

## Prospectus SKAGEN m<sup>2</sup> Verdipapirfond, org.nr. 998 738 873 (established 31 October 2012)

### 1. SKAGEN AS

#### 1.1 Legal matters

SKAGEN AS (SKAGEN) was founded on 15.09.1993 and is registered in the Register of Business Enterprises with org. no. 867 462 732. On 19.11.1993 the company was authorised by the Financial Supervisory Authority of Norway to manage securities funds. The company manages the following different fund categories; equity funds, fixed income funds and balanced funds. The funds are managed according to different mandates within their respective categories. For more information about which funds are managed by the company, please refer to our homepage www.skagenfunds.com or contact the company directly. The company's share capital is NOK 6.329.200. The company's registered address is P.O. Box 160, 4001 Stavanger. The company is authorised to market SKAGEN m<sup>2</sup> in Norway, Sweden, Denmark, Finland, the Netherlands, Luxembourg, Iceland, the UK, Ireland, the Faroe Islands, Germany, France and Belgium.

Changes in the marketing of the Fund or the termination of the marketing of the Fund in the above mentioned markets may not be carried out until SKAGEN has provided written notification to the financial authorities in the relevant host countries. Unit holders will be informed via our web pages.

#### 1.2 Ownership

The company is 100 percent owned by is Storebrand Asset Management AS.

#### 1.3 Board of Directors

Elected by the shareholders:

Jan Erik Saugestad, Chairperson  
Viveka Ekberg  
Kristian Falnes  
Tove Selnes

Elected by the unit holders:

Per Gustav Blom  
Karen-Elisabeth Ohm Heskja

Deputy members elected by the shareholders:

Leiv Askvig  
Camilla Brustad-Nilsen

Deputy member elected by the unit holders:

Hilde Hukkelberg

Observer elected by the employees:

Anne Sofie Størseth

Deputy member elected by the employees:

Michel Ommeganck

The total fee paid to directors was NOK 1.550.000 in 2020.

#### 1.4 Managing director

Timothy C Warrington

The Managing director receives a fixed salary of NOK 2.300.000 and in addition, a performance based bonus.

#### 1.5 Remuneration scheme

The company has a remuneration scheme which is established in accordance with the management company's and the funds' strategies, overall objectives, risk tolerance and long-term interests. Central to the company's remuneration scheme is a profit sharing with employees. More information about the remuneration scheme can be found on the company's web site. The information can be sent free of charge on request.

### 2. Articles of Association for the fund SKAGEN m<sup>2</sup>

#### § 1 The name of the securities fund and of management company

The securities fund SKAGEN m<sup>2</sup> is managed by the management company SKAGEN AS. The Fund is authorised in Norway and is regulated by the Financial Supervisory Authority of Norway. The Fund is regulated in accordance with the Norwegian Securities Fund Act no 44 of 25 November 2011 ("the Norwegian Securities Funds Act").

#### § 2 UCITS fund

The Fund is a UCITS fund which complies with the investment regulations in chapter 6 of the Norwegian Securities Fund Act, and the regulations on subscription and redemption in § 4-9 (1) and § 4-12 (1).

#### § 3 Rules for the investment of the securities fund's assets

##### 3.1 The fund's investment universe and risk profile

The Fund is an equity fund according to the definitions issued by the Norwegian Fund and Asset Management Association. The Fund mainly invests in shares issued by companies worldwide which engage in activities associated with real estate.

The Fund is normally characterised by a relatively high risk of fluctuations (volatility). The risk profile is described in greater detail in the Fund's Key Investor Information Document.

The Fund's investment mandate is described in greater detail in this prospectus.

##### 3.2 General information about the investment universe

The Fund's assets may be invested in the following financial instruments and/or deposits in banks and financial institutions:

Negotiable securities	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no
Securities fund units	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no
Money market instruments	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no
Derivatives	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no
Deposits in banks and financial institutions	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no

Investment in other securities funds may not exceed 10 percent of the fund's assets:  yes  no

Irrespective of the investment alternatives stated in the present article.

The fund may hold liquid assets.

Securities funds invested in may themselves invest a maximum of 10 percent of the fund's assets in securities fund units:

yes  no

Investment in securities funds which are not UCITS shall comply with the requirements in the Securities Funds Act § 6-2 (2) and in total not exceed 10 percent of the fund's assets:

yes  no

The Fund's assets can be invested in money market instruments that are normally traded in the money market, are liquid and can be valued at any time:  yes  no

The Fund may use the following derivatives: options, forward contracts and swaps. The underlying financial instrument to the derivative shall be financial instruments as mentioned above in point 3.2 first paragraph, indices with financial instruments specified in point 3.2 first paragraph as or interest, currency or exchange rates as.

The expected risk and expected performance of the Fund's underlying security portfolio is reduced as a result of the derivative investments.

The Fund's investments in securities fund units together with other investments shall conform to the current articles of association.

##### 3.3 Liquidity requirements

The fund's assets may be invested in financial instruments which:

- are officially listed or traded on a regular market in an EEA country, including a Norwegian regulated market as defined in directive 2004/39/EC art 4 (1) no 14 and § 3(1) of the Norwegian Stock Exchange Act.  yes  no
- traded on another regularly functioning regulated market, which is open to the public in a country which is party to the EEA agreement.  yes  no

3. is officially listed on the stock exchange in a country outside the EEA or which is traded in such countries on another regularly functioning regulated market open to the general public.  
 yes  no

All stock exchanges and regulated markets in the world are eligible. Investments are made in developed markets and emerging markets.

4. are newly issued where a condition of issue is that application is made for trading on stock exchanges or markets crossed off in points 1 to 3 above. Admission for trading may be performed at the latest one year after the expiry of the subscription deadline  
 yes  no

The Fund's assets may be invested in money market instruments which are traded on a different market to those specified in points 1 to 3 above, where the issue or issuer of the instruments is regulated in order to protect investors and savings and the instrument is subject to the Norwegian Securities Fund Act § 6-5 (2).

Up to 10 percent of the Fund's assets may be invested in different financial instruments to those described in the present article.

### 3.4 Investment restrictions – on the Fund's assets

The Fund's holdings of financial instruments must be of a composition which allows an appropriate spread of the risk of losses.

The Fund's investments must at all times conform to the investment limitations in the Norwegian Securities Fund Act § 6-6 and § 6-7 (1) and (2).

### 3.5 Investment restrictions – ownership interest with issuer

The Fund's investments shall at all times comply with the investment restrictions in the Norwegian Securities Fund Act § 6-9.

### 3.6 Lending

The Fund may lend financial instruments in accordance with the Norwegian Securities Fund Act § 6-11.

All income from securities lending shall accrue to the Fund.

### § 4 Capital gains and dividends

Capital gains shall be reinvested in the Fund.

Dividends are not distributed to unit holders.

The board of directors of the management company may determine that capital gains on the Fund's bonds shall be paid to the unit holders.

The board of directors of the management company may determine that share dividends and/or interest income shall be paid out to the unit holders.

### § 5 Costs

Management fees are the management company's remuneration for the management of the Fund.

