



Apple trees, 1907. Detail. By Michael Archer, one of the Skagen Painters. This image belongs to the Art Museums of Skagen.

SKAGEN Credit EUR

Status report April 2017

The art of common sense



SKAGEN Credit EUR A – Key numbers

Key numbers as of 28 April	SKAGEN Credit EUR A	Index (EURIBOR 3M)
Return last month	0,1 %	0,0 %
Return year to date	0,7 %	-0,1 %
Return since inception (annualized)	0,8 %	-0,1 %
Duration	0,8	0,25
Time to maturity	2,4	N/A

The SKAGEN Credit investment universe



SKAGEN Credit picks bonds both from the investment grade and the high yield spectrum with a high risk adjusted return potential. Minimum 50% investment grade.

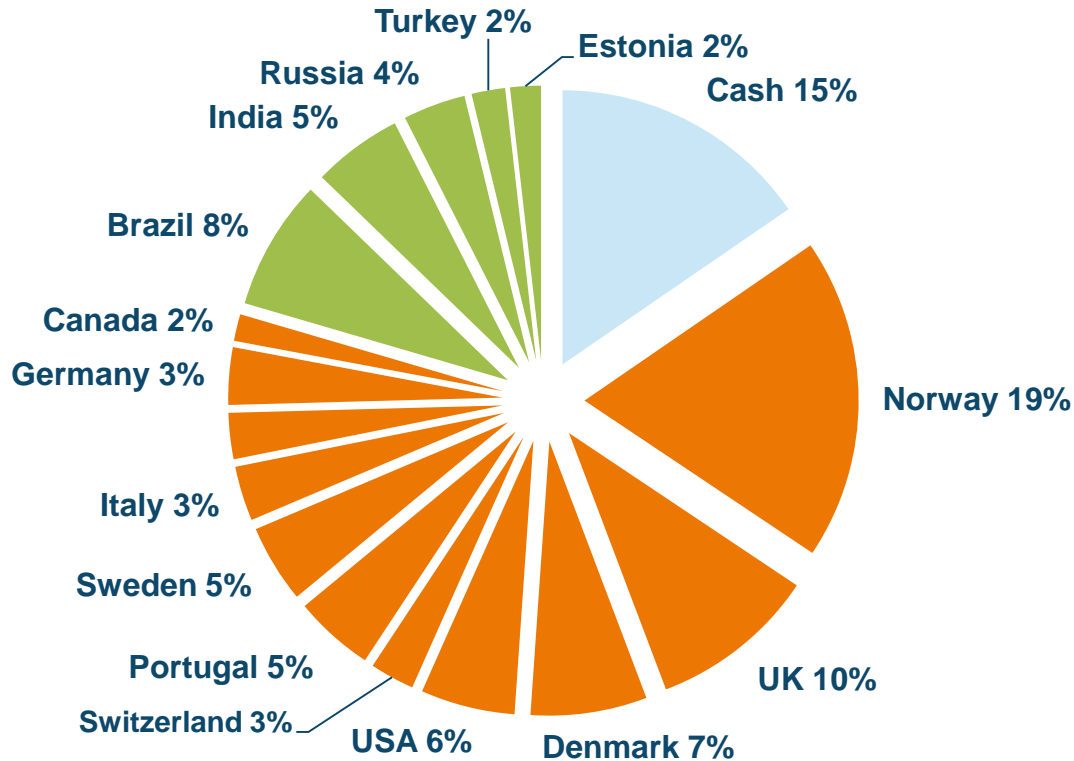
Portfolio comment

The risk premium that companies have to pay when borrowing in the fixed income market has been more or less at a standstill in 2017. Of course individual companies have experienced changes, but on an aggregate level, spreads have barely moved.

The bonds in SKAGEN Credit are more or less the same as they were a month ago. The fund still maintains rather low risk with a rather high proportion (65%) of Investment Grade rated bonds and a short average time to maturity (2.3 years). The proportion of the fund invested in Emerging Markets is 21%. Since EM is not *one* market but very many that do not always correlate, its much more important to look at each country individually. On the next slide you can see that the holdings in SKAGEN Credit are spread between many countries and no country or region dominates. The same goes for our sector exposure as illustrated further on in this report; we do not allow any sector to dominate in the fund.

