

## Prospectus with Articles of Association

*This prospectus has been prepared in accordance with the provisions of the Securities Funds Act of 25 November 2011 No. 44 Section 8-2 and related regulations. The purpose of the prospectus is to provide the information required to make a well-founded assessment of the fund and the risks of investing in the fund. The fund's articles of association contain additional information and are to be considered an appendix to the prospectus. For relevant information on the considerations the fund takes with regard to sustainability, see the appendix to this document.*

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## SKAGEN m<sup>2</sup> VERDIPAPIRFOND

UCITS (equity fund) established 2012-10-31 | org. nr. 998 738 873

Management company: Storebrand Asset Management AS | org. nr. 930 208 868 | a company in the Storebrand Group

The company is authorised to market the fund in: Norway, Sweden, Denmark, Finland, the Netherlands, Luxembourg, Iceland, Ireland, the Faroe Islands, Germany, France and Belgium

Trading via a regulated market: The unit class SKAGEN m<sup>2</sup> A will be traded on the NASDAQ Copenhagen

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### 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.

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.

### 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.

Storebrand Asset Management AS 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 replace 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.

The benchmark index may be used as a point of reference to compare the fund's return. The index may also be a source for selecting the fund's investments, but the composition of the fund may deviate substantially from the index.

### Sustainability information

For relevant information regarding the sustainability considerations the fund takes into account, please refer to the Annex in this document.

### Risk and return profile

The value of the fund's investments is affected, both positively and negatively, by daily developments in the markets where the securities are traded (market risk). In addition to market risk, the fund may be exposed to a greater or lesser extent to a number of other uncertainty factors, such as currency risk, liquidity risk, counterparty risk, operational risk and other risks. The fund's risk profile does not normally take into account specific unusual events, such as devaluation, political changes or large unforeseen fluctuations in the securities markets. Several other types of risk can also affect the value of the fund, without being fully reflected in the risk profile associated with the fund.

The fund does not guarantee future returns, which depend on market developments, the portfolio manager's skill, the fund's risk and costs. The return may become negative as a result of capital losses.

**The fund's 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.

**Costs**

Unit class	ISIN	Costs
A	NO0010657356	Fixed management fee: 1.5% per annum, calculated daily and charged quarterly. Performance fee: Better/worse value development than the benchmark index, calculated daily, is divided 90/10 between the unit holder and Storebrand Asset Management AS. Performance fee is charged annually. The total management fee charged represents a maximum of 3% per annum and minimum 0.75% per annum.
B	NO0010708712	Fixed management fee: 1.2% per annum, calculated daily and charged quarterly. Performance fee: Better/worse value development than the benchmark index, calculated daily, is divided 90/10 between the unit holder and Storebrand Asset Management AS. Performance fee is charged annually. The total management fee charged represents a maximum of 2.7% per annum and minimum 0.45% per annum.
C	NO0010723364	Fixed management fee: 1.5% per annum, calculated daily and charged quarterly. Performance fee: Better value development than the benchmark index, calculated daily, is divided 90/10 between the unit holder and Storebrand Asset Management AS. The unit class has a relative high-water mark. Performance fee is charged annually. The total management fee charged represents a maximum of 3% per annum.

Performance fee can be charged despite a negative development in the fund's net asset value per unit if the performance is better than the benchmark.

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

There are currently no costs for subscription and redemption.

### **Unitholders' rights and obligations**

Each unitholder has a non-profit share in the mutual fund that corresponds to his/her share of the total fund units issued. Each unit in the mutual fund confers equal rights in the fund. A unitholder is not entitled to demand the division or dissolution of the fund. With the consent of the Ministry of Finance, the management company may decide that the mutual fund shall be transferred to another management company or liquidated. Transfer to another management company will follow the provisions on amendments to the articles of association in Section 4-14 of the Norwegian Securities Funds Act. Unitholders will be informed of the transfer - including the reasons for this and when the transfer will take place - well in advance of the implementation of the transfer and in accordance with any requirements of the Financial Supervisory Authority of Norway.

If the unitholder no longer fulfils the terms and conditions for being invested in a unit class, the management company may transfer the units to a unit class where the conditions are met. The total cost price of each unitholder's total subscriptions and redemptions in the unit class is calculated semi-annually (last working day in March and September). The unitholder will be notified of a transfer of the unit value to another comparable unit class as soon as possible. Storebrand Asset Management AS is not liable for any loss or inconvenience, including tax consequences, suffered by the unitholder or others as a result of the move.

Beyond the unit contribution, unitholders are not liable for the fund's obligations. The management of a mutual fund is carried out by the management company, which makes all decisions regarding the fund. The fund's articles of association may only be amended if a majority of the unitholder-elected board members of the management company have voted in favour of the amendments. A decision to amend must have the consent of the unitholders' meeting, and at least 75% of the units represented at the unitholders' meeting have voted in favour of the change, and subsequent approval from the Financial Supervisory Authority of Norway. A similar procedure is required in the event of significant changes to the fund's investment strategy. With the approval of the supervisory authorities, a decision may be made that the fund is to be merged, wound up or that the management is to be transferred to another management company. Notification of changes is made in writing to the unitholders or via the management company's website. The unitholders of the mutual funds managed by Storebrand Asset Management AS elect two of the company's board members. Elections take place at election meetings in accordance with rules laid down in Storebrand Asset Management AS' articles of association. No negotiable unit certificates are issued.

