

# **STOREBRAND SICAV**

Investment company with variable capital with multiple sub-funds

**PROSPECTUS**

**DECEMBER 2024**

VISA 2024/178493-12114-0-PC

L'apposition du visa ne peut en aucun cas servir  
d'argument de publicité  
Luxembourg, le 2024-12-31  
Commission de Surveillance du Secteur Financier



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## IMPORTANT INFORMATION

THE INFORMATION IN THIS PROSPECTUS IS BASED ON THE DIRECTORS' UNDERSTANDING OF CURRENT LAW AND PRACTICE (INCLUDING AS TO TAXATION) AT THE DATE HEREOF. BOTH LAW AND PRACTICE MAY BE SUBJECT TO CHANGE. IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS PROSPECTUS, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER FINANCIAL ADVISER.

It should be remembered that the price of shares of the Company and income from them can go down as well as up and that investors may not receive back the amount they originally invested. Investment in the Sub-Funds is only suitable for investors seeking long-term capital appreciation who understand the risks involved in investing in the Company.

Shares are available for issue on the basis of the information and representations contained in this Prospectus and the relevant KID. Any further information given or representations made by any person with respect to any shares must be regarded as unauthorised.

All Classes of Shares of all Sub-Funds that are in issue may be listed on the Luxembourg Stock Exchange or on any other recognised stock exchange. Trading in shares of the Company on a stock exchange will be in accordance with the rules and regulations of the relevant stock exchange and subject to normal brokerage fees.

The Directors have taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects, and that there are no other material facts, the omission of which would make misleading any statement herein whether of fact or opinion. All the Directors accept responsibility accordingly.

This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer is unlawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation.

The Shares have not been and will not be registered under the United States Securities Act of 1933 (the "Securities Act") or under the securities laws of any state and the Company has not been and will not be registered under the Investment Company Act 1940 (the "Investment Company Act"). This document may not be distributed, and the Shares in the Company may not be offered or sold within the United States of America or to any US Persons (as defined in the Glossary of the Prospectus).

Investors and applicants should note that under the Foreign Account Tax Compliance Act ("FATCA") details of any US investors holding assets outside the US will be reported by financial institutions to the Internal Revenue Service ("IRS"), as a safeguard against US tax evasion. As a result, and to discourage non-US financial institutions from staying outside this regime, financial institutions that do not comply with the regime will be subject to a 30% withholding tax penalty with respect to certain US sourced income (including dividends) and gross proceeds from the sale or other disposal of property that can produce US sourced income. In order to protect the Shareholders from the effect of any withholding penalty, it is the intention of the Company to be compliant with the requirements of the FATCA regime as this applies to entities such as the Company. For further details please refer to Section 20. "Taxation".

The distribution of this Prospectus and the offering of the Shares may be restricted in certain jurisdictions. It is the responsibility of any persons in possession of this Prospectus and any persons wishing to apply for shares to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdictions. Prospective applicants for Shares should inform themselves as to legal requirements so applying and any applicable exchange control regulations and taxes in the countries of their respective citizenship, residence or domicile.

The KIDs of each Class of each Sub-Fund, the latest annual and semi-annual reports of the Company (if any), are available at the registered office of the Company and on the following website: [www.storebrandfunds.com](http://www.storebrandfunds.com) and [www.skagenfunds.lu](http://www.skagenfunds.lu) and will be sent to investors upon request. Such reports shall be deemed to form part of this Prospectus.

Before subscribing to any Class and to the extent required by local laws and regulations each investor shall consult the relevant KID(s). The KID provides information in particular on historical performance, the summary risk indicator and performance scenarios, and costs. Investors may obtain the KIDs in paper form or on any other durable medium agreed between the Management Company or the intermediary and the investor.

The full list of representatives and paying agents outside Luxembourg can be obtained, free of charge, on the websites of the Investment Manager and the Sub-Investment Manager; [www.storebrandfunds.com](http://www.storebrandfunds.com) and [www.skagenfunds.lu](http://www.skagenfunds.lu).

**Disclosures required under Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the "SFDR"), effective since 10 March 2021, Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 (the "Taxonomy Regulation") and Commission Delegated Regulation (EU) 2022/1288 (the "SFDR RTS"), effective since 1 January 2023, can be found with respect to each Sub-Fund in the SFDR Annex of the relevant Sub-Fund Particular.**

## PROCESSING OF PERSONAL DATA AND OUTSOURCING

### **Processing of personal data**

The Company (the "**Controller**") processes information relating to several categories of identified or identifiable natural persons (including, in particular but not limited to, prospective or existing investors, their beneficial owners and other natural persons related to prospective or existing investors) who are hereby referred to as the "**Data Subjects**". This information has been, is and/or will be provided to, obtained by, or collected by or on behalf of, the Controller directly from the Data Subjects or from other sources (including prospective or existing investors, intermediaries such as distributors, wealth managers and financial advisers, as well as public sources) and is hereby referred to as the "**Data**".

Detailed and up-to-date information regarding the processing of Data by the Controller is contained in a privacy notice (the "**Privacy Notice**"). Investors and any persons contacting, or otherwise dealing directly or indirectly with, the Controller or its service providers in relation to the Company are invited to obtain and take the time to carefully consider and read the Privacy Notice.

Any question, enquiry or solicitation regarding the Privacy Notice and the processing of Data by the Controller in general may be addressed to [privacy@storebrandfunds.com](mailto:privacy@storebrandfunds.com) or to the registered office of the Company for the attention of Head of Luxemburg Operations.

The Privacy Notice is available and can be accessed or obtained online ([www.storebrandfunds.com/privacynotice](http://www.storebrandfunds.com/privacynotice)) and ([www.skagenfunds.lu/privacynotice](http://www.skagenfunds.lu/privacynotice)), or upon request addressed to [privacy@storebrandfunds.com](mailto:privacy@storebrandfunds.com) or to the registered office of the Company for the attention of Head of Luxemburg Operations. The Privacy Notice is available in both paper and e-format. The current version of the Privacy Notice is attached in the Application Form.

The Privacy Notice notably sets out and describes in more detail:

- the legal basis for processing the Data; and where applicable the categories of Data processed, from which source the Data originate, and the existence of automated decision-making, including profiling (if any);
- that Data will be disclosed to several categories of recipients; that certain of these recipients (the "**Processors**") are processing the Data on behalf of the Controller; that the Processors include most of the service providers of the Controller; and that the Processors will act as processors on behalf of the Controller and may also process Data as controllers for their own purposes;
- that Data will be processed by the Controller and the Processors for several purposes (the "**Purposes**") and that these Purposes include (i) the general holding, maintenance, management and administration of prospective and existing investment and interest in the Company, (ii) enabling the Controller and the Processors to perform their services for the Company, and (iii) enabling the Controller and the Processors to comply with legal, regulatory and/or tax (including FATCA/CRS) obligations;
- that Data may, and where appropriate will, be transferred outside of the European Economic Area (including the United Kingdom if and when it leaves the European Union), including to countries whose legislation does not ensure an adequate level of protection as regards the processing of personal data;
- that any communication (including telephone conversations) (i) may be recorded by the Controller and the Processors and (ii) will be retained for a period of 10 years from the date of the recording;
- that Data will not be retained for longer than necessary with regard to the Purposes, in accordance with applicable laws and regulations, subject always to applicable legal minimum retention periods;
- that failure to provide certain Data may result in the inability to deal with, invest or maintain an investment or interest in, the Company;
- that Data Subjects have certain rights in relation to the Data relating to them, including the right to request access to such Data, or have such Data rectified or deleted, the right to ask for the processing of such Data to be restricted or to object thereto, the right to portability, the right to lodge a complaint with the relevant data protection supervisory authority, or the right to withdraw any consent after it was given.

All persons contacting, or otherwise dealing directly or indirectly with, any of the Controller or its service providers in relation to the Company, will likely be requested to formally acknowledge, agree,

accept, represent, warrant and/or undertake (where applicable) that they have obtained and/or have been able to access the Privacy Notice; that the Privacy Notice may be amended at the sole discretion of the Controller; that they may be notified of any change to or update of the Privacy Notice by any means that the Controller deem appropriate, including by public announcement; that they have authority to provide, or to cause or allow the provision, to the Controller any Data relating to third-party natural persons that they provide, or cause or allow the provision, to the Controller; that, if necessary and appropriate, they are required to obtain the (explicit) consent of the relevant third-party natural persons to such processing; that these third-party natural persons have been informed of the processing by the Controller of the Data as described herein and their related rights; that these third-party natural persons have been informed of, and provided with, easy access to the Privacy Notice; that when notified of a change or update of the Privacy Notice they will continue this change or update to these third-party natural persons; that they and each of these third-party natural persons shall abide by any limitation of liability provision contained in the Privacy Notice; and that they shall indemnify and hold the Controller harmless from and against adverse consequences arising from any breach of the foregoing.

The Board of Directors draws the investors' attention to the fact that an investor will only be able to fully exercise its investor rights directly against the Company, notably the right to participate in general meetings of shareholders if the investor is itself registered and in its own name in the Company's Register of shareholders maintained by the Registrar and Transfer Agent. In cases where an investor invests in the Company through an intermediary investing into the Company in its own name but on behalf of the investor, (i) it may not always be possible for the investor to exercise certain shareholder rights directly against the Company and (ii) investors' rights to indemnification in the event of Net Asset Value errors/ non-compliance with the investment rules applicable to a Sub-Fund and other errors within the meaning of CSSF Circular 24/856 may be impacted and only exercisable indirectly. Investors should seek advice from their salesman or intermediary on their rights in the Company.

### **Outsourcing**

As per the Administration Agreement, the Administration Agent/Registrar and Transfer Agent may disclose and transfer confidential information (including Data) related to the Management Company, the Company, its Shareholders, beneficial owners and representatives to its processors and approved third party sub-contractors, affiliates and branches in the EU and the EEA and outside the EEA (the “**Recipients**”), including (but not limited to):

- surname, first name, domicile, address, nationality, date and place of birth, profession (in case of legal persons: corporate name, address of registered office, registration number with the relevant corporate registry, date and place of incorporation, nationality, legal form, shareholder structure);
- information on identification documents: issuance numbers, date and place of issuance, duration of validity and copies of such documents (in case of legal persons: deed and articles of incorporation, excerpts from corporate registry, shareholder register);
- tax domicile and other tax-related documents and information, including FATCA and/or CRS status; and
- transactions, assets and orders and other communications/documentations relating thereto.

Countries which are not part of the EU, may not ensure an adequate level of protection of personal data as assessed by the EU Commission. As per the Administration Agreement, the Administration

Agent/Registrar and Transfer Agent put in place standard data protection clauses adopted by the EU Commission with its processors and approved third party sub-contractors located outside the EEA.

Except as required or permitted by law or the Administration Agreement, (i) the Recipients are not permitted to share those information with non-affiliated entities of the Administration Agent/Registrar and Transfer Agent and (ii) the Administration Agent/Registrar and Transfer Agent will take all reasonable steps to ensure the Recipients treat such disclosed information as confidential.

## DIRECTORY

### **Registered Office of the Company**

6, route de Trèves  
L-2633 Senningerberg  
Grand Duchy of Luxembourg

### **Board of Directors of the Company**

Mrs Johanna Granath, Director, CFO, Storebrand Fonder AB, 105 39 Stockholm, Sweden

Mrs Anna Jönsson, Director, CEO, Storebrand Asset Management AS, Norge, filial Sverige, 105 39, Stockholm, Sweden.

Mrs Sheenagh Gordon-Hart, Independent Director, The Directors' Office, 19 rue de Bitbourg, L-1273 Luxembourg-Hamm, Luxembourg

Mr Garvan Rory Pieters, Independent Director, The Directors' Office, 19 rue de Bitbourg, L-1273 Luxembourg-Hamm, Luxembourg

Mr Joakim Uvegård, Director, International Fund Operations, Storebrand Asset Management AS Norge, filial Sverige, 105 39, Stockholm, Sweden.

### **Management Company**

FundRock Management Company S.A.  
33, rue de Gasperich  
L-5826 Hesperange  
Grand Duchy of Luxembourg<sup>1</sup>

### **Members of the Board of Directors of the Management Company**

- Mr Michel Marcel Vareika (Chairman), Independent Non-Executive Director, Chairman
- Mr Karl Fuehrer, Executive Director
- Mr. Frank de Boer, Executive Director
- Ms Carmel McGovern, Independent Non-Executive Director
- Mr David Rhydderch, Non-Executive Director, Apex

### **Conducting Officers of the Management Company**

- Mr. Frank de Boer, Conducting Officer in charge of Accounting and Branches functions
- Mr Emmanuel Nantas, Conducting Officer in charge of Compliance and AML/CFT
- Mr Karl Fuehrer, Conducting Officer in charge of Investment Management and Marketing
- Mr. Marc-Oliver Scharwath, Conducting Officer in charge of Administration of UCIs, Valuation and IT
- Mr Hugues Sebenne, Conducting Officer in charge of Risk Management

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<sup>1</sup> As from 1<sup>st</sup> January 2025: Airport Center Building, 5, Heienhaff, L-1736 Senningerberg, Grand Duchy of Luxembourg

**Depository Bank**

J.P. Morgan SE - Luxembourg Branch  
6, route de Trèves  
L-2633 Senningerberg Grand Duchy of Luxembourg

**Administration, Corporate, Registrar, Transfer and Domiciliary Agent**

J.P. Morgan SE - Luxembourg Branch  
6, route de Trèves  
L-2633 Senningerberg Grand Duchy of Luxembourg

**Investment Manager**

Storebrand Asset Management AS  
Professor Kohts vei 9  
1366 Lysaker  
Norway

**Sub-Investment Manager**

Skagen AS  
P.O. Box 160  
Stavanger N-4001  
Norway

**Global Distributor**

Storebrand Asset Management AS  
Professor Kohts vei 9  
1366 Lysaker  
Norway

**Auditors**

PricewaterhouseCoopers, *société cooperative*.  
2, rue Gerhard Mercator,  
L-2182 Luxembourg  
Grand Duchy of Luxembourg

**Legal Advisers as to matters of Luxembourg law**

Elvinger Hoss Prussen  
*société anonyme*  
2, Place Winston Churchill  
L-1340 Luxembourg  
Grand Duchy of Luxembourg

## GLOSSARY

Unless otherwise specified in a Sub-Fund Particular:

<b>1915 Law</b>	Luxembourg Law of 10 August 1915 relating to commercial companies, as amended.
<b>2010 Law</b>	Luxembourg Law of 17 December 2010 on undertakings for collective investment, as amended, implementing Directive 2009/65/EC into Luxembourg law.
<b>Administration Agent</b>	J.P. Morgan SE - Luxembourg Branch, acting in its capacity as administration agent of the Company.
<b>Application Form</b>	The application form available at the registered office of the Company and from distributors (if any).
<b>Articles of Incorporation</b>	The articles of incorporation of the Company, as may be amended from time to time.
<b>Auditors</b>	PricewaterhouseCoopers, <i>société coopérative</i> .
<b>Base Currency</b>	The base currency of a Sub-Fund, as disclosed in the relevant Sub-Fund Particular.
<b>Board of Directors</b>	The board of directors of the Company. Any reference to the Board of Directors includes a reference to its duly authorised agents or delegates.
<b>Business Day</b>	Any full day on which the banks are open for normal business banking in Luxembourg and other relevant jurisdictions as further detailed in the relevant Sub-Fund Particular.
<b>CHF</b>	The legal currency of Switzerland (the "Swiss Franc").
<b>China A-Shares</b>	Shares issued by companies listed on the Shanghai or Shenzhen stock exchange and denominated in RMB.
<b>Class(es)</b>	Pursuant to the Articles of Incorporation, the Board of Directors may decide to issue, within each Sub-Fund, separate classes of shares (hereinafter referred to as a "Class") whose assets will be commonly invested but where a specific initial or redemption charge structure, fee structure, minimum subscription amount, currency, dividend policy or other feature may be applied. The details of each Class are described in section 5. "Shares" of this Prospectus.
<b>Company</b>	Storebrand SICAV.
<b>CSSF</b>	<i>Commission de Surveillance du Secteur Financier</i> , the Luxembourg supervisory authority.

<b>Depository</b>	J.P. Morgan SE - Luxembourg Branch, acting in its capacity as depository of the Company.
<b>Directors</b>	The members of the Board of Directors.
<b>DKK</b>	The legal currency of Denmark (the "Danish Kroner").
<b>Eligible State</b>	Any EU Member State or any other state in Eastern and Western Europe, Asia, Africa, Australia, North and South America and Oceania.
<b>Emerging Markets</b>	Emerging markets are those markets in countries that, at the time a Sub-Fund invests in the related security, are classified as an emerging or developing economy by any supranational organization or related entities, or is considered an emerging market country for purposes of constructing major emerging market securities indexes.
<b>EEA</b>	The European Economic Area.
<b>ESG</b>	Environmental, social and corporate governance criteria.
<b>EU</b>	The European Union.
<b>EUR</b>	The legal currency of the European Union (the "Euro").
<b>G7</b>	Canada, France, Germany, Italy, Japan, United Kingdom, United States of America.
<b>G20</b>	The informal group of twenty finance ministers and central bank governors from twenty major economies: Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, South Korea, Turkey, United Kingdom, United States of America and the EU.
<b>GBP</b>	The legal currency of the United Kingdom (the "British Pound").
<b>Global Distributor</b>	Storebrand Asset Management AS.
<b>Grand-Ducal Regulation of 2008</b>	The Grand-Ducal regulation of 8 February 2008 relating to certain definitions of the law of 20 December 2002 on undertakings for collective investments.
<b>Institutional Investor(s)</b>	Institutional investor(s) within the meaning of article 174 of the 2010 Law.

<b>Investment Manager</b>	The investment manager of each Sub-Fund, as referred to in the Sub-Fund Particulars.
<b>KID</b>	The key information document within the meaning of Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014, or the key investor information documents within the meaning of Directive 2009/65/EC, as appropriate.
<b>Luxembourg</b>	The Grand Duchy of Luxembourg.
<b>Management Company</b>	FundRock Management Company S.A.
<b>Mature Economies</b>	Shall mean an economy that has reached an advanced stage of development characterised by slowing GDP growth, low population growth and an investment mix weighted more towards consumption and quality of life, and less towards infrastructure and other fixed asset projects.
<b>Member State</b>	A Member State of the European Union. The States that are contracting parties to the agreement creating the European Economic Area other than the Member States of the European Union, within the limits set forth by this Agreement and related acts, are considered as equivalent to Member States of the European Union.
<b>Mémorial</b>	<i>Mémorial C, Recueil des Sociétés et Associations</i> , Luxembourg's legal gazette which was replaced by RESA on 1 June 2016.
<b>Money Market Instruments</b>	Shall mean instruments normally dealt in on the money market which are liquid, and have a value which can be accurately determined at any time.
<b>Net Asset Value</b>	The net asset value of any Class within any Sub-Fund or of any Sub-Fund determined in accordance with the relevant provisions detailed in Section 10. "Net Asset Value and dealing prices".
<b>NOK</b>	The legal currency of Norway (the "Norwegian Kroner").
<b>OECD</b>	Organisation for Economic Co-operation and Development.
<b>Other UCI</b>	An undertaking for collective investment within the meaning of Article 1 paragraph (2), point (a) and point (b) of Directive 2009/65/EC.
<b>PRC</b>	The People's Republic of China, but for the purposes of the Sub-Funds' investment objective and investment approach only, excluding Hong Kong SAR, Macau Special Administrative Region and Taiwan.
<b>Reference Currency</b>	The currency denomination of a Class in which the Net Asset Value per Share of the Class is expressed and calculated.

<b>Register</b>	The register of shareholders of the Company.
<b>Registrar and Transfer Agent</b>	J.P. Morgan SE - Luxembourg Branch, acting as registrar and transfer agent of the Company.
<b>Regulated Market</b>	A regulated market as defined in the Directive 2014/65/EU of 15 May 2014 on markets in financial instruments (MiFID), namely a market which appears on the list of the regulated markets drawn up by each Member State, which functions regularly, is characterized by the fact that regulations issued or approved by the competent authorities define the conditions for the operation of the market, the conditions for access to the market and the conditions that must be satisfied by a financial instrument before it can effectively be dealt in on the market, requiring compliance with all the reporting and transparency requirements laid down by MiFID and any other market which is regulated, operates regularly and is recognised and open to the public in an Eligible State.
<b>REIT</b>	An entity that is dedicated to owning, and in most cases, managing real estate. This may include, but is not limited to, real estate in the residential (apartments), commercial (shopping centres, offices) and industrial (factories, warehouses) sectors. Certain REITs may also engage in real estate financing transactions and other real estate development activities.
<b>RESA</b>	<i>Recueil Electronique des Sociétés et Associations</i> , Luxembourg's central electronic platform of official publication.
<b>RMB</b>	The official currency of the PRC – to be read as a reference to onshore Renminbi (CNY) and/or offshore Renminbi (CNH) as the context requires.
<b>SEK</b>	The legal currency of Sweden (the "Swedish Kroner").
<b>Share</b>	A share of no par value of any Class of any Sub-Fund in the Company.
<b>Shareholder</b>	A person recorded as a holder of Shares in the Register.
<b>Stock Connects</b>	The Shanghai-Hong Kong Stock Connect Programme and the Shenzhen-Hong Kong Stock Connect Programme as described in Section 4. "Risk Considerations".
<b>Storebrand Group</b>	All companies owned directly or indirectly by Storebrand ASA.
<b>Sub-Fund</b>	A specific portfolio of assets and liabilities within the Company having its own Net Asset Value and represented by one or more Classes.
<b>Sub-Fund Particulars</b>	Part of the Prospectus containing information relating to each Sub-Fund.

<b>Total Return Swap</b>	<p>A financial derivative instrument in which one counterparty transfers the total economic performance, including income from interest and fees, gains and losses from price movements, and credit losses, of a reference obligation to another counterparty.</p> <p>The Total Return Swap may be applied to Transferable Securities and cash held by the relevant Sub-Fund.</p>
<b>Transferable Securities</b>	<p>Shall mean:</p> <ul style="list-style-type: none"> <li>(a) shares and other securities equivalent to shares,</li> <li>(b) bonds and other debt instruments,</li> <li>(c) any other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchange, excluding techniques and instruments relating to transferable securities and Money Market Instruments.</li> </ul>
<b>UCITS</b>	<p>An undertaking for collective investment in Transferable Securities and other eligible assets authorised pursuant to Directive 2009/65/EC, as amended.</p>
<b>US Person</b>	<p>Shall have the meaning ascribed to it under Section 902(k) of Regulation S under the Securities Act.</p>
<b>USD</b>	<p>The legal currency of the United States of America (the "United States Dollar").</p>
<b>Valuation Day</b>	<p>Any day on which the Net Asset Value is calculated as detailed for each Sub-Fund, in the relevant Sub-Fund Particular.</p>

## GENERAL PART

### 1. STRUCTURE OF THE COMPANY

The Company is an umbrella investment company with variable capital (*société d'investissement à capital variable*) incorporated under the form of a *société anonyme* in the Grand Duchy of Luxembourg. It qualifies as an undertaking for collective investment in transferable securities ("UCITS") under Part I of the 2010 Law. As an umbrella structure, the Company may operate separate Sub-Funds, each being distinguished among others by their specific investment policy or any other specific feature as further detailed in the relevant Sub-Fund Particular. Within each Sub-Fund, different Classes with characteristics detailed in Section 5. "Shares" may be issued.

The Company constitutes a single legal entity, but the assets of each Sub-Fund are segregated from those of the other Sub-Fund(s) in accordance with the provisions of article 181 of the 2010 Law. This means that the assets of each Sub-Fund shall be invested for the Shareholders of the corresponding Sub-Fund and that the assets of a specific Sub-Fund are solely accountable for the liabilities, commitments and obligations of that Sub-Fund.

The Board of Directors may at any time resolve to set up new Sub-Fund(s) and/or create within each Sub-Fund one or more Classes. The Board of Directors may also at any time resolve to close a Sub-Fund, or one or more Classes within a Sub-Fund, to further subscriptions.

The Company was incorporated for an unlimited period in Luxembourg on 18 April 2019. The capital of the Company shall be equal at all times to its net assets. The minimum capital of the Company shall be the minimum prescribed by the 2010 Law, which at the date of this Prospectus is the equivalent of EUR 1,250,000.

The Company was incorporated with an initial capital of EUR 30,000, divided into 300 fully paid up shares.

The Company is registered with the *Registre de Commerce et des Sociétés, Luxembourg* (Luxembourg register of commerce and companies) under number B 234106. The Articles of Incorporation were deposited with the *Registre de Commerce et des Sociétés, Luxembourg* and were published in the RESA on 6 May 2019. The Articles of Incorporation have been amended for the last time on 30 August 2024.

The reference currency of the Company is the EUR and all the financial statements of the Company will be presented in EUR.

### 2. INVESTMENT OBJECTIVES AND POLICIES OF THE COMPANY AND THE SUB-FUNDS

The Company seeks to provide a range of Sub-Fund(s) with the purpose of spreading investment risk and satisfying the requirements of investors seeking to gain capital growth as detailed for each Sub-Fund in the relevant Sub-Fund Particular.

In pursuing the investment objectives of the Sub-Funds, the Investment Manager at all times seeks to maintain an appropriate level of liquidity in the assets of the relevant Sub-Fund so that redemptions of Shares under normal circumstances may be made without undue delay upon request by the Shareholders.

Whilst using their best endeavours to attain the investment objectives, the Investment Manager cannot guarantee the extent to which these objectives will be achieved. The value of the Shares and the income from them can fall as well as rise and investors may not realise the value of their initial investment. Changes in the rates of exchange between currencies may also cause the value of the Shares to diminish or to increase.

## **2.1. Storebrand Asset Management Sustainable Investment Policy**

The Storebrand Group believes that companies that understand and utilise sustainability in their business strategy will outperform their counterparts over the longer term. The Storebrand Group believes that investing sustainably is essential in order to achieve the best possible risk-adjusted returns for shareholders. It is only through a thorough analysis of a company's sustainability that one is able to identify important risks and opportunities arising from environmental, social and governance factors. A sustainable approach to investing is also important for the long-term stewardship of clients' capital. Integrating sustainability factors into the investment process allows the Storebrand Group to make better-informed investment decisions, and provides a more comprehensive view of each individual investment case.

The United Nations Sustainable Development Goals outlined in Agenda 2030 provide an internationally recognised context for sustainability. Many of the United Nations Sustainable Development Goals are highly relevant to international companies in that they highlight key business risks and opportunities. All major areas of sustainable development are addressed including such issues as healthcare, water use, climate, urban development, corruption and gender diversity. The Storebrand Group has integrated financially relevant UN Sustainable Development Goals in its analysis and ranking of individual companies.

The Storebrand Group's approach to sustainable investing is built upon three pillars: Exclusions, Integration and Active Ownership. The exclusion policy applies to all of the Storebrand Group's investments. In addition, company ratings are integrated in all of the group's investments. The degree of engagement as an active owner may vary based on the size of the investment and the importance of the issue. The full potential of a Sustainable Investment strategy is best accomplished when applying the three pillars together.

The Storebrand Asset Management Sustainable Investment Policy is applied to each Sub-Fund but not to the same extent. For more information on how this policy is applied to a relevant Sub-Fund, please refer to the SFDR Annex of the relevant Sub-Fund Particular.

The full Sustainability Investment Policy of the Storebrand Group is available at [www.storebrandfunds.com](http://www.storebrandfunds.com).

## **3. RISK MANAGEMENT PROCESS**

In accordance with the 2010 Law and the applicable regulations, in particular Circular CSSF 11/512, the Management Company, on behalf of the Company will employ a risk-management process which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of each Sub-Fund. The Management Company, on behalf of the Company will employ, if applicable, a process for accurate and independent assessment of the value of any OTC derivative instruments.

Unless otherwise expressly stated in the relevant Sub-Fund Particulars, the commitment approach will be applied to measure the Sub-Funds' risk exposure.

### ***LIQUIDITY RISK MANAGEMENT PROCESS***

The Management Company has established, implemented and consistently applies a liquidity risks management procedure and has put in place prudent and rigorous liquidity management procedures which enable it to monitor the liquidity risks of the Sub-Funds and to ensure compliance with the internal liquidity thresholds so that the Sub-Funds can normally meet at all times their obligation to redeem their Shares at the request of Shareholders.

Qualitative and quantitative measures are used to monitor the portfolio and the securities to seek to ensure that the investment portfolio is appropriately and sufficiently liquid to honour Shareholders' redemption requests. In addition, Shareholders' concentrations are regularly reviewed to assess their potential impact on the liquidity of the Sub-Funds.

The Sub-Funds' portfolios are reviewed individually with respect to liquidity risks. The Management Company's liquidity management procedure takes into account the investment strategy, the dealing frequency, the underlying assets' liquidity (and their valuation) and Shareholder base.

The liquidity risks are further described in section "4. Risk Considerations" below.

The Board of Directors or the Management Company, as appropriate, may also make use, among others, of the following to manage liquidity risk:

As described in section "10.1. Calculation of Net Asset Value", item "Swing Pricing", the Net Asset Value per Share of a Sub-Fund may be adjusted by the Board on a Valuation Day when the net subscriptions or net redemptions in a Sub-Fund exceed a threshold set by the Board from time to time.

As described in Section "10.2. Temporary suspension", the Company, as represented by the Board of Directors may suspend the issue, allocation and the redemption of Shares relating to any Sub-Fund/Class as well as the right to convert Shares and the calculation of the Net Asset Value per Share relating to any Class.

As further described in section "7.2. Settlement", item "In Kind", redemptions in kind may be made in certain cases.

As described in section "7.5. Deferral of redemptions", the Company, on receiving requests to redeem Shares exceeding 10% of the Net Asset Value of any Sub-Fund or Class, may declare that such redemptions exceeding the 10% limit may be deferred until sufficient liquidity is available.

On a periodic basis, the composition of the Sub-Funds' portfolios is disclosed in the annual reports.

Components of the portfolio composition are also disclosed in monthly factsheets available on the websites: [www.storebrandfunds.com](http://www.storebrandfunds.com) and [www.skagenfunds.com](http://www.skagenfunds.com).

#### **4. RISK CONSIDERATIONS**

Investment in any Sub-Fund carries with it a degree of risk, including, but not limited to, those referred to below. Potential investors should read the Prospectus in its entirety, read the relevant KID and consult with their legal, tax and financial advisors prior to making a decision to invest.

There can be no assurance that the Sub-Fund(s) of the Company will achieve their investment objectives and past performance should not be seen as a guide to future returns. An investment may also be affected by any changes in exchange control regulation, tax laws, withholding taxes and economic or monetary policies.

##### ***Business Risk***

There can be no assurance that the Company or any Sub-Fund will achieve its investment objective. There is no operating history by which to evaluate their likely future performance. The investment results of the Company or any Sub-Fund are reliant upon the success of the Investment Manager and the performance of the markets the Sub-Funds invest in. The Investment Manager manages equivalent funds domiciled in Norway with long performance history.

##### ***Reliance on the Investment Manager***

The Investment Manager will have the responsibility for the relevant Sub-Fund's investment activities. Investors must rely on the judgment of the Investment Manager which has complete discretionary power in exercising this responsibility. In addition, since the performance of a Sub-Fund is wholly dependent on the skills of the Investment Manager, if the services of the Investment Manager or its principals were to become unavailable, such unavailability might have a detrimental effect on the relevant Sub-Fund and its performance.

Moreover, there can be no assurance that the Investment Manager of any Sub-Fund will successfully implement the strategy of the relevant Sub-Fund.

##### ***Market Risk***

The value of investments and the income derived therefrom may fall as well as rise and investors may not recoup the original amount invested in the Company. In particular, the value of investments in securities may be affected by uncertainties such as international, political and economic and general financial market developments or changes in government policies, especially in countries where the investments are based.

##### ***Foreign Exchange Risk and Currency Hedging Risk***

Because a Sub-Fund's assets and liabilities may be denominated in currencies different to the Base Currency of the relevant Sub-Fund or to the Reference Currency of the relevant Class, the Sub-Fund / relevant Class may be affected favourably or unfavourably by exchange control regulations or changes in the exchange rates between the Base Currency (or the Reference Currency) and other currencies. Changes in currency exchange rates may influence the value of a Sub-Fund's / Class' Shares, the dividends or interest earned and the gains and losses realised. Exchange rates between currencies are

determined by supply and demand in the currency exchange markets, the international balance of payments, governmental intervention, speculation and other economic and political conditions.

If the currency in which a security is denominated appreciates against the Base Currency (or the Reference Currency) the value of the security will increase. Conversely, a decline in the exchange rate of the currency would adversely affect the value of the security.

A Sub-Fund / Class may engage in foreign currency transactions in order to hedge against currency exchange risk. However, there is no guarantee that hedging or protection will be achieved. This strategy may also limit the Sub-Fund / Class from benefiting from the performance of a Sub-Fund's / Class' securities if the currency in which the securities held by the Sub-Fund / Class are denominated rises against the Base Currency (or the Reference Currency). In case of a hedged Class (denominated in a currency different from the Base Currency), this risk applies systematically.

Hedging transactions may consist of foreign exchange forward contracts or other types of derivative contracts which reflect a foreign exchange hedging exposure that is "rolled" on a periodic basis. In such a situation, the hedging transactions may not be adjusted for the foreign exchange exposure arising from the performance of a Sub-Fund's portfolio between two consecutive roll dates which may reduce the effectiveness of the hedge and may lead to gains or losses to investors. Investors should note that there may be costs associated with the use of foreign exchange hedging transactions which may be borne by the relevant Sub-Fund/Class.

Given that there is no legal segregation of liabilities between Classes, there may be a remote risk that, under certain circumstances, hedging transactions in relation to a hedged Class could result in liabilities which might affect the Net Asset Value of the other Classes of the same Sub-Fund.

Where the liabilities of a particular Class exceed the assets pertaining to that Class, creditors pertaining to one Class may have recourse to the assets attributable to other Classes.

### ***Equity Investment Risks***

A Sub-Fund may invest directly or indirectly in equity securities. Investing in equity securities may offer a higher rate of return than investing in short term and longer term debt securities. However, the risks associated with investments in equity securities may also be higher, because the investment performance of equity securities depends upon factors which are difficult to predict. As a result, the market value of the equity securities that it invests in may go down as well as up. Factors affecting the equity securities are numerous, including but not limited to changes in investment sentiment, political environment, economic environment, and the business and social conditions in local and global marketplace. Securities exchanges typically have the right to suspend or limit trading in any security traded on the relevant exchange; a suspension will render it impossible to liquidate positions and can thereby expose the relevant Sub-Fund to losses.

### ***Risks of Investing in Other Funds***

A Sub-Fund may invest in underlying funds which are not regulated by the CSSF. In addition to the expenses and charges charged by such Sub-Fund, investors should note that there are additional fees involved when investing into these underlying funds, including fees and expenses charged by investment manager of these underlying funds as well as fees payable by the relevant Sub-Fund during

its subscription to or redemption from these underlying funds. Furthermore, there can be no assurance that 1) the liquidity of the underlying funds will always be sufficient to meet redemption request as and when made; and 2) investment objective and strategy will be successfully achieved despite the due diligence procedures undertaken by the Investment Manager and the selection and monitoring of the underlying funds. These factors may have adverse impact on the relevant Sub-Fund and its investors. If a Sub-Fund invests in an underlying fund managed by the Investment Manager or connected person of the Investment Manager, potential conflict of interest may arise. Please refer to the section headed "*Conflicts of Interest*" for details under the circumstances.

### ***Debt Securities***

- *Credit Ratings Risk*

The ratings of debt securities by Moody's Investor Services, Standard & Poor's and Fitch's are a generally accepted barometer of credit risk. They are, however, subject to certain limitations from an investor's standpoint. The rating of an issuer is heavily weighted by past performance and does not necessarily reflect probable future conditions. Rating agencies might not always change their credit rating of an issuer in a timely manner to reflect events that could affect the issuer's ability to make scheduled payment on its obligations. In addition, there may be varying degrees of difference in credit risk of securities within each rating category.

- *Lower Rated, Below Investment Grade and Unrated Securities Risk*

A Sub-Fund may invest in securities which are below investment grade or which are unrated as indicated in the investment policy of the relevant Sub-Fund. Investors should note that such securities would generally be considered to have a higher degree of counterparty risk, credit risk and liquidity risk than higher rated, lower yielding securities and may be subject to greater fluctuation in value and higher chance of default. If the issuer of securities defaults, or such securities cannot be realised, or perform badly, investors may suffer substantial losses. The market for these securities may be less active, making it more difficult to sell the securities. Valuation of these securities is more difficult and thus the relevant Sub-Fund's prices may be more volatile.

The value of lower-rated or unrated corporate bonds may be affected by investors' perceptions. When economic conditions appear to be deteriorating, below investment grade or unrated corporate bonds may decline in market value due to investors' heightened concerns and perceptions over credit quality.

- *Valuation Risk*

The value of debt securities that a Sub-Fund invests may be subject to the risk of mispricing or improper valuation, i.e. operational risk that the debt securities are not priced properly. Valuations of quoted or listed debt securities are primarily based on the valuations from independent third party sources where the prices are available. However, in the case where independent pricing information may not be available such as in extreme market conditions or break down in the systems of third party sources, the value of such debt securities may be based on certification by such firm or institution making a market in such investment as may be appointed for such purpose by the Investment Manager in consultation with the Board of

Directors. Valuations in such circumstance may involve uncertainty and judgemental determination.

In the event of adverse market conditions where it is not possible to obtain any reference quotation from the market at the relevant time of valuation, the latest available quotations of the relevant debt securities may be used to estimate the fair market value. Alternatively, the Board of Directors may permit some other method of valuation to be used to estimate the fair market value of such debt securities including the use of quotation of other debt securities with very similar attributes. Such valuation methodology may not equal to the actual liquidation price due to liquidity and size constraints. If valuation is proven to be incorrect, this will affect the Net Asset Value calculation of the relevant Sub-Fund.

The valuation of unlisted debt securities is more difficult to calculate than listed debt securities. Normally, unlisted debt securities are valued at their initial value thereof equal to the amount expended out of the relevant Sub-Fund in the acquisition thereof (including in each case the amount of the stamp duties, commissions and other acquisition expenses) provided that the value of any such unlisted debt securities shall be determined on a regular basis by a professional person approved by the Board of Directors as qualified to value such unlisted debt securities. Such professional person may value the unlisted debt securities by reference to the prices of other comparable unlisted debt securities. The trading of unlisted debt securities may not be transparent and the prices of unlisted debt securities may not be openly displayed. There is a risk that such professional person is not aware of all the trading in unlisted debt securities and may use prices which may be historical only and may not reflect recent trading in the debt securities concerned. In such circumstance, the valuation of the unlisted debt securities may not be accurate as a result of incomplete price information. This would have impact on the calculation of the Net Asset Value of the relevant Sub-Fund.

- *Unlisted Debt Securities Risk*

The debt securities in which a Sub-Fund invests may not be listed on a stock exchange or a securities market where trading is conducted on a regular basis. Even if the debt securities are listed, the market for such securities may be inactive and the trading volume may be low. In the absence of an active secondary market, the relevant Sub-Fund may need to hold the debt securities until their maturity date. If sizeable redemption requests are received, the relevant Sub-Fund may need to liquidate its investments at a substantial discount in order to satisfy such requests and the relevant Sub-Fund may suffer losses in trading such securities.

- *Interest Rate Risk*

A Sub-Fund that has exposure to bonds and other fixed income securities may fall in value if interest rates change. Generally, the prices of debt securities rise when interest rates fall, whilst their prices fall when interest rates rise. Longer term debt securities are usually more sensitive to interest rate changes.

- *Credit Risk*

A Sub-Fund which has exposure to bonds and other fixed income securities is subject to the risk that issuers may not make payments on such securities. An issuer suffering an adverse change in its financial condition could lower the credit quality of a security, leading to greater price volatility of the security. A lowering of the credit rating of a security may also offset the security's liquidity, making it more difficult to sell. Sub-Fund(s) investing in lower quality debt securities are more susceptible to these problems and their value may be more volatile.

More generally, changes in the financial condition of an issuer or counterparty, changes in specific economic, social or political conditions that affect a particular type of security or other instrument or an issuer, and changes in economic, social or political conditions generally can increase the risk of default by an issuer or counterparty, which can affect a security's or other instrument's credit quality or value and an issuer's or counterparty's ability to pay interest and principal when due. The values of lower-quality debt securities tend to be particularly sensitive to these changes. The values of securities also may decline for a number of other reasons that relate directly to the issuer, such as management performance, financial leverage and reduced demand for the issuer's goods and services, as well as the historical and prospective earnings of the issuer and the value of its assets.

- *Downgrading Risk*

Investment Grade bonds may be subject to the risk of being downgraded to non-Investment Grade bonds. In the event of downgrading in the credit ratings of a security or an issuer relating to a security, the Sub-Fund's investment value in such security may be adversely affected. The Management Company or the Investment Manager may or may not dispose of the securities, subject to the investment objective of the Sub-Fund.

### ***Liquidity Risk***

A Sub-Fund is exposed to the risk that a particular investment, position or collateral cannot be easily unwound or offset due to insufficient market depth, market disruption and/or extreme market conditions. A Sub-Fund's investment in illiquid securities may reduce the returns of the Sub-Fund because it may be unable to sell the illiquid securities at an advantageous time or price. Investments in foreign securities, derivatives or securities with substantial market and/or credit risk (such as but not limited to collateralised debt obligations, lower rated, below investment grade and unrated securities) tend to have the greatest exposure to liquidity risk. Illiquid securities may be highly volatile and difficult to value.

The attention of the Shareholders is drawn to the fact that in extreme market situations the liquidity of the securities in which a Sub-Fund may invest may be temporarily limited.

The Management Company operates a risk management process effective in identifying, measuring, monitoring and controlling the liquidity risk for all assets classes including, but not limited to financial derivative instruments.

### ***Risks of Investing in IPO Securities***

A Sub-Fund may invest in initial public offers ("IPOs") securities. The prices of securities involved in initial public offers ("IPOs") are often subject to greater and more unpredictable price changes than more established securities. There is the risk that there are inadequate trading opportunities generally or allocations for IPOs which the Investment Manager wishes or is able to participate in. Furthermore, the liquidity and volatility risks associated with investments or potential investments in IPO securities may be difficult to assess, due to the lack of trading history of such IPO securities. These risks may have adverse impact on the relevant Sub-Fund and its investors.

### ***Volatility of Financial Derivative Instruments***

The price of a financial derivative instrument can be very volatile. This is because a small movement in the price of the underlying security, index, interest rate or currency may result in a substantial movement in the price of the financial derivative instrument. Investment in financial derivative instruments may result in losses in excess of the amount invested.

### ***Futures and Options***

Under certain conditions, the Company may use options and futures on securities, indices and interest rates for different purposes (i.e. hedging and efficient portfolio management). Also, where appropriate, the Company may hedge market and currency risks using futures, options or forward foreign exchange contracts.

Transactions in futures carry a high degree of risk. The amount of the initial margin is small relative to the value of the futures contract so that transactions are "leveraged" or "geared". A relatively small market movement will have a proportionately larger impact which may work for or against the investor. The placing of certain orders which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders. Please also refer to Leverage Risk below.

Transactions in options also carry a high degree of risk. Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obliged either to settle the option in cash or to acquire or deliver the underlying investment. If the option is "covered" by the seller holding a corresponding position in the underlying investment or a future on another option, the risk may be reduced.

### ***OTC Financial Derivative Transactions***

In general, there is less governmental regulation and supervision of transactions in the OTC markets (in which currencies, forward, spot and option contracts, credit default swaps, Total Return Swaps and certain options on currencies are generally traded) than of transactions entered into on organized exchanges. In addition, many of the protections afforded to participants on some organized exchanges, such as the performance guarantee of an exchange clearing house, may not be available in connection with OTC financial derivative transactions. Therefore, a Sub-Fund entering into OTC financial derivative transactions will be subject to the risk that its direct counterparty will not perform its

obligations under the transactions and that the Sub-Fund will sustain losses. The Company will only enter into transactions with counterparties which it believes to be creditworthy, and may reduce the exposure incurred in connection with such transactions through the receipt of letters of credit or collateral from certain counterparties. Regardless of the measures the Company may seek to implement to reduce counterparty credit risk, however, there can be no assurance that a counterparty will not default or that a Sub-Fund will not sustain losses as a result.

