

1 October 2020

DANSKE INVEST HEDGE MORTGAGE ARBITRAGE FUND

A Cell of

DANSKE INVEST PCC LIMITED

(a protected cell investment company limited by shares and registered in Guernsey with registration number 42589 which migrated from the Cayman Islands and became registered in Guernsey on 3 December 2004)

with the following Sub-Classes:

- *the DKK Sub-Class GG00BSTLDW24*
- *the DKK Sub-Class A GG00BSTLDX31*
- *the DKK Sub-Class W GG00BZ05RY20*

SUPPLEMENTAL SCHEME PARTICULARS

These Supplemental Scheme Particulars containing information relating to the Danske Invest Hedge Mortgage Arbitrage Fund should be read and construed in conjunction with the most recent Scheme Particulars relating to Danske Invest PCC Limited (the “**Principal Particulars**”). This document is deemed to be incorporated in and to form part of the Principal Particulars and may not be distributed unless it is accompanied by them and such other documentation as the Principal Particulars may prescribe.

Investors should contact Danske Invest Management A/S to make sure they are in possession of the most recent copy of the Principal Particulars and these Supplemental Scheme Particulars.

TABLE OF CONTENTS

DEFINITIONS.....	1
DANSKE INVEST HEDGE MORTGAGE ARBITRAGE FUND	4
Introduction.....	4
Investment Objective and Policy	4
Investment Restrictions and Risk Limitations	4
Reuse of collateral.....	6
Borrowing	6
Base Currency	6
Amendments to Investment Objectives and Restrictions.....	6
The AIFM	6
Investment Manager.....	7
Derogation of the Custodian	7
Counterparties	7
Conflicts of Interest.....	7
Distribution Policy	8
Risk Factors	8
SUBSCRIPTION AND REDEMPTION OF SHARES	11
Subscriptions.....	11
Minimum Initial Subscription and Subsequent Minimum Holding.....	12
Contact Details of the Sub-Registrar and Distributor	12
Redemption Notice and Payment of Redemption Proceeds.....	13
Compulsory Redemption	14
Availability of Prices	14
FEES AND EXPENSES.....	15
Management Fee	15
Performance Fee	15
Operating and Administrative Expenses.....	16
General Expenses.....	16

DEFINITIONS

Save as provided below, words and expressions defined in the Principal Particulars shall have the same meanings herein. In these Supplemental Scheme Particulars, the following words shall have the meanings opposite them unless the context in which they appear requires otherwise:-

AIFM	Danske Invest Management A/S;
Company	Danske Invest PCC Limited;
Custodian	Royal Bank of Canada (Channel Islands) Limited or such other company as may from time to time be appointed as custodian and/or depositary of the assets of the Company;
Danish Kroner and DKK	The currency of Denmark for the time being;
Dealing Day	The first Business Day immediately following the relevant Valuation Day and/or such other day or days as the Directors may from time to time determine to be the day or days on which the Subscription and Redemption Prices are calculated and dealings may occur in Shares in the Fund (or any class within the Fund);
DKK Sub-Class	Shares in the DKK denominated Separate Fund, designated as the DKK Sub-Class, of a separate class of Shares in the Fund;
DKK Sub-Class Net Asset Value	The value of the relevant assets less the relevant liabilities of the Separate Fund established for the DKK Sub-Class of the Fund calculated in accordance with the Articles;
DKK Sub-Class A	Shares in the DKK denominated Separate Fund, designated as the DKK Sub-Class A, of a separate class of Shares in the Fund;
DKK Sub-Class A Net Asset Value	The value of the relevant assets less the relevant liabilities of the Separate Fund established for the DKK Sub-Class A of the Fund calculated in accordance with the Articles;
DKK Sub-Class W	Shares in the DKK denominated Separate Fund, designated as the DKK Sub-Class W, of a separate class of Shares in the Fund. Shares in the DKK Sub-Class W are solely available to regulated Danske Bank group entities subscribing on behalf of certain of their clients in the context of a discretionary management agreement entered into with those clients;
DKK Sub-Class W Net Asset Value	The value of the relevant assets less the relevant liabilities of the Separate Fund established for the DKK Sub-Class W of the Fund calculated in accordance with the Articles;

