

All data in EUR as of 31.01.2018 unless otherwise stated.

Performance Commentary

Global corporate bond spreads fell in January. Global investment grade bond spreads decreased by around 10 basis points and global high yield bonds by some 25 bps. At the same time long risk-free rates went up in the largest markets. The yield on the US 10 year government bond increased by around 30 bps. For many corporate bond funds, this yield increase more than offset the spread decrease, but SKAGEN Credit is not one of them. The fund is set up in such a way to have exposure to pure credit risk and hence changes in risk-free rates or currencies have little effect on the fund. Corporate bond spreads and changes in these spreads are what matters to SKAGEN Credit. The largest positive contributor was Frontier Communications whose bond price increased, thereby reversing last month's fall. The company announced changed terms in its existing credit facilities, which was interpreted positively as this improves its ability to refinance upcoming bond maturities. Bombardier had another good month after the US International Trade Council rejected the Commerce Department's 292% tariff ruling. This latest ruling further reduces the risks with Bombardier's CSeries program.

SKAGEN Credit is our global corporate bond fund. The fund is suitable for investors who have at least a two year investment horizon. SKAGEN Credit EUR A is a currency-hedged feeder fund that invests its assets in the master fund SKAGEN Credit.

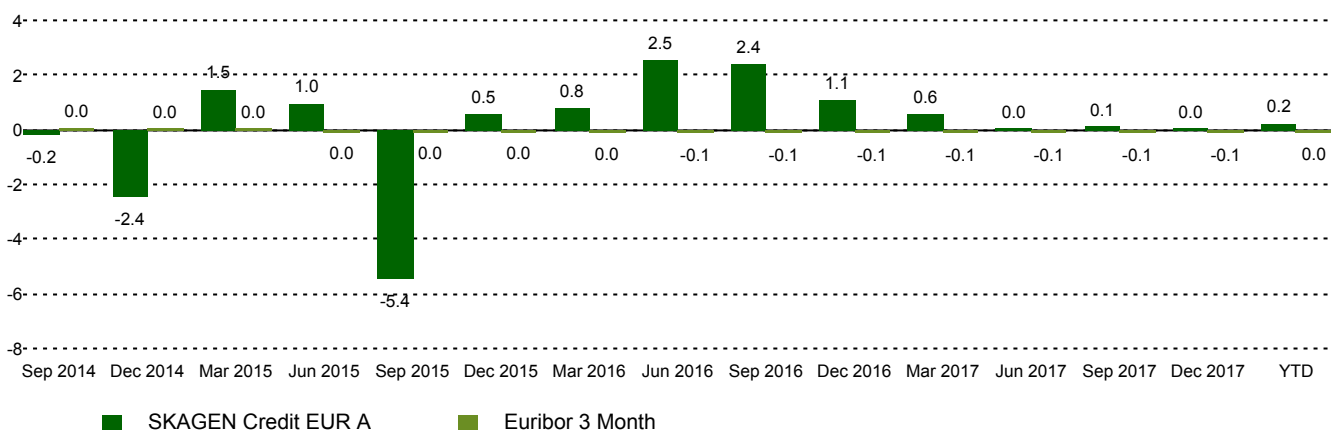
Historical performance (net of fees)

Period	SKAGEN Credit EUR A	Benchmark index
Last month	0.2%	0.0%
Year to date	0.2%	0.0%
Last year	0.7%	-0.3%
Last 3 years	1.8%	-0.2%
Last 5 years	n/a	n/a
Last 10 years	n/a	n/a
Since start	0.7%	-0.2%

Fund Facts

Type	Fixed income
Domicile	Norway
Launch date	30.05.2014
Morningstar category	Global Corporate Bond - EUR Hedged
ISIN	NO0010710767
NAV	8.26 EUR
Fixed management fee	0.80%
Benchmark index	Euribor 3 Month
AUM (mill.)	16.70 EUR
Duration	1.11
WAL	2.21
Yield	0.04%
Number of holdings	33
Lead manager	Ola Sjöstrand

