

VIKTIG INFORMASJON: Dette er markedsføring. Rapporten er ikke en anbefaling om å kjøpe eller selge fondsandeler. Før tegning oppfordres det til å lese fondets prospekt og nøkkelinformasjon, som er tilgjengelig på [www.skagenfondene.no](http://www.skagenfondene.no) og hos våre distributører.

## Tellus held up in a challenging environment

Despite an extremely challenging market environment, SKAGEN Tellus held up fairly well during the first quarter and performed significantly better than the benchmark index, highlighting the weak market backdrop.

The largest positive contributors to fund performance in the quarter were our investments in Brazil and Uruguay, both driven by very strong currencies. The largest detractors were our investments in Serbia and Romania driven by higher credit spreads. During the quarter we added to our Chilean, Croatian and Serbian EUR exposures as credit spreads increased significantly and became very attractive. We also reduced our Italian exposure to deploy capital in other more attractive EUR positions and took some profit on our BRL investments after a very strong run for the Brazilian Real so far this year.

### War and inflation

The horrific war in Ukraine overshadowed all other events in the quarter and will continue to dominate going forward. The full effects of the war are uncertain but given Russia and Ukraine's relative importance in global commodities trading, the immediate effect has been large jumps in the price of important commodities such as oil, natural gas, and wheat. This has increased pressure on consumer prices just as signs were appearing that the recent price growth was levelling off. At the same time sanctions, trade disruptions and uncertainty around the long-term consequences of the war have made the growth outlook more uncertain. Central banks at the start of their tightening cycle will face a tough balancing act as they will have to offset high consumer price growth with a deteriorating growth outlook.

Expectations of tighter central bank policies pushed up interest rates

across developed markets in the quarter as most developed countries still run quite expansionary monetary policies despite the high consumer price growth. In Europe we saw interest rates on German two-year government bonds touch 0% for the first time since they went negative in 2014. At the same time the two-year interest rate on US government bonds recently increased to a level higher than the rate on ten-year US government bonds, i.e., the yield curve has inverted. Historically speaking, yield curve inversions are famous for being strong predictors of economic recessions although it can take some time from an inversion occurring to a recession beginning. The average time from inversion to recession is around 18 months.

The increased uncertainty caused by the war has also put upward pressure on credit spreads globally. Both corporates and sovereigns saw their credit spreads increase significantly and European issuers in particular were affected. Some of the moves were quite extreme and we took advantage of the situation to add some exposure to several of our EUR positions such as Croatia, Chile, Serbia, and Romania. Eastern European countries suffered due to their proximity to Russia and Ukraine and saw the largest increase in credit spreads, but even Chile saw the credit spread on their 10-year EUR bonds double to levels close to the peak seen in 2020 when the pandemic hit.

The simultaneous rise in yields and credit spreads resulted in the first quarter being one of the worst in terms of performance for global bonds in several decades. As an example, Bloomberg's US government bond index had its worst quarterly performance since 1980 and indices measuring volatility and liquidity strains in bond markets indicate continued market strain going forward.



Foto: Unsplash



Foto: Shutterstock

### Covid-19

It is also worth highlighting the fact that several Asian countries have seen an upswing in Covid-19 infections lately. Although the strains seem to be milder than during previous waves, China is still pursuing its zero tolerance Covid policy and are locking down vast areas after just a few reported cases. Given China's relative importance for global trade, this has the potential to contribute to prolonged supply chain disruptions and corresponding price increases. At the same time, China is one of the few countries in the world going against the tide in terms of monetary policy and loosening lending standards to fuel growth.

### Outlook

From a position of relative optimism coming out of the pandemic, 2022 has taken a turn for the worse. The war in Ukraine has introduced great uncertainty to the global economic outlook and especially so for Europe and other regions with significant economic ties to Russia and Ukraine. Long-term interest rates have increased considerably but have room to move higher if consumer price growth proves sticky. We will likely keep the duration in the fund low compared to the benchmark index, but we still see attractive opportunities to take on duration and credit exposure in emerging markets.

