

IMPORTANT INFORMATION: This is marketing communication. The report should not be perceived as a recommendation to buy or sell fund units. Prior to subscription, we encourage you to read the fund's prospectus and key investor information document which are available at www.skagenfunds.com, from our local representatives and from our distributors.

Performance Commentary

July was typically quiet in many markets, but interest rates fell significantly in large parts of the world. The Eurozone in particular saw falling rates driven by fears of an economic setback. This was despite still strong consumer price growth and hawkish central banks. Credit spreads generally decreased somewhat during July but remain at high levels for many sovereigns. Geopolitics are front of mind these days and the end of July saw a flare-up of an old conflict with reports of shooting at the border between Serbia and Kosovo. The situation calmed down quickly, but clearly showed the potential for conflict is still present. The credit spreads on our Serbian exposure jumped by around 50 bps on the reports but has started to fall back as tensions have faded. SKAGEN Tellus generated a positive return in July, just about on par with the benchmark index. The largest positive contributors were our US and Mexican exposures driven by falling interest rates. On the negative side there was a slightly negative contribution from our Polish zloty denominated supranational bond due to a depreciating zloty versus the euro.

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. The fund is suitable for those with at least a five year investment horizon. Subscriptions are made in fund units and not directly in stocks or other securities. The fund has risk profile 4. The benchmark reflects the fund's investment mandate. Since the fund is actively managed, the portfolio will deviate from the composition of the benchmark.

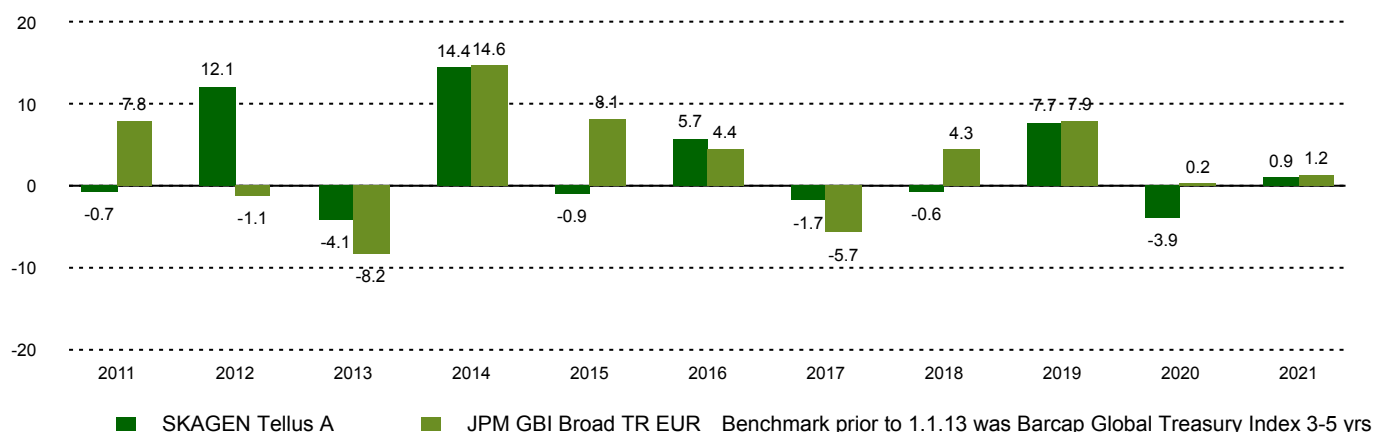
Historical performance (net of fees)

Period	SKAGEN Tellus A	Benchmark index
Last month	4.4%	4.5%
Year to date	1.3%	-2.2%
Last 12 months	2.6%	-1.5%
Last 3 years	-0.5%	-0.2%
Last 5 years	1.1%	2.1%
Last 10 years	1.8%	1.6%
Since start	3.7%	3.5%

Fund Facts

Type	Fixed income
Domicile	Norway
Launch date	29.09.2006
Morningstar category	Global Bond - EUR Biased
ISIN	NO0010327786
NAV	10.51 EUR
Fixed management fee	0.80%
Benchmark index	JPM GBI Broad TR EUR
AUM (mill.)	40.05 EUR
Duration	5.21
WAL	7.04
Yield	3.93%
Number of holdings	19
Portfolio manager	Sondre Solvoll Bakketun