The unitholder register is maintained by Storebrand Asset Management AS. The units are registered in the name of the unitholder, and power of attorney can be attached to the units. The units are not subject to a lock-in period and can be freely redeemed.

Unitholders will be notified of changes in holdings, annual and realisation statements and other fund reporting through the relevant trading portal (e.g. logged-in pages on [www.delphi.no](http://www.delphi.no), [www.kron.no](http://www.kron.no), [www.skagenfondene.no](http://www.skagenfondene.no) or [www.storebrand.no](http://www.storebrand.no)). Unitholders may receive annual and realisation statements by post by arrangement.

### **Publication of net asset value (NAV)**

The calculation and publication of unit values shall be made on all trading days. Publication will be done via Oslo Børs ASA. The prices are published daily on a number of websites, including [www.euronext.com](http://www.euronext.com) and [www.morningstar.no](http://www.morningstar.no), in addition to our own website. The fund is closed for pricing, subscription and redemption on Norwegian public holidays and when markets in which a substantial part of the fund's portfolio is invested are closed. The trading calendar is published on our website.

### **Calculation of value**

The basis for calculating the value of the share is the market value of the portfolio of financial instruments plus the value of the fund's cash and receivables, accrued non-due income and the value of any carry-forward loss, and less liabilities and accrued non-due expenses, including deferred tax liability. The sum of the fund's net assets is divided by the number of units issued to arrive at the unit value. The valuation is normally based on the first closing price on the underlying stock exchange after the respective fund's cut-off date. A discretionary assessment of the value is used if events occur that may have an impact on the value of a security in question if a not insignificant part of the market in which the security is traded is closed, or if the security is illiquid. Storebrand Asset Management AS' 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).

To prevent existing unitholders from being penalised as a result of subscriptions and redemptions made by other unitholders in the fund, swing pricing may be used. This means that the fund's price is adjusted by a swing factor on days when the fund has net subscriptions or redemptions that exceed a predetermined proportion of the fund's total assets (threshold value). Net subscription above the set threshold value result in the fund's price being adjusted upwards, and vice versa for net redemptions. The adjusted price is intended to cover costs resulting from portfolio adjustments. The size of the swing factor is calculated per fund and is based on estimates of expected direct and indirect costs as a result of trading. The management company's routine for swing pricing is carried out in accordance with the Norwegian Mutual Fund Association's industry standard on subscription and redemption, available at [www.vff.no](http://www.vff.no).

### **Subscription and redemption**

Subscription and redemption of units are carried out in accordance with the Norwegian Mutual Fund Association's industry standard for subscription and redemption.

For subscriptions and redemptions in currencies other than NOK, the subscription/redemption price is calculated from the fund's unit value in Norwegian kroner using the exchange rate for the relevant fund on the trading day. Notification of subscription and redemption must be in writing and signed, unless otherwise regulated by a prior written agreement between Storebrand Asset Management AS and the unitholder. New units will normally be subscribed for at the net asset value per unit according to the first price calculation following the subscription date (which is when the application has been received by the management

company, when funds connected with the subscription have been received and any identification checks have been completed). Redemption shall take place at the net asset value per unit according to the first price calculation after the redemption request has been received by the management company. The redemption request must be received by the management company before 13:00 CET, adjusted for summertime, or other time determined in connection with public holidays (the cut-off time) for the first price calculation after the redemption request has been received to be applied.

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

#### **Facilities Services for Investors**

Storebrand Asset Management AS provides facilities services for investors according to the relevant EU legislation. European investors are provided with legal documentation (prospectuses, articles of incorporation, KIIDs/PRIIPs KIDs, Annual Report and Half Year Report), fund-related information (NAV), how subscription/redemption/payments can be effected and how to access procedures and arrangements related to investor complaints and exercising investor rights.

The above-mentioned facilities information for investors can be accessed here:

**In Sweden**, Storebrand Asset Management AS has established an office. Storebrand Asset Management AS Norge, Filial Sverige, is located at Vasagatan 10, 111 20, Stockholm, Sweden. Company number 516408-8402. For more information, please refer to [www.storebrand.se](http://www.storebrand.se) and [www.skagenfonder.se](http://www.skagenfonder.se).

**In Denmark** (incl. the Faroe Islands), Storebrand Asset Management AS has established an office. Storebrand Asset Management AS, Danmark, Filial af Storebrand Asset Management AS, Norge, is located at Bredgade 25 A, 1. sal, 1260 København K, Denmark. Company number 41353570. For more information, please refer to [www.storebrand.no/sam](http://www.storebrand.no/sam) and [www.skagenfondene.dk](http://www.skagenfondene.dk).

