

All data in EUR as of 28.02.2018 unless otherwise stated.

Performance Commentary

Tellus had a weak month compared with the index. The main reason for the underperformance was the appreciation of JPY and USD relative to EUR. Tellus has no exposure to JPY and is underweight USD.

Chile was the best performer in February due to a solid appreciation of CLP relative to EUR. A high copper price is very good for the world's largest copper producer. Our investments in short-dated US treasuries also performed well.

Greece was the weakest performer in February. Interest rates rose sharply, causing the prices on our two bonds to fall by 7 and 9 percent, respectively. The interest rate rose partly on the back of Greece issuing a new government bond. In illiquid markets like the Greek one, investors' repositioning between different bonds can create volatility. Furthermore, the creditors agreed to postpone the next bailout tranche which was expected to arrive in February. The Novartis corruption scandal also contributed to the turmoil. The volatility is most likely temporary. The deferral of payment is due to technical delays in a few of the many agreed reforms and Greece will most likely get the money in March. On the positive side, Greece was upgraded by Fitch.

Historical performance (net of fees)

Period	SKAGEN Tellus A	Benchmark index
Last month	0.0%	1.2%
Year to date	-0.6%	-1.0%
Last year	-2.9%	-7.3%
Last 3 years	-1.8%	-0.4%
Last 5 years	2.2%	2.4%
Last 10 years	4.8%	4.3%
Since start	4.6%	3.8%

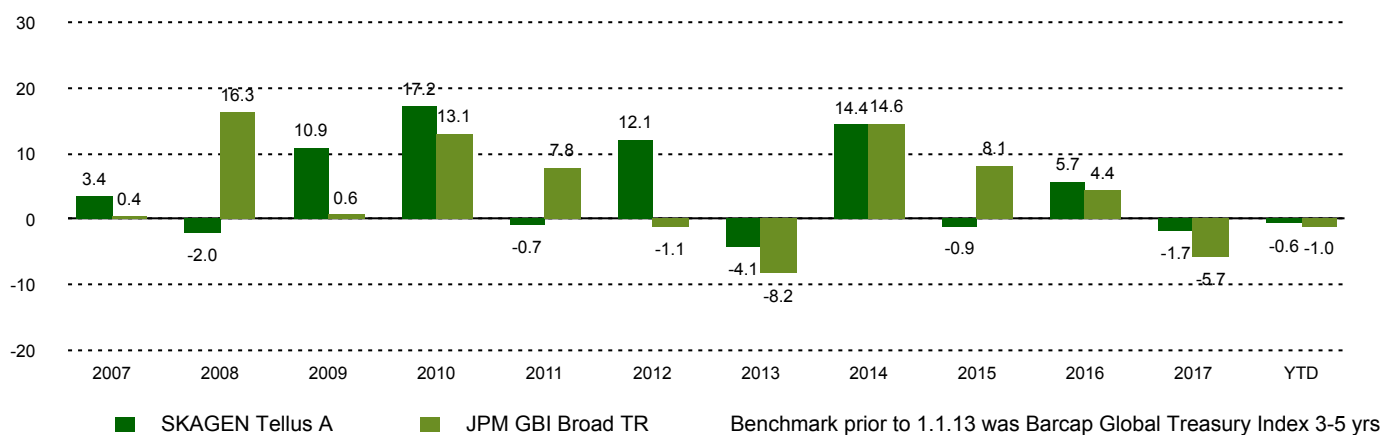
SKAGEN Tellus invests primarily in bonds and certificates issued or guaranteed by governments from around the world.

