

# Prospectus

Investeringsforeningen Sydinvest

Investment Fund under Danish law (UCITS)

April 2020

**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 February 2020.

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

Niels Therkelsen

Linda Sandris Larsen

## **PROSPECTUS**

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

This prospectus was published on 31 March 2020.

## **1. Name and address**

Investeringsforeningen  
Sydinvest  
Peberlyk 4  
6200 Aabenraa, Denmark

Tel: +45 74 37 33 00  
Fax: +45 74 37 35 74  
Email: si@sydinvest.dk  
Website: www.sydinvest.dk (funds with no unit classes and unit class A)  
www.sydinvest.de and www.sydinvest.com (unit class B)  
www.sydinvest-em.com (unit class I)  
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  
Website: 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 is 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 6.1.7, 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 is prepared in Danish and translated into German and English. In case of discrepancy the Danish version applies.
- 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.
- The Board of Directors has approved exchanges and markets for investments by the funds in compliance with the guidelines of the Danish FSA. The approved markets appear from Appendix 1 to the Articles of Association of the Investment Fund,
- 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, cf 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 6 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 (in alphabetical order)	Secondary name
BRIK Akkumulerende KL	BRIC Equities Acc KL
BRIK KL	BRIC Equities KL
Danmark KL	Danish Equities KL
Europa Ligevægt & Value Akkumulerende KL	European Value Equities Acc KL
Europa Ligevægt & Value KL	European Value Equities KL
Fjernøsten Akkumulerende KL	Far East Equities Acc KL
Fjernøsten KL	Far East Equities KL
Globale EM-aktier Akkumulerende KL	Global EM Equities Acc KL
Globale EM-aktier KL	Global EM Equities KL
HøjrenteLande Akkumulerende KL	Emerging Market Bonds Acc KL
HøjrenteLande KL	Emerging Market Bonds KL
HøjrenteLande Korte Obligationer Akkumulerende KL	Emerging Market Bonds Short Duration Acc KL
HøjrenteLande Lokal Valuta Akkumulerende KL	Emerging Market Local Currency Bonds Acc KL
HøjrenteLande Lokal Valuta KL	Emerging Market Local Currency Bonds KL
HøjrenteLande Mix KL	Emerging Market Bonds Mix KL
HøjrenteLande Valuta KL	Emerging Market Currency Bonds KL
International Akkumulerende KL	International Bonds Acc KL
International KL	International Bonds KL
Korte Obligationer KL	Danish Bonds Short Duration KL
Latinamerika Akkumulerende KL	Latin America Equities Acc KL
Latinamerika KL	Latin America Equities KL
Mellemlange Obligationer Akkumulerende K	Danish Bonds Acc KL
Mellemlange Obligationer KL	Danish Bonds KL
Morningstar Global Markets Sustainability Leaders	Morningstar Global Bæredygtig
Tyskland KL	German Equities KL
USA Ligevægt & Value KL	American Value Equities KL
Verden Ligevægt & Value Etik KL	Global Value Ethics Equities KL
Verden Etik Indeks	Global Ethics Equities Passive
Verden Ligevægt & Value Akkumulerende KL	Global Value Equities Acc KL
Verden Ligevægt & Value KL	Global Value Equities KL
Virksomhedsobligationer HY Akkumulerende KL	Corporate Bonds HY Acc KL
Virksomhedsobligationer HY ETIK KL	Corporate Bonds HY Ethic KL
Virksomhedsobligationer HY KL	Corporate Bonds HY KL
Virksomhedsobligationer IG Etik KL	Corporate Bonds IG Ethic KL
Virksomhedsobligationer IG KL	Corporate Bonds IG KL



## 5. Funds taxed on a realisation basis

### 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 2 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 2 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. The typical investor uses the fund as part of a larger portfolio to reduce the portfolio's overall risk, or alternative investments are expected to generate negative returns. 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 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.

	2015	2016	2017	2018	2019
Return (%)					
Korte Obligationer A DKK	0.15	1.67	1.30	0.43	0.57
Korte Obligationer W DKK d <sup>2</sup>			1.36	0.47	0.61
Benchmark <sup>1</sup>	0.50	0.10	(0.47)	(0.27)	(0.49)
Assets (DKK 1,000)					
Korte Obligationer A DKK	1,512,004	1,947,181	572,278	898,804	917,218
Korte Obligationer W D KK d			1,024,322	668,196	748,007
<b>Korte Obligationer KL, total</b>	<b>1,512,004</b>	<b>1,947,181</b>	<b>1,596,600</b>	<b>1,567,000</b>	<b>1,665,225</b>

<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 from 1 Jan 2017 to 13 Jun 2017 is from Korte Obligationer A DKK.

#### 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. 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%.

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 unit classes.

	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 dividends on investments in Danish bonds. The fund targets mainly foundations, UCITS and trusts and is suited if the investor can use the fund as part of a larger portfolio to spread the portfolio's overall risk, or alternative investment opportunities are expected to generate negative returns. 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 achieve a high running yield in preference to price increases. The fund does not have a benchmark.

	2015	2016	2017	2018	2019
Return (%)					
Fonde KL	(0.14)	2.45	1.69	0.73	0.09
Benchmark <sup>1</sup>	1.29	2.65	-	-	-
Assets (DKK 1,000)					
Fonde KL	578,700	605,302	517,039	518,814	544,041

<sup>1</sup> Until August 2017 the fund used Sydbank's bond index for Danish investors paying gross tax with a duration of approx 4 years as its benchmark.

#### 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 4 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.

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 Department of Civil Affairs.

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%.

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 3 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

#### 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. The typical investor uses the fund as part of a larger portfolio to reduce the portfolio's overall risk, or alternative investments are expected to generate negative returns. 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.

	2015	2016	2017	2018	2019
Return (%)					
Mellemlange Obligationer A DKK <sup>1</sup>	(0.98)	3.06	1.75	0.23	1.53
Danish Bonds B DKK d <sup>2</sup>	(1.62)	2.69	1.79	0.28	1.53
Mellemlange Obligationer W DKK d <sup>3</sup>	-	-	1.92	0.53	1.79
<i>Benchmark</i> <sup>4</sup>	<i>0.19</i>	<i>1.64</i>	<i>(0.15)</i>	<i>0.65</i>	<i>0.73</i>
Assets (DKK 1,000)					
Mellemlange Obligationer A DKK	3,662,246	8,068,346	3,702,312	3,466,712	3,096,594
Danish Bonds B DKK d	108,936	146,997	240,418	228,875	225,876
Mellemlange Obligationer W DKK d	-	-	2,588,518	2,444,090	1,761,672
<b>Mellemlange Obligationer KL, total</b>	<b>3,771,182</b>	<b>8,215,343</b>	<b>6,531,248</b>	<b>6,139,677</b>	<b>5,084,142</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 from 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 3 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

#### The typical investor

The typical investor has an investment horizon of at least 3 years. Moreover investors are expected to know that international interest rate and exchange rate fluctuations may at times lead to significant fluctuations in the fund's assets and that the majority of return is usually distributed as dividends. The investor can use the fund as part of a larger portfolio to spread the portfolio's overall risk or as a direct investment if alternative investments are expected to generate negative returns. 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 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.

	2015	2016	2017	2018	2019
Return (%)					
International A DKK	4.35	(1.91)	(6.62)	2.47	2.58
International Bonds B EUR d <sup>1</sup>	(4.32)	(1.39)	(6.54)	2.44	2.51
International W DKK d <sup>2</sup>	-	-	(6.32)	3.05	3.03
Benchmark in DKK	8.35	4.05	(5.57)	3.47	3.94
Benchmark in EUR	8.11	4.43	(5.70)	3.21	3.80
Assets (DKK 1,000)					
International A DKK	956,119	493,215	249,167	198,439	150,691
International Bonds B EUR d	41,288	32,902	11,609	9,706	8,513
International W DKK d	-	-	84,292	100,408	102,639
<b>International KL, total</b>	<b>997,407</b>	<b>526,117</b>	<b>345,069</b>	<b>308,553</b>	<b>261,843</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 from 1 Jan 2017 to 13 Jun 2017 is from International A DKK.

#### 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.

The fund invests globally in bonds listed on authorised 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.

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	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 2 unit classes.

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

#### 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.

	2015	2016	2017	2018	2019
Return (%)					
HøjrenteLande Mix A DKK	(4.38)	10.63	3.24	(6.43)	12.08
HøjrenteLande Mix W DKK d <sup>1</sup>	-	-	3.59	(5.78)	12.79
<i>Benchmark</i>	<i>(2.29)</i>	<i>10.61</i>	<i>4.70</i>	<i>(4.22)</i>	<i>13.67</i>
Assets (DKK 1,000)					
HøjrenteLande Mix A DKK	1,775,970	1,458,184	1,132,606	950,621	974,590
HøjrenteLande Mix W DKK d	-	-	42,214	37,347	45,481
<b>HøjrenteLande Mix KL, total</b>	<b>1,775,970</b>	<b>1,458,184</b>	<b>1,174,820</b>	<b>987,968</b>	<b>1,020,071</b>

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

#### 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.

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.

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	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 3 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

#### 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.

	2015	2016	2017	2018	2019
Return (%)					
HøjrenteLande A DKK	(2.94)	9.00	8.39	(9.75)	10.81
Emerging Market Bonds B EUR d h <sup>1</sup>	(6.75)	9.48	8.42	(9.85)	10.81
HøjrenteLande W DKK d <sup>2</sup>	-	-	8.78	(9.15)	11.52
<i>Benchmark</i>	<i>0.34</i>	<i>8.27</i>	<i>8.08</i>	<i>(7.18)</i>	<i>11.39</i>
<i>Benchmark in EUR</i>	<i>0.74</i>	<i>8.32</i>	<i>8.21</i>	<i>(7.04)</i>	<i>11.66</i>
Assets (DKK 1000)					
HøjrenteLande A DKK	4,257,524	4,333,968	3,107,323	2,302,462	2,244,618
Emerging Market Bonds B EUR d h	143,664	168,057	156,470	140,505	135,988
HøjrenteLande W DKK d	-	-	875,882	584,023	413,942
<b>HøjrenteLande KL, total</b>	<b>4,401,188</b>	<b>4,502,025</b>	<b>4,139,675</b>	<b>3,026,990</b>	<b>2,794,548</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 from 1 Jan 2017 to 13 Jun 2017 is from HøjrenteLande A DKK.

#### 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.

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.

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	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 is divided into 2 unit classes.

