



LEA 02	Disclosures: Mandatory	Reason for interaction	Principle: PRI 1, 2, 3
Individual/ internal staff engagements	<p><input checked="" type="checkbox"/> To support investment decision-making in & company's material ESG issues</p> <p><input checked="" type="checkbox"/> To enhance corporate transparency on ability to meet environmental or social needs</p> <p><input type="checkbox"/> To support investment decision-making in & company's material ESG issues</p> <p><input type="checkbox"/> To enhance corporate transparency on ability to meet environmental or social needs</p>	<p><input checked="" type="checkbox"/> To support investment decision-making in & company's material ESG issues</p> <p><input checked="" type="checkbox"/> To enhance corporate transparency on ability to meet environmental or social needs</p> <p><input type="checkbox"/> To support investment decision-making in & company's material ESG issues</p> <p><input type="checkbox"/> To enhance corporate transparency on ability to meet environmental or social needs</p>	
Collaborative engagements	<p><input type="checkbox"/> To support investment decision-making in & company's material ESG issues</p> <p><input type="checkbox"/> To enhance corporate transparency on ability to meet environmental or social needs</p> <p><input type="checkbox"/> To support investment decision-making in & company's material ESG issues</p> <p><input type="checkbox"/> To enhance corporate transparency on ability to meet environmental or social needs</p>	<p><input type="checkbox"/> To support investment decision-making in & company's material ESG issues</p> <p><input type="checkbox"/> To enhance corporate transparency on ability to meet environmental or social needs</p> <p><input type="checkbox"/> To support investment decision-making in & company's material ESG issues</p> <p><input type="checkbox"/> To enhance corporate transparency on ability to meet environmental or social needs</p>	
Service provider engagements	<p><input type="checkbox"/> To support investment decision-making in & company's material ESG issues</p> <p><input type="checkbox"/> To enhance corporate transparency on ability to meet environmental or social needs</p> <p><input type="checkbox"/> To support investment decision-making in & company's material ESG issues</p> <p><input type="checkbox"/> To enhance corporate transparency on ability to meet environmental or social needs</p>	<p><input type="checkbox"/> To support investment decision-making in & company's material ESG issues</p> <p><input type="checkbox"/> To enhance corporate transparency on ability to meet environmental or social needs</p> <p><input type="checkbox"/> To support investment decision-making in & company's material ESG issues</p> <p><input type="checkbox"/> To enhance corporate transparency on ability to meet environmental or social needs</p>	

RI TRANSPARENCY REPORT

2017

SKAGEN AS

About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2016 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
Ⓜ	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Fixed income AUM breakdown	✓	Public							✓
OO 08	Segregated mandates or pooled funds	🔒	n/a							✓
OO 09	Breakdown of AUM by market	✓	Public							✓
OO 10	RI activities for listed equities	✓	Public							✓
OO 11	RI activities in other asset classes	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓
OO End	Module confirmation page	✓	-							

Strategy and Governance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SG 01	RI policy and coverage	✓	Public							✓
SG 02	Publicly available RI policy or guidance documents	✓	Public							✓
SG 03	Conflicts of interest	✓	Public							✓
SG 04		✓	Public							✓
SG 05	RI goals and objectives	✓	Public							✓
SG 06	Main goals/objectives this year	✓	Public							✓
SG 07	RI roles and responsibilities	✓	Public							✓
SG 08	RI in performance management, reward and/or personal development	✓	Public							✓
SG 09	Collaborative organisations / initiatives	✓	Public				✓	✓		
SG 10	Promoting RI independently	✓	Public				✓			
SG 11	Dialogue with public policy makers or standard setters	✓	Public				✓	✓	✓	
SG 12	ESG issues in strategic asset allocation	✓	Public	✓						
SG 13	Long term investment risks and opportunity	✓	Public	✓						
SG 14	Allocation of assets to environmental and social themed areas	✓	Public	✓						
SG 15	ESG issues for internally managed assets not reported in framework	⚡	n/a							✓
SG 16	ESG issues for externally managed assets not reported in framework	⚡	n/a							✓
SG 17	Innovative features of approach to RI	✓	Public							✓
SG End	Module confirmation page	✓	-							

Direct - Listed Equity Incorporation				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEI 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Public							✓
LEI 02	Reporting on strategies that are <10% of actively managed listed equities	🔒	n/a							✓
LEI 03	Percentage of each incorporation strategy	✓	Public	✓						
LEI 04	Type of ESG information used in investment decision	✓	Public	✓						
LEI 05	Information from engagement and/or voting used in investment decision-making	✓	Public	✓						
LEI 06	Types of screening applied	✓	Public	✓						
LEI 07	Processes to ensure screening is based on robust analysis	✓	Public	✓						
LEI 08	Processes to ensure fund criteria are not breached	✓	Public	✓						
LEI 09	Types of sustainability thematic funds/mandates	🔒	n/a	✓						
LEI 10	Review ESG issues while researching companies/sectors	✓	Public	✓						
LEI 11	Processes to ensure integration is based on robust analysis	✓	Public	✓						
LEI 12	Aspects of analysis ESG information is integrated into	✓	Public	✓						
LEI 13	ESG issues in index construction	🔒	n/a	✓						
LEI 14	How ESG incorporation has influenced portfolio composition	✓	Public	✓						
LEI 15	Measurement of financial and ESG outcomes of ESG incorporation	✓	Public	✓						
LEI 16	Examples of ESG issues that affected your investment view / performance	-	n/a	✓						
LEI 17	Disclosure of approach to ESG incorporation	✓	Public		✓					✓
LEI End	Module confirmation page	✓	-							

Direct - Listed Equity Active Ownership				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEA 01	Description of approach to engagement	✓	Public		✓					
LEA 02	Reasoning for interaction on ESG issues	✓	Public	✓	✓	✓				
LEA 03	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 04	Objectives for engagement activities	✓	Public		✓					
LEA 05	Process for identifying and prioritising collaborative engagement	✓	Public		✓					
LEA 06	Objectives for engagement activities	✓	Public		✓					
LEA 07	Role in engagement process	⚡	n/a		✓		✓			
LEA 08	Monitor / discuss service provider information	⚡	n/a		✓				✓	
LEA 09	Share insights from engagements with internal/external managers	✓	Public	✓	✓					
LEA 10	Tracking number of engagements	✓	Public		✓					
LEA 11	Number of companies engaged with, intensity of engagement and effort	✓	Public		✓					
LEA 12	Engagement methods	✓	Public		✓					
LEA 13	Engagements on E, S and/or G issues	✓	Public		✓					
LEA 14	Companies changing practices / behaviour following engagement	✓	Public		✓					
LEA 15	Examples of ESG engagements	✓	Public		✓					
LEA 16	Disclosure of approach to ESG engagements	✓	Public		✓				✓	
LEA 17	Voting policy & approach	✓	Public	✓	✓	✓				
LEA 18	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 19	Percentage of voting recommendations reviewed	⚡	n/a		✓					
LEA 20	Confirmation of votes	✓	Public		✓					
LEA 21	Securities lending programme	✓	Public		✓					
LEA 22	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 23	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 24	Proportion of ballot items that were for/against/abstentions	✓	Public		✓					
LEA 25	Shareholder resolutions	✓	Public		✓					
LEA 26	Examples of (proxy) voting activities	-	n/a		✓					
LEA 27	Disclosing voting activities	✓	Public		✓				✓	
LEA End	Module confirmation page	✓	-							

Direct - Fixed Income				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
FI 01	Breakdown by passive,active strategies	✓	Public							✓
FI 02	Option to report on <10% assets	🔒	n/a							✓
FI 03	Breakdown by market and credit quality	✓	Public							✓
FI 04	Incorporation strategies applied	✓	Public	✓						
FI 05	ESG issues and issuer research	✓	Public	✓						
FI 06	Processes to ensure analysis is robust	✓	Public	✓						
FI 07	Types of screening applied	✓	Public	✓						
FI 08	Negative screening - overview and rationale	✓	Public	✓						
FI 09	Examples of ESG factors in screening process	✓	Public	✓						
FI 10	Screening - ensuring criteria are met	✓	Public	✓						
FI 11	Thematic investing - overview	🔒	n/a	✓						
FI 12	Thematic investing - themed bond processes	🔒	n/a	✓						
FI 13	Thematic investing - assessing impact	🔒	n/a	✓						
FI 14	Integration overview	✓	Public	✓						
FI 15	Integration - ESG information in investment processes	✓	Public	✓						
FI 16	Integration - E,S and G issues reviewed	✓	Public	✓						
FI 17	ESG incorporation in passive funds	🔒	n/a	✓						
FI 18	Engagement overview and coverage	✓	Public		✓					
FI 19	Engagement method	✓	Public	✓	✓					
FI 20	Engagement policy disclosure	✓	Public	✓	✓					
FI 21	Financial/ESG performance	✓	Public							✓
FI 22	Examples - ESG incorporation or engagement	-	n/a	✓	✓					
FI 23	Communications	✓	Public		✓					✓
FI End	Module confirmation page	✓	-							

SKAGEN AS

Reported Information

Public version

Organisational Overview

PRI disclaimer

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Basic Information

OO 01

Mandatory

Public

Gateway/Peering

General

OO 01.1

Select the services you offer.