**In Finland**, Storebrand Asset Management AS has established an office. Storebrand Asset Management AS Norway, Suomen sivuliike, is located at Erottajankatu 15-17, 00130 Helsinki, Finland. Company number 3259978-3. For more information, please refer to [www.storebrand.no/sam](http://www.storebrand.no/sam) and [www.skagenfunds.fi](http://www.skagenfunds.fi).

**In Luxembourg**, the facilities services information can be found here: [www.skagenfunds.lu/how-to-invest/facilities-services-for-investors](http://www.skagenfunds.lu/how-to-invest/facilities-services-for-investors).

**In the Netherlands**, the facilities services information can be found here: [www.storebrand.no/sam](http://www.storebrand.no/sam) and [www.skagenfunds.nl/how-to-invest/facilities-services-for-investors](http://www.skagenfunds.nl/how-to-invest/facilities-services-for-investors).

**In Belgium**, the facilities services information can be found here: [www.skagenfunds.com/how-to-invest/facilities-services-for-investors](http://www.skagenfunds.com/how-to-invest/facilities-services-for-investors).

**In Ireland**, the facilities services information can be found here: [www.skagenfunds.ie/how-to-invest/facilities-services-for-investors](http://www.skagenfunds.ie/how-to-invest/facilities-services-for-investors).

**In France**, the facilities services information can be found here: [www.storebrand.no/sam](http://www.storebrand.no/sam) and [www.skagenfunds.fr/comment-investir/facilities-services-for-investors](http://www.skagenfunds.fr/comment-investir/facilities-services-for-investors).

**In Iceland**, the facilities services information can be found here: [www.storebrand.no/sam](http://www.storebrand.no/sam) and [www.skagenfunds.is/how-to-invest/facilities-services-for-investors](http://www.skagenfunds.is/how-to-invest/facilities-services-for-investors).

**In Germany**, the facilities services information can be found here: [www.skagenfunds.de/how-to-invest/facilities-services-for-investors](http://www.skagenfunds.de/how-to-invest/facilities-services-for-investors).

#### **Additional Information for Investors in the Federal Republic of Germany**

*This document ('Addendum for German Investors') forms an integral part of the fund's prospectus and may be amended from time to time.*

*The offering of the units of the Funds made available through the Prospectus has been notified to the German Financial Supervisory Authority in accordance with section 310 of the German Investment Code.*

#### **Information and Paying Agent in Germany**

*For relevant information about the facilities services for German investors, please revert to the following webpages: [www.skagenfunds.de/how-to-invest/facilities-services-for-investors](http://www.skagenfunds.de/how-to-invest/facilities-services-for-investors)*

#### **Exchange and Redemption of Units**

*Applications for subscription, redemption and conversion of Units should be sent to Storebrand Asset Management AS in Norway, [www.skagenfunds.de](http://www.skagenfunds.de).*

#### **Documents and Notices**

*The Prospectus, the PRIIPs KID, 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 Storebrand Asset Management AS' webpages.*

Notifications to the Unit holders, if any, are available from the Storebrand Asset Management AS' webpages [www.skagenfunds.de](http://www.skagenfunds.de) and are communicated to Unit holders via a unit holder letter. Furthermore, subscription, redemption and conversion prices of the fund units, as well as relevant unit holder information is available free of charge at the Storebrand Asset Management AS' webpages [www.skagenfunds.de](http://www.skagenfunds.de).

#### **Publications**

Subscription, redemption and conversion prices of the units will be available at [www.wmdatenservice.com/en/](http://www.wmdatenservice.com/en/) and on the following webpages: [www.skagenfunds.de](http://www.skagenfunds.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.

#### **Complaints**

Information regarding Storebrand Asset Management AS' complaints procedure is available to investors free of charge and upon request from Storebrand Asset Management AS or can be viewed on the company's webpages [www.skagenfunds.de/contact/complaints](http://www.skagenfunds.de/contact/complaints).

#### **Fees and Expenses**

For all fund related costs, please refer to the Articles of Association, "Management costs" and "Costs" sections of the Prospectus.

#### **Taxation**

Unitholders should seek professional advice concerning the tax consequences of the investment in the Fund prior to making an investment decision.

#### **Savings agreement**

A savings agreement can be set up with regular subscriptions in the mutual fund. The number of subscribed units is calculated at the subscription price determined on the day the money is transferred to the fund's bank account. Unitholders are encouraged to check their savings agreement after changes have been made, and if necessary, contact the management company. This is to ensure that the choice of fund, savings amount, withdrawal date and other aspects of the savings agreement are correct at all times.

#### **Management costs**

All costs associated with the management of the fund, with the exception of transaction-driven costs and costs associated with the sale and redemption of units, are included in the management fee. Transaction-driven costs refer to brokerage fees, bank charges and custodian fees incurred in executing transactions for the fund. Fees and commission to the custodian are agreed separately each year. Management fees are calculated on a daily basis based on the fund's closing holdings on the respective day.

The management company is obliged to cover other direct costs for the fund with the exception of tax cost. If it is deemed to be in the interests of the unitholders, the management company will, on behalf of the fund, apply for a refund of withheld withholding tax and pursue any legal claims, including class actions. In this regard, the fund may be charged costs directly, or indirectly in the form of reduced payments (gains) to the fund.