The basis for calculating management fees is the day-to-day value of the Fund. When calculating the Fund's net asset value (total net assets), the basis shall be the market value of the portfolio of financial instruments and deposits in banks and credit institutions, the value of the Fund's liquid assets and other receivables, the value of earned non-due revenues and the value of any loss carry forwards deducted for debt and accrued non-due costs including latent tax liabilities.

In addition to the management fee, the following costs may also be covered by the Fund:

1. Transaction costs related to Fund investments;
2. Payment of taxes imposed on the Fund;
3. Interest on borrowings as specified in Section 6-10 of the Norwegian Securities Funds Act; and
4. Any extraordinary costs necessary to protect the interests of unit holders, cf. Section 4-6, second paragraph, of the Norwegian Securities Funds Act.

The management fee shall be divided equally on all units within each fund's unit class. The amount of the management fee is set out in Art. 7 of the Articles of Association.

All fees received from sub-funds shall accrue to SKAGEN m<sup>2</sup> in its entirety.

### § 6 Subscription and redemption of fund units

The Fund is normally open for subscriptions five times a week.

The Fund is normally open for redemptions five times a week.

A subscription charge of up to three percent of the subscribed amount may be charged upon subscription.

The Board of SKAGEN may determine the cost shall increase up to 10 percent of the subscribed amount. The difference between three percent and the adopted increased subscription cost of up to 10 percent shall accrue to the Fund. The Board can adopt the increased subscription charge for a specific period with options for prolonging or shortening by Board resolution.

A redemption fee of up to one percent of the redeemed amount shall be paid upon redemption.

SKAGEN may use swing pricing. Please refer to the prospectus for further details.

### § 7 Unit classes

The fund's asset pool shall be divided into the following unit classes:

Unit Class	Management Fee
m <sup>2</sup> A	Fixed management fee of 1.5 % adjusted for performance-based management fee
m <sup>2</sup> B	Fixed management fee not to exceed 1.2 % adjusted for performance-based management fee
m <sup>2</sup> C	Fixed management fee of 1.5 %. In addition there shall be a performance-based management fee

#### Unit Class m<sup>2</sup> A

The management company may charge the unit class a fixed management fee.

The management fee shall constitute 1.5 per cent per annum.

The fixed management fee shall be calculated daily and charged quarterly.

The total fixed management fee in the Fund and any sub-funds may not exceed 6.5 per cent per annum in unit class A.

The management company may additionally charge the unit class a performance-based management fee.

The fixed management fee shall be subtracted from the unit value before calculating the performance-based management fee.

The performance-based management fee shall be calculated daily and charged annually.

In the event of a percentage-related more favourable improvement in the value of the unit than in the MSCI ACWI Real Estate IMI Net total return index USD, measured in Norwegian kroner (NOK) from the preceding day, the management company will calculate a 10 per cent fee of this difference in its favour.

A performance-based management fee may be charged even if the units of the unit class have declined in value.

The total management fee may not exceed 3 per cent of the daily calculated average annual assets under management.

In the event of a percentage-related less favourable development than in the MSCI ACWI Real Estate IMI Net total return index USD, measured in Norwegian kroner (NOK), the management company will subtract a 10 per cent fee of this difference from the management fee.

The total management fee may not fall below 0.75 per cent of the daily calculated average of the annual assets under management. If the calculated management fee is lower than 0.75 per cent, the difference will not be included in the unit value but be carried over to the following day. This means that the management company will have to recover the loss in value from the preceding day before any performance-based management fee can be included in the calculation of the unit value.

The calculation period will run from the start of the year even if the unit was purchased during the calendar year.

The daily calculation of the performance-based management fee per unit is affected by unit subscriptions and redemptions. Performance-based management fees may therefore be charged even if the development in the value of the unit class has been negative in relation to the benchmark and will similarly not be charged if the value of the unit class has been positive in relation to the benchmark.

#### Unit Class m<sup>2</sup> B

Unit Class B is characterised by having a lower fixed management fee than Unit Class A. The unit class is open to any investor who subscribes for units through distributors which are not contractually eligible to receive remuneration from the management company.

The management company may charge the unit class a fixed management fee.

The management fee shall not exceed 1.2 per cent per annum.

The fixed management fee shall be calculated daily and charged quarterly.

The total fixed management fee in the Fund and any sub-funds may not exceed 6.5 per cent per annum in unit class B.

The management company may additionally charge the unit class a performance-based management fee.

The fixed management fee shall be subtracted from the unit value before calculating the performance-based management fee.

The performance-based management fee shall be calculated daily and charged annually.

In the event of a percentage-related more favourable improvement in the value of the unit than in the MSCI ACWI Real Estate IMI Net total return index USD, measured in Norwegian kroner (NOK) from the preceding day, the management company will compute a 10-per cent fee of this difference in its favour.

A performance-based management fee may be charged even if units in the unit class have declined in value.

The total management fee may not exceed 2.7 per cent of the daily calculated average annual assets under management.

In the event of a percentage-related less favourable development than in the MSCI ACWI Real Estate IMI Net total return index USD, measured in Norwegian kroner (NOK), the management company will subtract a 10 per cent fee of this difference from the management fee.

The total management fee may not fall below 0.45 per cent of the daily calculated average annual assets under management. If the calculated management fee is lower than 0.45 per cent, the difference will not be included in the unit value but be carried over to the following day. This means that the management company will have to recover the loss in value from the preceding day before any performance-based management fee can be included in the calculation of the unit value.

The calculation period will run from the start of the year even if the unit was purchased during the calendar year.

The daily calculation of the performance-based management fee per unit is affected by unit subscriptions and redemptions. Performance-based management fees may therefore be charged even if the development in the value of the unit class has been negative in relation to the benchmark and will similarly not be charged if the value of the unit class has been positive in relation to the benchmark.

In the event, a unit holder does not meet the criteria for investing in Unit Class B, the management company may transfer the unit holder's unit value to Unit Class A.

#### Unit Class m<sup>2</sup> C

The management company may charge the unit class a fixed management fee.

The management fee shall constitute 1.5 per cent per annum.

The fixed management fee shall be calculated daily and charged quarterly.

The total fixed management fee in the Fund and any sub-funds may not exceed 6.5 per cent per annum in unit class C.

The management company may additionally charge the unit class a performance-based management fee.

The fixed management fee shall be subtracted from the unit value before calculating the performance-based management fee.

The performance-based management fee shall be calculated daily and charged annually.

In the event of a percentage-related more favourable improvement in the value of the unit than in the MSCI ACWI Real Estate IMI Net total return index USD,

measured in Norwegian kroner (NOK) from the preceding day, the management company will calculate a 10 per cent fee of this difference in its favour.

The total management fee may not exceed 3 per cent of the average annual assets under management.

The performance management fee is charged/settled annually on 31 December. The performance management fee is only charged/settled if the accumulated relative value development between the unit class and the MSCI ACWI Real Estate IMI Net total return index USD, as measured in Norwegian kroner, from the time of the previous charge/settlement up to 31 December is greater than zero (relative high-water mark). The calculation period for the performance management fee is from the previous charge/settlement to the end of the year if the criteria for charging/settling the fee are fulfilled. This means that a unit holder who subscribes units during a period when the accumulated relative value development is less than zero, may avoid being charged a performance management fee even though his units have had a better value development than the MSCI ACWI Real Estate IMI Net total return index USD, as measured in Norwegian kroner.

