

## Prospectus SKAGEN Kon-Tiki Verdipapirfond, org.nr. 984 305 141 (established 5 April 2002)

### 1. SKAGEN AS

#### 1.1 Legal matters

SKAGEN AS (SKAGEN) was founded on 15.09.1993 and is registered in the Register of Business Enterprises with org. no. 867 462 732. On 19.11.1993 the company was authorised by the Financial Supervisory Authority of Norway to manage securities funds. The company manages the following different fund categories; equity funds, fixed income funds and balanced funds. The funds are managed according to different mandates within their respective categories. For more information about which funds are managed by the company, please refer to our homepage www.skagenfunds.com or contact the company directly. The company's share capital is NOK 6.329.200. The company's registered office address is P.O. Box 160, 4001 Stavanger. The company is authorised to market SKAGEN Kon-Tiki 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

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

#### 1.3 Board of Directors

Elected by the shareholders:

Jan Erik Saugestad, Chairperson  
Viveka Ekberg  
Kristian Falnes  
Kathinka Koch Sommerseth

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

Observer elected by the employees:

Sølvi M. Tønning

Deputy member elected by the employees:

Leif Håvard Seljeflot

Total fees to directors were NOK 1.816.666 in 2017.

#### 1.4 Managing director

Timothy C Warrington

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

#### 1.5 Remuneration scheme

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

### 2. Articles of Association for the fund SKAGEN Kon-Tiki

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

The securities fund SKAGEN Kon-Tiki 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 regulations in section 6 of the Norwegian Securities Fund Act, and the regulations on subscription and redemption in § 4-9 (1) and § 4-12 (1).

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

##### 3.1 The Fund's investment area and risk profile

The Fund is an equity fund which primarily invests in shares issued by companies worldwide. A minimum of 50% of the Fund is invested in countries/markets that are not covered by MSCI Developed Market Series. 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 deposits with credit institutions:

transferable securities	x	yes	..	no
securities fund units	x	yes	..	no
money market instruments	x	yes	..	no
derivatives	x	yes	..	no
deposits with credit institutions	..	yes	x	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, be in accordance with these Articles of Association.

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

x yes .. no

Investment in securities funds which are not UCITS shall comply with the conditions of § 6-2 (2) and in total not exceed 10% of the fund assets:

x 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:

x 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:

x 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.  
x 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.  
x 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.  
x yes .. no

Any stock exchange and regulated market in the world is eligible. Investments are made 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.
- 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 must at all times comply with the investment restrictions in the Norwegian Securities Fund Act § 6-6 and § 6-7 (1) and (2).

**3.5 Investment restrictions –ownership interest with issuer**

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

**3.6 Lending**

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

All income from lending shall accrue to the Fund.

**§ 4 Management by the Fund of 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 and deposits with credit institutions, 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 yet 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 on all units within each fund's unit class. The amount of the management fee is stated in § 7 of the Articles of Association.

The management company SKAGEN may invest the fund's assets in other funds charged 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 times a week.

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

A subscription fee of up to 3% 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 3% and the adopted increased subscription cost 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 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
Kon-Tiki A	A 2% fixed management fee adjusted for a performance-based symmetrical management fee.
Kon-Tiki B	An up to 1.5% fixed management fee adjusted for a performance-based management fee.
Kon-Tiki C	A 1.75% fixed management fee adjusted for a performance-based management fee.
Kon-Tiki D	A 1.50% fixed management fee adjusted for a performance-based management fee.
Kon-Tiki E	A 1.25% fixed management fee adjusted for a performance-based management fee.

Unit class Kon-Tiki A

The management company may charge the unit class a management fee which shall consist of a fixed management fee of 2% per annum, adjusted for a performance-based symmetrical management fee.

The fixed management fee is calculated daily and charged quarterly.

In addition, the management company may charge the unit class a performance-related symmetrical management fee.