If a unitholder acts in a way that may have negative consequences for the unit value of other unitholders of the fund (e.g. frequent trading), Storebrand Asset Management AS reserves the right to charge the unitholder a subscription and/or redemption fee as specified in the fund's articles of association in order to cover any additional transaction costs incurred.

#### **Remuneration from or to others than the mutual fund**

Storebrand Asset Management AS may enter into individual agreements on revenue sharing with internal or external customers with significant assets in the company's mutual funds, provided that such agreements benefit all unitholders. Revenue sharing agreements will be based on objective criteria that ensure equal treatment of the unitholders in the fund and will be entered into in accordance with the provisions set out in Section 2-32 of the Securities Funds Regulations.

Revenue sharing agreements relate to the allocation of the management company's income and have no bearing on the relationship between the respective mutual fund and the client, who pays the same management fee as other unitholders in the fund. Customers who have a revenue sharing agreement with the management company are reimbursed a proportion of the management fee after the costs associated with the management of the fund have been covered. The proportion repaid to the client reduces the management company's profit.

Further information can be obtained by contacting Storebrand Asset Management AS, Fund Administration, P.O. Box 484, 1327 Lysaker, or alternatively by e-mail to [fondskunde@storebrand.no](mailto:fondskunde@storebrand.no).

### Techniques for achieving efficient portfolio management

Certain mutual funds have the option of lending the fund's securities in accordance with Section 6-8 of the Securities Trading Regulations for the purpose of generating income for the fund. The extent of lending will vary, but will be limited to a maximum of 20 percent of the fund's assets, and only equities may be lent. The fund's financial risk is not expected to be significantly affected as a result of its lending activities. The fund's securities may only be lent to credit institutions, insurance companies, investment firms or clearing houses, and the borrower must provide collateral to the fund. The fund uses J.P. Morgan Bank Luxembourg S.A. as an intermediary for securities loans. The intermediary will receive remuneration for its brokerage activities. All net income resulting from the loans will accrue to the fund. Neither the management company, nor other companies in the Storebrand Group, receive remuneration from the fund for administration or execution of loans beyond the general management fee in the funds. The loans are carried out on market terms. Lending activities are not considered to entail an increased risk of conflicts of interest.

### Custodian of the mutual fund

Company:	J.P. Morgan SE - Oslo Branch
Address:	Tordenskjoldsgate 6, P.O. Box 1219 Vika, 0110 Oslo, Norway
Address Head Office:	Taunustor 1, 60310 Frankfurt am Main, Germany
Legal form:	Limited liability company
Enterprise no.:	921 560 427
Main business:	Banking

### Marketing and distribution

The information in this prospectus is intended solely for investors domiciled in the countries where the individual mutual fund is registered for sale and marketing. The mutual fund may not be marketed in countries other than those where the fund is so authorised. Units in the fund may not be distributed or sold in the United States or to any natural or legal person that falls within the definition of "U.S. Person" pursuant to Regulation S under the U.S. Securities Act of 1933. This includes, among other things, any natural person resident in the United States and any corporation, partnership, or other entity organised or incorporated under the laws of the United States.

### Tax rules

#### Tax rules - for the fund

The mutual fund is a separate tax entity. Share income is taxed according to the exemption method, which means that the fund is exempt from tax on share gains, and no deduction is given for share losses within the EEA. Three per cent of dividends earned in the EEA are taxable, while dividends earned outside the EEA are normally taxable in their entirety. The fund may also be subject to withholding tax on dividends from foreign companies.

Other income such as interest income, foreign exchange gains and capital gains on interest-bearing securities are mainly taxable at the applicable tax rate, which corresponds to the rate for ordinary income, and deductions are granted for losses. Funds that had less than 20 percent equity allocation at the beginning of the year can deduct distributed returns in full. Funds with a 20-80 percent shareholding can deduct a proportionate share of the distributed returns, while funds with an 80 percent shareholding are not granted a tax deduction for distributions. The fund is exempt from wealth tax.

#### Tax rules - for personal unitholders with tax liability to Norway

Unitholders in mutual funds are taxed at the tax rate for ordinary income, and a deduction is granted for losses. Share income is taxed in accordance with the Shareholder Model, which means that parts of the fund's share income are shielded from tax (risk-free interest rate). Utilisation of the risk-free interest rate assumes that the units are redeemed at a profit, and full utilisation of the risk-free interest rate assumes that the total gain during the ownership period is at least as high as the total risk-free interest rate. Unutilised risk-free interest on some units cannot be transferred to other units. Before taxation, the tax base must be adjusted upwards by an adjustment factor so that the effective tax rate for share income is higher than the rate for ordinary income. Transfers between funds are regarded as a realisation. Gains or losses must be entered in accordance with the "first in - first out" principle (FIFO), which means that the first subscribed units must be redeemed first. Units in mutual funds are subject to wealth taxation. For the equity portion of the fund, the tax base used is lower than the fund's market value at year-end.

