

## Easier monetary policy in sight

SKAGEN Tellus had a strong first half of the year in absolute terms. The good return was partly due to a general fall in long-term interest rates and tighter credit spreads for some of the fund's holdings. Nonetheless, the fund underperformed its index in the second quarter due to being underweight duration and underweight Japanese yen. At quarter end, the fund's duration is 3.4 years, while the index has a duration of 8.3 years.

### A broad based interest rate fall

The global economy is currently going through a softer patch. It is particularly Europe and the emerging economies that are experiencing weaker growth, but key figures from the US have also been more mixed lately. The trade war and uncertainty about future trade conditions are contributory factors driving weaker growth.

The weaker growth and inflation outlook have led the central banks to change course. The Federal Reserve (Fed) and European Central Bank (ECB) have now cancelled the monetary policy tightening that they communicated at the beginning of the year. The Fed is concerned about US growth and the effects of the trade war. They have stated that the current policy rate may be too high and that they are ready to cut interest rates if they see signs of weaker growth. The market is now pricing three cuts in 2019, the first already at the July meeting. The ECB has far less ammunition with a key rate of -0.4%. However, they have communicated that they may cut interest rates if the inflation outlook fails to improve. There is also the option to restart the QE program.

Weaker growth prospects as well as dovish central banks have led to a sharp fall in long-term interest rates. Since the turn of the year, the US 10-year government bond yield has fallen from 2.7% to 2.0%. In the second quarter, it fell by 40 basis points. Similarly, the German 10-year rate has fallen by 57 basis points since the turn of the year and 26 basis

points in the last quarter. Long-term interest rates in most other countries have fallen along with interest rates in the US and Germany.

### Weaker growth, but no recession

While we are in a period of softer growth, we expect it to be temporary. Progress in the trade talks between the US and China will of course be positive, but more importantly, households are solid. There are no imbalances in the household sector in the major economies that could lead us into deeper decline. Unemployment is low and households are optimistic, which will keep consumption and the economy going. This is also confirmed by both the PMI for the service sector and consumer confidence indicators, which are at solid levels.

### Rally in peripherals

The performance in the fund in the second quarter is mostly due to lower interest rates and not so much currency appreciation. Our investments in peripheral Europe and Mexico contributed the most to the fund's performance.

There was a rally in peripheral government bonds in the quarter, with the interest rates falling substantially more than the general fall in global interest rates. The decline in credit premiums (the difference in interest rates to Germany) is due to a positive economic development and a stable and responsible fiscal policy in these countries.

Our investment in Croatia was the largest contributor in the quarter. The interest rate on the holding decreased by 60 basis points, leading to a bond price appreciation of 5.6%. Croatia is a large holding in the fund at 6.9%.

