Monthly Report

SKAGEN Tellus A

All data in EUR as of 31/07/2018 unless otherwise stated.

Performance Commentary

July was a relatively calm month in the bond and currency markets. Tellus had a good month in both absolute and relative terms. An increase in the long-term interest rates in the US, Germany and Japan and a weaker JPY put a drag on the index.

Mexico was the strongest performer due the rally in the peso. The currency appreciated by 6.3 percent versus the EUR. In the second quarter, the Mexican peso was hit by the general EM volatility, NAFTA uncertainty and fears around the outcome of the Presidential election. The leftist Andrés Manuel López Obrador won the election at the end of June by a large majority. The fact that the peso strengthened after the election is somewhat surprising given that this was the outcome the market feared. The new President may not be so bad after all.

Uruguay also performed well in July. Both the currency and falling long-term rates contributed.

The Dominican Republic was the worst performer in July due to higher long-term rates. Long-term rates increased along with a hike in the policy rate.

SKAGEN Tellus invests primarily in bonds and certificates issued or guaranteed by governments from around the world.

The fund is suitable for those with at least a three year investment horizon. Investors must be able to tolerate currency fluctuations.

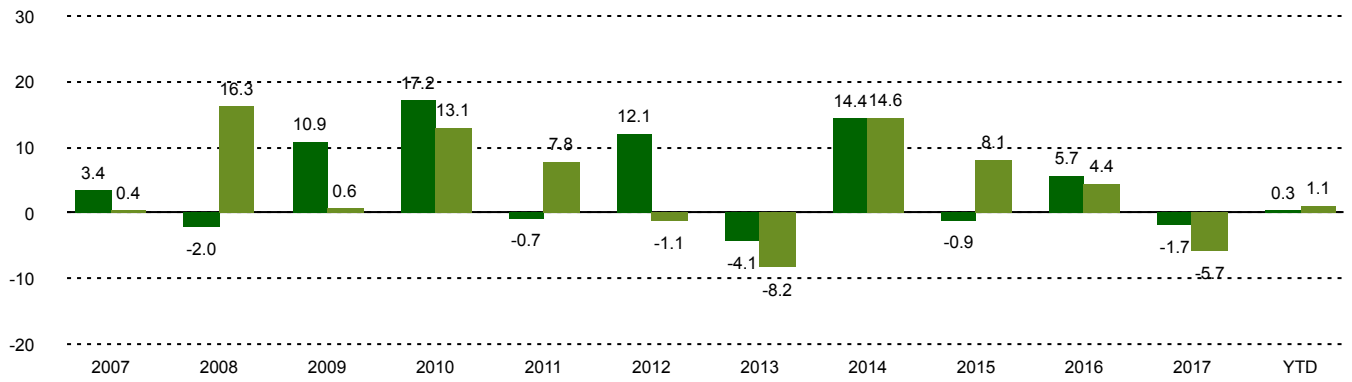
Historical performance (net of fees)

Period	SKAGEN Tellus A	Benchmark index
Last month	0.5%	-0.7%
Year to date	0.3%	1.1%
Last year	0.5%	0.3%
Last 3 years	0.6%	0.5%
Last 5 years	2.7%	3.6%
Last 10 years	4.9%	4.9%
Since start	4.5%	3.9%

Fund Facts

Type	Fixed income
Domicile	Norway
Launch date	29.09.2006
Morningstar category	Global Bond - EUR Biased
ISIN	NO0010327786
NAV	12.15 EUR
Fixed management fee	0.80%
Benchmark index	JPM GBI Broad TR
AUM (mill.)	72.88 EUR
Duration	3.90
WAL	5.37
Yield	4.12%
Number of holdings	14
Portfolio manager	Jane Tvedt

Performance last ten years



SKAGEN Tellus A JPM GBI Broad TR Benchmark prior to 1.1.13 was Barcap Global Treasury Index 3-5 yrs

