

# Prospectus

Investeringsforeningen Sydinvest

17 equity funds and 19 bond funds

Investment Fund under Danish law (UCITS)

October 2018

**Sydinvest**

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Appendix A: Articles of Association

## **Prospectus responsibility**

We, the undersigned members of the Board of Directors of Investeringsforeningen Sydinvest, hereby declare:

- that to the best of our knowledge the information contained in this prospectus is accurate and no omission has been made that has affected the accuracy of such information, and
- that to the best of our knowledge the prospectus contains any and all material information which may be significant to the Investment Fund's potential investors.

Considered by the Board of Directors on 25 October 2018.

This document has been approved by digital signature, which appears from the last page of the Danish version of the document. The page with digital signatures has no page number.

The Board of Directors of  
Investeringsforeningen Sydinvest

Hans Lindum Møller  
Chairman

Christian Anker Hansen  
Vice-Chairman

Niels Therkelsen

Peter Christian Jørgensen

Linda Sandris Larsen

## **PROSPECTUS**

### **Invitation to subscribe for units in Investeringsforeningen Sydinvest.**

This prospectus was published on 31 October 2018.

## **1. Name and address**

Investeringsforeningen  
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Peberlyk 4  
6200 Aabenraa, Denmark

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Email: [si@sydinvest.dk](mailto:si@sydinvest.dk)  
Website: [www.sydinvest.dk](http://www.sydinvest.dk) (funds with no unit classes and unit class A)  
[www.sydinvest.com](http://www.sydinvest.com) (unit class B)  
[www.sydinvest-em.com](http://www.sydinvest-em.com) (unit class I)  
[www.sydinvest-engros.dk](http://www.sydinvest-engros.dk) (unit class W)

The Investment Fund was established on 21 September 1987.  
The CVR number of the Investment Fund is 24260534.

The Investment Fund is registered with and approved by the competent supervisory authority under FSA no. 11040: Finanstilsynet (Danish FSA), Århusgade 110, 2100 Copenhagen Ø, Denmark  
Tel (+45) 33 55 82 82, email: [finansstilsynet@ftnet.dk](mailto:finansstilsynet@ftnet.dk), website: [www.ftnet.dk](http://www.ftnet.dk)  
The Investment Fund's funds and unit classes are approved by and registered with the Danish FSA.

## **2. Objects**

In accordance with the provisions of the Articles of Association, the objects of the Investment Fund are from the public, cf Article 6 of the Articles of Association, to receive funds which according to a principle of risk diversification are placed in instruments in compliance with Part 14 of the Danish Investment Associations, etc. Act and to redeem on the demand of a unit-holder that unit-holder's share of the assets by using funds deriving therefrom, cf Article 12 of the Articles of Association.

On the basis thereof the funds are invested with the aim of achieving adequate risk diversification and satisfactory return.

## **3. Important issues**

The following should be noted

- The expectations or the historical returns mentioned under the individual funds do not purport to be a guarantee of future returns.
- This prospectus has been prepared in compliance with Danish rules and legislation. The prospectus has been submitted to the Danish FSA. The Danish statutory provisions applying to the Investment Fund correspond to EC Directive 85/611/EEC of 20 December 1985 as amended by eg Directive 2009/65/EC of 13 July 2009 (UCITS IV Directive) and Directive 2014/91/EU of 23 July 2014 (UCITS V Directive).
- The Investment Fund's listed funds and unit classes (unit classes A) are UCITS ETFs as they are UCITS in accordance with the UCITS Directive and ETFs as they comply with the criteria of the MiFID II Directive. As a rule UCITS ETF units purchased on the secondary market cannot be sold directly back to the UCITS ETF. Investors must buy and sell units on a secondary market by means of a securities dealer (eg a stockbroker) and may have to pay fees in this connection. Furthermore investors may pay more than the current NAV when they buy units and receive less than the present NAV when they sell units.
- All funds are subject to the EU savings tax directive. The funds mentioned in 5.1 and 6.1, which invest in bonds, place more than 25% of assets in interest earning assets which are subject to the EU savings tax directive. The funds mentioned in 5.2 and 6.2, which invest in equities, place less than 25% of assets in interest earning assets which are subject to the EU savings tax directive.
- It will appear from each fund if a marketing notification has been submitted for countries outside Denmark. If the fund is divided into unit classes, it will appear from each unit class for which countries a marketing notification has been submitted.
- This prospectus has been prepared in Danish and translated into German and English. In case of discrepancy the Danish version will apply.

- The Board of Directors may change the contents of this prospectus, including investment policies and risk profiles, within the limitations of legislation and the Articles of Association. This prospectus replaces all previous versions of the prospectus and is valid from the date of publication.
- The information in this prospectus cannot be considered to be advice regarding investments or other issues. Investors are encouraged to seek individual advice on investment and tax issues as well as related matters. The prospectus is not an offer to purchase or an invitation to make offers.
- The distribution of this prospectus and the offering for sale of units in certain countries are limited by existing local legislation. Individuals who receive the prospectus are requested to enquire about and observe such limitations. The units comprised by this prospectus may not be offered for sale or sold in USA or Canada and this prospectus may not be provided to investors domiciled in or similarly associated with these countries.
- Investments in units are not equivalent to a cash investment and the value is not guaranteed. Therefore at any point in time units in a fund or a unit class may be below, equal to or above the value at the time of investment.
- Investments in foreign markets may be less safe than investments in the Danish market as a consequence of company-specific, political, regulatory, market-related and/or overall economic circumstances. Furthermore investments abroad represent exposure to currencies which may fluctuate at varying intervals against DKK.
- Selecting a benchmark constitutes a large and well-known challenge to Danish bond funds. The challenge consists in whether to include government bonds as well as mortgage bonds in the benchmark. Danish bond funds are often managed on the basis of interest rate risk which is most accurately reflected by benchmarks that consist solely of government bonds. Mortgage bonds make up a large part of the Danish bond market and many of these bonds entail a prepayment risk in addition to the interest rate risk. There are indices that reflect the specific risk in the mortgage market but each of them have shortcomings as regards changes in the interest rate risk and considerable bond reallocations in the indices. Consequently we have chosen a benchmark which consists exclusively of government bonds because it reflects the interest rate risk in the fund while providing the best basis of a fair assessment of the return quality in the fund when taking into account the costs associated with the fund's investments.
- Additional information about the Investment Fund and its portfolio, including monthly lists of portfolios, is accessible at [sydinvest.dk](http://sydinvest.dk).

#### 4. General issues applying to all funds and unit classes of the Investment Fund

Investeringsforeningen Sydinvest is divided into funds as described below. The capital of each fund must be placed in compliance with the provisions of Parts 14 and 15 of the Danish Investment Associations, etc. Act.

Unless the paragraphs on the individual funds state otherwise, the following will moreover apply

- The financial instruments in which the funds invest must be admitted to trading on the following markets:
  - Markets in European Union member states.
  - Markets in states with which the Community has concluded an agreement.
  - World Federation of Exchanges member markets.
  - Full member markets or associate member markets of FESE.
  - Regulated markets included in the EU Commission's list.
  - Markets approved by the Danish FSA or considered by the Investment Fund to adhere to the guidelines of the Danish FSA.
- Equity-based funds may use derivatives on a covered basis. The use of derivatives is not expected to change the risk profile of the fund. Moreover the fund Tyskland KL may use derivatives on an uncovered basis as described under this fund.
- Bond-based funds may use derivatives on a covered and uncovered basis, of the executive order to that effect issued by the Danish FSA. The use of derivatives is not expected to change the risk profile of the fund.
- Bond-based funds may not invest in listed or unlisted equities or equities listed on non-approved markets unless such equities are distributed in connection with a debt restructuring in the company invested in.
- All funds may have ancillary liquid assets, for instance deposit funds with a credit institution in accordance with the provisions of the Danish Investment Associations, etc. Act.
- Bond-based funds investing predominantly in bonds issued in foreign currency may invest up to 10% of assets in unlisted bonds or bonds listed on non-approved markets.
- All equity-based funds may invest up to 5% of assets in unlisted equities or equities on non-approved markets.
- All equity-based funds may invest a maximum of 10% of assets in a single company.
- No equity-based fund may invest in mortgage bonds or corporate bonds with a credit quality lower than BB+ (Standard & Poor's and Fitch) or Ba1 (Moody's).
- No equity-based fund may invest in government bonds with a credit quality lower than B+ (Standard & Poor's and Fitch) or B1 (Moody's).
- All funds may invest up to 10% of their assets in units in other UCITS, funds or investment undertakings in accordance with the Danish Investment Associations, etc. Act.
- The Danish FSA has issued a standing approval to the Investment Fund to the effect that the individual funds of the Investment Fund may raise short-term loans of up to 10% of the fund's assets to provide interim financing in connection with transactions concluded.

- All funds may engage in securities lending collateralised by securities according to the Articles of Association. Whether this option is used appears from the description of the individual funds.
- If so requested by an investor, the investment management company of the Investment Fund will provide supplementary information relating to the fund regarding the quantitative limits applying to the risk management of the Investment Fund and regarding the methods chosen by the investment management company (or the Investment Fund) to ensure that these limits are complied with at all times, and regarding information on the latest developments in the most important risks and returns concerning the categories of the individual fund instruments.

#### 4.1. Abbreviations

“KL” after the name of a fund denotes that the fund may be divided into unit classes, of Article 7 of the Articles of Association of the Investment Fund. If a fund is divided into unit classes this is stated in the prospectus under each fund. The characteristics of the unit classes are described under each fund. The main characteristics of the classes are as follows:

**Unit class A** targets retail investors in Denmark. Units in this class are listed and are subject to the dual pricing system.

**Unit class B** targets and is reserved for foreign retail investors. Units in this class are not listed and are subject to the modified single pricing system unless otherwise stated under the individual funds.

**Unit class I** targets and is reserved for institutional investors. Units in this class are not listed and are subject to the dual pricing system unless otherwise stated under the individual funds.

**Unit class W** is reserved for collective investment schemes and investors with individual portfolio management agreements. Units in this class are not listed and are subject to the dual pricing system unless otherwise stated under the individual funds.

The pricing systems are described in further detail in item 12 of this prospectus.

The unit classes may be denominated in different currencies. The unit classes are income unit classes or accumulation unit classes. Some unit classes also engage in currency hedging. The characteristics of the unit classes in these respects form part of the names of the unit classes by way of abbreviations as set out in the table below.

As regards unit class A however, if “Akk” does not form part of the name of the unit class, the unit class is an income unit class and the name of the unit class does not indicate whether it engages in currency hedging or not. This information appears from the descriptions of the individual funds with regard to unit class A in items 5 and 0 of this prospectus. For instance, the unit class International Bonds B EUR d is an income unit class. The unit class Emerging Market Bonds B EUR Acc h is an accumulation unit class and engages in currency hedging.

Unit classes ending with an “h” engage in currency hedging and at least 80% of the assets of the unit class is hedged to DKK or EUR. Unless otherwise stated in this prospectus, the unit class will be exposed to the currencies that form part of the underlying fund’s portfolio.

	Class A	Class B	Class I	Class W
Accumulation	Akk	Acc	Acc	Acc
Income	-	d	d	d
Currency hedging	-	h	h	h

## 4.2. Secondary names of funds

Many of the funds of the Investment Fund have English secondary names which are used in the English and German prospectuses. Below is a list of the secondary names of the funds:

Name	Secondary name
International KL	International Bonds KL
HøjrenteLande Valuta KL	Emerging Market Currency Bonds KL
HøjrenteLande Lokal Valuta KL	Emerging Market Local Currency Bonds KL
Virksomhedsobligationer HY KL	Corporate Bonds HY KL
Virksomhedsobligationer IG KL	Corporate Bonds IG KL
Virksomhedsobligationer IG Etik KL	Corporate Bonds IG Ethic KL
Virksomhedsobligationer HY ETIK KL	Corporate Bonds HY Ethic KL
HøjrenteLande KL	Emerging Market Bonds KL
HøjrenteLande Mix KL	Emerging Market Bonds Mix KL
Mellemlange Obligationer KL	Danish Bonds KL
Korte Obligationer KL	Danish Bonds Short Duration KL
Verden Ligevægt & Value KL	Global Value Equities KL
Verden Etik KL	Global Ethics Equities KL
Danmark KL	Danish Equities KL
SCANDI KL	Scandinavian Equities KL
Europa Ligevægt & Value KL	European Value Equities KL
Tyskland KL	German Equities KL
Latinamerika KL	Latin America Equities KL
Fjernøsten KL	Far East Equities KL
USA Ligevægt & Value KL	American Value Equities KL
BRIK KL	BRIC Equities KL
Globale EM-aktier KL	Global EM Equities KL
International Akkumulerende KL	International Bonds Acc KL
Mellemlange Obligationer Akkumulerende K	Danish Bonds Acc KL
HøjrenteLande Akkumulerende KL	Emerging Market Bonds Acc KL
HøjrenteLande Lokal Valuta Akkumulerende KL	Emerging Market Local Currency Bonds Acc KL
HøjrenteLande Korte Obligationer Akkumulerende KL	Emerging Market Bonds Short Duration Acc KL
Virksomhedsobligationer HY Akkumulerende KL	Corporate Bonds HY Acc KL
Verden Ligevægt & Value Akkumulerende KL	Global Value Equities Acc KL
Europa Ligevægt & Value Akkumulerende KL	European Value Equities Acc KL
BRIK Akkumulerende KL	BRIC Equities Acc KL
Latinamerika Akkumulerende KL	Latin America Equities Acc KL
Fjernøsten Akkumulerende KL	Far East Equities Acc KL
Globale EM-aktier Akkumulerende KL	Global EM Equities Acc KL



## 5. Income funds

### 5.1. Bond funds

#### 5.1.1. Korte Obligationer KL

The fund invests in price-stable bonds admitted to trading on a market in Denmark or on a market located in an EU/EEA country and the bonds must be denominated in DKK.

The fund is divided into two unit classes.

	Established	ISIN
Korte Obligationer A DKK	22 May 1996	DK0015916225
Korte Obligationer W DKK d	13 Jun 2017	DK0060814796

Korte Obligationer KL changed its name to Korte Obligationer A DKK, and Korte Obligationer W DKK d was established in connection with a split on 13 June 2017.

#### The typical investor

The typical investor has an investment horizon of at least two years and wishes to spread risk across many different Danish bonds. Furthermore the typical investor is looking for a highly stable return and annual distribution of dividends.

#### Investment objective, benchmark and assets

The objective is to obtain a return that equals or outperforms the return of the fund's benchmark over a two-year period. The fund's benchmark is Nordea Constant Maturity 2 Year Government Bond Index. Information about the challenges of selecting a benchmark for Danish bond funds is available under "3. Important issues" above.

	2013	2014	2015	2016	2017
Return (%)					
Korte Obligationer A DKK	0.91	0.70	0.15	1.67	1.30
Korte Obligationer W DKK d <sup>2</sup>					1.36
<i>Benchmark</i> <sup>1</sup>	<i>(0.34)</i>	<i>0.48</i>	<i>0.50</i>	<i>0.10</i>	<i>(0.47)</i>
Assets (DKK 1,000)					
Korte Obligationer A DKK	842,868	533,860	1,512,004	1,947,181	572,278
Korte Obligationer W DKK d					1,021,912
Korte Obligationer KL, total	842,868	533,860	1,512,004	1,947,181	1,596,600

<sup>1</sup> Until 30 Sep 2015 the fund's benchmark was EFFAS 1-3 – Danish government bonds.

<sup>2</sup> Return for the period 1 Jan 2017 to 13 Jun 2017 is from Korte Obligationer A DKK.

Investments may be made in all types of bonds that meet the above criteria, subject to the following limitations.

Type of bond	Maximum position
Government bonds/government guaranteed bonds <sup>1</sup>	100% <sup>2</sup>
Mortgage bonds/bonds issued by shipping finance institutions/municipal bonds	100% <sup>2</sup>
Corporate bonds <sup>3</sup>	10%

<sup>1</sup> Maximum position in non-investment grade government bonds: 0%.

<sup>2</sup> Subject to compliance with the risk spreading rules of the Danish Investment Associations, etc. Act.

<sup>3</sup> Maximum position in non-investment grade corporate bonds: 5%.

#### Risk factors

The most significant risks for this fund are country risk, credit risk and interest rate risk. Risk categories and risks are described in further detail in 7.

#### Measures taken to maintain the fund's risk profile

To maintain the risk profile the Board of Directors has determined limits as regards the fund's effective duration. The fund's effective duration may vary from 0 to 3 years. Moreover the above limitations will apply in relation to the type of bond. Read more about measures to maintain risk in 7.2.

### Dividends

The minimum payout of the fund is interest income less administrative costs.

Other fund data	Class A	Class W
SE no	35455795	35455787
Risk category	2	2
Listed on	Nasdaq Copenhagen	Unlisted
Issue and redemption pricing	Dual pricing	Dual pricing
Base currency	DKK	DKK
Denomination	100	100
Notification of marketing in	Denmark	Denmark

### 5.1.2. Fonde KL

The fund invests in bonds admitted to trading on a market in Denmark or on a market located in an EU/EEA country and the bonds must be denominated in DKK. The fund seeks to achieve a high running yield in preference to price increases.

The fund is not divided into classes of units.

	Established	ISIN
Fonde KL	21 Apr 2004	DK0016271042

### The typical investor

The typical investor has an investment horizon of at least 3 years and is looking for a stable return and high stable dividends. The fund targets mainly foundations, UCITS and trusts.

### Investment objective, benchmark and assets

The objective is to achieve a high running yield in preference to price increases. The fund does not have a benchmark.

	2013	2014	2015	2016	2017
Return (%)					
Fonde KL	0.82	3.36	(0.14)	2.45	1.69
Benchmark <sup>1</sup>	0.62	7.00	1.29	2.65	-
Assets (DKK 1,000)					
Fonde KL	524,042	544,480	578,700	605,302	517,038

<sup>1</sup> Until August 2017 the fund used Sydbank's bond index for Danish investors paying gross tax with a duration of approx four years as its benchmark.

Investments may be made in all types of bonds in DKK in accordance with the Danish Investment Associations, etc. Act subject to the following limitations. In addition the investments must comply with the executive order on investments of non-commercial foundations issued by the Danish Civil Affairs Agency.

Type of bond	Maximum position
Issued in EU/EEA countries other than Denmark <sup>1</sup>	20%
Corporate bonds	0%
Convertible bonds	0%
Premium bonds	0%

<sup>1</sup> Maximum position in non-investment grade government bonds: 0%

### Risk factors

The most significant risks for this fund are country risk, credit risk and interest rate risk. Risk categories and risks are described in further detail in 7.

### Measures taken to maintain the fund's risk profile

The benchmark is Sydbank's bond index of Danish bonds for investors paying gross tax with a duration of approx four years. The fund's effective duration may vary from 0 to 6 years. Moreover the above limitations will apply in relation to the type of bond. Read more about measures to maintain risk in 7.2.

### Dividends

The minimum payout of the fund is interest income less administrative costs.

Other fund data	
SE no	12143958
Risk category	2
Listed on	Nasdaq Copenhagen
Issue and redemption pricing	Dual pricing
Base currency	DKK
Denomination	DKK 100
Marketing	Approved for marketing in Denmark

### 5.1.3. Mellemlange Obligationer KL (Danish Bonds KL)

The fund invests in bonds admitted to trading on a market in Denmark or on a market located in an EU/EEA country. The bonds must be denominated in DKK.

The fund is divided into three unit classes.

	Established	ISIN
Mellemlange Obligationer A DKK	7 Jan 2015	DK0060585073
Danish Bonds B DKK d	18 May 2016	DK0060738755
Mellemlange Obligationer W DKK d	13 Jun 2017	DK0060814879

Unit class A has the same ISIN as that of the fund before the division into unit classes. The above launch date is the date of establishment of the fund which was initially launched without unit classes. Investors in the fund before the division into unit classes are investors in unit class A after the division into unit classes, and the fund's past performance is continued in unit class A.

Unit class B was established by merging unit class B of Dannebrog KL with an empty unit class B of the fund Mellemlange Obligationer KL on 29 August 2016.

Unit class W was established in connection with a split of unit class A on 13 June 2017.

#### The typical investor

The typical investor has an investment horizon of at least 3 years and wishes to obtain a stable return on investments in Danish bonds. Investors are expected to know that the risk factors mentioned in 7 associated with the fund's investments may lead to significant price fluctuations within the fund.

#### Investment objective, benchmark and assets

The objective is to obtain a return that equals or outperforms the return of the fund's benchmark over a three-year period.

The fund's benchmark is 50% Nordea Constant Maturity 3 Year Government Bond Index and 50% Nordea Constant Maturity 5 Year Government Bond Index. Consequently the benchmark duration is close to 4 years. Information about the challenges of selecting a benchmark for Danish bond funds is available under "3. Important issues" above.

	2013	2014	2015	2016	2017
Return (%)					
Mellemlange Obligationer A DKK <sup>1</sup>	-	-	(0.98)	3.06	1.75
Danish Bonds B DKK d <sup>2</sup>	-	-	(1.62)	2.69	1.79
Mellemlange obligationer W DKK d <sup>3</sup>	-	-	-	-	1.92
<i>Benchmark</i> <sup>4</sup>	<i>(1.24)</i>	<i>4.25</i>	<i>0.19</i>	<i>1.64</i>	<i>(0.15)</i>
Assets (DKK 1,000)					
Mellemlange Obligationer A DKK	-	-	3,662,246	8,068,346	3,702,312
Danish Bonds B DKK d	-	-	108,936	146,997	240,418
Mellemlange obligationer W DKK d	-	-	-	-	2,588,518
<b>Mellemlange Obligationer KL, total</b>	<b>-</b>	<b>-</b>	<b>3,771,182</b>	<b>8,215,343</b>	<b>6,531,248</b>

<sup>1</sup> The first return covers the period from 7 Jan 2015 to 31 Dec 2015.

<sup>2</sup> The first return covers the period from 24 Apr 2015 to 31 Dec 2015.

<sup>3</sup> Return for the period 1 Jan 2017 to 13 Jun 2017 is from Mellemlange Obligationer A DKK.

<sup>4</sup> During the period from 7 Jan 2015 to 31 Mar 2015 the benchmark was JPMorgan Denmark 3 Y TR Index Level Local Currency and 50% JPMorgan Denmark 5 Y TR Index Level Local Currency.

Investments may be made in all types of bonds in DKK in accordance with the Danish Investment Associations, etc. Act.

### Risk factors

The most significant risks for this fund are country risk, credit risk and interest rate risk. Risk categories and risks are described in further detail in 7.

### Measures taken to maintain the fund's risk profile

The benchmark duration will at all times be close to 4 years. The fund's effective duration may vary from 3 to 5 years. Read more about measures to maintain risk in 7.2.

### Dividends

The minimum payout of the fund is interest income less administrative costs.

Other unit class data	Class A	Class B	Class W
SE no	37609706	37609765	35455809
Risk category	2	2	2
Listed on	Nasdaq Copenhagen	Unlisted	Unlisted
Issue and redemption pricing	Dual pricing	Modified single pricing	Dual pricing
Base currency	DKK	DKK	DKK
Denomination	100	10	100
Notification of marketing in	Denmark	Germany, Sweden, Finland and Norway	Denmark
Currency hedging	No	No	No

## 5.1.4. International KL (International Bonds KL)

### **The fund invests globally in bonds.**

The fund is divided into three unit classes.

	Established	ISIN
International A DKK	2 Oct 1989	DK0010140805
International Bonds B EUR d	18 Feb 2015	DK0060626018
International W DKK d	13 Jun 2017	DK0060815173

Unit class A has the same ISIN as that of the fund before the division into unit classes. Investors in the fund before the division into unit classes are investors in unit class A after the division into unit classes, and the fund's past performance is continued in unit class A.

Unit class W was established in connection with a split of unit class A on 13 June 2017.

### The typical investor

The typical investor has an investment horizon of at least 3 years and is looking for a high return of which the main part is distributed annually as dividends. The typical investor is expected to know that international interest rate and exchange rate fluctuations may at times lead to significant fluctuations in the fund's assets.

### Investment objective, benchmark and assets

The objective is through international diversification to obtain a return that equals or outperforms the return of the benchmark of the unit class over a three-year period. International A DKK and International W DKK d use the benchmark Barclays Global Aggregate Treasuries 1-3 year in DKK as from 17 May 2018. The previous benchmark was JP Morgan Global Government in DKK. Moreover International Bonds B EUR d uses Barclays Global Aggregate Treasuries 1-3 year in EUR as from 17 May 2018. The previous benchmark was JP Morgan Global Government in EUR.

	2013	2014	2015	2016	2017
<b>Return (%)</b>					
International A DKK	(4.56)	10.40	4.35	(1.91)	(6.62)
International Bonds B EUR d <sup>1</sup>	-	-	(4.32)	(1.39)	(6.54)
International W DKK d <sup>2</sup>	-	-	-	-	6.32
<i>Benchmark in DKK</i>	<i>(8.20)</i>	<i>14.40</i>	<i>8.35</i>	<i>4.05</i>	<i>(5.57)</i>
<i>Benchmark in EUR</i>	<i>(8.19)</i>	<i>14.61</i>	<i>8.11</i>	<i>4.43</i>	<i>(5.70)</i>
<b>Assets (DKK 1,000)</b>					
International A DKK	431,494	649,350	956,119	493,215	249,168
International Bonds B EUR d	-	-	41,288	32,902	11,609
International W DKK d	-	-	-	-	84,292
<b>International KL, total</b>	<b>431,494</b>	<b>649,350</b>	<b>997,407</b>	<b>526,117</b>	<b>345,069</b>

<sup>1</sup> The first return covers the period from 24 Apr 2015 to 31 Dec 2015.

<sup>2</sup> Return for the period 1 Jan 2017 to 13 Jun 2017 is from International A DKK.

The fund invests globally in bonds listed on authorized markets, see above, subject to the following limitations.

Type of bond	Maximum position
Government bonds/government guaranteed bonds <sup>1</sup>	100% <sup>2</sup>
Mortgage bonds/bonds issued by shipping finance institutions/municipal bonds	100% <sup>2</sup>

<sup>1</sup> Maximum position in non-investment grade government bonds: 10%.

<sup>2</sup> Subject to compliance with the risk spreading rules of the Danish Investment Associations, etc. Act.

#### Risk factors

The most significant risks for this fund are foreign exchange risk, interest rate risk and emerging market risk. Risk categories and risks are described in further detail in 7.

#### Measures taken to maintain the fund's risk profile

In addition to the above limitations in relation to type of bond the following limitations will apply to the fund

- At least 50% of assets must be invested in bonds whose issuer as a minimum is rated Aa3 by Moody's / AA- by Standard & Poor's, or invested in cash.
- A maximum of 50% of assets may be invested in bonds whose issuer is rated between Baa3 and A1 by Moody's / BBB- and A+ by Standard & Poor's.
- A maximum of 25% of assets may be invested in a single currency. However a maximum of 50% may be invested in USD and JPY and a maximum of 75% in DKK and EUR.
- A maximum of 25% may be invested in a single country, however up to 50% may be invested in US bonds, Japanese bonds and euro bonds respectively.
- Interest rate exposure is calculated on the basis of the currency in which a given bond is denominated.

Read more about measures to maintain risk in 7.2.

#### Dividends

The fund complies with the requirements of the Danish Tax Assessment Act regarding minimum dividend distribution.

#### Exchanges and markets

The Board of Directors has approved exchanges and markets for investments by the fund in compliance with the guidelines of the Danish FSA. The approved market for this fund, which is listed in Appendix 1 to the Articles of Association of the Investment Fund, is: The market in US government securities conducted by primary dealers regulated by the Federal Reserve Bank of New York.

Other unit class data	Class A	Class B	Class W
SE no	34189285	34189293	35455841
Risk category	4	4	4
Listed on	Nasdaq Copenhagen	Unlisted	Unlisted
Issue and redemption pricing	Dual pricing	Modified single pricing	Dual pricing
Base currency	DKK	EUR	DKK
Denomination	100	10	100
Notification of marketing in	Denmark	Germany, Sweden, Finland and Norway	Denmark
Currency hedging	No	No	No

### 5.1.5. HøjrenteLande Mix KL (Emerging Market Bonds Mix KL)

The fund invests in bonds denominated in foreign currency from international bond markets offering a potential excess return compared with traditional bond markets.

Investments may also be made in similar depositary receipts such as GDNs (Global Depositary Notes), Pass-Through Notes or CLNs (Credit Linked Notes) which represent bonds in which the fund may invest in accordance with its investment policy.

