



2017 Annual Report

Investment Fund under Danish Law

CVR No: 24260534

Investeringsforeningen Sydinvest

Sydinvest

CONTENTS

INVESTMENT FUND INFORMATION	5
DIRECTORS' REPORT	6
FINANCIAL MARKETS IN 2017	6
PERFORMANCE	8
ASSET DEVELOPMENTS	10
MARKET OUTLOOK FOR 2018	10
BUSINESS DEVELOPMENTS	12
RISKS	15
ACCOUNTING ESTIMATES AND UNCERTAINTY	17
SIGNIFICANT EVENTS AFTER THE EXPIRY OF THE FINANCIAL YEAR	17
BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT	18
MANAGEMENT STATEMENT	19
INDEPENDENT AUDITOR'S REPORT	20
To the investors in Investeringsforeningen Sydinvest	20
Opinion	20
Basis for opinion	20
Key audit matters	20
Statement on the Management's reviews	21
Management's responsibilities for the financial statements	21
Auditor's responsibilities for the audit of the financial statements	21
FUND REPORTS AND FINANCIAL STATEMENTS 2017	23
FONDE KL	24
Fund report	24
Fonde KL – Financial Statements	25
HØJRENTELANDE KL	29
Fund report	29
HøjrenteLande KL – Financial Statements	30
HøjrenteLande A DKK – Financial Statements	35
Emerging Market Bonds B EUR d h – Financial Statements	37
HøjrenteLande W DKK d h – Financial Statements	39
HØJRENTELANDE AKKUMULERENDE KL	41
Fund report	41
HøjrenteLande Akkumulerende KL – Financial Statements	43
HøjrenteLande A DKK Akk – Financial Statements	47
Emerging Market Bonds B EUR Acc h – Financial Statements	49
Emerging Market Bonds I EUR Acc h – Financial Statements	51
Emerging Market Bonds I USD Acc h – Financial Statements	53
HøjrenteLande W DKK Acc h – Financial Statements	54
HØJRENTELANDE KORTE OBLIGATIONER AKKUMULERENDE KL	56
Fund report	56
HøjrenteLande Korte Obligationer Akkumulerende KL – Financial Statements	57
HøjrenteLande Korte Obligationer A DKK Akk – Financial Statements	61
HøjrenteLande Korte Obligationer W DKK Acc h – Financial Statements	62
HØJRENTELANDE LOKAL VALUTA KL	63
Fund report	63
HøjrenteLande Lokal Valuta KL – Financial Statements	64
HøjrenteLande Lokal Valuta A DKK – Financial Statements	69
Emerging Market Local Currency Bonds B EUR d – Financial Statements	71
HøjrenteLande Lokal Valuta W DKK d – Financial Statements	73

CONTENTS

HØJRENTELANDE LOKAL VALUTA AKKUMULERENDE KL	75
Fund report	75
HøjrenteLande Lokal Valuta Akkumulerende KL – Financial Statements	76
Emerging Market Local Currency Bonds B EUR Acc – Financial Statements	80
Emerging Market Local Currency Bonds I EUR Acc – Financial Statements	82
HøjrenteLande Lokal Valuta W DKK Acc – Financial Statements	84
HØJRENTELANDE MIX KL	85
Fund report	85
HøjrenteLande Mix KL – Financial Statements	86
HøjrenteLande Mix A DKK – Financial Statements	90
HøjrenteLande Mix W DKK d – Financial Statements	92
HØJRENTELANDE MIX ETIK AKKUMULERENDE KL	94
Fund report	94
HøjrenteLande Mix Etik Akkumulerende KL – Financial Statements	95
HøjrenteLande Mix Etik I USD Acc – Financial Statements	99
HØJRENTELANDE VALUTA KL	100
Fund report	100
HøjrenteLande Valuta KL – Financial Statements	101
HøjrenteLande Valuta A DKK – Financial Statements	105
HøjrenteLande Valuta W DKK d – Financial Statements	107
INTERNATIONAL KL	109
Fund report	109
International KL – Financial Statements	110
International A DKK – Financial Statements	115
International Bonds B EUR d – Financial Statements	117
International W DKK d – Financial Statements	119
INTERNATIONAL AKKUMULERENDE KL	121
Fund report	121
International Akkumulerende KL – Financial Statements	122
International Bonds B EUR Acc – Financial Statements	126
KORTE OBLIGATIONER KL	127
Fund report	127
Korte Obligationer KL – Financial Statements	128
Korte Obligationer A DKK – Financial Statements	132
Korte Obligationer W DKK d – Financial Statements	134
MELLEMLANGE OBLIGATIONER KL	136
Fund report	136
Mellemlange Obligationer KL – Financial Statements	138
Mellemlange Obligationer A DKK – Financial Statements	142
Danish Bonds B DKK d – Financial Statements	144
Mellemlange Obligationer W DKK d – Financial Statements	146
MELLEMLANGE OBLIGATIONER AKKUMULERENDE KL	148
Fund report	148
Mellemlange Obligationer Akkumulerende KL – Financial Statements	149
Mellemlange Obligationer A DKK Akk – Financial Statements	153
Danish Bonds B DKK Acc – Financial Statements	155
Mellemlange Obligationer W DKK Acc – Financial Statements	157
VIRKSOMHEDSOBLIGATIONER HY KL	158
Fund report	158
Virksomhedsobligationer HY KL – Financial Statements	159
Virksomhedsobligationer HY A DKK – Financial Statements	163
Virksomhedsobligationer HY W DKK d h – Financial Statements	165
VIRKSOMHEDSOBLIGATIONER HY AKKUMULERENDE KL – FINANCIAL STATEMENTS	167
Fund report	167
Virksomhedsobligationer HY Akkumulerende KL – Financial Statements	168
Virksomhedsobligationer HY A DKK Akk – Financial Statements	172
Virksomhedsobligationer HY W DKK Acc h – Financial Statements	173

CONTENTS

VIRKSOMHEDSOBLIGATIONER HY 2019	174
Fund report	174
Virksomhedsobligationer HY 2019 – Financial Statements	175
VIRKSOMHEDSOBLIGATIONER HY ETIK KL	179
Fund report	179
Virksomhedsobligationer HY ETIK KL – Financial Statements	181
Virksomhedsobligationer HY ETIK W DKK d h – Financial Statements	185
VIRKSOMHEDSOBLIGATIONER IG KL	187
Fund report	187
Virksomhedsobligationer IG KL – Financial Statements	188
Virksomhedsobligationer IG A DKK – Financial Statements	192
Virksomhedsobligationer IG W DKK d h – Financial Statements	194
VIRKSOMHEDSOBLIGATIONER IG ETIK KL	196
Fund report	196
Virksomhedsobligationer IG Etik KL – Financial Statements	197
Virksomhedsobligationer IG Etik W DKK d h – Financial Statements	201
BRIK KL	203
Fund report	203
BRIK KL – Financial Statements	204
BRIK AKKUMULERENDE KL	209
Fund report	209
BRIK Akkumulerende KL – Financial Statements	210
BRIK A DKK Akk – Financial Statements	214
BRIK W DKK Acc – Financial Statements	215
DANMARK KL	216
Fund report	216
Danmark KL – Financial Statements	217
Danmark A DKK – Financial Statements	221
Danish Equities B DKK d – Financial Statements	223
EUROPA LIGEVÆGT & VALUE KL	225
Fund report	225
Europa Ligevægt & Value KL – Financial Statements	226
Europa Ligevægt & Value A DKK – Financial Statements	231
Europa Ligevægt & Value W DKK d – Financial Statements	233
EUROPA LIGEVÆGT & VALUE AKKUMULERENDE KL	235
Fund report	235
Europa Ligevægt & Value Akkumulerende KL – Financial Statements	236
Europa Ligevægt & Value W DKK Acc – Financial Statements	240
FJERNØSTEN KL	241
Fund report	241
Fjernøsten KL – Financial Statements	242
Fjernøsten A DKK – Financial Statements	246
Fjernøsten W DKK d – Financial Statements	248
FJERNØSTEN AKKUMULERENDE KL	250
Fund report	250
Fjernøsten Akkumulerende KL – Financial Statements	251
Fjernøsten A DKK Akk – Financial Statements	255
Far East Equities B EUR Acc – Financial Statements	256
Fjernøsten W DKK Acc – Financial Statements	257
GLOBALE EM-AKTIER KL	258
Fund report	258
Globale EM-aktier KL	260
Globale EM-aktier A DKK – Financial Statements	265
Globale EM-aktier W DKK d – Financial Statements	267
GLOBALE EM-AKTIER AKKUMULERENDE KL	269
Fund report	269

CONTENTS

Globale EM-aktier Akkumulerende KL – Financial Statements	270
Globale EM-aktier A DKK Akk – Financial Statements	274
Global EM Equities B EUR Acc – Financial Statements	275
Globale EM-aktier W DKK Acc – Financial Statements	276
LATINAMERIKA KL	277
Fund report	277
Latinamerika KL – Financial Statements	278
LATINAMERIKA AKKUMULERENDE KL	282
Fund report	282
Latinamerika Akkumulerende KL – Financial Statements	283
Latin America Equities B EUR Acc – Financial Statements	287
SCANDI KL	288
Fund report	288
SCANDI KL – Financial Statements	289
TYSKLAND KL	294
Fund report	294
Tyskland KL – Financial Statements	295
Tyskland A DKK – Financial Statements	299
USA LIGEVÆGT & VALUE KL	301
Fund report	301
USA Ligevægt & Value KL – Financial Statements	302
USA Ligevægt & Value A DKK – Financial Statements	306
USA Ligevægt & Value W DKK d – Financial Statements	308
SYDINVEST VERDEN ETIK KL	310
Fund report	310
Sydinvest Verden Etik KL – Financial Statements	311
Sydinvest Verden Etik W DKK d – Financial Statements	315
VERDEN LIGEVÆGT & VALUE KL	317
Fund report	317
Verden Ligevægt & Value KL – Financial Statements	318
Verden Ligevægt & Value A DKK – Financial Statements	322
Verden Ligevægt & Value W DKK d – Financial Statements	324
VERDEN LIGEVÆGT & VALUE AKKUMULERENDE KL	326
Fund report	326
Verden Ligevægt & Value Akkumulerende KL – Financial Statements	327
Verden Ligevægt & Value A DKK Akk – Financial Statements	331
Global Value Equities B EUR Acc – Financial Statements	332
Verden Ligevægt & Value W DKK Acc – Financial Statements	333
JOINT NOTES	334
1. ACCOUNTING POLICIES	334
2. ADMINISTRATIVE COSTS	338
3. SIGNIFICANT AGREEMENTS	338
4. COUNTERPARTY TO DERIVATIVES	339

Investment Fund Information

Investeringsforeningen Sydinvest
c/o Syd Fund Management A/S
Peberlyk 4, 6200 Aabenraa, Denmark

Website www.sydinvest.dk

FSA No (the Danish FSA)

11.040

CVR No

24260534

Date of establishment

21 September 1987

Board of Directors

Hans Lindum Møller, Attorney (Chairman)
Niels Therkelsen, General Manager (Vice-Chairman)
Peter Christian Jørgensen, General Manager
Svend Erik Kriby, General Manager
Linda Sandris Larsen, Associate Professor

Day-to-day management

Eskild Bak Kristensen, CEO

Investment management company

Syd Fund Management A/S
Peberlyk 4
6200 Aabenraa, Denmark

Investment consulting services

Sydbank A/S
Peberlyk 4
6200 Aabenraa, Denmark

Custodian

Sydbank A/S
Peberlyk 4
6200 Aabenraa, Denmark

Auditor

Ernst & Young P/S
Godkendt Revisionspartnerselskab
Osvald Helmuths Vej 4
2000 Frederiksberg, Denmark

General meeting

The annual general meeting
will be held on 22 March 2018 at 3.00pm
at Sønderjyllandshallen, Aabenraa, Denmark

Directors' Report

The directors' report is applicable to the entire Investment Fund, Investeringsforeningen Sydinvest, and all of its funds and unit classes. In addition the directors' report covers all comments on portfolios listed in connection with each fund or unit class as well as the financial data provided in the financial statements of each fund and unit class.

Financial markets in 2017

Recovering world economy

The synchronous global recovery and low interest rates set an upbeat tone in financial markets in 2017. In general a strengthened EUR adversely impacted returns outside Europe translated to DKK. All the pace-setting mature economies saw rising growth in 2017. Surprisingly growth in China kept the momentum of the past two years whereas growth in India declined. Russia and Brazil moved out of the recession. Overall emerging markets contributed to the improvement in global growth also in 2017.

Progress in USA

After a sluggish start to the year the US economy gained strength. This was due in particular to a strong American labour market which has enhanced consumer confidence, however the recovery was broadly based. Devastating tornadoes in autumn and the gradual monetary policy tightening during the year were not enough to change this trend. Increasing real wages and growing employment supported consumer spending. A weaker USD has pushed growth in exports and investment activity. Consequently growth in 2017 was higher than growth in 2016.

It is remarkable how few imprints Donald Trump has left on the US and the global economy. The message of more protectionism has not spilled over to growth in the world trade which has in fact increased in 2017 compared with 2016. The large infrastructure projects announced have never materialised and neither has the building of the highly-profiled wall between Mexico and USA. The American tax reform was adopted, however so late in the year that it has hardly had any effect on developments in 2017.

Budding growth in Europe

After several years' disappointments growth gained a stronger foothold in Europe in 2017. The recovery was primarily driven by growth in exports and investments. For the first time since 2011 the locomotive of the European economy, Germany, boasted a growth rate of more than 2%. The European Central Bank (ECB) did not change its key rate in 2017 and monetary policy has greatly supported the European economy. Unemployment has decreased in Europe but consumer spending has only improved slightly. This may be due to the uncertainty created by a number of elections. The outcome of the scheduled elections in the Netherlands and France was in keeping with opinion polls, however in France Macron has found it difficult to maintain popular support after the election. Theresa May did not, as expected, win a stronger mandate at the British parliamentary elections after her unexpected call in April for a general election to be held in June. Consequently Brexit remains a factor of uncertainty. Germany has experienced problems with forming a government after the election in

September. Spain has had its own problems as Catalonia has attempted to break away from the rest of Spain.

Higher growth in Japan

Growth in Japan was higher in 2017 than in 2016 but is still at a low level. The large number of fiscal stimulus packages adopted by the Japanese government throughout the past four years and the very supporting monetary policy have contributed to the high growth. However domestic demand did not drive Japan's economy in 2017. By contrast global demand for Japanese products has been rising and so exports have contributed to the increased growth rate. JPY has strengthened against USD but has weakened against a number of other currencies, which has enhanced the competitiveness of Japanese businesses. Inflation in Japan has been positive for the entire year. Consequently President Shinzo Abe has succeeded in the part of his politics seeking to increase the growth rate of the Japanese economy by raising wages, consumer spending and inflation. Shinzo Abe utilised the escalating geopolitical tensions between North Korea and the rest of the world to strengthen his mandate at an extraordinarily called election held in October.

Higher growth in new markets

In 2017 China managed to maintain growth at roughly the same level as in 2016. The government tightened financial regulation and credit terms during the year. Consumers have increased borrowing and private consumption rose sharply in 2017. The National People's Congress in October decided to shift focus from 5-year plans to a timetable towards 2050. No GDP growth target was set and lower future growth will be tolerated to some extent. India went against the tide in 2017 and saw growth deteriorate compared with 2016 although growth is still at a high level. The currency reform at the end of last year has had a negative impact on growth in 2017. Russia has benefited from rising oil prices and increasing exports. Inflation has been decreasing which made it possible for the central bank to cut the key rate. Brazil was affected by corruption charges against President Temer in 2017. This has led to great uncertainty regarding the implementation of a crucial pension reform. Despite political instability growth in Brazil landed at a small plus following strong negative growth in the two preceding years. Among other things growth was stimulated by the central bank lowering its key rate several times in 2017.

Rising oil and commodity prices

The increasing global growth was an important factor in the rising commodity prices in 2017. Copper prices soared in 2017 due to increased demand. Oil prices were supported by OPEC and non-OPEC countries agreeing to extend formerly passed production limits until the end of 2018.

Inflation under control

Despite the improved global economic climate and rising commodity prices inflation remained at a low level worldwide. Moderate pay increases constitute a significant part of the explanation of the subdued price increases. In addition a number of emerging market countries, including Brazil and Russia, with inflation control on the agenda have recorded a decline in inflation rates.

Varying signals from central banks

Monetary policy has supported economic developments in 2017 but a few central banks have gradually started braking. In USA the Fed began to reduce the balance in October by refraining from reinvesting principal payments. Moreover the key rate was hiked three times by 0.25 percentage points each time. In October the ECB announced that the monthly net bond purchases would be halved to EUR 30bn from the turn of the year and until the end of September 2018 with a possibility of extension. However the Bank of England has hiked its key rate for the first time in 10 years. Japan pursued an unchanged monetary policy in 2017.

A favourable inflationary trend in a number of leading emerging market countries has prompted the central banks in Brazil, Russia and India to lower their key rates during 2017.

Sabre-rattling in North Korea

North Korea has contributed to geopolitical tensions with a number of missile launches and a hydrogen bomb test blast in September. This contributed in particular to tensions between North Korea on one side and USA, China and Japan on the other side.

Stable interest rate developments

10-y government bond yields in leading markets were relatively stable in 2017. Yields on shorter-term bonds exhibited a rising trend, notably in USA where monetary policy was tightened. In several European countries, including Denmark, and in Japan yields were negative at the end of 2017, even on bonds maturing in 7 years.

High-yield bonds

High-yield bonds have benefited from the overall low interest rates and increasing risk appetite. Yields on bonds issued by emerging market countries and businesses dropped in 2017 and the yield spread to US Treasuries has narrowed. At market level the yield spread narrowing has been most pronounced for corporate bonds with the lowest credit ratings and government bonds from emerging markets issued in local currency, followed by government bonds issued in hard currency, eg USD, and corporate bonds with the highest credit ratings. For Danish investors the yield on government bonds from emerging markets issued in local currency was adversely impacted by most currencies having weakened against DKK, which is closely related to the weakening of USD.

High-yield bonds benefited from rising oil and commodity prices as well as increasing risk appetite.

Strong EUR

The growth in the European economy has paved the way for a strengthening of EUR against most currencies. Particularly USD has been hard hit because President Trump was unsuccessful in implementing some of the many growth-stimulating measures launched during his election campaign.

Together with TRY the South American inflation-ridden currencies in Venezuela and Argentina saw the largest weakening against EUR. By contrast MXN weakened only slightly, among other things because Mr Trump's planned protectionist measures have not been implemented.

Favourable equity market trends

It has been a good year for equity markets supported by the recovering global economy, low interest rates and risk appetite. The strengthened EUR and consequently DKK has caused Danish investors to suffer foreign exchange losses in many equity markets outside the euro area.

Chinese and Far Eastern shares were the top performers in 2017. IT shares in particular did well. Two of the world's largest companies, Alibaba and Tencent from China, doubled their value in 2017. Moreover the fact that MSCI decided in June to include Chinese A shares in the emerging markets category stimulated interest in Chinese companies. Other regions within emerging markets have not been able to produce equally high returns. Africa & the Middle East and Latin America only generated modest returns in 2017. The two leading markets in Latin America have been weighed down by corruption charges against President Temer in Brazil and uncertainty about the result of the NAFTA talks as well as the presidential election in 2018 in Mexico.

In terms of mature equity markets, USA and Japan were the top performers but the countries' weakened currencies disturb the picture so that the difference compared with European equities appears to be smaller. After a sluggish 2016 Danish shares performed relatively well in 2017. This was not least due to Novo Nordisk once again exhibiting large price increases, which was more than enough to compensate for investors losing confidence in companies such as Vestas and Pandora.

Sector developments

Globally IT was the best sector in 2017 followed by materials and industrials. IT shares benefit from new business models arising based on the use of new technology. The synchronous recovery in the global economy has supported the trend in shares within materials and industrials. Energy was the poorest performing sector in 2017 and the more stable sectors such as telecom and consumer staples did not attract the same interest from investors as the cyclical sectors in the current economic recovery.

Performance

All equity funds and unit classes generated positive returns. The same is true of our bond funds and unit classes with the exception of five funds.

Net profit

Net profit for 2017 totalled DKK 2.37bn compared with DKK 2.31bn in 2016. The Board of Directors will recommend to the general meeting that the Investment Fund distribute dividends totalling DKK 1.65bn to investors for 2017. In comparison dividends distributed in 2016 amounted to DKK 820m. Returns and dividend rates for the individual funds and unit classes are calculated after costs and appear from tables 1-7. As usual dividends are calculated in compliance with tax legislation and the prospectus. Dividends are specified in the note concerning distribution in the financial statements of the individual funds and unit classes.

Positive returns in share markets

The funds and unit classes investing in shares generated positive returns in 2017. Among the funds and unit classes investing according to an equal weight and value strategy, Europa Ligevægt & Value KL was the top performer. Growth shares generally outperformed value shares and as a consequence the equal weight funds and the value funds could not keep up with their benchmarks. This was most notable in USA Ligevægt & Value KL and the two global funds. The global funds underperformed their respective benchmarks the most in mature equity markets. The share picks in Danmark KL and SCANDI KL resulted in underperformance in both cases.

Overall the equity funds investing in emerging markets produced high returns. Globale EM-aktier KL and Fjernøsten KL were the top performers, however Latinamerika KL with its modest return was an exception. Improving growth and risk appetite renewed investors' interest in the asset class. Equity funds investing globally in emerging markets, in the Far East and in the BRIC countries generally delivered a solid outperformance. The overweight of IT shares in China and share picks in India contributed significantly to the outperformance achieved. On the other hand Latinamerika KL

underperformed in all material respects due to the fund's overweight in Mexico during the year. Mexican shares underperformed Brazilian shares due to uncertainty about the outcome of the NAFTA negotiations and the presidential election in 2018.

Yield declines benefit bonds

The relatively stable government bond yields in mature markets and the falling yields on high-yield bonds provided a favourable environment for our bond funds in 2017. Danish mortgage bonds benefited from high foreign demand and consequently produced significantly higher returns than government bonds. The funds investing in Danish bonds benefited much from this measured in absolute as well as relative return. International KL and International Akkumulerende KL profited on their bond investments but the funds' losses on their currency positions were larger, for one thing because USD and JPY weakened against DKK. Investments in NZD and AUD detracted from relative return.

Funds investing in high-yield bonds issued in hard currency produced the highest returns. Government bonds from emerging markets issued in local currency were adversely impacted by the general weakening of emerging market currencies and the funds investing in these generated negative returns. Højrentelande Mix KL produced a positive return but its relative performance was negatively affected by the fund's overweight in government bonds issued in local currency. Emerging market funds underperformed their benchmarks and most notably in Højrentelande Valuta Akk. KL which has a lower duration than its benchmark. As regards the funds investing in corporate bonds the funds investing in the poorest credit quality produced the highest returns but nevertheless delivered an underperformance. By contrast the funds investing in corporate bonds with the best credit quality produced lower returns but outperformed their benchmarks.

Table 1

Dividends at 31 December 2017			
Funds without underlying unit classes as well as unit classes A			
Fund/unit class	Dividend for the financial year		
	2015	2016	2017 ¹⁾
Bonds			
Fonde KL	2.30	2.20	2.00
HøjrenteLande A DKK	5.40	4.80	14.30
HøjrenteLande Lokal Valuta A DKK	1.10	0.00	1.10
HøjrenteLande Mix A DKK	4.90	4.60	6.80
HøjrenteLande Valuta A DKK	0.00	0.00	0.00
International A DKK	5.30	0.00	0.30
Korte Obligationer A DKK	1.20	1.00	1.10
Mellemlange Obligationer A DKK	1.30	1.30	1.00
Virksomhedsobligationer HY A DKK	0.00	0.00	0.00
Virksomhedsobligationer HY 2019	-	2.65	3.00
Virksomhedsobligationer IG A DKK	0.00	0.00	12.80
Shares			
BRK A DKK	10.40	0.00	16.00
Danmark A DKK	49.80	52.30	30.50
Europa Ligevægt & Value A DKK	0.00	0.00	4.10
Fjernøsten A DKK	19.60	8.00	23.30
Globale EM-aktier A DKK	7.90	0.00	14.30
Latinamerika KL	0.00	0.00	0.00
SCANDI KL	16.90	0.00	11.80
Tyskland A DKK	0.00	0.00	0.00
USA Ligevægt & Value KL	2.20	5.30	3.10
Verden Ligevægt & Value KL	7.10	7.00	6.30

¹⁾ Proposed dividend

Table 2

Dividends at 31 December 2017			
Unit classes B – targeting foreign investors			
Fund/unit class	Dividend for the financial year		
	2015	2016	2017 ¹⁾
Bonds			
Danish Bonds B DKK d	0.09	0.04	0.11
Emerging Market Bonds B EUR d	0.89	0.48	1.38
Emerging Market Local Currency Bonds B EUR d	0.14	0.25	0.33
International Bonds B EUR d	0.19	0.14	0.16
Shares			
Danish Equities B DKK d	-	0.60	1.24

¹⁾ Proposed dividend

Table 3

Dividends at 31 December 2017			
Unit classes W – targeting Sydinvest Portefølje and Sydbank's Asset Management clients			
Fund/unit class	Dividend for the financial year		
	2015	2016	2017 ¹⁾
Bonds			
HøjrenteLande W DKK d	-	-	14.70
HøjrenteLande Lokal Valuta W DKK d	-	-	1.60
HøjrenteLande Mix W DKK d	-	-	7.10
HøjrenteLande Valuta W DKK d	-	-	0.00
International W DKK d	-	-	0.50
Korte Obligationer W DKK d	-	-	1.30
Mellemlange Obligationer W DKK d	-	-	1.30
Virksomhedsobligationer HY W DKK d h	-	-	0.00
Virksomhedsobligationer HY ETK W DKK d h	-	-	2.50
Virksomhedsobligationer IG W DKK d h	-	0.00	10.80
Virksomhedsobligationer IG Etik W DKK d h	-	-	3.70
Shares			
Europa Ligevægt & Value W DKK d	-	-	4.50
Fjernøsten W DKK d	-	-	24.50
Globale EM-aktier W DKK d	-	-	15.40
USA Ligevægt & Value W DKK d	-	1.20	8.30
Verden Etik W DKK d	-	5.40	13.30
Verden Ligevægt & Value W DKK d	-	3.50	9.90

¹⁾ Proposed dividend

Table 4

NAV and total value increase at 31 December 2017						
Funds without underlying unit classes as well as unit classes A						
Fund/unit class	NAV	Return (%)				
		1 yr	3 yrs	5 yrs	7 yrs	10 yrs
Bonds						
Fonde KL	89.96	1.69	4.04	8.41	19.38	38.80
HøjrenteLande A DKK	100.81	8.39	14.68	12.82	42.68	71.51
HøjrenteLande Lokal Valuta A DKK	194.97	8.39	14.59	12.30	41.41	72.66
HøjrenteLande Korte Obligationer A DKK	118.88	4.62	5.49	6.98	16.22	-
HøjrenteLande Lokal Valuta A DKK	107.87	(0.33)	5.29	(3.35)	11.16	48.93
HøjrenteLande Mix A DKK	88.95	3.24	9.20	1.89	23.32	55.54
HøjrenteLande Valuta A DKK	107.09	(1.81)	3.90	(3.27)	4.84	35.01
International A DKK	109.76	(6.62)	(4.41)	1.05	14.96	46.41
Korte Obligationer A DKK	100.46	1.30	3.14	4.81	9.48	24.69
Mellemlange Obligationer A DKK	101.17	1.75	3.83	-	-	-
Mellemlange Obligationer A DKK Akk	103.77	1.73	3.77	-	-	-
Virksomhedsobligationer HY A DKK	82.43	4.86	8.88	14.10	33.82	51.50
Virksomhedsobligationer HY A DKK Akk	156.83	4.87	10.30	16.29	37.12	60.51
Virksomhedsobligationer HY 2019	107.31	1.77	-	-	-	-
Virksomhedsobligationer IG A DKK	113.29	3.90	7.23	11.82	-	-
Shares						
BRK KL	196.27	20.41	47.77	36.08	14.98	21.69
BRK A DKK Akk	261.03	20.30	48.51	38.03	16.69	22.46
Danmark A DKK	277.11	11.44	44.77	134.24	126.83	127.71
Europa Ligevægt & Value A DKK	78.64	9.45	25.67	51.47	60.77	25.92
Fjernøsten A DKK	193.39	25.01	33.00	66.47	70.43	65.27
Fjernøsten A DKK Akk	257.70	24.41	31.66	63.91	65.73	60.70
Globale EM-aktier A DKK	143.18	26.35	34.34	-	-	-
Globale EM-aktier A DKK Akk	161.04	25.89	34.30	-	-	-
Latinamerika KL	281.54	2.86	1.32	(10.07)	(1565.00)	18.79
SCANDI KL	124.01	8.71	36.37	72.12	70.26	72.66
Tyskland A DKK	137.03	14.24	31.24	61.62	69.08	28.51
USA Ligevægt & Value A DKK	39.59	2.55	37.85	122.08	152.90	125.40
Verden Ligevægt & Value A DKK	83.95	4.10	30.72	75.86	87.51	78.92
Verden Ligevægt & Value A DKK Akk	123.39	3.84	-	-	-	-

Table 5

NAV and total value increase at 31 December 2017

Unit classes B – targeting foreign investors

Fund/unit class	NAV	Return (%)				
		1 yr	3 yrs	5 yrs	7 yrs	10 yrs
Bonds						
Danish Bonds B DKK d	9.98	1.79	3.18	-	-	-
Danish Bonds B DKK Acc	33.15	1.80	3.95	8.01	18.07	38.47
Emerging Market Bonds B EUR d	9.57	8.42	10.69	-	-	-
Emerging Market Bonds B EUR Acc h	29.57	8.63	16.00	13.70	43.90	73.57
Emerging Market Local Currency Bonds B EUR d	9.34	(0.32)	(2.74)	-	-	-
Emerging Market Local Currency Bonds B EUR Acc	16.18	(0.24)	4.76	(4.80)	8.81	39.90
International Bonds B EUR d	8.51	(6.54)	(11.81)	-	-	-
International Bonds B EUR Acc	15.49	(6.92)	(5.11)	0.31	12.10	41.81
Shares						
Danish Equities B DKK d	10.79	11.78	-	-	-	-
Far East Equities B EUR Acc	33.85	24.56	31.96	64.36	66.02	50.16
Global EM Equities B EUR Acc	35.19	26.08	33.67	34.67	12.04	10.41
Global Value Equities B EUR Acc	15.11	4.22	30.94	76.86	88.98	76.94
Latin America Equities B EUR Acc	26.02	3.06	2.30	(8.85)	(13.72)	14.62

Table 6

NAV and total value increase at 31 December 2017

Unit classes I – targeting institutional investors

Fund/unit class	NAV	Return (%)				
		1 yr	3 yrs	5 yrs	7 yrs	10 yrs
Bonds						
Emerging Market Bonds I EUR Acc h	2618.66	9.17	17.35	16.04	50.08	99.09
Højrentelande Mx I USD Acc ¹⁾	108.25	8.25	-	-	-	-
Emerging Market Local Currency Bonds I EUR Acc	1738.31	0.31	7.01	(2.13)	12.29	53.98

¹⁾ Launch date: 4 April 2017

Table 7

NAV and total value increase at 31 December 2017

Unit classes W – targeting Sydinvest Portefølje og Sydbank's Asset Management clients

Fund/unit class	NAV	Return (%)				
		1 yr	3 yrs	5 yrs	7 yrs	10 yrs
Bonds						
Højrentelande W DKK d ¹⁾	101.17	8.78	15.09	13.22	43.19	72.12
Højrentelande W DKK Acc h	118.62	8.78	18.62	-	-	-
Højrentelande Korte Obligationer W DKK Acc	103.95	5.37	-	-	-	-
Højrentelande Lokal Valuta W DKK d ¹⁾	108.30	0.07	5.71	(2.96)	11.61	49.53
Højrentelande Lokal Valuta W DKK Acc	112.62	0.42	12.62	-	-	-
Højrentelande Mx W DKK d ¹⁾	89.25	3.59	9.57	2.24	23.74	56.07
Højrentelande Valuta W DKK d ¹⁾	107.31	(1.61)	4.12	(3.07)	5.06	35.29
International W DKK d ¹⁾	110.11	(6.32)	(4.11)	1.05	14.96	46.41
Korte Obligationer W DKK d ¹⁾	100.51	1.36	3.20	4.87	9.54	24.76
Mellemlange Obligationer W DKK d ¹⁾	101.34	1.92	4.01	-	-	-
Mellemlange Obligationer W DKK Acc ¹⁾	101.00	1.00	-	-	-	-
Virksomhedsobligationer HY W DKK d h ¹⁾	82.68	5.18	9.21	14.44	34.22	51.96
Virksomhedsobligationer HY W DKK Acc h	113.50	5.60	13.50	-	-	-
Virksomhedsobligationer HY ETK A DKK ²⁾	103.44	3.44	-	-	-	-
Virksomhedsobligationer IG W DKK d h	102.36	4.47	-	-	-	-
Virksomhedsobligationer IG Blx W DKK d h ³⁾	101.68	1.68	-	-	-	-
Shares						
BRK W DKK Acc ¹⁾	115.82	15.82	-	-	-	-
Europa Ligevægt & Value W DKK d ¹⁾	79.05	10.02	26.32	52.27	61.62	26.58
Europa Ligevægt & Value W DKK Acc ¹⁾	116.85	16.85	-	-	-	-
Fjernøsten W DKK d ¹⁾	194.38	25.65	33.68	67.33	71.31	66.12
Fjernøsten W DKK Acc	141.17	25.55	41.17	-	-	-
Globale EM-aktier W DKK d ¹⁾	143.86	26.95	34.98	-	-	-
Globale EM-aktier W DKK Acc	150.46	27.07	50.46	-	-	-
USA Ligevægt & Value W DKK d	99.47	3.56	-	-	-	-
Verden Blx W DKK d	124.78	5.61	-	-	-	-
Verden Ligevægt & Value W DKK d	119.80	5.15	-	-	-	-
Verden Ligevægt & Value W DKK Acc	116.18	4.94	-	-	-	-

¹⁾ Launch date: 13 June 2017

³⁾ Launch date: 5 October 2016

²⁾ Launch date: 24 February 2017

⁴⁾ Launch date: 5 July 2017

Asset developments

Investors showed flagging interest in investing through Sydinvest in 2017 as net redemptions totalled DKK 3.3bn. The number of investors declined to around 71,800 at year-end.

