

Performance Commentary

Despite the continued havoc being wrought by Covid-19, markets seemed to focus more on life and growth after the pandemic. Volatility fell in July, despite the increased trade tensions between the US and China and early signs of a tough upcoming US election in addition to the pandemic. The long-term yields in the large economies fell somewhat in July, due to a fall in real rates. Inflation expectations increased, while growth expectations fell. The US 10-year yield fell by 13 basis points while the German 10-year yield fell by 6 basis points. The uncertainty regarding the US economy and political situation was mirrored in the USD, which depreciated by 4.8% versus the EUR. Our investments in Croatia and Chile were the best contributors to fund performance. The Croatian credit spread versus Germany decreased by 35 basis points for the 10-year bond we have invested in. The good performance is due to market sentiment, the large election victory of the ruling conservative party HDZ and the fact that Croatia is set to join the European Central Bank's Exchange Rate Mechanism II (ERM II). The strong performance of our Chilean investment was due to the CLP appreciating by 3.2% versus EUR. Our investments in the USA and Indonesia were the laggards, both due to depreciating currencies.

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.

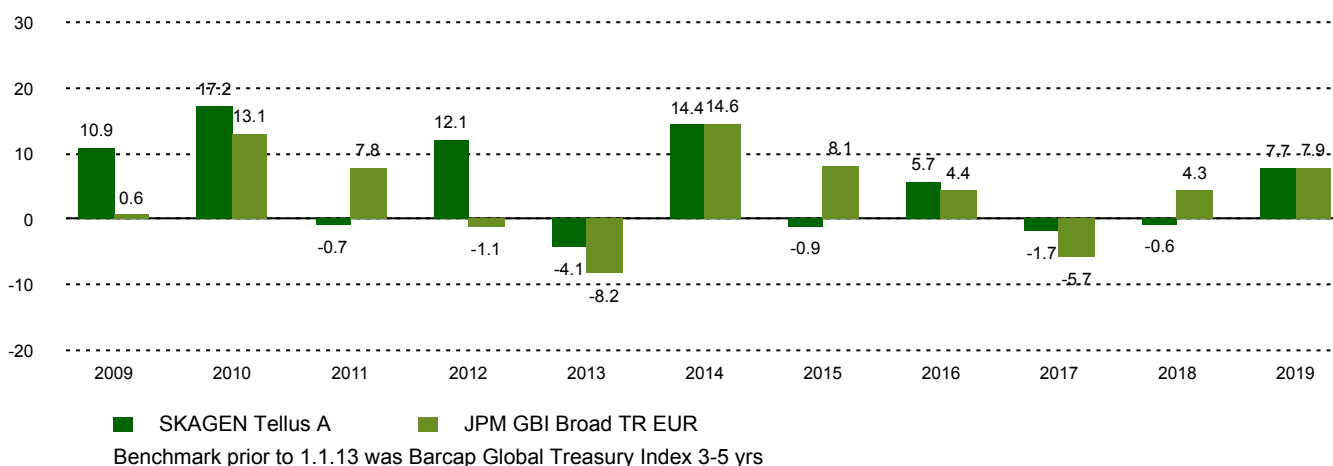
Historical performance (net of fees)

| Period | SKAGEN Tellus A | Benchmark index |
|---------------|-----------------|-----------------|
| Last month | -0.7% | -1.8% |
| Year to date | -4.9% | 2.3% |
| Last year | -4.6% | 2.5% |
| Last 3 years | 0.6% | 4.5% |
| Last 5 years | 0.7% | 2.9% |
| Last 10 years | 2.7% | 3.3% |
| Since start | 4.0% | 4.3% |

Fund Facts

| | |
|----------------------|--------------------------|
| Type | Fixed income |
| Domicile | Norway |
| Launch date | 29.09.2006 |
| Morningstar category | Global Bond - EUR Biased |
| ISIN | NO0010327786 |
| NAV | 11.03 EUR |
| Fixed management fee | 0.80% |
| Benchmark index | JPM GBI Broad TR EUR |
| AUM (mill.) | 42.00 EUR |
| Duration | 5.00 |
| WAL | 5.79 |
| Yield | 2.35% |
| Number of holdings | 12 |
| Portfolio manager | Jane Tvedt |

Performance last ten years



Contributors in the month



Largest contributors

| Holding | Weight (%) | Contribution (%) |
|---------------------|------------|------------------|
| Croatian Government | 7.00 | 0.27 |
| Chile Government | 7.47 | 0.21 |
| United Kingdom Gilt | 9.84 | 0.15 |
| Serbian Government | 4.83 | 0.10 |
| Dominican Republic | 3.61 | 0.10 |



