

Prospectus for SKAGEN Focus Verdipapirfond, org.nr 915 294 294 (established 26 May 2015)

1. SKAGEN AS

1.1 Legal matters

SKAGEN AS (SKAGEN) was founded on 15.09.1993 and is registered in the Register of Business Enterprises with org. no. 867 462 732. On 19.11.1993 the company was authorised by the Financial Supervisory Authority of Norway to manage securities funds. The company manages the following different fund categories; equity funds, fixed income funds and balanced funds. The funds are managed according to different mandates within their respective categories. For more information about which funds are managed by the company, please refer to our homepage www.skagenfunds.com or contact the company directly. The company's share capital is NOK 7,299,200. The company's registered office address is P.O. Box 160, 4001 Stavanger. The company is authorised to market SKAGEN Focus in Norway, Sweden, Denmark, Finland, the Netherlands, Luxembourg, Iceland, the UK, Switzerland, Belgium, Ireland, Germany, the Faroe Islands and France.

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

1.2 Ownership

Owner of the company with more than 10% interest is Storebrand Asset Management AS.

1.3 Board of Directors

Elected by the shareholders:

Odd Arild Grefstad, Chairperson
Jan Erik Saugestad
Viveka Ekberg
Kristian Falnes

Elected by the unit holders:

Per Gustav Blom
Martin Petersson

Deputy members elected by the shareholders:

Leiv Askvig
Tove Selnes

Deputy member elected by the unit holders:

Aina Haug

Total fees to directors were NOK 1,750,000.00 in 2016.

1.4 Managing director

Øyvind Schanke

The Managing director receives a fixed salary of NOK 2,750,000 and in addition a performance based bonus.

1.5 Remuneration scheme

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

2. Articles of Association for the fund SKAGEN Focus

§ 1 Name of the securities fund and the management company

The securities fund SKAGEN Focus is managed by the management company SKAGEN AS (hereinafter referred to as 'SKAGEN'). The Fund is authorised in Norway and regulated by the Financial Supervisory Authority of Norway (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 which complies with the investment rules of Chapter 6 of the Norwegian Securities Funds Act and the regulations on subscription and redemption in § 4-9 (1) and 4-12 (1).

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

3.1 The Fund's investment area and risk profile

The Fund is an equity fund which shall primarily invests in shares issued by companies worldwide. Details of the Fund's investment mandate are given in the prospectus. The Fund is normally characterised by a relatively high fluctuation risk (volatility). The risk profile is set out in detail in the Fund's Key Investor Information Document.

3.2 General information about the investment area

The Fund's assets may be invested in the following financial instruments and/or 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 type="checkbox"/> yes	<input checked="" 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 § 6-2 (2) of the Norwegian Securities Funds Act 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 money 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 be reduced as a result of the derivative investments.

3.3 Liquidity requirement

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

- are admitted to official exchange listing or traded on a regulated market in an EEA Member State, including a Norwegian regulated market as defined in Article 4 (1) (14) of Directive 2004/39/EC and § 3 (1) of the Norwegian Stock Exchange Act.
 yes no
- 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
- 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

Stock exchanges and regulated markets worldwide is eligible.

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.
- x yes no

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

Up to 10% 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's investments shall at all times comply with investment restrictions of the Norwegian Securities Funds Act § 6-6 and § 6-7.

3.5 Investment restrictions – ownership interest with issuer

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

3.6 Lending

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

All income from lending shall accrue to the Fund.

§ 4 Capital gains and dividends

Capital gains shall be reinvested in the Fund.

Dividends are not distributed to unit holders.

The management company's Board of Directors may allow capital gains of the Fund's bonds to be distributed to unit holders.

The management company's Board of Directors may provide that dividend and/or interest income shall be distributed to unit holders.

§ 5 Costs

The management fee is the management company's compensation for managing the fund. The basis for the calculation of the management fee shall be 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, the value of the fund's liquid assets and other receivables, the value of accrued income not yet due (if applicable) and the value of any loss carry forwards less debt and accrued costs not due, including latent tax liabilities.