Fund management

% of assets under management (AUM) in ranges

<10%

10-50%

>50%

Fund of funds, manager of managers, sub-advised products

Other, specify

Execution and advisory services

OO 01.2

Additional information. [Optional]

SKAGEN AS is an independent Norwegian-based asset management company with a long and successful history in managing equity and fixed income funds for both domestic and international clients. SKAGEN's sole goal is to become the world's best fund manager in terms of risk adjusted returns, communication and service for our clients. An integral part of our investment analysis is evaluating the sustainability of potential and current investments. This is done because we believe that investing responsibly is essential in order to achieve the best possible risk-adjusted returns for the unit holders. Sustainability and sound corporate governance give companies competitive advantages and supports their value creation contributing to maximising returns.

SKAGEN strives to gain an in-depth understanding of the relevant ESG issues applicable to our investments and to identify these issues before they escalate into events that may potentially decrease the value of the funds' investments. The objective is to integrate ESG issues into the investment decision-making as they have the potential to affect the long-term value of the investment. The ESG integrated approach is relevant across all the asset classes, sectors and markets in which the funds invest.

OO 02

Mandatory

Public

Peering

General

OO 02.1

Select the location of your organisation's headquarters.

Norway

OO 02.2

Indicate the number of countries in which you have offices (including your headquarters).

1

2-5

6-10

>10

OO 02.3

Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

135

OO 02.4	Additional information. [Optional]
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SKAGEN aims to be the best investment manager for our clients in terms of service, communication and competent follow-up across our markets in Northern Europe. Our business builds on the trust and satisfaction of our clients, also when it comes to responsible investments in our global portfolios.

OO 03	Mandatory	Public	Descriptive	General
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OO 03.1	Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.
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- Yes
- No

OO 04	Mandatory	Public	Gateway/Peering	General
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OO 04.1	Indicate the year end date for your reporting year.
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31/12/2016

OO 04.2	Indicate your total AUM at the end of your reporting year, excluding subsidiaries you have chosen not to report on.
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	trillions	billions	millions	thousands	hundreds
Total AUM		83	300	000	000
Currency	NOK				
Assets in USD		9	922	934	184

OO 06	Mandatory	Public	Descriptive	General
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

OO 06.1	How would you like to disclose your asset class mix.
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- as percentage breakdown

	Internally managed (%)	Externally managed (%)
Listed equity	92	0
Fixed income	8	0

Private equity	0	0
Property	0	0
Infrastructure	0	0
Commodities	0	0
Hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	0	0
Other (1), specify	0	0
Other (2), specify	0	0

as broad ranges

OO 06.2 Publish our asset class mix as per attached image [Optional].

OO 06.3 Provide contextual information on your AUM asset class split. [Optional]

All SKAGEN's funds are subject to our ESG Policy.

OO 07	Mandatory to Report Voluntary to Disclose	Public	Gateway	General
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OO 07.1 Provide to the nearest 5% the percentage breakdown of your Fixed Income AUM at the end of your reporting year, using the following categories.

Internally managed	SSA	25
	Corporate (financial)	65
	Corporate (non-financial)	10
	Securitized	0
	Total	100%

OO 09	Mandatory to Report Voluntary to Disclose	Public	Peering	General
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OO 09.1 Indicate the breakdown of your organisation's AUM by market.

Developed Markets	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %
Emerging, Frontier and Other Markets	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50 %
<i>Total</i>	<i>100%</i>

OO 09.2 Additional information. [Optional]

In various markets and jurisdictions, SKAGEN offers a total of 18 equity and fixed income funds. Of these funds, one of the largest ones is SKAGEN Kon-Tiki which is focused on emerging markets. Due to the size of this fund, the emerging markets exposure is skewed. In addition, all our global equity funds have emerging markets investments which further increases the portion focused on emerging markets.

Gateway asset class implementation indicators

OO 10	Mandatory	Public	Gateway	General
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OO 10.1 Select the direct or indirect ESG incorporation activities your organisation implemented for listed equities in the reporting year.

- We incorporate ESG in our investment decisions on our internally managed assets
- We do not incorporate ESG in our directly managed listed equity and/or we do not address ESG incorporation in our external manager selection, appointment and/or monitoring processes.

OO 10.2 Select the direct or indirect engagement activities your organisation implemented for listed equity in the reporting year.

- We engage with companies on ESG factors via our staff, collaborations or service providers
- We do not engage directly and do not require external managers to engage with companies on ESG factors.

OO 10.3 Select the direct or indirect voting activities your organisation implemented for listed equity in the reporting year

- We cast our (proxy) votes directly or via dedicated voting providers
- We do not cast our (proxy) votes directly and do not require external managers to vote on our behalf

OO 11	Mandatory	Public	Gateway	General
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OO 11.1 Select the internally managed asset classes in which you addressed ESG incorporation into your investment decisions and/or your active ownership practices (during the reporting year).

- Fixed income – SSA
- Fixed income – corporate (financial)
- Fixed income – corporate (non-financial)
- None of the above

OO 11.3 Additional information. [Optional]

All corporate bonds are subject to the same policies and analysis as for the equity funds. These holdings are reviewed in terms of ESG before and during the holding period in our funds.

OO 12	Mandatory	Public	Gateway	General
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You will need to make a selection in OO 12.1 only if you have any voluntary modules that you can choose to report on.

OO 12.1 Select from below any additional applicable modules or sections you would like to report on voluntarily. You are only required to report on asset classes that represent 10% or more of your AUM.

Core modules

- Organisational Overview
- Strategy and Governance

RI implementation directly or via service providers

Direct - Listed Equity incorporation

- Listed Equity incorporation

Direct - Listed Equity active ownership

- Engagements
- (Proxy) voting

Direct - Fixed Income

- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)

Closing module

- Closing module

SKAGEN AS

Reported Information

Public version

Strategy and Governance

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Investment policy

SG 01

Mandatory

Public

Core Assessed

General

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 01.1

Indicate if you have an investment policy that covers your responsible investment approach.

Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> Formalised guidelines on environmental factors <input checked="" type="checkbox"/> Formalised guidelines on social factors <input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors <input checked="" type="checkbox"/> Asset class-specific RI guidelines <input type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input checked="" type="checkbox"/> Engagement policy <input checked="" type="checkbox"/> (Proxy) voting policy <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify(2)	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

SG 01.4 Indicate what norms you have used to develop your investment policy that covers your responsible investment approach.

- UN Global Compact Principles
- UN Guiding Principles on Business and Human Rights
- Universal Declaration of Human Rights
- International Bill of Human Rights
- International Labour Organization Conventions
- United Nations Convention Against Corruption
- OECD Guidelines for Multinational Enterprises
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above

No

SG 01.6 Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

SKAGEN aims to invest responsibly because companies that bring sustainability into their business strategy tend to outperform their counterparts over the long term. Integrating environmental, social and governance (ESG) assessment into our investment process for all asset classes allow us to make better informed investment decisions and monitoring, and provide us with a more comprehensive view of risk and opportunities in the individual investment case. Our policy has been prepared in accordance with the Mutual Fund Industry Association recommendations on corporate governance, EFAMA (European Fund and Asset Management Association Code for external governance and in line with UN Global Compact and UN PRI.

SG 02	Mandatory	Public	Core Assessed	PRI 6
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 02.1 Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.