There has been an international effort to increase the stability of the over-the-counter derivatives market in response to the financial crisis. In the United States, the Dodd-Frank Act includes provisions that comprehensively regulate the over-the-counter derivatives markets. In Europe, the European Parliament has adopted EMIR, a regulation on over-the-counter derivatives, central counterparties and trade repositories, which also comprehensively regulates the over-the-counter derivatives markets. These regulations may impose compliance costs on the relevant Sub-Funds. They will also increase the dealers' costs, which are expected to be passed through to other market participants in the form of higher fees and less favourable dealer marks. They may also render certain strategies in which the relevant Sub-Funds might otherwise engage impossible or so costly that they will no longer be economical to implement. The overall impact of these regulations on the relevant Sub-Funds is unclear especially on how the over-the-counter derivatives markets will adapt to the clearing obligations, the exchange of collateral obligations and other risk mitigation techniques.

From time to time, the counterparties with which the Company may effect transactions might cease making markets or quoting prices in certain of the instruments. In such instances, the Company might be unable to enter into a desired transaction in currencies, credit default swaps or Total Return Swaps or to enter into an offsetting transaction with respect to an open position, which might adversely affect its performance. Further, in contrast to exchange traded instruments, forward, spot and option contracts on currencies do not provide the Management Company or the Investment Manager with the possibility to offset the Company's obligations through an equal and opposite transaction. For this reason, in entering into forward, spot or options contracts, the Company may be required, and must be able, to perform its obligations under the contracts.

### ***Risk of Swap Transactions***

To the extent that a Sub-Fund enters into a swap transaction (which may include a Total Return Swap), investors should be aware that in a standard swap transaction, two parties agree to exchange the returns (or differentials in rates of return) earned or realised on particular pre-determined investments or instruments.

Swaps contracts can be individually traded and structured to include exposure to different types of investments or market factors. Depending on their structure, these swap operations can increase or decrease the exposure of a Sub-Fund to strategies, shares, short- or long-term interest rates, foreign currency values, borrowing rates or other factors. Swaps can be of different forms, and are known under different names; they can increase or decrease the overall volatility of a Sub-Fund, depending on how they are used. The main factor that determines the performance of a swap contract is the movement in the price of the underlying investment, specific interest rates, currencies and other factors used to calculate the payment due by and to the counterparty. If a swap contract requires payment by a Sub-Fund, the latter must at all times be able to honour said payment. Moreover, if the counterparty loses its creditworthiness, the value of the swap contract entered into with this counterparty can be expected to fall, entailing potential losses for a Sub-Fund.

Swap transactions are subject to the risk that the swap counterparty may default on its obligations. If such a default were to occur the Sub-Funds would, however, have contractual remedies pursuant to the relevant OTC swap transaction. Investors should be aware that such remedies may be subject to bankruptcy and insolvency laws which could affect a Sub-Fund's rights as a creditor and as a result a Sub-Fund may for example not receive the net amount of payments that it contractually is entitled to receive on termination of the OTC swap transaction where the swap counterparty is insolvent or otherwise unable to pay the amount due. The net counterparty risk exposure each Sub-Fund may have with respect to a single swap counterparty, expressed as a percentage (the "Percentage Exposure") (i) is calculated by reference to this Sub-Fund's Net Asset Value, (ii) may take into account certain mitigating techniques (such as remittance of collateral) and (iii) cannot exceed 5 % or 10 % depending on the status of the swap counterparty, in accordance with and pursuant to the applicable regulations (please refer to Section 23. for more details on the maximum Percentage Exposure. Investors should nevertheless be aware that the actual loss suffered as a result of the swap counterparty's default may exceed the amount equal to the product of the Percentage Exposure multiplied by the Net Asset Value, even where arrangements have been taken to reduce the Percentage Exposure to nil. As a matter of illustration, there is a risk that the realised value of collateral received by a Sub-Fund may prove less than the value of the same collateral which was taken into account as an element to calculate the Percentage Exposure, whether because of inaccurate pricing of the collateral, adverse market movements, a deterioration in the credit rating of issuers of the collateral or the illiquidity of the market in which the collateral is traded. Any potential investor should therefore understand and evaluate the swap counterparty credit risk prior to making any investment.

### ***Total Return Swaps***

To the extent that a Sub-Fund may utilise Total Return Swaps, the latter will be used to, *inter alia*, replicate the exposure of an index or to swap the performance of one or more instruments into a stream of fixed or variable rate cash-flows. In such cases, the counterparty to the transaction will be a counterparty approved and monitored by the Management Company or the Investment Manager. At no time will a counterparty in a transaction have discretion over the composition or the management of the Sub-Fund's investment portfolio or over the underlying asset of the Total Return Swap.

### ***Credit Default Swap Risk***

To the extent that a Sub-Fund enters into a credit default swap, investors should be aware that a credit default swap allows the transfer of default risk. This allows a Sub-Fund to effectively buy insurance on a reference obligation it holds (hedging the investment), or buy protection on a reference obligation it does not physically own in the expectation that the credit will decline in quality. One party, the protection buyer, makes a stream of payments to the seller of the protection, and a payment is due to the buyer if there is a credit event (a decline in credit quality, which will be predefined in the agreement between the parties). If the credit event does not occur the buyer pays all the required premiums and the swap terminates on maturity with no further payments. The risk of the buyer is therefore limited to the value of the premiums paid. In addition, if there is a credit event and a Sub-Fund does not hold the underlying reference obligation, there may be a market risk as the relevant Sub-Fund may need time to obtain the reference obligation and deliver it to the counterparty. Furthermore, if the counterparty becomes insolvent, the relevant Sub-Fund may not recover the full amount due to it from the counterparty. The market for credit default swaps may sometimes be more illiquid than the bond markets. The Company will mitigate this risk by monitoring in an appropriate manner the use of this type of transaction.

### ***Collateral Risk***

Although collateral may be received by a Sub-Fund to mitigate the risk of a counterparty default, there is a risk that the collateral received, especially where it is in the form of securities, when realised will not raise sufficient cash to settle the counterparty's liability. This may be due to factors including inaccurate pricing of collateral, adverse market movements in the value of collateral, a deterioration in the credit rating of the issuer of the collateral, or the illiquidity of the market in which the collateral is traded. Please also refer to paragraph "Liquidity Risk" above in respect of liquidity risk which may be particularly relevant where collateral takes the form of securities.

Where a Sub-Fund is in turn required to post collateral with a counterparty, there is a risk that the value of the collateral that the Sub-Fund places with the counterparty is higher than the cash or investments received by the Sub-Fund.

In either case, where there are delays or difficulties in recovering assets or cash, collateral posted with counterparties, or realising collateral received from counterparties, the Sub-Funds may encounter difficulties in meeting redemption or purchase requests or in meeting delivery or purchase obligations under other contracts.

As a Sub-Fund may reinvest cash collateral it receives, there is a risk that the value on return of the reinvested cash collateral may not be sufficient to cover the amount required to be repaid to the counterparty. In this circumstance, the Sub-Fund would be required to cover the shortfall.

As collateral will take the form of cash or certain financial instruments, market risk is also relevant. Collateral received by a Sub-Fund may be held either by the Depositary or by a third party custodian. In either case there may be a risk of loss where such assets are held in custody resulting from events such as the insolvency or negligence of the Depositary or a sub-custodian.

### ***Counterparty Risk***

The Company on behalf of a Sub-Fund may enter into transactions in over-the-counter markets, which will expose the Sub-Fund to the credit of its counterparties and their ability to satisfy the terms of such contracts.

For example, the Company on behalf of the Sub-Fund may enter into forward contracts, options and swap arrangements or other derivative techniques, each of which expose the Sub-Fund to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of a bankruptcy or insolvency of a counterparty, the Sub-Fund could experience delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which the Company seeks to enforce its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights.

There is also a possibility that the above agreements and derivative techniques are terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated. In such circumstances, investors may be unable to cover any losses incurred. Derivative contracts such as swap contracts entered into by the Company on behalf of a Sub-Fund involve credit risk that could result in a loss of the Sub-Fund's entire investment as the Sub-

Fund may be fully exposed to the credit worthiness of a single approved counterparty where such an exposure will be collateralised.

### ***Legal Risk***

There is a risk that agreements and financial derivative instruments are terminated due, for instance, to bankruptcy, supervening illegality or change in tax or accounting laws. In such circumstances, a Sub-Fund may be required to cover any losses incurred.

Furthermore, certain transactions are entered into on the basis of complex legal documents. Such documents may be difficult to enforce or may be the subject of a dispute as to interpretation in certain circumstances. Whilst the rights and obligations of the parties to a legal document may be governed by Luxembourg law, in certain circumstances (for example insolvency proceedings) other legal systems may take priority which may affect the enforceability of existing transactions.

### ***Depositary Risk***

The assets of the Company and its Sub-Funds shall be held in custody by the Depositary and its sub-custodian(s) and/or any other custodians appointed by the Company. Investors are hereby informed that cash may not be treated as segregated assets and might therefore not be segregated from the relevant depositary, sub-custodian(s), other custodian / third party bank's own assets in the event of the insolvency or the opening of bankruptcy, moratorium, liquidation or reorganization proceedings of the depositary, sub-custodian(s), other custodian / third party bank as the case may be. Subject to specific depositor's preferential rights in bankruptcy proceedings set forth by regulation in the jurisdiction of the relevant depositary, sub-custodian(s), other custodian / third party bank, the Company's claim might not be privileged and may only rank *pari passu* with all other unsecured creditors' claims. The Company and/or its Sub-Funds might not be able to recover all of their assets in full.

### ***Emerging Markets Risks***

The Company may invest in eligible assets which are listed on the securities exchanges of Emerging Markets countries, as well as investing in companies which are located or have operations within such countries. Emerging Markets are typically more volatile than developed markets and can result in increased risk for investors.

In Emerging Markets, the legal, regulatory and operational framework may not be well developed, which means that investments in these markets may carry higher risks than investments in markets with well-established legal, regulatory and operational frameworks. The risks of investing in Emerging Markets include those risks listed below.

#### ***(a) Political and Legal Risks***

The Company has greater exposure to political risks, country risks and legal and compliance risks. In Emerging Markets, investor protection legislation or protection available through other legal avenues (for example concepts of fiduciary duties) may be limited, non-existent, or difficult to enforce in practice. Obligations on companies to publish financial information, or to publish such information in accordance with recognized accounting standards, may also be limited. Governments may make or invoke policy or regulation that changes the established rights of private sector companies. There is a

further risk that a government may prevent or limit the repatriation of foreign capital or the availability of legal redress through the courts. There is also the risk of government intervention in the operation of financial markets, for instance a forced closure of markets.

*(b) Market, Valuation and Settlement Risks*

Eligible markets which are securities exchanges in Emerging Markets are likely to be less liquid and less efficient than Regulated Markets. Eligible assets traded on such exchanges can be more difficult to sell and value. Shareholder registers may not be properly maintained and ownership of or interests in such eligible assets may not be (or remain) fully protected. Registration of ownership of securities may be subject to delays and during the period of delay it may be difficult to prove beneficial ownership of the securities. In some market, the concept of beneficial ownership is not recognized or is not well developed.

Custody arrangements for such securities may not be well developed. Settlements may still take place in physical rather than dematerialized form. In some markets there may be no secure method of delivery against payment which would minimise the exposure to counterparty risk. It may be necessary to make payment on a purchase or delivery on a sale before receipt of the securities or, as the case may be, sale proceeds.

A Sub-Fund may invest in securities in jurisdictions (including China) which impose limitations or restrictions on foreign ownership or holdings. In such circumstances, the relevant Sub-Fund may be required to make investments in the relevant markets directly or indirectly. In either case, legal and regulatory restrictions or limitations may have adverse effect on the liquidity and performance of such investments due to factors such as limitations on fund repatriation, dealing restrictions, adverse tax treatments, higher commission costs, regulatory reporting requirements and reliance on services of local custodians and service providers.

*(c) Taxation Risks*

Investors should note that tax law and practice in Emerging Market countries is less established than in countries with Regulated Markets. It is therefore possible that current laws, interpretation, guidance, or practices relating to taxation may change, potentially with retrospective effect. This may mean that the Company may have to pay additional taxes or have sales proceeds withheld for tax reasons in circumstances which cannot be anticipated at the time when investments are made, valued or disposed of.

***Frontier Markets Risks***

Investing in frontier markets involves the risks of investing in Emerging Markets (see the Emerging Markets Risks above) but to a greater extent as frontier markets tend to be smaller, more volatile and less liquid than other Emerging Markets. Frontier markets may experience greater political, social and economic instability, restrictions on foreign investment and currency repatriation, less developed custody and settlement practices and may have weaker investor protections and corporate governance standards compared to other Emerging Markets.

### *Chinese Markets Risk*

Investing in the domestic (onshore) market of the People's Republic of China (PRC) is subject to the risks of investing in Emerging Markets (see the Emerging Markets Risks above) and additionally risks that are specific to the PRC market.

Investments in domestic securities of the PRC denominated in CNY are made through the Stock Connects which are subject to daily and aggregate quotas.

The aim of Stock Connect is to achieve mutual stock market access between the PRC and Hong Kong. The relevant Sub-Funds may invest more than 5% of their net assets and have direct access to certain eligible China A-Shares via the Shanghai-Hong Kong Stock Connect and/or the Shenzhen-Hong Kong Stock Connect as indicated in the investment policy of the relevant Sub-Fund.

A Sub-Fund may suffer substantial losses if any of the key operators or parties (including the broker) is bankrupt or in default and/or is disqualified from performing its obligations (including execution or settlement of any transaction or transfer of monies or securities).

#### *Risk of investing via Stock Connects*

Investments in China A-Shares through the Stock Connects are subject to regulatory change, quota limitations and also operational constraints which may result in increased counterparty risk.

The Stock Connects establish mutual trading links between the markets of mainland China and Hong Kong. These programmes allow foreign investors to trade certain China A-Shares through their Hong Kong based brokers. To the extent a Sub-Fund invests in China A-Shares through the Stock Connects it will be subject to the following additional risks:

- *Regulatory Risk*

Current rules and regulations may change and have potential retrospective effect which could adversely affect the Sub-Fund.

- *Legal/Beneficial Ownership*

China A-Shares purchased through the Stock Connects are held in an omnibus account by the Hong Kong Securities Clearing Company Limited ("HKSCC"). HKSCC, as the nominee holder, does not guarantee the title to securities held through it and is under no obligation to enforce title or other rights associated with ownership on behalf of beneficial owners. The rights of beneficial owners are not clear under PRC law and untested in PRC courts.

- *Quota Limitations*

The Stock Connects are subject to quota limitations which may restrict the Sub-Fund's ability to invest in China A-Shares through the Stock Connects on a timely basis.

- *Investor Compensation*

The Sub-Fund will not benefit from investor compensation schemes either in mainland China or Hong Kong.

- *Operating Times*

Trading through Stock Connects can only be undertaken on days when both the PRC and Hong Kong markets are open and when banks in both markets are open on the corresponding settlement days. Accordingly the Sub-Fund may not be able to buy or sell at the desired time or price.

- *Suspension Risk*

Each of the stock exchanges involved with the Stock Connects may suspend trading which could adversely affect the Sub-Fund's ability to access the relevant market.

#### ***Risk associated with Small-Capitalisation / Mid-Capitalisation Companies***

The stocks of small-capitalisation / mid-capitalisation companies may have lower liquidity and their prices are more volatile to adverse economic developments than those of larger capitalisation companies in general.

#### ***Effect of Substantial Withdrawals***

Substantial withdrawals by shareholders within a short period of time could require the liquidation of positions more rapidly than would otherwise be desirable, which could adversely affect the value of the assets of the Company. The resulting reduction in the assets of the Company could make it more difficult to generate a positive rate of return or to recoup losses due to a reduced equity base.

#### ***Risk of Liquidation***

A Sub-Fund may be terminated in certain circumstances which are summarised under the Section "Liquidation of the Company/ Termination and Amalgamation of Sub-Funds". In the event of the termination of a Sub-Fund, such Sub-Fund would have to distribute to the shareholders their pro rata interest in the assets of the Sub-Fund. It is possible that at the time of such sale or distribution, certain investments held by the relevant Sub-Fund will be worth less than the initial cost of acquiring such investments, resulting in a loss to the shareholders. Moreover, any organisational expenses (such as establishment costs) with regard to the relevant Sub-Fund that had not yet been fully amortised would be debited against the Sub-Fund's assets at that time.

#### ***Political and Country Risks***

The value of the Company's assets may be affected by uncertainties such as political developments, economic and social changes, changes in government policies, cession and war, taxation, currency repatriation restrictions and restrictions on foreign investment in some of the countries in which the Company may invest.

### ***General Economic Conditions***

The success of any investment activity is influenced by general economic conditions, which may affect the level and volatility of interest rates and the extent and timing of investor participation in the markets for both equity and interest rate sensitive securities. Unexpected volatility or illiquidity in the markets in which the Company directly or indirectly holds positions could impair the ability of the Company to carry out its business and could cause it to incur losses.

### ***Small Cap Risk***

Securities of small cap companies tend to be traded less frequently and in smaller volumes than those of large cap companies. As a result, the prices of shares of small cap companies tend to be less stable than those of large cap companies. Their value may rise and fall more sharply than other securities, and they may be more difficult to buy and sell.

### ***Specialization Risk***

Some Sub-Funds specialize by investing in a particular sector of the economy or part of the world or by using a specific investment style or approach. Specialization allows a Sub-Fund to focus on a specific investment approach, which can boost returns if the particular sector, country or investment style is in favour. However, if the particular sector, country or investment style is out of favour, the value of the Sub-Fund may underperform relative to less specialized investments. Sub-Funds that specialize tend to be less diversified, but may add diversification benefits to portfolios that do not otherwise have exposure to this specialization.

### ***Large Shareholder Risk***

Shares may be purchased or redeemed by investors holding a large portion of the issued and outstanding Shares of a Sub-Fund ("Large Shareholders"). If a Large Shareholder redeems all or a portion of its investment in the Sub-Fund, the Sub-Fund may have to incur transaction costs in the process of making the redemption. Conversely, if a Large Shareholder makes a significant purchase in the Sub-Fund, the Sub-Fund may have to hold a relatively large position in cash for a period of time while the Investment Manager finds suitable investments. This may negatively impact the performance of the Sub-Fund.

### ***Active Trading Risks***

Frequent trading will result in a higher-than-average portfolio turnover ratio which increases trading expenses, may result in increased financial transaction taxes (if applicable), and may generate higher taxable capital gains (if applicable).

### ***Risks Involving Transfer of Money***

The Sub-Funds may invest in overseas markets and thus, investors may find restrictions on transfer of dividend income and capital gains from the Company and on selling and buying activities. The Sub-Funds, therefore, may be adversely affected by application of investment restrictions of the countries invested in. In addition, delays in or denial of government approval of transfer of money may also arise. Payment of redemption proceeds may be delayed due to changes in the global financial landscape and delays in international settlement process.

### ***Suspension of Share dealings***

Investors are reminded that in certain circumstances their right to redeem or convert Shares may be suspended (see Section 10.2. "Temporary suspension").

### ***Declining Performance with Asset Growth***

Trading large positions may adversely affect prices and performance. In addition, there can be no assurance that appropriate investment opportunities will be available to accommodate future increases in assets under management which may require the Investment Manager to modify its investment decisions for relevant Sub-Fund because the Investment Manager cannot deploy all the assets in the manner it desires.

### ***Net Asset Value Considerations***

The Net Asset Value per Share is expected to fluctuate over time with the performance of the Company's investments. A Shareholder may not fully recover its/her/his initial investment when he chooses to redeem its/her/his Shares or upon compulsory redemption if the Net Asset Value per Share at the time of such redemption is less than the subscription price paid by such Shareholder. It should be remembered that the value of the Shares and the income (if any) derived from them can go down as well as up.

### ***Potential Conflicts of Interest***

The Investment Manager may conduct transactions in which the Investment Manager has, directly or indirectly, an interest which may involve a potential conflict with the Investment Manager's duty to the Company. The Investment Manager shall not be liable to account to the Company for any profit, commission or remuneration made or received from or by reason of such transactions or any connected transactions nor will the Investment Manager's fees, unless otherwise provided, be abated. Please also refer to Section 18. "Conflict of interests".

### ***Regulatory Risk***

The Company is domiciled in Luxembourg and investors should note that all the regulatory protections provided by their local regulatory authorities may not apply. Additionally, Sub-Funds may be registered in non-EU jurisdictions. As a result of such registrations these Sub-Funds may be subject to more restrictive regulatory regimes. In such cases these Sub-Funds will abide by these more restrictive requirements. This may prevent these Sub-Funds from making the fullest possible use of the investment limits.

The receipt of dividends (if any) by Shareholders, the redemption or transfer of Shares and any distribution on a winding-up of the Company may result in a tax liability for the Shareholders according to the tax regime applicable in their various countries of residence, citizenship or domicile. Shareholders resident in or citizens of certain countries which have anti-offshore fund legislation may have a current liability to tax on the undistributed income and gains of the Company.

Investors should be aware that according to international tax practice the place of effective management is normally the place where the key management and commercial decisions that are necessary for the

conduct of the Company's business are made in substance. The Company considers that the fund is tax resident in Luxembourg, but cannot guarantee any other reviews by the tax authorities.

### ***Regulatory Reforms***

The Prospectus has been drafted in line with currently applicable laws and regulations. It cannot be excluded that the Company and/or the Sub-Funds and their respective investment objective and policy may be affected by any future changes in the legal and regulatory environment. New or modified laws, rules and regulations may not allow, or may significantly limit the ability of, the Sub-Fund to invest in certain instruments or to engage in certain transactions. They may also prevent the Sub-Fund from entering into transactions or service contracts with certain entities. This may impair the ability of all or some of the Sub-Funds to carry out their respective investment objectives and policies. Compliance with such new or modified laws, rules and regulations may also increase all or some of the Sub-Funds' expenses and may require the restructuring of all or some of the Sub-Funds with a view to complying with the new rules. Such restructuring (if possible) may entail restructuring costs. When a restructuring is not feasible, a termination of affected Sub-Funds may be required.

### ***Operational Risk***

The Company's operations (including investment management, distribution and collateral management) are carried out by several service providers. The Company and/or the Management Company follow a due diligence process in selecting service providers; nevertheless operational risk can occur and have a negative effect on the Company's operations, and it can manifest itself in various ways, including business interruption, poor performance, information systems malfunctions or failures, regulatory or contractual breaches, human error, negligent execution, employee misconduct, fraud or other criminal acts. In the event of a bankruptcy or insolvency of a service provider, investors could experience delays (for example, delays in the processing of subscriptions, conversions and redemption of shares) or other disruptions.

### ***Cyber Security Risk***

The Company and its service providers are susceptible to operational and information security and related risks of cyber security incidents. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber security attacks include, but are not limited to, gaining unauthorised access to digital systems (e.g., through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data or causing operational disruption. Cyber attacks also may be carried out in a manner that does not require gaining unauthorised access, such as causing denial-of-service attacks on websites (i.e., efforts to make services unavailable to intended users).

Cyber security incidents affecting the Company, Management Company, Administration Agent, Depository or other service providers such as financial intermediaries have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, including by interference with the ability to calculate the Net Asset Value of the Sub-Funds; impediments to trading for the Sub-Funds' portfolios; the inability of Shareholders to transact business with the Company; violations of applicable privacy, data security or other laws; regulatory fines and penalties; reputational damage; reimbursement or other compensation or remediation costs; legal fees; or additional compliance costs. Similar adverse consequences could result from cyber security incidents affecting

issuers of securities in which the Sub-Funds invest, counterparties with which the Sub-Funds engage in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions and other parties. While information risk management systems and business continuity plans have been developed which are designed to reduce the risks associated with cyber security, there are inherent limitations in any cyber security risk management systems or business continuity plans, including the possibility that certain risks cannot be and/or have not been identified.

### ***Trade Execution and Selection of Brokers and Dealers***

The trading techniques used by the Sub-Funds may require the rapid and efficient execution of transactions. Inefficient executions can result in a Sub-Fund being unable to exploit the small pricing differentials that the Investment Manager may seek to exploit and impact, possibly materially, the profitability of a Sub-Fund's positions.

The policy of the Investment Manager regarding purchases and sales for its portfolios is that primary consideration will be given to obtaining the most favourable execution of the transactions in seeking to implement the investment strategy of the relevant Sub-Fund. The Investment Manager will effect transactions with those brokers, dealers, banks and other counterparties (collectively, "brokers and dealers") which the Investment Manager believes provide the most favourable net prices and who are capable of providing efficient executions. Additional considerations include the ability of brokers and dealers to provide internal and external research services, special execution capabilities, clearance, settlement or other services including communications and data processing and other similar equipment and services and the furnishing of stock quotation and other similar information. To the extent permitted by and in accordance with applicable laws and regulations, the Investment Manager also may cause a broker or dealer who provides certain services to be paid a commission or, in the case of a dealer, a dealer spread for executing a portfolio transaction, which is in excess of the amount of commission or spread another broker or dealer would have charged for effecting that transaction ("soft commissions"). The Investment Manager is only entitled to these soft commissions in the following circumstances: (i) the Investment Manager must act at all times in the Sub-Fund's best interests whenever it concludes such arrangements; (ii) the services provided must relate directly to the Investment Manager's activities; (iii) brokerage fees on transactions affecting the Sub-Fund's portfolio may only be attributed by the Investment Manager to dealer-brokers that are legal entities and not to private individuals; and (iv) the Investment Manager must provide the Board of Directors with reports concerning the soft commission arrangements concluded with the brokers, including details of the type of services provided. Payment of any soft commissions will be noted in the Company's financial statements.

### ***Leverage***

The Sub-Funds may achieve some leverage through the use of options, synthetic short sales, swaps, credit default swaps, forwards and other financial derivative instruments for the purpose of making investments. The use of leverage creates special risks and may significantly increase the Sub-Funds' investment risk. Leverage creates an opportunity for greater yield and total return but, at the same time, exposes a Sub-Fund to greater capital risk than an unlevered vehicle.

Sub-Funds quantifying global exposure using a Value-at-Risk (VaR) approach disclose their expected level of leverage in the relevant Sub-Fund Particular.

The expected level of leverage is an indicator and not a regulatory limit. The Sub-Funds' levels of leverage may be higher than this expected level as long as the Sub-Fund remains in line with its risk profile and complies with its VaR limit.

The annual report will provide the actual level of leverage over the past period and additional explanations on this figure.

The level of leverage is a measure of (i) the derivative usage and (ii) the reinvestment of collateral in relation to efficient portfolio management transactions. It does not take into account other physical assets directly held in the portfolio of the relevant Sub-Funds. It also does not represent the level of potential capital losses that a Sub-Fund may incur.

The level of leverage is calculated as (i) the sum of notionals of all financial derivative contracts entered into by the Sub-Fund expressed as a percentage of the Sub-Fund's Net Asset Value and (ii) any additional leverage generated by the reinvestment of collateral in relation to efficient portfolio management transactions.

### ***Borrowing Risks***

The Investment Manager may borrow for the account of a Sub-Fund for various reasons, such as facilitating redemptions or to acquire investments for the account of the relevant Sub-Fund within the limited permitted by the CSSF. Borrowing involves an increased degree of financial risk and may increase the exposure of the relevant Sub-Fund to factors such as rising interest rates, downturns in the economy or deterioration in the conditions of the assets underlying its investments. There can be no assurance that the relevant Sub-Fund will be able to borrow on favourable terms, or that the relevant Sub-Fund's indebtedness will be accessible or be able to be refinanced by the relevant Sub-Fund at any time.

### ***Foreign Securities***

A Sub-Fund's investment activities relating to foreign securities may involve numerous risks resulting from market and currency fluctuations, future adverse political and economic developments, the possible imposition of restrictions on the repatriation of currency or other governmental law or restrictions, reduced availability of public information concerning issuers and the lack of uniform accounting, auditing and financial reporting standards or other regulatory practices and requirements comparable to those applicable to companies in the investor's domicile. In addition, securities issued by companies or governments in some countries may be illiquid and have higher price volatility and, with respect to certain countries, there is a possibility of expropriation, nationalization, exchange control restrictions, confiscatory taxation and limitations on the use or removal of Company's or other assets of a Sub-Fund, including withholding of dividends. Certain securities held by a Sub-Fund may be subject to government taxes that could reduce the yield on such securities, and fluctuation in foreign currency exchange rates may affect the price of a Sub-Fund's securities and the appreciation or depreciation of investments. Certain types of investments may result in currency conversion expenses and higher custodial expenses. The ability of a Sub-Fund to invest in securities of companies or governments of certain countries may be limited or, in some cases, prohibited. As a result, larger positions of a Sub-Fund's assets may be invested in those countries where such limitations do not exist. In addition, policies established by the governments of certain countries may adversely affect a Sub-Fund's investments and the ability of a Sub-Fund to achieve its investment objective.

### ***Currency Hedged Classes***

The Company may offer currency hedged Classes across several Sub-Funds, as described in Section 5. "Shares" of the Prospectus.

Investors should be aware that the implementation of currency hedged Classes is a passive currency hedge and will be implemented regardless of currency fluctuations between the Reference Currency of the currency hedged Class and the Base Currency of the relevant Sub-Fund. Furthermore, this passive currency hedging is separate from the various strategies the Investment Manager may seek to implement at a Sub-Fund level to manage currency risks within each Sub-Fund.

There can be no assurance or guarantee that it will be possible to successfully implement passive currency hedging for currency hedged Classes at any time or at all. Investors should note that, although the aim is to maintain at the time of this Prospectus a hedge ratio from 95% to 105%, there may be occasions when the hedge ratio falls outside these parameters which may be due to factors which cannot be controlled such as investor trade activity, volatility in the Net Asset Value per Share and/or currency volatility.

Any transaction costs and gains or losses from currency hedging shall be accrued to and therefore reflected in the Net Asset Value per Share of the relevant currency hedged Class. Currency hedged Classes will be hedged irrespective of whether the target currency is declining or increasing in value. The main financial derivative instruments used in the passive currency hedging process are forward foreign exchange contracts.

### ***Cross-Class Liability Risk***

Multiple Classes may be issued in relation to a Sub-Fund, with particular assets and liabilities of a Sub-Fund attributable to particular Classes.

For instance, Sub-Funds offering currency hedged Classes will have assets and liabilities related to the hedge which are attributable to the relevant currency hedged Classes. Moreover, these assets and liabilities may be denominated in various currencies introducing currency risk.

Given that there is no legal segregation of liabilities between Classes, there may be a remote risk that, under certain circumstances, currency hedging transactions in relation to a currency hedged Class could result in liabilities which might affect the Net Asset Value of the other Classes of the same Sub-Fund.

Where the liabilities of a particular Class exceed the assets pertaining to that Class, creditors pertaining to one Class may have recourse to the assets attributable to other Classes. Although for the purposes of internal accounting, a separate account will be established for each Class, in the event of an insolvency or termination of a Sub-Fund (i.e., when the assets of a Sub-Fund are insufficient to meet its liabilities), all assets will be used to meet a Sub-fund's liabilities, not just the amount standing to the credit of any individual Class. However, the assets of a Sub-Fund may not be used to satisfy the liabilities of another Sub-Fund.

## ***Real Estate***

Investments in equity securities issued by companies or in shares/units of REITs/units of real estate collective investment scheme which are principally engaged in the business of real estate will subject the strategy to risks associated with the direct ownership of real estate. These risks include, among others, possible declines in the value of real estate risks related to general and local economic conditions, possible lack of availability of mortgage funds, overbuilding, extended vacancies of properties, increases in competition, real estate taxes and transaction, operating and foreclosure expenses, changes in zoning laws, costs resulting from the clean-up of, and liability to third parties for damages resulting from, environmental problems; casualty or condemnation losses, uninsured damages from natural disasters and acts of terrorism, limitations on and variations in rents; and changes in interest rates. The strategy may invest in securities of small to mid-size companies which may trade in lower volumes and be less liquid than the securities of larger, more established companies or other collective investment schemes. There are therefore risks of fluctuations in value due to the greater potential volatility in their share prices.

Exposure to real estate will normally be achieved by investment in either closed-ended REITs or in other open or closed-ended collective investment schemes (including other UCITS).

## ***REIT***

Investors should note that insofar as the Sub-Fund directly invests in REITs, any dividend policy or dividend payout at the Sub-Fund level may not be representative of the dividend policy or dividend payout of the relevant underlying REIT.

The legal structure of a REIT, its investment restrictions and the regulatory and taxation regimes to which it is subject will differ depending on the jurisdiction in which it is established.

## ***Sustainability risk***

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

- For the Sub-Funds Storebrand Global Solutions Lux, Storebrand Global ESG Plus Lux and Storebrand Emerging Markets ESG Plus Lux.

The Investment Manager takes into consideration sustainability risks when taking investment decisions. Sustainability risks are defined as environmental, social or governance events or conditions that, if they occur, could cause an actual or a potential material negative impact on the value of an investment and/or returns from that asset. The Investment Manager identifies such sustainability risks and integrates them into its investment decision making and risk monitoring to the extent that they represent actual or potential material risks and/or opportunities to the long-term risk-adjusted returns of the Sub-Fund.

Sustainability risks that may be relevant to the Sub-Fund's investments include, but are not limited to:

- Environmental risks: the ability of companies to mitigate and adapt to climate change, the potential for higher carbon prices, exposure to increasing water scarcity and potential for higher water prices, waste management challenges, and impact on global and local

- ecosystems.
- Social risks: product safety, supply chain management and labour standards, health and safety and human rights, employee welfare, data & privacy concerns and increasing technological regulation.
- Governance risks: board composition and effectiveness, management incentives, management quality and stakeholder alignment.

For further details on how the Sub-Fund deals with sustainability risks, please consult the Investment Manager's webpage and the Storebrand Asset Management Sustainable Investment Policy.

- For the Sub-Funds Skagen Kon-Tiki lux, Skagen Focus Lux, Skagen Global Lux and Skagen m2 Lux:

The Investment Manager and the Sub-Investment Manager consider sustainability risks in their investment processes. For further details on how the Sub-Fund deals with sustainability risks, please consult the Sub-Investment Manager's webpage and the Storebrand Asset Management Sustainable Investment Policy.

#### *Impact of sustainability risks on returns*

- For the Sub-Funds Storebrand Global Solutions Lux, Storebrand Global ESG Plus Lux and Storebrand Emerging Markets ESG Plus Lux

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 Sub-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 Sub-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 and the Sub-Fund's specific ESG criteria.

- For the Sub-Funds Skagen Kon-Tiki lux, Skagen Focus Lux, Skagen Global Lux and Skagen m2 Lux:

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 Sub-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 Sub-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.

## ***ESG risk***

Any decisions taken by the Investment Manager (where relevant with the support of the Sub-Investment Manager) regarding the classification and the applicable disclosure requirements under the SFDR and the Taxonomy Regulation are based on a good faith assessment by it and based on information available to it and market practice at the time any such decision is made.

The requirements of SFDR, and in particular the boundaries between the different categories under SFDR are not free from doubt and may change over time and, therefore, adjustments to the Sub-Fund's classification may be made owing to these uncertainties. Additionally, the investment process supporting the Sub-Fund's investment strategy requires data from third party sources regarding ESG matters. Changes to SFDR or the ability of data providers to supply that data may also result in changes to the Sub-Fund's classification. There is, therefore, a risk that the Sub-Fund's classification under SFDR may change in the future. Should the classification of the Sub-Fund change, this may result in the Company having to amend the SFDR and Taxonomy Regulation disclosures in relation to this Sub-Fund.

Investors should be aware that SFDR and the Taxonomy Regulation are:

- part of a disclosure regime and should not be relied on as a product labelling regime or as imposing additional obligations other than disclosure requirements in relation to ESG matters; and
- subject to ongoing uncertainties and evolution in material regards as underlying rules and guidance is finalised, or is issued, over time.

## **5. SHARES**

The Board of Directors may, within each Sub-Fund, decide to create different Classes whose assets will be commonly invested pursuant to the specific investment policy of the relevant Sub-Fund, but where a specific fee structure, hedging strategy, Reference Currency, distribution policy or other specific features may apply to each Class A separate Net Asset Value per Share, which may differ as a consequence of these variable factors, will be calculated for each Class.

### **5.1. List of Classes**

As at the date of this Prospectus, the Classes set out below may be made available to investors.

Further details regarding the Classes in relation to each Sub-Fund and their fee structure are set out in the relevant Sub-Fund Particulars.

An up-to-date list of launched Classes, as well as information on available Classes, including information on the availability of currency hedged Classes (if any), any offering price and offering period, can be obtained on the following websites: [www.storebrandfunds.com](http://www.storebrandfunds.com) and [www.skagenfunds.com](http://www.skagenfunds.com).

The Board of Directors may at any time decide to issue further Classes in each Sub-Fund.

<b>Class</b>	<b>Description</b>	<b>Reference Currencies</b>	<b>Minimum Initial Investment Minimum Holding (in applicable Reference Currency)</b>	<b>Initial offer price in the relevant Reference Currency<sup>2</sup></b>
<b>Class A</b>	Class A is reserved to investors subscribing for Shares through an intermediary. <sup>1</sup>	EUR, GBP, USD, CHF, NOK, DKK, SEK	N/A	100
<b>Class B</b>	Class B is reserved to intermediaries which have entered into an agreement with the Global Distributor or an approved distributor and who are prohibited from accepting and retaining inducements from third parties under applicable laws and regulations or who have a separate fee arrangement with their clients in relation to the provision of investment services and activities (for example, in the European Union, services and activities performed under MiFID II) and who have opted not to accept and retain inducements from third parties <sup>1</sup> .	EUR, GBP, USD, CHF	N/A	100
<b>Class H</b>	Class H is reserved to Institutional Investors.	EUR, GBP, USD, CHF	5,000,000	10,000
		NOK, DKK, SEK	50,000,000	
<b>Class H1</b>	Class H1 is reserved to Institutional Investors subscribing for Shares directly or through intermediaries.	EUR, GBP, USD, CHF	N/A	100
<b>Class I</b>	Class I is reserved to Institutional Investors.	EUR, GBP, USD, CHF	30,000,000	10,000
		NOK, DKK, SEK	300,000,000	

<b>Class I2</b>	Class I2 is reserved to Institutional Investors.	EUR, GBP, USD, CHF	30,000,000	10,000
		NOK, DKK, SEK	300,000,000	

<sup>1</sup> The Board of Directors may, at its discretion waive the eligibility requirements for Classes A and B.

<sup>2</sup> The Board of Directors may waive the initial offer price at its discretion.

The minimum initial investment and holding amount may be waived or reduced at the discretion of the Board of Directors.

The Company does not impose a minimum investment amount for subsequent investments. However, certain distributors may impose different minimum initial investment, minimum subsequent investment and minimum holding amounts. Further details may be obtained from the relevant distributors.

## 5.2. Class Characteristics

Each of the Classes described in the table above may be made available as capital-accumulation Shares and/or as distribution Shares, denominated in different Reference Currencies and as currency hedged Shares ("Currency Hedged Classes" as described below).

- Capital-accumulation Shares are identifiable by a "ACC" following the Class names and do not pay any dividends.
- Distribution Shares are identifiable by a "DIS" following the Class names and may declare and pay out dividends at least annually.
- The Reference Currency of a Class is identified by a standard international currency acronym added as a suffix to the Class name, e.g. "ACC EUR" for a capital-accumulation Class in Euro.
- Currency Hedged Classes are identified by the suffix "H" followed by the standard international currency acronym into which the Sub-Fund's Base Currency is hedged, e.g. "ACC H EUR" for a Class A, capital-accumulation, Euro Currency Hedged Class.

Each Class is also identified by an International Securities Identification Number (ISIN).

Within a Sub-Fund, a Currency Hedged Class seeks to minimise the effect of currency fluctuations between the Reference Currency of the Class and the Base Currency of the relevant Sub-Fund.

Whether a Sub-Fund offers Currency Hedged Classes depends upon the currency exposure and/or currency hedging policy of the Sub-Fund itself, as described below.

Any transaction costs and gains or losses from currency hedging shall be accrued to and therefore reflected in the Net Asset Value per Share of the relevant currency hedged Class. Currency hedged Classes will be hedged irrespective of whether the target currency is declining or increasing in value.

Fractions of Shares up to 3 decimal places (mathematically rounded) will be issued if so decided by the Board of Directors. Such fractions shall not be entitled to vote but shall be entitled to participate in the net assets and any distributions attributable to the relevant Class on a pro rata basis.

All Shares must be fully paid-up; they are of no nominal value and carry no preferential or pre-emptive rights. Each Share of the Company, irrespective of its Sub-Fund, is entitled to one vote at any general meeting of shareholders, in compliance with Luxembourg law and the Articles of Incorporation. The Company will recognise only one holder in respect of each Share. In the event of joint ownership, the Company may suspend the exercise of any voting right deriving from the relevant Share(s) until one person shall have been designated to represent the joint owners *vis-à-vis* the Company.

Shares will in principle be freely transferable to investors complying with the eligibility criteria of the relevant Class and provided that shares are neither acquired nor held by or on behalf of any person in breach of the law or requirements of any country or governmental or regulatory authority, or which might have adverse taxation or other pecuniary consequences for the Company, including a requirement to register under any securities or investment or similar laws or requirements of any country or authority. The Directors may in this connection require a Shareholder to provide such information as they may consider necessary to establish whether he is the beneficial owner of the Shares which he holds. The transfer of a Share shall be effected by a written declaration of transfer inscribed on the register of Shareholders. Such declaration of transfer, in a form acceptable to the Company, shall state the full name and address of transferor and transferee and be dated and signed by the transferor and the transferee or by persons holding suitable powers of attorney to act therefore. The Company may also accept as evidence of transfer other instruments of transfer satisfactory to the Company.

The Company or the Administration Agent may decline to register a transfer of Shares unless the transfer form is deposited with the Company or its delegate together with such information as may reasonably be required including evidence required to show the right of the transferor to make the transfer and satisfy the Administration Agent as to its requirements with respect to AML & KYC. A potential transferee (not being an existing Shareholder) will be required to complete such documentation as would have been required had that transferee subscribed for Shares before the proposed transfer is approved for registration.

## **6. HOW TO BUY SHARES**

### **6.1. Application**

Applicants buying Shares for the first time need to complete the Application Form which can be sent by email to the Registrar and Transfer Agent along with the relevant AML & KYC documentation as defined under Section 6.4. "Anti-money laundering and prevention of terrorist financing" below). The original Application Form and AML & KYC documentation shall be sent to the Registrar and Transfer Agent by post and/or fax.

Instructions for the initial and/or subsequent subscription of Shares may be made by post, by fax, by way of SWIFT or by any other electronic means. Each application will be subject to the Administrative Agent's appropriate security clearance procedures to protect the interests of investors.

The Company, the Management Company and the Administration Agent shall not be responsible for any risks associated with using and relying on emails, e.g. network errors, interceptions or corruptions

by unauthorized persons, miscommunication, incorrect destination, failure of technical infrastructure, or any other risks related to electronic communication.

## **6.2. Dealing cut-off times**

The dealing cut-off times are indicated in the relevant Sub-Fund Particular.

Applications received after the relevant cut-off times will normally be dealt on the next applicable Business Day.

## **6.3. Acceptance**

The right is reserved by the Company, represented by its Directors, to reject any subscription or conversion application in whole or in part without giving the reasons thereof. If an application is rejected, the application monies or balance thereof will be returned at the risk and at the expense of the applicant and without interest as soon as practicable.

A Sub-Fund may, from time to time and without notice to shareholders, be closed to new subscriptions or conversions in (but not to redemptions or conversions out) if the Board of Directors is of the opinion that the closure is necessary to protect the interests of the existing Shareholders. This may happen in circumstances such as where a Sub-Fund has reached a size above which the portfolio management can no longer be optimal as the capacity of the market has been reached. As a result, permitting additional inflows would be detrimental to the interests of the existing Shareholders. Once closed, a Sub-Fund will not be re-opened until, in the opinion of the Board of Directors, the circumstances which required closure no longer prevail.

If this occurs, no new investors will be entitled to subscribe Shares in these Sub-Funds. Existing Shareholders should contact their local distributor or the Global Distributor to enquire on opportunities for ongoing subscriptions (if any). All existing Shareholders wishing to subscribe on a given Valuation Day will be treated equitably.

Where closures to new subscriptions or conversions in occur, the websites [www.storebrandfunds.com](http://www.storebrandfunds.com) and [www.skagenfunds.com](http://www.skagenfunds.com) will be updated to indicate the change in status of the applicable Sub-Fund. Investors should confirm with the Global Distributor or check the website for the current status of Sub-Funds.