SKAGEN Tellus investerer i en aktivt forvaltet og diversifisert portefølje av hovedsakelig statsobligasjoner fra hele verden. Fondet passer for dem som ønsker å investere i et obligasjonsfond, enten alene eller som del i en veldiversifisert, og som har minst tre års investeringshorisont. Investorer bør tolerere valutasvingninger. Det tegnes i fondsandeler, og ikke direkte i aksjer eller andre verdipapirer. Fondet har risikoprofil 4. Referanseindeksen reflekterer fondets investeringsmandat. Siden fondet er aktivt forvaltet vil imidlertid porteføljen avvike fra indeksens sammensetning.

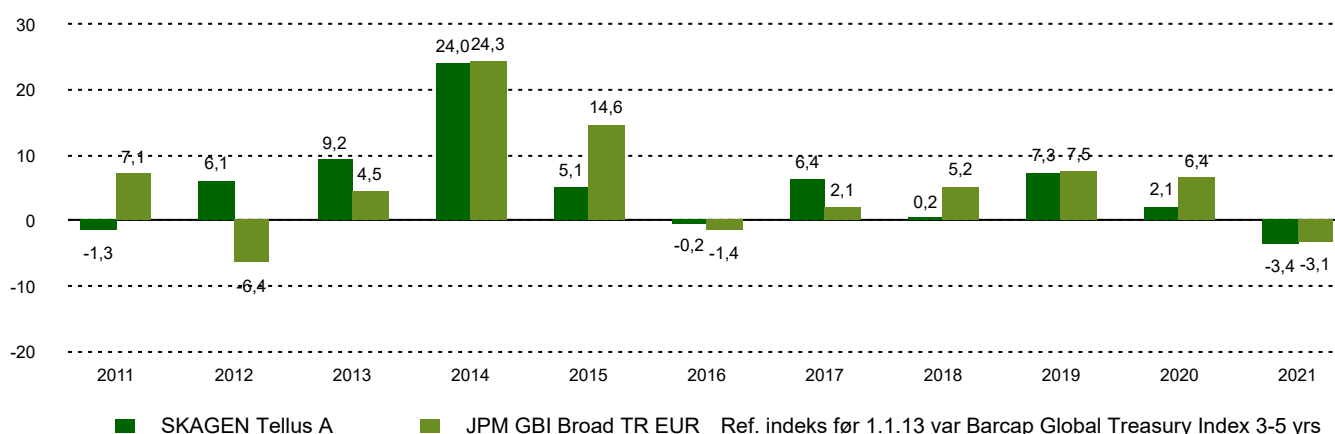
## Historisk avkastning

Periode	SKAGEN Tellus A	Referanseindeks
Siste måned	-0,5%	-3,9%
Hittil i kvartal	-3,2%	-6,8%
Hittil i år	-3,2%	-6,8%
Siste år	-2,1%	-4,4%
Siste 3 år	0,2%	0,6%
Siste 5 år	1,4%	1,8%
Siste 10 år	5,1%	4,8%
Siden start	4,7%	4,6%

## Fondsfakta

Type	Obligasjonsfond
Domisil	Norge
Start dato	29.09.2006
Morningstarkategori	Rente, Globale obligasjoner - EUR fokusert
ISIN	NO0010327786
NAV	100,63 NOK
Årlig forvaltningshonorar	0.80%
Referanseindeks	JPM GBI Broad TR EUR
Forvaltningskapital (mill.)	387,94 NOK
Rentefølsomhet	4,72
Vektet gj.sn. løpetid	6,35
Effektiv rente	4,03%
Antall poster	19
Porteføljeforvalter	Sondre Solvoll Bakketun

