

# SKAGEN Kon-Tiki LUX B EUR

## Q3 2023 Quarterly Report

All data in EUR as of 30/09/2023 unless otherwise stated

This is marketing communication



### INVESTMENT OBJECTIVE

SKAGEN Kon-Tiki is a highly active, global emerging market equity fund which seeks to generate long-term capital growth through a high conviction portfolio of companies which are listed in, or have significant exposure to, developing markets.

The Luxembourg SICAV was launched in 2019.

### FUND INFORMATION

Start date	27/09/2019
Benchmark	MSCI EM Index
ISIN	LU1932686501
Morningstar Category	Global Emerging Markets Equity
Fixed Fee	0.60%
SFDR Category	Article 8
Portfolio Manager	Fredrik Bjelland Cathrine Gether Espen Klette



Fredrik Bjelland, Cathrine Gether & Espen Klette

#### Fredrik Bjelland, CFA

- ❖ Joined SKAGEN in 2017
- ❖ Former Head of China, Special Mandates, NBIM

#### Cathrine Gether

- ❖ Joined SKAGEN in 2009
- ❖ Former Portfolio Manager at Millennium Capital Partners in London

#### Espen Klette

- ❖ Joined SKAGEN in 2019
- ❖ Former Equity Research Analyst and Partner at Pareto Securities in Oslo

### INVESTMENT COMMENTARY

Global equity markets fell during the quarter as investors remained focused on the Federal Reserve's commentary on the outlook for future funds rates. The Federal Open Market Committee press release on 20 September and subsequent press conference were interpreted by markets as a signal of "higher-for-longer" rates. The Fed Chair appeared more hawkish than many expected on the back of still strong US economic activity and job gains. As a result, the US 10-year government yield increased materially, and the USD strengthened versus major world currencies.

Emerging Markets equities performed broadly in line with Developed Markets. Taiwan, South Korea and China were the key negative contributors during the quarter. In EM, markets remain concerned about the Chinese property sector, the health of the country's banking sector as well as a slower-than-expected recovery from the pandemic lockdown measures. SKAGEN Kon-Tiki continues its selective and successful approach to stock picking in China and currently has no direct exposure to real estate or banks.

SKAGEN Kon-Tiki has now outperformed six quarters in a row. During the third quarter, CNOOC, Magnit and TotalEnergies were the key relative contributors on the back of higher energy prices and a re-valuation of our Russian holdings. LG Electronics, Raizen and Atlantic Sapphire were the key relative detractors. Raizen fell on weak quarterly results and Atlantic Sapphire fell after raising new equity.

During the month of September, SKAGEN Kon-Tiki again outperformed its benchmark. The fund benefitted from higher oil prices which lifted our energy holdings CNOOC, TotalEnergies and Shell. In addition, the Brazilian pulp and paper producer Suzano benefitted from a pulp price recovery.

The main negative contributors during the month were LG Electronics, Alibaba and Cosmax. LG Electronics was likely negatively impacted by concerns about a potential weakening in consumer spending. Alibaba declined on the back of general China weakness. Cosmax gave back some of the strong gains made on China's easing of outbound travel restrictions.

We made limited changes to the portfolio during September. We initiated a position in Phinia, a leading fuel injection system provider for commercial vehicles and industrial applications. Phinia was spun off from BorgWarner in July 2023 and in our view, the investment opportunity is a classic ignored, below-the-radar and significantly undervalued spin-off. The current valuation is substantially below that of its former parent company and relevant peers, and we see several catalysts to drive a re-rating of the share price. We did not exit any portfolio companies during the month.

As a result, the SKAGEN Kon-Tiki portfolio now consists of 51 companies, with good diversification across geographies and sectors. Overall, the portfolio is trading on just 7x 2023 earnings and 0.8x price to book, a 44% discount to the broader Emerging Markets index. As a result, we continue to believe that the portfolio offers an attractive risk/reward proposition across a wide range of macro scenarios.

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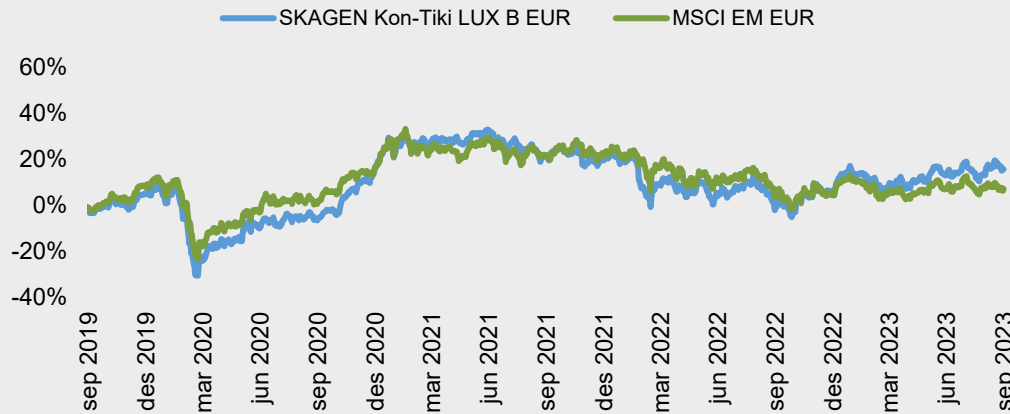
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### FUND PERFORMANCE

