

**Objectives and investment policy**

**Objectives**

The objective of the fund is to generate high absolute returns. The fund is accumulating.

**Investment policy**

The fund mainly invests in Danish mortgage bonds. The fund may use derivatives and utilise various methods to increase, reduce or hedge the exposure. The market risk will be fully or partially hedged.

The gross exposure is capped at 20 times the value of net assets.

The investment strategy is active. This means that there may be significant differences in the return relative to the alternative investment fund's target.

**Latest fund report**

Danske Invest Hedge Mortgage Arbitrage Fund Sub-Class A

Danske Invest Hedge Mortgage Arbitrage Sub-Class A provided a 0.32% return in October.

October was marked by a loss of appetite for Danish Mortgage Bonds as there was an oversupply in the market. The lesser demand for DKK bonds widened the credit spread on Danish Mortgage Bonds, but as the fund had a small short bias it managed to gain on the widening and had positive performance on the month as a whole.

We now consider Danish mortgage bonds fairly to expensively priced and have reduced risk due to the repricing. The current risk level of the sub-fund is approx. 40% of its maximum risk limit.

Historical returns are no reliable indicator of future returns. It should be noted that monthly returns (in per cent) are non-additive.

**Manager**



**Name:**  
Tom Svend Rosenkrans  
Danske Bank Asset Management  
**Title:**  
Senior Portfolio Manager  
**Background:**  
M.Sc. (mathematics & economics)  
**Years of experience:**  
15

**Basic information**

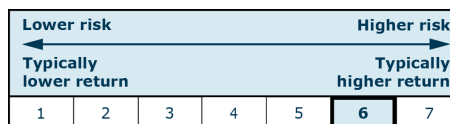
|                                     |                              |
|-------------------------------------|------------------------------|
| ISIN code                           | GG00BSTLDX31                 |
| Currency                            | DKK                          |
| Total assets, mill. DKK, 31.10.2018 | 202.6                        |
| Net asset value (NAV), 14.11.2018   | 1,554.77                     |
| Minimum initial investment          | DKK 10,000                   |
| Management fee                      | 1.00%                        |
| Sub-fund of                         | Danske Invest PCC Limited    |
| Fund domicile                       | Guernsey                     |
| Management company                  | Danske Invest Management A/S |

**Charges**

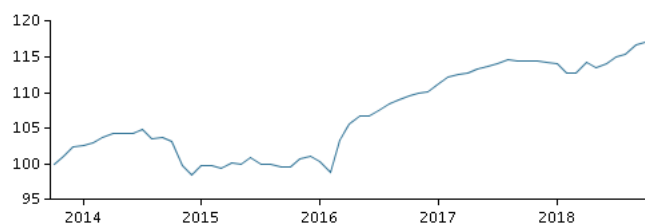
|   |       |
|---|-------|
| Ongoing charge  | 1.20% |
| Max. entry charge   | 5.00% |
| Max. exit charge  | 1.00% |
| Performance fee: 20% of the return above hurdle rate (Defined as Danmarks Nationalbanks lending rate (repo rate)). In the fund's last financial year the performance fee was 0.96%. |       |

**Risk indicator**

The indicator illustrates the typical correlation between the risk and your potential return of the investment.



**Return in the period: 31.10.2013 - 31.10.2018**



The default for the chart is the return for the past 5 years as of end of month or, if the fund is less than 5 years old, since launch. Past performance is not a reliable indicator of future results.

**Drawdown**



## Monthly return

|             | Jan   | Feb   | Mar   | Apr  | May   | Jun   | Jul   | Aug   | Sep   | Oct   | Nov   | Dec   | YTD   |
|-------------|-------|-------|-------|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <b>2018</b> | -0.18 | -1.05 | -0.08 | 1.28 | -0.52 | 0.47  | 0.85  | 0.33  | 1.11  | 0.32  |       |       | 2.53  |
| <b>2017</b> | 0.95  | 0.91  | 0.36  | 0.08 | 0.50  | 0.28  | 0.47  | 0.42  | -0.08 | -0.03 | -0.05 | -0.18 | 3.68  |
| <b>2016</b> | -0.83 | -1.40 | 4.50  | 2.20 | 1.04  | -0.02 | 0.71  | 0.91  | 0.47  | 0.51  | 0.39  | 0.21  | 8.91  |
| <b>2015</b> | 1.32  | 0.11  | -0.49 | 0.85 | -0.33 | 0.98  | -0.84 | -0.14 | -0.29 | -0.08 | 1.11  | 0.53  | 2.74  |
| <b>2014</b> | 0.30  | 0.29  | 0.64  | 0.57 | 0.08  | 0.06  | 0.39  | -1.27 | 0.29  | -0.52 | -3.29 | -1.35 | -3.81 |
| <b>2013</b> | 1.15  | 1.36  | 0.92  | 1.50 | 1.29  | 0.81  | 0.90  | -1.56 | 2.00  | 0.97  | 1.12  | 1.24  | 12.31 |
| <b>2012</b> | 0.43  | -0.52 | 1.17  | 1.85 | 0.15  | 0.33  | 1.06  | 3.09  | 0.70  | 1.17  | 1.20  | 0.29  | 11.43 |

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