

Performance Commentary

Long-term interest rates in developed markets continued to increase in January with the 10-year US treasury yield increasing almost 20 bps driven mainly by increased inflation expectations. In emerging markets, moves in long-term interest rates were less pronounced and more varied, but with a slight increase on average. Romania and South Africa – which we added to the fund at the end of 2020 – saw the largest yield compressions in the period in their local markets. Short-term market sentiment has been slightly more cautious lately as there have been reports of some bumps in the road relating to vaccine rollouts and new more contagious Covid variants appearing. Nonetheless, we pay more attention to the longer term and still believe that 2021 will bring us very close to normality, which should bode well for our investments. SKAGEN Tellus outperformed its benchmark index in January. The largest positive contributors were USA and Uruguay thanks to appreciating currencies. The main laggards were Mexico and Peru driven by weak developments in their currencies.

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.

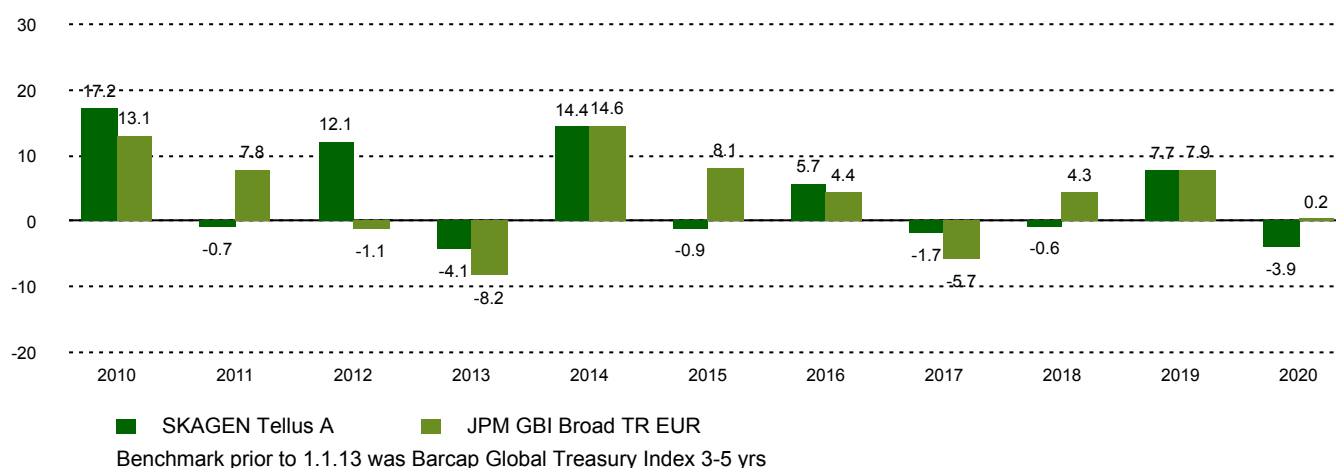
Historical performance (net of fees)

Period	SKAGEN Tellus A	Benchmark index
Last month	0.3%	-0.1%
Year to date	0.3%	-0.1%
Last year	-4.1%	-2.9%
Last 3 years	1.2%	4.8%
Last 5 years	1.4%	1.7%
Last 10 years	2.8%	3.2%
Since start	3.9%	4.0%

Fund Facts

Type	Fixed income
Domicile	Norway
Launch date	29.09.2006
Morningstar category	Global Bond - EUR Biased
ISIN	NO0010327786
NAV	10.31 EUR
Fixed management fee	0.80%
Benchmark index	JPM GBI Broad TR EUR
AUM (mill.)	36.81 EUR
Duration	4.11
WAL	5.01
Yield	3.04%
Number of holdings	14
Portfolio manager	Sondre Solvoll Bakketun