In 2017 the Investment Fund's total assets declined by DKK 2.9bn to DKK 37.6bn. To this must be added that Sydinvest paid out dividends totalling DKK 0.8bn to investors in January 2017. Assets under management invested in equities rose by 12.1% and assets under management invested in bonds dropped by 28.4%.

At the end of 2017 high-yield funds accounted for 33.6% of the Investment Fund's total assets compared with 32.9% in 2016. The remaining bond funds represented 35.6% against 43.6% at year-end 2016. Equity funds constituted 31.0% compared with 23.5% at year-end 2016.

Market outlook for 2018

Most indicators suggest that the synchronous recovery in the global economy will continue in 2018. Global growth in 2018 is expected to be at least on a par with growth in 2017. The adoption of a tax reform in USA to stimulate growth in the world's largest economy will benefit the global economy and therefore supports this outlook. This is a good starting point for risk assets such as equities and high-yield bonds. It will be possible to maintain strong growth in corporate earnings although at a global level growth in earnings may well be lower than in 2017. In the important US market growth in earnings is expected to accelerate in 2018.

Among the equity funds Verden Ligevægt & Value KL and Globale EM-aktier Akkumulerende KL attracted the greatest interest from investors whereas the largest selloffs were recorded in Fjernøsten KL and Afrika KL with the latter merging into Globale EM-aktier KL.

As regards the bond funds investors showed the greatest interest in the newly established funds Virksomhedsobligationer HY Akkumulerende KL and Højrentelande Akkumulerende KL. The largest selloffs were recorded in Mellemlange Obligationer KL and Mellemlange Obligationer Akkumulerende KL.

In general increasing interest was noted in our funds and unit classes that invest in shares from mature markets whereas receding interest was noted in the funds and unit classes investing in equities in emerging markets as well as the bond funds.

Financial market developments are not determined by growth alone. Interest rate developments are also of great importance and increasing growth may lead to higher inflation. It is remarkable that the current level of growth and employment has not prompted higher pay increases in USA. One explanation may be that structural circumstances contribute to keeping pay increases in check. Global competition remains intact and the protectionism that one might fear in the wake of the inauguration of Mr Trump in USA has not yet materialised. The increase in global trade in 2017 clearly illustrates this point.

Inflation expectations which determine the long-term bond yields are influenced by a number of factors, most importantly the trend in actual inflation and the assessment of central bank policies. There is nothing to indicate that actual inflation will rise significantly from the current levels but a small increase will be a natural consequence of the improved growth forecasts. The signals from the world's leading central banks are quite clear. The Fed has begun tightening its monetary policy and further tightening is expected in 2018. Three rate hikes of 0.25 percentage points each are anticipated for 2018, which will bring the fed funds rate to 2.125%. The number of rate increases may change depending on the assessment of the strength of the US economy. In contrast there is no indication that the ECB and the Bank of Japan will change their key rates in 2018.

The effect on long-term government bond yields may significantly impact other asset classes. The interest rate increases in 2017 have not affected US Treasuries notably. However it is projected that the long-term government bond yields will rise slightly in 2018, which will also have a positive effect on the government bond yields in other mature markets. Given the outlook for interest rates, it is likely that returns in funds and unit classes investing exclusively in Danish bonds will be very low.

In emerging markets it is expected that as a result of a decline in actual inflation Russia will continue to cut its key rate in 2018. It is anticipated that growth in India will increase and surpass growth in China, which is expected to decrease slightly in 2018. Overall growth in emerging markets is expected to rise in 2018 and exceed that of the more mature economies.

The expectations for economic growth and central bank actions spur expectations of strengthening of USD against EUR and JPY. Furthermore emerging market currencies are projected on average to appreciate against USD.

Risk appetite has been decisive for the sharp fall in excess yields on high-yield bonds compared to government bonds in eg USA in 2017 and it will also be decisive for developments in 2018. If rising US interest rates coupled with a stronger USD become a reality this will be a challenge especially for hard currency bonds issued by emerging market countries. The potential for further declines in excess yields on bonds from high-yield countries issued in hard currency is therefore relatively modest in 2018. In contrast it is possible that excess yields on local currency bonds issued by emerging market countries will decline. Bonds issued by companies will also be challenged by the possibility of higher US interest rates. Corporate bonds with the best credit ratings will be most directly affected whereas corporate bonds with the poorest credit ratings will benefit from the economic upturn.

Equity markets are expected to be influenced by two conflicting forces in 2018. Expectations of increased growth suggest higher earnings, which is positive for shares. Expectations of interest rate increases pull in the opposite direction. With expectations of modest

interest rate increases the first force is expected to be the strongest so that shares in general are projected to offer price gains in 2018. In a scenario with growth and interest rate increases at the high end of expectations we expect that our equal weight and value funds will perform relatively well.

In 2017 emerging market equities saw renewed interest and shares from this asset class in general have outperformed shares from mature markets. This trend is expected to continue into 2018 under the influence of increased global growth and continued high risk appetite.

Risk factors

Appetite for risk has been an important factor in the positive trend in financial markets in 2017. Potentially several factors may curb risk appetite. Excessive interest rate increases or lower growth than anticipated may reduce return expectations.

Internationally the largest critical factor is the geopolitical tension triggered by the military escalation in North Korea. There is a risk that it will result in actual acts of war. The worst imaginable scenario is if it ends in nuclear acts of war. This will result in large slides in the prices of risk assets.

Mr Trump's nomination of Jerome Powell as the new Federal Reserve Chair in USA signalled a continuation of the country's monetary policy. It should be of no major consequence that current Fed Chair Janet Yellen has announced that she will withdraw from the Federal Reserve Board of Governors in February although she could have continued until 2024. However it does contribute to creating uncertainty as to the composition of the new monetary policy committee after the replacement that must be made.

In Europe the Italian parliamentary election in spring 2018 may affect the sentiment in Europe. Some opinion polls show that Euro-sceptic parties may take over government power in Italy after the election. Moreover British negotiations over Brexit have the potential of upsetting the spirit of solidarity in Europe.

In the Far East the accumulation of debt and the prospects of lower growth in China are causes of concern and as a result credit rating agency Moody's downgraded China's rating from Aa3 to A1 in May.

In Latin America risk factors are mainly of a political nature. The corruption allegations against incumbent President Temer in Brazil are a risk factor by themselves but they also contribute to uncertainty over whether he will be prevented from implementing a necessary pension reform in Congress. Furthermore the presidential election in Brazil next autumn is a risk factor. Mexico is weighed down by uncertainty over the result of the NAFTA negotiations and the outcome of the presidential elections in 2018. Venezuela is challenged by the current oil price level and consequently it is highly likely that the country will be forced to restructure its debts. US sanctions against the country make the situation more difficult.

Business developments

Mission, vision and cooperation

Sydinvest's mission is to give its investors "a more rewarding life", a concept that hopefully will be the hallmark of the Investment Fund, not only in terms of cash returns but also in the Investment Fund's way of thinking and acting towards investors and all other stakeholders of the Investment Fund.

With the mission of "a more rewarding life" for investors, our vision is to make Sydinvest one of the preferred choices when investors decide to invest through UCITS. This will be achieved by offering the products demanded by investors and generating competitive returns as well as ensuring that the products are available at the advisers who arrange for the sale of units.

Active management

The individual Sydinvest funds are actively managed. In other words by actively selecting and composing the individual portfolios the Investment Fund aims to achieve as high a return as possible while observing individual funds' risk limits. The long-term target is to produce a return which is as a minimum on a par with developments in the funds' respective benchmarks.

The Board of Directors has an ongoing focus on the returns achieved in individual funds measured against their benchmarks as well as against comparable actively and passively managed funds.

Sydinvest publishes the measures "active share" and "tracking error" in interim financial statements and financial statements. Tracking error is however only published if a fund or a unit class has existed for at least three years.

Active share quantifies how much a fund's investments differ from the composition of the fund's benchmark. Theoretically the higher the active share is, the higher the degree of active management of a fund is. Experience shows that the extent of the active share is highly dependent on the individual fund's investment universe and hence its benchmark. A very narrow investment universe tends to result in a low active share. This tendency is enhanced by the legislative investment provisions.

Tracking error is a statistical measure describing the variation in the difference between a fund's return and the return of the fund's benchmark. A high tracking error shows that the variation in the difference between the fund's return and that of its benchmark has been high and may be taken as an indication that the fund has been actively managed. One should note however that the extent of the

tracking error is highly dependent on price fluctuations in the market. In periods with small price fluctuations the tracking error will be lower than in periods with large price fluctuations, all other things being equal. Consequently emerging market funds, which are typically subject to larger price fluctuations, will have higher tracking errors than funds from more mature markets with the same degree of active management.

Even though these two measures can serve as indicators, they cannot stand alone when evaluating whether a fund is active or passive. The trade association recommends that the two measures are shown in annual reports and interim reports. Moreover the recommendations stipulate that, with respect to funds and unit classes that have an active share of less than 50 and a tracking error of less than 3, annual reports include a description of how the degree of active management is adjusted to the fund's return objective, investment universe and other relevant parameters.

At end-2017 Danmark KL and Tyskland KL had an active share of less than 50% and a tracking error of less than 3. The current levels are shown in table 8 below.

Both funds are measured against relatively narrow benchmarks, which is the main reason why the active share in the two funds is lower than 50. Volatility in equity markets has generally fallen in recent years, which contributes to a low tracking error.

Danmark KL and Tyskland KL have underperformed in 2017. The underperformance was somewhat bigger than the costs of the funds. This may be taken as an indication that the funds have been actively managed. The underperformance of Danmark KL is a consequence of active overweightings in companies such as ALK-Abelló, Santa Fe Group, Jyske Bank and Vestas, which did not produce price increases at market level in 2017, and underweightings in Ørsted and Novozymes which outperformed the market. In 2017 Tyskland KL was adversely affected by losses due to share allocation. For instance the fund, out of governance concerns, had no investments in Volkswagen whose share increased more than the German market in 2017. On the other hand the fund profited from the active use of derivatives.

Against this background it may be concluded that the funds' investment strategy and level of risk-taking have been constructed in such a manner that is characteristic of actively managed funds.

Table 8

Fund	Active share	Tracking error	Fund return	Benchmark return
Danmark KL	32.89%	2.30%	11.44%	16.82%
Tyskland KL	35.09%	2.51%	14.24%	16.13%

Information and communication policy

Sydinvest gives high priority to providing investors and advisers with relevant and timely information. The Investment Fund uses several media to ensure that information reaches our investors. The Investment Fund updates its website on a daily basis with current prices and information of significance to investors who invest in Sydinvest.

The Investment Fund publishes its membership magazine, "Horisont", three times a year. Here we aim through theme based articles to make reading about securities savings interesting to investors and at the same time the Investment Fund provides detailed information on the individual Sydinvest funds.

Given the approx 71,800 investors, the Investment Fund has decided not to provide investment consulting services itself. Consequently investment advice is provided through business partners' advisers who are typically investment advisers in financial institutions. Therefore the Investment Fund's efforts are focused on informing advisers in the best possible way so that they can provide competent advice on investing in Sydinvest. The Investment Fund has regular meetings with business partners and advisers to review its investments and its expectations as regards markets and funds.

It is also of great importance for the Investment Fund to meet with investors whenever possible. Therefore every autumn the Investment Fund invites investors and other interested parties to participate in its investor meetings. At these meetings the Investment Fund talks about investments and about Sydinvest and rounds off the meeting with a little treat for investors. In 2017 more than 6,100 investors signed up for the investor meetings around the country. Overall marketing efforts contribute to maintaining awareness of Sydinvest making it possible to allocate greater resources to portfolio management with the aim of generating even better returns.

Fund governance

The discussions on fund governance by Sydinvest's Board of Directors represent an ongoing process that aims to ensure that Sydinvest continuously addresses developments in fund governance issues. Sydinvest complies with the fund governance recommendations of the trade association the Danish Investment Fund Association.

Fund governance recommends that board members are not elected for a period exceeding one year at a time and that there is a maximum number of terms of office as regards the board chairman and the other board members. Sydinvest's fund governance deviates in these respects as board members are elected for a period of two years at a time. In addition no maximum number of terms of office has been stipulated. These deviations have been adopted to ensure greater continuity as regards the Board of Directors.

The Board of Directors has decided that the target for the under-represented gender on the Board of Directors is 20% and that 40% is aimed for. At the time of preparation of the annual report the target was

met in that the five-member Board of Directors had one female member.

Investment philosophy

Sydinvest's investment philosophy is to create competitive returns through an active investment strategy that is characterised by a high degree of risk diversification. Consequently portfolios typically comprise many different securities to reduce specific share and bond risks. If a fund has a benchmark, market risk is actively adjusted according to this benchmark on a continuing basis.

It is the strategy of the Investment Fund to safeguard investors' interests first and foremost by means of ongoing portfolio adjustment through the sale and purchase of securities. However their interests can also be safeguarded by establishing a dialogue with companies that may be problematic in one respect or another or by voting at companies' general meetings.

Sydinvest invests in a wide range of different countries and companies. There are large differences in the stage of economic development of countries and similarly in how ethical issues such as human rights, pollution and corruption are treated in individual countries. Consequently it is an extremely demanding task to monitor whether investments live up to the guidelines established for responsible investments at Sydinvest. The screening of portfolios as regards problematic companies and countries represents an important tool in this context.

CSR policy

Sydinvest incorporates environmental, social and corporate governance (ESG) issues in investment decisions as regards all unit classes. Sydinvest has signed the UN's Principles for Responsible Investment, PRI. PRI consists of six principles that have been increasingly integrated in the Investment Fund's investment processes over the years. According to the second principle the Investment Fund will exercise active ownership eg by applying an engagement approach in relation to the companies invested in that do not fully live up to its expectations regarding ESG issues. In this way the Investment Fund strives to influence companies to improve their conduct instead of selling their shares or bonds.

Sydinvest has formulated a policy on responsible investments and an active ownership policy which are available at the Investment Fund's websites. The policies are updated once a year. In November 2016 the Committee on Corporate Governance published its recommendations regarding active ownership (a stewardship code). The recommendations were incorporated in the active ownership policy in 2017. Voting at the general meetings of selected companies is part of the engagement activities that are undertaken in relation to companies.

Sydinvest collaborates with the consulting business Global Engagement Services (GES). GES undertakes screening of our investments in companies that have issued either shares or bonds. The results of the screenings provide the starting point for the engagement activities undertaken by GES on behalf of the Investment Fund and other investors vis-à-vis companies that have violated

widely accepted international conventions and norms. The challenges are greater in emerging markets, which is why the collaboration with GES comprises an extended process as regards companies from emerging markets. GES also screens our ethical equity funds and corporate bond funds to ensure that they comply with the limitations imposed on the funds.

In November Sydinvest accompanied GES on an engagement tour in China and Hong Kong. The meetings with a number of companies adequately demonstrated the challenges facing western investors in their efforts to make the companies in the region meet western standards. Overall companies showed an interest in working on environmental, social and corporate governance (ESG) issues but also left the impression that it will require lengthy and continuous efforts.

Sydinvest prepares quarterly lists of companies in which the Investment Fund does not wish to invest. These companies have violated international conventions and norms, their business models are assessed to be unchangeable or dialogue with the companies has not resulted in and does not appear to lead to the necessary changes. At the end of 2017 the exclusion list includes 37 companies.

Sydinvest also considers ESG factors in its selection of countries that issue government bonds. At year-end 2017 15 countries do not form part of the government bond investment universe. Some of the countries are hit by sanctions so it is not possible to invest in government bonds from these countries.

Sydinvest is a member of Dansif which is a network forum for professionals dealing in responsible investments. Dansif arranges a number of meetings focusing on responsible investments. In October 2017 Sydinvest was invited to attend a panel discussion at Dansif where we talked about our extended engagement approach in emerging markets.

As a signatory to the UN's Principles for Responsible Investment, Sydinvest prepares an annual progress report stating the activities initiated by Sydinvest relating to responsible investments. This is why the Investment Fund's activities are not explained in greater detail in the Annual Report. The progress report as well as information on the Investment Fund's policies on responsible investments and active ownership are available at the Investment Fund's website: <http://www.sydinvest.dk/om-sydinvest.aspx>.

Unit classes

In 2015 Sydinvest introduced unit classes in some of the funds offered to investors. In connection with the introduction of unit classes, "KL" was added to the name of all funds. "KL" means that the Board of Directors may decide to establish unit classes in a fund. Unit classes make it possible to divide a fund into several classes. Generally investments in the individual classes of a given fund are identical but there are typically differences as to the client segment targeted. The unit classes may have different characteristics, eg denomination currencies, currency risks or different cost structures.

Sydinvest has so far established four different unit classes targeting Danish private investors, foreign investors, institutional investors and finally investors who have a Private Banking agreement with Sydbank. Not all funds are divided into unit classes. Furthermore a fund that is divided into unit classes has not necessarily been divided into all four unit classes.

Mergers

For a long time interest in the fund Afrika had been declining and the fund had reached a size that made it difficult to invest effectively. Therefore an extraordinary general meeting resolved to merge the fund into the fund Globale EM-aktier KL. The investors who chose not to sell their units were given units in Globale EM-aktier KL instead.

Product development

Three conditions must be met before the Investment Fund can launch a new fund. Firstly there must be a clear manifestation that investors and their advisers in financial institutions are interested in and have confidence in the new investment area. Secondly the Investment Fund must be convinced that there is an attractive return potential for investors. Thirdly the Investment Fund must be able to ensure competent asset management. Having the competence within Sydinvest to make the investments is not all important. If in-house expertise is not available, the Investment Fund can conclude consultancy agreements or portfolio management agreements with external partners who possess the necessary expertise.

The Board of Directors reviews the individual funds on a continuing basis and assesses whether any changes are required. In order to provide Danish municipalities with the possibility of investing in corporate bonds the Board of Directors decided to establish the funds Virksomhedsobligationer HY Etik KL, which started its activities on 24 February 2017, and the fund Virksomhedsobligationer IG Etik KL, which started its activities on 5 July 2017. Only income unit classes W were established in both funds.

Based on the interest of a foreign institutional investor the Board of Directors decided to establish the fund HøjrenteLande Mix Etik I USD Acc. The fund started its activities on 3 April 2017.

Costs

As regards savings in securities, costs are incurred in connection with the purchase, sale and management of investments. This applies to private investors who choose their own shares and bonds as well as to Sydinvest. The Investment Fund has concluded a management agreement with Syd Fund Management A/S in which the management fee as regards Sydinvest is determined.

Moreover the individual funds and unit classes incur direct expenses relating to advice in connection with portfolio management, custodian responsibilities, distribution and advisory services to investors. The most important agreements concluded by Sydinvest to cover these areas are found on page 341.

As expected the Danish bond funds and unit classes have the lowest administrative costs. In contrast the costs of funds and unit classes investing in equities and high-yield bonds are somewhat larger as they have higher expenses relating to advisory services and asset management. The costs appear from the individual financial statements.

The Investment Fund buys and sells securities for the purpose of managing assets in the best possible way and as for all other investors trading involves costs. The amounts appear from the financial statements of the individual funds and unit classes. In connection with the implementation of the new EU regulations research must now be paid for separately whereas earlier on it formed part of the transaction costs. As a result transaction costs in equity funds will decline in 2018. In 2018 costs for research will form part of the total expense ratio as opposed to 2017.

One of the most important responsibilities of the Investment Fund is to minimise costs without it affecting the quality of the services it receives in return. All the costs mentioned appear from the financial statements of the individual funds and unit classes. The financial statements also provide information on whether the total expense ratio or the annual percentage rate (APR) has risen or fallen. Compared with other UCITS, foreign as well as Danish, the costs at Sydinvest lie at a competitive level.

In 2017 part of the VAT previously paid was refunded as a result of the Investment Fund's trading abroad. Refunds totalled DKK 2.2m compared to DKK 2.2m in 2016.

Statutory regulations

Denmark opted to implement parts of the MiFID II Directive (Markets in Financial Instruments Directive) effective 1 July 2017 ie six months ahead of the other EU countries.

Consequently as of 1 July 2017 Danish distributors were no longer allowed to accept and retain customer-related commission from Sydinvest in connection with management agreements or independent advice.

Sydinvest's product range had been adapted to the ban on commissions beforehand. A fund may now include two unit classes for retail investors: A unit

Risks

Special risks

The most significant business and financial risks of the Investment Fund, the funds and the unit classes are related to the type of securities invested in and developments in the financial markets on which securities are issued. With respect to uncertainty regarding recognition and measurement of individual assets, reference is made to the relevant paragraphs under accounting policies. In the following a breakdown and more detailed description of the individual elements of risk in the Investment Fund are given:

class with commission (unit class A) for clients who receive non-independent advice and a unit class without commission (unit class W) for clients who have concluded a management agreement or who receive independent advice.

Remuneration of Board of Directors and Executive Management

The Investment Fund aims to keep remuneration at a competitive and reasonable level to make it possible to retain qualified board members and qualified executive management members. Each board member receives a fixed annual remuneration and is not offered bonus schemes. Remuneration to the Board of Directors is approved in connection with the adoption of the annual report by the general meeting. The remuneration of the Executive Management is determined by the Board of Directors of Syd Fund Management A/S and is negotiated by the chairmanship. The notice of termination is 6 and 12 months for the CEO and Syd Fund Management A/S, respectively. In respect of dismissal by Syd Fund Management A/S the CEO is entitled to receive severance pay equal to 12 months' salary.

The Investment Fund's remuneration to the Board of Directors represented DKK 1.1m in 2017 (DKK 1.0m in 2016). Total remuneration to the Executive Management as regards all investment funds and funds managed by Syd Fund Management A/S represented DKK 1.9m in 2017 (2016: DKK 1.9m) of which a relevant part is paid by the Investment Fund. Audit fees for 2017 as regards Investeringsforeningen Sydinvest amounted to DKK 719,000.

Election of Board of Directors and appointment of auditors

At the annual general meeting of the Investment Fund on 28 March 2017, the Board of Directors had proposed that Niels Therkelsen, Peter Christian Jørgensen and Linda Sandris Larsen be re-elected. The candidates were elected. The Board of Directors subsequently elected Hans Lindum Møller as chairman and Niels Therkelsen as vice-chairman. Board members must resign no later than at the general meeting following the expiry of the financial year in which he or she attains the age of 70.

Ernst & Young, Godkendt Revisionspartnerselskab, was appointed as auditor of the Investment Fund.

- Risks related to investors' choice of fund and unit class
- Risks in relation to investment markets
- Risks related to investment decisions
- Risks in relation to investment fund operations
- Risks in relation to marketing

Risks related to investors' choice of fund and unit class

Before investors decide to invest it is important that an investment profile is determined so that investments are tailored to the individual investor's needs and expectations. Moreover it is decisive that investors are aware of the risks associated with the specific investment. It is a good idea to determine the investment profile in consultation with an adviser.

The investment profile takes into account for instance the degree of risk the investor wishes to take with the investment and the time horizon of the investment. If

for instance investors are looking for a very stable development in their units, funds or unit classes with high risk (ie funds or unit classes with positions 6 or 7 on the risk scale) should generally not be chosen.

The financial statements of the individual funds and unit classes show the risk classification measured by the risk indicator from the document Key Investor Information. Risk is expressed by a number between 1 and 7, where »1« expresses the lowest risk and »7« the highest risk. Category »1« does not represent a risk-free investment.



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

If a fund or unit class has not existed for five years, the available historical data is combined with a relevant representative portfolio or a portfolio with an asset allocation equivalent to the objective of the fund or the unit class or a benchmark covering the period for which historical data does not exist.

Risks in relation to investment markets

Risks in relation to markets may typically be divided into market-related risks, such as impacts of market conditions, political risks, exchange rate risks and interest rate risks, etc deriving from an individual investment. Sydinvest manages these risks within the given limits of the individual markets. Examples of risk management elements are investment policies of funds and unit classes, internal control procedures and statutory requirements as to risk diversification.

Risks related to investment decisions

Investment decisions in actively managed funds are based on our own and external advisers' expectations for the future. Sydinvest attempts to give a realistic outlook of interest rate developments, economic conditions etc on the basis of which investments are made. This type of decision is always associated with uncertainty. There is always a risk that things will turn out differently than expected regardless of the quality of analyses made.

In connection with securities trading, settlement is effected as delivery versus payment. The risk that this does not occur is called trading risk. This risk is hedged through the custodian bank. Sydinvest's custodian is Sydbank A/S.

Risks in relation to investment fund operations

The management of Sydinvest is based on the principle of efficient and reliable investment fund operations. An agreement has been concluded with Syd Fund Management A/S, which has formulated a large number of control procedures and business procedures to counter operational risks. Syd Fund Management A/S has made considerable

investments in IT equipment to ensure a high degree of data and systems security. Furthermore contingency plans and procedures have been put into place to facilitate data and systems recovery in the event of a breakdown.

Moreover Syd Fund Management A/S devotes considerable resources to ensure the most correct pricing of shares, bonds and other instruments in the funds' portfolios.

The Investment Fund also ensures on a continuing basis that the company's staff is adequate, well-qualified and experienced. The overall level of security is determined and regularly monitored by the Board of Directors.

Sydinvest is subject to the supervision of the Danish FSA and statutory auditing, where focus is on risks and controls. The auditors present their opinion to the Board of Directors and are obliged to report significant weaknesses.

Risks in relation to marketing

The most important risk in connection with marketing is judged to be that marketing material is regarded as not rightfully describing the underlying product, ie the funds and unit classes of the Investment Fund.

Inadequate information in marketing material may entail a financial risk as well as a risk of damage to reputation. The Investment Fund attempts to minimise this risk by having in place a very thorough procedure as regards the preparation and approval of marketing material.

Overall risk factors

Individual countries

When investing in securities in a single country investors assume the specific risk that this particular country 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 that invest broadly in a number of countries.

Currency

Investments in foreign securities imply exposure 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 by exchange rate fluctuations between these currencies and DKK. Investments in Danish shares often involve an indirect currency risk as Danish companies frequently compete with foreign companies.

The currency risk is limited in funds and unit classes where hedging against DKK is involved.

Company-specific issues

Sydinvest diversifies its investments across many different securities to lower the dependency on the price development of a single company. Nonetheless company-specific issues, eg bankruptcies, will affect return, also because each fund may invest up to 10% of assets in a single company.

New markets (emerging markets and frontier markets)

New markets include almost all countries in Latin America as well as many countries in Asia, Eastern Europe and Africa. Generally these countries are more politically unstable than 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.

Special risks – bond investments

Bond market

The bond market may be exposed to specific political or regulatory measures which may affect the value of investments. Furthermore market-related or overall economic circumstances, eg interest rate developments, will have an impact on the value of investments.

Accounting estimates and uncertainty

The Investment Fund's funds invest in securities and other financial instruments of which the main part is listed on liquid markets. However given the Investment Fund's broad investment universe, less liquid investments may be included.

Interest rate risk

When interest rates change the value of bonds is affected. How the value is affected depends on the nature of the individual bond. It is of great importance whether a bond is a fixed-rate, a floating-rate or perhaps an index-linked bond. A measure of the change in a bond's price in connection with a given interest rate change is determined by calculating the bond's duration. When interest rates change the following will apply: the greater the duration, the greater the change in prices. Duration is one of the instruments used to manage risk in bond funds.

Credit risk

The different types of bonds – government bonds, mortgage bonds, emerging market bonds, corporate bonds etc – are associated with a credit risk. In relation to bond investments, there may be a risk that the rating of the issuer is lowered and/or that the issuer cannot fulfil its obligations. This risk is called credit risk.

Special risks – equity investments

Equity market fluctuations

The equity market may fluctuate considerably. Fluctuations may reflect for instance political and regulatory issues or be the result of sector-specific, regional, local or overall market-related and economic circumstances.

Investment style

If a fund adopts an investment style which eg results in a large position in small shares (small cap), the fund may produce a lower return than the market in general during times when many investors prefer large shares (large cap).

Investment area

If a fund invests within a specific area, eg Latin America, the fund's return is heavily dependent on developments within this particular area.

In terms of financial reporting no material uncertainty or special circumstances have been noted in connection with the recognition or measurement of the Investment Fund's assets and liabilities at 31 December 2017.

Significant events after the expiry of the financial year

No events that change the assessment of the annual report have occurred after the end of the financial year.

Board of Directors and Executive Management

<p>Board of Directors</p> <p>Chairman Hans Lindum Møller 65 Attorney</p> <p>Elected to the Board of Directors in 2004, most recently re-elected in 2016 and up for re-election in 2018.</p>	<p>Chairman of the board of directors of:</p> <p>Member of the board of directors of:</p> <p>General manager and member of the board of directors of:</p>	<ul style="list-style-type: none"> • Fr. Petersen Maskinfabrik af 1978 A/S • Ejendomsselskabet Palæet A/S • Automatic Syd A/S • Automatic Syd Ejendom ApS • Dan Spedition A/S • Syd Fund Management A/S • Svend Beck, Peter Holm og Vagn Jacobsens Almene Fond (BHJ-Fonden) • Den selvejende Fond Dybbøl Mølle • Marina Minde P/S
<p>Vice-Chairman Niels Therkelsen 58 General Manager</p> <p>Elected to the Board of Directors in 1987, most recently re-elected in 2017 and up for re-election in 2019.</p>	<p>Member of the board of directors of:</p> <p>General manager and member of the board of directors of:</p>	<ul style="list-style-type: none"> • Syd Fund Management A/S • NT Holding af 12. september 2005 ApS • City Immobilien Flensburg ApS • Business Leasing Danmark ApS • Hansaring Kiel ApS • J.A.N. Invest GmbH • Schlossalle Glücksburg GmbH
<p>Svend Erik Kriby 57 General Manager</p> <p>Elected to the Board of Directors in 2006, most recently re-elected in 2016 and up for re-election in 2018.</p>	<p>Chairman of the board of directors of:</p> <p>Member of the board of directors of:</p>	<ul style="list-style-type: none"> • Kriby Holding A/S • Sitecover A/S • Thermo Transit A/S • EK Entreprise A/S • Byens Tag & Facade A/S
<p>Peter Christian Jørgensen 52 General Manager</p> <p>Elected to the Board of Directors in 2007, most recently re-elected in 2017 and up for re-election in 2019.</p>	<p>Chairman of the board of directors of:</p> <p>Member of the board of directors of:</p> <p>General manager and member of the board of directors of:</p>	<ul style="list-style-type: none"> • SE Vækstpulje • Kollund Skov ApS • Nørremølle ApS
<p>Linda Sandris Larsen 39 Associate Professor</p> <p>Elected to the Board of Directors in 2013, most recently re-elected in 2017 and up for re-election in 2019.</p>	<p>Holds no other directorships.</p>	
<p>Executive Management</p> <p>Eskild Bak Kristensen 62</p> <p>Appointed as CEO in 2004.</p>	<p>Member of the board of directors of:</p>	<ul style="list-style-type: none"> • Investering Danmark
<p>Board work included: Investeringsforeningen Sydinvest, Investeringsforeningen Strategi Invest, Kapitalforeningen MIX, Investeringsforeningen Finansco, Investeringsforeningen Sydinvest Portefølje and Kapitalforeningen TDC Pension Emerging Markets.</p>		

Management Statement

Today the Board of Directors and the Executive Management have reviewed and approved the annual report for the financial year from 1 January to 31 December 2017 of Investeringsforeningen Sydinvest.

The annual report has been prepared in accordance with the Danish Investment Associations, etc. Act.

The financial statements of individual funds give a true and fair view of the individual funds' activities and liabilities, financial position and results.

The directors' report of the Investment Fund and the directors' reports of individual funds contain fair reviews of developments in the Investment Fund's and the funds' operations and financial position as well as a description of the most significant risks and elements of uncertainty which may affect the Investment Fund and the funds, respectively.

We propose that the annual report be submitted for adoption by the general meeting.

Aabenraa, 20 February 2018

Board of Directors

Hans Lindum Møller
Chairman

Niels Therkelsen
Vice-Chairman

Svend Erik Kriby

Peter Christian Jørgensen

Linda Sandris Larsen

Executive Management of Syd Fund Management A/S

Eskild Bak Kristensen

Independent Auditor's Report

To the investors in Investeringsforeningen Sydinvest

Opinion

We have audited the financial statements of the individual sub-funds in Investeringsforeningen Sydinvest for the financial year ended 31 December 2017, which comprise the individual sub-funds' income statements, balance sheets, notes and joint notes, including accounting policies. The financial statements are prepared in accordance with the Danish Act on Investment Funds, etc.

In our opinion, the financial statements give a true and fair view of the financial position of the sub-funds at 31 December 2017 and of the results of the sub-funds' operations for the financial year ended – 31 December 2017 in accordance with the Danish Act on Investment Funds, etc.

Our opinion is consistent with our long-form audit report to the Board of Directors.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

To the best of our knowledge, we have not provided any prohibited non-audit services as described in article 5(1) of Regulation (EU) no. 537/2014.

Appointment of auditor

We were initially appointed as auditor of Investeringsforeningen Sydinvest on 28 March 2017 for the financial year 2017.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 December 2017. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon. We do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the "Auditor's responsibilities for the audit of the financial statements" section, including in relation to the below key audit matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements as a whole.

Valuation of financial instruments

The valuation at fair value of the sub-funds' investments in bonds, shares, investment fund units and derivative financial instruments (referred to as financial instruments) is the most significant element in the statement of the sub-funds' return and assets.

In relation to the sub-funds' financial instruments, we find that there is no significant risk of material misstatement of the financial statements as the sub-funds' financial instruments to a considerable extent are liquid listed financial instruments for which there is a listed price in an active market and only to a limited extent are less liquid listed and unlisted financial instruments for which the fair value is determined based on recognised valuation models and Management estimates.

As the financial instruments are material to the sub-funds' total return and assets, the valuation of the sub-funds' financial instruments is deemed to be the key audit matter.

Our audit procedures directed at the valuation of the financial instruments in the individual sub-funds included among others:

- Test of registration systems, business procedures and internal controls, including IT and system-based controls that support the valuation of financial instruments.
- Spot-checking of reconciliation of financial instruments to custodian bank statements and spot-checking of the instruments' valuation by comparing the valuation to independent price sources.
- Valuation and spot-checking of the valuation methods applied and management estimates performed on the determination of the fair value of less liquid listed and unlisted financial instruments.

Allocation expressed in percentage of the individual sub-funds' financial instruments on listed instruments, instruments listed in another regulated market and other financial instruments is stated in a note to the individual sub-funds' financial statements.

