

Notice to unit holders

Lysaker, 22 October 2020

Unitholders' meeting in mutual funds managed by Storebrand Asset Management AS

Introduction of swing pricing

Storebrand Asset Management AS (Storebrand), which manages the Storebrand and Delphi funds, has routines that ensure that existing unit holders do not suffer damage as a result of subscriptions and redemptions made by other unit holders in the fund. In the case of major trades in the funds, the manager must normally buy or sell securities and this imposes transaction costs on the fund.

In order to prevent existing unit holders in the fund from being harmed as a result of large trades made by other unit holders, Storebrand has practiced a compensation scheme which means that a share of the subscription and redemption fees is added to the fund to compensate for the transaction costs incurred by the fund. The current compensation scheme involves a quite a bit of manual work. Therefore, Storebrand wants to replace the current compensation scheme with swing pricing, which is a more automated scheme. Swing pricing is the scheme most management companies today use, both in Norway and in Europe in general, to prevent existing unit holders from suffering damage as a result of subscriptions and redemptions made by other unit holders in the fund. Swing pricing aims to ensure that the costs incurred in the securities transactions that the fund must make, due to unit holders' subscriptions or redemptions, are paid by the unit holders who caused the transactions.

When using swing pricing, the fund's net asset value (unit NAV or fund price) is first calculated on the basis of an ordinary market value principle. The unit NAV is then adjusted (swung) up or down when the total net trades in the fund per day exceeds a predetermined threshold. In practice, this means that on days when the fund receives a significant net subscription, the fund price will be adjusted slightly up, and fund trades will be subject to a slightly higher fund price, and conversely the fund price will be adjusted slightly down on days with net redemption from the fund. The adjustment of the fund price (the swing factor) will be determined on the basis of historical trading costs in the securities markets in which the fund invests and thus correspond to the costs that the fund incurs when the manager has to buy or sell securities. In this way, your, and other existing unit holders', funds are protected from the costs incurred by the fund as a result of the fund having to trade securities in the financial markets to meet subscriptions and redemptions in the fund.

The impact for you as a unit holder

The introduction of swing pricing in the funds managed by Storebrand Asset Management AS is in practice of little importance to you as a unit holder, as SAM already has a compensation scheme for equity funds and balanced funds. Unitholders' interests and values will continue to be safeguarded in a good way. For the fund itself, however, the scheme will be more automated and efficient.

Amendment of the funds' articles of association and prospectus

The introduction of swing pricing presupposes a change in the fund's articles of association, and we propose that the following wording be included in § 6 of the fund's articles of association:

"Forvaltningsselskapet kan benytte svingprising. Det vises til prospektet for nærmere beskrivelse."

Translated to English it corresponds to:

"The management company can use swing pricing. Please refer to the prospectus for a more detailed description."

The fund's prospectus will include the following regarding swing pricing (under the section on value calculation):

"Storebrand Asset Management AS practices swing pricing to prevent existing unit holders from suffering damage as a result of subscriptions and redemptions made by other unit holders in the fund. NAV is adjusted by a swing factor on days when the fund has had a net subscription or redemption that exceeds a pre-determined threshold. The limit for adjusting NAV is set at the level where net subscription or redemption is expected to mean that the fund must make portfolio adjustments that impose transaction costs on the fund. If the fund has had a net subscription beyond this limit, NAV is adjusted upwards, and vice versa if the fund has a net redemption above this limit. The swing factor is calculated based on average historical costs, and is evaluated quarterly. The routines are in accordance with the Norwegian Fund and Asset Management Association's industry standard on subscription and redemption, available at www.vff.no."

The above changes apply to the following mutual funds managed by Storebrand Asset Management AS: Delphi Europe, Delphi Kombinasjon, Delphi Nordic, Delphi Norge, Delphi Global, Delphi Global Valutasikret, Storebrand Aksje Innland, Storebrand Fornyar Energi, Storebrand Fremtid 10, Storebrand Fremtid 30, Storebrand Fremtid 50 (former Storebrand Kombinasjon), Storebrand Fremtid 80, Storebrand Fremtid 100 (former Storebrand AksjeSpar), Storebrand Global ESG, Storebrand Global ESG Plus, Storebrand Global ESG Plus Valutasikret, Storebrand Global Indeks, Storebrand Global Indeks Valutasikret, Storebrand Global Multifactor, Storebrand Global Multifaktor Valutasikret, Storebrand Global Solutions, Storebrand Global Solutions Valutasikret, Storebrand Global Value, Storebrand Indeks - Alle Markeder, Storebrand Indeks – Norge, Storebrand Indeks - Nye Markeder, , Storebrand Nordic High Yield, Storebrand Norge, Storebrand Norge Fossilfri, Storebrand Norge I, Storebrand Vekst, Storebrand Verdi, FO Norsk Kreditt, FO Norsk Likviditet, SEB NOK Liquidity Fund, Storebrand Global Kreditt IG, Storebrand Global Obligasjon, Storebrand Kort Kreditt IG (former Storebrand Høyrente), Storebrand Korte Renter SII, Storebrand Kreditt (former Storebrand Rente+), Storebrand Likviditet, Storebrand Norsk Kreditt IG, Storebrand Norsk Kreditt IG 20, Storebrand Stat.

Further information about the unit owners' meeting, voting, etc.

In order for the changes to the articles of association to take effect, the consent of at least 75 per cent of represented units in the unitholders' meeting is required. As a unit owner, you do not need to take any action, but we recommend that you exercise your voting rights.

You can cast your vote in one of the following ways:

1. Vote in advance via voting slip so that it is in our hands by 16 November 2020. We encourage all unit holders to use electronic voting which is available via the log in solution. Alternatively, the voting slip on this page can be delivered or sent via electronic messaging service, post or fax.
2. Attend the unit holder meeting which will be held in our premises in Professor Kohts vei 9 in Lysaker 19 November 2020 at 1 p.m., provided that a physical meeting is advisable under the current Covid 19 situation. Registration must be received by us by 12 November. You also have the opportunity to file cases for consideration at the meeting.

Each unit in a fund counts equally, and you vote for the number of units held as of 19 October 2020. You only need to cast one vote even if you own units in several of the funds mentioned above. For the sake of order, we point out that all unit holders have the right to a free redemption of their units in connection with decisions on amendments to the articles of association that require the consent of the unit holders' meeting. Instructions on such redemption must in that case be addressed to the management company by 16 November this year.

Proposals for new articles of association, voting slip, reply envelopes or other information can be received free of charge from the management company at www.storebrand.no/saminfo, or by email to stemmefond@storebrand.no, or by phone +47 22 48 90 48.

With regards
Storebrand Asset Management AS

Attachment: Voting slip