

Performance Commentary

The fixed income markets were in general fairly calm in May. Both long-term interest rates and credit spreads moved sideways in large parts of the world. Market participants are currently focusing on how strong and long lasting the current general price increases will be and what this will entail for future central bank actions. Central banks continue to maintain their loose policy stance, but small signs of a reduction in pandemic-related policies have started to emerge. While the general price level has increased significantly over the past year, much of the increase is likely transitory and should fade as society reopens. Whether you believe in higher inflation or not, it is safe to say that inflation risk has increased and, with that, long-term interest rates. We still see rates heading higher, especially in developed areas such as the US and Europe, but at the same time several emerging countries are becoming increasingly attractive. We have started to buy some more long-dated positions in select EM countries. SKAGEN Tellus was slightly ahead of its benchmark index in May. The largest positive contributors were Mexico and the Czech Republic thanks to falling interest rates. The main laggards were the US and Uruguay driven by depreciating 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.

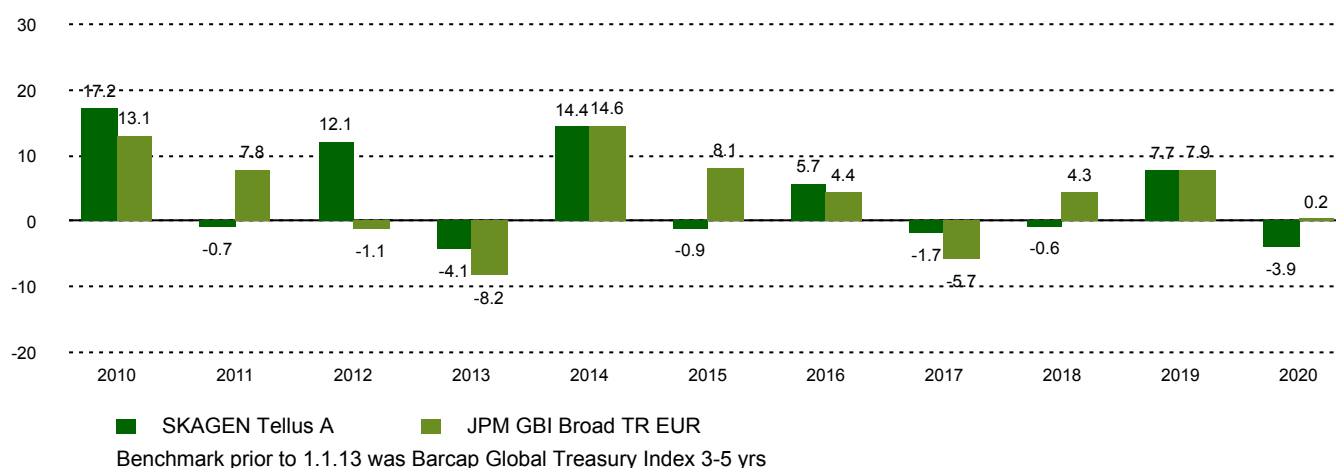
Historical performance (net of fees)

Period	SKAGEN Tellus A	Benchmark index
Last month	-0.4%	-0.7%
Year to date	-2.2%	-3.1%
Last year	-2.3%	-7.3%
Last 3 years	0.3%	2.3%
Last 5 years	0.4%	0.7%
Last 10 years	2.8%	3.1%
Since start	3.6%	3.7%

Fund Facts

Type	Fixed income
Domicile	Norway
Launch date	29.09.2006
Morningstar category	Global Bond - EUR Biased
ISIN	NO0010327786
NAV	10.05 EUR
Fixed management fee	0.80%
Benchmark index	JPM GBI Broad TR EUR
AUM (mill.)	45.26 EUR
Duration	3.89
WAL	4.91
Yield	2.55%
Number of holdings	14
Portfolio manager	Sondre Solvoll Bakketun

