

Computation of Reportable Income
Danske Invest PCC Ltd - Danske Invest Hedge Fixed Income Strategies Fund
Cover schedule

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Agent's ref: LS/FSTax/RB/BMC
- 2) Name of fund Danske Invest PCC Ltd - Danske Invest Hedge Fixed Income Strategies Fund
- 3) Change of name since last submission N/A
- 4) Tax Reference Number D0088
- 5) Reporting period 1 January 2017 - 31 December 2017
- 6) Type of fund Open-ended protected cell investment company
- 7) GAAP Luxembourg GAAP

- 8) Information required by Regulation 106(1)
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|--|---|------------------|
| (a) A copy of the final audited accounts for the period | ✓ | Enclosed |
| (b) A computation of the fund's reportable income | ✓ | See Schedule A |
| (c) A copy of the reports provided to participants | ✓ | Enclosed |
| (d) The reported income of the fund | ✓ | See Schedule A.1 |
| (e) The amount actually distributed in respect of the period | ✓ | See Schedule A.3 |
| (f) The number of units in issue at the end of the period | ✓ | See Schedule A.2 |
| (g) The reported income per unit of interest | ✓ | See Schedule A.2 |
| (h) Declaration of compliance with Regs 53 and 58 | ✓ | Enclosed |

9) Share class scope

Share class name	ISIN	HMRC Reference	Reporting Period		
DKK Sub-Class W	GG00BZ05S278	D0088-0003	01 January 2017	to	31 December 2017

Computation of Reportable Income
Danske Invest PCC Ltd - Danske Invest Hedge Fixed Income Strategies Fund
Schedule A: Computation of Excess Reportable Income

A.1 Computation of Reportable Income

		DKK Sub-Class W
		DKK
	Ref	
Figure equivalent to total comprehensive income for the period		
NET INCREASE IN NET ASSETS AS A RESULT OF OPERATIONS	C.1	<u>618,632</u>
Adjustments arising from investments of the fund		
Adjustments for capital items under Regs 64-65	B.1	284,926
Adjustment for effective interest under Reg 66	B.2	148,734
Adjustment for income from wholly owned subsidiaries under Reg 67	B.3	Nil
Adjustments for income from other offshore funds under Regs 68-71	B.4	Nil
Total adjustments		<u>433,660</u>
Adjusted figure		<u>1,052,292</u>
No further adjustment required for funds not operating equalisation or adjustments		
Total adjusted figure		<u><u>1,052,292</u></u>
Reportable income for the period		<u><u>1,052,292</u></u>

A.2 Computation of Reported Income per unit

Reported income of the fund	A.1	1,052,292
Distributions to participants in respect of the period	A.3	Nil
Excess reportable income per Reg 94(1)		1,052,292
Number of units in issue at the period end		<u>133,640.11</u>
Excess per unit to be treated as additional distributions		<u><u>7.8741</u></u>

A.3 Distributions to participants in respect of the period

No distributions were paid in respect of the period 1 January 2017 - 31 December 2017

Computation of Reportable Income

Danske Invest PCC Ltd - Danske Invest Hedge Fixed Income Strategies Fund Schedule B: Adjustments required in calculating reportable income

B.1 Adjustments for capital items and miscellaneous items

			DKK Sub-Class W
			DKK
The following items require to be adjusted for as Capital Items under Regs 64 and/or 65:			
Item	Reason for adjustment	Ref	
Net realised gain / (loss) on sale of investments	Add back capital losses	C.1	3,650,089
Net realised gain / (loss) on forward foreign exchange contracts	Add back capital losses	C.1	47,502
Net realised gain on futures contracts	Deduct capital gains	C.1	(480,845)
Net realised gain / (loss) on foreign exchange	Deduct capital gains	C.1	(12,060,546)
Net realised gain / (loss) on swaps	Deduct capital gains	C.1	(1,840,491)
Change in net unrealised appreciation / (depreciation) on:			
- investments	Add back capital losses	C.1	15,400,698
- swaptions	Add back capital losses	C.1	24,423
- forward foreign exchange contracts	Deduct capital gains	C.1	(996,267)
- futures contracts	Add back capital losses	C.1	389,149
- swaps	Deduct capital gains	C.1	(3,823,717)
- Options	Deduct capital gains	C.1	(25,069)
Adjustments for capital items and miscellaneous items under Regs 64-65			284,926

B.2 Adjustment for effective interest

The fund does not operate effective interest on interest bearing securities in line with the UK SORP. Therefore, we have calculated an adjustment, the total of which is shown below

Adjustment for effective interest under Reg 66	A.1	148,734
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B.3 Adjustment for income from wholly owned subsidiaries

The Fund had no subsidiaries meeting the definition of a wholly owned subsidiary in the period.