If there is a better value development of the net asset value per unit expressed as a percentage than that achieved by MSCI Emerging Markets Index Daily Traded Net Total Return \$, as measured in Norwegian kroner, the management company shall, in addition to the fixed daily management fee, charge a further 10% fee of the difference between the value development of the unit class expressed as a percentage and the value development of MSCI Emerging Markets Index Daily Traded Net Total Return \$, as measured in Norwegian kroner, expressed as a percentage, in the same period. The total annual management fee charged may not exceed 4% of the unit class' average annual asset value.

If there is a poorer value development of the net asset value per unit expressed as a percentage than that achieved by MSCI Emerging Markets Index Daily Traded Net Total Return \$, as measured in Norwegian kroner, 10% of the difference between the value development of the unit class expressed as a percentage and the value development of MSCI Emerging Markets Index Daily Traded Net Total Return \$, as measured in Norwegian kroner, expressed as a percentage, in the same period shall be deducted from the management fee.

The total annual management fee charged may not be less than 1% of the unit class' average annual asset value.

The fixed daily management fee shall be deducted before the additional or reduced fee is calculated. This means that any changes in value are adjusted for the fixed management fee before the performance-based symmetrical management fee is calculated and deducted.

The performance-based symmetrical management fee is calculated daily and charged at the end of each calendar year.

However, a unit holder may be charged an additional fee despite the fact that the units have not achieved a better value development, expressed as a percentage, than MSCI Emerging Markets Index Daily Traded Net Total Return \$, as measured in Norwegian kroner, adjusted for the fixed management fee. Conversely, a unit holder may avoid being charged an additional fee even if the value development indicates such a charge. The same applies in case of a reduced fee. This is because the performance-based symmetrical management fee is charged at the end of a calendar year and because the calculation period for the units commences from the beginning of the year.

A unit holder buying units in the course of the calendar year will, during the first year, not have the whole year as the period of calculation. The calculation period is not from the time of the purchase of the units, but from the beginning of the year.

#### Unit class Kon-Tiki B

The B-unit class shall be characterised by having a lower management fee than the A-unit class. The unit class shall be open to any investor who subscribes for units through distributors which, to its agreements with the management company, does not receive payment from the management company.

The management company may charge the unit class a management fee which shall consist of a fixed management fee of up to 1.5% adjusted for a performance-based management fee.

The fixed management fee is calculated daily and charged quarterly.

In addition, the management company may charge the unit class a performance-related management fee.

If there is a better value development of the net asset value per unit expressed as a percentage than that achieved by MSCI Emerging Markets Index Daily Traded Net Total Return \$, as measured in Norwegian kroner, the management company shall, in addition to the fixed daily management fee, charge a further 10% fee of the difference between the value development of the unit class expressed as a percentage and the value development of MSCI Emerging Markets Index Daily Traded Net Total Return \$ as measured in Norwegian kroner, expressed as a percentage, in the same period. The total annual management fee charged may not exceed 3.5% of the unit class' average annual asset value.

If there is a poorer value development of the net asset value per unit expressed as a percentage than that achieved by MSCI Emerging Markets Index Daily Traded Net Total Return \$, as measured in Norwegian kroner, 10% of the difference between the value development of the unit class expressed as a percentage and the value development of MSCI Emerging Markets Index Daily Traded Net Total Return \$, as measured in Norwegian kroner, expressed as a percentage, in the same period shall be deducted from the management fee.

The total annual management fee charged may not be less than 0.5% of the unit class' average annual asset value.

The fixed daily management fee shall be deducted before the additional or reduced fee is calculated. This means that any changes in value are adjusted for the fixed management fee before the performance-based management fee is calculated and deducted.

The performance-based management fee is calculated daily and charged at the end of each calendar year.

However, a unit holder may be charged an additional fee despite the fact that the units have not achieved a better value development, expressed as a percentage, than MSCI Emerging Markets Index Daily Traded Net Total Return \$, as measured in Norwegian kroner, adjusted for the fixed management fee. Conversely, a unit holder may avoid being charged an additional fee even if the value development indicates such a charge. The same applies in case of a reduced fee. This is because the performance-based management fee is charged at the end of a calendar year and because the calculation period for the units commences from the beginning of the year.