In accordance with the 2010 Law, the subscription of Shares shall be prohibited:

- (i) during the period where the Company has no depositary; and
- (ii) where the Depositary is put into liquidation or declared bankrupt or seeks an arrangement with the creditors, a suspension of payment or a controlled management or is the subject of similar proceedings.

## **6.4. Anti-money laundering and prevention of terrorist financing**

In accordance with international regulations and Luxembourg laws and regulations (including, but not limited to, the law of 12 November 2004 (as amended) on the fight against money laundering and terrorist financing, as amended, the Grand Ducal Regulation dated 1 February 2010, CSSF Regulation 12-02 of 14 December 2012 and CSSF Circulars 13/556, 15/609 and 17/650 concerning the fight against money laundering and terrorist financing, and any respective amendments or replacements, obligations

have been imposed on professionals of the financial sector to prevent undertakings for collective investment from occurrences of money laundering and terrorist financing purposes ("AML & KYC").

As a result of such provisions, the registrar and transfer agent of a Luxembourg undertaking for collective investment shall ascertain the identity of the subscriber in accordance with Luxembourg laws and regulations. The Registrar and Transfer Agent may require applicants to provide any AML & KYC document it deems necessary to effect such identification. In addition, the Register and Transfer Agent, as delegate of the Company, may require any other information that the Company may require in order to comply with its legal and regulatory obligations, including but not limited to the above mentioned laws and regulations, the CRS Law and/or the FATCA Law. In case investors subscribe via an intermediary (nominee or any other intermediary), an enhanced due diligence shall be performed on this intermediary in accordance with Article 3-2 of the law of 12 November 2004 and with Article 3 of the amended CSSF Regulation 12-02.

In case of delay or failure by an applicant to provide the documents required, the subscription request will not be accepted and in the event of redemption, payment of redemption proceeds delayed. Neither the Company, the Management Company, nor the Registrar and Transfer Agent nor any of their delegates or agents will be held responsible for said delay or for failure to process deals resulting from not providing or providing incomplete documentation.

From time to time, Shareholders may be requested to supply additional or updated identification documents in accordance with clients' ongoing due diligence obligations according to the relevant laws and regulations.

The list of identification documents to be provided by each applicant to the Registrar and Transfer Agent will be based on the AML & KYC requirements as stipulated in the CSSF's circulars and regulations as amended from time to time. These requirements may be amended following any new Luxembourg regulations.

Applicants may be asked to produce additional documents for verification of their identity before acceptance of their applications. In case of refusal by the applicant to provide the documents required, the application will not be accepted.

Before redemption proceeds are released, the Registrar and Transfer Agent will require original documents or certified copies of original documents to comply with the Luxembourg regulations.

## **6.5. Luxembourg Register of Beneficial Owners**

The Luxembourg Law of 13 January 2019 creating a Register of Beneficial Owners (the "**RBO Law**") entered into force on the 1 March 2019. The RBO Law requires all companies registered on the *Registre de Commerce et des Sociétés* of Luxembourg, including the Company, to obtain and hold information on their beneficial owners ("**Beneficial Owners**") at their registered office. The Company must register Beneficial Owner-related information with the Luxembourg Register of Beneficial Owners, which is established under the authority of the Luxembourg Ministry of Justice.

The RBO Law broadly defines a Beneficial Owner, in the case of corporate entities such as the Company, as any natural person(s) who ultimately owns or controls the Company through direct or indirect ownership of a sufficient percentage of the Shares or voting rights or ownership interest in the

Company, including through bearer Shareholders, or through control via other means, other than a company listed on a Regulated Market that is subject to disclosure requirements consistent with EU law or subject to equivalent international standards which ensure adequate transparency of ownership information.

A shareholding of 25% plus one Share or an ownership interest of more than 25% in the Company held by a natural person shall be an indication of direct beneficial ownership. A shareholding of 25% plus one Share or an ownership interest of more than 25% in the Company held by a corporate entity, which is under the control of a natural person(s), or by multiple corporate entities, which are under the control of the same natural person(s), shall be an indication of indirect beneficial ownership.

In case the aforementioned Beneficial Owner criteria are fulfilled by an investor with regard to the Company, this investor is obliged by law to inform the Company in due course and to provide the required supporting documentation and information which is necessary for the Company to fulfil its obligation under the RBO Law. Failure by the Company and the relevant Beneficial Owners to comply with their respective obligations deriving from the RBO Law will be subject to criminal fines. Should an investor be unable to verify whether they qualify as a Beneficial Owner, the investor may approach the Company for clarification.

For both purposes the following address may be used:

J.P. Morgan SE - Luxembourg Branch  
C/O Transfer Agency Team  
6, route de Trèves  
L-2633 Senningerberg  
Grand Duchy of Luxembourg

## **6.6. Settlement**

### *IN CASH*

Subscription proceeds will in principle be paid in the Reference Currency of the relevant Class specified in the relevant Sub-Fund Particular within the timeframe provided for in the relevant Sub-Fund Particular (settlement date). The Board of Directors may also accept payment in any other freely convertible currency specified by the applicant. In that case, any currency conversion cost shall be borne by the applicant.

Settlement may be made by electronic transfer net of bank charges to the relevant correspondent bank(s) quoting the applicant's name and stating the appropriate Sub-Fund/Class into which settlement monies are paid. Details of the relevant correspondent bank(s) are given on the Application Form or may be obtained from a distributor.

If, on the settlement date, banks are not open for business in the country of the currency of settlement, then settlement date will be on the next Business Day on which those banks are open. Payment should arrive in the Registrar and Transfer Agent's appropriate bank account, as specified in the Application Forms by the settlement date at the latest as specified in the relevant Sub-Fund Particular and subject to the foregoing. If timely settlement is not made, an application may lapse and be cancelled at the cost of the applicant or his/her financial intermediary. Failure to make good settlement by the settlement date may result in the Company bringing an action against the defaulting investor or his/her financial

intermediary or deducting any costs or losses incurred by the Company or Management Company against any existing holding of the applicant in the Company, including but not limited to overdraft charges and interests incurred.

### *IN KIND*

The Directors may, at their discretion, decide to accept securities as valid consideration for a subscription provided that these comply with the investment policy and restrictions of the relevant Sub-Fund. A special report of the Company's Auditors will be issued. Additional costs resulting from a subscription in kind (including the costs of the Auditors' report) will be borne exclusively by the subscriber concerned, unless the Board of Directors considers that the subscription in kind is in the best interests of the Company or made to protect the interests of the Company, in which case such costs may be borne in all or in part by the Company.

### **6.7. Share allocation**

Shares are provisionally allotted but not allocated until settlement has been received by the Company or to its order. Payment for subscribed Shares must be received by the Company or by a correspondent bank to its order, not later than the deadlines set forth in the relevant Sub-Fund Particular.

If settlement is not received by the Company or to its order by the due date, the Company reserves the right to cancel the provisional allotment of shares without prejudice to the right of the Company to obtain compensation of any loss directly or indirectly resulting from the failure of an applicant to effect settlement.

### **6.8. Contract notes**

Contract notes which are not proof of ownership are provided to the investor as soon as practicable after the allotment of Shares.

### **6.9. Form of shares**

Shares are only issued in registered form and ownership of shares will be evidenced by entry in the Register. Shareholders will receive a confirmation of their shareholding as soon as reasonably practicable after the relevant Valuation Day.

## **7. HOW TO SELL SHARES**

The terms and conditions applying to the redemption of the shares of the Company are detailed, for each Sub-Fund, in the relevant Sub-Fund Particular.

### **7.1. Request**

Redemption requests should be made directly to the Registrar and Transfer Agent.

In compliance with the forward pricing principle, redemption requests received after the applicable cut-off time (as detailed, for each Sub-Fund in the relevant Sub-Fund Particular) will be deferred to the next applicable Business Day.

Instructions for redemptions of Shares may be made by post, by fax, by way of SWIFT or other electronic means in accordance with the investors' instructions on the Application Form. Each application will be subject to the Administrative Agent's appropriate security clearance procedures to protect the interests of investors.

The Company, the Management Company and the Administration Agent shall not be responsible for any risks associated with using and relying on emails, e.g. network errors, interceptions or corruptions by unauthorized persons, miscommunication, incorrect destination, failure of technical infrastructure, or any other risks related to electronic communication.

## **7.2. Settlement**

### *IN CASH*

Redemption proceeds will in principle be paid in the Reference Currency of the relevant Class specified in the relevant Sub-Fund Particular within the timeframe provided for in the relevant Sub-Fund Particular. If, in exceptional circumstances, the liquidity of the relevant Sub-Fund is insufficient to enable redemption proceeds to be paid within that period, or if there are other reasons, such as exchange controls or other regulations which delay payment, payment will be made as soon as reasonably practicable thereafter, but without interest. The Board of Directors may also agree to satisfy the payment of redemption proceeds in any other freely convertible currency specified by the Shareholder. In that case, any currency conversion cost shall be borne by the Shareholder and the payment of the redemption proceeds will be carried out at the risk of the Shareholder.

If, on the settlement date, banks are not open for business in the country of the currency of settlement of the relevant Class, then settlement will be on the next Business Day on which those banks are open.

### *IN KIND*

At a Shareholder's request, the Company may elect to make a redemption in kind subject to a valuation report from the Company's Auditors, having due regard to the interests of all Shareholders, to the industry sector of the issuer, to the country of issue, to the liquidity and/or to the marketability and the markets on which the investments distributed are dealt in and to the materiality of investments. Additional costs resulting from redemption in kind will be borne exclusively by the Shareholder concerned, unless the Board of Directors considers that the redemption in kind is in the best interests of the Company or made to protect the interests of the Company, in which case such costs may be borne in all or in part by the Company.

## **7.3. Contract notes**

Contract notes are sent to Shareholders as soon as practicable after the relevant Valuation Day.

## **7.4. Compulsory redemption**

If a redemption/conversion instruction or transfer of Shares would reduce the value of a Shareholder's residual holding in any one Sub-Fund or Class to below the minimum holding requirement as set forth

(the case being) in Section 5. "Shares" of the Prospectus, the Company may decide to compulsorily redeem the Shareholder's entire holding in respect of that Sub-Fund.

The Company may also compulsorily redeem any Shares that are acquired or held by or on behalf of any person in breach of the law or requirements of any country or governmental or regulatory authority, or which might have adverse taxation or other pecuniary consequences for the Company, including a requirement to register under any securities or investment or similar laws or requirements of any country or authority, as further detailed in the Articles of Incorporation.

If it appears at any time that a holder of Shares of a Class or of a Sub-Fund reserved to Institutional Investors (in the meaning of Article 174 of the 2010 Law) is not an Institutional Investor, the Board of Directors will convert the relevant Shares into Shares of a Class or of a Sub-Fund which is not restricted to Institutional Investors (provided that there exists such a Class of Shares or of a Sub-Fund with similar characteristics) or compulsorily redeem the relevant Shares in accordance with the provisions set forth in the Articles of Incorporation.

#### **7.5. Deferral of redemptions**

In order to ensure that Shareholders who remain invested in the Company are not disadvantaged by the reduction of the liquidity of the Company's portfolio as a result of significant redemption applications received over a limited period, the Directors may apply the procedures set out below in order to permit the orderly disposal of securities to meet redemptions.

The Company, having regard to the fair and equal treatment of Shareholders, on receiving requests to redeem Shares exceeding 10% of the Net Asset Value of any Sub-Fund or Class shall not be bound to redeem on any Business Day a number of Shares representing more than 10% of the Net Asset Value of any Sub-Fund or Class. If the Company receives requests on any Business Day for redemption of a greater number of Shares, it may declare that such redemptions exceeding the 10% limit may be deferred until sufficient liquidity is available. Unless otherwise decided by the Board of Directors on the basis of exceptional circumstances, the deferral period should in principle not exceed 15 Business Days.

Payment of redemption proceeds may be delayed if there are any specific statutory provisions such as foreign exchange restrictions, or any circumstances beyond the Company's control which make it impossible to transfer the redemption proceeds to the country where the redemption was requested.

In accordance with the 2010 Law, the redemption of Shares shall be prohibited:

- (i) during the period where the Company has no depositary; and
- (ii) where the Depositary is put into liquidation or declared bankrupt or seeks an arrangement with the creditors, a suspension of payment or a controlled management or is the subject of similar proceedings.

#### **7.6. Cancellation right**

Requests for redemption once made may in principle only be withdrawn in the event of a suspension or deferral of the right to redeem Shares of the relevant Sub-Fund or the relevant Class. In exceptional circumstances, the Management Company may however, in its sole discretion and taking due consideration of the principle of equal treatment between Shareholders, the interests of the relevant Sub-Fund or the relevant Class and applicable market timing rules, decide to accept any withdrawal of an application for redemption.

## **7.7. Prevention of market timing practices**

The Company does not permit market timing or late trading as described in CSSF circular 04/146. In addition the Company does not allow excessive short term trading practices as such practices may adversely affect the interests of all Shareholders.

In general, market timing refers to the investment behaviour of an individual or company or a group of individuals or companies buying, selling or exchanging shares or other securities on the basis of predetermined market indicators by taking advantage of time differences and/or imperfections or deficiencies in the method of determination of the value of such shares or other securities. Market timers may also include individuals or groups of individuals whose securities transactions seem to follow a timing pattern or are characterised by frequent or large exchanges.

The Management Company emphasizes that all investors and Shareholders are bound to place their subscription, redemption or conversion order(s) no later than the applicable dealing deadline for transactions in the Company, defined in the relevant Sub-Fund Particulars. When doing so, orders are being placed for execution on the basis of still unknown prices.

The Registrar and Transfer Agent may combine Shares which are under common ownership or control for the purposes of ascertaining whether an individual or a group of individuals can be deemed to be involved in market timing practices. Accordingly, the Board of Directors reserves the right to cause the Registrar and Transfer Agent to reject any application for conversion and/or subscription of Shares from applicants whom the former considers market timers or frequent traders.

## **8. HOW TO CONVERT SHARES**

To the extent provided for in the relevant Sub-Fund Particular, Shareholders will be entitled to request the conversion of the Shares they hold in one Sub-Fund into Shares of another Sub-Fund or to request the conversion of the Shares they hold in one Class into another Class of the same Sub-Fund by making an application to the Registrar and Transfer Agent in Luxembourg, in accordance with the procedure below, by no later than the cut-off time (as further specified in the relevant Sub-Fund Particular).

Such application must include the following information: the name of the holder, the number of Shares to be switched (if it is not the total holding) and, if possible, the reference number on any Share of each Sub-Fund to be switched and the proportion of value of those Shares to be allocated to each new Sub-Fund or Class (if more than one).

Instructions for conversions of Shares may be made by post, by fax, by way of SWIFT or other electronic means. Each application will be subject to the Administrative Agent's appropriate security clearance procedures to protect the interests of investors.

The Company, the Management Company and the Administration Agent shall not be responsible for any risks associated with using and relying on emails, e.g. network errors, interceptions or corruptions by unauthorized persons, miscommunication, incorrect destination, failure of technical infrastructure, or any other risks related to electronic communication.

Conversions will be subject to the condition that all conditions to subscribe in Shares relating to the new Sub-Fund(s)/Class(es) are met.

Unless otherwise provided in the relevant Sub-Fund Particular, conversions (when authorised) may be accepted on each Valuation Days in both applicable Sub-Funds/Classes.

If compliance with conversion instructions would result in a residual holding in any one Sub-Fund or Class of less than the minimum holding, the Company may compulsorily redeem the residual Shares at the redemption price ruling on the relevant Business Day and make payment of the proceeds to the Shareholder.

The basis of conversion is related to the respective Net Asset Value per Share of the Sub-Fund or Class concerned. The Company will determine the number of Shares into which a Shareholder wishes to convert his existing Shares in accordance with the following formula:

$$A = \frac{(B \times C \times D) - F}{E}$$

The meanings are as follows:

- A: the number of Shares to be issued in the new Sub-Fund/Class
- B: the number of Shares in the original Sub-Fund/Class
- C: Net Asset Value per Share to be converted
- D: currency conversion factor
- E: Net Asset Value per Share to be issued
- F: Conversion charge (as detailed in the relevant Sub-Fund Particular)

The Company will provide a confirmation including the details of the conversion to the Shareholder concerned.

Any conversion request shall in principle be irrevocable, except in the event of a suspension of the calculation of the Net Asset Value of the Class or of the Sub-Fund concerned or deferral. The Management Company may however, in its sole discretion and taking due consideration of the principle of equal treatment between Shareholders and the interests of the relevant Sub-Fund, decide to accept any withdrawal of an application for conversion.

In compliance with the forward pricing principle, requests for conversions received after the cut-off time (as detailed, for each Sub-Fund, in the relevant Sub-Fund Particular) will be deferred to the next applicable Business Day.

The rules applicable to the deferral of redemptions will apply *mutatis mutandis* to conversion requests.

## **9. LATE TRADING**

The Company determines the price of its Shares on a forward basis. This means that it is not possible to know in advance the Net Asset Value per Share at which Shares will be bought or sold (exclusive of any subscription or redemption commission).

Late trading is to be understood as the acceptance of a subscription, conversion or redemption order after the time limit fixed for accepting orders ("**cut-off time**") on the relevant day and the execution of such order at the price based on the Net Asset Value applicable to such same day.

The Company considers that the practice of late trading is not acceptable as it violates the provisions of the Prospectus which provide that an order received after the cut-off time is dealt with at a price based on the next applicable Net Asset Value. As a result, subscriptions, conversions and redemptions of Shares shall be dealt with at an unknown Net Asset Value. The cut-off time for subscriptions, conversions and redemptions is set out in the Sub-Fund Particular.

## **10. NET ASSET VALUE AND DEALING PRICES**

### **10.1. Calculation of Net Asset Value**

#### *Valuation Principles*

The Net Asset Value of each Class within each Sub-Fund (expressed in the Reference Currency of the Class) is determined by aggregating the value of securities and other permitted assets of the Company allocated to that Class and deducting the liabilities of the Company allocated to that Class. The calculation is based on prices at close of business in the relevant markets in which the Sub-Funds invest. The Net Asset Value per Share in each Class will be calculated by dividing the net assets attributable to that Class by the total number of Shares outstanding of that Class and by rounding the resulting amount to three decimal places (mathematically rounded).

The total net assets of the Company will be expressed in the Base Currency and correspond to the difference between the Company's assets and its liabilities. For the purpose of this calculation, any portion of the net assets of a Sub-Fund that is denominated in another currency, is converted into the Base Currency at the prevailing exchange rate on the Valuation Day.

The assets of each Class within each Sub-Fund are valued as of the Valuation Day, as defined in the relevant Sub-Fund Particular, as follows:

1. shares or units in open-ended undertakings for collective investment, which do not have a price quotation on a Regulated Market, will be valued at the actual Net Asset Value for such shares or units as of the relevant Valuation Day, failing which they shall be valued at the last available Net Asset Value which is calculated prior to such Valuation Day. In the case where events have occurred which have resulted in a material change in the Net Asset Value of such shares or units since the last Net Asset Value was calculated, the value of such shares or units may be adjusted at their fair value in order to reflect, in the reasonable opinion of the Board of Directors, such change;
2. the value of securities (including a share or unit in a closed-ended undertaking for collective investment and in an exchange traded fund) and/or financial derivative instruments which are listed and with a price quoted on any official stock exchange or traded on any other organised market at the closing price. Where such securities or other assets are quoted or dealt in or on more than one stock exchange or other organised markets, the Board of Directors shall select the principal of such stock exchanges or markets for such purposes;
3. shares or units in undertakings for collective investment the issue or redemption of which is restricted and in respect of which a secondary market is maintained by dealers who, as principal market-makers, offer prices in response to market conditions may be valued by the Board of Directors in line with such prices;

4. the value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof shall be arrived at after making such discount as the Board of Directors may consider appropriate in such case to reflect the true value thereof;
5. the financial derivative instruments which are not listed on any official stock exchange or traded on any other organised market will be valued in a reliable and verifiable manner on a daily basis and verified by a competent professional appointed by the Company;
6. swap contracts will be valued according to generally accepted valuation rules that can be verified by auditors. Asset based swap contracts will be valued by reference to the market value of the underlying assets. Cash flow based swap contracts will be valued by reference to the net present value of the underlying future cash flows;
7. the value of any security or other asset which is dealt principally on a market made among professional dealers and institutional investors shall be determined by reference to the last available price;
8. any assets or liabilities in currencies other than the relevant currency of the Sub-Fund concerned will be converted using the relevant spot rate quoted by a bank or other responsible financial institution;
9. in the event that any of the securities held in the Company portfolio on the relevant day are not listed on any stock exchange or traded on any organised market or if with respect to securities listed on any stock exchange or traded on any other organised market, the price as determined pursuant to sub-paragraph (2) is not, in the opinion of the Board of Directors, representative of the fair market value of the relevant securities, the value of such securities will be determined prudently and in good faith based on the reasonably foreseeable sales price or any other appropriate valuation principles;
10. in the event that the above mentioned calculation methods are inappropriate or misleading, the Board of Directors may adopt to the extent such valuation principles are in the best interests of the Shareholders any other appropriate valuation principles for the assets of the Company; and
11. in circumstances where the interests of the Company or its Shareholders so justify (avoidance of market timing practices, for example), the Board of Directors may take any appropriate measures, such as applying a fair value pricing methodology to adjust the value of the Company's assets.

If after the Net Asset Value per Share has been calculated, there has been a material change in the quoted prices on the markets on which a substantial portion of the investments of the Company attributable to a particular Sub-Fund is dealt or quoted, the Company may, in order to safeguard the interests of the Shareholders and the Company, cancel the first valuation and carry out a second valuation. In the case of such a second valuation, all issues, conversions or redemptions of Shares dealt with by the Sub-Fund for such a Valuation Day must be made in accordance with this second valuation.

The consolidated accounts of the Company for the purpose of its financial reports shall be expressed in EUR.

### *Swing Pricing*

The costs associated with dealing in Shares as a result of Shareholder subscriptions and redemptions may adversely impact the value of a Sub-Fund's assets. In order to (i) prevent this adverse effect, called "dilution", on existing or remaining Shareholders and therefore protect their interests, (ii) more equitably allocate the costs associated with investor trading activity to those investors transacting on the relevant trade date; (iii) reduce the impact of the Sub-Funds' performance from trading transactions costs and (iv) deter frequent trading activity, the Sub-Funds may apply "Partial Swing pricing" as part of their valuation policy. The Board of Directors has implemented a swing pricing policy and the Investment Manager (where relevant with the support of the Sub-Investment Manager) have established specific operational procedures governing the day-to-day application of the swing pricing mechanism. The applicable swing factor is determined by the Investment Manager (where relevant with the support of the Sub-Investment Manager) on the basis of the below mentioned factors and is then approved by the Board of Directors. The swing factor is reviewed by the Investment Manager (and where relevant the Sub-Investment Manager) and updated on a quarterly basis.

The "Partial Swing Pricing" allows for the Net Asset Value to be adjusted upwards or downwards by a "Swing Factor" which may not exceed 2% of the Net Asset Value, if, on any Valuation Day, the net subscriptions or net redemptions in a Sub-Fund exceed a "Swing Threshold", as set by the Board of Directors from time to time upon proposal by the Investment Manager (or where relevant the Sub-Investment Manager) and determined on the basis of elements as disclosed in the Company's swing pricing policy (e.g. the size of the relevant Sub-Fund, the type and liquidity of positions in which the Sub-Fund invests, etc.).

The Swing Factor is determined on the basis of expected costs associated with the Sub-Fund's portfolio trading activity. Such costs can include, but are not limited to bid/offer spreads, broker fees, transaction charges, tax and duty charges, entry or exit fees and share class specific costs, and is set as disclosed in the Company's swing pricing policy.

The application of a swing pricing mechanism in case of a Sub-Fund launch or liquidation and in case of subscriptions or redemptions in-kind is more specifically explained in the Company's swing pricing policy.

The Net Asset Value will normally be adjusted in the following circumstances:

- (A) on a Sub-Fund experiencing levels of net subscriptions (i.e. subscriptions are greater in value than redemptions) in excess of the Swing Threshold, the Net Asset Value will be adjusted upwards by the current Swing Factor;
- (B) on a Sub-Fund experiencing levels of net redemptions (i.e. redemptions are greater in value than subscriptions) in excess of the Swing Threshold, the Net Asset Value will be adjusted downwards by the current Swing Factor;
- (C) in any other case where the Directors are of the opinion that it is in the interests of existing/remaining Shareholders that the Net Asset Value be adjusted.

The decision to swing is based on the overall net-flows into a Sub-Fund, not per share class. The swing pricing adjustments aim to protect the overall performance of Sub-Funds, to the benefit of existing investors.

Unless described otherwise in the relevant Sub-Fund Particulars, Partial Swing Pricing will be applied for all the Sub-Funds and is applied on the capital activity at the level of a Sub-Fund. It does therefore not address the specific circumstances of each individual investor transaction.

The Board of Directors retain the right to suspend the application of the swing pricing mechanism upon those specific Net Asset Value dates when they consider that its application is not the most appropriate approach when taking into consideration the circumstances surrounding particular investor trading activity.

Performance fees (if any) will be charged on the basis of the unswung Net Asset Value.

## **10.2. Temporary suspension**

The Company, as represented by the Board of Directors may suspend the issue, allocation and the redemption of Shares relating to any Sub-Fund/Class as well as the right to convert Shares and the calculation of the Net Asset Value per Share relating to any Class:

- a) during any period, other than for ordinary holidays, when any market or stock exchange, which is the principal market or stock exchange on which a material part of the investments of the relevant Sub-Fund/Class for the time being are quoted, is closed, or during which dealings are substantially restricted or suspended;
- b) during the existence of any state of affairs as a result of which disposal of investments of the relevant Sub-Fund/Class by the Company is not reasonably practical or it is not possible to do so without seriously prejudicing the interests of Shareholders of the relevant Sub-Fund/Class;
- c) during any period when the publication of an index, underlying of a financial derivative instrument representing a material part of the assets of the relevant Sub-Fund/Class is suspended;
- d) during any period when the determination of the Net Asset Value per Share of the underlying funds or the dealing of their shares/units in which a Sub-Fund or a Class is a materially invested is suspended or restricted;
- e) for any other reason the prices of investments held or contracted for the account of that Sub-Fund cannot, in the opinion of the Company, reasonably, promptly or fairly be ascertained;
- f) during any breakdown in the means of communication normally employed in determining the price of any of the relevant Sub-Fund/Class' investments or the current prices on any market or stock exchange;
- g) during any period when remittance or repatriation of monies which will or may be involved in the realisation of, or in the repayment for any of the relevant Sub-Fund/Class' investments is

not possible or the issue or redemption of Shares of the relevant Class is delayed or cannot, in the opinion of the Investment Manager, be carried out promptly at normal rates of exchange;

- h) from the date on which the Board of Directors decides to liquidate or merge one or more Sub-Fund(s)/Class(es) or in the event of the publication of the convening notice to a general meeting of Shareholders at which a resolution to wind up or merge the Company or one or more Sub-Fund(s) or Class(es) is to be proposed;
- i) during any period when in the opinion of the Directors there exist circumstances outside the control of the Company where it would be impracticable or unfair towards the Shareholders to continue dealing in Shares of any Sub-Fund/Class of the Company or where such suspension is required by law or applicable legal process; or
- j) such other circumstance or situation exists as set out in the relevant Sub-Fund Particular.

The Company may cease the issue, allocation, conversion and redemption of the Shares forthwith upon the occurrence of an event causing it to enter into liquidation or upon the order of the CSSF.

The suspension of the calculation of the Net Asset Value of a Sub-Fund shall have no effect on the calculation of the Net Asset Value per Share, the issue, redemption and conversion of Shares of any other Sub-Fund which is not suspended.

To the extent legally or regulatory required or decided by the Company, Shareholders who have requested conversion or redemption of their Shares will be promptly notified in writing of any such suspension and of the termination thereof. The Board of Directors may also make public such suspension in such a manner as it deems appropriate.

### **10.3. Offer price**

Shares will be issued at a price based on the Net Asset Value calculated on the relevant Valuation Day.

Subscription proceeds shall be paid within the timeframe disclosed in the relevant Sub-Fund Particular.

Additional charges, over which the Company has no influence, may be payable to entities involved in a Sub-Fund's distribution such as any distributors.

### **10.4. Redemption price**

Shares will be redeemed at a price based on the Net Asset Value calculated on the relevant Valuation Day.

The redemption price will be payable within the timeframe disclosed in the relevant Sub-Fund Particular.

### **10.5. Information on prices**

The Net Asset Value per Share in each Sub-Fund is available at the registered office of the Company. The Net Asset Value per Share of each Class will also be published on [www.storebrandfunds.com](http://www.storebrandfunds.com) and

[www.skagenfunds.com](http://www.skagenfunds.com). The Board of Directors may discontinue such publication or undertake publications in other media at its sole discretion.

## **11. DIVIDENDS**

The Directors may issue distribution and capital-accumulation Shares, as further specified in Section 5. "Shares" of this Prospectus and the relevant Sub-Fund Particulars.

- i) Capital-accumulation Shares do not pay any dividends.
- ii) The distribution policy of the distribution Shares can be summarised as follows:

Distribution of dividends may be made out of investment income, capital gains and/or capital.

Dividends will be declared by the relevant Shareholders at the annual general meeting of Shareholders or any other Shareholder meeting. During the course of a financial year, the Board of Directors may declare interim dividends in respect of certain Sub-Fund(s) or distribution Shares.

In the absence of any instruction to the contrary, dividends will be paid out. Holders of registered Shares may however, by written request to the Registrar and Transfer Agent or by completion of the relevant section of the Application Form, elect to have dividends relating to any distribution Class of any Sub-Fund reinvested automatically in the acquisition of further shares relating to that Sub-Fund. Such Shares will be purchased no later than on the next Valuation Day after the date of payment of the dividend. Shares allocated as a result of such reinvestment will not be subject to any sales charge.

## **12. CHARGES AND EXPENSES**

### **12.1. Management Company Fee**

In consideration for the management company services provided to the Company, the Management Company is entitled to receive a management company fee of up to 0.035% per annum of the applicable Net Asset Value per Share Class (the "Management Company Fee"). Unless otherwise provided for in the relevant Sub-Fund Particular, this fee will be accrued on each Valuation Day and payable monthly in arrears out of the assets of the relevant Sub-Fund.

### **12.2. Investment Management**

In consideration for the investment management services and distribution related activities provided to the Company, the Investment Manager is entitled to receive an investment management fee from the Company expressed as a percentage of the net assets of the relevant Class as further detailed in the relevant Sub-Fund Particulars (the "Investment Management Fee"). Unless otherwise provided for in the relevant Sub-Fund Particular, this fee will be accrued on each Valuation Day and payable monthly in arrears.

The Investment Manager may pay part of or all its fee to Sub-Investment Managers, as the Investment Manager may determine in its absolute discretion.

### **12.3. Performance Fee**

To the extent provided for in the relevant Sub-Fund Particular, the Investment Manager and/or the Sub-Investment Manager may also be entitled to receive a performance fee, the details of which will (where applicable) be disclosed in the relevant Sub-Fund Particular.

### **12.4. Administration Fee**

For the services performed under the Administration Agreement by the Administration Agent, it will be entitled to receive out of the assets of the Company an administration fee accrued daily and payable monthly in arrears of up to 0.02% per annum of the Net Asset Value, subject to a minimum fee of EUR 1,250 per Sub-Fund per month. The Administration Agent will also be entitled to receive other fees as set out in the Administration Agreement. Fees of the Administration Agent will be exclusive of value added tax (if any). The Administration Agent will also be reimbursed for all reasonable out-of-pocket expenses incurred in the performance of its duties as detailed in the Administration Agreement.

### **12.5. Depositary Fees**

The Depositary fee consists of both global custody safekeeping fees and depositary oversight fees. The global custody element relates to the fees charged for the safekeeping of financial instruments and transactional charges. The safekeeping charges are applied as a percentage of the market value of the underlying investment held in custody. The transactional charges are based on the number and type of transactions executed with the custodian. The Depositary oversight fee relates to the fund oversight obligations conducted by the Depositary in accordance with the UCITS Regulations and as set out under the Depositary Agreement entered into between the Depositary and the Company. The Depositary oversight fee is calculated as a percentage of each Sub-Fund's Net Asset Value and may be subject to minimum fees per Sub-Fund, as applicable. The maximum Depositary oversight fee payable will not exceed 0.01% of the Net Asset Value.

### **12.6. Other charges and expenses**

The Company pays all brokerage and any other fees arising from transactions involving securities in the Company's portfolio, clearing, taxes and governmental duties and charges payable by the Company, and fees and expenses involved in registering and maintaining the authorisation in Luxembourg and elsewhere and the listing of the Company's shares (where applicable), any fees and charges payable to fund distribution platforms, paying agents' cost and expenses for subscriptions to professional associations and other organisations in Luxembourg or in other jurisdiction where it may be registered for offer of its Shares, which the Company will decide to join in its own interest and in that of its Shareholders, the costs related to tax reporting in any relevant jurisdiction, the cost of publication of prices and costs relating to distribution of dividends, the remuneration of the Directors, if any, and their reasonable out-of-pocket expenses and its other operating expenses such as accounting and pricing costs, expenses for legal, auditing, service provider costs and remuneration and other professional services relating to the management of the Company and of its Sub-Funds, costs of printing, translating, and publishing information for the Shareholders and in particular the costs of printing, translating and distributing the periodic reports, as well as the Prospectuses and KIDs, litigation and other recurring or non-recurring expenses.

Any extraordinary expenses including, without limitation, litigation expenses and the full amount of

any tax, levy, duty or similar charge and any unforeseen charges imposed on the Company or its assets will be borne by the Company.

The costs and expenses for the formation of the Company and the initial issue of its Shares will be borne by the first Sub-Funds of the Company (namely Storebrand Global Solutions Lux, Storebrand Global ESG Plus Lux, SKAGEN Kon-Tiki Lux, SKAGEN Focus Lux, SKAGEN Global Lux and SKAGEN m2 Lux) and amortized over a period not exceeding 5 years. Any additional Sub-Fund(s) which may be created in the future shall bear their own formation expenses and the cost of listing its Shares on any stock exchange, which will be amortized over a period not exceeding 5 years.

### **13. MANAGEMENT COMPANY**

The Company has appointed FundRock Management Company S.A. to act as the management company of the Company pursuant to the Fund Management Company Agreement and is responsible for providing investment management services, administration services and distribution services.

The Management Company has been permitted by the Company to delegate certain administrative, distribution and investment management functions to specialised service providers. In this context, the Management Company has delegated the above-mentioned tasks as follows:

The investment management function has been delegated to the Investment Manager as further detailed under Section 14. "Investment Manager" below and in the Sub-Fund Particulars.

The Management Company has delegated the administration function and domiciliary function to the Administration Agent and registrar and transfer agency functions to the Registrar and Transfer Agent.

The Management Company has delegated the marketing function to the distributors.

The Management Company was incorporated as a "*société anonyme*" under the laws of Luxembourg on 10 November 2004 and its articles of incorporation were published in the *Mémorial* on 6 December 2004. The Management Company is registered with the Luxembourg Trade and Companies' Register under the number B 104196 and is approved as a management company regulated by Chapter 15 of the 2010 Law. It has its registered office in Luxembourg, at 33, rue de Gasperich, L-5826 Luxembourg, Grand Duchy of Luxembourg<sup>2</sup>. The Management Company has a subscribed and paid-up capital of EUR 10 million.

The Management Company will monitor the activities of the third parties to which it has delegated functions on a continued basis. The agreements entered between the Management Company and the relevant third parties provide that the Management Company can give further instructions to such third parties, and that it can withdraw their mandate with immediate effect if this is in the interest of the shareholders at any time. The Management Company's liability towards the Company is not affected by the fact that it has delegated certain functions to third parties.

The Management Company shall also ensure compliance with the investment restrictions and oversee the implementation of the Sub-Fund's strategies and investment policy by the Sub-Funds.

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<sup>2</sup> As from 1st January 2025: Airport Center Building, 5, Heienhaff, L-1736 Senningerberg, Grand Duchy of Luxembourg

The Management Company shall also send reports to the Board of Directors on a periodic basis and inform each board member without delay of any non-compliance with the investment restrictions by any Sub-Fund.

The Management Company will receive periodic reports from the Investment Manager detailing the relevant Sub-Fund's performance and analysing its investment portfolio. The Management Company will receive similar reports from the relevant Sub-Fund's other services providers in relation to the services which they provide.

The Management Company has established and applies a remuneration policy in accordance with principles laid out under Directive 2014/91/EU of the European Parliament and of the Council amending Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities ("UCITS") as regards depositary functions, remuneration policies and sanctions ("UCITS V") and any related legal and regulatory provisions applicable in Luxembourg.

The remuneration policy is aligned with the business strategy, objectives, values and interests of the Management Company and the UCITS that it manages and of the investors in such UCITS, and which includes, inter alia, measures to avoid conflicts of interest; and it is consistent with and promotes sound and effective risk management and does not encourage risk taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the UCITS that the Management Company manages.

As an independent management company relying on a full-delegation model (i.e. delegation of the collective portfolio management function), the Management Company ensures that its remuneration policy adequately reflects the predominance of its oversight activity within its core activities. As such, it should be noted that the Management Company's employees who are identified as risk-takers under UCITS V are not remunerated based on the performance of the UCITS under management.

The details of the up-to-date remuneration policy of the Management Company, including, but not limited to, a description of how the remuneration and benefits are calculated and the associated governance arrangements, are available at: <https://www.fundrock.com/remuneration-policy>.

A paper version of this remuneration policy is made available free of charge to investors at the Management Company's registered office.

The Management Company's remuneration policy, in a multi-year framework, ensures a balanced regime where remuneration both drives and rewards the performance of its employees in a measured, fair and well-thought-out fashion, which relies on the following principles\*:

- Identification of the persons responsible for awarding remuneration and benefits (under the supervision of the remuneration committee and subject to the control of an independent internal audit committee);
- Identification of the functions performed within the Management Company which may impact the performance of the entities under management;
- Calculation of remuneration and benefits based on the combination of individual and company's performance assessment;

- Determination of a balanced remuneration (fixed and variable);
- Implementation of an appropriate retention policy with regards to financial instruments used as variable remuneration;
- Deferral of variable remuneration over 3-year periods;
- Implementation of control procedures/adequate contractual arrangements on the remuneration guidelines set up by the Management Company's respective portfolio management delegates.

\*It should be noted that, upon issuance of final regulatory guidelines, this remuneration policy may be subject to certain amendments and/or adjustments.

The Management Company also acts as management company for other investment funds (Luxembourgish or not). The names of these other funds are available upon request.

#### **14. INVESTMENT MANAGER**

The Management Company may delegate all or part of its portfolio management duties to one or more investment managers (each an "Investment Manager") whose identity will be disclosed in the relevant Sub-Fund Particular.

The Investment Manager may also in turn delegate all or part of its portfolio management duties to one or more sub-investment managers (each a "Sub-Investment Manager") whose identity will be disclosed in the relevant Sub-Fund Particular. In case a Sub-Investment Manager is appointed, all references in this Prospectus to the "Investment Manager" shall, if the context so requires, be deemed to include references to the Sub-Investment Manager.

The Investment Manager has the discretion to acquire and dispose of securities of the Sub-Fund(s) for which it has been appointed as the investment manager, subject to and in accordance with the legal and regulatory requirements applicable to the Company and the guidelines received from the Management Company from time to time, and in accordance with the investment objectives and restrictions of the Sub-Fund(s). While the Investment Manager must act strictly in the best interests of the shareholders, individual shareholders shall not be involved in investment management activities.

The Investment Manager, may also appoint one or more investment advisers (each an "Investment Adviser") to advise it on the portfolio management of one or more Sub-Fund(s) to provide portfolio management services for one or more Sub-Fund(s).

#### **15. DISTRIBUTION OF SHARES**

The Management Company, upon recommendation and with the consent of the Company, has appointed Storebrand Asset Management AS to act as Global Distributor of the Company. The Global Distributor may enter into agreements with distributors pursuant to which the distributors agree to act as intermediaries or nominees for investors subscribing for Shares through their facilities.

## **16. DEPOSITARY**

The Company has appointed J.P. Morgan SE, acting through its Luxembourg Branch, as depositary of its assets pursuant to a depositary agreement between the Company, the Management Company and the Depositary, as amended from time to time, (the "**Depositary Agreement**").

J.P. Morgan SE is a European Company (Societas Europaea) organized under the laws of Germany, having its registered office at Taunustor 1 (TaunusTurm), 60310 Frankfurt am Main, Germany and is registered with the commercial register of the local court of Frankfurt under number HRB 16861. It is a credit institution subject to direct prudential supervision by the European Central Bank (ECB), the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin) and Deutsche Bundesbank, the German Central Bank; J.P. Morgan SE, Luxembourg Branch is authorized by the CSSF to act as depositary and fund administrator and is licensed to engage in all banking operations under the laws of the Grand Duchy of Luxembourg.

### **Duties of the Depositary**

The Depositary is entrusted with the safekeeping of the Company's assets. All financial instruments that can be held in custody are registered in the Depositary's books within segregated accounts, opened in the name of the Company, in respect of each Sub-Fund, as the case may be. For other assets than financial instruments and cash, the Depositary must verify the ownership of such assets by the Company in respect of each Sub-Fund, as the case may be. Furthermore, the Depositary shall ensure that the Company's cash flows are properly monitored.

The Depositary will also, in accordance with the Luxembourg laws and the Depositary Agreement:

- (i) ensure that the sale, issue, conversion, repurchase, redemption and cancellation of the shares of the Company are carried out in accordance with Luxembourg laws and the Articles;
- (ii) ensure that the value of the shares of the Company is calculated in accordance with Luxembourg laws and the Articles;
- (iii) carry out the instructions of the Company and the Management Company, unless they conflict with Luxembourg laws or the Articles;
- (iv) ensure that in transactions involving the Company's assets any consideration is remitted to the Company within the usual time limits; and
- (v) ensure that the Company's income is applied in accordance with Luxembourg laws and the Articles.

### **Delegation of functions**

Under the terms of the Depositary Agreement, the Depositary may delegate its safekeeping obligations provided that (i) the services are not delegated with the intention of avoiding the requirements of the Directive and all laws, regulations and guidelines applicable in Luxembourg, as may be amended from time to time ("UCITS Regulations") (ii) the Depositary can demonstrate that there is an objective reason for the delegation and (iii) it has exercised all due, skill, care and diligence in the selection and

appointment of any third party to whom it wants to delegate parts of its services, and keeps exercising all due skill, care and diligence in the periodic review and ongoing monitoring of any third party to whom it has delegated parts of its safekeeping services and of the arrangements of the third party in respect of the matters delegated to it. The liability of the Depositary will not be affected by virtue of any such delegation. An up-to-date list of third-party delegates appointed by the Depositary and of the delegates of these third-party delegates is available on the following websites: <https://www.skagenfunds.lu/contact/fund-domicile-information/document-library/> and <https://www.storebrand.com/sam/lu/asset-management/offerings/legal/legal-funds-in-luxembourg>.

The Depositary Agreement provides that the Depositary shall be liable, (i) in respect of a loss of a financial instrument held in its custody unless it can prove that the loss has arisen as a result of an external event beyond the Depositary's reasonable control, the consequences of which would have been unavoidable despite all reasonable measures to the contrary, and (ii) in respect of all other losses as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations pursuant to the UCITS Regulations.

### **Conflicts of interest**

In carrying out its functions, the Depositary shall act honestly, fairly, professionally, independently and solely in the interest of the Company and Shareholders.

The Depositary and its affiliate companies provide a variety of services to their clients including those clients for whom the Depositary acts as depositary. As an example, the Management Company has appointed J.P. Morgan SE - Luxembourg Branch as Administration Agent/ Registrar and Transfer Agent to provide certain administrative functions, including fund accounting, valuation, calculation and registrar and transfer agency services to the Company.

Accordingly, potential conflicts of interests may arise which must be appropriately identified, managed and disclosed. In order to meet such regulatory requirements in relation to such conflicts of interests, the Depositary has in place procedures which ensure that it is acting in the best interests of the Shareholders. A key element of ensuring the Depositary acts in the best interests of investors is the functional and hierarchical separation between the depositary function and the other services provided by the Depositary's affiliates.

The Depositary has delegated custody services to either an affiliate company or third-party sub-custodians in certain eligible markets in which the Company may invest, listed on the following websites: <https://www.skagenfunds.lu/contact/fund-domicile-information/document-library/> and <https://www.storebrand.com/sam/lu/asset-management/offerings/legal/legal-funds-in-luxembourg>.

