



www.skagenfunds.com

Prospectus for SKAGEN Tellus Verdipapirfond, org.nr 990 009 651 (established 29.09.2006)

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 Tellus in Norway, Sweden, Denmark, Finland, the Netherlands, Luxembourg, Iceland, UK, Ireland, the Faroe Islands and Germany.

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 Tellus

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

The securities fund SKAGEN Tellus is managed by the management company SKAGEN AS (hereinafter referred to as 'SKAGEN'). The Fund is authorized 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 and, under § 6-7 (3) of the Norwegian Securities Funds Act, has permission from the Financial Supervisory Authority of Norway to invest up to 100% of its assets in transferable securities or money market instruments issued or guaranteed by Norway, Sweden, Denmark, Finland, USA, Japan, Germany, France, Italy, United Kingdom, China, Canada, Australia, Switzerland, European Investment Bank, European Bank for Reconstruction and Development, Nordic Investment Bank, International Finance Corporation, International Monetary Fund, EU, Council of Europe Development Bank, EURATOM, EUROFIMA and International Bank for Reconstruction and Development. The Fund complies with the provisions governing subscription and redemption of the Norwegian Securities Funds Act § 4-9 (1) and § 4-12 (1).

§ 3 Rules for Investing the Securities Fund's

3.1 Fund Investment Scope and Risk Profile

The fund is a fixed income fund which mainly invests in interest-bearing, transferable securities and/or money market instruments issued or guaranteed by states, state local government agencies, central banks or by a public international organization in which a state participates. The fund shall typically be invested in several of the specified markets/countries. The fund's investment mandate is set out in greater detail in the fund's prospectus. The fund is typically characterized by moderate volatility. The risk profile is set out in greater details in the fund's Key Investor Information Document.

3.2 General Notes on Investment Scope

The Fund's assets may be invested in the following financial instruments and/or deposits in 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, 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

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

yes no

Investment in non-UCITS securities funds meets the conditions of the Norwegian Securities Funds Act § 6-2 (2) and does not, overall, constitute more than 10% of the Fund's assets:

yes no

Fund assets invested in money market instruments normally traded in the money market 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

2. are traded on another regulated market which operates regularly and is open to the public in a state which is party to the EEA Agreement.
 yes no
3. are admitted to official listing on a stock exchange in a country outside the EEA or which are traded in such a country on another regulated market which operates regularly and is open to the public.
 yes no

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

3.5 Investment restrictions – ownership interest with issuers

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 not lend financial instruments in accordance with the Norwegian Securities Funds Act § 6-11.

§ 4 Management by the Fund of capital gains and dividends

Capital gains shall be reinvested in the Fund.

Dividends shall not be distributed to unit holders.

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

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

§ 5 Costs

The management fee shall constitute the management company's revenue for managing the Fund. The management fee shall be calculated based on the Fund's value as it exists at all times. The basis for calculating the Fund's assets (total net assets) shall be the market value of the portfolio of financial instruments and deposits in 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.

In addition to the management fee, the following costs may also be covered by the Fund:

1. Transaction costs related to fund's investments;
2. Payment of taxes imposed on the Fund;
3. Interest on borrowings as specified in Section 6-10 of the Norwegian Securities Funds Act; and
4. Any extraordinary costs necessary to protect the interests of unitholders, cf. Section 4-6, second paragraph, of the Norwegian Securities Funds Act.

The management fee shall be divided equally on all units within each fund's unit class. The amount of the management fee is set out in Art. 7 of the Articles of Association.

The management company SKAGEN may invest the securities fund's assets in sub-funds, which shall be charged a management fee not to exceed 1.5 per

cent per annum. Any management fee charged to sub-funds will be in addition to SKAGEN's management fee.

Retrocessions received by SKAGEN from a management company or similar entity for a sub-fund shall accrue to the fund in full.

§ 6 Subscription and redemption of units

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

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

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

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

§ 7 Unit classes

The fund's asset pool shall be divided into the following unit classes:

Unit class	Management fee
Tellus A	Fixed management fee not to exceed 0.9%
Tellus B	Fixed management fee not to exceed 0.5%
Tellus C	Fixed management fee of 0.40%

Unit class Tellus A

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

The management fee shall not exceed 0.9 per cent per annum.

