

Prospectus with articles of association

This prospectus has been prepared in accordance with the provisions of Section 8-2 of the Mutual Funds Act of 25 November 2011 No. 44 and related regulations. The purpose of the prospectus is to provide the information required to make a well-founded assessment of the Fund and the risk associated with investing in the Fund. The fund's articles of association contain further information and are to be regarded as appendices to the prospectus.

Verdipapirfondet **SKAGEN Avkastning**

UCITS fixed income fund established 1994-12-09

Managed by Storebrand Asset Management AS | Org. No. 930 208 868 | a company in the Storebrand Group

The company is authorised to market SKAGEN Avkastning in Norway, Sweden, Denmark, Luxembourg, the Netherlands and the Faroe Islands

Objective and investment strategy

SKAGEN Avkastning aims to provide long-term excess returns beyond the fund's benchmark index. The fund is actively managed and invests mainly in Norwegian fixed-income securities, and the average fixed income (duration) will be in the interval 0-5 years. A portion of the Fund may invest in loans with a credit rating of BB+ or lower (high yield), and the lowest credit quality permitted for a single investment is B at the time of investment. Such loans have a high expected return, but also a high credit risk. Up to 30 per cent can be invested in subordinated loan capital, which carries a higher risk than ordinary bonds. Some of the Fund's investments may periodically have low liquidity levels, which may also increase the risk of a fall in share prices. To reduce risk, investments are distributed among many issuers. The manager tries to select the most attractive securities based on its own analyses. The fund is managed in line with Storebrand's principles for sustainable investments.

Benchmark

The fund's benchmark index is a composite index consisting of 92% NBP Norwegian RM3 FRN Index NOK (NORM3FRN) and 8% NBP Norwegian HY Aggregated Index NOK Hedged (NBPHY). The benchmark index can be used as a reference point for comparing the return on the fund. The index can also be a source for choosing the fund's investments, but the composition of the fund can differ significantly from the index.

Distribution

The fund's tax return will normally be distributed to unit holders at the end of the year, in order to avoid the fund as such being in a tax position. The distribution is reinvested in new fund units and is therefore not paid to the unit holder.

Share classes

The fund does not have share classes

Share class	Currency	ISIN	Management fee (annual)
	NOK	NO0008000452	0.40%

Sustainability Information

The Fund is categorised as Article 8 of the Disclosure Regulation (SFDR), see separate appendix for further information.

The management company takes sustainability risk into account when making investment decisions. Sustainability risk is defined as environmental, social or governance factors, or other factors that may cause a material adverse impact on the value of an investment. The management company identifies such sustainability risks and integrates them into investment decisions and risk monitoring to the extent that they represent actual or potential material risk and/or opportunities for the Fund's long-term risk-adjusted return.

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

- Climate and Environmental Risk: the ability of companies to mitigate and adapt to climate change, the possibility of higher carbon prices, exposure to increasing water scarcity, waste management challenges, and impacts on global and local ecosystems including biodiversity.
- Social risk: human rights, rights in war and conflict, labour rights in own business and in supply chains, product safety and data and privacy.
- Governance risks: board composition and effectiveness, management incentives, management quality and stakeholder conflicts.

More details on how the fund manages sustainability risk can be found on the management company's website and the company's guidelines for sustainable investments.

The consequences of sustainability risk can be many and vary depending on the specific risk, asset class and region. The assessment of the likely impact of sustainability risk on the return on the Fund will therefore depend on the type of securities contained in the portfolio. For both equities and bonds, sustainability risk may affect the price of the security, which may lead to the need to raise new capital or affect the issuer's ability to pay dividends or other capital distributions.

The Fund may be able to avoid or reduce the sustainability risks mentioned above to some extent through the application of the management company's guidelines for sustainable investments.