It is therefore possible that the Depositary (or any of its affiliates) and/or its sub-delegates may in the course of its or their business be involved in other financial and professional activities which may on occasion have potential conflicts of interest with those of the Company and/or other entities for which the Depositary (or any of its affiliates) acts.

Notwithstanding whether an affiliate company or a third-party sub-custodian has been appointed, the Depositary has undertaken and shall undertake regular due diligence reviews on such sub-custodians allowing it to manage any conflicts of interests that may potentially arise.

If a conflict of interests arises, the Depositary will have regard in such event to its obligations under the Depositary Agreement and the UCITS Regulations and, in particular, will use reasonable endeavours to ensure that the performance of its duties will not be impaired by any such involvement it may have and that any conflicts which may arise will be resolved fairly and in the best interests of the Shareholders collectively so far as practicable, having regard to its obligations to other clients.

### **Miscellaneous**

The Depositary Agreement provides that the appointment of the Depositary will continue unless and until terminated by the Company or the Depositary giving to the other parties not less than 6 months' written notice although in certain circumstances the Depositary Agreement may be terminated immediately by the Company or the Depositary provided that the appointment of the Depositary shall continue in force until a replacement Depositary approved by the CSSF has been appointed and provided further that if within a period of 90 days' from the date on which the Depositary notifies the Company of its desire to retire or from the date on which the Company notifies the Depositary of its intention to remove the Depositary, no replacement Depositary shall have been appointed, the Company shall apply to the CSSF for an order to wind up the Company. The Depositary Agreement contains certain indemnities in favour of the Depositary (and each of its officers, employees and delegates) which are restricted to exclude matters arising by reason of the negligent or intentional failure of the Depositary in the performance of its duties.

The Management Company is party to the Depositary Agreement. This agreement also regulates the flow of information deemed necessary to allow the Depositary to perform its functions as depositary of the Company. The Depositary Agreement describes, in particular, the Depositary's obligations and procedures with respect to the Company's assets, including for the custody and safekeeping of each type of asset of the Company, the procedures applicable in case of modification to the Articles, this Prospectus and other documents relating to the Company, the exchange of information between the Management Company and the Depositary regarding the Company (notably, with respect to delegations and the subscription/redemption of Shares), the Company's compliance with applicable laws and regulations in relation to anti-money laundering and combating the financing of terrorism and the treatment of confidential information.

Any of the information disclosed with regard to the Depositary may be updated from time to time and such up-to-date information is available to investors upon request in writing from the Depositary.

## **17. ADMINISTRATION**

### **17.1. Administration, Registrar and Transfer Agent**

The Management Company has appointed J.P. Morgan SE - Luxembourg Branch as administration agent, agent, domiciliary registrar and transfer agent pursuant to a central administration services agreement (the "**Administration Agreement**"), as amended from time to time, between the Company, the Management Company and the Administration Agent/Registrar and Transfer Agent. The Administration Agent will have the responsibility for the administration of the Company's affairs including registrar functions, the calculation of the Net Asset Value and preparation of the accounts of the Company and client communication functions, subject to the overall supervision of the Management Company.

The Administration Agent/Registrar and Transfer Agent is not involved directly or indirectly with the business affairs, organisation, sponsorship or management of the Company and is not responsible for the preparation of the Prospectus other than the preparation of the above description and accepts no responsibility or liability for any information contained in this Prospectus except disclosures relating to it.

## **18. CONFLICTS OF INTEREST**

The Management Company, the Investment Manager, the Sub-Investment Manager, the sales agents, the Administration Agent, the Registrar and Transfer Agent, the Depositary and any of their delegates may from time to time act as management company, investment manager, sub-investment manager or adviser, sales agent, administration agent, registrar and transfer agent or depositary in relation to, or be otherwise involved in, other funds which have similar investment objectives to those of the Company or any Sub-Fund. It is therefore possible that any of them may, in the due course of their business, have potential conflicts of interest with the Company or any Sub-Fund. In such event, each will at all times have regard to its obligations under any agreements to which it is party or by which it is bound in relation to the Company or any Sub-Fund(s). In particular, but without limitation to its obligations to act in the best interests of the Shareholders when undertaking any dealings or investments where conflicts of interest may arise, each will respectively endeavour to ensure that such conflicts are resolved fairly.

There is no prohibition on the Company entering into any transactions with the Management Company, the Investment Manager, the Sub-Investment Manager, the sales agents, the Administration Agent, the Registrar and Transfer Agent or the Depositary or with any of their affiliates or any of their delegates, provided that such transactions are carried out as if effected on normal commercial terms negotiated at arm's length. The Investment Manager, Sub-Investment Manager or any affiliates or delegates acting in a fiduciary capacity with respect to client accounts may recommend to or direct clients to buy and sell Shares of the Company.

## **19. MEETINGS AND REPORTS**

The annual general meeting of Shareholders of the Company (the "Annual General Meeting") is normally held at the registered office of the Company or such other place as may be specified in the notice of meeting within six months following the end of the financial year which it covers. The first Annual General Meeting was held in 2020.

Other general meetings of Shareholders will be held at such time and place as are indicated in the notices of such meetings.

Notices of general meetings are given in accordance with Luxembourg Law. Notices will specify the place and time of the meetings, the conditions of admission, the agenda, the quorum and the voting requirements. The requirements as to attendance, quorum and majorities at all general meetings will be those laid down in the Articles of Incorporation.

Under the conditions set forth in Luxembourg laws and regulations, the notice of any general meeting of Shareholders may provide that the quorum and the majority at this general meeting shall be determined according to Shares issued and outstanding at midnight (Luxembourg time) on the fifth day prior to the general meeting (the "Record Date"), whereas the right of a Shareholder to attend a general meeting of Shareholders and to exercise the voting rights attaching to his Shares shall be determined by reference to the Shares held by this Shareholder as at the Record Date.

Financial periods of the Company end on 31 December in each year (and for the first time on 31 December 2019). The annual report containing the audited consolidated financial accounts of the Company expressed in EUR in respect of the preceding financial period and with details of each Sub-Fund in the relevant Base Currency is made available at the Company's registered office, at least 8 days before the Annual General Meeting.

The semi-annual report dated as of 30 June each year (and for the first time as at 30 June 2020) will be available at the Company's registered office, at the latest two months after the end of the period to which it relates.

Copies of all reports are available at the registered offices of the Company.

## **20. TAXATION**

The following information is based on the laws, regulations, decisions and practice currently in force in Luxembourg and is subject to changes therein, possibly with retrospective effect. This tax section is a short summary of certain Luxembourg tax principles that may be or may become relevant with respect to the investments in the Company. It does not purport to be a comprehensive description of all Luxembourg tax laws and Luxembourg tax considerations that may be relevant to a decision to invest in, own, hold, or dispose of Shares. It does not constitute and should not be considered as tax advice to any particular investor or potential investor. Prospective investors should consult their own professional advisers as to the implications of buying, holding or disposing of Shares and to the provisions of the laws of the jurisdiction in which they are subject to tax. This summary does not describe any tax consequences arising under the laws of any state, locality or other taxing jurisdiction other than Luxembourg.

### **20.1. Taxation of the Company**

The Company is not subject to taxation in Luxembourg on its income, profits or gains.

The Company is not subject to net wealth tax in Luxembourg.

No stamp duty, capital duty or other tax will be payable in Luxembourg upon the issue of the Shares of the Company.

The Sub-Funds are, nevertheless, in principle, subject to a subscription tax (*taxe d'abonnement*) levied at the rate of 0.05% *per annum* based on their Net Asset Value at the end of the relevant quarter, calculated and paid quarterly.

A reduced subscription tax rate of 0.01% per annum is however applicable to any Sub-Fund that is authorised as money market fund in accordance with Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds, hereinafter "Regulation (EU) 2017/1131", without prejudice to Article 175, letter b) of the 2010 Law. A reduced subscription tax rate of 0.01% *per annum* is also applicable to any Sub-Fund or Class provided that their shares are only held by one or more institutional investors within the meaning of article 174 of the 2010 Law (an "Institutional Investor").

A Subscription tax exemption applies to

- the portion of any Sub-Fund's assets (pro rata) invested in a Luxembourg investment fund or any of its sub-fund to the extent it is subject to the subscription tax;
- any Sub-Fund (i) whose securities are only held by Institutional Investor(s), and (ii) that is authorised as short-term money market funds in accordance with Regulation (EU) 2017/1131, and (iii) that has obtained the highest possible rating from a recognised rating agency. If several Classes are in issue in the relevant Sub-Fund meeting (ii) to (iii) above, only those Share Classes meeting (i) above will benefit from this exemption;
- any Sub-Fund whose main objective is the investment in microfinance institutions;
- any Sub-Fund, (i) whose securities are listed or traded on a stock exchange and (ii) whose exclusive object is to replicate the performance of one or more indices. If several Classes are in issue in the relevant Sub-Fund meeting (ii) above, only those Classes meeting (i) above will benefit from this exemption; and
- any Sub-Fund whose securities are reserved for (i) institutions for occupational retirement pension or similar investment vehicles, set-up on initiative of one or more employers and (ii) companies of one or more employers investing funds they hold to provide retirement benefits to their employees and (iii) savers in the context of a pan European personal pension product established under Regulation (EU) 2019/1238 of the European Parliament and of the Council of 20 June 2019 on a pan-European personal pension product (PEPP).

## **20.2. Withholding tax**

Interest and dividend income received by the Company may be subject to non-recoverable withholding tax in the source countries. The Company may further be subject to tax on the realised or unrealised capital appreciation of its assets in the countries of origin. The Company may benefit from double tax treaties entered into by Luxembourg, which may provide for exemption from withholding tax or reduction of withholding tax rate.

Distributions by the Company as well as liquidation proceeds and capital gains derived therefrom are made free and clear from to withholding tax in Luxembourg.

### **20.3. Taxation of the Shareholders**

#### **Luxembourg resident individuals**

A Luxembourg resident individual investor is subject to Luxembourg personal income tax levied according to a progressive income tax scale with a maximum marginal tax rate of 45.78% (including the employment fund surcharge) with respect to income or gains derived from the Shares.

Capital gains realised on the sale of the Shares by a Luxembourg resident individual investor who acts in the course of the management of his/her private wealth are not subject to Luxembourg income tax, unless said capital gains qualify either as speculative gains or as gains on a substantial participation:

- Speculative gains are subject to progressive income tax at ordinary rates if the Shares are sold within 6 months from their subscription or purchase; (or if their disposal precedes their acquisition);
- Capital gains realized on a substantial participation more than six months after the acquisition thereof are taxed at half the average combined tax rate (maximum 22.89%). A participation is deemed to be substantial where a resident individual investor holds or has held, alone or with his/her spouse or partner and/or underage children, either directly or indirectly at any time during the five years preceding the disposal, more than 10% of the capital of the Company in which she/he hold the substantial participation.

A Shareholder is also deemed to alienate a substantial participation if she/he acquired free of charge, within the five years preceding the transfer, a participation that was constituting a substantial participation in the hands of the alienator (or the alienators in case of successive transfers free of charge within the same five-year period).

#### **Luxembourg resident corporate**

A fully taxable Luxembourg resident corporate investors will in principle be subject to corporate income tax and municipal business tax (including the employment fund surcharge) at an aggregate rate of 24.94% for a corporate investor established in Luxembourg-City ("**Corporation Taxes**"), in respect of income or gain derived from the Shares.

Luxembourg resident corporate investors who benefit from a special tax regime, such as, for example, (i) a UCI subject to the 2010 Law, (ii) a specialised investment fund subject to the amended law of 13 February 2007 on specialised investment funds, or (iii) a reserved alternative investment fund subject to the Law of 23 July 2016 on reserved alternative investment funds (to the extent they have not opted to be subject to general corporation taxes), or (iv) a family wealth management company subject to the amended law of 11 May 2007 related to family wealth management companies, are exempt from Corporation Taxes in Luxembourg and are instead subject to an annual subscription tax (*taxe d'abonnement*).

The Shares shall be part of the taxable net wealth of the Luxembourg resident corporate investors subject to net wealth tax levied on a yearly basis at a rate of 0.5%. A reduced rate of 0.05% is available for the part of the net wealth exceeding EUR 500,000,000.

Luxembourg corporate resident investors which benefit from a special tax regime, such as, for example, those listed above are exempt from net wealth tax.

### **Non Luxembourg residents**

Shareholders not domiciled, resident or not having a permanent establishment or permanent representative in Luxembourg for taxation purposes are not liable to any corporation, income, transfer, capital or other taxes on holding, sale, purchase or repurchase of Shares in the Company.

The tax consequences for non-resident Shareholders wishing to purchase, subscribe, acquire, hold, convert, sell, redeem or dispose Shares will depend on the relevant laws of any jurisdiction to which the Shareholder is subject.

A non-resident Shareholder which has a permanent establishment, a permanent representative or a fixed place of business in Luxembourg to which the Shares are attributable, will be subject to Corporation Taxes or net wealth tax in Luxembourg as set forth above for a Luxembourg resident corporate investor.

### **Automatic Exchange of Information**

The OECD has developed a common reporting standard ("**CRS**") to achieve a comprehensive and multilateral automatic exchange of information (AEOI) on a global basis. On 29 October 2014, Luxembourg signed the OECD's multilateral competent authority agreement ("**Multilateral Agreement**") to automatically exchange information under the CRS. On 9 December 2014 Council Directive 2014/107/EU amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation (the "**Euro-CRS Directive**") was adopted in order to implement the CRS among the Member States.

The CRS and Euro-CRS Directive were implemented into Luxembourg law by the law of 18 December 2015 on the automatic exchange of financial account information in the field of taxation ("**CRS Law**").

The CRS Law requires Luxembourg financial institutions to identify financial account holders (including certain entities and their controlling persons) and establish if they are fiscally resident in (i) an EU Member State other than Luxembourg or (ii) a jurisdiction which has signed the Multilateral Agreement and which is identified in the list of reportable jurisdictions published by Grand Ducal Decree ("**CRS Reportable Accounts**"). The first official list of CRS reportable jurisdictions was published on 24 March 2017 and is updated from time to time. Luxembourg financial institutions will then report the information on such CRS Reportable Accounts to the Luxembourg tax authorities (*Administration des Contributions Directes*), which will thereafter automatically transfer this information to the competent foreign tax authorities on a yearly basis.

Accordingly, the Company may require its investors to provide information or documentation in relation to the identity and fiscal residence of financial account holders (including certain entities and their controlling persons) in order to ascertain their CRS status; information regarding an investor and

his/her/its account holding in the Company and report to the Luxembourg tax authorities (*Administration des Contributions Directes*), if such an account is deemed a CRS reportable account under the CRS Law.

By investing in the Company, the Shareholders acknowledge that (i) the Company is responsible for the treatment of the personal data provided for in the CRS Law; (ii) the personal data will inter alia be used for the purposes of the CRS Law; (iii) the personal data may be communicated to the Luxembourg tax authorities (*Administration des Contributions Directes*) and to the tax authorities of CRS reportable jurisdictions; (iv) responding to CRS-related questions is mandatory; and (v) the Shareholders have a right of access to and rectification of the data communicated to the Luxembourg tax authorities (*Administration des Contributions Directes*).

The Company reserves the right to refuse any application for Shares if the information provided or not provided does not satisfy the requirements under the CRS Law.

***Investors should consult their professional advisers on the possible tax and other consequences with respect to the implementation of the CRS.***

#### **20.4. FATCA**

The Foreign Account Tax Compliance Act ("FATCA") requires financial institutions outside the US ("foreign financial institutions" or "FFIs") to pass information about "Financial Accounts" held by "Specified US Persons", directly or indirectly, to the US tax authorities, the Internal Revenue Service ("IRS") on an annual basis. A 30% withholding tax is imposed on certain US source income of any FFI that fails to comply with this requirement. On 28 March 2014, the Grand Duchy of Luxembourg entered into a Model 1 Intergovernmental Agreement ("Luxembourg IGA") with the United States of America and a memorandum of understanding in respect thereof. The Company would hence have to comply with this Luxembourg IGA as implemented into Luxembourg law by the Law of 24 July 2015 relating to FATCA (the "FATCA Law") in order to comply with the provisions of FATCA rather than directly complying with the US Treasury Regulations implementing FATCA. Under the FATCA Law and the Luxembourg IGA, the Company may be required to collect information aiming to identify its financial account holders (including certain entities and their controlling persons) that are Specified US Persons for FATCA purposes ("FATCA reportable accounts"). Any such information on FATCA reportable accounts provided to the Company will be shared with the Luxembourg tax authorities (*Administration des Contributions Directes*) which will exchange that information on an automatic basis with the IRS. The Company intends to comply with the provisions of the FATCA Law and the Luxembourg IGA to be deemed compliant with FATCA and will thus not be subject to the 30% withholding tax with respect to its Share of any such payments attributable to actual and deemed U.S. investments of the Company. The Company will continually assess the extent of the requirements that FATCA, and notably the FATCA Law, place upon it.

To ensure the Company's compliance with FATCA, the FATCA Law and the Luxembourg IGA in accordance with the foregoing, the Company may:

- a. request information or documentation, including W-9 or W-8 tax forms, a Global Intermediary Identification Number, if applicable, or any other valid evidence of a Shareholder's FATCA registration with the IRS or a corresponding exemption, in order to ascertain that Shareholder's FATCA status;

- b. report information concerning a Shareholder and his/her/its account holding in the Company to the Luxembourg tax authorities (*Administration des Contributions Directes*) if such account is deemed a FATCA reportable account under the FATCA Law and the Luxembourg IGA;
- c. report information to the Luxembourg tax authorities (*Administration des Contributions Directes*) concerning payments to Shareholders with FATCA status of a non-participating foreign financial institution;
- d. deduct applicable US withholding taxes from certain payments made to a Shareholder by or on behalf of the Company in accordance with FATCA, the FATCA Law and the Luxembourg IGA; and
- e. divulge any such personal information to any immediate payer of certain U.S. source income as may be required for withholding and reporting to occur with respect to the payment of such income.

By investing in the Company, the Shareholders acknowledge that (i) the Company is responsible for the treatment of the personal data provided for in the FATCA Law; (ii) the personal data will inter alia be used for the purposes of the FATCA Law; (iii) the personal data may be communicated to the Luxembourg tax authorities (*Administration des Contributions Directes*) and to the IRS; (iv) responding to FATCA-related questions is mandatory; and (v) the Shareholders have a right of access to and rectification of the data communicated to the Luxembourg tax authorities (*Administration des Contributions Directes*).

Prospective investors should consult their professional advisor on the individual impact of FATCA.

#### **20.5. Prospective investors**

Prospective investors should inform themselves of, and whether appropriate take advice on the laws and regulations in particular those relating to taxation (but also those relating to foreign exchange controls) applicable to the subscription, purchase, holding conversion and redemption of Shares in the country of their citizenship, residence or domicile and their current tax situation and the current tax status of the Company in Luxembourg.

#### **20.6. Applicable law**

The Luxembourg District Court is competent for all legal disputes between the Shareholders and the Company. Luxembourg law applies. The English version of this Prospectus is the authoritative version and shall prevail in the event of any inconsistency with any translation hereof.

Statements made in this Prospectus are based on the laws and practice in force at the date of this Prospectus in the Grand Duchy of Luxembourg, and are subject to changes in those laws and practice.

## **21. LIQUIDATION OF THE COMPANY / TERMINATION AND AMALGAMATION OF SUB-FUNDS**

### **21.1. Liquidation of the Company**

With the consent of the Shareholders expressed in the manner provided for by articles 450-3 and 1100-2 of the 1915 Law, the Company may be liquidated.

If at any time the value at their respective Net Asset Values of all outstanding Shares falls below two thirds of the minimum capital for the time being prescribed by Luxembourg Law, the Board of Directors must submit the question of dissolution of the Company to a general meeting of Shareholders acting, without minimum quorum requirements, by a simple majority decision of the Shares represented at the meeting.

If at any time the value at their respective Net Asset Values of all outstanding Shares is less than one quarter of the minimum capital for the time being required by Luxembourg Law, the Directors must submit the question of dissolution of the Company to a general meeting, acting without minimum quorum requirements and a decision to dissolve the Company may be taken by the Shareholders owning one quarter of the Shares represented at the meeting.

Any voluntary liquidation will be carried out in accordance with the provisions of the 2010 Law and the 1915 Law which specify the steps to be taken to enable Shareholders to participate in the liquidation distribution(s) and in that connection provides for deposit in escrow at the *Caisse de Consignation* of any such amounts to the close of liquidation. Amounts not claimed from escrow within the prescription period would be liable to be forfeited in accordance with the provisions of Luxembourg laws.

### **21.2. Liquidation, merger, split or consolidation of Sub-Fund(s)/Classes**

The Directors may decide to liquidate one Sub-Fund if the net assets of such Sub-Fund fall below EUR 10,000,000 or its equivalent in the relevant Reference Currency or one Sub-Fund or Class if a change in the economic or political situation relating to the Sub-Fund or Class concerned would justify such liquidation or if the interests of the Shareholders would justify it. The decision of the liquidation will be published or notified to the Shareholders by the Company as decided from time to time by the Directors, prior to the effective date of the liquidation and the publication/notification will indicate the reasons for, and the procedures of, the liquidation operations. Unless the Board of Directors otherwise decides in the interests of, or to keep equal treatment between the Shareholders, the Shareholders of the Sub-Fund or Class concerned may continue to request redemption or conversion of their Shares (free of charge). Assets which could not be distributed to their beneficiaries upon the close of the liquidation of the Sub-Fund or Class concerned will be deposited with the *Caisse de Consignation* on behalf of their beneficiaries.

Where the Board of Directors does not have the authority to do so or where the Board of Directors determines that the decision should be put for Shareholders' approval, the decision to liquidate a Sub-Fund or Class may be taken at a meeting of Shareholders of the Sub-Fund or Class to be liquidated instead of being taken by the Board of Directors. At such Class or Sub-Fund meeting, no quorum shall be required and the decision to liquidate must be approved by Shareholders with a simple majority of the votes cast. The decision to liquidate the last Sub-Fund will in any case need to be taken at a meeting of Shareholders and will lead to the liquidation of the Company itself. The decision of the meeting will be notified to the Shareholders and/or published by the Company.

Any split or consolidation of a Sub-Fund/Class of Shares shall be decided by the Board of Directors unless the Board of Directors decides to submit the decision for a split/consolidation to a meeting of Shareholders of the Sub-Fund (or Class as the case may be) concerned. No quorum is required for this meeting and decisions are taken by the simple majority of the votes cast.

The Directors may decide to allocate the assets of any Sub-Fund to those of another existing Sub-Fund within the Company (the 'new Sub-Fund') and to redesignate the Shares of the Classes concerned as Shares of the new Sub-Fund. The Directors may also decide to allocate the assets of any Sub-Fund to another undertaking for collective investment organised under the provisions of Part I of the 2010 Law or under the legislation of a Member State of the European Union, or of the European Economic Area, implementing Directive 2009/65/EC or to a compartment within such other undertaking for collective investment.

The Directors may also decide to submit the decision for a merger to a meeting of Shareholders of the Sub-Fund concerned. No quorum is required for this meeting and decisions are taken by the simple majority of the votes cast.

In case of a merger of one or more Sub-Fund(s) where, as a result, the Company ceases to exist, the merger shall be decided by a meeting of Shareholders for which no quorum is required and that may decide with a simple majority of votes cast. In addition the provisions on mergers of UCITS set forth in the 2010 Law and any implementing regulation (relating in particular to the notification to the Shareholders concerned) shall apply.

## **22. DOCUMENTS AVAILABLE FOR INSPECTION, QUERIES AND COMPLAINTS**

### **22.1. Documents available for inspection**

The following documents are available for inspection by Shareholders during usual business hours on any Business Day at the registered office of the Company.

- i) The Articles of Incorporation;
- ii) The most recent Prospectus;
- iii) The KIDs;
- iv) The latest annual and semi-annual reports;
- v) The material agreements of the Company (including the Management Company Agreement and the Depositary Agreement).

In addition, copies of the Articles of Incorporation, the most recent Prospectus, the KIDs and the latest financial reports may be obtained free of charge, on request at the registered office of the Company.

In addition, the KIDs may be obtained in paper form or on any other durable medium agreed between the Management Company or the intermediary and the investor.

### **22.2. Benchmark Regulation**

Regulation (EU) 2016/1011 of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the "Benchmark Regulation")

introduces a requirement for all benchmark administrators providing indices which are used or intended to be used as benchmarks in the European Union to be authorized or registered by the competent authority. In respect of the Sub-Funds, the Benchmark Regulation prohibits the use of benchmarks unless they are produced by a European Union administrator authorized or registered by the European Securities and Markets Authority ("ESMA") or are non-EU benchmarks that are included in ESMA's register under the Benchmark Regulation's third country regime.

The following benchmarks are used by the Sub-Funds indicated in the table below for the purpose of the performance fee calculation.

<b>Sub-Funds</b>	<b>Benchmark</b>
SKAGEN KON-TIKI LUX	MSCI Emerging Markets Net Total Return (EUR) Index (MSDEEEMN Index)
SKAGEN FOCUS LUX	MSCI All Countries World Daily Net (EUR) (NDEEWNR Index)
SKAGEN GLOBAL LUX	MSCI All Countries World Daily Net (EUR) (NDEEWNR Index)
SKAGEN m2 LUX	MSCI ACWI Real Estate IMI Net Total Return Index (M1WD0RLI)

The benchmarks listed above are provided by MSCI Limited, the benchmark administrator of these benchmark, which is not included in the register of administrators maintained by ESMA. However, the use of these benchmarks is permitted during the transitional period provided for in article 51 of the EU Benchmark Regulation.

The Management Company maintains a robust written plan setting out the actions that will be taken in the event of the Benchmark materially changing or ceasing to be provided, available for inspection on request and free of charge at its registered office in Luxembourg.

### **22.3. Queries and complaints**

Any person who would like to receive further information regarding the Company or who wishes to make a complaint about the operation of the Company should contact the Company or the Management Company. Further information regarding the Company and its Sub-Funds can also be found at [www.storebrandfunds.com](http://www.storebrandfunds.com) and [www.skagenfunds.lu](http://www.skagenfunds.lu).

## **23. INVESTMENT RESTRICTIONS, USE OF FINANCIAL DERIVATIVE INSTRUMENTS AND INVESTMENT TECHNIQUES**

### **23.1. General Investment Restrictions**

The Company or where a UCITS comprises more than one compartment, each such Sub-Fund or compartment shall be regarded as a separate UCITS for the purposes of this Section 23. The Directors shall, based upon the principle of spreading of risks, have power to determine the investment policy for the investments of the Company in respect of each Sub-Fund and the currency of denomination of a Sub-Fund subject to the following restrictions:

- I. (1) The Company may invest in:
- a) Transferable Securities and Money Market Instruments admitted to or dealt in on a Regulated Market;
  - b) Transferable Securities and Money Market Instruments dealt in on another market in a Member State which is regulated, operates regularly and open to the public;
  - c) Transferable Securities and Money Market Instruments admitted to official listing on a stock exchange in a non-Member State of the European Union in Europe, Asia, Oceania (including Australia), the American continents and Africa (as acceptable by the Luxembourg supervisory authority including but not limited to any member state of the Organisation for Economic Cooperation and Development ("OECD") Singapore, or any member state of the G20) or dealt in on another market in a non-Member State of the European Union which is regulated, operates regularly and is recognised and open to the public provided that the choice of the stock exchange or market has been provided for in the constitutional documents of the UCITS;
  - d) recently issued Transferable Securities and Money Market Instruments, provided that the terms of issue include an undertaking that application will be made for admission to official listing on a Regulated Market and such admission is secured within a year of the issue;
  - e) units of UCITS and/or Other UCI, whether situated in a Member State or not, provided that:
    - such Other UCIs have been authorised under the laws which provide that they are subject to supervision considered by the Luxembourg supervisory authority to be equivalent to that laid down in Community law, and that cooperation between authorities is sufficiently ensured;
    - the level of protection for unitholders in such Other UCIs is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of Transferable Securities and Money Market Instruments are equivalent to the requirements of Directive 2009/65/EC, as amended;
    - the business of such Other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period;
    - no more than 10% of the assets of the UCITS or of the Other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, in aggregate be invested in units of other UCITS or Other UCIs.
  - f) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit

institution has its registered office in a country which is a Member State or if the registered office of the credit institution is situated in a non-EU Member State provided that it is subject to prudential rules considered by the Luxembourg supervisory authority as equivalent to those laid down in Community law;

- g) financial derivative instruments, including equivalent cash-settled instruments, dealt in on an Regulated Market and/or financial derivative instruments dealt in over-the-counter ("OTC derivatives"), provided that:
- the underlying consists of instruments covered by this Section (1), financial indices, interest rates, foreign exchange rates or currencies, in which the Sub-Fund(s) may invest according to its/their investment objective;
  - the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the Luxembourg supervisory authority;
  - the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Company's initiative;

and/or

- h) Money Market Instruments other than those dealt in on a Regulated Market and defined in the Glossary, if the issue or the issuer of such instruments are themselves regulated for the purpose of protecting investors and savings, and provided that such instruments are:
- issued or guaranteed by a central, regional or local authority or by a central bank of a Member State, the European Central Bank, the EU or the European Investment Bank, a non-EU Member State or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong; or
  - issued by an undertaking any securities of which are dealt in on Regulated Markets; or
  - issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by the Community law, or by an establishment which is subject to and complies with prudential rules considered by the Luxembourg supervisory authority to be at least as stringent as those laid down by Community law; or
  - issued by other bodies belonging to the categories approved by the Luxembourg supervisory authority provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a

company whose capital and reserves amount to at least ten million euro (EUR 10,000,000) and which presents and publishes its annual accounts in accordance with the fourth Directive 78/660/EEC, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

- (2) In addition, the Company may invest a maximum of 10% of the net assets of any Sub-Fund in Transferable Securities and Money Market Instruments other than those referred to under (1) above.

II. Each Sub-Fund may invest up to 20% of its Net Asset Value in ancillary liquid assets (bank deposits at sight, such as cash held in current accounts with a bank accessible at any time) in normal conditions. Under exceptionally unfavourable market conditions and if justified in the interest of the shareholders, each Sub-Fund may temporarily exceed the aforementioned limit for investment in ancillary liquid assets and other liquid instruments.

- III. a) (i) The Company will invest no more than 10% of the net assets of any Sub-Fund in Transferable Securities and Money Market Instruments issued by the same issuing body.
- (ii) The Company may not invest more than 20% of the total net assets of such Sub-Fund in deposits made with the same body. The risk exposure of a Sub-Fund to a counterparty in an OTC derivative transaction may not exceed 10% of its net assets when the counterparty is a credit institution referred to in I. (1) f) above or 5% of its net assets in other cases.
- b) Moreover where the Company holds on behalf of a Sub-Fund investment in Transferable Securities and Money Market Instruments of any issuing body which individually exceed 5% of the net assets of such Sub-Fund, the total of all such investments must not account for more than 40% of the total net assets of such Sub-Fund.

This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.

Notwithstanding the individual limits laid down in paragraph III. a), the Company shall not combine, where this would lead to investing more than 20% of its assets in a single body, any of the following for each Sub-Fund:

- investments in Transferable Securities or Money Market Instruments issued by that body,
  - deposits made with that body, or
  - exposures arising from OTC derivative transactions undertaken with that body.
- c) The limit of 10% laid down in sub-paragraph III. a) (i) above will be increased to a maximum of 35% in respect of Transferable Securities or Money Market Instruments which are issued or guaranteed by a Member State, its local authorities, or by another

Eligible State or by public international bodies of which one or more Member States are members.

- d) The limit of 10% laid down in sub-paragraph III. a) (i) may be of a maximum of 25% for covered bonds as defined under article 3, point 1 of Directive (EU) 2019/2162 of the European Parliament and of the Council of 27 November 2019 on the issue of covered bonds and covered bond public supervision and amending Directives 2009/65/EC and 2014/59/EU (hereafter "Directive (EU) 2019/2162"), and for certain bonds when they are issued before 8 July 2022 by a credit institution which has its registered office in a Member State and is subject by law, in that particular country, to special public supervision designed to protect bondholders. In particular, sums deriving from the issue of these bonds issued before 8 July 2022 must be invested in conformity with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in case of bankruptcy of the issuer, would be used on a priority basis for the repayment of principal and payment of the accrued interest. If a Sub-Fund invests more than 5% of its net assets in the bonds referred to in this sub-paragraph and issued by one issuer, the total value of such investments may not exceed 80% of the Net Asset Value of the Sub-Fund.
- e) The Transferable Securities and Money Market Instruments referred to in paragraphs III. c) and III. d) shall not be included in the calculation of the limit of 40% stated in paragraph III. b) above.

The limits set out in sub-paragraphs a), b) c) and d) may not be aggregated and, accordingly, investments in Transferable Securities and Money Market Instruments issued by the same issuing body, in deposits or in financial derivative instruments effected with the same issuing body may not, in any event, exceed a total of 35% of any Sub-Fund's net assets.

Companies which are part of the same group for the purposes of the establishment of consolidated accounts, as defined in accordance with Directive 83/349/EEC or in accordance with recognised international accounting rules, are regarded as a single body for the purpose of calculating the limits contained in this paragraph III.

The Company may cumulatively invest up to 20% of the net assets of a Sub-Fund in Transferable Securities and Money Market Instruments within the same group.

- f) **Notwithstanding the above provisions, the Company is authorised to invest up to 100% of the net assets of any Sub-Fund, in accordance with the principle of risk spreading, in Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, by its local authorities or agencies, or by another member state of the OECD, Singapore, Hong Kong or any member state of the G20 or by public international bodies of which one or more Member States are members, provided that such Sub-Fund must hold securities from at least six different issues and securities from one issue do not account for more than 30% of the total net assets of such Sub-Fund.**

- IV. a) Without prejudice to the limits laid down in paragraph V., the limits provided in paragraph III. are raised to a maximum of 20% for investments in shares and/or bonds issued by the

same issuing body if the aim of the investment policy of a Sub-Fund is to replicate the composition of a certain stock or bond index which is sufficiently diversified, represents an adequate benchmark for the market to which it refers, is published in an appropriate manner and disclosed in the relevant Sub-Fund's investment policy.

- b) The limit laid down in paragraph a) is raised to 35% where this proves to be justified by exceptional market conditions, in particular on Regulated Markets where certain Transferable Securities or Money Market Instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.

- V. The Company may not acquire Shares carrying voting rights which should enable it to exercise significant influence over the management of an issuing body.

Each Sub-Fund may acquire no more than:

- 10% of the non-voting Shares of the same issuer;
- 10% of the debt securities of the same issuer;
- 10% of the Money Market Instruments of the same issuer.

The limits under the second and third indents may be disregarded at the time of acquisition, if at that time the gross amount of debt securities or of the Money Market Instruments or the net amount of the instruments in issue cannot be calculated.

The provisions of paragraph V. shall not be applicable to Transferable Securities and Money Market Instruments issued or guaranteed by a Member State or its local authorities or by any other Eligible State, or issued by public international bodies of which one or more Member States of the EU are members.

These provisions are also waived as regards Shares held by the Company in the capital of a company incorporated in a non-Member State of the EU which invests its assets mainly in the securities of issuing bodies having their registered office in that state, where under the legislation of that state, such a holding represents the only way in which the Company can invest in the securities of issuing bodies of that state provided that the investment policy of the company from the non-Member State of the EU complies with the limits laid down in paragraphs III., V. and VI. a), b), c) and d).

- VI. a) The Company may acquire units of the UCITS and/or Other UCIs referred to in paragraph I. (1) e), provided that no more than 10% of a Sub-Fund's net assets be invested in the units of other UCITS or Other UCI, unless otherwise provided in the Sub-Fund Particular in relation to a given Sub-Fund.

In case a Sub-Fund may invest more than 10% in UCITS or Other UCIs, such Sub-Fund may not invest more than 20% of its net assets in units of a single UCITS or Other UCI.

For the purpose of the application of the investment limit, each compartment of a UCI with multiple compartments is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various compartments vis-à-vis third parties is ensured.

Investments made in units of Other UCIs may not, in aggregate, exceed 30% of the net assets of such Sub-Fund.

- b) The underlying investments held by the UCITS or Other UCIs in which the Company invests do not have to be considered for the purpose of the investment restrictions set forth under III. above.
- c) When the Company invests in the units of other UCITS and/or Other UCIs linked to the Company by common management or control, no subscription or redemption fees may be charged to the Company on account of its investment in the units of such other UCITS and/or Other UCIs.

The Company will indicate in its annual report the total management fees charged both to the relevant Sub-Fund and to the UCITS and Other UCIs in which such Sub-Fund has invested during the relevant period.

- d) Each Sub-Fund may acquire no more than 25% of the units of the same UCITS and/or Other UCI. This limit may be disregarded at the time of acquisition if at that time the gross amount of the units in issue cannot be calculated.

VII. In compliance with the applicable laws and regulations any Sub-Fund of the Company (hereinafter referred to as a "Feeder Sub-Fund") may be authorised to invest at least 85% of its assets in the units of another UCITS or portfolio thereof (the "Master UCITS"). A Feeder Sub-Fund may hold up to 15% of its assets in one or more of the following:

- ancillary liquid assets in accordance with II;
- financial derivative instruments, which may be used only for hedging purposes;
- movable and immovable property which is essential for the direct pursuit of its business.

For the purposes of compliance with article 42(3) of the 2010 Law, the Feeder Sub-Fund shall calculate its global exposure related to financial derivative instruments by combining its own direct exposure under the second indent of the first sub-paragraph with either:

- the Master UCITS actual exposure to financial derivative instruments in proportion to the Feeder Sub-Fund investment into the Master UCITS; or
- the Master UCITS potential maximum global exposure to financial derivative instruments provided for in the Master UCITS management regulations or instruments of incorporation in proportion to the Feeder Sub-Fund investment into the Master UCITS.

A Sub-Fund of the Company may in addition and to the full extent permitted by applicable laws and regulations but in compliance with the conditions set-forth by applicable laws and regulations, be launched or converted into a Master UCITS in the meaning of Article 77(3) of the 2010 Law.

VIII. A Sub-Fund (the "Investing Sub-Fund") may subscribe, acquire and/or hold securities to be issued or issued by one or more Sub-Fund of the Company (each a "Target Sub-Fund") without the Company being, subject to the requirements of the 1915 Law with respect to the subscription, acquisition and/or the holding by a company of its own Shares; under the condition however that:

- the Target Sub-Fund(s) do(es) not, in turn, invest in the Investing Sub-Fund invested in this (these) Target Sub-Fund (s); and
- the investment policy(ies) of the Target Sub-Fund(s) whose acquisition is contemplated does not allow such Target Sub-Fund(s) to invest more than 10% of its(their) Net Asset Value in UCITS and UCIs; and
- voting rights, if any, attaching to the Shares of the Target Sub-Fund(s) held by the Investing Sub-Fund are suspended for as long as they are held by the Investing Sub-Fund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and
- in any event, for as long as these securities are held by the Investing Sub-Fund, their value will not be taken into consideration for the calculation of the net assets of the Company for the purposes of verifying the minimum threshold of the net assets imposed by the 2010 Law.

IX. The Company shall ensure for each Sub-Fund that the global exposure relating to derivative instruments does not exceed the total net assets of the relevant Sub-Fund.

The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, foreseeable market movements and the time available to liquidate the positions. This shall also apply to the following subparagraphs.

If the Company invests in financial derivative instruments, the exposure to the underlying assets may not exceed in aggregate the investment limits laid down in restriction III. When the Company invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in restriction III.

When a Transferable Security or Money Market Instrument embeds a derivative, the latter must be taken into account when complying with the requirements of this restriction.

X. a) The Company may not borrow for the account of any Sub-Fund amounts in excess of 10% of the total net assets of that Sub-Fund, any such borrowings to be from banks and to be effected only as a temporary basis provided that the purchase of foreign currencies by way of back to back loans remains possible.

- b) The Company may not grant loans to or act as guarantor on behalf of third parties.

This restriction shall not prevent the Company from (i) acquiring Transferable Securities, Money Market Instruments or other financial instruments referred to in I. (1) e), g) and h) which are not fully paid, and (ii) performing permitted securities lending activities that shall not be deemed to constitute the making of a loan.

- c) The Company may not carry out uncovered sales of Transferable Securities, Money Market Instruments or other financial instruments.
- d) The Company may not acquire movable or immovable property.
- e) The Company may not acquire either precious metals or certificates representing them.

- XI. If the percentage limitations set forth in the above restrictions are exceeded for reasons beyond the control of the Company or as a result of the exercise of subscription rights, it must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its Shareholders.

The Company will in addition comply with such further restrictions as may be required by the regulatory authorities in which the Shares are marketed.

During the first six months following its launch, a new Sub-Fund may derogate from restrictions III., IV. and VI. a), b) and c) while ensuring observance of the principle of risk spreading.

## **23.2. Financial Derivative Instruments**

### *A. General*

Each Sub-Fund may, subject to the conditions and within the limits laid down in the 2010 Law and any present or future related Luxembourg laws or implementing regulations, circulars and CSSF positions (the "Regulations"), invest in financial derivative instruments for hedging purposes, investment purposes or efficient portfolio management purposes as disclosed for each Sub-Fund in the Sub-Fund Particulars. Financial derivative instruments may include, but are not limited to, futures, forwards, options, swaps (including, but not limited to, Total Return Swaps, credit and credit-default, interest rate and inflation swaps), swaptions and forward foreign currency contracts. New financial derivative instruments may be developed which may be suitable for use by the Company and the Company may employ such financial derivative instruments in accordance with the Regulations and collateral received will be according to its collateral policy.

The conditions of use and the limits applicable shall in all circumstances comply with the provisions laid down in the 2010 Law, in the rules and regulations of the CSSF and the Prospectus.

Under no circumstances shall these operations cause the Company and its Sub-Funds to diverge from its investment policies and restrictions.

The counterparties to such transactions must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by Union law and specialised in this type of transaction. The counterparties to such transactions will generally be financial institutions headquartered in an OECD member state and have directly or at parent-level an investment grade credit rating from an internationally recognised rating agency. Details of the selection criteria and a list of approved counterparties is available at the registered office of the Company.

#### *B. Total Return Swaps*

To the extent disclosed for a Sub-Fund in the Sub-Fund Particulars, a Sub-Fund may use Total Return Swaps in order to achieve its investment objective. The Company will enter into Total Return Swaps instruments on behalf of the relevant Sub-Fund by private agreement ("OTC") with counterparties which are regulated financial institutions, have their registered office in one of the OECD countries are specialised in such types of transactions, have a minimum credit rating of investment grade quality and are subject to prudential supervision (such as credit institutions or investment firms). The counterparty to the transaction will be a counterparty approved and monitored by the Management Company or the Investment Manager. At no time will a counterparty to a transaction have discretion over the composition or the management of the Sub-Fund's investment portfolio or over the underlying of the Total Return Swap.

All revenues arising from Total Return Swaps, net of direct and indirect operational costs and fees, will be returned to the Sub-Fund concerned.

In particular, fees and cost may be paid to the relevant counterparty and other intermediaries providing services in connection with Total Return Swaps as normal remuneration for their services. Information on direct and indirect operational costs and fees that may be incurred in this respect, the identity of the entities to which such costs and fees are paid as well as any relationship they may have with the Management Company or the Investment Manager will be available in the annual report of the Company.

Any variation margin in connection with the Company entering into Total Return Swaps is valued and exchanged daily, subject to the terms of the relevant derivatives contract.

The risk of counterparty default and the effect on investors returns are described in Section 4. "Risk Considerations" in the general part of the Prospectus.

It is currently not intended for the Sub-Funds to enter into Total Return Swaps as defined in Regulation (EU) 2015/2365 on transparency of securities transaction and of reuse and amending Regulation (EU) 648/2012 (the "SFT Regulation"). This Prospectus will be updated prior to any Sub-Fund entering into such transactions.

#### **23.3. Use of techniques and instruments relating to transferable securities and money market instruments**

Each Sub-Fund must comply with the Grand Ducal Regulations of 8 February 2008 and the requirements of ESMA Guidelines 2014/937 adopted by ESMA concerning ETFs and other UCITS issues as also specified within CSSF Circular 14/592 amending and/or supplementing the existing rules

governing OTC derivative instruments, efficient portfolio management techniques and the management of collateral received in the context of such instruments and techniques.

The Company may employ techniques and instruments related to Transferable Securities and Money Market Instruments provided that such techniques or instruments are considered by the Board of Directors as economically appropriate for the efficient portfolio management considering the investment objectives of each Sub-Fund.