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

1. transaction costs for 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, and
4. extraordinary costs necessary to protect the interests of unit holders, cf. Section 4-6 (2) of the Norwegian Securities Funds Act.

The management fee shall be divided equally among all units in a particular unit class of the fund. The amount of the management fee is stated in § 7 of the Articles of Association.

The management company may invest the fund's assets in other funds that charge a maximum management fee of 5% per annum. The management fee charged to the other funds will be additional to SKAGEN's management fee.

Any retrocession received by SKAGEN from a management company or the like for another fund shall accrue to the fund in its entirety.

§ 6 Subscription and redemption of units

The Fund is normally open for subscription 5 days a week.

The Fund is normally open for redemption 5 days a week.

A subscription fee of up to 1% of the subscription amount may be charged for subscription of units.

The Board of SKAGEN may decide that the costs shall increase by up to 10% of the subscription amount. The difference between 1% 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 0.3% of the redemption amount may be charged for the redemption of units.

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

§ 7 Unit classes

The fund's portfolio of assets shall be divided into the following unit classes:

Unit class	Management fee
Focus A	A 1.6% fixed management fee adjusted for a variable management fee.
Focus B	An up to 1.3% fixed management fee adjusted for a variable management fee.
Focus C	A 1% fixed management fee adjusted for a variable management fee.

Unit class Focus A

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

The management fee shall constitute 1.6 per cent per annum.

The fixed management fee is calculated daily and charged quarterly.

The total fixed management fee in the Fund and any sub-funds may not exceed 3.7 per cent per annum in unit class A.

In addition, the management company may charge the unit class a variable management fee.

The fixed management fee shall be subtracted from the unit value before calculating the variable management fee.

The variable management fee shall be calculated daily and charged annually.

If there is a better value development of the net asset value per unit expressed as a percentage than that achieved by the MSCI All Country World Daily Total Return Net USD, measured in Norwegian kroner (NOK) from the preceding day, the management company will charge a 10 percent fee of this difference in its favour.

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

The total management fee may not exceed 3.2 per cent of the daily calculated average annual assets under management.

If there is a poorer value development of the net asset value per unit expressed as a percentage than that achieved by the MSCI All Country World Daily Total Return Net USD, measured in Norwegian kroner (NOK), the management company will subtract a 10 per cent fee of this difference from the management fee.

The total management fee may not fall below 0.8 per cent of the daily calculated average of the annual assets under management in the unit class. If the calculated management fee is lower than 0.8 per cent, the difference will not be included in the unit value but be carried over to the following day. This means that the management company will have to recover the loss in value from the preceding day before any variable management fee can be included in the calculation of the unit value.

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

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

Unit class Focus B

Unit Class B is open to investors who invest through distributors who, under their agreements with the management company, do not receive payment from the management company.

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

The management fee shall not exceed 1.3 per cent per annum.

The fixed management fee is calculated daily and charged quarterly.

The total fixed management fee in the Fund and any sub-funds may not exceed 3.4 per cent per annum in unit class B.

In addition, the management company may charge the unit class a variable management fee.

The fixed management fee shall be subtracted from the unit value before calculating the variable management fee.

The variable management fee shall be calculated daily and charged annually.

If there is a better value development of the net asset value per unit expressed as a percentage than that achieved by the MSCI All Country World Daily Total Return Net USD, measured in Norwegian kroner (NOK) from the preceding day, the management company will charge a 10 percent fee of this difference in its favour.

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

The total management fee may not exceed 2.9 per cent of the daily calculated average annual assets under management in the unit class.

If there is a poorer value development of the net asset value per unit expressed as a percentage than that achieved by the MSCI All Country World Daily Total Return Net USD, measured in Norwegian kroner (NOK), the management company will subtract a 10 per cent fee of this difference from the management fee.