A performance-based management fee may be charged even if the units of the unit class have declined in value.

The daily calculation of the performance-based management fee per unit is affected by unit subscriptions and redemptions. Performance-based management fees may therefore be charged even if the development in the value of the unit class has been negative in relation to the benchmark and will similarly not be charged if the value of the unit class has been positive in relation to the benchmark.

### **3. Tax issues**

The information given below is not intended as tax advice, but merely provides information on the basic tax rules for the Fund. Please contact your local tax consultant for further information.

#### *The Fund:*

The Fund is exempt from tax on profits and is not entitled to deduct losses from the disposal of units. Dividends from, and profits on, investments that fall under the exemption method are also tax-free. However, three per cent of the tax-free dividends must be considered as taxable for the Fund. The Fund may be liable to pay tax on gains and dividends from foreign companies. The Fund is exempt from wealth tax. Net capital gains, foreign exchange gains and gains on interest-bearing securities are taxed at 22%.

The Fund does not distribute dividends.

#### *Investors liable to taxation in Germany*

##### **Taxation of fund units for private investors**

The taxable income of the investment fund is taxable for the individual investor as capital income; a private saving's allowance of EUR 801 p.a. (EUR 1,602 for spouses with joint assessment) applies.

Taxation at fund unit holder's level is due for the investment income:

- distributions of the fund;
- advance lump sum  
Advance lump sum is the amount by which the distributions of an investment fund within a calendar year fall below the basic income for that calendar year. Basic income is calculated by multiplying the redemption price for the investment share at the start of the calendar year by 70% of a base rate. That base rate is derived from the return of public bonds with long duration. Basic income is limited to the excess of the last redemption price for the calendar year over the first redemption price for the calendar year plus the distributions during the calendar year. The advance lump sum is deemed to have accrued on the first working day of the following calendar year.
- capital gain on the fund units in case of redemption or disposal of the fund units.  
(The already taxed advance lump sums during the holding period can be deducted from the capital gain).

The tax rate is basically set at a flat rate of 25% and 5.5% solidarity surcharge, thereof (=26, 375%). If the unit holder is liable to church tax, church tax will also additionally apply.

Qualification as an equity fund (Sec. 2 para. 6 and 8 German Investment Tax Act 2018) Equity funds are investment funds that, pursuant to their investment terms and conditions, continuously invest a minimum of 51 percent of fund assets in equity investments. The fund qualifies as "Equity Fund" in the meaning of Sec. 2 para. 6 and 8 German Investment Tax Act (2018) and therefore 30% of the investment income is tax exempt. These conditions are observed in the factual asset management and the daily equity participation can be provided upon request. For more information, please refer to [www.skagenfunds.de/](http://www.skagenfunds.de/)

Tax is levied through withholding tax on the investment income in case the fund units are under custody by a German-resident custodian. In case the fund unit holder's personal income tax rate is inferior to the a.m. rate, such lower rate will be applied upon his application in his annual tax declaration

**Taxation of fund units held as business assets or held by corporate investors**

For investors subject to income tax who hold their units as business assets or corporate investors, the aforementioned distribution and advanced lump sum is subject to WHT as described above. The tax exemption for 30% of the investment income is also applying for WHT purposes, if the investment fund is qualifying as "Equity Fund" in the meaning of Sec. 2 para. 6 and 8 German Investment Tax Act.

WHT will – under certain circumstances – not be levied on the capital gain on the investment units. However, the taxation will apply in the annual tax assessment in this case.

The investment income is taxed eventually in the tax assessment under credit of the levied WHT

- (i) with the individual tax rate (and applicable individual solidarity surcharge rate) if the fund units are held as business assets,
- (ii) with the corporate tax rate of 15% (plus 5,5 % solidarity surcharge thereof) if the fund units are held by corporate investors.

The fund qualifies as "Equity Fund" according to Sec. 2 para. 6 and 8 German Investment Tax Act (2018) and therefore the partial tax exemption of the investment income is increased to 60% at the investor's tax assessment for fund units are held as business assets and 80% for fund units held by corporate investors.

**4. Derivatives**

According to § 3 3 2 of the Articles of Association, the Fund may use derivatives, where the purpose is reduction of risk. The Fund does not currently use derivatives.

**5. Benchmark index**

The Fund's benchmark is the MSCI ACWI Real Estate IMI Net total return index USD, measured in NOK. The benchmark is adjusted for dividends.

The Fund's benchmark is provided by MSCI Limited, an administrator approved by and registered with ESMA in accordance with the Benchmark Regulation.

SKAGEN has developed a plan in case the benchmark ceases to exist or is materially changed, and has identified one or more relevant back-up benchmarks which can re-place the current index. A change of benchmark requires amendment of the fund's Articles of Association and will follow the procedures laid out in the Securities Funds Act and Regulation, including approval from the unit holders and the Financial Supervisory Authority of Norway.

**6. Objective and investment strategy**

The Fund's objective is to provide unit holders with the best possible long-term risk adjusted return, through an actively managed concentrated portfolio of financial instruments issued by companies or issuers with business related to real estate.

SKAGEN m<sup>2</sup> is an actively managed fund with a global investment mandate. The Fund's strategy is to invest in financial instruments, which take advantage of the underlying real estate risk and return in the relevant markets. In order to reduce risk, the Fund shall seek to maintain a reasonable balance between geographical regions and sub sectors within real estate. SKAGEN has normally a long investment horizon, and attach greater value to fundamentals than to short-term trends in the market.

**7. Sustainability information**

Below, investors can find relevant information regarding the sustainability considerations the Fund takes into account.

**Transparency regarding the integration of sustainability risks, promotion of environmental or social characteristics, and sustainable investment**

- The Fund's objective is sustainable investment
- Among other things, the Fund promotes environmental or social characteristics
- Sustainability risks are taken into consideration in investment decisions, without the Fund promoting environmental or social characteristics or having sustainable investment as its objective
- Sustainability risks are not relevant (explanation below)

**Manner in which sustainability risks are integrated into investment process**

The management company considers sustainability risks in its investment process. The sustainability risk component of the investment process rests on three pillars: exclusion, integration and active ownership. First, the sustainability team conducts an ESG screen against the established exclusion criteria prior to the Fund making a potential investment. Exclusion is one way to manage sustainability risks by not investing in industries or behaviours that carry sustainability risks. Second, the Fund incorporates sustainability information in the construction of an investment case. In addition, quarterly controls and screens are carried out at Fund level to ensure continued compliance with the Storebrand Group Sustainability Investment Policy. ESG integration is a further step to manage sustainability risks by incorporating a wider set of variables in understanding the total risk and return picture of an investment case. Third, the Fund exercises active ownership through voting and engagement with companies. Here, the portfolio managers and sustainability team seek to manage sustainability risks through voting, collaboration and dialogue with the Funds' portfolio companies. For further details on how the Fund deals with sustainability risks, please consult our webpage.

**Impact of sustainability risks on returns**

The impacts of sustainability risk may be numerous and vary depending on the specific risk, asset class and region. The assessment of the likely impact of sustainability risks on the Fund's return will therefore depend on the type of securities held in its portfolio. In respect of equity securities, the sustainability risks that may affect the price of a stock, result in the need to raise capital or impact the issuer's ability to pay a dividend.