EMIR	The European Markets and Infrastructure Regulation EU No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories including the Commission's Delegated Regulations No 148/2013 and No 153/2013 of 19 December 2012 supplementing the aforementioned regulation;
Euro, EUR and €	The euro unit of the European single currency;
Functional Currency	The Fund's operating currency will be DKK;
Fund	The Danske Invest Hedge Mortgage Arbitrage Fund, the Cell to which these Supplemental Scheme Particulars relate;
High Water Mark	A high water mark as defined in the section "Performance Fee";
Hurdle Rate	The rate over the relevant benchmark applicable to the corresponding denominated sub-class of the Fund which triggers the payment of a performance fee as set out in the section headed "Performance Fee";
Investment Manager	Danske Bank A/S;
Member State	A member state of the European Union or EEA countries;
Risk free Rate DKK	This rate is defined as Tomorrow/Next Interest Rate (Bloomberg ticker: DE TNT/N;
Special Credit Institution	A credit institution which has its registered office in a Member State of the European Union and is subject by law to special public supervision designed to protect bond-holders;
Sub-Class	Means any Share of the DKK Sub-Class W, the DKK Sub-Class A, the DKK Sub-Class;
Sub-Depository	RBC Investor Services Bank S.A. acting as sub-custodian and/or sub-depositary according to the context pursuant to the sub-depositary bank agreement between the Custodian and the Sub-Depository;
Valuation Day	Every Business Day except a day on which banks in Denmark are not open for normal business and/or such other day or days as the Directors may from time to time determine to be the day or days on which a valuation of the assets of the Fund (or any class within the Fund) will be carried out;

Valuation Point

3:00 p.m. (Central European Time) in the relevant market or markets on the Valuation Day immediately preceding the relevant Dealing Day;

VaR

Value-at-risk (VaR) is a category of risk measures that describe the statistical probability of the market risk of a trading portfolio;

Volatility

A measure of variations in the return over time. Normally the volatility of an asset is expressed as the standard deviation of the return on the asset. Often, volatility is used as a measure of the risk to which a portfolio is exposed.

DANSKE INVEST HEDGE MORTGAGE ARBITRAGE FUND

Introduction

The Fund is a Cell of Danske Invest PCC Limited, an open-ended protected cell investment company limited by shares which migrated from the Cayman Islands and became registered in Guernsey on 3 December 2004 and is authorised by the Guernsey Financial Services Commission as an open-ended authorised Class B collective investment scheme.

The Directors have the power from time to time to establish and maintain a Separate Fund for each class of Shares within the Fund. The Directors have by resolution resolved to establish Separate Funds, and to issue different classes of Shares for each of the DKK Sub-Class, the DKK Sub-Class A and the DKK Sub-Class W.

Investment Objective and Policy

The objective of the Fund is to generate absolute returns by investing in transferable securities, mainly bonds and other debt instruments which are admitted to or dealt in on a Recognised Investment Exchange and issued by Special Credit Institutions, governments, municipalities or other public organisations in an EU country or guaranteed by EU country (Agencies) or EU countries jointly (Supranational).

In respect of its direct investment programme, the Fund's major value creation will also be through the Fund's direct investments in Danish bonds issued by Special Credit Institutions (mortgage bonds). This will include exploiting the yield spread between government and mortgage credit bonds – but also exploiting opportunities among mortgage credit bonds and between mortgage credit bonds and the swap market. Furthermore differences in the spread in volatility between the government and mortgage credit bond markets will be a source of value.

For the purpose of hedging and/or efficient portfolio management as well as for the purpose of meeting the investment objective, the Fund may use financial derivative instruments, including but not limited to swaps, futures and FX forwards, and enter into repurchase and reverse repurchase transactions.

The Fund plans to achieve its investment objective through active investment management; hence the Fund's investments, may be concentrated, although diversified within the selected strategy or opportunity.

The Fund may use various gearing and borrowing techniques to leverage their respective investment portfolios. The Fund may borrow in Euros ("EUR") and Danish DKK ("DKK") to fund its leverage and gearing positions. Other gearing and borrowing techniques used by the Fund might include the use of instruments such as credit facilities, repurchase agreements and derivatives.

Investment Restrictions and Risk Limitations

The Directors of the Company have resolved that in order to achieve a spread of risk, the Fund may invest in the following classes of assets and instruments:

- Bonds and forwards on bonds admitted to or dealt in on a Recognised Investment Exchange issued or guaranteed by credit institutions, Special Credit Institutions, governments, municipalities or other public organisations of Eurozone member states or the Kingdom of Denmark;
- Futures and options on bonds admitted to or dealt in on a Recognised Investment Exchange issued or guaranteed by credit institutions, Special Credit Institutions, governments, municipalities or other public organisations of Eurozone member states or the Kingdom of Denmark, or interest rates, admitted to or dealt in on a Recognised Investment Exchange or OTC;
- Swaps, swaptions (options on swaps) and forward rate agreements in DKK or EUR on interest rates dealt OTC;

- Repurchase and reverse repurchase agreements on bonds admitted to or dealt in on a Recognised Investment Exchange issued or guaranteed by credit institutions, Special Credit Institutions, governments, municipalities or other public organisations of Eurozone member states or the Kingdom of Denmark;
- FX-spots, FX- forwards, FX-swaps in DKK or EUR dealt OTC;
- Deposits in DKK or EUR

The bond exposure of the Fund will not exceed 1,000 percent of the Net Asset Value of the Fund. A maximum of 500 percent of the Net Asset Value of the Fund can be invested in mortgage bonds with a spread risk exceeding five (5) years and a maximum of 500 percent of the Net Asset Value of the Fund can be in callable mortgage bonds.