Unitholders who own mutual funds through a share savings account (ASK) are taxed according to separate tax rules for such accounts. Further information about taxation of share savings accounts can be obtained from the Tax Authorities and/or at [www.storebrand.no](http://www.storebrand.no).

Exposure to mutual funds through an insurance solution (unit linked/securities account) is taxed according to separate tax rules. Further information about such taxation can be obtained from the Tax Administration and/or the relevant product supplier.

#### Tax rules - for companies with tax liability to Norway

Unitholders who are legal entities correspond to corporate shareholders and are taxed according to the exemption method. It is the shareholding in the fund that determines how much of the return is covered by the exemption method. Returns that are not covered by the exemption method are taxed at the tax rate for ordinary income. Companies are defined as limited companies and companies that are equated with private limited companies. In addition, associations, foundations, municipalities, county councils, inter-municipal companies and certain bankruptcy and administrative estates are covered by the exemption method.

#### Tax rules - for unitholders with tax liability to other countries

Investors who are liable to pay tax in countries other than Norway should check the applicable tax rules in the respective countries. The same applies to any other investors who may be subject to special tax rules.

#### Tax rules – changes

If the tax rules change in Norway or the unitholder's home country and new tax treaties are concluded, the above rules may be amended. The fund must comply with applicable provisions at all times.

#### Reporting of tax information

Mutual funds and management companies are required to report information to the Norwegian Tax Administration on the financial circumstances of unitholders and beneficial owners. If they are resident or domiciled for tax purposes in countries other than Norway, the Norwegian Tax Administration will forward the information to the respective countries in accordance with the rules in FATCA (Foreign Account Tax Compliance Act), CRS (Common Reporting Standard) and bilateral tax treaties.

Unitholders receive a copy of what is reported via realisation statements and holding statements at the end of the year.

#### **Risk**

Historical returns are no guarantee of future returns. Future returns will depend, among other things, on market developments, the manager's skill, the fund's risk, as well as subscription, management and redemption costs. The return may be negative as a result of capital losses. The fund's return may vary within a year. The individual unitholder's loss or gain will therefore depend on the exact dates of purchase and sale of the units. For updated information related to the fund's historical risk and return, please refer to information about the fund on the management company's website. Information on risk and return is also available through official information providers such as the Oslo Stock Exchange, Morningstar, Finansportalen and Fondsdata at the Norwegian Mutual Fund Association.

#### **Complaints**

The management company is affiliated with the Norwegian Financial Services Complaints Board. The Financial Services Complaints Board handles mutual fund-related complaints, among other things.

#### **Articles of Association**

The funds are separate legal entities with independent articles of association that regulate the fund's operations. The articles of association have been approved by the Financial Supervisory Authority of Norway and are attached to the prospectus.

#### **Accounts**

The accounts are closed on 31.12. each year and published by April each year. The half-year report is published by August each year. The mutual fund's annual report and half-year report are available on the company's website at [www.storebrand.com](http://www.storebrand.com). Unitholders can request that the documents be sent free of charge.

#### **Information about the management company**

Company Name:	Storebrand Asset Management AS
Business Office:	Professor Kohtsvei 9, 1366 Lysaker
Organisation number:	930 208 868
Date of incorporation:	July 1, 1981
Owner:	100 percent owned by Storebrand ASA

Storebrand Asset Management AS has been licensed to engage in mutual fund management since the company was founded on 1 July 1981. The company manages the following main categories of funds; equity funds, fixed income funds and balanced funds, and within each category, different funds are managed with different mandates. For more information about which funds the company manages, please see [www.storebrand.no/sam](http://www.storebrand.no/sam) or contact the company.

The company was granted permission to manage alternative investment funds on 16 October 2015. The company has introduced a requirement for additional equity to cover possible claims for damages in connection with the activities related to national funds covered by the Act on Alternative Investment Funds.

#### **The Board**

##### **Shareholder-elected representatives:**

Odd Arild Grefstad (Chairman of the Board)  
Lars Aasulv Løddesøl  
Frida Lagergren (deputy)  
Lars-Erik Eriksen (deputy)

##### **Unitholder-elected representatives:**

Sondre Gullord Graff  
Brita Cathrine Knutson  
Per Gustav Blom (deputy)

##### **Employee-elected representatives:**

Hilde Marit Lodvir Hengebøl  
Karsten Solberg

The management company's board of directors shall consist of at least six members and at least two deputies. One third of the board members are elected by unitholders in the mutual funds managed by the company. At least two board members are elected by the management company's general meeting. For both groups of board members, elected by unitholders and the

general meeting, respectively, at least half as many deputies are elected. Deputies shall have the right to attend, but not the right to vote when the board is otherwise full. Two of the board members are elected by and from among the employees.

The management company appoints a nomination committee, which nominates unitholder-elected representatives to the board before the election meeting. The unitholder-elected board members and deputies are elected at the election meeting on the recommendation of the nomination committee. The election meeting is convened by public announcement with at least 2 weeks' notice. The election meeting is held every year by the end of June.

