

All data in EUR as of 31.01.2018 unless otherwise stated.

Performance Commentary

Long-term yields increased in all the large economies in January. Both the US and German 10 year yields increased by around 30 basis points, dragging down the index performance, which has a high weight in the large advanced economies.

The largest contributor in January was our investment in a Norwegian government bond with short duration. The solid performance was due to the NOK appreciating by 2.8 percent versus the EUR. The positive performance of our Greek bonds continued in January. The bond prices appreciated by about 3 percent thanks to progress related to the disbursement of the final bail-out tranche and an upgrade by S&P. Moreover, the economy continues to show signs of improvement.

Due to a sharp depreciation of the USD relative to the EUR, the laggards in January were our USD denominated investments and our investments in countries with currencies closely linked to the USD, such as the Dominican Republic and Uruguay.

The fund sold out of Slovenia. After years of solid performance there is limited further upside. We reduced our USD-denominated holdings in Canada and the Dominican Republic.

Historical performance (net of fees)

Period	SKAGEN Tellus A	Benchmark index
Last month	-0.5%	-2.1%
Year to date	-0.5%	-2.1%
Last year	-1.4%	-6.4%
Last 3 years	-1.4%	-1.0%
Last 5 years	2.7%	2.7%
Last 10 years	4.7%	4.2%
Since start	4.6%	3.8%

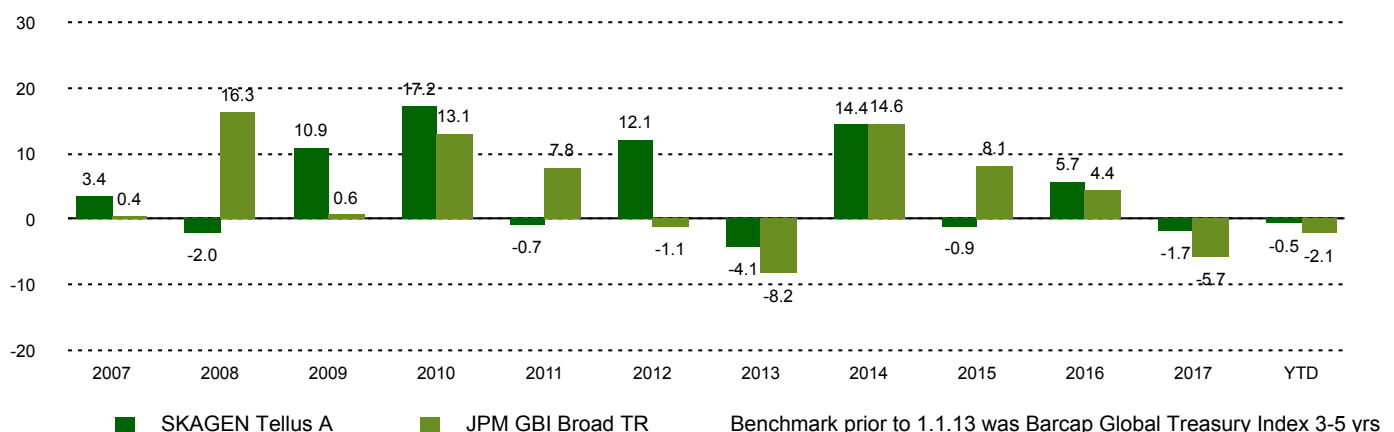
SKAGEN Tellus invests primarily in bonds and certificates issued or guaranteed by governments from around the world.

The fund is suitable for those with at least a three year investment horizon. Investors must be able to tolerate currency fluctuations.