The overall exposure of the Fund using the gross method is expected to be in the range of 900-1,000 percent and subject to the below, is not to exceed 2,000 percent. These limits also apply for the commitment method. The level of leverage may vary over time.

The maximum leverage according to the gross method can be exceeded in periods of up to five (5) months where opposite derivative positions are taken in the same instrument so that the impact of the excess is neutralized.

Leverage is calculated as the absolute value of the instruments used and it may not be representative of the level of the investment risk within the Fund.

The Fund will adhere to the following investment restrictions:

1. Deposits with credit institutions shall be repayable on demand or have the right to be withdrawn, and maturing in no more than twelve (12) months and will be made with credit institutions having their registered office in a Member State or, if the credit institution has its registered office in a third country, provided that it is subject to prudential rules considered by the competent authorities of the home state of the AIFM.
2. In respect of any OTC derivatives: (i) the counterparties to OTC derivative transactions will be institutions subject to prudential supervision and (ii) the OTC derivatives will be subject to reliable and verifiable valuation on a current basis and will be able to be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Fund's initiative under normal market conditions.
3. Subject to paragraph 5 below, the Fund may not invest more than 20 percent of its net assets in transferable securities or money market instruments issued by the same body or bodies belonging to the same group of bodies. The Fund may not invest more than 20 percent of its net assets in deposits made with the same body or bodies belonging to the same group of bodies. In case clearing is not done through an authorised clearing house as defined in EMIR, the risk exposure to a counterparty of the Fund in an OTC derivative transaction may not exceed 10 percent of its net assets.
4. Subject to paragraph 5 below and notwithstanding the individual limits laid down in paragraph 3 above, the Fund shall not combine, where this would lead to investment of more than 30 percent of its net assets in a single body or bodies belonging to the same group of bodies, any of the following:
 - a. investments in transferable securities or money market instruments issued by that body or bodies belonging to the same group of bodies;
 - b. deposits made with that body or bodies belonging to the same group of bodies; or
 - c. unless cleared through an authorised clearing house as defined in EMIR, exposures arising from OTC derivative transactions undertaken with that body or bodies belonging to the same group of bodies.

5. Notwithstanding paragraph 3 and 4 above, the Fund may invest in accordance with the principle of risk spreading up to 100 percent of its total assets in different transferable securities and money market instruments issued or guaranteed by a Member State of the European Union, its local authorities, a Member State of the OECD or public international bodies of which one or more Member States of the European Union are members or by Special Credit Institutions.
6. Investments in debt securities, which are rated by an approved credit rating agency, can be invested into in accordance with directive 2013/14/EU (reduced reliance on external ratings). Investments made in debt security must in accordance with directive 2013/14/EU be subject to an independent credit risk assessment, as management and investment companies may not rely solely and mechanistically on external credit ratings. In case of an impairment of credit quality, identified through an internal credit risk assessment process or indicated by a change of a rating issued by an approved rating agency, corrective action must be taken when required by the investment objective, policy and restrictions.
7. The risk is limited by a Value-at-Risk (VaR) restriction on overall portfolio level. The VaR of the Fund is expected to be 3 percent and shall not exceed 5 percent of the Fund's NAV, where VaR is computed using historical simulation with a weekly horizon based on a 95 percent confidence interval and weekly data since December 2000.

Reuse of collateral

If and to the extent the services of one or several prime brokers are used on behalf of the Fund, these prime brokers shall satisfy the relevant requirements in the AIFMD and may be entitled to transfer and reuse the Fund's assets.

Borrowing

The Fund will from time to time borrow in DKK or EUR.

Base Currency

The Fund's operating currency will be DKK.

Amendments to Investment Objectives and Restrictions

The Directors are permitted to amend the preceding investment objective, policy and restrictions (including any borrowing and hedging powers) applicable to the Fund provided that no material changes shall be made without providing the Shareholders of the Fund or a Separate Fund (as applicable) with sufficient notice to enable them to redeem their Shares before the amendment takes effect. Shareholders are not required to approve the amendment of the preceding investment objectives, policy and restrictions (including any borrowing and hedging powers) applicable to the Fund although the Directors reserve the right to seek approval if they consider it appropriate to do so. In seeking approval from the Shareholders as aforesaid the Directors may also request Shareholders to approve a general waiver of the aforementioned requirement to provide a dealing days' notice of the proposed amendments to the investment objectives, policy and restrictions (including any borrowing and hedging powers). Shareholders should note that the waiver, if passed, would apply to all Shareholders of the Fund or a Separate Fund (as applicable) regardless of whether or not they voted in favour of the waiver. In any case, such approval(s) would be sought by means of an ordinary resolution of Shareholders (passed by a simple majority) of the Fund or the relevant Separate Fund (as applicable) if the Directors consider it appropriate.

The AIFM

The Company has appointed the AIFM as its alternative investment fund manager in respect of the Fund pursuant to the terms of an alternative investment fund management agreement (the "**AIFM Agreement**"). Full particulars of the AIFM Agreement are described in the Principal Particulars. The

AIFM is entitled to receive a management fee and performance fee from the Company on the basis set out in the section entitled "Fees and Expenses" in these Supplemental Scheme Particulars.