- Policy setting out your overall approach

	URL/Attachment
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- URL

	URL
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<https://www.skagenfunds.com/about-us/responsible-investing/environmental-social-and-governance-policy/>

- Attachment (will be made public)
- Formalised guidelines on environmental factors

URL/Attachment

URL

URL

<https://www.skagenfunds.com/about-us/responsible-investing/environmental-social-and-governance-policy/>

Attachment (will be made public)

Formalised guidelines on social factors

URL/Attachment

URL

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Attachment (will be made public)

Formalised guidelines on corporate governance factors

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Attachment (will be made public)

Asset class-specific RI guidelines

Screening / exclusions policy

URL/Attachment

URL

URL

<https://www.skagenfunds.com/about-us/responsible-investing/environmental-social-and-governance-policy/>

Attachment (will be made public)

Engagement policy

URL/Attachment

URL

URL

<https://www.skagenfunds.com/about-us/responsible-investing/environmental-social-and-governance-policy/>

Attachment (will be made public)

(Proxy) voting policy

URL/Attachment

URL

URL

<https://www.skagenfunds.com/about-us/responsible-investing/environmental-social-and-governance-policy/>

Attachment (will be made public)

We do not publicly disclose our investment policy documents

SG 03	Mandatory	Public	Core Assessed	General
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SG 03.1	Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.
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Yes

SG 03.2	Describe your policy on managing potential conflicts of interest in the investment process.
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SKAGEN's policy on handling potential conflicts of interest amongst other between the funds is available on our website. See <https://www.skagenfunds.com/about-us/investor-protection/policy-on-handling-conflicts-of-interest/>

No

SG 03.3	Additional information. [Optional]
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Policy on handling potential conflicts of interest:

https://www.skagenfunds.com/Global/2.0_PDFs/Guidelines/conflict%20of%20interest.pdf

SG 04	Voluntary	Public	Descriptive	General
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SG 04.1	Indicate if your organisation has a process for identifying and managing incidents that occur within portfolio companies.
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- Yes
- No

SG 04.2	Describe your process on managing incidents
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SKAGEN has close dialogue with our portfolio companies and are often notified by companies about changes or issues. In addition, SKAGEN uses MSCI ESG research for notification of issues and incidents in portfolio companies. When significant incidents occur our portfolio managers will evaluate these against our policy statements to evaluate the need for engagement.

Objectives and strategies

SG 05	Mandatory	Public	Gateway/Core Assessed	General
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SG 05.1	Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.
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- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc basis
- It is not reviewed

SG 05.2	Additional information. [Optional]
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Based on SKAGEN's stock picking philosophy and the nature of our business no specific objectives beyond the ESG policy have been set on a regular basis. We seek to improve in terms of ESG every year and will review our policy and set objectives related to engagements on a more ad-hoc basis when there is a need to do so.

SG 06	Voluntary	Public	Descriptive	General
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SG 06.1	List the main responsible investment objectives that your organisation set for the reporting year.
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	Responsible investment processes
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- Provide training on ESG incorporation

	Key performance indicator
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Hold two internal ESG training sessions for portfolio department per year

Progress achieved

Implemented in December 2016 for the year 2017.

- Provide training on ESG engagement

Key performance indicator

Hold two internal ESG training sessions for portfolio department per year

Progress achieved

Implemented in December 2016 for the year 2017.

- Improved communication of ESG activities within the organisation

Key performance indicator

Produce at least half-yearly reports on SKAGEN's progress on ESG – voting and engagement

Progress achieved

Two reports produced for 2016 - status after 6 months and full year. .

- Improved engagement to encourage change with regards to management of ESG issues
- Improved ESG incorporation into investment decision making processes
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)

Financial performance of investments

- Increase portfolio performance by consideration of ESG factors
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)

ESG characteristics of investments

- Over or underweight companies based on ESG characteristics
- Improve ESG ratings of portfolio
- Setting carbon reduction targets for portfolio
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)

Other activities

- Joining and/or participation in RI initiatives
- Encouraging others to join a RI initiative
- Documentation of best practice case studies
- Using case studies to demonstrate engagement and ESG incorporation to clients

Key performance indicator

Success in engagement with specific company that started in 2015.

Progress achieved

Several of focus areas in specified engagement case achieved by year end 2016.

- Other, specify (1)
- Other, specify (2)
- Other, specify (3)

Governance and human resources

SG 07	Mandatory	Public	Core Assessed	General
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SG 07.1	Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.
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Roles present in your organisation

- Board members or trustees
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify
- Portfolio managers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Investment analysts
- Dedicated responsible investment staff
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- External managers or service providers
- Investor relations
- Other role, specify (1)
- Other role, specify (2)

SG 07.2

For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.

The responsibility for SKAGEN's ESG Policy lies with the board of directors. The daily execution is delegated to the portfolio managers of each fund and the activities are reported on every board meeting. The board annually evaluates the execution of the ESG Policy and makes a decision on whether to maintain the delegation of responsibility as is or make any changes. The daily handling of ESG issues is performed by the portfolio managers and the ESG responsible within the portfolio department. Monitoring compliance with the ESG policy is performed by ESG responsible and SKAGEN's compliance department.

SG 07.3

Indicate the number of dedicated responsible investment staff your organisation has.

Number

3

SG 07.4 Additional information. [Optional]

SKAGEN has a dedicated team of three people that work on ESG issues. Of this group, one works within the portfolio department dedicated to coordinating implementation of our ethical guidelines. The other two represent the client side of the organisation and compliance.

SG 08	Voluntary	Public	Additional Assessed	General
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SG 08.1 Indicate if your organisation's performance management, reward and/or personal development processes have a responsible investment element.

Board members/Board of trustees

- Responsible investment included in personal development and/or training plan
- None of the above

Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- Responsible investment included in personal development and/or training plan
- None of the above

Portfolio managers

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- Responsible investment included in personal development and/or training plan
- None of the above

Dedicated responsible investment staff

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- Responsible investment included in personal development and/or training plan
- None of the above

Promoting responsible investment

SG 09	Mandatory	Public	Core Assessed	PRI 4,5
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 09.1

Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

Select all that apply

Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

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Provide a brief commentary on the level of your organisation's involvement in the initiative.
[Optional]

SKAGEN has participated in local and international meetings run by PRI in the past year.

- AFIC – La Commission ESG
- Asian Corporate Governance Association
- Australian Council of Superannuation Investors
- BVCA – Responsible Investment Advisory Board
- CDP Climate Change
- CDP Forests
- CDP Water
- CFA Institute Centre for Financial Market Integrity
- Code for Responsible Investment in SA (CRISA)
- Code for Responsible Finance in the 21st Century
- Council of Institutional Investors (CII)
- ESG Research Australia
- Eumedion
- EVCA – Responsible Investment Roundtable
- Extractive Industries Transparency Initiative (EITI)
- Global Investors Governance Network (GIGN)
- Global Impact Investing Network (GIIN)
- Global Real Estate Sustainability Benchmark (GRESB)
- Green Bond Principles
- Institutional Investors Group on Climate Change (IIGCC)
- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)
- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- International Integrated Reporting Council (IIRC)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Principles for Sustainable Insurance
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
- Responsible Finance Principles in Inclusive Finance
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact
- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify

SG 10

Mandatory

Public

Core Assessed

PRI 4

SG 10.1

Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

Yes

SG 10.2

Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.

- Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations
- Provided financial support for academic or industry research on responsible investment
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoke publicly at events and conferences to promote responsible investment
- Wrote and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI
- Wrote articles on responsible investment in the media.
- Other, specify

specify description

SKAGEN has written more openly about our sustainable investments in annual report and on our web site. More will follow in the year to come.

No

SG 10.3

Describe any additional actions and initiatives that your organisation has taken part in during the reporting year to promote responsible investment [Optional]

As part of business initiatives started in 2016, SKAGEN has had close dialogue with other organisations about PRI, sustainable investments and policies.

SG 11

Voluntary

Public

Additional Assessed

PRI 4,5,6

SG 11.1

Indicate if your organisation - individually or in collaboration with others - conducted dialogue with public policy makers or regulators in support of responsible investment in the reporting year.

Yes

- Yes, individually
- Yes, in collaboration with others

SG 11.2

Select the methods you have used.

- Endorsed written submissions to governments, regulators or public policy-makers developed by others
- Drafted your own written submissions to governments, regulators or public-policy markers
- Participated in face-to-face meetings with government members or officials to discuss policy
- Other, specify

SG 11.3

Where you have made written submissions (individually or collaboratively) to governments and regulatory authorities, indicate if these are publicly available.

- Yes, publicly available
- No
- No

Implementation not in other modules

SG 12

Mandatory

Public

Descriptive

PRI 1

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 12.1

Indicate if your organisation executes scenario analysis and/or modelling in which the risk profile of future ESG trends at portfolio level is calculated.

- We execute scenario analysis which includes factors representing the investment impacts of future environmental trends
- We execute scenario analysis which includes factors representing the investment impacts of future social trends
- We execute scenario analysis which includes factors representing the investment impacts of future governance trends
- We execute other scenario analysis, specify
- We do not execute such scenario analysis and/or modelling

SG 12.2

Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.

- We do the following
- We do not consider ESG issues in strategic asset allocation

SG 13

Mandatory to Report Voluntary to Disclose

Public

Additional Assessed

PRI 1

SG 13.1

Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following you act on.

- Changing demographics
- Climate change
- Resource scarcity
- Technology developments
- Other, specify(1)
- Other, specify(2)
- None of the above

SG 14

Mandatory to Report Voluntary to Disclose

Public

Descriptive

PRI 1

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 14.1

Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.

- Yes
- No

Innovation

SG 17

Voluntary

Public

Descriptive

General

SG 17.1

Indicate whether any specific features of your approach to responsible investment are particularly innovative.