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

#### 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.

	2015	2016	2017	2018	2019
Return (%)					
Virksomhedsobligationer IG A DKK <sup>1</sup>	(1.32)	4.58	3.90	(5.38)	9.46
Virksomhedsobligationer IG W DKK d h <sup>2</sup>	-	(2.02)	4.47	(4.85)	9.92
Benchmark <sup>3</sup>	(1.17)	4.14	3.81	(3.77)	9.00
Assets (DKK 1,000)					
Virksomhedsobligationer IG A DKK	1,046,083	914,866	768,798	438,858	394,738
Virksomhedsobligationer IG W DKK d h	-	13,228	63,892	58,286	330,131
<b>Virksomhedsobligationer IG KL, total</b>	<b>1,046,083</b>	<b>928,094</b>	<b>832,690</b>	<b>497,144</b>	<b>724,869</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.

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.

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 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.

The fund is divided into 2 unit classes.

	Established	ISIN
Virksomhedsobligationer IG Etik A DKK	30 Sep 2019 <sup>1</sup>	DK0061148491
Virksomhedsobligationer IG Etik W DKK d h	5 Jul 2017	DK0060853422

<sup>1</sup> The first financial reporting period runs from 30 Sep 2019 to 31 Dec 2019.

#### Subscription period

Units in Investeringsforeningen Sydinvest Virksomhedsobligationer IG Etik A DKK were offered for an initial subscription period from 16 September to 27 September 2019, both days included.

Following expiry of the initial subscription period, units are offered at tap issue and are not subject to a fixed maximum.

#### The typical investor

The typical investor has an investment horizon of at least 3 years and is looking to invest in a fund with an ethical profile with a high degree of diversification across highly-rated corporate bonds to obtain a positive return on the investment. The typical investor also wants investments to be ethically screened. 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.

	2015	2016	2017	2018	2019
Return (%)					
Virksomhedsobligationer IG Etik A DKK <sup>2</sup>	-	-	-	-	0.13
Virksomhedsobligationer IG Etik W DKK d h <sup>1</sup>	-	-	1.68	(4.88)	9.61
<i>Benchmark</i>	<i>(1.17)</i>	<i>4.14</i>	<i>3.81</i>	<i>(3.77)</i>	<i>9.00</i>
Assets (DKK 1,000)					
Virksomhedsobligationer IG Etik A DKK	-	-	-	-	11,026
Virksomhedsobligationer IG Etik W DKK d h	-	-	122,993	157,226	429,814
<b>Virksomhedsobligationer IG Etik KL, total</b>	-	-	122,993	157,226	440,840

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

<sup>2</sup> The first return and assets cover the period from 30 Sep 2019 to 31 Dec 2019.

#### 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.

**Ethics:** The companies in the fund's investment universe are screened within 6 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%

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	40716041	35457720
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 – on fund level	Yes – on fund level

#### 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 2 unit classes.

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

#### 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.

	2015	2016	2017	2018	2019
Return (%)					
Virksomhedsobligationer A DKK	(4.16)	8.34	4.86	(5.76)	12.14
Virksomhedsobligationer W DKK d <sup>2</sup>	-	-	5.18	(5.23)	12.71
<i>BofA Merrill Lynch Euro HY Index <sup>1</sup></i>	<i>0.22</i>	<i>8.81</i>	<i>6.79</i>	<i>(3.77)</i>	<i>11.03</i>
Assets (DKK 1000)					
Virksomhedsobligationer A DKK	2,312,861	1,791,738	1,033,531	695,273	593,210
Virksomhedsobligationer W DKK d	-	-	199,195	104,178	75,896
<b>Virksomhedsobligationer HY KL, total</b>	<b>2,312,861</b>	<b>1,791,738</b>	<b>1,232,726</b>	<b>799,451</b>	<b>669,106</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 from 1 Jan 2017 to 13 Jun 2017 is from Virksomhedsobligationer A DKK.

#### 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 2 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.

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.

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	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 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 is divided into 2 unit classes.

	Established	ISIN
Virksomhedsobligationer HY Etik A DKK	30 Sep 2019 <sup>1</sup>	DK0061148574
Virksomhedsobligationer HY Etik W DKK d h	24 Feb 2017	DK0060783389

<sup>1</sup> The first financial reporting period runs from 30 Sep 2019 to 31 Dec 2019.

#### Subscription period

Units in Investeringsforeningen Sydinvest Virksomhedsobligationer HY Etik A DKK were offered for an initial subscription period from 16 September to 27 September 2019, both days included.

Following expiry of the initial subscription period, units are offered at tap issue and are not subject to a fixed maximum.

#### The typical investor

Investeringsforeningen Sydinvest, fund 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. The typical investor also wants investments to be ethically screened. 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).

	2015	2016	2017	2018	2019
Return (%)					
Virksomhedsobligationer HY Etik A DKK <sup>2</sup>	-	-	-	-	2.25
Virksomhedsobligationer HY Etik W DKK d h <sup>1</sup>	-	-	3.44	(5.35)	11.45
<i>BofA Merrill Lynch Euro HY Index</i>	<i>0.22</i>	<i>8.81</i>	<i>4.91</i>	<i>(3.77)</i>	<i>11.03</i>
Assets (DKK 1,000)					
Virksomhedsobligationer HY Etik A DKK	-	-	-	-	10,030
Virksomhedsobligationer HY Etik W DKK d h	-	-	97,972	86,962	143,797
<b>Virksomhedsobligationer HY Etik KL, total</b>	<b>-</b>	<b>-</b>	<b>97,972</b>	<b>86,962</b>	<b>153,827</b>

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

<sup>2</sup> The first return and assets cover the period from 30 Sep 2019 to 31 Dec 2019.

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. 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 2 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% 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 companies in the fund's investment universe are screened within 6 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%

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	40716076	34199973
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 – on fund level	Yes – on fund level

#### 5.1.11. 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 is divided into 2 unit classes.

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

#### 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.

	2015	2016	2017	2018	2019
Return (%)					
HøjrenteLande Valuta A DKK	(4.47)	10.78	(1.81)	(1.79)	10.43
HøjrenteLande Valuta W DKK d <sup>1</sup>	-	-	(1.61)	(1.08)	11.05
<i>Benchmark</i>	<i>(5.02)</i>	<i>12.82</i>	<i>1.34</i>	<i>(1.26)</i>	<i>15.72</i>
Assets (DKK 1,000)					
HøjrenteLande Valuta A DKK	1,557,528	1,124,531	1,148,553	1,101,229	936,826
HøjrenteLande Valuta W DKK d	-	-	16,186	11,542	1,835
<b>HøjrenteLande Valuta KL, total</b>	<b>1,557,528</b>	<b>1,124,531</b>	<b>1,164,739</b>	<b>1,112,771</b>	<b>938,661</b>

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

#### 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.

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.

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	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

#### **5.1.12. 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 3 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

#### 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.

	2015	2016	2017	2018	2019
Return (%)					
HøjrenteLande Lokal Valuta A DKK	(6.69)	13.21	(0.33)	(3.54)	15.10
Emerging Market LC Bonds B EUR d <sup>1</sup>	(14.2)	13.73	(0.32)	(3.60)	15.10
HøjrenteLande Lokal Valuta W DKK <sup>2</sup>	-	-	0.07	(2.84)	15.86
<i>Benchmark in DKK</i>	<i>(5.02)</i>	<i>12.82</i>	<i>1.34</i>	<i>(1.26)</i>	<i>15.72</i>
<i>Benchmark in EUR</i>	<i>(5.23)</i>	<i>13.23</i>	<i>1.20</i>	<i>(1.48)</i>	<i>15.56</i>
Assets (DKK 1,000)					
HøjrenteLande Lokal Valuta A DKK	1,072,241	708,149	625,156	562,618	392,448
Emerging Market LC Bonds B EUR d	34,093	20,171	23,170	31,089	49,397
HøjrenteLande Lokal Valuta W DKK	-	-	55,073	129,175	163,227
<b>HøjrenteLande Lokal Valuta KL, total</b>	<b>1,106,334</b>	<b>728,320</b>	<b>703,399</b>	<b>722,882</b>	<b>605,072</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 from 1 Jan 2017 to 13 Jun 2017 is from HøjrenteLande Lokal Valuta A DKK.

#### 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.

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.

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	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 2 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.

	2015	2016	2017	2018	2019
Return (%)					
Verden Ligevægt & Value A DKK	7.26	17.07	4.10	(7.23)	23.43
Verden Ligevægt & Value W DKK d <sup>1</sup>	-	17.46	5.15	(6.35)	24.50
<i>Benchmark</i>	<i>9.00</i>	<i>10.69</i>	<i>9.04</i>	<i>(4.63)</i>	<i>29.10</i>
Assets (DKK 1,000)					
Verden Ligevægt & Value A DKK	389,301	705,697	317,719	251,990	301,468
Verden Ligevægt & Value W DKK d	-	360,612	1,081,798	996,162	888,643
<b>Verden Ligevægt &amp; Value KL, total</b>	<b>389,301</b>	<b>1,066,309</b>	<b>1,399,517</b>	<b>1,248,152</b>	<b>1,189,811</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. Therefore relative to its benchmark the fund may have underweight and overweight positions in companies, sectors and countries.

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 unit class data	Class A	Class W
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	100
Notification of marketing in	Denmark	Denmark
Currency hedging	No	No

### 5.2.2. Verden Ligevægt & Value Etik KL (Global Value 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 is divided into 2 unit classes.

	Established	ISIN
Verden Ligevægt & Value Etik A DKK	30 Sep 2019 <sup>1</sup>	DK0061148657
Verden Ligevægt & Value Etik W DKK d	1 Feb 2016	DK0060681468

<sup>1</sup> The first financial reporting period runs from 30 Sep 2019 to 31 Dec 2019.

#### 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. The typical investor also wants investments to be ethically screened. 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 screens companies' activities in selected business areas. These are 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.

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

	2015	2016	2017	2018	2019
Return (%)					
Verden Ligevægt & Value Etik A DKK <sup>2</sup>	-	-	-	-	-
Verden Ligevægt & Value Etik W DKK d <sup>1</sup>	-	23.58	5.61	(6.31)	8.06
<i>Benchmark</i>	<i>9.00</i>	<i>10.69</i>	<i>9.04</i>	<i>(4.63)</i>	<i>26.66</i>
Assets (DKK 1,000)					
Verden Ligevægt & Value Etik A DKK	-	-	-	-	10,049
Verden Ligevægt & Value Etik W DKK d	-	184,230	256,089	262,191	382,720
<b>Verden Ligevægt &amp; Value Etik KL, total</b>	<b>-</b>	<b>184,230</b>	<b>256,089</b>	<b>262,191</b>	<b>392,769</b>

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

<sup>2</sup> The first return and assets cover the period from 30 Sep 2019 to 31 Dec 2019.

