

Performance Commentary

While Covid-19 continued to be the main issue for society, the media and financial markets in May, the markets appeared to focus more on life and growth after the pandemic. The long-term yields in the large economies were relatively stable in May. The US 10-year yield remained unchanged while the German 10-year yield increased by 15 basis points. Tellus had a good month, both in absolute and relative terms. Our investments in Norwegian government bonds and Norwegian krone contributed most to performance, with the NOK appreciating 3.8 percent versus EUR. Our investments in Mexico, Uruguay and Serbia were the best performers. In Mexico, a combination of falling interest rates and an appreciating currency contributed to this, while falling long-term rates led to strong performance in Uruguay and Serbia. Our investments in the US and UK contributed negatively due to depreciating currencies. We increased duration in the Czech Republic. We sold a bond maturing in autumn 2020 and replaced it with a bond maturing in 2031. We expect long-term interest rates to fall due to more stimulus from the central bank.

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.

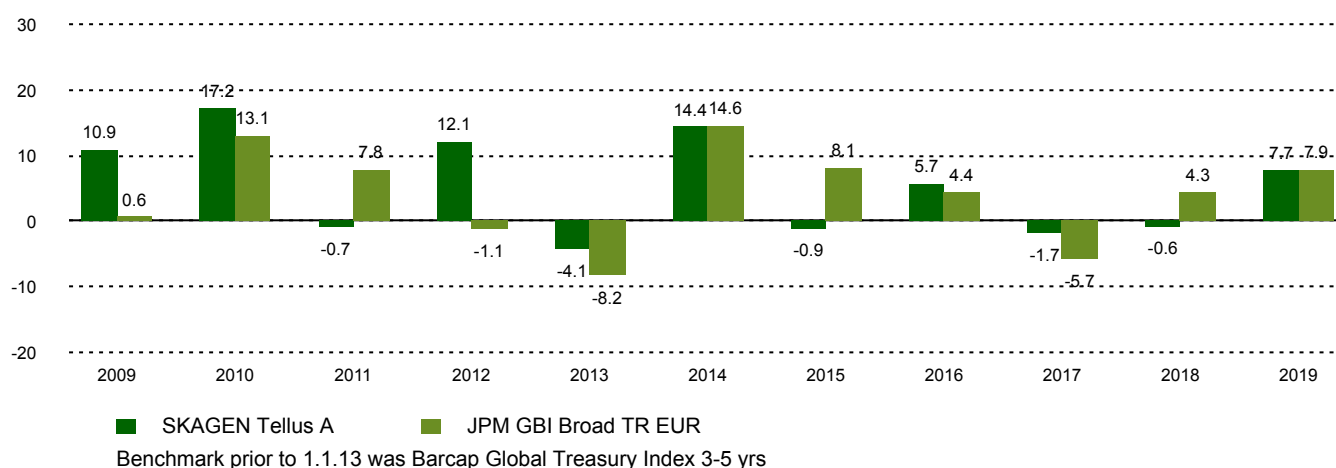
Historical performance (net of fees)

Period	SKAGEN Tellus A	Benchmark index
Last month	0.9%	-1.5%
Year to date	-3.8%	4.6%
Last year	-0.4%	6.9%
Last 3 years	0.8%	4.2%
Last 5 years	0.0%	3.3%
Last 10 years	2.7%	3.4%
Since start	4.1%	4.5%

Fund Facts

Type	Fixed income
Domicile	Norway
Launch date	29.09.2006
Morningstar category	Global Bond - EUR Biased
ISIN	NO0010327786
NAV	11.16 EUR
Fixed management fee	0.80%
Benchmark index	JPM GBI Broad TR EUR
AUM (mill.)	42.92 EUR
Duration	4.88
WAL	n/a
Yield	2.65%
Number of holdings	12
Portfolio manager	Jane Tvedt

Performance last ten years



Contributors in the month



Largest contributors

Holding	Weight (%)	Contribution (%)
Norway Government	6.79	0.40
Mexican Bonos	4.38	0.39
Serbia Bond	4.30	0.39
Croatia Government	6.27	0.31
Uruguay Government	5.75	0.28