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	12.05 EUR
Fixed management fee	0.80%
Benchmark index	JPM GBI Broad TR
AUM (mill.)	85.61 EUR
Duration	4.18
WAL	5.72
Yield	3.89%
Number of holdings	14
Lead manager	Jane Tvedt

Performance last ten years



Contributors in the month

Largest contributors

Holding	Weight (%)	Contribution (%)
Republic of Chile	6.76	0.24
US Government	10.35	0.23
Mexican Government	7.15	0.10
Uruguay Government	7.39	0.08
Dominican Republic	5.87	0.08

Largest detractors

Holding	Weight (%)	Contribution (%)
Republic of Greece	5.98	-0.48
Canadian Government	4.14	-0.08
Norwegian Government	9.82	-0.06
Asian Development Bank	4.24	-0.05
Portuguese Government	8.47	-0.04

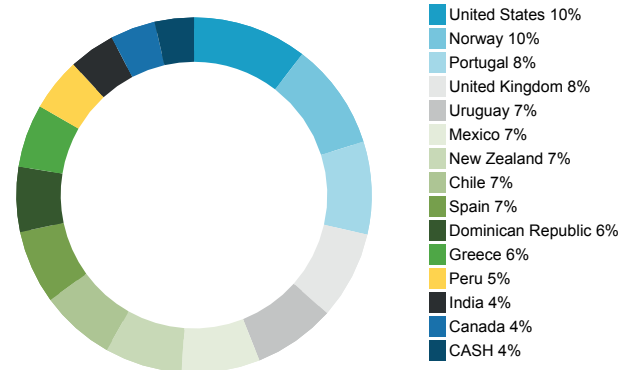
Absolute contribution based on NOK returns at fund level

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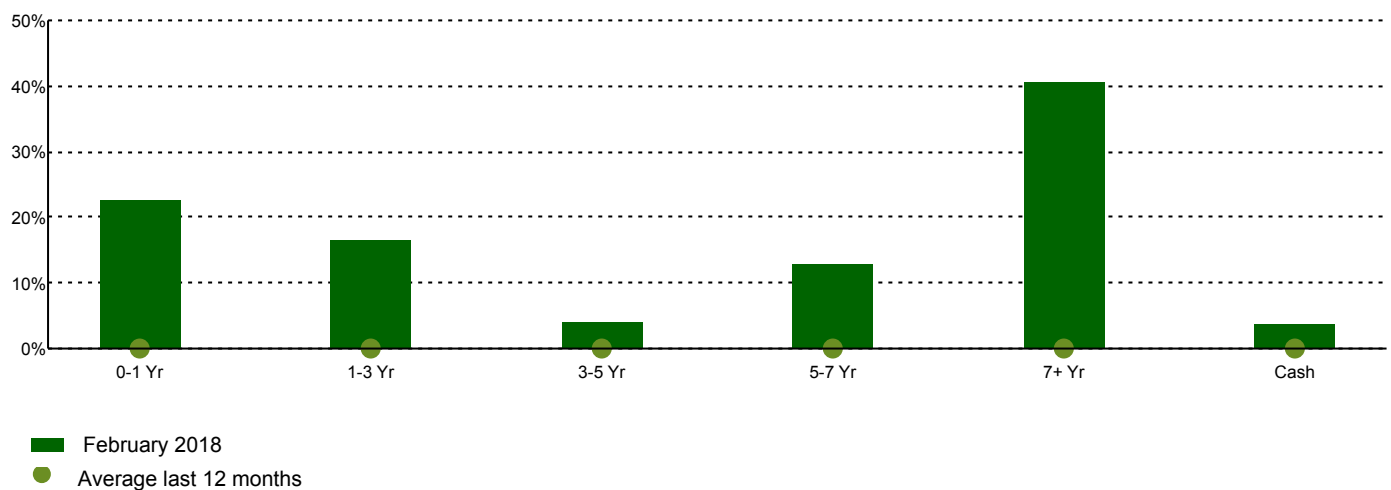
Top 10 investments

Holding	Percentage of Fund
US Treasury N/B	10.4
Norwegian Government	9.7
Portugese Government	8.4
UK Government	8.0
Uruguay Government	7.4
Mexican Government	7.1
NEW ZEALAND GOVERNMENT	7.0
REPUBLIC OF CHILE	6.8
Spanish Government	6.7
Dominican Republic	5.9
Total	77.6

Country exposure



Maturity structure



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Important information

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