

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

Winter came early for government bonds as the yield drop during July quickly reversed at the start of August. Yields on ten-year government bonds in most parts of the world except Asia increased by 50-100 basis points from the bottom in early August. The move in yields was driven by renewed inflation fears and contractionary guidance from central banks. The consumer price growth for the Eurozone surprised on the upside, setting a new record of 9.1% year-over-year growth in July. This added fuel to the fire for ECB hawks calling for a 75-basis point hike at the next policy meeting. In addition, the speech by the Fed Chairman Jay Powell at the central bank conference in Jackson Hole pushed yields higher as he signaled a strong commitment to continued policy tightening despite some signs of a peak in consumer price growth.

SKAGEN Tellus outperformed its benchmark index in August. The largest positive contributors were our Peruvian and Indonesian holdings driven mainly by appreciating currencies. On the negative side, the largest detractors were our German and French holdings as yields rose sharply in the Eurozone.

Historical performance (net of fees)

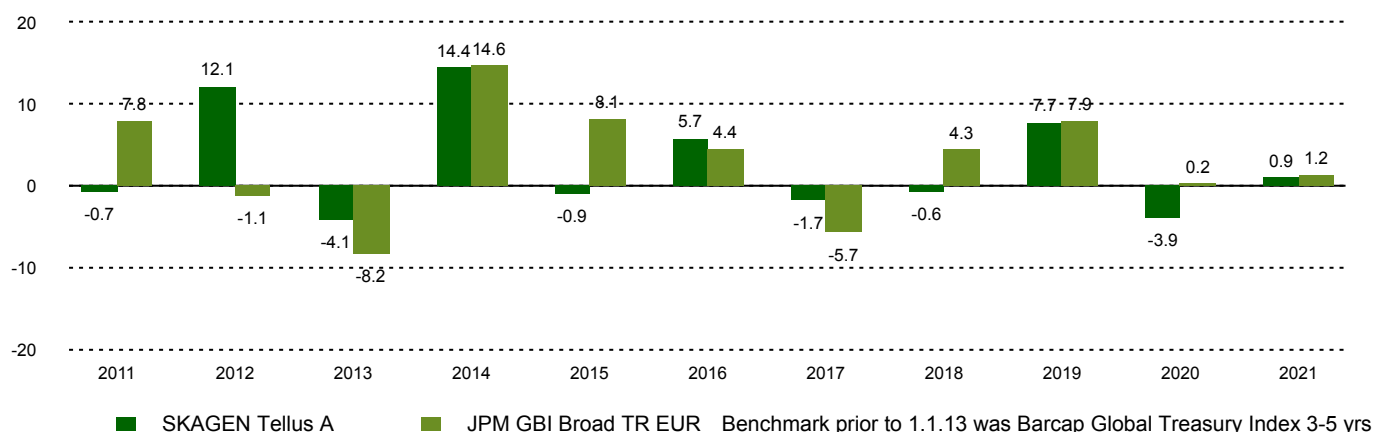
Period	SKAGEN Tellus A	Benchmark index
Last month	-1.8%	-2.8%
Year to date	-0.6%	-4.9%
Last 12 months	-0.3%	-4.2%
Last 3 years	-0.8%	-2.4%
Last 5 years	0.7%	1.4%
Last 10 years	1.7%	1.4%
Since start	3.5%	3.3%

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.

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.)	30.25 EUR
Duration	4.51
WAL	6.29
Yield	3.74%
Number of holdings	15
Portfolio manager	Sondre Solvoll Bakketun

Performance last ten years

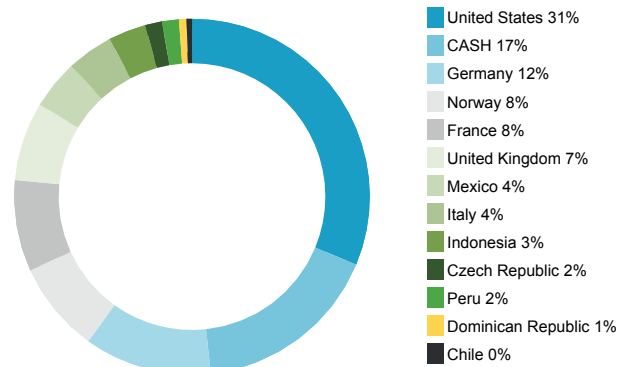


Historical returns are no guarantee for future returns. Future returns will depend, inter alia, on market developments, the fund manager's skill, the fund's risk profile and management fees. The return may become negative as a result of negative price developments. There is a risk associated with investing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

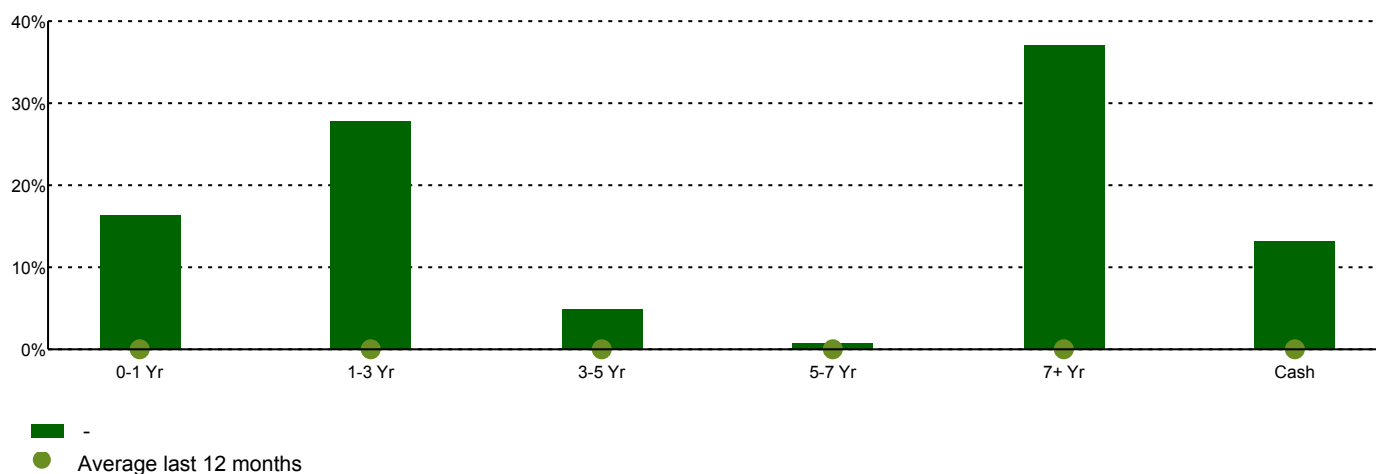
Top 10 investments

Holding	Percentage of Fund
US Government	31.2
German Government	11.6
Kongeriket Norge	8.3
French Government	8.3
UK Government	4.8
Mexico	4.5
Italian Government	4.2
International Finance Corp	3.6
Indonesia Government International Bond	3.4
European Bank for Reconstruction & Development	2.4
Total	82.3

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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