Statement on the Management's reviews

Management is responsible for the Management's review and the Management's reviews of the individual sub-funds, hereafter referred to as the "Management's reviews"

Our opinion on the financial statements does not cover the Management's reviews, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's reviews and, in doing so, consider whether the Management's reviews are materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appear to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's reviews meet the disclosure requirements in the Danish Act on Investment Funds, etc.

Based on the work we have performed, we are of the opinion that the Management's reviews are in accordance with the financial statements and have been prepared in accordance with the requirements in the Danish Act on Investment Funds, etc. We did not identify any material misstatement of the Management's reviews.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements of the individual sub-funds that give a true and fair view in accordance with the Danish Act on Investment Funds, etc. and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the sub-funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the sub-funds or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and can be considered material if it would be reasonable to expect that they - either individually or combined - could influence the economic decisions taken by the users of the conversion balance sheet on the basis of the financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain an attitude of professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the sub-funds' internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- ▶ Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the sub-funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's

report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion is based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the sub-funds to cease to continue as a going concern.

- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including note disclosures, and whether the financial statements reflect the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant internal control weaknesses identified during our audit.

We also provide a statement to those charged with governance to the effect that we have complied with relevant ethical requirements related to independence and disclose to them all relations and other matters that could reasonably be expected to impact our independence and, if relevant, related safeguards.

Based on the matters communicated to those charged with governance, we determine which matters were of most importance in our audit of the financial statements for the current period and therefore are key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Aabenraa, 22 February 2018
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no: 30 70 02 28

Lars Rhod Søndergaard
State Authorised Public Accountant
MNE no. 28632

Klaus Skovsen
State Authorised Public Accountant
MNE no. 30204

Fund Reports and Financial Statements 2017

General reading instructions

Investeringsforeningen Sydinvest consists of a number of funds. Each fund prepares separate financial statements and a fund report. The financial statements show the funds' financial developments during the year and the state of affairs at year-end. The fund reports comment on the funds' results for the year as well as specific circumstances that apply to the individual fund.

The Investment Fund manages administrative tasks and the investment task common to all funds within the framework laid down for the funds by the Board of Directors. This contributes to ensuring a cost effective operation of the Investment Fund as the funds are often influenced by many of the same factors even though they invest in different types of securities and follow different strategies. For instance fluctuations in global growth may affect return and risk in individual funds.

Consequently overall market developments and risks are described for all funds under "Directors' Report". We recommend that this be read in connection with the specific fund reports to get a complete picture of developments and any special circumstances and risks affecting individual funds.

How to read the fund's financial statements

Investment profile

A description of the securities and areas in which the fund invests. Any division of the fund into unit classes will be mentioned.

Risk profile

The risk classification is the risk indicator from the document Key Investor Information. Risk is expressed by a number between 1 and 7, where 1 expresses the lowest risk and 7 the highest risk. Category 1 does not represent a risk-free investment. The risk classification is determined by fluctuations in the fund's return over the past five years where a high level of historical fluctuations equals a high risk and a low level of historical fluctuations equals a low risk.

Developments

An account of developments in the fund's activities and financial situation, including information about the fund's return, any benchmark trends and comments on performance.

Benchmark

Shows the development in returns in the markets in which the fund invests. The benchmark is used to compare the fund's performance. Not all funds and unit classes have a benchmark.

Income statement

Shows income and costs for the period. Income is typically interest and share dividends as well as capital gains and losses. Administrative costs are costs attributable to operating the fund. Tax consists of non-refundable dividend tax and tax on coupons.

Balance sheet

Shows the fund's assets and liabilities at the end of 2017. Assets are essentially the bonds and/or shares in which the fund invests. Liabilities are predominantly the value of units held by the fund's investors – also referred to as unit-holders' assets.

Key Investor Information

All investment associations must prepare a Key Investor Information document for each of their funds. A two-page document with a clear description of the fund's objectives, investment policy, risk profile and charges, constituting informative labeling as regards each fund which makes it easier to compare different investments.

Fonde KL

Fund report

Fund data

ISIN	DK0016271042
Date of establishment	23 March 2004
Launch date	20 April 2004
Listed	Yes
Currency	DKK
Income fund	Yes
Denomination	100
Risk category	2

Approved for marketing in Germany No

Introduction

The fund report should be read together with the sections in the annual report "Financial markets in 2017" on page 6, "Asset developments" on page 10 and "Risks" on page 15 to provide a complete picture of developments. The evaluation by the Board of Directors and Executive Management regarding fund specific risks appears below. For further information on risks associated with investing in the fund, reference is made to the current prospectus which may be downloaded at www.sydinvest.dk, www.sydinvest.de and www.sydinvest.com.

Investment profile

The fund invests in bonds traded on an exchange (regulated market) issued in DKK. The fund has an average duration of between 0 and 6 years. The fund targets foundations, UCITS and trusts and invests predominantly in bonds with high running yields, thereby achieving annual dividends as high as possible.

Risk profile

The fund invests in price-sensitive government and mortgage bonds. Fund risk is reduced through reasonable diversification of investments. Return is impacted by changes in the overall level of interest rates and the yield spread between mortgage bonds and government bonds. The fund is suitable for investments with a time horizon of at least three years.

Further information on risks in investment markets is found under "Risks" in the Directors' Report. The fund is placed in risk category 2.

Developments

The fund yielded a return of 1.69% in 2017. The market exceeded expectations at the beginning of the year. The fund does not have a benchmark.

Despite solid growth in Europe in 2017 inflation has still not taken hold and consequently government bond yields have not changed significantly in 2017. However the Danish mortgage bond market has benefited from the very low interest rates around the globe as the search for excess return and high security has prompted particularly American and Japanese investors to look to Danish mortgage bonds. As a result Danish mortgage bond yields dropped in 2017 and in particular the 30-year mortgage bond yield was close to its lowest level ever at year-end 2017.

The fund has produced a return that is somewhat better than the return generated by government bonds with the same interest rate risk. The good performance is attributable to the slight narrowing of the yield spread between mortgage bonds and government bonds as well as the low duration of the fund at the end of the year.

Market outlook

We anticipate that continued strong growth in the world economy and slightly increasing inflation as well as further monetary policy tightening in USA and Europe alike will lead to an upward pressure on international interest rates in 2018. However the ultra-short rates in Europe and by extension Denmark will be locked throughout 2018.

We expect that the fund will produce a return in 2018 which is between the return of Korte Obligationer and the return of Mellemlange Obligationer. The fund's interest rate risk is close to that of Korte Obligationer but includes more callable mortgage bonds, which increases return expectations but also risk. The largest risk is that foreign investors will lose interest in Danish mortgage credit. This will destabilise the domestic mortgage bond market and result in poor performance.

Fonde KL – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2013-2017

(DKK 1,000)	2017	2016	2015	2014	2013
Financial highlights					
Net profit for the year	8,604	14,036	(1,124)	17,310	3,997
Units in circulation nominal	574,760	667,616	637,582	581,850	560,562
Units in circulation quantity	5,747,600	6,676,162	6,375,821	5,818,495	5,605,624
Investors' assets	517,039	605,302	578,700	544,480	524,042
Financial ratios					
NAV per unit	89.96	90.67	90.76	93.58	93.49
Dividend per unit	2.00	2.20	2.30	2.70	3.00
Return (%) *)	1.69%	2.45%	(0.14%)	3.36%	0.82%
Total expense ratio	0.52%	0.53%	0.53%	0.53%	0.53%
Annual percentage rate (APR) at 31 December	0.55%	0.55%	0.60%	0.61%	0.64%
Sharpe Ratio (5 yrs)	1.08	1.13	1.17	1.36	1.36
Standard deviation (5 yrs)	1.56	1.69	2.10	2.22	2.41
Portfolio turnover rate (PTR)	0.55	0.65	0.57	0.63	0.19

*) Past performance is no guarantee of current or future performance.

Fonde KL – Financial Statements

INCOME STATEMENT

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
Interest and dividends			5. Distribution of profit		
1. Interest	14,682	17,885	To be allocated		
Total interest and dividends	14,682	17,885	Proposed distribution for the financial year	11,495	14,688
Capital gains and losses			Brought forward for distribution next year	0	0
2. Bonds	(3,330)	(751)	Available for distribution	11,495	14,688
3. Transaction costs, operating activities	(9)	(4)	Brought forward to investors' assets	(2,891)	(652)
Total capital gains and losses	(3,339)	(755)	Total distribution	8,604	14,036
Total income	11,343	17,130			
4. Administrative costs	(2,739)	(3,094)			
Net profit for the year	8,604	14,036			

BALANCE SHEET 31 DECEMBER 2017

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
ASSETS			LIABILITIES		
Liquid funds			6. Investors' assets		
Deposits with custodian	2,123	17,949		517,039	605,302
Total liquid funds	2,123	17,949	Other debt		
7. Bonds			Payables	524	617
Listed bonds from Danish issuers	507,048	558,791	Payables – unsettled transactions	0	15,197
Listed bonds from foreign issuers	3,023	0	Total other debt	524	15,814
Total bonds	510,071	558,791	TOTAL LIABILITIES	517,563	621,116
Other assets					
Interest receivable, dividends receivable etc	4,558	5,979			
Receivables – unsettled transactions	811	38,397			
Total other assets	5,369	44,376			
TOTAL ASSETS	517,563	621,116			

Fonde KL – Financial Statements

NOTES

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
1. Interest			5. Available for distribution		
Deposits with custodian	2	0	Brought forward for distribution from last year	0	0
Listed bonds from Danish issuers	14,707	17,885	Interest	14,711	17,892
Listed bonds from foreign issuers	2	7	Capital gains for distribution	(4,600)	(6,436)
Interest expense and negative interest with custodian	(29)	(7)	Distribution adjustment in connection with issue/redemption concerning the above items	(24)	410
Total interest	14,682	17,885	Available for distribution before administrative costs	10,087	11,866
2. Capital gains and losses			Set-off of administrative costs	(2,739)	(3,094)
Bonds			Distribution adjustment of administrative costs in connection with issue/redemption	156	(97)
Listed bonds from Danish issuers	(3,337)	(761)	Total administrative costs	(2,583)	(3,191)
Listed bonds from foreign issuers	7	10	Available for distribution, gross	7,504	8,675
Total bonds	(3,330)	(751)	Voluntary distribution	3,991	6,013
3. Transaction costs			Available for distribution	11,495	14,688
All transaction costs	11	4	6. Investors' assets		
Covered by income from issue and redemption	(2)	0	Units in circulation		
Transaction costs, operating activities	9	4	Units in circulation at 1 Jan	667,616	637,582
4. Administrative costs			Issues during the year	24,144	41,434
Fund-specific costs			Redemptions during the year	(117,000)	(11,400)
Marketing costs	1,308	1,466	Total units in circulation	574,760	667,616
Fees to custodian	118	146	Investors' assets		
Other costs relating to asset management	527	587	Investors' assets at 1 Jan	605,302	578,700
Other costs	27	7	Issues during the year	21,659	37,592
Fixed management fee *)	759	888	Redemptions during the year	(103,927)	(10,343)
Total fund-specific costs	2,739	3,094	Net issue surcharges and redemption deductions	144	10
*) The management fee represents a "fixed management fee" which includes costs relating to the Board of Directors, Executive Management, audit etc. Total remuneration to the Board of Directors and Executive Management appears from the Directors' Report under "Remuneration of Board of Directors and Executive Management" to which reference is made.			Distribution from last year concerning units in circulation at 31 Dec	(14,688)	(14,665)
Audit fees appear from joint note 2 to which reference is made.			Changes in dividend distribution due to issues/redemptions	(55)	(28)
			Proposed distribution for the financial year	11,495	14,688
			Brought forward from income statement	(2,891)	(652)
			Brought forward for distribution next year	0	0
			Investors' assets at year-end	517,039	605,302
			7. Financial instruments (securities)		
			A list of financial instruments (securities) is available free of charge from the investment management company.		

Fonde KL – Financial Statements

SUPPLEMENTARY NOTES WITHOUT REFERENCE

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
a. Units in circulation			d. Bonds by duration		
Nominal (DKK 1,000)	574,760	667,616	Bonds > 6 yrs	3.18%	10.83%
Quantity	5,747,600	6,676,162	Bonds 4-6 yrs	14.12%	16.04%
			Bonds 2-4 yrs	44.45%	27.93%
b. Portfolio turnover			Bonds 0-2 yrs	36.90%	37.52%
Market value of purchase of securities	328,214	424,286	Cash, derivatives etc	1.35%	7.68%
Market value of sale of securities	373,603	385,235	Total	100.00%	100.00%
Total market value	701,817	809,521			
			d. Bonds by issuer		
c. Breakdown of financial instruments			Mortgage bonds	87.17%	78.76%
Listed financial instruments	98.65%	92.32%	Government bonds	11.48%	11.02%
Financial instruments listed on other regulated market	0.00%	0.00%	Corporate bonds	0.00%	2.54%
Newly issued financial instruments for which listing on a stock exchange or other regulated market is planned	0.00%	0.00%	Cash, derivatives etc	1.35%	7.68%
Other financial instruments	0.00%	0.00%	Total	100.00%	100.00%
	98.65%	92.32%			
Other assets/other debt	1.35%	7.68%			
Total	100.00%	100.00%			

HøjrenteLande KL

Fund report

Fund data and unit class data	HøjrenteLande A DKK	Emerging Market Bonds B EUR d	HøjrenteLande W DKK d
ISIN	DK0016039654	DK0060626281	DK0060814952
Date of establishment	25 January 2000	18 February 2015	13 June 2017
Launch date	17 March 2000	24 April 2015	13 June 2017
Listed	Yes	No	No
Currency	DKK	EUR	DKK
Income fund	Yes	Yes	Yes
Denomination	100	10	100
Risk category	4	4	4
Approved for marketing in Germany	No	Yes	No
Benchmark	J.P. Morgan Emerging Markets Bond Index Global Diversified		
Secondary name	Emerging Market Bonds KL		

Introduction

The fund report should be read together with the sections in the annual report "Financial markets in 2017" on page 6, "Asset developments" on page 10 and "Risks" on page 15 to provide a complete picture of developments. The evaluation by the Board of Directors and Executive Management regarding fund specific risks appears below. For further information on risks associated with investing in the fund, reference is made to the current prospectus which may be downloaded at www.sydinvest.de, www.sydinvest.com.

Investment profile

The fund invests predominantly in high-yield government bonds issued in USD or EUR from high-yielding countries in Eastern Europe, Asia, Latin America, Africa and the Middle East. The fund may also invest in bonds issued in local currency. The majority of the fund's currency positions are hedged to DKK or EUR and the fund's currency risk is therefore limited.

The fund is divided into the unit classes HøjrenteLande A DKK, Emerging Market Bonds B EUR d and HøjrenteLande W DKK d. The investments in the individual unit classes are identical. The level of costs varies according to the unit class in which investors invest.

Risk profile

The fund carries a somewhat higher risk than that of traditional bond funds. In the short term large fluctuations in return may occur. The objective is to achieve a higher average return in the long term. Fund return depends on interest rate movements, issuers' ability to service debt and, to a lesser extent, exchange rates. The fund is suitable for investments with a time horizon of at least four years.

The fund is placed in risk category 4.

Developments

The development in the NAV of the unit classes in 2017 appears from the table below. The differences in returns are attributable to the level of costs in the individual classes and the fact that fund currency varies in the individual unit classes. The different currencies also explain the difference in the development of the benchmark.

Unit class	Return	Benchmark
HøjrenteLande A DKK	8.39%	8.08%
Emerging Market Bonds B EUR d	8.42%	8.21%
HøjrenteLande W DKK d ¹⁾	8.78%	8.08%

¹⁾The unit class was launched on 13 June 2017 in connection with the demerger of HøjrenteLande A DKK. Return covers the period from 1 January to 31 December 2017.

The market exceeded expectations at the beginning of the year and the fund outperformed its benchmark, see the table above. Relative return was driven by our asset allocations in particular. The fund's overweights and asset allocations in Argentina and Ghana contributed whereas its overweights in Venezuela and Cuba detracted from relative return.

2017 was a comeback year in relation to the sell-off of emerging market bonds in the wake of the election of Mr Trump in the USA. Higher economic growth in emerging market countries as well as in Europe and USA was a positive factor. Not even tighter monetary policy in USA and the outlook of monetary policy tightening in Europe spoiled the mood. The narrowing yield spread between emerging market bonds and US government bonds to 2.85 percentage points is the main reason for the drop in the yield to maturity for emerging market bonds issued in USD to 5.27%. Bonds from Venezuela were the only bonds that generated negative returns in 2017 whereas many commodities exporting countries performed well.

Market outlook

A decisive factor in 2018 will be whether monetary policy tightening in USA and Europe will lead to increasing long-term bond rates. This has not really been the case so far. We project higher US interest rates – short-term as well as long-term – in 2018 but as long as increases are not too fast and too big, emerging market bonds will be well positioned to resist them. The economic growth in emerging markets is high and with few exceptions current accounts are in better shape than five years ago.

We project that the fund will generate a return in 2018 on a par with or above its benchmark as the fund is actively managed.

HøjrenteLande KL – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2013-2017

(DKK 1,000)	2017	2016	2015	2014	2013
Financial highlights					
Net profit for the year	350,215	396,737	(145,235)	193,179	(346,627)
Investors' assets	4,139,675	4,502,025	4,401,188	4,871,650	5,245,598
Financial ratios					
Portfolio turnover rate (PTR)	0.38	0.68	0.60	0.55	0.88

Breakdown of profit for the year and investors' assets by unit class

(DKK 1,000)	2017		2016	
	Net profit for the year	Investors' assets at year-end	Net profit for the year	Investors' assets at year-end
HøjrenteLande A DKK	274,035	3,107,323	382,519	4,333,968
Emerging Market Bonds B EUR d h	13,368	156,470	14,218	168,057
HøjrenteLande W DKK d h ¹⁾	62,812	875,882	-	-
Total	350,215	4,139,675	396,737	4,502,025

¹⁾ The unit class was launched on 13 June 2017 in connection with the demerger of HøjrenteLande A DKK

HøjrenteLande KL – Financial Statements

INCOME STATEMENT

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
Interest and dividends			Distribution of profit from the unit classes		
1. Interest	237,945	291,987	To be allocated		
Total interest and dividends	237,945	291,987	Total proposed distribution for the financial year	590,610	221,527
Capital gains and losses			Total brought forward for distribution next year	1,809	0
2. Bonds	(199,590)	365,831	Total available for distribution	592,419	221,527
2. Derivatives	384,771	(209,308)	Total brought forward to investors' assets	(242,204)	175,210
Currency accounts	(19,875)	10,076	Total distribution	350,215	396,737
Other assets and liabilities	166	(322)			
3. Transaction costs, operating activities	(865)	(229)	Distribution of profit in the unit classes		
Total capital gains and losses	164,607	166,048	HøjrenteLande A DKK		
Other income	318	358	Proposed distribution for the financial year	440,770	212,839
Total income	402,870	458,393	Brought forward for distribution next year	1,506	0
4. Administrative costs	(52,655)	(61,656)	Brought forward to investors' assets	(168,241)	169,680
Net profit for the year	350,215	396,737			
			Emerging Market Bonds B EUR d h		
			Proposed distribution for the financial year	22,573	8,688
			Brought forward for distribution next year	138	0
			Brought forward to investors' assets	(9,343)	5,530
			HøjrenteLande W DKK d h ^{*)}		
			Proposed distribution for the financial year	127,267	-
			Brought forward for distribution next year	165	-
			Brought forward to investors' assets	(64,620)	-

HøjrenteLande KL – Financial Statements

BALANCE SHEET 31 DECEMBER 2017

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
ASSETS			LIABILITIES		
Liquid funds			5. Investors' assets *)	4,139,675	4,502,025
Deposits with custodian	227,081	44,386	Derivatives		
Deposits on margin accounts with custodian	2,960	64,080	Unlisted derivatives	238	43,328
Total liquid funds	230,041	108,466	Total derivatives	238	43,328
6. Bonds			Other debt		
Listed bonds from foreign issuers	3,750,077	4,231,969	Interest payable	10	1
Unlisted bonds from foreign issuers	74,840	92,661	Payables	10,768	13,561
Total bonds	3,824,917	4,324,630	Payables – unsettled transactions	0	4,853
Derivatives			Total other debt	10,778	18,415
Unlisted derivatives	16,078	4,077	TOTAL LIABILITIES	4,150,691	4,563,768
Total derivatives	16,078	4,077			
Other assets			*) Investors' assets by unit class		
Interest receivable, dividends receivable etc	68,875	65,024	HøjrenteLande A DKK	3,107,323	4,333,968
Receivables – unsettled transactions	10,780	61,571	Emerging Market Bonds B EUR d h	156,470	168,057
Total other assets	79,655	126,595	HøjrenteLande W DKK d h ^{**)}	875,882	-
TOTAL ASSETS	4,150,691	4,563,768	Total	4,139,675	4,502,025

^{**) The unit class was launched on 13 June 2017.}

HøjrenteLande KL – Financial Statements

NOTES

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
1. Interest			4. Administrative costs		
Deposits with custodian	1,066	462			
Listed bonds from foreign issuers	228,469	286,309	Class-specific costs		
Unlisted bonds from foreign issuers	8,777	4,453	Marketing costs	24,299	30,022
Interest expense and negative interest with custodian	(367)	(491)	Fees to custodian	2,881	3,025
Other interest income	0	1,254	Other costs relating to asset management	19,218	21,526
Total interest	237,945	291,987	Other costs	312	6
			Fixed management fee *)	5,945	7,077
2. Capital gains and losses			Total class-specific costs	52,655	61,656
Bonds			*) The management fee represents a "fixed management fee" which includes costs relating to the Board of Directors, Executive Management, audit etc. Total remuneration to the Board of Directors and Executive Management appears from the Directors' Report under "Remuneration of Board of Directors and Executive Management" to which reference is made.		
Listed bonds from foreign issuers	(190,840)	347,053	Audit fees appear from joint note 2 to which reference is made.		
Unlisted bonds from foreign issuers	(8,750)	18,778			
Total bonds	(199,590)	365,831	5. Investors' assets		
Derivatives			Investors' assets at 1 Jan	4,502,025	4,401,188
Forward exchange transactions/futures etc	393,101	(195,806)	Issues during the year	454,936	493,618
Forward interest transactions/futures etc	(8,330)	(13,502)	Redemptions during the year	(947,709)	(537,337)
Total derivatives	384,771	(209,308)	Net issue surcharges and redemption deductions	2,095	3,447
3. Transaction costs			Distribution from last year concerning units in circulation at 31 Dec	(221,527)	(256,224)
All transaction costs	882	234	Changes in dividend distribution due to issues/redemptions	(360)	596
Covered by income from issue and redemption	(17)	(5)	Proposed distribution for the financial year	590,610	221,527
Transaction costs, operating activities	865	229	Brought forward from income statement	(242,204)	175,210
			Brought forward for distribution next year	1,809	0
			Investors' assets at year-end	4,139,675	4,502,025
			6. Financial instruments (securities)		
			A list of financial instruments (securities) is available free of charge from the investment management company.		

HøjrenteLande KL – Financial Statements

SUPPLEMENTARY NOTES WITHOUT REFERENCE

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
a. Portfolio turnover			e. Currency futures bought		
Market value of purchase of securities	2,143,784	3,563,242	USD	585,217	0
Market value of sale of securities	2,504,732	3,810,684	Total	585,217	0
Total market value	4,648,516	7,373,926	f. Currency futures sold		
b. Breakdown of financial instruments			EUR	(397,227)	0
Listed financial instruments	90.59%	96.06%	Total	(397,227)	0
Financial instruments listed on other regulated market	1.81%	0.00%	Underlying exposure –		
Newly issued financial instruments for which listing on a stock exchange or other regulated market is planned	0.00%	0.00%	g. forward exchange transactions		
Other financial instruments	0.38%	(0.87%)	Currency		
	92.78%	95.19%	DKK	3,158,793	4,155,652
Other assets/other debt	7.22%	4.81%	EUR	(38,795)	1
Total	100.00%	100.00%	JPY	(45,775)	(54,075)
c. Bonds by duration			USD	(3,069,553)	(4,151,106)
Bonds > 6 yrs	55.78%	44.86%	h. Net collateral position		
Bonds 4-6 yrs	14.29%	23.39%	Net calculation of collateral regarding derivatives		
Bonds 2-4 yrs	12.88%	19.94%	Collateral provided as		
Bonds 0-2 yrs	9.83%	7.87%	Liquid funds	2,960	64,080
Cash, derivatives etc	7.22%	3.94%	Total	2,960	64,080
Total	100.00%	100.00%	Reuse of collateral		
d. Bonds by country			Collateral received which is reused		
Turkey	11.63%	7.84%		0	0
Mexico	5.94%	6.42%	Total	0	0
Indonesia	4.23%	5.78%			
Argentina	5.44%	5.12%			
Panama	3.42%	3.33%			
Colombia	3.59%	3.26%			
Dominican Republic	2.65%	2.65%			
Ghana	2.85%	1.53%			
Other	53.03%	60.13%			
Cash, derivatives etc	7.22%	3.94%			
Total	100.00%	100.00%			

HøjrenteLande A DKK – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2013-2017

(DKK 1,000)	2017	2016	2015 ¹⁾	2014	2013
Financial highlights					
Share of net profit for the year	274,035	382,519	(135,183)	193,179	(346,627)
Units in circulation nominal	3,082,310	4,434,147	4,491,130	4,743,268	5,050,500
Units in circulation quantity	30,823,096	44,341,465	44,911,303	47,432,683	50,505,001
Investors' assets	3,107,323	4,333,968	4,257,524	4,871,650	5,245,598
Financial ratios					
NAV per unit	100.81	97.74	94.80	102.71	103.86
Dividend per unit	14.30	4.80	5.40	5.10	5.20
Return (%) *)	8.39%	9.00%	(2.94%)	4.00%	(5.41%)
Benchmark return (%)	8.08%	8.27%	0.24%	6.91%	(5.78%)
Total expense ratio	1.33%	1.33%	1.28%	1.28%	1.27%
Annual percentage rate (APR) at 31 December	1.46%	1.48%	1.62%	1.65%	1.65%
Sharpe Ratio (5 yrs)	0.37	0.56	0.49	0.95	1.27
Standard deviation (5 yrs)	6.71	7.24	7.04	7.19	9.93

*) Past performance is no guarantee of current or future performance.

¹⁾ The fund was converted to a unit class on 24 April 2015.

HøjrenteLande A DKK – Financial Statements

NOTES

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
a. Share of net profit for the year			c. Share of other debt		
Share of joint portfolio profit	317,300	592,076	Payables (class-specific)	9,216	13,136
Forward transactions (class specific)	0	(150,157)	Payables – unsettled transactions (class-specific)	0	4,853
Class-specific other income	250	346	Share of total other debt	9,216	17,989
Class-specific costs *)	(43,515)	(59,746)			
Share of total net profit for the year	274,035	382,519	d. Units in circulation		
			Nominal (DKK 1,000)	3,082,310	4,434,147
*) Class-specific costs			Quantity	30,823,096	44,341,465
Marketing costs	21,511	29,197	e. Investors' assets		
Fees to custodian	2,065	2,985	e1. Units in circulation		
Other costs relating to asset management	14,926	20,766	Units in circulation at 1 Jan	4,434,147	4,491,130
Other costs	237	5	Correction in connection with demerger	(659,856)	0
Fixed management fee	4,776	6,793	Issues during the year	98,803	482,819
Total class-specific costs	43,515	59,746	Redemptions during the year	(790,784)	(539,802)
b. Distribution of profit			Total units in circulation	3,082,310	4,434,147
b1. To be allocated			e2. Investors' assets		
Proposed distribution for the financial year	440,770	212,839	Investors' assets at 1 Jan	4,333,968	4,257,524
Brought forward for distribution next year	1,506	0	Correction in connection with demerger	(650,756)	0
Available for distribution	442,276	212,839	Issues during the year	95,308	457,342
Brought forward to investors' assets	(168,241)	169,680	Redemptions during the year	(773,515)	(526,542)
Total distribution	274,035	382,519	Correction of profit in connection with demerger	39,322	0
			Net issue surcharges and redemption deductions	1,869	3,447
b2. Available for distribution			Distribution from last year concerning units in circulation at 31 Dec	(212,839)	(242,521)
Brought forward for distribution from last year	0	1,227	Changes in dividend distribution due to issues/redemptions	(69)	2,199
Share of interest	184,991	282,081	Proposed distribution for the financial year	440,770	212,839
Other income	250	346	Brought forward from income statement	(168,241)	169,680
Share of capital gains for distribution	351,393	(68,537)	Brought forward for distribution next year	1,506	0
Distribution adjustment in connection with issue/redemption concerning the above items	(54,658)	(10,335)	Investors' assets at year-end	3,107,323	4,333,968
Available for distribution before administrative costs	481,976	204,782			
Set-off of administrative costs	(43,515)	(59,746)			
Distribution adjustment of administrative costs in connection with issue/redemption	3,815	1,876			
Total administrative costs	(39,700)	(57,870)			
Available for distribution, gross	442,276	146,912			
Voluntary distribution	0	65,927			
Available for distribution	442,276	212,839			

Emerging Market Bonds B EUR d h – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2015-2017

(DKK 1,000)	2017	2016	2015 ¹⁾
Financial highlights			
Share of net profit for the year	13,368	14,218	(10,052)
Units in circulation nominal	163,570	180,088	152,530
Units in circulation quantity (EUR)	2,196,916	2,434,251	2,064,419
Investors' assets	156,470	168,057	143,664
Financial ratios			
NAV per unit (EUR)	9.57	9.29	9.33
Dividend per unit (EUR)	1.38	0.48	0.89
Return in EUR (%) [*]	8.42%	9.48%	(6.75%)
Benchmark return in EUR (%)	8.21%	8.32%	(3.24%)
Total expense ratio	1.16%	1.15%	0.74%
Annual percentage rate (APR) at 31 December	1.66%	1.66%	1.66%

^{*}) Past performance is no guarantee of current or future performance.

¹⁾ The unit class was launched on 24 April 2015.

Emerging Market Bonds B EUR d h – Financial Statements

NOTES

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
a. Share of net profit for the year			c. Share of other debt		
Share of joint portfolio profit	15,222	22,515	Payables (class-specific)	406	425
Forward transactions (class specific)	0	(6,399)	Share of total other debt	406	425
Class-specific other income	13	12			
Class-specific costs *)	(1,867)	(1,910)	d. Units in circulation		
Share of total net profit for the year	13,368	14,218	Nominal (DKK 1,000)	163,570	180,088
			Quantity (EUR)	2,196,916	2,434,251
*) Class-specific costs			e. Investors' assets		
Marketing costs	805	825	e1. Units in circulation		
Fees to custodian	55	40	Units in circulation at 1 Jan	180,088	152,530
Other costs relating to asset management	728	760	Exchange rate adjustment of units in circulation at 1 Jan	1,153	0
Other costs	12	1	Issues during the year	20,251	39,122
Fixed management fee	267	284	Redemptions during the year	(37,922)	(11,564)
Total class-specific costs	1,867	1,910	Total units in circulation	163,570	180,088
b. Distribution of profit			e2. Investors' assets		
b1. To be allocated			Investors' assets at 1 Jan	168,057	143,664
Proposed distribution for the financial year	22,573	8,688	Issues during the year	19,174	36,276
Brought forward for distribution next year	138	0	Redemptions during the year	(35,228)	(10,795)
Available for distribution	22,711	8,688	Net issue surcharges and redemption deductions	78	0
Brought forward to investors' assets	(9,343)	5,530	Distribution from last year concerning units in circulation at 31 Dec	(8,688)	(13,703)
Total distribution	13,368	14,218	Changes in dividend distribution due to issues/redemptions	(291)	(1,603)
b2. Available for distribution			Proposed distribution for the financial year	22,573	8,688
Brought forward for distribution from last year	0	153	Brought forward from income statement	(9,343)	5,530
Share of interest	9,041	10,397	Brought forward for distribution next year	138	0
Other income	13	12	Investors' assets at year-end	156,470	168,057
Share of capital gains for distribution	16,768	(2,846)			
Distribution adjustment in connection with issue/redemption concerning the above items	(1,344)	900			
Available for distribution before administrative costs	24,478	8,616			
Set-off of administrative costs	(1,867)	(1,910)			
Distribution adjustment of administrative costs in connection with issue/redemption	100	(67)			
Total administrative costs	(1,767)	(1,977)			
Available for distribution, gross	22,711	6,639			
Voluntary distribution	0	2,049			
Available for distribution	22,711	8,688			

HøjrenteLande W DKK d h – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2017

(DKK 1,000)	2017 ¹⁾
Financial highlights	
Share of net profit for the year	62,812
Units in circulation nominal	865,761
Units in circulation quantity	8,657,608
Investors' assets	875,882
Financial ratios	
NAV per unit	101.17
Dividend per unit	14.70
Return (%) ^{1) 2)}	8.78%
Benchmark return (%) ²⁾	8.08%
Total expense ratio	0.90%
Annual percentage rate (APR) at 31 December	0.73%
Sharpe Ratio (5 yrs)	0.38%
Standard deviation (5 yrs)	6.72%

***) Past performance is no guarantee of current or future performance.**

¹⁾ The unit class was launched on 13 June 2017 in connection with the demerger of HøjrenteLande A DKK

²⁾ Return for the period 1 Jan - 31 Dec 2017

HøjrenteLande W DKK d h – Financial Statements

NOTES

Note (DKK 1,000)	2017 ¹⁾	Note (DKK 1,000)	2017 ¹⁾
a. Share of net profit for the year		c. Share of other debt	
Share of joint portfolio profit	70,030	Payables (class-specific)	1,146
Class-specific other income	55	Share of total other debt	1,146
Class-specific costs *)	<u>(7,273)</u>		
Share of total net profit for the year	62,812	d. Units in circulation	
		Nominal (DKK 1,000)	865,761
*) Class-specific costs		Quantity	8,657,608
Marketing costs	1,983	e. Investors' assets	
Fees to custodian	761	e1. Units in circulation	
Other costs relating to asset management	3,564	Correction in connection with demerger	659,856
Other costs	63	Issues during the year	345,667
Fixed management fee	<u>902</u>	Redemptions during the year	<u>(139,762)</u>
Total class-specific costs	7,273	Total units in circulation	865,761
b. Distribution of profit		e2. Investors' assets	
b1. To be allocated		Correction in connection with demerger	650,756
Proposed distribution for the financial year	127,267	Issues during the year	340,454
Brought forward for distribution next year	<u>165</u>	Redemptions during the year	(138,966)
Available for distribution	127,432	Correction of profit in connection with demerger	(39,322)
Brought forward to investors' assets	<u>(64,620)</u>	Net issue surcharges and redemption deductions	148
Total distribution	62,812	Proposed distribution for the financial year	127,267
		Brought forward from income statement	(64,620)
b2. Available for distribution ²⁾		Brought forward for distribution next year	<u>165</u>
Share of interest	44,280	Investors' assets at year-end	875,882
Other income	55		
Share of capital gains for distribution	78,864	1) The unit class was launched on 13 June 2017 in connection with the demerger of HøjrenteLande A DKK	
Distribution adjustment in connection with issue/redemption concerning the above items	<u>12,310</u>	2) Incl proportional share of income for 1 Jan - 13 Jun 2017 from HøjrenteLande A DKK	
Available for distribution before administrative costs	<u>135,509</u>		
Set-off of administrative costs	(7,273)		
Distribution adjustment of administrative costs in connection with issue/redemption	<u>(804)</u>		
Total administrative costs	<u>(8,077)</u>		
Available for distribution	127,432		

HøjrenteLande Akkumulerende KL

Fund report

Fund data and unit class data	HøjrenteLande A DKK Akk	Emerging Market Bonds B EUR Acc h
ISIN	DK0060012979	DK0060646206
Date of establishment	6 October 2005	16 June 2015
Launch date	18 November 2005	18 September 2015
Listed	Yes	No
Currency	DKK	EUR
Income fund	No	No
Denomination	100	10
Risk category	4	4
Approved for marketing in Germany	No	Yes
Fund data and unit class data	Emerging Market Bonds I EUR Acc h	HøjrenteLande W DKK Acc h
ISIN	DK0060646396	DK0060646479
Date of establishment	16 June 2015	16 June 2015
Launch date	18 September 2015	25 August 2015
Listed	No	No
Currency	EUR	DKK
Income fund	No	No
Denomination	1,000	100
Risk category	4	4
Approved for marketing in Germany	Yes	No
Benchmark	J.P. Morgan Emerging Markets Bond Index Global Diversified	
Secondary name	Emerging Market Bonds Acc KL	

Introduction

The fund report should be read together with the sections in the annual report "Financial markets in 2017" on page 6, "Asset developments" on page 10 and "Risks" on page 15 to provide a complete picture of developments. The evaluation by the Board of Directors and Executive Management regarding fund specific risks appears below. For further information on risks associated with investing in the fund, reference is made to the current prospectus which may be downloaded at www.sydinvest.dk, www.sydinvest.de and www.sydinvest.com.