Risk and return profile

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

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

Unitholders' rights and obligations

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

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

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

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

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

Publication of net asset value (NAV)

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

Calculation of value

The basis for calculating the value of the share is the market value of the portfolio of financial instruments plus the value of the fund's cash and receivables, accrued non-due income and the value of any carry-forward loss, and less liabilities and accrued non-due expenses, including deferred tax liability. The sum of the fund's net assets is divided by the number of units issued to arrive at the unit value. The valuation is normally based on the first closing price on the underlying stock exchange after the respective fund's cut-off date. A discretionary assessment of the value is used if events occur that may have an impact on the value of a security in question if a not insignificant part of the market in which the security is traded is closed, or if the security is illiquid. Storebrand Asset Management AS' practice for discretionary valuation is in accordance with the Norwegian Mutual Fund Association's industry recommendation on the valuation of illiquid equity instruments, available at www.vff.no.

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

Subscription and redemption

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

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

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

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

Facilities Services for Investors

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

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

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

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

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

In Luxembourg, the facilities services information can be found here: www.skagenfunds.lu/how-to-invest/facilities-services-for-investors.

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

In Belgium, the facilities services information can be found here: www.skagenfunds.com/how-to-invest/facilities-services-for-investors.

In Ireland, the facilities services information can be found here: www.skagenfunds.ie/how-to-invest/facilities-services-for-investors.

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

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

In Germany, the facilities services information can be found here: www.skagenfunds.de/how-to-invest/facilities-services-for-investors.

Additional Information for Investors in the Federal Republic of Germany

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

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

Information and Paying Agent in Germany

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

Exchange and Redemption of Units

Applications for subscription, redemption and conversion of Units should be sent to Storebrand Asset Management AS in Norway, www.skagenfunds.de.

Documents and Notices

The Prospectus, the PRIIPs KID, the Articles of Association of the Company, the audited annual accounts and half-yearly accounts may be inspected at and are available free of charge from the Storebrand Asset Management AS' webpages.

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

Publications

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

Particular events

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

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

Complaints

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

Fees and Expenses

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

Taxation

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

Savings agreement

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

Management costs

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

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

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

Remuneration from or to others than the mutual fund

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

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

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

Techniques for achieving efficient portfolio management

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

Custodian of the mutual fund

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

Marketing and distribution

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

Tax rules

Tax rules - for the fund

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

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

Tax rules - for personal unitholders with tax liability to Norway

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

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

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

Tax rules - for companies with tax liability to Norway

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

Tax rules - for unitholders with tax liability to other countries

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

Tax rules – changes

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

Reporting of tax information

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

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

Risk

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

Complaints

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

Articles of Association

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

Accounts

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

Information about the management company

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

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

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

The Board

Shareholder-elected representatives:

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

Unitholder-elected representatives:

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

Employee-elected representatives:

Hilde Marit Lodvir Hengebøl
Karsten Solberg

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

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

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

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

Chief Executive Officer

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

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

Remuneration scheme

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

Auditors

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

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

Outsourcing

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

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

Other conditions

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

Responsibility of the Board of Directors

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

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

The prospectus was last updated on 5 June 2025

The original Articles of Association and prospectuses were prepared in Norwegian. This is a translated version, which is published with reservations regarding possible errors and omissions as well as erroneous translation. The original prospectus is available in Norwegian at www.storebrand.no/sam or www.skagenfunds.com.

Articles of Association for Verdipapirfondet SKAGEN Avkastning

§ 1 Name of the securities fund and of the management company

The securities fund SKAGEN Avkastning is managed by the management company Storebrand Asset Management AS. The Fund is authorised in Norway and is regulated by the Norwegian Financial Services Authority (Finanstilsynet).

The Fund is regulated by the Norwegian Act No 44 of 25 November 2011 on securities funds (hereinafter referred to as 'the Norwegian Securities Funds Act').

§ 2 UCITS fund

The Fund is a UCITS fund and, under Section 6(7)(3) of the Norwegian Securities Funds Act, it has permission from the Financial Supervisory Authority of Norway to invest up to 100% of its assets in transferable securities or money market instruments issued or guaranteed by a Member State, by its local authorities, by a third country or by a public international body to which one or more Member States belong. The Fund shall comply with the provisions governing subscription and redemption of the Norwegian Securities Funds Act § 4-9 (1) and § 4-12 (1).