In 2024, the members of the board received a total of NOK 762,000 in remuneration for the position. Board remuneration is not paid to shareholder-elected board members employed by the Storebrand Group.

#### **Chief Executive Officer**

Jan Erik Saugestad, Storebrand Asset Management AS, P.O. Box 484, 1327 Lysaker.

Compensation to the CEO amounted to NOK 8,162,000 in 2024.

#### **Remuneration scheme**

The remuneration scheme in Storebrand Asset Management AS consists of fixed salary and variable remuneration. Fixed salary is determined on the basis of a market-based assessment, and the variable remuneration is based on a comprehensive assessment of the team's and individual employee's results, including achieved relative returns where relevant. A more detailed description of the scheme is available at [www.storebrand.no/saminfo](http://www.storebrand.no/saminfo). A paper copy may be sent free of charge on request.

#### **Auditors**

PwC Norway, State Authorised Auditors, Dronning Eufemias gate 8, 0191 Oslo, is the auditor for the management company and for the fund's accounts.

Ernst & Young AS, State Authorised Auditors, Dronning Eufemias Gate 6, 0191 Oslo is the management company's internal auditor.

#### **Outsourcing**

Storebrand Asset Management AS is part of the Storebrand Group and has entered into intra-group agreements on outsourcing of IT, finance, marketing functions, etc. with other companies in the Group. The management company has outsourced portfolio management services of the mutual funds SKAGEN Vekst, SKAGEN Global, SKAGEN Global II, SKAGEN Global III, SKAGEN Kon-Tiki, SKAGEN M2, SKAGEN Focus, SKAGEN Select 15, SKAGEN Select 30, SKAGEN Select 60, SKAGEN Select 80 and SKAGEN Select 100 to the investment firm SKAGEN AS.

Storebrand Asset Management AS has entered into outsourcing agreements with external suppliers related to services within IT, finance and administration, as well as services related to the investment process, calculation of net asset value and keeping of registers.

#### **Other conditions**

Companies in the Storebrand Group are free to subscribe and redeem units in mutual funds managed by Storebrand Asset Management AS.

#### **Responsibility of the Board of Directors**

The Board of Directors of Storebrand Asset Management AS is responsible for ensuring that the prospectus complies with the requirements of Section 8-2 of the Norwegian Securities Funds Act of 25 November 2011 and Section 8-1 of the Regulations to the Norwegian Securities Funds Act of 21 December 2011 No. 1467. The Board of Directors hereby declares that, to the best of its knowledge, the information contained in the prospectus is in accordance with the facts, and that there are no omissions of such a nature as to affect the import of the prospectus.

The prospectus was approved by the Board of Directors on 5 June 2025

The prospectus was last updated on 5 June 2025

*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.storebrand.no/sam](http://www.storebrand.no/sam) or [www.skagenfunds.com](http://www.skagenfunds.com).*



## 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 Storebrand Asset Management 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 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 or interest, currency or exchange rates.

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:

1. are admitted to official quotation or are traded on a regulated market in an EEA state, including a Norwegian regulated market, as defined in Directive 2014/65/EU Art. 4 (1) point 21 and the Securities Trading Act 2-7 (4).  
☒ yes ☐ no
2. 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 Techniques for efficient portfolio management**

The Fund may, in accordance with the Securities Funds Act Section 6-11 and the Securities Funds Regulations Section 6-8 use techniques to achieve effective portfolio management. The techniques are specified in greater detail in the Fund's prospectus.

Any income 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 Storebrand Asset Management AS 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.

Storebrand Asset Management AS 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:

<b>Unit Class</b>	<b>Management Fee</b>
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 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.

Product name: SKAGEN m2 Legal entity identifier: 549300LFF0YU22VPO026

# Environmental and/or social characteristics

## Sustainable investment:

means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



Does this financial product have a sustainable investment objective?



Yes



No



It will make a minimum of **ustainable investments with an environmental objective**: \_\_ %



in economic activities that qualify as environmentally sustainable under the EU Taxonomy



in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



It will make a minimum of **sustainable investments with a social objective**: \_\_ %



It promotes **Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_ % of sustainable investments



with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy



with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



with a social objective



It promotes E/S characteristics, but **will not make any sustainable investments**

## What environmental and/or social characteristics are promoted by this financial product?

The environmental and/or social characteristic promoted by this Fund is the application of an ESG integration strategy.

The Investment Manager's ESG integration strategy consists of four pillars to execute the investment selection process and exercise of ownership rights. The first pillar of the strategy is negative screening and control of potential investments, the second is an enhanced due diligence of companies in high emitting industries\*, the third is ESG integration through dedicated factsheets, whilst the fourth and final pillar is active ownership.

The Fund also promotes the consideration of (certain) Principle adverse impact indicators at various levels throughout the ESG integration strategy based on the level of financial materiality for the investment case.