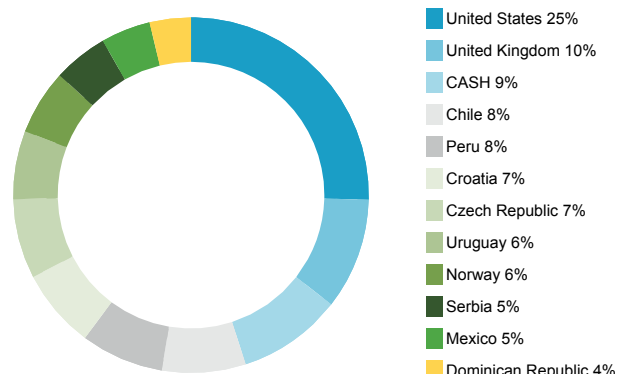
Largest detractors

| Holding | Weight (%) | Contribution (%) |
|-------------------------------|------------|------------------|
| United States Treasury | 25.72 | -1.22 |
| European Bank for Recon & Dev | 4.89 | -0.26 |
| Peruvian Government | 7.45 | -0.09 |
| Uruguay Government | 6.02 | -0.03 |
| Mexican Government | 4.50 | 0.00 |

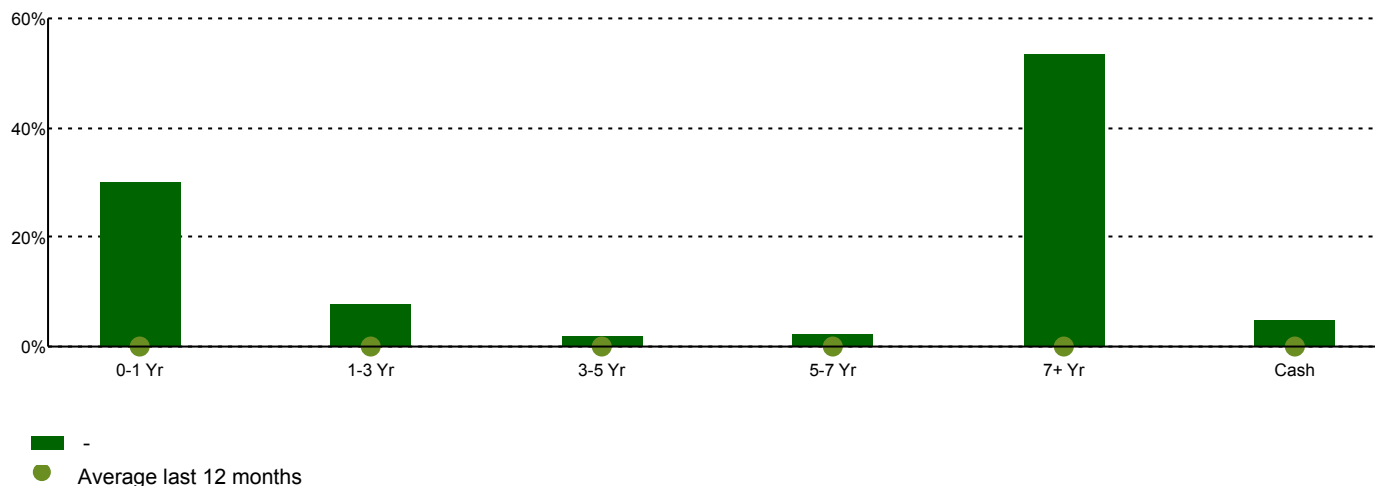
Top 10 investments

| Holding | Percentage of Fund |
|--|--------------------|
| US Government | 25.4 |
| UK Government | 10.1 |
| Republic of Chile | 7.6 |
| Republic of Peru | 7.5 |
| Republic of Croatia | 7.2 |
| Czech Republic Government | 7.2 |
| Oriental Republic of Uruguay | 6.2 |
| Kongeriket Norge | 5.9 |
| Republic of Serbia | 5.0 |
| European Bank for Reconstruction & Development | 4.9 |
| Total | 87.1 |

Country exposure



Maturity structure



Contact



+47 51 80 37 09



contact@skagenfunds.com



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

Important information

This report is intended for investment professionals only. The content is not to be viewed by or used with retail investors. Unless otherwise stated, performance data relates to class A units and is net of fees. AUM data as of the end of the previous month. Except otherwise stated, the source of all information is SKAGEN AS. Historical returns are no guarantee for future returns. Future returns will depend, inter alia, on market developments, the fund manager's skills, the fund's risk profile and subscription and management fees. The return may become negative as a result of negative price developments. You can download more information including subscription/redemption forms, full prospectus, Key Investor Information Documents (KIID), General Commercial Terms, Annual Reports and Monthly Reports from our local websites or our local representatives. Statements reflect the portfolio managers' viewpoint at a given time, and this viewpoint may be changed without notice. This report should not be perceived as an offer or recommendation to buy or sell financial instruments. SKAGEN AS does not assume responsibility for direct or indirect loss or expenses incurred through use or understanding of this report. Employees of SKAGEN AS may be owners of securities issued by companies that are either referred to in this report or are part of a fund's portfolio. CACEIS Ireland Limited, One Custom House Plaza, International Financial Services Centre, Dublin is the Paying Agent in Ireland.