Under no circumstances shall these operations cause a Sub-Fund to diverge from its investment objectives as laid down in this Prospectus or result in additional risk higher than its risk profile as described in the Sub-fund specific text in this Prospectus. Such techniques and instruments may be used by any Sub-Fund for the purpose of generating additional capital or income or for reducing costs or risk, to the extent permitted by and within the limits set forth in (i) article 11 of the Grand Ducal regulation of 8 February 2008 relating to certain definitions of the Luxembourg Law, (ii) CSSF Circular 08/356 relating to the rules applicable to undertakings for collective investments when they use certain techniques and instruments relating to transferable securities and money market instruments, (iii) CSSF Circular 14/592 and (iv) any other applicable laws and regulations.

The risk exposure to a counterparty generated through efficient portfolio management techniques and OTC financial derivative instruments must be combined when calculating counterparty risk limits referred to in the investment restriction III. above.

All revenues arising from efficient portfolio management techniques, net of direct and indirect operational costs and fees, will be returned to the Sub-Fund concerned.

In particular, fees and cost may be paid to agents of the Company and other intermediaries providing services in connection with efficient portfolio management techniques as normal compensation of their services. Such fees may be calculated as a percentage of gross revenues earned by the Sub-Fund through the use of such techniques. Information on direct and indirect operational costs and fees that may be incurred in this respect as well as the identity of the entities to which such costs and fees are paid – as well as any relationship they may have with the Management Company, the Investment Manager, the Sub-Investment Manager or the Depositary will be available in the annual report of the Company.

The counterparties to such transactions will generally be financial institutions headquartered in an OECD member state and have directly or at parent-level an investment grade credit rating from an internationally recognised rating agency. Details of the selection criteria and a list of approved counterparties is available at the registered office of the Company.

**It is currently not intended that the Company enters into any securities financing transaction as defined in the SFT Regulation. This Prospectus will be updated prior to any Sub-Fund entering into such transactions.**

#### **23.4. Management of collateral and collateral policy**

##### *General*

In the context of OTC financial derivative instruments and efficient portfolio management techniques, each Sub-Fund concerned may receive collateral with a view to reduce its counterparty risk. This section

sets out the collateral policy applied by the Company in such case. All assets received by a Sub-Fund in the context of efficient portfolio management techniques shall be considered as collateral for the purposes of this Section.

#### *Eligible collateral*

Collateral received by the relevant Sub-Fund may be used to reduce its counterparty risk exposure if it complies with the criteria set out in applicable laws, regulations and circulars issued by the CSSF from time to time notably in terms of liquidity, valuation, issuer credit quality, correlation, risks linked to the management of collateral and enforceability. In particular, collateral should comply with the following conditions:

- (a) Any collateral received other than cash should be of high quality, highly liquid and traded on a Regulated Market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation;
- (b) It should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place;
- (c) It should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty;
- (d) It should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure of 20% of the Sub-Fund's Net Asset Value to any single issuer on an aggregate basis, taking into account all collateral received. By way of derogation, a Sub-Fund may be fully collateralised in different Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country, or a public international body to which one or more Member States belong. In such event, the relevant Sub-Fund should receive securities from at least six different issues, but securities from any single issue should not account for more than 30% of the Sub-Fund's Net Asset Value;
- (e) It should be capable of being fully enforced by the relevant Sub-Fund at any time without reference to or approval from the counterparty;
- (f) Where there is a title transfer, the collateral received will be held by the Depositary. For other types of collateral arrangement, the collateral can be held by a third party depositary which is subject to prudential supervision, and which is unrelated to the provider of the collateral.

Subject to the abovementioned conditions, collateral received by the Sub-Funds may consist of:

- (a) Cash and cash equivalents, including short-term bank certificates and Money Market Instruments;
- (b) Bonds issued or guaranteed by a Member State of the OECD or by their local public authorities or by supranational institutions and undertakings with EU, regional or worldwide scope;

Shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent;

(c) Bonds issued or guaranteed by first class issuers offering adequate liquidity;

Cash collateral received shall only be:

- placed on deposit with entities prescribed in the 2010 Law;
- invested in high-quality government bonds;
- used for the purpose of reverse repo transactions provided the transactions are with credit institutions subject to prudential supervision and the Company is able to recall at any time the full amount of cash on accrued basis;
- invested in short-term money market funds as defined in the CESR Guidelines on a Common Definition of European Money Market Funds (Ref. CESR/10-049).

Re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral. In case of reinvestment of cash collateral such reinvestment may (i) create leverage with corresponding risks and risk of losses and volatility, (ii) introduce market exposures inconsistent with the objectives of the Sub-Fund concerned, or (iii) yield a sum less than the amount of collateral to be returned.

#### *Level of collateral*

The Investment Manager shall determine for each Sub-Fund the required level of collateral for OTC financial derivative instruments and efficient portfolio management techniques by reference to the applicable counterparty risk limits set out in this Prospectus and taking into account the nature and characteristics of transactions, the creditworthiness and identity of counterparties and prevailing market conditions.

#### *Haircut policy*

Collateral will be valued, on a daily basis, using available market prices and taking into account appropriate discounts which will be determined by the Company for each asset class based on its haircut policy. The policy takes into account a variety of factors, depending on the nature of the collateral received, such as the issuer's credit standing, the maturity, currency, price volatility of the assets and, where applicable, the outcome of liquidity stress tests carried out by the Company under normal and exceptional liquidity conditions. No haircut will generally be applied to cash collateral.

The following haircuts for collateral are applied (the Company reserves the right to vary this policy at any time):

<b>Eligible Collateral</b>	<b>Haircut (% of Market value)</b>
Cash in same currency	0%
High-quality government and central bank securities: residual maturity less than one year	0.5%
High-quality government and central bank securities: residual maturity between one and five years	2%
High-quality government and central bank securities: residual maturity greater than five years	4%
High-quality corporate\covered bonds: residual maturity less than one year	1%
High-quality corporate\covered bonds: residual maturity greater than one year and less than five years	4%
High-quality corporate\covered bonds: residual maturity greater than five years	8%
Additional (additive) haircut on asset in which the currency of the derivatives obligation differs from that of the collateral asset	8%

**SUB-FUND PARTICULAR 1**  
**STOREBRAND GLOBAL SOLUTIONS LUX**

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**1. Name of the Sub-Fund**

STOREBRAND GLOBAL SOLUTIONS LUX (the "**Sub-Fund**")

**2. Base Currency**

EUR

**3. Investment objective and policy**

*Investment Objective*

The Sub-Fund's objective is to provide its Shareholders with long-term capital growth, through an actively managed portfolio of global equities, including equities in Emerging Markets. The Sub-Fund also has a sustainable investment objective of being fossil free and targeting investments in companies contributing to achieving the 17 United Nations Sustainable Development Goals ("SDGs").

*Investment Policy*

The Sub-Fund is an actively managed fund with a global investment mandate.

The Sub-Fund may invest across a range of market capitalisations without any capitalisation restriction.

In order to achieve its investment objective, the Sub-Fund invests in companies that the Investment Manager believes contribute to achieving the SDGs. The SDGs are the blueprint to achieve a better and more sustainable future for all. They address the global challenges we face, including those related to poverty, inequality, climate, environmental degradation, prosperity, and peace and justice.

The Sub-Fund seeks to invest in companies that provide solutions to these global challenges, primarily through the products and services they provide to the market, and stand to benefit from the identified trends within the SDGs. The Sub-Fund refrains from investing in companies whose main business is the production and/or distribution of fossil fuels.

*Sub-Fund specific sustainability criteria*

**For more information with respect to the ESG policy pursued by the Sub-Fund and the sustainable investments made by the Sub-Fund, please refer to the SFDR Annex to this Sub-Fund Particular 1 below which forms an integral part of this investment policy and which provides the pre-contractual disclosures information as per the SFDR-RTS.**

*Deposits*

The Sub-Fund may also invest in deposits (within the meaning of Section 23.1., point (I)(1) f) of this Prospectus) with credit institutions and in Money Market Instruments.

### ***Financial derivative instruments***

The Sub-Fund may only use financial derivative instruments for efficient portfolio management purposes.

### ***Ancillary liquid assets***

The Sub-Fund may invest up to 20% of its Net Asset Value in ancillary liquid assets (i.e. bank deposits at sight, such as cash held in current accounts with a bank accessible at any time). Under exceptionally unfavourable market conditions and if justified in the interest of the shareholders, the Sub-Fund may temporarily exceed the aforementioned limit for investment in ancillary liquid assets and other liquid instruments.

### ***Benchmark***

MSCI All Countries World Daily Net (EUR).

The Sub-Fund is actively managed and uses its benchmark index for asset allocation and performance comparison purposes. The benchmark is chosen to represent the investable universe for the Sub-Fund. The weightings of the securities held in the Sub-Fund's portfolio will typically deviate significantly from the benchmark weightings. In addition, the Investment Manager can take large positions in securities which are not components of the benchmark if it identifies a specific investment opportunity. This will result in the Sub-Fund having a high tracking error (typically over 4%).

## **4. Investment Manager**

The Investment Manager of the Sub-Fund is Storebrand Asset Management AS.

## **5. Profile of the typical investor**

The Sub-Fund may be appropriate for investors who:

- have an investment horizon of at least 5 years,
- seek capital appreciation over the long term,
- do not seek current income from their investment,
- are willing to take on the increased risk associated with the investment.

## **6. Fees and expenses**

The Investment Management Fees detailed in the table below shall be calculated as a percentage of the applicable Net Asset Value per Class.

<b>Class of Shares</b>	Class A	Class B	Class H	Class I
<b>Investment Management Fee</b>	1.3% per annum	0.6% per annum	0.6% per annum	0.5% per annum

## **7. Business Day/Valuation Day/Net Asset Value calculation**

With respect to this Sub-Fund, a Business Day means any full day on which banks are open for normal business banking in Luxembourg.

The Net Asset Value per Share of each Class will be calculated on each Business Day (the "Valuation Day").

## **8. Subscription**

Shares will be issued at a price based on the Net Asset Value per Share calculated on the relevant Valuation Day.

Applications must be received by the Registrar and Transfer Agent no later than 1 p.m. (Luxembourg time) on the Valuation Day in order to be dealt with on the basis of the Net Asset Value per Share calculated on that Valuation Day. Any applications received after the applicable deadline will be deemed to be received on the next Valuation Day.

Payment for subscribed Shares must be received in the Company's cash-account at the latest two Business Days following the relevant Valuation Day.

## **9. Redemption**

Shares will be redeemed at a price based on the Net Asset Value per Share calculated on the relevant Valuation Day.

Applications must be received by the Registrar and Transfer Agent no later than 1 p.m. (Luxembourg time) on the Valuation Day in order to be dealt with on the basis of the Net Asset Value per Share calculated on that Valuation Day. Any applications received after the applicable deadline will be deemed to be received on the next Valuation Day.

Payment for redeemed Shares has to be made no later than two Business Days after the relevant Valuation Day.

If, in exceptional circumstances, the liquidity of the Sub-Fund is insufficient to enable redemption proceeds to be paid within that period, or if there are other reasons, such as exchange controls or other regulations which delay payment, payment will be made as soon as reasonably practicable thereafter, but without interest.

## **10. Conversions**

Investors may request conversions of their Shares from one Class to another of the same Sub-Fund or to Shares of another Sub-Fund.

Applications must be received by the Registrar and Transfer Agent no later than 1 p.m. (Luxembourg time) on the relevant Valuation Days in both applicable Sub-Funds/Classes. Any applications received after the application deadline will be processed in respect of the next Valuation Day.

### ***Swing Pricing***

The Net Asset Value of the Sub-Fund may be adjusted up or down using the pricing adjustment rates. Further information on the pricing adjustment is set out in Section 10.1. "Calculation of Net Asset Value", paragraph "Swing Pricing" of the general part of the Prospectus.

### **11. Historical Performance**

Information on the historical performance of the Sub-Fund is disclosed in the relevant KID, if available.

### **12. Dividends**

At the date of this Prospectus, both Capital-accumulation Shares (ACC) and Distribution Shares (DIS) may be issued in relation to this Sub-Fund.

### **13. Specific risk warnings**

Investors are advised to carefully consider the following sub-fund specific risks of investing in the Sub-Fund.

- Equity Investment Risks
- Foreign exchange risk and Currency Hedging Risk
- Liquidity risk
- Specialization Risk
- Depositary Risk
- Political and Country Risks
- Operational Risk
- ESG Risk

For a complete description of all the risks for the Sub-Fund that the Company is aware of, please refer to the Section 4. "Risk considerations" in the general part of the Prospectus.

## ANNEX TO SUB-FUND PARTICULAR 1

### Pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of SFDR and Article 5, first paragraph, of Regulation (EU) 2020/852

**Product name:** Storebrand Global Solutions Lux (the "Sub-Fund")

**Legal entity identifier:** 5493003QJVM92RMBDQ24

**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 include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

## Sustainable investment objective

**Does this financial product have a sustainable investment objective?**

**Yes**
   **No**

<input checked="" type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective: 10 %</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul>	<input type="checkbox"/> It promotes <b>Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul>
<input checked="" type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective: 10 %</b>	<input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>



### What is the sustainable investment objective of this financial product?

The Sub-Fund has a sustainable investment objective of being fossil free and targeting investments in companies contributing to achieving the 17 United Nations Sustainable Development Goals ("SDGs"). Such objective is expected to contribute to the transition to a more sustainable society and more particularly to climate change mitigation and climate change adaptation, which are among the environmental goals pursued by the EU Taxonomy. The Sub-Fund seeks to achieve its sustainable investment objective by investing notably in companies within four themes;

- Climate (solar, wind, grid/infrastructur)
- Sustainable cities (water, urban planning, mobility)
- Responsible consumption (circular economy, sustainable products, eco-design)
- Empowerment (acces to financial, digtial and health care services) The Sub-Fund also seeks to contribute to a transition to a world with low carbon dioxide emissions (greenhouse gases) by excluding entities which derive a large part of their net sales from the production and/or distribution of fossil fuels and entities with large fossil fuel reserves. The Sub-Fund considers social characteristics by excluding investments in companies with business operations linked to banned

weapons, nuclear weapons, weapons and war materials, alcohol, tobacco, cannabis, pornography and commercial gambling, as well as by excluding companies that violate international norms and conventions related to human rights, labor law or combating corruption and bribery.

The Sub-Fund's environmentally sustainable investments may contribute to one or more of the environmental objectives of the Taxonomy Regulation (EU) 2020/852 (the "EU Taxonomy"), such as but not limited to climate change mitigation and climate change adaptation.

As part of the objective of making sustainable investments in the areas specified above, the Sub-Fund also applies an exclusion strategy. The Sub-Fund excludes investments in companies with business activities associated with fossil fuels and in companies that violate international norms and conventions related to environmental issues.

No reference benchmark has been designated for the purposes of attaining the sustainable investment objective.

**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

● ***What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?***

- Storebrand Sustainability ESG Score
- Carbon intensity scope 1 and 2
- Green Revenue
- PAI 4 (Exposure to companies active in the fossil fuel sector)
- PAI 5 (Share of non-renewable energy consumption and production)
- PAI 6 (Energy consumption intensity per high impact climate sector)
- PAI 10 (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises)
- PAI 14 (Exposure to controversial weapons (antipersonnel mines, cluster munitions, chemical weapons, and biological weapons))
- Revenues from business activities related to the production and distribution of nuclear weapons, weapons, alcohol, tobacco, cannabis, pornography, commercial gambling.

● ***How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?***

The Sub-Fund can only invest in financial instruments that are part of its defined investment universe. The Investment Manager has a dedicated team (Risk & Ownership team) that monitors the financial instruments investable for the Sub-Fund. The team follows a methodology that is based on a screening process where the investments exposure and impact on several sustainability indicators are measured.

The result of this screening will give an indication of whether the investment is exposed to adverse impacts, based on the indicators we measure. If any of our investments are exposed to impacts that we consider to be significant, then the investment is considered to harm our environmental or social objectives and the financial instrument will be excluded from the Sub-Fund's investment universe.

All investments are subject to a mandatory norm and product based screening process to assess whether the investee is negatively affecting environmental or social objectives related to:

- human rights,
- labour law and international law,
- corruption and financial crime,
- serious climate and environmental damage,
- controversial weapons (land mines, cluster bombs and nuclear weapons),

**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.

- coal and oil sands,
- climate lobbying,
- cannabis,
- tobacco
- deforestation risk related to production of forest-risk commodities (particularly palm oil, soy, timber, cattle products, leather, cocoa, coffee and minerals),
- deep sea mining,
- marine/riverine tailings disposal,
- fossil fuels,
- weapons,
- alcohol,
- gambling,
- pornography,
- companies with large fossil fuels reserves.

Companies will be screened and exclusions are applied to all investments made by the Sub-Fund. In addition to this, there is a DNSH-test that applies to all sustainable investments made by the Sub-Fund, as described below.

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

The Investment Manager takes into account the indicators for adverse impacts on sustainability factors in all of the Investment Management's investment decisions on an ongoing basis. The Sub-Fund will only invest in companies that have gone through the Management Company's own sustainability analysis. The Sub-Fund's viable investments are made in companies whose products and services contribute to achieving a positive impact and achieving a more sustainable development.

The DNSH-test consists of an exclusionary screening of companies which exceed set thresholds. The exclusionary screening consists of three components: 1) norm-based exclusion screening, 2) product-based exclusion screening and 3) sovereign bond screening.

Companies that are non-compliant with the below are not eligible as sustainable investments.

All of the underlying securities are assessed for adverse impacts as part of the DNSH-process in the following manner:

- 1) For several of the adverse impact indicators the set thresholds defines what is considered as significant harm to environmental or social objectives, based on the indicators measured by the Investment Manager. An investment that exceeds the defined thresholds is excluded from the Sub-Fund's investment universe.

For indicators without a defined threshold, the dedicated sustainability team is responsible to assess each entity on an individual basis, where data from an external data provider is used to assess whether an entity is involved with a breach or in risk of breaching one of these indicators. In this assessment conditions such as severity, scope of harm, and risk of recurrence is analysed using a predefined scoring table to ensure consistency in the evaluation process. The final decision to exclude the investment from Sub-Fund's investment universe is however qualitative and based on the evaluation of the dedicated sustainability team and the assessment of the issue by the Investment Manager's Sustainable Investment Committee.

- 2) Adverse impact indicators are accounted for, and for all of the underlying securities based on the data availability, coverage and quality which allows for setting measurable or quantifiable thresholds, or where there is sufficient information to make a qualitative assessment of adverse impact. As the data quality and availability improves, the Investment Manager will be considering a range of methods to better account for these and mitigate adverse impact.

The Sub-Fund's screening and exclusion process described above covers several of the indicators for adverse impacts on sustainability factors listed in Annex I. In the DNSH-process, The Sub-Fund currently considers the following indicators from Table 1 of Annex I:

PAI 4 Exposure to companies active in the fossil fuel sector  
PAI 7 Activities negatively affecting biodiversity sensitive areas  
PAI 8 Emissions to water  
PAI 9 Hazardous waste  
PAI 10 Violations of UNGC principles and OECD guidelines  
PAI 14 Exposure to controversial weapons  
PAI 16 Sovereigns: Investee countries subject to social violations

In addition the Sub-Fund considers the following indicator from Table 2 of Annex 1:  
PAI 15 Deforestation

The Sub-Fund's investment universe is monitored daily for potential breaches of Storebrand Sustainable Investment Policy and screened quarterly to assess if companies are in breach of this sustainability policy.

Storebrand Asset Management's Investment Control and Analytics (ICA) department is responsible for verifying that management complies with individual mandates as well as internal and external laws and regulations. As part of the daily compliance controls, all trades and positions are controlled for breaches on the Group Sustainability Policy, including the above-mentioned exclusion criteria's.

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

The Investment Manager aims to ensure that all investee companies follow the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights and the ILO conventions. The Investment Manager's process for this is to screen all investments in the Sub-Fund's investment universe by using data and research from an external data provider.

This screening is intended to assess and screen how companies adhere to these standards, and if in breach of them, how they respond to incidents and implement changes. The Sub-Fund will not invest in entities defined as non-compliant, based on this screening.

Once an entity has been defined as non-compliant, the entity is excluded from the Sub-Fund's investment universe, and the entity is no longer investable until the status has changed. This list of excluded entities are updated on a quarterly basis.



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

✘ Yes, The Sub-Fund's screening and exclusion process described above cover several of the principal adverse impacts (the "PAIs") on sustainability factors.

The Investment Manager has been working to reduce adverse impact in its portfolios since the turn of the century and it has identified the following as main adverse sustainability impact categories that apply to all equity and debt portfolios including the Sub-Fund:

- Adverse impacts affecting the environment and climate such as: severe environmental damage; Green House Gas emissions; biodiversity loss and deforestation

- Adverse impact affecting workers, communities, and society such as: violations of basic workers' rights; forced labor; gender/diversity discrimination or indigenous rights violations
- Adverse impact in connection with gross corruption and money laundering
- Adverse impact in connection with controversial weapons (landmines, cluster munitions and nuclear weapons)
- Adverse impact in connection with tobacco products

The Investment Manager has also identified some products as adverse impacts that it aims to avoid such as coal or oil sands and others such as alcohol, gambling, and conventional weapons. These products are associated with significant risks and liabilities to society, the environment or health.

The Investment Manager's methodology is to identify PAI laggards (red), PAI intermediate performers (yellow) and PAI leaders (green) so that risk can be avoided, and more capital can be allocated to more sustainable companies and solution companies.

RED: Those companies identified as PAI laggards will be further analyzed by the Risk and Active Ownership team and may result in exclusion depending on the risk and severity of the negative impact identified and the total cumulative negative impact identified across all PAI indicators.

YELLOW: PAI intermediate performers will also be further analyzed with the aim to mitigate adverse impact through engagement. Please see 3.3 Addressing of PAIs and Mitigation.

GREEN: In addition, the analyzed PAI data will be further integrated in financial decisions with the aim to allocate more capital to PAI leaders, and thus lift the sustainability value of the Sub-Fund. Please see 3.3 Addressing PAIs and Mitigation.

Information on principal adverse impacts considered by the Sub-Fund will be available in the the Company's annual report.

■ No



## What investment strategy does this financial product follow?

In order to promote environmental and social characteristics, the following three methods are central to the Sub-Fund's investment strategy:

- Inclusions of products and services
- Exclusions of product and services
- Engagement

The Investment Manager takes sustainability risks into account in its investment decisions and integrates ESG aspects into the decisions. These aspects include both ESG risks and limiting climate change. In the sustainability analysis of the companies, the Investment Manager measures, among other things, financially significant risks regarding environmental, social and corporate governance issues that have a significant impact on the company's financial value.

The Investment Manager analyzes both ESG risks and SDG opportunities and weighs these together into a rating. 50 percent of the rating is based on ESG risks and 50 percent on SDG opportunities. The SDG rating measures opportunities linked to the UN's global sustainability goals and the Paris Agreement with a focus on products and services that help achieve the SDGs. Gender equality constitutes 10 percentage points of the SDG rating.

The Sub-Fund has a thematic equity strategy investing in companies that deliver products and services which contributes the SDGs. As such, the investment philosophy is rooted in the SDGs as an investment framework. The strategy applies a holistic focus on sustainable development through investing in companies with business models linked to financially material SDG indicators, and the products and services they offer while maintaining a value chain approach to company identification.

The Sub-Fund is designed to have the highest possible impact from its portfolio companies on the real economy. The strategy is not only focused on the most evident ESG solution companies, (i.e. companies

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

that significantly contribute to sustainable development without causing substantial harm to environment or society. Examples are companies whose key business is centered around investment themes like renewable energy, technologies for sustainable city development, circular economy and empowerment etc.), but considers innovative aspects such as how technologies lead to less resources used in the first place or how connectivity lifts people out of poverty.

The value proposition for the proposed strategy is its ability to identify investable themes linked directly to specific SDGs and then identify companies that can have the largest impact in delivering products or services to facilitate meeting these objectives.

The four major themes and corresponding investment opportunities that the Sub-Fund has derived from the SDGs and chosen to include are: Renewable Energy, Equal Opportunities, Circular Economy and Smart Cities.

The Sub-Fund does not invest in any companies that violate Storebrand's group sustainability criteria, which reduces the sustainability risk in the Sub-Fund. That means that the Sub-Fund does not invest in companies which contribute to the violation of human rights, corruption, harming the climate and environment, the production of landmines, cluster munitions, or nuclear weapons, as well as tobacco and companies with low sustainability rating. In addition, the Sub-Fund also refrains from investing in companies that extract fossil fuels, carbon intensive power companies and companies whose turnover is more than 5 percent from production/distribution from: fossil fuels, oilsand, tobacco, weapons/arms, alcohol, gambling, pornography, cannabis or companies with large fossil reserves.

● ***What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?***

The Sub-Fund can only invest in solution companies, which are defined as companies contributing to one or more sustainability goals (SDGs). Contribution to SDGs is based on the products the company produces, or the service it supplies, and these activities should exceed certain thresholds of the company's combined activities. For further information on the thresholds applied, please refer to the Investment Manager's website.

The Sub-Fund is also subject to the Investment Manager's screening process. The screening process, according to which potential investments are excluded from the Sub-Fund's investment universe (as specified in the last paragraph of the above section on the investment strategy), represents a binding element for the Investment Manager. A list of all exclusions is published and updated quarterly on the Investment Manager's website. The exclusion strategy is monitored by the Investment Manager's risk control function.

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

The Investment Manager has implemented a norm-based exclusion screening process to assess whether investee companies follow good governance practises. The purpose of this screening is to exclude all companies that do not follow what the Investment Manager considers to be good governance practices from the Sub-Fund's investment universe.

The Investment Manager has defined criteria for what good governance practices is. In order to assess whether a company follows such criteria, a dedicated team assesses how the investee companies perform in relation to the Investment Manager's definition of good governance practices using several different governance indicators.

In the assessment specific indicators are considered on:

- board and management quality and integrity,
- board structure,
- ownership and shareholder rights,
- remuneration packages,
- auditing and financial reporting,
- stakeholder governance.

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

The list is however not inclusive of all indicators used to measure good governance practices, and a full list can be found on our website. To assess each entities performance against the indicators, two steps are followed:

1) A data-driven analysis where the Investment Manager’s external data providers provide a score which gives an indication on how the investee companies perform in relation to the Sub-Fund’s definition of good governance practices, measured by the specific indicators. The Sub-Fund will not invest in any company assessed to be non-compliant with the principles of good governance.

2) Internal qualitative assessment where the dedicated team assesses the seriousness of the breach that either has or may take place. This assessment is based on a qualitative assessment where factors such as geography, sector and the individual incident are considered. The Sub-Fund will not exclude companies based on operations in specific countries but will assess the manner in which they run their business in the countries where they operate. The Investment Manager will screen all investments in a norm-based exclusion assessment, which means that it will not invest if the investee companies have contributed or are involved with violations of its criteria for good governance practices.



### What is the asset allocation and the minimum share of sustainable investments?

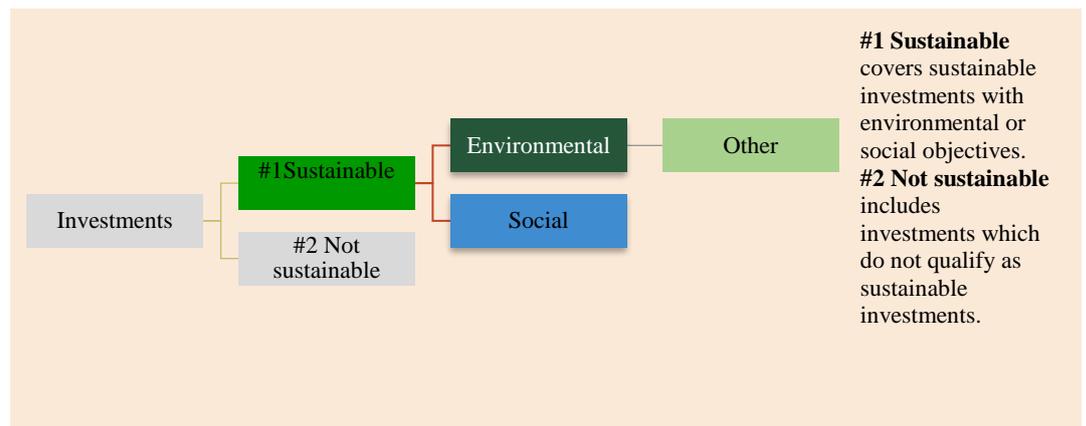
The Sub-Fund intends to only invest in sustainable investments with a minimum proportion of 80% of its investments. The remaining other investments, which are not sustainable, may include cash for liquidity management purposes.

**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.



● **How does the use of derivatives attain the sustainable investment objective?**

N/A



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

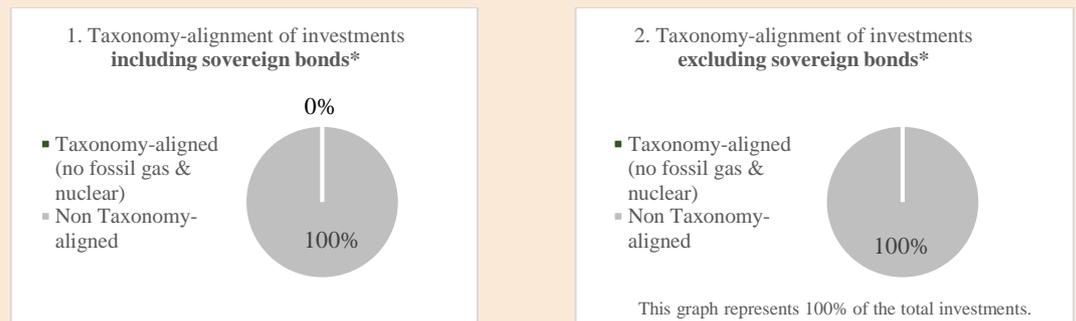
The Taxonomy Regulation (EU) 2020/852 (the “EU Taxonomy”) is a classification system that aims to establish common criteria for environmentally sustainable activities. In this respect, the Sub-Fund shall report the proportion of its investments that are consistent with the EU Taxonomy. The companies in which the Sub-Fund invests have not yet begun to report the extent to which their activities are consistent with the EU taxonomy. Accordingly, the Investment Manager believes that it currently is not possible to provide reliable information about the proportion of the Sub-Fund’s investments that are consistent with the EU Taxonomy and, in light of this, reports that 0% of the Sub-Fund’s investments are consistent with the EU taxonomy.

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. **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 corresponding to the best performance.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>3</sup>?**

Yes  
 In fossil gas     In nuclear energy  
 No

*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.*



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

● **What is the minimum share of investments in transitional and enabling activities?**

The percentage of Taxonomy alignment is currently 0%.



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

The minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is 10 %.

The Sub-Fund makes investments with both an environmental and a social objective. There is no prioritisation of environmental or social objectives. The investment process accommodates the combination of environmental and social objectives by allowing the Investment Manager the flexibility to allocate between these based on availability and attractiveness of investment opportunities, while keeping sustainable investments with environmental and/or social objectives to an overall minimum of 80%.

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

<sup>3</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.



## What is the minimum share of sustainable investments with a social objective?

The minimum share of sustainable investment with a social objective is 10 %.

The Sub-Fund makes investments with both an environmental and a social objective. There is no prioritisation of environmental or social objectives. The investment process accommodates the combination of environmental and social objectives by allowing the Investment Manager the flexibility to allocate between these based on availability and attractiveness of investment opportunities, while keeping sustainable investments with environmental and/or social objectives to an overall minimum of 80%.



## What investments are included under “#2 Not sustainable”, what is their purpose and are there any minimum environmental or social safeguards?

Ancillary liquidity in the form of cash consists typically of 2% of the Sub-Fund but could increase in case of adverse marketing conditions. No minimum environmental or social safeguards are applied to cash.



## Is a specific index designated as a reference benchmark to meet the sustainable investment objective?

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-Fund.

- *How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?*

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

**Reference benchmarks** are indexes to measure whether the financial product attains the sustainable investment objective.



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

More product-specific information can be found on the website:

[www.storebrandfunds.com](http://www.storebrandfunds.com)

**SUB-FUND PARTICULAR 2**  
**STOREBRAND GLOBAL ESG PLUS LUX**

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**1. Name of the Sub-Fund**

STOREBRAND GLOBAL ESG PLUS LUX (the "**Sub-Fund**")

**2. Base Currency**

EUR

**3. Investment objective and policy**

*Investment Objective*

The Sub-Fund's objective is to provide its Shareholders with long-term capital growth, through a model-based portfolio of equities of companies, which are domiciled in, based in, or carry out the larger part of their business in global Mature Economies. The Sub-Fund is fossil free and has additional ESG criteria and sustainability focus.

*Investment Policy*

The Sub-Fund is a model-based equity fund which can invest in Mature Economies globally. In order to achieve its investment objective, the Sub-Fund will seek to minimize deviations from the MSCI World Index, given the screening and sustainability properties mentioned in the Annex to this Sub-Fund Particular 2.

The Sub-Fund may invest across a range of market capitalisations without any capitalisation restriction.

*Sub-Fund specific ESG criteria*

**For more information with respect to the ESG policy pursued by the Sub-Fund and its promoted environmental and/or social characteristics, please refer to the SFDR Annex to this Sub-Fund Particular 2 below which forms an integral part of this investment policy and which provides the pre-contractual disclosures information as per the SFDR-RTS.**

*Deposits*

The Sub-Fund may also invest in deposits (within the meaning of Section 23.1., point (I)(1) f) of this Prospectus) with credit institutions and in Money Market Instruments.

*Financial derivative instruments*

The Sub-Fund may only use financial derivative instruments for efficient portfolio management purposes.

### ***Ancillary liquid assets***

The Sub-Fund may invest up to 20% of its Net Asset Value in ancillary liquid assets (i.e. bank deposits at sight, such as cash held in current accounts with a bank accessible at any time). Under exceptionally unfavourable market conditions and if justified in the interest of the shareholders, the Sub-Fund may temporarily exceed the aforementioned limit for investment in ancillary liquid assets and other liquid instruments.

### ***Benchmark***

MSCI World Index.

The Sub-Fund is actively managed and uses its benchmark index for asset allocation and performance comparison purposes. The benchmark is chosen to represent the investable universe for the Sub-Fund. The weightings of the securities held in the Sub-Fund's portfolio will typically only deviate somewhat from benchmark weightings. In addition, the Investment Manager can take positions in securities which are not in the benchmark if it identifies a specific investment opportunity. This will result in the Sub-Fund having a low tracking error (typically below 2%).

## **4. Investment Manager**

The Investment Manager of the Sub-Fund is Storebrand Asset Management AS.

## **5. Profile of the typical investor**

The Sub-Fund may be appropriate for investors who:

- have an investment horizon of at least 5 years,
- seek capital appreciation over the long term,
- do not seek current income from their investment,
- are willing to take on the increased risk associated with the investment.

## **6. Fees and expenses**

The Investment Management Fees detailed in the table below shall be calculated as a percentage of the applicable Net Asset Value per Share Class. The other charges detailed in the table below shall be calculated as a percentage of the investment amounts.

<b>Class of Shares</b>	<b>Class A</b>	<b>Class B</b>	<b>Class H</b>	<b>Class I</b>
<b>Investment Management Fee</b>	0.43% per annum	0.19% per annum	0.17% per annum	0.13% per annum

## **7. Business Day/Valuation Day/Net Asset Value calculation**

With respect to this Sub-Fund, a Business Day means any full day on which banks are open for normal business banking in Luxembourg.

The Net Asset Value per Share of each Class will be calculated on each Business Day (the "Valuation Day").

## **8. Subscription**

Shares will be issued at a price based on the Net Asset Value per Share calculated on the relevant Valuation Day.

Applications must be received by the Registrar and Transfer Agent no later than 1 p.m. (Luxembourg time) on the Valuation Day in order to be dealt with on the basis of the Net Asset Value per Share calculated on that Valuation Day. Any applications received after the applicable deadline will be deemed to be received on the next Valuation Day.

Payment for subscribed Shares must be received in the Company's cash-account at the latest two Business Days following the relevant Valuation Day.

## **9. Redemption**

Shares will be redeemed at a price based on the Net Asset Value per Share calculated on the relevant Valuation Day.

Applications must be received by the Registrar and Transfer Agent no later than 1 p.m. (Luxembourg time) on the Valuation Day in order to be dealt with on the basis of the Net Asset Value per Share calculated on that Valuation Day. Any applications received after the applicable deadline will be deemed to be received on the next Valuation Day.

Payment for redeemed Shares has to be made no later than two Business Days after the relevant Valuation Day.

If, in exceptional circumstances, the liquidity of the Sub-Fund is insufficient to enable redemption proceeds to be paid within that period, or if there are other reasons, such as exchange controls or other regulations which delay payment, payment will be made as soon as reasonably practicable thereafter, but without interest.

## **10. Conversions**

Investors may request conversions of their Shares from one Class to another of the same Sub-Fund or to Shares of another Sub-Fund.

Applications must be received by the Registrar and Transfer Agent no later than 1 p.m. (Luxembourg time) on the relevant Valuation Days in both applicable Sub-Funds/Classes. Any applications received after the application deadline will be processed in respect of the next Valuation Day.

### ***Swing Pricing***

The Net Asset Value of the Sub-Fund may be adjusted up or down using the pricing adjustment rates. Further information on the pricing adjustment is set out in Section 10.1. "Calculation of Net Asset Value", paragraph "Swing Pricing" of the general part of the Prospectus.

### **11. Historical Performance**

Information on the historical performance of the Sub-Fund is disclosed in the relevant KID, if available.

### **12. Dividends**

At the date of this Prospectus, both Capital-accumulation Shares (ACC) and Distribution Shares (DIS) may be issued in relation to this Sub-Fund.

### **13. Specific risk warnings**

Investors are advised to carefully consider the following sub-fund specific risks of investing in the Sub-Fund.

- Equity Investment Risks
- Foreign exchange risk and Currency Hedging Risk
- Liquidity risk
- Specialization Risk
- Depositary Risk
- Political and Country Risks
- Operational Risk
- ESG Risk

For a complete description of all the risks for the Sub-Fund that the Company is aware of, please refer to the Section 4. "Risk considerations" in the general part of the Prospectus.

## ANNEX TO SUB-FUND PARTICULAR 2

### Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of SFDR and Article 6, first paragraph, of Regulation (EU) 2020/852

**Product name:** Storebrand Global ESG Plus  
Lux (the “Sub-Fund”)

**Legal entity identifier:**  
5493006UJQLBF80Z7Z94

## 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 include 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**

<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective</b> : ___% <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul>	<input checked="" type="checkbox"/> It promotes <b>Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 30 % of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> with a social objective</li> </ul>
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective</b> : ___%	<input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>



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

The Sub-Fund promotes environmental characteristics by actively investing in companies that contribute to the mitigation of climate change and/or which may have other positive impacts on the environment or society and by excluding certain companies which have a negative impact on the environment and / or society. More particularly, the Sub-Fund promotes a transition to a world with low carbon dioxide emissions (greenhouse gases) by excluding entities which derive a large part of their net sales from the production and/or distribution of fossil fuels and entities with large fossil fuel reserves.

The Sub-Fund also promotes social characteristics by excluding companies that may have a negative impact on society and that violate international norms (such as companies with business operations linked to banned weapons, nuclear weapons, weapons and war materials, alcohol, tobacco, cannabis, pornography and commercial gambling, as well as by excluding companies that violate international norms and conventions related to human rights, labor law or combating corruption and bribery)

The above promoted characteristics involve integrating ESG (environmental, social and corporate governance) aspects into all of the Sub-fund's investments. As such, the Sub-Fund seeks to invest in:

- Companies with a low carbon footprint;
- Companies with a high Storebrand Sustainability ESG score; and
- ESG Solution companies, (i.e. companies that significantly contribute to sustainable development without causing substantial harm to environment or society. Examples are companies whose key business is centered around investment themes like renewable energy, technologies for sustainable city development, circular economy and empowerment etc.),

The Sub-Fund also applies a general product and norm based exclusion strategy, which include an assessment of whether the investee is negatively affecting certain environmental or social objectives (listed below).

No reference benchmark has been designated for the purpose of attaining the environmental and social characteristics promoted by the Sub-Fund.

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

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

- Storebrand Sustainability ESG Score
- Share of Green revenue
- Carbon intensity scope 1 and 2
- PAI 4. Exposure to companies active in the fossil fuel sector
- PAI 10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
- PAI 14. Exposure to controversial weapons (antipersonnel mines, cluster munitions, chemical weapons and biological weapons)
- Revenues from business activities related to the production and distribution of nuclear weapons, weapons, alcohol, tobacco, cannabis, pornography, commercial gambling

● ***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?***

The Sub-Fund's environmentally sustainable investments may contribute to one or more of the environmental objectives of the Taxonomy Regulation (EU) 2020/852 (the “EU Taxonomy”), such as but not limited to climate change mitigation and climate change adaptation.

The Sub-Fund seeks to achieve its sustainable investment objective by investing in companies that:

- Reduces climate risk by not investing in the fossil fuel value chain
- Companies with high Storebrand Sustainability ESG score. The Storebrand Sustainability ESG Score developed by the Investment manager is a proprietary ESG rating system to analyse over 4,000 companies, using qualitative and quantitative assessment of sustainability risks and opportunities.
- Allocates a part of the portfolio to climate solutions companies, such as renewable energy, green transport, recycling, water and energy efficiency. (as defined below).
- Promotes a transition to a world with low carbon dioxide emissions (greenhouse gases) by excluding entities which derive a large part of their net sales from the production and/or distribution of fossil fuels and entities with large fossil fuel reserves.

As part of the objective of making sustainable investments in the areas specified above, the Sub-Fund also applies an exclusion strategy. The Sub-Fund excludes investments in

companies with business activities associated with fossil fuels and in companies that violate international norms and conventions related to environmental issues.

***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?***

The Sub-Fund can only invest in financial instruments that are part of its defined investment universe. The Investment Manager has a dedicated team (Risk & Ownership team) that monitors the financial instruments investable for the Sub-Fund. The team follows a methodology that is based on a screening process where the investments exposure and impact on several sustainability indicators are measured.

The result of this screening will give an indication of whether the investment is exposed to adverse impacts, based on the indicators that the Investment Manager measures. If any of the investments are exposed to impacts considered to be significant, then the investment is considered to harm the Sub-Fund's environmental and/or social objectives and the financial instrument will be excluded from the Sub-Fund's investment universe.

All investments are subject to a mandatory norm and product based screening process to assess whether the investee company is negatively affecting environmental or social objectives related to:

- human rights,
- labour law and international law,
- corruption and financial crime,
- serious climate and environmental damage,
- controversial weapons (land mines, cluster bombs and nuclear weapons),
- coal and oil sands,
- climate lobbying,
- cannabis,
- tobacco
- deforestation risk related to production of forest-risk commodities (particularly palm oil, soy, timber, cattle products, leather, cocoa, coffee and minerals),
- deep sea mining,
- marine/riverine tailings disposal,
- fossil fuels,
- weapons,
- alcohol,
- gambling,
- pornography,
- companies with large fossil fuels reserves.

Companies will be screened and exclusions are applied to all investments made by the Sub-Fund. In addition to this, there is a DNSH-test that applies to all sustainable investments made by the Sub-Fund, as described below.

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

The Investment Manager takes into account the indicators for adverse impacts on sustainability factors in all of the Investment Manager's investment decisions on an ongoing basis. The Sub-Fund will only invests in companies that have gone through the Management Company's own sustainability analysis. The Sub-Fund's viable investments are made in companies whose products and services contribute to achieving a positive impact and a more sustainable development.

The DNSH-test consists of an exclusionary screening of companies which exceed set thresholds. The exclusionary screening consists of three components: 1) norm-based exclusion screening, 2) product-based exclusion screening and 3) sovereign bond screening.

**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.

Companies that are non-compliant with the below are not eligible as sustainable investments.

All of the underlying securities are assessed for adverse impacts as part of the DNSH-process in the following manner:

- 1) For several of the adverse impact indicators the set thresholds defines what is considered as significant harm to environmental or social objectives, based on the indicators measured by the Investment Manager. An investment that exceeds the defined thresholds is excluded from the Sub-Fund's investment universe.