The fixed management fee shall be calculated daily and charged quarterly.

Unit class Tellus B

Unit class B is characterised by having a lower fixed management fee than unit class A. The unit class is open to any investor who subscribes for units through distributors which are not contractually eligible to receive remuneration from the management company.

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

The management fee shall not exceed 0.5 per cent per annum.

The fixed management fee shall be calculated daily and charged quarterly.

In the event, a unitholder does not meet the criteria for investing in unit class B, the management company may transfer the unit holder's unit value to unit class A.

Unit Class Tellus C

The unit class is open to investors who have units in the fund (not including B units) 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 management fee shall be 0.4 per cent per annum.

The fixed management fee shall be calculated daily and charged quarterly.

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.

3. Taxation

The information given below is not intended as tax advice, but merely provides information on the basic tax rules for the Fund and the unit holders who are liable to tax in Germany. Please contact your local tax consultant for further information.

The Fund:

The Fund is subject to a 23 % tax on the taxable income. Taxable income consists of net capital gains on the interest bearing securities, as well as the

accrued capital gain and foreign exchange gains, minus deductible cost such as management fee, interest costs and foreign exchange losses. In practical terms, the Fund distributes taxable income to unit holders so that the Fund will not be subject to taxation. On distribution to unit holders, the Fund has a right of deduction for the distribution of interest income. The Fund is exempt from capital tax.

All investors:

The Fund's taxable income is annually separated from the Fund and distributed to the unit holders in the form of the issue of new units. The price of the unit will thus be adjusted down by an amount exactly equal to the value of the taxable income per unit. The taxable income per unit is charged to the unit holder in the year it accrued.

The Fund does not distribute dividends.

Investors liable to taxation in Germany

Taxation of fund units for private investors

The taxable income of the investment fund is taxable for the individual investor as capital income; a private saving's allowance of EUR 801 p.a. (EUR 1,602 for spouses with joint assessment) applies.

Taxation at fund unit holder's level is due for the investment income:

- distributions of the fund,
- advance lump sum,

Advance lump sum is the amount by which the distributions of an investment fund within a calendar year fall below the basic income for that calendar year. Basic income is calculated by multiplying the redemption price for the investment share at the start of the calendar year by 70% of a base rate. That base rate is derived from the return of public bonds with long duration. Basic income is limited to the excess of the last redemption price for the calendar year over the first redemption price for the calendar year plus the distributions during the calendar year. The advance lump sum is deemed to have accrued on the first working day of the following calendar year.

- capital gain on the fund units in case of redemption or disposal of the fund units.
(The already taxed advance lump sums during the holding period can be deducted from the capital gain).

The tax rate is basically set at a flat rate of 25% and 5.5% solidarity surcharge, thereof (=26, 375%). If the unit holder is liable to church tax, church tax will also apply.

Tax is levied through withholding tax on the investment income in case the fund units are under custody by a German-resident custodian. In case the fund unit holder's personal income tax rate is inferior to the a.m. rate, such lower rate will be applied upon his application in his annual tax declaration

Taxation of fund units held as business assets or held by corporate investors

The distributions, the advance lump sum and the capital gain on the investment units are also taxable for these investors.

WHT will be levied on the distributions and the advance lump sum. The levied WHT will be credited in the annual tax assessment procedure.

WHT will – under certain circumstances – not be levied on the capital gain on the investment units. However, the taxation will apply in the annual tax assessment in this case.

4. Classification according to the industry standard set by the Norwegian Mutual Fund Association

The Fund is classified as an "other fixed income fund" in accordance with the industry standard set by the Norwegian Mutual Fund Association regarding information about and classification of fixed income funds. However, the Fund has the following limitations

- Maximum term for binding of fixed interest rate on individual securities in the fund's portfolio: No limitation
- The Fund's maximum interest rate sensitivity: < 10
- Expected maximum interest rate sensitivity: 0–10
- The Fund's maximum weighted average duration: No limitation
- The Fund may invest in floating rate notes (FRN) with remaining time to maturity > 3 years
- The Fund may invest in securities denominated in other currencies than NOK.
- The Fund's investments in foreign fixed income securities do not need to be currency hedged.
- At least 70% of the Fund's securities must have an investment grade credit rating, i.e. BBB- or higher

- The 30% maximum share of the Fund that may be invested in government securities rated lower than investment grade, must on the investment date, have the minimum credit rating of BB-, and be limited to a maximum of 5% per issuer

5. 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.