Quarterly Performance



Contributors in the month



Largest contributors

Holding	Weight (%)	Contribution (%)
Frontier Communications	0.90	0.08
Bombardier Inc	2.54	0.04
JBS Investments	2.53	0.03
Turkiye Halk Bankasi	2.11	0.02
Rolta Americas	0.28	0.02



Largest detractors

Holding	Weight (%)	Contribution (%)
Samvardhana Motherson	3.37	-0.03
Bharti Airtel	3.50	-0.02
Schaeffler Finance	3.62	-0.02
Glencore Funding	3.36	-0.02
EDP Finance	4.52	-0.01

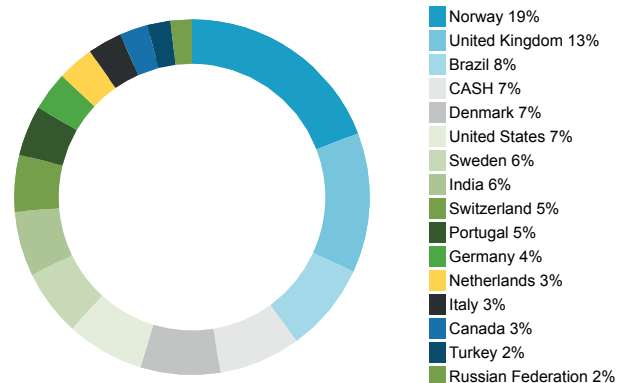
Absolute contribution based on NOK returns at fund level

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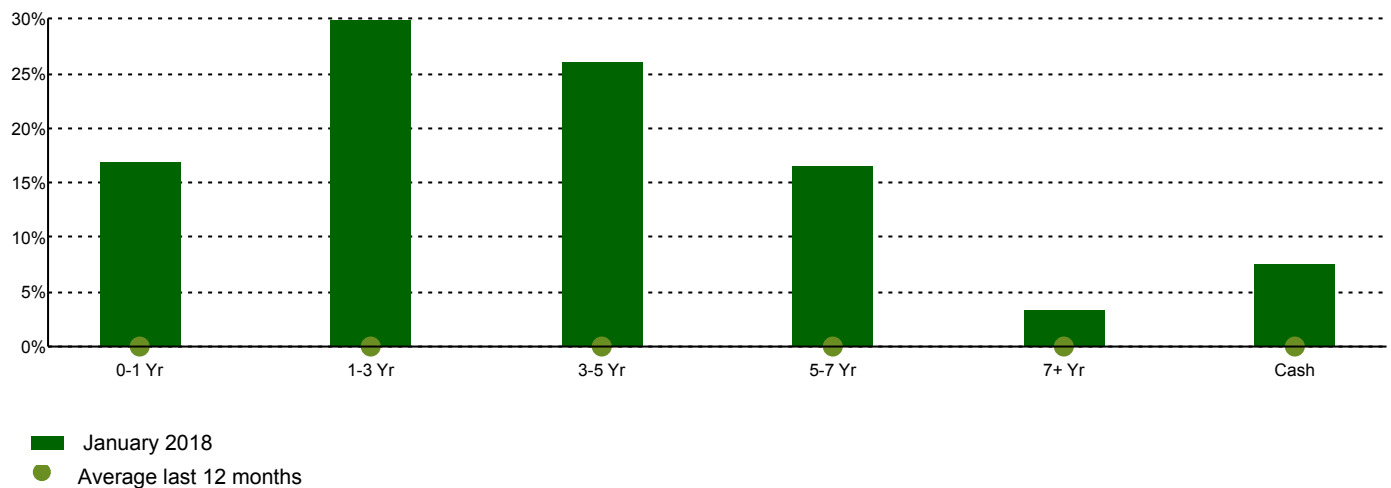
Top 10 investments

Holding	Percentage of Fund
BKK	5.7
Heathrow Funding Ltd	5.5
Glencore Canada Financial Corp	5.2
Olav Thon Eiendomsselskap ASA	4.6
EDP Finance BV	4.5
Jacob Holm & Sonner Holding AS	4.4
Jaguar Land Rover Automotive Plc	4.0
Schaeffler Finance BV	3.7
Entra ASA	3.5
Agder Energi AS	3.5
Total	44.7

Country exposure



Maturity structure



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Important information

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