Investment profile

The fund invests predominantly in high-yield government bonds issued in USD or EUR from high-yielding countries in Eastern Europe, Asia, Latin America, Africa and the Middle East. The fund may also invest in bonds issued in local currency. The majority of the fund's currency positions are hedged to DKK or EUR and the fund's currency risk is therefore limited.

The fund is divided into the unit classes HøjrenteLande A DKK Akk, Emerging Market Bonds B EUR Acc h, Emerging Market Bonds I EUR Acc h and HøjrenteLande W DKK Acc. The investments in the individual unit classes are identical. The level of costs varies according to the unit class in which investors invest.

Risk profile

The fund carries a somewhat higher risk than that of traditional bond funds. In the short term large fluctuations in return may occur. The objective is to achieve a higher average return in the long term. Fund return depends on interest rate movements, issuers' ability to service debt and, to a lesser extent, exchange rates. The fund is suitable for investments with a time horizon of at least four years.

The fund is placed in risk category 4.

Developments

The development in the NAV of the unit classes in 2017 appears from the table below. The differences in returns are attributable to the level of costs in the individual classes and the fact that fund currency varies in the individual unit classes.

Unit class	Return	Benchmark
HøjrenteLande A DKK Akk	8.39%	8.08%
Emerging Market Bonds B EUR Acc h	8.63%	8.21%
Emerging Market Bonds I EUR Acc h	9.17%	8.21%
HøjrenteLande W DKK Acc	8.78%	8.08%

The market exceeded expectations at the beginning of the year and the fund outperformed compared to its benchmark, see the table above. Relative return was driven by our asset allocations in particular. The fund's overweights and asset allocations in Argentina and Ghana contributed whereas its overweights in Venezuela and Cuba detracted from relative return.

2017 was a comeback year in relation to the sell-off of emerging market bonds in the wake of the election of Mr Trump in the USA. Higher economic growth in emerging market countries as well as in Europe and USA was a positive factor. Not even tighter monetary policy in USA and the outlook of monetary policy tightening in Europe spoiled the mood. The narrowing yield spread between emerging market bonds and US government bonds to 2.85 percentage points is the main reason for the drop in the yield to maturity for emerging market bonds issued in USD to 5.27%. Bonds from Venezuela were the only bonds that generated negative returns in 2017 whereas many commodities exporting countries performed well.

Market outlook

A decisive factor in 2018 will be whether monetary policy tightening in USA and Europe will lead to increasing long-term bond rates. This has not really been the case so far. We project higher US interest rates – short-term as well as long-term – in 2018 but as long as increases are not too fast and too big, emerging market bonds will be well positioned to resist them. The economic growth in emerging markets is high and with few exceptions current accounts are in better shape than five years ago.

We project that the fund will generate a return in 2018 on a par with or above its benchmark as the fund is actively managed.

HøjrenteLande Akkumulerende KL – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2013-2017

(DKK 1,000)	2017	2016 ¹⁾	2015	2014	2013
Financial highlights					
Net profit for the year	151,082	128,131	(48,416)	29,313	(47,289)
Investors' assets	1,959,988	1,690,421	1,310,480	623,851	698,355
Financial ratios					
Portfolio turnover rate (PTR)	0.50	0.78	0.24	1.23	0.47

¹⁾ Incl discontinued unit class Emerging Market Bonds I USD Acc

Breakdown of profit for the year and investors' assets by unit class

(DKK 1,000)	2017		2016	
	Net profit for the year	Investors' assets at year-end	Net profit for the year	Investors' assets at year-end
HøjrenteLande A DKK Akk	56,017	556,226	60,984	763,384
Emerging Market Bonds B EUR Acc h	10,554	128,069	10,048	125,971
Emerging Market Bonds I EUR Acc h	41,854	524,393	37,949	442,669
Emerging Market Bonds I USD Acc ¹⁾	1,465	-	9,354	56,087
HøjrenteLande W DKK Acc	41,192	751,300	9,796	302,310
Total	151,082	1,959,988	128,131	1,690,421

¹⁾ The unit class closed 3 April 2017.

INCOME STATEMENT

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
Interest and dividends			Distribution of profit from the unit classes		
1. Interest	99,935	96,814			
Total interest and dividends	99,935	96,814	To be allocated		
Capital gains and losses			Total brought forward to investors' assets	151,082	128,131
2. Bonds	(87,023)	122,451	Total distribution	151,082	128,131
2. Derivatives	157,739	(78,057)	Distribution of profit in the unit classes		
Currency accounts	(3,022)	2,415	Brought forward to investors' assets		
Other assets and liabilities	(43)	(24)	HøjrenteLande A DKK Akk	56,017	60,984
3. Transaction costs, operating activities	(392)	(150)	Emerging Market Bonds B EUR Acc h	10,554	10,048
Total capital gains and losses	67,259	46,635	Emerging Market Bonds I EUR Acc h	41,854	37,949
Other income	97	219	Emerging Market Bonds I USD Acc ¹⁾	1,465	9,354
Total income	167,291	143,668	HøjrenteLande W DKK Acc h	41,192	9,796
4. Administrative costs	(16,209)	(15,537)	Total	151,082	128,131
Net profit for the year	151,082	128,131			

HøjrenteLande Akkumulerende KL – Financial Statements

BALANCE SHEET 31 DECEMBER 2017

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
ASSETS			LIABILITIES		
Liquid funds			5. Investors' assets *)	1,959,988	1,690,421
Deposits with custodian	137,086	31,659	Derivatives		
Deposits on margin accounts with custodian	3,840	31,720	Unlisted derivatives	59	15,292
Total liquid funds	140,926	63,379	Total derivatives	59	15,292
6. Bonds			Other debt		
Listed bonds from foreign issuers	1,743,156	1,584,382	Interest payable	8	1
Unlisted bonds from foreign issuers	35,496	33,117	Payables	3,571	3,621
Total bonds	1,778,652	1,617,499	Payables – unsettled transactions	183	0
Derivatives			Total other debt	3,762	3,622
Unlisted derivatives	7,692	1,012	TOTAL LIABILITIES	1,963,809	1,709,335
Total derivatives	7,692	1,012	*) Investors' assets by unit class		
Other assets			HøjrenteLande ADKK Akk	556,226	763,384
Interest receivable, dividends receivable etc	31,848	24,381	Emerging Market Bonds B EUR Acc h	128,069	125,971
Receivables – unsettled transactions	4,691	3,064	Emerging Market Bonds I EUR Acc h	524,393	442,669
Total other assets	36,539	27,445	Emerging Market Bonds I USD Acc ^{*)}	0	56,087
TOTAL ASSETS	1,963,809	1,709,335	HøjrenteLande W DKK Acc h	751,300	302,310
			Total	1,959,988	1,690,421

^{*)} The unit class closed 3 April 2017.

HøjrenteLande Akkumulerende KL – Financial Statements

NOTES

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
1. Interest			4. Administrative costs		
Deposits with custodian	311	100			
Listed bonds from foreign issuers	96,291	94,973	Class-specific costs		
Unlisted bonds from foreign issuers	3,721	1,620	Marketing costs	4,837	5,519
Interest expense and negative interest with custodian	(388)	(255)	Fees to custodian	845	761
Other interest income	0	376	Other costs relating to asset management	8,246	7,125
Total interest	99,935	96,814	Other costs	133	67
			Fixed management fee *)	2,148	2,065
2. Capital gains and losses			Total class-specific costs	16,209	15,537
Bonds			*) The management fee represents a "fixed management fee" which includes costs relating to the Board of Directors, Executive Management, audit etc. Total remuneration to the Board of Directors and Executive Management appears from the Directors' Report under "Remuneration of Board of Directors and Executive Management" to which reference is made.		
Listed bonds from foreign issuers	(83,125)	116,462	Audit fees appear from joint note 2 to which reference is made.		
Unlisted bonds from foreign issuers	(3,898)	5,989			
Total bonds	(87,023)	122,451	5. Investors' assets		
Derivatives			Investors' assets at 1 Jan	1,690,421	1,310,480
Forward exchange transactions/futures etc	161,596	(73,978)	Issues during the year	545,678	419,693
Forward interest transactions/futures etc	(3,857)	(4,079)	Redemptions during the year	(427,756)	(168,619)
Total derivatives	157,739	(78,057)	Net issue surcharges and redemption deductions	563	736
3. Transaction costs			Brought forward from income statement	151,082	128,131
All transaction costs	403	171	Investors' assets at year-end	1,959,988	1,690,421
Covered by income from issue and redemption	(11)	(21)			
Transaction costs, operating activities	392	150	6. Financial instruments (securities)		
			A list of financial instruments (securities) is available free of charge from the investment management company.		

HøjrenteLande Akkumulerende KL – Financial Statements

SUPPLEMENTARY NOTES WITHOUT REFERENCE

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
a. Portfolio turnover			e. Currency futures bought		
Market value of purchase of securities	1,512,679	1,333,892	USD	273,681	0
Market value of sale of securities	1,245,332	1,042,557	Total	273,681	0
Total market value	2,758,011	2,376,449	f. Currency futures sold		
b. Breakdown of financial instruments			EUR	(184,641)	0
Listed financial instruments	88.94%	93.72%	Total	(184,641)	0
Financial instruments listed on other regulated market	1.81%	1.96%	Underlying exposure –		
Newly issued financial instruments for which listing on a stock exchange or other regulated market is planned	0.00%	0.00%	g. forward exchange transactions		
Other financial instruments	0.39%	(0.84%)	Currency		
	91.14%	94.84%	DKK	950,129	959,456
Other assets/other debt	8.86%	5.16%	EUR	474,027	517,332
Total	100.00%	100.00%	JPY	(20,642)	(11,854)
c. Bonds by duration			USD	(1,400,874)	(1,482,794)
Bonds > 6 yrs	54.03%	44.41%	h. Net collateral position		
Bonds 4-6 yrs	13.51%	23.56%	Net calculation of collateral regarding derivatives		
Bonds 2-4 yrs	12.14%	19.83%	Collateral provided as		
Bonds 0-2 yrs	11.07%	7.88%	Liquid funds	3,840	31,720
Cash, derivatives etc	9.25%	4.32%	Total	3,840	31,720
Total	100.00%	100.00%	Reuse of collateral		
d. Bonds by country			Collateral received which is reused		
Turkey	11.51%	7.54%		0	0
Mexico	5.93%	6.02%	Total	0	0
Argentina	5.42%	4.67%			
Indonesia	4.27%	5.46%			
Colombia	3.67%	3.13%			
Panama	3.22%	3.13%			
Ghana	2.79%	1.56%			
Dominican Republic	2.57%	2.57%			
Other	51.37%	61.60%			
Cash, derivatives etc	9.25%	4.32%			
Total	100.00%	100.00%			

HøjrenteLande A DKK Akk – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2013-2017

(DKK 1,000)	2017	2016	2015	2014	2013
Financial highlights					
Share of net profit for the year	56,017	60,984	(15,305)	29,313	(47,289)
Units in circulation nominal	285,284	424,373	388,459	366,656	426,292
Units in circulation quantity	2,852,843	4,243,725	3,884,587	3,666,558	4,262,922
Investors' assets	556,226	763,384	642,516	623,851	698,355
Financial ratios					
NAV per unit	194.97	179.89	165.40	170.15	163.82
Return (%) *)	8.39%	8.76%	(2.79%)	3.86%	(5.64%)
Benchmark return (%)	8.08%	8.27%	0.24%	6.91%	(5.78%)
Total expense ratio	1.34%	1.32%	1.30%	1.24%	1.27%
Annual percentage rate (APR) at 31 December	1.46%	1.48%	1.62%	1.60%	1.64%
Sharpe Ratio (5 yrs)	0.36	0.54	0.47	0.93	1.54
Standard deviation (5 yrs)	6.65	7.16	6.92	7.13	8.14

*) Past performance is no guarantee of current or future performance.

HøjrenteLande A DKK Akk – Financial Statements

NOTES

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
a. Share of net profit for the year			d. Share of other debt		
Share of joint portfolio profit	5,117	103,757	Payables (class-specific)	1,630	2,270
Forward transactions (class specific)	59,375	(32,908)	Share of total other debt	1,630	2,270
Class-specific other income	37	110	e. Units in circulation		
Class-specific costs *)	(8,512)	(9,975)	Nominal (DKK 1,000)	285,284	424,373
Share of total net profit for the year	56,017	60,984	Quantity	2,852,843	4,243,725
*) Class-specific costs			f. Investors' assets		
Marketing costs	4,206	4,876	f1. Units in circulation		
Fees to custodian	409	486	Units in circulation at 1 Jan	424,373	388,459
Other costs relating to asset management	2,919	3,457	Issues during the year	32,119	105,584
Other costs	44	18	Redemptions during the year	(171,208)	(69,670)
Fixed management fee	934	1,138	Total units in circulation	285,284	424,373
Total class-specific costs	8,512	9,975	f2. Investors' assets		
b. Distribution of profit			Investors' assets at 1 Jan	763,384	642,516
Brought forward to investors' assets	56,017	60,984	Issues during the year	60,933	181,593
Total distribution	56,017	60,984	Redemptions during the year	(324,300)	(122,107)
c. Share of derivatives (class-specific)			Net issue surcharges and redemption deductions	192	398
Share of derivatives – assets	2,077	449	Brought forward from income statement	56,017	60,984
Share of derivatives – liabilities	(23)	(7,027)	Investors' assets at year-end	556,226	763,384
Total share of derivatives (class-specific)	2,054	(6,578)			

Emerging Market Bonds B EUR Acc h – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2013-2017

(DKK 1,000)	2017	2016	2015 1)	2014 2)	2013 2)
Financial highlights					
Share of net profit for the year	10,554	10,048	(2,892)	16,119	(56,216)
Share of net profit for the year **)	10,554	10,048	2,865	16,119	(56,216)
Units in circulation nominal	43,305	46,450	45,607	152,164	171,559
Units in circulation quantity (EUR)	581,627	622,280	611,232	2,038,986	2,298,867
Investors' assets	128,069	125,971	113,960	387,954	419,797
Financial ratios					
NAV per unit (EUR)	29.57	27.23	24.98	25.50	24.47
Return in EUR (%) *)	8.63%	8.97%	(2.01%)	4.19%	(5.93%)
Benchmark return in EUR (%)	8.21%	8.32%	0.74%	7.09%	(5.58%)
Total expense ratio	1.15%	1.17%	0.42%	1.11%	1.15%
Total expense ratio**)	1.15%	1.17%	1.33%	1.11%	1.15%
Annual percentage rate (APR) at 31 December	1.66%	1.65%	1.65%	-	-
Sharpe Ratio (5 yrs)	0.39	0.57	0.51	0.92	1.53
Standard deviation (5 yrs)	6.68	7.21	7.05	7.33	8.31

*) Past performance is no guarantee of current or future performance.

¹⁾ The unit class was launched on 18 September 2015.

²⁾ Financial figures from ISI Emerging Market Bonds (translated to DKK).

^{**)} For the period 1 Jan - 18 Sep 2015 ISI Emerging Market Bonds is included.

Emerging Market Bonds B EUR Acc h – Financial Statements

NOTES

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
a. Share of net profit for the year			d. Share of other debt		
Share of joint portfolio profit	498	17,745	Payables (class-specific)	333	339
Forward transactions (class specific)	11,515	(6,210)	Payables – unsettled transactions (class-specific)	183	0
Class-specific other income	7	18	Share of total other debt	516	339
Class-specific costs *)	(1,466)	(1,505)			
Share of total net profit for the year	10,554	10,048	e. Units in circulation		
			Nominal (DKK 1,000)	43,305	46,450
*) Class-specific costs			Quantity (EUR)	581,627	622,280
Marketing costs	632	643	f. Investors' assets		
Fees to custodian	44	44	f1. Units in circulation		
Other costs relating to asset management	572	578	Units in circulation at 1 Jan	46,450	45,607
Other costs	9	19	Exchange rate adjustment of units in circulation at 1 Jan	(119)	0
Fixed management fee	209	221	Issues during the year	672	6,207
Total class-specific costs	1,466	1,505	Redemptions during the year	(3,698)	(5,364)
b. Distribution of profit			Total units in circulation	43,305	46,450
Brought forward to investors' assets	10,554	10,048	f2. Investors' assets		
Total distribution	10,554	10,048	Investors' assets at 1 Jan	125,971	113,960
c. Share of derivatives (class-specific)			Issues during the year	1,934	16,118
Share of derivatives – assets	551	120	Redemptions during the year	(10,431)	(14,155)
Share of derivatives – liabilities	(8)	(1,207)	Net issue surcharges and redemption deductions	41	0
Total share of derivatives (class-specific)	543	(1,087)	Brought forward from income statement	10,554	10,048
			Investors' assets at year-end	128,069	125,971

Emerging Market Bonds I EUR Acc h – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2013-2017

(DKK 1,000)	2017	2016	2015 1)	2014 2)	2013 2)
Financial highlights					
Share of net profit for the year	41,854	37,949	(28,947)	58,067	(64,246)
Share of net profit for the year **)	41,854	37,949	(38,540)	58,067	(64,246)
Units in circulation nominal	200,253	185,148	185,148	680,431	579,759
Units in circulation quantity (EUR)	26,896	24,820	24,820	91,178	77,688
Investors' assets	524,393	442,669	404,485	1,518,324	1,239,556
Financial ratios					
NAV per unit (EUR)	2,618.66	2,398.65	2,183.77	2,231.41	2,138.05
Return in EUR (%) *)	9.17%	9.84%	(2.13%)	4.37%	(5.25%)
Benchmark return in EUR (%)	8.21%	8.32%	0.74%	7.09%	(5.58%)
Total expense ratio	0.58%	0.59%	0.17%	1.19%	1.21%
Total expense ratio**)	0.58%	0.59%	0.94%	1.19%	1.21%
Annual percentage rate (APR) at 31 December	0.73%	0.75%	0.75%	1.80%	1.81%
Sharpe Ratio (5 yrs)	0.45	0.65	0.52	0.99	0.56
Standard deviation (5 yrs)	6.68	7.27	6.82	7.17	7.82

*) Past performance is no guarantee of current or future performance.

1) The unit class was launched on 18 September 2015.

2) Financial figures from SEM Emerging Market Bonds (translated to DKK).

**) For the period 1 Jan - 18 Sep 2015 SEM Emerging Market Bonds is included.

Emerging Market Bonds I EUR Acc h – Financial Statements

NOTES

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
a. Share of net profit for the year			d. Share of other debt		
Share of joint portfolio profit	1,440	60,470	Payables (class-specific)	655	576
Forward transactions (class specific)	43,151	(20,012)	Share of total other debt	655	576
Class-specific other income	25	64			
Class-specific costs *)	(2,762)	(2,573)	e. Units in circulation		
Share of total net profit for the year	41,854	37,949	Nominal (DKK 1,000)	200,253	185,148
			Quantity (EUR)	26,896	24,820
*) Class-specific costs					
Fees to custodian	145	133	f. Investors' assets		
Other costs relating to asset management	2,133	1,964			
Other costs	34	30	f1. Units in circulation		
Fixed management fee	450	446	Units in circulation at 1 Jan	185,148	185,148
Total class-specific costs	2,762	2,573	Exchange rate adjustment of units in circulation at 1 Jan	(352)	0
			Issues during the year	15,457	0
b. Distribution of profit			Total units in circulation	200,253	185,148
Brought forward to investors' assets	41,854	37,949			
Total distribution	41,854	37,949	f2. Investors' assets		
			Investors' assets at 1 Jan	442,669	404,485
c. Share of derivatives (class-specific)			Issues during the year	39,719	0
Share of derivatives – assets	2,264	254	Net issue surcharges and redemption deductions	151	235
Share of derivatives – liabilities	(28)	(4,163)	Brought forward from income statement	41,854	37,949
Total share of derivatives (class-specific)	2,236	(3,909)	Investors' assets at year-end	524,393	442,669

Emerging Market Bonds I USD Acc h – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2015-2017

(DKK 1,000)	2017 ²⁾	2016	2015 ¹⁾
Financial highlights			
Share of net profit for the year	-	9,354	(357)
Units in circulation nominal	-	50,508	68,286
Units in circulation quantity (USD)	-	22,781	99,400
Investors' assets	-	56,087	66,861
Financial ratios			
NAV per unit (USD)	-	109.32	97.91
Return in USD (%) [*]	-	11.65%	(2.09%)
Benchmark return in USD (%)	-	10.15%	(1.57%)
Total expense ratio	-	0.60%	0.10%
Annual percentage rate (APR) at 31 December	-	0.75%	0.75%
Sharpe Ratio (5 yrs)	-	-	-
Standard deviation (5 yrs)	-	-	-

^{*}) Past performance is no guarantee of current or future performance.

¹⁾ The unit class was launched on 2 November 2015

²⁾ The unit class ceased on 3 April 2017

NOTES

Note (DKK 1,000)	2017 ¹⁾	2016	Note (DKK 1,000)	2017 ¹⁾	2016
a. Share of net profit for the year			d. Investors' assets		
Share of joint portfolio profit	1,639	9,529			
Forward transactions (class specific)	(93)	192	d1. Units in circulation		
Class-specific other income	2	10	Units in circulation at 1 Jan	-	68,286
Class-specific costs	(83)	(377)	Issues during the year	-	1
Share of total net profit for the year	1,465	9,354	Redemptions during the year	-	(17,779)
b. Distribution of profit			Total units in circulation	-	50,508
Brought forward to investors' assets	1,465	9,354	d2. Investors' assets		
Total distribution	1,465	9,354	Investors' assets at 1 Jan	56,087	66,861
c. Units in circulation			Issues during the year	0	1
Nominal (DKK 1,000)	-	50,508	Redemptions during the year	(57,552)	(20,166)
Quantity (USD)	-	72,781	Net issue surcharges and redemption deductions	0	37
			Brought forward from income statement	1,465	9,354
			Investors' assets at year-end	0	56,087

¹⁾ The unit class closed 3 April 2017.

HøjrenteLande W DKK Acc h – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2015-2017

(DKK 1,000)	2017	2016	2015 ¹⁾
Financial highlights			
Share of net profit for the year	41,192	9,796	(915)
Units in circulation nominal	633,368	227,240	82,890
Units in circulation quantity	6,333,678	2,772,403	828,898
Investors' assets	751,300	302,310	82,658
Financial ratios			
NAV per unit	118.62	109.04	99.72
Return (%) *)	8.78%	9.35%	(0.28%)
Benchmark return (%)	8.08%	8.27%	0.93%
Total expense ratio	0.57%	0.57%	0.20%
Annual percentage rate (APR) at 31 December	0.74%	0.76%	0.76%

*) Past performance is no guarantee of current or future performance.

¹⁾ The unit class was launched on 25 August 2015.

HøjrenteLande W DKK Acc h – Financial Statements

NOTES

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
a. Share of net profit for the year			d. Share of other debt		
Share of joint portfolio profit	(3,097)	25,926	Payables (class-specific)	953	362
Forward transactions (class specific)	47,649	(15,040)	Share of total other debt	953	362
Class-specific other income	26	17			
Class-specific costs *)	(3,386)	(1,107)	e. Units in circulation		
Share of total net profit for the year	41,192	9,796	Nominal (DKK 1,000)	633,368	277,240
			Quantity	6,333,678	2,772,403
*) Class-specific costs					
Fees to custodian	243	78	f. Investors' assets		
Other costs relating to asset management	2,559	836			
Other costs	44	0	f1. Units in circulation		
Fixed management fee	540	193	Units in circulation at 1 Jan	277,240	82,890
Total class-specific costs	3,386	1,107	Issues during the year	386,934	205,170
			Redemptions during the year	(30,806)	(10,820)
b. Distribution of profit			Total units in circulation	633,368	277,240
Brought forward to investors' assets	41,192	9,796			
Total distribution	41,192	9,796	f2. Investors' assets		
			Investors' assets at 1 Jan	302,310	82,658
c. Share of derivatives (class-specific)			Issues during the year	443,092	221,981
Share of derivatives – assets	2,800	36	Redemptions during the year	(35,473)	(12,191)
Share of derivatives – liabilities	0	(2,896)	Net issue surcharges and redemption deductions	179	66
Total share of derivatives (class-specific)	2,800	(2,860)	Brought forward from income statement	41,192	9,796
			Investors' assets at year-end	751,300	302,310

HøjrenteLande Korte Obligationer Akkumulerende KL

Fund report

Fund data and unit class data	HøjrenteLande Korte Obligationer A DKK Akk	HøjrenteLande Korte Obligationer W DKK Acc
ISIN	DK0060227908	DK0060751261
Date of establishment	7 May 2010	29 August 2016
Launch date	31 May 2010	05 October 2016
Listed	Yes	No
Currency	DKK	DKK
Income fund	No	No
Denomination	100	100
Risk category	3	3
Approved for marketing in Germany	No	No
Benchmark	No	
Secondary name	Emerging Market Bonds Short Duration Acc KL	

Introduction

The fund report should be read together with the sections in the annual report "Financial markets in 2017" on page 6, "Asset developments" on page 10 and "Risks" on page 15 to provide a complete picture of developments. The evaluation by the Board of Directors and Executive Management regarding fund specific risks appears below. For further information on risks associated with investing in the fund, reference is made to the current prospectus which may be downloaded at www.sydinvest.dk, www.sydinvest.de and www.sydinvest.com.

Investment profile

The fund invests mainly in high-yield government bonds with short maturity issued in USD or EUR from high-yielding countries in Eastern Europe, Asia, Latin America, the Middle East and Africa. The fund may also invest in bonds issued in local currency. The majority of the fund's currency positions are hedged to DKK or EUR and the fund's currency risk is limited.

The fund is divided into the unit classes HøjrenteLande Korte Obligationer A DKK Akk and HøjrenteLande Korte Obligationer W DKK Acc. The investments in the individual unit classes are identical. The level of costs varies according to the unit class in which investors invest.

Risk profile

The fund carries a slightly higher risk than that of traditional bond funds. In the short term large fluctuations in return may occur. Fund return depends on interest rate movements, issuers' ability to service debt and, to a lesser extent, exchange rates. The fund is suitable for investments with a time horizon of at least four years.

The fund is placed in risk category 3.

Developments

The development in the NAV of the unit classes in 2017 appears from the table below. The differences in returns are attributable to the level of costs in the individual classes.

Unit class	Return
HøjrenteLande Korte Obligationer A DKK Akk	4.62%
HøjrenteLande Korte Obligationer W DKK Acc	5.37%

The market exceeded expectations at the beginning of the year. The fund does not have a benchmark. Turkey, Mexico and Indonesia were the biggest contributors to relative return whereas El Salvador and Lebanon were the biggest detractors.

2017 was a comeback year in relation to the sell-off of emerging market bonds in the wake of the election of Mr Trump in the USA. Higher economic growth in emerging market countries as well as in Europe and USA was a positive factor. Not even tighter monetary policy in USA and the outlook of monetary policy tightening in Europe spoiled the mood. The narrowing yield spread between emerging market bonds and US government bonds to 2.85 percentage points is the main reason for the drop in the yield to maturity for emerging market bonds issued in USD to 5.27%. Bonds from Venezuela were the only bonds that generated negative returns in 2017 whereas many commodities exporting countries performed well.

Market outlook

A decisive factor in 2018 will be whether monetary policy tightening in USA and Europe will lead to increasing long-term bond rates. This has not really been the case so far. We project higher US interest rates – short-term as well as long-term – in 2018 but as long as increases are not too fast and too big, emerging market bonds will be well positioned to resist them. The economic growth in emerging markets is high and with few exceptions current accounts are in better shape than five years ago.

HøjrenteLande Korte Obligationer Akkumulerende KL – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2013-2017

(DKK 1,000)	2017	2016	2015	2014	2013
Financial highlights					
Net profit for the year	30,301	6,983	(7,974)	1,275	(899)
Investors' assets	699,410	605,424	308,931	474,950	581,600
Financial ratios					
Portfolio turnover rate (PTR)	0.69	0.69	0.98	0.59	0.64

Breakdown of profit for the year and investors' assets by unit class

(DKK 1,000)	2017		2016	
	Net profit for the year	Investors' assets at year-end	Net profit for the year	Investors' assets at year-end
HøjrenteLande Korte Obligationer A DKK Akk	25,342	565,667	7,310	551,156
HøjrenteLande Korte Obligationer W DKK Acc h ^{*)}	4,959	133,743	(327)	54,268
Total	30,301	699,410	6,983	605,424

^{*)} The unit class was launched on 5 October 2016.

INCOME STATEMENT

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
Interest and dividends			Distribution of profit from the unit classes		
1. Interest	29,320	21,500	To be allocated		
Total interest and dividends	29,320	21,500	Total brought forward to investors' assets	30,301	6,983
Capital gains and losses			Total distribution		
2. Bonds	(30,402)	16,396		30,301	6,983
2. Derivatives	41,272	(25,390)	Distribution of profit in the unit classes		
Currency accounts	(1,669)	(122)	Brought forward to investors' assets		
Other assets and liabilities	(118)	93	HøjrenteLande		
3. Transaction costs, operating activities	(5)	(18)	Korte Obligationer A DKK Akk	25,342	7,310
Total capital gains and losses	9,078	(9,041)	HøjrenteLande		
Other income	41	32	Korte Obligationer W DKK Acc h ^{*)}	4,959	(327)
Total income	38,439	12,491	Total	30,301	6,983
4. Administrative costs	(8,138)	(5,508)			
Net profit for the year	30,301	6,983			

HøjrenteLande Korte Obligationer Akkumulerende KL – Financial Statements

BALANCE SHEET 31 DECEMBER 2017

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
ASSETS			LIABILITIES		
Liquid funds			5. Investors' assets *)	699,410	605,424
Deposits with custodian	19,636	23,715	Derivatives		
Total liquid funds	19,636	23,715	Unlisted derivatives	0	4,765
6. Bonds			Total derivatives	0	4,765
Listed bonds from foreign issuers	641,283	584,150	Other debt		
Unlisted bonds from foreign issuers	26,062	6,417	Interest payable	0	3
Total bonds	667,345	590,567	Payables	1,896	1,638
Derivatives			Payables – unsettled transactions	0	18,312
Unlisted derivatives	1,927	250	Total other debt	1,896	19,953
Total derivatives	1,927	250	TOTAL LIABILITIES	701,306	630,142
Other assets			*) Investors' assets by unit class		
Interest receivable, dividends receivable etc	10,289	8,778	HøjrenteLande		
Receivables – unsettled transactions	2,109	6,832	Korte Obligationer A DKK Akk	565,667	551,156
Total other assets	12,398	15,610	HøjrenteLande		
TOTAL ASSETS	701,306	630,142	Korte Obligationer W DKK Acc h **)	133,743	54,268
			Total	699,410	605,424

**) The unit class was launched on 5 October 2016.

HøjrenteLande Korte Obligationer Akkumulerende KL – Financial Statements

NOTES

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
1. Interest			4. Administrative costs		
Deposits with custodian	80	37			
Listed bonds from foreign issuers	28,191	21,357	Class-specific costs		
Unlisted bonds from foreign issuers	1,125	192	Marketing costs	3,719	2,676
Other interest expense	0	(39)	Fees to custodian	417	289
Interest expense and negative interest with custodian	(76)	(47)	Other costs relating to asset management	3,042	1,904
Total interest	29,320	21,500	Other costs	37	4
			Fixed management fee *)	923	635
2. Capital gains and losses			Total class-specific costs	8,138	5,508
Bonds					
Listed bonds from foreign issuers	(27,806)	16,662	*) The management fee represents a "fixed management fee" which includes costs relating to the Board of Directors, Executive Management, audit etc. Total remuneration to the Board of Directors and Executive Management appears from the Directors' Report under "Remuneration of Board of Directors and Executive Management" to which reference is made.		
Unlisted bonds from foreign issuers	(2,596)	(266)	Audit fees appear from joint note 2 to which reference is made.		
Total bonds	(30,402)	16,396	5. Investors' assets		
Derivatives			Investors' assets at 1 Jan	605,424	308,931
Forward exchange transactions/futures etc	41,272	(24,510)	Issues during the year	141,175	287,995
Forward interest transactions/futures etc	0	(880)	Redemptions during the year	(78,020)	0
Total derivatives	41,272	(25,390)	Net issue surcharges and redemption deductions	530	1,515
			Brought forward from income statement	30,301	6,983
3. Transaction costs			Investors' assets at year-end	699,410	605,424
All transaction costs	6	23			
Covered by income from issue and redemption	(1)	(5)	6. Financial instruments (securities)		
Transaction costs, operating activities	5	18	A list of financial instruments (securities) is available free of charge from the investment management company.		

