



SKAGEN Kon-Tiki LUX B EUR

Q3 2024 Quarterly Report

All data in EUR as of 30/09/2024 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

We leave an eventful month of September behind us. Despite increased tensions in the Middle East, emerging market equities outperformed global markets both in September and the third quarter. SKAGEN Kon-Tiki outperformed emerging markets in September and ended the month at a new all-time-high.

As growth continues to be resilient and US inflation hovers around the Fed's target, a US easing cycle without signs of a recession has helped fuel global markets. As we approach the US election in November, we may see continued volatility. The results could also have major implications for EM and global trade given the uncertainty regarding potential new tariffs and trade policy. Emerging markets' strength in September was driven by a huge rotation of flows into China. After resisting major stimulus for so long, China made a big turnaround with The People's Bank of China leading the charge to revive sentiment through a televised press briefing with a strong message they are now opening their coffers to stock markets and making money cheaper to borrow. Fiscal spending is being boosted and they are offering cash handouts and new subsidies for jobless graduates, amongst other things. They have also announced measures to halt the property price decline. The efforts now seem more coordinated and the market reacted accordingly.

Therefore, and not surprisingly, the fund's top contributors for the month and third quarter were all China-related companies. Ping An's share price took a sharp U-turn, as did that of other insurance companies. Ping An can be seen as a beneficiary of some of the measures announced, and as a result, we saw a reversal in the negative sentiment towards its property market exposure. Over the past few years, Chinese internet stocks like Alibaba and Tencent – companies that contribute significantly to the market value of Prosus and Naspers – have faced headwinds due to regulatory challenges, geopolitical tensions, and recession concerns. As a result, their share prices have underperformed that of their global counterparts. However, this trend shifted towards the end of the month. With strong earnings growth, attractive valuations, and solid liquidity, these stocks are now drawing the attention of investors who are beginning to worry they may be underexposed to the Chinese market.

Among the month's and quarter's negative contributors, CNOOC experienced a slight decline due to oil price weakness, following a strong performance over the past two years. Samsung's setback was driven by weakness in consumer electronics and concerns about its positioning and outlook for High Bandwidth Memory (HBM). The stock is now trading near recent down-cycle lows on a price-to-book basis, presenting what we believe to be an attractive opportunity. Assai's shares dropped following concerns that Brazilian tax authorities listed some of its assets in connection with disputed tax liabilities related to GPA, its former parent company. However, GPA has reaffirmed its responsibility for these liabilities, meaning there should be no negative impact on Assai.

We exited three companies in the period and added one new position. Shell has been a strong contributor and, as it had reached our price target, we exited the company, also reducing our overall energy exposure. Second, we exited from Gree Electric after a good run and finally, we sold the remainder of our shares in Atlantic Sapphire. In September, we initiated a new position in Wuliangye Yibin, a company that Kon-Tiki has successfully owned in the past. Wuliangye is a leading brand in baijiu, a traditional Chinese distilled spirit made from grains, known for its strong alcohol content and cultural significance. The brand enjoys strong recognition, with two-thirds of its revenue coming from the RMB 1,000 price segment, which targets corporate and middle-class customers. With stable growth, strong free cash flow, and a 5% dividend yield, Wuliangye presents a very attractive investment opportunity.

The portfolio is trading in aggregate on 8.5x 2024 earnings and 0.9x price to book despite recent strong performance. The valuation discount relative to the broader EM index remains at more than 40% on price to earnings and at half the price based on book values. This is despite displaying similar aggregate fundamentals in terms of projected returns and growth. The fund therefore continues to provide a very attractive risk-reward proposition.

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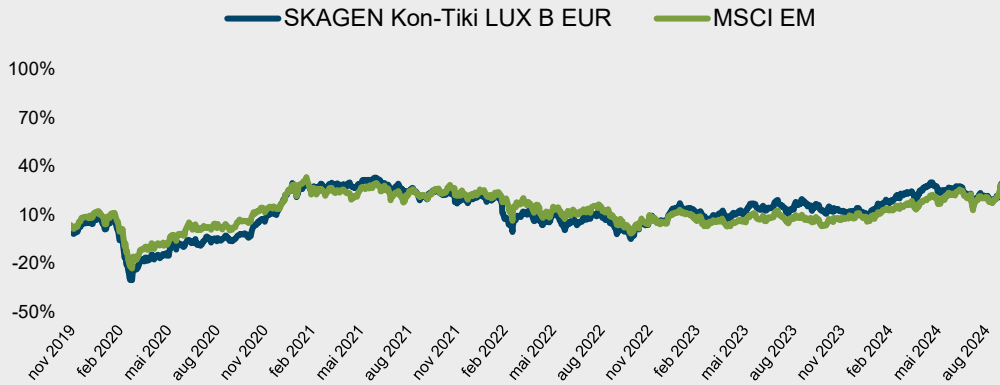
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FUND PERFORMANCE