Investment Manager

The AIFM has appointed the Investment Manager to be responsible for the provision of portfolio management services to the Company in respect of the assets of the Fund. The Investment Manager is entitled to receive a performance fee from the AIFM on the basis set out in the section entitled "Fees and Expenses" in these Supplemental Scheme Particulars.

Derogation of the Custodian

The GFSC has granted derogations in favour of the Company from the requirements of rules 2.08(4) and 4.01(4)(a) of the Authorised Collective Investment Schemes (Class B) Rules, 2013 (the "Class B Rules") in respect of the Custodian's responsibility to oversee that the Directors properly discharge their duties to ensure that (i) the property of the Fund is invested in accordance with the Fund's objectives and (ii) the Fund is properly managed and administered by the Administrator. Accordingly, responsibility for these two duties under the Class B Rules rests with the Directors of the Company. Furthermore, the Company has obtained a derogation from the definition of "scheme property" under the Class B Rules to provide that, in respect of the Custodian, any assets held with a prime broker or broker, or counterparty shall not be regarded as "scheme property". The Custodian shall as a consequence, only be responsible for the safe custody of the assets of the Fund that are not held by counterparties.

Counterparties

The Fund may enter into agreements related to trading and clearing financial derivative instruments and repurchase and reverse repurchase agreements, including, but not limited to ISDA and GMRA Agreements where the counterparties may collect collateral in accordance with the terms agreed therein. Such collateral shall not be held by the Custodian or Sub-Depositary. All other assets of the Fund will be held by the Custodian or Sub-Depositary. Among others the Fund will enter into agreements related to trading and clearing financial derivative instruments and repurchase and reverse repurchase agreements with Danske Bank A/S as counterparty.

Conflicts of Interest

The AIFM, the Investment Manager, or their affiliates may provide investment advisory and management services to other clients in addition to the Company. The AIFM, the Investment Manager, and their affiliates will act in a fair and equitable manner in allocating investment opportunities among the Fund, other Cells of the Company, other investment vehicles managed by them and the accounts of their other clients, although situations may arise in which the account activities of the AIFM, the Investment Manager, or other clients may disadvantage the Fund. The AIFM, the Investment Manager, and their affiliates will endeavour to ensure that any conflict which does arise will be resolved fairly.

The Directors, the Custodian, the Administrator and the Registrar may from time to time act as directors, custodian, registrar, broker, administrator, investment advisor, distributor or dealer in relation to, or be otherwise involved in, other Cells and other funds established by parties other than the Fund which have similar objectives to those of, or invest in similar securities to those held by, the Fund. It is, therefore, possible that any of them or their respective principals, shareholders, members, directors, officers, agents or employees may, in the course of business, have potential conflicts of interest with the Fund. Each will, at all times, have regard in such event to its obligations to the Fund and will endeavour to ensure that such conflicts are resolved fairly. In addition, subject to applicable law, any of the foregoing may deal, as principal or agent, with the Fund, provided that such dealings are carried out as if effected on normal commercial terms negotiated on an arm's length basis. Danske Bank A/S will act as both

Investment Manager and counterparty to agreements related to trading and clearing financial derivative instruments and repurchase and reverse repurchase agreements entered into with the Fund.

In respect of the AIFM in the context of its management of conflicts, where organisational arrangements made by the AIFM to identify, prevent, manage and monitor conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to investors' interests will be prevented, the AIFM is obliged to clearly disclose the general nature or sources of the conflicts of interest to the investors before undertaking business on their behalf and develop appropriate policies and procedures.

Distribution Policy

It is the intention of the Directors to accumulate all income receipts and capital gains of the Fund for reinvestment and not to make distributions to Shareholders, although the Directors reserve the right to declare or recommend that Shareholders resolve to declare dividends should they consider it appropriate.

Risk Factors

In addition to the risk factors explained in the Principal Particulars under the section headed "Risk Factors", investors should be aware of the following risk factors specific to the Fund.

The value of the portfolio of the Fund is calculated on the basis of the market prices/value of the individual bonds and other debt instruments as well as financial derivative instruments and repurchase and reverse repurchase agreements held by the Fund. This market value is mainly influenced by changes in the spread between interest rates and changes in the steepness of interest rate curves where the Fund has holdings and the Investment Manager's ability to predict correctly the movements of the relevant assets/instrument in which the Fund has entered in to. Further the market value may be influenced by changes in interest rates as well as by the general economic and political development in those markets where the Fund is invested in.

The bonds invested in will include bonds issued by credit institutions, Special Credit Institutions and governments. Furthermore, the Fund will invest in derivatives on the bonds and general interest rate as well. The Fund will therefore be subject to the credit risk of the issuers of the bonds and the counterparty of the derivatives. An issuer suffering an adverse change in its financial condition could lower the credit quality of a security, leading to greater price volatility of the security. A lowering of the credit rating of a security may also offset the security's liquidity, making it more difficult to sell.

