

## Performance Commentary

July was a relatively quiet month in the fixed income markets, with the market focusing on the important Central Bank monetary policy meetings at the end of the month.

The European Central Bank left the policy rate unchanged as expected. However, they signalled that they are ready to cut interest rates to make sure inflation moves in the right direction. The market is fully pricing in a cut from -0.4% to -0.5% at the September meeting and a 50% likelihood of a further cut to -0.6% before year end. A new round of QE is also expected. As expected, the Federal Reserve cut its key rate by 25 basis points. The market was somewhat disappointed by Powell's statement that this is not necessarily the start of an easing cycle, but more a mid-cycle adjustment. Our investment in short-dated US treasuries was the biggest contributor to the performance in July due to an appreciation of USD versus EUR. Our holdings in Latin America also performed strongly due to a fall in yields and to currency appreciation.

Our holding in the UK was the weakest performer due to a sharp depreciation of the pound after Boris Johnson became Prime Minister, which in turn led to increased fear of a hard Brexit.

## Historical performance (net of fees)

Period	SKAGEN Tellus A	Benchmark index
Last month	1.7%	1.8%
Year to date	7.3%	7.7%
Last year	6.3%	11.1%
Last 3 years	2.3%	0.9%
Last 5 years	2.9%	5.0%
Last 10 years	5.0%	4.4%
Since start	4.7%	4.4%

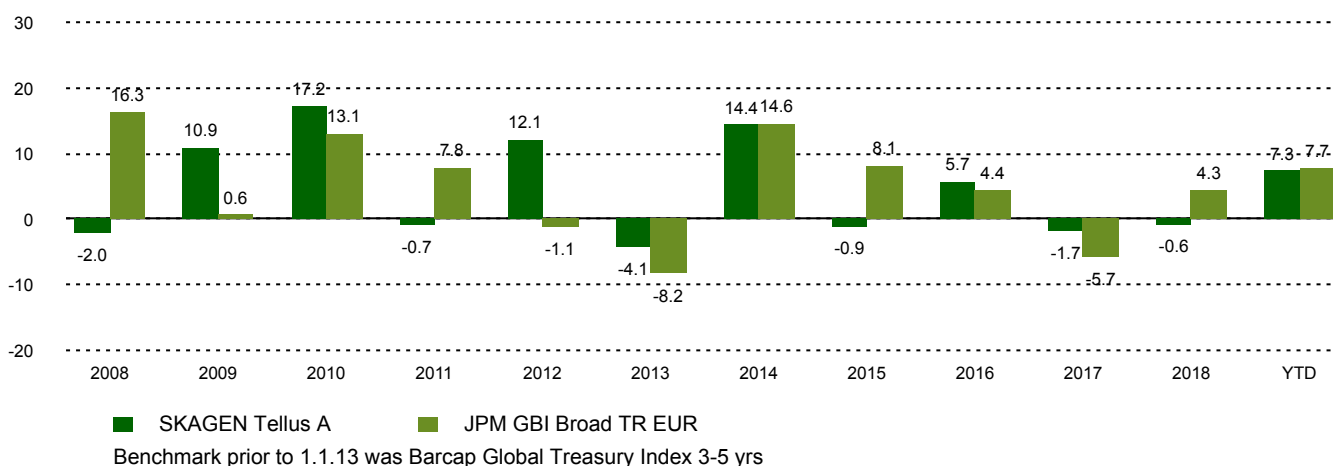
SKAGEN Tellus invests primarily in bonds and certificates issued or guaranteed by governments from around the world.