§ 3 Rules for the investment of the Fund's assets

3.1 The Fund's investment area and risk profile

The Fund is a bond fund which primarily invests in Norwegian and Nordic interest-bearing transferable securities. The Fund may also invest a proportion of its assets in issuers outside the Nordics. Details of the Fund's investment mandate are given in the prospectus. The Fund is normally characterised by a relatively low to moderate fluctuation risk (volatility). The risk profile is set out in detail in the Fund's Key Information Document.

3.2 General information about the investment area

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

transferable securities	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no
securities fund units	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no
money market instruments	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no
derivatives	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no
deposits with credit institutions	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no

Regardless of the investment options in this section, the Fund may hold liquid assets.

The Fund's investments in securities fund units shall, together with its other investments, shall be in accordance with these Articles of Association.

Investment in other securities funds constitutes not more than 10% of the Fund's assets:

☒ yes ☐ no

Investment in non-UCITS securities funds meets the conditions of the Norwegian Securities Funds Act § 6-2 (2) and does not, overall, constitute more than 30% of the Fund's assets:

☒ yes ☐ no

Securities funds in which investment is placed may themselves invest a maximum of 10% of the Fund's assets in securities fund units:

☒ yes ☐ no

The Fund's assets may be invested in money market instruments normally traded on the monetary market, which are liquid and can be valued at any time:

☒ yes ☐ no

The Fund may use the following derivative instruments: options, futures and swaps. The basis for the derivatives shall be financial instruments as mentioned above in Section 3.2 first paragraph, indices with financial instruments as defined in Section 3.2, first paragraph or interest rates, currencies or exchange rates.

Expected risk and expected return of the Fund's underlying securities portfolio shall remain the same or be reduced as a result of the derivative investments.

3.3 Liquidity requirements

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

1. are admitted to official quotation or are traded on a regulated market in an EEA state, including a Norwegian regulated market, as defined in Directive 2014/65/EU Art. 4 (1) point 21 and the Securities Trading Act section 2-7 (4).
☒ yes ☐ no
2. are traded on another regulated market which operates regularly and is open to the public in a state which is party to the EEA Agreement.
☒ yes ☐ no
3. are admitted to official listing on a stock exchange in a country outside the EEA or which are traded in such a country on another regulated market which operates regularly and is open to the public.
☒ yes ☐ no

Any stock exchange and regulated market in the world is eligible. Investments are in well-developed markets and emerging markets.

4. are newly issued, if the issue is conditional upon an application being made for admission to trading on a stock exchange or market as ticked in items 1 to 3 above. Admission to trading shall take place within one year of the expiry of the subscription period.
☒ yes ☐ no

The Fund's assets may be invested in money market instruments traded on a market other than those indicated in items 1 to 3 above, if the issue or the issuer of the instruments is regulated for the purpose of protecting investors and savings and if the instrument is covered by the Norwegian Securities Funds Act § 6-5 (2).

Up to 10% of the Fund's assets may be invested in financial instruments other than those mentioned in this section.

3.4 Investment restrictions – the Fund's assets

The Fund's portfolio of financial instruments shall be of a composition which provides a suitable spread of the risk of loss.

The Fund may invest up to 100% of its assets in transferable securities or money market instruments as referred to in the Norwegian Securities Funds Act §6-6 (2) (3). Assets shall be invested in at least 6 different issues and the investment in any such issue may not exceed 30% of the Fund's total assets.

3.5 Investment restrictions – ownership interest with issuer

The Fund's investments shall at all times comply with investment restrictions of Section 6(9) of the Norwegian Securities Funds Act.

3.6 Techniques for efficient portfolio management

The Fund may not, in accordance with the Securities Funds Act Section 6-11 and the Securities Funds Regulations Section 6-8 use techniques to achieve effective portfolio management.

§ 4 The Fund's management of capital gains and dividends

Capital gains shall be reinvested in the Fund.

Dividends shall not be distributed to unit holders.

The management company's Board of Directors may provide that capital gains of the Fund's bonds and certificates shall be distributed to unit holders.

The management company's Board of Directors may provide that the net return of the Fund's investments in the form of interest income shall be distributed to unit holders.

§ 5 Costs

The management fee is the management company's remuneration for the management of the Fund. The basis for the calculation of the management fee is the Fund's current value. When calculating the Fund's value (total net assets), the basis shall be the market value of the portfolio of financial instruments and deposits with credit institutions, the value of the Fund's liquid assets and other receivables, the value of accrued income not yet due less liabilities and accrued expenses not yet due, including deferred tax liabilities.

