

Performance Commentary

The long-term yields in the large economies increased somewhat in August, driven by higher inflation expectations. This was partially due to the Federal Reserve Chairman Powell stating that the Fed will allow inflation to temporarily increase above the target. The US 10-year yield increased by 20 bps while the German 10-year yield rose by 12 bps. The JPY and USD both depreciated by 1% versus the EUR. As a result, the fund outperformed the index in August. Our investments in Norway contributed most to performance due to the positive development in the Norwegian krone, which appreciated by 2.4% versus the EUR. The oil price continues to recover and there are signs that the Norwegian economy is performing better than peers. The fund's detractors were our investments in Peru, the US and our local currency Chilean bond (matured). Our investment in Peru fell due to the depreciating currency and higher long-term rates, while the latter two were affected by the depreciation of the USD and CLP respectively. Our local currency Chilean bond matured, and we replaced it with a Chilean bond denominated in EUR.

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.

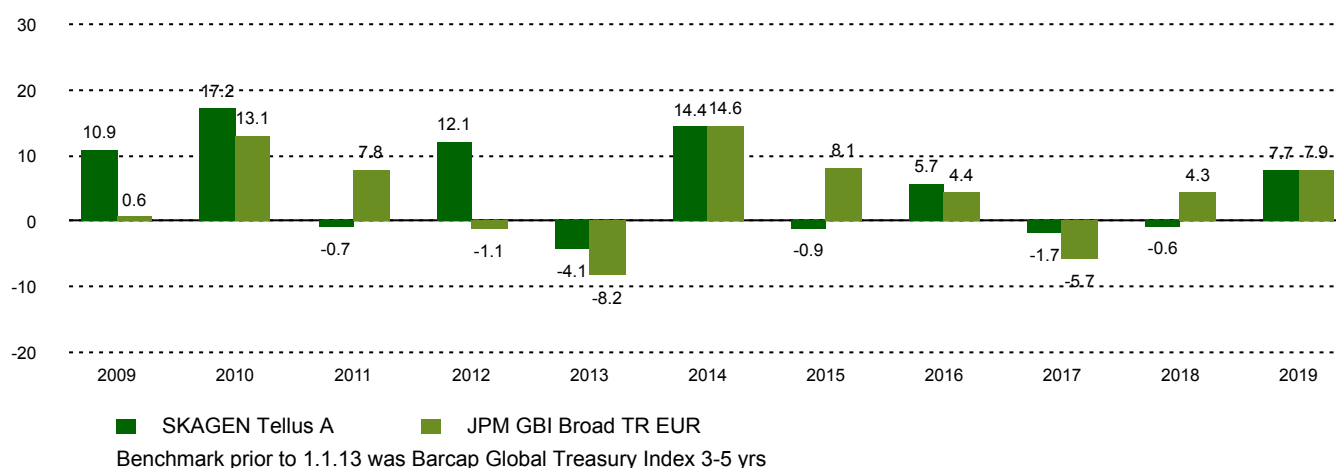
Historical performance (net of fees)

Period	SKAGEN Tellus A	Benchmark index
Last month	-0.3%	-1.7%
Year to date	-5.2%	0.6%
Last year	-4.2%	-3.0%
Last 3 years	0.6%	3.9%
Last 5 years	1.2%	2.8%
Last 10 years	2.3%	2.8%
Since start	3.9%	4.1%

Fund Facts

Type	Fixed income
Domicile	Norway
Launch date	29.09.2006
Morningstar category	Global Bond - EUR Biased
ISIN	NO0010327786
NAV	11.00 EUR
Fixed management fee	0.80%
Benchmark index	JPM GBI Broad TR EUR
AUM (mill.)	40.27 EUR
Duration	5.52
WAL	6.58
Yield	2.49%
Number of holdings	12
Portfolio manager	Jane Tvedt