\*High emitting industries: Energy equipment & services, oil, gas & consumable fuels, chemicals, construction materials, containers & packaging, metals & mining, paper & forest products, industrial conglomerates, machinery, environmental & facilities services, transportation, automobiles, food products, utilities, real estate segments focusing on data centres and industrial real estate.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



**The investment strategy**

• **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

In achieving the attainment of the ESG integration strategy of the product, varying indicators are used for each pillar. Each pillar use indicators that are measurable. For the first pillar, each investment case is screening against exclusion criteria to ensure alignment with minimum social and environmental safeguards. The second pillar applies to investment cases defined as being in high emitting industries, and assesses management of climate and transition risks. The third incorporates material PAI considerations for each investment case, with a corresponding traffic light indicator denoting relative ESG risks of the security at hand. The fourth pillar use active ownership figures from the voting and engagement activities of the product.

• **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives**  
N/A as the Fund has no commitment to invest in sustainable investments.

• **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

N/A as the Fund has no commitment to invest in sustainable investments.

– **How have the indicators for adverse impacts on sustainability factors been taken into account?**

N/A

– **How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**

N/A

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

**Does this financial product consider principal adverse impacts on sustainability factors?**

- ☐ **No** *The Fund considers principal adverse impact as part of its integrated ESG strategy. Subject to data availability and level of materiality, the PAIs are tracked over time for respective holdings to identify positive and negative developments at security level.*
- ☒ **Yes** *Financially material PAIs are also considered pre-investing where an individual assessment will be made in each case. The development in the investee companies can be used as a basis for voting and dialog activities.*

*Further information can be found in the Company's annual report.*

**What investment strategy does this financial product follow?**

*The Investment Manager's ESG investment strategy is as follows:*

*The Investment Manager is required to communicate all potential investments to the ESG team of the Investment Manager for approval. The ESG team of the Investment Manager will conduct a screening process (negative screening) to control whether the potential investments aligns with the exclusion criteria of the Investment Manager's sustainable investment policy (entity level) which*



guides investment decisions based on factors such as investment objectives and risk tolerance.

aligns with the broader Storebrand Asset Management Sustainable Investment Policy at group level. If an investment is deemed to be in violation with the exclusion criteria (at entity-level and at group level), the Fund cannot invest in the company and the potential investment will be rejected in the screening phase. Moreover, the Fund's investments are subject to quarterly screening controls to ensure their continued alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights and the Investment Manager's exclusion criteria. Secondly, the Investment Manager's ESG team with support from the portfolio manager is required to articulate a dedicated ESG factsheet for the potential investment, identifying material ESG and PAI information and to present potential efforts on how to manage ESG and PAI associated risks – or undervalued opportunities – through active ownership or other investment related actions. Here, contextual and relevant ESG factors are tied to the investment thesis. The degree of ESG risk of each investment is assessed using a traffic light model. To avoid conflicts of interest, it is the task of the ESG team to determine the traffic light assessment of a potential investment; to which the portfolio manager, in collaboration with the ESG team, must articulate a clear plan on environmental and social risk mitigation. Investments with ESG risks that fail to be mitigated following escalation strategies, will be excluded as it will be deemed a thesis violation.

• **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

All four pillars of the ESG strategy described above are binding elements, and are applied throughout the investment process. Consideration of principal adverse risks is included in all four pillars of the ESG strategy depending of level of materiality for the investment and data availability. **Exclusions and negative screening** are the **first steps** deployed to assess environmental and social characteristics of an investment. **Second**, when constructing an investment thesis, **environmental, social and governance characteristics are collected, measured, and assessed** - coupled with enhanced due diligence of climate risk of companies in high-emitting sectors. During the third stage of the process, an assessment of these factors are tied to the investment thesis of each investment – driven by a traffic light model to indicate estimated degree of ESG risks and opportunities. **The factsheets include an assessment of the double materiality of environmental and social characteristics that are of relevance at investment level.** Double materiality considerations are continuously assessed. If salient sustainability risks (harm to investment) or principle adverse impacts (potential harm by investing) are not improving, the investment into an investee company will ultimately have to be divested should the investee company fail to mitigate them. **Lastly, active ownership** with holdings is a lever that is deployed by the Fund to work for factor improvement over time. Quarterly checks and controls are conducted on the holdings in the Fund to monitor developments of events and general exposure, to ensure alignment with the investment policy.

• **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

There is no fixed committed minimum rate to reduce to scope of investments considered prior to the application of the investment strategy. The committed minimum rate to reduce the scope of investments considered is therefore a product of the exclusion criteria in the Storebrand Asset Management Sustainable Investment Policy and the number of companies on that list as a result.

• **What is the policy to assess good governance practices of the investee companies?**

The Investment Manager is a signatory to the UN PRI and commits to invest according to its principles. Reference to the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights are also explicitly stated in the Sustainable Investment Policy. Systemic breaches of the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights that are not addressed by a potential investment will constitute a breach of good governance practice.