Use of financial derivative instruments and repurchase and reverse repurchase agreements is part of the investment policy of the Fund. While the prudent use of financial derivative instruments and repurchase and reverse repurchase agreements can be beneficial, use of these instruments also involves additional risks that in certain cases can be greater than the risks presented by more traditional investments. Further, other risks are associated with the use of financial derivatives transactions, including but not limited to leverage, illiquidity of the markets for derivative instruments, valuation risk arising out of different permitted valuation methods and the inability of the derivatives to correlate perfectly with the underlying securities, rates or indices.

The Fund uses leverage and this may lead to a loss that in certain cases can be greater than the loss without leverage even though the leveraged holdings in many cases are hedge strategies that aim to hedge away different types of risk not wanted in the portfolio.

The Fund is exposed to volatility risk. If the volatility in the positions change substantially it can lead to loss. This can be amplified by a high leverage obtained via financial derivatives instruments and repurchase and reverse repurchase agreements.

The Fund is exposed to liquidity risk when a particular investment or position cannot be easily unwound or offset due to insufficient market depth or market disruption. This can affect the ability of the Fund to sell the investment or position in question, and can also have an impact on the value of the Fund. Although the Fund will invest mainly in liquid securities financial derivatives instruments and repurchase and reverse repurchase agreements where the Fund is entitled to sell its securities or

contracts within a reasonable timeframe, there may be exceptional circumstances in which the liquidity of such securities and contracts cannot be guaranteed. Absence of liquidity may have a determined impact on the Fund and the value of its investments. This can be amplified by a high leverage.

Further, large transactions in or out of the Fund and/or Sub-Class can create “dilution” of the Fund’s and/or Sub-Class’ assets because the price at which a Shareholder buys or sells Participating Shares in the Fund and/or Sub-Class may not entirely reflect the dealing and other costs that arise when the Investment Manager has to trade in securities to accommodate large cash inflows or outflows. The Directors may apply a swing pricing mechanism in order to address these issues as further detailed below. As dilutions referred to in relation to this Fund relate to subscriptions and redemptions, and therefore inflows and outflows of monies, it is not possible to accurately predict whether dilutions will occur at any future point in time. Consequently, it is impossible to accurately predict how frequently the Fund will need to apply the swing pricing mechanisms and to what extent the mechanisms applied will be sufficient to curb or completely eliminate any adverse dilution effect for existing Shareholders (in case of new subscriptions) or remaining Shareholders (in case of redemptions).

Investors admitted to the Fund after the initial subscription may dilute the interest of the existing investors in the Fund, unless anti-dilution measures are employed as further detailed in the Principal Particulars.

Risks related to different counterparties

The Fund may enter into agreements with different counterparties relating to financial derivative and repurchase and reverse repurchase transactions.

In relation to the Fund’s right to the return of assets equivalent to those of the Fund’s assets, legal and beneficial title to which has been transferred to the counterparties as collateral and which the counterparty may sell, borrow, lend or pledge, charge, rehypothecate, dispose, or otherwise transfer or use for its own purpose, the Fund ranks as one of such counterparty's unsecured creditors and the Fund might not be able to recover such equivalent assets in full, or at all. In addition, the Fund’s cash collateral held with the counterparty may not be segregated from the counterparty’s own cash and could be used by the counterparty in the course of its business and the Fund will therefore rank as an unsecured creditor in relation thereto.

Transactions with OTC derivatives may involve higher risk than investing in derivatives dealt in on a regulated market. The Fund may use a number of counterparties for the repurchase and reverse repurchase agreements and financial derivative instrument transactions. In case counterparty defaults it may mean a loss for the Fund. Under certain conditions the terms in the Fund’s OTC derivatives agreements gives the counterparty the right to terminate the derivative position. This may create a loss for the Fund because with OTC derivatives there is a risk that a counterparty will not be able to fulfill its obligations.

Counterparty Insolvency

The Fund is at risk of a counterparty entering into an insolvency procedure. During such a procedure (which may last many years) the use by the Fund of assets held by or on behalf of the counterparty in question may be restricted and accordingly (a) the ability of the AIFM and/or the Investment Manager to fulfil the investment objective may be severely constrained, (b) the Fund may be required to suspend the calculation of the Net Asset Value and as a result subscriptions for and redemptions of Participating Shares, and/or (c) the Net Asset Value may be otherwise affected. During such a procedure, the Fund is likely to be an unsecured creditor in relation to certain assets and accordingly the Fund may be unable to recover such assets from the insolvent estate of the counterparty in full, or at all.

Potential investors who are in any doubt as to the risks involved in investment in the Fund are recommended to obtain independent financial advice before making an investment. Investment in the Fund should be made only after consulting with independent, qualified sources of

investment and tax advice. The Fund is a speculative investment, and is not intended to be a complete investment program. It is designed only for sophisticated investors who are able to bear the risk of an investment in the Fund, including the risk of capital loss. There can be no assurance that the Fund will achieve its investment objective.

