

Performance Commentary

Long-term interest rates fell sharply in July despite continued high consumer price growth, especially in the US. The fall was driven by lower real interest rates as market-based inflation expectation measures remained fairly stable. The fall in real rates was likely a result of increased uncertainty around the economic outlook as coronavirus infections have picked up with the prevalence of the delta variant. The credit market remained quiet and sovereign credit spreads remained largely unchanged in July. Despite the increase in corona cases, the reopening of the economy is expected to continue and with that central banks should begin to scale back some of their expansionary policies. The Norwegian Central bank is expected to be the first among developed markets to increase the policy rate starting in September. We expect long-term interest rates to generally trend higher in the coming quarters. SKAGEN Tellus underperformed its benchmark index in the month. The largest positive contributors were Mexico and the Dominican Republic thanks to falling interest rates while the main laggards were Norway and Colombia 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.

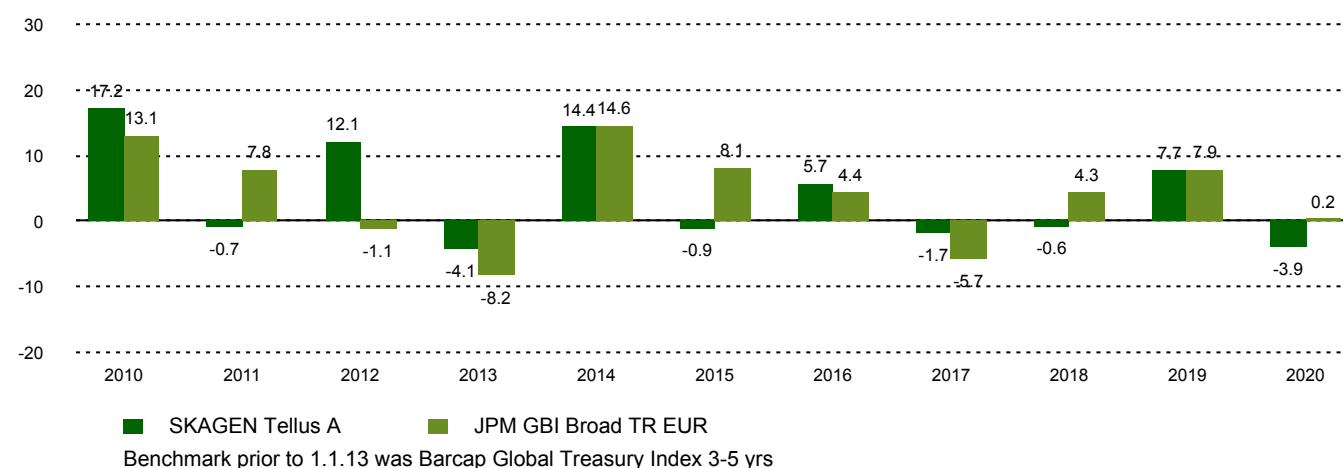
Historical performance (net of fees)

Period	SKAGEN Tellus A	Benchmark index
Last month	0.1%	1.5%
Year to date	-0.4%	0.5%
Last year	0.7%	-1.6%
Last 3 years	0.7%	3.9%
Last 5 years	0.5%	0.7%
Last 10 years	3.0%	3.2%
Since start	3.7%	3.9%

Fund Facts

Type	Fixed income
Domicile	Norway
Launch date	29.09.2006
Morningstar category	Global Bond - EUR Biased
ISIN	NO0010327786
NAV	10.24 EUR
Fixed management fee	0.80%
Benchmark index	JPM GBI Broad TR EUR
AUM (mill.)	46.75 EUR
Duration	3.51
WAL	4.50
Yield	2.43%
Number of holdings	16
Portfolio manager	Sondre Solvoll Bakketun

Performance last ten years



Contributors in the month



Largest contributors

Holding	Weight (%)	Contribution (%)
United States Treasury	29.68	0.80
United Kingdom	6.36	0.21
European Bank for Recon & Dev	6.18	0.21
Croatia Government	5.32	0.20
International Finance Corp	3.53	0.19



