at 15 Stratton Street, London, England, W1J 8LQ. The investment products and services of Storebrand Asset Management UK Ltd are only available to professional clients and eligible counterparties. They are not available to retail clients. For more information, please contact Storebrand Asset management UK Ltd.'s team.

Important Information for Luxembourg Investors
For more information, please contact SKAGEN's Stavanger based International team: international@skagenfunds.com
For Facilities Services information please refer to our webpages.

Important Information for Irish Investors
For more information, please contact SKAGEN's Stavanger based International team: international@skagenfunds.com
For Facilities Services information please refer to our webpages.

Important Information for Dutch Investors
For more information, please contact SKAGEN's Stavanger based international team: international@skagenfunds.com
For Facilities Services information please refer to our webpages.

Important Information for Icelandic Investors
For more information, please contact SKAGEN's Stavanger based international team: international@skagenfunds.com
For Facilities Services information please refer to our webpages.