For indicators without a defined threshold, the dedicated sustainability team is responsible to assess each entity on an individual basis, where data from an external data provider is used to assess whether an entity is involved with a breach or in risk of breaching one of these indicators. In this assessment conditions such as severity, scope of harm, and risk of recurrence is analysed using a predefined scoring table to ensure consistency in the evaluation process. The final decision to exclude the investment from Sub-Fund's investment universe is however qualitative and based on the evaluation of the dedicated sustainability team and the assessment of the issue by the Investment Manager's Sustainable Investment Committee.

- 2) Adverse impacts indicators are accounted for, and for all of the underlying securities based on the data availability, coverage and quality which allows for setting measurable or quantifiable thresholds, or where there is sufficient information to make a qualitative assessment of adverse impacts. As the data quality and availability improves, the Investment Manager will be considering a range of methods to better account for these and mitigate adverse impact.

The Sub-Fund's screening and exclusion process described above covers several of the indicators for adverse impacts on sustainability factors listed in Annex I. In the DNSH-process, The Sub-Fund currently considers the following indicators from Table 1 of Annex I:

PAI 4 Exposure to companies active in the fossil fuel sector  
PAI 7 Activities negatively affecting biodiversity sensitive areas  
PAI 8 Emissions to water  
PAI 9 Hazardous waste  
PAI 10 Violations of UNGC principles and OECD guidelines  
PAI 14 Exposure to controversial weapons  
PAI 16 Sovereigns: Investee countries subject to social violations

In addition the Sub-Fund considers the following indicator from Table 2 of Annex 1:

PAI 15 Deforestation

The Sub-Fund's investment universe is monitored daily for potential breaches of Storebrand Sustainable Investment Policy and screened quarterly to assess if companies are in breach of this sustainability policy.

Storebrand Asset Management's Investment Control and Analytics (ICA) department is responsible for verifying that management complies with individual mandates as well as internal and external laws and regulations. As part of the daily compliance controls, all trades and positions are controlled for breaches on the Group Sustainability Policy, including the above-mentioned exclusion criteria's.

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

The Investment Manager aims to ensure that all investee companies follow the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights and the ILO conventions. The process for this is to screen all investments in the Sub-Fund's investment universe by using data and research from an external data provider.

This screening is intended to assess and screen how companies adhere to these standards, and if in breach of them, how they respond to incidents and implement changes. The Sub-Fund will not invest in entities defined as non-compliant, based on this screening.

Once an entity has been defined as non-compliant, the entity is excluded from the Sub-Fund's investment universe, and the entity is no longer investable until the status has changed. This list of excluded entities are updated on a quarterly basis.

*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?**

✘ Yes, the Sub-Fund's screening and exclusion process described above cover several of the principal adverse impacts (the “PAIs”) on sustainability factors.

The Investment Manager has been working to reduce adverse impact in its portfolios since the turn of the century and it has identified the following as main adverse sustainability impact categories that applies to all equity and debt portfolios:

Adverse impacts affecting the environment and climate such as: severe environmental damage; Green House Gas emissions; biodiversity loss and deforestation

Adverse impact affecting workers, communities, and society such as: violations of basic workers' rights; forced labor; gender/diversity discrimination or indigenous rights violations

Adverse impact in connection with gross corruption and money laundering

Adverse impact in connection with controversial weapons (landmines, cluster munitions and nuclear weapons)

Adverse impact in connection with tobacco products

The Investment Manager also identified some adverse impacts that it aims to avoid such as coal or oil sands and others, such as alcohol, gambling, and conventional weapons. These products are associated with significant risks and liabilities to society, the environment or health.

The Investment Manager's methodology is to identify PAI laggards (red), PAI intermediate performers (yellow) and PAI leaders (green) so that risk can be avoided, and

more capital can be allocated to more sustainable companies and solution companies.

**RED:** Those companies identified as PAI laggards will be further analyzed by the Risk and Active Ownership team and may result in exclusion depending on the risk and severity of the negative impact identified and the total cumulative negative impact identified across all PAI indicators.

**YELLOW:** PAI intermediate performers will also be further analyzed with the aim to mitigate adverse impact through engagement. Please see 3.3 Addressing of PAIs and Mitigation

**GREEN:** In addition, the analyzed PAI data will be further integrated in financial decisions with the aim to allocate more capital to PAI leaders, and thus lift the sustainability value of the Sub-Fund. Please see 3.3 Addressing PAIs and Mitigation.

Information on principal adverse impacts considered by the Sub-Fund will be available in the Company's annual report.

No



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

## What investment strategy does this financial product follow?

In order to promote environmental and social characteristics, the following three methods are central to the Sub-Fund's investment strategy:

- Inclusions of products and services
- Exclusions of product and services
- Engagement

The Sub-Fund's investments are assigned a sustainability score where the companies are ranked on the basis of several different sustainability indicators. Preferred companies typically have comprehensive systems for managing ESG risk. Choice of companies involves several steps, where the most important parameters are low carbon footprint, the company's focus on climate solutions; that is, companies that the Investment Manager believes contribute with solutions to the climate crisis, companies with a high sustainability score and companies with a high proportion of "green income".

The Sub-Fund does not invest in companies that are involved with respect to certain products and services according to the screening process described in the answer to question "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?" above, provided that a maximum of five percent of the turnover in the company where the investment takes place may refer to activities that are attributable to the specified product or service.

The Investment Manager uses its interest in entities to engage in sustainability-related issues. This sort of engagement can take the form of direct dialogue with the investee or the Investment Manager can act in collaboration with other investors. Also, the Investment Manager engages systematically through voting at shareholders' meetings.

- ***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?***

The Sub-Fund actively selects companies with a low carbon footprint, companies with a high sustainability rating and solution companies, by solution companies it means companies that provide products and services that contribute to solutions to the world's climate and sustainability challenges (examples are companies whose key business is centered around investment themes like renewable energy, technologies for sustainable city development, circular economy and empowerment etc.). The Sub-Fund emphasizes companies with a high share of green revenue, as well as companies that intend in the future to be in line with the Paris Agreement, in accordance with the Science Based Targets Initiative. The Sub-Fund promotes a transition to a world with low carbon dioxide emissions (greenhouse gases) by excluding companies with more than 5 percent of revenues generated from the production and/or distribution of fossil fuels and companies that violate international norms and conventions related to environmental issues.

The Sub-Fund applies an exclusion policy, as described in the answer to the question “What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?” below.

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

The Sub-Fund does not have a committed minimum rate to reduce the scope of investments, but sustainability requirements provide for the Sub-Fund’s exclusion of potential investments. The exclusions strategy reduces the Sub-Fund's potential investment universe by about 15-20 percent but will vary over time.

The Sub-Fund applies a general product and norm based exclusion strategy, which include an assessment of whether the investee is negatively affecting certain environmental or social objectives as described in the answer to question “*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?*” above.

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

The Sub-Fund has implemented a norm-based exclusion screening process to assess whether investee companies follow good governance practises. The purpose of this screening is to exclude all companies that do not follow what the Investment Manager considers to be good governance practices from the Sub-Fund’s investment universe.

The Sub-Fund has defined criteria for what is considered as good governance practices. In order to assess whether a company follow this criteria, the Sub-Fund uses several different governance indicators to assess whether any investee company follows what the Investment Manager has defined as good governance practices or not.

In the assessment specific indicators are considered on:

- board and management quality and integrity,
- board structure,
- ownership and shareholder rights,
- remuneration packages,
- auditing and financial reporting,
- stakeholder governance.

The list is however not inclusive of all indicators that the Investment Manager uses to measure good governance practices, and a full list can be found on the Company’s website. The assessment process consists of two steps:

- 1) A data-driven analysis where the Investment Manager’s data providers provide a score which gives an indication on how the investee companies performs in relation to good governance practices, measured by the specific indicators. The Sub-Fund will not invest in any company assessed to be non-compliant with the principles of good governance.

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

2) Internal qualitative assessment where an internal team assesses the seriousness of the breach that either has or may take place. This assessment is based on a qualitative assessment where factors such as geography, sector and the individual incident are considered. The Sub-Fund will not exclude companies based on operations in specific countries but will assess the manner in which they run their business in the countries where they operate. The Investment Manager screens all its investments in a norm-based exclusion assessment, which means it will not invest if the investee companies have contributed or are involved with violations of its criteria for good governance practices.



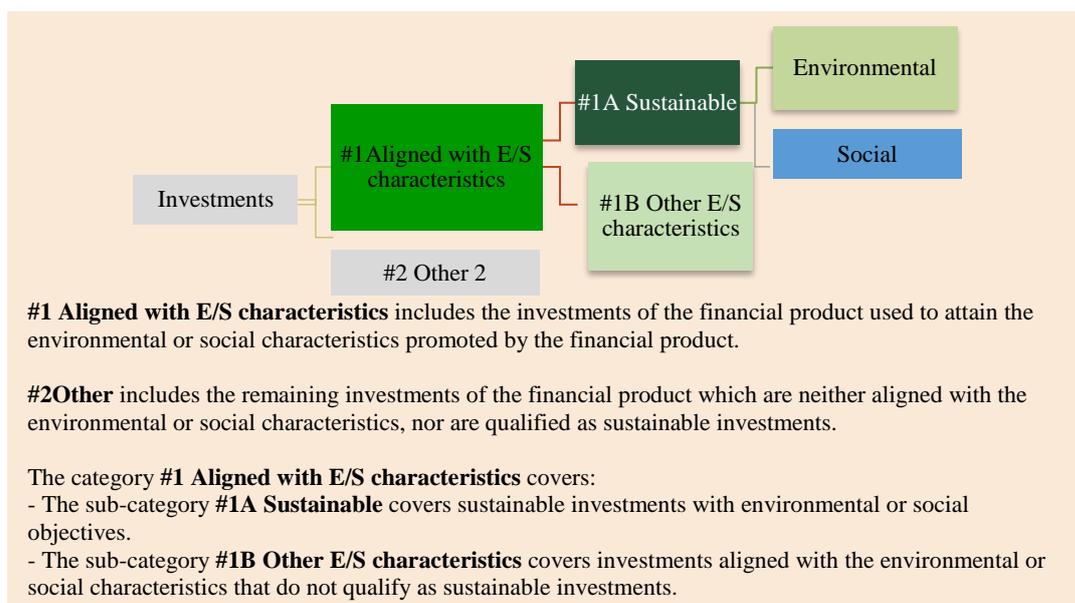
**Asset allocation** describes the share of investments in specific assets.

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.

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

The minimum portion of the Sub-Fund's investments aligned with the environmental and social characteristics it promotes is 80%. This includes a minimum of 30 % of sustainable investments. The remaining investments can include cash for liquidity management purposes and investments which are not aligned with the promoted characteristics but which have also gone through the sustainability analysis of the Investment Manager but do not have a specific environmental or social goal.



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

N/A



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

The Sub-Fund does not commit to having a minimum share of taxonomy-aligned investments. The Taxonomy Regulation (EU) 2020/852 (the "EU Taxonomy") is a classification system that aims to establish common criteria for environmentally sustainable activities. The Sub-Fund shall report the proportion of its investments that are consistent with the EU Taxonomy. The companies in which the Sub-Fund invests have not yet begun to report the extent to which their activities are consistent with the EU taxonomy. Accordingly, the Investment Manager believes that currently it is not possible to provide reliable information about the proportion of the Sub-Fund's investments that are consistent with the EU Taxonomy and, in light of this, reports that 0% of the Sub-Fund's investments are consistent with the EU taxonomy.

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.

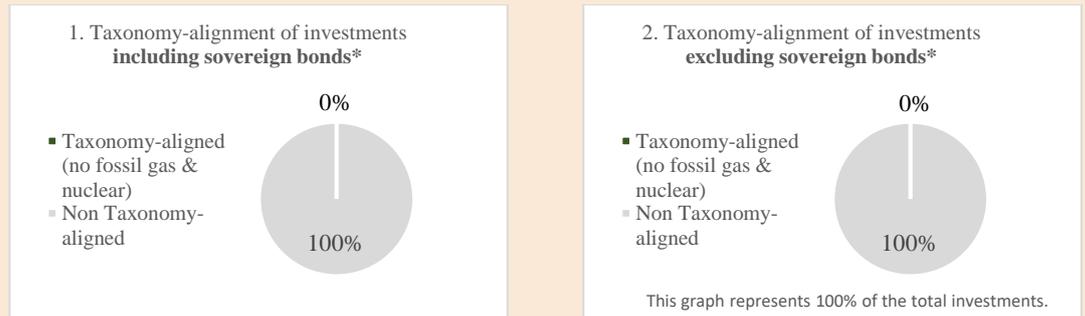
**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>4</sup>?**

Yes  
 In fossil gas  In nuclear energy  
 No

*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.*



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

● **What is the minimum share of investments in transitional and enabling activities?**  
N/A.



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?**

The Fund makes investments with both an environmental and a social objective. There is no prioritisation of environmental or social objectives. The investment process accommodates the combination of environmental and social objectives by allowing the Investment Manager the flexibility to allocate between these based on availability and attractiveness of investment opportunities, while keeping sustainable investments with environmental and/or social objectives to an overall minimum of 30%.



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

The Fund makes investments with both an environmental and a social objective. There is no prioritisation of environmental or social objectives. The investment process accommodates the combination of environmental and social objectives by allowing the Investment Manager the flexibility to allocate between these based on availability and attractiveness of investment opportunities, while keeping sustainable investments with environmental and/or social objectives to an overall minimum of 30%.

<sup>4</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.



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

The Sub-Fund may hold cash for liquidity management purposes as “Other” investments. No minimum environmental or social safeguards are applied.

The Sub-Fund may also hold as Other investments those investments where insufficient data exists to determine the investments’ alignment with the promoted characteristics.

It is also possible that the Sub-Fund may hold investments that are not in line with the promoted characteristics, for instance as a result of a merger or other corporate action. In such case, the Investment Manager will generally seek to dispose of these investments as soon as possible in the interests of Shareholders.

No minimum environmental or social safeguards are applied to “other” investments.



## 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 Sub-Fund does not use any reference benchmark to achieve the environmental or social objective.

- *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

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



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

More product-specific information can be found on the website:

[www.storebrandfunds.com](http://www.storebrandfunds.com)

**SUB-FUND PARTICULAR 3**  
**STOREBRAND EMERGING MARKETS ESG PLUS LUX**

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**1. Name of the Sub-Fund**

STOREBRAND EMERGING MARKETS ESG PLUS LUX (the "**Sub-Fund**")

**2. Base Currency**

EUR

**3. Investment objective and policy**

*Investment Objective*

The Sub-Fund's objective is to provide its Shareholders with long-term capital growth in Emerging Markets, through a model-based portfolio of equities of companies, which are domiciled in, based in, or carry out the larger part of their business in Emerging Markets, and with a high level of risk-diversification. The Sub-Fund is fossil free and has additional ESG criteria and sustainability focus.

*Investment Policy*

The Sub-Fund is a model-based equity fund which can invest in a wide range of equity securities in different sectors in Emerging Markets. The Sub-Fund may invest across a range of market capitalisations without any capitalisation restriction.

The Sub-Fund will invest at least 80% of the Sub-Fund's Net Asset Value in equities and equity related instruments including common stock, preferred stock.

It may also invest up to 15% in depository receipts (American depository receipts (ADRs) and global depository receipts (GDRs)).

The Sub-Fund does not intend to invest directly in warrants although the Sub-Fund may receive warrants as part of its equity investments. It is not expected that the value of such warrants will exceed 5% of the Sub-Fund's Net Asset Value.

In the context of the Sub-Fund investing in securities, the Sub-Fund may only invest in securities listed or traded on a Regulated Market as well as holding up to 10% in unlisted securities which the Sub-Fund could obtain as a result of corporate actions.

In order to achieve its investment objective, the Sub-Fund may also invest up to 10% of its Net Asset Value in units of undertaking for collective investments ("UCIS") and exchange-traded funds ("ETFs"). The UCIs in which the Sub-Fund may invest will not be a part of the benchmark (disclosed below) but the exposure gained by the Sub-Fund through its UCIs investments will be in line and consistent with the benchmark.

The Sub-Fund may also invest up to 25 % in A-Shares of companies based in the People's Republic of China ("China") that trade on the Shanghai Stock Exchange and the Shenzhen Stock Exchange through

the Shanghai – Hong Kong and Shenzhen – Hong Kong Stock Connect programs (“Stock Connect”). Stock Connect is a mutual stock market access program designed to, among other things, enable foreign investments in China.

In order to achieve its investment objective, the Sub-Fund will seek to minimize deviations from the MSCI Emerging Markets (Net) Index, given the screening and sustainability properties mentioned in the Annex to this Sub-Fund Particular 3.

#### ***Sub-Fund specific ESG criteria***

**For more information with respect to the ESG policy pursued by the Sub-Fund and its promoted environmental and/or social characteristics, please refer to the SFDR Annex to this Sub-Fund Particular 3 below which forms an integral part of this investment policy and which provides the pre-contractual disclosures information as per the SFDR-RTS.**

#### ***Deposits***

The Sub-Fund may also invest in deposits (within the meaning of Section 23.1., point (I)(1) f) of this Prospectus) with credit institutions and in Money Market Instruments.

#### ***Financial derivative instruments***

The Sub-Fund may only use financial derivative instruments for efficient portfolio management purposes.

#### ***Ancillary liquid assets***

The Sub-Fund may invest up to 20% of its Net Asset Value in ancillary liquid assets (i.e. bank deposits at sight, such as cash held in current accounts with a bank accessible at any time). Under exceptionally unfavourable market conditions and if justified in the interest of the shareholders, the Sub-Fund may temporarily exceed the aforementioned limit for investment in ancillary liquid assets and other liquid instruments.

#### ***Benchmark***

MSCI Emerging Markets (Net) Index.

The Sub-Fund is actively managed and uses its benchmark index for asset allocation and performance comparison purposes. The benchmark is chosen to represent the investable universe for the Sub-Fund. The weightings of the securities held in the Sub-Fund’s portfolio will typically only deviate somewhat from benchmark weightings. In addition, the Investment Manager can take positions in securities which are not in the benchmark if it identifies a specific investment opportunity. This will result in the Sub-Fund having a low tracking error (typically below 2.5%).

## **4. Investment Manager**

The Investment Manager of the Sub-Fund is Storebrand Asset Management AS.

## 5. Profile of the typical investor

The Sub-Fund may be appropriate for investors who:

- have an investment horizon of at least 5 years,
- seek capital appreciation over the long term,
- do not seek current income from their investment,
- are willing to take on the increased risk associated with the investment.

## 6. Fees and expenses

The Investment Management Fees detailed in the table below shall be calculated as a percentage of the applicable Net Asset Value per Share Class. The other charges detailed in the table below shall be calculated as a percentage of the investment amounts.

<b>Class of Shares</b>	<b>Class A</b>	<b>Class B</b>	<b>Class H</b>	<b>Class H1</b>	<b>Class I</b>
<b>Investment Management Fee</b>	0.45% per annum	0.21% per annum	0.19% per annum	0.21% per annum	0.15% per annum

## 7. Business Day/Valuation Day/Net Asset Value calculation

With respect to this Sub-Fund, a Business Day means any full day on which banks are open for normal business banking in Luxembourg.

The Net Asset Value per Share of each Class will be calculated on each Business Day (the "Valuation Day") and published on the following Business Day.

## 8. Subscription

Shares will be issued at a price based on the Net Asset Value per Share calculated on the relevant Valuation Day.

Applications must be received by the Registrar and Transfer Agent no later than 1 p.m. (Luxembourg time) on the Business Day prior to the relevant Valuation Day in order to be dealt with on the basis of the Net Asset Value per Share calculated on that Valuation Day. Any applications received after the applicable deadline will be deemed to be received on the next Valuation Day.

Payment for subscribed Shares must be received in the Company's cash-account at the latest two Business Days following the relevant Valuation Day.

## 9. Redemption

Shares will be redeemed at a price based on the Net Asset Value per Share calculated on the relevant Valuation Day.

Applications must be received by the Registrar and Transfer Agent no later than 1 p.m. (Luxembourg time) on the Business Day prior to the relevant Valuation Day in order to be dealt with on the basis of the Net Asset Value per Share calculated on that Valuation Day. Any applications received after the applicable deadline will be deemed to be received on the next Valuation Day.

Payment for redeemed Shares has to be made no later than two Business Days after the relevant Valuation Day.

If, in exceptional circumstances, the liquidity of the Sub-Fund is insufficient to enable redemption proceeds to be paid within that period, or if there are other reasons, such as exchange controls or other regulations which delay payment, payment will be made as soon as reasonably practicable thereafter, but without interest.

## **10. Conversions**

Investors may request conversions of their Shares from one Class to another of the same Sub-Fund or to Shares of another Sub-Fund.

Applications must be received by the Registrar and Transfer Agent no later than 1 p.m. (Luxembourg time) on the Business Day prior to the relevant Valuation Days in both applicable Sub-Funds/Classes. Any applications received after the application deadline will be processed in respect of the next Valuation Day.

### ***Swing Pricing***

The Net Asset Value of the Sub-Fund may be adjusted up or down using the pricing adjustment rates. Further information on the pricing adjustment is set out in Section 10.1. "Calculation of Net Asset Value", paragraph "Swing Pricing" of the general part of the Prospectus.

## **11. Historical Performance**

Information on the historical performance of the Sub-Fund is disclosed in the relevant KID, if available.

## **12. Dividends**

At the date of this Prospectus, both Capital-accumulation Shares (ACC) and Distribution Shares (DIS) may be issued in relation to this Sub-Fund.

## **13. Specific risk warnings**

Investors are advised to carefully consider the following sub-fund specific risks of investing in the Sub-Fund.

- Equity Investment Risks
- Emerging Markets Risks
- Chinese markets risk
- Foreign exchange risk and Currency Hedging Risk
- Liquidity risk

- Specialization Risk
- Depositary Risk
- Political and Country Risks
- Operational Risk
- ESG Risk

For a complete description of all the risks for the Sub-Fund that the Company is aware of, please refer to the Section 4. "Risk considerations" in the general part of the Prospectus.

## ANNEX TO SUB-FUND PARTICULAR 3

### Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of SFDR and Article 6, first paragraph, of Regulation (EU) 2020/852

**Product name:** Storebrand Emerging Markets ESG Plus Lux (the “Sub-Fund”)

**Legal entity identifier:** 5493006UJQLBF80Z7Z94

## 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 include 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?	
<input checked="" type="radio"/> <input checked="" type="radio"/> <input type="checkbox"/> <b>Yes</b>	<input type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> <b>No</b>
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective</b> : ___% <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul>	<input checked="" type="checkbox"/> It promotes <b>Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of <b>25 %</b> of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> with a social objective</li> </ul>
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective</b> : ___%	<input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>



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

The Sub-Fund promotes environmental characteristics by actively investing in companies that contribute to the mitigation of climate change and/or which may have other positive impacts on the environment or society and by excluding certain companies which have a negative impact on the environment and/or society. More particularly, the Sub-Fund promotes a transition to a world with low carbon dioxide emissions (greenhouse gases) by excluding entities which derive a large part of their net sales from the production and/or distribution of fossil fuels and entities with large fossil fuel reserves.

The Sub-Fund also promotes social characteristics by excluding companies that may have a negative impact on society and that violate international norms (such as companies with business operations linked to banned weapons, nuclear weapons, weapons and war materials, alcohol, tobacco, cannabis, pornography and commercial gambling, as well as by excluding companies that violate international norms and conventions related to human rights, labor law or combating corruption and bribery).

The above promoted characteristics involve integrating ESG (environmental, social and corporate governance) aspects into all of the Sub-fund's investments. As such, the Sub-Fund seeks to invest in:

- Companies with a low carbon footprint;
- Companies with a high Storebrand Sustainability ESG score; and
- ESG Solution companies, (i.e. companies that significantly contribute to sustainable development without causing substantial harm to environment or society. Examples are companies whose key business is centered around investment themes like renewable energy, technologies for sustainable city development, circular economy and empowerment etc.),

The Sub-Fund also applies a general product and norm based exclusion strategy, which include an assessment of whether the investee is negatively affecting certain environmental or social objectives (listed below).

No reference benchmark has been designated for the purpose of attaining the environmental and social characteristics promoted by the Sub-Fund.

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

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

- Storebrand Sustainability ESG Score
- Share of Green revenue
- Carbon intensity scope 1 and 2
- PAI 4. Exposure to companies active in the fossil fuel sector
- PAI 10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
- PAI 14. Exposure to controversial weapons (antipersonnel mines, cluster munitions, chemical weapons and biological weapons)
- Revenues from business activities related to the production and distribution of nuclear weapons, weapons, alcohol, tobacco, cannabis, pornography, commercial gambling

● ***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?***

The Sub-Fund's environmentally sustainable investments may contribute to one or more of the environmental objectives of the Taxonomy Regulation (EU) 2020/852 (the "EU Taxonomy"), such as but not limited to climate change mitigation and climate change adaptation.

The Sub-Fund seeks to achieve its sustainable investment objective by investing in companies that:

- Reduces climate risk by not investing in the fossil fuel value chain
- Companies with high Storebrand Sustainability ESG score. The Storebrand Sustainability ESG Score developed by the Investment manager is a proprietary ESG rating system to analyse over 4,000 companies, using qualitative and quantitative assessment of sustainability risks and opportunities.
- Allocates a part of the portfolio to climate solutions companies, such as renewable energy, green transport, recycling, water and energy efficiency. (as defined below).
- Promotes a transition to a world with low carbon dioxide emissions (greenhouse gases) by excluding entities which derive a large part of their net sales from the production and/or distribution of fossil fuels and entities with large fossil fuel reserves.

As part of the objective of making sustainable investments in the areas specified above, the Sub-Fund also applies an exclusion strategy. The Sub-Fund excludes investments in companies with business activities associated with fossil fuels and in companies that violate international norms and conventions related to environmental issues.

***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?***

The Sub-Fund can only invest in financial instruments that are part of its defined investment universe. The Investment Manager has a dedicated team (Risk & Ownership team) that monitors the financial instruments investable for the Sub-Fund. The team follows a methodology that is based on a screening process where the investments exposure and impact on several sustainability indicators are measured.

The result of this screening will give an indication of whether the investment is exposed to adverse impacts, based on the indicators that the Investment Manager measures. If any of the investments are exposed to impacts considered to be significant, then the investment is considered to harm the Sub-Fund's environmental and/or social objectives and the financial instrument will be excluded from the Sub-Fund's investment universe.

All investments are subject to a screening process to assess whether the investee company is negatively affecting environmental or social objectives related to:

- human rights,
- labour law and international law,
- corruption and financial crime,
- serious climate and environmental damage,
- controversial weapons (land mines, cluster bombs and nuclear weapons),
- coal and oil sands,
- climate lobbying,
- cannabis,
- tobacco,
- deforestation risk related to production of forest-risk commodities (particularly palm oil, soy, timber, cattle products, leather, cocoa, coffee and minerals),
- deep sea mining,
- marine/riverine tailings disposal,
- fossil fuels,
- weapons,
- alcohol,
- gambling,
- pornography, companies with large fossil fuels reserves

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

The Investment Manager takes into account the indicators for adverse impacts on sustainability factors in all of the Investment Manager's investment decisions on an ongoing basis. The Sub-Fund will only invests in companies that have gone through the Management Company's own sustainability analysis. The Sub-Fund's viable investments are made in companies whose products and services contribute to achieving a positive impact and a more sustainable development.

The DNSH-test consists of an exclusionary screening of companies which exceed set thresholds. The exclusionary screening consists of three components: 1) norm-based exclusion screening, 2) product-based exclusion screening and 3) sovereign bond screening.

Companies that are non-compliant with the below are not eligible as sustainable investments.

All of the underlying securities are assessed for adverse impacts as part of the DNSH-process in the following manner:

- 1) For several of the adverse impact indicators the set thresholds defines what is considered as significant harm to environmental or social objectives, based on the indicators

**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.

measured by the Investment Manager. An investment that exceeds the defined thresholds is excluded from the Sub-Fund's investment universe.

For indicators without a defined threshold, the dedicated sustainability team is responsible to assess each entity on an individual basis, where data from an external data provider is used to assess whether an entity is involved with a breach or in risk of breaching one of these indicators. In this assessment conditions such as severity, scope of harm, and risk of recurrence is analysed using a predefined scoring table to ensure consistency in the evaluation process. The final decision to exclude the investment from Sub-Fund's investment universe is however qualitative and based on the evaluation of the dedicated sustainability team and the assessment of the issue by the Investment Manager's Sustainable Investment Committee.

- 2) Adverse impacts indicators are accounted for, and for all of the underlying securities based on the data availability, coverage and quality which allows for setting measurable or quantifiable thresholds, or where there is sufficient information to make a qualitative assessment of adverse impacts. As the data quality and availability improves, the Investment Manager will be considering a range of methods to better account for these and mitigate adverse impact.

The Sub-Fund's screening and exclusion process described above covers several of the indicators for adverse impacts on sustainability factors listed in Annex I. In the DNSH-process, The Sub-Fund currently considers the following indicators from Table 1 of Annex I:

PAI 4 Exposure to companies active in the fossil fuel sector  
PAI 7 Activities negatively affecting biodiversity sensitive areas  
PAI 8 Emissions to water  
PAI 9 Hazardous waste  
PAI 10 Violations of UNGC principles and OECD guidelines  
PAI 14 Exposure to controversial weapons  
PAI 16 Sovereigns: Investee countries subject to social violations

In addition the Sub-Fund considers the following indicator from Table 2 of Annex 1:

PAI 15 Deforestation

The Sub-Fund's investment universe is monitored daily for potential breaches of Storebrand Sustainable Investment Policy and screened quarterly to assess if companies are in breach of this sustainability policy.

Storebrand Asset Management's Investment Control and Analytics (ICA) department is responsible for verifying that management complies with individual mandates as well as internal and external laws and regulations. As part of the daily compliance controls, all trades and positions are controlled for breaches on the Group Sustainability Policy, including the above-mentioned exclusion criteria's.

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

The Investment Manager aims to ensure that all investee companies follow the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights and the ILO conventions. The process for this is to screen all investments in the Sub-Fund's investment universe by using data and research from an external data provider.

This screening is intended to assess and screen how companies adhere to these standards, and if in breach of them, how they respond to incidents and implement changes. The Sub-Fund will not invest in entities defined as non-compliant, based on this screening.

Once an entity has been defined as non-compliant, the entity is excluded from the Sub-Fund's investment universe, and the entity is no longer investable until the status has changed. This list of excluded entities are updated on a quarterly basis.

*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?**

✘ Yes, the Sub-Fund’s screening and exclusion process described above cover several of the principal adverse impacts (the “PAIs”) on sustainability factors.

The Investment Manager has been working to reduce adverse impact in its portfolios since the turn of the century and it has identified the following as main adverse sustainability impact categories that applies to all equity and debt portfolios:

Adverse impacts affecting the environment and climate such as: severe environmental damage; Green House Gas emissions; biodiversity loss and deforestation

Adverse impact affecting workers, communities, and society such as: violations of basic workers' rights; forced labor; gender/diversity discrimination or indigenous rights violations

Adverse impact in connection with gross corruption and money laundering

Adverse impact in connection with controversial weapons (landmines, cluster munitions and nuclear weapons)

Adverse impact in connection with tobacco products

The Investment Manager also identified some adverse impacts that it aims to avoid such as coal or oil sands and others, such as alcohol, gambling, and conventional weapons. These products are associated with significant risks and liabilities to society, the environment or health.

The Investment Manager’s methodology is to identify PAI laggards (red), PAI intermediate performers (yellow) and PAI leaders (green) so that risk can be avoided, and more capital can be allocated to more sustainable companies and solution companies.

**RED:** Those companies identified as PAI laggards will be further analyzed by the Risk and Active Ownership team and may result in exclusion depending on the risk and severity of the negative impact identified and the total cumulative negative impact identified across all PAI indicators.

**YELLOW:** PAI intermediate performers will also be further analyzed with the aim to mitigate adverse impact through engagement. Please see 3.3 Addressing of PAIs and Mitigation

**GREEN:** In addition, the analyzed PAI data will be further integrated in financial decisions with the aim to allocate more capital to PAI leaders, and thus lift the sustainability value

of the Sub-Fund. Please see 3.3 Addressing PAIs and Mitigation.

Information on principal adverse impacts considered by the Sub-Fund will be available in the Company's annual report.

No



## What investment strategy does this financial product follow?

In order to promote environmental and social characteristics, the following three methods are central to the Sub-Fund's investment strategy:

- Inclusions of products and services
- Exclusions of product and services
- Engagement

The Sub-Fund's investments are assigned a sustainability score where the companies are ranked on the basis of several different sustainability indicators. Preferred companies typically have comprehensive systems for managing ESG risk. Choice of companies involves several steps, where the most important parameters are low carbon footprint, the company's focus on climate solutions; that is, companies that the Investment Manager believes contribute with solutions to the climate crisis, companies with a high sustainability score and companies with a high proportion of "green income".

The Sub-Fund does not invest in companies that are involved with respect to certain products and services according to the screening process described in the answer to question "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?" above, provided that a maximum of five percent of the turnover in the company where the investment takes place may refer to activities that are attributable to the specified product or service.

The Investment Manager uses its interest in entities to engage in sustainability-related issues. This sort of engagement can take the form of direct dialogue with the investee or the Investment Manager can act in collaboration with other investors. Also, the Investment Manager engages systematically through voting at shareholders' meetings.

### ● ***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?***

The Sub-Fund actively selects companies with a low carbon footprint, companies with a high sustainability rating and solution companies, by solution companies it means companies that provide products and services that contribute to solutions to the world's climate and sustainability challenges (examples are companies whose key business is centered around investment themes like renewable energy, technologies for sustainable city development, circular economy and empowerment etc.). The Sub-Fund emphasizes companies with a high share of green revenue, as well as companies that intend in the future to be in line with the Paris Agreement, in accordance with the Science Based Targets Initiative. The Sub-Fund promotes a transition to a world with low carbon dioxide emissions (greenhouse gases) by excluding companies with more than 5 percent of revenues generated from the production and/or distribution of fossil fuels and companies that violate international norms and conventions related to environmental issues.

The Sub-Fund applies an exclusion policy, as described in the answer to the question "What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?" below.

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

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

The Sub-Fund does not have a committed minimum rate to reduce the scope of investments, but sustainability requirements provide for the Sub-Fund's exclusion of potential investments. The exclusions strategy reduces the Sub-Fund's potential investment universe by about 15-20 percent but will vary over time.

The Sub-Fund applies a general product and norm based exclusion strategy, which include an assessment of whether the investee is negatively affecting certain environmental or social objectives as described in the answer to question "*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?*" above.

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

The Sub-Fund has implemented a norm-based exclusion screening process to assess whether investee companies follow good governance practises. The purpose of this screening is to exclude all companies that do not follow what the Investment Manager considers to be good governance practices from the Sub-Fund's investment universe.

The Sub-Fund has defined criteria for what is considered as good governance practices. In order to assess whether a company follow this criteria, the Sub-Fund uses several different governance indicators to assess whether any investee company follows what the Investment Manager has defined as good governance practices or not.

In the assessment specific indicators are considered on:

- board and management quality and integrity,
- board structure,
- ownership and shareholder rights,
- remuneration packages,
- auditing and financial reporting,
- stakeholder governance.

The list is however not inclusive of all indicators that the Investment Manager uses to measure good governance practices, and a full list can be found on the Company's website. The assessment process consists of two steps:

1) A data-driven analysis where the Investment Manager's data providers provide a score which gives an indication on how the investee companies performs in relation to good governance practices, measured by the specific indicators. The Sub-Fund will not invest in any company assessed to be non-compliant with the principles of good governance.

2) Internal qualitative assessment where an internal team assesses the seriousness of the breach that either has or may take place. This assessment is based on a qualitative assessment where factors such as geography, sector and the individual incident are considered. The Sub-Fund will not exclude companies based on operations in specific countries but will assess the manner in which they run their business in the countries where they operate. The Investment Manager screens all its investments in a a norm-based exclusion assessment, which means it will not invest if the investee companies have contributed or are involved with violations of its criteria for good governance practices.

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

The minimum portion of the Sub-Fund's investments aligned with the environmental and social characteristics it promotes is 80%. This includes a minimum of 25% of sustainable investments. The remaining investments can include cash for liquidity management purposes and investments which are not aligned with the promoted characteristics but which have also gone through the sustainability analysis of the Investment Manager but do not have a specific environmental or social goal.

**Good governance**

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

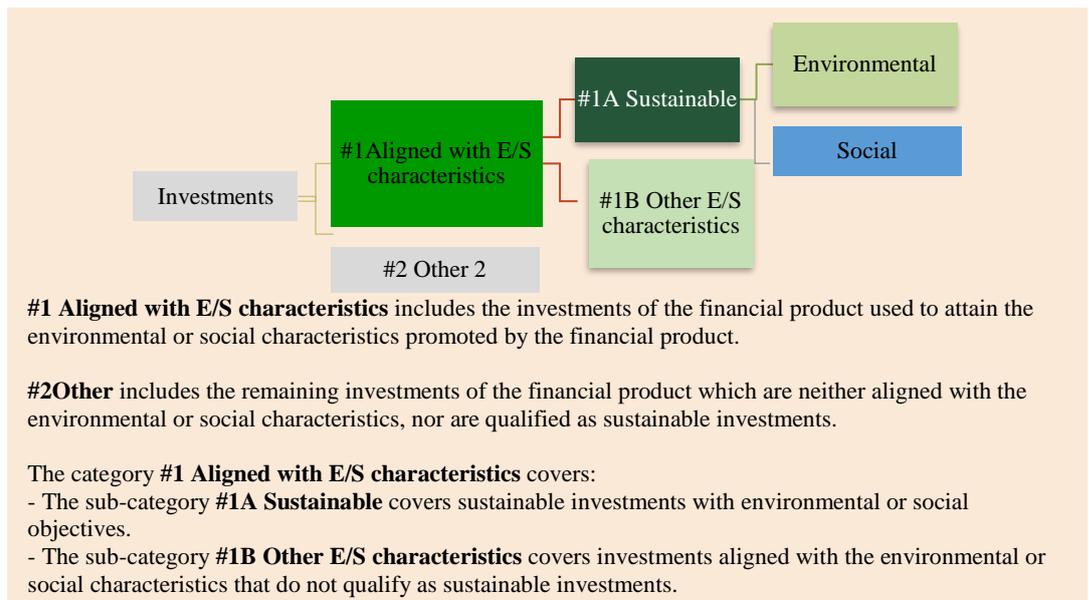


**Asset allocation**

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.



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

N/A



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

The Sub-Fund does not commit to having a minimum share of taxonomy-aligned investments. The Taxonomy Regulation (EU) 2020/852 (the “EU Taxonomy”) is a classification system that aims to establish common criteria for environmentally sustainable activities. The Sub-Fund shall report the proportion of its investments that are consistent with the EU Taxonomy. The companies in which the Sub-Fund invests have not yet begun to report the extent to which their activities are consistent with the EU taxonomy. Accordingly, the Investment Manager believes that currently it is not possible to provide reliable information about the proportion of the Sub-Fund’s investments that are consistent with the EU Taxonomy and, in light of this, reports that 0% of the Sub-Fund’s investments are consistent with the EU taxonomy.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>5</sup>?**

Yes  In fossil gas  In nuclear energy

No

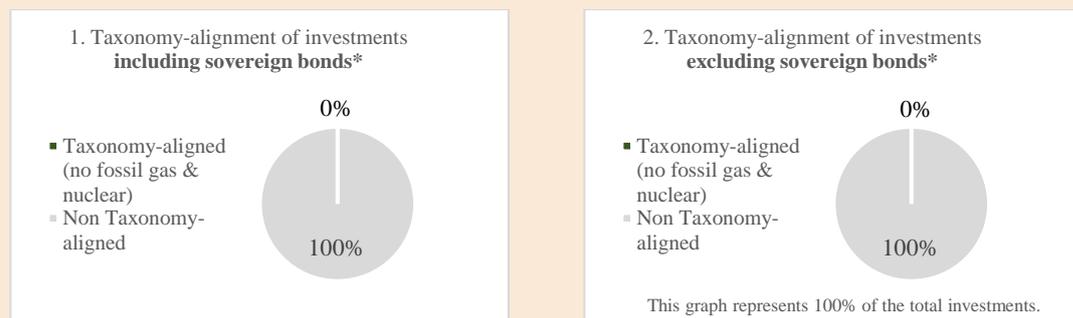
<sup>5</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

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.

**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 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.*



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

- **What is the minimum share of investments in transitional and enabling activities?**  
N/A.



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?**

The Fund makes investments with both an environmental and a social objective. There is no prioritisation of environmental or social objectives. The investment process accommodates the combination of environmental and social objectives by allowing the Investment Manager the flexibility to allocate between these based on availability and attractiveness of investment opportunities, while keeping sustainable investments with environmental and/or social objectives to an overall minimum of 25%.



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

The Fund makes investments with both an environmental and a social objective. There is no prioritisation of environmental or social objectives. The investment process accommodates the combination of environmental and social objectives by allowing the Investment Manager the flexibility to allocate between these based on availability and attractiveness of investment opportunities, while keeping sustainable investments with environmental and/or social objectives to an overall minimum of 25%.



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

The Sub-Fund may hold cash for liquidity management purposes as “Other” investments. No minimum environmental or social safeguards are applied.

The Sub-Fund may also hold as Other investments those investments where insufficient data exists to determine the investments' alignment with the promoted characteristics.

It is also possible that the Sub-Fund may hold investments that are not in line with the promoted characteristics, for instance as a result of a merger or other corporate action. In such case, the

Investment Manager will generally seek to dispose of these investments as soon as possible in the interests of Shareholders.

No minimum environmental or social safeguards are applied to “other” investments.



**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 Sub-Fund does not use any reference benchmark to achieve the environmental or social objective.

**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 product-specific information can be found on the website:

[www.storebrandfunds.com](http://www.storebrandfunds.com)

**SUB-FUND PARTICULAR 4**  
**SKAGEN KON-TIKI LUX**

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**1. Name of the Sub-Fund**

SKAGEN KON-TIKI LUX (the "Sub-Fund")

**2. Base Currency**

EUR

**3. Investment objective and policy**

*Investment Objective*

The Sub-Fund's objective is to provide its Shareholders with the best possible return for the risk taken by the Sub-Fund, through an actively managed portfolio of shares in companies listed in Emerging Markets or in companies that have operations in or aimed towards Emerging Markets (i.e. countries not included in the MSCI Developed Market Series).

*Investment Policy*

The Sub-Fund is an actively managed fund which can invest in Emerging Markets globally. The Sub-Fund shall invest at least 50% of its assets in companies listed in Emerging Markets, i.e. countries or markets not covered by MSCI Developed Market Series. The remainder of the assets shall be invested in companies that have operations aimed towards Emerging Markets. The Sub-Fund's strategy is to invest in undervalued companies in relation to which the Sub-Investment Manager can identify clear catalysts for their true value to be realised. In order to reduce risk, the Sub-Fund shall seek to maintain a reasonable balance between geographical regions and industrial sectors. The Sub-Investment Manager normally has a long investment horizon, and attaches greater value to fundamentals than to short-term trends in the market.

The Sub-Fund may invest across a range of market capitalisations without any capitalisation restriction.

Investments in Chinese equities include, but are not limited to, China A-Shares and China B-shares (and such other securities as may be available) listed on stock exchanges in the PRC. The Sub-Fund may directly invest in China A-Shares through the Shanghai-Hong Kong Stock Connect and/or the Shenzhen-Hong Kong Stock Connect, subject to applicable quota limitations.

In order to achieve its investment objective, the Sub-Fund may also invest up to 10% of its net assets in UCITS and other UCIs.

*Sustainability considerations*

**For information with respect to the ESG policy pursued by the Sub-Fund and its promoted environmental and/or social characteristics, please refer to the SFDR Annex to this Sub-Fund Particular 4 below which forms an integral part of this investment policy and which provides the pre-contractual disclosures information as per the SFDR-RTS.**

### ***Deposits***

The Sub-Fund may also invest in deposits (within the meaning of Section 23.1., point (I)(1) f) of this Prospectus) with credit institutions.

### ***Money Market Instrument***

The Sub-Fund may also invest in Money Market Instruments.

### ***Financial derivative instruments***

The Sub-Fund may only use financial derivative instruments for efficient portfolio management purposes.

### ***Ancillary liquid assets***

The Sub-Fund may invest up to 20% of its Net Asset Value in ancillary liquid assets (i.e. bank deposits at sight, such as cash held in current accounts with a bank accessible at any time). Under exceptionally unfavourable market conditions and if justified in the interest of the shareholders, the Sub-Fund may temporarily exceed the aforementioned limit for investment in ancillary liquid assets and other liquid instruments.