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	12.35 EUR
Fixed management fee	0.80%
Benchmark index	JPM GBI Broad TR EUR
AUM (mill.)	69.37 EUR
Duration	3.51
WAL	5.46
Yield	4.33%
Number of holdings	14
Portfolio manager	Jane Tvedt

## Performance last ten years



## Contributors in the month



### Largest contributors

Holding	Weight (%)	Contribution (%)
United States Treasury	21.78	0.52
Peruvian Government	6.38	0.39
Uruguay Government	4.51	0.36
Mexican Bonos	7.42	0.32
Dominican Republic	4.13	0.15



### Largest detractors

Holding	Weight (%)	Contribution (%)
United Kingdom	7.28	-0.11
Norway Government	10.42	-0.07
Chile Government	7.47	-0.05
Sweden Government	4.65	-0.05
Czech Republic	4.58	-0.02

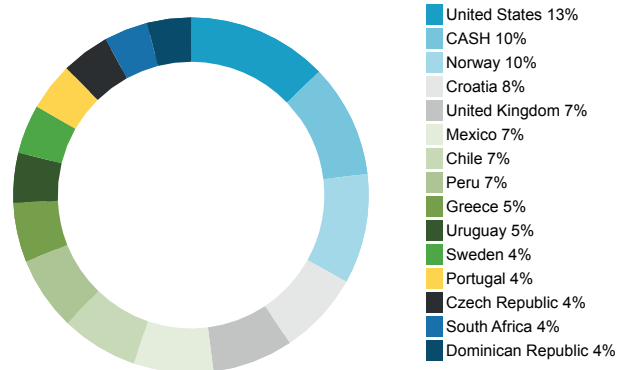
Absolute contribution based on NOK returns at fund level

The art of common sense

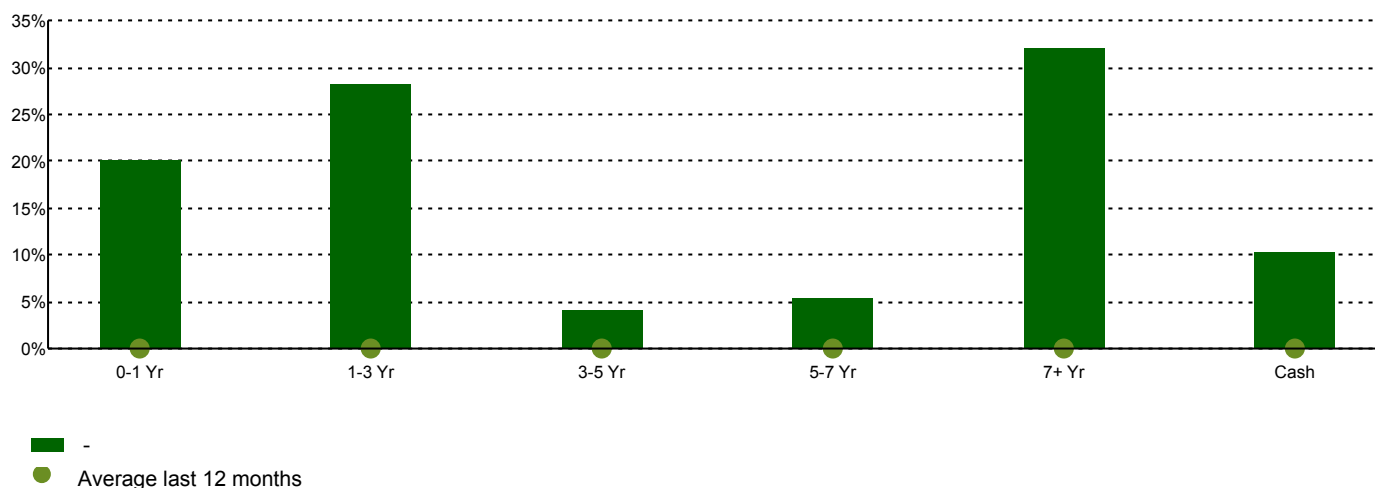
## Top 10 investments

Holding	Percentage of Fund
US Government	12.8
Kongeriket Norge	10.0
Republic of Croatia	7.5
UK Government	7.3
Mexico	7.3
Republic of Chile	7.0
Republic of Peru	6.7
Hellenic Republic	5.4
Oriental Republic of Uruguay	4.5
Kingdom of Sweden	4.5
Total	73.0

## Country exposure



## Maturity structure



## Contact



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## Important information

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