A unit holder buying units in the course of the calendar year will, during the first year, not have the whole year as the period of calculation. The calculation period is not from the time of the purchase of the units, but from the beginning of the year.

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 Kon-Tiki C

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

The management company may charge the unit class a management fee which shall consist of a fixed management fee of 1.75% adjusted for a performance-based management fee.

The fixed management fee is calculated daily and charged quarterly.

In addition, the management company may charge the unit class a performance-related management fee.

If there is a better value development of the net asset value per unit expressed as a percentage than that achieved by MSCI Emerging Markets Index Daily Traded Net Total Return \$, as measured in Norwegian kroner, the management company shall, in addition to the fixed daily management fee, charge a further 10% fee of the difference between the value development of

the unit class expressed as a percentage and the value development of MSCI Emerging Markets Index Daily Traded Net Total Return \$ as measured in Norwegian kroner, expressed as a percentage, in the same period. The total annual management fee charged may not exceed 4% of the unit class' average annual asset value.

If there is a poorer value development of the net asset value per unit expressed as a percentage than that achieved by MSCI Emerging Markets Index Daily Traded Net Total Return \$, as measured in Norwegian kroner, 10% of the difference between the value development of the unit class expressed as a percentage and the value development of MSCI Emerging Markets Index Daily Traded Net Total Return \$, as measured in Norwegian kroner, expressed as a percentage, in the same period shall be deducted from the management fee. The total annual management fee charged may not be less than 1% of the unit class' average annual asset value.

The fixed daily management fee shall be deducted before the additional or reduced fee is calculated. This means that any changes in value are adjusted for the fixed management fee before the performance-based management fee is calculated and deducted.

The performance-based management fee is calculated daily and charged at the end of each calendar year.

However, a unit holder may be charged an additional fee despite the fact that the units have not achieved a better value development, expressed as a percentage, than MSCI Emerging Markets Index Daily Traded Net Total Return \$, as measured in Norwegian kroner, adjusted for the fixed management fee. Conversely, a unit holder may avoid being charged an additional fee even if the value development indicates such a charge. The same applies in case of a reduced fee. This is because the performance-based management fee is charged at the end of a calendar year and because the calculation period for the units commences from the beginning of the year. A unit holder buying units in the course of the calendar year will, during the first year, not have the whole year as the period of calculation. The calculation period is not from the time of the purchase of the units, but from the beginning of the year.

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 transfer the units in the event that the unit holder's assets under management in the fund (not including B units) amount to less than 50 000 000 Norwegian kroner or exceed 100 000 000 Norwegian kroner.

#### Unit class Kon-Tiki D

The unit class is open to investors who have units in the fund (not including B units) which have a cost price of at least 100 000 000 Norwegian kroner, and which do not qualify for distribution remuneration or other remuneration from SKAGEN.

The management company may charge the unit class a management fee which shall consist of a fixed management fee of 1.50% adjusted for a performance-based management fee.

The fixed management fee is calculated daily and charged quarterly.

In addition, the management company may charge the unit class a performance-related management fee.

If there is a better value development of the net asset value per unit expressed as a percentage than that achieved by MSCI Emerging Markets Index Daily Traded Net Total Return \$, as measured in Norwegian kroner, the management company shall, in addition to the fixed daily management fee, charge a further 10% fee of the difference between the value development of the unit class expressed as a percentage and the value development of MSCI Emerging Markets Index Daily Traded Net Total Return \$ as measured in Norwegian kroner, expressed as a percentage, in the same period. The total annual management fee charged may not exceed 4% of the unit class' average annual asset value.

If there is a poorer value development of the net asset value per unit expressed as a percentage than that achieved by MSCI Emerging Markets Index Daily Traded Net Total Return \$, as measured in Norwegian kroner, 10% of the difference between the value development of the unit class expressed as a percentage and the value development of MSCI Emerging Markets Index Daily Traded Net Total Return \$, as measured in Norwegian kroner, expressed as a percentage, in the same period shall be deducted from the management fee. The total annual management fee charged may not be less than 1% of the unit class' average annual asset value.