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). Moreover screening is carried out within the above-mentioned business areas. No limits have been laid down as regards in which countries, regions and sectors the fund may make investments.

**Ethics:** The companies in the fund's investment universe are screened within 6 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%

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	40716122	34194890
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

### 5.2.3. 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 3 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 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).

	2015	2016	2017	2018	2019
Return (%)					
Danmark A DKK	31.04	(0.87)	11.44	(13.93)	24.20
Danish Equities B DKK d <sup>1</sup>	-	2.14	11.78	(13.65)	24.52
Danmark W DKK d <sup>2</sup>	-	-	-	(17.08)	24.96
<i>Benchmark</i>	<i>30.83</i>	<i>3.22</i>	<i>16.82</i>	<i>(7.50)</i>	<i>26.66</i>
Assets (DKK 1,000)					
Danmark A DKK	572,048	444,759	390,489	310,076	399,851
Danish Equities B DKK d	-	55,485	77,454	66,229	55,264
Danmark W DKK d	-	-	-	68,298	57,767
<b>Danmark KL, total</b>	<b>572,048</b>	<b>500,244</b>	<b>469,943</b>	<b>444,603</b>	<b>512,882</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. 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 2 unit classes.

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

#### 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.

	2015	2016	2017	2018	2019
<b>Return (%)</b>					
Europa Ligevægt & Value A DKK	8.34	5.98	9.45	(12.47)	21.65
Europa Ligevægt & Value W DKK d <sup>1</sup>	-	-	10.02	(11.75)	22.57
<i>Benchmark</i>	<i>8.46</i>	<i>2.20</i>	<i>10.39</i>	<i>(10.37)</i>	<i>26.22</i>
<b>Assets (DKK 1,000)</b>					
Europa Ligevægt & Value A DKK	942,261	671,961	439,970	371,284	352,043
Europa Ligevægt & Value W DKK d	-	-	559,605	351,820	349,785
<b>Europa Ligevægt &amp; Value KL, total</b>	<b>942,261</b>	<b>671,961</b>	<b>999,575</b>	<b>723,104</b>	<b>701,828</b>

<sup>1</sup> Return for the period from 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.

<b>Other fund data</b>	<b>Class A</b>	<b>Class W</b>
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

### 5.2.5. 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 consists of one unit class.

	<b>Established</b>	<b>ISIN</b>
Tyskland A DKK	25 Apr 2006	DK0060033116

#### 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.

	2015	2016	2017	2018	2019
Return (%)					
Tyskland A DKK	9.47	4.95	14.24	(21.34)	26.28
<i>Benchmark <sup>1</sup></i>	<i>9.79</i>	<i>5.76</i>	<i>16.13</i>	<i>(17.82)</i>	<i>25.14</i>
Assets (DKK 1,000)					
Tyskland KL	796,024	663,094	705,249	477,142	443,025

<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).

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

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
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

#### 5.2.6. 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 unit classes.

	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.

	2015	2016	2017	2018	2019
Return (%)					
BRIK KL	(3.04)	26.57	20.41	(0.28)	28.73
<i>Benchmark</i>	<i>(3.11)</i>	<i>31.92</i>	<i>14.45</i>	<i>(0.37)</i>	<i>29.86</i>
Assets (DKK 1,000)					
BRIK KL	586,695	561,635	583,331	498,866	547,136

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

### 5.2.7. 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 unit classes.

	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.

	2015	2016	2017	2018	2019
Return (%)					
Latinamerika KL	(13.91)	14.42	2.86	0.32	18.37
<i>Benchmark</i>	<i>(23.01)</i>	<i>34.47</i>	<i>8.84</i>	<i>(1.64)</i>	<i>19.79</i>
Assets (DKK 1,000)					
Latinamerika KL	199,685	212,335	262,112	215,092	163,057

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

#### 5.2.8. 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 2 unit classes.

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

#### 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.

	2015	2016	2017	2018	2019
Return (%)					
Fjernøsten A DKK	3.25	3.04	25.01	(17.53)	26.19
Fjernøsten W DKK d <sup>2</sup>	-	-	25.65	(16.74)	27.27
Benchmark <sup>1</sup>	1.40	8.20	24.65	(9.85)	20.51
Assets (DKK 1,000)					
Fjernøsten A DKK	2,764,799	2,698,397	2,548,409	1,508,781	1,130,644
Fjernøsten W DKK d	-	-	132,349	62,113	49,834
<b>Fjernøsten KL, total</b>	<b>2,764,799</b>	<b>2,698,397</b>	<b>2,680,758</b>	<b>1,570,894</b>	<b>1,180,478</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 from 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

#### 5.2.9. 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 2 unit classes.

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

#### 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.



	2015	2016	2017	2018	2019
Return (%)					
USA Ligevægt & Value A DKK	11.48	20.58	2.55	(5.03)	25.27
USA Ligevægt & Value W DKK d <sup>1</sup>	-	(2.72)	3.56	(4.14)	26.28
<i>Benchmark</i>	<i>12.40</i>	<i>13.80</i>	<i>6.59</i>	<i>(0.02)</i>	<i>33.46</i>
Assets (DKK 1,000)					
USA Ligevægt & Value A DKK	331,800	459,582	277,517	261,117	355,122
USA Ligevægt & Value W DKK d	-	93,969	401,265	448,217	1,120,037
<b>USA Ligevægt &amp; Value KL, total</b>	<b>331,800</b>	<b>553,551</b>	<b>678,782</b>	<b>709,334</b>	<b>1,475,159</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	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. 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). The fund may invest in Chinese A shares through China Connect.

The fund is divided into 2 unit classes.

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

#### 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.

	2015	2016	2017	2018	2019
<b>Return (%)</b>					
Globale EM-aktier A DKK <sup>1</sup>	(2.18)	8.69	26.35	(14.10)	23.43
Globale EM-aktier W DKK d <sup>2</sup>	-	-	26.95	(13.40)	24.30
<i>Benchmark</i>	<i>(5.00)</i>	<i>13.88</i>	<i>20.63</i>	<i>(10.11)</i>	<i>20.80</i>
<b>Assets (DKK 1,000)</b>					
Globale EM-aktier A DKK	471,026	389,413	417,990	314,272	369,219
Globale EM-aktier W DKK d	-	-	134,551	72,582	59,355
<b>Globale EM-aktier KL, total</b>	<b>471,026</b>	<b>389,413</b>	<b>552,541</b>	<b>386,854</b>	<b>428,574</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 from 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.

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

#### 5.2.11. Verden Etik Indeks KL (Global Ethics Equities Passive KL)

The fund invests globally in shares. Investments are diversified across different countries and industries. The fund's largest investments are in USA and Japan. No limits have been laid down as regards in which countries, regions and sectors the fund may make investments. 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 1 unit class.

	Established	ISIN
Verden Etik Indeks W DKK d	18 Feb 2020 <sup>1</sup>	DK0061156759

<sup>1</sup> The first financial reporting period runs from 18 Feb 2020 to 31 Dec 2020.

#### 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. Moreover the typical investor requests ethical screening of 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 the return of the fund's benchmark adjusted for costs while observing stipulated risk limits, including the effects of opt-out of companies in connection with ethical screening. Consequently the fund is passively managed.

The fund's benchmark is Morningstar Global Target Market Exposure Responsible Index.

	2015	2016	2017	2018	2019
Return (%)					
Verden Etik Indeks W DKK d <sup>1</sup>	-	-	-	-	-
<i>Benchmark</i>	<i>11.9</i>	<i>9.5</i>	<i>10.7</i>	<i>(3.6)</i>	
Assets (DKK 1,000)					
Verden Etik Indeks W DKK d	-	-	-	-	-

<sup>1</sup> The first return covers the period from 18 Feb 2020 to 31 Dec 2020.

#### 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). The investment strategy is to minimise the ex-ante tracking error relative to benchmark while taking into account costs and ethical screening. Ex-ante tracking error is a statistical model-based measurement of the expected maximum deviation of fund return at a probability of 68% from benchmark return within 12 months.

**Ethics:** The companies in the fund's investment universe are screened within 6 activities. The table shows the maximum turnover of the individual company within the different activities.

Activity	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%

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

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 W
SE no	40984127
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

#### 5.2.12. Morningstar Sustainability Leaders Index KL (Morningstar Bæredygtig Indeks KL)

**The fund invests globally in shares in companies which are part of the index Morningstar Global Markets Sustainability Leaders.**

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 unit classes.

	Established	ISIN
Morningstar Sustainability Leaders Index KL	23 Aug 2018	DK0061111572

#### The typical investor

The typical investor has an investment horizon of at least 4 years and wishes to invest in a fund which addresses sustainable 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 the return of the fund's benchmark adjusted for costs while observing stipulated risk limits. The fund's benchmark is Morningstar Global Markets Sustainability Leaders, including net dividends, unhedged to DKK. Consequently the fund is passively managed.

The investment policy is based on Morningstar's construction rules for its Global Markets Sustainability Leaders Index (index for sustainable investments), see the table below.

Parameter	Morningstar Global Markets Sustainability Leaders Index
Objective	The Morningstar Global Markets Sustainability Leaders Index offers diversified exposure to large cap companies in the Morningstar Global Markets Index which display leadership within environmental, social and corporate governance issues in certain economic areas. The index represents a list focusing on ESG leaders which have included sustainability in their business models and consequently contribute to setting the standard with their business areas as regards eg carbon dioxide emissions, employee engagement and business ethics.
Performance measurement	21 December 2012
Investment universe	Morningstar Global Markets Large Cap Index
Product screening	In addition to the conventional product screening used in the various Morningstar Sustainability Indices, companies involved in civilian firearms, tobacco or nuclear production are also excluded. Moreover companies whose income from gambling, alcohol production or adult entertainment represents more than 50% are excluded.
Additional screenings	Companies are excluded as follows: <ul style="list-style-type: none"> <li>• Controversy scores of 4 or 5</li> <li>• Serious CO2 risks</li> <li>• Non-compliance with the UN Global Compact principles</li> <li>• Three-month average daily turnover of less than USD 1m</li> </ul>
Selection	<ul style="list-style-type: none"> <li>• The remaining companies are ranked according to their sustainability scores.</li> <li>• The top 100 (most sustainable) companies are selected.</li> <li>• Region/sector weight differences are limited to +/- 15 percentage points relative to the investment universe to minimise deviations.</li> </ul>
Weight	Companies are weighted on the basis of the float market cap. The index applies a 5-10-40 capping of individual companies. This means that an individual company weight cannot exceed 10% at the time of reconstitution and companies greater than 5% in weight cannot combine to over 40% of the portfolio. If a company's weight exceeds 10%, excessive weights are redistributed among the remaining companies belonging to the same sector. The 5-40 capping is the applied to the portfolio weights.
Reconstitutions	Semiannually
Rebalancing	Quarterly. Companies with a controversy score of 4 or 5 are deleted from the index.