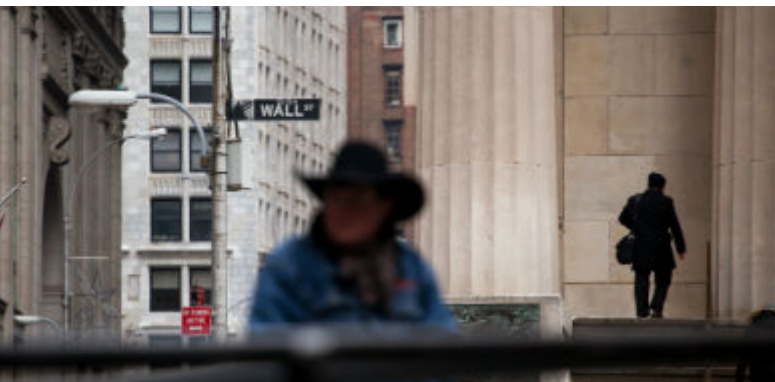


Photo: Bloomberg

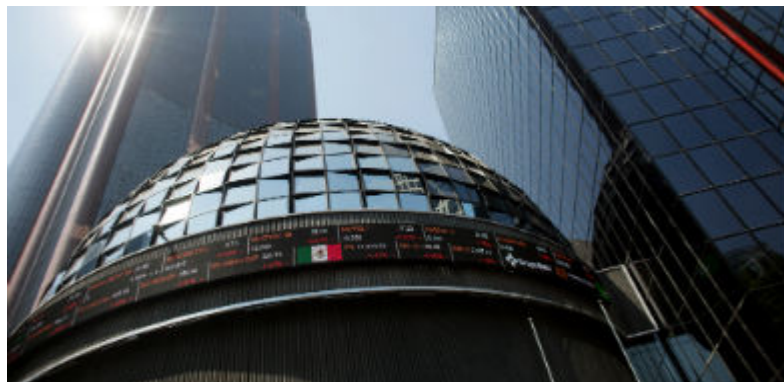


Photo: Bloomberg

The Greek credit spreads have fallen the most. Since the turn of the year, the credit premium in the 10-year Greek government bond is down 135 basis points. The fall in the second quarter was 100 basis points. Continued improvement of the economy is positive. Furthermore, the Conservative party New Democracy won the European Parliament elections. The election defeat of the government party Syriza resulted in Prime Minister Tsipras calling early elections. Elections will be held at the beginning of July. New Democracy is leading the polls with a solid margin and the market is very positive towards a change of government. By the end of June, the Greek 10-year government bond was yielding 2.4%, which is only approx. 30 basis points higher than in Italy.

### Currencies put a drag on performance

Our short-dated investments in the US and UK as well as our investments in Uruguay detracted the most from performance in Q2. The currencies depreciated relative to EUR. Our investments in US treasuries constitute almost 20% of the fund, meaning that even a small depreciation will have a relatively large impact on performance. The USD depreciated relative to EUR in the quarter.

We made only minor changes to the holdings in the second quarter.

Alle Daten sind in EUR mit Stand vom 28/06/2019 sofern nicht anders angegeben.

SKAGEN Tellus hat ein internationales Anlagemandat und investiert hauptsächlich in Staatsanleihen. Der Fonds eignet sich für Anleger mit einem Anlagehorizont von mehr als drei Jahren. Anleger müssen in der Lage sein, Währungsschwankungen zu tolerieren.

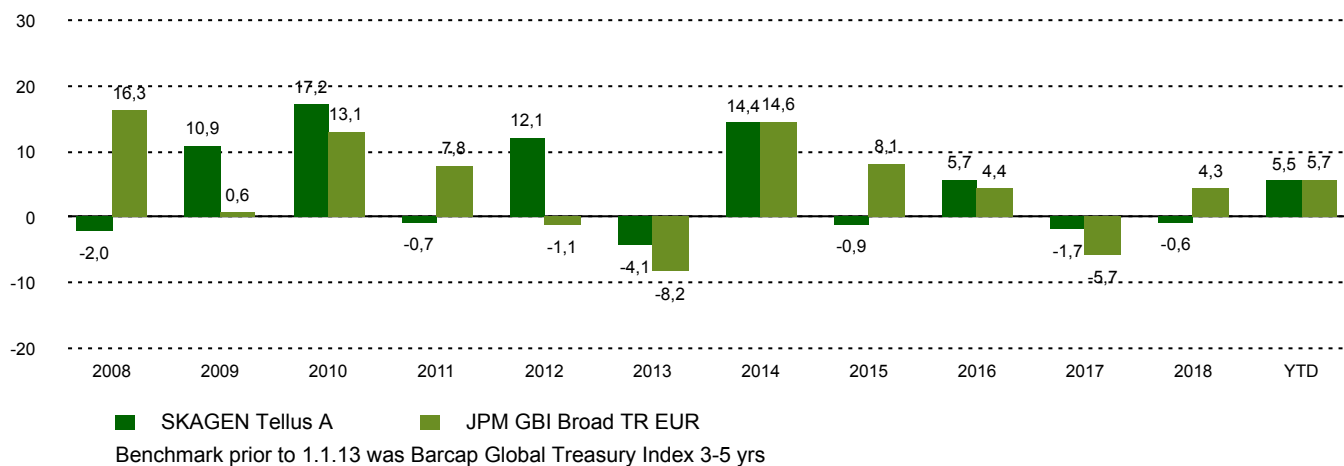
## Historische Wertentwicklung

Zeitraum	SKAGEN Tellus A	Referenzindex
Letzter Monat	1,4%	0,1%
Laufendes Quartal	1,3%	2,0%
Laufendes Jahr	5,5%	5,7%
Letztes Jahr	5,1%	8,3%
Letzten 3 Jahre	1,7%	0,2%
Letzten 5 Jahre	2,6%	4,9%
Letzten 10 Jahre	5,2%	4,3%
Seit Auflage	4,5%	4,3%

## Fondsinformation

Kategorie	Fixed income
Domizil	Norwegen
Gründungsdatum	29.09.2006
Morningstar Kategorie	Anleihen Global EUR
ISIN	NO0010327786
NAV	12,14 EUR
Feste Verwaltungsgebühr	0.80%
Referenzindex	JPM GBI Broad TR EUR
Fondsvermögen	69,37 EUR
Zinnsatzdauer	3,44
Durchschnittliche Restlaufzeit	4,95
Rendite	4,47%
Anzahl der Positionen	14
Portfolioteam	Jane Tvedt