Adjustment for wholly owned subsidiaries	A.1	-
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B.4 Adjustment for income from other offshore funds

The Fund has no holding in offshore funds, therefore no adjustment is required.

Adjustments for income from other offshore funds under Regs 68-71	A.1	-
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B.5 Adjustment for funds operating equalisation, and choice of equalisation or income adjustment

The fund has elected not to apply equalisation, nor to make income adjustments.

Adjustments for funds operating equalisation under Reg 72	A.1	-
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Schedule C: Analysis of accounts

C.1 Analysis of accounts	Ref.	DKK Sub-Class W	Total of non-reporting shares	Total
		DKK	DKK	DKK
INCOME				
Interest on bonds, net		5,212,498	733,787,871	739,000,369
Interest on bank account and time deposit		9,102	371,497	380,599
Interest on repos		(1,717)	3,259,713	3,257,996
Interest on swaps		9,478,127	1,192,443,943	1,201,922,070
TOTAL INCOME		14,698,010	1,929,863,024	1,944,561,034
EXPENSES				
Management fees		449,907	52,974,507	53,424,414
Performance fees		931,547	223,559,490	224,491,037
Custodian fees		1,887	1,111,403	1,113,290
Interest on repos		514,599	64,524,514	65,039,113
Domiciliation, administration and transfer agent fees		136,935	10,734,531	10,871,466
Audit fees, printing and publishing expenses		1,191	388,686	389,877
Bank charges and correspondent fees		68,510	5,956,546	6,025,056
Bank interest and interest on reverse repos		441,658	46,955,306	47,396,964
Interest on swaps		11,259,870	1,894,098,430	1,905,358,300
Amortisation of formation expenses		-	7,459	7,459
Other charges		(11,653)	389,389	377,736
TOTAL EXPENSES		13,794,452	2,300,700,261	2,314,494,712
NET INCOME / (LOSS) FROM OPERATIONS		903,558	(370,837,237)	(369,933,678)
Net realised gain / (loss) on sale of investments	B.1	(3,650,089)	(738,765,208)	(742,415,297)
Net realised gain / (loss) on forward foreign exchange contracts	B.1	(47,502)	10,148,851	10,101,349
Net realised gain on futures contracts	B.1	480,845	83,636,464	84,117,309
Net realised gain / (loss) on foreign exchange	B.1	12,060,546	2,441,011,921	2,453,072,467
Net realised gain / (loss) on swaps	B.1	1,840,491	(115,968,164)	(114,127,673)
NET REALISED GAIN / (LOSS) ON INVESTMENTS		11,587,849	1,309,226,627	1,320,814,477
Change in net unrealised appreciation / (depreciation) on:				
- investments	B.1	(15,400,698)	(1,579,240,560)	(1,594,641,258)
- swaptions	B.1	(24,423)	(3,914,715)	(3,939,138)
- forward foreign exchange contracts	B.1	996,267	87,729,396	88,725,663
- futures contracts	B.1	(389,149)	(19,378,506)	(19,767,655)
- swaps	B.1	3,823,717	1,094,138,903	1,097,962,620
- Options	B.1	25,069	4,976,655	5,001,724
NET INCREASE IN NET ASSETS AS A RESULT OF OPERATIONS	A.1	618,632	893,537,800	894,156,433

Computation of Reportable Income

Danske Invest PCC Ltd - Danske Invest Hedge Fixed Income Strategies Fund Schedule D: Summary of information reported to investors

D.1 Figures reported to investors

The following summarises the information required to be reported to investors in compliance with Regulation 92(1)

The table is set out according to the sub-sections of Regulation 92(1), as follows:

- a) Amount actually distributed to participants per share
- b) Excess of reported income per share over amount actually distributed
- c) Dates on which distributions were made
- d) Fund distribution date
- e) The fund remains a reporting fund at the date reports are made

	CCY	(a)	(b)	(c)	(d)	(e)
DKK Sub-Class W	DKK	Nil	7.8741	N/A	30-Jun-2018	Yes

Computation of Reportable Income
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 Schedule DER: Adjustments for derivatives

DER.1 Derivatives

The fund held the following derivative contracts during the period. Differences between the treatment per accounts and the corresponding UK accounting treatment under the IMA SORP are summarised below and any adjustments required are made in Schedule C to break down the returns and treat capital and revenue elements correctly.

Derivative type	Accounting treatment per financial statements	Corresponding UK accounting treatment	Adjustment required in computation of reportable income
Forward foreign exchange contracts	Capital	Capital	No
Futures	Capital	Capital	No
Options	Capital	Capital	No
Interest rate swaps	Capital with income elements accounted for in revenue	Capital with income elements accounted for in revenue	No
Swaptions	Capital with income elements accounted for in revenue	Capital with income elements accounted for in revenue	No