SUBSCRIPTION AND REDEMPTION OF SHARES

Subscriptions

Eligible Investors may subscribe for Shares in each Sub-Class at the Subscription Price as calculated on a Dealing Day in accordance with the procedure set out below.

Prospective investors should refer to the section headed “Eligible Investors” in the Principal Particulars to establish whether or not they are eligible to invest. Shares will be issued on the first Business Day after the relevant Valuation Day (i.e. on the relevant Dealing Day). The price at which Shares will be issued (other than for the first Dealing Day of a Sub-Class) will be the Subscription Price calculated by reference to the Net Asset Value and in the manner described in the section headed “Calculation of Subscription Prices” in the Principal Particulars.

Shares in the DKK Sub-Class W will only be available to regulated Danske Bank group entities and subscribing on behalf of certain of their clients in the context of a discretionary management agreement entered into with those clients.

Completed Application Forms must be received by the Sub-Registrar if Shareholders wish to be registered as the legal owner of the Shares or the relevant Distribution Agent for clients of a Distribution Agent where the relevant Distribution Agent will in turn subscribe for Shares in the Fund which it will then hold as nominee for investors at the contact address set out below by fax or post no later than 1:00 p.m. (Central European Time) on the relevant Valuation Day. For more information please refer to the section headed “Subscription and Redemption of Shares” in the Principal Particulars.

Settlement for subscriptions for Shares in the Fund may be made as follows:

Application monies for Shares in the DKK Sub-Class, the DKK Sub-Class A and the DKK Sub-Class W may be paid in Danish Kroner or any other currency acceptable to the Sub-Registrar or relevant Distribution Agent as applicable. Application monies for Shares in the DKK Sub-Class, the DKK Sub-Class A and the DKK Sub-Class W other than in Danish Kroner will be converted into Danish Kroner and all bank charges and other conversion costs will be deducted from the application monies prior to investment in such Shares.

Unless the applicant has made arrangements with the Fund to make payment in some other currency or by some other method, payment must be made in Danish Kroner in respect of the DKK Sub-Class, the DKK Sub-Class A and the DKK Sub-Class W by bank transfer to:

Name:	RBC Investor Services Bank S.A.
Address:	14, Porte de France L-4360 Esch-sur-Alzette Grand Duchy of Luxembourg
Ref.:	Danske Invest PCC Limited
SWIFT code:	FETALULL

Application monies must be received by the Sub-Registrar in cleared funds no later than 1:00 p.m. (Central European Time) on the relevant Valuation Day unless otherwise accepted by the Directors.

The Fund may impose a sales charge of up to 5 percent of the Subscription Price of the Shares which are issued to applicants and an amount equal to any stamp duty and any other governmental taxes and charges payable by the Fund with respect to the issue of such Shares. The sales charge shall be divided between the Fund, the AIFM and the Investment Manager or any sales agents or distributors as the Directors or the AIFM may from time to time agree. The Directors may also apply a swing pricing mechanism as described in the Principal Particulars.

The Subscription Price will be calculated in the manner specified in the Principal Particulars and applications then executed on the first Business Day after the relevant Valuation Day (i.e. the Dealing Day). Shares will be in registered form and share certificates will not be issued.

A contract note will be sent within seven (7) Business Days after the relevant Valuation Day to successful applicants.

The Directors reserve the right to reject any application for Shares in whole or in part (including if an applicant fails to comply with the client verification and anti-money laundering requirements set out in the section headed “Anti-Money Laundering” in the Principal Particulars). If any application is not accepted in whole or in part, the application monies or (where an application is accepted in part only) the balance thereof will be returned (without interest) in Danish Kroner (or may be returned in the currency in which the application monies were received, if different) by bank draft made out in favour of the applicant (or, in the case of joint applicants, the first named) and sent by ordinary post at the risk of the person entitled thereto. Funds may also be returned by bank transfer at the discretion of the Sub-Registrar or relevant Distribution Agent as applicable and at the expense of the applicant.

Minimum Initial Subscription and Subsequent Minimum Holding

The minimum initial subscription and subsequent minimum holding for each applicant for Shares in the DKK Sub-Class, the DKK Sub-Class A and the DKK Sub-Class W (including an existing Shareholder) is DKK 10,000.

In each case, the minimum initial subscription amount is the amount after deduction of any sales charge or other costs or fees relating to the subscription.

The Directors of the Company may at any time waive the minimum initial subscription and subsequent holding of Shares by way of resolution.

Shares may be issued in fractions of a Share expressed to four decimal places. Application monies representing smaller fractions will be retained by the Company.