Performance last ten years



Contributors in the month



Largest contributors

Holding	Weight (%)	Contribution (%)
Mexican Bonos	5.81	0.21
Czech Republic Government	5.09	0.20
United Kingdom Gilt	6.37	0.18
International Finance Corp	3.12	0.15
European Bank for Recon & Dev	6.09	0.12



Largest detractors

Holding	Weight (%)	Contribution (%)
Uruguay Government	5.48	-0.01
City of Oslo Norway	2.13	0.00
Colombia Government	1.10	0.02
Chile Government	6.21	0.03
Canadian Government	2.08	0.04

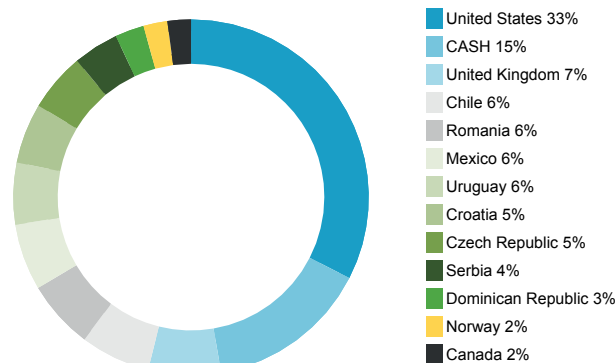
Absolute contribution based on NOK returns at fund level

The art of common sense

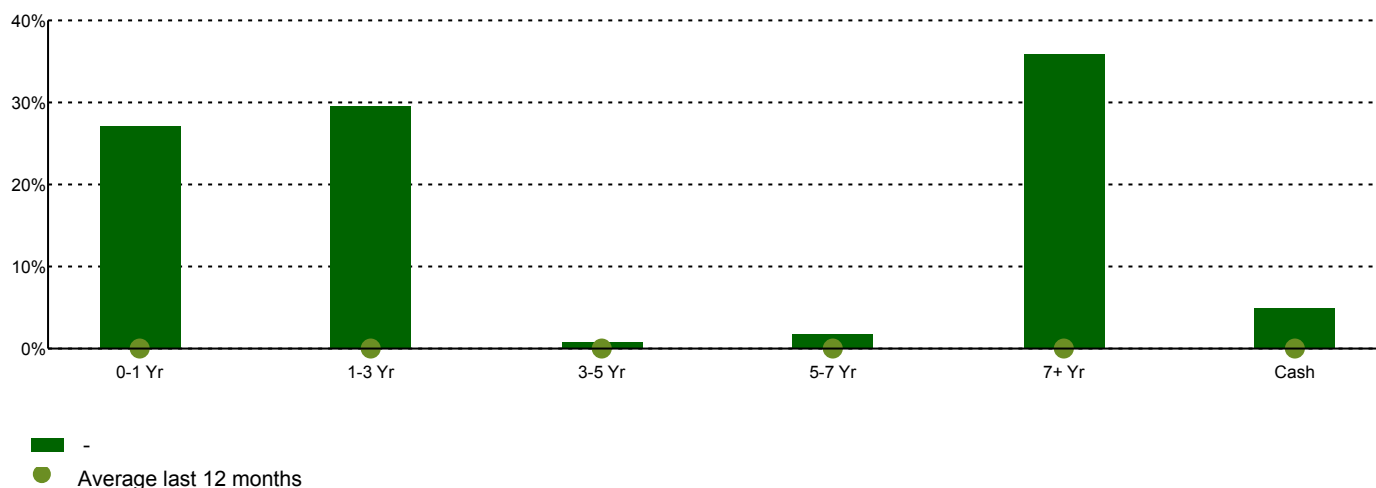
Top 10 investments

Holding	Percentage of Fund
US Government	32.5
UK Government	6.6
Republic of Chile	6.4
European Bank for Reconstruction & Development	6.3
Romanian Government	6.2
Mexico	6.0
Oriental Republic of Uruguay	5.6
Republic of Croatia	5.5
Czech Republic Government	5.3
Republic of Serbia	4.1
Total	84.5

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.