HøjrenteLande Korte Obligationer Akkumulerende KL – Financial Statements

SUPPLEMENTARY NOTES WITHOUT REFERENCE

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
a. Portfolio turnover			d. Bonds by country		
Market value of purchase of securities	634,106	609,604	Turkey	12.15%	6.42%
Market value of sale of securities	526,926	313,662	Mexico	8.90%	4.09%
Total market value	1,161,032	923,266	Indonesia	6.03%	6.47%
b. Breakdown of financial instruments			Argentina	5.01%	3.96%
Listed financial instruments	91.68%	96.49%	Seychelles	4.45%	0.70%
Financial instruments listed on other regulated market	3.73%	1.06%	Hungary	3.92%	4.47%
Newly issued financial instruments for which listing on a stock exchange or other regulated market is planned	0.00%	0.00%	Tanzania	3.76%	0.97%
Other financial instruments	0.28%	(0.75%)	Dominican Republic	3.72%	0.99%
	95.69%	96.80%	Other	47.75%	68.73%
Other assets/other debt	4.31%	3.20%	Cash, derivatives etc	4.31%	3.20%
Total	100.00%	100.00%	Total	100.00%	100.00%
c. Bonds by duration			e. Underlying exposure – forward exchange transactions		
Bonds > 6 yrs	5.00%	1.68%	Currency		
Bonds 4-6 yrs	6.45%	25.11%	DKK	391,286	479,317
Bonds 2-4 yrs	61.58%	50.73%	USD	(390,780)	(485,009)
Bonds 0-2 yrs	22.66%	19.28%	f. Net collateral position		
Cash, derivatives etc	4.31%	3.20%	Collateral regarding derivatives		
Total	100.00%	100.00%	No collateral has been provided		

HøjrenteLande Korte Obligationer A DKK Akk – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2013-2017

(DKK 1,000)	2017	2016 ¹⁾	2015	2014	2013
Financial highlights					
Share of net profit for the year	25,342	7,310	(7,974)	1,275	(899)
Units in circulation nominal	475,840	485,072	280,111	421,461	517,541
Units in circulation quantity	4,758,404	4,850,719	2,801,106	4,214,606	5,175,406
Investors' assets	565,667	551,156	308,931	474,950	581,600
Financial ratios					
NAV per unit	118.88	113.62	110.29	112.69	112.38
Return (%) [*]	4.62%	3.02%	(2.13%)	0.28%	1.13%
Total expense ratio	1.31%	1.29%	1.09%	1.26%	1.20%
Annual percentage rate (APR) at 31 December	1.13%	1.46%	1.59%	1.64%	1.63%
Sharpe Ratio (5 yrs)	0.45	0.61	0.37	0.94	(0.11)
Standard deviation (5 yrs)	3.11	3.25	3.13	3.07	10.27

^{*}) Past performance is no guarantee of current or future performance.

¹⁾ The fund was converted to a unit class on 29 August 2016.

NOTES

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
a. Share of net profit for the year			d. Units in circulation		
Share of joint portfolio profit	32,811	12,724	Nominal (DKK 1,000)	475,840	485,072
Class-specific other income	34	32	Quantity	4,758,404	4,850,719
Class-specific costs [*])	(7,503)	(5,446)			
Share of total net profit for the year	25,342	7,310	e. Investors' assets		
*) Class-specific costs			e1. Units in circulation		
Marketing costs	3,719	2,676	Units in circulation at 1 Jan	485,072	280,111
Fees to custodian	355	279	Issues during the year	56,352	204,961
Other costs relating to asset management	2,575	1,861	Redemptions during the year	(65,584)	0
Other costs	30	5	Total units in circulation	475,840	485,072
Fixed management fee	824	625	e2. Investors' assets		
Total class-specific costs	7,503	5,446	Investors' assets at 1 Jan	551,156	308,931
b. Distribution of profit			Issues during the year	65,373	233,434
Brought forward to investors' assets	25,342	7,310	Redemptions during the year	(76,665)	0
Total distribution	25,342	7,310	Net issue surcharges and redemption deductions	461	1,481
c. Share of other debt			Brought forward from income statement	25,342	7,310
Payables (class-specific)	1,716	1,586	Investors' assets at year-end	565,667	551,156
Share of total other debt	1,716	1,586			

HøjrenteLande Korte Obligationer W DKK Acc h – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2016-2017

(DKK 1,000)	2017	2016 ¹⁾
Financial highlights		
Share of net profit for the year	4,959	(327)
Units in circulation nominal	128,658	55,010
Units in circulation quantity	1,286,584	550,100
Investors' assets	133,743	54,268
Financial ratios		
NAV per unit	103.95	98.65
Return (%) [*])	5.37 %	(1.35%)
Total expense ratio	0.59 %	0.15 %
Annual percentage rate (APR) at 31 December	0.73 %	1.46 %

^{*}) Past performance is no guarantee of current or future performance.

¹⁾ The unit class was launched on 5 October 2016.

NOTES

Note (DKK 1,000)	2017	2016 ¹⁾	Note (DKK 1,000)	2017	2016 ¹⁾
a. Share of net profit for the year			d. Units in circulation		
Share of joint portfolio profit	5,587	(264)	Nominal (DKK 1,000)	128,658	55,010
Class-specific other income	7	0	Quantity	1,286,584	550,100
Class-specific costs [*])	(635)	(63)			
Share of total net profit for the year	4,959	(327)	e. Investors' assets		
			e1. Units in circulation		
*) Class-specific costs			Units in circulation at 1 Jan	55,010	0
Fees to custodian	63	11	Issues during the year	74,970	55,010
Other costs relating to asset management	467	42	Redemptions during the year	(1,322)	0
Other costs	7	0	Total units in circulation	128,658	55,010
Fixed management fee	98	10			
Total class-specific costs	635	63	e2. Investors' assets		
			Investors' assets at 1 Jan	54,268	0
b. Distribution of profit			Issues during the year	75,802	54,561
Brought forward to investors' assets	4,959	(327)	Redemptions during the year	(1,355)	0
Total distribution	4,959	(327)	Net issue surcharges and redemption deductions	69	34
			Brought forward from income statement	4,959	(327)
c. Share of other debt			Investors' assets at year-end	133,743	54,268
Payables (class-specific)	180	52			
Share of total other debt	180	52			

¹⁾ The unit class was launched on 5 October 2016.

HøjrenteLande Lokal Valuta KL

Fund report

Fund data and unit class data	HøjrenteLande Lokal Valuta A DKK	Emerging Market Local Currency Bonds B EUR d	HøjrenteLande Lokal Valuta W DKK d
ISIN	DK0060030872	DK0060626364	DK0060815330
Date of establishment	19 December 2005	18 February 2015	13 June 2017
Launch date	10 February 2006	24 April 2015	13 June 2017
Listed	Yes	No	No
Currency	DKK	EUR	DKK
Income fund	Yes	Yes	Yes
Denomination	100	10	100
Risk category	5	5	5
Approved for marketing in Germany	No	Yes	No
Benchmark	J.P. Morgan Global Bond Index - Emerging Markets Global Diversified		
Secondary name	Emerging Market Local Currency Bonds KL		

Introduction

The fund report should be read together with the sections in the annual report "Financial markets in 2017" on page 6, "Asset developments" on page 10 and "Risks" on page 15 to provide a complete picture of developments. The evaluation by the Board of Directors and Executive Management regarding fund specific risks appears below. For further information on risks associated with investing in the fund, reference is made to the current prospectus which may be downloaded at www.sydinvest.dk, www.sydinvest.de and www.sydinvest.com.

Investment profile

The fund invests in medium-term or long-term government bonds in local currency from high-yielding countries in Eastern Europe, Asia, Latin America and Africa. The fund pursues an active currency policy and will to a great extent be affected by exchange rate developments in the countries in which the fund invests.

The fund is divided into the unit classes HøjrenteLande Lokal Valuta A DKK, Emerging Market Local Currency Bonds B EUR d and HøjrenteLande Lokal Valuta W DKK d. The investments in the individual unit classes are identical. The level of costs varies according to the unit class in which investors invest.

Risk profile

The fund carries a somewhat higher risk than that of traditional bond funds. In the short term large fluctuations in return may occur. The fund invests in bonds issued in local currency, which are generally not hedged. Consequently return is greatly influenced by exchange rate developments. Fund return depends on exchange rate movements, the level of interest rates and issuers' ability to service debt. The fund is suitable for investments with a time horizon of at least four years.

The fund is placed in risk category 5.

Developments

The development in the NAV of the unit classes in 2017 appears from the table below. The differences in returns are attributable to the level of costs in the individual classes and the fact that fund currency varies in the individual unit classes. The different currencies also explain the difference in the development of the benchmark.

Unit class	Return	Benchmark
HøjrenteLande Lokal Valuta A DKK	(0.33%)	1.34%
Emerging Market Local Currency Bonds B EUR d	(0.32%)	1.20%
HøjrenteLande Lokal Valuta W DKK d ¹⁾	0.07%	1.34%

¹⁾ The unit class was launched on 13 June 2017 in connection with the demerger of HøjrenteLande Lokal Valuta A DKK. Return covers the period from 1 January to 12 December 2017.

The market fell short of expectations at the beginning of the year and the fund underperformed its benchmark, see the table above. Relative return was driven by the fund's overweights in Zambia and Poland as well as its underweight in Romania. In contrast the fund's overweights in Brazil and Turkey detracted from performance.

2017 was a comeback year in relation to the sell-off of emerging market bonds in the wake of the election of Mr Trump in the USA. Higher economic growth in emerging market countries as well as in Europe and USA was a positive factor. Not even tighter monetary policy in USA and the outlook of monetary policy tightening in Europe spoiled the mood. Yields on emerging market bonds issued in local currency decreased thereby contributing positively to return. Emerging market currencies have appreciated against USD. However the problem facing emerging market bonds issued in local currency has been a strong EUR/DKK against USD meaning that many emerging market currencies have weakened against DKK.

Market outlook

A decisive factor in 2018 will be whether monetary policy tightening in USA and Europe will lead to increasing long-term bond rates. This has not really been the case so far. We project higher US interest rates – short-term as well as long-term – in 2018 but as long as increases are not too fast and too big, emerging market bonds will be well positioned to resist them. The economic growth in emerging markets is high and with few exceptions current accounts are in better shape than five years ago.

We project that the fund will generate a return in 2018 on a par with or above its benchmark as the fund is actively managed.

HøjrenteLande Lokal Valuta KL – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2013-2017

(DKK 1,000)	2017	2016	2015	2014	2013
Financial highlights					
Net profit for the year	(2,679)	99,998	(127,401)	90,124	(214,128)
Investors' assets	703,399	728,320	1,106,334	1,604,830	1,374,427
Financial ratios					
Portfolio turnover rate (PTR)	0.45	0.56	0.61	0.28	0.33

Breakdown of profit for the year and investors' assets by unit class

(DKK 1,000)	2017		2016	
	Net profit for the year	Investors' assets at year-end	Net profit for the year	Investors' assets at year-end
HøjrenteLande Lokal Valuta A DKK	(2,572)	625,156	97,006	708,149
Emerging Market Local Currency Bonds B EUR d	(128)	23,170	2,992	20,171
HøjrenteLande Lokal Valuta W DKK d ¹⁾	21	55,073	-	-
Total	(2,679)	703,399	99,998	728,320

¹⁾ The unit class was launched on 13 June 2017 in connection with the demerger of HøjrenteLande Lokal Valuta A DKK

HøjrenteLande Lokal Valuta KL – Financial Statements

INCOME STATEMENT

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
Interest and dividends			Distribution of profit from the unit classes		
1. Interest	51,287	59,549			
Total interest and dividends	51,287	59,549	To be allocated		
Capital gains and losses			Total proposed distribution for the financial year	8,008	525
2. Bonds	(43,612)	53,410	Total brought forward for distribution next year	344	(16,519)
2. Derivatives	840	(34)	Total available for distribution	8,352	(15,994)
Currency accounts	(866)	(1,000)	Total brought forward to investors' assets	(11,031)	115,992
Other assets and liabilities	(7)	0	Total distribution	(2,679)	99,998
3. Transaction costs, operating activities	(64)	(209)			
Total capital gains and losses	(43,709)	52,167	Distribution of profit in the unit classes		
Other income	45	107			
Total income	7,623	111,823	HøjrenteLande Lokal Valuta A DKK		
4. Administrative costs	(9,645)	(11,402)	Proposed distribution for the financial year	6,375	0
Pre-tax profit	(2,022)	100,421	Brought forward for distribution next year	328	(16,519)
5. Tax	(657)	(423)	Brought forward to investors' assets	(9,275)	113,525
Net profit for the year	(2,679)	99,998			
			Emerging Market Local Currency Bonds B EUR d		
			Proposed distribution for the financial year	819	525
			Brought forward for distribution next year	13	0
			Brought forward to investors' assets	(960)	2,467
			HøjrenteLande Lokal Valuta W DKK d **)		
			Proposed distribution for the financial year	814	-
			Brought forward for distribution next year	3	-
			Brought forward to investors' assets	(796)	-

HøjrenteLande Lokal Valuta KL – Financial Statements

BALANCE SHEET 31 DECEMBER 2017

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
ASSETS			LIABILITIES		
Liquid funds			6. Investors' assets *)	703,399	728,320
Deposits with custodian	19,163	37,892	Derivatives		
Total liquid funds	19,163	37,892	Unlisted derivatives	264	102
7. Bonds			Total derivatives	264	102
Listed bonds from foreign issuers	637,732	619,457	Other debt		
Unlisted bonds from foreign issuers	37,980	64,419	Interest payable	2	2
Total bonds	675,712	683,876	Payables	2,108	2,267
Derivatives			Payables – unsettled transactions	0	2,170
Unlisted derivatives	107	58	Total other debt	2,110	4,439
Total derivatives	107	58	TOTAL LIABILITIES	705,773	732,861
Other assets			*) Investors' assets by unit class		
Interest receivable, dividends receivable etc	10,113	11,035	HøjrenteLande		
Receivables – unsettled transactions	678	0	Lokal Valuta A DKK	625,156	708,149
Total other assets	10,791	11,035	Emerging Market Local		
TOTAL ASSETS	705,773	732,861	Currency Bonds B EUR d	23,170	20,171
			HøjrenteLande		
			Lokal Valuta W DKK d ^{*)}	55,073	-
			Total	703,399	728,320

^{*)} The unit class was launched on 13 June 2017.

HøjrenteLande Lokal Valuta KL – Financial Statements

NOTES

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
1. Interest			5. Tax		
Deposits with custodian	146	170	The fund is not liable to pay tax.		
Listed bonds from foreign issuers	48,271	55,999	Adjustment – tax on coupons etc	657	423
Unlisted bonds from foreign issuers	2,911	3,399	Total tax	657	423
Interest expense and negative interest with custodian	(41)	(19)			
Total interest	51,287	59,549	6. Investors' assets		
			Investors' assets at 1 Jan	728,320	1,106,334
2. Capital gains and losses			Issues during the year	52,003	64,308
			Redemptions during the year	(73,970)	(535,167)
Bonds			Net issue surcharges and redemption deductions	246	1,910
Listed bonds from foreign issuers	(41,392)	53,691	Distribution from last year concerning units in circulation at 31 Dec	(525)	(12,761)
Unlisted bonds from foreign issuers	(2,220)	(281)	Changes in dividend distribution due to issues/redemptions	3	3,698
Total bonds	(43,612)	53,410	Proposed distribution for the financial year	8,008	525
			Brought forward from income statement	(11,031)	115,992
Derivatives			Brought forward for distribution next year	344	(16,519)
Forward exchange transactions/futures etc	840	(34)	Investors' assets at year-end	703,398	728,320
Total derivatives	840	(34)			
			7. Financial instruments (securities)		
3. Transaction costs			A list of financial instruments (securities) is available free of charge from the investment management company.		
All transaction costs	87	340			
Covered by income from issue and redemption	(23)	(131)			
Transaction costs, operating activities	64	209			
4. Administrative costs					
Class-specific costs					
Marketing costs	4,534	5,327			
Fees to custodian	716	979			
Other costs relating to asset management	3,296	3,867			
Other costs	54	(10)			
Fixed management fee *)	1,045	1,239			
Total class-specific costs	9,645	11,402			

*) The management fee represents a "fixed management fee" which includes costs relating to the Board of Directors, Executive Management, audit etc. Total remuneration to the Board of Directors and Executive Management appears from the Directors' Report under "Remuneration of Board of Directors and Executive Management" to which reference is made.

Audit fees appear from joint note 2 to which reference is made.

HøjrenteLande Lokal Valuta KL – Financial Statements

SUPPLEMENTARY NOTES WITHOUT REFERENCE

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
a. Portfolio turnover			d. Bonds by country		
Market value of purchase of securities	475,434	533,892	Poland	11.74%	9.59%
Market value of sale of securities	439,984	971,974	Brazil	10.30%	11.09%
Total market value	915,418	1,505,866	Mexico	9.71%	10.38%
			Russia	9.39%	7.10%
			Turkey	8.57%	8.11%
			Indonesia	7.64%	7.47%
b. Breakdown of financial instruments			South Africa	6.68%	8.60%
Listed financial instruments	90.66%	85.06%	Malaysia	5.40%	7.15%
Financial instruments listed on other regulated market	5.40%	8.84%	Other	26.61%	24.40%
Newly issued financial instruments for which listing on a stock exchange or other regulated market is planned	0.00%	0.00%	Cash, derivatives etc	3.96%	6.11%
Other financial instruments	(0.02%)	(0.01%)	Total	100.00%	100.00%
	96.04%	93.89%	e. Underlying exposure – forward exchange transactions		
Other assets/other debt	3.96%	6.11%	Currency		
Total	100.00%	100.00%	CZK	6,998	0
c. Bonds by duration			DKK	16,582	2,248
Bonds > 6 yrs	28.40%	29.63%	EUR	(44)	0
Bonds 4-6 yrs	18.52%	28.05%	HUF	(7,169)	0
Bonds 2-4 yrs	32.13%	19.37%	USD	(16,586)	(2,291)
Bonds 0-2 yrs	16.99%	16.84%			
Cash, derivatives etc	3.96%	6.11%	f. Net collateral position		
Total	100.00%	100.00%	Collateral regarding derivatives		
			No collateral has been provided		

HøjrenteLande Lokal Valuta A DKK – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2013-2017

(DKK 1,000)	2017	2016	2015	2014	2013
Financial highlights					
Share of net profit for the year	(2,572)	97,006	(119,770)	90,124	(214,128)
Units in circulation nominal	579,545	654,346	1,109,579	1,531,571	1,338,360
Units in circulation quantity	5,795,453	6,543,462	11,095,799	15,315,711	13,383,599
Investors' assets	625,156	708,149	1,072,241	1,604,830	1,374,427
Financial ratios					
NAV per unit	107.87	108.22	96.63	104.78	102.69
Dividend per unit	1.10	0.00	1.10	1.30	4.70
Return (%) *)	(0.33%)	13.21%	(6.69%)	6.99%	(14.20%)
Benchmark return (%)	1.34%	12.82%	(5.02%)	7.16%	(12.92%)
Total expense ratio (TER)	1.36%	1.41%	1.34%	1.30%	1.28%
Annual percentage rate (APR) at 31 December	1.46%	1.48%	1.62%	1.60%	1.70%
Sharpe Ratio (5 yrs)	(0.06)	0.20	(0.07)	0.64	0.84
Standard deviation (5 yrs)	9.71	10.20	9.73	8.71	9.42

*) Past performance is no guarantee of current or future performance.

HøjrenteLande Lokal Valuta A DKK – Financial Statements

NOTES

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
a. Share of net profit for the year			c. Share of other debt		
Share of joint portfolio profit	6,823	108,429	Payables (class-specific)	1,966	2,216
Class-specific other income	41	104	Payables – unsettled transactions (class-specific)	0	2,170
Class-specific costs *)	(8,849)	(11,118)	Share of total other debt	1,966	4,386
Share of tax	(587)	(409)			
Share of total net profit for the year	(2,572)	97,006	d. Units in circulation		
			Nominal (DKK 1,000)	579,545	654,346
*) Class-specific costs			Quantity	5,795,453	6,543,462
Marketing costs	4,259	5,211			
Fees to custodian	650	962	e. Investors' assets		
Other costs relating to asset management	2,949	3,757	e1. Units in circulation		
Other costs	47	(11)	Units in circulation at 1 Jan	654,346	1,109,579
Fixed management fee	944	1,199	Correction in connection with demerger	(50,852)	0
Total class-specific costs	8,849	11,118	Issues during the year	42,261	64,488
			Redemptions during the year	(66,210)	(519,721)
b. Distribution of profit			Total units in circulation	579,545	654,346
b1. To be allocated					
Proposed distribution for the financial year	6,375	0	e2. Investors' assets		
Brought forward for distribution next year	328	(16,519)	Investors' assets at 1 Jan	708,149	1,072,241
Available for distribution	6,703	(16,519)	Correction in connection with demerger	(57,152)	0
Brought forward to investors' assets	(9,275)	113,525	Issues during the year	47,032	64,084
Total distribution	(2,572)	97,006	Redemptions during the year	(72,641)	(518,331)
			Correction of profit in connection with demerger	2,106	0
b2. Available for distribution			Net issue surcharges and redemption deductions	234	1,843
Brought forward for distribution from last year	(16,519)	0	Distribution from last year concerning units in circulation at 31 Dec	0	(12,205)
Adjustment of brought forward for distribution from last year – demerger	1,300	0	Changes in dividend distribution due to issues/redemptions	0	3,511
Share of interest	45,927	57,820	Proposed distribution for the financial year	6,375	0
Other income	41	107	Brought forward from income statement	(9,275)	113,525
Share of non-refundable tax on coupons	(587)	(409)	Brought forward for distribution next year	328	(16,519)
Share of capital gains for distribution	(14,511)	(87,196)	Investors' assets at year-end	625,156	708,149
Distribution adjustment in connection with issue/redemption concerning the above items	(228)	13,159			
Available for distribution before administrative costs	15,423	(16,519)			
Set-off of administrative costs	(8,849)	0			
Distribution adjustment of administrative costs in connection with issue/redemption	129	0			
Total administrative costs	(8,720)	0			
Available for distribution	6,703	(16,519)			

Emerging Market Local Currency Bonds B EUR d – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2015-2017

(DKK 1,000)	2017	2016	2015 ¹⁾
Financial highlights			
Share of net profit for the year	(128)	2,992	(7,631)
Units in circulation nominal	24,814	21,104	34,291
Units in circulation quantity	333,277	282,352	532,445
Investors' assets	23,170	20,171	34,093
Financial ratios			
NAV per unit (EUR)	9.34	9.61	8.58
Dividend per unit (EUR)	0.33	0.25	0.14
Return in EUR (%) *)	(0.32%)	13.73 %	(14.20%)
Benchmark return in EUR (%)	1.20%	13.23 %	(18.74%)
Total expense ratio (TER)	1.21%	1.25 %	0.80%
Annual percentage rate (APR) at 31 December	1.72%	1.71 %	1.72%

*) Past performance is no guarantee of current or future performance.

¹⁾ The unit class was launched on 24 April 2015.

Emerging Market Local Currency Bonds B EUR d – Financial Statements

NOTES

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
a. Share of net profit for the year			c. Units in circulation		
Share of joint portfolio profit	149	3,287	Nominal (DKK 1,000)	24,814	21,104
Class-specific other income	1	3	Quantity (EUR)	333,277	282,352
Class-specific costs *)	(258)	(284)			
Share of tax	(20)	(14)			
Share of total net profit for the year	(128)	2,992			
*) Class-specific costs			d. Investors' assets		
Marketing costs	108	117	d1. Units in circulation		
Fees to custodian	18	17	Units in circulation at 1 Jan	21,104	39,734
Other costs relating to asset management	96	109	Exchange rate adjustment of units in circulation at 1 Jan	(82)	0
Other costs	1	1	Issues during the year	5,198	246
Fixed management fee	35	40	Redemptions during the year	(1,406)	(18,876)
Total class-specific costs	258	284	Total units in circulation	24,814	21,104
b. Distribution of profit			d2. Investors' assets		
b1. To be allocated			Investors' assets at 1 Jan	20,171	34,093
Proposed distribution for the financial year	819	525	Issues during the year	4,971	224
Brought forward for distribution next year	13	0	Redemptions during the year	(1,329)	(16,836)
Available for distribution	832	525	Net issue surcharges and redemption deductions	7	67
Brought forward to investors' assets	(960)	2,467	Distribution from last year concerning units in circulation at 31 Dec	(525)	(556)
Total distribution	(128)	2,992	Changes in dividend distribution due to issues/redemptions	3	187
			Proposed distribution for the financial year	819	525
			Brought forward from income statement	(960)	2,467
			Brought forward for distribution next year	13	0
			Investors' assets at year-end	23,170	20,171
b2. Available for distribution					
Brought forward for distribution from last year	0	0			
Share of interest	1,481	1,747			
Other income	1	3			
Share of non-refundable tax on coupons	(20)	(14)			
Share of capital gains for distribution	(507)	(2,895)			
Distribution adjustment in connection with issue/redemption concerning the above items	165	682			
Available for distribution before administrative costs	1,120	(477)			
Set-off of administrative costs	(258)	(284)			
Distribution adjustment of administrative costs in connection with issue/redemption	(30)	49			
Total administrative costs	(288)	(235)			
Available for distribution, gross	832	(712)			
Voluntary distribution	0	1,237			
Available for distribution	832	525			

HøjrenteLande Lokal Valuta W DKK d – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2017

(DKK 1,000)	2017 ¹⁾
Financial highlights	
Share of net profit for the year	21
Units in circulation nominal	50,852
Units in circulation quantity	508,515
Investors' assets	55,073
Financial ratios	
NAV per unit	108.30
Dividend per unit	1.60
Return (%) ^{1) 2)}	0.07%
Benchmark return (%) ²⁾	1.34%
Total expense ratio (TER)	0.97%
Annual percentage rate (APR) at 31 December	0.73%
Sharpe Ratio (5 yrs)	(0.06%)
Standard deviation (5 yrs)	9.71%

***) Past performance is no guarantee of current or future performance.**

¹⁾ The unit class was launched on 13 June 2017 in connection with the demerger of HøjrenteLande Lokal Valuta A DKK

²⁾ Return for the period 1 Jan - 31 Dec 2017

HøjrenteLande Lokal Valuta W DKK d – Financial Statements

NOTES

Note (DKK 1,000)	2017 ¹⁾	Note (DKK 1,000)	2017 ¹⁾
a. Share of net profit for the year		c. Units in circulation	
Share of joint portfolio profit	606	Nominal (DKK 1,000)	50,852
Class-specific other income	3	Quantity	508,515
Class-specific costs *)	(538)		
Share of tax	<u>(50)</u>	d. Investors' assets	
Share of total net profit for the year	21		
		d1. Units in circulation	
*) Class-specific costs		Correction in connection with demerger	<u>50,852</u>
Marketing costs	167	Total units in circulation	50,852
Fees to custodian	48		
Other costs relating to asset management	252	d2. Investors' assets	
Other costs	5	Correction in connection with demerger	57,152
Fixed management fee	<u>66</u>	Correction of profit in connection with demerger	(2,105)
Total class-specific costs	538	Net issue surcharges and redemption deductions	5
		Proposed distribution for the financial year	814
b. Distribution of profit		Brought forward from income statement	(796)
		Brought forward for distribution next year	<u>3</u>
b1. To be allocated		Investors' assets at year-end	55,073
Proposed distribution for the financial year	814		
Brought forward for distribution next year	<u>3</u>	¹⁾ The unit class was launched on 13 June 2017 in connection with the demerger of HøjrenteLande Lokal Valuta A DKK	
Available for distribution	817		
Brought forward to investors' assets	<u>(796)</u>	²⁾ Incl proportional share of income for 1 Jan - 13 Jun 2017 HøjrenteLande Lokal Valuta A DKK	
Total distribution	21		
b2. Available for distribution ²⁾			
Brought forward for distribution from last year	(1,300)		
Share of interest	3,921		
Other income	3		
Share of non-refundable tax on coupons	(50)		
Share of capital gains for distribution	(1,240)		
Distribution adjustment in connection with issue/redemption concerning the above items	<u>20</u>		
Available for distribution before administrative costs	<u>1,354</u>		
Set-off of administrative costs	(538)		
Distribution adjustment of administrative costs in connection with issue/redemption	<u>1</u>		
Total administrative costs	<u>(537)</u>		
Available for distribution	817		

HøjrenteLande Lokal Valuta Akkumulerende KL

Fund report

Fund data and unit class data	Emerging Market Local Currency Bonds B EUR Acc	Emerging Market Local Currency Bonds I EUR Acc	HøjrenteLande Lokal Valuta W DKK Acc
ISIN	DK0060646552	DK0060646636	DK0060646719
Date of establishment	8 July 2015	16 June 2015	16 June 2015
Launch date	18 September 2015	18 September 2015	9 December 2015
Listed	No	No	No
Currency	EUR	EUR	DKK
Income fund	No	No	No
Denomination	10	1,000	100
Risk category	5	5	5
Approved for marketing in Germany	Yes	Yes	No
Benchmark	J.P. Morgan Emerging Markets Bond Index Global Diversified		
Secondary name	Emerging Market Local Currency Bonds Acc KL		

Introduction

The fund report should be read together with the sections in the annual report "Financial markets in 2017" on page 6, "Asset developments" on page 10 and "Risks" on page 15 to provide a complete picture of developments. The evaluation by the Board of Directors and Executive Management regarding fund specific risks appears below. For further information on risks associated with investing in the fund, reference is made to the current prospectus which may be downloaded at www.sydinvest.dk, www.sydinvest.de and www.sydinvest.com.

Investment profile

The fund invests in medium-term or long-term government bonds in local currency from high-yielding countries in Eastern Europe, Asia, Latin America and Africa. The fund pursues an active currency policy and will to a great extent be affected by exchange rate developments in the countries in which the fund invests.

The fund is divided into the unit classes Emerging Market Local Currency Bonds B EUR Acc, Emerging Market Local Currency Bonds I EUR Acc and HøjrenteLande Lokal Valuta W DKK Acc. The investments in the individual unit classes are identical. The level of costs varies according to the unit class in which investors invest.

Risk profile

The fund carries a somewhat higher risk than that of traditional bond funds. In the short term large fluctuations in return may occur. The fund invests in bonds issued in local currency, which are generally not hedged. Consequently return is greatly influenced by exchange rate developments. Fund return depends on exchange rate movements, the level of interest rates and issuers' ability to service debt. The fund is suitable for investments with a time horizon of at least four years.

The fund is placed in risk category 5.

Developments

The development in the NAV of the unit classes in 2017 appears from the table below. The differences in returns are attributable to the level of costs in the individual classes and the fact that fund currency varies in the individual unit classes. The different currencies also explain the difference in the development of the benchmark.

Unit class	Return	Benchmark
Emerging Market Local Currency Bonds B EUR Acc	(0.24%)	1.20%
Emerging Market Local Currency Bonds I EUR Acc	0.31%	1.20%
HøjrenteLande Lokal Valuta W DKK Acc	0.42%	1.34%

The market fell short of expectations at the beginning of the year and the fund underperformed its benchmark, see the table above. Relative return was driven by the fund's overweights in Zambia and Poland as well as its underweight in Romania. In contrast the fund's overweights in Brazil and Turkey detracted from performance.

2017 was a comeback year in relation to the sell-off of emerging market bonds in the wake of the election of Mr Trump in the USA. Higher economic growth in emerging market countries as well as in Europe and USA was a positive factor. Not even tighter monetary policy in USA and the outlook of monetary policy tightening in Europe spoiled the mood. Yields on emerging market bonds issued in local currency decreased thereby contributing positively to return. Emerging market currencies have appreciated against USD. However the problem facing emerging market bonds issued in local currency has been a strong EUR/DKK against USD meaning that many emerging market currencies have weakened against DKK.

Market outlook

A decisive factor in 2018 will be whether monetary policy tightening in USA and Europe will lead to increasing long-term bond rates. This has not really been the case so far. We project higher US interest rates – short-term as well as long-term – in 2018 but as long as increases are not too fast and too big, emerging market bonds will be well positioned to resist them. The economic growth in emerging markets is high and with few exceptions current accounts are in better shape than five years ago.

We project that the fund will generate a return in 2018 on a par with or above its benchmark as the fund is actively managed.

