

Performance Commentary

Financial market volatility continued in November. In addition to equity market turbulence, credit spreads rose sharply and the oil price dropped by about 20 percent. The uncertainty led to a flight to safety and a fall in long-term rates in the traditional safe havens.

Emerging market volatility, which was the main source of volatility earlier in 2018, has decreased. Many emerging market currencies have recovered some or all of the losses from earlier this year. Long-term rates have also fallen back again.

The strongest performer in Tellus in November was India. The currency appreciated and long-term rates fell along with the fall in oil price. India is a large oil importer and a lower oil price is good for the Indian economy. Chile was also one of the main contributors as the currency appreciated by 3.5 percent.

The biggest laggard was our investment in Norway. The Norwegian krone depreciated 2.2 percent versus the EUR, along with the drop in oil price. Our Mexican investment also contributed negatively due to uncertainty about the new President's policies.

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.

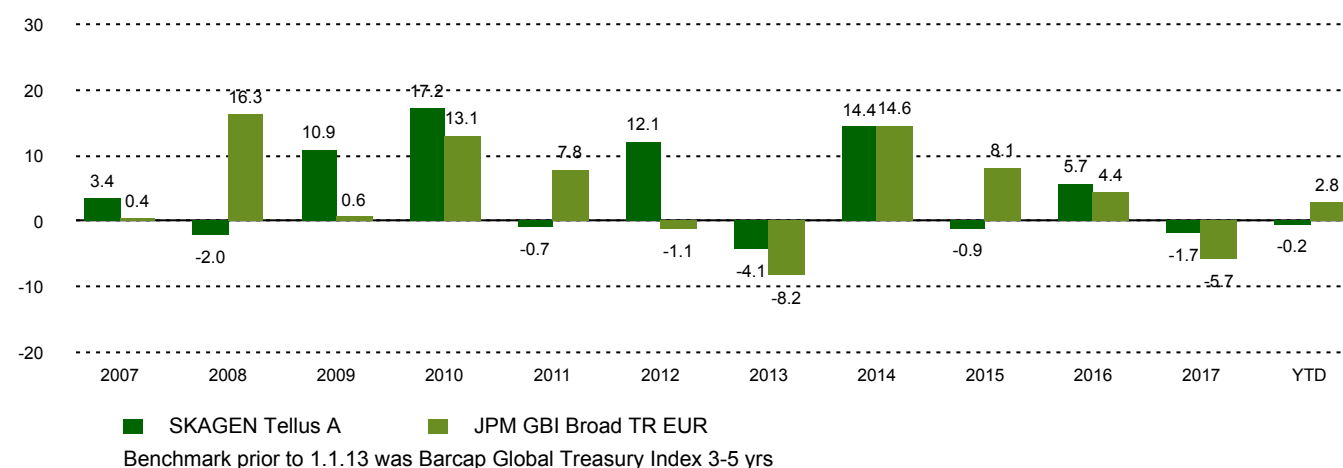
Historical performance (net of fees)

Period	SKAGEN Tellus A	Benchmark index
Last month	0.5%	0.6%
Year to date	-0.2%	2.8%
Last year	0.5%	2.3%
Last 3 years	0.4%	-0.3%
Last 5 years	3.1%	4.2%
Last 10 years	5.2%	3.1%
Since start	4.3%	3.9%

Fund Facts

Type	Fixed income
Domicile	Norway
Launch date	29.09.2006
Morningstar category	Global Bond - EUR Biased
ISIN	NO0010327786
NAV	12.09 EUR
Fixed management fee	0.80%
Benchmark index	JPM GBI Broad TR EUR
AUM (mill.)	66.97 EUR
Duration	2.76
WAL	3.90
Yield	4.94%
Number of holdings	13
Portfolio manager	Jane Tvedt

Performance last ten years



Contributors in the month



Largest contributors

Holding	Weight (%)	Contribution (%)
Asian Development Bank	4.51	0.40
Republic of Chile	7.48	0.31
Republic of Uruguay	6.39	0.17
Peruvian Government	5.41	0.13
Portuguese Government	6.83	0.04