The Fund may be able to avoid or mitigate the sustainability risks mentioned above to some extent through the application of the Storebrand Asset Management Sustainable Investment Policy.

**Sustainability-related characteristics promoted in the management of the Fund, or which are part of the Fund's objective**

- Environmental characteristics (e.g. the impact of entities on the environment and climate)
- Social characteristics (e.g. human rights, workers' rights and equal treatment)
- Good governance practices (e.g. shareholders' rights, issues concerning remuneration of senior executives and anti-corruption measures)
- Other sustainability characteristics

**Consideration of Adverse Sustainability Impacts**

The management company relies on the Storebrand Asset Management Sustainable Investment Policy in the negative screening of potential investments to manage potential adverse impacts that can result from the Fund's investment activities. Further details can be obtained at [www.skagenfunds.com](http://www.skagenfunds.com).

**Benchmarks**

- The Fund uses the following benchmark index with respect to ESG achievements:
- No benchmark index has been chosen with respect to ESG achievements

**Methods used to integrate sustainability risks, promote environmental or social characteristics, or to achieve a sustainability objective**

- The Fund includes
- The Fund excludes

**Excluded products and services**

Under this heading, a Fund that does not take sustainability aspects into account may also indicate which products and services are not included as a result of the Fund's [investment policy](#).

The Fund does not invest in companies that are involved in the following products and services, provided that a maximum of 5% of the turnover in the company where the investment takes place may refer to activities that are attributable to the specified product or service.

- Cluster bombs, anti-personnel mines  
Zero tolerance
- Chemical and biological weapons  
Zero tolerance
- Nuclear weapons  
Zero tolerance



- Weapons and/or war materials
- Alcohol
- Tobacco
- Commercial gaming industry
- Pornography
- Fossil fuels (oil, gas, coal)
- Coal
- Other  
Oil sands, recreational cannabis, unsustainable palm oil, companies lobbying against the Paris Agreement

Reports of excluded entities can be found at Storebrand's [website](#).

#### International standards

The Fund avoids investing in entities that are involved in violations of international standards and conventions (as a minimum the UN Global Compact and the OECD Guidelines for Multinational Enterprises) concerning the environment, human rights, working conditions and business ethics.

- The Fund does not invest in entities that violate international standards. This assessment is made either by the Management company itself or by a subcontractor.
- The Fund does not invest in entities that do not take action to rectify identified problems or where it is the Fund's assessment that the entities will not rectify the problems within the period of time that the Management company considers reasonable in each individual case.

#### Countries

- For sustainability reasons, the Fund does not invest in entities involved in certain countries/ fixed income securities issued by certain countries.

#### Other

- Other

#### The management company's engagement

The management company uses its interest in entities to influence companies in sustainability-related issues. The management company is in contact with entities in order to influence them in a more sustainable direction.

- The Fund acts alone to influence companies
- The Fund acts in collaboration with other investors to influence entities
- Influencing entities through external suppliers/consultants
- Voting at general meetings

The management company acts alone and in collaboration with companies to improve specific sustainability risks. The decision to engage with select companies is made based on our assessment of the significance of the particular matter, the size of holdings, scope to effect change and opportunities to collaborate with other investors.

The management company votes at general meetings. It is the portfolio manager that is responsible for executing the vote, and to do so in a way that best safeguards the financial interests of our clients. You can see how the Fund has voted and the voting principles it adheres to on our [website](#).

#### 8. Nature and character of the unit

##### General

All units represent one ownership share in the fund SKAGEN m<sup>2</sup>.

A unit holder is not entitled to demand that the Fund be split up or dissolved. All unit holders or their appointed proxies have the right to vote at the election meeting for the securities funds managed by SKAGEN. Beyond their unit investment, unit holders are not liable for the Fund's obligations. If the Financial Supervisory Authority of Norway decides that the Fund should liquidated or transferred to another management company, unit holders will be informed pursuant to the Norwegian Securities Funds Act § 5-7.

The end of the fund's financial year is 31.12.

##### Unit classes

- The fund is divided into different unit classes.

- The condition for accessing unit class B: The investor subscribes through a distributor which, according to its agreement with the management company, does not receive payment from the management company.
- If the investor no longer fulfils the conditions and preconditions for a given unit class, SKAGEN will – after prior notification to the account holder – transfer the units to another unit class for which the conditions are met. SKAGEN is not responsible for any costs or inconvenience incurred by the investor or others as a result of the move to another unit class, including, but not limited to, tax consequences.

#### 9. Auditor

The external/financial auditor is PricewaterhouseCoopers DA, P.O. Box 8017, 4068 Stavanger, Norway (org. no. 987 009 713).

The internal auditor is Ernst & Young AS, Dronning Eufemias Gate 6, 0191 Oslo, Norway (org.no. 976 389 387).

#### 10. Custodian

The Fund's Custodian is J.P. Morgan Bank Luxembourg S.A., Oslo Branch (org.no. 921 328 753), Tordenskiolds gate 6, 0160 Oslo, Norway. The bank is a foreign enterprise registered in Norway.

#### 11. Historical returns and risk

Please refer to the Key Investor Information Document for up-to-date bar graphs showing historical returns for the fund's unit classes and position on the SKAGEN risk scale. Key Investor Information Document may be ordered free of charge from SKAGEN, or downloaded from [www.skagenfunds.com](http://www.skagenfunds.com).

The Fund's risk arises from market fluctuations, development in currency exchange rates, interest rates, economic conditions and company specific factors. SKAGEN has established internal control procedures to reduce the risk of errors that may affect the fund. The distribution of the equity portfolio's investments is a result of SKAGEN's investment philosophy, with requirements to company valuation, product/market matrix, debt ratio and the liquidity of the financial instrument. In addition to mandatory limits, SKAGEN has established internal requirements regarding the balance between different types of underlying real estate investments and the liquidity of the financial instruments in which the fund invests. Investments in money market instruments are based on an evaluation of the issuer's credit worthiness and general financial situation in the issuer's country.

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. The Fund's performance may vary considerably over the course of a year. Gains or losses for individual unit holders will therefore depend on the exact timing of the subscription and redemption of units.

#### 12. Calculation of Net Asset Value per unit

When calculating the net asset value (NAV) per unit class, the basis shall be the market value of the portfolio of financial instruments and deposits in credit institutions, the value of the Fund's liquid assets and other receivables, the value of accrued non-overdue income and the value of any carryforward losses, less liabilities and accrued expenses not yet due, including deferred tax liabilities.

The net asset value per unit is calculated on all trading days. These are published through Oslo Børs ASA. The Fund is closed for price setting, subscription and redemption on Norwegian public holidays and when markets in which a significant part of the Fund's portfolio is invested in are closed. A trading calendar is available on [www.skagenfunds.com](http://www.skagenfunds.com)

Discretionary valuation is used if events occur that may have a bearing on the value of a relevant security, if a non-significant part of the market in which the security is traded is closed, or if the security is illiquid. SKAGEN's practice for discretionary valuation is in accordance with the Norwegian Mutual Fund association's industry recommendation on the valuation of illiquid equity instruments, available at [www.vff.no](http://www.vff.no).