The fund's investments are denominated in foreign currency and may be hedged to DKK or EUR.

The fund is divided into two unit classes.

	Established	ISIN
HøjrenteLande Mix A DKK	14 Feb 2003	DK0016231921
HøjrenteLande Mix W DKK d	13 Jun 2017	DK0060815256

HøjrenteLande Mix KL changed its name to HøjrenteLande Mix A DKK, and HøjrenteLande Mix W DKK d was established in connection with a split on 13 June 2017.

#### The typical investor

The typical investor has an investment horizon of at least 4 years and is looking for a high return and high annual dividends. Investors are expected to know that the fund may experience significant price fluctuations, see "Risk factors".

#### Investment objective, benchmark and assets

The objective is through international diversification to obtain a return that equals or outperforms the return of the fund's benchmark over a four-year period. The fund's benchmark is 50% JP Morgan EMBI Global Diversified hedged to DKK and 50% JP Morgan GBI-EM Global Diversified unhedged to DKK.

	2013	2014	2015	2016	2017
Return (%)					
HøjrenteLande Mix A DKK	(11.00)	4.84	(4.38)	10.63	3.24
HøjrenteLande Mix W DKK d <sup>1</sup>	-	-	-	-	3.59
<i>Benchmark</i>	<i>(9.36)</i>	<i>7.09</i>	<i>(2.29)</i>	<i>10.61</i>	<i>4.70</i>
Assets (DKK 1,000)					
HøjrenteLande Mix A DKK	3,228,703	2,487,395	1,775,970	1,458,184	1,132,606
HøjrenteLande Mix W DKK d	-	-	-	-	42,214
<b>HøjrenteLande Mix KL, total</b>	<b>3,228,703</b>	<b>2,487,395</b>	<b>1,775,970</b>	<b>1,458,184</b>	<b>1,174,820</b>

<sup>1</sup> Return for the period 1 Jan 2017 to 13 Jun 2017 is from HøjrenteLande Mix A DKK.

Investments may be made in bonds that meet the above criteria, subject to the following limitations/additions.

Type of bond	Maximum position
Government bonds/government guaranteed bonds <sup>1</sup>	100%
Quasi-sovereign corporate bonds	30%

<sup>1</sup> Including bank issues where the primary underlying risk is related to government bonds if the issuing bank has been approved by the Board of Directors of the Investment Fund.

#### Risk factors

The most significant risks for this fund are foreign exchange risk, credit risk, interest rate risk, liquidity risk and emerging market risk. Risk categories and risks are described in further detail in 7.

#### Measures taken to maintain the fund's risk profile

In addition to the above limitations in relation to type of bond the following limitations will apply to the fund

- The fund's duration may vary a maximum of +/- 3 years from the benchmark duration.
- The fund's maximum position in non-investment grade bonds is 80% of assets.
- The average portfolio rating must always be B- (Standard & Poor's) or higher.
- A maximum of 20% of assets may be invested in a single currency, apart from EUR. The fund pursues an active currency policy. Consequently the fund may use derivatives to obtain the currency exposure required.

Read more about measures to maintain risk in 7.2.

### Dividends

The minimum payout of the fund is interest income less administrative costs.

### Exchanges and markets

The Board of Directors has approved exchanges and markets for investments by the fund in compliance with the guidelines of the Danish FSA. The approved market for this fund, which is listed in Appendix 1 to the Articles of Association of the Investment Fund, is: Onshore Malaysian Government Securities Market.

Other fund data	Class A	Class W
SE no	35455876	35455686
Risk category	4	4
Listed on	Nasdaq Copenhagen	Unlisted
Issue and redemption pricing	Dual pricing	Dual pricing
Base currency	DKK	DKK
Denomination	100	100
Marketing	Approved for marketing in Denmark. The fund is not marketed in Germany.	Approved for marketing in Denmark. The fund is not marketed in Germany.

### **5.1.6. HøjrenteLande KL (Emerging Market Bonds KL)**

**The fund invests in bonds denominated in foreign currency from international bond markets offering a potential excess return compared with traditional bond markets.**

Investments may also be made in similar depositary receipts such as GDNs (Global Depositary Notes), Pass-Through Notes or CLNs (Credit Linked Notes), which represent bonds in which the fund may invest in accordance with its investment policy. The majority of the fund's investments will be denominated in EUR or hedged to DKK or EUR.

The fund is divided into three unit classes.

	Established	ISIN
HøjrenteLande A DKK	17 Mar 2000	DK0016039654
Emerging Market Bonds B EUR d h	18 Feb 2015	DK0060626281
HøjrenteLande W DKK d h	13 Jun 2017	DK0060814952

Unit class A has the same ISIN as that of the fund before the division into unit classes. Investors in the fund before the division into unit classes are investors in unit class A after the division into unit classes, and the fund's past performance is continued in unit class A.

Unit class W was established in connection with a split of unit class A on 13 June 2017.

### The typical investor

The typical investor has an investment horizon of at least 4 years and is looking for a high return and high annual dividends. Investors are expected to know that the fund may experience significant price fluctuations, see "Risk factors".

### Investment objective, benchmark and assets

The objective is through international diversification to obtain a return that equals or outperforms the return of the benchmark of the unit class over a four-year period. HøjrenteLande A DKK uses the benchmark JP Morgan Emerging Markets Bond Index Global Diversified hedged to DKK. Emerging Market Bonds B EUR d h uses the benchmark JP Morgan Emerging Markets Bond Index Global Diversified hedged to EUR.

	2013	2014	2015	2016	2017
<b>Return (%)</b>					
HøjrenteLande A DKK	(5.41)	4.00	(2.94)	9.00	8.39
Emerging Market Bonds B EUR d h <sup>1</sup>	-	-	(6.75)	9.48	8.42
HøjrenteLande W DKK d <sup>2</sup>	-	-	-	-	8.78
<i>Benchmark</i>	<i>(1.61)</i>	<i>4.72</i>	<i>0.34</i>	<i>8.27</i>	<i>8.08</i>
<i>Benchmark in EUR</i>	<i>(5.58)</i>	<i>7.09</i>	<i>0.74</i>	<i>8.32</i>	<i>8.21</i>
<b>Assets (DKK 1000)</b>					
HøjrenteLande A DKK	-	-	4,257,524	4,333,999	3,107,323
Emerging Market Bonds B EUR d h	-	-	143,664	168,057	156,470
HøjrenteLande W DKK d	-	-	-	-	875,882
<b>HøjrenteLande KL, total</b>	<b>5,245,598</b>	<b>4,871,650</b>	<b>4,401,188</b>	<b>4,502,056</b>	<b>4,139,675</b>

<sup>1</sup> The first return covers the period from 24 Apr 2015 to 31 Dec 2015.

<sup>2</sup> Return for the period 1 Jan 2017 to 13 Jun 2017 is from HøjrenteLande A DKK.

Investments may be made in bonds that meet the above criteria, subject to the following limitations.

Type of bond	Maximum position
Government bonds/government guaranteed bonds <sup>1</sup>	100%
Quasi-sovereign corporate bonds	30%

<sup>1</sup> Including bank issues where the primary underlying risk is related to government bonds if the issuing bank has been approved by the Board of Directors of the Investment Fund.

#### Risk factors

The most significant risks for this fund are foreign exchange risk, credit risk, interest rate risk, liquidity risk and emerging market risk. Risk categories and risks are described in further detail in 7.

#### Measures taken to maintain the fund's risk profile

In addition to the above limitations in relation to type of bond the following limitations will apply to the fund

- The fund's duration may vary a maximum of +/- 2 years from the benchmark duration.
- The fund's maximum position in non-investment grade bonds is 80% of assets.
- The average portfolio rating must always be B- (Standard & Poor's) or higher.
- The currency position in DKK and EUR must make up at least 80 % of assets and, with the exception of DKK and EUR, no currency position may represent more than 10% of the fund's assets. The fund (multi-class) and the individual unit classes may engage in currency hedging.

Read more about measures to maintain risk in 7.2.

#### Dividends

The minimum payout of the fund is interest income less administrative costs.

#### Exchanges and markets

The Board of Directors has approved exchanges and markets for investments by the fund in compliance with the guidelines of the Danish FSA. The approved market for this fund, which is listed in Appendix 1 to the Articles of Association of the Investment Fund, is: Onshore Malaysian Government Securities Market.

Other unit class data	Class A	Class B	Class W
SE no	34189307	34189323	35455817
Risk category	4	4	4
Listed on	Nasdaq Copenhagen	Unlisted	Unlisted
Issue and redemption pricing	Dual pricing	Modified single pricing	Dual pricing
Base currency	DKK	EUR	DKK
Denomination	100	10	100
Notification of marketing in	Denmark	Germany, Sweden, Finland and Norway	Denmark
Currency hedging	Yes – on fund level	Yes – on fund level	Yes – on fund level



### 5.1.7. Virksomhedsobligationer IG KL (Corporate Bonds IG KL)

The fund invests globally in corporate bonds that have a rating corresponding to investment grade. Consequently investments are made in bonds that at the time of investment have a rating of BBB- or higher by Standard & Poor's or a similar rating by another recognised credit rating agency.

Mortgage bonds and government bonds may at times form part of the portfolio. No limits have been laid down as regards in which countries, regions and sectors the fund may make investments.

The fund may use derivatives to hedge risks and to achieve the fund's investment objectives. The use of derivatives is not expected to change the risk profile of the fund.

The fund is divided into two unit classes.

	Established	ISIN
Virksomhedsobligationer IG A DKK	5 Mar 2012	DK0060409266
Virksomhedsobligationer IG W DKK dh	5 Oct 2016	DK0060751501

The initial subscription period of the unit class W is from 3 October 2016 to 4 October 2016, both days included.

Unit class A has the same ISIN as that of the fund before the division into unit classes. Investors in the fund before the division into unit classes are investors in unit class A after the division into unit classes, and the fund's past performance is continued in unit class A.

#### The typical investor

The typical investor has an investment horizon of at least 3 years and is looking for a high degree of diversification across highly-rated corporate bonds to obtain a positive return on the investment. Investors are expected to know that the fund may experience significant price fluctuations, see "Risk factors".

#### Investment objective, benchmark and assets

The objective is to obtain a return that equals or outperforms the return of the fund's benchmark over a three-year period. The fund's benchmark is hedged to DKK and consists of Bank of America Merrill Lynch Global Corporate Index hedged to DKK.

	2013	2014	2015	2016	2017
Return (%)					
Virksomhedsobligationer IG A DKK <sup>1</sup>	0.14	4.14	(1.32)	4.58	3.90
Virksomhedsobligationer IG W DKK dh <sup>2</sup>	-	-	-	(2.02)	4.47
<i>Benchmark</i> <sup>3</sup>	<i>(1.05)</i>	<i>7.83</i>	<i>(1.17)</i>	<i>4.14</i>	<i>3.81</i>
Assets (DKK 1,000)					
Virksomhedsobligationer IG A DKK	1,299,316	1,118,512	1,046,083	914,866	768,798
Virksomhedsobligationer IG W DKK dh	-	-	-	13,228	63,892
<b>Virksomhedsobligationer IG KL, total</b>	<b>1,299,316</b>	<b>1,118,512</b>	<b>1,046,083</b>	<b>928,094</b>	<b>832,690</b>

<sup>1</sup> The first return covers the period from 5 Mar 2012 to 31 Dec 2012.

<sup>2</sup> The first return covers the period from 5 Oct 2016 to 31 Dec 2016.

<sup>3</sup> Benchmark for the period from 5 Mar 2012 to 30 Jun 2015 was composed of 80% Merrill Lynch Global Corporates Non-Financial Index and 20% Merrill Lynch Global Broad Market Financial Index.

#### Risk factors

The most significant risks for this fund are credit risk, interest rate risk and liquidity risk. Risk categories and risks are described in further detail in 7.

#### Measures taken to maintain the fund's risk profile

- The fund invests exclusively in bonds that at the time of investment have a rating of BBB- or higher by Standard & Poor's or a similar rating by another recognised credit rating agency.
- 90% of the fund's investments must be denominated in DKK or EUR or hedged to DKK or EUR.
- Mortgage bonds and government bonds as well as cash may not exceed 20% of the fund's assets.
- The majority of the fund's investments will be denominated in EUR or hedged to DKK or EUR.

Read more about measures to maintain risk in 7.2.

#### Dividends

The fund complies with the requirements of the Danish Tax Assessment Act regarding minimum dividend distribution.

### Exchanges and markets

The Board of Directors has approved exchanges and markets for investments by the fund in compliance with the guidelines of the Danish FSA. The approved markets for this fund, which are listed in Appendix 1 to the Articles of Association of the Investment Fund, are: Unlisted corporate bonds from US markets.

Other unit class data	Class A	Class W
SE no	34197962	34197970
Risk category	3	3
Listed on	Nasdaq Copenhagen	Unlisted
Issue and redemption pricing	Dual pricing	Dual pricing
Base currency	DKK	DKK
Denomination	100	100
Notification of marketing in	Denmark	Denmark
Currency hedging	Yes	Yes

### 5.1.8. Virksomhedsobligationer IG Etik KL (Corporate Bonds IG Ethic KL)

**The fund invests globally in corporate bonds that have a rating corresponding to investment grade. Consequently investments are made in bonds that at the time of investment have a rating of BBB- or higher by Standard & Poor's or a similar rating by another recognised credit rating agency.**

The fund screens companies' activities in selected business areas. These are tobacco, alcohol, gambling, adult entertainment and armaments & firearms as well as fossil fuels (extraction, production, refining, distribution and sale). Issuers that derive more than 5% of their turnover from activities within these business areas will be screened out of the investment universe. The same applies to suppliers of equipment and services within fossil fuels where the turnover is 50%. The fund cannot invest in issuers that do not meet the screening criteria.

Mortgage bonds and government bonds may at times form part of the portfolio. No limits have been laid down as regards in which countries, regions and sectors the fund may make investments.

The fund may use derivatives to hedge risks and to achieve the fund's investment objectives. The use of derivatives is not expected to change the risk profile of the fund.

The fund has one unit class.

	Established	ISIN
Virksomhedsobligationer IG Etik W DKK d h	5 Jul 2017	DK0060853422

### The typical investor

The typical investor has an investment horizon of at least three years and is looking to invest in an ethically sound fund with a high degree of diversification across highly-rated corporate bonds to obtain a positive return on the investment. Investors are expected to know that risk factors, see "Risk factors", may at times lead to significant price fluctuations within the fund.

### Investment objective, benchmark and assets

The objective is to obtain a return that equals or outperforms the return of the fund's benchmark over a three-year period. The fund's benchmark is hedged to DKK and consists of Bank of America Merrill Lynch Global Corporate Index hedged to DKK.

	2013	2014	2015	2016	2017
Return (%)					
Virksomhedsobligationer IG Etik W DKK d h <sup>1</sup>	-	-	-	-	1.68
<i>Benchmark</i>	<i>(1.05)</i>	<i>7.83</i>	<i>(1.17)</i>	<i>4.14</i>	<i>3.81</i>
Assets (DKK 1,000)					
Virksomhedsobligationer IG Etik W DKK d h	-	-	-	-	122,993
<b>Virksomhedsobligationer IG Etik KL, total</b>	-	-	-	-	122,993

<sup>1</sup> The first return covers the period from 5 Jul 2017 to 31 Dec 2017.

### Risk factors

The most significant risks for this fund are credit risk, interest rate risk and liquidity risk. Risk categories and risks are described in further detail in 7.

#### Measures taken to maintain the fund's risk profile

- The fund invests exclusively in bonds that at the time of investment have a rating of BBB- or higher by Standard & Poor's or a similar rating by another recognised credit rating agency.
- 90% of the fund's investments must be denominated in DKK or EUR or hedged to DKK or EUR.
- Mortgage bonds and government bonds as well as cash may not exceed 20% of the fund's assets.
- The majority of the fund's investments will be denominated in EUR or hedged to DKK or EUR.

Read more about measures to maintain risk in 7.2.

#### Dividends

The fund complies with the requirements of the Danish Tax Assessment Act regarding minimum dividend distribution.

#### Exchanges and markets

The Board of Directors has approved exchanges and markets for investments by the fund in compliance with the guidelines of the Danish FSA. The approved markets for this fund, which are listed in Appendix 1 to the Articles of Association of the Investment Fund, are: Unlisted corporate bonds from US markets.

Other unit class data	Class W
SE no	35457720
Risk category	3
Listed on	Unlisted
Issue and redemption pricing	Dual pricing
Base currency	DKK
Denomination	100
Notification of marketing in	Denmark
Currency hedging	Yes

#### **5.1.9. Virksomhedsobligationer HY KL (Corporate Bonds HY KL)**

**The fund invests in corporate bonds with a high expected return (High Yield) denominated in foreign currency from foreign bond markets and in unlisted corporate bonds denominated in foreign currency from US markets. The fund invests predominantly in European corporate bonds.**

Foreign mortgage bonds and government bonds may at times form part of the portfolio.

The fund is divided into two unit classes.

	Established	ISIN
Virksomhedsobligationer HY A DKK	23 May 2001	DK0016098825
Virksomhedsobligationer HY W DKK d h	13 Jun 2017	DK0060815090

Virksomhedsobligationer HY KL changed its name to Virksomhedsobligationer A DKK, and Virksomhedsobligationer HY W DKK d h was established in connection with a split on 13 June 2017.

#### The typical investor

The typical investor has an investment horizon of at least 4 years and is looking for a high degree of diversification across corporate bonds with low credit ratings in order to obtain a high return. Investors are expected to know that the fund may experience significant price fluctuations, see "Risk factors".

#### Investment objective, benchmark and assets

The objective is to obtain a return that equals or outperforms the return of the fund's benchmark over a four-year period. The fund's benchmark is BofA Merrill Lynch Euro HY Index hedged to DKK.

	2013	2014	2015	2016	2017
Return (%)					
Virksomhedsobligationer A DKK	7.00	(2.06)	(4.16)	8.34	4.86
Virksomhedsobligationer W DKK d <sup>2</sup>					5.18
<i>BofA Merrill Lynch Euro HY Index</i> <sup>1</sup>	<i>9.79</i>	<i>5.30</i>	<i>0.22</i>	<i>8.81</i>	<i>6.79</i>
Assets (DKK 1000)					
Virksomhedsobligationer A DKK	3,092,901	2,924,368	2,312,861	1,791,738	1,033,531
Virksomhedsobligationer W DKK d					199,195
<b>Virksomhedsobligationer HY KL</b>	<b>3,092,901</b>	<b>2,924,368</b>	<b>2,312,861</b>	<b>1,791,738</b>	<b>1,232,726</b>

<sup>1</sup> Until 30 Jun 2014 the fund had no benchmark. In the years with no benchmark, return was assessed relative to the following indicative benchmarks: JP Morgan Chase Euro High Yield, JP Morgan Chase Global High Yield and Merrill Lynch Global High Yield.

<sup>2</sup> Return for the period 1 Jan 2017 to 13 Jun 2017 is from Virksomhedsobligationer A DKK.

The fund may invest in bonds within all industries. No limits as regards the allocation of assets by industry have been determined but the fund aims to have satisfactory diversification across many industries. Investments may be made in bonds that meet the above criteria, subject to the following limitations.

Type of bond	Maximum position
Foreign corporate bonds	100% <sup>1</sup>
Foreign government bonds and mortgage bonds	50% <sup>1</sup>

<sup>1</sup> Subject to compliance with the risk spreading rules of the Danish Investment Associations, etc. Act.

#### Risk factors

The most significant risks for this fund are credit risk, interest rate risk and liquidity risk. Risk categories and risks are described in further detail in 7.

#### Measures taken to maintain the fund's risk profile

- Unlisted US corporate bonds are of highly varying quality and therefore the fund invests only in bonds with:
  - an outstanding volume representing at least USD 100m or its equivalent in another currency
  - a credit rating that is higher than CC by Standard & Poor's or Ca by Moody's at the time of acquisition
  - at least two of the internationally leading brokerage firms acting as daily market makers.
- The majority of the fund's investments will be denominated in EUR or hedged to DKK or EUR.
- The aim is to have satisfactory diversification geographically as well as across industries and issuers.
- The average portfolio rating must always be B or higher.
- Currency positions in DKK and EUR must represent at least 90% of assets. Other currency positions may not exceed 10% of assets.

Read more about measures to maintain risk in 7.2.

#### Dividends

The fund complies with the requirements of the Danish Tax Assessment Act regarding minimum dividend distribution.

#### Exchanges and markets

The Board of Directors has approved exchanges and markets for investments by the fund in compliance with the guidelines of the Danish FSA. The approved markets for this fund, which are listed in Appendix 1 to the Articles of Association of the Investment Fund, are: Unlisted corporate bonds from US markets.

Other fund data	Class A	Class W
SE no	35455833	35455825
Risk category	3	3
Listed on	Nasdaq Copenhagen	Nasdaq Copenhagen
Issue and redemption pricing	Dual pricing	Dual pricing
Base currency	DKK	DKK
Denomination	100	100
Notification of marketing in	Denmark	Denmark
Currency hedging	Yes – on fund level	Yes – on fund level

### 5.1.10. Virksomhedsobligationer HY 2019

The fund invests globally in high yield (HY) corporate bonds with short maturities and in unlisted short-term corporate bonds denominated in foreign currency from US markets.

The fund is not divided into classes of units.

	Established	ISIN
Virksomhedsobligationer HY 2019	21 Oct 2015	DK0060681385

#### The typical investor

The typical fund investor prefers to achieve significant diversification by investing globally in short-term corporate bonds to obtain a stable positive return on the investment. The fund will be liquidated as of 31 December 2019 and therefore the typical investor has an investment horizon until the end of 2019.

#### Investment objective, benchmark and assets

The objective is to obtain a return that equals the average return on short-term High Yield corporate bonds after costs.

The fund invests globally in high yield (HY) corporate bonds with short maturities and in unlisted short-term corporate bonds denominated in foreign currency from US markets.

As a rule the investment policy is to pursue a buy and hold strategy that is adapted as much as possible to the fund's date of liquidation on 31 December 2019. At a general meeting the fund's investors may decide on a different date of winding-up or may decide to merge the fund with another fund. Any prepayments etc will be reinvested if possible in similar short-term corporate bonds. Danish mortgage bonds and government bonds may at times form part of the portfolio. Where reinvestment in attractive corporate bonds is not possible, investments may instead be made in Danish government bonds and mortgage bonds with short duration. During the period up to the fund's liquidation they may represent almost the entire portfolio.

The fund's units will be offered on a tap basis up to and including 31 December 2016 after which the issue of new units will be closed.

The fund does not have a benchmark.

	2013	2014	2015	2016	2017
Return (%)					
Virksomhedsobligationer HY 2019 <sup>1</sup>	-	-	-	8.09	1.77
Assets (DKK 1,000)					
Virksomhedsobligationer HY 2019	-	-	-	457,969	386,493

<sup>1</sup> The first return covers the period from 1 Feb 2016 to 31 Dec 2016.

The fund may invest in bonds within all industries. No limits as regards the allocation of assets by industry have been determined but the fund aims to have satisfactory diversification across many industries. Investments may be made in bonds that meet the above criteria, subject to the following limitations.

#### Risk factors

The most significant risks for this fund are credit risk, interest rate risk and liquidity risk. Risk categories and risks are described in further detail in 7.

Specifically as regards this fund there is a risk associated with the date of maturity. The fund will be liquidated on 31 December 2019. The maturity price on this date may be either below or above 100. This may for instance be attributable to the number of bankruptcies of businesses invested in being larger than expected. If so the price may drop below 100. In contrast the price may climb above 100 provided the number of bankruptcies is lower than expected. If on the date of liquidation the fund holds corporate bonds that have been hit by bankruptcy or holds other illiquid assets, the period of liquidation may be extended before final settlement can take place.

#### Measures taken to maintain the fund's risk profile

- Unlisted US corporate bonds are of highly varying quality and therefore the fund invests only in bonds with:
  - an outstanding volume representing at least USD 100m or its equivalent in another currency
  - a credit rating that is higher than CC by Standard & Poor's or Ca by Moody's at the time of acquisition
  - at least two of the internationally leading brokerage firms acting as daily market makers.
- The majority of the fund's investments will be denominated in EUR or hedged to DKK or EUR.
- In connection with establishment, duration may not exceed 4 years. The fund's duration will be longest when the fund is established and subsequently decrease as the fund approaches its date of liquidation.

- In connection with the establishment of the portfolio the average rating must be at least B and no less than two thirds of the corporate bonds must have a rating that is lower than BBB-.
- The fund may invest up to 30% in corporate bonds from emerging markets.
- Currency positions in DKK and EUR must represent at least 90% of assets. Other currency positions may not exceed 10% of assets.

Read more about measures to maintain risk in 7.2.

#### Dividends

The fund is an income fund. The fund is covered by section 3(1)(19) of the Danish Corporation Tax Act and consequently subject to the market-value principle. In connection with distribution of dividends, a dividend tax of 27% will be withheld unless the investor substantiates that a lower rate of dividend tax is to be withheld.

An annual dividend of 3% is distributed. However for the 2016 financial year a proportionate dividend of 2.65% will be paid in connection with the general meeting in 2017.

#### Exchanges and markets

The Board of Directors has approved exchanges and markets for investments by the fund in compliance with the guidelines of the Danish FSA. The approved markets for this fund, which are listed in Appendix 1 to the Articles of Association of the Investment Fund, are: Unlisted corporate bonds from US markets.

The launch date of the fund was 1 February 2016.

Other fund data	
SE no	34194904
Risk category	3
Listed on	Nasdaq Copenhagen
Issue and redemption pricing	Dual pricing
Base currency	DKK
Denomination	100
Notification of marketing in	Denmark
Currency hedging	Yes

#### 5.1.11. Virksomhedsobligationer HY ETIK KL (Corporate Bonds HY Ethic KL)

**The fund invests in high yield (HY) corporate bonds denominated in foreign currency from foreign bond markets and in unlisted corporate bonds denominated in foreign currency from US markets.**

The fund consists of one unit class.

	Established	ISIN
Virksomhedsobligationer HY Etik W DKK d h	24 Feb 2017	DK0060783389

#### The typical investor

Investeringsforeningen Sydinvest, Virksomhedsobligationer HY Etik KL, unit class Virksomhedsobligationer HY Etik W DKK d h receives means from collective investment schemes and investors with individual portfolio management agreements.

The typical investor has an investment horizon of at least 4 years and is looking for a high return in DKK. Investors are expected to know that the fund may experience significant price fluctuations, see "Risk factors".

#### Investment objective, benchmark and assets

The objective is within stipulated risk limits to obtain a return which equals or outperforms the return of BofA Merrill Lynch Euro HY Index hedged to DKK (the fund's benchmark).

	2013	2014	2015	2016	2017
Return (%)					
Virksomhedsobligationer HY Etik W DKK d h <sup>1</sup>					3.44
<i>BofA Merrill Lynch Euro HY Index</i>	9.79	5.30	0.22	8.81	4.91
Assets (DKK 1,000)					
Virksomhedsobligationer HY Etik W DKK d h					97,972

<sup>1</sup> The first return covers the period from 24 Feb 2017 to 31 Dec 2017.

The fund may invest in bonds within all industries. No limits as regards the allocation of assets by industry have been determined but the fund aims to have satisfactory diversification across many industries. Investments may be made in bonds that meet the above criteria, subject to the following limitations.

#### Risk factors

The most significant risks for this fund are credit risk, interest rate risk and liquidity risk. Risk categories and risks are described in further detail in 7.

#### Measures taken to maintain the fund's risk profile

The different types of restrictions are summarised in the table below. The fund may be subject to restrictions that do not appear from the table. Under the law, the fund must spread its investments across several securities.

- Unlisted US corporate bonds are of highly varying quality and therefore the fund invests only in bonds with:
  - an outstanding volume representing at least USD 100m or its equivalent in another currency.
  - a credit rating that is higher than CC by Standard & Poor's or Ca by Moody's at the time of acquisition.
  - at least two of the internationally leading brokerage firms acting as daily market makers.
- The majority of the fund's investments will be denominated in EUR or hedged to DKK or EUR.
- The aim is to have satisfactory diversification geographically as well as across industries and issuers.
- The average portfolio rating must always be B or higher.
- Currency positions in DKK and EUR must represent at least 90% of assets. Other currency positions may not exceed 10% of assets.

**Tracking error:** Risks are continuously managed on the basis of the fund's past price movements relative to overall market developments measured by the fund's benchmark.

**Ethics:** The fund is screened within six business areas. The table indicates the maximum turnover allowed within the various business areas.