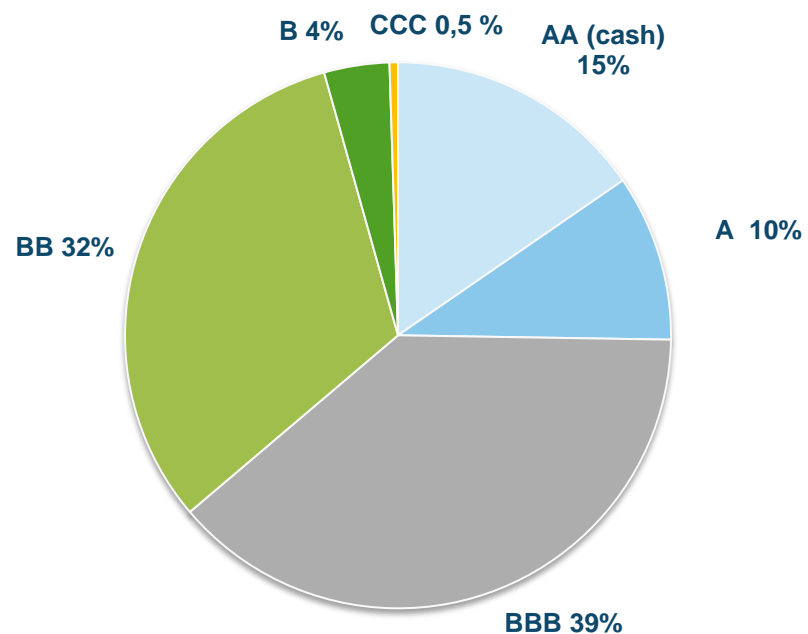
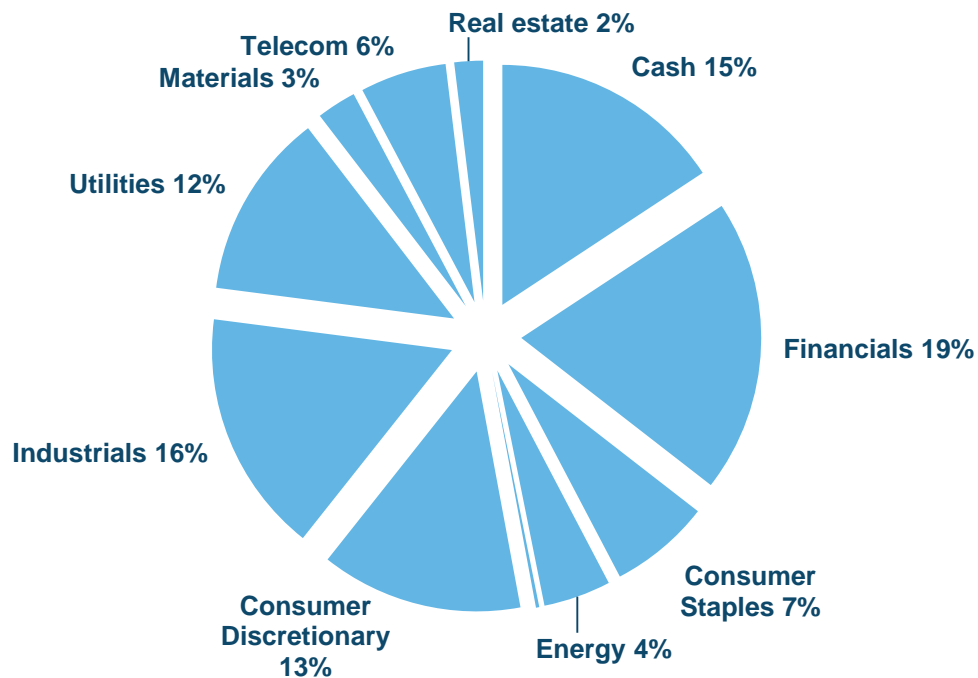
Most important, however, is the fact that the fund only invests in corporate bonds that are hand picked from different markets and currencies. The fund is not forced to buy a bond just because it happens to be in an index.