For a detailed description of the Morningstar Global Markets Sustainability Leaders Index, reference is made to Morningstar.

	2015	2016	2017	2018	2019
Return (%)					
Morningstar Sustainability Leaders Index KL <sup>1</sup>	-	-	-	-	20.22
<i>Benchmark</i>	<i>10.8</i>	<i>11.0</i>	<i>5.7</i>	<i>(4.7)</i>	<i>21.47</i>
Assets (DKK 1000)					
Morningstar Sustainability Leaders Index KL	-	-	-	-	394,819

<sup>1</sup> The fund's first return will cover the period from 26 Nov 2018 to 31 Dec 2019.

In the attempt to fulfil the objective, the fund's investments follow the benchmark.

#### 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

In order to maintain the fund's risk profile relative to the fund's benchmark, restrictions have been imposed. 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. Ex-ante tracking error is a statistical model-based measurement of the expected maximum deviation of fund return at a probability of 68% from benchmark return within 12 months.

	Limitations (%)
Ex-ante tracking error	Maximum 2.0
Investments outside benchmark	Maximum 10

The fund invests as a minimum 90% of its assets in shares included in the Morningstar Global Markets Sustainability Leaders Index.

Morningstar Sustainability Leaders Index KL is the result of the screening as described in the above paragraph on the investment objective.

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	Fund
SE no	39847361
Risk category	5
Listed on	Nasdaq Copenhagen
Issue and redemption pricing	Dual pricing
Base currency	DKK
Denomination	100
Notification of marketing in	Denmark
Currency hedging	No

## 6. Funds taxed on a market-value basis

### 6.1. 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 3 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

#### 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. The typical investor uses the fund as part of a larger portfolio to reduce the portfolio's overall risk, or alternative investments are expected to generate negative returns. 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.

	2015	2016	2017	2018	2019
Return (%)					
Mellemlange Obligationer A DKK Akk <sup>1</sup>	(1.05)	3.09	1.73	0.27	1.49
Danish Bonds B DKK Acc	(0.87)	3.02	1.80	0.31	1.50
Mellemlange Obligationer W DKK Akk <sup>2</sup>	-	-	1.00	0.57	1.75
<i>Benchmark</i> <sup>3</sup>	<i>0.19</i>	<i>1.64</i>	<i>(0.15)</i>	<i>0.65</i>	<i>0.73</i>
Assets (DKK 1,000)					
Mellemlange Obligationer Akk A	-	1,580,926	458,530	435,086	435,715
Danish Bonds B DKK Acc	98,744	90,701	95,136	99,207	93,593
Mellemlange Obligationer W DKK Akk			430,486	413,027	265,966
<b>Mellemlange Obligationer Akk KL, total</b>	<b>98,744</b>	<b>1,671,627</b>	<b>984,152</b>	<b>947,320</b>	<b>795,274</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 4 years.
- The fund's effective duration may vary from 3 to 5 years.

Read more about measures to maintain risk in 7.2.

Other unit class data	Class A	Class B	Class W
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 consists of one unit class.

	Established	ISIN
International Bonds B EUR Acc	16 Jun 2015	DK0060647014

#### The typical investor

The typical investor has an investment horizon of at least 3 years. Moreover investors are expected to know that international interest rate and exchange rate fluctuations may at times lead to significant fluctuations in the fund's assets. The investor may use the fund as part of a larger portfolio to spread the portfolio's overall risk or as a direct investment if alternative investments are expected to generate negative returns. 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 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 Treasuries 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 was merged into unit class B on 21 September 2015.

	2015	2016	2017	2018	2019
Return (%)					
International Bonds B EUR Acc	3.74	(1.72)	(6.92)	2.54	2.61
<i>Benchmark in EUR</i>	<i>8.11</i>	<i>4.43</i>	<i>(5.70)</i>	<i>3.21</i>	<i>3.80</i>
Assets (DKK 1,000)					
International Bonds B EUR Acc	83,379	64,744	36,670	30,641	25,589

#### 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.

The fund invests globally in bonds listed on authorised 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%.

Read more about measures to maintain risk in 7.2.

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 4 unit classes.



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

#### 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.

	2015	2016	2017	2018	2019
Return (%)					
HøjrenteLande A DKK Akk	(2.79)	8.76	8.39	(9.75)	10.69
EM Bonds B EUR Acc h	(2.01)	8.97	8.63	(9.58)	10.99
EM Bonds I EUR Acc h	(2.13)	9.84	9.17	(8.83)	11.64
HøjrenteLande W DKK Acc h <sup>1</sup>	(0.28)	9.35	8.78	(9.2)	11.50
<i>Benchmark hedged to DKK</i>	<i>0.24</i>	<i>8.27</i>	<i>8.08</i>	<i>(7.18)</i>	<i>11.39</i>
<i>Benchmark hedged to EUR</i>	<i>0.74</i>	<i>8.32</i>	<i>8.21</i>	<i>(7.04)</i>	<i>11.66</i>
Assets (DKK 1,000)					
HøjrenteLande A DKK Akk	642,516	763,386	556,226	466,914	441,763
EM Bonds B EUR Acc h	113,960	125,971	128,069	62,489	58,918
EM Bonds I EUR Acc h	404,485	442,668	524,393	936,199	329,337
HøjrenteLande W DKK Acc h	82,658	302,309	751,300	503,588	749,485
<b>HøjrenteLande Akk KL, total</b>	<b>1,310,480</b>	<b>1,690,421</b>	<b>1,959,988</b>	<b>1,969,190</b>	<b>1,579,503</b>

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

#### 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.

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.

Read more about measures to maintain risk in 7.2.



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	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 3 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 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.

	2015	2016	2017	2018	2019
Return (%)					
HøjrenteLande Lokal Valuta W DKK Acc	(1.22)	13.71	0.42	(2.98)	15.78
EM Local Currency Bonds B EUR Acc	(7.37)	13.36	(0.24)	(3.68)	15.05
EM Local Currency Bonds I EUR Acc	(6.36)	13.95	0.31	(3.18)	15.65
<i>Benchmark in DKK</i>	<i>(5.02)</i>	<i>12.82</i>	<i>1.34</i>	<i>(1.26)</i>	<i>15.72</i>
<i>Benchmark in EUR</i>	<i>(5.23)</i>	<i>13.23</i>	<i>1.20</i>	<i>(1.48)</i>	<i>15.56</i>
Assets (DKK 1,000)					
HøjrenteLande Lokal Valuta W DKK Acc	7,924	8,996	165,221	282,674	473,560
EM Local Currency Bonds B EUR Acc	62,837	46,158	37,125	32,869	29,904
EM Local Currency Bonds I EUR Acc	2,159,941	3,164,374	2,440,839	508,117	192,460
<b>HøjrenteLande Lokal Valuta Akk KL, total</b>	<b>2,230,702</b>	<b>3,219,528</b>	<b>2,643,185</b>	<b>823,660</b>	<b>695,924</b>

#### 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.

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.

Read more about measures to maintain risk in 7.2.

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	10	1,000	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 2 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 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.

	2015	2016	2017	2018	2019
Return (%)					
HøjrenteLande Korte Obligationer A DKK Akk <sup>1</sup>	(2.13)	3.02	4.62	(3.37)	4.74
HøjrenteLande Korte Obligationer W DKK Acc h <sup>2</sup>	-	(1.35)	5.37	(2.97)	5.16
Assets (DKK 1,000)					
HøjrenteLande Korte Obligationer A DKK Akk	308,931	551,078	565,667	493,632	514,647
HøjrenteLande Korte Obligationer W DKK Acc h	-	54,268	133,743	104,855	125,426
<b>HøjrenteLande Korte Obligationer Akk, total</b>	<b>308,931</b>	<b>605,346</b>	<b>699,410</b>	<b>598,487</b>	<b>640,073</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.

#### 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.

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.

Read more about measures to maintain risk in 7.2.

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	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 2 unit classes.

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

#### 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.

	2015	2016	2017	2018	2019
Return (%)					
Virksomhedsobligationer HY A DKK Akk	(2.65)	8.04	4.87	(5.70)	12.00
Virksomhedsobligationer HY W DKK Acc h <sup>1</sup>	(1.20)	8.78	5.60	(5.08)	12.71
<i>BofA Merrill Lynch Euro HY Index</i> <sup>2</sup>	<i>0.22</i>	<i>8.81</i>	<i>6.79</i>	<i>(3.77)</i>	<i>11.03</i>
Assets (DKK 1,000)					
Virksomhedsobligationer HY A DKK Akk	443,998	418,733	230,491	156,835	152,940
Virksomhedsobligationer HY W DKK Acc h	93,331	329,088	423,326	285,683	305,589
<b>Virksomhedsobligationer HY Akk KL, total</b>	<b>537,329</b>	<b>747,821</b>	<b>653,817</b>	<b>442,518</b>	<b>458,529</b>

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

#### 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 2 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.

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

Read more about measures to maintain risk in 7.2.

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. 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 is divided into 3 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 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 of unit classes A and W is MSCI All Country World Index, including net dividends, unhedged to DKK. The benchmark of unit class B is MSCI All Country World Index, including net dividends, unhedged to EUR.

	2015	2016	2017	2018	2019
Return (%)					
Verden Ligevægt & Value A DKK Akk <sup>1</sup>	(4.88)	16.83	3.84	(7.54)	23.61
Global Value Equities B EUR Acc	6.75	17.70	4.22	(7.39)	23.92
Verden Ligevægt & Value W DKK Acc <sup>2</sup>	-	10.71	4.94	(6.68)	24.70
<i>Benchmark unhedged to DKK</i>	<i>9.00</i>	<i>10.69</i>	<i>9.04</i>	<i>(4.63)</i>	<i>29.10</i>
<i>Benchmark unhedged to EUR</i>	<i>8.76</i>	<i>11.09</i>	<i>8.89</i>	<i>(4.85)</i>	<i>28.93</i>
Assets (DKK 1,000)					
Verden Ligevægt & Value A DKK Akk	30,305	220,738	70,812	61,819	77,151
Global Value Equities B EUR Acc	33,615	76,627	118,124	157,957	73,498
Verden Ligevægt & Value W DKK Acc	-	11,932	402,305	470,475	370,844
<b>Verden Ligevægt &amp; Value Akk KL, total</b>	<b>63,920</b>	<b>309,297</b>	<b>591,241</b>	<b>690,251</b>	<b>521,493</b>

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

<sup>2</sup> The first return covers the period from 5 Oct 2015 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 consists of 1 unit class.

