

## Performance Commentary

In August, markets focused on the escalation of the trade war and concerns around the outlook for the global economy, resulting in a massive flight to safe havens. Long rates fell sharply globally. The US 10-year yield was down to just below 1.5%. The German 10-year yield fell to -0.7%, the lowest level ever. Currently, around 30% of all investment grade debt has a negative running yield. August was a poor relative month for SKAGEN Tellus. This is due to the fund being underweight duration in the large economies and Japanese yen. It is almost impossible for the fund to beat the index during times of flight to safety with the high index concentration of both duration and currency risk in the traditional safe haven countries. The fund's best performers in August were Portugal and Croatia. Rates in both countries fell along with the long-term rates in Europe. Uruguay was the weakest performer in the fund. Interest rates increased and the currency depreciated when the Argentinian president Marci suffered a defeat in the primary elections. Uruguay is Argentina's neighbour, but does not have the same economic problems so we expect the market spillover to be temporary.

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.

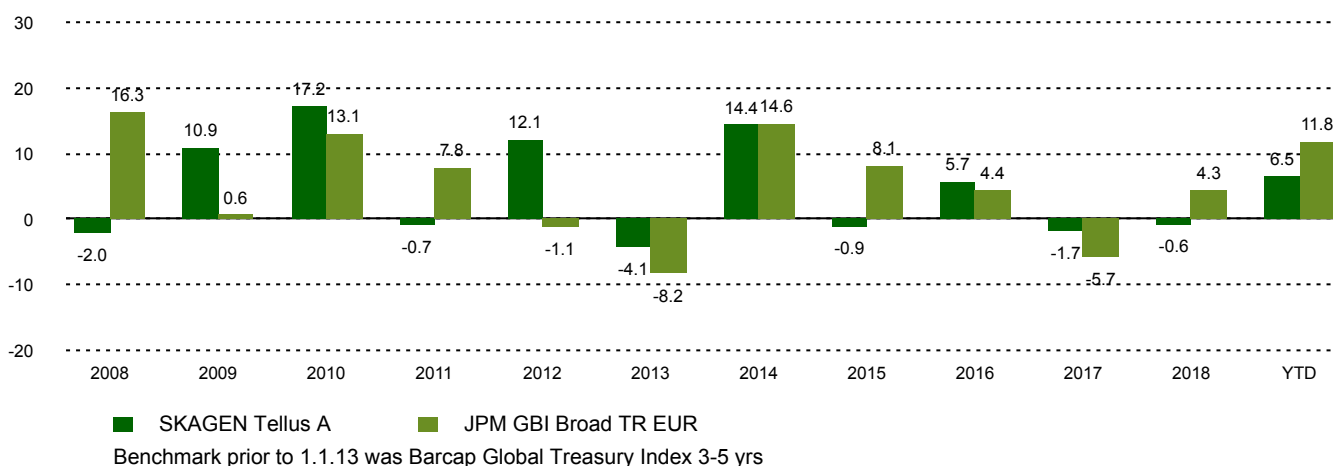
## Historical performance (net of fees)

Period	SKAGEN Tellus A	Benchmark index
Last month	-0.7%	3.9%
Year to date	6.5%	11.8%
Last year	7.5%	14.7%
Last 3 years	1.8%	2.3%
Last 5 years	2.3%	5.3%
Last 10 years	4.9%	4.8%
Since start	4.6%	4.7%

## Fund Facts

Type	Fixed income
Domicile	Norway
Launch date	29.09.2006
Morningstar category	Global Bond - EUR Biased
ISIN	NO0010327786
NAV	12.26 EUR
Fixed management fee	0.80%
Benchmark index	JPM GBI Broad TR EUR
AUM (mill.)	67.38 EUR
Duration	3.43
WAL	4.67
Yield	4.14%
Number of holdings	14
Portfolio manager	Jane Tvedt