Furthermore, SKAGEN has established procedures for swing pricing in order to prevent losses for existing unit holders due to subscriptions and redemptions made by other unit holders of the Fund. The NAV is adjusted by a swing factor on days when the Fund has had net subscriptions or redemptions in excess of a predetermined proportion of the Fund's total assets. The threshold for adjustment of the NAV is set at the level at which net subscriptions or redemptions are expected to result in the Fund having to make adjustments to the portfolio leading to transaction cost, spread cost (the difference between the purchase and sales price of the underlying securities) and currency exchange cost. If the Fund has had net subscriptions above this threshold, NAV is adjusted up, and vice versa if the Fund has had net redemptions above this threshold. The swing factor is based on average historical costs, and is evaluated every quarter.

The procedures are set up according to the industry standard set by The Norwegian Mutual Fund Association for subscription and redemption; [www.vff.no](http://www.vff.no).

### 13. Unit holder register

The unit holder register for SKAGEN m<sup>2</sup> is maintained by Storebrand Asset Management AS. Unit holders will receive notifications of changes to holdings, annual statements and realisation statements through SKAGEN's web portal. Upon request, unit holders/nominees may arrange to receive annual statements and realisation statements by post.

### 14. Costs

#### Unit class m<sup>2</sup> A

Fixed management fee: 1.5% per annum, calculated daily and charged quarterly. Variable management fee: Better/worse value development than the benchmark index, calculated daily, is divided 90/10 between the unit holder and SKAGEN. Variable management fee is charged annually. The total management fee charged represents a maximum of 3% per annum and minimum 0.75% per annum.

#### Unit class m<sup>2</sup> B

Fixed management fee: not to exceed 1.2% per annum, calculated daily and charged quarterly. Variable management fee: Better/worse value development than the benchmark index, calculated daily, is divided 90/10 between the unit holder and SKAGEN. Variable management fee is charged annually. The total management fee charged represents a maximum of 2.7% per annum and minimum 0.45% per annum.

#### Unit class m<sup>2</sup> C

Fixed management fee: 1.5% per annum, calculated daily and charged quarterly. Variable management fee: Better value development than the benchmark index, calculated daily, is divided 90/10 between the unit holder and SKAGEN. The unit class has a relative high-water mark. Variable management fee is charged annually. The total management fee charged represents a maximum of 3% per annum.

If deemed to be in the interest of the unit holders, the management company will, on behalf of the fund, claim refund of withholding tax and pursue legal claims (including class actions). In this regard, the fund can be charged costs directly, or indirectly by reducing the payment (gain) for the fund.

More information about management fees to be found in the Articles of Association § 5 and § 7.

There are currently no costs for subscription and redemption.

### 15. Information

SKAGEN will publish the Fund's annual report and half year report on the management company's web site. The annual report will be published no later than four months after the end of the financial year. The half year report will be published no later than two months after the end of the reporting period. Unit holders who have provided an e-mail address will receive the report electronically. Unit holders may request to receive a copy of the reports by post free of charge.

Unit holders will receive first half and second half year reports informing them of the number of units they hold in the Fund, the value of their holding and the return for the period and the year. This information will be distributed via SKAGEN's web portal.

### 16. Subscriptions and redemptions

Subscription and redemption of units takes place in accordance with the industry standard set by the Norwegian Mutual Fund Association referred to above.

Minimum subscription amount is specified in the fund's Key Investor Information Document.

For subscriptions and redemptions in other currencies than NOK, the subscription/redemption price is calculated on the basis of the Fund's net asset value in NOK and the currency exchange rate applicable to the relevant fund on the valuation day. For information regarding which currencies that may be used for subscriptions/redemptions, please refer to [www.skagenfunds.com](http://www.skagenfunds.com).

Requests for subscription and redemption must be in writing and duly signed, unless otherwise agreed in writing between SKAGEN and the unit holder. The subscription of new units shall take place at a price corresponding to the net asset value per unit according to the first valuation after the time of subscription (which is when the subscription is received by the Management Company, the subscription amount is received and any identity control has been completed). Redemption shall take place at the net asset value per unit first calculated after the redemption request has been received by the Management Company. Requests for redemption must be received by the Management Company before 3:00 p.m. CET, adjusted for daylight savings time or other time

determined in relation to public holidays (the time limit) in order for the first price calculation to apply as the redemption price.

In the event of stock exchange closure, or other extraordinary circumstances, including in special instances the protection of unit holders' interests, the management company may, with the consent of the Financial Supervisory Authority, either wholly or partially suspend the value assessment and payment of redemption claims.

In Sweden, subscription and redemption may be effected through:

- SKAGEN Fonder, Vasagatan 10, 105 39 Stockholm (org. no. 516403-4984)
- Svenska Handelsbanken, Kungsträdgårdsgatan 2, 10670 Stockholm (org. no. 502007-7862)

In Denmark (incl. the Faroe Islands), subscription and redemption may be effected through:

- SKAGEN Fondene, Bredgade 25A, 1260 Copenhagen K (CVR no. 29 93 48 51)
- Handelsbanken, Filial af Svenska Handelsbanken AB (Publ), Amaliegade 3 P.O. Box 1032, 1007 Copenhagen K. (CVR no. 242 46 361)

In Luxembourg, subscription and redemption may be effected through:

- Svenska Handelsbanken AB (publ), Luxembourg Branch, 15, Rue Bender, L-1229 Luxembourg (org.no. B0039099)

In Finland, subscription and redemption may be effected through:

- Svenska Handelsbanken AB publ, Branch operation in Finland, Aleksanterinkatu 11, 00100 Helsinki (org. no. 0861597-4)

In the UK, subscription and redemption may be effected through:

- SKAGEN Funds, 48 Dover Street, London W1S 4FF, United Kingdom UK Company No: FC029835, UK Establishment No: BR014818. FCA Registration number: 469697

In Ireland, subscription and redemption may be effected through:

- CACEIS Ireland Limited, One Custom House Plaza, International Financial Services Centre, Dublin 1, Ireland

In Germany, subscription and redemption may be effected through:

- SKAGEN Funds, Barckhausstrasse 1, 60325 Frankfurt, Germany (Gewerbeanmeldung Nr: 06412000)

In France, CACEIS is acting as Representative Agent:

- CACEIS Bank, 1-3 place Valhubert, 75206 Paris Cedex 13, France

In Belgium, CACEIS is acting as Representative Agent:

- CACEIS Belgium SA/NV, Avenue du Port 86C b320, 1000 Bruxelles, Belgium

The Fund's prospectus, Key Investor Information Document, the most recent monthly report, annual report and the net asset value are available upon request from the afore mentioned institutions.

More information adapted to unit holders in Sweden, Denmark, UK, Germany and the countries in which SKAGEN is authorised to market its funds, is available on our Swedish, Danish, UK, German and international websites: [www.skagenfonder.se](http://www.skagenfonder.se), [www.skagenfondene.dk](http://www.skagenfondene.dk), [www.skagenfunds.co.uk](http://www.skagenfunds.co.uk), [www.skagenfunds.de](http://www.skagenfunds.de) and [www.skagenfunds.com](http://www.skagenfunds.com).

