

Performance Commentary

January was a strong month for financial markets. The long-term yields in large developed markets were more or less stable and currency movements between the major currencies were small. Both the yields and currencies in emerging markets and peripheral Europe rallied, however, which resulted in Tellus outperforming its benchmark index.

The strongest performers in January were our investments in Chile, Mexico and Norway. The Chilean peso appreciated by 4.5% along with a higher copper price. Meanwhile, lower yields and the Mexican peso contributed to the performance of our Mexican investment. Lower inflation led to a fall in interest rates, in line with our expectations. The Norwegian krone had a solid start to the year and appreciated by 2.5%. We expect the Norwegian krone to continue to appreciate in line with a stronger Norwegian economy and stable to higher oil price.

The fund made a minor loss on its Indian investment. Given the solid performance in Q4 2018 along with the sharp drop in oil price (India is a large oil importer), we see limited further upside and sold out of the holding. The fund reentered Croatia in the month.

Historical performance (net of fees)

Period	SKAGEN Tellus A	Benchmark index
Last month	4.1%	3.2%
Year to date	4.1%	3.2%
Last year	7.9%	14.3%
Last 3 years	5.4%	4.3%
Last 5 years	6.9%	7.8%
Last 10 years	4.9%	2.9%
Since start	5.3%	5.0%

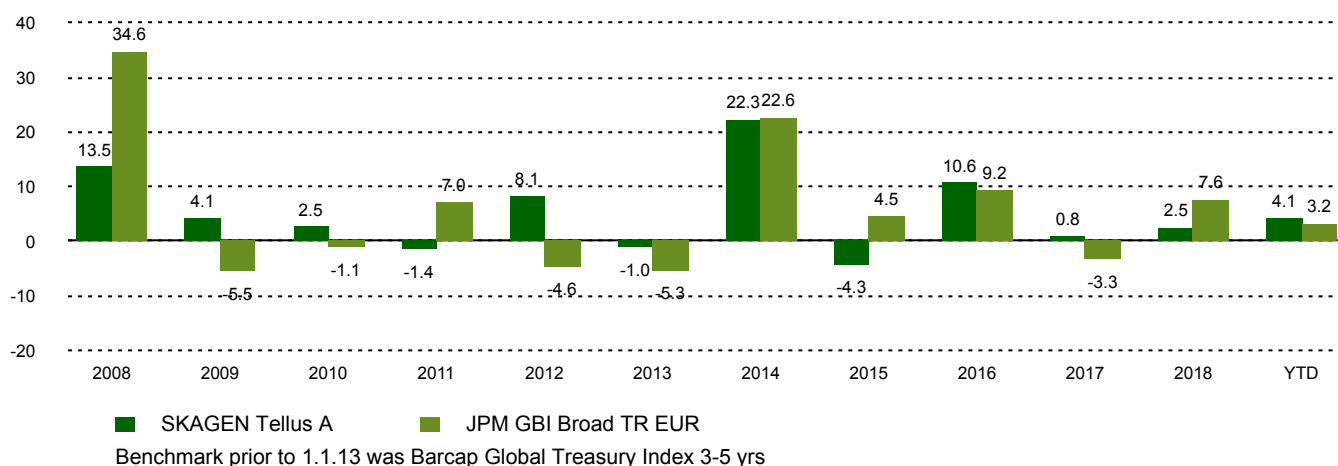
SKAGEN Tellus invests primarily in bonds and certificates issued or guaranteed by governments from around the world.