Contributors in the month

Largest contributors

Holding	Weight (%)	Contribution (%)
Mexican Government	7.36	0.29
Uruguay Government	6.63	0.26
Republic of Chile	6.64	0.09
Czech Republic	3.63	0.07
Asian Development Bank	3.95	0.06

Largest detractors

Holding	Weight (%)	Contribution (%)
Dominican Republic	6.07	-0.11
UK Government	8.56	-0.11
US Treasury	13.50	-0.05
Hellenic Republic	6.21	-0.02
Norwegian Government	9.54	-0.01

Absolute contribution based on NOK returns at fund level

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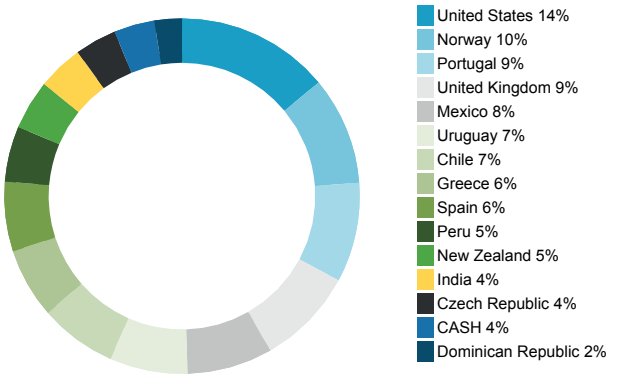
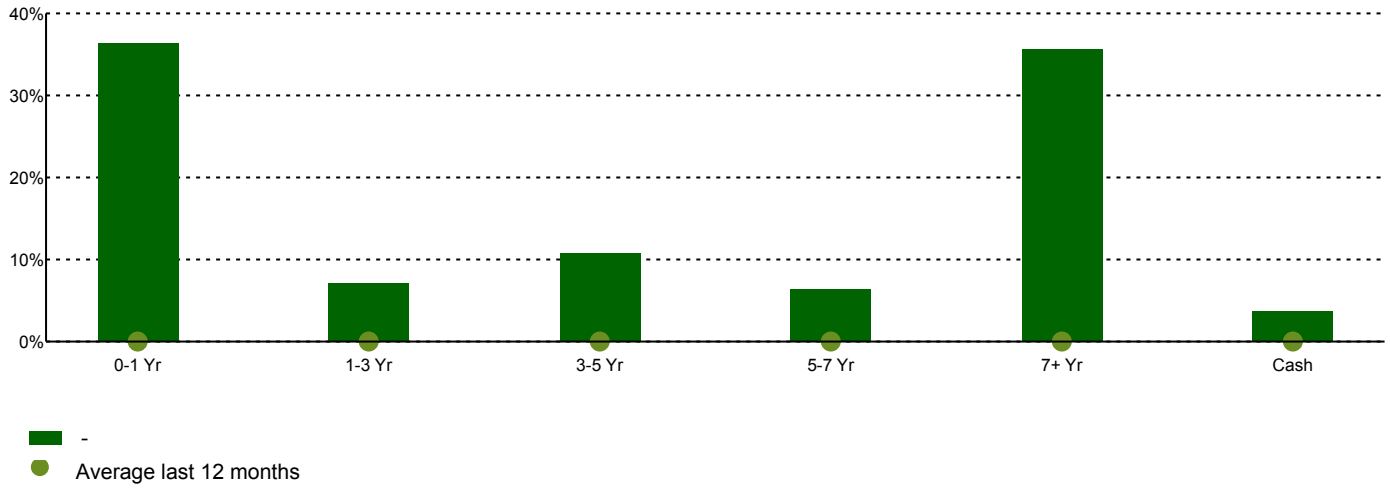
Top 10 investments

Holding	Percentage of Fund
US TREASURY N/B	13.9
Norwegian Government	9.8
Portugese Government	9.1
UK Government	8.9
Mexican Government	7.8
Uruguay Government	7.1
REPUBLIC OF CHILE	7.0
HELLENIC REPUBLIC	6.4
Spanish Government	6.3
REPUBLIC OF PERU	5.0
Total	81.4

Country exposure



Maturity structure



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