### 17. Additional Information for Investors in Germany

SKAGEN AS has established a Branch in Germany.

SKAGEN AS Branch Germany, Barckhausstrasse 1, 60325 Frankfurt, Germany.

#### Exchange and Redemption of Units

Applications for subscription, redemption and conversion of Units should be sent to the SKAGEN Branch Germany for onward transmission to SKAGEN AS. Unit holders resident in Germany may request to have all payments (redemption proceeds, distributions and any other payments) to be made for their benefit through the SKAGEN Branch Germany.

#### Documents and Notices

The Prospectus, the Key Investor Information Documents, the Articles of Association of the Company, the audited annual accounts and half-yearly accounts may be inspected at and are available free of charge from the German Information Agent either via regular mail or per e-mail.

Notifications to the Unit holders, if any, are available from the SKAGEN Branch Germany and are communicated to Unit holders via Unitholder letter.

Furthermore, subscription, redemption and conversion prices of the units and any notices to the unit holders additional information, which is also available free of charge at the SKAGEN Branch Germany.

#### Publications

Subscription, redemption and conversion prices of the units will be available at [www.wmdaten.com](http://www.wmdaten.com), on the SKAGEN website [www.skagenfunds.de](http://www.skagenfunds.de) free of charge as well as at the offices of the German Branch.

Any notices to the unit holders will be published in the German Federal Gazette ([www.bundesanzeiger.de](http://www.bundesanzeiger.de)).

#### Particular events

In addition, communications to investors in the Federal Republic of Germany by means of a durable medium in the following cases:

- suspension of the redemption of the units,
- termination of the management of the fund or its liquidation,
- any amendments to the fund rules which are inconstant with the previous investment principles, which affect material investor rights or which relate to remuneration and reimbursement of expenses that may be paid or made out of the asset pool,
- Merger of the fund with one or more other funds and
- The change of the fund into a feeder fund or the modification of a master fund.

Subscription prices and redemption prices will be available at [www.wmdaten.com](http://www.wmdaten.com) and at the offices of the German Branch.

#### Taxation

More information about tax for German investors can be found under section 3 of this prospectus.

Because of the complexity of German tax law, it is recommended that investors contact a tax adviser regarding the effect on their individual tax situation.

#### Investing with SKAGEN

##### Risk of loss

The Client acknowledges and accepts that investments in the Funds involve a risk of loss. 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 management fees. The return may become negative as a result of negative price developments. For more detailed information on the characteristics of the various Funds and the risk associated with investing in Funds, please visit SKAGEN's website.

Fund investments are not covered by Norwegian government guarantee schemes for bank deposits.

#### Notifications from clients

##### Communications from the Client to SKAGEN

The Client must submit written notifications to SKAGEN. Signed applications for subscription and redemption of Fund units may be sent by mail, fax, or e-mail. The Client may also submit electronic notifications as set forth below.

##### When a notification is received

A notification is received by SKAGEN when SKAGEN has gained knowledge of the notification and its content.

##### Notification content and incomplete notifications

A notification from a Client to SKAGEN must contain the necessary information about the Client and the transaction to be performed.

If the Client sends an incomplete notification to SKAGEN, the notification will be considered to have been received when the remaining information is later received by SKAGEN.

However, SKAGEN may decide to consider the incomplete notification as received by SKAGEN when SKAGEN gains knowledge of the incomplete notification and its content, if the notification, in SKAGEN's opinion, contains sufficient information to permit secure implementation of the transaction.

The Client is responsible for the accuracy of the content of notifications, and the Client cannot hold SKAGEN responsible for incomplete notifications sent by the Client, regardless of the method of submission.

##### Use of electronic services

The Client may submit electronic notifications to SKAGEN through the channels indicated on SKAGEN's website.

SKAGEN will facilitate Client access to SKAGENs Client Investment Portal via SKAGEN's website.

SKAGEN may not be held responsible in any way for failures, breakdowns, or errors in the electronic services offered to the Client, including failures, errors, or breakdowns in software or networks.

#### The client's authorisations etc.

SKAGEN is not obligated to perform a transaction for the Client if SKAGEN believes it may involve a breach of law or a breach of rules, terms, or conditions in force at any time, or if SKAGEN has reason to believe that other reasons exist for not performing the transaction.

The Client represents that transactions and payments will comply with applicable authorizations, powers and jurisdictions of both a public and private nature applicable at any time to the Client's transactions. The Client shall document any powers, resolutions, certificates of registration, articles of association, etc. whenever SKAGEN so requests.

The Client shall at all times provide SKAGEN with up-to-date information on the individual(s) authorised to perform transactions on the Client's behalf. A transaction is binding for the Client unless SKAGEN has not acted in good faith in regard to the capacity or powers of the individual acting on the Client's behalf.

The use of intermediaries, etc. does not exempt the Client from his responsibilities concerning these Commercial Terms. Insofar as certain limits apply to the Client's trading, the Client shall be solely responsible for complying with such limits even if it has informed SKAGEN of such limits.

#### Subscription of Fund units

Subscription amounts are payable on the date of submission of the subscription notification, unless otherwise agreed. The issuance of units is conditional on the subscription amount having been paid. If the amount has not been paid by the due date, SKAGEN may cancel the transaction or delay the execution of the transaction.

The subscription amount is paid when:

- a) the Client has provided SKAGEN with the authority to draw the amount from the Client's bank account, provided that sufficient funds are available on the account to cover the payment
- b) the subscription amount is valued to the Fund's account
- c) the Fund has otherwise obtained exclusive right of disposal in relation to the subscription amount

Notification of subscription cannot be withdrawn unless such notification is received by SKAGEN before 15:00 CET on the same day the notification of subscription is received and SKAGEN accepts the withdrawal.

In connection with Norwegian public holidays, the deadline for receipt of notification of withdrawal may be changed.

Clients making subscriptions may receive NAV on T+0 on the condition that the Client is liable for any losses incurred by the fund or SKAGEN AS due to late or non-payment. For example – but not limited to – loss and costs due to reversing transactions, compensation to other unit holders due to incorrect NAV and costs related to credit facilities or investments. If client wishes to use this possibility the client must first notify its intention to SKAGEN AS in order to set up the subscription process.

- a) For subscriptions up to NOK 100 000 000

The Client shall receive the first NAV calculated after the subscription form is received by SKAGEN, provided that the Client fulfils the following obligations:

- A valid subscription form must have been received by SKAGEN before 15:00 CET on the relevant Norwegian bank day. Forms received as from 15:00 CET are considered received on the next Norwegian bank day. Other cut-off times may apply in connection with Norwegian public holidays.

- The transfer of the subscription amount must be initiated at the latest the day the Client receives SKAGEN's order confirmation specifying the subscription amount, and the subscription amount must be valued to the fund's bank account no later than 2 Norwegian bank days from the day SKAGEN received the subscription form. The MT 103 has to be received by Handelsbanken by their currency cut-offs in order to guarantee the value date shown on the MT 103.

- b) For subscriptions from NOK 100 000 001 – 500 000 000

The Client shall provide SKAGEN with copy of a SWIFT MT 103 message (or equivalent) in addition to valid subscription form. The subscription will be priced at NAV of the value date stated in the SWIFT MT 103.