Apart from the management fee, the following costs may also be covered by the Fund:

1. transaction costs of the Fund's investments,
2. payment of any taxes imposed on the Fund,
3. interest on borrowings as referred to in Section 6(10) of the Norwegian Securities Funds Act Section, and

4. extraordinary costs which are necessary to protect unit holders' interests, cf. Section 4(6)(2) of the Norwegian Securities Funds Act.

The management company may charge the Fund a fixed management fee. The fixed management fee shall be calculated daily and charged quarterly.

The management fee is allocated equally to each unit in the Fund. The fixed management fee is 0.4% per annum.

The management company Storebrand Asset Management AS may invest the Fund's assets in other funds that charge a maximum management fee of 1.5% per annum. The management fee charged to other funds shall be in addition to Storebrand Asset Management AS' management fee stated above.

Any retrocession which Storebrand Asset Management AS receives from a management company or equivalent of another fund shall accrue to the Fund in its entirety.

§ 6 Subscription and redemption of units

The Fund is normally open for subscription 5 times a week. The Fund is normally open for redemption 5 times a week.

A subscription fee of up to 0% of the subscription amount may be charged for the subscription of units.

The Board of Storebrand Asset Management AS may decide that the costs shall increase by up to 10% of the subscription amount. The difference between 0% and the adopted increased subscription fee of up to 10% shall accrue to the Fund. The Board may set an increased subscription fee for a certain period with the possibility of extension or shortening by board resolution.

A redemption fee of up to 0% of the redemption amount shall be incurred for the redemption of units.

Storebrand Asset Management AS may use swing pricing. Please refer to the prospectus for further details.

§ 7 Unit classes

The Fund has no unit classes.

Product name: SKAGEN AVKASTNING Legal entity identifier: 549300O5BFBK3IDEYU22

Environmental and/or social characteristics

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

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

Does this financial product have a sustainable investment objective?



Yes



No



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



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



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



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



It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 10 % of sustainable investments



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



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



with a social objective



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



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

The financial product promotes environmental and social characteristics by integrating ESG aspects (environmental, social and corporate governance aspects) in its investments. These aspects include both ESG risks and climate change mitigation.

Sustainability risks that may be relevant to the financial product'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, waste management challenges, and impact on global and local ecosystems, including biodiversity.
- Social risks: human rights, rights in war and conflict, employee rights in own business and in supply chains, product security and data and privacy.
- Governance risks: board composition and effectiveness, management incentives, management quality and stakeholder alignment.

The financial product also applies a product and norm based exclusion strategy, which include an assessment of whether the investee is negatively affecting certain environmental or social objectives (listed below).

Additionally, the financial product hold a minimum share of sustainable investments.

No reference benchmark has been designated for the purpose of attaining the environmental and social characteristics promoted by the financial product.

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?**
 - **Minimum share of sustainable investments**
 - **Carbon intensity** financial product vs benchmark (scope 1 and 2)
 - **Storebrand ESG Score** financial product vs benchmark
 - **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)
 - **Exclusions** Storebrand firm-wide exclusions

- **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 financial product's sustainable investments contribute to the following environmental goal defined in the EU taxonomy for environmentally sustainable operations: climate change limitation.

Sustainable investments primarily contribute to the stated goals through investments in companies that supports the UN's 17 global goals for sustainable development or activities that are adapted to the EU taxonomy. This is achieved by companies exceeding a minimum level of turnover which is in line with the global goals for sustainable development or the EU taxonomy, or a combination of these. In addition to the company's turnover, capital expenditure (CapEx) or operating expenses can also be included (OpEx) be used to assess a company's contribution to these goals.

For an investment to be considered a sustainable investment, at least one of the following criteria must be met:

- At least 25 percent of the company's turnover comes from products and services that contribute to one, or more, of the UN's 17 Global Sustainable Development Goals (SDGs)
- At least 25 percent of the company's revenue, CapEx or OpEx, is compatible with the EU taxonomy
- At least 25 percent of the company's revenue is green revenue according to FTSE Green Revenue
- The investment is in green, social, sustainable or sustainability-linked bonds

At the same time, a sustainable investment must not cause any significant harm to others environmental or social goals and must follow good corporate governance practices.