6. Benchmark index

The Fund's benchmark is the J.P. Morgan GBI Broad Unhedged Index measured in EUR.

7. Objectives and investment strategy

The objective of the management of the Fund is to maximise absolute returns relative to the risk taken by the Fund.

The Fund's assets shall be invested in financial instruments in accordance with the Fund's Articles of Association. The Fund shall be invested in interest-bearing transferable securities and/or money market instruments issued or guaranteed by government(s), local authority(ies), central bank(s), international public government organisation(s) and international institution(s) in which government(s) participate.

The Fund shall normally be invested in a number of markets/countries specified in the Articles of Association.

8. Nature and character of the unit

General

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

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 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 Custodian of the Fund 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.skagenfunds.com.

There are risks associated with investment in the Fund as a result of fluctuating exchange rates, interest levels, general economic conditions, specific corporate conditions and the quality of issuers' credit. The distribution of investments in the interest portfolio is the result of SKAGEN's investment philosophy and the evaluation of each issuer's credit rating and the general economic conditions in the markets where the issuers operate. In addition to the statutory requirements, SKAGEN has internal requirements for the spread of investments 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.

Fund investments may be hedged into euro (EUR), and the Fund may use foreign exchange derivatives for this purpose.

The Fund's modified duration shall be between 0 and 10 years, but the duration shall not be an objective of the Fund's management.

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 of 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, 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 value per unit is calculated 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 value per unit is normally published 5 times a week. Publication is made through Oslo Børs ASA.

13. Unit holder register

The unit holder register of SKAGEN Tellus 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 Tellus A

Fixed management fee: 0.8% per annum, calculated daily and charged quarterly.

Unit class Tellus B

Fixed management fee: 0.45% per annum, calculated daily and charged quarterly.

Unit class Tellus C

Fixed management fee: 0.4% per annum, calculated daily and charged quarterly.

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. Subscription and redemption

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.

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 of 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 before 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 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

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

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

17. Additional Information for Investors in Germany Information Agent for SKAGEN in Germany

SKAGEN has appointed CACEIS Bank S.A., Germany Branch as the Information Agent for the Federal Republic of Germany.

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

Exchange and Redemption of Units

Applications for subscription, redemption and conversion of Units should be sent to the German Information Agent for onward transmission to SKAGEN AS. Unit holders resident in Germany may request to have all payments (redemption proceeds, distributions and any other payments) to be made for their benefit through the German Information Agent.

Documents and Notices

The Prospectus, the Key Investor Information Documents, the Articles of Association of the Company, the audited annual accounts and half-yearly accounts may be inspected at and are available free of charge from the German Information Agent either via regular mail or per e-mail.

Notifications to the Unit holders, if any, are available from the German Information Agent and are communicated to Shareholders via Unitholder letter.

Furthermore, subscription, redemption and conversion prices of the units and any notices to the unit holders additional information, which is also available free of charge at the Information Agent.

Publications

Subscription, redemption and conversion prices of the units will be available at www.wmdaten.com, on the SKAGEN website www.skagenfunds.de free of charge as well as at the offices of the German Information Agent.

Any notices to the unit holders will be published in the German Federal Gazette (www.bundesanzeiger.de).

Particular events

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

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

Subscription prices and redemption prices will be available at www.wmdaten.com and at the offices of the German Information Agent.

Taxation

More information about tax for German investors can be found under section 3 of this prospectus.

Because of the complexity of German tax law, it is recommended that investors contact a tax adviser regarding the effect on their individual tax situation.

Investing with SKAGEN

Risk of loss

The Client acknowledges and accepts that investments in the Funds involve a risk of loss. Historical returns are no guarantee for future returns. Future returns will depend, inter alia, on market developments, the fund manager's skills, the Fund's risk profile and management fees. The return may become negative as

a result of negative price developments. For more detailed information on the characteristics of the various Funds and the risk associated with investing in Funds, please visit SKAGEN's website.