## Performance last ten years



## Contributors in the month



### Largest contributors

Holding	Weight (%)	Contribution (%)
Croatia Government	7.26	0.24
Portugal Obrigacoes do Tesouro OT	4.17	0.09
Hellenic Republic Government Bond	4.80	0.05
Dominican Republic	4.20	0.05
United Kingdom Gilt	6.47	0.04



### Largest detractors

Holding	Weight (%)	Contribution (%)
Uruguay Government	4.49	-0.43
Republic of South Africa	3.96	-0.20
Chile Government	7.21	-0.08
Sweden Government Bond	4.63	-0.05
Czech Republic Government Bond	4.52	-0.04

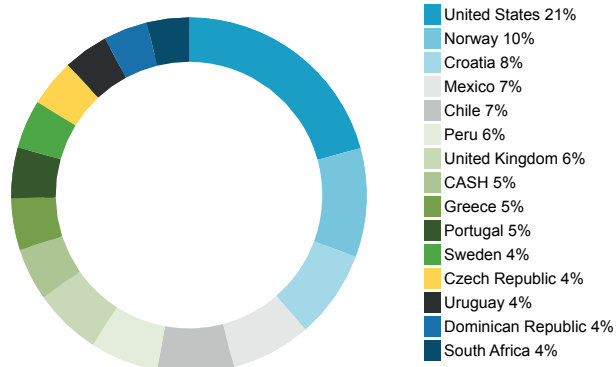
Absolute contribution based on NOK returns at fund level

The art of common sense

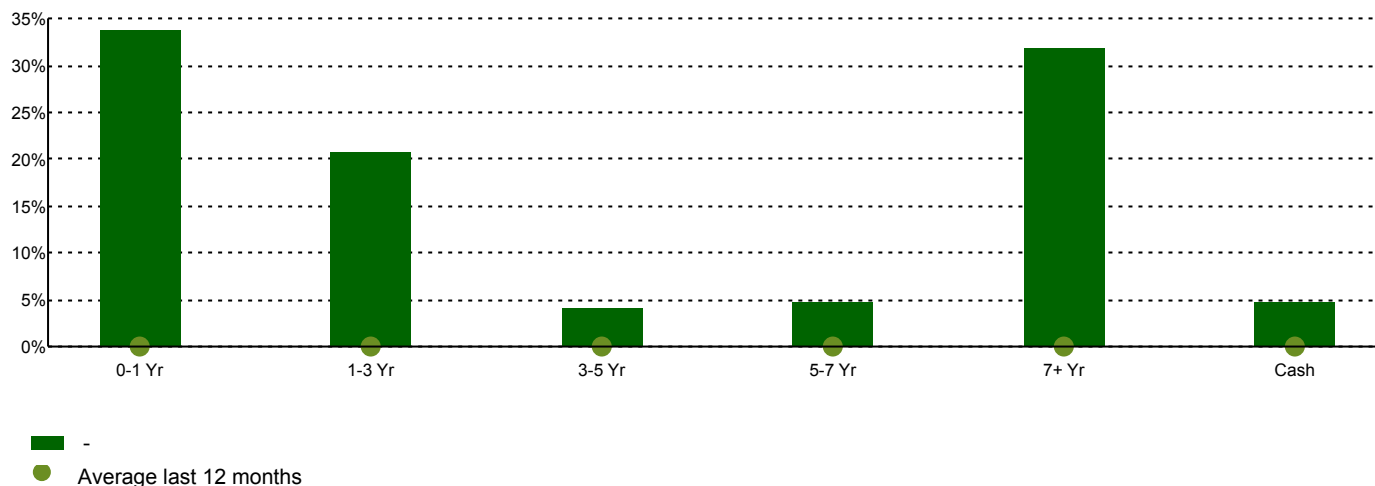
## Top 10 investments

Holding	Percentage of Fund
US Government	20.7
Kongeriket Norge	9.9
Republic of Croatia	8.0
Mexico	7.3
Republic of Chile	7.0
Republic of Peru	6.2
UK Government	6.2
Hellenic Republic	4.7
Portuguese Government	4.6
Kingdom of Sweden	4.4
Total	79.0

## Country exposure



## Maturity structure



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## Important information

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