The financial product also promotes sustainability-related properties by integrating product- and norm based exclusions to the investment process. Product-based exclusions cover such as tobacco, cannabis, coal, oil sands, unsustainable palm oil production and controversial weapons. Norm based exclusions include serious climate and environmental damage, lobbying against the Paris Agreement, corruption and violations of international law and human rights.

In addition, the financial product promotes sustainability-related characteristics through the investment manager's influence work, active ownership and/or voting.

- **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 financial product 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 financial product. 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 financial product's environmental and/or social objectives and the financial instrument will be excluded from the financial product's investment universe.

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.

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),
- tobacco,
- cannabis

– 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 decisions on an ongoing basis. The financial product will only invest in companies that have gone through the Investment Manager's own sustainability analysis.

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 financial product'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 analyzed using a predefined scoring table to ensure consistency in the evaluation process.

The final decision to exclude the investment from financial product'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 financial product's screening and exclusion process described above covers several of the indicators for adverse impacts on sustainability factors. In the DNSH-process, The Fund currently considers the following indicators:

- 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 financial product considers the following indicator from Table 2 of Annex 1:

- PAI 15 Deforestation

The financial product'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 alignment of sustainable investments with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights is ensured by the Investment Manager's exclusions, hence excluding companies that have been confirmed to be acting in violation of the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The Fund's compliance with this is ensured through daily monitoring.

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

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

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



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

☐ **No** Yes, the financial product's screening and exclusion process described above cover several of the principal adverse impacts (the "PAIs") on sustainability factors.

☒ **Yes** 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 Fund. Please see 3.3 Addressing PAIs and Mitigation.

Information on principal adverse impacts considered by the financial product will be available in the Investment Manager's annual report.



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 methods are central to the financial product's investment strategy:

- Exclusions of products and services
- Engagement

Opting out

The financial product does not invest in companies that are subject to the norm- and product based exclusion criteria set out the Storebrand group. The exclusion process is systematic and comprehensive, and includes both internal and external data and assessments. **Norm based** exclusions include companies that:

- contribute to serious and systematic breaches of international law and human rights
- are involved in serious environmental degradation, including the climate and biodiversity
- are involved in systematic corruption and financial crime
- produce or sell controversial weapons, such as nuclear weapons, land mines, cluster munitions, biological and chemical weapons

Product based exclusions include companies:

- with revenue above certain thresholds from coal-related activities, oil sands, tobacco production and distribution, recreational cannabis
- that are involved in deforestation or conversion of native ecosystems through severe and/or systematic unsustainable production of palm oil, soy, cattle, timber, cocoa, coffee, rubber and minerals
- involved in lobbying that deliberately and systematically work against international norms and conventions, such as the goals and targets enshrined in the Paris Agreement or the Global Biodiversity Framework
- with operations in biodiversity sensitive areas
- involved with deep sea mining
- with mining operations that conduct direct marine or riverine tailings disposal
- which are state-owned and controlled by states excluded under sovereign bond criteria

We influence

The Investment Manager uses its interest in entities to engage in sustainability-related issues, and there is two main ways of doing this: voting at shareholder meetings, for funds owning stocks, or direct company engagement by expressing our views, in writing or through dialogue with the company's management, advisers or Board of directors. Both methods can effectively address ESG

concerns and provide complementary signals to companies on where the Investment Manager stand on important issues. The decision to engage with companies is based on our assessment of the significance of a particular matter, holding size, scope to effect change and opportunities to collaborate with other investors.

The Investment Manager will consider engagement with companies in cases related to serious or systematic breaches of human rights, corruption and bribery, severe environmental and climate damage, companies with a low sustainability rating in high-risk industries, company strategy or performance differing substantially from that previously communicated, governance issues such as: replacement of directors, equity issuance and dividend policies, remuneration of key personnel, transactions between related parties, diversity issues, Improve ESG reporting.

• **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 financial product is required to hold a minimum share of sustainable investments.
- Another binding element is the norm- and product based exclusion strategy (see further details above), which include an assessment of whether the investee is negatively affecting certain environmental or social objectives.