	Q3 2023	YTD 2023	1-Year	3-Year	Since Start
<b>SKAGEN Kon-Tiki LUX B EUR</b>	<b>2.0%</b>	<b>10.0%</b>	<b>17.1%</b>	<b>7.1%</b>	<b>3.7%</b>
MSCI EM Index	0.0%	2.6%	3.4%	1.7%	1.7%
Relative Return	2.0%	7.4%	13.7%	5.4%	1.9%



As at 30/09/2023 in EUR, net of fees

Historical returns are no guarantee for future returns. Future returns will depend, inter alia, on market developments, the fund manager's skill, the fund's risk profile and management fees. The return may become negative as a result of negative price developments. There is a risk associated with investing in the fund due to market movements, currency developments, interest rate levels, economic, sector and company-specific conditions.

### RISK PROFILE

We have classified this product as 5 out of 7, which is a medium-high risk class. This rates the potential losses from future performance at a medium-high level. Other risks not included in the summary risk indicator but materially relevant: Event risk, liquidity risk, operational risk, counterparty risk, derivatives risk. Be aware of currency risk. You will receive payments in a different currency, so the final return you will get depends on the exchange rate between the two currencies. This risk is not considered in the indicator shown above. This product does not include any protection from future market performance so you could lose some or all of your investment.

### PORTFOLIO STATISTICS

No. of holdings	50
Top 10 weighting	45.1%
Active Share	87%
Turnover ratio	46%
Investment horizon <sup>1</sup>	2 years+

### PERFORMANCE ATTRIBUTION<sup>2</sup>

#### Largest contributors ▲

Holding	Weight	Contribution
CNOOC Ltd	6.3%	2.9%
Foxconn Industrial Internet Co	0.9%	1.4%
Hyundai Motor Co	3.3%	1.1%
Banco do Brasil SA	2.1%	0.8%
Suzano SA	3.3%	0.7%

#### Largest detractors ▼

Holding	Weight	Contribution
Sibanye Stillwater Ltd	2.2%	-1.1%
Sendas Distribuidora S/A	2.0%	-0.9%
Atlantic Sapphire	0.4%	-0.6%
UPL Ltd	3.5%	-0.5%
Media Nusantara	1.1%	-0.4%

### PORTFOLIO INFORMATION

	COUNTRY EXPOSURE	
	Fund	Benchmark
Republic Of Korea	23.8%	12.2%
China	23.6%	27.3%
Brazil	15.0%	5.4%
South Africa	4.6%	2.8%
Vietnam	3.5%	0.0%
Hong Kong	2.0%	1.5%
Mexico	0.9%	2.5%
Canada	0.6%	0.0%
United States	0.6%	0.3%
Hungary	0.5%	0.2%

	SECTOR EXPOSURE	
	Fund	Benchmark
Consumer Discretionary	21.1%	13.7%
Energy	20.5%	5.2%
Financials	15.9%	22.2%
Materials	14.5%	8.0%
Information Technology	9.1%	20.3%
Consumer Staples	7.5%	6.2%
Industrials	3.1%	6.7%
Communication Services	2.3%	9.6%
Health Care	1.5%	3.8%
Utilities	0.0%	2.6%

TOP 10 HOLDINGS	
Cnooc Ltd	7.5%
Ping An Insurance Group	5.3%
Alibaba Group Holding Ltd	5.1%
Lg Electronics Inc	4.5%
Samsung Electronics Co	4.3%
Totalenergies SE	4.0%
Shell PLC	3.9%
Suzano SA	3.8%
UPL Limited	3.5%
Prosus N.V.	3.2%
Combined weight	45.1%

<sup>1</sup> For guidance purposes only <sup>2</sup> Contribution to absolute return year-to-date

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### IMPORTANT INFORMATION

This is a marketing communication, and this document is intended for professional investors only. Except otherwise stated, the source of all information is Storebrand Luxembourg SICAV as at 30/09/2023.