HøjrenteLande Lokal Valuta Akkumulerende KL – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2015-2017

(DKK 1,000)	2017	2016	2015
Financial highlights			
Net profit for the year	29,963	326,985	41,678
Investors' assets	2,643,185	3,219,534	2,230,702
Financial ratios			
Portfolio turnover rate (PTR)	0.55	0.74	0.33

Breakdown of profit for the year and investors' assets by unit class

(DKK 1,000)	2017		2016	
	Net profit for the year	Investors' assets at year-end	Net profit for the year	Investors' assets at year-end
Emerging Market Local Currency Bonds B EUR Acc	51	37,125	4,890	46,158
Emerging Market Local Currency Bonds I EUR Acc	31,037	2,440,839	321,035	3,164,380
HøjrenteLande Lokal Valuta W DKK Acc	(1,125)	165,221	1,060	8,996
Total	29,963	2,643,185	326,985	3,219,534

INCOME STATEMENT

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
Interest and dividends			Distribution of profit from the unit classes		
1. Interest	179,977	183,092			
Total interest and dividends	179,977	183,092	To be allocated		
Capital gains and losses			Total brought forward to investors' assets	29,963	326,985
2. Bonds	(129,947)	166,102	Total distribution	29,963	326,985
2. Derivatives	3,090	(676)			
Currency accounts	(4,185)	(1,876)	Distribution of profit in the unit classes		
Other assets and liabilities	75	0	Brought forward to investors' assets		
3. Transaction costs, operating activities	(89)	(832)	Emerging Market Local Currency Bonds B EUR Acc	51	4,890
Total capital gains and losses	(131,056)	162,718	Emerging Market Local Currency Bonds I EUR Acc	31,037	321,035
Other income	183	92	HøjrenteLande Lokal Valuta W DKK Acc	(1,125)	1,060
Total income	49,104	345,902	Total	29,963	326,985
4. Administrative costs	(16,376)	(17,670)			
Pre-tax profit	32,728	328,232			
5. Tax	(2,765)	(1,247)			
Net profit for the year	29,963	326,985			

HøjrenteLande Lokal Valuta Akkumulerende KL – Financial Statements

BALANCE SHEET 31 DECEMBER 2017

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
ASSETS			LIABILITIES		
Liquid funds			6. Investors' assets *)	2,643,185	3,219,534
Deposits with custodian	76,922	179,663	Derivatives		
Total liquid funds	76,922	179,663	Unlisted derivatives	927	432
7. Bonds			Total derivatives	927	432
Listed bonds from foreign issuers	2,406,132	2,722,082	Other debt		
Unlisted bonds from foreign issuers	143,885	274,775	Interest payable	8	15
Total bonds	2,550,017	2,996,857	Payables	3,633	4,579
Derivatives			Payables – unsettled transactions	91,865	0
Unlisted derivatives	61	187	Total other debt	95,506	4,594
Total derivatives	61	187	TOTAL LIABILITIES	2,739,618	3,224,560
Other assets			*) Investors' assets by unit class		
Interest receivable, dividends receivable etc	37,469	47,853	Emerging Market Local Currency Bonds B EUR Acc	37,125	46,158
Receivables – unsettled transactions	75,149	0	Emerging Market Local Currency Bonds I EUR Acc	2,440,839	3,164,380
Total other assets	112,618	47,853	HøjrenteLande Lokal Valuta W DKK Acc	165,221	8,996
TOTAL ASSETS	2,739,618	3,224,560	Total	2,643,185	3,219,534

HøjrenteLande Lokal Valuta Akkumulerende KL – Financial Statements

NOTES

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
1. Interest			4. Administrative costs		
Deposits with custodian	401	477			
Listed bonds from foreign issuers	169,578	171,172	Class-specific costs		
Unlisted bonds from foreign issuers	10,214	11,719	Marketing costs	212	240
Interest expense and negative interest with custodian	(216)	(276)	Fees to custodian	2,080	2,186
Total interest	179,977	183,092	Other costs relating to asset management	11,456	12,357
			Other costs	180	32
2. Capital gains and losses			Fixed management fee *)	2,448	2,855
			Total class-specific costs	16,376	17,670
Bonds			*) The management fee represents a "fixed management fee" which includes costs relating to the Board of Directors, Executive Management, audit etc. Total remuneration to the Board of Directors and Executive Management appears from the Directors' Report under "Remuneration of Board of Directors and Executive Management" to which reference is made.		
Listed bonds from foreign issuers	(122,880)	172,297	Audit fees appear from joint note 2 to which reference is made.		
Unlisted bonds from foreign issuers	(7,067)	(6,195)			
Total bonds	(129,947)	166,102	5. Tax		
			The fund is not liable to pay tax.		
Derivatives			Adjustment – tax on coupons etc	2,765	1,247
Forward exchange transactions/futures etc	3,090	(676)	Total tax	2,765	1,247
Total derivatives	3,090	(676)			
			6. Investors' assets		
3. Transaction costs			Investors' assets at 1 Jan	3,219,534	2,230,702
All transaction costs	126	967	Issues during the year	318,162	682,833
Covered by income from issue and redemption	(37)	(135)	Redemptions during the year	(928,997)	(25,030)
Transaction costs, operating activities	89	832	Net issue surcharges and redemption deductions	4,523	4,044
			Brought forward from income statement	29,963	326,985
			Investors' assets at year-end	2,643,185	3,219,534
			7. Financial instruments (securities)		
			A list of financial instruments (securities) is available free of charge from the investment management company.		

HøjrenteLande Lokal Valuta Akkumulerende KL – Financial Statements

SUPPLEMENTARY NOTES WITHOUT REFERENCE

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
a. Portfolio turnover			d. Bonds by country		
Market value of purchase of securities	1,863,742	2,802,108	Poland	11.72%	9.34%
Market value of sale of securities	2,180,634	2,057,830	Mexico	10.42%	10.28%
Total market value	4,044,376	4,859,938	Brazil	10.30%	10.98%
b. Breakdown of financial instruments			Russia	9.43%	7.02%
Listed financial instruments	91.03%	84.56%	Turkey	8.41%	8.01%
Financial instruments listed on other regulated market	5.44%	8.53%	Indonesia	7.83%	7.52%
Newly issued financial instruments for which listing on a stock exchange or other regulated market is planned	0.00%	0.00%	South Africa	6.79%	8.36%
Other financial instruments	(0.03%)	(0.01%)	Malaysia	5.44%	6.87%
	96.44%	93.08%	Other	26.10%	24.70%
Other assets/other debt	3.56%	6.92%	Cash, derivatives etc	3.56%	6.92%
Total	100.00%	100.00%	Total	100.00%	100.00%
c. Bonds by duration			e. Underlying exposure – forward exchange transactions		
Bonds > 6 yrs	29.00%	29.15%	Currency		
Bonds 4-6 yrs	18.40%	27.41%	CZK	25,603	0
Bonds 2-4 yrs	32.59%	18.71%	DKK	11,446	16,416
Bonds 0-2 yrs	16.45%	17.81%	EUR	(95)	0
Cash, derivatives etc	3.56%	6.92%	HUF	(26,292)	0
Total	100.00%	100.00%	USD	(11,570)	(16,679)
			f. Net collateral position		
			Collateral regarding derivatives		
			No collateral has been provided		

Emerging Market Local Currency Bonds B EUR Acc – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2013-2017

(DKK 1,000)	2017	2016	2015 1)	2014 2)	2013 2)
Financial highlights					
Share of net profit for the year	51	4,890	1,076	10,672	(44,873)
Share of net profit **)	51	4,890	(814)	10,672	(44,873)
Units in circulation nominal	22,938	28,557	43,901	88,783	167,664
Units in circulation quantity (EUR)	308,084	382,627	588,348	1,189,721	2,246,652
Investors' assets	37,125	46,158	62,837	137,171	242,701
Financial ratios					
NAV per unit (EUR)	16.18	16.22	14.31	15.45	14.48
Return in EUR (%) *)	(0.24%)	13.36%	(7.37%)	6.73%	(14.85%)
Benchmark return in EUR (%)	1.20%	13.23%	(11.28%)	7.37%	(12.91%)
Total expense ratio (TER)	1.20%	1.23%	0.43%	1.18%	1.12%
Total expense ratio**)	1.20%	1.23%	1.38%	1.18%	1.12%
Annual percentage rate (APR) at 31 December	1.70%	1.69%	1.71%	-	-
Sharpe Ratio (5 yrs)	(0.10)	0.57	0.51	0.92	1.53
Standard deviation (5 yrs)	9.82	7.21	7.05	7.33	8.31

*) Past performance is no guarantee of current or future performance.

1) The unit class was launched on 18 September 2015.

2) Financial highlights from ISI Emerging Market Local Currency Bonds.

***) For the period 1 Jan - 18 Sep 2015 ISI Emerging Market Local Currency Bonds is included.

Emerging Market Local Currency Bonds B EUR Acc – Financial Statements

NOTES

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
a. Share of net profit for the year			d. Units in circulation		
Share of joint portfolio profit	603	5,483	Nominal (DKK 1,000)	22,938	28,557
Class-specific other income	3	2	Quantity (EUR)	308,084	382,627
Class-specific costs *)	(509)	(576)			
Share of tax	(46)	(19)	e. Investors' assets		
Share of total net profit for the year	51	4,890	e1. Units in circulation		
*) Class-specific costs			Units in circulation at 1 Jan	28,557	43,901
Marketing costs	212	240	Exchange rate adjustment of units in circulation at 1 Jan	(69)	0
Fees to custodian	36	41	Issues during the year	909	153
Other costs relating to asset management	193	216	Redemptions during the year	(6,459)	(15,497)
Other costs	(3)	(3)	Total units in circulation	22,938	28,557
Fixed management fee	71	82	e2. Investors' assets		
Total class-specific costs	509	576	Investors' assets at 1 Jan	46,158	62,837
b. Distribution of profit			Issues during the year	1,489	228
Brought forward to investors' assets	51	4,890	Redemptions during the year	(10,652)	(21,797)
Total distribution	51	4,890	Net issue surcharges and redemption deductions	79	0
c. Share of other debt			Brought forward from income statement	51	4,890
Payables (class-specific)	106	127	Investors' assets at year-end	37,125	46,158
Share of total other debt	106	127			

Emerging Market Local Currency Bonds I EUR Acc – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2013-2017

(DKK 1,000)	2017	2016	2015 1)	2014 2)	2013 2)
Financial highlights					
Share of net profit for the year	31,037	321,035	40,666	154,223	(236,693)
Share of net profit **)	31,037	321,035	(147,951)	154,223	(236,693)
Units in circulation nominal	1,404,144	1,831,145	1,420,178	1,413,145	1,323,571
Units in circulation quantity (EUR)	188,591	245,581	190,326	189,362	177,359
Investors' assets	2,440,839	3,164,380	2,159,941	2,295,515	2,004,807
Financial ratios					
NAV per unit (EUR)	1,738.31	1,732.94	1,520.72	1,624.40	1,514.70
Return in EUR (%) *)	0.31%	13.95%	(6.38%)	7.24%	(14.72%)
Benchmark return in EUR (%)	1.20%	13.23%	(11.28%)	7.37%	(12.91%)
Total expense ratio (TER)	0.64%	0.62%	0.17%	1.24%	1.21%
Total expense ratio**)	0.64%	0.62%	0.97%	1.24%	1.21%
Annual percentage rate (APR) at 31 December	0.72%	0.74%	0.74%	1.79%	1.82%
Sharpe Ratio (5 yrs)	(0.04)	0.65	0.52	0.99	0.56
Standard deviation (5 yrs)	9.73	7.27	6.82	7.17	7.82

*) Past performance is no guarantee of current or future performance.

1) The unit class was launched on 18 September 2015.

2) Financial highlights from SEM Emerging Local Currency Bonds.

** For the period 1 Jan - 18 Sep 2015 SEM Emerging Market Local Currency Bonds is included.

Emerging Market Local Currency Bonds I EUR Acc – Financial Statements

NOTES

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
a. Share of net profit for the year			d. Units in circulation		
Share of joint portfolio profit	49,063	339,207	Nominal (DKK 1,000)	1,404,144	1,831,145
Class-specific other income	178	90	Quantity (EUR)	188,591	245,581
Class-specific costs *)	(15,556)	(17,039)			
Share of tax	(2,648)	(1,223)	e. Investors' assets		
Share of total net profit for the year	31,037	321,035	e1. Units in circulation		
*) Class-specific costs			Units in circulation at 1 Jan	1,831,145	1,420,178
Fees to custodian	1,998	2,137	Exchange rate adjustment of units in circulation at 1 Jan	(2,685)	0
Other costs relating to asset management	11,047	12,102	Issues during the year	91,765	412,864
Other costs	179	35	Redemptions during the year	(516,081)	(1,897)
Fixed management fee	2,332	2,765	Total units in circulation	1,404,144	1,831,145
Total class-specific costs	15,556	17,039	e2. Investors' assets		
b. Distribution of profit			Investors' assets at 1 Jan	3,164,380	2,159,941
Brought forward to investors' assets	31,037	321,035	Issues during the year	159,371	682,605
Total distribution	31,037	321,035	Redemptions during the year	(918,345)	(3,233)
c. Share of other debt			Net issue surcharges and redemption deductions	4,396	4,032
Payables (class-specific)	3,386	4,440	Brought forward from income statement	31,037	321,035
Share of total other debt	3,386	4,440	Investors' assets at year-end	2,440,839	3,164,380

HøjrenteLande Lokal Valuta W DKK Acc – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2015-2017

(DKK 1,000)	2017	2016	2015 ¹⁾
Financial highlights			
Share of net profit for the year	(1,125)	1,060	(64)
Units in circulation nominal	146,701	8,021	8,021
Units in circulation quantity	1,467,015	80,215	80,214
Investors' assets	165,221	8,996	7,924
Financial ratios			
NAV per unit	112.62	112.15	98.78
Return (%) *)	0.42%	13.71%	(1.22%)
Benchmark return (%)	1.34%	12.82%	(1.04%)
Total expense ratio	0.56%	0.64%	0.19%
Annual percentage rate (APR) at 31 December	0.73%	0.76%	0.76%

*) Past performance is no guarantee of current or future performance.

¹⁾ The unit class was launched on 25 August 2015.

NOTES

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
a. Share of net profit for the year			d. Units in circulation		
Share of joint portfolio profit	(804)	1,119	Nominal (DKK 1,000)	146,701	8,021
Class-specific other income	2	0	Quantity	1,467,015	80,215
Class-specific costs *)	(311)	(55)	e. Investors' assets		
Share of tax	(12)	(4)	e1. Units in circulation		
Share of total net profit for the year	(1,125)	1,060	Units in circulation at 1 Jan	8,021	8,021
*) Class-specific costs			Issues during the year	138,680	0
Fees to custodian	46	8	Total units in circulation	146,701	8,021
Other costs relating to asset management	216	38	e2. Investors' assets		
Other costs	4	0	Investors' assets at 1 Jan	8,996	7,924
Fixed management fee	45	9	Issues during the year	157,302	0
Total class-specific costs	311	55	Net issue surcharges and redemption deductions	48	12
b. Distribution of profit			Brought forward from income statement	(1,125)	1,060
Brought forward to investors' assets	(1,125)	1,060	Investors' assets at year-end	165,221	8,996
Total distribution	(1,125)	1,060	c. Share of other debt		
c. Share of other debt			Payables (class-specific)	141	13
Payables (class-specific)	141	13	Share of total other debt	141	13
Share of total other debt	141	13			

HøjrenteLande Mix KL

Fund report

Fund data and unit class data	HøjrenteLande Mix A DKK	HøjrenteLande Mix W DKK d
ISIN	DK0016231921	DK0060815256
Date of establishment	16 December 2002	13 June 2017
Launch date	14 February 2003	13 June 2017
Listed	Yes	No
Currency	DKK	DKK
Income fund	Yes	Yes
Denomination	100	100
Risk category	4	4
Approved for marketing in Germany	No	No
Benchmark	50% J.P. Morgan EMBI Global Diversified 50% J.P. Morgan GBI-EM Global Diversified	
Secondary name	Emerging Market Bonds Mix KL	

Introduction

The fund report should be read together with the sections in the annual report "Financial markets in 2017" on page 6, "Asset developments" on page 10 and "Risks" on page 15 to provide a complete picture of developments. The evaluation by the Board of Directors and Executive Management regarding fund specific risks appears below. For further information on risks associated with investing in the fund, reference is made to the current prospectus which may be downloaded at www.sydinvest.dk, www.sydinvest.de and www.sydinvest.com.

Investment profile

The fund invests in government bonds issued in hard currency (eg USD and EUR) or local currency from high-yielding countries in Eastern Europe, Asia, Latin America and Africa. The fund aims to vary the positions in bonds issued in hard currency and local currency based on expected interest rate and exchange rate movements. The fund pursues an active currency policy and will to a great extent be affected by exchange rate developments in the countries in which the fund invests.

The fund is divided into the unit classes HøjrenteLande Mix A DKK and HøjrenteLande Mix W DKK d. The investments in the individual unit classes are identical. The level of costs varies according to the unit class in which investors invest.

Risk profile

The fund carries a somewhat higher risk than that of traditional bond funds. In the short term large fluctuations in return may occur. The fund invests to a varying degree in bonds issued in foreign currency, which are hedged, and in bonds issued in local currency, which are generally not hedged. Fund return depends on exchange rate movements, the level of interest rates and issuers' ability to service debt. The fund is suitable for investments with a time horizon of at least four years.

The fund is placed in risk category 4.

Developments

The development in the NAV of the unit classes in 2017 appears from the table below. The differences in returns are attributable to the level of costs in the individual classes.

Unit class	Return	Benchmark
HøjrenteLande Mix A DKK	3.24%	4.70%
HøjrenteLande Mix W DKK d ¹⁾	3.59%	4.70%

¹⁾ The unit class was launched on 13 June 2017 in connection with the demerger of HøjrenteLande Mix A DKK. Return covers the period from 1 January to 31 December 2017.

The market performed on a par with expectations at the beginning of the year whereas the fund underperformed its benchmark, see the table above. The fund's allocation between local currency and hard currency was a drag on performance in 2017. By contrast the fund's asset allocation in hard currency in particular helped performance.

2017 was a comeback year in relation to the sell-off of emerging market bonds in the wake of the election of Mr Trump in the USA. Higher economic growth in emerging market countries as well as in Europe and USA was a positive factor. Not even tighter monetary policy in USA and the outlook of monetary policy tightening in Europe spoiled the mood. Yields on emerging market bonds issued in local currency as well as hard currency decreased thereby contributing positively to return. However the problem facing emerging market bonds issued in local currency has been a strong EUR/DKK against USD meaning that many emerging market currencies have also weakened from a European perspective.

Market outlook

A decisive factor in 2018 will be whether monetary policy tightening in USA and Europe will lead to increasing long-term bond rates. This has not really been the case so far. We project higher US interest rates – short-term as well as long-term – in 2018 but as long as increases are not too fast and too big, emerging market bonds will be well positioned to resist them. The economic growth in emerging markets is high and with few exceptions current accounts are in better shape than five years ago.

We project that the fund will generate a return in 2018 on a par with or above its benchmark as the fund is actively managed.

HøjrenteLande Mix KL – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2013-2017

(DKK 1,000)	2017	2016	2015	2014	2013
Financial highlights					
Net profit for the year	45,547	157,273	(98,647)	135,316	(426,342)
Investors' assets	1,174,820	1,458,092	1,775,970	2,487,395	3,228,705
Financial ratios					
Portfolio turnover rate (PTR)	0.69	0.81	0.79	0.72	0.62

Breakdown of profit for the year and investors' assets by unit class

(DKK 1,000)	2017		2016	
	Net profit for the year	Investors' assets at year-end	Net profit for the year	Investors' assets at year-end
HøjrenteLande Mix A DKK	43,577	1,132,606	157,273	1,458,092
HøjrenteLande Mix W DKK d ¹⁾	1,970	42,214	-	-
Total	45,547	1,174,820	157,273	1,458,092

¹⁾ The unit class was launched on 13 June 2017 in connection with the demerger of HøjrenteLande Mix A DKK

INCOME STATEMENT

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
Interest and dividends			Distribution of profit from the unit classes		
1. Interest	84,956	104,655			
Total interest and dividends	84,956	104,655	To be allocated		
Capital gains and losses			Total proposed distribution for the financial year	89,947	73,928
2. Bonds	(63,512)	104,415	Total brought forward for distribution next year	876	0
2. Derivatives	47,548	(27,302)	Total available for distribution	90,823	73,928
Currency accounts	(5,254)	(22)	Total brought forward to investors' assets	(45,276)	83,345
Other assets and liabilities	(24)	(2)	Total distribution	45,547	157,273
3. Transaction costs, operating activities	(157)	(2,206)			
Total capital gains and losses	(21,399)	74,883	Distribution of profit in the unit classes		
Other income	108	199	HøjrenteLande Mix A DKK		
Total income	63,665	179,737	Proposed distribution for the financial year	86,589	73,928
4. Administrative costs	(17,295)	(21,623)	Brought forward for distribution next year	838	0
Pre-tax profit	46,370	158,114	Brought forward to investors' assets	(43,850)	83,345
5. Tax	(823)	(842)			
Net profit for the year	45,547	157,272	HøjrenteLande Mix W DKK d ¹⁾		
			Proposed distribution for the financial year	3,358	-
			Brought forward for distribution next year	38	-
			Brought forward to investors' assets	(1,426)	-

HøjrenteLande Mix KL – Financial Statements

BALANCE SHEET 31 DECEMBER 2017

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
ASSETS			LIABILITIES		
Liquid funds			6. Investors' assets *)	1,174,820	1,458,092
Deposits with custodian	27,178	19,455	Derivatives		
Deposits on margin accounts with custodian	3,940	14,440	Unlisted derivatives	295	7,177
Total liquid funds	31,118	33,895	Total derivatives	295	7,177
7. Bonds			Other debt		
Listed bonds from foreign issuers	1,076,505	1,336,822	Payables	3,550	4,597
Unlisted bonds from foreign issuers	47,158	80,186	Payables – unsettled transactions	0	4,513
Total bonds	1,123,663	1,417,008	Total other debt	3,550	9,110
Derivatives			TOTAL LIABILITIES	1,178,665	1,474,379
Unlisted derivatives	1,983	941	*) Investors' assets by unit class		
Total derivatives	1,983	941	HøjrenteLande Mix A DKK	1,132,606	1,458,092
Other assets			HøjrenteLande Mix W DKK d **)	42,214	-
Interest receivable, dividends receivable etc	17,996	21,862	Total	1,174,820	1,458,092
Receivables – unsettled transactions	3,905	673			
Total other assets	21,901	22,535			
TOTAL ASSETS	1,178,665	1,474,379			

**) The unit class was launched on 13 June 2017.

HøjrenteLande Mix KL – Financial Statements

NOTES

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
1. Interest			4. Administrative costs		
Deposits with custodian	249	212			
Listed bonds from foreign issuers	79,584	100,271	Class-specific costs		
Unlisted bonds from foreign issuers	5,171	3,899	Marketing costs	8,287	10,293
Interest expense and negative interest with custodian	(48)	(56)	Fees to custodian	1,205	1,576
Other interest income	0	329	Other costs relating to asset management	5,850	7,377
Total interest	84,956	104,655	Other costs	94	1
			Fixed management fee *)	1,860	2,376
2. Capital gains and losses			Total class-specific costs	17,296	21,623
Bonds			*) The management fee represents a "fixed management fee" which includes costs relating to the Board of Directors, Executive Management, audit etc. Total remuneration to the Board of Directors and Executive Management appears from the Directors' Report under "Remuneration of Board of Directors and Executive Management" to which reference is made.		
Listed bonds from foreign issuers	(59,534)	103,526	Audit fees appear from joint note 2 to which reference is made.		
Unlisted bonds from foreign issuers	(3,978)	889	5. Tax		
Total bonds	(63,512)	104,415	The fund is not liable to pay tax.		
Derivatives			Adjustment – tax on coupons etc	823	842
Forward exchange transactions/futures etc	48,245	(23,372)	Total tax	823	842
Forward interest transactions/futures etc	(697)	(3,930)			
Total derivatives	47,548	(27,302)	6. Investors' assets		
3. Transaction costs			Investors' assets at 1 Jan	1,458,092	1,775,970
All transaction costs	171	2,577	Issues during the year	28,513	28,239
Covered by income from issue and redemption	(14)	(371)	Redemptions during the year	(285,319)	(416,203)
Transaction costs, operating activities	157	2,206	Net issue surcharges and redemption deductions	1,133	1,026
			Distribution from last year concerning units in circulation at 31 Dec	(73,928)	(100,417)
			Changes in dividend distribution due to issues/redemptions	782	12,204
			Proposed distribution for the financial year	89,947	73,928
			Brought forward from income statement	(45,276)	83,345
			Brought forward for distribution next year	876	0
			Investors' assets at year-end	1,174,820	1,458,092
			7. Financial instruments (securities)		
			A list of financial instruments (securities) is available free of charge from the investment management company.		

HøjrenteLande Mix KL – Financial Statements

SUPPLEMENTARY NOTES WITHOUT REFERENCE

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
a. Portfolio turnover			e. Currency futures bought		
Market value of purchase of securities	998,614	1,273,283	USD	63,300	0
Market value of sale of securities	1,223,634	1,681,200	Total	63,300	0
Total market value	2,222,248	2,954,483	f. Currency futures sold		
b. Breakdown of financial instruments			EUR	(44,869)	0
Listed financial instruments	91.64%	91.68%	Total	(44,869)	0
Financial instruments listed on other regulated market	4.01%	5.50%	g. Underlying exposure – forward exchange transactions		
Newly issued financial instruments for which listing on a stock exchange or other regulated market is planned	0.00%	0.00%	Currency		
Other financial instruments	0.14%	(0.43%)	CZK	7,315	0
	95.79%	96.75%	DKK	361,000	700,503
Other assets/other debt	4.21%	3.25%	EUR	(27)	0
Total	100.00%	100.00%	HUF	(7,512)	0
c. Bonds by duration			JPY	(5,464)	(12,498)
Bonds > 6 yrs	40.00%	38.82%	USD	(354,914)	(696,076)
Bonds 4-6 yrs	17.11%	26.78%	h. Net collateral position		
Bonds 2-4 yrs	25.12%	20.31%	Net calculation of collateral regarding derivatives		
Bonds 0-2 yrs	13.56%	10.84%	Collateral provided as		
Cash, derivatives etc	4.21%	3.25%	Liquid funds	3,940	14,440
Total	100.00%	100.00%	Total	3,940	14,440
d. Bonds by country			Reuse of collateral		
Turkey	9.90%	8.17%	Collateral received which is reused		
Mexico	8.38%	8.55%		0	0
Poland	8.06%	6.18%	Total	0	0
Brazil	7.12%	7.18%			
Russia	6.79%	5.68%			
Indonesia	6.58%	6.92%			
South Africa	5.47%	5.71%			
Colombia	4.42%	4.88%			
Other	39.07%	43.48%			
Cash, derivatives etc	4.21%	3.25%			
Total	100.00%	100.00%			

HøjrenteLande Mix A DKK – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2013-2017

(DKK 1,000)	2017 ¹⁾	2016	2015	2014	2013
Financial highlights					
Share of net profit for the year	43,577	157,273	(98,647)	135,316	(426,342)
Units in circulation nominal	1,273,365	1,607,133	2,049,330	2,596,757	3,333,159
Units in circulation quantity	12,733,654	16,071,333	20,493,301	25,967,569	33,331,586
Investors' assets	1,132,606	1,458,092	1,775,970	2,487,395	3,228,705
Financial ratios					
NAV per unit	88.95	90.73	86.66	95.79	96.87
Dividend per unit	6.80	4.60	4.90	5.40	5.50
Return (%) *)	3.24 %	10.63 %	(4.38%)	4.84 %	(11.00%)
Benchmark return (%)	4.70 %	10.61 %	(2.29%)	7.09 %	(9.36%)
Total expense ratio	1.36 %	1.38 %	1.33 %	1.33 %	1.28 %
Annual percentage rate (APR) at 31 December	1.47 %	1.49 %	1.63 %	1.69 %	1.80 %
Sharpe Ratio (5 yrs)	0.06	0.34	0.15	0.73	1.25
Standard deviation (5 yrs)	7.76	8.19	7.86	7.21	8.68

*) Past performance is no guarantee of current or future performance.

¹⁾ The fund was converted to a unit class on 13 June 2017.

HøjrenteLande Mix A DKK – Financial Statements

NOTES

Note (DKK 1,000)	2017 ¹⁾	2016	Note (DKK 1,000)	2017 ¹⁾	2016
a. Share of net profit for the year			c. Share of other debt		
Share of joint portfolio profit	61,043	179,539	Payables (class-specific)	3,489	4,598
Class-specific other income	104	199	Receivables – unsettled transactions	0	4,598
Class-specific costs *)	(16,778)	(21,623)	Share of total other debt	3,489	9,196
Share of tax	(792)	(842)			
Share of total net profit for the year	43,577	157,273	d. Units in circulation		
			Nominal (DKK 1,000)	1,273,365	1,607,133
*) Class-specific costs			Quantity	12,733,654	16,071,333
Marketing costs	8,124	10,293	e. Investors' assets		
Fees to custodian	1,141	1,576	e1. Units in circulation		
Other costs relating to asset management	5,624	7,377	Units in circulation at 1 Jan	1,607,133	2,049,330
Other costs	89	1	Correction in connection with demerger	(58,636)	0
Fixed management fee	1,800	2,376	Issues during the year	32,468	32,752
Total class-specific costs	16,778	21,623	Redemptions during the year	(307,600)	(474,949)
b. Distribution of profit			Total units in circulation	1,273,365	1,607,133
b1. To be allocated			e2. Investors' assets		
Proposed distribution for the financial year	86,589	73,928	Investors' assets at 1 Jan	1,458,092	1,775,970
Brought forward for distribution next year	838	0	Correction in connection with demerger	(53,022)	0
Available for distribution	87,427	73,928	Issues during the year	28,513	28,239
Brought forward to investors' assets	(43,850)	83,345	Redemptions during the year	(275,187)	(416,203)
Total distribution	43,577	157,273	Correction of profit in connection with demerger	2,667	0
			Net issue surcharges and redemption deductions	1,112	1,026
b2. Available for distribution			Distribution from last year concerning units in circulation at 31 Dec	(73,928)	(100,417)
Brought forward for distribution from last year	0	0	Changes in dividend distribution due to issues/redemptions	782	12,204
Share of interest	81,709	104,710	Proposed distribution for the financial year	86,589	73,928
Other income	104	199	Brought forward from income statement	(43,850)	83,345
Share of non-refundable tax on coupons	(792)	(842)	Brought forward for distribution next year	838	0
Share of capital gains for distribution	35,380	(73,529)	Investors' assets at year-end	1,132,606	1,458,092
Distribution adjustment in connection with issue/redemption concerning the above items	(13,604)	(3,710)			
Available for distribution before administrative costs	102,797	26,828			
Set-off of administrative costs	(16,778)	(21,623)			
Distribution adjustment of administrative costs in connection with issue/redemption	1,408	1,741			
Total administrative costs	(15,370)	(19,882)			
Available for distribution, gross	87,427	6,946			
Voluntary distribution	0	66,982			
Available for distribution	87,427	73,928			

¹⁾ The fund was converted to a unit class on 13 June 2017.

HøjrenteLande Mix W DKK d – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2017

(DKK 1,000)	2017 ¹⁾
Financial highlights	
Share of net profit for the year	1,970
Units in circulation nominal	47,299
Units in circulation quantity	472,996
Investors' assets	42,214
Financial ratios	
NAV per unit	89.25
Dividend per unit	7.10
Return (%) ^{1) 2)}	3.59%
Benchmark return (%) ²⁾	4.70%
Total expense ratio	1.05%
Annual percentage rate (APR) at 31 December	0.74%
Sharpe Ratio (5 yrs)	0.06
Standard deviation (5 yrs)	7.76

***) Past performance is no guarantee of current or future performance.**

¹⁾ The unit class was launched on 13 June 2017 in connection with the demerger of HøjrenteLande Mix A DKK

²⁾ Return for the period 1 Jan - 31 Dec 2017

HøjrenteLande Mix W DKK d – Financial Statements

NOTES

Note (DKK 1,000)	2017 ¹⁾	Note (DKK 1,000)	2017 ¹⁾
a. Share of net profit for the year		c. Share of other debt	
Share of joint portfolio profit	2,514	Payables (class-specific)	61
Class-specific other income	4	Share of total other debt	61
Class-specific costs *)	(517)		
Share of tax	(31)	d. Units in circulation	
Share of total net profit for the year	1,970	Nominal (DKK 1,000)	47,299
		Quantity	472,996
*) Class-specific costs			
Marketing costs	163	e. Investors' assets	
Fees to custodian	63		
Other costs relating to asset management	226	e1. Units in circulation	
Other costs	5	Correction in connection with demerger	58,636
Fixed management fee	60	Redemptions during the year	(11,337)
Total class-specific costs	517	Total units in circulation	47,299
b. Distribution of profit		e2. Investors' assets	
		Correction in connection with demerger	53,022
b1. To be allocated		Redemptions during the year	(10,132)
Proposed distribution for the financial year	3,358	Correction of profit in connection with demerger	(2,667)
Brought forward for distribution next year	38	Net issue surcharges and redemption deductions	21
Available for distribution	3,396	Proposed distribution for the financial year	3,358
Brought forward to investors' assets	(1,426)	Brought forward from income statement	(1,426)
Total distribution	1,970	Brought forward for distribution next year	38
		Investors' assets at year-end	42,214
b2. Available for distribution ²⁾			
Share of interest	3,295		
Other income	4		
Share of non-refundable tax on coupons	(31)		
Share of capital gains for distribution	1,492		
Distribution adjustment in connection with issue/redemption concerning the above items	(937)		
Available for distribution before administrative costs	3,823		
Set-off of administrative costs	(517)		
Distribution adjustment of administrative costs in connection with issue/redemption	90		
Total administrative costs	(427)		
Available for distribution	3,396		

¹⁾ The unit class was launched on 13 June 2017 in connection with the demerger of HøjrenteLande Mix A DKK

²⁾ Incl proportional share of income for 1 Jan - 13 Jun 2017 from HøjrenteLande Mix A DKK

HøjrenteLande Mix Etik Akkumulerende KL

Fund report

Fund data and unit class data	HøjrenteLande Mix Etik I USD Acc
ISIN	DK0060792372
Date of establishment	10 February 2017
Launch date	3 April 2017
Listed	No
Currency	USD
Income fund	No
Denomination	100
Risk category	4
Approved for marketing in Germany	No
Benchmark	50% J.P. Morgan EMBI Global Diversified USD 50% J.P. Morgan GBI-EM Global Diversified USD
Secondary name	Emerging Market Sustainable Blended Debt Acc KL

Introduction

The fund report should be read together with the sections in the annual report "Financial markets in 2017" on page 6, "Asset developments" on page 10 and "Risks" on page 15 to provide a complete picture of developments. The evaluation by the Board of Directors and Executive Management regarding fund specific risks appears below. For further information on risks associated with investing in the fund, reference is made to the current prospectus which may be downloaded at www.sydinvest.dk, www.sydinvest.de and www.sydinvest.com.

Investment profile

The fund invests opportunistically in sovereign bonds issued by emerging market countries and can furthermore invest in a Frontier category of emerging market countries characterised by a particularly low level of development. The fund's assets can be invested across a number of emerging markets countries in local and in hard currencies, and the investment approach is expected to offer excess returns compared with funds investing in traditional bond markets.

To maintain a responsible and sustainable approach to its investments, the fund will apply a combination of an external and independent country exclusion list and an internal screening process across the entire investment universe as regards environmental, social and corporate governance (ESG) issues. Consequently the fund will at times restrict the universe regardless of the composition of the fund's reference benchmark.

The investment approach is thus a combination of an ESG country exclusion and screening process and an opportunistic investment style within the unrestricted investment universe. The active allocation will result in a blended portfolio that over time will deviate materially from the allocations of the fund's benchmark.

The fund is divided into the unit class HøjrenteLande Mix Etik I USD Acc.

Risk profile

The fund carries a somewhat higher risk than that of traditional bond funds. In the short term large fluctuations in return may occur. The fund invests in bonds issued in local currency and in USD, which in most cases are not hedged, whereas bonds issued in hard currencies other than USD may be hedged. Fund return depends on exchange rate movements, the level of interest rates and issuers' ability to service debt. The fund is suitable for investments with a time horizon of at least three years.