Fund investments are not covered by Norwegian government guarantee schemes for bank deposits.

Notifications from clients

Communications from the Client to SKAGEN

The Client must submit written notifications to SKAGEN. Signed applications for subscription and redemption of Fund units may be sent by mail, fax, or e-mail. The Client may also submit electronic notifications as set forth below.

When a notification is received

A notification is received by SKAGEN when SKAGEN has gained knowledge of the notification and its content.

Notification content and incomplete notifications

A notification from a Client to SKAGEN must contain the necessary information about the Client and the transaction to be performed.

If the Client sends an incomplete notification to SKAGEN, the notification will be considered to have been received when the remaining information is later received by SKAGEN.

However, SKAGEN may decide to consider the incomplete notification as received by SKAGEN when SKAGEN gains knowledge of the incomplete notification and its content, if the notification, in SKAGEN's opinion, contains sufficient information to permit secure implementation of the transaction.

The Client is responsible for the accuracy of the content of notifications, and the Client cannot hold SKAGEN responsible for incomplete notifications sent by the Client, regardless of the method of submission.

Use of electronic services

The Client may submit electronic notifications to SKAGEN through the channels indicated on SKAGEN's website.

SKAGEN will facilitate Client access to SKAGEN's Client Investment Portal via SKAGEN's website.

SKAGEN may not be held responsible in any way for failures, breakdowns, or errors in the electronic services offered to the Client, including failures, errors, or breakdowns in software or networks.

The client's authorisations etc.

SKAGEN is not obligated to perform a transaction for the Client if SKAGEN believes it may involve a breach of law or a breach of rules, terms, or conditions in force at any time, or if SKAGEN has reason to believe that other reasons exist for not performing the transaction.

The Client represents that transactions and payments will comply with applicable authorizations, powers and jurisdictions of both a public and private nature applicable at any time to the Client's transactions. The Client shall document any powers, resolutions, certificates of registration, articles of association, etc. whenever SKAGEN so requests.

The Client shall at all times provide SKAGEN with up-to-date information on the individual(s) authorised to perform transactions on the Client's behalf. A transaction is binding for the Client unless SKAGEN has not acted in good faith in regard to the capacity or powers of the individual acting on the Client's behalf.

The use of intermediaries, etc. does not exempt the Client from his responsibilities concerning these Commercial Terms. Insofar as certain limits apply to the Client's trading, the Client shall be solely responsible for complying with such limits even if it has informed SKAGEN of such limits.

Subscription of Fund units

Subscription amounts are payable on the date of submission of the subscription notification, unless otherwise agreed. The issuance of units is conditional on the subscription amount having been paid. If the amount has not been paid by the due date, SKAGEN may cancel the transaction or delay the execution of the transaction.

The subscription amount is paid when:

- a) the Client has provided SKAGEN with the authority to draw the amount from the Client's bank account, provided that sufficient funds are available on the account to cover the payment
- b) the subscription amount is valued to the Fund's account
- c) the Fund has otherwise obtained exclusive right of disposal in relation to the subscription amount

Notification of subscription cannot be withdrawn unless such notification is received by SKAGEN before 15:00 CET on the same day the notification of subscription is received and SKAGEN accepts the withdrawal.

In connection with Norwegian public holidays, the deadline for receipt of notification of withdrawal may be changed.

Clients making subscriptions may receive NAV on T+0 on the condition that the Client is liable for any losses incurred by the fund or SKAGEN AS due to late or non-payment. For example – but not limited to – loss and costs due to reversing transactions, compensation to other unit holders due to incorrect NAV and costs related to credit facilities or investments. If client wishes to use this possibility the client must first notify its intention to SKAGEN AS in order to set up the subscription process.

a) For subscriptions up to NOK 100 000 000

The Client shall receive the first NAV calculated after the subscription form is received by SKAGEN, provided that the Client fulfils the following obligations:

- A valid subscription form must have been received by SKAGEN before 15:00 CET on the relevant Norwegian bank day. Forms received as from 15:00 CET are considered received on the next Norwegian bank day. Other cut-off times may apply in connection with Norwegian public holidays.
- The transfer of the subscription amount must be initiated at the latest the day the Client receives SKAGEN's order confirmation specifying the subscription amount, and the subscription amount must be valued to the fund's bank account no later than 3 Norwegian bank days from the day SKAGEN received the subscription form.

