

Objectives and investment policy

Objectives

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

Investment policy

The fund mainly invests in long and short positions in bonds and fixed income markets primarily in the Nordic, but also Euroland, UK and US. The fund aims to utilise imbalances in the markets by investing in both traditional government bonds and mortgage bonds as well as financial derivative instruments.

The fund aims to protect the Investments by hedging the interest rate risk fully or partially, as well as by investing in a number of different strategies. The gross exposure is capped at 150 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.

Fund units can normally be redeemed on banking days with one week's notice.

Recommendation: This alternative investment fund may not be appropriate for investors who plan to withdraw their money within 3 years.

Latest fund report

In July, Danske Invest Hedge Fixed Income Strategies Fund, DKK Sub-Class provided a return of 1,06%. For the year 2018 the portfolio provided a return of 2.73%.

In May the financial market came under severe stress due to the new Italian government lead by populists 5S and Liga. Interest rates in core Europe and Denmark fell sharply and credit spread widened. The markets has been calmer in June and July.

We did not have any positions in Italy, but we have tried to take advantage of the volatility by implementing a number of new strategies.

Performance in July came from several positions. The main contribution came from outright positions, positions in Cross Currency Swaps, but also NOK and SEK Covered bonds contributed nicely to the performance.

For the rest of 2018 focus could likely be on Italy and the increased volatility in the financial markets in general.

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

Manager



Name:
Michael Petry
Danske Bank Asset Management
Title:
Chief Portfolio Manager
Background:
HD (Finansiering)
Years of experience:
23

Basic information

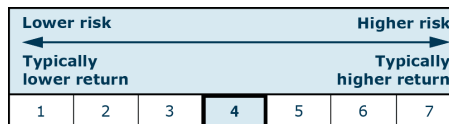
ISIN code	GB00B05BHT55
Bloomberg ticker	DLFDHFI GU
Currency	DKK
Total assets, mill. DKK, 13.08.2018	7,924.2
Net asset value (NAV), 13.08.2018	4,599.99
Minimum initial investment	DKK 10,000
Management fee	0.65%
Sub-fund of	Danske Invest PCC Limited
Fund domicile	Guernsey
Management company	Danske Invest Management A/S

Charges

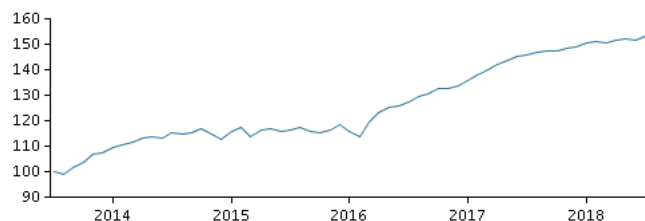
Ongoing charge	0.85%
Max. entry charge	5.00%
Max. exit charge	1.00%
Performance fee: 20% of the return above hurdle rate (Risk-free rate). In the fund's last financial year the performance fee was 2.69%.	

Risk indicator

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

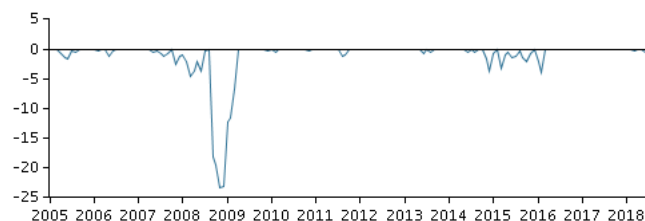


Return in the period: 31.07.2013 - 31.07.2018



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
2018	1.16	0.15	-0.32	0.73	0.42	-0.48	1.06						2.73
2017	1.48	1.79	1.50	1.23	1.18	1.17	0.41	0.65	0.26	0.01	0.85	0.34	11.40
2016	-2.12	-1.73	5.12	2.92	1.58	0.57	1.12	1.77	0.86	1.37	0.02	0.98	12.98
2015	2.89	1.45	-3.34	2.34	0.44	-0.83	0.25	0.91	-1.30	-0.55	1.25	1.59	5.08
2014	2.13	0.89	1.03	1.35	0.43	-0.44	1.73	-0.54	0.67	1.17	-1.58	-2.05	4.80
2013	2.15	1.10	1.89	2.45	2.24	-0.68	0.80	-0.58	2.24	2.28	2.82	0.74	18.81
2012	5.96	3.59	3.56	1.16	0.10	3.22	3.52	1.48	1.03	2.30	2.22	1.40	33.71

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