Contact Details of the Sub-Registrar and Distributor

Sub-Registrar

Applications for subscription and redemptions of Shares should be made to the Sub-Registrar at the following address:

Name: RBC Investor Services Bank S.A.
Address: 14, Porte de France
L-4360 Esch-sur-Alzette
Grand Duchy of Luxembourg
Fax: +352 24 60 41 04
Tel: +352 26 059 730

Distributor

Applications for subscription and redemptions of Shares made by Clients of Danske Bank A/S should be made to Danske Bank A/S at the following address:

Name: Danske Bank A/S
Address: Holmens Kanal 2-12
DK-1092 Copenhagen
Denmark

For clients of a Distribution Agent other than Danske Bank A/S, applications for subscription and redemptions of Shares should be made to the relevant Distribution Agent using the address and contact number provided by such Distribution Agent.

Redemption Notice and Payment of Redemption Proceeds

Shares in the DKK Sub-Class, the DKK Sub-Class A and the DKK Sub-Class W may be redeemed on any Dealing Day at the request of the holder of such Shares.

Each redemption request should be sent to the Sub-Registrar or, the relevant Distribution Agent where a Distribution Agent acts as nominee for its clients, at the address shown above in the section headed "Contact Details of the Sub-Registrar and Distributor" and should be given in writing and must specify the number or monetary value of Shares to be redeemed and give payment instructions for the redemption proceeds.

In order for a redemption request in relation to Shares to take effect on a particular Dealing Day, the redemption request must be received by the Sub-Registrar or the relevant Distribution Agent not later than 1:00 p.m. (Central European Time) on the relevant Valuation Day (i.e. the Business Day immediately preceding the particular Dealing Day) or such other day as the Directors may in their absolute discretion decide. The Redemption requests received after 1:00 p.m. (Central European Time) on any Valuation Day will be deemed to be received on the next following Valuation Day and will be processed on the Dealing Day immediately following such Valuation Day.

Where a redemption request exceeds DKK 50,000,000 in respect of the DKK Sub-Class, the DKK Sub-Class A, the DKK Sub-Class W respectively (hereinafter "large redemption requests"), the redemption request, to take effect on a particular Dealing Day, must be received by the Sub-Registrar or the relevant Distribution Agent not later than 1:00 p.m. (Central European Time) on the Valuation Day occurring 6 Business Days before the relevant Dealing Day (excluding such Dealing Day) or such other day as the Directors may in their absolute discretion decide. Large redemption requests received after 1:00 p.m. (Central European Time) on any Valuation Day will be deemed to be received and processed for the Net Asset Value calculated for next relevant following Valuation Day with the redemption taking effect on the Dealing Day occurring on the sixth Business Day after the request is received. Where a redemption request specifies the number of Shares to be redeemed, the monetary value of such Shares will be calculated based on the latest available Net Asset Value and if such monetary value exceeds the limits referred to above, such request will be treated as a large redemption request.

Upon receipt of a valid redemption request, subject to the conditions on redemption set out above and in the section headed "Subscriptions and Redemption of Shares" in the Principal Particulars, the Sub-Registrar will redeem the Shares. For more information, please refer to the sections headed "Introduction" and "The Distributor" in the Principal Particulars.

A Shareholder redeeming Shares will, except as referred to below, be paid an amount equal to the Redemption Price per Share which is calculated on the relevant Dealing Day by reference to the Net Asset Value and in the manner described in the Principal Particulars under the section headed "Calculation of Redemption Prices".

The Fund may impose a redemption charge of up to 5 percent of the Redemption Price of the Shares, which are redeemed. The redemption charge shall be divided between the Fund, the AIFM and the Investment Manager as the Directors may from time to time agree. The Directors may also apply a swing pricing mechanism as described in the Principal Particulars.

Redemption proceeds will be paid in Danish Kroner in respect of the DKK Sub-Class, the DKK Sub-Class A and the DKK Sub-Class W and, except where the redeeming Shareholder gives alternative payment instructions, will be paid by bank transfer at the cost and risk of the redeeming Shareholder to the bank account specified by him. Payment will be made within four (4) Business Days after the relevant Valuation Day or (if later) the day on which the Sub-Registrar receives a redemption request form, duly completed and signed by the Shareholder (or, in the case of joint Shareholders, by each of them). A contract note will be sent to a redeeming investor within seven Business Days after the relevant Valuation Day.

No redemption of part of a holding of Shares in the DKK Sub-Class, the DKK Sub-Class A and the DKK Sub-Class W may be made which would result in the Shareholder retaining Shares which have a value

of less than DKK 10,000, unless the Directors in their sole discretion determine to permit the redemption.

Compulsory Redemption

The Directors have resolved that they may at their discretion compulsorily redeem at any time the Shares in the Fund of any investor which, as a result of a redemption or transfer of any part of the investor's holding, have a value of less than any minimum required holding in the Fund.

Availability of Prices

The Subscription Price (exclusive of any sales charge) and the Redemption Price as calculated for each Valuation Day will be available on request from the Distributor, the Administrator and the Sub-Administrator.