Business area	Maximum turnover
Tobacco	
- production	5%
- distribution	5%
Alcohol	5%
Gambling	5%
Adult entertainment	5%
Armaments & Firearms	5%
Fossil fuels (extraction, production, refining, distribution and sale)	5%
Fossil fuels (equipment and service suppliers)	50%

#### Dividends

The fund complies with the requirements of the Danish Tax Assessment Act regarding minimum dividend distribution.

Other unit class data	
SE no	34199973
Risk category	3
Listed on	Unlisted
Issue and redemption pricing	Dual pricing
Base currency	DKK
Denomination	100
Notification of marketing in	Denmark
Currency hedging	Yes

#### **5.1.12. HøjrenteLande Valuta KL (Emerging Market Currency Bonds KL)**

**The fund invests in low duration bonds denominated in foreign currency from international bond markets offering a potential excess return compared with traditional bond markets.**

Investments may also be made in similar depositary receipts such as GDNs (Global Depositary Notes), Pass-Through Notes or CLNs (Credit Linked Notes) which represent bonds in which the fund may invest in accordance with its investment policy.

The fund consists of two unit classes.

	Established	ISIN
HøjrenteLande Valuta A DKK	13 May 2005	DK0016313810
HøjrenteLande Valuta W DKK d	13 Jun 2017	DK0060815926

Unit class A has the same ISIN as that of the fund before the division into unit classes. Investors in the fund before the division into unit classes are investors in unit class A after the division into unit classes, and the fund's past performance is continued in unit class A.

HøjrenteLande Valuta DKK d was established in connection with a split on 13 June 2017.

#### The typical investor

The typical investor has an investment horizon of at least 4 years and is looking for a high return in DKK. Investors are expected to know that the fund may experience significant price fluctuations, see "Risk factors".

#### Investment objective, benchmark and assets

The objective is through international diversification to obtain a return that equals or outperforms the return of the fund's benchmark over a four-year period. The fund's benchmark is JP Morgan Global Bond Index – Emerging Markets Global Diversified unhedged to DKK.

	2013	2014	2015	2016	2017
Return (%)					
HøjrenteLande Valuta A DKK	(10.97)	4.57	(4.47)	10.78	(1.81)
HøjrenteLande Valuta W DKK d <sup>1</sup>					(1.61)
<i>Benchmark</i>	<i>(12.92)</i>	<i>7.16</i>	<i>(5.02)</i>	<i>12.82</i>	<i>1.34</i>
Assets (DKK 1,000)					
HøjrenteLande Valuta A DKK	2,329,450	2,031,252	1,557,528	1,124,531	1,148,553
HøjrenteLande Valuta W DKK d					16,186
<b>HøjrenteLande Valuta KL</b>	<b>2,329,450</b>	<b>2,031,252</b>	<b>1,557,528</b>	<b>1,124,531</b>	<b>1,164,739</b>

<sup>1</sup> Return for the period 1 Jan 2017 to 13 Jun 2017 is from HøjrenteLande Valuta A DKK.

Investments may be made in bonds that meet the above criteria, subject to the following limitations/additions.

Type of bond	Maximum position
Government bonds/government guaranteed bonds <sup>1</sup>	100%
Quasi-sovereign corporate bonds	30%

<sup>1</sup> Including bank issues where the primary underlying risk is related to government bonds if the issuing bank has been approved by the Board of Directors of the Investment Fund.

#### Risk factors

At the time of publishing this prospectus the fund is ranked as risk category 4. The most significant risks for this fund are foreign exchange risk, credit risk, interest rate risk, liquidity risk and emerging market risk. Risk categories and risks are described in further detail in 7.

#### Measures taken to maintain the fund's risk profile

In addition to the above limitations in relation to type of bond the following limitations will apply to the fund

- The fund's duration may not exceed 2 years. The duration of any single instrument may not exceed 3 years, however a maximum of 10% of assets may be invested in bonds with a duration exceeding 3 years.
- The fund's maximum position in non-investment grade bonds is 80% of assets.
- The average portfolio rating must always be B- (Standard & Poor's) or higher.
- A maximum of 20% of assets may be invested in a single currency.
- The fund pursues an active currency policy. Consequently the fund may use derivatives to obtain the currency exposure required.

Read more about measures to maintain risk in 7.2.

#### Dividends

The fund complies with the requirements of the Danish Tax Assessment Act regarding minimum dividend distribution.

#### Exchanges and markets

The Board of Directors has approved exchanges and markets for investments by the fund in compliance with the guidelines of the Danish FSA. The approved market for this fund, which is listed in Appendix 1 to the Articles of Association of the Investment Fund, is: Onshore Malaysian Government Securities Market.



Other unit class data	Class A	Class W
SE no	34192081	35455892
Risk category	4	4
Listed on	Nasdaq Copenhagen	Unlisted
Issue and redemption pricing	Dual pricing	Dual pricing
Base currency	DKK	DKK
Denomination	100	100
Notification of marketing in	Denmark	Denmark
Currency hedging	No	No

### 5.1.13. HøjrenteLande Lokal Valuta KL (EM Local Currency Bonds KL)

The fund invests in bonds denominated in foreign currency from international bond markets. Investments are made where there is a potential excess return compared to traditional bond markets or where the currency is considered to be undervalued.

Investments may also be made in similar depositary receipts such as GDNs (Global Depositary Notes), Pass-Through Notes or CLNs (Credit Linked Notes), which represent bonds in which the fund may invest in accordance with its investment policy.

The fund is divided into three unit classes.

	Established	ISIN
HøjrenteLande Lokal Valuta A DKK	10 Feb 2006	DK0060030872
Emerging Market Local Currency Bonds B EUR d	18 Feb 2015	DK0060626364
HøjrenteLande Lokal Valuta W DKK d	13 Jun 2017	DK0060815330

Unit class A has the same ISIN as that of the fund before the division into unit classes. Investors in the fund before the division into unit classes are investors in unit class A after the division into unit classes, and the fund's past performance is continued in unit class A.

Unit class W was established in connection with a split of unit class A on 13 June 2017.

#### The typical investor

The typical investor has an investment horizon of at least 4 years and is looking for a high return and high annual dividends. Investors are expected to know that the fund may experience significant price fluctuations, see "Risk factors".

#### Investment objective, benchmark and assets

The objective is through international diversification to obtain a return that equals or outperforms the return of the benchmark of the unit class over a four-year period.

HøjrenteLande Lokal Valuta A DKK uses the benchmark JP Morgan Global Bond Index – Emerging Markets Global Diversified unhedged to DKK. Emerging Market Local Currency Bonds B EUR d uses the benchmark JP Morgan Global Bond Index – Emerging Markets Global Diversified unhedged to EUR.

	2013	2014	2015	2016	2017
Return (%)					
HøjrenteLande Lokal Valuta A DKK	(14.20)	6.99	(6.69)	13.21	(0.33)
Emerging Market LC Bonds B EUR d <sup>1</sup>	-	-	(14.2)	13.73	(0.32)
HøjrenteLande Lokal Valuta W DKK <sup>2</sup>					0.07
<i>Benchmark in DKK</i>	<i>(12.92)</i>	<i>7.16</i>	<i>(5.02)</i>	<i>12.82</i>	<i>1.34</i>
<i>Benchmark in EUR</i>	<i>(12.91)</i>	<i>7.37</i>	<i>(5.23)</i>	<i>13.23</i>	<i>1.20</i>
Assets (DKK 1,000)					
HøjrenteLande Lokal Valuta A DKK	-	-	1,072,241	708,149	625,156
Emerging Market LC Bonds B EUR d	-	-	34,093	20,171	23,169
HøjrenteLande Lokal Valuta W DKK					55,073
<b>HøjrenteLande Lokal Valuta KL, total</b>	<b>1,374,427</b>	<b>1,604,830</b>	<b>1,106,334</b>	<b>728,320</b>	<b>703,398</b>

<sup>1</sup> The first return covers the period from 24 Apr 2015 to 31 Dec 2015.

<sup>2</sup> Return for the period 1 Jan 2017 to 13 Jun 2017 is from HøjrenteLande Lokal Valuta A DKK.

Investments may be made in bonds that meet the above criteria, subject to the following limitations/additions.

Type of bond	Maximum position
Government bonds/government guaranteed bonds 1	100%
Quasi-sovereign corporate bonds	30%

<sup>1</sup> Including bank issues where the primary underlying risk is related to government bonds if the issuing bank has been approved by the Board of Directors of the Investment Fund.

#### Risk factors

The most significant risks for this fund are foreign exchange risk, credit risk, interest rate risk, liquidity risk and emerging market risk. Risk categories and risks are described in further detail in 7.

#### Measures taken to maintain the fund's risk profile

In addition to the above limitations in relation to type of bond the following limitations will apply to the fund

- The portfolio's effective duration may not deviate from the benchmark's effective duration by more than 3 years.
- The fund's maximum position in non-investment grade bonds is 80% of assets.
- The average portfolio rating must always be B- (Standard & Poor's) or higher.
- A maximum of 20% of assets may be invested in a single currency.
- The fund pursues an active currency policy. Consequently the fund may use derivatives to obtain the currency exposure required. The fund (multi-class) and the individual unit classes may engage in currency hedging.

Read more about measures to maintain risk in 7.2.

#### Dividends

The fund complies with the requirements of the Danish Tax Assessment Act regarding minimum dividend distribution.

#### Exchanges and markets

The Board of Directors has approved exchanges and markets for investments by the fund in compliance with the guidelines of the Danish FSA. The approved market for this fund, which is listed in Appendix 1 to the Articles of Association of the Investment Fund, is: Onshore Malaysian Government Securities Market.

Other unit class data	Class A	Class B	Class W
SE no	34189331	34189358	35455884
Risk category	4	4	4
Listed on	Nasdaq Copenhagen	Unlisted	Unlisted
Issue and redemption pricing	Dual pricing	Modified single pricing	Dual pricing
Base currency	DKK	EUR	DKK
Denomination	100	EUR 10	100
Notification of marketing in	Denmark	Germany, Sweden, Finland and Norway	Denmark
Currency hedging	No	No	No

## 5.2. Equity funds

### 5.2.1. Verden Ligevægt & Value KL (Global Value Equities KL)

The fund invests globally in shares. Investments may also be made in similar depositary receipts such as American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs).

The fund may invest in Chinese A shares through China Connect.

The fund is divided into two unit classes.

	Established	ISIN
Verden Ligevægt & Value A DKK	16 Nov 1987	DK0010101740
Verden Ligevægt & Value W DKK d	18 Apr 2016	DK0060726909

#### The typical investor

The typical investor has an investment horizon of at least 4 years and is looking for a high degree of diversification across countries, sectors and companies as a good long-term investment opportunity. Investors are expected to know that risk factors, see "Risk factors" below, may at times lead to significant price fluctuations within the fund.

#### Investment objective, benchmark and assets

The objective is to obtain a return that equals or outperforms returns in global share markets over a four-year period while observing the fund's risk limits.

The fund invests globally in shares. Investments are diversified across different countries and industries. The fund's largest investments are in USA and Europe. The fund pursues an equal weight value strategy. The idea behind equal weight is that all equity investments represent roughly the same share in the fund. For instance if the fund has invested in 200 shares, each share will constitute around 0.5% of the fund. When investing according to a value strategy, we select companies that are inexpensively priced based on a number of financial ratios relative to the share price of the companies.

The fund's benchmark is MSCI All Country World Index, including net dividends, unhedged to DKK.

	2013	2014	2015	2016	2017
<b>Return (%)</b>					
Verden Ligevægt & Value A DKK	16.10	15.88	7.26	17.07	4.10
Verden Ligevægt & Value W DKK d <sup>1</sup>	-	-	-	17.46	5.15
<i>Benchmark</i>	<i>17.49</i>	<i>18.39</i>	<i>9.00</i>	<i>10.69</i>	<i>9.04</i>
<b>Assets (DKK 1,000)</b>					
Verden Ligevægt & Value A DKK	406,095	377,805	389,301	705,698	317,719
Verden Ligevægt & Value W DKK d	-	-	-	360,612	1,081,798
<b>Verden Ligevægt &amp; Value KL, total</b>	<b>406,095</b>	<b>377,805</b>	<b>389,301</b>	<b>1,066,310</b>	<b>1,399,589</b>

<sup>1</sup> The first return covers the period from 18 Apr 2016 to 31 Dec 2016.

In the attempt to fulfil the objective, the fund's investments will typically deviate from benchmark.

In recent years region and sector level returns have been affected to varying degrees by cyclical and structural developments. Currently there are no expectations of large differences in the future returns of individual regions and sectors.

#### Risk factors

The most significant risk for this fund is foreign exchange risk. Risk categories and risks are described in further detail in 7.

#### Measures taken to maintain the fund's risk profile

The fund's risks are continuously managed on the basis of the past price movements of the fund relative to overall market developments (tracking error). Read more about measures to maintain risk in 7.2.

#### Dividends

The fund complies with the requirements of the Danish Tax Assessment Act regarding minimum dividend distribution.

<b>Other unit class data</b>	<b>Class A</b>	<b>Class W</b>
SE no	37555630	37555649
Risk category	5	5
Listed on	Nasdaq Copenhagen	Unlisted
Issue and redemption pricing	Dual pricing	Dual pricing
Base currency	DKK	DKK
Denomination	100	DKK 100
Notification of marketing in	Denmark	Denmark
Currency hedging	No	No

### 5.2.2. Verden Etik KL (Global Ethics Equities KL)

**The fund invests globally in shares. Investments may also be made in similar depositary receipts such as American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs).**

The fund may invest in Chinese A shares through China Connect.

The fund has one unit class.

	<b>Established</b>	<b>ISIN</b>
Verden Etik W DKK d	1 Feb 2016	DK0060681468

The fund Verden Etik KL was established on 21 October 2015 and started its activities on 1 February 2016.

### The typical investor

The typical investor has an investment horizon of at least 4 years and is looking for a high degree of diversification across countries, sectors and companies as a good long-term investment opportunity. Investors are expected to know that risk factors, see "Risk factors" below, may at times lead to significant price fluctuations within the fund.

### Investment objective, benchmark and assets

The objective is to obtain a return that equals or outperforms benchmark returns over a four-year period while observing the fund's risk limits.

The fund invests globally in shares. Investments are diversified across different countries and industries. The fund's largest investments are in USA and Europe. The fund pursues an equal weight value strategy. The idea behind equal weight is that all equity investments represent roughly the same share in the fund. For instance if the fund has invested in 100 shares, each share will constitute around 1.0% of the fund. When investing according to a value strategy, we select companies that are inexpensively priced based on a number of financial ratios relative to the share price of the companies.

The fund is screened for corporate activities within the selected business areas: tobacco, alcohol, gambling, adult entertainment and armaments & firearms. Companies that derive more than 5% of their turnover from activities within these business areas will be screened out of the investment universe. The fund cannot invest in companies that do not meet the screening criteria.

No limits have been laid down as regards in which countries, regions and sectors the fund may make investments.

The fund's benchmark is MSCI All Country World Index, including net dividends, unhedged to DKK.

	2013	2014	2015	2016	2017
Return (%)					
Verden Etik W DKK d <sup>1</sup>	-	-	-	23.58	5.61
<i>Benchmark</i>	<i>17.49</i>	<i>18.39</i>	<i>9.00</i>	<i>10.69</i>	<i>9.04</i>
Assets (DKK 1,000)					
Verden Etik W DKK d	-	-	-	184,230	256,089

<sup>1</sup> The first return covers the period from 1 Feb 2016 to 31 Dec 2016.

In the attempt to fulfil the objective, the fund's investments will typically deviate from benchmark.

In recent years region and sector level returns have been affected to varying degrees by cyclical and structural developments. Currently there are no expectations of large differences in the future returns of individual regions and sectors.

The fund will be screened within five business areas. The table indicates the maximum turnover allowed within the various business areas.

Business area	Maximum turnover
Tobacco (production)	5%
Tobacco (distribution)	5%
Alcohol	5%
Gambling	5%
Adult entertainment	5%
Armaments & Firearms	5%
Fossil fuels (extraction, production, refining, distribution and sale)	5%
Fossil fuels (equipment and service suppliers)	50%

### Risk factors

The most significant risk for this fund is foreign exchange risk. Risk categories and risks are described in further detail in 7.

### Measures taken to maintain the fund's risk profile

The fund's risks are continuously managed on the basis of the past price movements of the fund relative to overall market developments (tracking error). Moreover screening is carried out within the above-mentioned business areas. Read more about measures to maintain risk in 7.2.

### Dividends

The fund complies with the requirements of the Danish Tax Assessment Act regarding minimum dividend distribution.

### Securities lending

The fund does not engage in securities lending.

The launch date of the unit class is 1 February 2016.

Other unit class data	Class W
SE no	34194890
Risk category	5
Listed on	Unlisted
Issue and redemption pricing	Dual pricing
Base currency	DKK
Denomination	100
Notification of marketing in	Denmark
Currency hedging	No

### 5.2.3. Danmark KL (Danish Equities KL)

The fund invests in shares in companies which are either domiciled in, admitted to trading on a market in or whose main activity is in Denmark.

The fund is divided into two unit classes.

	Established	ISIN
Danmark A DKK	1 Oct 1985	DK0015298384
Danish Equities B DKK d	4 Mar 2016	DK0060711208
Danmark W DKK d	15 May 2018	DK0061032786

The initial subscription period of Danmark W DKK d was on 11 June 2018 and activities started on 12 June 2018.

#### The typical investor

The typical investor has an investment horizon of at least 4 years and is looking for a high degree of diversification across Danish companies as a good long-term investment opportunity. Investors are expected to know that risk factors, see "Risk factors" below, may at times lead to significant price fluctuations within the fund.

#### Investment objective, benchmark and assets

The objective is to obtain a return that equals or outperforms the return of the fund's benchmark over a four-year period. The fund's benchmark is "OMXC ALL CAP GI" (the capped version of OMXC ALL index, including dividends).

	2013	2014	2015	2016	2017
Return (%)					
Danmark A DKK	37.50	17.68	31.04	(0.87)	11.44
Danish Equities B DKK d <sup>1</sup>				2.14	11.78
Danmark W DKK d <sup>2</sup>					
<i>Benchmark</i>	<i>38.30</i>	<i>17.21</i>	<i>30.83</i>	<i>3.22</i>	<i>16.82</i>
Assets (DKK 1,000)					
Danmark A DKK	-	-	572,048	444,759	390,489
Danish Equities B DKK d	-	-	-	55,486	77,454
Danmark W DKK d	-	-	-	-	-
<b>Danmark KL, total</b>	<b>413,173</b>	<b>466,259</b>	<b>572,048</b>	<b>500,245</b>	<b>469,943</b>

<sup>1</sup> The first return covers the period from 18 Apr 2016 to 31 Dec 2016.

<sup>2</sup> The first return covers the period from 12 Jun 2018 to 31 Dec 2018.

In the attempt to fulfil the objective, the fund's investments will typically deviate from benchmark at sector level.

#### Risk factors

The most significant risks for this fund are country risk and concentration risk. Risk categories and risks are described in further detail in 7.

#### Measures taken to maintain the fund's risk profile

The fund's risks are continuously managed on the basis of the past price movements of the fund relative to overall market developments (tracking error). Read more about measures to maintain risk in 7.2.

#### Dividends

The fund complies with the requirements of the Danish Tax Assessment Act regarding minimum dividend distribution.

Other unit class data	Class A	Class B	Class W
SE no	34196346	34196354	39621290
Risk category	5	5	6
Listed on	Nasdaq Copenhagen	Unlisted	Unlisted
Issue and redemption pricing	Dual pricing	Modified single pricing	Dual pricing
Base currency	DKK	DKK	DKK
Denomination	100	10	100
Notification of marketing in	Denmark	Germany, Sweden, Finland and Norway	Denmark
Currency hedging	No	No	No

#### 5.2.4. SCANDI KL (Scandinavian Equities KL)

The fund invests in shares in companies which are either domiciled in, admitted to trading on a market in or whose main activity is in one of the following countries: Sweden, Finland, Norway, Iceland and Denmark.

The fund is not divided into classes of units.

	Established	ISIN
SCANDI KL	24 Sep 2007	DK0060089332

##### The typical investor

The typical investor has an investment horizon of 4 years and is looking for a high degree of diversification across countries, industries and companies as a good long-term investment opportunity. Investors are expected to know that risk factors, see "Risk factors" below, may at times lead to significant price fluctuations within the fund.

##### Investment objective, benchmark and assets

The objective is to obtain a return that equals or outperforms the return of the fund's benchmark over a four-year period. The fund's benchmark is the capped version of VINX, including net dividends, in DKK.

	2013	2014	2015	2016	2017
Return (%)					
SCANDI KL	20.26	4.95	17.66	6.61	8.71
<i>Benchmark</i> <sup>1</sup>	<i>21.73</i>	<i>9.85</i>	<i>15.12</i>	<i>2.32</i>	<i>10.4</i>
Assets (DKK 1,000)					
SCANDI KL	295,818	256,938	258,570	209,280	212,596

<sup>1</sup> Standard deviation of benchmark return.

In the attempt to fulfil the objective, the fund's investments will typically deviate from benchmark at country and sector levels.

##### Risk factors

The most significant risks for this fund are country risk and foreign exchange risk. Risk categories and risks are described in further detail in 7.

##### Measures taken to maintain the fund's risk profile

The fund's risks are continuously managed on the basis of the past price movements of the fund relative to overall market developments (tracking error). Read more about measures to maintain risk in 7.2.

##### Dividends

The fund complies with the requirements of the Danish Tax Assessment Act regarding minimum dividend distribution.

Other fund data	
SE no	30169131
Risk category	6
Listed on	Nasdaq Copenhagen
Issue and redemption pricing	Dual pricing
Base currency	DKK
Denomination	100
Notification of marketing in	Denmark

## 5.2.5. Europa Ligevægt & Value KL (European Value Equities KL)

The fund invests in shares in companies which are either domiciled in, admitted to trading on a market in or whose main activity is in Europe.

The fund is divided into two unit classes.

	Established	ISIN
Europa Ligevægt & Value A DKK	1 May 1986	DK0015323406
Europa Ligevægt & Value W DKK d	13 Jun 2017	DK0060815686

Europa Ligevægt & Value KL changed its name to Europa Ligevægt & Value A DKK, and Europa Ligevægt & Value W DKK d was established in connection with a split on 13 June 2017.

### The typical investor

The typical investor has an investment horizon of at least 4 years and is looking for a high degree of diversification across countries, industries and companies as a good long-term investment opportunity. Investors are expected to know that risk factors, see "Risk factors" below, may at times lead to significant price fluctuations within the fund.

### Investment objective, benchmark and assets

The objective is to obtain a return that equals or outperforms the return of the fund's benchmark over a four-year period while observing stipulated risk limits.

The fund invests in European shares. Investments are diversified across different industries and companies. The fund pursues an equal weight value strategy. The idea behind equal weight is that all equity investments represent roughly the same share in the fund. For instance if the fund has invested in 100 shares, each share will constitute around 1.0% of the fund. When investing according to a value strategy, we select companies that are inexpensively priced based on a number of financial ratios relative to the share price of the companies. The fund's benchmark is MSCI Europe, including net dividends, unhedged to DKK.

	2013	2014	2015	2016	2017
Return (%)					
Europa Ligevægt & Value A DKK	17.08	2.96	8.34	5.98	9.45
Europa Ligevægt & Value W DKK d <sup>1</sup>					10.02
<i>Benchmark</i>	<i>19.83</i>	<i>6.64</i>	<i>8.46</i>	<i>2.20</i>	<i>10.39</i>
Assets (DKK 1,000)					
Europa Ligevægt & Value A DKK	478,474	771,697	942,261	671,957	439,970
Europa Ligevægt & Value W DKK d					559,605
<b>Europa Ligevægt &amp; Value KL, total</b>	<b>478,474</b>	<b>771,697</b>	<b>942,261</b>	<b>671,957</b>	<b>999,575</b>

<sup>1</sup> Return for the period 1 Jan 2017 to 13 Jun 2017 is from Europa Ligevægt & Value A DKK.

In the attempt to fulfil the objective, the fund's investments will typically deviate from benchmark. In recent years region and sector level returns have been affected to varying degrees by cyclical and structural developments. Currently there are no expectations of large differences in the future returns of individual regions and sectors.

### Risk factors

The most significant risk for this fund is foreign exchange risk. Risk categories and risks are described in further detail in 7.

### Measures taken to maintain the fund's risk profile

The fund's risks are continuously managed on the basis of the past price movements of the fund relative to overall market developments (tracking error). Read more about measures to maintain risk in 7.2.

### Dividends

The fund complies with the requirements of the Danish Tax Assessment Act regarding minimum dividend distribution.

Other fund data	Class A	Class W
SE no	35455922	35455906
Risk category	6	6
Listed on	Nasdaq Copenhagen	Unlisted
Issue and redemption pricing	Dual pricing	Dual pricing
Base currency	DKK	DKK
Denomination	100	100
Notification of marketing in	Denmark	Denmark
Currency hedging	No	No

## 5.2.6. Tyskland KL (German Equities KL)

The fund invests in shares in companies which are either domiciled in, admitted to trading on a market in or whose main activity is in Germany.

The fund has one unit class.

	Established	ISIN
Tyskland A DKK	25 Apr 2006	DK0060033116

Tyskland KL changed its name to Tyskland A DKK on 13 June 2017.

### The typical investor

The typical investor has an investment horizon of at least 4 years and is looking for a high degree of diversification across industries and companies as a good long-term investment opportunity to supplement other investments. Investors are expected to know that risk factors, see "Risk factors" below, may at times lead to significant price fluctuations within the fund.

### Investment objective, benchmark and assets

The objective is to obtain a return that equals or outperforms the return of the fund's benchmark over a four-year period. The fund's benchmark is CDAX Performance Index unhedged to DKK.

	2013	2014	2015	2016	2017
Return (%)					
Tyskland A DKK	23.19	(0.03)	9.47	4.95	14.24
<i>Benchmark<sup>1</sup></i>	<i>25.54</i>	<i>1.95</i>	<i>9.79</i>	<i>5.76</i>	<i>16.13</i>
Assets (DKK 1,000)					
Tyskland KL	987,385	754,558	796,024	663,093	705,249

<sup>1</sup> Until 29 Feb 2016 the fund's benchmark was the capped version of MSCI Germany, incl net dividends, unhedged to DKK.

In the attempt to fulfil the objective, the fund's investments will typically deviate from benchmark at country and sector levels. Moreover the fund may use derivatives on an uncovered basis to increase exposure to the market.

### Risk factors

The most significant risks for this fund are country risk, sector risk and concentration risk. Risk categories and risks are described in further detail in 7. The use of derivatives on an uncovered basis may increase the risk relative to the average market risk.

### Measures taken to maintain the fund's risk profile

The fund's risks are continuously managed on the basis of the past price movements of the fund relative to overall market developments (tracking error). Read more about measures to maintain risk in 7.2.

The exposure to the German equity market through equities and derivatives must represent 80-120%.

### Dividends

The fund complies with the requirements of the Danish Tax Assessment Act regarding minimum dividend distribution.



Other fund data	Class A
SE no	35457631
Risk category	6
Listed on	Nasdaq Copenhagen
Issue and redemption pricing	Dual pricing
Base currency	DKK
Denomination	100
Notification of marketing in	Denmark
Currency hedging	No

### 5.2.7. BRIK KL (BRIC Equities KL)

The fund invests in shares in companies which are either domiciled in, admitted to trading on a market in or whose main activity is in one of the following countries: Brazil, Russia, India and China. Companies admitted to trading in Hong Kong are considered as Chinese.

Investments may also be made in similar depositary receipts such as American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs). The fund may invest in Chinese A shares through China Connect.

The fund is not divided into classes of units.

	Established	ISIN
BRIK KL	30 Apr 2004	DK0010303882

#### The typical investor

The typical investor has an investment horizon of at least 5 years and is looking for a high degree of diversification across companies from BRIC countries as a good long-term investment opportunity. Investors are expected to know that risk factors, see "Risk factors" below, may at times lead to significant price fluctuations within the fund.

#### Investment objective, benchmark and assets

The objective is to obtain a return that equals or outperforms the return of the fund's benchmark over a five-year period while observing stipulated risk limits. The fund's benchmark comprises 25% MSCI country index for each of the countries: Brazil, Russia, India and China, including net dividends.

	2013	2014	2015	2016	2017
Return (%)					
BRIK KL	(11.45)	4.01	(3.04)	26.57	20.41
<i>Benchmark</i>	<i>(7.82)</i>	<i>2.45</i>	<i>(3.11)</i>	<i>31.92</i>	<i>14.45</i>
Assets (DKK 1,000)					
BRIK KL	1,443,942	903,951	586,695	561,691	583,331

In the attempt to fulfil the objective, the fund's investments will typically deviate from benchmark at region and sector levels.