Performance last ten years

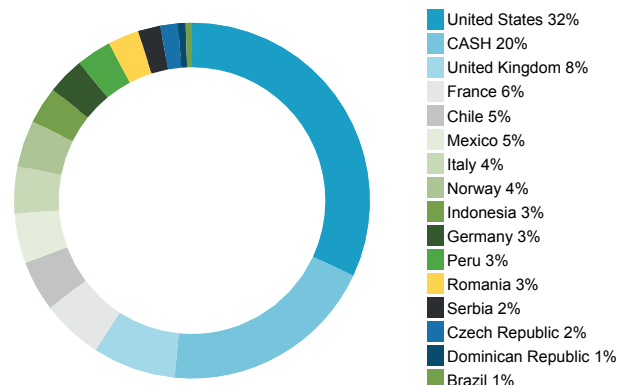


Historical returns are no guarantee for future returns. Future returns will depend, inter alia, on market developments, the fund manager's skill, the fund's risk profile and management fees. The return may become negative as a result of negative price developments. There is a risk associated with investing in the fund due to market movements, currency developments, interest rate levels, economic, sector and company-specific conditions.

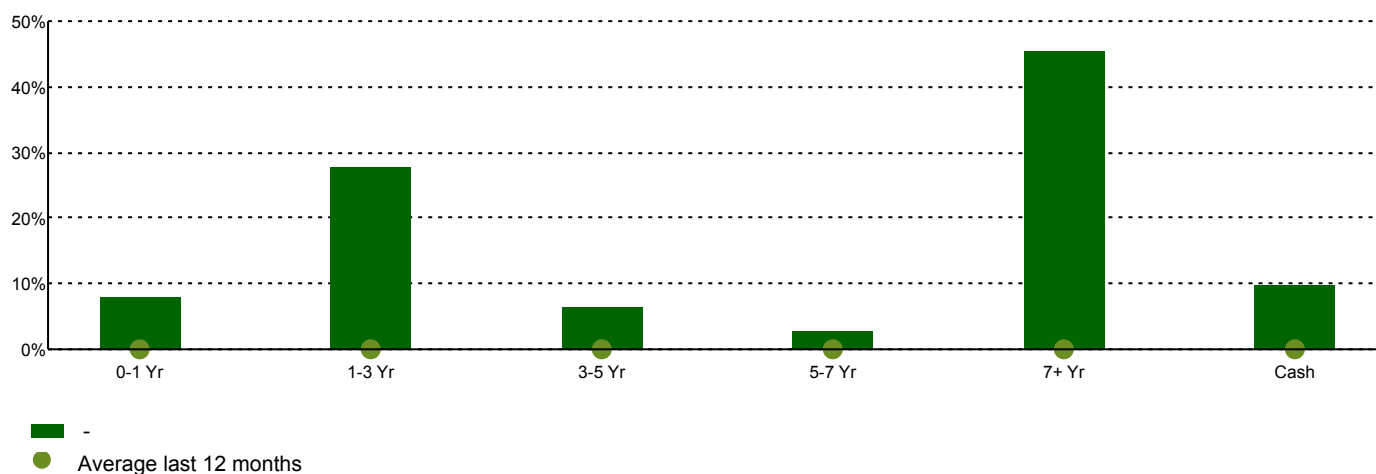
Top 10 investments

Holding	Percentage of Fund
US Government	31.9
French Government	5.6
UK Government	5.2
International Finance Corp	5.0
Republic of Chile	4.6
European Bank for Reconstruction & Development	4.6
Mexico	4.5
Italian Government	4.3
Kongeriket Norge	4.3
Indonesia Government International Bond	3.4
Total	73.3

Country exposure



Maturity structure



Important information

All information is based on the most up-to-date data available. Unless otherwise stated, performance data relates to class A units and is net of fees. AUM data as per the end of the previous month. Except otherwise stated, the source of all information is SKAGEN AS. 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.



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