## Wertentwicklung in den letzten 10 Jahren



## Beiträger laufendes Quartal



### Die grössten positiven Beiträger

Position	Anteil (%)	Beitrag (%)
Croatia	6,67	0,42
Mexico	7,08	0,40
Greece	4,94	0,39
Portuguese Government	3,37	0,30
Peruvian Government	5,34	0,29



### Die grössten negativen Beiträger

Position	Anteil (%)	Beitrag (%)
UK Government	6,81	-0,24
Republic of Uruguay	4,67	-0,19
US Government	20,96	-0,18
Swedish Government	4,87	-0,08
Dominican Republic	2,97	0,01

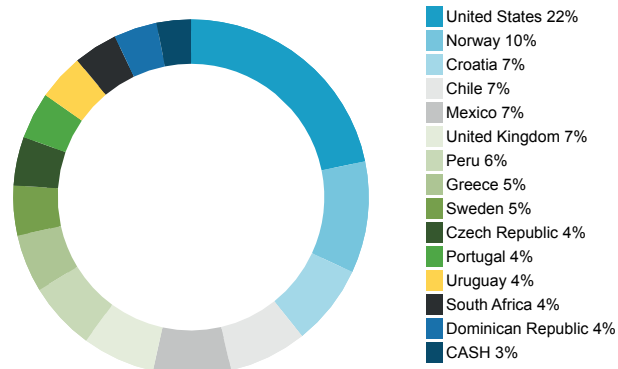
Absoluter Beitrag basiert auf NOK Erträgen auf Fondsebene

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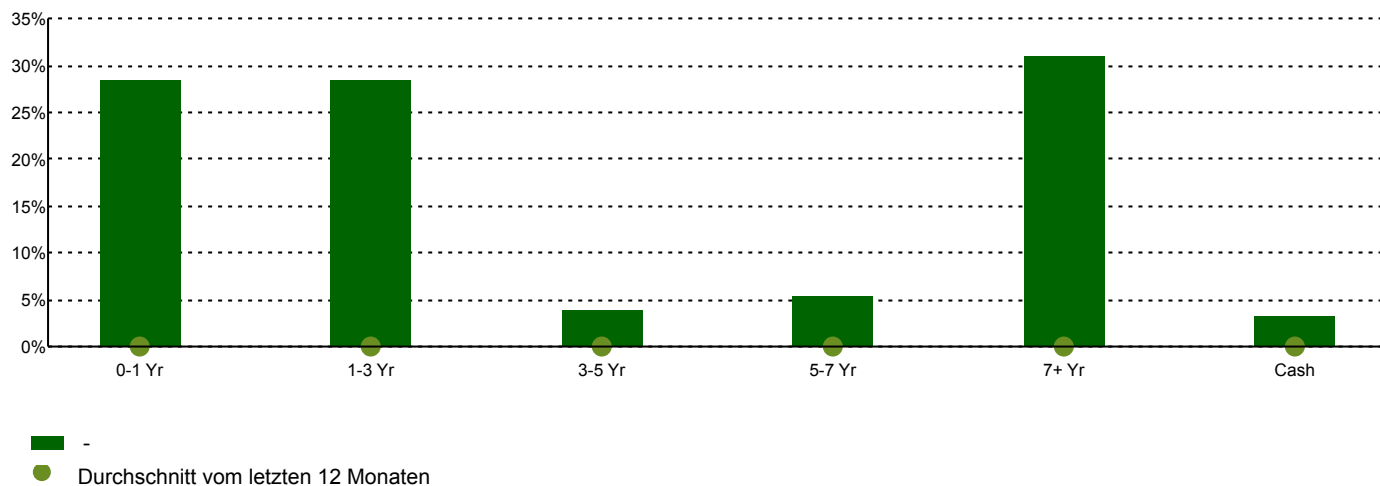
## Top 10 Positionen

Position	Fondsanteil
US Government	21,8
Kongeriket Norge	10,1
Republic of Croatia	7,3
Republic of Chile	7,1
Mexico	7,1
UK Government	6,6
Republic of Peru	6,2
Hellenic Republic	5,3
Kingdom of Sweden	4,5
Czech Republic Government	4,4
Total	80,5

## Land Überblick



## Laufzeitsstruktur



## Kontakt



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