#### Risk factors

The most significant risks for this fund are foreign exchange risk, country risk, emerging market risk and CSR risk. Risk categories and risks are described in further detail in 7.

#### Measures taken to maintain the fund's risk profile

The fund's risks are continuously managed on the basis of the past price movements of the fund relative to overall market developments (tracking error). Read more about measures to maintain risk in 7.2.

#### Dividends

The fund complies with the requirements of the Danish Tax Assessment Act regarding minimum dividend distribution.

Other fund data	
SE no	12143966
Risk category	6
Listed on	Nasdaq Copenhagen
Issue and redemption pricing	Dual pricing
Base currency	DKK
Denomination	100
Notification of marketing in	Denmark
Currency hedging	No

### 5.2.8. Latinamerika KL (Latin America Equities KL)

The fund invests in shares in companies which are either domiciled in, admitted to trading on a market in or whose main activity is in Latin America.

Investments may also be made in similar depositary receipts such as American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs).

The fund is not divided into classes of units.

	Established	ISIN
Latinamerika KL	13 May 1991	DK0010169465

#### The typical investor

The typical investor has an investment horizon of at least 5 years and is looking for a high degree of diversification across Latin American companies as a good long-term investment opportunity. Investors are expected to know that risk factors, see "Risk factors" below, may at times lead to significant price fluctuations within the fund.

#### Investment objective, benchmark and assets

The objective is to obtain a return that equals or outperforms the return of the fund's benchmark over a five-year period. The fund's benchmark is MSCI Latin America, including net dividends.

	2013	2014	2015	2016	2017
Return (%)					
Latinamerika KL	(13.86)	3.03	(13.91)	14.42	2.86
<i>Benchmark</i>	<i>(17.11)</i>	<i>(0.32)</i>	<i>(23.01)</i>	<i>34.47</i>	<i>8.84</i>
Assets (DKK 1,000)					
Latinamerika KL	602,038	361,689	199,685	212,329	257,298

In the attempt to fulfil the objective, the fund's investments will typically deviate from benchmark at region and sector levels. In recent years region and sector level returns have been affected to varying degrees by cyclical and structural developments. Currently there are no expectations of large differences in the future returns of individual regions and sectors.

#### Risk factors

The most significant risks for this fund are foreign exchange risk, country risk, emerging market risk and CSR risk. Risk categories and risks are described in further detail in 7.

#### Measures taken to maintain the fund's risk profile

The fund's risks are continuously managed on the basis of the past price movements of the fund relative to overall market developments (tracking error). Read more about measures to maintain risk in 7.2.

#### Dividends

The fund complies with the requirements of the Danish Tax Assessment Act regarding minimum dividend distribution.

Other fund data	
SE no	14914587
Risk category	6
Listed on	Nasdaq Copenhagen
Issue and redemption pricing	Dual pricing
Denomination	DKK
Base currency	100
Notification of marketing in	Denmark
Currency hedging	No

### 5.2.9. Fjernøsten KL (Far East Equities KL)

The fund invests in shares in companies which are either domiciled in, admitted to trading on a market in or whose main activity is in Asia excluding Japan. Investments may also be made in similar depositary receipts such as American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs).

The fund may invest in Chinese A shares through China Connect.

The fund is divided into two unit classes.

	Established	ISIN
Fjernøsten A DKK	13 May 1991	DK0010169549
Fjernøsten W DKK d	13 Jun 2017	DK0060815769

Fjernøsten KL changed its name to Fjernøsten A DKK, and Fjernøsten W DKK d was established in connection with a split on 13 June 2017.

#### The typical investor

The typical investor has an investment horizon of at least 5 years and is looking for a high degree of diversification across Far Eastern companies as a good long-term investment opportunity. Investors are expected to know that risk factors, see "Risk factors" below, may at times lead to significant price fluctuations within the fund.

#### Investment objective, benchmark and assets

The objective is to obtain a return that equals or outperforms the return of the fund's benchmark over a five-year period while observing stipulated risk limits. The fund's benchmark is MSCI AC ASIA excluding Japan, including net dividends, unhedged to DKK.

	2013	2014	2015	2016	2017
Return (%)					
Fjernøsten A DKK	1.29	23.57	3.25	3.04	25.01
Fjernøsten W DKK d <sup>2</sup>					25.65
<i>Benchmark</i> <sup>1</sup>	<i>(0.73)</i>	<i>17.70</i>	<i>1.40</i>	<i>8.20</i>	<i>24.65</i>
Assets (DKK 1,000)					
Fjernøsten A DKK	2,437,014	2,775,001	2,764,799	2,698,235	2,518,858
Fjernøsten W DKK d					77,962
<b>Fjernøsten KL, total</b>	<b>2,437,014</b>	<b>2,775,001</b>	<b>2,764,799</b>	<b>2,698,235</b>	<b>2,596,820</b>

<sup>1</sup> As of 1 Sep 2014 the fund changed its benchmark from MSCI Far East (ex Japan), incl net dividends, unhedged to DKK.

<sup>2</sup> Return for the period 1 Jan 2017 to 13 Jun 2017 is from Fjernøsten A DKK.

In the attempt to fulfil the objective, the fund's investments will typically deviate from benchmark at region and sector levels.

#### Risk factors

The most significant risks for this fund are foreign exchange risk, country risk, emerging market risk and CSR risk. Risk categories and risks are described in further detail in 7.

#### Measures taken to maintain the fund's risk profile

The fund's risks are continuously managed on the basis of the past price movements of the fund relative to overall market developments (tracking error). The fund may not invest in shares in Japanese companies and such shares are not included in the fund's benchmark. Read more about measures to maintain risk in 7.2.

### Dividends

The fund complies with the requirements of the Danish Tax Assessment Act regarding minimum dividend distribution.

Other unit class data	Class A	Class W
SE no	35455949	35455930
Risk category	6	6
Listed on	Nasdaq Copenhagen	Unlisted
Issue and redemption pricing	Dual pricing	Dual pricing
Base currency	DKK	DKK
Denomination	100	100
Notification of marketing in	Denmark	Denmark
Currency hedging	No	No

### 5.2.10. USA Ligevægt & Value KL (American Value Equities KL)

The fund invests in shares in companies which are either domiciled in, admitted to trading on a market in or whose main activity is in USA.

The fund is divided into two unit classes.

	Established	ISIN
USA Ligevægt & Value A DKK	31 Oct 2000	DK0010270776
USA Ligevægt & Value W DKK d	9 Dec 2016	DK0060774982

The initial subscription period of the unit class W is on 15 December 2016.

Unit class A has the same ISIN as that of the fund before the division into unit classes. Investors in the fund before the division into unit classes are investors in unit class A after the division into unit classes, and the fund's past performance is continued in unit class A.

### The typical investor

The typical investor has an investment horizon of at least 4 years and is looking to diversify across sectors and companies as a good long-term investment opportunity. Investors are expected to know that risk factors, see "Risk factors" below, may at times lead to significant price fluctuations within the fund.

### Investment objective, benchmark and assets

The objective is to obtain a return that equals or outperforms returns in US share markets over a four-year period.

The fund invests in North American shares. Investments are diversified across different industries and companies. The fund pursues an equal weight value strategy. The idea behind equal weight is that all equity investments represent roughly the same share in the fund. For instance if the fund has invested in 100 shares, each share will constitute around 1.0% of the fund. When investing according to a value strategy, we select companies that are inexpensively priced based on a number of financial ratios relative to the share price of the companies. The fund's benchmark is MSCI USA, including net dividends, unhedged to DKK.

	2013	2014	2015	2016	2017
Return (%)					
USA Ligevægt & Value A DKK	27.23	26.61	11.48	20.58	2.55
USA Ligevægt & Value W DKK d <sup>1</sup>				(2.72)	3.56
<i>Benchmark</i>	<i>26.09</i>	<i>28.09</i>	<i>12.40</i>	<i>13.80</i>	<i>6.59</i>
Assets (DKK 1,000)					
USA Ligevægt & Value A DKK	330,414	357,442	331,800	459,582	349,037
USA Ligevægt & Value W DKK d	-	-	-	93,969	249,133
<b>USA Ligevægt &amp; Value KL, total</b>	<b>330,414</b>	<b>357,442</b>	<b>331,800</b>	<b>553,551</b>	<b>598,170</b>

<sup>1</sup> The first return covers the period from 16 Dec 2016 to 31 Dec 2016.

In the attempt to fulfil the objective, the fund's investments will typically deviate from benchmark.

### Risk factors

The most significant risks for this fund are foreign exchange risk and country risk. Risk categories and risks are described in further detail in 7.

#### Measures taken to maintain the fund's risk profile

The fund's risks are continuously managed on the basis of the past price movements of the fund relative to overall market developments (tracking error). Read more about measures to maintain risk in 7.2.

#### Dividends

The fund complies with the requirements of the Danish Tax Assessment Act regarding minimum dividend distribution.

Other unit class data	Class A	Class W
SE no	34199434	34199442
Risk category	5	5
Listed on	Nasdaq Copenhagen	Unlisted
Issue and redemption pricing	Dual pricing	Dual pricing
Base currency	DKK	DKK
Denomination	100	100
Notification of marketing in	Denmark	Denmark
Currency hedging	No	No

#### 5.2.11. Globale EM-aktier KL (Global EM Equities KL)

The fund invests globally in shares in companies which are either domiciled in, admitted to trading on a market in or whose main activity is in Emerging Markets or Frontier Markets, ie countries with a significant growth potential. The fund may invest up to 10% of its assets in developed markets. Investments may also be made in similar depositary receipts such as American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs).

Investments may also be made in similar depositary receipts such as American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs). The fund may invest in Chinese A shares through China Connect.

The fund is divided into two unit classes.

	Established	ISIN
Globale EM-aktier A DKK	30 Sep 2013	DK0060499663
Globale EM-aktier W DKK d	13 Jun 2017	DK0060815843

Globale EM-aktier KL changed its name to Globale EM-aktier A DKK, and Globale EM-aktier W DKK d was established in connection with a split on 13 June 2017.

#### The typical investor

The typical investor has an investment horizon of at least 5 years and is looking for a high degree of diversification across emerging and frontier markets. In addition the typical investor is looking for a good long-term investment opportunity. Investors are expected to know that risk factors, see "Risk factors" below, may at times lead to significant price fluctuations within the fund.

#### Investment objective, benchmark and assets

The objective is to obtain a return that equals or outperforms the return of the fund's benchmark over a five-year period while observing stipulated risk limits. The fund's benchmark is MSCI Emerging + Frontier Markets Index unhedged to DKK. In the attempt to fulfil the objective, the fund's investments will typically deviate from benchmark at country and sector levels and in terms of individual equities.

	2013	2014	2015	2016	2017
Return (%)					
Globale EM-aktier A DKK <sup>1</sup>	3.66	15.61	(2.18)	8.69	26.35
Globale EM-aktier W DKK d <sup>2</sup>					26.95
<i>Benchmark</i>	<i>0.22</i>	<i>11.64</i>	<i>(5.00)</i>	<i>13.88</i>	<i>20.63</i>
Assets (DKK 1,000)					
Globale EM-aktier A DKK	295,357	541,252	471,026	389,409	362,745
Globale EM-aktier W DKK d					107,425
<b>Globale EM-aktier KL, total</b>	<b>295,357</b>	<b>541,252</b>	<b>471,026</b>	<b>389,409</b>	<b>470,170</b>

<sup>1</sup> The first return covers the period from 30 Sep 2013 to 31 Dec 2013.

<sup>2</sup> Return for the period 1 Jan 2017 to 13 Jun 2017 is from Globale EM-aktier A DKK.

#### Risk factors

The most significant risks for this fund are foreign exchange risk, liquidity risk, emerging market risk and CSR risk. Risk categories and risks are described in further detail in 7.

#### Measures taken to maintain the fund's risk profile

The fund's risks are continuously managed on the basis of the past price movements of the fund relative to overall market developments (tracking error). Read more about measures to maintain risk in 7.2.

#### Dividends

The fund complies with the requirements of the Danish Tax Assessment Act regarding minimum dividend distribution.

#### Exchanges and markets

The Board of Directors has approved exchanges and markets for investments by the fund in compliance with the guidelines of the Danish FSA. The approved markets for this fund, which are listed in Appendix 1 to the Articles of Association of the Investment Fund, are: Nigerian Stock Exchange, Doha Securities Market (Qatar), Nairobi Securities Exchange (Kenya), Kuwait Stock Exchange, Dubai Financial Markets and Dubai International Financial Exchange.

Other unit class data	Class A	Class W
SE no	35455965	35455957
Risk category	6	6
Listed on	Nasdaq Copenhagen	Unlisted
Issue and redemption pricing	Dual pricing	Dual pricing
Base currency	DKK	DKK
Denomination	100	100
Notification of marketing in	Denmark	Denmark
Currency hedging	No	No

## 6. Accumulation funds

### 6.1. Accumulation bond funds

#### 6.1.1. Mellemlange Obligationer Akkumulerende KL (Danish Bonds Acc KL)

**The fund invests in bonds admitted to trading on a market in Denmark or on a market located in an EU/EEA country and the bonds must be denominated in DKK.**

The fund is divided into three unit classes.

	Established	ISIN
Mellemlange Obligationer A DKK Akk	7 Jan 2015	DK0060585156
Danish Bonds B DKK Acc	18 May 2016	DK0060738672
Mellemlange Obligationer W DKK Akk	13 Jun 2017	DK0060853851

Unit class A has the same ISIN as that of the fund before the division into unit classes. The above launch date is the date of establishment of the fund which was initially launched without unit classes. Investors in the fund before the division into unit classes are investors in unit class A after the division into unit classes, and the fund's past performance is continued in unit class A.

Unit class B was established by merging unit class B of Dannebrog KL with an empty unit class B of the fund Mellemlange Obligationer Akkumulerende KL on 29 August 2016.

Unit class W was established on 13 June 2017.

#### The typical investor

The typical investor has an investment horizon of at least 3 years and wishes to obtain a stable return on investments in Danish bonds. Investors are expected to know that the risk factors mentioned in 7 may lead to significant price fluctuations within the fund.

#### Investment objective, benchmark and assets

The objective is to obtain a return that equals or outperforms the return of the fund's benchmark over a three-year period.

The fund's benchmark is 50% Nordea Constant Maturity 3 Year Government Bond Index and 50% Nordea Constant Maturity 5 Year Government Bond Index. Consequently the benchmark duration is close to 4 years. Information about the challenges of selecting a benchmark for Danish bond funds is available under "3. Important issues" above.

	2013	2014	2015	2016	2017
<b>Return (%)</b>					
Mellemlange Obligationer A DKK Akk <sup>1</sup>	-	-	(1.05)	3.09	1.73
Danish Bonds B DKK Acc	0.20	3.68	(0.87)	3.02	1.80
Mellemlange Obligationer W DKK Akk <sup>2</sup>					1.00
<i>Benchmark</i> <sup>3</sup>	<i>(1.24)</i>	<i>4.25</i>	<i>0.19</i>	<i>1.64</i>	<i>(0.15)</i>
<b>Assets (DKK 1,000)</b>					
Mellemlange Obligationer Akk A	-	-	-	1,580,926	893,814
Danish Bonds B DKK Acc	222,430	249,033	98,744	90,701	94,114
Mellemlange Obligationer W DKK Akk					456,595
<b>Mellemlange Obligationer Akk KL, total</b>	<b>222,430</b>	<b>249,033</b>	<b>98,744</b>	<b>1,671,627</b>	<b>1,444,523</b>

<sup>1</sup> The first return covers the period from 7 Jan 2015 to 31 Dec 2015.

<sup>2</sup> The first return covers the period from 13 Jun 2017 to 31 Dec 2017.

<sup>3</sup> During the period from 7 Jan 2015 to 31 Mar 2015 the benchmark was JPMorgan Denmark 3 Y TR Index Level Local Currency and 50% JPMorgan Denmark 5 Y TR Index Level Local Currency.

Investments may be made in all types of bonds in DKK in accordance with the Danish Investment Associations, etc. Act.

#### Risk factors

The most significant risks for this fund are country risk, credit risk and interest rate risk. Risk categories and risks are described in further detail in 7.

#### Measures taken to maintain the fund's risk profile

- The benchmark duration will at all times be close to four years.
- The fund's effective duration may vary from 3 to 5 years.

Read more about measures to maintain risk in 7.2.

<b>Other unit class data</b>	<b>Class A</b>	<b>Class B</b>	<b>Class W</b>
SE no	37609803	37609811	35457607
Risk category	2	2	2
Listed on	Nasdaq Copenhagen	Unlisted	Unlisted
Issue and redemption pricing	Dual pricing	Modified single pricing	Dual pricing
Base currency	DKK	DKK	DKK
Denomination	100	10	100
Notification of marketing in	Denmark	Germany, Sweden, Finland and Norway	Denmark
Currency hedging	No	No	No

### **6.1.2. International Akkumulerende KL (International Bonds Acc KL)**

#### **The fund invests globally in bonds.**

The fund has one unit class.

	<b>Established</b>	<b>ISIN</b>
International Bonds B EUR Acc	16 Jun 2015	DK0060647014

#### The typical investor

The typical investor has an investment horizon of at least 3 years and is looking for a high return. The typical investor is expected to know that international interest rate and exchange rate fluctuations may at times lead to medium-sized fluctuations in the fund's assets.

#### Investment objective, benchmark and assets

The objective is through international diversification to obtain a return that equals or outperforms the return of the benchmark of the unit class over a three-year period. International Bonds B EUR Acc uses Barclays Global Aggregate Treasures 1-3 year in EUR as from 17 May 2018. The previous benchmark was JP Morgan Global Government in EUR.

The past performance of unit class B originates from ISI International Bonds of Investeringsforeningen Sydinvest International, which will be merged into unit class B on 21 September 2015.

	2013	2014	2015	2016	2017
Return (%)					
International Bonds B EUR Acc	(4.25)	10.40	3.74	(1.72)	(6.92)
Benchmark in EUR	(8.19)	14.61	8.11	4.43	(5.70)
Assets (DKK 1,000)					
International Bonds B EUR Acc	-	-	83,379	64,744	49,375

The fund invests globally in bonds listed on authorized markets, see above, subject to the following limitations.

Type of bond	Maximum position
Government bonds/government guaranteed bonds <sup>1</sup>	100%
Mortgage bonds/bonds issued by shipping finance institutions/municipal bonds <sup>2</sup>	100%

<sup>1</sup> Maximum position in non-investment grade government bonds: 10%.

<sup>2</sup> Maximum position in non-investment grade corporate bonds: 10%.

#### Risk factors

The most significant risks for this fund are foreign exchange risk, interest rate risk and emerging market risk. Risk categories and risks are described in further detail in 7.

#### Measures taken to maintain the fund's risk profile

In addition to the above limitations in relation to type of bond the following limitations will apply to the fund

- At least 50% of assets must be invested in bonds whose issuer as a minimum is rated Aa3 by Moody's / AA- by Standard & Poor's, or invested in cash.
- A maximum of 50% of assets may be invested in bonds whose issuer is rated between Baa3 and A1 by Moody's / BBB- and A+ by Standard & Poor's.
- A maximum of 25% of assets may be invested in a single currency. However a maximum of 50% may be invested in USD and JPY and a maximum of 75% in DKK and EUR.
- Interest rate exposure is calculated on the basis of the currency in which a given bond is denominated.
- A maximum of 25% may be invested in a single country, however up to 50% may be invested in US bonds, Japanese bonds and euro bonds respectively.

Read more about measures to maintain risk in 7.2.

#### Exchanges and markets

The Board of Directors has approved exchanges and markets for investments by the fund in compliance with the guidelines of the Danish FSA. The approved market for this fund, which is listed in Appendix 1 to the Articles of Association of the Investment Fund, is: The market in US government securities conducted by primary dealers regulated by the Federal Reserve Bank of New York.

The launch date of the unit class is 21 September 2015.

Other unit class data	Class B
SE no	34192243
Risk category	4
Listed on	Unlisted
Issue and redemption pricing	Modified single pricing
Base currency	EUR
Denomination	10
Notification of marketing in	Germany, Sweden, Finland and Norway
Currency hedging	No

### 6.1.3. HøjrenteLande Akkumulerende KL (Emerging Market Bonds Acc KL)

The fund invests in bonds denominated in foreign currency from international bond markets offering a potential excess return compared with traditional bond markets. The majority of the fund's investments will be denominated in or hedged to DKK or EUR.



Investments may also be made in similar depositary receipts such as GDNs (Global Depositary Notes), Pass-Through Notes or CLNs (Credit Linked Notes) which represent bonds in which the fund may invest in accordance with its investment policy.

The fund is divided into four unit classes.

	Established	ISIN
HøjrenteLande A DKK Akk	18 Nov 2005	DK0060012979
Emerging Market Bonds B EUR Acc h	16 Jun 2015	DK0060646206
Emerging Markets Bonds I EUR Acc h	16 Jun 2015	DK0060646396
HøjrenteLande W DKK Acc h	16 Jun 2015	DK0060646479

Unit class A has the same ISIN as that of the fund before the division into unit classes. Investors in the fund before the division into unit classes are investors in unit class A after the division into unit classes, and the fund's past performance is continued in unit class A.

The past performance of unit class B originates from the entire fund ISI Emerging Market Bonds of Investeringsforeningen Sydinvest International being merged into unit class B on 21 September 2015.

The past performance of unit class I originates from the entire fund Bonds of Investeringsforeningen Sydinvest Emerging Markets being merged into unit class I on 21 September 2015.

#### The typical investor

The typical investor has an investment horizon of at least 4 years and is looking for a high return. Investors are expected to know that the above factors, see "Risk factors", may at times lead to significant price fluctuations within the fund.

#### Investment objective, benchmark and assets

The objective is through international diversification to obtain a return that equals or outperforms the return of the benchmark of the unit class over a four-year period. The benchmark of unit classes A and W is JP Morgan Emerging Markets Bond Index Global Diversified hedged to DKK. The benchmark of unit classes B and I EUR is JP Morgan Emerging Markets Bond Index Global Diversified hedged to EUR.

	2013	2014	2015	2016	2017
Return (%)					
HøjrenteLande A DKK Akk	(5.64)	3.86	(2.79)	8.76	8.39
EM Bonds B EUR Acc h	(5.93)	4.19	(2.01)	8.97	8.63
EM Bonds I EUR Acc h	(5.25)	4.37	(2.13)	9.84	9.17
HøjrenteLande W DKK Acc h <sup>1</sup>	-	-	(0.28)	9.35	8.78
<i>Benchmark hedged to DKK</i>	<i>(5.78)</i>	<i>6.91</i>	<i>0.24</i>	<i>8.27</i>	<i>8.08</i>
<i>Benchmark hedged to EUR</i>	<i>(5.58)</i>	<i>7.09</i>	<i>0.74</i>	<i>8.32</i>	<i>8.21</i>
Assets (DKK 1,000)					
HøjrenteLande A DKK Akk	698,355	623,851	642,516	763,386	634,335
EM Bonds B EUR Acc h	-	-	113,960	125,971	127,054
EM Bonds I EUR Acc h	-	-	404,485	442,668	476,266
HøjrenteLande W DKK Acc h	-	-	82,658	302,309	591,192
<b>HøjrenteLande Akk KL, total</b>	<b>698,355</b>	<b>623,851</b>	<b>1,310,480</b>	<b>1,690,421</b>	<b>1,828,847</b>

<sup>1</sup> The first return covers the period from 25 Aug to 31 Dec 2015.

Investments may be made in bonds that meet the above criteria, subject to the following limitations.

Type of bond	Maximum position
Government bonds/government guaranteed bonds <sup>1</sup>	100%
Quasi-sovereign corporate bonds	30%

<sup>1</sup> Including bank issues where the primary underlying risk is related to government bonds if the issuing bank has been approved by the Board of Directors of the Investment Fund.

#### Risk factors

The most significant risks for this fund are credit risk, interest rate risk, liquidity risk and emerging market risk. Risk categories and risks are described in further detail in 7.

#### Measures taken to maintain the fund's risk profile

In addition to the above limitations in relation to type of bond the following limitations will apply to the fund.

- The fund's duration may vary a maximum of +/- 2 years from the benchmark duration.

- The fund's maximum position in non-investment grade bonds is 80% of assets.
- The average portfolio rating must always be B- (Standard & Poor's) or higher.
- The currency position in DKK and EUR must make up at least 80% of assets and, with the exception of DKK and EUR, no currency position may represent more than 10% of the assets of the unit class.
- The fund (multi-class) and the individual unit classes may engage in currency hedging.

Read more about measures to maintain risk in 7.2.

#### Exchanges and markets

The Board of Directors has approved exchanges and markets for investments by the fund in compliance with the guidelines of the Danish FSA. The approved market for this fund, which is listed in Appendix 1 to the Articles of Association of the Investment Fund, is: Onshore Malaysian Government Securities Market.

Other unit class data	Class A DKK	Class B EUR Acc h
SE no	34192146	34192154
Risk category	4	4
Listed on	Nasdaq Copenhagen	Unlisted
Issue and redemption pricing	Dual pricing	Modified single pricing
Base currency	DKK	EUR
Denomination	100	10
Notification of marketing in	Denmark	Germany, Sweden, Finland and Norway
Currency hedging	Yes	Yes

Other unit class data	Class I EUR Acc h	Class W DKK Acc h
SE no	34192162	34192170
Risk category	4	4
Listed on	Unlisted	Unlisted
Issue and redemption pricing	Dual pricing	Dual pricing
Base currency	EUR	DKK
Denomination	1,000	DKK 100
Notification of marketing in	Germany and Finland	Denmark
Currency hedging	Yes	Yes

#### **6.1.4. HøjrenteLande Lokal Valuta Akkumulerende KL (EM Local Currency Bonds Acc KL)**

**The fund invests in bonds denominated in foreign currency from international bond markets. Investments are made where there is a potential excess return compared to traditional bond markets or where the currency is considered to be undervalued.**

Investments may also be made in similar depositary receipts such as GDNs (Global Depositary Notes), Pass-Through Notes or CLNs (Credit Linked Notes), which represent bonds in which the fund may invest in accordance with its investment policy.

The fund is divided into three unit classes.

	Established	ISIN
Emerging Market Local Currency Bonds B EUR Acc	16 Jun 2015	DK0060646552
Emerging Market Local Currency Bonds I EUR Acc	16 Jun 2015	DK0060646636
HøjrenteLande Lokal Valuta W DKK Acc	9 Dec 2015	DK0060646719

The past performance of unit class B originates from the entire fund ISI Emerging Market Local Currency Bonds of Investeringsforeningen Sydinvest International being merged into unit class B on 21 September 2015.

The past performance of unit class I originates from the entire fund Local Currency Bonds of Investeringsforeningen Sydinvest Emerging Markets being merged into unit class I on 21 September 2015.

#### The typical investor

The typical investor has an investment horizon of at least 4 years and is looking for a high return. Investors are expected to know that the fund may experience significant price fluctuations, see "Risk factors".

#### Investment objective, benchmark and assets

The objective is through international diversification to obtain a return that equals or outperforms the return of the benchmark of the unit class over a four-year period.

The benchmark of unit classes A and W is JP Morgan Global Bond Index – Emerging Markets Global Diversified unhedged to DKK. The benchmark of unit classes B and I is JP Morgan Global Bond Index – Emerging Markets Global Diversified unhedged to EUR.

	2013	2014	2015	2016	2017
<b>Return (%)</b>					
HøjrenteLande Lokal Valuta W DKK Acc	-	-	(1.22)	13.71	0.42
EM Local Currency Bonds B EUR Acc	(14.85)	6.73	(7.37)	13.36	(0.24)
EM Local Currency Bonds I EUR Acc	(14.72)	7.24	(6.36)	13.95	0.31
<i>Benchmark in DKK</i>	<i>(12.92)</i>	<i>7.16</i>	<i>(5.02)</i>	<i>12.82</i>	<i>1.34</i>
<i>Benchmark in EUR</i>	<i>(12.91)</i>	<i>7.37</i>	<i>(5.23)</i>	<i>13.23</i>	<i>1.20</i>
<b>Assets (DKK 1,000)</b>					
HøjrenteLande Lokal Valuta W DKK Acc	-	-	7,924	8,996	55,506
EM Local Currency Bonds B EUR Acc	-	-	62,837	46,158	42,241
EM Local Currency Bonds I EUR Acc	-	-	2,159,941	3,164,374	2,434,463
<b>Højrente Lokal Valuta Akk KL, total</b>	<b>-</b>	<b>-</b>	<b>2,230,702</b>	<b>3,219,528</b>	<b>2,532,210</b>

Investments may be made in bonds that meet the above criteria, subject to the following limitations/additions.