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

The financial product does not have a committed minimum rate to reduce the scope of investments, but sustainability requirements provide for the financial product's exclusion of potential investments. The exclusions strategy reduces the potential investment universe by about 15-20 percent but will vary over time.

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

The financial product 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 financial product's investment universe.

The financial product has defined criteria for what is considered as good governance practices. In order to assess whether a company follow this criteria, the financial product 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 suppliers provide scores indicating how well the investee performs in relation to good governance practices, measured by the specific indicators. The financial product 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 financial product 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

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



not invest if the investee has 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 financial product's investments aligned with the environmental and social characteristics it promotes is 80%. This includes a minimum of 10% of sustainable investments. The remaining investments can include cash for liquidity management purposes, derivatives for efficient management purposes, and other investments which are not aligned with the promoted characteristics.

Asset allocation

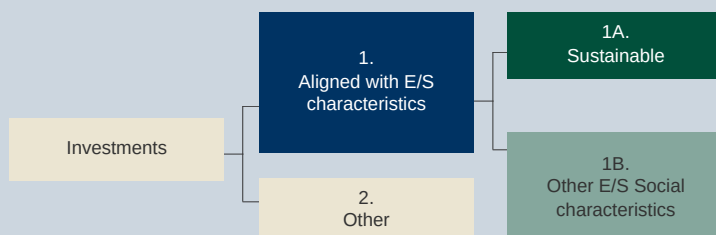
describes the share of investments in specific assets.

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.



#1

Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2

Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category #1 Aligned with E/S characteristics covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

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

The financial product does not use derivatives to attain environmental or social characteristics.

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

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

Transitional activities are activities for which



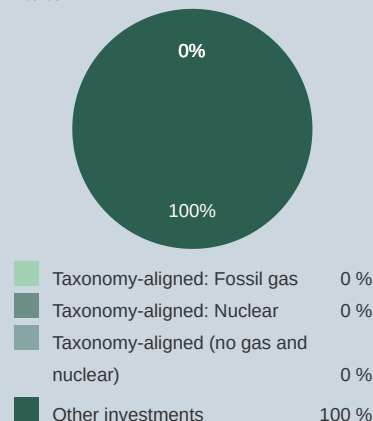
To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The financial product 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 financial product shall report the proportion of its investments that are consistent with the EU Taxonomy, but the companies in which the financial product 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 financial product's investments that are consistent with the EU Taxonomy.

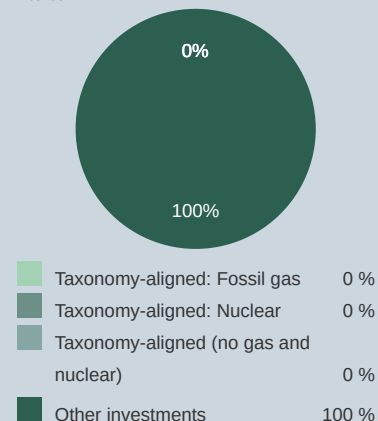
low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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.

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



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

• Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?

☐ Yes

☐ in fossil gas

☐ in nuclear energy

☒ No



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 financial product can make investments with either an environmental or a social objective, or both. 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 10%.



What is the minimum share of socially sustainable investments?

The financial product can make investments with an environmental or a social objective, or both. 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 10%.



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

As 'Other', the financial product may hold cash for liquidity management purposes and derivatives for efficient management purposes. No minimum environmental or social safeguards are applied.

¹ 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.



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

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?

No, the financial product does not use a benchmark to determine alignment with environmental and/or social objectives.

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**
Not applicable as the financial product does not use a benchmark to determine environmental or social objectives.
- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**
Not applicable as the financial product does not use a benchmark to determine environmental or social objectives.
- **How does the designated index differ from a relevant broad market index?**
Not applicable as the financial product does not use a benchmark to determine environmental or social objectives.
- **Where can the methodology used for the calculation of the designated index be found?**
Not applicable as the financial product does not use a benchmark to determine environmental or social objectives.



Where can I find more product specific information online?

More product specific information can be found on the website at www.storebrand.com.