The fund is placed in risk category 4.

Developments

The development in the NAV of the unit class since its introduction on 3 April 2017 appears from the table below.

Unit class	Return	Benchmark
HøjrenteLande Mix Etik I USD Acc ¹⁾	8.25%	7.04%

¹⁾ The unit class was launched on 3 April 2017.

The market exceeded expectations at the beginning of the year and the fund outperformed its benchmark, see the table above. Country selection and asset allocation in hard currency in particular made a positive contribution to relative return.

2017 was a comeback year in relation to the sell-off of emerging market bonds in the wake of the election of Mr Trump in the USA. Higher economic growth in emerging market countries as well as in Europe and USA was a positive factor. Not even tighter monetary policy in USA and the outlook of monetary policy tightening in Europe spoiled the mood. Yields on emerging market bonds issued in local currency decreased thereby contributing positively to return. Emerging market currencies have appreciated against USD.

Market outlook

A decisive factor in 2018 will be whether monetary policy tightening in USA and Europe will lead to increasing long-term bond rates. This has not really been the case so far. We project higher US interest rates – short-term as well as long-term – in 2018 but as long as increases are not too fast and too big, emerging market bonds will be well positioned to resist them. The economic growth in emerging markets is high and with few exceptions current accounts are in better shape than five years ago.

We project that the fund will generate a return in 2018 on a par with or above its benchmark as the fund is actively managed.

HøjrenteLande Mix Etik Akkumulerende KL – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2017

(DKK 1,000)	2017 ¹⁾
Financial highlights	
Net profit for the year	(7,018)
Investors' assets	141,661
Financial ratios	
Portfolio turnover rate (PTR)	0.51

¹⁾ The unit class was launched on 3 April 2017 - first financial year 3 April - 31 Dec 2017.

Breakdown of profit for the year and investors' assets by unit class

(DKK 1,000)	2017	
	Net profit for the year	Investors' assets at year-end
HøjrenteLande Mix I USD Acc ¹⁾	(7,018)	141,661
Total	(7,018)	141,661

¹⁾ The unit class was launched on 3 April 2017.

INCOME STATEMENT

Note (DKK 1,000)	2017 ¹⁾	Note (DKK 1,000)	2017 ¹⁾
Interest and dividends		Distribution of profit from the unit classes	
1. Interest	7,532		
Total interest and dividends	7,532	To be allocated	
Capital gains and losses		Total brought forward to investors' assets	(7,018)
2. Bonds	(12,537)	Total distribution	(7,018)
2. Derivatives	(752)	Distribution of profit in the unit classes	
Currency accounts	(347)		
Other assets and liabilities	(1)	Brought forward to investors' assets	
3. Transaction costs, operating activities	(29)	HøjrenteLande Mix Etik I USD Acc	(7,018)
Total capital gains and losses	(13,666)	Total	(7,018)
Other income	1	¹⁾ The unit class was launched on 3 April 2017.	
Total income	(6,133)		
4. Administrative costs	(779)		
Pre-tax profit	(6,912)		
5. Tax	(106)		
Net profit for the year	(7,018)		

HøjrenteLande Mix Etik Akkumulerende KL – Financial Statements

BALANCE SHEET 31 DECEMBER 2017

Note (DKK 1,000)	2017	Note (DKK 1,000)	2017
ASSETS		LIABILITIES	
Liquid funds		6. Investors' assets *)	141,661
Deposits on margin accounts with custodian	<u>4,986</u>	Derivatives	
Total liquid funds	4,986	Unlisted derivatives	<u>124</u>
7. Bonds		Total derivatives	124
Listed bonds from foreign issuers	128,389	Other debt	
Unlisted bonds from foreign issuers	<u>6,240</u>	Payables	<u>216</u>
Total bonds	134,629	Total other debt	216
Derivatives		TOTAL LIABILITIES	142,001
Unlisted derivatives	<u>28</u>		
Total derivatives	28	*) Investors' assets by unit class	
Other assets		HøjrenteLande Mix Etik I USD Acc	<u>141,661</u>
Interest receivable, dividends receivable etc	2,196	Total	141,661
Receivables – unsettled transactions	<u>162</u>		
Total other assets	2,358		
TOTAL ASSETS	142,001		

HøjrenteLande Mix Etik Akkumulerende KL – Financial Statements

NOTES

Note (DKK 1,000)	2017	Note (DKK 1,000)	2017
1. Interest		4. Administrative costs	
Deposits with custodian	27		
Listed bonds from foreign issuers	7,080	Class-specific costs	
Unlisted bonds from foreign issuers	426	Fees to custodian	78
Interest expense and negative interest with custodian	<u>(1)</u>	Other costs relating to asset management	544
Total interest	7,532	Other costs	9
		Fixed management fee *)	<u>148</u>
2. Capital gains and losses		Total class-specific costs	779
		*) The management fee represents a "fixed management fee" which includes costs relating to the Board of Directors, Executive Management, audit etc. Total remuneration to the Board of Directors and Executive Management appears from the Directors' Report under "Remuneration of Board of Directors and Executive Management" to which reference is made.	
Bonds		Audit fees appear from joint note 2 to which reference is made.	
Listed bonds from foreign issuers	(12,121)		
Unlisted bonds from foreign issuers	<u>(416)</u>	5. Tax	
Total bonds	(12,537)	The fund is not liable to pay tax.	
		Adjustment – tax on coupons etc	<u>106</u>
Derivatives		Total tax	106
Forward exchange transactions/futures etc	(169)		
Forward interest transactions/futures etc	<u>(583)</u>		
Total derivatives	(752)		
3. Transaction costs		6. Investors' assets	
All transaction costs	47	Issues during the year	172,954
Covered by income from issue and redemption	<u>(18)</u>	Redemptions during the year	(25,243)
Transaction costs, operating activities	29	Net issue surcharges and redemption deductions	968
		Brought forward from income statement	<u>(7,018)</u>
		Investors' assets at year-end	141,661
		7. Financial instruments (securities)	
		A list of financial instruments (securities) is available free of charge from the investment management company.	

HøjrenteLande Mix Etik Akkumulerende KL – Financial Statements

SUPPLEMENTARY NOTES WITHOUT REFERENCE

Note (DKK 1,000)	2017	Note (DKK 1,000)	2017
a. Portfolio turnover		d. Bonds by country	
Market value of purchase of securities	249,010	Turkey	11.12%
Market value of sale of securities	<u>99,781</u>	Mexico	10.71%
Total market value	348,791	Indonesia	8.67%
		Poland	7.12%
		South Africa	6.54%
b. Breakdown of financial instruments		Brazil	6.47%
Listed financial instruments	90.64%	Colombia	5.77%
Financial instruments listed on other regulated market	4.40%	Dominican Republic	4.00%
Newly issued financial instruments for which listing on a stock exchange or other regulated market is planned	0.00%	Other	34.57%
Other financial instruments	<u>(0.07%)</u>	Cash, derivatives etc	<u>5.03%</u>
	94.97%	Total	100.00%
Other assets/other debt	<u>5.03%</u>		
Total	100.00%	e. Currency futures bought	
		USD	<u>12,412</u>
c. Bonds by duration		Total	12,412
Bonds > 6 yrs	46.41%		
Bonds 4-6 yrs	16.31%	f. Currency futures sold	
Bonds 2-4 yrs	23.50%	EUR	<u>(8,454)</u>
Bonds 0-2 yrs	8.75%	Total	(8,454)
Cash, derivatives etc	<u>5.03%</u>		
Total	100.00%	Underlying exposure –	
		g. forward exchange transactions	
		Currency	
		EUR	(15,298)
		USD	15,254
		h. Net collateral position	
		Collateral regarding derivatives	
		No collateral has been provided	

HøjrenteLande Mix Etik I USD Acc – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2017

(DKK 1,000)	2017 ¹⁾
Financial highlights	
Share of net profit for the year	(7,018)
Units in circulation nominal	130,863
Units in circulation quantity (USD)	211,056
Investors' assets	141,661
Financial ratios	
NAV per unit (USD)	108.25
Return in USD (%) [*]	8.25 %
Benchmark return in USD (%)	7.04 %
Total expense ratio	0.53 %
Annual percentage rate (APR) at 31 December	0.80 %

^{*}) Past performance is no guarantee of current or future performance.

¹⁾ The unit class was launched on 3 April 2017.

NOTES

Note (DKK 1,000)	2017 ¹⁾	Note (DKK 1,000)	2017 ¹⁾
a. Share of net profit for the year		d. Units in circulation	
Share of joint portfolio profit	(6,134)	Nominal (DKK 1,000)	130,863
Class-specific other income	1	Quantity (USD)	211,056
Class-specific costs [*])	(779)	e. Investors' assets	
Share of tax	<u>(106)</u>	e1. Units in circulation	
Share of total net profit for the year	(7,018)	Issues during the year	154,239
*) Class-specific costs		Redemptions during the year	<u>(23,376)</u>
Fees to custodian	78	Total units in circulation	130,863
Other costs relating to asset management	544	e2. Investors' assets	
Other costs	9	Issues during the year	172,954
Fixed management fee	<u>148</u>	Redemptions during the year	(25,243)
Total class-specific costs	779	Net issue surcharges and redemption deductions	968
b. Distribution of profit		Brought forward from income statement	<u>(7,018)</u>
Brought forward to investors' assets	(7,018)	Investors' assets at year-end	141,661
Total distribution	(7,018)	¹⁾ The unit class was launched on 3 April 2017.	
c. Share of other debt			
Payables (class-specific)	<u>216</u>		
Share of total other debt	216		

HøjrenteLande Valuta KL

Fund report

Fund data and unit class data	HøjrenteLande Valuta A DKK	HøjrenteLande Valuta W DKK d
ISIN	DK0016313810	DK0060815926
Date of establishment	25 April 2005	13 June 2017
Launch date	13 May 2005	13 June 2017
Listed	Yes	No
Currency	DKK	DKK
Income fund	Yes	Yes
Denomination	100	100
Risk category	4	4
Approved for marketing in Germany	No	No
Benchmark	J.P. Morgan Global Bond Index – Emerging Markets Global Diversified	
Secondary name	Emerging Market Currency Bonds KL	

Introduction

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Investment profile

The fund invests in short-term government bonds in local currency from high-yielding countries in Eastern Europe, Asia, Latin America and Africa. The fund pursues an active currency policy and will to a great extent be affected by exchange rate developments in the countries in which the fund invests.

The fund is divided into the unit classes HøjrenteLande Valuta A DKK and HøjrenteLande W DKK d. The investments in the individual unit classes are identical. The level of costs varies according to the unit class in which investors invest.

Risk profile

The fund carries a somewhat higher risk than that of traditional bond funds. In the short term large fluctuations in return may occur. The fund invests in bonds issued in local currency, which are generally not hedged. Consequently return is greatly influenced by exchange rate developments. Fund return depends on exchange rate movements, the level of interest rates and issuers' ability to service debt. The fund is suitable for investments with a time horizon of at least four years.

The fund is placed in risk category 4.

Developments

The development in the NAV of the unit classes in 2017 appears from the table below. The differences in returns are attributable to the level of costs in the individual classes.

Unit class	Return	Benchmark
HøjrenteLande Valuta A DKK	(1.81%)	1.34%
HøjrenteLande Valuta W DKK d ¹⁾	(1.61%)	1.34%

¹⁾ The unit class was launched on 13 June 2017 in connection with the demerger of HøjrenteLande Valuta A DKK. Return covers the period from 1 January to 31 December 2017.

The market fell short of expectations at the beginning of the year and the fund underperformed its benchmark, see the table above. In general relative performance was pulled down in 2017 by the fund's short duration because the benchmark yield dropped.

2017 was a comeback year in relation to the sell-off of emerging market bonds in the wake of the election of Mr Trump in the USA. Higher economic growth in emerging market countries as well as in Europe and USA was a positive factor. Not even tighter monetary policy in USA and the outlook of monetary policy tightening in Europe spoiled the mood. Yields on emerging market bonds issued in local currency decreased thereby contributing positively to return. Emerging market currencies have appreciated against USD. However the problem facing emerging market bonds issued in local currency has been a strong EUR/DKK against USD meaning that many emerging market currencies have weakened against DKK.

Market outlook

A decisive factor in 2018 will be whether monetary policy tightening in USA and Europe will lead to increasing long-term bond rates. This has not really been the case so far. We project higher US interest rates – short-term as well as long-term – in 2018 but as long as increases are not too fast and too big, emerging market bonds will be well positioned to resist them. The economic growth in emerging markets is high and with few exceptions current accounts are in better shape than five years ago.

We project that the fund will generate a return in 2018 on a par with or above its benchmark as the fund is actively managed.

HøjrenteLande Valuta KL – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2013-2017

(DKK 1,000)	2017	2016	2015	2014	2013
Financial highlights					
Net profit for the year	(21,440)	123,645	(86,973)	88,763	(294,425)
Investors' assets	1,164,739	1,124,531	1,557,528	2,031,252	2,329,450
Financial ratios					
Portfolio turnover rate (PTR)	0.73	0.45	0.75	0.74	0.45

Breakdown of profit for the year and investors' assets by unit class

(DKK 1,000)	2017		2016	
	Net profit for the year	Investors' assets at year-end	Net profit for the year	Investors' assets at year-end
HøjrenteLande Valuta A DKK	(21,030)	1,148,553	123,645	1,124,531
HøjrenteLande Valuta W DKK d ¹⁾	(410)	16,186	-	-
Total	(21,440)	1,164,739	123,645	1,124,531

¹⁾ The unit class was launched on 13 June 2017 in connection with the demerger of HøjrenteLande Valuta A DKK

INCOME STATEMENT

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
Interest and dividends			Distribution of profit from the unit classes		
1. Interest	74,576	88,338			
Total interest and dividends	74,576	88,338	To be allocated		
Capital gains and losses			Total proposed distribution for the financial year	0	0
2. Bonds	(79,568)	55,430	Total brought forward for distribution next year	(29,335)	(38,333)
2. Derivatives	30	1,395	Total available for distribution	(29,335)	(38,333)
Currency accounts	(727)	(3,914)	Total brought forward to investors' assets	7,895	161,977
Other assets and liabilities	(12)	0	Total distribution	(21,440)	123,644
3. Transaction costs, operating activities	(14)	(75)			
Total capital gains and losses	(80,291)	52,836	Distribution of profit in the unit classes		
Other income	59	120			
Total income	(5,656)	141,294	HøjrenteLande Valuta A DKK		
4. Administrative costs	(15,221)	(17,385)	Proposed distribution for the financial year	0	0
Pre-tax profit	(20,877)	123,909	Brought forward for distribution next year	(29,766)	(38,333)
5. Tax	(563)	(264)	Brought forward to investors' assets	8,736	161,977
Net profit for the year	(21,440)	123,645			
			HøjrenteLande Valuta W DKK d ¹⁾		
			Proposed distribution for the financial year	0	-
			Brought forward for distribution next year	431	-
			Brought forward to investors' assets	(841)	-

HøjrenteLande Valuta KL – Financial Statements

BALANCE SHEET 31 DECEMBER 2017

Note (DKK 1,000)	0	2016	Note (DKK 1,000)	0	2016
ASSETS			LIABILITIES		
Liquid funds			6. Investors' assets *)	1,164,739	1,124,531
Deposits with custodian	28,310	49,734	Derivatives		
Total liquid funds	28,310	49,734	Unlisted derivatives	414	63
7. Bonds			Total derivatives	414	63
Listed bonds from foreign issuers	1,040,896	964,117	Other debt		
Unlisted bonds from foreign issuers	81,812	99,430	Interest payable	3	4
Total bonds	1,122,708	1,063,547	Payables	3,533	3,497
Derivatives			Total other debt	3,536	3,501
Unlisted derivatives	75	116	TOTAL LIABILITIES	1,168,689	1,128,095
Total derivatives	75	116	*) Investors' assets by unit class		
Other assets			HøjrenteLande Valuta A DKK	1,148,553	1,124,531
Interest receivable, dividends receivable etc	16,477	14,698	HøjrenteLande Valuta W DKK d **)	16,186	-
Receivables – unsettled transactions	1,119	0	Total	1,164,739	1,124,531
Total other assets	17,596	14,698			
TOTAL ASSETS	1,168,689	1,128,095			

**) The unit class was launched on 13 June 2017.

HøjrenteLande Valuta KL – Financial Statements

NOTES

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
1. Interest			4. Administrative costs		
Deposits with custodian	170	280			
Listed bonds from foreign issuers	70,191	82,072	Class-specific costs		
Unlisted bonds from foreign issuers	4,326	6,062	Marketing costs	7,400	8,415
Interest expense and negative interest with custodian	(111)	(76)	Fees to custodian	919	992
Total interest	74,576	88,338	Other costs relating to asset management	5,163	6,035
			Other costs	91	0
2. Capital gains and losses			Fixed management fee *)	1,648	1,943
			Total class-specific costs	15,221	17,385
Bonds			*) The management fee represents a "fixed management fee" which includes costs relating to the Board of Directors, Executive Management, audit etc. Total remuneration to the Board of Directors and Executive Management appears from the Directors' Report under "Remuneration of Board of Directors and Executive Management" to which reference is made.		
Listed bonds from foreign issuers	(74,830)	58,209	Audit fees appear from joint note 2 to which reference is made.		
Unlisted bonds from foreign issuers	(4,738)	(2,779)			
Total bonds	(79,568)	55,430	5. Tax		
			The fund is not liable to pay tax.		
Derivatives			Adjustment – tax on coupons etc	563	264
Forward exchange transactions/futures etc	30	1,395	Total tax	563	264
Total derivatives	30	1,395			
			6. Investors' assets		
3. Transaction costs			Investors' assets at 1 Jan	1,124,531	1,557,528
All transaction costs	16	117	Issues during the year	118,618	39,155
Covered by income from issue and redemption	(2)	(42)	Redemptions during the year	(57,417)	(597,739)
Transaction costs, operating activities	14	75	Net issue surcharges and redemption deductions	447	1,943
			Distribution from last year concerning units in circulation at 31 Dec	0	0
			Proposed distribution for the financial year	0	0
			Brought forward from income statement	7,895	161,977
			Brought forward for distribution next year	(29,335)	(38,333)
			Investors' assets at year-end	1,164,739	1,124,531
			7. Financial instruments (securities)		
			A list of financial instruments (securities) is available free of charge from the investment management company.		

HøjrenteLande Valuta KL – Financial Statements

SUPPLEMENTARY NOTES WITHOUT REFERENCE

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
a. Portfolio turnover			d. Bonds by country		
Market value of purchase of securities	1,001,331	657,348	Poland	11.79%	9.54%
Market value of sale of securities	862,602	1,129,112	Brazil	10.32%	11.05%
Total market value	1,863,933	1,786,460	Mexico	9.89%	10.67%
			Russia	9.51%	7.12%
b. Breakdown of financial instruments			Supranationals	8.80%	9.40%
Listed financial instruments	89.37%	85.74%	Turkey	8.45%	8.10%
Financial instruments listed on other regulated market	7.02%	8.84%	South Africa	7.00%	8.78%
Newly issued financial instruments for which listing on a stock exchange or other regulated market is planned	0.00%	0.00%	Malaysia	5.46%	7.19%
Other financial instruments	(0.03%)	0.00%	Other	25.14%	22.73%
	96.36%	94.58%	Cash, derivatives etc	3.64%	5.42%
Other assets/other debt	3.64%	5.42%	Total	100.00%	100.00%
Total	100.00%	100.00%	Underlying exposure –		
			e. forward exchange transactions		
c. Bonds by duration			Currency		
Bonds 4-6 yrs	0.54%	0.00%	CZK	11,578	0
Bonds 2-4 yrs	17.66%	24.33%	DKK	15,152	(8,026)
Bonds 0-2 yrs	78.16%	70.25%	EUR	(50)	0
Cash, derivatives etc	3.64%	5.42%	HUF	(11,883)	0
Total	100.00%	100.00%	USD	(15,191)	8,107
			f. Net collateral position		
			No collateral has been provided		

HøjrenteLande Valuta A DKK – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2013-2017

(DKK 1,000)	2017 ¹⁾	2016	2015	2014	2013
Financial highlights					
Share of net profit for the year	(21,030)	123,645	(86,973)	88,763	(294,425)
Units in circulation nominal	1,072,549	1,031,074	1,581,999	1,970,849	2,261,500
Units in circulation quantity	10,725,490	10,310,742	15,819,989	19,708,489	22,614,994
Investors' assets	1,148,553	1,124,531	1,557,528	2,031,252	2,329,450
Financial ratios					
NAV per unit	107.09	109.06	98.45	103.06	103.00
Dividend per unit	0.00	0.00	0.00	0.00	4.40
Return (%) *)	(1.81%)	10.78%	(4.47%)	4.57%	(10.97%)
Benchmark return (%)	1.34%	12.82%	(5.02%)	7.16%	(12.92%)
Total expense ratio	1.33%	1.36%	1.32%	1.31%	1.27%
Annual percentage rate (APR) at 31 December	1.41%	1.41%	1.56%	1.61%	1.66%
Sharpe Ratio (5 yrs)	(0.08)	0.18	(0.15)	0.50	0.80
Standard deviation (5 yrs)	7.46	7.74	7.48	6.86	7.80

*) Past performance is no guarantee of current or future performance.

¹⁾ The fund was converted to a unit class on 13 June 2017.

HøjrenteLande Valuta A DKK – Financial Statements

NOTES

Note (DKK 1,000)	2017 ¹⁾	2016	Note (DKK 1,000)	2017 ¹⁾	2016
a. Share of net profit for the year			c. Share of other debt		
Share of joint portfolio profit	(5,409)	141,173	Payables (class-specific)	3,510	3,497
Class-specific other income	59	120	Share of total other debt	3,510	3,497
Class-specific costs *)	(15,124)	(17,385)	d. Units in circulation		
Share of tax	(556)	(264)	Nominal (DKK 1,000)	1,072,549	1,031,074
Share of total net profit for the year	(21,030)	123,644	Quantity	10,725,490	10,310,742
*) Class-specific costs			e. Investors' assets		
Marketing costs	7,382	8,415	e1. Units in circulation		
Fees to custodian	908	992	Units in circulation at 1 Jan	1,031,074	1,581,999
Other costs relating to asset management	5,111	6,035	Correction in connection with demerger	(5,513)	0
Other costs	88	0	Issues during the year	96,583	36,930
Fixed management fee	1,635	1,943	Redemptions during the year	(49,595)	(587,855)
Total class-specific costs	15,124	17,385	Total units in circulation	1,072,549	1,031,074
b. Distribution of profit			e2. Investors' assets		
b1. To be allocated			Investors' assets at 1 Jan	1,124,531	1,557,528
Proposed distribution for the financial year	0	0	Correction in connection with demerger	(6,148)	0
Brought forward for distribution next year	(29,766)	(38,333)	Issues during the year	105,338	39,155
Available for distribution	(29,766)	(38,333)	Redemptions during the year	(54,720)	(597,739)
Brought forward to investors' assets	8,736	161,977	Correction of profit in connection with demerger	138	0
Total distribution	(21,030)	123,644	Net issue surcharges and redemption deductions	444	1,943
b2. Available for distribution			Distribution from last year concerning units in circulation at 31 Dec	0	0
Brought forward for distribution from last year	(38,333)	(142,455)	Proposed distribution for the financial year	0	0
Adjustment of brought forward for distribution from last year – demerger	209	0	Brought forward from income statement	8,736	161,977
Share of interest	73,939	88,414	Brought forward for distribution next year	(29,766)	(38,333)
Other income	59	120	Investors' assets at year-end	1,148,553	1,124,531
Share of non-refundable tax on coupons	(556)	(264)	¹⁾ The fund was converted to a unit class on 13 June 2017.		
Share of capital gains for distribution	(63,307)	(42,398)			
Distribution adjustment in connection with issue/redemption concerning the above items	(1,777)	58,250			
Available for distribution before administrative costs	(29,766)	(38,333)			
Set-off of administrative costs	0	0			
Distribution adjustment of administrative costs in connection with issue/redemption	0	0			
Total administrative costs	0	0			
Available for distribution	(29,766)	(38,333)			

HøjrenteLande Valuta W DKK d – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2017

(DKK 1,000)	2017 ¹⁾
Financial highlights	
Share of net profit for the year	(410)
Units in circulation nominal	15,084
Units in circulation quantity	150,835
Investors' assets	16,186
Financial ratios	
NAV per unit	107.31
Dividend per unit	0.00
Return (%) ^{1) 2)}	(1.61%)
Benchmark return (%) ²⁾	1.34%
Total expense ratio	0.78%
Annual percentage rate (APR) at 31 December	0.69%
Sharpe Ratio (5 yrs)	(0.08)
Standard deviation (5 yrs)	7.46

***) Past performance is no guarantee of current or future performance.**

¹⁾ The unit class was launched on 13 June 2017 in connection with the demerger of HøjrenteLande Valuta A DKK

²⁾ Return for the period 1 Jan - 31 Dec 2017

HøjrenteLande Valuta W DKK d – Financial Statements

NOTES

Note (DKK 1,000)	2017 ¹⁾	Note (DKK 1,000)	2017 ¹⁾
a. Share of net profit for the year		c. Share of other debt	
Share of joint portfolio profit	(306)	Payables (class-specific)	<u>23</u>
Class-specific other income	1	Share of total other debt	23
Class-specific costs *)	(97)		
Share of tax	<u>(8)</u>	d. Units in circulation	
Share of total net profit for the year	(410)	Nominal (DKK 1,000)	15,084
		Quantity	150,835
*) Class-specific costs			
Marketing costs	18	e. Investors' assets	
Fees to custodian	12		
Other costs relating to asset management	52	e1. Units in circulation	
Other costs	3	Correction in connection with demerger	5,513
Fixed management fee	<u>12</u>	Issues during the year	12,071
Total class-specific costs	97	Redemptions during the year	<u>(2,500)</u>
		Total units in circulation	15,084
b. Distribution of profit			
		e2. Investors' assets	
b1. To be allocated		Correction in connection with demerger	6,148
Proposed distribution for the financial year	0	Issues during the year	13,280
Brought forward for distribution next year	<u>431</u>	Redemptions during the year	(2,697)
Available for distribution	431	Correction of profit in connection with demerger	(138)
<u>Brought forward to investors' assets</u>	<u>(841)</u>	Net issue surcharges and redemption deductions	3
Total distribution	(410)	Proposed distribution for the financial year	0
		Brought forward from income statement	(841)
b2. Available for distribution ²⁾		Brought forward for distribution next year	<u>431</u>
Adjustment of brought forward for distribution from last year – demerger	(209)	Investors' assets at year-end	16,186
Share of interest	748		
Other income	1	¹⁾ The unit class was launched on 13 June 2017 in connection with the demerger of HøjrenteLande Valuta A DKK	
Share of non-refundable tax on coupons	(8)		
Share of capital gains for distribution	(528)	²⁾ Incl proportional share of income for 1 Jan - 13 Jun 2017 from HøjrenteLande Valuta A DKK	
Distribution adjustment in connection with issue/redemption concerning the above items	<u>(435)</u>		
Available for distribution before administrative costs	<u>(431)</u>		
Set-off of administrative costs	0		
Distribution adjustment of administrative costs in connection with issue/redemption	<u>0</u>		
Total administrative costs	<u>0</u>		
Available for distribution	(431)		

International KL

Fund report

Fund data and

unit class data	International A DKK	International Bonds B EUR d	International W DKK d
ISIN	DK0010140805	DK0060626018	DK0060815173
Date of establishment	28 August 1989	24 April 2015	13 June 2017
Launch date	2 October 1989	24 April 2015	13 June 2017
Listed	Yes	No	No
Currency	DKK	EUR	DKK
Income fund	Yes	Yes	Yes
Denomination	100	10	100
Risk category	4	4	4
Approved for marketing in Germany	No	Yes	No
Benchmark	J.P. Morgan Global Government		
Secondary name	International Bonds KL		

Introduction

The fund report should be read together with the sections in the annual report "Financial markets in 2017" on page 6, "Asset developments" on page 10 and "Risks" on page 15 to provide a complete picture of developments. The evaluation by the Board of Directors and Executive Management regarding fund specific risks appears below. For further information on risks associated with investing in the fund, reference is made to the current prospectus which may be downloaded at www.sydinvest.dk, www.sydinvest.de and www.sydinvest.com.

Investment profile

The fund invests in foreign bonds. The bonds in the fund are issued in currencies other than DKK. The fund aims to utilise movements in the bond prices and exchange rates of the various countries to increase fund return. The fund pursues an active currency policy and will to a great extent be affected by exchange rate developments in the countries in which the fund invests.

The fund is divided into the unit classes International A DKK, International Bonds B EUR d and International W DKK d. The investments in the individual unit classes are identical. The level of costs varies according to the unit class in which investors invest.

Risk profile

The fund invests broadly in global bonds. Risk is reduced by spreading investments across several markets, thereby taking into account regional cyclical fluctuations. Fund return is affected by changes in bond prices and exchange rates. The fund is suitable for investments with a time horizon of at least three years.

The fund is placed in risk category 4.

Developments

The development in the NAV of the unit classes in 2017 appears from the table below. The differences in returns are attributable to the level of costs in the individual classes and the fact that fund currency varies in the individual unit classes. The different currencies also explain the difference in the development of the benchmark.

Unit class	Return	Benchmark
International A DKK	(6.62%)	(5.57%)
International Bonds B EUR d	(6.54%)	(5.70%)
International W DKK d ¹⁾	(6.32%)	(5.57%)

¹⁾ The unit class was launched on 13 June 2017 in connection with the demerger of International A DKK. Return covers the period from 1 January to 31 December 2017.

The market fell short of expectations at the beginning of the year and the fund underperformed its benchmark, see the table above.

Solid growth, low unemployment and monetary policy tightening in 2017 resulted in an upward pressure on short US interest rates whereas low inflation caused a decline in 30-year rates. The tighter monetary policy was not enough to strengthen USD which unexpectedly dropped by 11% against DKK in 2017.

A surprisingly strong development in the European economy in 2017 together with a not quite as expansive monetary policy on the part of the ECB resulted in a strengthening of EUR and higher interest rates in Europe. However low inflation contributed to limiting interest rate increases.

The fund's return is lower than the change in its benchmark. This is due mainly to the costs of running the fund. Less these costs the fund has performed on a par with its benchmark. In 2017 we profited on our Mexican bonds and our underweight in USD whereas unfortunately we have not gained on the downward trend in yields on long-term US bonds in 2017.

Outlook

We anticipate that continued strong growth in the world economy and slightly increasing inflation as well as further monetary policy tightening in USA and Europe alike will lead to an upward pressure on international interest rates in 2018. It will probably also contribute to lifting the downward pressure on USD in 2018.

We project that the fund will generate a return in 2018 on a par with or above its benchmark as the fund is actively managed.

International KL – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2013-2017

(DKK 1,000)	2017	2016	2015	2014	2013
Financial highlights					
Net profit for the year	(26,574)	(15,887)	20,130	45,857	(22,106)
Investors' assets	345,069	526,116	997,407	649,350	431,494
Financial ratios					
Portfolio turnover rate (PTR)	0.00	0.56	0.02	0.43	0.12

Breakdown of profit for the year and investors' assets by unit class

(DKK 1,000)	2017		2016	
	Net profit for the year	Investors' assets at year-end	Net profit for the year	Investors' assets at year-end
International A DKK	(22,549)	249,167	(15,174)	493,214
International Bonds B EUR d	(1,270)	11,609	(713)	32,902
International W DKK d ¹⁾	(2,755)	84,293	-	-
Total	(26,574)	345,069	(15,887)	526,116

¹⁾ The unit class was launched on 13 June 2017 in connection with the demerger of International A DKK

International KL – Financial Statements

INCOME STATEMENT

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
Interest and dividends			Distribution of profit in the unit classes		
1. Interest	7,989	22,278			
Total interest and dividends	7,989	22,278	International A DKK		
Capital gains and losses			Proposed distribution for the financial year	681	0
2. Bonds	(27,869)	(31,242)	Brought forward for distribution next year	219	(5,600)
2. Derivatives	(242)	(2,599)	Brought forward to investors' assets	(23,449)	(9,574)
Currency accounts	(2,615)	3,723			
3. Transaction costs, operating activities	(32)	(597)	International Bonds B EUR d		
Total capital gains and losses	(30,758)	(30,715)	Proposed distribution for the financial year	218	499
Other income	28	35	Brought forward for distribution next year	13	0
Total income	(22,741)	(8,402)	Brought forward to investors' assets	(1,501)	(1,212)
4. Administrative costs	(3,833)	(7,485)			
Net profit for the year	(26,574)	(15,887)	International W DKK d ^(*)		
Distribution of profit from the unit classes			Proposed distribution for the financial year	383	-
To be allocated			Brought forward for distribution next year	71	-
Total proposed distribution for the financial year	1,282	499	Brought forward to investors' assets	(3,209)	-
Total brought forward for distribution next year	303	(5,600)			
Total available for distribution	1,585	(5,101)			
Total brought forward to investors' assets	(28,159)	(10,786)			
Total distribution	(26,574)	(15,887)			

International KL – Financial Statements

BALANCE SHEET 31 DECEMBER 2017

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
ASSETS			LIABILITIES		
Liquid funds			5. Investors' assets *)	345,069	526,116
Deposits with custodian	4,448	2,124	Other debt		
Total liquid funds	4,448	2,124	Payables	736	1,273
6. Bonds			Payables – unsettled transactions	2,200	0
Listed bonds from Danish issuers	20,131	29,181	Total other debt	2,936	1,273
Listed bonds from foreign issuers	306,245	493,870	TOTAL LIABILITIES	348,005	527,389
Unlisted bonds from foreign issuers	15,510	0			
Total bonds	341,886	523,051	*) Investors' assets by unit class		
Other assets			International A DKK	249,167	493,214
Interest receivable, dividends receivable etc	1,671	2,214	International Bonds B EUR d	11,609	32,902
Total other assets	1,671	2,214	International W DKK d **)	84,293	-
TOTAL ASSETS	348,005	527,389	Total	345,069	526,116

**) The unit class was launched on 13 June 2017.

International KL – Financial Statements

NOTES

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
1. Interest			4. Administrative costs		
Deposits with custodian	115	9			
Listed bonds from Danish issuers	246	408	Class-specific costs		
Listed bonds from foreign issuers	7,277	21,835	Marketing costs	1,841	3,801
Unlisted bonds from foreign issuers	356	32	Fees to custodian	334	572
Interest expense and negative interest with custodian	(5)	(6)	Other costs relating to asset management	1,048	1,937
Total interest	7,989	22,278	Other costs	22	1
			Fixed management fee *)	588	1,174
2. Capital gains and losses			Total class-specific costs	3,833	7,485
			*) The management fee represents a "fixed management fee" which includes costs relating to the Board of Directors, Executive Management, audit etc. Total remuneration to the Board of Directors and Executive Management appears from the Directors' Report under "Remuneration of Board of Directors and Executive Management" to which reference is made.		
Bonds			Audit fees appear from joint note 2 to which reference is made.		
Listed bonds from Danish issuers	(2,857)	411			
Listed bonds from foreign issuers	(24,289)	(31,653)	5. Investors' assets		
Unlisted bonds from foreign issuers	(723)	0	Investors' assets at 1 Jan	526,116	997,407
Total bonds	(27,869)	(31,242)	Issues during the year	86,213	18,990
			Redemptions during the year	(240,369)	(436,201)
Derivatives			Net issue surcharges and redemption deductions	164	534
Forward exchange transactions/futures etc	229	(4,070)	Distribution from last year concerning units in circulation at 31 Dec	(499)	(41,245)
Forward interest transactions/futures etc	(471)	1,471	Changes in dividend distribution due to issues/redemptions	18	2,518
Total derivatives	(242)	(2,599)	Proposed distribution for the financial year	1,282	499
			Brought forward from income statement	(28,159)	(10,786)
3. Transaction costs			Brought forward for distribution next year	303	(5,600)
All transaction costs	136	878	Investors' assets at year-end	345,069	526,116
Covered by income from issue and redemption	(104)	(281)			
Transaction costs, operating activities	32	597			
			6. Financial instruments (securities)		
			A list of financial instruments (securities) is available free of charge from the investment management company.		