Type of bond	Maximum position
Government bonds/government guaranteed bonds <sup>1</sup>	100%
Quasi-sovereign corporate bonds	30%

<sup>1</sup> Including bank issues where the primary underlying risk is related to government bonds if the issuing bank has been approved by the Board of Directors of the Investment Fund.

#### Risk factors

The most significant risks for this fund are foreign exchange risk, credit risk, interest rate risk, liquidity risk and emerging market risk. Risk categories and risks are described in further detail in 7.

#### Measures taken to maintain the fund's risk profile

In addition to the above limitations in relation to type of bond the following limitations will apply to the fund.

- The portfolio's effective duration may not deviate from the benchmark's effective duration by more than 3 years.
- The fund's maximum position in non-investment grade bonds is 80% of assets.
- The average portfolio rating must always be B- (Standard & Poor's) or higher.
- A maximum of 20% of assets may be invested in a single currency.
- The fund pursues an active currency policy. Consequently the fund may use derivatives to obtain the currency exposure required. The fund (multi-class) and the individual unit classes may engage in currency hedging.

Read more about measures to maintain risk in 7.2.

#### Exchanges and markets

The Board of Directors has approved exchanges and markets for investments by the fund in compliance with the guidelines of the Danish FSA. The approved market for this fund, which is listed in Appendix 1 to the Articles of Association of the Investment Fund, is: Onshore Malaysian Government Securities Market.

Other unit class data	Class B	Class I	Class W
SE no	34192189	34192197	34192200
Risk category	4	4	4
Listed on	Unlisted	Unlisted	Unlisted
Issue and redemption pricing	Modified single pricing	Dual pricing	Dual pricing
Base currency	EUR	EUR	DKK
Denomination	EUR 10	EUR 1,000	DKK 100
Notification of marketing in	Germany, Sweden, Finland and Norway	Germany and Finland	Denmark
Currency hedging	No	No	No

### 6.1.5. HøjrenteLande Korte Obligationer Akkumulerende KL (EM Bonds Short Duration Acc KL)

The fund invests in bonds denominated in foreign currency from international bond markets which have been accepted for listing or trading on a market approved by the Danish FSA or which are considered by the Investment Fund to adhere to the guidelines of the Danish FSA, cf Appendix 1 of the Articles of Association.

Investments may also be made in similar depositary receipts such as GDNs (Global Depositary Notes), Pass-Through Notes or CLNs (Credit Linked Notes), which represent bonds in which the fund may invest in accordance with its investment policy.

The fund is divided into two unit classes.

	Established	ISIN
HøjrenteLande Korte Obligationer A DKK Akk	31 May 2010	DK0060227908
HøjrenteLande Korte Obligationer W DKK Acc h	5 Oct 2016	DK0060751261

The initial subscription period of the unit class W is from 3 October 2016 to 4 October 2016, both days included.

Unit class A has the same ISIN as that of the fund before the division into unit classes. Investors in the fund before the division into unit classes are investors in unit class A after the division into unit classes, and the fund's past performance is continued in unit class A.

#### The typical investor

The typical fund investor is looking to achieve a stable return and has an investment horizon of at least 4 years. Moreover the typical investor has considerable knowledge of the financial markets.

#### Investment objective, benchmark and assets

The objective is through international diversification to obtain a return which equals or outperforms the return on 3-month CIBOR + 2 percentage points. The fund does not have a benchmark.

	2013	2014	2015	2016	2017
Return (%)					
HøjrenteLande korte Obligationer A DKK Akk <sup>1</sup>	1.13	0.28	(2.13)	3.02	4.62
HøjrenteLande Korte Obligationer W DKK Acc h <sup>2</sup>	-	-	-	(1.35)	5.37
Assets (DKK 1,000)					
HøjrenteLande korte Obligationer A DKK Akk	581,600	474,950	308,931	551,078	571,580
HøjrenteLande Korte Obligationer W DKK Acc h	-	-	-	54,268	108,160
<b>HøjrenteLande korte Obligationer Akk, total</b>	<b>581,600</b>	<b>474,950</b>	<b>308,931</b>	<b>605,346</b>	<b>679,740</b>

<sup>1</sup> Until 30 October 2015 the fund followed a Long/Short strategy based on emerging market bonds.

<sup>2</sup> The first return covers the period from 5 Oct 2016 to 31 Dec 2016.

Investments may be made in bonds that meet the above criteria, subject to the following limitations.

Type of bond	Maximum position
Government bonds/government guaranteed bonds <sup>1</sup>	100%
Quasi-sovereign corporate bonds	30%

<sup>1</sup> Including bank issues where the primary underlying risk is related to government bonds if the issuing bank has been approved by the Board of Directors of the Investment Fund.

#### Risk factors

The most significant risks for this fund are foreign exchange risk, credit risk, interest rate risk, liquidity risk and emerging market risk. Risk categories and risks are described in further detail in 7.

#### Measures taken to maintain the fund's risk profile

In addition to the above limitations in relation to type of bond, the following will apply:

- The average portfolio rating must always be B- (Standard & Poor's) or higher.
- The fund's maximum position in non-investment grade bonds is 80% of assets.
- The currency position in DKK and EUR must make up at least 75% of assets and, with the exception of DKK and EUR, no currency position may represent more than 20% of the fund's assets.
- The average portfolio rating must always be B- (Standard & Poor's) or higher.
- The fund's average duration may not exceed 4 years.

Read more about measures to maintain risk in 7.2.

### Exchanges and markets

The Board of Directors has approved exchanges and markets for investments by the fund in compliance with the guidelines of the Danish FSA. The approved market for this fund, which is listed in Appendix 1 to the Articles of Association of the Investment Fund, is: Onshore Malaysian Government Securities Market.

Other unit class data	Class A	Class W
SE no	34197989	34197997
Risk category	3	3
Listed on	Nasdaq Copenhagen	Unlisted
Issue and redemption pricing	Dual pricing	Dual pricing
Base currency	DKK	DKK
Denomination	DKK 100	100
Marketing	Denmark	Denmark
Currency hedging	Yes	Yes

### 6.1.6. Virksomhedsobligationer HY Akkumulerende KL (Corporate Bonds HY Acc KL)

The fund invests in corporate bonds with a high expected return (High Yield) denominated in foreign currency from foreign bond markets and in unlisted corporate bonds denominated in foreign currency from US markets. Foreign mortgage bonds and government bonds may at times form part of the portfolio. The fund invests predominantly in European corporate bonds.

The fund is divided into two unit classes.

	Established	ISIN
Virksomhedsobligationer HY A DKK Akk	24 Sep 2007	DK0060089415
Virksomhedsobligationer HY W DKK Acc h	16 Jun 2015	DK0060646982

Unit class A has the same ISIN as that of the fund before the division into unit classes. Investors in the fund before the division into unit classes are investors in unit class A after the division into unit classes, and the fund's past performance is continued in unit class A.

### The typical investor

The typical investor has an investment horizon of 4 years and is looking for a high degree of diversification across bonds issued by companies as a good long-term investment opportunity. Investors are expected to know that risk factors, see "Risk factors" below, may at times lead to significant price fluctuations within the fund.

### Investment objective, benchmark and assets

The objective is to obtain a return that equals or outperforms the return of the fund's benchmark over a four-year period. The aim is to have satisfactory diversification geographically as well as across industries and issuers.

The fund's benchmark is BofA Merrill Lynch Euro HY Index hedged to DKK.

	2013	2014	2015	2016	2017
Return (%)					
Virksomhedsobligationer HY A DKK Akk	6.71	(1.20)	(2.65)	8.04	4.87
Virksomhedsobligationer HY W DKK Acc h <sup>1</sup>	-	-	(1.20)	8.78	5.60
<i>BofA Merrill Lynch Euro HY Index</i> <sup>2</sup>	<i>9.79</i>	<i>5.30</i>	<i>0.22</i>	<i>8.81</i>	<i>6.79</i>
Assets (DKK 1,000)					
Virksomhedsobligationer HY A DKK Akk	329,662	494,692	443,998	418,733	315,300
Virksomhedsobligationer HY W DKK Acc h	-	-	93,331	329,088	538,788
<b>Virksomhedsobligationer HY Akk KL, total</b>	<b>329,662</b>	<b>494,692</b>	<b>537,329</b>	<b>747,821</b>	<b>854,088</b>

<sup>1</sup> The first return covers the period from 25 Aug to 31 Dec 2015.

<sup>2</sup> Up until 30 Jun 2014 the fund had no benchmark. In the years with no benchmark, return was assessed relative to the following indicative benchmarks: JP Morgan Chase Euro High Yield, JP Morgan Chase Global High Yield and Merrill Lynch Global High Yield.

The fund may invest in bonds within all industries. No limits as regards the allocation of assets by industry have been determined but the fund aims to have an even diversification across many industries.

Investments may be made in bonds that meet the above criteria, subject to the following limitations.

Type of bond	Maximum position
Foreign corporate bonds	100%
Foreign government bonds/government guaranteed bonds	50%
Foreign mortgage bonds/bonds issued by shipping finance institutions/municipal bonds	50%

#### Risk factors

The most significant risks for this fund are credit risk, interest rate risk and liquidity risk. Risk categories and risks are described in further detail in 7.

#### Measures taken to maintain the fund's risk profile

- Unlisted US corporate bonds are of highly varying quality and therefore the fund invests only in bonds with:
  - an outstanding volume representing at least USD 100m or its equivalent in another currency
  - a credit rating that is higher than CC by Standard & Poor's or Ca by Moody's at the time of acquisition
  - at least two of the internationally leading brokerage firms acting as daily market makers.
- The majority of the fund's investments will be denominated in EUR or hedged to DKK or EUR.
- The average portfolio rating must always be B or higher.
- Currency positions in DKK and EUR must represent at least 90% of assets. Other currency positions may not exceed 10% of assets.

Read more about measures to maintain risk in 7.2.

#### Exchanges and markets

The Board of Directors has approved exchanges and markets for investments by the fund in compliance with the guidelines of the Danish FSA. The approved markets for this fund, which are listed in Appendix 1 to the Articles of Association of the Investment Fund, are: Unlisted corporate bonds from US markets.

Other unit class data	Class A	Class W
SE no	34192227	34192235
Risk category	3	3
Listed on	Nasdaq Copenhagen	Unlisted
Issue and redemption pricing	Dual pricing	Dual pricing
Base currency	DKK	DKK
Denomination	100	100
Notification of marketing in	Denmark	Denmark
Currency hedging	Yes	Yes

## 6.2. Accumulation equity funds

### 6.2.1. Verden Ligevægt & Value Akkumulerende KL (Global Value Equities Acc KL)

The fund invests globally in shares.

Investments may also be made in similar depositary receipts such as American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs). The fund may invest in Chinese A shares through China Connect.

The fund has three unit classes.

	Established	ISIN
Verden Ligevægt & Value A DKK Akk	21 Oct 2015	DK0060669091
Global Value Equities B EUR Acc	16 Jun 2015	DK0060647600
Verden Ligevægt & Value W DKK Acc	5 Oct 2016	DK0060751428

The initial subscription period of the unit class W is from 3 October 2016 to 4 October 2016, both days included.

Unit class A was established through the merger of the whole fund Aktie & ObligationsMix of Kapitalforeningen Sydinvest Hedge into the empty unit class A on 23 November 2015. The past performance of unit class B originates from the entire fund ISI Global Value Equities of Investeringsforeningen Sydinvest International being merged into the empty unit class B on 21 September 2015.

#### The typical investor

The typical investor has an investment horizon of at least 4 years and is looking for a high degree of diversification across countries, sectors and companies as a good long-term investment opportunity. Investors are expected to know that risk factors, see "Risk factors" below, may at times lead to significant price fluctuations within the fund.

#### Investment objective, benchmark and assets

The objective is to obtain a return that equals or outperforms returns in global equity markets over a four-year period while observing the fund's risk limits.

The fund invests globally in shares. Investments are diversified across different countries and industries. The fund's largest investments are in USA and Europe. The fund pursues an equal weight value strategy. The idea behind equal weight is that all equity investments represent roughly the same share in the fund. For instance if the fund has invested in 200 shares, each share will constitute around 0.5% of the fund. When investing according to a value strategy, we select companies that are inexpensively priced based on a number of financial ratios relative to the share price of the companies.

The benchmark for unit classes A and W is MSCI All Country World Index, including net dividends, unhedged to DKK. The benchmark for unit class B is MSCI All Country World Index, including net dividends, unhedged to EUR.

	2013	2014	2015	2016	2017
Return (%)					
Verden Ligevægt & Value A DKK Akk <sup>1</sup>	-	-	(4.88)	16.83	3.84
Global Value Equities B EUR Acc	15.92	16.52	6.75	17.70	4.22
Verden Ligevægt & Value W DKK Acc <sup>2</sup>	-	-	-	10.71	4.94
<i>Benchmark unhedged to DKK</i>	<i>17.49</i>	<i>18.39</i>	<i>9.00</i>	<i>10.69</i>	<i>9.04</i>
<i>Benchmark unhedged to EUR</i>	<i>17.49</i>	<i>18.61</i>	<i>8.76</i>	<i>11.09</i>	<i>8.89</i>
Assets (DKK 1,000)					
Verden Ligevægt & Value A DKK Akk	-	-	30,305	220,738	133,518
Global Value Equities B EUR Acc	-	-	33,615	76,627	109,075
Verden Ligevægt & Value W DKK Acc	-	-	-	11,932	150,663
<b>Verden ligevægt &amp; Value Akk KL, total</b>	<b>-</b>	<b>-</b>	<b>63,920</b>	<b>309,297</b>	<b>393,256</b>

<sup>1</sup> The first return covers the period from 23 Nov to 31 Dec 2015.

<sup>2</sup> The first return covers the period from 5 Oct to 31 Dec 2016.

In the attempt to fulfil the objective, the fund's investments will typically deviate from benchmark.

In recent years region and sector level returns have been affected to varying degrees by cyclical and structural developments. Currently there are no expectations of large differences in the future returns of individual regions and sectors.

### Risk factors

The most significant risk for this fund is foreign exchange risk. Risk categories and risks are described in further detail in 7.

### Measures taken to maintain the fund's risk profile

The fund's risks are continuously managed on the basis of the past price movements of the fund relative to overall market developments (tracking error). Read more about measures to maintain risk in 7.2.

Other unit class data	Class A	Class B	Class W
SE no	34193916	34192332	34197954
Risk category	5	5	5
Listed on	Nasdaq Copenhagen	Unlisted	Unlisted
Issue and redemption pricing	Dual pricing	Modified single pricing	Dual pricing
Base currency	DKK	EUR	DKK
Denomination	100	10	100
Notification of marketing in	Denmark	Germany, Sweden, Finland and Norway	Denmark
Currency hedging	No	No	No

## 6.2.2. Europa Ligevægt & Value Akkumulerende KL (European Value Equities Acc KL)

The fund invests in shares in companies which are either domiciled in, admitted to trading on a market in or whose main activity is in Europe.

The fund has one unit class.

	Established	ISIN
Europa Ligevægt & Value W DKK Acc	29 Aug 2016	DK0060751345

The initial subscription period of the unit class W is from 3 October 2016 to 4 October 2016, both days included.

### The typical investor

The typical investor has an investment horizon of at least 4 years and is looking for a high degree of diversification across countries, industries and companies as a good long-term investment opportunity. Investors are expected to know that risk factors, see "Risk factors" below, may at times lead to significant price fluctuations within the fund.

### Investment objective, benchmark and assets

The objective is to obtain a return that equals or outperforms the return of the fund's benchmark over a four-year period while observing stipulated risk limits.

The fund invests in European shares. Investments are diversified across different industries and companies. The fund pursues an equal weight value strategy. The idea behind equal weight is that all equity investments represent roughly the same share in the fund. For instance if the fund has invested in 100 shares, each share will constitute around 1.0% of the fund. When investing according to a value strategy, we select companies that are inexpensively priced based on a number of financial ratios relative to the share price of the companies. The fund's benchmark is MSCI Europe, including net dividends, unhedged to DKK.

	2013	2014	2015	2016	2017
Return (%)					
Europa Ligevægt & Value W DKK Akk. <sup>1</sup>	-	-	-	6.39	9.83
<i>Benchmark</i>	<i>19.83</i>	<i>6.64</i>	<i>8.46</i>	<i>2.20</i>	<i>10.39</i>
Assets (DKK 1,000)					
Europa Ligevægt & Value W DKK Akk.	-	-	-	28,860	125,060

<sup>1</sup> The first return covers the period from 5 Oct 2016 to 31 Dec 2016.

In the attempt to fulfil the objective, the fund's investments will typically deviate from benchmark. In recent years region and sector level returns have been affected to varying degrees by cyclical and structural developments. Currently there are no expectations of large differences in the future returns of individual regions and sectors.

### Risk factors

The most significant risk for this fund is foreign exchange risk. Risk categories and risks are described in further detail in 7.



#### Measures taken to maintain the fund's risk profile

The fund's risks are continuously managed on the basis of the past price movements of the fund relative to overall market developments (tracking error). Read more about measures to maintain risk in 7.2.

Other unit class data	Class W
SE no	34197946
Risk category	6
Listed on	Unlisted
Issue and redemption pricing	Dual pricing
Base currency	DKK
Denomination	DKK 100
Notification of marketing in	Denmark

### 6.2.3. BRIK Akkumulerende KL (BRIC Equities Acc KL)

The fund invests in shares in companies which are either domiciled in, admitted to trading on a market in or whose main activity is in one of the following countries: Brazil, Russia, India and China. Companies admitted to trading in Hong Kong are considered as Chinese.

Investments may also be made in similar depositary receipts such as American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs). The fund may invest in Chinese A shares through China Connect.

The fund is divided into two unit classes.

	Established	ISIN
BRIK A DKK Akk	18 Nov 2005	DK0060013001
BRIK W DKK Akk	13 Jun 2017	DK0060854073

BRIK Akkumulerende KL changed its name to BRIK A DKK Akk, and BRIK W DKK Akk was established on 13 June 2017.

#### The typical investor

The typical investor has an investment horizon of at least 5 years and is looking for a high degree of diversification across companies from BRIC countries as a good long-term investment opportunity to supplement other investments. Investors are expected to know that risk factors, see "Risk factors" below, may at times lead to significant price fluctuations within the fund.

#### Investment objective, benchmark and assets

The objective is to obtain a return that equals or outperforms the return of the fund's benchmark over a five-year period while observing stipulated risk limits. The fund's benchmark comprises 25% MSCI country index for each of the countries: Brazil, Russia, India and China, including net dividends, unhedged to DKK.

	2013	2014	2015	2016	2017
Return (%)					
BRIK A DKK Akk	(10.96)	4.37	(2.52)	24.64	20.30
BRIK W DKK Akk <sup>1</sup>					15.82
<i>Benchmark</i>	<i>(7.82)</i>	<i>2.45</i>	<i>(3.11)</i>	<i>31.92</i>	<i>14.45</i>
Assets (DKK 1,000)					
BRIK A DKK Akk	485,466	338,104	262,173	297,189	309,811
BRIK W DKK Akk					6,741
<b>BRIK Akk, total</b>	<b>485,466</b>	<b>338,104</b>	<b>262,173</b>	<b>297,189</b>	<b>316,552</b>

<sup>1</sup> The first return covers the period from 13 Jun 2017 to 31 Dec 2017.

In the attempt to fulfil the objective, the fund's investments will typically deviate from benchmark at region and sector levels.

In recent years region and sector level returns have been affected to varying degrees by cyclical and structural developments. Currently there are no expectations of large differences in the future returns of individual regions and sectors.

#### Risk factors

The most significant risks for this fund are foreign exchange risk, country risk, emerging market risk and CSR risk. Risk categories and risks are described in further detail in 7.

#### Measures taken to maintain the fund's risk profile

The fund's risks are continuously managed on the basis of the past price movements of the fund relative to overall market developments (tracking error). Read more about measures to maintain risk in 7.2.

Other fund data	Class A	Class W
SE no	35457658	35457623
Risk category	6	6
Listed on	Nasdaq Copenhagen	Unlisted
Issue and redemption pricing	Dual pricing	Dual pricing
Base currency	DKK	DKK
Denomination	DKK 100	DKK 100
Notification of marketing in	Denmark	Denmark
Currency hedging	No	No

#### 6.2.4. Latinamerika Akkumulerende KL (Latin America Equities Acc KL)

The fund invests in shares in companies which are either domiciled in, admitted to trading on a market in or whose main activity is in Latin America.

Investments may also be made in similar depositary receipts such as American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs).

The fund has one unit class.

	Established	ISIN
Latin America Equities B EUR Acc	16 Jun 2015	DK0060647873

The past performance of unit class B originates from the entire fund ISI Latin America Equities of Investeringsforeningen Sydinvest International being merged into unit class B on 21 September 2015.

#### The typical investor

The typical investor has an investment horizon of at least 5 years and is looking for a high degree of diversification across Latin American companies as a good long-term investment opportunity. Investors are expected to know that risk factors, see "Risk factors" below, may at times lead to significant price fluctuations within the fund.

#### Investment objective, benchmark and assets

The objective is to obtain a return that equals or outperforms the return of the fund's benchmark over a five-year period.

Unit class B uses the benchmark MSCI Latin America, including net dividends, unhedged to EUR.

	2013	2014	2015	2016	2017
Return (%)					
Latin America Equities B EUR Acc	(13.44)	2.94	(13.73)	15.06	3.06
Benchmark unhedged to EUR	(17.10)	(0.13)	(23.18)	34.96	8.69
Assets (DKK 1,000)					
Latin America Equities B EUR Acc	-	-	64,584	63,520	57,275

In the attempt to fulfil the objective, the fund's investments will typically deviate from benchmark at region and sector levels.

In recent years region and sector level returns have been affected to varying degrees by cyclical and structural developments. Currently there are no expectations of large differences in the future returns of individual regions and sectors.

#### Risk factors

The most significant risks for this fund are foreign exchange risk, country risk, emerging market risk and CSR risk. Risk categories and risks are described in further detail in 7.

#### Measures taken to maintain the fund's risk profile

The fund's risks are continuously managed on the basis of the past price movements of the fund relative to overall market developments (tracking error). Read more about measures to maintain risk in 7.2.

Other unit class data	Class B
SE no	34192340
Risk category	6
Listed on	Unlisted
Issue and redemption pricing	Modified single pricing
Base currency	EUR
Denomination	10
Notification of marketing in	Germany, Sweden, Finland and Norway
Currency hedging	No

### 6.2.5. Fjernøsten Akkumulerende KL (Far East Equities Acc KL)

The fund invests in shares in companies which are either domiciled in, admitted to trading on a market in or whose main activity is in Asia excluding Japan.

Investments may also be made in similar depositary receipts such as American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs). The fund may invest in Chinese A shares through China Connect.

The fund is divided into three unit classes.

	Established	ISIN
Fjernøsten A DKK Akk	24 May 2006	DK0060036994
Far East Equities B EUR Acc	16 Jun 2015	DK0060647287
Fjernøsten W DKK Acc	16 Jun 2015	DK0060647360

Unit class A has the same ISIN as that of the fund before the division into unit classes. Investors in the fund before the division into unit classes are investors in unit class A after the division into unit classes, and the fund's past performance is continued in unit class A.

The past performance of unit class B originates from the entire fund ISI Far East Equities of Investeringsforeningen Sydinvest International being merged into unit class B on 21 September 2015.

#### The typical investor

The typical investor has an investment horizon of at least 5 years and is looking for a high degree of diversification across Far Eastern companies as a good long-term investment opportunity to supplement other investments. Investors are expected to know that risk factors, see "Risk factors" below, may at times lead to significant price fluctuations within the fund.

#### Investment objective, benchmark and assets

The objective is to obtain a return that equals or outperforms the return of the fund's benchmark over a five-year period.

Unit classes A and W use the benchmark MSCI AC ASIA excluding Japan, including net dividends, unhedged to DKK. Unit class B uses the benchmark MSCI AC, ASIA excluding Japan, including net dividends, unhedged to EUR.

	2013	2014	2015	2016	2017
Return (%)					
Fjernøsten A DKK Akk	0.74	23.58	2.63	3.12	24.41
Far East Equities B EUR Acc	0.34	24.13	2.22	3.64	24.56
Fjernøsten W DKK Acc <sup>3</sup>	-	-	8.21	3.91	25.55
<i>Benchmark unhedged to DKK <sup>1</sup></i>	<i>(0.73)</i>	<i>17.70</i>	<i>1.40</i>	<i>8.20</i>	<i>24.65</i>
<i>Benchmark unhedged to EUR <sup>2</sup></i>	<i>(0.72)</i>	<i>17.92</i>	<i>1.18</i>	<i>8.60</i>	<i>24.48</i>
Assets (DKK 1,000)					
Fjernøsten A DKK Akk	266,260	301,725	316,293	311,516	329,643
Far East Equities B EUR Acc	-	-	310,736	300,071	342,448
Fjernøsten W DKK Acc	-	-	60,272	96,208	190,411
<b>Fjernøsten Akk, total</b>	<b>266,260</b>	<b>301,725</b>	<b>687,301</b>	<b>707,795</b>	<b>862,502</b>

<sup>1</sup> As of 1 Sep 2014 the unit class changed its benchmark from MSCI Far East (excl Japan), incl net dividends, unhedged to DKK.

<sup>2</sup> As of 1 Sep 2014 the unit class changed its benchmark from MSCI Far East (excl Japan), incl net dividends, unhedged to EUR.

<sup>3</sup> The first return covers the period from 25 Aug to 31 Dec 2015.

In the attempt to fulfil the objective, the fund's investments will typically deviate from benchmark at region and sector levels.

In recent years region and sector level returns have been affected to varying degrees by cyclical and structural developments. Currently there are no expectations of large differences in the future returns of individual regions and sectors.

#### Risk factors

The most significant risks for this fund are foreign exchange risk, country risk, emerging market risk and CSR risk. Risk categories and risks are described in further detail in 7.

#### Measures taken to maintain the fund's risk profile

The fund's risks are continuously managed on the basis of the past price movements of the fund relative to overall market developments (tracking error). The fund may not invest in shares in Japanese companies and such shares are not included in the fund's benchmark. Read more about measures to maintain risk in 7.2.

Other unit class data	Class A	Class B	Class W
SE no	34192251	34192278	34192286
Risk category	6	6	6
Listed on	Nasdaq Copenhagen	Unlisted	Unlisted
Issue and redemption pricing	Dual pricing	Modified single pricing	Dual pricing
Base currency	DKK	EUR	DKK
Denomination	100	10	100
Notification of marketing in	Denmark	Germany, Sweden, Finland and Norway	Denmark
Currency hedging	No	No	No

### 6.2.6. Globale EM-aktier Akkumulerende KL (Global EM Equities Acc KL)

The fund invests globally in shares in companies which are either domiciled in, admitted to trading on a market in or whose main activity is in Emerging Markets or Frontier Markets, ie countries with a significant growth potential. The fund may invest up to 10% of its assets in developed markets.

Investments may also be made in similar depositary receipts such as American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs). The fund may invest in Chinese A shares through China Connect.

The fund is divided into three unit classes.

	Established	ISIN
Globale EM-aktier A DKK Akk	30 Sep 2013	DK0060499747
Global EM Equities B EUR Acc	16 Jun 2015	DK0060647444
Globale EM-aktier W DKK Acc	16 Jun 2015	DK0060647527

Unit class A has the same ISIN as that of the fund before the division into unit classes. Investors in the fund before the division into unit classes are investors in unit class A after the division into unit classes, and the fund's past performance is continued in unit class A.

The past performance of unit class B originates from the entire fund ISI Global EM Equities of Investeringsforeningen Sydinvest International being merged into unit class B on 21 September 2015.

#### The typical investor

The typical investor has an investment horizon of at least 5 years and is looking for a high degree of diversification across companies from emerging and frontier markets. In addition the typical investor is looking for a good long-term investment opportunity to supplement other investments. Investors are expected to know that risk factors, see "Risk factors" below, may at times lead to significant price fluctuations within the fund.

#### Investment objective, benchmark and assets

The objective is to obtain a return that equals or outperforms the return of the fund's benchmark over a five-year period while observing stipulated risk limits.

Unit classes A, C and W use the benchmark MSCI Emerging + Frontier Markets Index unhedged to DKK. Unit class B uses the benchmark MSCI Emerging + Frontier Markets Index unhedged to EUR.