The fixed daily management fee shall be deducted before the additional or reduced fee is calculated. This means that any changes in value are adjusted for the fixed management fee before the performance-based management fee is calculated and deducted.

The performance-based management fee is calculated daily and charged at the end of each calendar year.

However, a unit holder may be charged an additional fee despite the fact that the units have not achieved a better value development, expressed as a percentage, than MSCI Emerging Markets Index Daily Traded Net Total Return \$, as measured in Norwegian kroner, adjusted for the fixed management fee. Conversely, a unit holder may avoid being charged an additional fee even if the value development indicates such a charge. The same applies in case of a reduced fee. This is because the performance-based management fee is charged at the end of a calendar year and because the calculation period for the units commences from the beginning of the year. A unit holder buying units in the course of the calendar year will, during the first year, not have the whole year as the period of calculation. The calculation period is not from the time of the purchase of the units, but from the beginning of the year.

If the unit holder does not meet the criteria for investment in the D-unit class, their unit value may be transferred by the management company to another unit class. The management company may also transfer the units in the event that the unit holder's assets under management in the fund (not including B units) amount to less than 100 000 000 Norwegian kroner or exceed 300 000 000 Norwegian kroner.

#### Unit class Kon-Tiki E

The unit class is open to investors who have units in the fund (not including B units) at a cost price of at least 300 000 000 Norwegian kroner, and which do not qualify for distribution remuneration or other remuneration from SKAGEN.

The management company may charge the unit class a management fee which shall consist of a fixed management fee of 1.25% adjusted for a performance-based management fee.

The fixed management fee is calculated daily and charged quarterly.

In addition, the management company may charge the unit class a performance-related management fee.

If there is a better value development of the net asset value per unit expressed as a percentage than that achieved by MSCI Emerging Markets Index Daily Traded Net Total Return \$, as measured in Norwegian kroner, the management company shall, in addition to the fixed daily management fee, charge a further 10% fee of the difference between the value development of the unit class expressed as a percentage and the value development of MSCI Emerging Markets Index Daily Traded Net Total Return \$ as measured in Norwegian kroner, expressed as a percentage, in the same period. The total annual management fee charged may not exceed 4% of the unit class' average annual asset value.

If there is a poorer value development of the net asset value per unit expressed as a percentage than that achieved by MSCI Emerging Markets Index Daily Traded Net Total Return \$, as measured in Norwegian kroner, 10% of the difference between the value development of the unit class expressed as a percentage and the value development of MSCI Emerging Markets Index Daily Traded Net Total Return \$, as measured in Norwegian kroner, expressed as a percentage, in the same period shall be deducted from the management fee. The total annual management fee charged may not be less than 1% of the unit class' average annual asset value.

The fixed daily management fee shall be deducted before the additional or reduced fee is calculated. This means that any changes in value are adjusted for the fixed management fee before the performance-based management fee is calculated and deducted.

The performance-based management fee is calculated daily and charged at the end of each calendar year.

However, a unit holder may be charged an additional fee despite the fact that the units have not achieved a better value development, expressed as a percentage, than MSCI Emerging Markets Index Daily Traded Net Total Return \$, as measured in Norwegian kroner, adjusted for the fixed management fee. Conversely, a unit holder may avoid being charged an additional fee even if the value development indicates such a charge. The same applies in case of a reduced fee. This is because the performance-based management fee is charged at the end of a calendar year and because the calculation period for the units commences from the beginning of the year. A unit holder buying units in the course of the calendar year will, during the first year, not have the whole year as the period of calculation. The calculation period is not from the time of the purchase of the units, but from the beginning of the year.

If the unit holder does not meet the criteria for investment in the E-unit class, their unit value may be transferred by the management company to another unit class. The management company may also transfer the units in the event that the unit holder's assets under management in the fund (not including B units) amount to less than 300 000 000 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 the MSCI Emerging Markets Index Daily Traded Net Total Return \$ 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 return for the risk taken by the Fund, through an actively managed portfolio of shares in companies that operate in or are directed towards emerging markets.