	Q3 2024	YTD	1-Year	3-Year	Since Start
SKAGEN Kon-Tiki LUX B EUR	3.5%	13.7%	12.1%	2.2%	5.3%
MSCI EM Index	4.4%	15.7%	19.6%	1.7%	5.0%
Relative Return	-0.9%	-2.0%	-7.4%	0.5%	0.3%



As at 30/09/2024 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	49.0%
Active Share	87%
Turnover ratio	46%
Investment horizon ¹	2 years+

PERFORMANCE ATTRIBUTION²

Largest contributors ▲

Holding	Weight	Contribution
Ping An Insurance Group Co of China Ltd	7.0%	2.5%
Alibaba Group Holding Ltd	6.8%	2.3%
Prosus NV	3.9%	0.7%
Naspers Ltd	3.8%	0.6%
Zhongsheng Group Holdings Ltd	0.9%	0.5%

Largest detractors ▼

Holding	Weight	Contribution
Samsung Electronics Co Ltd	4.0%	-0.6%
CNOOC Ltd	4.1%	-0.6%
Sendas Distribuidora S/A	1.5%	-0.3%
SIMPAR SA	2.4%	-0.2%
Hyundai Motor Co	3.5%	-0.1%

PORTFOLIO INFORMATION

COUNTRY EXPOSURE

	Fund	Benchmark
Korea	25.7%	10.4%
China	18.6%	25.4%
Brazil	12.2%	4.8%
Taiwan	8.9%	17.5%
Hong Kong	6.9%	1.1%
South Africa	5.3%	2.9%
Netherlands	4.5%	0.1%
Norway	3.4%	0.0%
France	3.3%	0.0%
Mexico	2.5%	1.9%

SECTOR EXPOSURE

	Fund	Benchmark
Consumer Discretionary	27.9%	14.0%
Financials	19.5%	22.8%
Information Technology	12.4%	22.2%
Materials	10.8%	6.6%
Consumer Staples	8.4%	5.2%
Energy	7.6%	4.8%
Industrials	4.4%	6.8%
Communication Services	2.6%	9.4%
Health Care	2.5%	3.6%
Real Estate	0.0%	1.6%

TOP 10 HOLDINGS

Ping An Insurance Group	8.5%
Alibaba Group Holding Ltd	7.5%
Taiwan Semiconductor	6.3%
Lg Electronics Inc	4.6%
Prosus Nv Common Stock	4.5%
Naspers Ltd Common Stock	4.4%
Samsung Electronics Co	3.6%
Yara International Asa	3.4%
Totalenergies Se Common	3.3%
Kb Financial Group Inc	2.9%
Combined weight	49.0%

¹ For guidance purposes only ² Contribution to absolute return

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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 30.09.2024.

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 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 Asset Management AS as its investment manager. Following the merger between Storebrand Asset Management AS and SKAGEN AS, SKAGEN's portfolio team continues to manage the SKAGEN SICAV sub-funds from a new separate legal entity named SKAGEN AS under an outsourcing agreement with Storebrand Asset Management AS. The SICAV has appointed Storebrand Asset Management as Global Distributor.

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.com/contact/investor-rights>

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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, Storebrand Global ESG Plus Lux and Storebrand EM ESG Plus) 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 Storebrand Asset Management UK Ltd (SAM UK Ltd) to act as Facility Agent in the UK.

The investment products and services of SAM UK Ltd are only available to professional clients and eligible counterparties. They are not available to retail clients. This document does not constitute an offer to buy or sell shares in any of the products offered by SAM UK Ltd.

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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.

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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.

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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 German Investors

The Facilities Services information for German investors can be found here: <https://www.skagenfunds.de/how-to-invest/facilities-services-fur-investoren/>

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 Dutch Investors

The Facilities Services information for investors in the Netherlands, including all legal documents and practical information, can be found here:

<https://www.skagenfunds.nl/how-to-invest/facilities-services-for-investors/>