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

#### 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.

	2015	2016	2017	2018	2019
Return (%)					
Europa Ligevægt & Value W DKK Akk <sup>1</sup>	-	-	16.85	(11.59)	22.08
Benchmark	8.46	2.20	10.39	(10.37)	26.22
Assets (DKK 1,000)					
Europa Ligevægt & Value W DKK Akk	-	-	175,029	75,314	86,394

<sup>1</sup> The first return covers the period from 5 Oct 2016 to 31 Dec 2017.

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	100
Notification of marketing in	Denmark
Currency hedging	No

### 6.2.3. USA Ligevægt & Value Akkumulerende 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 consists of 1 unit class.

	Established	ISIN
USA Ligevægt & Value W DKK d	11 Dec 2018	DK0061132065

#### 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.

	2015	2016	2017	2018	2019
Return (%)					
USA Ligevægt & Value W DKK Acc <sup>1</sup>	-	-	-	-	13.45
Benchmark	12.40	13.80	6.59	(0.02)	22.34
Assets (DKK 1000)					
USA Ligevægt & Value W DKK Acc	-	-	-	-	97,602

<sup>1</sup> The first return covers the period from 8 Feb 2019 to 31 Dec 2019.

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



Other unit class data	Class W
SE no	40134832
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

#### 6.2.4. 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 2 unit classes.

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

#### 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.

	2015	2016	2017	2018	2019
Return (%)					
BRIK A DKK Akk	(2.52)	24.64	20.30	(0.08)	28.62
BRIK W DKK Akk <sup>1</sup>	-	-	15.82	0.73	29.65
<i>Benchmark</i>	<i>(3.11)</i>	<i>31.92</i>	<i>14.45</i>	<i>(0.37)</i>	<i>29.86</i>
Assets (DKK 1,000)					
BRIK A DKK Akk	262,173	297,189	309,828	287,783	357,602
BRIK W DKK Akk	-	-	6,958	7,650	7,960
<b>BRIK Akk, total</b>	<b>262,173</b>	<b>297,189</b>	<b>316,786</b>	<b>295,433</b>	<b>365,562</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	100	100
Notification of marketing in	Denmark	Denmark
Currency hedging	No	No

### 6.2.5. 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 consists of 1 unit class.

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

#### 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.

	2015	2016	2017	2018	2019
Return (%)					
Latin America Equities B EUR Acc	(13.73)	15.06	3.06	(0.06)	18.16
<i>Benchmark unhedged to EUR</i>	<i>(23.18)</i>	<i>34.96</i>	<i>8.69</i>	<i>(1.86)</i>	<i>19.63</i>
Assets (DKK 1,000)					
Latin America Equities B EUR Acc	63.520	49.918	41.110	41.063	41,063

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

#### 6.2.6. 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 3 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

#### 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.

	2015	2016	2017	2018	2019
Return (%)					
Fjernøsten A DKK Akk	2.63	3.12	24.41	(17.66)	26.11
Far East Equities B EUR Acc	2.22	3.64	24.56	(17.72)	26.23
Fjernøsten W DKK Acc <sup>3</sup>	8.21	3.91	25.55	(16.91)	27.18
Benchmark unhedged to DKK <sup>1</sup>	1.40	8.20	24.65	(9.85)	20.51
Benchmark unhedged to EUR <sup>2</sup>	1.18	8.60	24.48	(10.05)	20.34
Assets (DKK 1,000)					
Fjernøsten A DKK Akk	316,293	311,551	348,376	282,914	270,771
Far East Equities B EUR Acc	310,736	300,071	368,067	243,646	228,909
Fjernøsten W DKK Acc	60,272	96,208	315,419	277,893	459,935
<b>Fjernøsten Akk, total</b>	<b>687,301</b>	<b>707,830</b>	<b>1,031,862</b>	<b>804,453</b>	<b>959,615</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 2015 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

#### 6.2.7. 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 3 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

#### 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 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.

	2015	2016	2017	2018	2019
Return (%)					
Globale EM-aktier A DKK Akk <sup>1</sup>	(2.16)	9.04	25.89	(14.27)	23.48
Global EM-Equities B EUR Acc <sup>2</sup>	(3.20)	9.52	26.08	(14.22)	23.67
Globale EM-aktier W DKK Acc <sup>3</sup>	7.95	9.69	27.07	(13.48)	24.57
<i>Benchmark unhedged to DKK</i>	<i>(5.00)</i>	<i>13.88</i>	<i>20.63</i>	<i>(10.11)</i>	<i>20.80</i>
<i>Benchmark unhedged to EUR <sup>2</sup></i>	<i>(5.21)</i>	<i>14.30</i>	<i>20.47</i>	<i>(10.31)</i>	<i>20.64</i>
Assets (DKK 1,000)					
Globale EM-aktier A DKK Akk	205,640	196,633	166,567	157,025	140,218
Global EM Equities B EUR Acc	102,978	96,696	110,953	85,441	90,720
Globale EM-aktier W DKK Acc	10,633	38,589	407,228	292,030	363,454
<b>Globale EM-aktier AKK, total</b>	<b>319,251</b>	<b>331,918</b>	<b>684,748</b>	<b>534,496</b>	<b>594,392</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 2015 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.

Other unit class data	Class A	Class B	Class W
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	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 5 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 5 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 and political events.

#### 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, Verden Etik Indeks KL, Morningstar Global Markets Sustainability Leaders 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>							
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 Akk KL				X		X	
Virksomhedsobligationer HY Etik KL				X		X	X
Virksomhedsobligationer HY KL				X		X	
Virksomhedsobligationer IG Etik KL				X		X	X
Virksomhedsobligationer IG KL				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					
Morningstar Sustainability Leaders Index KI		X					
Tyskland KL	X	X					
USA Ligevægt & Value Akkumulerende KL	X	X					
USA Ligevægt & Value KL	X	X					
Verden Etik Indeks KL		X					X
Verden Ligevægt & Value Etik KL		X					X
Verden Ligevægt & Value Akkumulerende KL		X					
Verden Ligevægt & Value KL		X					

**Market restrictions:** There are restrictions as to the markets that may be included in the portfolio.

**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. Ex-ante tracking error is a statistical model-based measurement of the expected maximum deviation of fund return at a probability of 68% from benchmark return within

12 months.

**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:** Screening is carried out within business areas, which is 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 owns two-thirds of the shares in 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 2 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	2015	2016	2017	2018	2019
BRIK KL	10.40	0.00	16.00	14.60	20.10
Danmark A DKK	49.80	52.30	30.50	30.00	7.30
Europa Ligevægt & Value A DKK	0.00	0.00	4.10	4.80	1.00
Fjernøsten A DKK	19.60	8.00	23.30	0.00	8.00
Fonde KL	2.30	2.20	2.00	1.80	1.20
Globale EM-aktier A DKK	7.90	0.00	14.30	0.80	4.60
HøjrenteLande A DKK	5.40	4.80	14.30	2.80	3.10
HøjrenteLande Lokal Valuta A DKK	1.10	0.00	1.10	0.00	3.30
HøjrenteLande Mix A DKK	4.90	4.60	6.80	3.60	3.70
HøjrenteLande Valuta KL	0.00	0.00	0.00	0.00	2.30
International A DKK	5.30	0.00	0.30	0.00	0.00
Korte Obligationer A DKK	1.20	1.00	1.10	1.20	0.80
Latinamerika KL	0.00	0.00	0.00	0.00	2.90
Mellemlange Obligationer A DKK	1.30	1.30	1.00	0.80	2.50
Morningstar Sustainability Leaders Index KL	-	-	-	-	4.90
Tyskland A DKK	0.00	0.00	0.00	6.00	13.20
USA Ligevægt & Value A DKK	2.20	5.30	3.10	3.80	2.40
Verden Ligevægt & Value Etik A DKK	-	-	-	-	5.70
Verden Ligevægt & Value A DKK	7.10	7.00	6.30	6.20	4.00
Virksomhedsobligationer HY Etik A DKK	-	-	-	-	1.80
Virksomhedsobligationer HY A DKK	0.00	0.00	0.00	2.30	0.40
Virksomhedsobligationer IG Etik A DKK	-	-	-	-	0.70
Virksomhedsobligationer IG A DKK	0.00	0.00	12.80	0.00	0.30

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

The 3 unit classes, Virksomhedsobligationer IG Etik A DKK, Virksomhedsobligationer HY Etik A DKK and Verden Etik A DKK, which were established on 30 September 2019, will release their financial statements for the first time at year-end 2019. Distribution for 2019 as regards these unit classes will be incorporated in the above table when a 2019 column is prepared after the turn of the year.

Unit classes B	2015	2016	2017	2018	2019
Danish Bonds B DKK d <sup>1</sup>	-	0.04/0.40	0.11/1.10	0.09/0.90	0.25/2.5
Danish Equities B DKK d <sup>2</sup>	-	0.60/6.00	1.24/12.40	1.19/11.90	0.31/3.10
Emerging Market Bonds B EUR d h	0.89/8.90	0.48/4.80	1.38/13.80	0.27/2.70	0.30/3.00
Emerging Market Local Currency Bonds B EUR d	0.14/1.40	0.25/2.50	0.33/3.30	0.00/0.00	0.29/2.90
International Bonds B EUR d	0.19/1.90	0.14/1.40	0.16/1.60	0.00/0.00	0.00/0.00

<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.