Largest detractors

Holding	Weight (%)	Contribution (%)
Colombia Government	3.18	-0.01
City of Oslo Norway	2.94	0.00
European Investment Bank	0.92	0.02
Canadian Government	2.05	0.04
Mexican Bonos	2.13	0.08

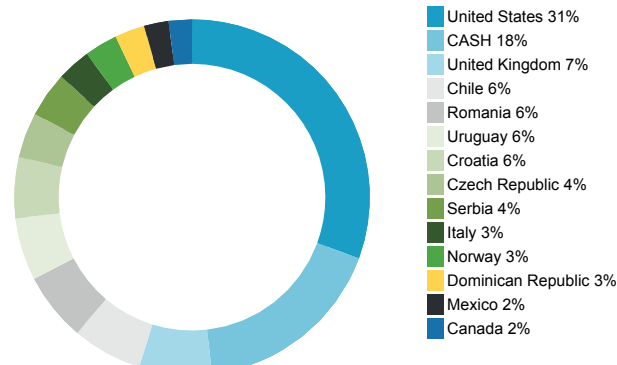
Absolute contribution based on NOK returns at fund level

The art of common sense

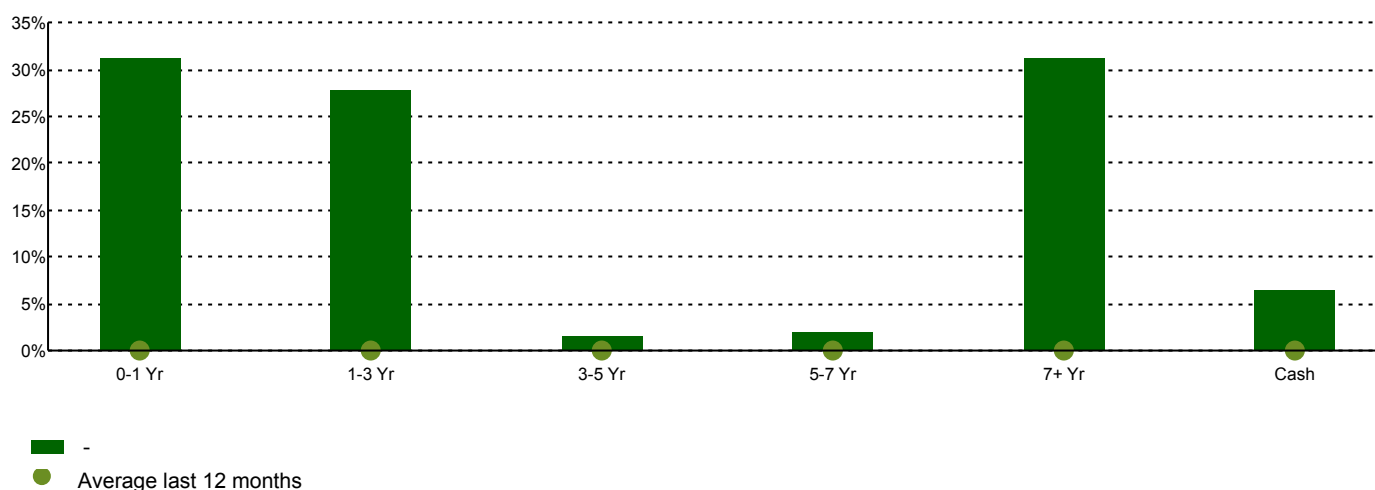
Top 10 investments

Holding	Percentage of Fund
US Government	30.6
UK Government	6.6
European Bank for Reconstruction & Development	6.4
Republic of Chile	6.4
Romanian Government	6.2
Oriental Republic of Uruguay	5.7
Republic of Croatia	5.5
Czech Republic Government	4.1
Republic of Serbia	4.1
International Finance Corp	3.7
Total	79.4

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.