

Danske Invest Allocation
Société d'Investissement à Capital Variable
13, rue Edward Steichen, L-2540 Luxembourg
R.C.S. Luxembourg: B 82.717

NOTICE TO SHAREHOLDERS

Luxembourg, 1 October 2015

Dear Shareholder,

Pursuant to a resolution dated 25 June 2015, the board of directors of Danske Invest Allocation (the “**Company**”) resolved to adopt the following changes to the Company’s prospectus (the “**Prospectus**”) including the appendix relating to the sub-fund named “Danske Invest Allocation – Stable” (the “**Stable Sub-Fund**”).

All capitalised terms herein shall, unless otherwise defined in this notice, have the same meaning as in the Prospectus.

Changes to the Prospectus applicable as of 2 November 2015:

- 1) insertion of a number of definitions in the “Glossary of Terms”;
- 2) insertion of additional information in sub-paragraph 1.2.2 of the Prospectus regarding Share Classes’ characteristics, and namely (i) eligible investors for certain Share Classes, (ii) distribution *versus* accumulation Share Classes, (iii) Denomination Currencies, (iv) applicable currency hedging, and (v) applicable performance fees;
- 3) clarifications in sub-paragraph 3.1.1 of the Prospectus on credit risk assessments in relation to Debt Securities that would be held by one or more Sub-Funds;
- 4) additional information in sub-paragraph 3.3.2 of the Prospectus on the some financial derivative instruments that may be held by the Sub-Funds and namely with respect to total return swaps and CDS;
- 5) information in sub-paragraph 3.3.5 of the Prospectus on the haircut applicable to equity and equivalent securities when such assets are posted as collateral;
- 6) insertion in section 4 of the Prospectus of (i) some risk factors, namely with respect to defaulted debt securities and short positions, (ii) as well as additional information on others;
- 7) insertion in section 12 of the Prospectus of further information on share distribution as well as fees which may be paid to the Distribution Agents;
- 8) clarifications in section 19 of the Prospectus on the determination of the Net Asset Value per Share;
- 9) insertion in sub-paragraph 22.1.3 of the Prospectus of a reference to a Marketing Fee (currently only applicable to the Stable Sub-Fund as further detailed below);
- 10) distinction in section 22 of the Prospectus between Administrative Expenses on the one hand (as was already in existence), and Operating and Administrative Expenses on the other (currently only applicable to the Stable Sub-Fund as further detailed below);
- 11) general updates, clarifications and clean-up throughout the Prospectus and its appendices.

Changes specifically regarding the Stable Sub-Fund applicable as of 2 November 2015:

- 1) change to the Stable Sub-Fund’s name to “Danske Invest Allocation – Stable Income” (the “**Stable Income Sub-Fund**”). The name change reflects the strategy change described below, allowing the Stable Income Sub-Fund to focus on income generation;

- 2) change to the existing fee structure for the Stable Income Sub-Fund:
 - a. with fixed Operating and Administrative Expenses, clarified as follows:
 - the Sub-Fund Stable Income will pay to the Management Company operating and administrative expenses (the “Operating and Administrative Expenses”) amounting to a fixed percentage of maximum 0.25% p.a. for Class A Shares and 0.21% p.a. for Class I Shares (*i.e.* reserved to Institutional Investors) of their respective Net Asset Value;
 - the Management Company will pay out of these Operating and Administrative Expenses, expenses and fees relating to administration and safe-keeping of assets and any ongoing operating and administrative activities including, but not limited to, the fess of the Custodian, the Central Administration and the Registrar Agent, as set out in the updated prospectus, in section 22 “Charges and Expenses”.
 - b. introducing a Marketing Fee of 0.10% p.a. of the Net Asset Value of Class A Shares;
 - c. revision of the Performance Fee from an amount equal to 10 per cent to 20 per cent of the Outperformance.
- 3) increase of Net Asset Value calculation frequency from weekly to daily. Cut-off for subscriptions and redemptions will change to 17:00 CET on the previous Business Day to the Valuation Day (T-1).
- 4) amendment to the investment objective of the Stable Income Sub-Fund as detailed below:

Until 30 October 2015, the investment objective of the Stable Sub-Fund is as follows:

The investment objective of the Sub-Fund is to obtain, through a conservative long-term investment policy, the highest possible return by way of investment primarily in units or shares of other open-ended UCITS and UCIs with the possibility of investing a portion of the portfolio directly in other transferable securities admitted to or dealt in on a Regulated Market and money market instruments in accordance with the following objective:

Between 40% and 100% of the portfolio of the Sub-Fund must be invested, through units or shares of open-ended funds or directly in transferable securities, in money market instruments, government bonds, mortgage bonds, corporate bonds and other debt instruments denominated in OECD currencies.

With a view to improving the performance of the Sub-Fund, up to 20% of the portfolio may, for periods, be invested in bonds denominated in high yielding currencies. The total portfolio of bonds shall be invested in accordance with the following rules:

- At least 50% of the bond portfolio must be invested in units or shares of other open-ended funds investing in debt instruments;
- Up to 50% of the bond portfolio may be invested directly in money market instruments, government bonds, mortgage bonds, corporate bonds and other debt instruments denominated in OECD currencies, provided that they are admitted or dealt in on a Regulated Market.

At any time, up to 40% of the total assets may be invested in funds investing in international equity markets,

The Sub-Fund seeks to obtain its investment objective through active investment management. For the purpose of hedging and/or efficient portfolio management, the Sub-Fund may use financial derivative instruments as mentioned in section 3 “Investment Restrictions - Cross Investments between Sub-Funds - Special Techniques and Instruments” of the Prospectus.