**What is the asset allocation planned for this financial product?**

The Fund is actively managed and does not have a planned asset allocation for its investments. In theory, all of the Fund's assets under management should be aligned with E/S characteristics as all companies that are selected and invested in by the Fund are subject to the ESG integration strategy. Residual capital in the Fund can however de-facto be categorized as 'other' due to cash position of the Fund. But, at a minimum, it should be expected that more than 95% of the capital allocation in the Fund will fall into the category "#1 Aligned with E/S characteristics". The minimum indication might

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



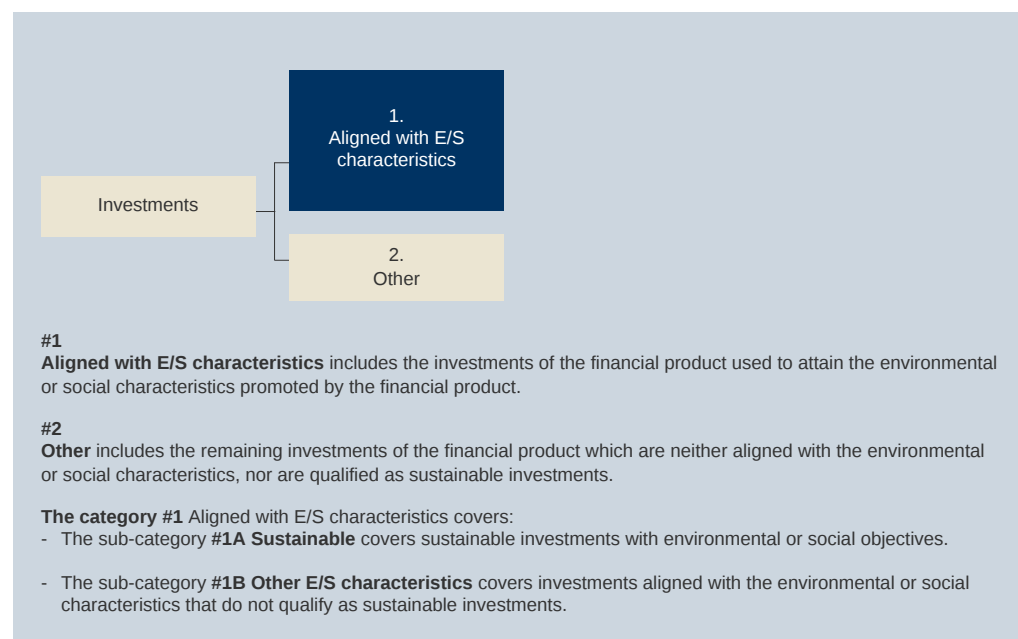
Asset allocation

describes the share of investments in specific assets.

**Taxonomy-aligned activities are expressed as a share of:**

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

*fluctuate depending on the market and there is no absolute certainty regarding the indicated percentage. The product does not have a sustainable investment objective and a minimum proportion of ESG investments is therefore not applicable.*



**• How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

*The Fund does not use derivatives to attain environmental or social characteristics.*

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.



**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

*The Fund does not have any intention to invest in Taxonomy-aligned investments (including transitional and enabling activities) but it is not excluded that this may be the case. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as result been deemed to constitute 0% of the Fund's portfolio.*

**• Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?**

☐ Yes

☐ in fossil gas ☐ in nuclear energy

☒ No

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

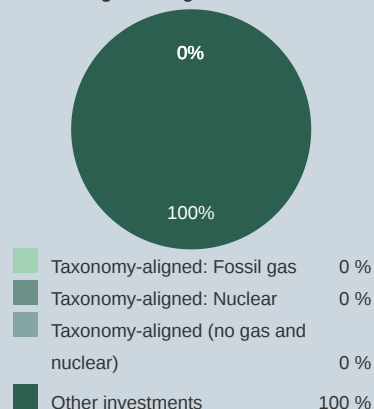
**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective — see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

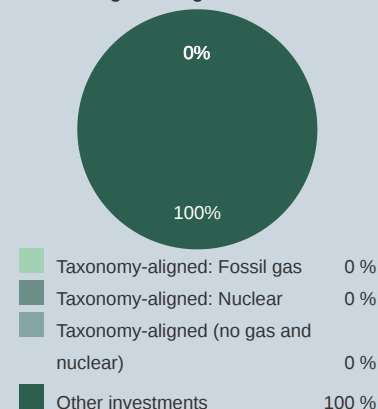
corresponding to the best performance.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-alignment of investments including sovereign bonds\*



2. Taxonomy-alignment of investments excluding sovereign bonds\*



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

*N/A as the Fund has no commitment to invest in sustainable investments.*



**What is the minimum share of socially sustainable investments?**

*N/A as the Fund has no commitment to invest in sustainable investments.*



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

*Residual capital in the Fund can however de-facto be categorized as 'other' due to cash position of the Fund.*



**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

*The Fund is actively managed and uses a benchmark for performance comparison purposes. However, the Fund does not specifically use a benchmark index to attain its environmental or social characteristics.*

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

*N/A*

- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

*N/A*

- **How does the designated index differ from a relevant broad market index?**

N/A

- **Where can the methodology used for the calculation of the designated index be found?**

N/A



**Where can I find more product specific information online?**

*More Fund-specific information can be found on the website:*

*<https://www.skagenfunds.com/about-us/sustainable-investing/>*