

All data in EUR as of 28.02.2018 unless otherwise stated.

Performance Commentary

In February, there was an increase in global corporate bond spreads. High yield bonds increased by around 20 basis points and global investment grade bonds by 10 basis points. This puts the levels back at where they started the year. Risk free rates on the other hand rose in both January and February. The US 10 year government bond is up 45 basis points so far in 2018.

Of the positive contributors this month, the Indian IT company Rolta stands out. The bond price rose following news that Rolta and a group of ad hoc bondholders had come up with a new restructuring solution for the two outstanding USD bonds. Frontier Communications had another good month without any large surprises in the reported numbers. On the negative side, Jaguar Land Rover reported rather weak quarterly numbers. A potential rating upgrade of Jaguar will not happen anytime soon and the company now needs to make sure credit metrics do not deteriorate any further. The uncertainty around Brexit, and what impact it will have on Jaguar, naturally does not help the situation.

Historical performance (net of fees)

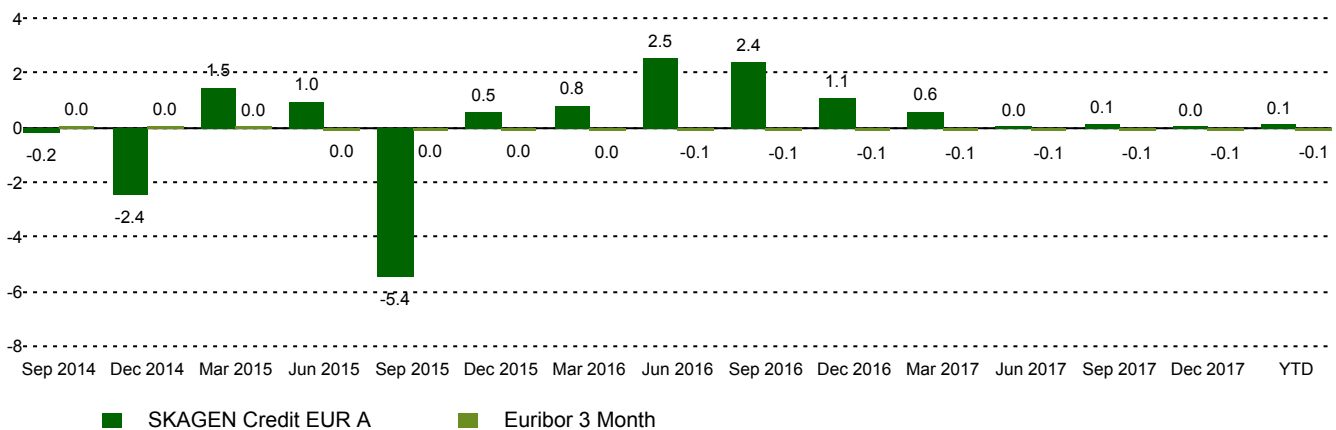
Period	SKAGEN Credit EUR A	Benchmark index
Last month	-0.1%	0.0%
Year to date	0.1%	-0.1%
Last year	0.2%	-0.3%
Last 3 years	1.3%	-0.2%
Last 5 years	n/a	n/a
Last 10 years	n/a	n/a
Since start	0.6%	-0.2%

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.

Fund Facts

Type	Fixed income
Domicile	Norway
Launch date	30.05.2014
Morningstar category	Global Corporate Bond - EUR Hedged
ISIN	NO0010710767
NAV	8.25 EUR
Fixed management fee	0.80%
Benchmark index	Euribor 3 Month
AUM (mill.)	14.09 EUR
Duration	1.03
WAL	2.12
Yield	0.19%
Number of holdings	33
Lead manager	Ola Sjöstrand

Quarterly Performance



Contributors in the month

Largest contributors

Holding	Weight (%)	Contribution (%)
Rolta Americas	0.36	0.09
Frontier Communications	0.97	0.05
Turkye Halk Bankasi	2.19	0.01
Sagax	1.43	0.01
BKK	5.78	0.01