b) For subscriptions from NOK 100 000 001 – 500 000 000

The Client shall provide SKAGEN with copy of a SWIFT MT 103 message (or equivalent) in addition to valid subscription form. The subscription will be priced at NAV of the value date stated in the SWIFT MT 103.

c) For subscriptions from NOK 500 000 001:

The Client shall divide the investment into separate subscriptions, the timing of which is to be agreed with SKAGEN in advance of subscription. The pricing of each subscription will follow the terms in sections a and b.

Redemption of Fund units

Implementation of the redemption

The Client may redeem Fund units as described in the Fund's prospectus.

A prerequisite for redemption is that no registered encumbrances or other limitations exist on the SKAGEN account from which redemption is to be made. The Client is obligated to cancel any encumbrances or other limitations before submitting the redemption request to SKAGEN.

The redemption of units in Funds will be implemented as soon as possible, and no later than two weeks from SKAGEN's receipt of the Client's redemption notification. The transfer of the redemption amount from the Fund's account is normally initiated one Business Day after the redemption transaction is settled.

The redemption amount may only be paid to a bank account for which the Client has disposal rights. SKAGEN may require that the Client produce documentation regarding the disposal rights to the account.

Withdrawal of redemption notification

A redemption notification may not be withdrawn unless SKAGEN receives notification of the withdrawal before 15:00 CET on the same day the redemption notification is received and SKAGEN accepts the withdrawal.

The deadline for receipt of notification of withdrawal may be changed due to Norwegian public holidays.

Suspension of redemptions

In case of stock exchange closure or similar emergencies, or otherwise to the extent permitted by laws, regulations, Articles of Association or Fund prospectuses, SKAGEN may, with the consent of the regulatory authority, suspend redemption of Fund units.

Valuation

Transactions in Fund units are made at an unknown price, the net asset value ("NAV"). Subscription notifications for equity funds, which are received before 15:00 CET, will utilize the NAV set for the relevant day, provided that the subscription amount is paid. Subscription notifications for fixed income funds will utilize the NAV set for the day the subscription amount is valued to the Fund's bank account. For first time subscription, the NAV date will depend on the time SKAGEN receives documentation necessary to complete customer due diligence. Redemption notifications which are received before 15:00 CET, will utilize the NAV set for the relevant day.

In connection with Norwegian public holidays, the deadline for receipt of trade notifications may be changed.

Costs

Subscription and redemption fees may apply to transactions in Fund units in accordance with the prospectus of the relevant Fund. Fund investments are charged a management fee in accordance with the Fund's prospectus. If Fund transactions are executed through other parties or the Client makes use of another account operator than SKAGEN, additional fees and charges may apply.

Cancellation rights

The Client has no cancellation rights under the Norwegian Cancellation Rights Act of 20 June 2014 No 27 for services and Fund transactions.

Investment Advice

Clients who are receiving investment advice from SKAGEN will be categorised as either non-professional (retail) or professional clients. SKAGEN will notify the Client of the category to which he has been assigned. The categorisation determines the scope of customer protection provided. The Client may request SKAGEN to change his customer categorisation. Information about change of categorisation and related consequences are available from SKAGEN upon request.

The Client is required to provide SKAGEN with sufficient and accurate information about his personal financial situation, investment experience, and objectives. The Client is required to inform SKAGEN of any material changes to previously provided information. The Client agrees and accepts that SKAGEN shall be entitled to use information provided by the Client as a basis for its assessments and that, in principle, SKAGEN will not conduct its own investigations. The Client agrees and accepts that any failure to provide SKAGEN with sufficient information means that SKAGEN will be unable to determine whether a specific financial instrument is suitable for the Client.

Measures against money laundering and terrorist financing

SKAGEN is under statutory obligation to perform customer due diligence for new and existing clients. The Client is obligated to provide the necessary assistance in this connection, including producing validation of identity and other necessary documentation. If the Client does not present sufficient documentation, SKAGEN may reject the Client.

