

All data in EUR as of 31.08.2017 unless otherwise stated.

Performance Commentary

August was a weak month for Tellus. The increased tension between North Korea and the US led to periods of flight to safety. The decrease in long-term rates in the traditional safe havens resulted in outperformance of the index, which has high duration in the US, Germany and Japan.

Our Chilean investment was the largest contributor of the month. The Chilean peso strengthened by 3.2% versus EUR. The peso has strengthened over the past couple of months on the back of an increase in copper price.

Our New Zealand investment was the worst performer in August. This was solely due to a weaker NZD partly caused by the verbal interventions of a central bank official, who said that the currency needs to adjust downwards. Furthermore, worries about the consequences of Brexit for UK growth led to a weaker pound.

The fund added to its position in the Dominican Republic by buying a USD-denominated bond. We also increased our position in India by 1 percent and the duration was increased as we expect the long-term rates to fall as falling inflation will eventually lead to a decline in inflation expectations.

Historical performance (net of fees)

Period	SKAGEN Tellus A	Benchmark index
Last Month	-0.1%	0.3%
Year to date	-2.1%	-4.7%
Last year	-0.6%	-7.3%
Last 3 years	1.7%	4.0%
Last 5 years	2.7%	1.4%
Last 10 years	4.7%	4.7%
Since start	4.8%	4.2%

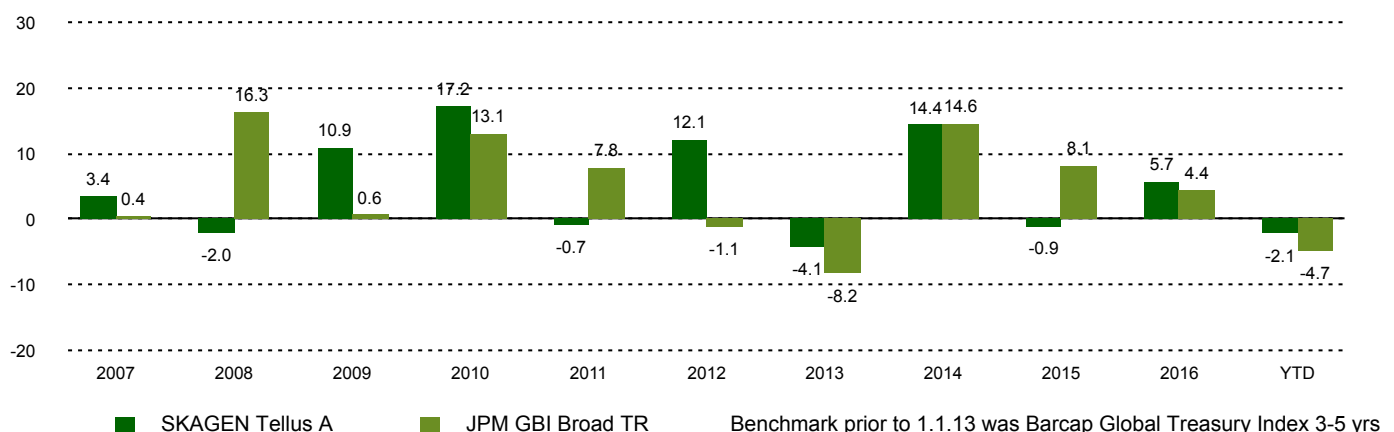
SKAGEN Tellus invests primarily in bonds and certificates issued or guaranteed by governments from around the world.

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

Fund Facts

Type	Fixed income
Domicile	Norway
Launch date	29.09.2006
Morningstar category	Global Bond - EUR Biased
ISIN	NO0010327786
NAV	12.57 EUR
Fixed management fee	0.80%
Benchmark index	JPM GBI Broad TR
AUM (mill.)	97.65 EUR
Duration	4.47
WAL	5.92
Yield	2.85%
Number of holdings	14
Lead manager	Jane Tvedt

Performance last ten years



Contributors

Largest contributors

Holding	Weight (%)	Contribution (%)
Republic of Chile	6.61	0.22
Croatia	7.53	0.15
Norwegian Government	10.73	0.10
Slovenia	5.08	0.08
Portugese Government	7.79	0.05