### ***Benchmark***

MSCI Emerging Markets Net Total Return (EUR) Index.

The Sub-Fund is actively managed in reference to its benchmark, which is used for performance comparison and for the purpose of calculating the performance fee payable to the Sub-Investment Manager.

The benchmark is chosen to represent the investable universe for the Sub-Fund. The weightings of securities held in the Sub-Fund will typically deviate significantly from benchmark weightings. In addition, the Sub-Investment Manager can take large positions in securities which are not in the benchmark if they identify a specific investment opportunity. This will result in the Sub-Fund having a high tracking error (typically over 4%).

## **4. Investment Manager and Sub-Investment Manager**

The Investment Manager of the Sub-Fund is Storebrand Asset Management AS.

The Investment Manager has in turn delegated the investment management of the Sub-Fund to Skagen AS, an entity incorporated under law of Norway, regulated and subject to prudential supervision by Finanstilsynet, the Norwegian supervisory authority.

## **5. Profile of the typical investor**

The Sub-Fund may be appropriate for investors who:

- Given the nature of non-complex UCITS funds: retail, professional clients and eligible counterparties.
- Clients with basic capital markets knowledge or experience (about funds' characteristics and risks).
- Clients that can bear to lose invested capital.
- Depending on the duration of the product, the UCITS fund may be suitable for clients who seek capital growth and have a long-term investment horizon (at least 5 years).
- This product is deemed incompatible for clients which:
  - o require full capital protection and / or seeking on-demand full repayment of the amounts invested,
  - o are fully risk averse/have no risk tolerance.

## 6. Fees and expenses

The Investment Management Fees detailed in the table below shall be calculated as a percentage of the applicable Net Asset Value per Share Class. The other charges detailed in the table below shall be calculated as a percentage of the investment amounts.

<b>Class of Shares</b>	Class A	Class B	Class H	Class I	Class I2
<b>Investment Management Fee</b>	2% per annum	0.60% per annum	0.60% per annum	0.50% per annum	0.80% per annum
<b>Performance Fee</b>	N/A	10%	10%	10%	N/A
<b>Performance Fee Cap</b>	N/A	2.4%	1.4%	1.5%	N/A

## 7. Management fee and Performance Fee

### *Overview*

The Sub-Investment Manager is also entitled to a performance fee (the "**Performance Fee**"), which shall be accrued in respect of the Shares of each Class which are subject to a Performance Fee (as indicated in the table above) in issue during a Performance Fee Period (as defined below).

Such Performance Fee will be accrued daily and calculated based on a daily return but will only become payable at the end of the relevant Performance Fee Period or *pro rata* upon redemption of the Shares.

A Performance Fee accrual is calculated on a daily basis, after consideration of all other payments out of the Net Asset Value of the Sub-Fund, at the rate reflected for each Class in the table above of the daily return of the Sub-Fund above the Benchmark (as defined below). If the daily return of the Sub-Fund is below the daily Benchmark return, such underperformance will be offset against the Performance Fee accrual, if any, for that Performance Fee Period. To the extent that no Performance Fee is accrued during a Performance Fee Period, the corresponding underperformance (the "Underperformance Carry Forward") shall offset any subsequent Performance Fee accruals during the next Performance Fee Period so that the Sub-Investment Manager shall not be entitled to a Performance Fee until such Underperformance Carry Forward is offset by subsequent Performance Fee accruals. The underperformance is therefore carried forward indefinitely (during the whole life of the Sub-Fund) until offset by subsequent outperformance.

**A Performance Fee could however become payable in case of negative Sub-Fund performance, provided that the Sub-Fund outperformed the Benchmark over the relevant Performance Fee Period.**

In the event of a subscription of Shares prior to the end of a Performance Fee Period, the total amount of the Performance Fee accrual will not be affected by such subscription. However, the Performance Fee accrual per Share will be diluted to reflect the increase in the number of Shares outstanding. A subscription of Shares will have a corresponding effect on the Underperformance Carry Forward per Share.

In the event of a redemption of Shares prior to the end of a Performance Fee Period, if there is a Performance Fee accrual, such reduction will equal the amount of accrued Performance Fee crystallized. Any such crystallised Performance Fee relating to a redemption of Shares shall be paid to the Sub-Investment Manager in arrears within 14 days from the end of the relevant month in which the redemption occurred. If the performance was negative, such redemption will have a similar effect and reduce, *pro rata*, the Underperformance Carry Forward.

At the end of the Performance Fee Period (on the last Valuation Day in December) and in the event that a Performance Fee is payable, the accrued Performance Fee is 'crystallised' and the Performance Fee accrual is reset to 0. Such crystallised Performance Fee shall be payable to the Sub-Investment Manager in arrears within 14 days of the end of each Performance Fee Period.

A Performance Fee cap for the relevant Class, on the average Net Asset Value, is applied to the Performance Fee which means that any Performance Fee that is payable cannot exceed the cap indicated for the relevant Class in the table above in section 6. "Fees and Expenses".

The benchmark for the purpose of this Performance Fee calculation is the MSCI Emerging Markets Net Total Return (EUR) Index (BB Ticker: MSDEEEMN Index). The benchmark will be converted into the Reference Currency of the Class (if unhedged) on each Valuation Day.

### ***Performance Fee Periods***

The performance reference period is equal to the whole life of the Sub-Fund as underperformance is carried forward indefinitely until offset by subsequent outperformance.

The "Performance Fee Period":

The first performance fee crystallisation period at the end of which any accrued Performance Fee is crystallised for any Share that is issued after the last Valuation Day in December will be the period commencing on the effective date of such issuance and ending on the last Valuation Day of the following year's December, as the case may be. After the first Performance Fee Period, the Performance Fee Period will start each year on the first Valuation Day in January and will end on the last Valuation Day in December. The last Performance Fee Period regarding a Share that is redeemed as of any date other than the last Valuation Day in December will be the period commencing upon the termination of the prior Performance Fee Period for such Share and ending on the effective date of such redemption.

For the avoidance of doubt, the first Net Asset Value per Share in respect of the First Performance Fee Period shall be the initial offer price per Share of each Class during any initial offer period.

If the Investment Management Agreement is terminated before the last Valuation Day in December in any year, the Performance Fee in respect of the applicable Performance Period will be calculated and paid as if the date of termination were the end of the relevant Performance Period.

In the case of the liquidation or merger of the Sub-Fund or the relevant Class, the Performance Fee will be paid on the last day the NAV is calculated before its liquidation or merger.

Where a Performance Fee is payable it shall be calculated upon the relative outperformance of the Net Asset Value per Share during the Performance Fee Period against the Benchmark. As a consequence, net realised and unrealised capital gains and net realised and unrealised capital losses will be included in the Performance Fee calculation as of the end of the Performance Fee Period. As a result, a Performance Fee may be paid on unrealised gains, which may subsequently never be realised.

In the event of a redemption of Shares prior to the end of a Performance Fee Period, the crystallization of part of the accrued Performance Fee resulting from such redemption of Shares may under certain circumstances cause a Performance Fee to be paid on unrealised gains which may subsequently never be realised by the non-redeeming Shareholders at the end of the Performance Fee Period.

Subscriptions of Shares will have the effect of diluting the Performance Fee accrual among all the Shares (including the newly subscribed Shares). Accordingly, if there is a Performance Fee accrual before the subscription, the existing Shares will benefit from a lower Performance Fee accrual per Share after the subscription. Reciprocally, if there is an Underperformance Carry Forward, the initial Shares will be allocated a lower Underperformance Carry Forward per Share after such subscription.

The Performance Fee is calculated by the Administration Agent.

**Please refer to Appendix II to this Prospectus for performance fee calculation examples.**

## **8. Business Day/Valuation Day/Net Asset Value calculation**

With respect to this Sub-Fund, a Business Day means any full day on which banks are open for normal business banking in Luxembourg.

The Net Asset Value per Share of each Class will be calculated on each Business Day (the "Valuation Day").

## **9. Subscription**

Shares will be issued at a price based on the Net Asset Value per Share calculated on the relevant Valuation Day.

Applications must be received by the Registrar and Transfer Agent no later than 1 p.m. (Luxembourg time) on the Valuation Day in order to be dealt with on the basis of the Net Asset Value per Share calculated on that Valuation Day. Any applications received after the applicable deadline will be deemed to be received on the next Valuation Day.

Payment for subscribed Shares must be received in the Company's cash-account at the latest three Business Days following the relevant Valuation Day.

## **10. Redemption**

Shares will be redeemed at a price based on the Net Asset Value per Share calculated on the relevant Valuation Day.

Applications must be received by the Registrar and Transfer Agent no later than 1 p.m. (Luxembourg time) on the Valuation Day in order to be dealt with on the basis of the Net Asset Value per Share calculated on that Valuation Day. Any applications received after the applicable deadline will be deemed to be received on the next Valuation Day.

Payment for redeemed Shares has to be made no later than three Business Days after the relevant Valuation Day.

If, in exceptional circumstances, the liquidity of the Sub-Fund is insufficient to enable redemption proceeds to be paid within that period, or if there are other reasons, such as exchange controls or other regulations which delay payment, payment will be made as soon as reasonably practicable thereafter, but without interest.

## **11. Conversions**

Investors may request conversions of their Shares from one Class to another of the same Sub-Fund or to Shares of another Sub-Fund.

Applications must be received by the Registrar and Transfer Agent no later than 1 p.m. (Luxembourg time) on the relevant Valuation Days in both applicable Sub-Funds/Classes. Any applications received after the application deadline will be processed in respect of the next Valuation Day.

### ***Swing Pricing***

The Net Asset Value of the Sub-Fund may be adjusted up or down using the pricing adjustment rates. Further information on the pricing adjustment is set out in Section 10.1. "Calculation of Net Asset Value", paragraph "Swing Pricing" of the general part of the Prospectus.

## **12. Historical Performance**

Information on the historical performance of the Sub-Fund is disclosed in the relevant KID, if available.

## **13. Dividends**

At the date of this Prospectus, both Capital-accumulation Shares (ACC) and Distribution Shares (DIS) may be issued in relation to this Sub-Fund.

## **14. Specific risk warnings**

Investors are advised to carefully consider the following sub-fund specific risks of investing in the Sub-Fund.

- Market Risk
- Foreign Exchange Risk and Currency Hedging Risk
- Equity Investment Risk
- Liquidity Risk
- Counterparty Risk
- Emerging Markets Risk
- Frontier Markets Risk
- Chinese Markets Risk
- Political and Country Risks
- Regulatory Risk
- Operational Risk
- ESG Risk

For a complete description of all the risks for the Sub-Fund that the Company is aware of, please refer to the Section 4. "Risk considerations" in the general part of the Prospectus.

## ANNEX TO SUB-FUND PARTICULAR 4

### Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of SFDR and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: SKAGEN Kon-Tiki Lux

Legal entity identifier:  
549300M1OTD2JQUZEZ51

## 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 include 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?	
<input checked="" type="radio"/> <input checked="" type="radio"/> <input type="radio"/> Yes	<input type="radio"/> <input checked="" type="radio"/> <input checked="" type="radio"/> No
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective</b> : ___% <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul>	<input type="checkbox"/> It promotes <b>Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul>
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective</b> : ___%	<input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>



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

The Sub-Fund does not promote specific environmental and/or social characteristic but rather a global ESG integration strategy.

The Sub-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 Sub-Fund also promotes the consideration of certain principal adverse impact ("PAI") 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.

- ***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 uses 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 pillar incorporates material PAI considerations for each investment case, with a corresponding traffic light indicator denoting relative ESG risks of the investment at hand. The fourth pillar uses active ownership figures from the voting and engagement activities with investee companies.

- ***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 Sub-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 Sub-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?



Yes,

The Sub-Fund considers PAI 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. 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.



No



## What investment strategy does this financial product follow?

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

The Sub-Investment Manager is required to communicate all potential investments to the ESG team of the Sub-Investment Manager for approval. The ESG team of the Sub-Investment Manager will conduct a screening process (negative screening) to control whether the potential investments aligns with the exclusion criteria of the Sub-Investment Manager's sustainable investment policy (entity level) which aligns with the broader Storebrand Asset Management Sustainable Investment Policy at group level. If the investment in a company is deemed to be in violation with the exclusion criteria (at entity-level and at group level), the Sub-Fund cannot invest in that company and the potential investment will be rejected in the screening phase. Moreover, the Sub-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 Sub-Investment Manager's exclusion criteria.

Secondly, the Sub-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, where short-term results and the extent of engagement increases in step change with the level of risk. 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. The portfolio manager must also articulate financial considerations that have been made on the back of the ESG profile of the investment at hand. Investments with ESG risks that fail to be mitigated following escalation strategies, will be excluded as it will be deemed a thesis violation.

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

### ● *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 below are binding elements, and are applied throughout the investment process:

negative screening and control of potential investments (environmental, social and governance characteristics are collected, measured, and assessed);

enhanced due diligence of climate risk of companies in high emitting industries;

- ESG integration through dedicated factsheets: 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; and

- active ownership with holdings: this is a lever that is deployed by the Sub-Fund to work for factor improvement over time. Quarterly checks and controls are conducted on the holdings in the Sub-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. These exclusion criteria are divided into conduct-based norm breaches and non-conduct-based-norm-breaches. More covert factors pertain to financial propositions that do not align with the investment philosophy of the product.

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

The Sub-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.

**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.

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

In theory, all of the Sub-Fund's assets under management should be aligned with E/S characteristics as all companies that are selected and invested in by the Sub-Fund are subject to the ESG integration strategy. Residual capital in the Sub-Fund can however de-facto be categorized as 'other' due to cash position of the Sub-Fund. But, at a minimum, it should be expected that more than 95% of the capital allocation in the Sub-Fund will fall into the category "#1 Aligned with E/S characteristics". The minimum indication might 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.

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.



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

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



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

The Sub-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 Sub-Fund's investments has therefore not been calculated and has as result been deemed to constitute 0% of the Sub-Fund's portfolio.

### Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>6</sup>?

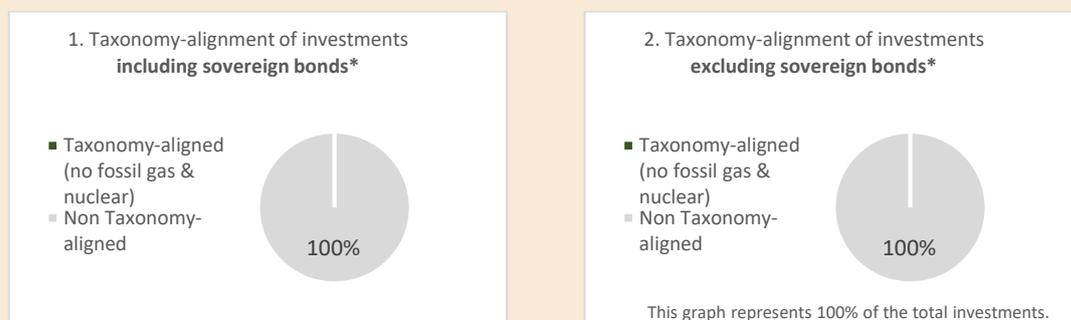
Yes  
 In fossil gas     In nuclear energy  
 No

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.

**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 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.



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

### What is the minimum share of investments in transitional and enabling activities?

0%



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 Sub-Fund has no commitment to invest in sustainable investments.



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

N/A as the Sub-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 Sub-Fund can however de-facto be categorized as 'other' due to cash position of the Sub-Fund.

<sup>6</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.



## 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 Sub-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 product-specific information can be found on the website:**

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

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

**SUB-FUND PARTICULAR 5  
SKAGEN FOCUS LUX**

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**1. Name of the Sub-Fund**

SKAGEN FOCUS LUX (the "Sub-Fund")

**2. Base Currency**

EUR

**3. Investment objective and policy**

*Investment Objective*

The Sub-Fund's objective is to provide its Shareholders with the best possible long term risk adjusted return, through an actively managed portfolio of global equities.

*Investment Policy*

The Sub-Fund is an actively managed Sub-Fund with a global investment mandate. The Sub-Fund's strategy is to find undervalued companies with a contrarian based investment approach, in combination with the identification of clear catalysts for re-valuation with an average 2-3 year investment horizon. Positions in the Sub-Fund are established on the basis of fundamental company analysis. In order to diversify risk exposures, the Sub-Fund seeks to invest in a sensible composition of companies by identifying fundamental risk factors and which are measured, monitored and balanced against each other.

The Sub-Fund seeks to invest in a portfolio composed of a majority of small and medium-sized companies although the Sub-Fund may invest across a range of market capitalisations without any capitalisation restriction.

Investments in Chinese equities include, but are not limited to, China A-Shares and China B-shares (and such other securities as may be available) listed on stock exchanges in the PRC. The Sub-Fund may directly invest in China A-Shares through the Shanghai-Hong Kong Stock Connect and/or the Shenzhen-Hong Kong Stock Connect, subject to applicable quota limitations.

In order to achieve its investment objective, the Sub-Fund may also invest up to 10 % of its net assets in UCITS and other UCIs.

*Sustainability considerations*

**For information with respect to the ESG policy pursued by the Sub-Fund and its promoted environmental and/or social characteristics, please refer to the SFDR Annex to this Sub-Fund Particular 5 below which forms an integral part of this investment policy and which provides the pre-contractual disclosures information as per SFDR-RTS.**

### ***Deposits***

The Sub-Fund may also invest in deposits (within the meaning of Section 23.1., point (I)(1) f) of this Prospectus) with credit institutions.

### ***Money Market Instrument***

The Sub-Fund may also invest in Money Market Instruments.

### ***Financial derivative instruments***

The Sub-Fund may only use financial derivative instruments for efficient portfolio management purposes.

### ***Ancillary liquid assets***

The Sub-Fund may invest up to 20% of its Net Asset Value in ancillary liquid assets (i.e. bank deposits at sight, such as cash held in current accounts with a bank accessible at any time). Under exceptionally unfavourable market conditions and if justified in the interest of the shareholders, the Sub-Fund may temporarily exceed the aforementioned limit for investment in ancillary liquid assets and other liquid instruments.

### ***Benchmark***

MSCI All Countries World Daily Net (EUR) (NDEEWNR Index)

The Sub-Fund is actively managed in reference to its benchmark index, which is used for performance comparison and for the purpose of calculating the performance fee payable to the Sub-Investment Manager.

The benchmark is chosen to represent the investable universe for the Sub-Fund. The weightings of securities held in the Sub-Fund will typically deviate significantly from benchmark weightings. In addition, the Sub-Investment Manager can take large positions in securities which are not in the benchmark if they identify a specific investment opportunity. This will result in the Sub-Fund having a high tracking error (typically over 4%).

## **4. Investment Manager and Sub-Investment Manager**

The Investment Manager of the Sub-Fund is Storebrand Asset Management AS.

The Investment Manager has in turn delegated the investment management of the Sub-Fund to Skagen AS, an entity incorporated under law of Norway, regulated and subject to prudential supervision by Finanstilsynet, the Norwegian supervisory authority.

## 5. Profile of the typical investor

The Sub-Fund may be appropriate for investors who:

- Given the nature of non-complex UCITS funds: retail, professional clients and eligible counterparties.
- Clients with basic capital markets knowledge or experience (about funds' characteristics and risks).
- Clients that can bear to lose invested capital.
- Depending on the duration of the product, the UCITS fund may be suitable for clients who seek capital growth and have a long-term investment horizon (at least 5 years).
- This product is deemed incompatible for clients which:
  - o require full capital protection and / or seeking on-demand full repayment of the amounts invested,
  - o are fully risk averse/have no risk tolerance.

## 6. Fees and expenses

The Investment Management Fees detailed in the table below shall be calculated as a percentage of the applicable Net Asset Value per Share Class. The other charges detailed in the table below shall be calculated as a percentage of the investment amounts.

<b>Class of Shares</b>	Class A	Class B	Class H	Class I
<b>Investment Management Fee</b>	1.5 % per annum	0.60% per annum	0.55% per annum	0.45% per annum
<b>Performance Fee</b>	N/A	10%	10%	10%
<b>Performance Fee Cap</b>	N/A	2.40%	1.45%	1.55%

## 7. Management fee and Performance Fee

### *Overview*

The Sub-Investment Manager is also entitled to a performance fee (the "Performance Fee"), which shall be accrued in respect of the Shares of each Class, which are subject to a Performance Fee (as indicated

in the table above) in issue during a Performance Fee Period (as defined below). Such Performance Fee will be accrued daily and calculated based on a daily return but will only become payable at the end of the relevant Performance Fee Period or *pro rata* upon redemption of the Shares.

A Performance Fee accrual is calculated on a daily basis, after consideration of all other payments out of the Net Asset Value of the Sub-Fund, at the rate reflected for each Class in the table above of the daily return of the Sub-Fund above the Benchmark (as defined below). If the daily return of the Sub-Fund is below the daily Benchmark return, such underperformance will be offset against the Performance Fee accrual, if any, for that Performance Fee Period. To the extent that no Performance Fee is accrued during a Performance Fee Period, the corresponding underperformance (the "Underperformance Carry Forward") shall offset any subsequent Performance Fee accruals during the next Performance Fee Period so that the Sub-Investment Manager shall not be entitled to a Performance Fee until such Underperformance Carry Forward is offset by subsequent Performance Fee accruals. The underperformance is therefore carried forward indefinitely (during the whole life of the Sub-Fund) until offset by subsequent outperformance.

**A Performance Fee could however become payable in case of negative Sub-Fund performance, provided that the Sub-Fund outperformed the Benchmark over the relevant Performance Fee Period.**

In the event of a subscription of Shares prior to the end of a Performance Fee Period, the total amount of the Performance Fee accrual will not be affected by such subscription. However, the Performance Fee accrual per Share will be diluted to reflect the increase in the number of Shares outstanding. A subscription of Shares will have a corresponding effect on the Underperformance Carry Forward per Share.

In the event of a redemption of Shares prior to the end of a Performance Fee Period, if there is a Performance Fee accrual, such reduction will equal the amount of accrued Performance Fee crystallized. Any such crystallised Performance Fee relating to a redemption of Shares shall be paid to the Sub-Investment Manager in arrears within 14 days from the end of the relevant month in which the redemption occurred. If the performance was negative, such redemption will have a similar effect and reduce, *pro rata*, the Underperformance Carry Forward.

At the end of the Performance Fee Period (on the last Valuation Day in December) and in the event that a Performance Fee is payable, the accrued Performance Fee is 'crystallised' and the Performance Fee accrual is reset to 0. Such crystallised Performance Fee shall be payable to the Sub-Investment Manager in arrears within 14 days of the end of each Performance Fee Period.

A Performance Fee cap for the relevant Class, based on the average Net Asset Value, is applied to the Performance Fee which means that any Performance Fee that is payable cannot exceed the cap indicated for the relevant Class in the table above in section 6. "Fees and Expenses".

The benchmark for the purpose of this Performance Fee calculation is the MSCI All Countries World Daily Net (EUR) (BB Ticker: NDEEWN Index). The benchmark will be converted into the Reference Currency of the Class (if unhedged) on each Valuation Day.

### ***Performance Fee Periods***

The performance reference period is equal to the whole life of the Sub-Fund as underperformance is carried forward indefinitely until offset by subsequent outperformance.

The "Performance Fee Period":

The first performance fee crystallisation period at the end of which any accrued Performance Fee is crystallised for any Share that is issued after the last Valuation Day in December will be the period commencing on the effective date of such issuance and ending on the last Valuation Day of the following year's December, as the case may be. After the first Performance Fee Period, the Performance Fee Period will start each year on the first Valuation Day in January and will end on the last Valuation Day in December. The last Performance Fee Period regarding a Share that is redeemed as of any date other than the last Valuation Day in December will be the period commencing upon the termination of the prior Performance Fee Period for such Share and ending on the effective date of such redemption.

For the avoidance of doubt, the first Net Asset Value per Share in respect of the First Performance Fee Period shall be the initial offer price per Share of each Class during any initial offer period.

If the Investment Management Agreement is terminated before the last Valuation Day in December in any year, the Performance Fee in respect of the applicable Performance Period will be calculated and paid as if the date of termination were the end of the relevant Performance Period.

In the case of the liquidation or merger of the Sub-Fund or the relevant Class, the Performance Fee will be paid on the last day the Net Asset Value is calculated before its liquidation or merger.

Where a Performance Fee is payable it shall be calculated upon the relative outperformance of the Net Asset Value per Share during the Performance Fee Period against the Benchmark. As a consequence, net realised and unrealised capital gains and net realised and unrealised capital losses will be included in the Performance Fee calculation as of the end of the Performance Fee Period. As a result, a Performance Fee may be paid on unrealised gains, which may subsequently never be realised.

In the event of a redemption of Shares prior to the end of a Performance Fee Period, the crystallization of part of the accrued Performance Fee resulting from such redemption of Shares may under certain circumstances cause a Performance Fee to be paid on unrealised gains which may subsequently never be realised by the non-redeeming Shareholders at the end of the Performance Fee Period.

Subscriptions of Shares will have the effect of diluting the Performance Fee accrual among all the Shares (including the newly subscribed Shares). Accordingly, if there is a Performance Fee accrual before the subscription, the existing Shares will benefit from a lower Performance Fee accrual per Share after the subscription. Reciprocally, if there is an Underperformance Carry Forward, the initial Shares will be allocated a lower Underperformance Carry Forward per Share after such subscription.

The Performance Fee is calculated by the Administration Agent.

**Please refer to Appendix II to this Prospectus for performance fee calculation examples.**

## **8. Business Day/Valuation Day/Net Asset Value calculation**

With respect to this Sub-Fund, a Business Day means any full day on which banks are open for normal business banking in Luxembourg.

The Net Asset Value per Share of each Class will be calculated on each Business Day (the "Valuation Day").

## **9. Subscription**

Shares will be issued at a price based on the Net Asset Value per Share calculated on the relevant Valuation Day increased.

Applications must be received by the Registrar and Transfer Agent no later than 1 p.m. (Luxembourg time) on the Valuation Day in order to be dealt with on the basis of the Net Asset Value per Share calculated on that Valuation Day. Any applications received after the applicable deadline will be deemed to be received on the next Valuation Day.

Payment for subscribed Shares must be received in the Company's cash-account at the latest two Business Days following the relevant Valuation Day.

## **10. Redemption**

Shares will be redeemed at a price based on the Net Asset Value per Share calculated on the relevant Valuation Day.

Applications must be received by the Registrar and Transfer Agent no later than 1 p.m. (Luxembourg time) on the Valuation Day in order to be dealt with on the basis of the Net Asset Value per Share calculated on that Valuation Day. Any applications received after the applicable deadline will be deemed to be received on the next Valuation Day.

Payment for redeemed Shares has to be made no later than two Business Days after the relevant Valuation Day.

If, in exceptional circumstances, the liquidity of the Sub-Fund is insufficient to enable redemption proceeds to be paid within that period, or if there are other reasons, such as exchange controls or other regulations which delay payment, payment will be made as soon as reasonably practicable thereafter, but without interest.

## **11. Conversions**

Investors may request conversions of their Shares from one Class to another of the same Sub-Fund or to Shares of another Sub-Fund.

Applications must be received by the Registrar and Transfer Agent no later than 1 p.m. (Luxembourg time) on the relevant Valuation Days in both applicable Sub-Funds/Classes. Any applications received after the application deadline will be processed in respect of the next Valuation Day.

### ***Swing Pricing***

The Net Asset Value of the Sub-Fund may be adjusted up or down using the pricing adjustment rates. Further information on the pricing adjustment is set out in Section 10.1. "Calculation of Net Asset Value", paragraph "Swing Pricing" of the general part of the Prospectus.

### **12. Historical Performance**

Information on the historical performance of the Sub-Fund is disclosed in the relevant KID, if available.

### **13. Dividends**

At the date of this Prospectus, both Capital-accumulation Shares (ACC) and Distribution Shares (DIS) may be issued in relation to this Sub-Fund.

### **14. Specific risk warnings**

Investors are advised to carefully consider the following sub-fund specific risks of investing in the Sub-Fund.

- Market Risk
- Foreign Exchange Risk and Currency Hedging Risk
- Equity Investment Risk
- Liquidity Risk
- Counterparty Risk
- Risk associated with Small-Capitalisation / Mid-Capitalisation Companies
- Political and Country Risks
- Regulatory Risk
- Operational Risk
- ESG Risk

For a complete description of all the risks for the Sub-Fund that the Company is aware of, please refer to the Section 4. "Risk considerations" in the general part of the Prospectus.

## ANNEX TO SUB-FUND PARTICULAR 5

### Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of SFDR and Article 6, first paragraph, of Regulation (EU) 2020/852

**Product name:** SKAGEN Focus Lux

**Legal entity identifier:**  
549300MN86F3SKO08H36

## 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 include 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?	
<input checked="" type="radio"/> <input checked="" type="radio"/> <input type="checkbox"/> <b>Yes</b>	<input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> <b>No</b>
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective:</b> ___% <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul>	<input type="checkbox"/> It promotes <b>Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul>
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective:</b> ___%	<input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>

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

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The Sub-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 Sub-Fund also promotes the consideration of certain principal adverse impact ("PAI") 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.

● ***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 uses 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 pillar incorporates material PAI considerations for each investment case, with a corresponding traffic light indicator denoting relative ESG risks of the investment at hand. The fourth pillar uses active ownership figures from the voting and engagement activities with investee companies.

● ***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 Sub-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 Sub-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.*

### **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.



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



Yes,

The Sub-Fund considers PAI 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. 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.



No



## What investment strategy does this financial product follow?

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

The Sub-Investment Manager is required to communicate all potential investments to the ESG team of the Sub-Investment Manager for approval. The ESG team of the Sub-Investment Manager will conduct a screening process (negative screening) to control whether the potential investments aligns with the exclusion criteria of the Sub-Investment Manager's sustainable investment policy (entity level) which aligns with the broader Storebrand Asset Management Sustainable Investment Policy at group level. If the investment in a company is deemed to be in violation with the exclusion criteria (at entity-level and at group level), the Sub-Fund cannot invest in that company and the potential investment will be rejected in the screening phase. Moreover, the Sub-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 Sub-Investment Manager's exclusion criteria.

Secondly, the Sub-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, where short-term results and the extent of engagement increases in step change with the level of risk. 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. The portfolio manager must also articulate financial considerations that have been made on the back of the ESG profile of the investment at hand. Investments with ESG risks that fail to be mitigated following escalation strategies, will be excluded as it will be deemed a thesis violation.

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

### ● *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 below are binding elements, and are applied throughout the investment process:

- negative screening and control of potential investments (environmental, social and governance characteristics are collected, measured, and assessed);
- enhanced due diligence of climate risk of companies in high emitting industries;
- ESG integration through dedicated factsheets: 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; and

- active ownership with holdings: this is a lever that is deployed by the Sub-Fund to work for factor improvement over time. Quarterly checks and controls are conducted on the holdings in the Sub-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. These exclusion criteria are divided into conduct-based norm breaches and non-conduct-based-norm-breaches. More covert factors pertain to financial propositions that do not align with the investment philosophy of the product.

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

The Sub-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.

**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.

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

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



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

The Sub-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 Sub-Fund's investments has therefore not been calculated and has as result been deemed to constitute 0% of the Sub-Fund's portfolio.

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.

**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 corresponding to the best performance.

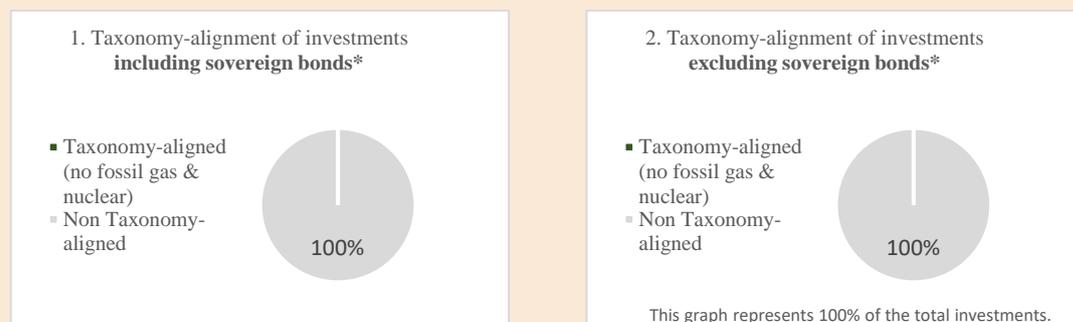
### Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>7</sup>?

Yes

In fossil gas     In nuclear energy

No

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.



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

### What is the minimum share of investments in transitional and enabling activities?

0%



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

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



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

N/A as the Sub-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 Sub-Fund can however de-facto be categorized as 'other' due to cash position of the Sub-Fund.



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

<sup>7</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.



## 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 Sub-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 product-specific information can be found on the website:**

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

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

**SUB-FUND PARTICULAR 6**  
**SKAGEN GLOBAL LUX**

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**1. Name of the Sub-Fund**

SKAGEN GLOBAL LUX (the "Sub-Fund")

**2. Base Currency**

EUR

**3. Investment objective and policy**

*Investment Objective*

The Sub-Fund's objective is to provide Shareholders with the best possible return for the risk taken by the Sub-Fund, through an actively managed portfolio of global equities.

*Investment Policy*

The Sub-Fund is an actively managed Sub-Fund with a global investment mandate. The Sub-Fund's strategy is to invest in undervalued companies in relation to which the Sub-Investment Manager can identify clear catalysts for their true value to be realised. In order to reduce risk, the Sub-Fund shall seek to maintain a reasonable balance between geographical regions and industrial sectors. The Sub-Fund has normally a long investment horizon, and attaches greater value to fundamentals than to short-term trends in the market.

The Sub-Fund may invest across a range of market capitalisations without any capitalisation restriction.

Investments in Chinese equities include, but are not limited to, China A-Shares and China B-shares (and such other securities as may be available) listed on stock exchanges in the PRC. The Sub-Fund may directly invest in China A-Shares through the Shanghai-Hong Kong Stock Connect and/or the Shenzhen-Hong Kong Stock Connect, subject to applicable quota limitations.

In order to achieve its investment objective, the Sub-Fund may also invest up to 10% of its net assets in UCITS and other UCIs.

*Sustainability considerations*

**For information with respect to the ESG policy pursued by the Sub-Fund and its promoted environmental and/or social characteristics, please refer to the SFDR Annex to this Sub-Fund Particular 6 below which forms an integral part of this investment policy and which provides the pre-contractual disclosures information as per the SFDR-RTS.**

*Deposits*

The Sub-Fund may also invest in deposits (within the meaning of Section 23.1., point (I)(1) f) of this Prospectus) with credit institutions.

### ***Money Market Instrument***

The Sub-Fund may also invest in Money Market Instruments.

### ***Financial derivative instruments***

The Sub-Fund may only use financial derivative instruments for efficient portfolio management purposes.

### ***Ancillary liquid assets***

The Sub-Fund may invest up to 20% of its Net Asset Value in ancillary liquid assets (i.e. bank deposits at sight, such as cash held in current accounts with a bank accessible at any time). Under exceptionally unfavourable market conditions and if justified in the interest of the shareholders, the Sub-Fund may temporarily exceed the aforementioned limit for investment in ancillary liquid assets and other liquid instruments.

### ***Benchmark***

MSCI All Countries World Daily Net (EUR) (NDEEWNR Index)

The Sub-Fund is actively managed in reference to its benchmark, which is used for performance comparison purposes and for the purpose of calculating the performance fee payable to the Sub-Investment Manager. The benchmark is chosen to represent the investable universe for the Sub-Fund. The weightings of securities held in the Sub-Fund will typically deviate significantly from benchmark weightings. In addition, the Sub-Investment Manager can take large positions in securities which are not in the benchmark if they identify a specific investment opportunity. This will result in the Sub-Fund having a high tracking error (typically over 4%).

## **4. Investment Manager and Sub-Investment Manager**

The Investment Manager of the Sub-Fund is Storebrand Asset Management AS.

The Investment Manager has in turn delegated the investment management of the Sub-Fund to Skagen AS, an entity incorporated under law of Norway, regulated and subject to prudential supervision by Finanstilsynet, the Norwegian supervisory authority.

## **5. Profile of the typical investor**

The Sub-Fund may be appropriate for investors who:

- Given the nature of non-complex UCITS funds: retail, professional clients and eligible counterparties.
- Clients with basic capital markets knowledge or experience (about funds' characteristics and risks).
- Clients that can bear to lose invested capital.

- Depending on the duration of the product, the UCITS fund may be suitable for clients who seek capital growth and have a long-term investment horizon (at least 5 years).
- This product is deemed incompatible for clients which:
  - o require full capital protection and / or seeking on-demand full repayment of the amounts invested,
  - o are fully risk averse/have no risk tolerance.

## 6. Fees and expenses

The Investment Management Fees detailed in the table below shall be calculated as a percentage of the applicable Net Asset Value per Share Class. The other charges detailed in the table below shall be calculated as a percentage of the investment amounts.

<b>Class of Shares</b>	Class A	Class B	Class H	Class I
<b>Investment Management Fee</b>	1.5 % per annum	0.55% per annum	0.55% per annum	0.45% per annum
<b>Performance Fee</b>	N/A	10%	N/A	N/A
<b>Performance Fee Cap</b>	N/A	2.45%	N/A	N/A

## 7. Management fee and Performance Fee

### *Overview*

The Sub-Investment Manager is also entitled to a performance fee (the "Performance Fee"), which shall be accrued in respect of the Shares of each Class, which are subject to a Performance Fee (as indicated in the table above) in issue during a Performance Fee Period (as defined below). Such Performance Fee will be accrued daily and calculated based on a daily return but will only become payable at the end of the relevant Performance Fee Period or *pro rata* upon redemption of the Shares.

A Performance Fee accrual is calculated on a daily basis, after consideration of all other payments out of the Net Asset Value of the Sub-Fund, at the rate reflected for each Class in the table above of the daily return of the Sub-Fund above the Benchmark (as defined below). If the daily return of the Sub-Fund is below the daily Benchmark return, such underperformance will be offset against the Performance Fee accrual, if any, for that Performance Fee Period. To the extent that no Performance Fee is accrued during a Performance Fee Period, the corresponding underperformance (the "Underperformance Carry Forward") shall offset any subsequent Performance Fee accruals during the

next Performance Fee Period so that the Sub-Investment Manager shall not be entitled to a Performance Fee until such Underperformance Carry Forward is offset by subsequent Performance Fee accruals. The underperformance is therefore carried forward indefinitely (during the whole life of the Sub-Fund) until offset by subsequent outperformance.

**A Performance Fee could however become payable in case of negative Sub-Fund performance, provided that the Sub-Fund outperformed the Benchmark over the relevant Performance Fee Period.**

In the event of a subscription of Shares prior to the end of a Performance Fee Period, the total amount of the Performance Fee accrual will not be affected by such subscription. However, the Performance Fee accrual per Share will be diluted to reflect the increase in the number of Shares outstanding. A subscription of Shares will have a corresponding effect on the Underperformance Carry Forward per Share.

In the event of a redemption of Shares prior to the end of a Performance Fee Period, if there is a Performance Fee accrual, such reduction will equal the amount of accrued Performance Fee crystallized. Any such crystallised Performance Fee relating to a redemption of Shares shall be paid to the Sub-Investment Manager in arrears within 14 days from the end of the relevant month in which the redemption occurred. If the performance was negative, such redemption will have a similar effect and reduce, *pro rata*, the Underperformance Carry Forward.

At the end of the Performance Fee Period (on the last Valuation Day in December) and in the event that a Performance Fee is payable, the accrued Performance Fee is 'crystallised' and the Performance Fee accrual is reset to 0. Such crystallised Performance Fee shall be payable to the Sub-Investment Manager in arrears within 14 days of the end of each Performance Fee Period.

A Performance Fee cap for the relevant Class, based on the average Net Asset Value, is applied to the Performance Fee which means that any Performance Fee that is payable cannot exceed the cap indicated for the relevant Class in the table above in section 6. "Fees and Expenses".

The benchmark for the purpose of this Performance Fee calculation is the MSCI All Countries World Daily Net (EUR) (BB Ticker: NDEEWN Index). The benchmark will be converted into the Reference Currency of the Class (if unhedged) on each Valuation Day.

### ***Performance Fee Periods***

The performance reference period is equal to the whole life of the Sub-Fund as underperformance is carried forward indefinitely until offset by subsequent outperformance.

The "Performance Fee Period":

The first performance fee crystallisation period at the end of which any accrued Performance Fee is crystallised for any Share that is issued after the last Valuation Day in December will be the period commencing on the effective date of such issuance and ending on the last Valuation Day of the following year's December, as the case may be. After the first Performance Fee Period, the Performance Fee Period will start each year on the first Valuation Day in January and will end on the last Valuation Day in December. The last Performance Fee Period regarding a Share that is redeemed as of any date

other than the last Valuation Day in December will be the period commencing upon the termination of the prior Performance Fee Period for such Share and ending on the effective date of such redemption.

For the avoidance of doubt, the first Net Asset Value per Share in respect of the First Performance Fee Period shall be the initial offer price per Share of each Class during any initial offer period.

If the Investment Management Agreement is terminated before the last Valuation Day in December in any year, the Performance Fee in respect of the applicable Performance Period will be calculated and paid as if the date of termination were the end of the relevant Performance Period.

In the case of the liquidation or merger of the Sub-Fund or the relevant Class, the Performance Fee will be paid on the last day the Net Asset Value is calculated before its liquidation or merger.

Where a Performance Fee is payable it shall be calculated upon the relative outperformance of the Net Asset Value per Share during the Performance Fee Period against the Benchmark. As a consequence, net realised and unrealised capital gains and net realised and unrealised capital losses will be included in the Performance Fee calculation as of the end of the Performance Fee Period. As a result, a Performance Fee may be paid on unrealised gains, which may subsequently never be realised.

In the event of a redemption of Shares prior to the end of a Performance Fee Period, the crystallization of part of the accrued Performance Fee resulting from such redemption of Shares may under certain circumstances cause a Performance Fee to be paid on unrealised gains which may subsequently never be realised by the non-redeeming Shareholders at the end of the Performance Fee Period.

Subscriptions of Shares will have the effect of diluting the Performance Fee accrual among all the Shares (including the newly subscribed Shares). Accordingly, if there is a Performance Fee accrual before the subscription, the existing Shares will benefit from a lower Performance Fee accrual per Share after the subscription. Reciprocally, if there is an Underperformance Carry Forward, the initial Shares will be allocated a lower Underperformance Carry Forward per Share after such subscription.

The Performance Fee is calculated by the Administration Agent.

**Please refer to Appendix II to this Prospectus for performance fee calculation examples.**

#### **8. Business Day/Valuation Day/Net Asset Value calculation**

With respect to this Sub-Fund, a Business Day means any full day on which banks are open for normal business banking in Luxembourg.

The Net Asset Value per Share of each Class will be calculated on each Business Day (the "Valuation Day").

#### **9. Subscription**

Shares will be issued at a price based on the Net Asset Value per Share calculated on the relevant Valuation Day.

Applications must be received by the Registrar and Transfer Agent no later than 1 p.m. (Luxembourg time) on the Valuation Day in order to be dealt with on the basis of the Net Asset Value per Share calculated on that Valuation Day. Any applications received after the applicable deadline will be deemed to be received on the next Valuation Day.

Payment for subscribed Shares must be received in the Company's cash-account at the latest two Business Days following the relevant Valuation Day.

## **10. Redemption**

Shares will be redeemed at a price based on the Net Asset Value per Share calculated on the relevant Valuation Day.

Applications must be received by the Registrar and Transfer Agent no later than 1 p.m. (Luxembourg time) on the Valuation Day in order to be dealt with on the basis of the Net Asset Value per Share calculated on that Valuation Day. Any applications received after the applicable deadline will be deemed to be received on the next Valuation Day.

Payment for redeemed Shares has to be made no later than two Business Days after the relevant Valuation Day.

If, in exceptional circumstances, the liquidity of the Sub-Fund is insufficient to enable redemption proceeds to be paid within that period, or if there are other reasons, such as exchange controls or other regulations which delay payment, payment will be made as soon as reasonably practicable thereafter, but without interest.

## **11. Conversions**

Investors may request conversions of their Shares from one Class to another of the same Sub-Fund or to Shares of another Sub-Fund.

Applications must be received by the Registrar and Transfer Agent no later than 1 p.m. (Luxembourg time) on the relevant Valuation Days in both applicable Sub-Funds/Classes. Any applications received after the application deadline will be processed in respect of the next Valuation Day.