The total management fee may not fall below 0.5 per cent of the daily calculated average annual assets under management.

If the calculated management fee is lower than 0.5 per cent, the difference will not be included in the unit value but be carried over to the following day. This means that the management company will have to recover the loss in value from the preceding day before any variable management fee can be included in the calculation of the unit value.

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

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

If unit holders do not meet the criteria for investment in the B-unit class, their unit value may be transferred by the management company to the A-unit class.

Unit class Focus C

Unit class C is open to investors who have units in the fund (excluding unit class B) at a cost price of at least 50 000 000 Norwegian kroner, and who do not qualify for distribution remuneration or other remuneration from SKAGEN.

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

The fixed management fee shall be 1.0% per annum.

The fixed management fee is calculated daily and charged quarterly.

The total fixed management fee in the Fund and any sub-funds may not exceed 3.7 per cent per annum in unit class C.

In addition, the management company may charge the unit class a variable management fee.

The fixed management fee shall be subtracted from the unit value before calculating the variable management fee.

The variable management fee shall be calculated daily and charged annually.

If there is a better value development of the net asset value per unit expressed as a percentage than that achieved by the MSCI All Country World Daily Total Return Net USD, measured in Norwegian kroner (NOK) from the preceding day, the management company will charge a 10 percent fee of this difference in its favour.

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

The total management fee in unit class C may not exceed 3.2 per cent of the daily calculated average annual assets under management.

If there is a poorer value development of the net asset value per unit expressed as a percentage than that achieved by the MSCI All Country World Daily Total Return Net USD, measured in Norwegian kroner (NOK), the management company will subtract a 10 per cent fee of this difference from the management fee.

The total management fee may not fall below 0.8 per cent of the daily calculated average annual assets under management.

If the calculated management fee is lower than 0.8 per cent, the difference will not be included in the unit value but be carried over to the following day. This means that the management company will have to recover the loss in value from the preceding day before any variable management fee can be included in the calculation of the unit value.

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

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

If the unit holder does not meet the criteria for investment in the C-unit class, their unit value may be transferred by the management company to another unit class. The management company may also move the units in the event that the unit holder's assets under management in the fund (excluding unit class B) amount to less than 50 000 000 Norwegian kroner.

3. Tax issues

The information given below is not intended as tax advice, but merely provides information on the basic tax rules for the Fund. Basic tax rules applicable to investors in some jurisdictions are also specified. Please contact your local tax consultant for further information.

The Fund:

The Fund is exempt from tax on profits and is not entitled to deduct losses from the disposal of units. Dividends from, and profits on, investments that fall under the exemption method are also tax-free. However, three per cent of the tax-free dividends must be considered as taxable for the Fund. The Fund may be liable to pay tax on gains and dividends from foreign companies. The Fund is exempt from wealth tax. Net capital gains, foreign exchange gains and gains on interest-bearing securities are taxed at 23%.

The Fund does not distribute dividends.

Investors liable to taxation in Belgium:

Individual investors

Belgian individual investors are not taxed on undistributed income and gains. Capital gains realized upon sale, redemption or liquidation are not taxable, provided they are realized within the scope of the normal management of one's own private estate. Capital losses are not tax deductible.

Corporate investors

Belgian corporate investors are not taxed on undistributed income and gains. Capital gains realized upon sale, redemption of the shares or upon liquidation will be taxed in the hands of the Belgian corporate investors at the normal corporate income tax rate of 33,99% (for financial years starting before 1 January 2018) or 29,58% (for financial years starting as from 1 January 2018). Capital losses on units are tax deductible.

Stamp duties

On the purchase and sale of units in Belgium via a Belgian financial intermediary institution, a stock exchange duty is due.

A stock exchange duty is also due in case units are purchased or sold via a non-Belgian financial intermediary institution, provided that the order for the transaction was given by a Belgian investor. In such cases, the Belgian investor is the debtor of the stock exchange duty, unless he can prove that the stock exchange duty has been paid.