Performance last ten years



Contributors in the month



Largest contributors

Holding	Weight (%)	Contribution (%)
Uruguay Government	7.02	0.07
United States Treasury	25.76	0.00
Czech Republic	7.77	0.00
Norway Government	6.35	0.00
European Bank for Recon & Dev	5.44	0.00



Largest detractors

Holding	Weight (%)	Contribution (%)
Mexican Bonos	7.37	-0.13
Peruvian Government	7.66	-0.12
Serbian Government	3.66	-0.07
Croatia Government	3.06	-0.06
European Investment Bank	2.05	-0.05

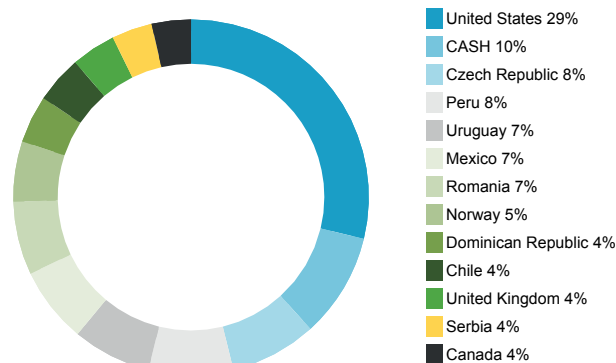
Absolute contribution based on NOK returns at fund level

The art of common sense

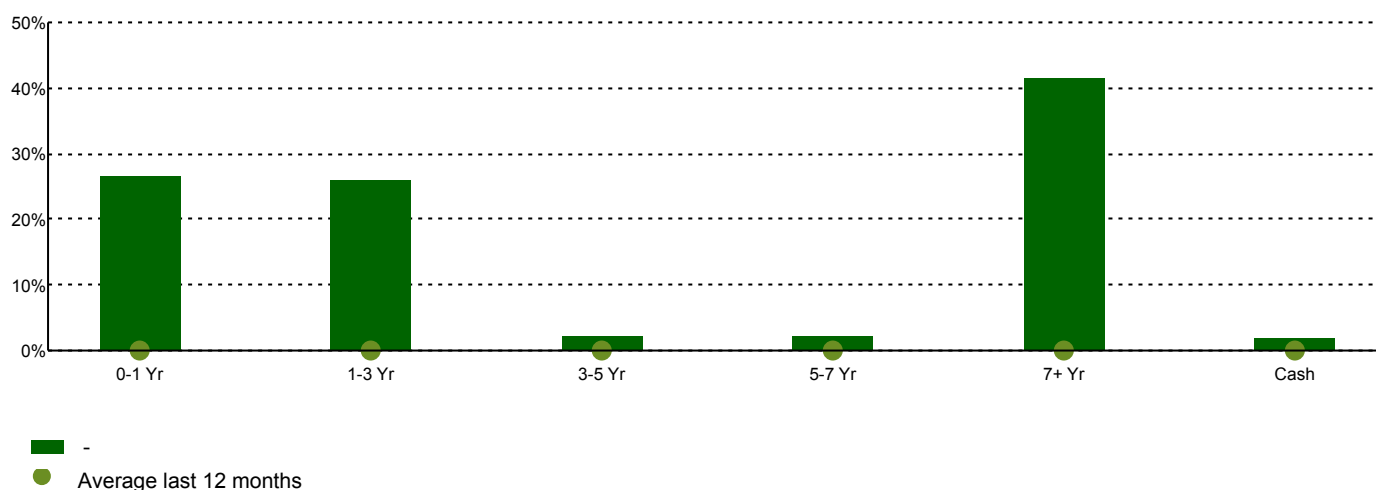
Top 10 investments

Holding	Percentage of Fund
US Government	28.8
Czech Republic Government	7.9
Republic of Peru	7.7
Oriental Republic of Uruguay	7.2
Mexico	6.9
Romanian Government	6.7
European Bank for Reconstruction & Development	5.5
Kongeriket Norge	5.5
Dominican Republic	4.3
Republic of Chile	4.3
Total	84.7

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.