

Performance Commentary

The Corona virus scare intensified in February, causing increased financial market volatility. The flight to safety continued and the long-term (10-year) yields in the US and Germany fell by 40 and 20 basis points respectively. The escalating volatility at the end of February led to a sharp rise in the long-term interest rates in emerging markets and peripheral Europe. Moreover, currencies depreciated steeply versus the safe haven currencies of EUR, USD, CHF and JPY. In environments with high market volatility, Tellus will typically underperform the index due to the fund's underweight duration in safe haven markets. In addition, Tellus is not invested in Japan and JPY, which has a high weight in the benchmark index. The weakest performers in February were Mexico, Indonesia (EBRD), South Africa and UK. This was largely due to depreciating currencies. We invested in an IDR-denominated bond issued by the European Bank of Reconstruction and Development. The bond has a solid yield of 5.5% and we expect the currency to appreciate in the longer term. Furthermore, we increased our position in the Dominican Republic, reduced the position in Portugal and exited Greece.

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.

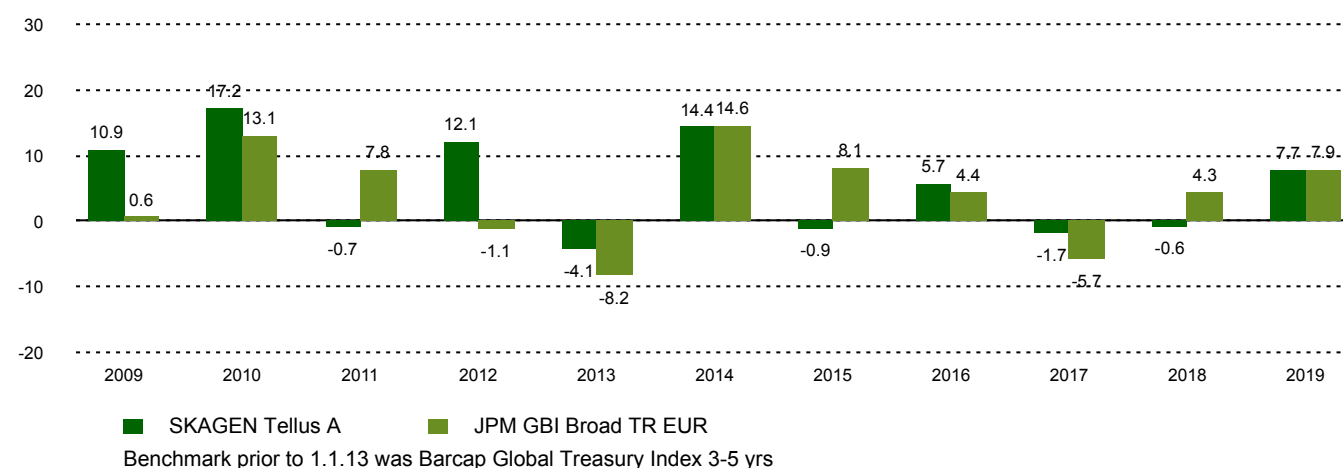
Historical performance (net of fees)

Period	SKAGEN Tellus A	Benchmark index
Last month	-1.5%	1.9%
Year to date	-1.0%	5.0%
Last year	3.4%	12.4%
Last 3 years	1.1%	3.4%
Last 5 years	0.2%	3.3%
Last 10 years	4.1%	4.2%
Since start	4.4%	4.6%

Fund Facts

Type	Fixed income
Domicile	Norway
Launch date	29.09.2006
Morningstar category	Global Bond - EUR Biased
ISIN	NO0010327786
NAV	11.49 EUR
Fixed management fee	0.80%
Benchmark index	JPM GBI Broad TR EUR
AUM (mill.)	48.77 EUR
Duration	3.33
WAL	4.58
Yield	4.71%
Number of holdings	14
Portfolio manager	Jane Tvedt

Performance last ten years



Contributors in the month



Largest contributors

Holding	Weight (%)	Contribution (%)
United States Treasury Note	18.69	0.19
Peruvian Government	6.94	0.06
Serbia Government	4.27	0.02
Hellenic Republic	1.43	0.01
Croatia Government	7.24	-0.01