Largest detractors

Holding	Weight (%)	Contribution (%)
United States Treasury	26.22	-0.42
United Kingdom Gilt	9.87	-0.30
Dominican Republic	3.66	-0.18
European Bank for Recon & Dev	4.79	0.04
Czech Republic	6.67	0.08

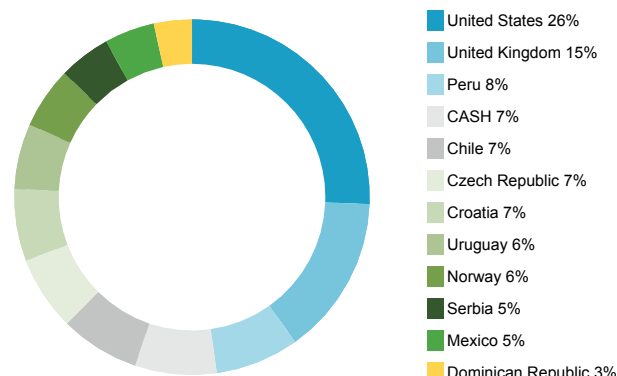
Absolute contribution based on NOK returns at fund level

The art of common sense

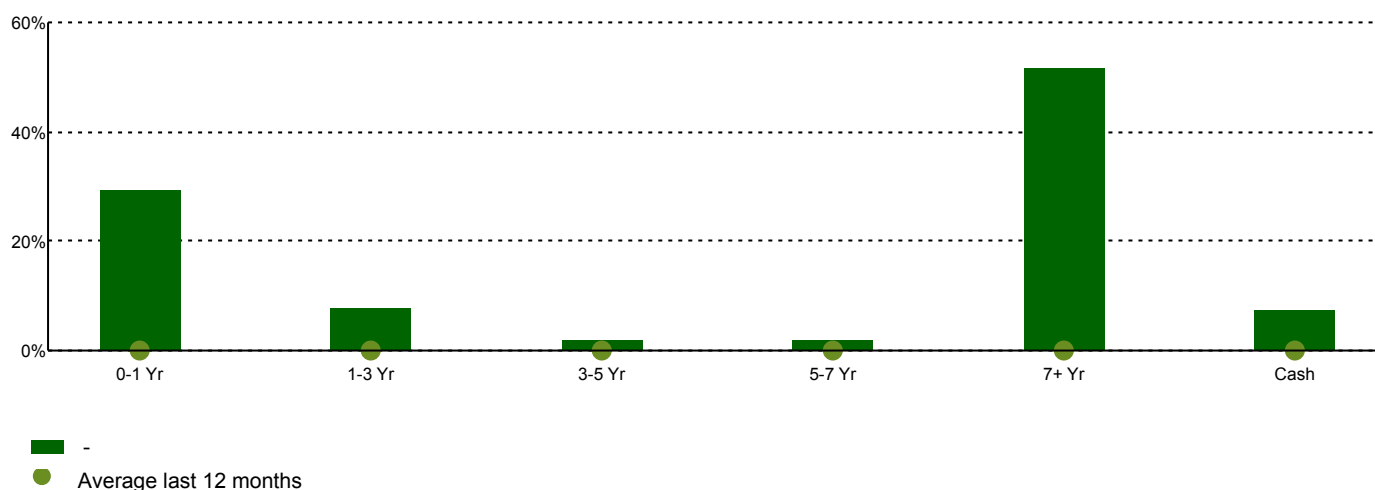
Top 10 investments

Holding	Percentage of Fund
US Government	25.6
UK Government	9.7
Republic of Peru	7.6
Republic of Chile	7.2
Czech Republic Government	6.8
Republic of Croatia	6.6
Oriental Republic of Uruguay	5.9
Kongeriket Norge	5.6
European Bank for Reconstruction & Development	4.8
Republic of Serbia	4.7
Total	84.6

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.