- c) For subscriptions from NOK 500 000 001:

The Client shall divide the investment into separate subscriptions, the timing of which is to be agreed with SKAGEN in advance of subscription. The pricing of each subscription will follow the terms in sections a and b.

#### Redemption of Fund units

##### Implementation of the redemption

The Client may redeem Fund units as described in the Fund's prospectus.

A prerequisite for redemption is that no registered encumbrances or other limitations exist on the SKAGEN account from which redemption is to be made. The Client is obligated to cancel any encumbrances or other limitations before submitting the redemption request to SKAGEN.

The redemption of units in Funds will be implemented as soon as possible, and no later than two weeks from SKAGEN's receipt of the Client's redemption notification. The transfer of the redemption amount from the Fund's account is normally initiated one Business Day after the redemption transaction is settled.

The redemption amount may only be paid to a bank account for which the Client has disposal rights. SKAGEN may require that the Client produce documentation regarding the disposal rights to the account.

#### **Withdrawal of redemption notification**

A redemption notification may not be withdrawn unless SKAGEN receives notification of the withdrawal before 15:00 CET on the same day the redemption notification is received and SKAGEN accepts the withdrawal.

The deadline for receipt of notification of withdrawal may be changed due to Norwegian public holidays.

#### **Suspension of redemptions**

In case of stock exchange closure or similar emergencies, or otherwise to the extent permitted by laws, regulations, Articles of Association or Fund prospectuses, SKAGEN may, with the consent of the regulatory authority, suspend redemption of Fund units.

#### **Valuation**

Transactions in Fund units are made at an unknown price, the net asset value ("NAV"). Subscription notifications for equity funds, which are received before 15:00 CET, will utilize the NAV set for the relevant day, provided that the subscription amount is paid. Subscription notifications for fixed income funds will utilize the NAV set for the day the subscription amount is valued to the Fund's bank account. For first time subscription, the NAV date will depend on the time SKAGEN receives documentation necessary to complete customer due diligence. Redemption notifications which are received before 15:00 CET, will utilize the NAV set for the relevant day.

In connection with Norwegian public holidays, the deadline for receipt of trade notifications may be changed.

#### **Costs**

Subscription and redemption fees may apply to transactions in Fund units in accordance with the prospectus of the relevant Fund. Fund investments are charged a management fee in accordance with the Fund's prospectus. If Fund transactions are executed through other parties or the Client makes use of another account operator than SKAGEN, additional fees and charges may apply.

#### **Cancellation rights**

The Client has no cancellation rights under the Norwegian Cancellation Rights Act of 20 June 2014 No 27 for services and Fund transactions.

#### **Investment Advice**

Clients who are receiving investment advice from SKAGEN will be categorised as either non-professional (retail) or professional clients. SKAGEN will notify the Client of the category to which he has been assigned. The categorisation determines the scope of customer protection provided. The Client may request SKAGEN to change his customer categorisation. Information about change of categorisation and related consequences are available from SKAGEN upon request.

The Client is required to provide SKAGEN with sufficient and accurate information about his personal financial situation, investment experience, and objectives. The Client is required to inform SKAGEN of any material changes to previously provided information. The Client agrees and accepts that SKAGEN shall be entitled to use information provided by the Client as a basis for its assessments and that, in principle, SKAGEN will not conduct its own investigations. The Client agrees and accepts that any failure to provide SKAGEN with sufficient information means that SKAGEN will be unable to determine whether a specific financial instrument is suitable for the Client.

#### **Measures against money laundering and terrorist financing**

SKAGEN is under statutory obligation to perform customer due diligence for new and existing clients. The Client is obligated to provide the necessary assistance in this connection, including producing validation of identity and other necessary documentation. If the Client does not present sufficient documentation, SKAGEN may reject the Client.

SKAGEN is obligated to initiate further investigations if SKAGEN suspects the transactions are linked to money laundering or terrorist financing. SKAGEN is obligated to send information about suspicious transactions to the relevant authorities without informing the Client.

The Client will, of his own accord and without undue delay, notify SKAGEN in writing and document any change to the Client's situation relevant for client relations, including:

- Changes regarding biographical data.
- Amendments regarding beneficial owners (see further information on SKAGEN's website)
- Amendments regarding who can act on the Client's behalf
- Amendments regarding whether the Client falls under the definition of a "politically exposed person" (see further information on SKAGEN's website)
- Amendments concerning the purpose and intended nature of the client relationship

#### **Processing of personal data**

SKAGEN collects, registers and processes personal data. The purpose of the processing is to manage securities funds, market securities funds, fulfil agreements with the Client and to comply with the General Data Protection Regulation and other relevant legislation. We are required by law to register certain types of personal data about the Client, such as name, date of birth, national identity number, and residential address. SKAGEN is also required by law to record telephone conversations when providing investment advice and must store this for 5 years.

SKAGEN has a legitimate interest to send electronic marketing to the Client, but the Client can at any time opt out of this. We use data processors and other business partners in our daily operations.

SKAGEN is part of the Storebrand Group. The Client decides whether personal data and other information can be shared internally within the Group, and may withdraw such a consent at any time. Please see SKAGEN's Privacy Policy on [www.skagenfunds.de/privacy-policy](http://www.skagenfunds.de/privacy-policy) for further details.

#### **Notifications from SKAGEN**

The operator of the Client's SKAGEN account is responsible for providing the Client with notifications of changes to the Client's SKAGEN account. If a Client has informed the account operator that he waives his right to receive such change notifications, the Client accepts that, in the relationship between the Client and SKAGEN, the Client is considered to have received notification about changes to the Client's SKAGEN account when the Client could have received notification, had he not waived his right to receive notification.

Under the current rules and regulations, SKAGEN is required to ensure that the Client is regularly provided with access to information about his holdings and returns.

SKAGEN reserves the right to correct obvious errors in a notification sent to the Client. Corrections shall be made immediately after SKAGEN becomes aware of the error, the reason for the error, and which clients are affected by the error.

#### **Receipt of notifications**

A notification from SKAGEN sent by mail shall be considered as duly mailed when sent to the address registered by the Client in the unit registry maintained by SKAGEN. The notification shall be considered as having been received by the Client when the ordinary postal delivery time has been added.

A notification from SKAGEN by fax shall be considered to have been received by the Client when SKAGEN has sent the notification to the number most recently provided in writing to SKAGEN by the Client, and SKAGEN has received a sender's receipt confirming successful transmission, the time of transmission, and the fax number.

Electronic notifications from SKAGEN shall be considered to have reached the Client when sent from SKAGEN to the latest electronic address last submitted to SKAGEN by the Client.

#### **SKAGEN's subcontractors**

SKAGEN has the right to make use of subcontractors that have been given the authority to act on SKAGEN's behalf. The Client accepts that rules also apply to the relationship between the Client and subcontractor, when applicable.

#### **Liability and limitation of liability**

SKAGEN or the Fund is liable vis-à-vis Clients only if SKAGEN or the Fund through gross negligence has caused such Client an economic loss. A Consumer may irrespective of the above claim compensation arising from mandatory consumer legislation.