- Yes
- No

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SKAGEN AS

Reported Information

Public version

Direct - Listed Equity Incorporation

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Overview

LEI 01	Mandatory to Report Voluntary to Disclose	Public	Gateway	General
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LEI 01.1 Provide a breakdown of your internally managed listed equities by passive, active - quantitative (quant), active - fundamental and active - other strategies.

Percentage of internally managed listed equities



LEI 01.2 Additional information. [Optional]

SKAGEN is an active, value-oriented fund manager

ESG incorporation in actively managed listed equities

Implementation processes

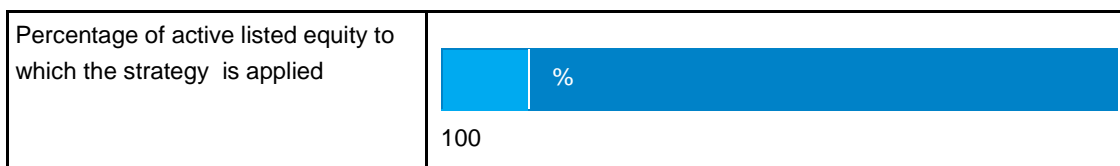
LEI 03	Mandatory	Public	Gateway	PRI 1
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEI 03.1 Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities and (2) the breakdown of your actively managed listed equities by strategy or combination of strategies (+/- 5%)

ESG incorporation strategy (select all that apply)

- Screening alone (i.e. not combined with any other strategies)
- Thematic alone (i.e. not combined with any other strategies)
- Integration alone (i.e. not combined with any other strategies)
- Screening and Integration strategies



- Thematic and integration strategies
- Screening and thematic strategies
- All three strategies combined
- We do not apply incorporation strategies

Total actively managed listed equities

100%

LEI 03.2 Describe your organisation's approach to incorporation and the reasons for choosing the particular ESG incorporation strategy/strategies.

SKAGEN is a value based fund manager which actively selects securities using our proprietary investment process. A part of this process is consideration of whether an investment is in line with our ESG policy. The reason for choosing this approach is that it fits with SKAGEN's investment philosophy and stock picking approach.

LEI 03.3 Where assets are managed using a combination of ESG incorporation strategies, briefly describe how these combinations are used. [Optional]

All potential investments are screened before an investment analysis is performed. During the investment analysis the ESG issues are integrated and combined with all other information about the potential investment. After an investment we conduct quarterly screenings of the portfolios to uncover new issues that will potentially need to go into the investment process for further evaluation on a specific holding.

LEI 04	Voluntary	Public	Additional Assessed	PRI 1
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LEI 04.1 Indicate what ESG information you use in your ESG incorporation strategies and who provides this information.

Type of ESG information

- Raw ESG company data

Indicate who provides this information

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Company-related analysis or ratings

Indicate who provides this information

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Sector-related analysis or ratings

Indicate who provides this information

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Country-related analysis or ratings
- Screened stock list
- ESG issue-specific analysis or ratings
- Other, specify

LEI 04.2	Provide a brief description of the ESG information used, highlighting any differences of sources of information across your ESG incorporation strategies.
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SKAGEN receives ESG information from MSCI ESG. This information is, just like our equity funds, focused on issues for individual companies. The portfolio managers then evaluate the information in the same way as they evaluate other information pertaining to potential or existing investments.

LEI 04.3	Indicate if you incentivise brokers to provide ESG research.
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- Yes
- No

LEI 05	Voluntary	Public	Additional Assessed	PRI 1
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LEI 05.1	Indicate if your organisation has a process through which information derived from ESG engagement and/or (proxy) voting activities is made available for use in investment decision-making.
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- Engagement
 - We have a systematic process to ensure the information is made available.
 - We occasionally make this information available.
 - We do not make this information available.
- (Proxy) voting
 - We have a systematic process to ensure the information is made available.
 - We occasionally make this information available.
 - We do not make this information available.

LEI 05.2	Additional information. [Optional]
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SKAGEN uses ISS as a proxy voting solution. We have implemented a proxy voting dashboard for our web site to increase transparency. The solution gives overview of holdings and voting in the various companies over time.

(A) Implementation: Screening

LEI 06	Mandatory	Public	Descriptive	PRI 1
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LEI 06.1	Indicate and describe the type of screening you apply to your internally managed active listed equities.
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Type of screening

- Negative/exclusionary screening

Screened by

- Product
- Activity
- Sector
- Country/geographic region
- Environmental and social practices and performance
- Corporate governance

	Description
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In our ESG Policy we have clear criteria for some activities that we will not invest in. All potential holdings are screened against these activities.

- Positive/best-in-class screening
- Norms-based screening

LEI 06.2

Describe how the screening criteria are established, how often the criteria are reviewed and how you notify clients and/or beneficiaries when changes are made.

The factors in SKAGEN's ESG Policy are long standing and have changed very little over the years as they are in line with UN Global Compact. We do not review the criteria very often and do therefore not have a formal system in place for reviews. The last review was in 2016. Our policy is published on SKAGEN's web site and if there are changes customers and employees are notified through newsfeeds etc.

LEI 07**Mandatory****Public****Core Assessed****PRI 1****LEI 07.1**

Indicate which processes your organisation uses to ensure screening is based on robust analysis.

- Comprehensive ESG research is undertaken or sourced to determine companies' activities and products.
- Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- External research and data used to identify companies to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar
- Company ESG information/ratings are updated regularly to ensure that portfolio holdings comply with fund policies
- A committee or body with representatives independent of the individuals who conduct company research reviews some or all screening decisions
- A periodic review of the quality of the research undertaken or provided is carried out
- Other, specify
- None of the above

LEI 08**Voluntary****Public****Additional Assessed****PRI 1****LEI 08.1**

Indicate which processes your organisation uses to ensure fund criteria are not breached

- Systematic checks are performed to ensure that stocks meet the funds' screening criteria.
- Automated IT systems prevent investment managers from investing in excluded stocks or those that do not meet positive screening criteria.
- Audits of fund holdings are undertaken regularly by internal audit function
- Other, specify
- None of the above

LEI 08.2

If breaches of fund screening criteria are identified - describe the process followed to correct those breaches.

If breaches of criteria are identified, SKAGEN will - after a review by the investment director and the portfolio managers - sell out of the investment. This will be done in such a way that it does not unnecessarily forfeit values for our unit holders.

(C) Implementation: Integration of ESG issues**LEI 10****Mandatory****Public****Core Assessed****PRI 1**

LEI 10.1

Indicate if E, S and G issues are reviewed while researching companies and/or sectors in active strategies.

ESG issues	Coverage/extent of review on these issues
Environmental	<div style="background-color: #0070C0; color: white; padding: 2px;">Environmental</div> <p><input checked="" type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly</p> <p><input type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly</p> <p><input type="radio"/> We do not review environmental issues</p>
Social	<div style="background-color: #0070C0; color: white; padding: 2px;">Social</div> <p><input checked="" type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly</p> <p><input type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly</p> <p><input type="radio"/> We do not review social issues</p>
Corporate Governance	<div style="background-color: #0070C0; color: white; padding: 2px;">Corporate Governance</div> <p><input checked="" type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly</p> <p><input type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly</p> <p><input type="radio"/> We do not review corporate governance issues</p>

LEI 11	Voluntary	Public	Additional Assessed	PRI 1
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LEI 11.1

Indicate which processes your organisation uses to ensure ESG integration is based on a robust analysis.

- Comprehensive ESG research is undertaken or sourced to determine companies' activities and products
- Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- Company information and/or ratings on ESG are updated regularly
- A periodic review of the quality of the research undertaken or provided is carried out
- Structured, regular ESG specific meetings between responsible investment staff and the fund manager or within the investments team
- ESG risk profile of a portfolio against benchmark
- Other, specify
- None of the above

LEI 11.2 Describe how ESG information is held and used by your portfolio managers.

- ESG information is held within centralised databases or tools and it is accessible by all relevant staff
- ESG information or analysis is a standard section or aspect of all company research notes or industry/sector analysis generated by investment staff
- Systematic records are kept that capture how ESG information and research was incorporated into investment decisions
- Other, specify
- None of the above

LEI 11.3 Additional information.[Optional]

We contact companies about ESG issues when there is something that we are unsure about. Our complete research is summed up in a fact sheet for each investment. These sheets contain reference to ESG issues and how these have been evaluated in the overall investment case.

LEI 12	Mandatory to Report Voluntary to Disclose	Public	Core Assessed	PRI 1
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEI 12.1 Indicate which aspects of investment analysis you integrate ESG information into.

- Economic analysis
- Industry analysis
- Quality of management
 - Systematically
 - Occasionally
- Analysis of company strategy
- Portfolio construction
- Fair value/fundamental analysis
- Other, specify

Outputs and outcomes

LEI 14	Voluntary	Public	Descriptive	PRI 1
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LEI 14.1 Indicate how your ESG incorporation strategies have influenced the composition of your portfolio(s) or investment universe.