In the attempt to fulfil the objective, investments will typically deviate from benchmark at country and sector levels and in terms of individual equities.

	2013	2014	2015	2016	2017
<b>Return (%)</b>					
Globale EM-aktier A DKK Akk <sup>1</sup>	3.60	15.75	(2.16)	9.04	25.89
Global EM-Equities B EUR Acc <sup>2</sup>	(11.46)	13.78	(3.20)	9.52	26.08
Globale EM-aktier W DKK Acc <sup>3</sup>	-	-	7.95	9.69	27.07
<i>Benchmark unhedged to DKK</i>	<i>0.22</i>	<i>11.64</i>	<i>(5.00)</i>	<i>13.88</i>	<i>20.63</i>
<i>Benchmark unhedged to EUR <sup>2</sup></i>	<i>(7.82)</i>	<i>11.20</i>	<i>(5.21)</i>	<i>14.30</i>	<i>20.47</i>
<b>Assets (DKK 1,000)</b>					
Globale EM-aktier A DKK Akk	92,694	240,676	205,640	196,627	179,763
Global EM Equities B EUR Acc	-	-	102,978	96,695	106,495
Globale EM-aktier W DKK Acc	-	-	10,633	38,589	230,641
<b>Globale EM-aktier AKK, total</b>	<b>92,694</b>	<b>240,676</b>	<b>319,251</b>	<b>331,911</b>	<b>516,899</b>

<sup>1</sup> The first return covers the period from 30 Sep 2013 to 31 Dec 2013.

<sup>2</sup> As of 1 Sep 2014 the unit class changed its investment strategy as well as its benchmark.

<sup>3</sup> The first return covers the period from 25 Aug to 31 Dec 2015.

#### Risk factors

The most significant risks for this fund are foreign exchange risk, liquidity risk, emerging market risk and CSR risk. Risk categories and risks are described in further detail in 7.

#### Measures taken to maintain the fund's risk profile

The fund's risks are continuously managed on the basis of the past price movements of the fund relative to overall market developments (tracking error). Read more about measures to maintain risk in 7.2.

#### Exchanges and markets

The Board of Directors has approved exchanges and markets for investments by the fund in compliance with the guidelines of the Danish FSA. The approved markets for this fund, which are listed in Appendix 1 to the Articles of Association of the Investment Fund, are: Nigerian Stock Exchange, Doha Securities Market (Qatar), Nairobi Securities Exchange (Kenya), Kuwait Stock Exchange, Dubai Financial Markets and Dubai International Financial Exchange.

<b>Other unit class data</b>	<b>Class A</b>	<b>Class B</b>	<b>Class W</b>
SE no	34192294	34192308	34192324
Risk category	6	6	6
Listed on	Nasdaq Copenhagen	Unlisted	Unlisted
Issue and redemption pricing	Dual pricing	Modified single pricing	Dual pricing
Base currency	DKK	EUR	DKK
Denomination	100	10	DKK 100
Notification of marketing in	Denmark	Germany, Sweden, Finland and Norway	Denmark
Currency hedging	No	No	No

## 7. Risks for individual funds

As in the case of any investment, investments in fund units entail a risk of loss for investors. The return on a fund investment may be positive or negative and will often be either higher or lower than expected. The risk associated with funds and unit classes is rated on a scale from 1 to 7 where risk category 1 represents a low risk and risk category 7 represents a high risk. Risk category 1 is not risk-free.

The ranking on the risk scale is determined by fluctuations in return over the past five years. Large fluctuations will result in a high ranking on the risk scale and small fluctuations will result in a low ranking. However it should be noted that the historical data that forms the basis of the ranking in a risk category does not necessarily give a true view of the future risk profile.

If a fund or unit class has not existed for five years, the available historical data is combined with a relevant representative portfolio or a portfolio with an asset allocation equivalent to the objective of the fund or a benchmark covering the period for which the fund does not have historical data. The size of the annual average return fluctuations can be converted to a ranking in a risk category as shown in the table below:

Risk category	Annual return fluctuations, % (standard deviation)	
	Equal to or exceeding	Less than
7	25.0%	
6	15.0%	25.0%
5	10.0%	15.0%
4	5.0%	10.0%
3	2.0%	5.0%
2	0.5%	2.0%
1	0.0%	0.5%

The ranking on the risk scale is not permanent and may shift over time. This is because historical data on return does not give a precise picture of the future risk profile. The "Risk category" column in the table below shows the funds' ranking on the risk scale at the time of publishing this prospectus.

The current ranking on the risk scale appears from the Key Investor Information Document, which is prepared for each fund/unit class and can be downloaded free of charge at [sydinvest.dk](http://sydinvest.dk). As regards unit class B the material can be downloaded free of charge at [sydinvest.de](http://sydinvest.de).

### 7.1. Types of risk

The individual funds/unit classes are affected by different types of risk. The description of risks is not and cannot be exhaustive. The individual types of risk are described in further detail below. In addition to the risks mentioned, return may be affected by unforeseen events such as sudden devaluations, interest rate changes, political events etc.

#### 7.1.1. General risks

**Market risk – bonds:** Return will be affected by for instance changes in interest rates, exchange rates, economic developments as well as changes in the financial circumstances of the bond issuer, including the rating of the issuer.

**Market risk – equities:** As regards funds investing in equities, prices must be expected to fluctuate more than bond prices. Return will be affected by for instance the financial circumstances and expectations regarding the companies invested in, exchange rates as well as the overall trend in the economy.

**Counterparty risk:** In connection with the conclusion of transactions there may be a risk that the counterparty will not honour its obligations. This is the case for instance when derivatives are used where losses and gains will be exchanged at a later point in time.

**Operational risk:** All investments involve a risk of errors. If errors occur in connection with the management of the fund, this may affect return.

**Foreign exchange risk:** Investments in foreign securities are sensitive to exchange rate movements. Therefore the price of the individual fund or unit class will be impacted by the extent of investments in foreign securities and fluctuations in exchange rates against DKK. Investments in Danish equities involve an indirect foreign exchange risk as Danish companies frequently compete with foreign companies. A strengthening of DKK weakens competitiveness and consequently the earnings potential of Danish companies, which may have a negative impact on share prices. Funds or unit classes with systematic hedging against DKK have a very limited foreign exchange risk.

**Country risk:** When investing in securities in a single country or a few countries investors assume the specific risk that this particular country or these countries may be exposed to specific political or regulatory measures. In addition specific market-related and economic conditions in this particular country, including possibly also exchange rate developments, will have a major impact on the value of the investment. These country-specific risks may be reduced by investing in funds with broad investments across a number of countries.

**Sector risk:** If large investments are made within a specific sector, return is highly dependent on developments within this particular sector.

**Credit risk:** Credit risk is the risk that the issuers of the government bonds or corporate bonds in which the fund has invested cannot fully service their debts. The fund may suffer losses as the result of a bankruptcy/sovereign bankruptcy.

**Interest rate risk:** The interest rate level varies from region to region and must be seen in the context of for instance the level of inflation. The interest rate level has a significant bearing on how attractive it is to invest in eg bonds. Moreover changes in interest rates may result in price declines or price increases. When interest rates go up, prices may go down.

**Liquidity risk:** In some situations it may be difficult to trade securities at their real value. This may be due to a lack of interest in the securities in the given situation. This is typically the case if it is a relatively small issue and the securities are rarely traded or if there are extreme market circumstances where many investors wish to sell the same type of securities at the same time. This may be either directly in the market or through an investment fund which will then have to act in the market on behalf of investors. In such cases the difference between buying and selling prices will be considerable. The liquidity risk is most pronounced when selling securities and indicates that the securities can only be sold at significantly lower prices than their actual value based on the price that can be obtained for smaller holdings of securities. In extreme circumstances where many investors choose to sell their units at the same time, the liquidity risk may entail that some funds are forced to suspend the possibility of redeeming units until market conditions allow them to do so again.

**Emerging market risk:** New markets (emerging markets) include almost all countries in Latin America, many countries in Asia, Eastern Europe, Africa and the Middle East. Generally these countries are more politically unstable than countries in mature markets. Their financial markets are not as well organised as in mature markets and economic developments may vary considerably. As a result investments in these regions involve a higher risk than investments in mature markets.

For investors this may be reflected for instance in a greater risk of nationalisation, the introduction of exchange control regulations or violent political upheavals. These are all factors that at a given time may lower the value of the investment and that at times may mean that trading in these markets is not possible.

**China Connect:** The funds Verden Ligevægt & Value KL, Verden Ligevægt & Value Akkumulerende KL, Verden Etik KL, Fjernøsten KL, Fjernøsten Akkumulerende KL, BRIK KL, BRIK Akkumulerende KL, Globale EM-aktier KL and Globale EM-aktier Akkumulerende KL have the possibility of investing in Chinese A shares through China Connect.

China Connect is a method whereby certain Chinese A shares can be traded via the Hong Kong Stock Exchange. The stock exchanges involved in China Connect are Shanghai, Shenzhen and Hong Kong, which are all members of the WFE (World Federation of Exchanges).

The Hong Kong Stock Exchange keeps in custody the securities which are traded through China Connect. Hence these securities are kept in custody outside the Investment Fund's custodian Sydbank A/S. As the Hong Kong Stock Exchange is a member of the WFE and because the securities are kept in a separate custody account, this counterparty risk is considered to be acceptable.

**CSR risk:** Focus on corporate social responsibility (CSR) is not equally widespread in all markets. Especially in the new markets there is a considerable risk that businesses do not live up to the recommendations concerning eg labour rights and the environment that are typically implemented in developed markets.

**Concentration risk:** The funds and unit classes spread their investments across many different securities to lower the dependency on the price development of a single security. Nevertheless specific circumstances within a geographical area, a sector or a type of security may have a significant impact on return. When investing within a narrow investment universe, a fund or unit class may be forced to concentrate a large part of its assets in relatively few securities to reflect the market, and consequently the risk diversification will not be quite as good as in funds or unit classes with a wider investment universe.

## 7.2. Measures taken to maintain risk profile

In order to maintain the risk profile of a fund, restrictions have been established, see the above descriptions of the individual funds in 7.1. The different types of restrictions are summarised in the table below. Restrictions may have been imposed that do not appear from the table. Under the law, all funds and unit classes must spread their investments across several securities.

	Market restrictions	Tracking error	Duration	Credit rating	Sector restrictions	Foreign exchange	Ethics
<b>Bond funds</b>							
Dannebrog Akkumulerende KL	X		X				
Dannebrog KL	X		X				
Fonde KL	X		X				
HøjrenteLande Akkumulerende KL			X	X		X	
HøjrenteLande KL			X	X		X	
HøjrenteLande Korte Obligationer Akkumulerende KL			X	X		X	
HøjrenteLande Lokal Valuta Akkumulerende KL			X	X		X	
HøjrenteLande Lokal Valuta KL			X	X		X	
HøjrenteLande Mix KL			X	X		X	
HøjrenteLande Valuta KL			X	X		X	
International Akkumulerende KL				X		X	
International KL				X		X	
Korte Obligationer KL	X		X				
Mellemlange Obligationer Akkumulerende KL	X		X				
Mellemlange Obligationer KL	X		X				
Virksomhedsobligationer HY 2019	X		X	X		X	
Virksomhedsobligationer HY Akk KL				X		X	
Virksomhedsobligationer HY ETIK KL				X		X	X
Virksomhedsobligationer HY KL				X		X	
Virksomhedsobligationer IG KL				X		X	
Virksomhedsobligationer IG Etik KL				X		X	X
<b>Equity funds</b>							
BRIK Akkumulerende KL	X	X					
BRIK KL	X	X					
Danmark KL	X	X					
Europa Ligevægt & Value Akkumulerende KL	X	X					
Europa Ligevægt & Value KL	X	X					
Fjernøsten Akkumulerende KL	X	X					
Fjernøsten KL	X	X					
Globale EM-aktier Akkumulerende KL	X	X					
Globale EM-aktier KL	X	X					
Latinamerika Akkumulerende KL	X	X					
Latinamerika KL	X	X					
SCANDI KL	X	X					
Tyskland KL	X	X					
USA Ligevægt & Value KL	X	X					
Verden Etik KL			X				X
Verden Ligevægt & Value Akkumulerende KL			X				
Verden Ligevægt & Value KL			X				



**Market restrictions:** There are restrictions as to the markets in which investments may be made.

**Tracking error:** Risks are continuously managed on the basis of the fund's past price movements relative to overall market developments measured by the fund's benchmark.

**Duration restrictions:** Restrictions as to the extent of risk assumed by way of duration. The term duration covers eg the price risk of bonds in which investments are made. The lower the duration, the more price-stable the bonds if interest rates change.

**Credit rating restrictions:** Restrictions as to the credit rating of individual securities.

**Sector restrictions:** Restrictions as to the sectors in which investments may be made.

**Foreign exchange:** Restrictions as to how much may be invested in individual currencies.

**Ethics:** Verden Etik KL is screened within the business areas stated in the description of the fund.

## 8. Efficient portfolio management techniques and collateral management

All funds may conduct securities financing transactions, ie repurchase agreements (repos) and securities lending, within the investment limits of the individual funds and the rules governing the area from time to time.

Under securities lending transactions, the fund transfers (lends) securities to a borrower on the condition that the borrower returns securities of the same type on a future date or when requested to do so by the fund.

Currently none of the funds of the Investment Fund engage in securities lending.

Securities lending entails a risk of default on the part of the borrower and a risk that the borrower will not be able to return the securities borrowed, which will result in a loss for the fund and subsequently the investors. Such a loss may amount to the market value of the securities as well as the fund's positive transaction costs. This risk, which is dependent on the borrower and the agreement with the securities lending agent, must be described and assessed before a fund can use securities lending.

A repurchase agreement means an agreement by which a fund transfers securities when the agreement does not allow the counterparty to transfer or charge a particular security to more than one counterparty at a time, subject to an obligation to repurchase the same or securities of the same type at a specified price on a future date (to be) specified by the transferor.

Only funds based on Danish bonds conclude repurchase agreements. Repurchase agreements may represent up to 20% of the funds' assets and are concluded exclusively with Sydbank A/S as the counterparty.

On the conclusion of repurchase agreements an amount corresponding to the value of the bonds is exchanged. If the bond value changes, the fund may suffer a loss if the counterparty does not fulfil its obligation and the fund is forced to buy/sell bonds in the market.

Collateral may only be received by way of cash which is placed in Sydbank A/S. Cash is valued at 100%.

## 9. Remuneration policy

The management company has introduced a remuneration policy the object of which is not to encourage excessive risk-taking. The management company has implemented a number of measures to ensure that employees do not take unnecessary risks that are inconsistent with the risk profile or articles of association of the managed UCITS or at variance with the management company's obligation to act in the best interest of the managed UCITS.

The remuneration policy supports the business strategy, objectives, values and long-term interests of the UCITS managed by the management company and their investors. Moreover the policy supports the business strategy, objectives, values and long-term interests of the management company and the Sydbank Group (which is the owner of the management company). The aim of the governance structure of the remuneration policy is to avoid conflicts of interest.

The individual fixed monthly remuneration of the management company's employees is determined on the basis of a weighting of financial and non-financial targets associated with specific job descriptions. The fixed remuneration criteria consist of job complexity, responsibility, performance and market-related issues.

In line with the objective of the remuneration policy of not encouraging excessive risk-taking, no form of guaranteed annual bonus schemes in the management company have been agreed, neither as regards the board of directors, the executive management, the group of material risk takers and control function staff nor other employees.

Under the remuneration policy the executive management, the group of material risk takers and control function staff as well as other employees may receive an annual bonus or other bonus based on individual performance assessment. As regards the executive management such assessment is made by the board of directors and as regards all other staff the assessment is made by the executive management.

Any bonus may not exceed one year's salary.

Share options are not currently offered as a bonus element, but may in exceptional cases be included subject to a unanimous decision by the board of directors.

Severance pay may not exceed two years' salary.

According to the performance assessment principles the employee's performance as well as long-term value creation are assessed. Furthermore the assessment constitutes an overall evaluation of the employee's business and cooperative skills etc.

Any bonus payments are made in compliance with applicable legislation and rules.

The board of directors of the management company reviews the remuneration policy once a year and if changes are required such changes are submitted for approval by the general meeting at the next annual general meeting.

Investors can request a free written summary of the remuneration policy which is also available on the website [www.sydinvest.dk](http://www.sydinvest.dk).

## 10. Five-year key figures

### 10.1. Annual dividends

The tables show dividends distributed in the currency of the fund and in percentage terms per unit.

Unit classes A and funds without unit classes	2013	2014	2015	2016	2017
BRIK KL	0.00	0.00	10.40	0.00	16.00
Danmark A DKK	18.90	30.60	49.80	52.30	30.50
Europa Ligevægt & Value A DKK	0.00	0.00	0.00	0.00	4.10
Fjernøsten A DKK	0.00	9.40	19.60	8.00	23.30
Fonde KL	3.00	2.70	2.30	2.20	2.00
Globale EM-aktier A DKK	0.00	5.70	7.90	0.00	14.30
HøjrenteLande A DKK	5.20	5.10	5.40	4.80	14.30
HøjrenteLande Lokal Valuta A DKK	4.70	1.30	1.10	0.00	1.10
HøjrenteLande Mix A DKK	5.50	5.40	4.90	4.60	6.80
HøjrenteLande Valuta KL	4.40	0.00	0.00	0.00	0.00
International A DKK	0.00	6.20	5.30	0.00	0.30
Korte Obligationer A DKK	1.50	1.20	1.20	1.00	1.10
Latinamerika KL	0.00	0.00	0.00	0.00	0.00
Mellemlange Obligationer A DKK	-	-	1.30	1.30	1.00
SCANDI KL	0.00	1.90	16.90	0.00	11.80
Tyskland A DKK	0.00	0.00	0.00	0.00	0.00
USA Ligevægt & Value A DKK	0.00	0.00	2.20	5.30	3.10
Verden Ligevægt & Value A DKK	9.60	15.10	7.10	7.00	6.30
Virksomhedsobligationer HY 2019	-	-	-	2,65	3,00
Virksomhedsobligationer HY A DKK	6,10	4,10	0,00	0,00	0,00
Virksomhedsobligationer IG A DKK	4,20	0,00	0,00	0,00	12,80

The first dividend covers a period that may be longer or shorter than 12 months.

<b>Unit classes B</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Danish Bonds B DKK d <sup>1</sup>	-	-	-	0.04/0.40	0.11/1.10
Danish Equities B DKK d <sup>2</sup>	-	-	-	0.60/6.00	1.24/12.40
Emerging Market Bonds B EUR d h	-	-	0.89/8.90	0.48/4.80	1.38/13.80
Emerging Market Local Currency Bonds B EUR d	-	-	0.14/1.40	0.25/2.50	0.33/3.30
International B EUR d	-	-	0.19/1.90	0.14/1.40	0.16/1.60

<sup>1</sup> Introduced on 29 Aug 2016 as a unit class in the fund Mellemlange Obligationer KL.

<sup>2</sup> Introduced on 4 Mar 2016 as a unit class in the fund Danmark KL.

<b>Unit classes W</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Europa Ligevægt & Value W DKK d	-	-	-	-	4.50
Fjernøsten W DKK d	-	-	-	-	24.50
Globale EM-aktier W DKK d	-	-	-	-	15.40
HøjrenteLande Lokal Valuta W DKK d	-	-	-	-	1.60
HøjrenteLande Mix W DKK d	-	-	-	-	7.10
HøjrenteLande Valuta W DKK d	-	-	-	-	0.00
HøjrenteLande W Dkk d h	-	-	-	-	14.70
International W DKK d	-	-	-	-	0.50
Korte Obligationer W DKK d	-	-	-	-	1.30
Mellemlange Obligationer W DKK d	-	-	-	-	1.30
USA Ligevægt & Value W DKK d	-	-	-	1.20	8.30
Verden Etik W DKK d	-	-	-	5.40	13.30
Verden Ligevægt & Value W DKK d	-	-	-	3.50	9.90
Virksomhedsobligationer HY Etik W DKK d h	-	-	-	-	2.50
Virksomhedsobligationer HY W DKK d h	-	-	-	-	0.00
Virksomhedsobligationer IG Etik W DKK d h	-	-	-	0.00	3.70
Virksomhedsobligationer IG W DKK d h	-	-	-	-	10.80

## 10.2. Total expense ratio

The tables show the administrative costs of the funds and the unit classes in percentage terms of average assets.

Unit classes A and funds without unit classes	2013	2014	2015	2016	2017
BRIK A DKK Akk	1.61	1.62	1.55	1.61	1.67
BRIK KL	1.64	1.65	1.60	1.67	1.69
Danmark A DKK	1.36	1.34	1.32	1.34	1.34
Europa Ligevægt & Value A DKK	1.37	1.34	1.36	1.48	1.57
Fjernøsten A DKK	1.53	1.52	1.51	1.62	1.70
Fjernøsten A DKK Akk	1.53	1.54	1.55	1.62	1.68
Fonde KL	0.53	0.53	0.53	0.53	0.52
Globale EM-aktier A DKK <sup>1</sup>	0.42	1.50	1.55	1.68	1.76
Globale EM-aktier A DKK Akk <sup>1</sup>	0.41	1.52	1.58	1.67	1.75
HøjrenteLande A DKK	1.27	1.28	1.28	1.33	1.33
HøjrenteLande A DKK Akk	1.27	1.24	1.30	1.32	1.34
HøjrenteLande Korte Obligationer A DKK Akk	1.20	1.26	1.09	1.29	1.31
HøjrenteLande Lokal Valuta A DKK	1.28	1.30	1.34	1.41	1.36
HøjrenteLande Mix A DKK	1.28	1.33	1.33	1.38	1.36
HøjrenteLande Valuta A DKK	1.27	1.31	1.32	1.36	1.33
International A DKK	0.73	0.82	0.93	1.00	1.01
Korte Obligationer A DKK	0.52	0.52	0.29	0.26	0.27
Latinamerika KL	1.57	1.62	1.58	1.63	1.70
Mellemlange Obligationer A DKK <sup>1</sup>	-	-	0.52	0.51	0.54
Mellemlange Obligationer A DKK Akk <sup>1</sup>	-	-	0.53	0.53	0.57
SCANDI KL	1.25	1.39	1.34	1.44	1.44
Tyskland A DKK	1.26	1.30	1.31	1.52	1.56
USA Ligevægt & Value A DKK	1.30	1.30	1.31	1.43	1.55
Verden Ligevægt & Value A DKK	1.33	1.36	1.38	1.46	1.65
Verden Ligevægt & Value A DKK Akk <sup>1</sup>	-	-	0.54	1.40	1.69
Virksomhedsobligationer HY 2019 <sup>1</sup>	-	-	-	0.96	1.05
Virksomhedsobligationer HY A DKK	1.06	1.10	1.14	1.21	1.19
Virksomhedsobligationer HY A DKK Akk	1.07	1.10	1.13	1.20	1.23
Virksomhedsobligationer IG A DKK <sup>1</sup>	1.03	1.05	1.06	1.04	0.96

<sup>1</sup> The first total expense ratio covers a period that may be longer or shorter than 12 months.

Unit classes B	2013	2014	2015	2016	2017
Danish Bonds B DKK Acc <sup>2</sup>	0.44	0.48	0.74	0.56	0.48
Danish Bonds B DKK d <sup>1</sup>	-	-	0.33	0.49	0.48
Danish Equities B DKK d <sup>1</sup>	-	-	-	0.71	1.05
Emerging Market Bonds B EUR Acc h <sup>1</sup>	-	-	1.33	1.17	1.15
Emerging Market Bonds B EUR d h <sup>2</sup>	1.15	1.11	1.33	1.17	1.16
Emerging Market Local Currency Bonds B EUR Acc <sup>2</sup>	1.12	1.18	1.38	1.23	1.20
Emerging Market Local Currency Bonds B EUR d <sup>1</sup>	-	-	0.80	1.25	1.21
Far East Equities B EUR Acc <sup>2</sup>	1.40	1.41	1.49	1.45	1.43
Global EM-Equities B EUR Acc <sup>2</sup>	1.55	1.49	1.45	1.59	1.43
Global Value Equities B EUR Acc <sup>2</sup>	1.15	1.13	1.35	1.10	1.12
International Bonds B EUR Acc <sup>2</sup>	0.67	0.72	0.88	0.78	0.78
International Bonds B EUR d <sup>1</sup>	-	-	0.49	0.81	0.80
Latin America Equities B EUR Acc <sup>2</sup>	1.50	1.46	1.56	1.45	1.46

<sup>1</sup> The first total expense ratio covers a period that may be longer or shorter than 12 months.

<sup>2</sup> The unit class was launched on 18 Sep 2015 in connection with merger with an ISI fund; costs before this date derive from the discontinuing ISI fund.

Unit classes I	2013	2014	2015	2016	2017
Emerging Market Bonds I EUR Acc h 1	1.21	1.19	0.94	0.59	0.58
Emerging Market Local Currency Bonds I EUR Acc 1	1.21	1.24	0.97	0.62	0.64

<sup>1</sup> The unit class was launched on 18 Sep 2015 in connection with merger with an ISI fund; costs before this date derive from the discontinuing ISI fund.

Unit classes W	2013	2014	2015	2016	2017
BRIK W DKK Akk	-	-	-	-	0.47
Europa Ligevægt & Value W DKK Acc	-	-	-	0.14	0.59
Europa Ligevægt & Value W DKK d	-	-	-	-	0.84
Fjernøsten W DKK Acc	-	-	0.09	0.80	0.72
Fjernøsten W DKK d	-	-	-	-	0.79
Globale EM-aktier W DKK Acc	-	-	0.13	0.80	0.72
Globale EM-aktier W DKK d <sup>2</sup>	-	-	-	-	1.16
HøjrenteLande Korte Obligationer W DKK Acc h	-	-	-	-	0.22
HøjrenteLande Lokal Valuta W DKK Acc	-	-	0.19	0.64	0.56
HøjrenteLande Lokal Valuta W DKK d	-	-	-	-	0.97
HøjrenteLande Mix W DKK d	-	-	-	-	1.05
HøjrenteLande Valuta W DKK d	-	-	-	-	0.78
HøjrenteLande W DKK Acc h	-	-	0.20	0.57	0.57
HøjrenteLande W DKK d h	-	-	-	-	0.90
International W DKK d	-	-	-	-	0.43
Korte Obligationer W DKK d	-	-	-	-	0.22
Mellemlange Obligationer W DKK Acc	-	-	-	-	0.13
Mellemlange Obligationer W DKK d	-	-	-	-	0.38
USA Ligevægt & Value W DKK d	-	-	-	0.53	0.55
Verden Etik W DKK d	-	-	-	0.17	0.56
Verden Ligevægt & Value W DKK Acc	-	-	-	0.43	0.54
Verden Ligevægt & Value W DKK d	-	-	-	0.50	0.56
Virksomhedsobligationer HY Etik W DKK d h	-	-	-	-	0.47
Virksomhedsobligationer HY W DKK Acc h	-	-	-	0.50	0.49
Virksomhedsobligationer HY W DKK d h	-	-	-	-	0.89
Virksomhedsobligationer IG W DKK d h	-	-	-	0.40	0.38
Virksomhedsobligationer IG Etik W DKK d h	-	-	-	-	0.23

<sup>1</sup> The first total expense ratio covers a period that may be longer or shorter than 12 months.

### 10.3. APR and indirect transaction costs

The tables show the funds' APR (Annual Percentage Rate), which is a financial ratio indicating the average cost of holding units over a seven-year period. The columns show the most recent APR and the expected indirect transaction costs in percentage terms.

Unit classes A and funds without unit classes	APR	Indirect transaction costs <sup>1</sup>
BRIK A DKK Akk	2.28	0.19
BRIK KL	2.31	0.19
Danmark A DKK	1.52	0.08
Europa Ligevægt & Value A DKK	1.82	0.02
Fjernøsten A DKK	2.45	0.21
Fjernøsten A DKK Akk	2.45	0.20
Fonde KL	0.55	0.08
Globale EM-aktier A DKK	2.45	0.21
Globale EM-aktier A DKK Akk	2.43	0.20
HøjrenteLande A DKK	1.45	0.34
HøjrenteLande A DKK Akk	1.45	0.33
HøjrenteLande Korte Obligationer A DKK Akk	1.12	0.17
HøjrenteLande Lokal Valuta A DKK	1.43	0.18
HøjrenteLande Mix A DKK	1.45	0.30
HøjrenteLande Valuta A DKK	1.40	0.14
International A DKK	1.02	0.01
Korte Obligationer A DKK	0.29	0.08
Latinamerika KL	2.23	0.14
Mellemlange Obligationer A DKK	0.56	0.12
Mellemlange Obligationer A DKK Akk	0.56	0.12
SCANDI KL	1.63	0.10
Tyskland A DKK	1.73	0.02
USA Ligevægt & Value A DKK	1.63	0.04
Verden Ligevægt & Value A DKK	1.75	0.05
Verden Ligevægt & Value A DKK Akk	1.81	0.05
Virksomhedsobligationer HY 2019	1.21	0.08
Virksomhedsobligationer HY A DKK	1.35	0.24
Virksomhedsobligationer HY A DKK Akk	1.36	0.24
Virksomhedsobligationer IG A DKK	1.17	0.27

<sup>1</sup> Indirect transaction costs are an estimate of the charges which occur when buying and selling prices differ as regards the trades that are carried out in connection with operating a fund. Indirect transaction costs do not form part of APR.