No stock exchange duty is due on the issue of new units, nor on the redemption of units.

Prior to the investment, the investor should however seek approval of his local tax adviser.

4. Derivatives

In accordance with § 3 3.2 of the Articles of Association, the Fund shall have the possibility of using derivatives, the purpose of which shall be the reduction of risk. Currently, the Fund does not use any derivatives.

5. Benchmark index

The Fund's benchmark is MSCI All Country World Daily Total return Net \$, measured in NOK. The benchmark is adjusted for dividends.

6. Objectives and investment strategy

The Fund's objective is to provide unit holders with the best possible long term risk adjusted return, through an actively managed concentrated portfolio of global equities.

SKAGEN Focus is an actively managed concentrated fund with a global investment mandate. The Fund's strategy is to find and invest in very select low-priced, high-quality companies that are undervalued, under-researched and unpopular. The portfolio is composed of 35 core companies. The higher

concentration increases potential for higher returns, at the cost of potentially higher volatility. In order to reduce risk, the Fund seeks to maintain a sensible composition of companies in the portfolio. This means that the portfolio managers continuously seek to identify fundamental risk factors in the companies. The risk factors are measured, monitored and balanced against each other. Active management entails that the portfolio managers invest in companies on the basis of their own analyses. With common sense and long-term planning, the portfolio managers try to avoid investing in popular companies and industries at a price that is too high relative to those companies' fundamental value and earnings. The profits in the companies develop over a period of time, as does the Fund's return.

7. Techniques to achieve effective portfolio management

To generate more income, the fund uses lending of financial instruments in accordance with Section 6-8 of the Norwegian securities funds regulation. The fund's financial risk is not expected to be significantly influenced by the lending activity.

Maximum 50% of the fund's assets may be lent to approved counterparties against collateral in the form of financial instruments or cash. The following counterparties may be used: credit institutions, investment firms and insurance companies. The management company may itself propose lending to a counterparty on the fund's behalf, or use Northern Trust Global Services Limited as an agent.

Collateral for lending is provided as cash and/or bonds issued or guaranteed by a state in the OECD area with a credit rating mainly of AA- or higher (or the equivalent). The collateral must exceed the market value of the financial instruments lent by a margin of between 2 and 5%.

All income from the fund's lending of financial instruments by the management company shall accrue to the fund. For lending of financial instruments through an agent, all income shall accrue to the fund after deduction of the agent's costs of administration and transaction of the loans. The management company will not receive any remuneration from the fund for the administration or transaction of the loans other than the ordinary management fee in the funds. The lending will take place on market terms.

The lending activity is not considered to entail an increased risk of conflicts of interest between the management company and the fund, between the funds or between the fund's unit holders.

8. Nature and character of the unit

General

All units represent one ownership share in the securities fund SKAGEN Focus.

A unit holder is not entitled to demand that the Fund be split up or dissolved. All unit holders or their appointed proxies have the right to vote at the election meeting for the securities funds managed by SKAGEN. Beyond their unit investment, unit holders are not liable for the Fund's obligations. If the Financial Supervisory Authority of Norway decides that the Fund should be wound up or transferred to another management company, unit holders will be informed in accordance with the Norwegian Securities Funds Act § 4-13.

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

Unit classes

- The fund is divided into different unit classes.
- The condition for accessing unit class B: The investor invests through a distributor which, according to its agreement with the management company, does not receive payment from the management company.
- The condition for accessing unit class C: The investor has units in the fund (not including B units) which have a cost price and/or market value of at least NOK 50 000 000, which do not qualify for distribution remuneration or other payment from SKAGEN.
- The precondition for accessing unit class C is that the investor's units are registered under a separate account.
- If the investor no longer fulfils the conditions and preconditions for a given unit class, SKAGEN will – after prior notification to the account holder – transfer the units to another unit class for which the conditions are met. SKAGEN is not responsible for any costs or inconvenience incurred by the investor or others as a result of the move to another unit class, including, but not limited to, tax consequences.