The Sub-Fund may invest up to 10% of its assets to transferable securities other than those referred to in sub-paragraph 3.1.1 to 3.1.5 of the Prospectus.

The global exposure relating to financial derivative instruments will be calculated using the commitment approach.

The value of the portfolio of the Sub-Fund is calculated weekly on the basis of the market value of the individual assets held by the Sub-Fund. The Sub-Fund is directly and indirectly exposed to equity, interest and credit risks as well as risks related to investments in emerging markets. Additionally, direct or indirect investments in denominated currency other than the reference currency imply foreign exchange risk.

The degree of exposure to these risks will vary over time depending on the allocation between the different assets listed in Investment Objective section.

Investors are reminded that they should read this Prospectus in its entirety and should consider the risks further defined under the section 4 “Risk factors” of the Prospectus.

As from 2 November 2015, the investment objective of the Stable Income Sub-Fund will be as follows:

The investment objective of the Sub-Fund is to obtain, through a conservative long-term investment policy, a total return generated by income and capital appreciation from investments in a combination of equities and fixed income instruments. The portfolio construction is intended to generate stable income and capital appreciation sufficient for providing a total return in excess of what can be obtained by investing in the EURIBOR 3M money market rate. The Sub-Fund has no benchmark.

The Sub-Fund will be broadly diversified to minimize security and asset class specific risks.

The Sub-Fund seeks to obtain its investment objective through active investment management by taking long and short positions in equities and fixed income instruments. The Sub-Fund intends to be invested globally including emerging and frontier markets. Fixed income investments may include credit instruments with both investment grade and non-investment grade. Investments may include fixed income instruments with a credit rating below BBB-(Standard & Poor's) or Baa3 (Moody's).

The total duration of the Sub-Funds fixed income investment part shall be maximum 3 years. At least 90% of the Sub-Fund's investments must be denominated in or hedged to EUR. Short positions may be used to support separate strategies and can be used for hedging interest and equity market risk. The Sub-Fund invests directly in transferable securities admitted to or dealt in on Regulated Markets and money market instruments. It may also invest in units or shares of other open-ended UCITS. For the purpose of maintaining a fixed ongoing charges the Sub-Fund shall, when investing units or shares of other open-ended UCITS, only invest in units or shares of other open-ended UCITS with a fixed ongoing charges.

The Sub-Fund will use a VaR approach (representing the maximum loss not exceeded with a given probability defined as the confidence level, over a given period of time) to monitor the portfolio's global exposure in particular relating to derivative instruments. On a daily basis, the absolute VaR over a monthly time horizon on all positions in the Sub-Fund's portfolio cannot exceed 6.5% of Net Asset Value with a 99% confidence interval.

The use of financial derivative instruments generates a possibility of leverage in the Sub-Fund. Leverage is measured by using the sum of notional approach and is not expected to exceed 500%. Usually the expected level of leverage is 95-225%. The level of leverage may vary over time. The Sub-Fund is using forward exchange transactions (FETs) for Share Class hedging purpose. FETs used in Share Class hedging purposes do not add any incremental exposure, leverage and/or other market risks.

For the purpose of hedging and/or efficient portfolio management as well as for the purpose of meeting the investment objective, the Sub-Fund may use financial derivative instruments as mentioned in section 3 “Investment Restrictions - Cross Investments between Sub-Funds - Special Techniques and Instruments” of this Prospectus including but not limited to CDS's and fixed income futures as well as CFD's and swaps, futures and options on equities.

For the purpose of maximising the risk adjusted return, the Sub-Fund may establish short positions in single names, *i.e.* single issuers of debt, by buying protection in names not represented in the Debt Securities portfolio or buying more protection than needed to hedge any long position. For smaller issues establishing short positions using cash bonds can be complicated as repurchase arrangements in

corporate bonds are costly, administratively cumbersome and associated with operational risk. In this case, creating a short position by using CDS to buy protection is a better alternative.

The Sub-Fund may invest up to 10% of its assets to transferable securities other than those referred to in sub-paragraph 3.1.1 and 3.1.5 of the Prospectus.

The value of the portfolio of the Sub-Fund is calculated daily on the basis of the market value of the individual assets held by the Sub-Fund. The Sub-Fund is directly and indirectly exposed to equity, interest and credit risks as well as risks related to investments in emerging and frontier markets. Additionally, direct or indirect investments in denominated currency other than the Reference Currency imply foreign exchange risk. The degree of exposure to these risks will vary over time depending on the allocation between the different assets listed in Investment Objective section.

Investors are reminded that they should read this Prospectus in its entirety and should consider the risks further defined under the section 4 "Risk Factors" of the Prospectus.

For the purpose of efficient portfolio management, the Sub-Fund may use pooling and co-management techniques as described in the section named "Pooling and Co-Management" of this Prospectus.

Shareholders of the Danske Invest Allocation – Stable sub-fund (or "Danske Invest Allocation – Stable Income" sub-fund pursuant to the intended name change) who do not approve the abovementioned changes to fee structure and investment objective of this sub-fund have the right until close of business on 29 October 2015 to request the full redemption free of charge or conversion of their Shares into any other sub-fund within the Company free of charges.

The updated Prospectus as well as the Company's Key Investor Information Document (KIID) is available free of charge at the registered office of the Company and at www.danskeinvest.com.

Yours faithfully

The Board of Directors of
Danske Invest Allocation