SKAGEN Kon-Tiki is an actively managed fund with a global investment mandate. The Fund shall invest at least 50 percent of its assets in emerging markets, i.e. countries or markets not covered by MSCI Developed Market Series. The rest of the assets shall be invested in companies that have operation aimed towards emerging markets. The Funds' strategy is to invest in undervalued, high quality companies where the portfolio managers can identify clear catalysts for their true value to be realised. In order to reduce risk, the Fund shall seek to maintain a reasonable balance between geographical regions and industrial sectors. SKAGEN has normally a long investment horizon, and attach greater value to fundamentals than to short-term trends in the market.

### **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 Kon-Tiki.

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 shall be liquidated 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 subscribes 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 condition for accessing unit class D: The investor has units in the fund (not including B units) which have a cost price and/or market value of at least NOK 100 000 000, which do not qualify for distribution remuneration or other payment from SKAGEN.
- The condition for accessing unit class E: The investor has units in the fund (not including B units) which have a cost price and/or market value of at least NOK 300 000 000, which do not qualify for distribution remuneration or other payment from SKAGEN.
- The precondition for accessing unit classes C, D and E is that the investor's units are registered under a separate account.
- If the investor no longer fulfils conditions and preconditions for a given unit class, SKAGEN will – after prior notification to the account holder – switch the units to another unit class for which the conditions are met. SKAGEN is not responsible for any costs or inconvenience that the investor or others may suffer 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.com](http://www.skagenfondene.com).

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. 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, so-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](http://www.vff.no).

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

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

The net asset values per unit are calculated on every Norwegian banking day. Prices will therefore not be calculated on the following days: 1 January (New Year's Day), Maundy Thursday, Good Friday, Easter Monday, 1 May (Labour Day), Ascension Day, 17 May (Norwegian Constitution Day), Whit Monday, 24 December (Christmas Eve), 25 December (Christmas Day), 26 December (Boxing 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 Kon-Tiki is maintained by Storebrand Asset Management AS. Unit holders will receive notifications of changes to holdings, annual statements and realisation statements through SKAGEN's web portal, My Page. Upon request, unit holders/nominees may arrange to receive annual statements and realisation statements by post.

## 14. Costs

### Unit class Kon-Tiki A

Fixed management fee: 2% per annum, calculated daily and charged quarterly. Variable management fee: Better/worse value development than the benchmark index, calculated daily, is divided 90/10 between the unit holder and SKAGEN. Variable management fee is charged annually. The total management fee charged represents a maximum of 4% per annum and minimum 1% per annum.

### Unit class Kon-Tiki B

Fixed management fee 1.5% per annum, calculated daily and charged quarterly. Variable management fee: Better/worse value development than the benchmark index, calculated daily, is divided 90/10 between the unit holder and SKAGEN. Variable management fee is charged annually. The total management fee charged represents a maximum of 3,5% per annum and minimum 0,5% per annum.

#### Unit class Kon-Tiki C

Fixed management fee: 1.75% 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 4% per annum and minimum 1% per annum.

#### Unit class Kon-Tiki D

Fixed management fee 1,5% per annum, calculated daily and charged quarterly. Variable management fee: Better/worse value development than the benchmark index, calculated daily, is divided 90/10 between the unit holder and SKAGEN. Variable management fee is charged annually. The total management fee charged represents a maximum of 4% per annum and minimum 1% per annum.

#### Unit class Kon-Tiki E

Fixed management fee 1,25% 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 4% per annum and minimum 1% 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.skagenfunds.com](http://www.skagenfunds.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, Gustav Mahlerplein 2, 1082 MA 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, the 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](http://www.skagenfondene.se), [www.skagenfunds.dk](http://www.skagenfunds.dk), [www.skagenfunds.co.uk](http://www.skagenfunds.co.uk), [www.skagenfunds.nl](http://www.skagenfunds.nl) and [www.skagenfunds.com](http://www.skagenfunds.com).

### **17. Trading via a regulated market**

The unit class SKAGEN Kon-Tiki 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.

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

### **20. The Board**

Unit holders of the fund 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 18 April 2018

Updated 22 October 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](http://www.skagenfondene.no) or by contacting the Customer Service department on +47 51 80 39 00.*