Unit classes B	APR	Indirect transaction costs <sup>1</sup>
Danish Bonds B DKK Acc	0.88	0.12
Danish Bonds B DKK d	0.89	0.12
Danish Equities B DKK d	1.71	0.08
EM Local Currency Bonds B EUR Acc	1.71	0.19
EM Local Currency Bonds B EUR d	1.72	0.18
Emerging Market Bonds B EUR Acc h	1.66	0.33
Emerging Market Bonds B EUR d h	1.66	0.34
Far East Equities B EUR Acc	2.82	0.20
Global EM Equities B EUR Acc	2.74	0.20
Global Value Equities B EUR Acc	2.00	0.05
International Bonds B EUR Acc	1.17	0.01
International Bonds B EUR d	1.16	0.01
Latin America Equities B EUR Acc	2.57	0.14

<sup>1</sup> Indirect transaction costs are an estimate of the charges which occur when buying and selling prices differ as regards the trades that are carried out in connection with operating a fund. Indirect transaction costs do not form part of APR.

Unit classes I	APR	Indirect transaction costs <sup>1</sup>
EM Local Currency Bonds I EUR Acc	0.71	0.19
Emerging Market Bonds I EUR Acc h	0.72	0.33

<sup>1</sup> Indirect transaction costs are an estimate of the charges which occur when buying and selling prices differ as regards the trades that are carried out in connection with operating a fund. Indirect transaction costs do not form part of APR.

Unit classes W	APR	Indirect transaction costs <sup>1</sup>
BRIK W DKK Akk	1.39	0.19
Danmark W DKK d	0.70	0.08
Europa Ligevægt & Value W DKK Acc	0.89	0.03
Europa Ligevægt & Value W DKK d	0.85	0.02
Fjernøsten W DKK Acc	1.52	0.20
Fjernøsten W DKK d	1.52	0.21
Globale EM-aktier W DKK Acc	1.44	0.20
Globale EM-aktier W DKK d	1.43	0.21
HøjrenteLande Korte Obligationer W DKK Acc h	0.72	0.17
HøjrenteLande Lokal Valuta W DKK Acc	0.73	0.19
HøjrenteLande Lokal Valuta W DKK d	0.72	0.18
HøjrenteLande Mix W DKK d	0.73	0.30
HøjrenteLande Valuta W DKK d	0.69	0.14
HøjrenteLande W DKK Acc h	0.73	0.33
HøjrenteLande W DKK d h	0.72	0.34
International W DKK d	0.44	0.01
Korte Obligationer W DKK d	0.24	0.08
Mellemlange Obligationer W DKK Acc	0.26	0.12
Mellemlange Obligationer W DKK d	0.24	0.12
USA ligevægt & Value W DKK d	0.67	0.04
Verden Etik W DKK d	0.77	0.05
Verden Ligevægt & Value W DKK Acc	0.80	0.05
Verden Ligevægt & Value W DKK d	0.77	0.05
Virksomhedsobligationer HY Etik W DKK d h	0.71	0.23
Virksomhedsobligationer HY W DKK Acc h	0.67	0.24
Virksomhedsobligationer HY W DKK d h	0.66	0.24
Virksomhedsobligationer IG W DKK d h	0.62	0.27
Virksomhedsobligationer IG Etik W DKK d h	0.64	0.23

<sup>1</sup> Indirect transaction costs are an estimate of the charges which occur when buying and selling prices differ as regards the trades that are carried out in connection with operating a fund. Indirect transaction costs do not form part of APR.

## 11. Net asset value

The net asset value (NAV) of a fund's units is calculated by dividing the value of assets at the valuation point by the number of units subscribed.

The net asset value of units in a unit class is calculated by dividing the part of the fund's assets calculated at the valuation point which is equivalent to the part of the joint portfolio on which the unit class receives a return, adjusted for any class-specific assets and costs which the unit class must pay, by the number of units subscribed in the unit class.

## 12. Issue and redemption

The funds of the Investment Fund use the dual pricing system, unless otherwise stated in the description of the individual funds in Article 6 of the Articles of Association. If a fund is divided into unit classes, the pricing system of each unit class is determined by the Board of Directors of the Investment Fund and is stated in this prospectus in the description of unit classes of each individual fund.

Sell-back or redemption of units is possible at any time through the custodian or the custodian's branches subject to customary transaction costs. This applies to the transfer of the investment to other funds or unit classes of the Investment Fund as well. The Investment Fund is obliged to redeem investors' units on demand. The Investment Fund may postpone the redemption (I) when the Investment Fund is unable to calculate NAV due to market conditions, or (II) when the Investment Fund for purposes of equal treatment of investors does not calculate the redemption price until the Investment Fund

has realised the assets necessary to redeem the units. Moreover the Danish FSA may demand that the Investment Fund postpones the redemption of units. No Investment Fund investor is obliged to have his units redeemed unless the general meeting resolves to dissolve the fund.

## 12.1. Dual pricing system

When using the dual pricing system the issue price is determined as the net asset value, cf Article 10 of the Articles of Association, made up at the time of issue plus an amount to cover costs relating to the purchase of financial instruments and necessary issue costs, including administration, printing, advertisements and commission to agents and guarantors of the issue, before customary price rounding in accordance with the price listing guidelines established by Nasdaq Copenhagen.

The redemption price is determined as the net asset value made up at the time of redemption less an amount to cover costs relating to the sale of financial instruments and necessary redemption costs before customary price rounding in accordance with the price listing guidelines established by Nasdaq Copenhagen.

Total issue and redemption costs as regards funds or unit classes priced according to the dual pricing system are comprised as set out below. In exceptional circumstances where spreads and other costs relating to transactions change significantly, the rate of brokerage commission, transaction costs etc and as such total issue and redemption costs may deviate considerably from the rates listed in the table. In the event of significant deviations from the standard, changes in costs will be published in an announcement via Nasdaq Copenhagen. The same applies when circumstances return to normal. Current total issue and redemption costs will appear from Key Investor Information.

Unit classes A and funds without unit classes	Brokerage, transaction costs etc	Total issue costs	Total redemption costs
BRIK A DKK Akk	0.30	0.30	0.30
BRIK KL	0.30	0.30	0.30
Danmark A DKK	0.15	0.15	0.15
Europa Ligevægt & Value A DKK	0.25	0.25	0.14
Fjernøsten A DKK	0.31	0.31	0.37
Fjernøsten A DKK Akk	0.31	0.31	0.37
Fonde KL	0.10	0.10	0.10
Globale EM-aktier A DKK	0.30	0.30	0.34
Globale EM-aktier A DKK Akk	0.30	0.30	0.34
HøjrenteLande A DKK	0.46	0.46	0.46
HøjrenteLande A DKK Akk	0.46	0.46	0.46
HøjrenteLande Korte Obligationer A DKK Akk	0.36	0.36	0.36
HøjrenteLande Lokal Valuta A DKK	0.26	0.26	0.36
HøjrenteLande Mix A DKK	0.36	0.36	0.36
HøjrenteLande Valuta A DKK	0.21	0.21	0.21
International A DKK	0.10	0.10	0.10
Korte Obligationer A DKK	0.05	0.05	0.05
Latinamerika KL	0.35	0.35	0.35
Mellemlange Obligationer A DKK	0.10	0.10	0.10
Mellemlange Obligationer A DKK Akk	0.10	0.10	0.10
SCANDI KL	0.20	0.20	0.20
Tyskland A DKK	0.15	0.15	0.15
USA Ligevægt & Value A DKK	0.11	0.11	0.11
Verden Ligevægt & Value A DKK	0.18	0.18	0.14
Verden Ligevægt & Value A DKK Akk	0.18	0.18	0.14
Virksomhedsobligationer HY 2019 <sup>2</sup>	-	-	0.55
Virksomhedsobligationer HY A DKK	0.55	0.55	0.55
Virksomhedsobligationer HY A DKK Akk	0.55	0.55	0.55
Virksomhedsobligationer IG A DKK	0.40	0.40	0.40

<sup>2</sup> The issue of units in the fund closed as of 31 Dec 2016. The fund will be liquidated on 31 Dec 2019.



Unit classes I	Brokerage, transaction costs etc	Total issue costs	Total redemption costs
EM Local Currency Bonds I EUR Acc	0.26	0.26	0.26
Emerging Market Bonds I EUR Acc h	0.46	0.46	0.46

Unit classes W	Brokerage, transaction costs etc	Total issue costs	Total redemption costs
BRIK W DKK Acc	0,30	0,30	0,30
Europa Ligevægt & Value W DKK Acc	0,15	0,15	0,15
Europa Ligevægt & Value W DKK d	0,25	0,25	0,14
Fjernøsten W DKK Acc	0,25	0,25	0,14
Fjernøsten W DKK d	0,31	0,31	0,37
Globale EM-aktier W DKK Acc	0,31	0,31	0,37
Globale EM-aktier W DKK d	0,30	0,30	0,34
HøjrenteLande Korte Obligationer W DKK Acc h	0,30	0,30	0,34
HøjrenteLande Lokal Valuta W DKK Acc	0,36	0,36	0,36
HøjrenteLande Lokal Valuta W DKK d	0,26	0,26	0,26
HøjrenteLande Mix W DKK d	0,26	0,26	0,26
HøjrenteLande Valuta W DKK d	0,36	0,36	0,36
HøjrenteLande W DKK Acc h	0,21	0,21	0,21
HøjrenteLande W DKK d h	0,46	0,46	0,46
International W DKK d	0,46	0,46	0,46
Korte Obligationer W DKK d	0.05	0.05	0.05
Mellemlange Obligationer W DKK Acc	0.10	0.10	0.10
Mellemlange Obligationer W DKK d	0.10	0.10	0.10
USA Ligevægt & Value W DKK d	0,11	0,11	0,11
Verden Etik W DKK d	0,18	0,18	0,14
Verden Ligevægt & Value W DKK Acc	0,18	0,18	0,14
Verden Ligevægt & Value W DKK d	0,18	0,18	0,14
Virksomhedsobligationer HY Etik W DKK d h	0,55	0,55	0,55
Virksomhedsobligationer HY W DKK Acc h	0,55	0,55	0,55
Virksomhedsobligationer HY W DKK d h	0,55	0,55	0,55
Virksomhedsobligationer IG W DKK d h	0,40	0,40	0,40
Virksomhedsobligationer IG Etik W DKK d h	0,40	0,40	0,40

The individual types of costs are stated in percentage terms of NAV.

It is customary for units subscribed at tap issue to be settled at the same time as the units are registered with VP Securities A/S. Unit certificates are issued via VP Securities A/S after which the units are registered on the investor's VP account.

Units are kept in custody by Danish banks free of charge. However portfolio changes in the VP account are subject to a customary VP fee.

Investment Fund tap issues are not subject to a fixed maximum.

## 12.2. Modified single pricing system

The Investment Fund calculates the net asset values of funds and unit classes daily at approx 12:00 CET (valuation point) to be used in connection with issues and redemptions.

When using the modified single pricing system the Investment Fund determines one or more points in time to calculate the issue price or redemption price. The price is determined as the net asset value made up at the valuation point. If net issues for the period exceed a number of units determined by the Board of Directors, the Investment Fund must determine the issue price as the net asset value plus a fee to cover transaction costs. If net redemptions for the period exceed a number of units determined by the Board of Directors, the Investment Fund must determine the redemption price as the net asset value less a fee to cover transaction costs. The Board of Directors of the Investment Fund must determine the size of this fee, which is set out in the table below.

Unit class B	Net issue or redemption larger than the rate stated in percentage of class assets	Fee (%) to cover issue/redemption costs
Danish Bonds B DKK Acc	0.50	0.10
Danish Bonds B DKK d	0.50	0.10
Danish Equities B DKK d	0.50	0,15
Emerging Market Bonds B EUR Acc h	0.25	0,46
Emerging Market Bonds B EUR d h	0.25	0,46
Emerging Market Local Currency Bonds B EUR Acc	0.50	0,26
Emerging Market Local Currency Bonds B EUR d	0.50	0,26
Far East Equities B EUR Acc	0.15	0,31 / 0,37
Global EM Equities B EUR Acc	0.25	0,30 / 0,34
Global Value Equities B EUR Acc	1.00	0,18 / 0,14
International Bonds B EUR Acc	0.50	0,10
International Bonds B EUR d	0.50	0,10
Latin America Equities B EUR Acc	0.50	0,35

As regards issues the agent may include a subscription commission which may not exceed the rates stated below under the individual funds. The rates are stated in percentage terms of NAV.

Unit class B	Maximum fee to financial agents in percentage terms of NAV
Danish Bonds B DKK Acc	2.75
Danish Bonds B DKK d	2.75
Danish Equities B DKK d	3.50
Emerging Market Bonds B EUR Acc h	3.50
Emerging Market Bonds B EUR d h	3.50
Emerging Market Local Currency Bonds B EUR Acc	3.50
Emerging Market Local Currency Bonds B EUR d	3.50
Far East Equities B EUR Acc	5.00
Global EM Equities B EUR Acc	5.00
Global Value Equities B EUR Acc	5.00
International Bonds B EUR Acc	2.75
International Bonds B EUR d	2.75
Latin America Equities B EUR Acc	5.00

### 13. Publication of issue and redemption prices

Information on current issue and redemption prices as well as net asset values of funds and unit classes is available at the following websites:

Funds with no unit classes: [www.sydinvest.dk](http://www.sydinvest.dk) and [www.nasdaqomxnordic.com](http://www.nasdaqomxnordic.com)  
Unit class A: [www.sydinvest.dk](http://www.sydinvest.dk) and [www.nasdaqomxnordic.com](http://www.nasdaqomxnordic.com)  
Unit class B: [www.sydinvest.de](http://www.sydinvest.de) and [www.sydinvest.com](http://www.sydinvest.com)  
Unit class I: [www.sydinvest-em.com](http://www.sydinvest-em.com)  
Unit class W: [www.sydinvest-engros.dk](http://www.sydinvest-engros.dk)

### 14. Unit size and issuance of units

Units are registered with a central securities depository and issued by the central securities depository in denominations of DKK 100 or in multiples thereof. In funds with unit classes the denomination of units issued is determined by the Board of Directors and the denomination appears from the prospectus under each of the funds that have established unit classes. All funds and unit classes issue units. No physical certificates are issued.

All funds are denominated in DKK but unit classes may be denominated in other currencies. If this is the case the specific currency will be stated in the description of the individual funds and unit classes.

## 15. Registration

Units are made out to bearer but may, upon request to the deposit-taking institution, be registered in the name of the holder in the Investment Fund's books.

The Investment Fund maintains its own register of unit-holders.

## 16. Dividend distribution

Income funds and unit classes distribute dividends in compliance with section 16 C of the Danish Tax Assessment Act regarding minimum dividend distribution. However, as a minimum, the funds Korte Obligationer KL, Fonde KL, Mellem-lange Obligationer KL, HøjrenteLande KL, HøjrenteLande Mix KL always distribute dividends consisting of interest income less administrative costs. In income funds dividends may be distributed in compliance with the provisions on minimum dividend distribution of section 16 C of the Danish Tax Assessment Act after the end of the financial year but before the Annual General Meeting. If, in exceptional cases, the dividend distribution does not comply with the rules of section 16 C of the Danish Tax Assessment Act, an additional dividend distribution may be decided. The size of the dividend distribution is approved at the Annual General Meeting.

Funds targeting German clients must also comply with the German tax requirements on dividend determination.

In connection with the distribution of dividends from all equity funds and the fund Virksomhedsobligationer HY 2019, a dividend tax of 27% will be withheld.

As a rule dividend tax will not be withheld in connection with the distribution of dividends from pure bond funds. If a pure bond fund subsequently happens to hold shares the fund may be ordered to withhold dividend tax in connection with the distribution of dividends.

Dividend tax will not be withheld in connection with the distribution of dividends to children's savings accounts and pension scheme funds falling under the Danish Act on Taxation of Pension Yields.

As a rule accumulation funds do not distribute dividends.

The dividend distribution profile of the fund Virksomhedsobligationer HY 2019 has been determined in advance.

## 17. Ex-dividend units

According to the Articles of Association of the Investment Fund, the Board of Directors may issue ex-dividend units apart from ordinary cum dividend units from January and until the annual general meeting of the Investment Fund.

When determining the issue and redemption prices of units, adjustments are made as regards the calculated and revised dividends of the preceding accounting year, cf separate appendix to the prospectus.

## 18. Taxation of investors

### Income funds

The funds and unit classes are not liable to pay tax, cf section 1(1)(v)a of the Danish Corporation Tax Act.

As regards individuals, dividends are taxed at the date of distribution. The tax provisions aim at taxing investment return achieved through the Investment Fund according to principles similar to those applying to direct investments in securities. General information on the provisions can be obtained at the Investment Fund. For more detailed information it is recommended that investors contact their own advisers. Dividends will be itemised by the Investment Fund according to the relevant income categories.

Companies are taxed according to a market-value principle, ie dividends as well as realised and unrealised price changes are included in corporate income.

Pension savings are taxed according to a market-value principle, ie dividends as well as realised and unrealised price changes are included in the tax basis, cf the Danish Act on Taxation of Pension Yields.

The funds are not suited for capital falling under the Danish Business Tax Scheme as investments in income funds are regarded as a withdrawal of the amount invested.

Statutory reporting to the tax authorities is made through the bank where the units have been placed in custody.

The determination of dividends in funds that have established a unit class B, targeting German investors, must comply with the provisions of the Danish Tax Assessment Act on minimum income as well as German statutory provisions (Investmentsteuergesetz) on amounts available for distribution.

#### Accumulation funds

For tax purposes the funds are subject to section 19 of the Danish Capital Gains Tax Act. As a rule tax is not paid in the funds, however dividends on Danish shares are taxable at 15%. Dividend tax is deducted from dividends on foreign shares at the rate in accordance with the double taxation treaty, which may vary, but which in many instances is 15%.

All investors are taxed according to a market-value principle, ie realised as well as unrealised price changes are included in income.

As regards individuals, return is included in capital income.

As regards companies, return is included in corporate income.

As regards pension savings, return is taxable at 15.3% according to the Danish Act on Taxation of Pension Yields.

The funds are well-suited for capital falling under the Danish Business Tax Scheme.

Statutory reporting to the tax authorities is made through the bank where the units have been placed in custody.

## **19. Rights**

No unit carries any special rights.

## **20. Transferability and negotiability**

The units are negotiable instruments and therefore freely negotiable.

Units in the Investment Fund's funds can be purchased at Sydbank's branches and – apart from units in class W – also at all other banks and brokers. As regards unit classes in the individual funds purchase and sale may be limited to specific groups of investors.

## **21. Voting rights**

Investors in the Investment Fund are entitled to attend the general meeting on presentation of an admission card. Admission cards can be obtained from the Investment Fund or from a representative indicated by the Investment Fund no later than 5 banking days prior to the general meeting on presentation of adequate proof of possession of units in the Investment Fund.

The investors can only exercise voting rights in relation to units which one week prior to the general meeting have been registered in the name of the relevant unit-holder in the Investment Fund's books (or deposited with the custodian).

Each investor has one vote for each unit of a nominal value of DKK 100. In relation to units denominated in other currencies, the number of votes is calculated by multiplying the nominal value of the number of units held by the unit-holder by the exchange rate at 16:00 GMT against DKK one week prior to the general meeting and dividing the result by 100. The resulting number of votes is rounded down to the nearest whole number. However each investor has at least one vote.

No investor may on his own behalf cast a vote of more than 1% of the total nominal value of units in circulation from time to time or 1% of the total nominal value of all funds when voting about common business.

Any investor has the right to attend the general meeting by proxy. The instrument of proxy, which must be presented, must be in writing and dated. An instrument of proxy to the Board of Directors may not be given for a period exceeding 12 months and must be given in respect of a specific general meeting where the agenda has been communicated in advance.

## **22. Amendment of Articles of Association, merger and liquidation etc**

At a general meeting investors may resolve to dissolve the Investment Fund or the fund. A qualified majority is required, cf Article 18 of the Articles of Association.

Examples of circumstances that may result in the dissolution of the Investment Fund, a fund or a unit class are where the assets of the respective Investment Fund, fund or unit class are so limited that it is unprofitable from a cost and risk

diversification perspective to operate the entity or where the access to invest capital in one or several markets is cut off or in similar situations.

## 23. Administration

The day-to-day management is carried out by Syd Fund Management A/S according to the agreement concluded with the Investment Fund's investment management company.

Each fund or unit class of the Investment Fund pays its own costs.

Joint expenses as regards the activities of the Investment Fund in a financial year are shared among the funds/unit classes in proportion to their average assets in the financial year. If a fund or unit class has not existed for the entire financial year, it will pay a proportional share of the joint expenses. Joint expenses are defined as costs that cannot be ascribed to the individual funds or unit classes. Each unit class pays only its share of the fund's joint expenses and any special costs relating to the specific characteristics of the unit class.

Total administrative costs, including costs relating to the Board of Directors, administration, IT, audit, supervision, marketing, distribution and the custodian, in respect of each fund or unit class may not exceed 2% of the average assets of the fund or unit class within any financial year. Transaction costs are not included in the administrative costs mentioned above.

If one unit class invests a proportion of its assets in funds or unit classes under the same management or management company, such proportion must be deducted from the administrative costs.

Sales and information costs are included in total administrative costs.

## 24. Investment management company

Syd Fund Management A/S  
Peberlyk 4, 6200 Aabenraa, Denmark  
CVR no 21 27 40 03  
Danish FSA no. 17103

The company is owned by Sydbank A/S, which is also the custodian of the Investment Fund.

The executive management of the investment management company consists of Eskild Bak Kristensen, CEO.

The Investment Fund has concluded an agreement with the company whereby the company undertakes the day-to-day management of the Investment Fund in accordance with the Danish Financial Business Act, the Danish Investment Associations, etc. Act, the Articles of Association of the Investment Fund and instructions issued by the Board of Directors of the Investment Fund, including investment limits applying to the individual funds. The Investment Fund may terminate the agreement at a notice of six months. Syd Fund Management A/S may terminate the agreement at a notice of 18 months for expiry at the end of a financial year.

Under the agreement the company enters into agreements regarding portfolio advice/management, distribution and other services relating to the funds and unit classes of the Investment Fund subject to approval by the Board of Directors of the Investment Fund.

As of 1 November 2018 the payment to Syd Fund Management A/S consists of an administration fee, a management fee and a distribution fee. The fees appear from the table in 29.

The administration fee covers the company's day-to-day management of the Investment Fund as well as other costs incurred by the Investment Fund, including costs relating to the Board of Directors, executive management, audit, the Danish FSA and other public authorities, stock exchanges, general meetings, register of unit-holders, market-making, ESG advice as well as information and marketing activities. The custody fee is included in the administration fee.

The management fee covers the payment of portfolio management and the distribution fee covers the payment of distribution.

## 25.

## 25. Remuneration to the Board of Directors, the investment management company and the Danish Financial Supervisory Authority

Board members' remuneration is approved by the general meeting. Fees to the Danish FSA are according to invoice. The fees appear from the table below. The budgeted fees may deviate from the actual fees.

	2015 (DKK 1,000)	2016 (DKK 1,000)	2017 (DKK 1,000)
Board of Directors	1,000	1,000	1,062
Investment Management Company	66,665	59,524	54,750
The Danish Financial Supervisory Authority	798	724	790

## 26. Articles of Association, Key Investor Information and payment information

The Articles of Association of the Investment Fund, prospectuses and Key Investor Information can be downloaded free of charge from the websites stated in item 1 of this prospectus. Furthermore the material is available free of charge at the premises of Syd Fund Management A/S and at Sydbank's branches. The Articles of Association of the Investment Fund form an integral part of the full prospectus and must be provided together with the prospectus.

### Specifically as regards unit class B

The material is available at the website stated in item 1 of this prospectus.

Furthermore the banks listed below will accept redemption and switching orders as well as all payments destined for investors.

Sydbank A/S, Flensburg Branch  
Rathausplatz 11, 24937 Flensburg, Germany

Sydbank A/S, Hamburg Branch  
Am Sandtorkai 54, 20457 Hamburg, Germany

Sydbank A/S, Kiel Branch  
Wall 55, 24103 Kiel, Germany

### Specifically as regards unit class I

The material is available at the website stated in item 1 of this prospectus.

Furthermore the banks listed above for unit class B will accept redemption and switching orders as well as all payments destined for investors. However only banks in countries where unit class I is being marketed may be used.

## 27. Annual Report

The annual report with the financial result is made up according to generally accepted accounting policies and in accordance with the Danish Investment Associations, etc. Act and any Danish executive orders in force from time to time.

Quarterly investor information, the interim report and the audited annual report can be downloaded free of charge from the Investment Fund's website and are available free of charge at the premises of Syd Fund Management A/S and at Sydbank's branches.

The material is available at the website stated in item 1 of this prospectus.

## 28. Custodian

Sydbank A/S  
CVR No 12 62 65 09  
Central Depot  
Peberlyk 4, 6200 Aabenraa, Denmark

The Investment Fund has concluded an agreement with Sydbank whereby the bank as a custodian verifies and keeps in custody the Investment Fund's financial instruments. The custodian is obliged to ensure that the Investment Fund's financial instruments are kept separate for each of the Investment Fund's funds in accordance with the legislation, including The Danish Financial Business Act and the Danish Investment Associations, etc. Act. The custodian is liable for the Investment Fund's and the investors' loss of the Investment Fund's financial instruments which are held in custody. However the custodian will not be liable if the loss was caused by external events which the custodian could not reasonably

be expected to control and the consequences of which would have been unavoidable even though the custodian had taken every reasonable precaution.

The custodian has delegated the task of safe custody of foreign financial instruments to foreign financial institutions. A list of the financial institutions carrying out safe custody tasks for the custodian is available on the Investment Fund's website. Updated information will be made available to investors on request. Delegation of any safe custody task to a third party will not affect the custodian's liability for the loss of financial instruments.

Either party may terminate the custodian agreement at a notice of six months for expiry at the end of a month. Sydbank A/S owns 100% of the shares of the Investment Fund's investment management company, Syd Fund Management A/S. As a consequence of the group relation between the companies the investment management company cannot be considered impartial in the assessment of the terms and conditions of agreements with the custodian. In order to adequately ensure impartiality and handle conflicts of interest, agreements about custodian fees will be concluded by the Investment Fund's Board of Directors. Syd Fund Management A/S has prepared a policy for the handling of conflicts of interest, which is available on request. In return for these services each unit class in a fund will pay a custody fee on the basis of the type of financial instruments. The custody fee is the same for each unit class in a fund, see 29. The custody fee is calculated on the basis of the average assets of a unit class.