- Screening
- Integration of ESG issues

Select which of these effects followed your ESG integration:

- Reduce or prioritise the investment universe
- Overweight/underweight at sector level
- Overweight/underweight at stock level
- Buy/sell decisions
- Other, specify
- None of the above

LEI 15	Voluntary	Public	Additional Assessed	PRI 1
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LEI 15.1

Indicate whether your organisation measures how your approach to ESG issues in listed equity investments has affected financial and/or ESG performance.

- We measure whether our approach to ESG issues impacts funds' reputation
- We measure whether our approach to ESG issues impacts funds' financial performance: return
- We measure whether our approach to ESG issues impacts funds' financial performance: risk
- We measure whether our approach to ESG issues impacts funds' ESG performance
- None of the above

Communication

LEI 17	Mandatory	Public	Core Assessed	PRI 2,6
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LEI 17.1

Indicate if your organisation proactively discloses information on your approach to ESG incorporation in listed equity.

- We disclose it publicly

Provide URL

<https://www.skagenfunds.com/about-us/responsible-investing/>

LEI 17.2

Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

- Yes

LEI 17.3

Indicate the information your organisation proactively discloses to clients/ beneficiaries and the public regarding your approach to ESG incorporation.

- Broad approach to ESG incorporation
- Detailed explanation of ESG incorporation strategy used

LEI 17.4

Indicate how frequently you typically report this information.

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc/when requested
- No
- We disclose it to clients and/or beneficiaries only
- We do not proactively disclose it to the public and/or clients/beneficiaries

DRAFT

SKAGEN AS

Reported Information

Public version

Direct - Listed Equity Active Ownership

PRI disclaimer

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Engagement

Overview

LEA 01	Mandatory	Public	Core Assessed	PRI 2
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEA 01.1 Indicate whether your organisation has a formal engagement policy.

Yes

LEA 01.2 Indicate what your engagement policy covers:

- Conflicts of interest
- Prioritisation of engagements
- Transparency
- Environmental factors
- Social factors
- Governance factors
- Engagements following on from decisions
- Other, describe
- None of the above

LEA 01.3 Attach or provide a URL to your engagement policy. [Optional]

URL

<https://www.skagenfunds.com/about-us/responsible-investing/environmental-social-and-governance-policy/>

LEA 01.4 Provide a brief overview of your organization's approach to engagement

SKAGEN may engage through direct communication with a company. The decision to engage is assessed based on our assessment of the significance of issues to the company, the risks to our clients, relative holdings, scope to effect change and opportunities to collaborate. Dialogue with companies can be exercised by expressing our view, written or orally, to the company's management, advisers, and board of directors or similar. SKAGEN prefers to engage in private, but may use the public voice. We prefer to carry out its engagement activities in confidence, to enable honest and open discussions to take place with companies. SKAGEN believes that continuous dialogue ensures the best possible development for our investments, and thereby the best risk-adjusted returns to unit holders.

No

LEA 02	Mandatory	Public	Gateway	PRI 1,2,3
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LEA 02.1 Indicate the method of engagement, giving reasons for the interaction.

Type of engagement	Reason for interaction
Individual/Internal staff engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via internal staff
Collaborative engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via collaborative engagements
Service provider engagements	<input type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> Other, specify <input checked="" type="checkbox"/> We do not engage via service providers

Process

Process for engagements run internally

LEA 03	Mandatory	Public	Core Assessed	PRI 2
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEA 03.1 Indicate whether your organisation has a formal process for identifying and prioritising engagement activities carried out by internal staff.

Yes

LEA 03.2

Describe the criteria used to identify and prioritise engagement activities carried out by internal staff.

- Geography/market of the companies targeted
 - Materiality of ESG factors
 - Systemic risks to global portfolios
 - Exposure (holdings)
 - In reaction to ESG impacts which has already taken place
 - As a response to divestment pressure
 - As a follow-up from a voting decision
 - Client request
 - Other, describe
- No

LEA 04**Mandatory****Public****Core Assessed****PRI 2**

New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEA 04.1

Indicate if you define specific objectives for your engagement activities.

- Yes
 - Yes, for all engagement activities
 - Yes, for the majority of engagement activities
 - Yes, for a minority of engagement activities
- We do not define specific objectives for engagement activities carried out by internal staff.

LEA 04.2

Indicate if you monitor the actions that companies take following your engagements.

- Yes
 - Yes, in all cases
 - Yes, in the majority of cases
 - Yes, in the minority of cases
- We do not monitor the actions that companies take following engagement activities carried out by internal staff.

LEA 04.3

Indicate whether your organisation defines milestones and goals for engagement activities carried out by internal staff.

- Yes
- No

Process for engagements conducted via collaborations**LEA 05****Mandatory****Public****Core Assessed****PRI 2**

New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEA 05.1 Indicate whether your organisation has a formal process for identifying and prioritising collaborative engagements

- Yes
- No

LEA 06	Mandatory	Public	Core Assessed	PRI 2
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEA 06.1 Indicate if you define specific objectives for your engagement activities carried out collaboratively.

- Yes
- We do not define specific objectives for engagement activities carried out collaboratively.

LEA 06.2 Indicate if you monitor the actions companies take following your collaborative engagements.

- Yes
 - Yes, in all cases
 - Yes, in the majority of cases
 - Yes, in the minority of cases
- We do not monitor the actions that companies take following engagement activities carried out collaboratively

LEA 06.3 Indicate whether your organisation defines milestones and goals related to engagement activities carried out via collaborations.

- Yes
- No

LEA 06.5 Additional information. [Optional]

We did not take part in any collaborative engagements in 2015. However, if we had taken part in such engagements the answers to the questions above would have been yes to all. We would have defined objectives for all collaborative engagements, just as we would do for individual engagements.

General processes for all three groups of engagers

LEA 09	Voluntary	Public	Additional Assessed	PRI 1,2
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LEA 09.1 Indicate if insights gained from your engagements are shared with your internal or external investment managers.

Type of engagement	Insights shared
Individual/Internal staff engagements	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No
Collaborative engagements	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No

LEA 10	Mandatory	Public	Gateway	PRI 2
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LEA 10.1 Indicate if you track the number of engagements your organisation participates in.

Type of engagement	Tracking engagements
Individual / Internal staff engagements	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> We do not track
Collaborative engagements	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> We do not track and cannot estimate our engagements

Outputs and outcomes

LEA 11	Mandatory to Report Voluntary to Disclose	Public	Core Assessed	PRI 2
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LEA 11.1 Indicate the amount of your listed equities portfolio with which your organisation engaged during the reporting year.

	Number of companies engaged (avoid double counting, see explanatory notes)	Proportion (to the nearest 5%)	Specify the basis on which this percentage is calculated
Individual / Internal staff engagements	Number of companies engaged 12	Proportion (to the nearest 5%) 5	Specify the basis on which this percentage is calculated <input checked="" type="radio"/> of the total number of companies you hold <input type="radio"/> of the total value of your listed equity holdings
Collaborative engagements	1	Proportion (to the nearest 5%) 0	Specify the basis on which this percentage is calculated <input checked="" type="radio"/> of the total number of companies you hold <input type="radio"/> of the total value of your listed equity holdings

LEA 11.2 Indicate the proportion of engagements that involved multiple, substantive and detailed discussions or interactions with a company during the reporting year relating to ESG issue.

Type of engagement	% Comprehensive engagements
Individual / Internal staff engagements	<input type="radio"/> > 50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> None
Collaborative engagements	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> None

LEA 11.3 Indicate the percentage of your collaborative engagements for which you were a leading organisation during the reporting year.

Type of engagement	% Leading role
Collaborative engagements	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> None

LEA 12	Voluntary	Public	Additional Assessed	PRI 2
---------------	------------------	---------------	----------------------------	--------------

LEA 12.1 Indicate which of the following your engagement involved.

- Letters to outline the engagement and the objectives
 - In some cases
 - In majority cases
 - In all cases
- Meetings and/or calls with the appropriate team
 - In some cases
 - In majority cases
 - In all cases
- Visits to operations
 - In some cases
 - In majority cases
 - In all cases
- Roadshows
- ESG research
 - In some cases
 - In majority cases
 - In all cases
- Other, specify

LEA 13	Voluntary	Public	Additional Assessed	PRI 2
---------------	------------------	---------------	----------------------------	--------------

LEA 13.1 Indicate if your engagements in the reporting year covered E, S and/or G issues, providing an estimation of the breakdown.