Country diversification



Developed markets:	64 %
Emerging Markets:	21 %
Cash:	15 %

Sector and credit rating distribution



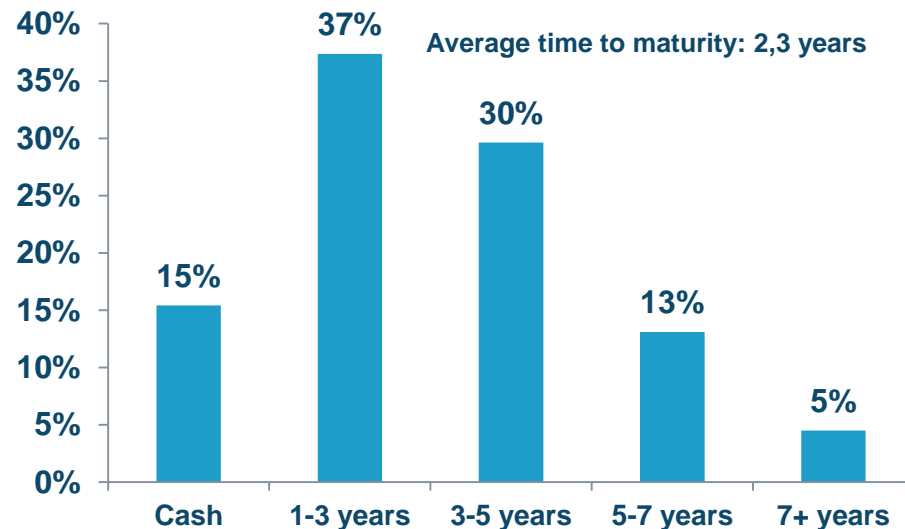
Investment grade:	65 %
High Yield:	35 %
Average rating:	BBB

Interest rate duration and time to maturity

Interest rate exposure and denominated currency (before currency hedge)

Currency	Bond denominated	Interest rate duration
USD	46%	0,9 year
EUR	10%	0,5 year
GBP	20%	1,2 year
NOK	21%	0,2 year
SEK	3%	0,3 year
DEK	3%	0,2 year
Sum Fund	100%	0,8 year

Credit exposure - time to maturity profile



Top ten investments

Company	Country of risk	Credit rating*	Percent of fund
Energias de Portugal	Portugal	BBB-	4,7 %
Heathrow	United Kingdom	BBB	4,7 %
BKK	Norway	BBB	4,7 %
Sparebanken Telemark	Norway	A-	4,4 %
Sparebanken 1 Nord-Norge	Norway	A	3,5 %
Schaeffler	Germany	BB+	3,4 %
Fiat	Italy	BB-	3,2 %
Bharti	India	BBB-	3,1 %
DSV	Denmark	BBB	3,0 %
Cosan	Brazil	BB	3,0 %
Sum top 10			37,7 %

Average bond rating.

*** Represent bonds from several legal units within the Glencore group*

For more information please visit:

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Information about [SKAGEN Credit EUR](#) on our website

Unless otherwise stated, all performance data in this report 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 skill, the fund's risk profile and subscription and management fees. The return may become negative as a result of negative price developments. KIIDs and prospectuses for all funds can be found on our website.

SKAGEN seeks to the best of its ability to ensure that all information given in this report is correct, however, makes reservations regarding possible errors and omissions. Statements in the report reflect the portfolio managers' viewpoint at a given time, and this viewpoint may be changed without notice. The report should not be perceived as an offer or recommendation to buy or sell financial instruments. SKAGEN does not assume responsibility for direct or indirect loss or expenses incurred through use or understanding of the 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 the fund's portfolio.