9. Auditor

The external/financial auditor is PricewaterhouseCoopers DA, P.O. Box 8017, 4068 Stavanger, Norway (org. no. 987 009 713).
The internal auditor is Ernst & Young AS, Dronning Eufemias Gate 6, 0191 Oslo, Norway (org.no. 976 389 387).

10. Custodian

The Fund's Custodian is Handelsbanken (org. no. 971 171 324), P.O. Box 1342 Vika, 0113 Oslo, Norway. The bank is a foreign enterprise registered in Norway.

11. Historical returns and risk

Please refer to the Key Investor Information Document for up-to-date bar graphs showing historical returns for the fund's unit classes and position on the SKAGEN risk scale. Key Investor Information Document may be ordered free of charge from SKAGEN, or downloaded from www.skagenfondene.no.

There are risks associated with investment in the Fund as a result of market fluctuations, changes in exchange rates, interest levels, general economic conditions, and specific sector and corporate circumstances. The distribution of investments in the equity fund is a result of SKAGEN's investment philosophy, which involves seeking out unpopular, under-analysed and undervalued companies. This investment philosophy examines corporate valuations, product/market matrices, indebtedness and the liquidity of the financial instrument.

In addition to the statutory requirements, SKAGEN has internal requirements for the spread of the investment between the various sectors and the liquidity of the financial instruments the Fund invests in. SKAGEN has drawn up internal procedures for reducing the probability of operating errors which can affect the Fund.

Historical returns are no guarantee for future returns. Future returns will depend, inter alia, on market developments, the fund manager's skill, the Fund's risk profile and subscription and management fees. The return may become negative as a result of negative price developments. The Fund's performance may vary considerably over the course of a year. Gains or losses for individual unit holders will therefore depend on the exact timing of the subscription and redemption of units.

12. Calculation and publication of Net Asset Value per unit

Each unit in the Fund shall be denominated in NOK 100.

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

A discretionary valuation, called "fair value pricing" is used in case of events that may affect the value of a relevant security, or when the market on which the security is traded is closed, or if the security is illiquid. The SKAGEN practice for "fair value pricing" is in accordance with the recommendation to the industry by the Norwegian Mutual Fund Association: Valuation of illiquid equity capital instruments; www.vff.no.

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

The procedures are set up according to the industry standard set by the Norwegian Mutual Fund Association for subscription and redemption. Read more about the industry standard for subscription and redemption of fund units on www.vff.no.

The net asset values per unit are calculated on every Norwegian banking day.

The net asset values are normally published 5 times a week. Publication is made through Oslo Børs ASA.

13. Unit holder register

The unit holder register of SKAGEN Focus is maintained by SKAGEN. SKAGEN will issue notifications of changes to holdings, annual statements and realisation statements. The notifications will be made available on SKAGEN's web portal, My Page. Upon request, unit holders/nominees may arrange to receive annual statements and realisation statements by post.

14. Costs

Unit class Focus A

Fixed management fee: 1.6% per annum, calculated daily and charged quarterly. Variable management fee: Better/worse value development than the benchmark index, calculated daily, is divided 90/10 between the unit holder and SKAGEN. Variable management fee is charged annually. The total management fee charged represents a maximum of 3.2% per annum and a minimum of 0.8% per annum.

Unit class Focus B

Fixed management fee: 1.3% per annum, calculated daily and charged quarterly. Variable management fee: Better/worse value development than the benchmark index, calculated daily, is divided 90/10 between the unit holder and SKAGEN. Variable management fee is charged annually. The total management fee charged represents a maximum of 2.9% per annum and a minimum of 0.5% per annum.

Unit class Focus C

Fixed management fee: 1% per annum, calculated daily and charged quarterly. Variable management fee: Better/worse value development than the benchmark index, calculated daily, is divided 90/10 between the unit holder and SKAGEN. Variable management fee is charged annually. The total management fee charged represents a maximum of 3.2% per annum and a minimum of 0.8% per annum.