<b>Custody fee – individual funds and unit classes</b>	<b>A</b>	<b>B</b>	<b>I</b>	<b>W</b>
BRIK KL	0.06%			
BRIK Akk. KL	0.06%			0.06%
Danmark KL	0.02%	0.02%		0.02%
Europa Ligevægt & Value KL	0.04%			0.04%
Europa Ligevægt & Value Akk. KL				0.04%
Fjernøsten KL	0.06%			0.06%
Fjernøsten Akk. KL	0.06%	0.06%		0.06%
Fonde KL	0.01%			
Globale EM-aktier KL	0.06%			0.06%
Globale EM-aktier Akk. KL	0.06%	0.06%		0.06%
HøjrenteLande KL	0.03%	0.03%		0.03%
HøjrenteLande Akk. KL	0.03%	0.03%	0.03%	0.03%
HøjrenteLande Korte Obligationer Akk. KL	0.05%			0.05%
HøjrenteLande Lokal Valuta KL	0.08%	0.08%		0.08%
HøjrenteLande Lokal Valuta Akk. KL		0.08%	0.08%	0.08%
HøjrenteLande Mix KL	0.06%			0.06%
HøjrenteLande Valuta KL	0.06%			0.06%
International KL	0.04%	0.04%		0.04%
International Akk. KL		0.04%		
Korte Obligationer KL	0.01%			0.01%
Latinamerika KL	0.06%			
Latinamerika Akk. KL		0.06%		
Mellemlange Obligationer KL	0.01%	0.01%		0.01%
Mellemlange Obligationer Akk. KL	0.01%	0.01%		0.01%
SCANDI KL	0.02%			
Tyskland KL	0.04%			
USA Ligevægt & Value KL	0.04%			0.04%
Verden Ligevægt & Value KL	0.04%			0.04%
Verden Ligevægt & Value Akk. KL	0.04%	0.04%		0.04%
Verden Etik KL				0.04%
Virksomhedsobligationer HY 2019	0.04%			
Virksomhedsobligationer HY KL	0.04%			0.04%
Virksomhedsobligationer HY Akk. KL	0.04%			0.04%
Virksomhedsobligationer HY Etik KL				0.04%
Virksomhedsobligationer IG KL	0.04%			0.04%
Virksomhedsobligationer IG Etik KL				0.04%

## 29. Advisory services and distribution

Sydbank A/S  
CVR No 12 62 65 09

EM-Quest Capital LLP  
Registered Company number: OC363025

Deutsche Asset & Wealth  
Management

Sydbank Markets  
Peberlyk 4  
6200 Aabenraa  
Denmark

4th Floor  
Rex House  
4-12 Regent Street  
London SW1Y 4RG  
England

Investment GmbH  
Mainzer Landstraße 178-190  
60327 Frankfurt am Main  
Germany

### Investment consulting agreement

Syd Fund Management A/S has concluded a consulting agreement as regards the investment of its assets with Sydbank, which owns the Investment Fund's investment management company and is the custodian of the Investment Fund. As a result the bank prepares macro-economic analyses and investment proposals to be applied by the investment department of Syd Fund Management in its formulation of an investment strategy and its subsequent implementation. Either party may terminate the agreement at a notice of three months for expiry at the end of a quarter. The agreement may be terminated with immediate effect if deemed in the interest of the UCITS managed. Authorisation has been given by the Board of Directors of the Investment Fund for Sydbank, in connection with its advisory services to the Investment Fund, to receive advice on emerging market bonds from EM-Quest Capital LLP, which is registered and regulated by the Financial Conduct Authority in the UK under FCA no. 555900. Moreover authorisation has been given by the Board of Directors of the Investment Fund for Sydbank, in connection with its advisory services to the fund Tyskland, to receive advice on German equities from Deutsche Asset & Wealth Management International GmbH, with delegation within the group.

In return for these services each fund or unit class will pay a management fee on the basis of the type of security. Of the management fee 0.01 percentage point goes to Syd Fund Management A/S. The annual fee rates of each fund are set out below.

### Agreement on distribution of units

Syd Fund Management A/S will pay to Sydbank a distribution fee regarding unit classes A and B at the rates stated in the tables below of the value of the Investment Fund's units the sale of which has been arranged for through Sydbank's branches and investment centres. The fee is for providing advisory services regarding the units to the bank's clients without separate payment.

Funds without underlying unit classes as well as unit classes A	Administration fee	Management fee	Distribution fee	Total % p.a.
BRIK A DKK Akk	0.33%	0.65%	0.85%	1.83%
BRIK KL	0.36%	0.65%	0.85%	1.86%
Danmark A DKK	0.27%	0.40%	0.75%	1.42%
Europa Ligevægt & Value A DKK	0.32%	0.45%	0.85%	1.62%
Fjernøsten A DKK	0.33%	0.65%	0.85%	1.83%
Fjernøsten A DKK Akk	0.34%	0.65%	0.85%	1.84%
Fonde KL	0.17%	0.10%	0.25%	0.52%
Globale EM-aktier A DKK	0.42%	0.65%	0.85%	1.92%
Globale EM-aktier A DKK Akk	0.40%	0.65%	0.85%	1.90%
HøjrenteLande A DKK	0.22%	0.45%	0.65%	1.32%
HøjrenteLande A DKK Akk	0.22%	0.45%	0.65%	1.32%
HøjrenteLande Korte Obligationer A DKK Akk	0.22%	0.45%	0.35%	1.02%
HøjrenteLande Lokal Valuta A DKK	0.26%	0.45%	0.65%	1.36%
HøjrenteLande Mix A DKK	0.25%	0.45%	0.65%	1.35%
HøjrenteLande Valuta A DKK	0.24%	0.45%	0.65%	1.34%
International A DKK	0.23%	0.25%	0.50%	0.98%
Korte Obligationer A DKK <sup>1</sup>	0.17%	0.05%	0.05%	0.27%
Latinamerika KL	0.36%	0.65%	0.85%	1.86%
Mellemlange Obligationer A DKK	0.19%	0.10%	0.25%	0.54%
Mellemlange Obligationer A DKK Akk	0.18%	0.10%	0.25%	0.53%
SCANDI KL	0.28%	0.40%	0.85%	1.53%
Tyskland A DKK	0.29%	0.60%	0.75%	1.64%
USA Ligevægt & Value A DKK	0.30%	0.40%	0.85%	1.55%
Verden Ligevægt & Value A DKK	0.33%	0.45%	0.85%	1.63%
Verden Ligevægt & Value A DKK Akk	0.39%	0.45%	0.85%	1.69%
Virksomhedsobligationer HY 2019	0.20%	0.25%	0.60%	1.05%
Virksomhedsobligationer HY A DKK	0.23%	0.35%	0.60%	1.18%
Virksomhedsobligationer HY A DKK Akk	0.24%	0.35%	0.60%	1.19%
Virksomhedsobligationer IG A DKK	0.21%	0.30%	0.50%	1.01%

<sup>1</sup> On 9 April 2015 the administration fee was temporarily reduced by 0.055%.  
On 9 April 2015 the management fee was temporarily reduced by 0.05%.



The distribution fee has been temporarily reduced by 0.05%.

Unit classes B	Administration fee	Management fee	Distribution fee	Total % p.a.
Danish Bonds B DKK Acc	0.19%	0.10%	0.20%	0.49%
Danish Bonds B DKK d	0.19%	0.10%	0.20%	0.49%
Danish Equities B DKK d	0.25%	0.40%	0.50%	1.15%
Emerging Market Bonds B EUR Acc h	0.21%	0.45%	0.50%	1.16%
Emerging Market Bonds B EUR d h	0.21%	0.45%	0.50%	1.16%
Emerging Market Local Currency Bonds B EUR Acc	0.26%	0.45%	0.50%	1.21%
Emerging Market Local Currency Bonds B EUR d	0.27%	0.45%	0.50%	1.22%
Far East Equities B EUR Acc	0.29%	0.65%	0.65%	1.59%
Global EM Equities B EUR Acc	0.29%	0.65%	0.65%	1.59%
Global Value Equities B EUR Acc	0.26%	0.45%	0.50%	1.21%
International Bonds B EUR Acc	0.22%	0.25%	0.30%	0.77%
International Bonds B EUR d	0.21%	0.25%	0.30%	0.76%
Latin America Equities B EUR Acc	0.29%	0.65%	0.65%	1.59%

Unit classes I	Administration fee	Management fee	Distribution fee	Total % p.a.
Emerging Market Bonds I EUR Acc h	0.14%	0.45%	-	0.59%
Emerging Market Local Currency Bonds I EUR Acc	0.19%	0.45%	-	0.64%

Unit classes W	Administration fee	Management fee	Distribution fee	Total % p.a.
BRIK W DKK Acc	0.29%	0.65%	-	0.94%
Danmark W DKK d	0.19%	0.40%	-	0.59%
Europa Ligevægt & Value W DKK Acc	0.24%	0.45%	-	0.69%
Europa Ligevægt & Value W DKK d	0.20%	0.45%	-	0.65%
Fjernøsten W DKK Acc	0.25%	0.65%	-	0.90%
Fjernøsten W DKK d	0.25%	0.65%	-	0.90%
Globale EM-aktier W DKK Acc	0.26%	0.65%	-	0.91%
Globale EM-aktier W DKK d	0.25%	0.65%	-	0.90%
HøjrenteLande Korte Obligationer W DKK Acc h	0.17%	0.45%	-	0.62%
HøjrenteLande Lokal Valuta W DKK Acc	0.20%	0.45%	-	0.65%
HøjrenteLande Lokal Valuta W DKK d	0.19%	0.45%	-	0.64%
HøjrenteLande Mix W DKK d	0.17%	0.45%	-	0.62%
HøjrenteLande Valuta W DKK d	0.18%	0.45%	-	0.63%
HøjrenteLande W DKK Acc h	0.15%	0.45%	-	0.60%
HøjrenteLande W DKK d h	0.14%	0.45%	-	0.59%
International W DKK d	0.15%	0.25%	-	0.40%
Korte Obligationer W DKK d <sup>1</sup>	0.17%	0.05%	-	0.22%
Mellemlange Obligationer W DKK Acc	0.13%	0.10%	-	0.23%
Mellemlange Obligationer W DKK d	0.11%	0.10%	-	0.21%
USA Ligevægt & Value W DKK d	0.20%	0.40%	-	0.60%
Verden Etik W DKK d	0.25%	0.40%	-	0.65%
Verden Ligevægt & Value W DKK Acc	0.23%	0.45%	-	0.68%
Verden Ligevægt & Value W DKK d	0.20%	0.45%	-	0.65%
Virksomhedsobligationer HY Etik W DKK d h	0.19%	0.35%	-	0.54%
Virksomhedsobligationer HY W DKK Acc h	0.15%	0.35%	-	0.50%
Virksomhedsobligationer HY W DKK d h	0.14%	0.35%	-	0.49%
Virksomhedsobligationer IG W DKK d h	0.16%	0.30%	-	0.46%
Virksomhedsobligationer IG Etik W DKK d h	0.18%	0.30%	-	0.48%

<sup>1</sup> On 13 June 2017 the administration fee was temporarily reduced by 0.006%.

## 30. Board of Directors

Hans Lindum Møller, Attorney  
Advokatfirmaet Hans Lindum Møller  
Mindevej 14  
6320 Egersund, Denmark

Peter Christian Jørgensen, General Manager  
Nørremølle ApS  
Nørremøllevej 17B  
6400 Sønderborg, Denmark

Niels Therkelsen, General Manager  
Business Leasing Danmark Aps  
Skovvej 20  
6340 Kruså, Denmark  
Christian Anker Hansen, Attorney and Partner  
LRP I/S  
Løvenørnsgade 17  
8700 Horsens, Denmark

Linda Sandris Larsen, Associate Professor  
Copenhagen Business School  
Solbjerg Plads 3  
2000 Frederiksberg, Denmark

## 31. Executive management of investment management company

Eskild Bak Kristensen, CEO

## 32. Audit

Audit firm:

Accountants:

### 33. Supplementary notice to German investors

The following funds and unit classes are not registered for marketing in Germany with the German Financial Supervisory Authority (BaFin) and consequently units in these funds and unit classes must not be sold to investors in accordance with the German Investment Code [Kapitalanlagegesetzbuch]:

#### Income funds:

- Korte Obligationer KL
  - Andelsklasse Korte Obligationer A DKK
  - Andelsklasse Korte Obligationer W DKK d
- Fonde KL
- HøjrenteLande Mix KL (Emerging Market Bonds Mix KL)
  - Andelsklasse HøjrenteLande Mix A DKK
  - Andelsklasse HøjrenteLande Mix W DKK d
- Virksomhedsobligationer IG KL (Corporate Bonds IG KL)
  - Andelsklasse Virksomhedsobligationer IG A DKK
  - Andelsklasse Virksomhedsobligationer IG W DKK d h
- Virksomhedsobligationer IG Etik KL (Corporate Bonds IG Ethic KL)
  - Andelsklasse Virksomhedsobligationer IG Etik W DKK d h
- Virksomhedsobligationer HY KL (Corporate Bonds HY KL)
  - Andelsklasse Virksomhedsobligationer HY A DKK
  - Andelsklasse Virksomhedsobligationer HY W DKK d h
- Virksomhedsobligationer HY 2019
- Virksomhedsobligationer HY ETIK KL (Corporate Bonds HY Ethic KL)
  - Andelsklasse Virksomhedsobligationer HY Etik W DKK d h
- HøjrenteLande Valuta KL (Emerging Market Currency Bonds KL)
  - Andelsklasse HøjrenteLande Valuta A DKK
  - Andelsklasse HøjrenteLande Valuta W DKK d
- Verden Ligevægt & Value KL (Global Value Equities KL)
  - Andelsklasse Verden Ligevægt & Value A DKK
  - Andelsklasse Verden Ligevægt & Value W DKK d
- Verden Etik KL (Global Ethics Equities KL)
  - Andelsklasse Verden Etik W DKK d
- SCANDI KL (Scandinavian Equities KL)
- Europa Ligevægt & Value KL (European Value Equities KL)
  - Andelsklasse Europa Ligevægt & Value A DKK
  - Andelsklasse Europa Ligevægt & Value W DKK d
- Tyskland KL (German Equities KL)
  - Andelsklasse Tyskland A DKK
- BRIK KL (BRIC Equities KL)
- Latinamerika KL (Latin America Equities KL)
- Fjernøsten KL (Far East Equities KL)
  - Andelsklasse Fjernøsten A DKK
  - Andelsklasse Fjernøsten W DKK d
- USA Ligevægt & Value KL (American Value Equities KL)
  - Andelsklasse USA Ligevægt & Value A DKK
  - Andelsklasse USA Ligevægt & Value W DKK d
- Globale EM-aktier KL (Global EM Equities KL)
  - Andelsklasse EM-aktier A DKK
  - Andelsklasse EM-aktier W DKK d

#### Accumulation funds:

- HøjrenteLande Korte Obligationer Akkumulerende KL (EM Bonds Short Duration Acc KL)
  - Andelsklasse HøjrenteLande Korte Obligationer A DKK Akk
  - Andelsklasse HøjrenteLande Korte Obligationer W DKK Acc h
- Virksomhedsobligationer HY Akkumulerende KL (Corporate Bonds HY Acc KL)
  - Andelsklasse Virksomhedsobligationer HY A DKK Akk
  - Andelsklasse Virksomhedsobligationer HY W DKK Acc h
- Europa Ligevægt & Value Akkumulerende KL (European Value Equities Acc KL)

- Andelsklasse Europa Ligevægt & Value W DKK Acc
- BRIK Akkumulerende KL (BRIC Equities Acc KL)
- Andelsklasse BRIK A DKK Akk
- Andelsklasse BRIK W DKK Akk

The places of payment and information in Germany (“deutsche Zahl- und Informationsstellen”) are listed in item 26 of this prospectus.

The German places of payment and information will accept redemption and switching orders. All payments to investors, including redemption proceeds and distribution, if any, as well as other payments can be settled through the German places of payment and information at the request of the investor.

The Investment Fund’s prospectus, Key Investor Information, Articles of Association, interim reports and the audited annual report are available free of charge at the places of payment and information.

Information on the net asset values of units, issue and redemption prices are available at the places of payment and information as well as at the Investment Fund’s website on all banking days. Moreover issue and redemption prices are published on the electronic platform [www.fundinfo.com](http://www.fundinfo.com) on all banking days.

The Investment Fund’s unit classes B are tax transparent funds and tax information (ausschüttungsgleiche Erträge) is reported to and published in Bundesanzeiger. Other information to investors is available at the German places of payment and information and is published in compliance with Danish legislation.

As regards the Investment Fund’s unit classes B, targeting German investors, the determination of dividends in the fund complies with the provisions of the Danish Tax Assessment Act on minimum income as well as German statutory provisions (Investmentsteuergesetz) on amounts available for distribution.

Information included under “Articles of Association, Key Investor Information and payment information” above is available free of charge at the Investment Fund as well as at the German places of payment and information.

### **34. Specific risks due to tax provisions on disclosure requirements in Germany**

The Investment Fund is obligated for instance to substantiate the published tax base at the request of the German tax authorities. The basis of calculation of such information is open to interpretation and it cannot be guaranteed that the German tax authorities will accept all aspects of the method applied by the Investment Fund.

Moreover investors should be aware that as a rule corrections in case of errors are not made retroactively but are generally effective as of the financial year in question. Similarly a correction may represent an advantage or a drawback to investors who have received dividends or to whom accumulated amounts have been credited during the financial year.

### **35. Brief information on tax rules of importance to investors who are fully liable to tax in Germany after the German investment tax reform came into force on 1 January 2018 (Effective 1 January 2018)**

The information on the tax rules applies to investors who are fully liable to tax in Germany and is based on the current legislative framework. No guarantee can be given that the tax assessment will not change as a result of legislation, case law or decisions made by the tax authorities.

Taxation can depend on various individual factors that are not considered here. Consequently we recommend that investors consult a tax consultant about their personal tax situation.

We recommend that, before purchasing units in the funds described in this Prospectus, investors who are not fully liable to tax in Germany clarify any tax implications of purchasing units in their home country with a tax consultant.

#### **I. Taxation of funds**

In Germany foreign funds are partially subject to corporate income tax if they generate domestic investment income and other domestic income on the basis of the limited income tax liability (with the exception of gains from the sale of holdings in limited liability companies). The corporate tax rate currently represents 15%.

#### **II. Taxation of investors**

With respect to private investors, investment returns (the funds’ distributions, advance lump-sum amounts (*Vorabpauschalen*) and gains from the sale of units) are as capital income subject to income tax if they exceed, together with any other income from capital, the savers’ exemption amount (*Sparer-Pauschbetrag*) of EUR 801 (for singles or separately assessed spouses) and EUR 1,602 (for jointly assessed spouses) per year. In certain circumstances a fixed amount of these investment returns is tax-exempt for investors (partial exemption).

Capital income is generally subject to 25% tax (plus a solidarity surcharge and church tax, if any). For private investors the tax withheld generally acts as a final payment ("final withholding tax" (Abgeltungssteuer)), which means that income from capital does not usually have to be disclosed in the income tax return. As a general rule, when deducting the tax, the custodian will already have offset any loss as well as any foreign withholding tax deriving from the direct investment.

The withholding tax does not have the effect of a final payment in cases where the personal tax rate is lower than 25%. In such cases capital income can be reported in the income tax return. The tax authorities will then use the lower personal tax rate and offset the tax deduction against the personal tax liability (known as the "reduced rate test" to identify the most favourable option for the investor).

If capital income has not been taxed (for instance if it is held in a custody account abroad or because a gain from the sale of units has been achieved in a foreign custody account), the income must be disclosed in the income tax return. Consequently, in connection with the tax assessment, this capital income is also subject to the final withholding tax of 25% or the lower personal tax rate.

If the units form part of the business assets, the return from the funds is treated as operating income for tax purposes.

#### Dividend distribution

As a general rule distributions are subject to tax as regards private investors.

If the fund meets the tax criteria of an equity fund, 30% of the distribution is however tax-exempt for private investors (partial exemption). Funds that according to the investment conditions at all times invest at least 51% of their assets in equities qualify as equity funds. If the fund meets the tax criteria of a mixed fund, 15% of the distribution is tax-exempt for private investors (partial exemption). Funds that according to the investment conditions at all times invest at least 25% of their assets in equities qualify as mixed funds. If a fund does not meet the tax criteria of an equity fund or a mixed fund there is no partial exemption in connection with distributions.

As regards business investors distributions are as a rule subject to income tax, corporate tax and trade tax. If the fund qualifies as an equity fund for tax purposes, the tax exemption applying to distributions is 60% with respect to income tax and 30% with respect to trade tax if the units belong to natural persons and form part of the business assets (partial exemption). As regards companies liable to pay tax, the tax exemption applying to distributions is as a rule 80% with respect to corporate tax and 40% with respect to trade tax (partial exemption). Where the company is a life assurance company or a general insurance company and where the units are included as an investment or where the company is a credit institution where the units are included under the trading portfolio or have been acquired with a view to rapidly achieving a gain on own holdings, the tax exemption applying to distributions is 30% with respect to corporate tax and 15% with respect to trade tax (partial exemption).

If the fund qualifies as a mixed fund for tax purposes, the tax exemption applying to distributions is 30% with respect to income tax and 15% with respect to trade tax if the units belong to natural persons and form part of the business assets (partial exemption). As regards companies liable to pay tax, the tax exemption applying to distributions is as a rule 40% with respect to corporate tax and 20% with respect to trade tax (partial exemption). Where the company is a life assurance company or a general insurance company and where the units are included as an investment or where the company is a credit institution where the units are included under the trading portfolio or have been acquired with a view to rapidly achieving a gain on own holdings, the tax exemption applying to distributions is 15% with respect to corporate tax and 7.5% with respect to trade tax (partial exemption).

If distributed dividends are held in a domestic custody account, they are usually taxed at a rate of 25% (plus a solidarity surcharge and church tax, if any). As a general rule the partial exemption applying to equity funds and mixed funds can be taken into account already in connection with the tax withheld. If so the partial exemption rates applying to private investors are used as the standard rates, ie 30% in connection with equity funds and 15% in connection with mixed funds, also for business investors.

#### Advance lump-sum amount

The advance lump-sum amount is the amount by which the fund's distributions within a calendar year are lower than the so-called basic return for the calendar year in question. The basic return is calculated by multiplying the redemption price of the unit at the beginning of a calendar year by 70% of the basic interest rate determined on the basis of the long-term realisable return on public bonds. The basic return is limited to the surplus amount arising between the first and last redemption price determined during the calendar year plus distributions during the calendar year. In the year when the unit is acquired the lump-sum amount is reduced by one twelfth for each full month preceding the month of acquisition. The lump-sum amount is deemed accrued on the first weekday of the following calendar year.

As a rule lump-sum amounts are subject to tax as regards private investors. If the fund meets the tax criteria of an equity fund, 30% of the lump-sum amount is however tax-exempt for private investors (partial exemption). Funds that according to the investment conditions at all times invest at least 51% of their assets in equities qualify as equity funds. If the fund

meets the tax criteria of a mixed fund, 15% of the lump-sum amount is tax-exempt for private investors (partial exemption). Funds that according to the investment conditions at all times invest at least 25% of their assets in equities qualify as mixed funds. If a fund does not meet the tax criteria of an equity fund or a mixed fund there is no partial exemption in connection with the lump-sum amount.

As regards business investors the lump-sum amount is as a rule subject to income tax, corporate tax and trade tax. If the fund qualifies as an equity fund for tax purposes, the tax exemption applying to the lump-sum amount is 60% with respect to income tax and 30% with respect to trade tax if the units belong to natural persons and form part of the business assets (partial exemption). As regards companies liable to pay tax, the tax exemption applying to the lump-sum amount is as a rule 80% with respect to corporate tax and 40% with respect to trade tax (partial exemption). Where the company is a life assurance company or a general insurance company and where the units are included as an investment or where the company is a credit institution where the units are included under the trading portfolio or have been acquired with a view to rapidly achieving a gain on own holdings, the tax exemption applying to the lump-sum amount is 30% with respect to corporate tax and 15% with respect to trade tax (partial exemption).

If the fund qualifies as a mixed fund for tax purposes, the tax exemption applying to the lump-sum amount is 30% with respect to income tax and 15% with respect to trade tax if the units belong to natural persons and form part of the business assets (partial exemption). As regards companies liable to pay tax, the tax exemption applying to the lump-sum amount is as a rule 40% with respect to corporate tax and 20% with respect to trade tax (partial exemption). Where the company is a life assurance company or a general insurance company and where the units are included as an investment or where the company is a credit institution where the units are included under the trading portfolio or have been acquired with a view to rapidly achieving a gain on own holdings, the tax exemption applying to the lump-sum amount is 15% with respect to corporate tax and 7.5% with respect to trade tax (partial exemption).

If the lump-sum amount is held in a domestic custody account, it is usually taxed at a rate of 25% (plus a solidarity surcharge and church tax, if any). As a general rule the partial exemption applying to equity funds and mixed funds can be taken into account already in connection with the tax withheld. If so the partial exemption rates applying to private investors are used as the standard rates, ie 30% in connection with equity funds and 15% in connection with mixed funds, also for business investors.

#### Gain from sale at investor level

Where units in the fund are sold any gain is as a rule taxed as income as regards private investors. If the fund meets the tax criteria of an equity fund, 30% of the gain is however tax-exempt for private investors (partial exemption). Funds that according to the investment conditions at all times invest at least 51% of their assets in equities qualify as equity funds. If the fund meets the tax criteria of a mixed fund, 15% of the gain is tax-exempt for private investors (partial exemption). Funds that according to the investment conditions at all times invest at least 25% of their assets in equities qualify as mixed funds. However investors may not deduct any loss from the sale of units corresponding to the partial exemption in force. If a fund does not meet the tax criteria of an equity fund or a mixed fund there is no partial exemption in connection with gains from sale.

When calculating the gain from sale the advance lump-sum amounts determined during the ownership period are deducted from the gain.

The tax liability of private investors in connection with gains from sale also applies in cases where the units sold are so-called "old units", ie units acquired before 1 January 2018. Furthermore they are regarded as sold on 31 December 2017 and reacquired on 1 January 2018. However the gain from this fictitious sale on 31 December 2017 is not taxed until the units are actually sold. Therefore with respect to old units the calculation of gains subject to taxation on the date of the actual sale is divided into two. Any change in the value of the old units occurring between the time of acquisition and 31 December 2017 is included in the calculation of the fictitious gain from the sale on 31 December 2017. Any change in the value of the old units occurring on or after 1 January 2018 is however included in the calculation of the gain from the actual sale.

Old units acquired before the introduction of final withholding tax, ie before 1 January 2009, are grandfathered units as regards private investors. Any changes in value until 31 December 2017 as regards these grandfathered units are tax-exempt. Changes in value occurring on or after 1 January 2018 as regards grandfathered units are only subject to taxation if the gain exceeds EUR 100,000. This allowance can only be used if the private investor discloses the gains to the relevant tax authorities.

As regards business investors gains from sale are as a rule subject to income tax, corporate tax and trade tax. If the fund qualifies as an equity fund for tax purposes, the tax exemption applying to gains from sale is 60% with respect to income tax and 30% with respect to trade tax if the units belong to natural persons and form part of the business assets (partial exemption). As regards companies liable to pay tax, the tax exemption applying to gains from sale is as a rule 80% with respect to corporate tax and 40% with respect to trade tax (partial exemption). Where the company is a life assurance company or a general insurance company and where the units are included as an investment or where the company is a credit institution where the units are included under the trading portfolio or have been acquired with a view to rapidly achieving a gain on own holdings, the tax exemption applying to gains from sale is 30% with respect to corporate tax and 15% with respect to trade tax (partial exemption).

If the fund qualifies as a mixed fund for tax purposes, the tax exemption applying to gains from sale is 30% with respect to income tax and 15% with respect to trade tax if the units belong to natural persons and form part of the business assets (partial exemption). As regards companies liable to pay tax, the tax exemption applying to gains from sale is as a rule 40% with respect to corporate tax and 20% with respect to trade tax (partial exemption). Where the company is a life assurance company or a general insurance company and where the units are included as an investment or where the company is a credit institution where the units are included under the trading portfolio or have been acquired with a view to rapidly achieving a gain on own holdings, the tax exemption applying to gains from sale is 15% with respect to corporate tax and 7.5% with respect to trade tax (partial exemption).

If the gain from sale is held in a domestic custody account, it is usually taxed at a rate of 25% (plus a solidarity surcharge and church tax, if any). As a general rule the partial exemption applying to equity funds and mixed funds can be taken into account already in connection with the tax withheld. If private investors sell units at a loss the loss must be set off against other positive capital income. If, during the same calendar year, positive capital income is generated at the custodian carrying out the tax deduction, the custodian will set off the loss.

As regards business investors gains from sale are not usually subject to taxation.

#### Change in existing partial exemption rate

If the applicable partial exemption rate changes or if the conditions for partial exemption no longer apply, the unit is regarded as sold and repurchased on the following day. The gain deriving from this fictitious sale is however not regarded as accrued until the date of the actual sale of the unit.

#### Taxation in connection with winding-up

Where a fund is wound up distributions are considered to be returns only if they include the increase in value in a calendar year.

#### Foreign withholding tax

In some cases withholding tax on the fund's foreign return is deducted in the country of origin. This withholding tax cannot be used by investors to reduce the tax amount.

#### Tax implications of mergers

The merger of a fund with another fund in accordance with provisions of the German Investment Tax Act does not result in the disclosure of hidden reserves at investor level, ie the procedure is tax-neutral. In this respect the funds must be subject to the same law of the foreign state providing administrative assistance and collection assistance. If the investors of the discontinuing fund receive a cash payment, the payment must be treated as a dividend distribution.