Unit classes W	2015	2016	2017	2018	2019
Danmark W DKK d	-	-	-	12.50	3.40
Europa Ligevægt & Value W DKK d	-	-	4.50	5.40	1.50
Fjernøsten W DKK d	-	-	24.50	0.00	9.60
Globale EM-aktier W DKK d	-	-	15.40	1.90	5.50
HøjrenteLande Lokal Valuta W DKK d	-	-	1.60	0.00	4.00
HøjrenteLande Mix W DKK d	-	-	7.10	4.20	3.50
HøjrenteLande Valuta W DKK d	-	-	0.00	0.00	2.90
HøjrenteLande W DKK d h	-	-	14.70	3.30	3.60
International W DKK d	-	-	0.50	0.00	0.00
Korte Obligationer W DKK d	-	-	1.30	1.20	0.80
Mellemlange Obligationer W DKK d	-	-	1.30	1.10	2.80
USA Ligevægt & Value W DKK d	-	1.20	8.30	10.30	6.90
Verden Etik Indeks W DKK d	-	5.40	13.30	10.00	6.30
Verden Ligevægt & Value W DKK d	-	3.50	9.90	10.00	-
Virksomhedsobligationer HY Etik W DKK d h	-	-	2.50	3.40	6.60
Virksomhedsobligationer HY W DKK d h	-	-	0.00	2.70	1.70
Virksomhedsobligationer IG Etik W DKK d h	-	0.00	3.70	0.00	0.80
Virksomhedsobligationer IG W DKK d h	-	-	10.80	0.00	0.60

## 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	2015	2016	2017	2018	2019
BRIK A DKK Akk	1.55	1.61	1.67	1.64	1.76
BRIK KL	1.60	1.67	1.69	1.66	1.66
Danmark A DKK	1.32	1.34	1.34	1.37	1.43
Europa Ligevægt & Value A DKK	1.36	1.48	1.57	1.54	1.58
Fjernøsten A DKK	1.51	1.62	1.70	1.77	1.84
Fjernøsten A DKK Akk	1.55	1.62	1.68	1.71	1.79
Fonde KL	0.53	0.53	0.52	0.52	0.48
Globale EM-aktier A DKK <sup>1</sup>	1.55	1.68	1.76	1.73	1.83
Globale EM-aktier A DKK Akk <sup>1</sup>	1.58	1.67	1.75	1.72	1.86
Højrentelande A DKK	1.28	1.33	1.33	1.33	1.30
Højrentelande A DKK Akk	1.30	1.32	1.34	1.31	1.30
Højrentelande Korte Obligationer A DKK Akk	1.09	1.29	1.31	1.03	1.01
Højrentelande Lokal Valuta A DKK	1.34	1.41	1.36	1.38	1.35
Højrentelande Mix A DKK	1.33	1.38	1.36	1.37	1.32
Højrentelande Valuta A DKK	1.32	1.36	1.33	1.38	1.30
International A DKK	0.93	1.00	1.01	0.98	0.90
Korte Obligationer A DKK	0.29	0.26	0.27	0.23	0.23
Latinamerika KL	1.58	1.63	1.70	1.70	1.79
Mellemlange Obligationer A DKK <sup>1</sup>	0.52	0.51	0.54	0.53	0.50
Mellemlange Obligationer A DKK Akk <sup>1</sup>	0.53	0.53	0.57	0.53	0.49
Morningstar Sustainability Leaders Index KL	-	-	-	-	0.49
Tyskland A DKK	1.31	1.52	1.56	1.60	1.63
USA Ligevægt & Value A DKK	1.31	1.43	1.55	1.52	1.49
Verden Ligevægt & Value Etik A DKK <sup>1</sup>	-	-	-	-	0.40
Verden Ligevægt & Value A DKK	1.38	1.46	1.65	1.57	1.57
Verden Ligevægt & Value A DKK Akk <sup>1</sup>	0.54	1.40	1.69	1.54	1.56
Virksomhedsobligationer HY Etik A DKK <sup>1</sup>	-	-	-	-	0.31
Virksomhedsobligationer HY A DKK	1.14	1.21	1.19	1.19	1.17
Virksomhedsobligationer HY A DKK Akk	1.13	1.20	1.23	1.18	1.15
Virksomhedsobligationer IG Etik A DKK <sup>1</sup>	-	-	-	-	0.20
Virksomhedsobligationer IG A DKK <sup>1</sup>	1.06	1.04	0.96	1.00	0.93

Unit classes B	2015	2016	2017	2018	2019
Danish Bonds B DKK Acc <sup>2</sup>	0.74	0.56	0.48	0.49	0.49
Danish Bonds B DKK d <sup>1</sup>	0.33	0.49	0.48	0.49	0.49
Danish Equities B DKK d <sup>1</sup>	-	0.71	1.05	1.10	1.15
Emerging Market Bonds B EUR Acc h <sup>1</sup>	1.33	1.17	1.15	1.18	1.15
Emerging Market Bonds B EUR d h <sup>2</sup>	1.33	1.17	1.16	1.17	1.17
Emerging Market Local Currency Bonds B EUR Acc <sup>2</sup>	1.38	1.23	1.20	1.17	1.17
Emerging Market Local Currency Bonds B EUR d <sup>1</sup>	0.80	1.25	1.21	1.19	1.18
Far East Equities B EUR Acc <sup>2</sup>	1.49	1.45	1.43	1.47	1.58
Global EM-Equities B EUR Acc <sup>2</sup>	1.45	1.59	1.43	1.46	1.54
Global Value Equities B EUR Acc <sup>2</sup>	1.35	1.10	1.12	1.14	1.24
International Bonds B EUR Acc <sup>2</sup>	0.88	0.78	0.78	0.76	0.78
International Bonds B EUR d <sup>1</sup>	0.49	0.81	0.80	0.78	0.78
Latin America Equities B EUR Acc <sup>2</sup>	1.56	1.45	1.46	1.44	1.51

<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	2015	2016	2017	2018	2019
Emerging Market Bonds I EUR Acc h <sup>1</sup>	0.94	0.59	0.58	0.58	0.67
Emerging Market Local Currency Bonds I EUR Acc <sup>1</sup>	0.97	0.62	0.64	0.66	0.63

<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	2015	2016	2017	2018	2019
BRIK W DKK Akk	-	-	0.47	0.84	0.94
Danmark W DKK d	-	-	-	0.40	0.78
Europa Ligevægt & Value W DKK Acc	-	0.14	0.59	0.65	0.68
Europa Ligevægt & Value W DKK d	-	-	0.84	0.74	0.80
Fjernøsten W DKK Acc	0.09	0.80	0.72	0.82	0.89
Fjernøsten W DKK d	-	-	0.79	0.86	0.93
Globale EM-aktier W DKK Acc	0.13	0.80	0.72	0.83	0.91
Globale EM-aktier W DKK d <sup>2</sup>	-	-	1.16	0.89	1.08
HøjrenteLande Korte Obligationer W DKK Acc h	-	-	0.22	0.62	0.61
HøjrenteLande Lokal Valuta W DKK Acc	0.19	0.64	0.56	0.63	0.63
HøjrenteLande Lokal Valuta W DKK d	-	-	0.97	0.64	0.66
HøjrenteLande Mix W DKK d	-	-	1.05	0.68	0.68
HøjrenteLande Valuta W DKK d	-	-	0.78	0.66	0.71
HøjrenteLande W DKK Acc h	0.20	0.57	0.57	0.61	0.59
HøjrenteLande W DKK d h	-	-	0.90	0.66	0.65
International W DKK d	-	-	0.43	0.40	0.40
Korte Obligationer W DKK d	-	-	0.22	0.20	0.18
Mellemlange Obligationer W DKK Acc	-	-	0.13	0.23	0.24
Mellemlange Obligationer W DKK d	-	-	0.38	0.23	0.24
USA Ligevægt & Value W DKK Acc	-	-	-	-	0.58
USA Ligevægt & Value W DKK d	-	0.53	0.55	0.60	0.62
Verden Ligevægt & Value Etik W DKK d	-	0.17	0.56	0.59	0.61
Verden Etik Indeks W DKK d	-	-	-	-	-
Verden Ligevægt & Value W DKK Acc	-	0.43	0.54	0.62	0.66
Verden Ligevægt & Value W DKK d	-	0.50	0.56	0.64	0.67
Virksomhedsobligationer HY Etik W DKK d h	-	-	0.47	0.55	0.50
Virksomhedsobligationer HY W DKK Acc h	-	0.50	0.49	0.52	0.51
Virksomhedsobligationer HY W DKK d h	-	-	0.89	0.63	0.63
Virksomhedsobligationer IG W DKK d h	-	0.40	0.38	0.42	0.52
Virksomhedsobligationer IG Etik W DKK d h	-	-	0.23	0.43	0.44

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

### 10.3. Ongoing charge, APR and indirect transaction costs

The tables show the unit classes' expected ongoing charge, 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	Expected ongoing charge	APR	Indirect transaction costs <sup>1</sup>
BRIK A DKK Akk	1.61	1.95	0.16
BRIK KL	1.64	1.98	0.17
Danmark A DKK	1.41	1.49	0.02
Europa Ligevægt & Value A DKK	1.58	1.81	0.04
Fjernøsten A DKK	1.67	2.24	0.24
Fjernøsten A DKK Akk	1.66	2.22	0.23
Fonde KL	0.42	0.45	0.05
Globale EM-aktier A DKK	1.71	2.12	0.18
Globale EM-aktier A DKK Akk	1.71	2.09	0.18
Højrentelande A DKK	1.27	1.40	0.47
Højrentelande A DKK Akk	1.27	1.40	0.47
Højrentelande Korte Obligationer A DKK Akk	1.02	1.12	0.31
Højrentelande Lokal Valuta A DKK	1.34	1.41	0.24
Højrentelande Mix A DKK	1.32	1.42	0.39
Højrentelande Valuta A DKK	1.32	1.38	0.25
International A DKK	0.71	0.75	0.03
Korte Obligationer A DKK	0.23	0.24	0.09
Latinamerika KL	1.70	1.97	0.13
Mellemlange Obligationer A DKK	0.43	0.46	0.09
Mellemlange Obligationer A DKK Akk	0.43	0.45	0.09
Morningstar Sustainability Leaders Index KL	0.50	0.61	0.05
Tyskland A DKK	1.59	1.68	0.02
USA Ligevægt & Value A DKK	1.41	1.51	0.04
Verden Ligevægt & Value Etik A DKK	1.54	1.67	0.04
Verden Ligevægt & Value A DKK	1.59	1.72	0.03
Verden Ligevægt & Value A DKK Akk	1.58	1.71	0.04
Virksomhedsobligationer HY Etik A DKK	1.17	1.35	0.15
Virksomhedsobligationer HY A DKK	1.15	1.33	0.15
Virksomhedsobligationer HY A DKK Akk	1.14	1.31	0.14
Virksomhedsobligationer IG Etik A DKK	0.74	0.91	0.14
Virksomhedsobligationer IG A DKK	0.77	0.94	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 B	Expected ongoing charge	APR	Indirect transaction costs <sup>1</sup>
Danish Bonds B DKK Acc	0.49	0.89	0.09
Danish Bonds B DKK d	0.49	0.88	0.09
Danish Equities B DKK d	1.14	1.68	0.02
EM Local Currency Bonds B EUR Acc	1.20	1.70	0.21
EM Local Currency Bonds B EUR d	1.22	1.72	0.24
Emerging Market Bonds B EUR Acc h	1.16	1.66	0.47
Emerging Market Bonds B EUR d h	1.17	1.67	0.47
Far East Equities B EUR Acc	1.59	2.77	0.23
Global EM Equities B EUR Acc	1.59	2.60	0.18
Global Value Equities B EUR Acc	1.20	2.00	0.04
International Bonds B EUR Acc	0.77	1.17	0.03
International Bonds B EUR d	0.77	1.17	0.03
Latin America Equities B EUR Acc	1.59	2.48	0.13