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

There are currently no costs for subscription and redemption.

15. Information

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

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

16. Subscriptions and redemptions

Units shall be subscribed for and redeemed in accordance with the Norwegian Fund and Asset Management Association's industry standard for subscription and redemption.

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

For subscription and redemption in a currency other than NOK, the subscription/redemption price shall be calculated from the Fund's NAV in Norwegian kroner using the exchange rate for the relevant Fund on the valuation day. For information about the currencies that can be used for subscription/redemption, please visit www.skagenfondene.com.

Requests for subscription and redemption shall be made in writing and shall be signed, unless otherwise regulated by a prior written agreement between SKAGEN and the unit holder. New units shall be subscribed for at the net asset value per unit as at the first valuation following the subscription date (that is, when the application has been received by the management company, the funds connected with the subscription have been received and any checks have been completed). Redemption shall take place at the net asset value per unit as of the first valuation following receipt by the management company of the redemption request. The redemption request must reach the management company by 3 pm CET, adjusted for summer time, or by another point in time set with reference to public holidays (the cut-off deadline) in order for the first valuation following receipt of the redemption request to be used as the basis. In the event of stock exchange closure, or other extraordinary circumstances, including in special instances the protection of unit holders' interests, the management company may, with the consent of the Financial Supervisory Authority, either wholly or partially suspend the value assessment and payment of redemption claims.

In Sweden, subscription and redemption may be effected through:

- SKAGEN Fonder, Drottninggatan 86, 111 36 Stockholm (org. no. 516403-4984)
- Svenska Handelsbanken, Kungsträdgårdsgatan 2, 10670 Stockholm (org. no. 502007-7862)

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

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

In Luxembourg, subscription and redemption may be effected through:

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

In Finland, subscription and redemption may be effected through:

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

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

- SKAGEN Funds, 22A St James's Square, London SW1Y 4JH, United Kingdom. UK Company No: FC029835, UK Establishment No: BR014818. FCA Registration number: 469697

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

- SKAGEN Funds, Museumplein 5 D, 1071 DJ Amsterdam, The Netherlands, Branch Registration Number with Chamber of Commerce in Amsterdam: 52328686

In Switzerland, subscription and redemption may be effected through:

- Acolin Fund Services AG, Affolternstrasse 56, 8050 Zürich, Switzerland

In Belgium, subscription and redemption may be effected through:

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

In Ireland, subscription and redemption may be effected through:

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

In Germany, subscription and redemption may be effected through:

- CACEIS Bank S.A., Germany Branch, Lilienthalallee 34-36, 80939 München, Germany

In France, subscription and redemption may be effected through:

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

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

More information adapted to unit holders in Sweden, Denmark, UK, the Netherlands and the countries in which SKAGEN is authorised to market its funds, is available on our Swedish, Danish, UK, Dutch and international websites: www.skagenfondene.se, www.skagenfondene.dk, www.skagenfunds.co.uk, www.skagenfunds.nl and www.skagenfunds.com.

17. Trading via a regulated market.

The unit class SKAGEN Focus A will be traded on the NASDAQ Copenhagen.

18. Dispute settlement body

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

19. Other matters

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

20. The Board

Unit holders of the funds which the management company manages shall select at least one third of the members of the management company's Board of Directors and at least half of this number as deputies. Deputies shall be entitled to attend, but they may not vote, at Board meetings.

The management company shall appoint an election committee. The Election Committee shall nominate unit holder representatives to the election meeting. The Board members and deputies elected by the unit holders shall be elected at the election meeting. The election meeting shall be convened by public notice or by written notice to unit holders, with at least two weeks' notice. The election meeting shall be held each year by the end of June.

21. Board of Directors' responsibility

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

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

22. Amendment of the Articles of Association

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

Approved by the Board of SKAGEN AS 27 April 2017

Updated 2 January 2018

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