	Individual / Internal staff engagements
	% Environmental only
25	
	% Social only
25	
	% Corporate Governance only
50	
	% Overlapping ESG issues
0	

Total

100%

Collaborative engagements

% Environmental only

0

% Social only

0

% Corporate Governance only

100

% Overlapping ESG issues

0

Total

100%

LEA 14 **Voluntary** **Public** **Descriptive** **PRI 2**

LEA 14.1 Indicate whether you track the number of cases during the reporting year where a company changed its practices, or made a formal commitment to do so, following your organisation's and/or your service provider's engagement activities.

Yes

LEA 14.2 Indicate the number of companies that changed or committed to change in the reporting year following your organisation's and/or your service provider's engagement activities.

	Number of company changes or commitments to change
Individual / Internal staff engagements	2
Collaborative engagements	1

No

LEA 15 **Voluntary** **Public** **Descriptive** **PRI 2**

LEA 15.1	Provide examples of the engagements that your organisation or your service provider carried out during the reporting year.
-----------------	--

Add Example 1

Topic or ESG issue	Continued engagement with G4S - poor reputation due to many legacy issues on human rights
Conducted by	<input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative
Objectives	To highlight that new management is doing a lot to improve company's record through improving their reporting and showing steps in the right direction.
Scope and Process	Dialogue with company has been ongoing since the beginning of the second half of 2015. In December 2016, the company sold out of its business in Israel, which is one of the issues that has been discussed with the company.
Outcomes	The company has made progress in exiting controversial businesses. We expect more to follow and that this will improve their ESG standing.

- Add Example 2
- Add Example 3
- Add Example 4
- Add Example 5
- Add Example 6
- Add Example 7
- Add Example 8
- Add Example 9
- Add Example 10

Communication

LEA 16	Mandatory	Public	Core Assessed	PRI 2,6
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LEA 16.1	Indicate whether your organisation proactively discloses information on its engagements.
-----------------	--

- We disclose it publicly
- We disclose it to clients and/or beneficiaries only
- We do not proactively disclose it to the public and/or clients/beneficiaries.

(Proxy) voting and shareholder resolutions

Overview

LEA 17

Mandatory

Public

Gateway

PRI 1,2,3

New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEA 17.1

Indicate whether your organisation has a formal voting policy.

Yes

LEA 17.2

Indicate what your voting policy covers:

- Conflicts of interest
- Prioritisation of voting activities
- Transparency
- Decision making processes
- Environmental factors
- Social factors
- Governance factors
- Filing/co-filing resolutions
- Extraordinary meetings
- Share blocking
- Regional voting practices
- Record keeping
- Company dialogue pre/post vote
- Securities lending process
- Other, describe
- None of the above

LEA 17.3

Attach or provide a URL to your voting policy. [Optional]

URL

<https://www.skagenfunds.com/about-us/responsible-investing/environmental-social-and-governance-policy/>

LEA 17.4

Provide a brief overview of your organization's approach to (proxy) voting.

SKAGEN's goal is to vote in all shareholder meetings of all companies in our portfolios. Voting rights are exercised either directly by SKAGEN or by SKAGEN giving a proxy, often a custodian bank, instruction to exercise the voting rights on behalf of the fund. Whenever SKAGEN needs to assess whether to vote for or against a resolution, or to abstain, it must be considered whether the proposal is likely to increase the return on the shares issued by the company.

LEA 17.5	Provide an overview of how you ensure your voting policy is adhered to, giving details of your approach when exceptions to the policy are made (if applicable).
-----------------	---

Voting is monitored by compliance to make sure that we vote in as many instances as possible and in accordance with our policy. We seldom need to make exceptions to the policy. Reports are sent to SKAGEN's board of directors with an overview of voting activities.

No

Process				
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LEA 18	Mandatory	Public	Descriptive	PRI 2
---------------	------------------	---------------	--------------------	--------------

LEA 18.1	Indicate how you typically make your (proxy) voting decisions.
-----------------	--

	Approach
--	----------

- We use our own research or voting team and make voting decisions without the use of service providers.
- We hire service provider(s) that make voting recommendations or provide research that we use to inform our voting decisions.

	Based on
--	----------

- the service provider voting policy signed off by us
- our own voting policy
- our clients' requests or policy
- other, explain
- We hire service provider(s) that make voting decisions on our behalf, except for some pre-defined scenarios for which we review and make voting decisions.
- We hire service provider(s) that make voting decisions on our behalf.

LEA 21	Voluntary	Public	Additional Assessed	PRI 2
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEA 21.1	Indicate if your organisation has a securities lending programme.
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Yes

LEA 21.2

Indicate how voting is addressed in your securities lending programme.

- We recall all securities for voting on all ballot items
- We systematically recall some securities to vote on their ballot items
- We recall some securities to vote on their ballot items on an ad hoc basis
- Our securities lending agent is free to decide when and which securities to recall for voting purposes.
- We communicate our voting instructions to the borrowing entity.
- We do not recall our shares for voting purposes.
- Others
- No

LEA 22**Mandatory****Public****Core Assessed****PRI 2**

New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEA 22.1

Indicate whether you or the service providers acting on your behalf raise any concerns with companies ahead of voting

- Yes, in most cases
- Sometimes, in the following cases:
 - Votes for selected markets
 - Votes relating to certain ESG issues
 - Votes for significant shareholdings
 - Votes for companies we are engaging with
 - On request by clients
 - Other
- Neither we nor our service provider raise concerns with companies ahead of voting

LEA 22.2

Indicate whether you and/or the service provider(s) acting on your behalf, communicate the rationale to companies, when , you abstain or vote against management recommendations.

- Yes, in most cases
- Sometimes, in the following cases.
- We do not communicate the rationale to companies
- Not applicable because we and/or our service providers do not abstain or vote against management recommendations

LEA 22.3

Additional information. [Optional]

The voting record is publicly disclosed on our web page. The rationale is made available in all the cases where we vote against management recommendations.

Outputs and outcomes

LEA 23	Mandatory	Public	Core Assessed	PRI 2
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LEA 23.1 For listed equities where you and/or your service provider have the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.

We do track or collect this information

Votes cast (to the nearest 1%)

%

93

Specify the basis on which this percentage is calculated

- of the total number of ballot items on which you could have issued instructions
- of the total number of company meetings at which you could have voted
- of the total value of your listed equity holdings on which you could have voted

LEA 23.2 Explain your reason(s) for not voting certain holdings




- Shares were blocked
 - Notice, ballots or materials not received in time
 - Missed deadline
 - Geographical restrictions (non-home market)
 - Cost
 - Conflicts of interest
 - Holdings deemed too small
 - Administrative impediments (e.g., power of attorney requirements, ineligibility due to participation in share placement)
 - We do not vote on environmental resolutions
 - We do not vote on social resolutions
 - On request by clients
 - Other
- We do not track or collect this information

LEA 24	Mandatory	Public	Additional Assessed	PRI 2
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LEA 24.1 Indicate if you track the voting instructions that you and/or your service provider on your behalf have issued.

Yes, we track this information

LEA 24.2 Of the voting instructions that you and/or third parties on your behalf issued, indicate the proportion of ballot items that were:

Voting instructions	Breakdown as percentage of votes cast
For (supporting) management recommendations	 96
Against (opposing) management recommendations	 4
Abstentions	 0

100%

LEA 24.3 Describe the actions you take after voting against management recommendations.

Following a vote against management we publish publicly the vote and reasoning on our web site in a solution provided by ISS.

No, we do not track this information

LEA 25

Voluntary

Public

Descriptive

PRI 2

New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEA 25.1

Indicate if your organisation directly or via a service provider filed or co-filed any ESG shareholder resolutions during the reporting year.

Yes

No

Communication

LEA 27

Mandatory

Public

Core Assessed

PRI 2,6

LEA 27.1

Indicate if your organisation proactively discloses information on your voting activities.

We disclose it publicly

provide URL

<https://www.skagenfunds.com/about-us/responsible-investing/>

LEA 27.2

Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

- Yes

LEA 27.3

Indicate the voting information your organisation proactively discloses to the public and/or to clients/beneficiaries.

Indicate how much of your voting record you disclose

- All voting decisions
- Some voting decisions
- Only abstentions and opposing vote decisions
- Summary of votes only

Indicate what level of explanation you provide

- Explain all voting decisions
- Explain some voting decisions
- Only explain abstentions and votes against management
- No explanations provided

LEA 27.4

Indicate how frequently you typically report voting information.