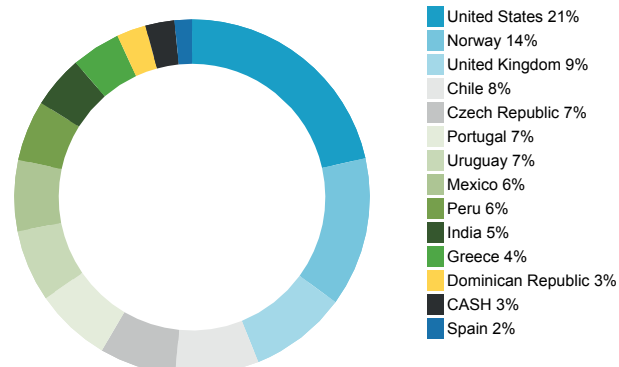
Largest detractors

Holding	Weight (%)	Contribution (%)
Norwegian Government	13.66	-0.26
Mexican Government	6.47	-0.10
Republic of Greece	4.46	-0.04
Czech Republic	6.91	-0.02
UK Government	4.91	-0.02

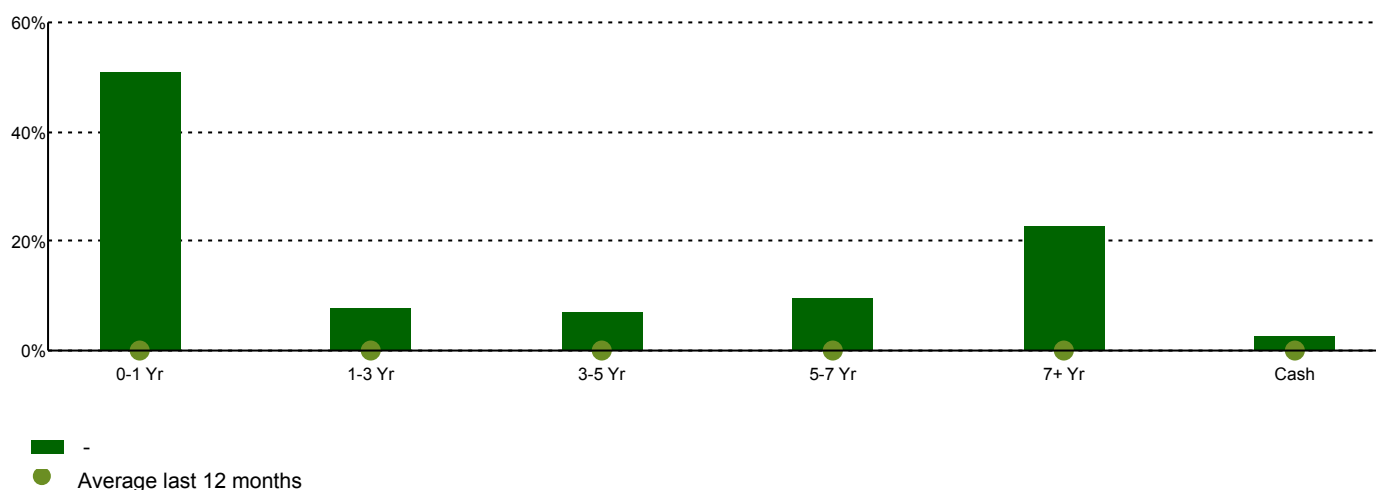
Top 10 investments

Holding	Percentage of Fund
US TREASURY N/B	21.5
Norwegian Government	13.6
UK Government	8.9
REPUBLIC OF CHILE	7.6
CZECH REPUBLIC	6.9
Portugese Government	6.9
Uruguay Government	6.5
Mexican Government	6.5
REPUBLIC OF PERU	5.5
Asian Development Bank	4.8
Total	88.7

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.