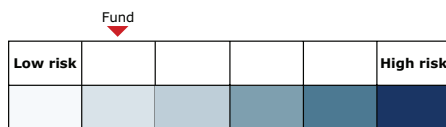


Morningstar Rating™ ★★

# Allocation Danish Bond Cl. A

## Riskmeter



The Riskmeter is a simplified presentation of the sub-fund's expected risk profile.

## Basic information

NAV as of 31-07-2010 (DKK)	119.21
Morningstar Category	DKK Other - Bonds
ISIN	LU0216837798
Bloomberg Ticker	DAFDBDA
Dividends	No
Web site	www.danskebank.lu
Launch	02-05-2005
Total assets, mill. (DKK)	91.74
Base currency	DKK
Domicile	LUX
Initial charges up to	5.00 %
Fund company	Danske Invest Allocation
Management fee	0.90 %

## About the fund

Allocation Danish Bond Class A invests in bonds denominated in Danish kroner and listed on an official stock exchange or another recognised marketplace for bonds. The sub-fund is a SICAV part II fund, which is out of scope of the EU Savings Tax Directive and is thus exempt from the investment yield tax.

For the purpose of efficient portfolio management the sub-fund may use hedging techniques and investments in options and futures. Up to 10% of the portfolio may be invested in other UCIs, hedge funds or fund of hedge funds.

The portfolio's overall (option-adjusted) duration, including any cash holdings in Danish kroner, must fall in the range of 2-5 years.

## Historical perf. as of 31-07-2010

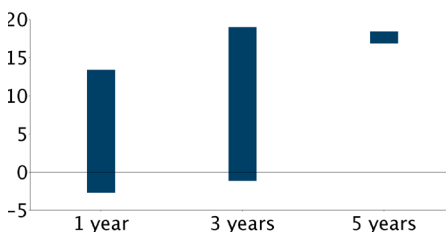


The chart shows the value of an investment of 100 DKK over the past 8 years or, if the fund is less than 8 years old, since its inception.

## Key figures - 3 years

Sharpe ratio	0.67
Volatility	4.20
Average annual return (%)	5.90

## Return volat.



The fund's return will fluctuate as markets go up and down. The chart shows how the historical returns have fluctuated in the past 10 years or, if the fund is less than 10 years old, since its inception. The end points of the columns show the best and worst returns within this period.

## Top 10 holdings as of 31-07-2010

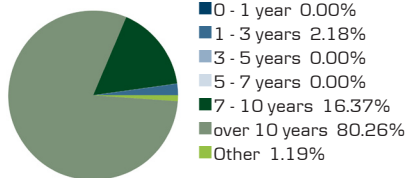
Issue	%
5,00% Realkredit Danmark A/S	9.26 %
5,00% BRFkredit 111 2035	8.80 %
5,00% Nordea ann. 2035	8.74 %
Kingdom Of Denmark	7.78 %
4,00% BRFkredit 111B 2035	6.40 %
Totalkredit Realkreditfond 4%	6.38 %
5,82% Nykredit Realkredit A/S	5.80 %
5,00% Nykredit Realkredit A/S	4.55 %
4,50% Danske Stat INK ST.LÅN	3.30 %
Realkredit Danmark A/S, Kobenhavn F	3.22 %
<b>other investments in 22 securities,</b>	<b>35.78 %</b>

## Trailing returns as of 31-07-2010

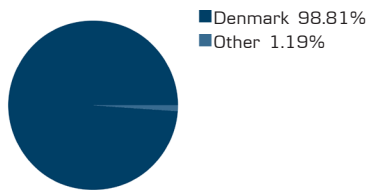
	Year to date	1 mth	3 mth	6 mth	12 mth	36 mth	60 mth	Start
Fund	4.89	0.18	2.01	4.01	7.23	18.78	18.43	19.21

# Allocation Danish Bond Cl. A

## Time to maturity



## Country allocation



## Fund report

### Semi-annual report 2010

#### Return and benchmark

The sub-fund provided a 4.71% return for the first half year 2010. The sub-fund does not have a benchmark, but relative to the general market development for medium-term bonds, the achieved return is satisfactory.

#### Market

Danish bond yields fell to a new historical low. Despite the fact that a number of economic indicators point towards recovery, it was the significant debt problems in a row of European countries that set the agenda in the fixed income market. The high debt burden in more countries caused investors to move into countries with low debt - among others Denmark. Therefore the 10-year government bond yield fell 0.98%.

At the same time, the Danish central bank cut its lending rate twice to the record low level of 1.05%.

#### Performance

Our expectation for slightly increasing yields at the beginning of the year did not materialise. The massive focus on the debt problems in Europe had a positive bearing on Danish government bonds, and the sub-fund's holding of government bonds saw solid returns. The sub-fund's portfolio of floating-rate bonds pulled in the opposite direction. These bonds have a built-in insurance against increasing

interest rates, as the coupon rate increases in step with future increasing interest rates. The sub-fund's holding of floating-rate bonds did, however, provide a 1-2% return, which underperformed government bonds but outperformed the money market.

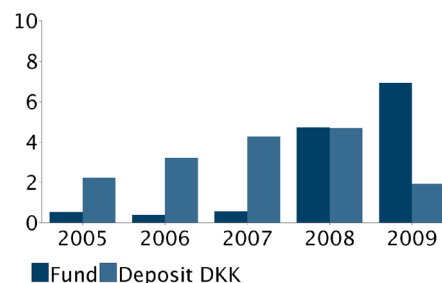
#### Market outlook

We expect moderate economic progress in the second half year, and this will also imply slightly increasing interest rates in Denmark. We take a positive stance on mortgage credit bonds, as they have confirmed their very high credit rating during the financial crisis.

#### Strategy

We will pursue a cautious investment strategy focusing on keeping the portfolio's interest rate sensitivity close to or below that of the market index with which the portfolio's return is compared. We expect to keep the portfolio's large proportion of mortgage credit bonds.

## Return



## Portfolio manager

**Name:**  
Ulrik Carstens  
**Title:**  
Senior Portfolio Manager  
**Management company:**  
Danske Capital  
**Background:**  
M.Sc.  
**Seniority:**  
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## Return measures

	2005	2006	2007	2008	2009
Fund	0.53	0.39	0.56	4.73	6.92