If a Client requests redemption of Fund units before customer due diligence has been completed, SKAGEN may refuse to implement the transaction. Alternatively, SKAGEN may implement the redemption and use the redemption proceeds to subscribe to units in SKAGEN Høyrente on the Client's behalf. The redemption amount will remain invested in SKAGEN Høyrente until customer due diligence has been completed.

SKAGEN is obligated to initiate further investigations if SKAGEN suspects the transactions are linked to money laundering or terrorist financing. SKAGEN is obligated to send information about suspicious transactions to the relevant authorities without informing the Client.

The Client will, of his own accord and without undue delay, notify SKAGEN in writing and document any change to the Client's situation relevant for client relations, including

- Changes regarding biographical data.
- Amendments regarding beneficial owners (see further information on SKAGEN's website)
- Amendments regarding who can act on the Client's behalf
- Amendments regarding whether the Client falls under the definition of a "politically exposed person" (see further information on SKAGEN's website)
- Amendments concerning the purpose and intended nature of the client relationship

Processing of personal data

SKAGEN collects, registers and processes personal data. The purpose of the processing is to manage securities funds, market securities funds, fulfil agreements with the Client and to comply with the General Data Protection Regulation and other relevant legislation. We are required by law to register certain types of personal data about the Client, such as name, date of birth, national identity number, and residential address. SKAGEN is also required by law to record telephone conversations when providing investment advice and must store this for 5 years.

SKAGEN has a legitimate interest to send electronic marketing to the Client, but the Client can at any time opt out of this. We use data processors and other business partners in our daily operations.

SKAGEN is part of the Storebrand Group. The Client decides whether personal data and other information can be shared internally within the Group, and may withdraw such a consent at any time. Please see SKAGEN's Privacy Policy on www.skagenfunds.de/privacy-policy for further details.

Notifications from SKAGEN

The operator of the Client's SKAGEN account is responsible for providing the Client with notifications of changes to the Client's SKAGEN account. If a Client has informed the account operator that he waives his right to receive such change notifications, the Client accepts that, in the relationship between the Client and SKAGEN, the Client is considered as having received notification about changes to the Client's SKAGEN account when the Client could have received notification, had he not waived his right to receive notification.

Under the current rules and regulations, SKAGEN is required to ensure that the Client is regularly provided with access to information about his holdings and returns.

SKAGEN reserves the right to correct obvious errors in a notification sent to the Client. Corrections shall be made immediately after SKAGEN becomes aware of the error, the reason for the error, and which clients are affected by the error.

Receipt of notifications

A notification from SKAGEN sent by mail shall be considered as duly mailed when sent to the address registered by the Client in the unit registry maintained by SKAGEN. The notification shall be considered as having been received by the Client when the ordinary postal delivery time has been added.

A notification from SKAGEN by fax shall be considered to have been received by the Client when SKAGEN has sent the notification to the number most recently provided in writing to SKAGEN by the Client, and SKAGEN has received a sender's receipt confirming successful transmission, the time of transmission, and the fax number.

Electronic notifications from SKAGEN shall be considered to have reached the Client when sent from SKAGEN to the latest electronic address last submitted to SKAGEN by the Client.

SKAGEN's subcontractors

SKAGEN has the right to make use of subcontractors that have been given the authority to act on SKAGEN's behalf. The Client accepts that rules also apply to the relationship between the Client and subcontractor, when applicable.

Liability and limitation of liability

SKAGEN or the Fund is liable vis-à-vis Clients only if SKAGEN or the Fund through gross negligence has caused such Client an economic loss. A Consumer may irrespective of the above claim compensation arising from mandatory consumer legislation.

In any event, SKAGEN's and the Fund's liability is limited to the value of the Client's transaction, or would-be transaction at the time of the transaction. SKAGEN and the Fund are in no case liable for harm, loss or expense due to circumstances beyond the control of SKAGEN and/or the Fund, including, by way of example, war, terrorism, natural disasters, fire or water damage, power outages, strikes, lockouts, errors in data processing systems or networks, legislative or regulatory changes, instructions from any public authority, etc. SKAGEN and the Fund are not responsible for indirect losses or damages, including losses due to contracts with third parties lapsing or not being fulfilled as assumed.