- Continuously (primarily before meetings)
- Continuously (soon after votes are cast)
- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc/as requested
- No
- We disclose it to clients/beneficiaries only
- We do not proactively disclose our voting activities to the public and/or to clients/beneficiaries

SKAGEN AS

Reported Information

Public version

Direct - Fixed Income

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Overview

FI 01	Mandatory to Report Voluntary to Disclose	Public	Gateway	General
FI 01.1	Provide a breakdown of your internally managed fixed income securities by active and passive strategies			

DRAFT

SSA	<p>Passive 0</p> <p>Active - quantitative (quant) 0</p> <p>Active - fundamental and active - other 100</p> <p>Total 100%</p>
Corporate (financial)	<p>Passive 0</p> <p>Active - quantitative (quant) 0</p> <p>Active - fundamental and active - other 100</p> <p>Total 100%</p>
Corporate (non-financial)	<p>Passive 0</p> <p>Active - quantitative (quant) 0</p> <p>Active - fundamental and active - other 100</p> <p>Total 100%</p>

FI 01.2	Additional information. [Optional]
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SKAGEN has government, corporate bond and money market funds. All these are actively managed.

FI 03	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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FI 03.1	Indicate the approximate (+/- 5%) breakdown of your SSA investments, by developed markets and emerging markets.
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SSA	Developed markets	75
	Emerging markets	25
	Total	100%

FI 03.2	Indicate the approximate (+/- 5%) breakdown of your corporate and securitised investments by investment grade or high-yield securities.
---------	---





Corporate (financial)	High-yield	0
	Investment grade	100
	Total	100%
Corporate (non-financial)	High-yield	15
	Investment grade	85
	Total	100%

ESG incorporation in actively managed fixed income

Implementation processes

FI 04	Mandatory	Public	Gateway	PRI 1
FI 04.1	Indicate 1) Which ESG incorporation strategy and/or combination of strategies you apply to your actively managed fixed income investments; and 2) The proportion (+/- 5%) of your total actively managed fixed income investments each strategy applies to.			

SSA	<table border="1"> <thead> <tr> <th>Strategy</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Screening alone</td> <td>0</td> </tr> <tr> <td>Thematic alone</td> <td>0</td> </tr> <tr> <td>Integration alone</td> <td>100</td> </tr> <tr> <td>Screening + integration strategies</td> <td>0</td> </tr> <tr> <td>Thematic + integration strategies</td> <td>0</td> </tr> <tr> <td>Screening + thematic strategies</td> <td>0</td> </tr> <tr> <td>All three strategies combined</td> <td>0</td> </tr> <tr> <td>No incorporation strategies applied</td> <td>100%</td> </tr> </tbody> </table>	Strategy	Percentage	Screening alone	0	Thematic alone	0	Integration alone	100	Screening + integration strategies	0	Thematic + integration strategies	0	Screening + thematic strategies	0	All three strategies combined	0	No incorporation strategies applied	100%
Strategy	Percentage																		
Screening alone	0																		
Thematic alone	0																		
Integration alone	100																		
Screening + integration strategies	0																		
Thematic + integration strategies	0																		
Screening + thematic strategies	0																		
All three strategies combined	0																		
No incorporation strategies applied	100%																		
Corporate (financial)	<table border="1"> <thead> <tr> <th>Strategy</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Screening alone</td> <td>0</td> </tr> <tr> <td>Thematic alone</td> <td>0</td> </tr> <tr> <td>Integration alone</td> <td>100</td> </tr> <tr> <td>Screening + integration strategies</td> <td>0</td> </tr> </tbody> </table>	Strategy	Percentage	Screening alone	0	Thematic alone	0	Integration alone	100	Screening + integration strategies	0								
Strategy	Percentage																		
Screening alone	0																		
Thematic alone	0																		
Integration alone	100																		
Screening + integration strategies	0																		

	 <p>Thematic + integration strategies</p> <p>0</p>
	 <p>Screening + thematic strategies</p> <p>0</p>
	 <p>All three strategies combined</p> <p>0</p>
	 <p>No incorporation strategies applied</p> <p>0</p> <p>100%</p>

DRAFT

Corporate (non-financial)	Screening alone	0
	Thematic alone	0
	Integration alone	0
	Screening + integration strategies	100
	Thematic + integration strategies	0
	Screening + thematic strategies	0
	All three strategies combined	0
	No incorporation strategies applied	100%

FI 04.2 Describe your reasons for choosing a particular ESG incorporation strategy and how combinations of strategies are used.

SKAGEN actively selects securities and as an integral part of this process the portfolio managers will consider whether an investment is in line with our guidelines. The portfolio managers consider if ESG factors are material for an investment in the same manner as they consider other research material pertaining to an investment. Our corporate bond funds follow the same systems put in place for our equity funds. For sovereign bonds we have chosen to make sure that we invest in bonds issued in countries not characterized by internal or external political turmoil, or where the sovereign operates in an opaque and unsustainable way.

FI 05	Mandatory to Report Voluntary to Disclose	Public	Core Assessed	PRI 1
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FI 05.1 Indicate which ESG factors you systematically research as part of your analysis on issuers.

Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)
Environmental data	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Social data	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Governance data	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

FI 05.2

Indicate what format your ESG information comes in and where you typically source it

- Raw ESG company data

Indicate who provides this information

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – FI analyst, PM or risk team
- Other, specify
- ESG factor specific analysis
- Issuer-level ESG analysis

Indicate who provides this information

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – FI analyst, PM or risk team
- Other, specify
- Sector-level ESG analysis
- Country-level ESG analysis

FI 05.3

Provide a brief description of the ESG information used, highlighting any differences in sources of information across your ESG incorporation strategies.

For our corporate bond funds, SKAGEN receives information on individual companies from MSCI ESG. This information is evaluated in the same way as other information pertaining to potential or existing holdings. For our sovereign debt fund, the portfolio managers seek to avoid bonds issued in countries characterized by internal or external political turmoil, or where the sovereign operates in an opaque and unsustainable way.

FI 06

Mandatory

Public

Additional Assessed

PRI 1

FI 06.1 Indicate how you ensure that your ESG research process is robust:

- Issuers are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- Issuer information and/or ESG ratings are updated regularly to ensure ESG research is accurate
- Internal audits of ESG research are undertaken in a systematic way
- ESG analysis is benchmarked for quality against other providers
- Other, specify
- None of the above

FI 06.2 Describe how your ESG information or analysis is shared among your investment team.

- ESG information is held within a centralised database and is accessible to all investment staff
- ESG information is a standard item on all individual issuer summaries, 'tear sheets', 'dashboards' or similar documents
- Investment staff are required to discuss ESG information on issuers as a standard item during investment committee meetings
- Records capture how ESG information and research was incorporated into investment decisions
- Other, specify
- None of the above

(A) Implementation: Screening

FI 07	Mandatory	Public	Gateway	PRI 1
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FI 07.1 Indicate the type of screening you conduct.

Select all that apply

			Corporate (non-financial)	
Negative/exclusionary screening			<input checked="" type="checkbox"/>	
Positive/best-in-class screening			<input type="checkbox"/>	
Norms-based screening			<input type="checkbox"/>	

FI 07.2 Describe your approach to screening for internally managed active fixed income

Just like for our equity funds, we seek information about issues pertaining to our ESG policy. Both in terms of absolute requirements, but also in terms of issues that may need to be handled going forward.

FI 08	Mandatory	Public	Descriptive	PRI 1
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Corporate (non-financial)

Corporate (non-fin)

- For legal reasons
- For non-legal reasons

FI 08.2 Describe your approach to ESG-based negative screening of issuers from your investable universe.

Just like for our equity funds, we seek information about issues pertaining to our ESG policy. Both in terms of absolute requirements, but also in terms of issues that may need to be handled going forward.

FI 09 Voluntary Public Additional Assessed PRI 1

FI 09.1 Provide examples of how ESG factors are included in your screening criteria.

- Example 1
- Example 2
- Example 3
- Example 4
- Example 5

FI 09.2 Additional information.

For an overview of SKAGEN's ESG policy see <https://www.skagenfunds.com/about-us/responsible-investing/environmental-social-and-governance-policy/>

FI 10 Mandatory Public Core Assessed PRI 1

FI 10.1 Indicate which systems your organisation has to ensure that fund screening criteria are not breached in fixed income investments.

Type of screening	Checks
Negative/exclusionary screening	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Checks are performed to ensure that issuers meet screening criteria <input type="checkbox"/> Data used for the screening criteria is updated at least every 2 years <input type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input type="checkbox"/> Audits of fund holdings are undertaken regularly by internal audit or compliance functions <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above

FI 10.2	Additional information. [Optional]
---------	------------------------------------

SKAGEN strives to gain an in-depth understanding of the relevant ESG issues applicable to our investments and to identify these issues before escalation impacts the value of the funds' investments. ESG issues are important in the investment decision-making as they have the potential to affect the long-term value of the investment.

(C) Implementation: Integration

FI 14	Mandatory	Public	Descriptive	PRI 1
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FI 14.1	Describe your approach to integrating ESG into traditional financial analysis.
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SKAGEN strives to gain an in-depth understanding of the relevant ESG issues applicable to our investments and to identify these issues before escalation impacts the value of the funds' investments. ESG issues are important in the investment decision-making as they have the potential to affect the long-term value of the investment.