FEES AND EXPENSES

Management Fee

Under the terms of the AIFM Agreement the Company, out of the assets of the corresponding Separate Fund, will pay to the AIFM a maximum management fee of:

- 0.65 percent per annum of the DKK Sub-Class Net Asset Value;
- 0.65 percent per annum of the DKK Sub-Class W Net Asset Value; and
- 1.00 percent per annum of the DKK Sub-Class A Net Asset Value.

The DKK Sub-Class Net Asset Value, the DKK Sub-Class A Net Asset Value and the DKK Sub-Class W Net Asset Value for the purposes of determining the investment management fee shall include all relevant expenses and liabilities paid or accrued. The fees are calculated on each Valuation Day and paid quarterly in arrears.

The AIFM is responsible and liable for payment of any investment management fees due to the Investment Manager in accordance with the investment agreement between the AIFM and Investment Manager and the Company has no responsibility for such fees.

Performance Fee

Under the terms of the AIFM Agreement the Company, out of the assets of the corresponding Separate Fund, will also pay to the AIFM a performance fee from the Fund calculated, accrued and locked on each Valuation Day and paid annually in arrears on or after the last Valuation Day in each financial year. Any such performance fees will be calculated for the DKK Sub-Class, the DKK Sub-Class A and the DKK Sub-Class W.

If a performance fee is payable in relation to any relevant Sub-Class, the performance fee shall be, for the DKK Sub-Class, the DKK Sub-Class A and the DKK Sub-Class W an amount equal to 20 percent of the Outperformance (as defined below).

Between two successive calculation dates the “Outperformance” will be calculated for each relevant Sub-Class as:

- NAV per Share before additional performance fee accruals minus the higher of:
 - The NAV per Share at the end of the immediately preceding Valuation Day, accrued with the Hurdle Rate (as defined below) and
 - The High Water Mark NAV (as defined below) accrued with the Hurdle Rate (as defined below)

The Hurdle Rate is:

- The Risk-free Rate DKK in the case of the DKK Sub-Class, the DKK Sub-Class A and DKK Sub-Class W on a pro rata temporis basis up to the relevant calculation date;

The High Water Mark NAV per Share is defined as the greater of:

- (i) DKK 1,000 (being the Subscription Price at which Shares of the relevant Sub-Class were issued on the launch of the Sub Class); and
- (ii) The NAV per Share of the relevant Sub-Class at the end of the immediately preceding Valuation Day which a performance fee was charged.

Each time the Fund outperforms, the outperformance is locked in favour of the AIFM. Whenever a positive outperformance level, previously reached, is not achieved thereafter, a High Water Mark NAV per Share is memorised for the purpose of the performance fee calculation. Any under-performance will be carried forward in order to be recouped.

In case a performance fee has not been paid for a three (3) year period, a reset will be done at the year end of the third year, in order to define the High Water Mark as the Net Asset Value per Share of the relevant Class at the end of the year.

The AIFM is responsible and liable for payment of any performance fees due to the Investment Manager in accordance with the investment agreement between the AIFM and Investment Manager and the Company has no responsibility for such fees.

Since the performance fees are calculated, accrued and locked on each Valuation Day and paid annually, it is possible that the value of the Shares of Shareholders may reflect performance fees accrued during a part of a year even though they may incur overall losses during such year as a result of the time at which they subscribe or redeem Shares.

Operating and Administrative Expenses

Under the terms of the AIFM Agreement, the Company, out of the assets of the corresponding Separate Fund, will pay to the AIFM Operating and Administrative Expenses of:

- 0.20 percent per annum of the Net Asset Value of each of the sub-class of Shares.

The Net Asset Value for the purposes of determining the Operating and Administrative Expenses will include all relevant expenses and liabilities paid or accrued. The fees are calculated on each Valuation Day on the net assets of each of the Sub-Classes and paid out of the corresponding Separate Fund, quarterly in arrears.

Out of the fee which the AIFM receives for Operating and Administrative Expenses, it is responsible and liable for paying all Operating and Administrative Expenses as defined in the section “Fees and Expenses” in the Scheme Particulars. The Operating and Administrative Expenses do not include costs, fees and charges for which the Company is directly responsible and which will be paid by the Company as described in the Scheme Particulars.

General Expenses

The costs of the Fund incurred in connection with the creation and launch of the DKK Sub-Class, the DKK Sub-Class A and the DKK Sub-Class W including the amendment and execution of the relevant material contracts, the preparation of any Supplemental Particulars and legal and printing costs should not exceed €5,000 per Separate Fund and will be amortised over the five (5) financial years commencing from the launch of the DKK Sub-Class, the DKK Sub-Class A and the DKK Sub-Class W.

The fees and expenses of any listing of Shares shall be charged to the relevant Separate Fund of the corresponding listed Sub-Class.

To the extent that any of the other operating costs set out in the section headed “Fees and Expenses” in the Principal Particulars are attributable to the Fund, they will be borne by the Fund. To the extent that they are not directly attributable to the Fund or any other particular Cell, they will be apportioned between all Cells (including the Fund or any Separate Fund) pro rata to their respective Net Asset Values.