

Performance Commentary

Fear returned to the markets in May. The escalation of the trade war led to a massive flight to safety. The US 10-year yield fell by 40 basis points in May, mostly towards the end of the month. The German 10-year yield fell by 23 basis points and is now back in negative territory. The Japanese yen appreciated by 3.25 percent.

May was a difficult month for Tellus, in particular on a relative basis. Both the fund's underweight in JPY and duration in large developed economies led to a significant underperformance relative to the index.

Greece was the best performer in May. After a turbulent start to the month, the rates fell sharply after the conservative New Democracy party won the European Parliament elections. The election defeat of the government party Syriza meant that Prime Minister Tsipras called for early elections. The market believes and hopes that the conservative party will win the election.

Chile was the weakest performer due to a fall in the copper price.

Historical performance (net of fees)

Period	SKAGEN Tellus A	Benchmark index
Last month	-0.4%	2.3%
Year to date	4.0%	5.6%
Last year	3.6%	7.9%
Last 3 years	1.7%	1.5%
Last 5 years	2.5%	5.0%
Last 10 years	5.1%	4.3%
Since start	4.5%	4.3%

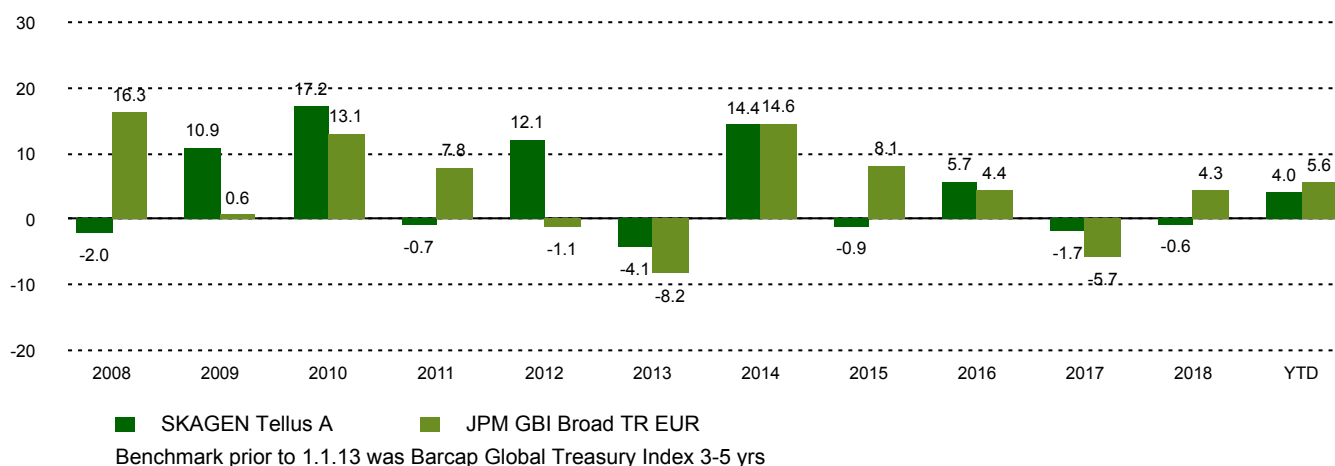
SKAGEN Tellus invests primarily in bonds and certificates issued or guaranteed by governments from around the world.

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	11.97 EUR
Fixed management fee	0.80%
Benchmark index	JPM GBI Broad TR EUR
AUM (mill.)	66.10 EUR
Duration	3.41
WAL	4.82
Yield	3.99%
Number of holdings	14
Portfolio manager	Jane Tvedt

Performance last ten years



Contributors in the month



Largest contributors

Holding	Weight (%)	Contribution (%)
Government of Greece	4.81	0.16
US Treasury	20.72	0.14
Portugese Government	3.93	0.11
Dominican Republic	4.26	0.08
Croatian Government	6.79	0.05



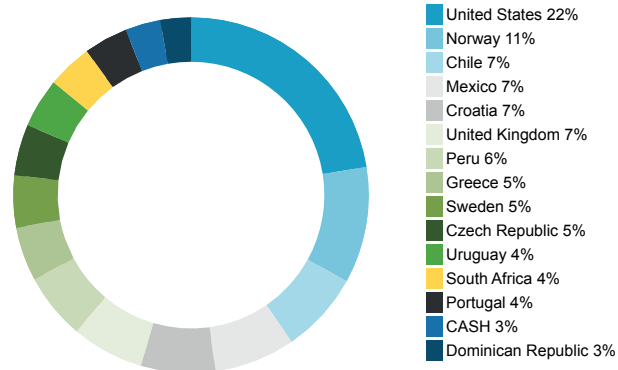
Largest detractors

Holding	Weight (%)	Contribution (%)
Republic of Chile	7.62	-0.26
UK Government	6.73	-0.19
Mexican Government	7.59	-0.14
Republic of Uruguay	4.56	-0.08
Republic of South Africa	4.19	-0.06

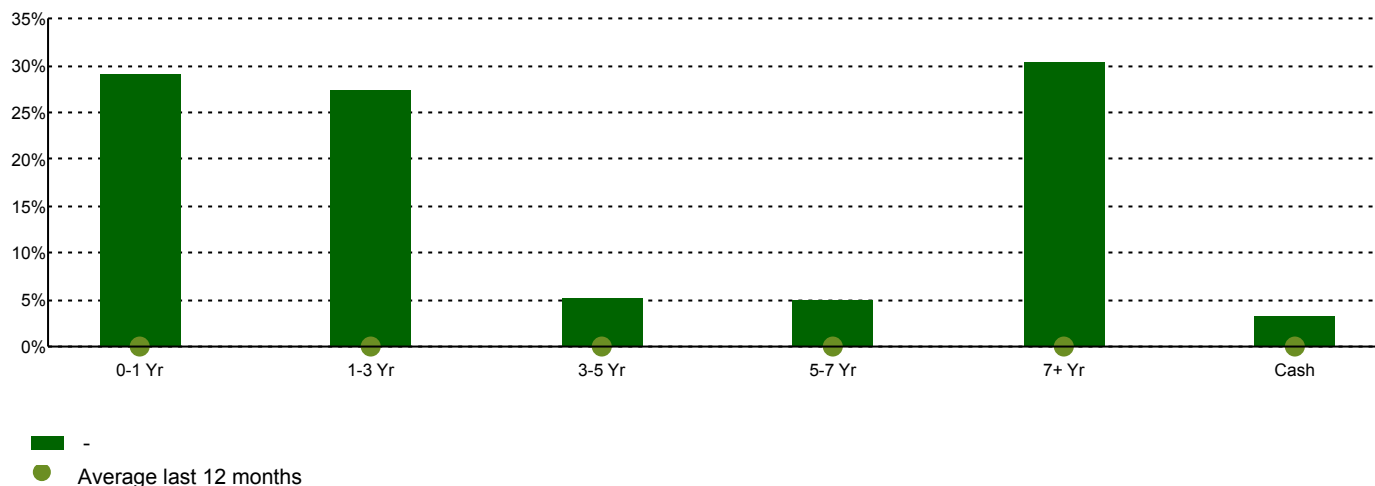
Top 10 investments

Holding	Percentage of Fund
US TREASURY N/B	22.5
Norwegian Government	10.6
REPUBLIC OF CHILE	7.4
Mexican Government	7.4
Croatia Government International Bond	6.8
UK Government	6.6
REPUBLIC OF PERU	6.0
HELLENIC REPUBLIC	4.9
Sweden Government	4.7
CZECH REPUBLIC	4.6
Total	81.5

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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