### ***Swing Pricing***

The Net Asset Value of the Sub-Fund may be adjusted up or down using the pricing adjustment rates. Further information on the pricing adjustment is set out in Section 10.1. "Calculation of Net Asset Value", paragraph "Swing Pricing" of the general part of the Prospectus.

## **12. Historical Performance**

Information on the historical performance of the Sub-Fund is disclosed in the relevant KID, if available.

### **13. Dividends**

At the date of this Prospectus, both Capital-accumulation Shares (ACC) and Distribution Shares (DIS) may be issued in relation to this Sub-Fund.

### **14. Specific risk warnings**

Investors are advised to carefully consider the following sub-fund specific risks of investing in the Sub-Fund.

- Market Risk
- Foreign Exchange Risk and Currency Hedging Risk
- Equity Investment Risk
- Liquidity Risk
- Counterparty Risk
- Political and Country Risks
- Regulatory Risk
- Operational Risk
- ESG Risk

For a complete description of all the risks for the Sub-Fund that the Company is aware of, please refer to the Section 4. "Risk considerations" in the general part of the Prospectus.

## ANNEX TO SUB-FUND PARTICULAR 6

### Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of SFDR and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: SKAGEN Global Lux

Legal entity identifier:  
549300ERI1ZHBB7ZII56

## 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 include 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

- |   |   |
|---|---|
| <p><input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective</b>: ___%</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> <p><input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective</b>: ___%</p> | <p><input type="checkbox"/> It promotes <b>Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul> <p><input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b></p> |
|---|---|



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

The Sub-Fund does not promote specific environmental and/or social characteristic but rather a global ESG integration strategy.

The Sub-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 Sub-Fund also promotes the consideration of certain principal adverse impact ("PAI") 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.

● ***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 uses 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 pillar incorporates material PAI considerations for each investment case, with a corresponding traffic light indicator denoting relative ESG risks of the investment at hand. The fourth pillar uses active ownership figures from the voting and engagement activities with investee companies.

● ***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 Sub-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 Sub-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?

Yes,

The Sub-Fund considers PAI 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. 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.

No



## What investment strategy does this financial product follow?

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

The Sub-Investment Manager is required to communicate all potential investments to the ESG team of the Sub-Investment Manager for approval. The ESG team of the Sub-Investment Manager will conduct a screening process (negative screening) to control whether the potential investments aligns with the exclusion criteria of the Sub-Investment Manager's sustainable investment policy (entity level) which aligns with the broader Storebrand Asset Management Sustainable Investment Policy at group level. If the investment in a company is deemed to be in violation with the exclusion criteria (at entity-level and at group level), the Sub-Fund cannot invest in that company and the potential investment will be rejected in the screening phase. Moreover, the Sub-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 Sub-Investment Manager's exclusion criteria.

Secondly, the SubInvestment 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, where short-term results and the extent of engagement increases in step change with the level of risk. 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. The portfolio manager must also articulate financial considerations that have been made on the back of the ESG profile of the investment at hand. Investments with ESG risks that fail to be mitigated following escalation strategies, will be excluded as it will be deemed a thesis violation.

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

### ● *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 below are binding elements, and are applied throughout the investment process:

- negative screening and control of potential investments (environmental, social and governance characteristics are collected, measured, and assessed);
- enhanced due diligence of climate risk of companies in high emitting industries;
- ESG integration through dedicated factsheets: 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; and

- active ownership with holdings: this is a lever that is deployed by the Sub-Fund to work for factor improvement over time. Quarterly checks and controls are conducted on the holdings in the Sub-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. These exclusion criteria are divided into conduct-based norm breaches and non-conduct-based-norm-breaches. More covert factors pertain to financial propositions that do not align with the investment philosophy of the product.

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

The Sub-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.

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



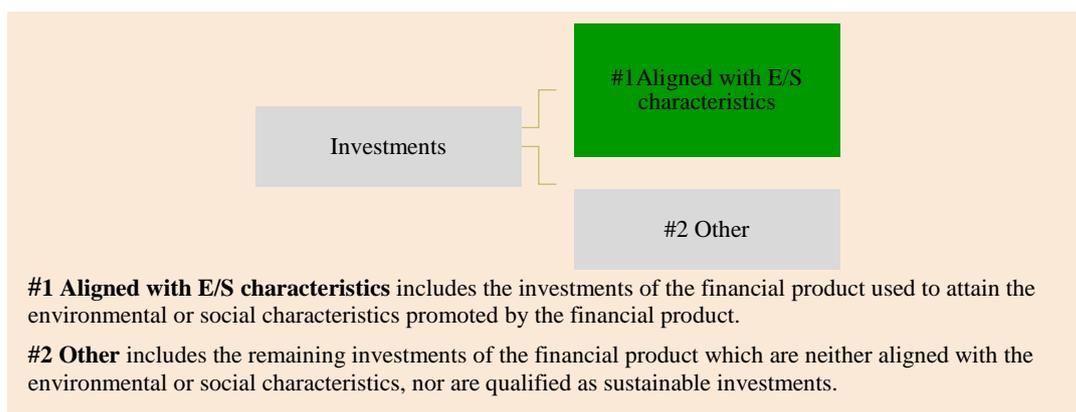
**Asset allocation** describes the share of investments in specific assets.

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.

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

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



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

The Sub-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 Sub-Fund's investments has therefore not been calculated and has as result been deemed to constitute 0% of the Sub-Fund's portfolio.

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.

**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 corresponding to the best performance.

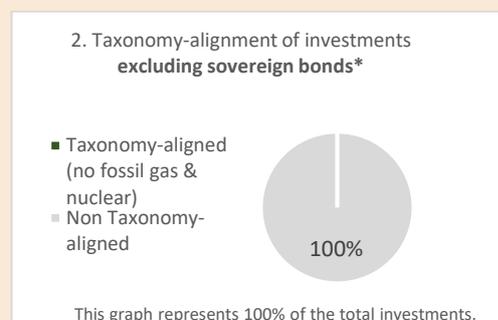
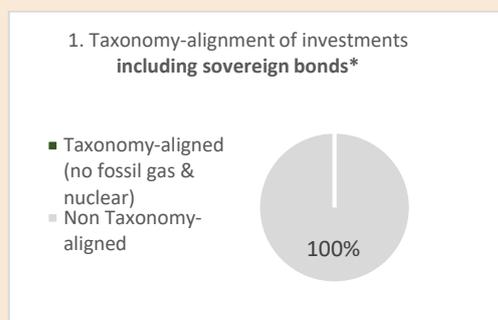
### Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>8</sup>?

Yes

In fossil gas  In nuclear energy

No

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.



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

### What is the minimum share of investments in transitional and enabling activities?

0%



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

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



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

N/A as the Sub-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 Sub-Fund can however de-facto be categorized as 'other' due to cash position of the Sub-Fund.



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

<sup>8</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.



**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 Sub-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 product-specific information can be found on the website:**

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

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

**SUB-FUND PARTICULAR 7**  
**SKAGEN m2 LUX**

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**1. Name of the Sub-Fund**

SKAGEN m2 LUX (the "Sub-Fund")

**2. Base Currency**

EUR

**3. Investment objective and policy**

*Investment Objective*

The Sub-Fund's objective is to provide its Shareholders 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.

*Investment Policy*

The Sub-Fund is an actively managed fund with a global investment mandate. The Sub-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 Sub-Fund shall seek to maintain a reasonable balance between geographical regions and sub-sectors within the real estate sector. The portfolio is typically composed of 35 core positions. The Sub-Fund has normally a long investment horizon, and attaches greater value to fundamentals than to short-term trends in the market.

The Sub-Fund may invest across a range of market capitalisations without any capitalisation restriction.

The Sub-Fund may invest its net assets in eligible closed-ended REITs or similar eligible vehicles.

Investments in Chinese equities include, but are not limited to, China A-Shares and China B-shares (and such other securities as may be available) listed on stock exchanges in the PRC. The Sub-Fund may directly invest in China A-Shares through the Shanghai-Hong Kong Stock Connect and/or the Shenzhen-Hong Kong Stock Connect, subject to applicable quota limitations.

In order to achieve its investment objective, the Sub-Fund may also invest up to 10% of its net assets in UCITS and other UCIs.

*Sustainability considerations*

**For information with respect to the ESG policy pursued by the Sub-Fund and its promoted environmental and/or social characteristics, please refer to the SFDR Annex to this Sub-Fund Particular 7 below which forms an integral part of this investment policy and which provides for the pre-contractual disclosures information as per the SFDR-RTS.**

### ***Deposits***

The Sub-Fund may also invest in deposits (within the meaning of Section 23.1., point (I)(1) f) of this Prospectus) with credit institutions.

### ***Money Market Instrument***

The Sub-Fund may also invest in Money Market Instruments.

### ***Financial derivative instruments***

The Sub-Fund may only use financial derivative instruments for efficient portfolio management purposes.

### ***Ancillary liquid assets***

The Sub-Fund may invest up to 20% of its Net Asset Value in ancillary liquid assets (i.e. bank deposits at sight, such as cash held in current accounts with a bank accessible at any time). Under exceptionally unfavourable market conditions and if justified in the interest of the shareholders, the Sub-Fund may temporarily exceed the aforementioned limit for investment in ancillary liquid assets and other liquid instruments.

### ***Benchmark***

MSCI ACWI Real Estate IMI Net Total Return Index.

The Sub-Fund is actively managed in reference to its benchmark, which is used for performance comparison and for the purpose of calculating the performance fee payable to the Sub-Investment Manager.

The benchmark is chosen to represent the investable universe for the Sub-Fund. The weightings of securities held in the Sub-Fund will typically deviate significantly from benchmark weightings. In addition, the Sub-Investment Manager can take large positions in securities which are not in the benchmark if they identify a specific investment opportunity. This will result in the Sub-Fund having a high tracking error (typically over 4%).

## **4. Investment Manager and Sub-Investment Manager**

The Investment Manager of the Sub-Fund is Storebrand Asset Management AS.

The Investment Manager has in turn delegated the investment management of the Sub-Fund to Skagen AS, an entity incorporated under law of Norway, regulated and subject to prudential supervision by Finanstilsynet, the Norwegian supervisory authority.

## 5. Profile of the typical investor

The Sub-Fund may be appropriate for investors who:

- Given the nature of non-complex UCITS funds: retail, professional clients and eligible counterparties.
- Clients with basic capital markets knowledge or experience (about funds' characteristics and risks).
- Clients that can bear to lose invested capital.
- Depending on the duration of the product, the UCITS fund may be suitable for clients who seek capital growth and have a long-term investment horizon (at least 5 years).
- This product is deemed incompatible for clients which:
  - o require full capital protection and / or seeking on-demand full repayment of the amounts invested,
  - o are fully risk averse/have no risk tolerance.

## 6. Fees and expenses

The Investment Management Fees detailed in the table below shall be calculated as a percentage of the applicable Net Asset Value per Share Class. The other charges detailed in the table below shall be calculated as a percentage of the investment amounts.

<b>Class of Shares</b>	Class A	Class B	Class H	Class I
<b>Investment Management Fee</b>	1.5 % per annum	0.60% per annum	0.55% per annum	0.45% per annum
<b>Performance Fee</b>	N/A	10%	10%	10%
<b>Performance Fee Cap</b>	N/A	2.40%	1.45%	1.55%

## 7. Management fee and Performance Fee

### *Overview*

The Sub-Investment Manager is also entitled to a performance fee (the "Performance Fee"), which shall be accrued in respect of the Shares of each Class, which are subject to a Performance Fee (as indicated in the table above) in issue during a Performance Fee Period (as defined below). Such Performance Fee

will be accrued daily and calculated based on a daily return but will only become payable at the end of the relevant Performance Fee Period or *pro rata* upon redemption of the Shares.

A Performance Fee accrual is calculated on a daily basis, after consideration of all other payments out of the Net Asset Value of the Sub-Fund, at the rate reflected for each Class in the table above of the daily return of the Sub-Fund above the Benchmark (as defined below). If the daily return of the Sub-Fund is below the daily Benchmark return, such underperformance will be offset against the Performance Fee accrual, if any, for that Performance Fee Period. To the extent that no Performance Fee is accrued during a Performance Fee Period, the corresponding underperformance (the "Underperformance Carry Forward") shall offset any subsequent Performance Fee accruals during the next Performance Fee Period so that the Sub-Investment Manager shall not be entitled to a Performance Fee until such Underperformance Carry Forward is offset by subsequent Performance Fee accruals. The underperformance is therefore carried forward indefinitely (during the whole life of the Sub-Fund) until offset by subsequent outperformance.

**A Performance Fee could however become payable in case of negative Sub-Fund performance, provided that the Sub-Fund outperformed the Benchmark over the relevant Performance Fee Period.**

In the event of a subscription of Shares prior to the end of a Performance Fee Period, the total amount of the Performance Fee accrual will not be affected by such subscription. However, the Performance Fee accrual per Share will be diluted to reflect the increase in the number of Shares outstanding. A subscription of Shares will have a corresponding effect on the Underperformance Carry Forward per Share.

In the event of a redemption of Shares prior to the end of a Performance Fee Period, if there is a Performance Fee accrual, such reduction will equal the amount of accrued Performance Fee crystallized. Any such crystallised Performance Fee relating to a redemption of Shares shall be paid to the Sub-Investment Manager in arrears within 14 days from the end of the relevant month in which the redemption occurred. If the performance was negative, such redemption will have a similar effect and reduce, *pro rata*, the Underperformance Carry Forward.

At the end of the Performance Fee Period (on the last Valuation Day in December) and in the event that a Performance Fee is payable, the accrued Performance Fee is 'crystallised' and the Performance Fee accrual is reset to 0. Such crystallised Performance Fee shall be payable to the Sub-Investment Manager in arrears within 14 days of the end of each Performance Fee Period.

A Performance Fee cap for the relevant Class, based on the average Net Asset Value, is applied to the Performance Fee which means that any Performance Fee that is payable cannot exceed the cap indicated for the relevant Class in the table above in section 6. "Fees and Expenses".

The benchmark for the purpose of this Performance Fee calculation is the MSCI ACWI Real Estate IMI Net total return index (BB Ticker: M1WDORLI). The benchmark will be converted into the Reference Currency of the Class (if unhedged) on each Valuation Day.

### ***Performance Fee Periods***

The performance reference period is equal to the whole life of the Sub-Fund as underperformance is carried forward indefinitely until offset by subsequent outperformance.

The "Performance Fee Period":

The first performance fee crystallisation period at the end of which any accrued Performance Fee is crystallised for any Share that is issued after the last Valuation Day in December will be the period commencing on the effective date of such issuance and ending on the last Valuation Day of the following year's December, as the case may be. After the first Performance Fee Period, the Performance Fee Period will start each year on the first Valuation Day in January and will end on the last Valuation Day in December. The last Performance Fee Period regarding a Share that is redeemed as of any date other than the last Valuation Day in December will be the period commencing upon the termination of the prior Performance Fee Period for such Share and ending on the effective date of such redemption.

For the avoidance of doubt, the first Net Asset Value per Share in respect of the First Performance Fee Period shall be the initial offer price per Share of each Class during any initial offer period.

If the Investment Management Agreement is terminated before the last Valuation Day in December in any year, the Performance Fee in respect of the applicable Performance Period will be calculated and paid as if the date of termination were the end of the relevant Performance Period.

In the case of the liquidation or merger of the Sub-Fund or the relevant Class, the Performance Fee will be paid on the last day the Net Asset Value is calculated before its liquidation or merger.

Where a Performance Fee is payable it shall be calculated upon the relative outperformance of the Net Asset Value per Share during the Performance Fee Period against the Benchmark. As a consequence, net realised and unrealised capital gains and net realised and unrealised capital losses will be included in the Performance Fee calculation as of the end of the Performance Fee Period. As a result, a Performance Fee may be paid on unrealised gains, which may subsequently never be realised.

In the event of a redemption of Shares prior to the end of a Performance Fee Period, the crystallization of part of the accrued Performance Fee resulting from such redemption of Shares may under certain circumstances cause a Performance Fee to be paid on unrealised gains which may subsequently never be realised by the non-redeeming Shareholders at the end of the Performance Fee Period.

Subscriptions of Shares will have the effect of diluting the Performance Fee accrual among all the Shares (including the newly subscribed Shares). Accordingly, if there is a Performance Fee accrual before the subscription, the existing Shares will benefit from a lower Performance Fee accrual per Share after the subscription. Reciprocally, if there is an Underperformance Carry Forward, the initial Shares will be allocated a lower Underperformance Carry Forward per Share after such subscription.

The Performance Fee is calculated by the Administration Agent.

**Please refer to Appendix II to this Prospectus for performance fee calculation examples.**

## **8. Business Day/Valuation Day/Net Asset Value calculation**

With respect to this Sub-Fund, a Business Day means any full day on which banks are open for normal business banking in Luxembourg.

The Net Asset Value per Share of each Class will be calculated on each Business Day (the "Valuation Day").

## **9. Subscription**

Shares will be issued at a price based on the Net Asset Value per Share calculated on the relevant Valuation Day.

Applications must be received by the Registrar and Transfer Agent no later than 1 p.m. (Luxembourg time) on the Valuation Day in order to be dealt with on the basis of the Net Asset Value per Share calculated on that Valuation Day. Any applications received after the applicable deadline will be deemed to be received on the next Valuation Day.

Payment for subscribed Shares must be received in the Company's cash-account at the latest two Business Days following the relevant Valuation Day.

## **10. Redemption**

Shares will be redeemed at a price based on the Net Asset Value per Share calculated on the relevant Valuation Day.

Applications must be received by the Registrar and Transfer Agent no later than 1 p.m. (Luxembourg time) on the Valuation Day in order to be dealt with on the basis of the Net Asset Value per Share calculated on that Valuation Day. Any applications received after the applicable deadline will be deemed to be received on the next Valuation Day.

Payment for redeemed Shares has to be made no later than two Business Days after the relevant Valuation Day.

If, in exceptional circumstances, the liquidity of the Sub-Fund is insufficient to enable redemption proceeds to be paid within that period, or if there are other reasons, such as exchange controls or other regulations which delay payment, payment will be made as soon as reasonably practicable thereafter, but without interest.

## **11. Conversions**

Investors may request conversions of their Shares from one Class to another of the same Sub-Fund or to Shares of another Sub-Fund.

Applications must be received by the Registrar and Transfer Agent no later than 1 p.m. (Luxembourg time) on the relevant Valuation Days in both applicable Sub-Funds/Classes. Any applications received after the application deadline will be processed in respect of the next Valuation Day.

### ***Swing Pricing***

The Net Asset Value of the Sub-Fund may be adjusted up or down using the pricing adjustment rates. Further information on the pricing adjustment is set out in Section 10.1. "Calculation of Net Asset Value", paragraph "Swing Pricing" of the general part of the Prospectus.

### **12. Historical Performance**

Information on the historical performance of the Sub-Fund is disclosed in the relevant KID, if available.

### **13. Dividends**

At the date of this Prospectus, both Capital-accumulation Shares (ACC) and Distribution Shares (DIS) may be issued in relation to this Sub-Fund.

### **14. Specific risk warnings**

Investors are advised to carefully consider the following sub-fund specific risks of investing in the Sub-Fund.

- Market Risk
- Foreign Exchange Risk and Currency Hedging Risk
- Equity Investment Risk
- Liquidity Risk
- Counterparty Risk
- Political and Country Risks
- Regulatory Risk
- Operational Risk
- Real Estate
- ESG Risk

For a complete description of all the risks for the Sub-Fund that the Company is aware of, please refer to the Section 4. "Risk considerations" in the general part of the Prospectus.

## ANNEX TO SUB-FUND PARTICULAR 7

### Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of SFDR and Article 6, first paragraph, of Regulation (EU) 2020/852

**Product name:** SKAGEN m2 Lux

**Legal entity identifier:**  
5493001OPG6JSLI45437

## 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 include 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**

<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective</b> : ___% <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul>	<input type="checkbox"/> It promotes <b>Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul>
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective</b> : ___%	<input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>



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

The Sub-Fund does not promote specific environmental and/or social characteristic but rather a global ESG integration strategy.

The Sub-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 Sub-Fund also promotes the consideration of certain principal adverse impact ("PAI") 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.

● ***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 uses 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 pillar incorporates material PAI considerations for each investment case, with a corresponding traffic light indicator denoting relative ESG risks of the investment at hand. The fourth pillar uses active ownership figures from the voting and engagement activities with investee companies.

● ***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 Sub-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 Sub-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

**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 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?



Yes,

The Sub-Fund considers PAI 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. 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.



No



## What investment strategy does this financial product follow?

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

The Sub-Investment Manager is required to communicate all potential investments to the ESG team of the Sub-Investment Manager for approval. The ESG team of the Sub-Investment Manager will conduct a screening process (negative screening) to control whether the potential investments aligns with the exclusion criteria of the Sub-Investment Manager's sustainable investment policy (entity level) which aligns with the broader Storebrand Asset Management Sustainable Investment Policy at group level. If the investment in a company is deemed to be in violation with the exclusion criteria (at entity-level and at group level), the Sub-Fund cannot invest in that company and the potential investment will be rejected in the screening phase. Moreover, the Sub-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 Sub-Investment Manager's exclusion criteria.

Secondly, the Sub-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, where short-term results and the extent of engagement increases in step change with the level of risk. 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. The portfolio manager must also articulate financial considerations that have been made on the back of the ESG profile of the investment at hand. 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 below are binding elements, and are applied throughout the investment process:

- negative screening and control of potential investments (environmental, social and governance characteristics are collected, measured, and assessed);
- enhanced due diligence of climate risk of companies in high emitting industries;
- ESG integration through dedicated factsheets: 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

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

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; and

- active ownership with holdings: this is a lever that is deployed by the Sub-Fund to work for factor improvement over time. Quarterly checks and controls are conducted on the holdings in the Sub-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. These exclusion criteria are divided into conduct-based norm breaches and non-conduct-based-norm-breaches. More covert factors pertain to financial propositions that do not align with the investment philosophy of the product.

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

The Sub-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.

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



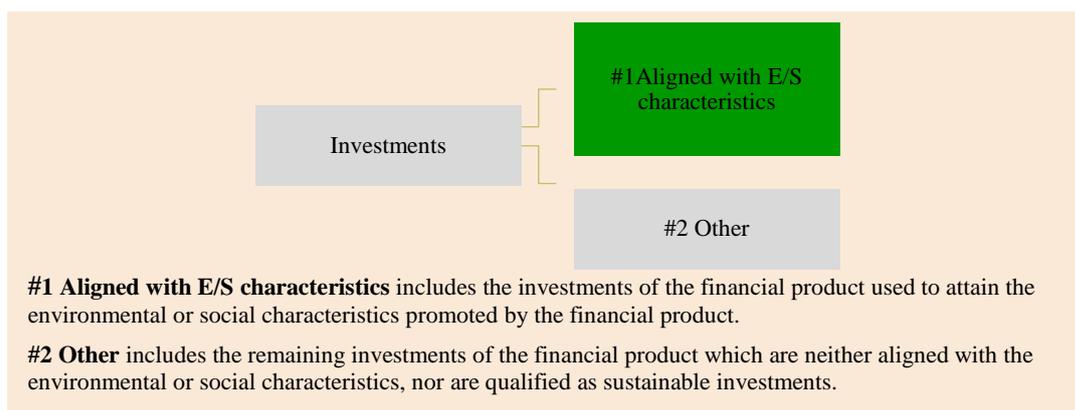
**What is the asset allocation planned for this financial product?**

In theory, all of the Sub-Fund's assets under management should be aligned with E/S characteristics as all companies that are selected and invested in by the Sub-Fund are subject to the ESG integration strategy. Residual capital in the Sub-Fund can however de-facto be categorized as 'other' due to cash position of the Sub-Fund. But, at a minimum, it should be expected that more than 95% of the capital allocation in the Sub-Fund will fall into the category "#1 Aligned with E/S characteristics". The minimum indication might 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.

**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.



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

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



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

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.

**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 corresponding to the best performance.

The Sub-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 Sub-Fund's investments has therefore not been calculated and has as result been deemed to constitute 0% of the Sub-Fund's portfolio.

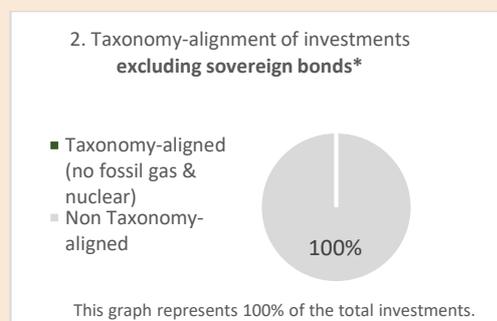
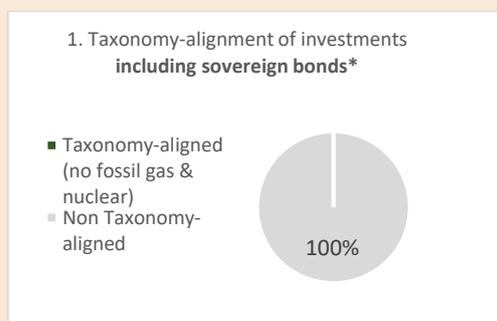
### Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>9</sup>?

Yes

In fossil gas     In nuclear energy

No

*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.*



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

### What is the minimum share of investments in transitional and enabling activities?

0%



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 Sub-Fund has no commitment to invest in sustainable investments.



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

N/A as the Sub-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 Sub-Fund can however de-facto be categorized as 'other' due to cash position of the Sub-Fund.

<sup>9</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.



## 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 Sub-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 product-specific information can be found on the website:**

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

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

## **APPENDIX I – Additional information for investors**

This appendix provides additional information for investors in the following jurisdictions:

- Federal Republic of Germany
- Belgium
- France
- United Kingdom

## **I. Additional information for investors in the Federal Republic of Germany**

The *Bundesanstalt für Finanzdienstleistungsaufsicht* (Federal Agency for Financial Services Supervision) has been notified of the intention to distribute Shares of the Company's Sub-Funds in the Federal Republic of Germany.

### ***Information Agent in Germany***

The facility agent that can be contacted from Germany is Storebrand Asset Management AS, having its registered office at Professor Kohts vei 9, 1366 Lysaker, Norway (the "**Facilities Agent**").

### ***Documents***

The following documents are available free of charge in electronic format during usual business hours from the Facilities Agent at [internationalinquiries@storebrand.com](mailto:internationalinquiries@storebrand.com) and on the websites [www.storebrandfunds.com](http://www.storebrandfunds.com) and [www.skagenfunds.lu](http://www.skagenfunds.lu):

- the Articles of Incorporation;
- the most recent Prospectus;
- the most recent KIDs;
- the latest annual and semi-annual reports.

Furthermore, any notices to the Shareholders, as well as the issue, redemption and conversion prices and the Net Asset Value of any Class may also be obtained there free of charge.

In addition, the following material agreements of the Company are available for inspection free of charge at the registered office of the Company:

- the Management Company Agreement;
- the Investment Management Agreements;
- the Depositary Agreement; and
- the Administration Agreement.

### ***Publication and Notices***

The issue, redemption and conversion prices and the Net Asset Value of any Class will also be available on [www.fundsquare.net](http://www.fundsquare.net).

Any notices to Shareholders will be sent via letters. Additionally, in the following cases a publication in the electronic Federal Gazette will be made:

- suspension of the redemption of a Sub-Fund's Shares;
- termination of the management or winding-up of a Sub-Fund;
- any amendments to the Articles of Incorporation of the Company which are inconsistent 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 assets of the Company;
- the merger of a Sub-Fund;
- the conversion of a Sub-Fund in a feeder sub-fund or the amendments to a master Sub-Fund.

### ***Taxation***

More information about tax can be found under section 20 of this prospectus.

***Investment and Borrowing Restrictions*** All Sub-Funds of the Company qualify as "equity funds" for the purpose of the German Investment Tax Act 2018 ("**GITA 2018**") in that more than 50 percent of the Sub-Fund's Net Asset Value will at all times be invested in equity securities which are listed on a stock exchange or traded on an organized market.

Before investing in Sub-Funds of the Company investors taxable in Germany should discuss with their tax advisors the implications of acquiring, holding, transferring or redeeming Shares.

## **II. Additional information for investors in Belgium**

### **1. Taxation of Belgium-resident private individuals**

A Belgium-resident individual investor is subject to Belgian personal income tax pursuant to the rules applicable to the categories of income (*i.e.* earned professional income, income from immovable property, income from movable property and miscellaneous income).

Dividend income is taxable as income from "movable property" and is subject to tax at a rate of 30%.

Capital gains realized on Shares are generally not taxable as long as the private individual acts within the normal management of wealth. However, pursuant to Article 19bis of the Belgium Income Tax Code 1992, capital gains realized on Shares of a collective investment company that invests directly or indirectly more than 10% in debt-claims (e.g. bonds, cash deposits) are taxable at a rate of 30%. The Company has several Sub-Funds, so the 10% asset test applies on Sub-Fund level. Provided that a Sub-Fund publishes daily 'Belgian Taxable Income per Share (BTIS)' figures, the leaving Shareholder will be taxed on the difference between the BTIS value on exit day and the BTIS value on entry day. If no BTIS values is available for entry day or exit day, the entire capital gain is taxable, unless at least the Belgian asset test result is available. In the latter case, the tax base is a fraction of the capital gain, *i.e.* corresponding to the asset test percentage of debt-claims.

If a Belgian paying agent is involved, the tax will be levied as a (final) withholding tax. Otherwise, private individual Shareholders will have to declare the taxable income in their personal income tax return, and the taxation will be made through the income tax assessment notice (the tax rate applicable being 30%, unless the individual opts for globalisation of income).

Capital losses are never deductible.

For the tax on stock exchange transactions, see under 3.

#### ***Tax on securities accounts***

Although there is no general wealth tax in Belgium, there is a tax similar to a wealth tax, *i.e.* the tax on securities accounts. Since 2018, a tax on securities accounts is imposed on Belgium-resident individual taxpayers with over EUR 500.000 on average in Belgian and foreign securities accounts combined. Under this tax, which is withheld and declared by Belgian banks and brokers, Belgian residents are subject to a 0.15% tax on their Belgian and foreign securities accounts. The taxable base is equal to the total average value of the financial instruments calculated on a quarterly basis.

Shares in collective investment companies such as the Company are assets that have to be taken into account if held on a securities account.

### **2. Taxation of Belgium-resident corporates**

In general, the tax base of a Belgian company is its worldwide income. Dividends from the Company as well as capital gains on the Company Shares are fully taxable at the standard corporate income tax rate. The corporate income tax rate in Belgium is currently 29.58%. As from financial year 2020 it will be 25%. Capital losses are never deductible.

Belgian resident corporate investors who benefit from a special tax regime, *i.e.*;

- (i) investment companies as referred to in Articles 15 and 271/10 of the Law of 3 August 2012 on undertakings for collective investment that meet the conditions of Directive 2009/65/EC,
- (ii) undertakings for investment in debt securities,
- (iii) investment companies as referred to in Articles 190, 195, 285, 288 and 298 of the Law of 19 April 2014 on alternative undertakings for collective investment and their managers,
- (iv) regulated real estate companies,
- (v) pension financing organisations as referred to in Article 8 of the Law of 27 October 2006 on the supervision of institutions for occupational retirement provision,

are not taxed on their profits, but rather on a selective tax base (inter alia on disallowed expenses).

Dividends from the Company as well as capital gains on the Company Shares do not form part of the selective tax base.

For the tax on stock exchange transactions, see under 3.

### **3. Tax on stock exchange transactions and certain other transactions**

Tax on stock exchange transactions may apply, for Belgian individual investors as well as Belgian corporate investors, to redemptions as well as sales and purchases on the secondary market of shares in investment companies, provided that the transaction is executed via a Belgian financial intermediary. The tax is also due if shares are purchased or sold via a non-Belgian financial intermediary, provided that the order for the transaction was given by a Belgian investor. In such cases, Belgian investors are the debtors of stock exchange tax, unless they can prove that the stock exchange tax has already been paid.

As the Company is not quoted on a stock exchange, share transactions will only occur on the primary market (issue and redemption). No stock exchange tax is due on the issue of new Shares. Redemptions are taxable if they relate to accumulating Shares of a Sub-Fund of which all or some Shares are registered with the Belgian Financial Services and Markets Authority (FSMA). The tax rate for redemption of such accumulating Shares is 1.32% with a maximum of EUR 4 000 per transaction.

### **4. Belgian net asset tax**

Foreign investment companies registered with the Belgian Financial Services and Markets Authority (FSMA) are subject to Belgian Net Asset Tax on the total of net assets as of 31 December each year, to the extent the investment company is deemed to have Belgian Shareholders ("net amounts outstanding in Belgium"). The tax base is composed of the fund's total assets allocable to those Shares that were issued through a Belgian financial intermediary and have not subsequently been redeemed.

The general tax rate is 0.0925% for assets allocable to retail share classes. A reduced rate of 0.01% applies for assets allocable to institutional share classes.

The payment of the tax is accompanied by a tax return to be submitted by the investment company to Belgian tax authorities. Both tax payment and tax return are due by 31 March each year.

### III. Additional information for investors in France

The following summary describes the anticipated tax treatment of the SICAV and its investors (except the carried interest holders) which would be applicable under laws in force as at 18 June 2020. No assurance can be given that changes in these laws or in their interpretation or application will not occur in the future.

The following analysis is not intended as a substitute for careful tax planning. Accordingly, prospective investors are strongly urged to consult their tax advisers with specific reference to their own situations in order to define the possible tax consequences of an investment in the SICAV.

#### 1. French tax treatment of Storebrand SICAV

Storebrand SICAV is a "société d'investissement à capital variable" (the "SICAV") taking the legal form of a limited company ("société anonyme") which pursuant to its legal features and functioning, may be assimilated to a French SICAV, defined in Articles L.214-7 et seq. of the French Financial and Monetary Code ("FFMC") and organised as a mutual fund for the purposes of taxation.

Due to its assimilation to a French SICAV, the SICAV is "transparent" for income tax purposes. In other words, if the SICAV is not itself subject to any taxation and the French tax authorities "look through" the SICAV for the purpose of determining the type of income received by the investor when the SICAV distributes profits.

Income (including capital gains realized) should be taxable at investor level only when the SICAV makes a distribution. Income distributed by the SICAV keeps their legal qualification for the purpose of determining the type of income received by the investor.

Taxes will be due by the investors which will be taxed according to the principles described below.

#### 2. Taxation of individuals investors, French tax-residents

French tax residents are taxable in France on their worldwide income (Article 4 of the French tax code, hereafter "FTC").

##### Distributions made by the SICAV

Under the Article 120, 2° of the FTC, distributions made by foreign entities assimilated to the SICAV should be characterized as an investment income (i.e. "*revenus de capitaux mobiliers*") fully taxable in France.

Since January 1<sup>st</sup>, 2018, investment income (i.e. dividends and interests) is subject to a new flat rate tax at 30%, which comprises 12.8% of personal income tax (known as *prélèvement forfaitaire unique* – "PFU") and 17.2% of social surtaxes<sup>10</sup>.

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<sup>10</sup> Please note that in principle, the paying agent must withhold and remit the flat tax via a specific form the 15<sup>th</sup> day of the month following that in which the distribution is made (Form n°2777). However, when the paying agent is located in a European Union (EU) member state, or an European Economic Area (EEA) member state having concluded with France administrative assistance convention in order to combat tax evasion and fraud, the

However, the taxpayer has the possibility to opt for the application of progressive tax rates every year through the submission of his/her annual tax return (in 2019, top rate at 45%). The option for taxation at the progressive income tax rates is global and applicable to all income and gains subject to the PFU. In such hypothesis, a deduction of 40% is applicable to qualifying dividends<sup>11</sup>.

#### Capital gains from the sale of SICAV shares

Capital gains deriving from the sale of shares should be also taxable at the PFU rate, i.e. 12.8%, unless the option for the progressive personal income tax rates is made. In any hypothesis, the capital gain will be subject to social contributions at 17.2%.

Capital losses incurred during a given year on the sale of shares may only be set off against capital gains on securities made during the same year or during the following 10 years. The calculation basis corresponds to the capital gains after setting off: as first step losses of the concerned year and if the balance is positive, the carried forward losses of the ten previous years.

From a French tax point of view, please note that the transfer from one sub-fund to another is analysed as a sale of shares. Therefore, capital gains issued from this transfer are taxable following the same rules as described above.

It should be noted that distributions and capital gains deriving from the SICAV should be included in the tax reference income and may be subject to the exceptional surcharge applicable to high income, at the rate ranging from 3% to 4%.

#### Real estate wealth tax

Wealth tax, known as “Impôt sur la fortune immobilière” is payable on real estate assets held directly or indirectly. In certain circumstances, it should be mandatory to report (Form 2042-IFI), part of the SICAV share’s value as of 1 January each year which is made up of real estate assets.

### **3. Taxation of corporate investors, French tax-residents**

#### Without distributions - Mark-to-market taxation rules

Pursuant to Article 209-O-A of the French Tax Code (FTC), a French company subject to corporate income tax which holds units in the SICAV has to value these units at their net asset value at the end of each financial year (mark-to-market rule); the increase or decrease in value are included in its taxable result under standard conditions. The positive valuation difference is taxed during that year at the standard corporate income tax rate of 28% in 2020 (or 31% on the fraction exceeded the EUR 500k taxable profits, for companies with a turnover exceeding EUR 250 million).

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French tax resident individual has the choice between declaring and paying the flat tax directly to the FTA (Form n°2778) or appointing such paying agent to administer the filing requirements and payment formalities. In case of failure of filing or late filing and/or late payment of such flat tax, in addition to interest on late payments (0.20% per month), a penalty of 10, 40 or 80% of taxes due will be payable, depending on the nature of the filing failure.

<sup>11</sup> “Qualifying dividends” are defined as dividends paid by companies located in France, in an EU Member State or in a State with which France has concluded a double tax treaty containing an administrative assistance clause to combat tax evasion and fraud and subject to corporate income tax or an equivalent income tax and distributed based on a regular decision of the shareholders.

This rule is not applicable in certain situations: (i) the French investing insurance companies having a main activity in life insurance or capitalization; or (ii) if the assets of the SICAV are constantly composed of 90% of European Union ("EU") companies shares subject to corporate income tax.

#### In case of distributions - Ordinary income

French-resident corporate investors are in principle subject to corporate income tax at standard rate (28% rate. The standard corporate income tax rate would be progressively reduced to 25% by 2022) plus the social contribution, if applicable<sup>12</sup>, on any income (dividends, capital gains and interests) distributed by the SICAV.

A reduced corporate tax rate of 15% applies to the first EUR 38,120 of the profits of small and medium-sized enterprises if certain conditions are met ((i) the turnover of the company is less than EUR 7,630,000, (ii) at least 75% of the company is owned by individuals or by companies that themselves satisfy this condition and the above condition).

#### Capital gains upon disposal of shares in the SICAV

The capital gain realized by a company subject to corporate income tax upon the sale or the redemption of shares in the SICAV is subject to corporate income tax at standard rate (28% rate reduced to 25% by 2022) plus the social contribution, if applicable.

In case of application of the mark-to-market rule, such capital gain would be computed considering the previous taxes already paid by the French corporate investor.

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<sup>12</sup> Under the provision of Article 235 ter ZC of the FTC, the social contribution applies at a rate of 3.3% on the amount of corporate income tax, reduced by an allowance of EUR 763,000 per twelve-month period.

#### **IV. Additional information for investors in the United Kingdom**

Storebrand Asset Management UK Ltd (Company number 14734422) has been appointed to act as facilities agent for the Company in the United Kingdom (the "**UK Facilities Agent**") and it has agreed to provide facilities at their offices: Green Park House, 15 Stratton Street, London W1J 8LQ, United Kingdom

The UK Facilities Agent is an appointed representative of Robert Quinn Advisory LLP, which is authorised and regulated by the Financial Conduct Authority.

The facilities are maintained in the United Kingdom where any UK resident Shareholder of the Company may inspect the following documents free of charge during usual business hours on a weekday (Saturday, Sunday and public holidays excepted at the above mentioned offices of the UK Facilities Agent):

- Articles of Incorporation;
- Prospectus;
- KIIDs; and
- latest annual and half-yearly reports.

UK investors may also request information about the Company's Share prices. Copies of the Prospectus, the KIIDs and the latest annual and half-yearly reports (in English) can be obtained free of charge upon request from the UK Facilities Agent. These documents are also available on the Company's website: <https://www.storebrand.com/sam/uk/asset-management/>

Any Shareholder wishing to make a complaint regarding the Company or its operations, may do so directly to the Company or to the Management Company, FundRock Management Company S.A., 33 rue de Gasperich, L-5826 Luxembourg, Grand Duchy of Luxembourg<sup>13</sup>, or to the UK Facilities Agent for transmission to the Company.

Investors in the United Kingdom may submit redemption and conversion applications for Shares of the Sub-Funds, which may be marketed in the United Kingdom, to the UK Facilities Agent for onward transmission to the Administration Agent of the Company (from where payment of the redemption price may be obtained).

#### **Taxation**

Tax reporting for Sub-Funds and their respective Share Classes which have applied and qualify for "UK fund reporting status" is available on <https://www.storebrand.com/sam/uk/asset-management/>.

Shareholders are strongly advised to seek independent professional advice concerning possible taxation or other considerations that may be relevant to their particular circumstances.

#### **Cancellation and Compensation Rights**

Although the Company is authorised by the Financial Services Authority (FSA) for the purposes of distribution, potential and current investors in the UK are advised that the rules made under Financial Services and Market Act (FSMA) do not in general apply to the Company in relation to its investment business. In particular the rules made under FSMA for the protection of retail customers, for example, those conferring rights to cancel or withdraw from certain investment agreements, may not apply, and the Financial Services Compensation Scheme (FSCS) may not be available, in connection with an

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<sup>13</sup> As from 1<sup>st</sup> January 2025: Airport Center Building, 5, Heienhaff, L-1736 Senningerberg, Grand Duchy of Luxembourg

investment in the Company. For further information on applicability, please contact the Company or the UK Facilities Agent.

## APPENDIX II – Performance fee calculation examples

The illustration below shows the Performance Fee payable in application of the Performance Fee calculation methodology disclosed in each relevant Sub-Fund Particular in the general part of the Prospectus, given various return scenarios, and in the absence of any changes in the number of Shares outstanding (i.e. no client subscriptions or redemptions during the period), and with an assumed Performance Fee cap of 1.5%.

<b>Year</b>	<b>Share Class Return less Benchmark Index Return</b>	<b>Underperformance Carried Forward</b>	<b>Performance Fees Crystallised at Year-end are 10% of...</b>
<b>1</b>	1 %	0 %	1%
<b>2</b>	-2 %	2 %	0 %
<b>3</b>	-1 %	3 %	0 %
<b>4</b>	5 %	0 %	2 %
<b>5</b>	-6 %	6 %	0 %
<b>6</b>	2 %	4 %	0 %
<b>7</b>	-1 %	5 %	0 %
<b>8</b>	4 %	1 %	0 %
<b>9</b>	2 %	0 %	1 %
<b>10</b>	16 %	0 %	15 %

### Details:

- In Year 1, the Share Class outperforms its benchmark by 1% and there's no underperformance carried forward from the prior year, thus the Performance Fee payable is 10% of 1% (0.1%) at year-end and the Performance Fee account is reset to zero.
- In Year 2, the Share Class underperforms its benchmark by 2%, so there is no Performance Fee due, and the 2% underperformance is carried forward to the next year.
- In Year 3, the Share Class underperforms its benchmark by 1%, so again there is no Performance Fee due, and the 1% accumulates on top of the 2% underperformance carried forward from the prior year, such that the underperformance carried forward into the next year is 3%.
- In Year 4, the Share Class outperforms its benchmark by 5%. This outperformance offsets the 3% underperformance accumulated per prior year end such that net outperformance is 2%, which is the basis for the Performance Fee payable of 0.2% (10% of 2%). The Performance Fee account is then reset to zero.
- ...
- In Year 8, the Share Class outperforms its benchmark by 4%, but given 5% underperformance carried forward from Year 7, there is no Performance Fee payable, and 1% underperformance is carried forward into Year 9.
- In Year 9, the Share Class outperforms its benchmark by 2%, but given 1% underperformance carried forward from Year 8, Performance Fee payable is only 0.1% (10% of 1% net after compensating for prior underperformance carried forward).

- In Year 10, the Share Class outperforms its benchmark by 16% and there is no underperformance carried forward from Year 9, which would theoretically make Performance Fee due 1.6% (10% of 16%). However, since the Performance Fee cap is 1.5% the Performance Fee payable is 1.5%.