<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	Expected ongoing charge	APR	Indirect transaction costs <sup>1</sup>
EM Local Currency Bonds I EUR Acc	0.62	0.70	0.21
Emerging Market Bonds I EUR Acc h	0.58	0.71	0.47

<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	Expected ongoing charge	APR	Indirect transaction costs <sup>1</sup>
BRIK W DKK Akk	0.92	1.26	0.16
Danmark W DKK d	0.77	0.85	0.02
Europa Ligevægt & Value W DKK Acc	0.70	0.94	0.04
Europa Ligevægt & Value W DKK d	0.80	1.03	0.04
Fjernøsten W DKK Acc	0.90	1.46	0.23
Fjernøsten W DKK d	0.91	1.48	0.24
Globale EM-aktier W DKK Acc	0.90	1.29	0.18
Globale EM-aktier W DKK d	1.06	1.47	0.18
HøjrenteLande Korte Obligationer W DKK Acc h	0.61	0.72	0.31
HøjrenteLande Lokal Valuta W DKK Acc	0.63	0.71	0.21
HøjrenteLande Lokal Valuta W DKK d	0.67	0.76	0.24
HøjrenteLande Mix W DKK d	0.67	0.79	0.39
HøjrenteLande Valuta W DKK d	0.66	0.72	0.25
HøjrenteLande W DKK Acc h	0.60	0.73	0.47
HøjrenteLande W DKK d h	0.64	0.78	0.47
International W DKK d	0.40	0.43	0.03
Korte Obligationer W DKK d	0.18	0.20	0.09
Mellemlange Obligationer W DKK Acc	0.23	0.26	0.09
Mellemlange Obligationer W DKK d	0.23	0.26	0.09
USA Ligevægt & Value W DKK Acc	0.65	0.74	0.04
USA Ligevægt & Value W DKK d	0.65	0.74	0.04
Verden Ligevægt & Value Etik W DKK d	0.62	0.75	0.04
Verden Etik Indeks W DKK d	0.50	0.61	0.04
Verden Ligevægt & Value W DKK Acc	0.66	0.79	0.04
Verden Ligevægt & Value W DKK d	0.68	0.81	0.03
Virksomhedsobligationer HY Etik W DKK d h	0.51	0.69	0.15
Virksomhedsobligationer HY W DKK Acc h	0.51	0.68	0.14
Virksomhedsobligationer HY W DKK d h	0.62	0.80	0.15
Virksomhedsobligationer IG W DKK d h	0.54	0.71	0.14
Virksomhedsobligationer IG Etik W DKK d h	0.46	0.62	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.

## 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 rounding in accordance with the tick sizes appearing from the Nasdaq Nordic Market Model for investment funds.

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 rounding in accordance with the tick sizes appearing from the Nasdaq Nordic Market Model for investment funds.

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	0.26
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
Morningstar Sustainability Leaders Index KL	0.18	0.18	0.14
Tyskland A DKK	0.15	0.15	0.15
USA Ligevægt & Value A DKK	0.11	0.11	0.11
Verden Ligevægt & Value Etik A DKK	0.18	0.18	0.14
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 Etik A DKK	0.55	0.55	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 Etik A DKK	0.40	0.40	0.40
Virksomhedsobligationer IG A DKK	0.40	0.40	0.40

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
Danmark W DKK d	0.15	0.15	0.15
Europa Ligevægt & Value W DKK Acc	0.25	0.25	0.14
Europa Ligevægt & Value W DKK d	0.25	0.25	0.14
Fjernøsten W DKK Acc	0.31	0.31	0.37
Fjernøsten W DKK d	0.31	0.31	0.37
Globale EM-aktier W DKK Acc	0.30	0.30	0.34
Globale EM-aktier W DKK d	0.30	0.30	0.34
Højrentelande Korte Obligationer W DKK Acc h	0.36	0.36	0.36
Højrentelande Lokal Valuta W DKK Acc	0.26	0.26	0.26
Højrentelande Lokal Valuta W DKK d	0.26	0.26	0.26
Højrentelande Mix W DKK d	0.36	0.36	0.36
Højrentelande Valuta W DKK d	0.21	0.21	0.21
Højrentelande W DKK Acc h	0.46	0.46	0.46
Højrentelande W DKK d h	0.46	0.46	0.46
International W DKK d	0.10	0.10	0.10
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 Ligevægt & Value Etik W DKK d	0.18	0.18	0.14
Verden Etik Indeks 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 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)

As regards funds without unit classes and unit classes A, net asset values and issue and redemption prices are also published via Nasdaq Copenhagen.

### 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

Funds and unit classes that are taxed on a realisation basis distribute dividends in compliance with section 16 C of the Danish Tax Assessment Act regarding minimum dividend distribution. However in the years when capital gains without an obligation to distribute dividends have been obtained, the funds Korte Obligationer KL, Fonde KL, Mellemlange Obligationer KL, HøjrenteLande KL, HøjrenteLande Mix KL distribute dividends consisting of interest income less administrative costs, however dividends not exceeding 2% of the nominal assets. In income funds dividends may be distributed 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 determination of dividends.

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

### Funds taxed on a realisation basis

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.

#### Funds taxed on a market-value principle

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. Investment management company

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.

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

Two thirds of the company are owned by Sydbank A/S, which is also the custodian of the Investment Fund and of the remaining share of other cooperating financial institutions.

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 6 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 portfolio management fee and a distribution fee. The fees appear from the table in 28.

## 24. Remuneration to the Board of Directors 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.

	2016 (DKK 1,000)	2017 (DKK 1,000)	2018 (DKK 1,000)
Board of Directors	1,000	1,062	1,062
Investment management company	59,524	54,750	54,634
Danish FSA	724	790	725

## 25. 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 website 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.

## 26. Annual Report

The annual report and the interim report with the financial results are 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.

## 27. 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 will be 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 6 months for expiry at the end of a month. Sydbank A/S owns more than two thirds 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.

Custody fee – individual funds and unit classes (%)	A	B	I	W
BRIK Akk KL	0.06			0.06
BRIK KL	0.06			
Danmark KL	0.02	0.02		0.02
Europa Ligevægt & Value Akk KL				0.04
Europa Ligevægt & Value KL	0.04			0.04
Fjernøsten Akk KL	0.06	0.06		0.06
Fjernøsten KL	0.06			0.06
Fonde KL	0.01			
Globale EM-aktier Akk KL	0.06	0.06		0.06
Globale EM-aktier KL	0.06			0.06
HøjrenteLande Akk KL	0.03	0.03	0.03	0.03
HøjrenteLande KL	0.03	0.03		0.03
HøjrenteLande Korte Obligationer Akk KL	0.05			0.05
HøjrenteLande Lokal Valuta Akk KL		0.08	0.08	0.08
HøjrenteLande Lokal Valuta KL	0.08	0.08		0.08
HøjrenteLande Mix KL	0.06			0.06
HøjrenteLande Valuta KL	0.06			0.06
International Akk KL		0.04		
International KL	0.04	0.04		0.04
Korte Obligationer KL	0.01			0.01
Latinamerika Akk KL		0.06		
Latinamerika KL	0.06			
Mellemlange Obligationer Akk KL	0.01	0.01		0.01
Mellemlange Obligationer KL	0.01	0.01		0.01
Morningstar Sustainability Leaders Index KL	0.04			
Tyskland KL	0.04			
USA Ligevægt & Value Akk KL				0.04
USA Ligevægt & Value KL	0.04			0.04
Verden Etik Indeks KL				0.04
Verden Ligevægt & Value Etik KL	0.04			0.04
Verden Ligevægt & Value Akk KL	0.04	0.04		0.04
Verden Ligevægt & Value KL	0.04			0.04
Virksomhedsobligationer HY Akk KL	0.04			0.04
Virksomhedsobligationer HY Etik KL	0.04			0.04
Virksomhedsobligationer HY KL	0.04			0.04
Virksomhedsobligationer IG Etik KL	0.04			0.04
Virksomhedsobligationer IG KI	0.04			0.04

## 28. Agreements – administration, portfolio advice and distribution

### Administration agreement

The administration fee covers payment for the management 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.

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.

With respect to investments in products marketed under the Sydinvest name, costs of the underlying product relating to portfolio management are refunded and any distribution fees are refunded.

Sales and information costs are included in total administrative costs.

### Portfolio management agreement

As regards the actively managed funds and unit classes Syd Fund Management A/S has concluded a portfolio advice 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 3 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.