Largest detractors

Holding	Weight (%)	Contribution (%)
Jaguar Land Rover	4.00	-0.05
Glencore	5.20	-0.03
Bharti Airtel	3.56	-0.02
Samvardhana Motherson	3.46	-0.02
Fiat Chrysler	3.05	-0.02

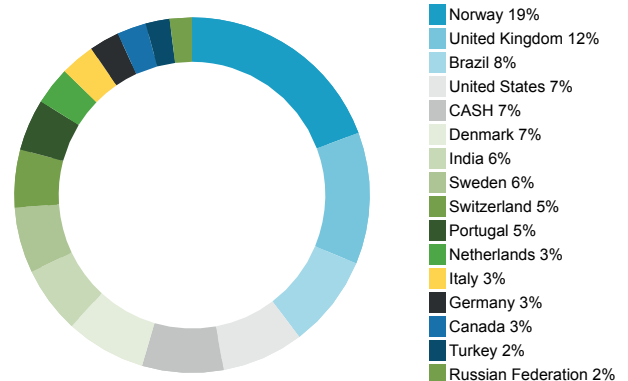
Absolute contribution based on NOK returns at fund level

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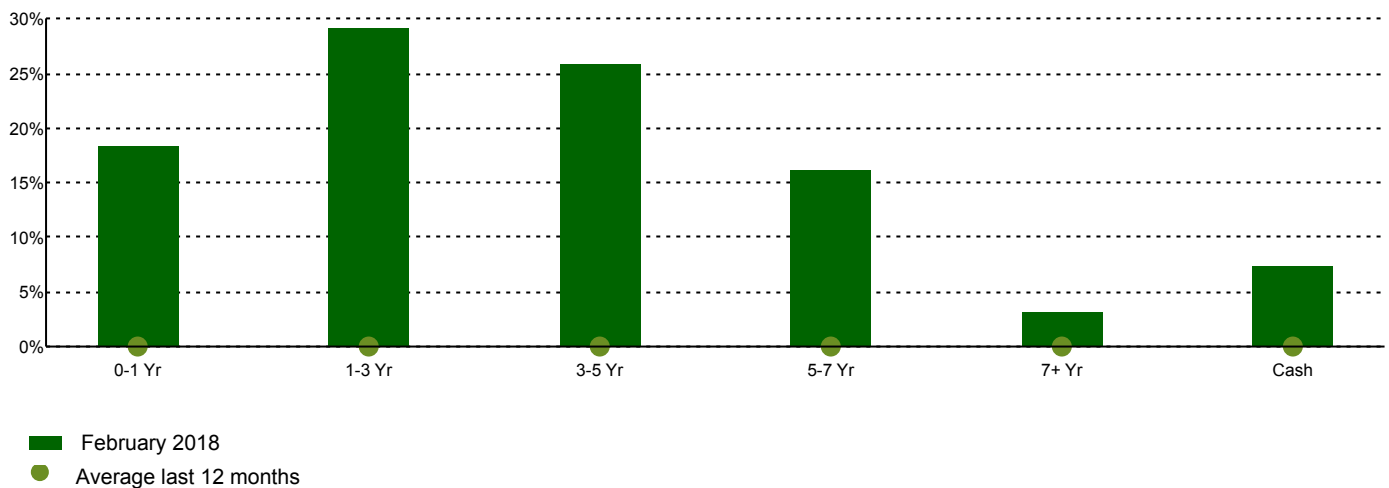
Top 10 investments

Holding	Percentage of Fund
BKK	5.7
Heathrow Funding Ltd	5.6
Glencore Canada Financial Corp	5.2
EDP Finance BV	4.7
Olav Thon Eiendomsselskap ASA	4.6
Jacob Holm & Sonner Holding AS	4.5
Jaguar Land Rover Automotive Plc	4.0
Bharti Airtel International	3.6
Entra ASA	3.6
Agder Energi AS	3.6
Total	45.0

Country exposure



Maturity structure



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Important information

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