Fund Facts

Type	Fixed income
Domicile	Norway
Launch date	29.09.2006
Morningstar category	Global Bond - EUR Biased
ISIN	NO0010327786
NAV	12.05 EUR
Fixed management fee	0.80%
Benchmark index	JPM GBI Broad TR
AUM (mill.)	87.97 EUR
Duration	4.07
WAL	5.58
Yield	3.66%
Number of holdings	14
Lead manager	Jane Tvedt

Performance last ten years



Contributors in the month

Largest contributors

Holding	Weight (%)	Contribution (%)
Norwegian Government	10.07	0.26
Greece Government	5.67	0.18
Mexican Government	6.44	0.13
Peruvian Republic	5.18	0.10
Portugese Government	8.99	0.05

Largest detractors

Holding	Weight (%)	Contribution (%)
US Government	9.45	-0.33
Dominican Republic	7.53	-0.30
Uruguay Government	6.80	-0.26
Asian Development Bank	3.95	-0.12
Canadian Government	6.11	-0.09

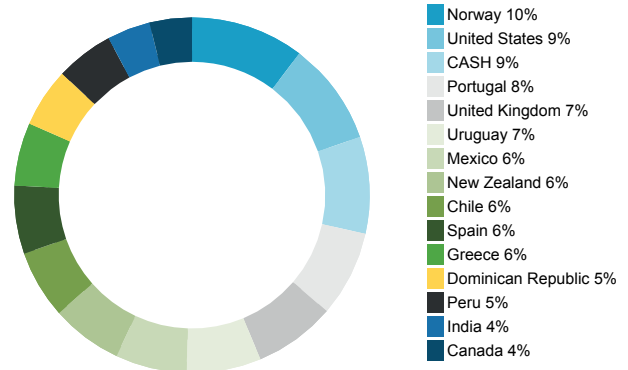
Absolute contribution based on NOK returns at fund level

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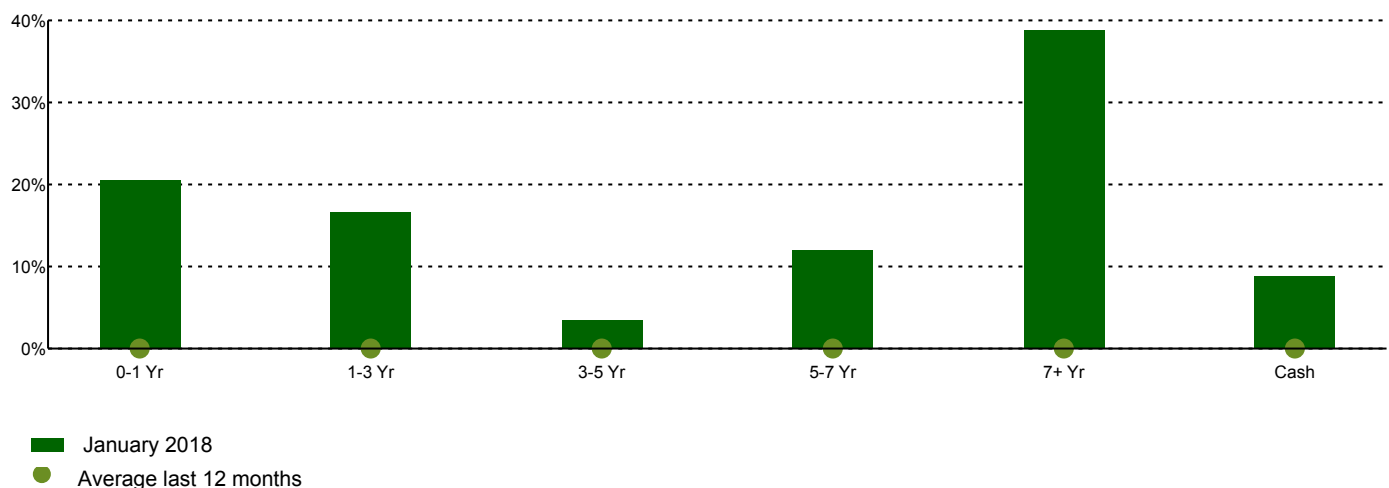
Top 10 investments

Holding	Percentage of Fund
Norwegian Government	10.3
US Treasury N/B	9.4
Portugese Government	7.8
UK Government	7.4
Uruguay Government	6.8
Mexican Government	6.5
NEW ZEALAND GOVERNMENT	6.5
REPUBLIC OF CHILE	6.2
Spanish Government	6.2
HELLENIC REPUBLIC	5.7
Total	72.8

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. 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 find 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 branch office. 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.

Lower risk
Typically lower rewards

Higher risk
Typically higher rewards

1 2 3 4 5 6 7

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THIS IS A MANDATORY ANNOUNCEMENT