**Sydbank A/S**

CVR No 12 62 65 09  
Markets  
Peberlyk 4  
6200 Aabenraa  
Denmark

**EM-Quest Capital LLP**

Registered Company number: OC363025  
4th Floor,  
Rex House  
4-12 Regent Street  
London SW1Y 4RG  
England

**Deutsche Asset Management  
International GmbH**

Mainzer Landstraße 11-17  
60329 Frankfurt am Main  
Germany

In return for these services each fund or unit class will pay a management fee on the basis of the type of security. 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 and unit classes A	Administration costs (%)	Portfolio advice fee (%)	Distribution fee (%)
BRIK A DKK Akk	0.32	0.62	0.75
BRIK KL	0.36	0.62	0.75
Danmark A DKK	0.27	0.37	0.75
Europa Ligevægt & Value A DKK	0.31	0.42	0.85
Fjernøsten A DKK	0.34	0.62	0.75
Fjernøsten A DKK Akk	0.33	0.62	0.75
Fonde KL	0.17	0.07	0.15
Globale EM-aktier A DKK	0.35	0.62	0.75
Globale EM-aktier A DKK Akk	0.33	0.62	0.75
HøjrenteLande A DKK	0.22	0.42	0.65
HøjrenteLande A DKK Akk	0.21	0.42	0.65
HøjrenteLande Korte Obligationer A DKK Akk	0.22	0.42	0.35
HøjrenteLande Lokal Valuta A DKK	0.26	0.42	0.65
HøjrenteLande Mix A DKK	0.25	0.42	0.65
HøjrenteLande Valuta A DKK	0.24	0.42	0.65
International A DKK	0.23	0.22	0.25
Korte Obligationer A DKK <sup>1</sup>	0.13	0.02	0.05
Latinamerika KL	0.36	0.62	0.85
Mellemlange Obligationer A DKK	0.19	0.07	0.15
Mellemlange Obligationer A DKK Akk	0.18	0.07	0.15
Morningstar Sustainability Leaders Index KL	0.50	0.00	0.00
Tyskland A DKK	0.30	0.57	0.75
USA Ligevægt & Value A DKK	0.31	0.37	0.75
Verden Ligevægt & Value Etik A DKK	0.31	0.37	0.85
Verden Ligevægt & Value A DKK	0.33	0.42	0.85
Verden Ligevægt & Value A DKK Akk	0.31	0.42	0.85
Virksomhedsobligationer HY Etik A DKK	0.23	0.32	0.60
Virksomhedsobligationer HY A DKK	0.23	0.32	0.60
Virksomhedsobligationer HY A DKK Akk	0.22	0.32	0.60
Virksomhedsobligationer IG Etik A DKK	0.22	0.27	0.25
Virksomhedsobligationer IG A DKK	0.22	0.27	0.25

Unit classes B	Administration costs (%)	Portfolio advice fee (%)	Distribution fee (%)
Danish Bonds B DKK Acc	0.19	0.07	0.20
Danish Bonds B DKK d	0.19	0.07	0.20
Danish Equities B DKK d	0.25	0.37	0.50
Emerging Market Bonds B EUR Acc h	0.22	0.42	0.50
Emerging Market Bonds B EUR d h	0.22	0.42	0.50
Emerging Market Local Currency Bonds B EUR Acc	0.27	0.42	0.50
Emerging Market Local Currency Bonds B EUR d	0.27	0.42	0.50
Far East Equities B EUR Acc	0.30	0.62	0.65
Global EM Equities B EUR Acc	0.30	0.62	0.65
Global Value Equities B EUR Acc	0.26	0.42	0.50
International Bonds B EUR Acc	0.23	0.22	0.30
International Bonds B EUR d	0.23	0.22	0.30
Latin America Equities B EUR Acc	0.30	0.62	0.65

Unit classes I	Administration costs (%)	Portfolio advice fee (%)	Distribution fee (%)
Emerging Market Bonds I EUR Acc h	0.15	0.42	-
Emerging Market Local Currency Bonds I EUR Acc	0.19	0.42	-

Unit classes W	Administration costs (%)	Portfolio advice fee (%)	Distribution fee (%)
BRIK W DKK Acc	0.28	0.62	-
Danmark W DKK d	0.27	0.37	-
Europa Ligevægt & Value W DKK Acc	0.24	0.42	-
Europa Ligevægt & Value W DKK d	0.33	0.42	-
Fjernøsten W DKK Acc	0.25	0.62	-
Fjernøsten W DKK d	0.27	0.62	-
Globale EM-aktier W DKK Acc	0.26	0.62	-
Globale EM-aktier W DKK d	0.34	0.62	-
HøjrenteLande Korte Obligationer W DKK Acc h	0.17	0.42	-
HøjrenteLande Lokal Valuta W DKK Acc	0.20	0.42	-
HøjrenteLande Lokal Valuta W DKK d	0.20	0.42	-
HøjrenteLande Mix W DKK d	0.22	0.42	-
HøjrenteLande Valuta W DKK d	0.20	0.42	-
HøjrenteLande W DKK Acc h	0.15	0.42	-
HøjrenteLande W DKK d h	0.20	0.42	-
International W DKK d	0.15	0.22	-
Korte Obligationer W DKK d <sup>1</sup>	0.15	0.02	-
Mellemlange Obligationer W DKK Acc	0.13	0.07	-
Mellemlange Obligationer W DKK d	0.13	0.07	-
USA Ligevægt & Value W DKK Acc	0.21	0.37	-
USA Ligevægt & Value W DKK d	0.21	0.37	-
Verden Ligevægt & Value Etik W DKK d	0.24	0.37	-
Verden Etik Indeks W DKK d	0.50	0.00	-
Verden Ligevægt & Value W DKK Acc	0.22	0.42	-
Verden Ligevægt & Value W DKK d	0.23	0.42	-
Virksomhedsobligationer HY Etik W DKK d h	0.19	0.32	-
Virksomhedsobligationer HY W DKK Acc h	0.16	0.32	-
Virksomhedsobligationer HY W DKK d h	0.26	0.32	-
Virksomhedsobligationer IG W DKK d h	0.16	0.27	-
Virksomhedsobligationer IG Etik W DKK d h	0.18	0.27	-

## 29. Board of Directors

Hans Lindum Møller, Executive Manager  
Advokatfirmaet Hans Lindum Møller  
Mindevej 14  
6320 Egernsund, Denmark

Niels Therkelsen, General Manager  
Business Leasing Danmark ApS  
Skovvej 20  
6340 Kruså, Denmark

Linda Sandris Larsen, Associate Professor  
Copenhagen Business School  
Solbjerg Plads 3  
2000 Frederiksberg, Denmark

## 30. Executive management of investment management company

Eskild Bak Kristensen, CEO

## 31. Complaints officer

Where a complaint concerns own accounts, custody accounts or advice on investing in the Investment Fund, the regular account manager must be contacted.

Where a complaint concerns issues concerning Investeringsforeningen Sydinvest a complaint may be filed with:

Syd Fund Management A/S  
Peberlyk 4  
6200 Aabenraa, Denmark  
Attn.: Complaints Officer  
Marked: "Klage"

Email: [si@sydinvest.dk](mailto:si@sydinvest.dk)

If a complaint is not upheld, the Danish Financial Complaint Board can be contacted:

Secretariat for the Danish Financial Complaint Board  
St. Kongensgade 62, 2.  
1264 Copenhagen K, Denmark

Email: [sek@fanke.dk](mailto:sek@fanke.dk)  
Tel: +45 35 43 63 33  
Website: <https://fanke.dk>

Business investors can only expect to have a complaint reviewed if it does not differ significantly from a complaint regarding a private investor.

## 32. Audit

Audit firm:

Ernst & Young  
Godkendt Revisionspartnerselskab  
CVR No 30 70 02 28  
Osvold Helmuths Vej 4  
2000 Frederiksberg, Denmark

Auditors:

Lars Rhod Søndergaard  
  
Michael Laursen

## 33. Supplementary notice to German investors

The following funds and unit classes have not submitted a marketing notification 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]:

Funds taxed on a realisation basis:

- Korte Obligationer KL
  - Korte Obligationer A DKK
  - Korte Obligationer W DKK d
- Fonde KL
- HøjrenteLande Mix KL (Emerging Market Bonds Mix KL)
  - HøjrenteLande Mix A DKK
  - HøjrenteLande Mix W DKK d
- Virksomhedsobligationer IG KL (Corporate Bonds IG KL)
  - Virksomhedsobligationer IG A DKK
  - Virksomhedsobligationer IG W DKK d h
- Virksomhedsobligationer IG Etik KL (Corporate Bonds IG Ethic KL)
  - Virksomhedsobligationer IG Etik A DKK
  - Virksomhedsobligationer IG Etik W DKK d h
- Virksomhedsobligationer HY KL (Corporate Bonds HY KL)
  - Virksomhedsobligationer HY A DKK
  - Virksomhedsobligationer HY W DKK d h
- Virksomhedsobligationer HY ETIK KL (Corporate Bonds HY Ethic KL)
  - Virksomhedsobligationer HY Etik A DKK
  - Virksomhedsobligationer HY Etik W DKK d h
- HøjrenteLande Valuta KL (Emerging Market Currency Bonds KL)
  - HøjrenteLande Valuta A DKK
  - HøjrenteLande Valuta W DKK d
- Verden Ligevægt & Value KL (Global Value Equities KL)
  - Verden Ligevægt & Value A DKK
  - Verden Ligevægt & Value W DKK d
- Verden Ligevægt & Value Etik KL (Global Value Ethics Equities KL)

- Verden Ligevægt & Value Etik A DKK
- Verden Ligevægt & Value Etik W DKK d
- Europa Ligevægt & Value KL (European Value Equities KL)
  - Europa Ligevægt & Value A DKK
  - Europa Ligevægt & Value W DKK d
- Tyskland KL (German Equities KL)
  - Tyskland A DKK
- BRIK KL (BRIC Equities KL)
- Latinamerika KL (Latin America Equities KL)
- Fjernøsten KL (Far East Equities KL)
  - Fjernøsten A DKK
  - Fjernøsten W DKK d
- USA Ligevægt & Value KL (American Value Equities KL)
  - USA Ligevægt & Value A DKK
  - USA Ligevægt & Value W DKK d
- Globale EM-aktier KL (Global EM Equities KL)
  - EM-aktier A DKK
  - EM-aktier W DKK d
- Morningstar Sustainability Leaders Index KL (Morningstar Bæredygtig Indeks KL)
- Verden Etik Indeks KL
  - Verden Etik Indeks W DKK d

Funds taxed on a market-value basis:

- HøjrenteLande Korte Obligationer Akkumulerende KL (EM Bonds Short Duration Acc KL)
  - HøjrenteLande Korte Obligationer A DKK Akk
  - HøjrenteLande Korte Obligationer W DKK Acc h
- Virksomhedsobligationer HY Akkumulerende KL (Corporate Bonds HY Acc KL)
  - Virksomhedsobligationer HY A DKK Akk
  - Virksomhedsobligationer HY W DKK Acc h
- Europa Ligevægt & Value Akkumulerende KL (European Value Equities Acc KL)
  - Europa Ligevægt & Value W DKK Acc
- BRIK Akkumulerende KL (BRIC Equities Acc KL)
  - BRIK A DKK Akk
  - BRIK W DKK Akk
- USA Ligevægt & Value Akkumulerende KL (American Value Equities Acc KL)
  - USA Ligevægt & Value W DKK Akk

The places of payment and information in Germany (“deutsche Zahl- und Informationsstellen”) are listed in item 36 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. Tax rules in accordance with the German investment tax reform (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 2. 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.