FI 14.2	Describe how your ESG integration approach is adapted to each of the different types of fixed income you invest in.
---------	---

	SSA
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Sovereign bonds issued in countries characterized by internal or external political turmoil, or where the sovereign operates in an opaque and unsustainable way may come with risks that far outweigh any potential gains. SKAGEN's sovereign debt fund therefore will not knowingly invest in debt issued by such countries.

	Corporate (financial)
--	-----------------------

When it comes to corporate debt, both for financial and non-financial companies, governance is of importance for the credibility of a company when it comes to repaying its debt. Assessment of governance is contained in SKAGEN's investment process, both before the investment is made and during the ownership period.

	Corporate (non-financial)
--	---------------------------

When it comes to corporate debt, both for financial and non-financial companies, governance is of importance for the credibility of a company when it comes to repaying its debt. Assessment of governance is contained in SKAGEN's investment process, both before the investment is made and during the ownership period.

FI 15	Mandatory	Public	Core Assessed	PRI 1
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FI 15.1	Indicate how ESG information is typically used as part of your investment process.
---------	--

Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)	
ESG analysis is integrated into fundamental analysis	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
ESG analysis is integrated into security weighting decisions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ESG analysis is integrated into portfolio construction decisions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ESG analysis is a standard part of internal credit ratings or assessment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ESG analysis for issuers is a standard agenda item at investment committee meetings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ESG analysis is regularly featured in internal research notes or similar	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ESG analysis is a standard feature of ongoing portfolio monitoring	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
ESG analysis features in all internal issuer summaries or similar documents	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Other, specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

FI 16	Mandatory	Public	Additional Assessed	PRI 1
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FI 16.1	Indicate the extent to which ESG issues are reviewed in your integration process.
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	Environment	Social	Governance
SSA	<input checked="" type="radio"/> Environmental <input type="radio"/> Systematically <input checked="" type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Social <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Governance <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all
Corporate (financial)	<input checked="" type="radio"/> Environmental <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Social <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Governance <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all
Corporate (non-financial)	<input checked="" type="radio"/> Environmental <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Social <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Governance <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all

FI 16.2

Please provide more detail on how you review E, S and G factors in your integration process.

SSA

SKAGEN actively selects all securities for our fixed income portfolios, and as an integral part of this process the portfolio managers will consider whether an investment is in line with our ESG policy. For SSA, there is a fixed requirement that the portfolio managers shall not knowingly invest in sovereign bonds issued in countries characterized by internal or external political turmoil, or where the sovereign operates in an opaque and unsustainable way. This to avoid taking on unknown or unmeasurable risk.

Corporate (financial)

SKAGEN actively selects all securities for our fixed income portfolios, and as an integral part of this process the portfolio managers will consider whether an investment is in line with our ESG policy. When it comes to the corporate bonds, both financial and non-financial companies, the review of ESG factors is similar to the one for the equity funds. The portfolio managers consider if ESG factors are material for an investment in the same manner as they consider other research material pertaining to an investment, such as broker reports etc.

Corporate (non-financial)

SKAGEN actively selects all securities for our fixed income portfolios, and as an integral part of this process the portfolio managers will consider whether an investment is in line with our ESG policy. When it comes to the corporate bonds, both financial and non-financial companies, the review of ESG factors is similar to the one for the equity funds. The portfolio managers consider if ESG factors are material for an investment in the same manner as they consider other research material pertaining to an investment, such as broker reports etc.

Fixed income - Engagement

FI 18	Mandatory to Report Voluntary to Disclose	Public	Core Assessed	PRI 2
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FI 18.1 Indicate if you engage on your fixed income assets. Please exclude any engagements carried out solely in your capacity as a shareholder.

Category	Proportion of assets
SSA	<input type="radio"/> >50% <input type="radio"/> 26-50% <input type="radio"/> 5-25% <input type="radio"/> More than 0%, less than 5% <input checked="" type="radio"/> We do not engage
Corporate (financial)	<input type="radio"/> >50% <input type="radio"/> 26-50% <input type="radio"/> 5-25% <input type="radio"/> More than 0%, less than 5% <input checked="" type="radio"/> We do not engage
Corporate (non-financial)	<input type="radio"/> >50% <input type="radio"/> 26-50% <input type="radio"/> 5-25% <input checked="" type="radio"/> More than 0%, less than 5%

FI 18.2 Indicate your motivations for conducting engagement.

To gain insights into ESG (i.e. enhance disclosure)

To effect change (i.e. ask an issuer to manage ESG risk and/or opportunity)

Other, specify

We do not engage

FI 19	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1,2
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

FI 19.1 Indicate how you typically engage with issuers as a fixed income investor, or as both a fixed income and listed equity investor. (Please do not include engagements where you are both a bondholder and shareholder but engage as a listed equity investor only.)

Select all that apply

Type of engagement	Corporate (non-financial)
Individual/Internal staff engagements	<input checked="" type="checkbox"/>
Collaborative engagements	<input type="checkbox"/>
Service provider engagements	<input type="checkbox"/>
We do not engage with issuers as a fixed income investor or as both a fixed income and listed equity investor	<input type="checkbox"/>

FI 19.2

Indicate how your organisation prioritises engagements with issuers

Select all that apply

	Corporate (non-financial)
Based on potential materiality of ESG factors	<input checked="" type="checkbox"/>
Based on systemic risks to global portfolios	<input type="checkbox"/>
Based on our exposure (holdings) to ESG risks	<input type="checkbox"/>
Other	<input type="checkbox"/>
We do not prioritise engagements with issuers	<input type="checkbox"/>

FI 19.3

Indicate when your organisation conducts engagements with issuers.

Select all that apply

	Corporate (non-financial)
Engagements are conducted pre-investment	<input checked="" type="checkbox"/>
Engagements are conducted post-investment	<input checked="" type="checkbox"/>
Other, describe	<input type="checkbox"/>
We do not conduct engagements with issuers	<input type="checkbox"/>

FI 19.4

Indicate how your organisation conducts engagements with issuers.

Select all that apply

			Corporate (non-financial)
We systematically engage prior to ESG-related divestments			<input type="checkbox"/>
We engage proactively in anticipation of specific ESG risks and/or opportunities			<input type="checkbox"/>
We engage in reaction to ESG issues which have already affected the issuer			<input checked="" type="checkbox"/>
Investment and ESG analysts systematically conduct ESG-related engagements together			<input type="checkbox"/>
Other, describe			<input type="checkbox"/>
We do not conduct engagements with issuers			<input type="checkbox"/>

FI 19.5

Indicate what your organisation conducts engagements with issuers on.

Select all that apply

			Corporate (non-financial)
We conduct engagements with individual issuers			<input checked="" type="checkbox"/>
We conduct engagements across sectors and industries			<input type="checkbox"/>
We conduct engagements on specific ESG themes (e.g. human rights)			<input type="checkbox"/>
Other, describe			<input type="checkbox"/>
We do not conduct engagements with issuers			<input type="checkbox"/>

FI 19.6

Indicate how your organisation shares the outcomes of the engagements internally.

Select all that apply

			Corporate (non-financial)	
We have a systematic process to ensure the outcomes of engagements are made available			<input type="checkbox"/>	
We occasionally make the outcomes of engagements available			<input checked="" type="checkbox"/>	
Other, describe			<input type="checkbox"/>	
We do not make this information available			<input type="checkbox"/>	
We do not share the outcomes of the engagements internally			<input type="checkbox"/>	

FI 20	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1,2
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FI 20.1 Indicate if your publicly available policy documents explicitly refer to fixed income engagement separately from engagements in relation to other asset classes.

- Yes
- No

Outputs and outcomes

FI 21	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	General
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FI 21.1 Indicate whether your organisation measures how your incorporation of ESG analysis in fixed income has affected investment outcomes and/or ESG performance.

Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)	
We measure whether incorporating ESG impacts funds' reputation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
We measure whether incorporating ESG impacts financial returns	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
We measure whether incorporating ESG impacts risk	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
We measure whether incorporating ESG impacts funds' ESG performance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
None of the above	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	

Communication

FI 23	Mandatory	Public	Core Assessed	PRI 2,6
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FI 23.1

Indicate if your organisation proactively discloses information on your approach to RI across all of your fixed income investments.

- We disclose it publicly

Provide URL

<https://www.skagenfunds.com/about-us/responsible-investing/environmental-social-and-governance-policy/>

FI 23.2

Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

- Yes

FI 23.3

Indicate the information your organisation proactively discloses to the public regarding your approach to RI incorporation.

- Broad approach to RI incorporation
 Detailed explanation of RI incorporation strategy used

FI 23.4

Indicate how frequently you typically report this information.

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc/when requested
- No
- We disclose it to clients and/or beneficiaries only
- We do not proactively disclose it to the public and/or clients/beneficiaries

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