Performance last ten years



Contributors in the month



Largest contributors

Holding	Weight (%)	Contribution (%)
Norway Government	6.05	0.21
European Bank for Recon & Dev	4.93	0.10
Uruguay Government International	6.38	0.09
Dominican Republic International	3.81	0.09
Serbia International Bond	4.70	0.06



Largest detractors

Holding	Weight (%)	Contribution (%)
United States Treasury	25.57	-0.39
Peruvian Government International	7.16	-0.22
Chile Government International	4.59	-0.15
Czech Republic Government	7.28	-0.12
United Kingdom Gilt	10.11	-0.10

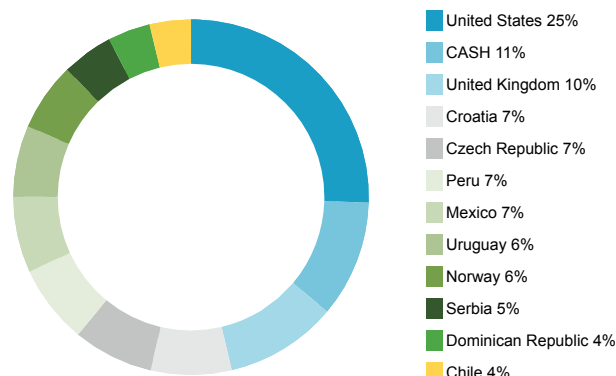
Absolute contribution based on NOK returns at fund level

The art of common sense

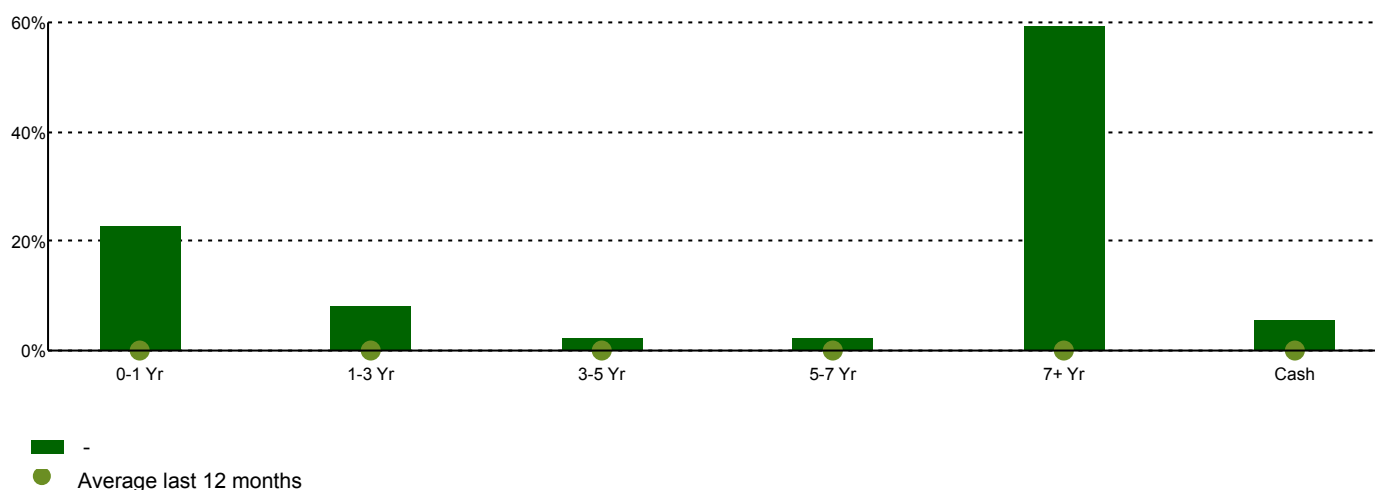
Top 10 investments

Holding	Percentage of Fund
US Government	25.5
UK Government	10.2
Republic of Croatia	7.3
Czech Republic Government	7.3
Republic of Peru	7.2
Mexico	6.9
Oriental Republic of Uruguay	6.5
Kongeriket Norge	6.2
European Bank for Reconstruction & Development	5.1
Republic of Serbia	4.6
Total	86.8

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.