Largest detractors

Holding	Weight (%)	Contribution (%)
Mexican Bonos	9.10	-0.40
European Bank for Recon & Dev	1.83	-0.36
United Kingdom Gilt	8.65	-0.19
Republic of South Africa	4.15	-0.19
Uruguay Government	6.00	-0.17

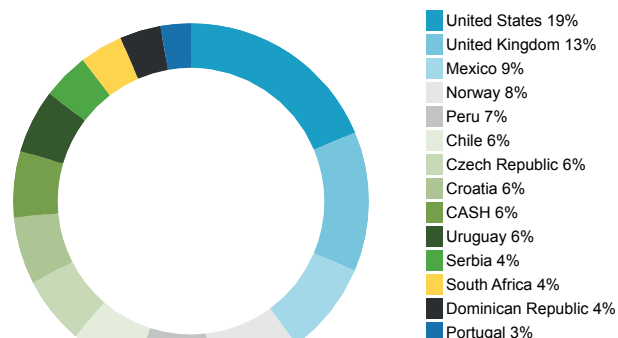
Absolute contribution based on NOK returns at fund level

The art of common sense

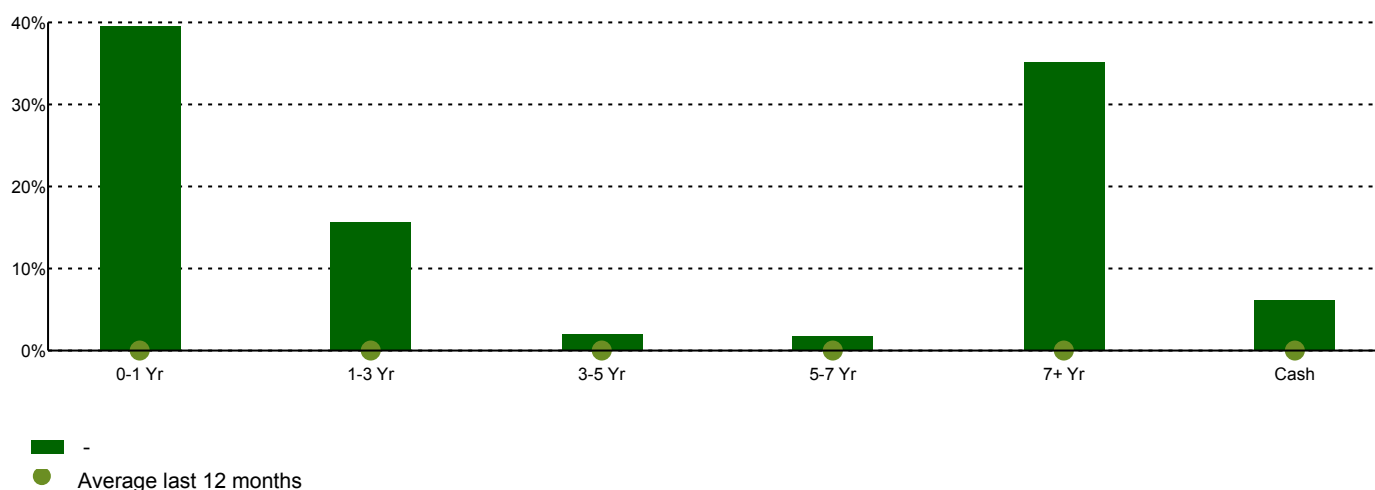
Top 10 investments

Holding	Percentage of Fund
US Government	18.7
Mexico	8.5
UK Government	8.4
Kongeriket Norge	8.3
Republic of Peru	6.8
Republic of Chile	6.3
Czech Republic Government	6.2
Republic of Croatia	6.1
Oriental Republic of Uruguay	5.8
European Bank for Reconstruction & Development	4.3
Total	79.3

Country exposure



Maturity structure



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Important information

This report is intended for investment professionals only. The content is not to be viewed by or used with retail investors. 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.