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. 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 depends on the individual circumstances of each investor and may imply the payment of additional taxes. Before any investment is made in the Sub-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 SICAV, (RCS Registration Number: B 234106) is an investment company with variable capital (société d'investissement à capital variable) incorporated under the form of a société anonyme in the Grand Duchy of Luxembourg. It qualifies as a UCITS and falls under the supervision of the Luxembourg financial supervisory authority, Commission de Surveillance du Secteur Financier (the "CSSF"). Storebrand SICAV has appointed Fund Rock Management Company S.A. to act as its designated management company and further FundRock has appointed Storebrand and SKAGEN AS as its investment managers. The SICAV has appointed Storebrand Asset Management as Global Distributor and Storebrand Asset Management has appointed SKAGEN AS as Global Sub-Distributor.

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 Act. 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 shares can be made or accepted prior to receipt by the offeree of the Sub-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.lu/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.lu/contact/investor-rights/>

Storebrand Asset Management AS or FundRock Management Company S.A. may terminate arrangements for marketing under the Cross-border Distribution Directive denotification process.

The Sub-fund takes sustainability risk and ESG characteristics into account as part of its selection process. In that respect the Sub-fund promotes environmental and/or social characteristics within the meaning of Art 8 of SFDR. For the assessment areas like corporate strategy, corporate governance, transparency and the product and service range of a company are taken into account. Further information about sustainability-related aspects of the Sub-fund, including the sustainability disclosure summary in English, can be found here: <https://www.skagenfunds.lu/sustainability/sustainable-investing/>

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

The Storebrand SICAV has registered its 7 Sub-Funds (SKAGEN Kon-Tiki Lux, SKAGEN Focus Lux, SKAGEN Global Lux, SKAGEN m2 Lux, Storebrand Global Solutions Lux and Storebrand Global ESG Lux) for public distribution in Luxembourg, the UK, Germany, Austria, the Netherlands, Belgium, and France.

#### Important Information for Luxembourg Investors

Storebrand SICAV has appointed Fund Rock Management Company S.A. to act as its designated management company. FundRock Management Company S.A.'s offices are located at: 33, rue de Gasperich, 5826 Hesperange, Grand Duchy of Luxembourg.

#### Important Information for UK Investors

The Storebrand SICAV has appointed SKAGEN AS UK Branch to act as Facility Agent in the UK. SKAGEN's London Office is located at 15 Stratton Street, London, W1J 8LQ. The SKAGEN AS UK Branch is authorised by Finanstilsynet and subject to limited regulation by the Financial Conduct authority. 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.

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>

Further information about sustainability-related aspects of the Sub-fund, including the sustainability disclosure summary in English, can be found here: <https://www.skagenfunds.com/sustainability/sustainable-investing/>

#### Important Information for German Investors

The Storebrand SICAV has appointed SKAGEN AS Branch Germany to act as Information Agent in Germany. SKAGEN AS's German Office is located in Barckhausstrasse 1, 60325 Frankfurt, Germany. The SKAGEN AS Branch in Germany acts as local market representative.

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 German language is available here: <https://www.skagenfunds.de/contact/investor-rights>

Further information about sustainability-related aspects of the Sub-fund, including the sustainability disclosure summary in German language, can be found here: <https://www.skagenfunds.de/sustainability/sustainable-investing/>

#### Important Information for Belgian Investors

The Storebrand SICAV has appointed Caceis Belgium SA/NV to act as the Financial Service Provider for the SICAV. Caceis Belgium SA/NV's offices are located at: Avenue du port 86C B320, 1000 Brussels Belgium.

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>

Further information about sustainability-related aspects of the Sub-fund, including the sustainability disclosure summary in English language, can be found here: <https://www.skagenfunds.com/sustainability/sustainable-investing/>

#### Important Information for French Investors

The Storebrand SICAV has appointed CACEIS Bank as the Centralizing Correspondent for the SICAV. CACEIS Bank's offices are located at 1-3 Place Valhubert, F-75013 PARIS, France.

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.fr/contact/investor-rights>

Further information about sustainability-related aspects of the Sub-fund, including the sustainability disclosure summary in French language, can be found here: <https://www.skagenfunds.fr/sustainability/sustainable-investing/>

#### Important Information for Austrian Investors

The Storebrand SICAV has appointed Raiffeisen Bank International AG to act as Local Paying, Information and Contact Agent for the SICAV. Raiffeisen Bank International AG's offices are located at Am Stadtpark 9, 1030 Vienna, Austria.

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 German language is available here: <https://www.skagenfunds.at/contact/investor-rights>

Further information about sustainability-related aspects of the Sub-fund, including the sustainability disclosure summary in German language, can be found here: <https://www.skagenfunds.at/sustainability/sustainable-investing/>