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	121.36 SEK
Fixed management fee	0.80%
Benchmark index	JPM GBI Broad TR EUR
AUM (mill.)	689.28 SEK
Duration	2.90
WAL	3.99
Yield	4.07%
Number of holdings	13
Portfolio manager	Jane Tvedt

Performance last ten years



Contributors in the month



Largest contributors

Holding	Weight (%)	Contribution (%)
Republic of Chile	7.33	0.39
Mexican Government	6.61	0.38
Norwegian Government	13.14	0.32
Republic of Uruguay	6.19	0.16
Portuguese Government	6.84	0.13



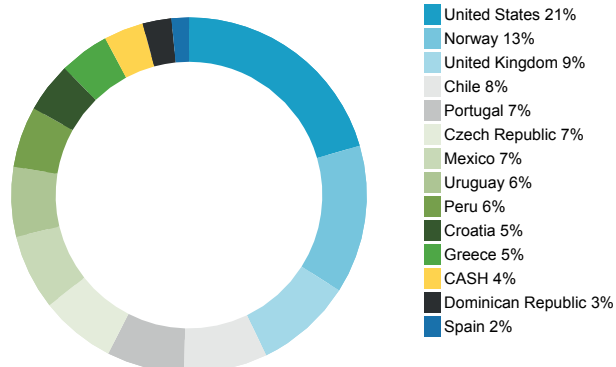
Largest detractors

Holding	Weight (%)	Contribution (%)
Asian Development Bank	2.21	-0.09
US Government	21.22	-0.04
Czech Republic	6.81	0.00
Spanish Government	1.55	0.02
Dominican Republic	3.91	0.06

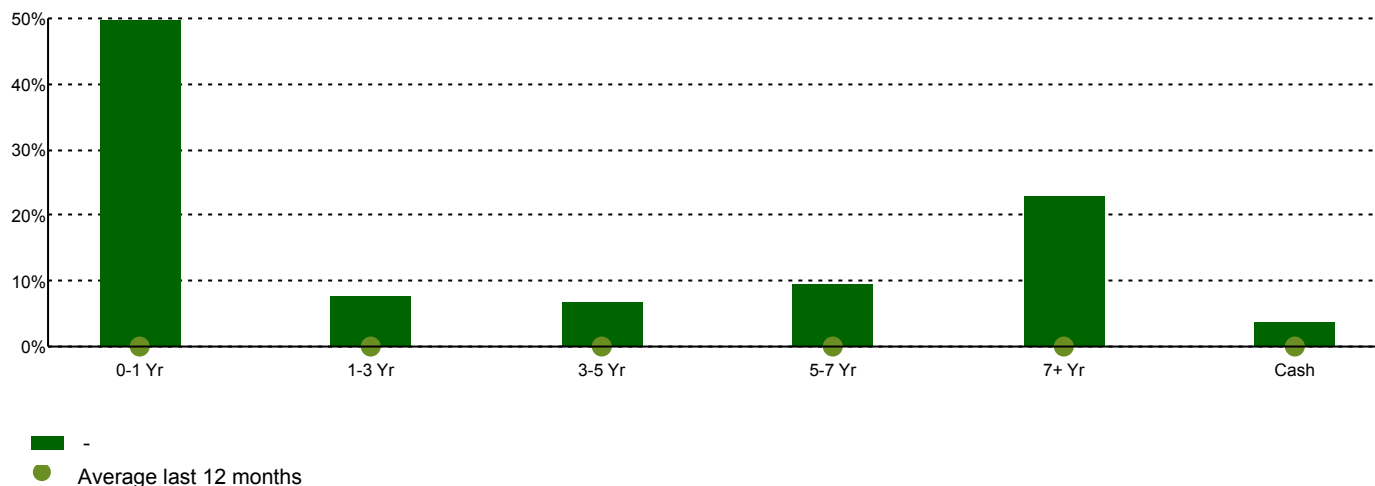
Top 10 investments

Holding	Percentage of Fund
US TREASURY N/B	20.5
Norwegian Government	13.5
UK Government	8.9
REPUBLIC OF CHILE	7.6
Portugese Government	7.0
CZECH REPUBLIC	6.9
Mexican Government	6.8
Uruguay Government	6.3
REPUBLIC OF PERU	5.6
Croatia Government International Bond	4.5
Total	87.7

Country exposure



Maturity structure



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Important information

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.