If SKAGEN has used subcontractors, SKAGEN is not liable for any loss or damages incurred by the Client as a consequence of subcontractors' acts or omissions, provided that SKAGEN has used reasonable care in selecting and appointing such subcontractors. Neither can SKAGEN be held liable if the selection and appointment of such subcontractors were not influenced by SKAGEN.

Complaints

If a Client has not received notification from the account operator or others in respect of changes to the Client's SKAGEN account within 10 days after the Client has submitted a transaction request, the Client shall immediately notify SKAGEN that the notification has not been received.

When a Client receives notification confirming that a transaction has been completed or confirming other changes to the Client's SKAGEN account, the Client must immediately verify that the information in the notification is correct.

A Client loses his right to invoke a breach if he does not, immediately after he has discovered or should have discovered the breach, notify SKAGEN of the breach. A Consumer loses his right to invoke a breach, if he does not within a reasonable time after he discovered or should have discovered the breach, notify SKAGEN indicating the breach.

In all circumstances, a Client loses the right to invoke a breach if he does not lodge a complaint within 4 months after the day the breach occurred.

Any oral complaints or objections from the Client must immediately be confirmed by a written complaint to SKAGEN. The written complaint must state

the circumstances the Client invokes, and the remedy sought. This requirement for written confirmation of complaint does not apply to a Consumer.

With reference to the previous paragraphs, "immediately" is understood as meaning no later than the end of the Business Day after the Client has, or should have discovered the circumstances giving rise to the complaint.

Clients default

The Client is in default if the Client has not met his obligations vis-à-vis SKAGEN or the Fund.

A default will also have occurred if SKAGEN or the Fund have reasonable grounds to expect that the Client will be unable to meet his obligations vis-à-vis SKAGEN or the Fund.

In case of a Client default, SKAGEN or the Fund has the right to immediately:

- a) reject the Client's requests for subscription or redemption of units in the Fund,
- b) set off any claims by SKAGEN or the Fund against the Client, irrespective of the claim being of the same or a different currency and irrespective of the claim belonging to SKAGEN or the Fund,
- c) exercise the right to retain or suspend,
- d) initiate, without any further warning and for the Client's account and risk, whatever measures SKAGEN or the Fund considers necessary for covering or reducing economic loss.

The Client is liable for, and shall hold SKAGEN and the Fund harmless from, any loss resulting directly or indirectly from the Client's default, or resulting from the Client's acts or omissions constituting a breach of the Commercial Terms or other conditions of the contractual relationship. The Client's liability is limited to the highest of the subscription amount and current/previous holdings in the Funds, with the exception of liability for loss resulting directly or indirectly from the non-payment or delayed payment of subscription monies. SKAGEN or the Fund may claim interest corresponding to the current rate of interest on overdue payment, cf. the Norwegian Act of December 17, 1976, No. 100 on Interest on Overdue Payments, as well as compound interest calculated from the payment due date until payment is made. SKAGEN or the Fund may also claim coverage of fees and charges for internal and external legal assistance. Such losses are payable by the Client on demand.

Amendments

SKAGEN reserves the right to amend point 16 of the Prospectus if this is required due to changes to legislation, the Articles of Association, internal procedures or for other justifiable reasons.

Governing law, legal venue and resolution of disputes

Any claim or dispute between the parties resulting from or in connection with the rules or Fund transactions shall be settled in accordance with Norwegian law with Stavanger District Court as the legal venue.

SKAGEN may, however, bring legal action against Clients in any legal venue to which they are subject.

Clients with foreign legal venue and who can plead law provisions giving them protection against legal action in Norwegian courts, whether it is a question of legal venue, governing law, or other matters, hereby waive this right to the extent possible in accordance with mandatory law in the country of origin.

The Client may bring any dispute before the Norwegian Financial Services Complaints Board for its opinion. In order for the Complaints Board to hear a dispute, the Client must first submit a complaint to SKAGEN, with a reasonable time limit for considering the complaint. The Client may thereafter submit a written complaint to the Complaints Board, stating the grounds for the complaint and the result being sought. See SKAGEN's website for the Financial Services Complaints Board's contact information.

18. Trading via a regulated market.

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

19. Dispute settlement body

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

20. 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.

21. The Board

The 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.

22. 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.

23. 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 and adjusted version for German investors, 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.