Largest detractors

Holding	Weight (%)	Contribution (%)
New Zealand Government	5.91	-0.27
UK Government	8.67	-0.22
Canadian Government	5.70	-0.06
US Government	10.15	-0.05
Dominican Republic	6.85	-0.01

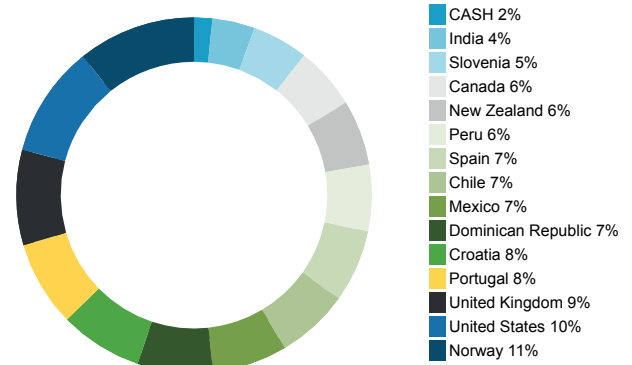
Absolute contribution based on NOK returns at fund level

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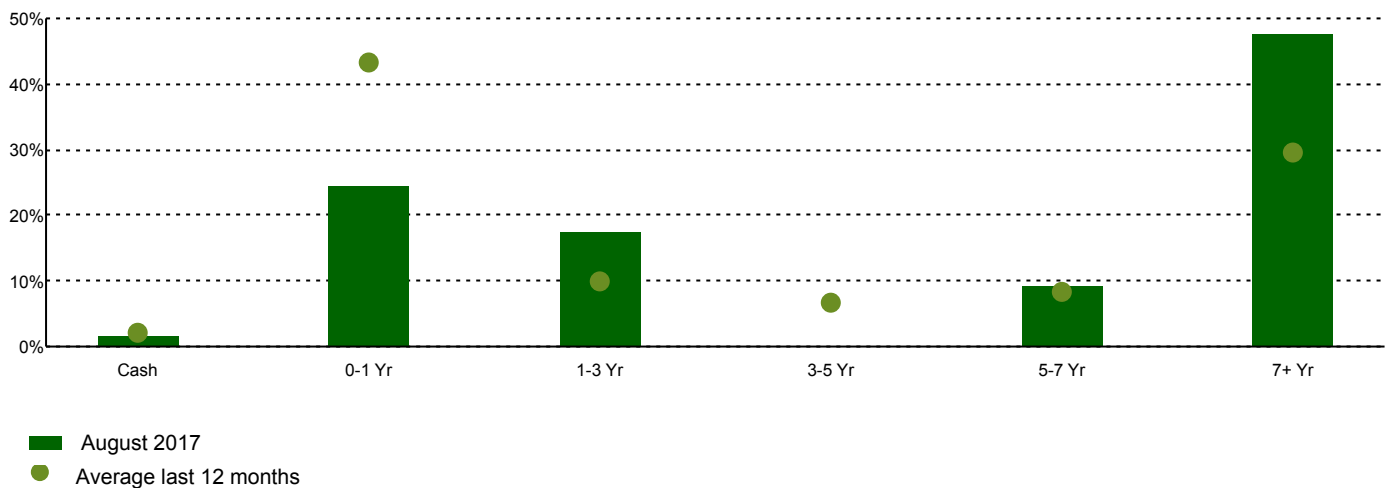
Top 10 investments

Holding	Percentage of Fund
Norwegian Government	10.73
US Treasury N/B	10.15
UK Government	8.67
Portugese Government	7.79
Croatia Government International Bond	7.53
Dominican Republic	6.85
Mexican Government	6.81
REPUBLIC OF CHILE	6.61
Spanish Government	6.58
REPUBLIC OF PERU	6.05
Total	77.76

Country exposure



Maturity structure



Contact



+47 51 80 37 09



contact@skagenfunds.com



SKAGEN AS, Post Box 160, 4001, Stavanger, Norway

Important information

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