## Avkastning siste 10 år

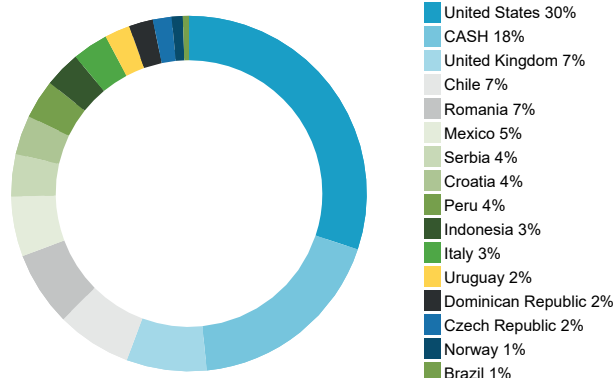


Historisk avkastning er ingen garanti for fremtidig avkastning. Fremtidig avkastning vil blant annet avhenge av markedsutviklingen, forvalterens dyktighet, fondets risikoprofil og forvaltningshonorar. Avkastningen kan bli negativ som følge av kurstap. Det er knyttet risiko til investeringer i fondet på grunn av markedsbevegelser, utvikling i valuta, rentenivåer, konjunkturer, bransje- og selskapsspesifikke forhold.

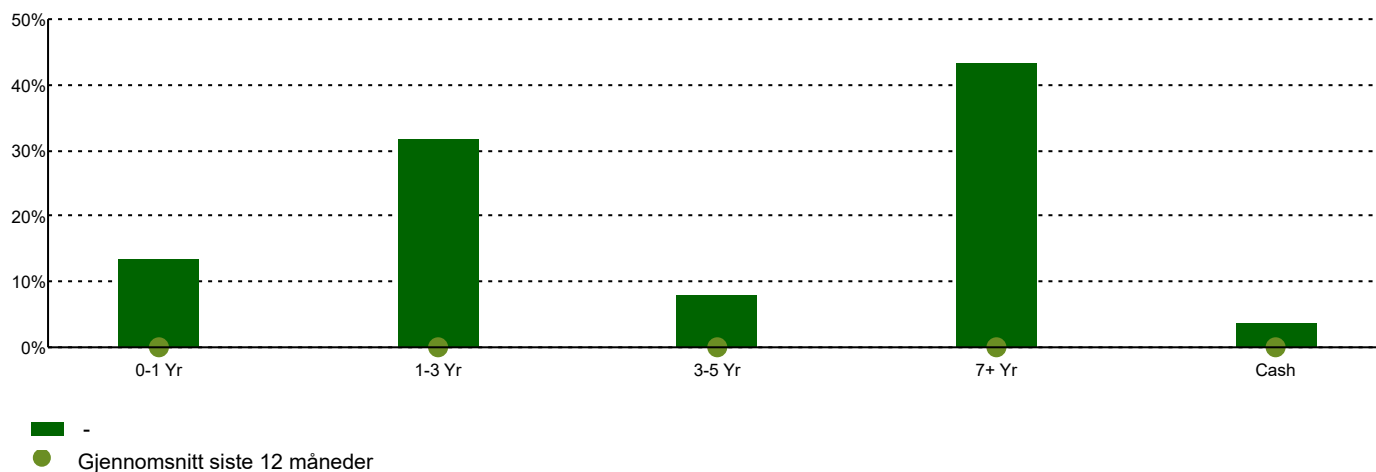
## 10 største investeringer

Navn	Prosent av fond
US Government	30,1
International Finance Corp	7,7
Republic of Chile	6,8
Romanian Government	6,8
European Bank for Reconstruction & Development	6,7
Mexico	5,5
UK Government	4,8
Serbia International Bond	3,8
Republic of Croatia	3,6
Republic of Peru	3,6
Total	79,3

## Landeksponering



## Tid til forfall



## Viktig informasjon

All informasjon er basert på mest oppdaterte tall tilgjengelig. Med mindre noe annet er opplyst, vil avkastningsdata være relatert til andelsklasse A og vises etter fradrag for honorarer. Forvaltningskapital per utgangen av forrige måned. All informasjon er fremstilt av SKAGEN AS (SKAGEN) med mindre noe annet er opplyst. SKAGEN fraskriver seg ethvert ansvar for direkte- og indirekte tap samt utgifter pådratt i forbindelse med bruk av eller forståelsen av innholdet i rapporten. Ansatte i SKAGEN vil kunne eie finansielle instrumenter utstedt av selskaper som er omtalt i rapporten eller som fondene har i sine porteføljer.



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