In any event, SKAGEN's and the Fund's liability is limited to the value of the Client's transaction, or would-be transaction at the time of the transaction. SKAGEN and the Fund are in no case liable for harm, loss or expense due to circumstances beyond the control of SKAGEN and/or the Fund, including, by way of example, war, terrorism, natural disasters, fire or water damage, power outages, strikes, lockouts, errors in data processing systems or networks, legislative or regulatory changes, instructions from any public authority, etc. SKAGEN and the Fund are not responsible for indirect losses or damages,



including losses due to contracts with third parties lapsing or not being fulfilled as assumed.

If SKAGEN has used subcontractors, SKAGEN is not liable for any loss or damages incurred by the Client as a consequence of subcontractors' acts or omissions, provided that SKAGEN has used reasonable care in selecting and appointing such subcontractors. Neither can SKAGEN be held liable if the selection and appointment of such subcontractors were not influenced by SKAGEN.

#### Complaints

If a Client has not received notification from the account operator or others in respect of changes to the Client's SKAGEN account within 10 days after the Client has submitted a transaction request, the Client shall immediately notify SKAGEN that the notification has not been received.

When a Client receives notification confirming that a transaction has been completed or confirming other changes to the Client's SKAGEN account, the Client must immediately verify that the information in the notification is correct.

A Client loses his right to invoke a breach if he does not, immediately after he has discovered or should have discovered the breach, notify SKAGEN of the breach. A Consumer loses his right to invoke a breach, if he does not within a reasonable time after he discovered or should have discovered the breach, notify SKAGEN indicating the breach.

In all circumstances, a Client loses the right to invoke a breach if he does not lodge a complaint within 4 months after the day the breach occurred.

Any oral complaints or objections from the Client must immediately be confirmed by a written complaint to SKAGEN. The written complaint must state the circumstances the Client invokes, and the remedy sought. This requirement for written confirmation of complaint does not apply to a Consumer.

With reference to the previous paragraphs, "immediately" is understood as meaning no later than the end of the Business Day after the Client has, or should have discovered the circumstances giving rise to the complaint.

#### Clients default

The Client is in default if the Client has not met his obligations vis-à-vis SKAGEN or the Fund.

A default will also have occurred if SKAGEN or the Fund have reasonable grounds to expect that the Client will be unable to meet his obligations vis-à-vis SKAGEN or the Fund.

In case of a Client default, SKAGEN or the Fund has the right to immediately:

- a) reject the Client's requests for subscription or redemption of units in the Fund,
- b) set off any claims by SKAGEN or the Fund against the Client, irrespective of the claim being of the same or a different currency and irrespective of the claim belonging to SKAGEN or the Fund,
- c) exercise the right to retain or suspend,
- d) initiate, without any further warning and for the Client's account and risk, whatever measures SKAGEN or the Fund considers necessary for covering or reducing economic loss.

The Client is liable for, and shall hold SKAGEN and the Fund harmless from, any loss resulting directly or indirectly from the Client's default, or resulting from the Client's acts or omissions constituting a breach of the Commercial Terms or other conditions of the contractual relationship. The Client's liability is limited to the highest of the subscription amount and current/previous holdings in the Funds, with the exception of liability for loss resulting directly or indirectly from the non-payment or delayed payment of subscription monies. SKAGEN or the Fund may claim interest corresponding to the current rate of interest on overdue payment, cf. the Norwegian Act of December 17, 1976, No. 100 on Interest on Overdue Payments, as well as compound interest calculated from the payment due date until payment is made. SKAGEN or the Fund may also claim coverage of fees and charges for internal and external legal assistance. Such losses are payable by the Client on demand.

#### Amendments

SKAGEN reserves the right to amend point 16 of the Prospectus if this is required due to changes to legislation, the Articles of Association, internal procedures or for other justifiable reasons.

#### Governing law, legal venue and resolution of disputes

Any claim or dispute between the parties resulting from or in connection with the rules or Fund transactions shall be settled in accordance with Norwegian law with Stavanger District Court as the legal venue. SKAGEN may, however, bring legal action against Clients in any legal venue to which they are subject.

Clients with foreign legal venue and who can plead law provisions giving them protection against legal action in Norwegian courts, whether it is a question of legal venue, governing law, or other matters, hereby waive this right to the extent possible in accordance with mandatory law in the country of origin.

The Client may bring any dispute before the Norwegian Financial Services Complaints Board for its opinion. In order for the Complaints Board to hear a dispute, the Client must first submit a complaint to SKAGEN, with a reasonable time limit for considering the complaint. The Client may thereafter submit a written complaint to the Complaints Board, stating the grounds for the complaint and the result being sought. See SKAGEN's website for the Financial Services Complaints Board's contact information.

#### 18. Trading via a regulated market

The unit class SKAGEN m<sup>2</sup> A will be traded on the NASDAQ Copenhagen.

#### 19. Dispute settlement body

The management company shall be affiliated with the Norwegian Financial Services Complaints Board.

#### 20. Other matters

This prospectus is only directed to investors in jurisdictions where the relevant funds are authorised for distribution. The Fund cannot be distributed to American citizens, residents in or taxable to the USA.

SKAGEN is part of the Storebrand Group and has outsourced tasks to Storebrand Asset Management AS. The outsourcing covers management of SKAGEN's money market fund, securities settlement, accounting, calculation of net asset value, unit holder settlement and unit holder register for SKAGEN's funds, controls and reporting, as well as service towards clients in Norway, Sweden and Denmark.

#### 21. The Board

The unit holders of the funds managed by the Management Company shall elect at least one third of the members of the Management Company's Board of Directors, and at least half of this number as deputy members. The deputy members shall be entitled to attend but not to vote at Board meetings.

The Management Company shall appoint a nomination committee. The nomination committee shall nominate board member candidates to the election meeting.

The members and deputy members elected by the unit holders are elected at the election meeting. The election meeting will be convened by public announcement or by written notification to the unit holders at least 2 weeks in advance. The election meeting is convened each year by the end of June.

#### 22. Board of Directors' responsibility

The Board of Directors of the Management Company is responsible for ensuring that the prospectus meets the requirements of the regulations laid down by the Norwegian Ministry of Finance on 21 December 2011 no 1467 in pursuance of the Norwegian Securities Funds Act of 25 November no 44 on mutual funds.

The Board of Directors of SKAGEN hereby declares that, to the best of its knowledge, the prospectus reflects the actual facts and does not contain omissions of a nature liable to alter the meaning of the prospectus.

#### 23. Amendment of the Articles of Association

The Fund's Articles of Association may only be amended if the majority of the unit holder-elected directors of the management company have voted for the amendments. A decision concerning any amendments shall be obtained from the unit holder meeting and the Financial Supervisory Authority of Norway (FSA). The FSA shall approve the amendments if legal requirements concerning the contents of the Articles of Association and procedures for their amendment are met.

Approved by the Board of SKAGEN AS 15 April 2021

Updated 31 May 2021

*The original Articles of Association and prospectuses were prepared in Norwegian. This is a translated version, which is published with reservations regarding possible errors and omissions as well as erroneous translation. The original prospectus is available in Norwegian at [www.skagenfondene.no](http://www.skagenfondene.no) or by contacting the Customer Service department on +47 51 80 39 00.*