International KL – Financial Statements

SUPPLEMENTARY NOTES WITHOUT REFERENCE

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
a. Portfolio turnover			d. Bonds by country		
Market value of purchase of securities	16,234	436,174	USD	33.49%	40.69%
Market value of sale of securities	169,530	859,954	EUR	23.99%	22.25%
Total market value	185,764	1,296,128	JPY	21.03%	18.37%
			MXN	4.87%	4.08%
b. Breakdown of financial instruments			AUD	4.43%	3.99%
Listed financial instruments	94.59%	99.42%	GBP	4.39%	4.14%
Financial instruments listed on other regulated market	4.49%	0.00%	CAD	4.04%	3.47%
Newly issued financial instruments for which listing on a stock exchange or other regulated market is planned	0.00%	0.00%	NZD	3.73%	2.93%
Other financial instruments	0.00%	0.00%	Other	(0.89%)	(0.50%)
			Cash, derivatives etc	0.92%	0.58%
	99.08%	99.42%	Total	100.00%	100.00%
Other assets/other debt	0.92%	0.58%			
Total	100.00%	100.00%	e. Currency futures sold		
c. Bonds by duration			USD	0	(25,604)
Bonds > 6 yrs	71.77%	53.30%	Total	0	(25,604)
Bonds 4-6 yrs	0.00%	9.00%			
Bonds 2-4 yrs	14.18%	7.99%			
Bonds 0-2 yrs	13.13%	29.13%			
Cash, derivatives etc	0.92%	0.58%			
Total	100.00%	100.00%			

International A DKK – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2013-2017

(DKK 1,000)	2017	2016	2015 ¹⁾	2014	2013
Financial highlights					
Share of net profit for the year	(22,549)	(15,174)	22,009	45,857	(22,106)
Units in circulation nominal	227,011	419,624	763,378	515,469	378,895
Units in circulation quantity	2,270,111	4,196,239	7,633,782	5,164,692	3,788,948
Investors' assets	249,167	493,214	956,119	649,350	431,494
Financial ratios					
NAV per unit	109.76	117.54	125.25	125.73	113.88
Dividend per unit	0.30	0.00	5.30	6.20	0.00
Return (%) *)	(6.62%)	(1.91%)	4.35%	10.40%	(4.56%)
Benchmark return (%)	(5.57%)	4.05%	8.35%	14.40%	(8.20%)
Total expense ratio	1.01%	1.00%	0.93%	0.82%	0.73%
Annual percentage rate (APR) at 31 December	1.08%	1.09%	1.18%	1.16%	0.92%
Sharpe Ratio (5 yrs)	0.04	0.59	0.68	1.17	1.13
Standard deviation (5 yrs)	5.49	5.88	6.08	5.12	5.80

*) Past performance is no guarantee of current or future performance.

¹⁾ The fund was converted to a unit class on 24 April 2015.

International A DKK – Financial Statements

NOTES

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
a. Share of net profit for the year			c. Share of other debt		
Share of joint portfolio profit	(19,099)	(8,015)	Payables (class-specific)	570	1,149
Class-specific other income	24	33	Payables – unsettled transactions	2,200	0
Class-specific costs *)	(3,474)	(7,192)	Share of total other debt	2,770	1,149
Share of total net profit for the year	(22,549)	(15,174)			
*) Class-specific costs			d. Units in circulation		
Marketing costs	1,762	3,690	Nominal (DKK 1,000)	227,011	419,624
Fees to custodian	303	545	Quantity	2,270,111	4,196,239
Other costs relating to asset management	884	1,845	e. Investors' assets		
Other costs	16	1	e1. Units in circulation		
Fixed management fee	509	1,111	Units in circulation at 1 Jan	419,624	763,378
Total class-specific costs	3,474	7,192	Correction in connection with demerger	(4,694)	0
b. Distribution of profit			Issues during the year	0	15,939
b1. To be allocated			Redemptions during the year	(187,919)	(359,693)
Proposed distribution for the financial year	681	0	Total units in circulation	227,011	419,624
Brought forward for distribution next year	219	(5,600)	e2. Investors' assets		
Available for distribution	900	(5,600)	Investors' assets at 1 Jan	493,214	956,119
Brought forward to investors' assets	(23,449)	(9,574)	Correction in connection with demerger	(5,453)	0
Total distribution	(22,549)	(15,174)	Issues during the year	0	18,829
b2. Available for distribution			Redemptions during the year	(216,103)	(429,090)
Brought forward for distribution from last year	(5,600)	270	Net issue surcharges and redemption deductions	58	498
Adjustment of brought forward for distribution from last year – demerger	76	0	Distribution from last year concerning units in circulation at 31 Dec	0	(40,459)
Share of interest	6,777	21,255	Changes in dividend distribution due to issues/redemptions	0	2,491
Other income	24	33	Proposed distribution for the financial year	681	0
Share of capital gains for distribution	3,552	(30,384)	Brought forward from income statement	(23,449)	(9,574)
Distribution adjustment in connection with issue/redemption concerning the above items	(1,403)	3,226	Brought forward for distribution next year	219	(5,600)
Available for distribution before administrative costs	3,426	(5,600)	Investors' assets at year-end	249,167	493,214
Set-off of administrative costs	(3,474)	0			
Distribution adjustment of administrative costs in connection with issue/redemption	948	0			
Total administrative costs	(2,526)	0			
Available for distribution	900	(5,600)			

International Bonds B EUR d – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2015-2017

(DKK 1,000)	2017	2016	2015 ¹⁾
Financial highlights			
Share of net profit for the year	(1,270)	(713)	(1,879)
Units in circulation nominal	13,641	34,655	42,077
Units in circulation quantity (EUR)	183,218	478,610	578,211
Investors' assets	11,609	32,902	41,288
Financial ratios			
NAV per unit (EUR)	8.51	9.25	9.57
Dividend per unit (EUR)	0.16	0.14	0.19
Return in EUR (%) [*]	(6.54%)	(1.39%)	(4.32%)
Benchmark return in EUR (%)	(5.70%)	4.43 %	(1.81%)
Total expense ratio	0.80%	0.81 %	0.49%
Annual percentage rate (APR) at 31 December	1.23%	1.23 %	1.17%

^{*}) Past performance is no guarantee of current or future performance.

¹⁾ The unit class was launched on 24 April 2015.

International Bonds B EUR d – Financial Statements

NOTES

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
a. Share of net profit for the year			c. Share of other debt		
Share of joint portfolio profit	(1,105)	(421)	Payables (class-specific)	22	51
Class-specific other income	2	2	Share of total other debt	22	51
Class-specific costs *)	(167)	(294)			
Share of total net profit for the year	(1,270)	(713)	d. Units in circulation		
			Nominal (DKK 1,000)	13,641	34,654
*) Class-specific costs			Quantity (EUR)	183,218	478,610
Marketing costs	66	111	e. Investors' assets		
Fees to custodian	9	28	e1. Units in circulation		
Other costs relating to asset management	55	92	Units in circulation at 1 Jan	34,654	42,077
Other costs	1	0	Exchange rate adjustment of units in circulation at 1 Jan	980	0
Fixed management fee	36	63	Issues during the year	256	177
Total class-specific costs	167	294	Redemptions during the year	(22,249)	(7,600)
			Total units in circulation	13,641	34,654
b. Distribution of profit			e2. Investors' assets		
b1. To be allocated			Investors' assets at 1 Jan	32,902	41,288
Proposed distribution for the financial year	218	499	Issues during the year	234	161
Brought forward for distribution next year	13	0	Redemptions during the year	(19,809)	(7,111)
Available for distribution	231	499	Net issue surcharges and redemption deductions	33	36
Brought forward to investors' assets	(1,501)	(1,212)	Distribution from last year concerning units in circulation at 31 Dec	(499)	(786)
Total distribution	(1,270)	(713)	Changes in dividend distribution due to issues/redemptions	18	27
			Proposed distribution for the financial year	218	499
b2. Available for distribution			Brought forward from income statement	(1,501)	(1,212)
Brought forward for distribution from last year	0	390	Brought forward for distribution next year	13	0
Ekstra udlodning juni 2016	0	(355)	Investors' assets at year-end	11,609	32,902
Share of interest	422	1,030			
Other income	2	2			
Share of capital gains for distribution	358	(1,474)			
Distribution adjustment in connection with issue/redemption concerning the above items	(479)	(1)			
Available for distribution before administrative costs	303	(408)			
Set-off of administrative costs	(167)	(294)			
Distribution adjustment of administrative costs in connection with issue/redemption	95	24			
Total administrative costs	(72)	(270)			
Available for distribution, gross	231	(678)			
Voluntary distribution	0	1,177			
Available for distribution	231	499			

International W DKK d – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2017

(DKK 1,000)	2017 ¹⁾
Financial highlights	
Share of net profit for the year	(2,755)
Units in circulation nominal	76,552
Units in circulation quantity	765,522
Investors' assets	84,293
Financial ratios	
NAV per unit	110.11
Dividend per unit	0.50
Return (%) ^{1) 2)}	(6.32%)
Benchmark return (%) ²⁾	(5.57%)
Total expense ratio	0.43%
Annual percentage rate (APR) at 31 December	0.51%
Sharpe Ratio (5 yrs)	0.05
Standard deviation (5 yrs)	5.48

***) Past performance is no guarantee of current or future performance.**

¹⁾ The unit class was launched on 13 June 2017 in connection with the demerger of International ADKK

²⁾ Return for the period 1 Jan - 31 Dec 2017

International W DKK d – Financial Statements

NOTES

Note (DKK 1,000)	2017 ¹⁾	Note (DKK 1,000)	2017 ¹⁾
a. Share of net profit for the year		c. Share of other debt	
Share of joint portfolio profit	(2,564)	Payables (class-specific)	71
Class-specific other income	2	Share of total other debt	71
Class-specific costs *)	<u>(193)</u>		
Share of total net profit for the year	(2,755)	d. Units in circulation	
		Nominal (DKK 1,000)	76,552
*) Class-specific costs		Quantity	765,522
Marketing costs	18	e. Investors' assets	
Fees to custodian	12	e1. Units in circulation	
Other costs relating to asset management	52	Correction in connection with demerger	4,694
Other costs	3	Issues during the year	75,858
Fixed management fee	<u>12</u>	Redemptions during the year	<u>(4,000)</u>
Total class-specific costs	97	Total units in circulation	76,552
b. Distribution of profit		e2. Investors' assets	
b1. To be allocated		Correction in connection with demerger	5,453
Proposed distribution for the financial year	383	Issues during the year	85,979
Brought forward for distribution next year	<u>71</u>	Redemptions during the year	(4,457)
Available for distribution	454	Net issue surcharges and redemption deductions	73
<u>Brought forward to investors' assets</u>	<u>(3,209)</u>	Proposed distribution for the financial year	383
Total distribution	(2,755)	Brought forward from income statement	(3,209)
b2. Available for distribution ²⁾		Brought forward for distribution next year	<u>71</u>
Adjustment of brought forward for distribution from last year – demerger	(76)	Investors' assets at year-end	84,293
Share of interest	795	¹⁾ The unit class was launched on 13 June 2017 in connection with the demerger of International A DKK	
Other income	2	²⁾ Incl proportional share of income for 1 Jan - 13 Jun 2017 from International A DKK	
Share of capital gains for distribution	(762)		
Distribution adjustment in connection with issue/redemption concerning the above items	<u>1,078</u>		
Available for distribution before administrative costs	<u>1,037</u>		
Set-off of administrative costs	(193)		
Distribution adjustment of administrative costs in connection with issue/redemption	<u>(390)</u>		
Total administrative costs	<u>(583)</u>		
Available for distribution	454		

International Akkumulerende KL

Fund report

Fund data and unit class data	International Bonds B EUR Acc
ISIN	DK0060647014
Date of establishment	8 July 2015
Launch date	18 September 2015
Listed	No
Currency	EUR
Income fund	No
Denomination	10
Risk category	4
Approved for marketing in Germany	Yes
Benchmark	J.P. Morgan Global Government
Secondary name	International Bonds Acc KL

Introduction

The fund report should be read together with the sections in the annual report "Financial markets in 2017" on page 6, "Asset developments" on page 10 and "Risks" on page 15 to provide a complete picture of developments. The evaluation by the Board of Directors and Executive Management regarding fund specific risks appears below. For further information on risks associated with investing in the fund, reference is made to the current prospectus which may be downloaded at www.sydinvest.dk, www.sydinvest.de and www.sydinvest.com.

Investment profile

The fund invests in foreign bonds. The bonds in the fund are issued in currencies other than DKK. The fund aims to utilise movements in the bond prices and exchange rates of the various countries to increase fund return. The fund pursues an active currency policy and will to a great extent be affected by exchange rate developments in the countries in which the fund invests.

The fund is divided into the unit class International Bonds B EUR Acc.

Risk profile

The fund invests broadly in global bonds. Risk is reduced by spreading investments across several markets, thereby taking into account regional cyclical fluctuations. Fund return is affected by changes in bond prices and exchange rates. The fund is suitable for investments with a time horizon of at least three years.

The fund is placed in risk category 4.

Developments

The development in the NAV of the unit class in 2017 appears from the table below.

Unit class	Return	Benchmark
International Bonds B EUR Acc	(6.92%)	(5.70%)

The market fell short of expectations at the beginning of the year and the fund underperformed its benchmark, see the table above.

Solid growth, low unemployment and monetary policy tightening in 2017 resulted in an upward pressure on short US interest rates whereas low inflation caused a decline in 30-year rates. The tighter monetary policy was not enough to strengthen USD which unexpectedly dropped by 11% against DKK in 2017.

A surprisingly strong development in the European economy in 2017 together with a not quite as expansive monetary policy on the part of the ECB resulted in a strengthening of EUR and higher interest rates in Europe. However low inflation contributed to limiting interest rate increases.

The fund's return is lower than the change in its benchmark. This is due mainly to the costs of running the fund. Less these costs the fund has performed on a par with its benchmark. In 2017 we profited on our Mexican bonds and our underweight in USD whereas unfortunately we have not gained on the downward trend in yields on long-term US bonds in 2017.

Outlook

We anticipate that continued strong growth in the world economy and slightly increasing inflation as well as further monetary policy tightening in USA and Europe alike will lead to an upward pressure on international interest rates in 2018. It will probably also contribute to lifting the downward pressure on USD in 2018.

We project that the fund will generate a return in 2018 on a par with or above its benchmark as the fund is actively managed.

International Akkumulerende KL – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2015-2017

(DKK 1,000)	2017	2016	2015 ¹⁾
Financial highlights			
Net profit for the year	(3,254)	(1,688)	2,309
Investors' assets	36,670	64,744	83,379
Financial ratios			
Portfolio turnover rate (PTR)	0.03	0.65	0.03

¹⁾ The fund was launched on 18 September 2015.

Breakdown of profit for the year and investors' assets by unit class

(DKK 1,000)	2017		2016	
	Net profit for the year	Investors' assets at year-end	Net profit for the year	Investors' assets at year-end
International Bonds B EUR Acc	(3,254)	36,670	(1,688)	64,744
Total	(3,254)	36,670	(1,688)	64,744

INCOME STATEMENT

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
Interest and dividends			Distribution of profit from the unit classes		
1. Interest	1,067	2,183			
Total interest and dividends	1,067	2,183	To be allocated		
Capital gains and losses			Total brought forward to investors' assets	(3,254)	(1,688)
2. Bonds	(3,725)	(3,046)	Total distribution	(3,254)	(1,688)
2. Derivatives	(14)	(558)			
Currency accounts	(178)	375	Distribution of profit in the unit classes		
3. Transaction costs, operating activities	(19)	(71)			
Total capital gains and losses	(3,936)	(3,300)	Brought forward to investors' assets		
Other income	1	4	International Bonds B EUR Acc	(3,254)	(1,688)
Total income	(2,868)	(1,113)	Total	(3,254)	(1,688)
4. Administrative costs	(386)	(575)			
Net profit for the year	(3,254)	(1,688)			

International Akkumulerende KL – Financial Statements

BALANCE SHEET 31 DECEMBER 2017

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
ASSETS			LIABILITIES		
Liquid funds			5. Investors' assets *)	36,670	64,744
Deposits with custodian	1,381	696	Other debt		
Total liquid funds	1,381	696	Payables	68	113
6. Bonds			Payables – unsettled transactions	405	148
Listed bonds from Danish issuers	2,478	5,977	Total other debt	473	261
Listed bonds from foreign issuers	31,286	58,078	TOTAL LIABILITIES	37,143	65,005
Unlisted bonds from foreign issuers	1,840	0			
Total bonds	35,604	64,055	*) Investors' assets by unit class		
Other assets			International Bonds B EUR Acc	36,670	64,744
Interest receivable, dividends receivable etc	158	254	Total	36,670	64,744
Total other assets	158	254			
TOTAL ASSETS	37,143	65,005			

International Akkumulerende KL – Financial Statements

NOTES

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
1. Interest			4. Administrative costs		
Deposits with custodian	9	4			
Listed bonds from Danish issuers	36	60	Class-specific costs		
Listed bonds from foreign issuers	982	2,126	Marketing costs	150	223
Unlisted bonds from foreign issuers	42	0	Fees to custodian	23	33
Interest expense and negative interest with custodian	(2)	(7)	Other costs relating to asset management	127	186
Total interest	1,067	2,183	Other costs	2	5
			Fixed management fee *)	84	128
2. Capital gains and losses			Total class-specific costs	386	575
			*) The management fee represents a "fixed management fee" which includes costs relating to the Board of Directors, Executive Management, audit etc. Total remuneration to the Board of Directors and Executive Management appears from the Directors' Report under "Remuneration of Board of Directors and Executive Management" to which reference is made.		
Bonds			Audit fees appear from joint note 2 to which reference is made.		
Listed bonds from Danish issuers	(406)	50			
Listed bonds from foreign issuers	(3,234)	(3,096)	5. Investors' assets		
Unlisted bonds from foreign issuers	(85)	0	Investors' assets at 1 Jan	64,744	83,379
Total bonds	(3,725)	(3,046)	Issues during the year	289	370
			Redemptions during the year	(25,109)	(17,317)
Derivatives			Brought forward from income statement	(3,254)	(1,688)
Forward exchange transactions/futures etc	27	(558)	Investors' assets at year-end	36,670	64,744
Forward interest transactions/futures etc	(41)	0			
Total derivatives	(14)	(558)			
			6. Financial instruments (securities)		
3. Transaction costs			A list of financial instruments (securities) is available free of charge from the investment management company.		
All transaction costs	19	71			
Covered by income from issue and redemption	0	0			
Transaction costs, operating activities	19	71			

International Akkumulerende KL – Financial Statements

SUPPLEMENTARY NOTES WITHOUT REFERENCE

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
a. Portfolio turnover			d. Bonds by country		
Market value of purchase of securities	1,926	49,201	USD	35.26%	41.39%
Market value of sale of securities	26,653	63,238	JPY	22.17%	17.40%
Total market value	28,579	112,439	EUR	15.24%	20.78%
			MXN	6.87%	4.81%
b. Breakdown of financial instruments			AUD	6.83%	4.69%
Listed financial instruments	92.07%	98.94%	CAD	4.99%	3.52%
Financial instruments listed on other regulated market	5.02%	0.00%	GBP	3.95%	4.93%
Newly issued financial instruments for which listing on a stock exchange or other regulated market is planned	0.00%	0.00%	NZD	3.77%	2.44%
			Other	(1.99%)	(1.02%)
Other financial instruments	0.00%	0.00%	Cash, derivatives etc	2.91%	1.06%
	97.09%	98.94%	Total	100.00%	100.00%
Other assets/other debt	2.91%	1.06%			
Total	100.00%	100.00%	e. Currency futures sold		
c. Bonds by duration			USD	0	(2,195)
Bonds > 6 yrs	66.21%	53.83%	Total	0	(2,195)
Bonds 4-6 yrs	0.00%	9.70%			
Bonds 2-4 yrs	17.98%	9.09%			
Bonds 0-2 yrs	12.90%	26.32%			
Cash, derivatives etc	2.91%	1.06%			
Total	100.00%	100.00%			

International Bonds B EUR Acc – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2013-2017

(DKK 1,000)	2017	2016	2015 1)	2014 2)	2013 2)
Financial highlights					
Share of net profit for the year	(3,254)	(1,688)	2,309	15,104	(7,873)
Share of net profit for the year **)	(3,254)	(1,688)	8,259	15,104	(7,873)
Units in circulation nominal	23,669	39,056	49,223	92,380	110,641
Units in circulation quantity (EUR)	317,904	523,118	659,661	1,237,889	1,482,594
Investors' assets	36,670	64,744	83,379	150,828	163,634
Financial ratios					
NAV per unit (EUR)	15.49	16.65	16.94	16.33	14.79
Return in EUR (%) *)	(6.92%)	(1.72%)	3.74%	10.40%	(4.25%)
Benchmark return in EUR (%)	(5.70%)	4.43%	8.11%	14.61%	(8.19%)
Total expense ratio	0.78%	0.78%	0.47%	0.72%	0.67%
Total expense ratio**)	0.78%	0.78%	0.88%	0.72%	0.67%
Annual percentage rate (APR) at 31 December	1.23%	1.23%	1.17%	-	-

*) Past performance is no guarantee of current or future performance.

1) The unit class was launched on 18 September 2015.

2) Financial highlights from ISI International Bonds.

** For the period 1 Jan - 18 Sep 2015 ISI International Bonds is included.

NOTES

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
a. Share of net profit for the year			d. Units in circulation		
Share of joint portfolio profit	(2,869)	(1,117)	Nominal (DKK 1,000)	23,669	39,056
Class-specific other income	1	4	Quantity (EUR)	317,904	523,118
Class-specific costs *)	(386)	(575)			
Share of total net profit for the year	(3,254)	(1,688)	e. Investors' assets		
*) Class-specific costs			e1. Units in circulation		
Marketing costs	150	223	Units in circulation at 1 Jan	39,056	49,223
Fees to custodian	23	33	Exchange rate adjustment of units in circulation at 1 Jan	(107)	0
Other costs relating to asset management	127	186	Issues during the year	174	222
Other costs	2	5	Redemptions during the year	(15,454)	(10,389)
Fixed management fee	84	128	Total units in circulation	23,669	39,056
Total class-specific costs	386	575	e2. Investors' assets		
b. Distribution of profit			Investors' assets at 1 Jan	64,744	83,379
Brought forward to investors' assets	(3,254)	(1,688)	Issues during the year	289	370
Total distribution	(3,254)	(1,688)	Redemptions during the year	(25,109)	(17,317)
c. Share of other debt			Brought forward from income statement	(3,254)	(1,688)
Payables (class-specific)	67	112	Investors' assets at year-end	36,670	64,744
Payables – unsettled transactions	405	148			
Share of total other debt	472	260			

Korte Obligationer KL

Fund report

Fund data and unit class data	Korte Obligationer A DKK	Korte Obligationer W DKK d
ISIN	DK0015916225	DK0060814796
Date of establishment	15 March 1996	13 June 2017
Launch date	22 May 1996	13 June 2017
Listed	Yes	No
Currency	DKK	DKK
Income fund	Yes	Yes
Denomination	100	100
Risk category	2	2
Approved for marketing in Germany	No	No
Benchmark	Nordea Constant Maturity 2 Year Government Bond Index	
Secondary name	Danish Bonds Short Duration KL	

Introduction

The fund report should be read together with the sections in the annual report "Financial markets in 2017" on page 6, "Asset developments" on page 10 and "Risks" on page 15 to provide a complete picture of developments. The evaluation by the Board of Directors and Executive Management regarding fund specific risks appears below. For further information on risks associated with investing in the fund, reference is made to the current prospectus which may be downloaded at www.sydinvest.dk, www.sydinvest.de and www.sydinvest.com.

Investment profile

The fund invests in bonds traded on an exchange (regulated market) issued in DKK. The fund has an average duration of between 0 and 3 years and we expect the fund to deliver a stable return in the short and long term.

The fund is divided into the unit classes Korte Obligationer A DKK and Korte Obligationer W DKK d. The investments in the individual unit classes are identical. The level of costs varies according to the unit class in which investors invest.

Risk profile

Since the fund invests in price-stable Danish government and mortgage bonds with short maturities, the risk is relatively low. The fund is suitable for investors with an investment horizon of less than two years.

The fund is placed in risk category 2.

Developments

The development in the NAV of the unit classes in 2017 appears from the table below. The differences in returns are attributable to the level of costs in the individual classes.

Unit class	Return	Benchmark
Korte Obligationer A DKK	1.30%	(0.47%)
Korte Obligationer W DKK d ¹⁾	1.36%	(0.47%)

¹⁾ The unit class was launched on 13 June 2017 in connection with the demerger of Korte Obligationer A DKK. Return covers the period from 1 January to 31 December 2017.

The market performed in line with expectations at the beginning of the year and the fund outperformed its benchmark.

Despite solid growth in Europe in 2017 inflation has still not taken hold and consequently government bond yields have not changed significantly in 2017. However the Danish mortgage bond market has benefited from the very low interest rates around the globe as the search for excess return and high security has prompted particularly American and Japanese investors to look to Danish mortgage bonds. As a result Danish mortgage bond yields dropped in 2017 and in particular the 30-year mortgage bond yield was close to its lowest level ever at year-end 2017.

The fund has produced a return that is above its benchmark. The superior performance is due to the considerable tightening of the yield spread between mortgage bonds and government bonds and since the fund has primarily invested in Danish mortgage bonds, the fund outperformed its benchmark.

Market outlook

We anticipate that continued strong growth in the world economy and slightly increasing inflation as well as further monetary policy tightening in USA and Europe alike will lead to an upward pressure on international interest rates in 2018. However the ultra-short rates in Europe and by extension Denmark will be locked throughout 2018.

We project that the fund will generate a return in 2018 on a par with or above its benchmark as the fund is actively managed. The largest risk is that foreign investors will lose interest in Danish mortgage credit. This will destabilise the domestic mortgage bond market and result in poor performance.

Korte Obligationer KL – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2013-2017

(DKK 1,000)	2017	2016	2015	2014	2013
Financial highlights					
Net profit for the year	21,756	29,750	1,708	5,235	8,795
Investors' assets	1,596,600	1,947,181	1,512,004	533,860	842,868
Financial ratios					
Portfolio turnover rate (PTR)	0.81	1.24	0.59	0.21	0.23

Breakdown of profit for the year and investors' assets by unit class

(DKK 1,000)	2017		2016	
	Net profit for the year	Investors' assets at year-end	Net profit for the year	Investors' assets at year-end
Korte Obligationer A DKK	7,820	572,278	29,750	1,947,181
Korte Obligationer W DKK d ¹⁾	13,936	1,024,322	-	-
Total	21,756	1,596,600	29,750	1,947,181

¹⁾ The unit class was launched on 13 June 2017 in connection with the demerger of Korte Obligationer A DKK

INCOME STATEMENT

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
Interest and dividends			Distribution of profit from the unit classes		
1. Interest	19,717	23,530			
Total interest and dividends	19,717	23,530	To be allocated		
Capital gains and losses			Total proposed distribution for the financial year	19,514	19,439
2. Bonds	6,076	11,137	Total brought forward for distribution next year	1,304	0
3. Transaction costs, operating activities	(5)	(13)	Total available for distribution	20,818	19,439
Total capital gains and losses	6,071	11,124	Total brought forward to investors' assets	938	10,311
Total income	25,788	34,654	Total distribution	21,756	29,750
4. Administrative costs	(4,032)	(4,904)			
Net profit for the year	21,756	29,750	Distribution of profit in the unit classes		
			Korte Obligationer A DKK		
			Proposed distribution for the financial year	6,266	19,439
			Brought forward for distribution next year	461	0
			Brought forward to investors' assets	1,093	10,311
			Korte Obligationer W DKK d ¹⁾		
			Proposed distribution for the financial year	13,248	-
			Brought forward for distribution next year	843	-
			Brought forward to investors' assets	(155)	-

Korte Obligationer KL – Financial Statements

BALANCE SHEET 31 DECEMBER 2017

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
ASSETS			LIABILITIES		
Liquid funds			5. Investors' assets *)	1,596,600	1,947,181
Deposits with custodian	86,106	32,131	Other debt		
Total liquid funds	86,106	32,131	Interest payable	9	2
6. Bonds			Payables	427	688
Listed bonds from Danish issuers	1,467,602	1,813,996	Payables – unsettled transactions	38,151	20,234
Listed bonds from foreign issuers	60,724	70,202	Total other debt	38,587	20,924
Total bonds	1,528,326	1,884,198	TOTAL LIABILITIES	1,635,187	1,968,105
Other assets			*) Investors' assets by unit class		
Interest receivable, dividends receivable etc	7,081	12,706	Korte Obligationer A DKK	572,278	1,947,181
Receivables – unsettled transactions	13,674	39,070	Korte Obligationer W DKK d **)	1,024,322	-
Total other assets	20,755	51,776	Total	1,596,600	1,947,181
TOTAL ASSETS	1,635,187	1,968,105			

**) The unit class was launched on 13 June 2017.

Korte Obligationer KL – Financial Statements

NOTES

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
1. Interest			4. Administrative costs		
Deposits with custodian	13	0			
Listed bonds from Danish issuers	19,263	23,161	Class-specific costs		
Listed bonds from foreign issuers	678	509	Marketing costs	562	927
Interest expense and negative interest with custodian	(237)	(140)	Fees to custodian	1,046	1,265
Total interest	19,717	23,530	Other costs relating to asset management	842	918
			Other costs	84	10
2. Capital gains and losses			Fixed management fee *)	1,498	1,784
			Total class-specific costs	4,032	4,904
Bonds			*) The management fee represents a "fixed management fee" which includes costs relating to the Board of Directors, Executive Management, audit etc. Total remuneration to the Board of Directors and Executive Management appears from the Directors' Report under "Remuneration of Board of Directors and Executive Management" to which reference is made.		
Listed bonds from Danish issuers	6,321	10,528	Audit fees appear from joint note 2 to which reference is made.		
Listed bonds from foreign issuers	(245)	609	5. Investors' assets		
Total bonds	6,076	11,137	Investors' assets at 1 Jan	1,947,181	1,512,004
3. Transaction costs			Issues during the year	402,662	565,265
All transaction costs	14	15	Redemptions during the year	(755,957)	(140,552)
Covered by income from issue and redemption	(9)	(2)	Net issue surcharges and redemption deductions	365	275
Transaction costs, operating activities	5	13	Distribution from last year concerning units in circulation at 31 Dec	(19,439)	(18,196)
			Changes in dividend distribution due to issues/redemptions	32	(1,365)
			Proposed distribution for the financial year	19,514	19,439
			Brought forward from income statement	938	10,311
			Brought forward for distribution next year	1,304	0
			Investors' assets at year-end	1,596,600	1,947,181
			6. Financial instruments (securities)		
			A list of financial instruments (securities) is available free of charge from the investment management company.		

Korte Obligationer KL – Financial Statements

SUPPLEMENTARY NOTES WITHOUT REFERENCE

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
a. Portfolio turnover			c. Bonds by duration		
Market value of purchase of securities	2,143,784	2,849,803	Bonds > 6 yrs	2.09%	1.18%
Market value of sale of securities	2,505,732	2,433,380	Bonds 4-6 yrs	16.93%	16.88%
Total market value	4,649,516	5,283,183	Bonds 2-4 yrs	30.40%	33.16%
b. Breakdown of financial instruments			Bonds 0-2 yrs	46.30%	45.55%
Listed financial instruments	95.72%	96.77%	Cash, derivatives etc	4.28%	3.23%
Financial instruments listed on other regulated market	0.00%	0.00%	Total	100.00%	100.00%
Newly issued financial instruments for which listing on a stock exchange or other regulated market is planned	0.00%	0.00%	d. Bonds by issuer		
Other financial instruments	0.00%	0.00%	Mortgage bonds	83.78%	90.70%
	95.72%	96.77%	Government bonds	9.29%	3.76%
Other assets/other debt	4.28%	3.23%	Other bonds	2.65%	2.31%
Total	100.00%	100.00%	Cash, derivatives etc	4.28%	3.23%
			Total	100.00%	100.00%

Korte Obligationer A DKK – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2013-2017

(DKK 1,000)	2017 ¹⁾	2016	2015	2014	2013
Financial highlights					
Share of net profit for the year	7,820	29,750	1,708	5,235	8,795
Units in circulation nominal	569,673	1,943,946	1,516,300	529,821	829,923
Units in circulation quantity	5,696,732	19,439,462	15,162,998	5,298,213	8,299,226
Investors' assets	572,278	1,947,181	1,512,004	533,860	842,868
Financial ratios					
NAV per unit	100.46	100.17	99.72	100.76	101.56
Dividend per unit	1.10	1.00	1.20	1.20	1.50
Return (%) *)	1.30%	1.67%	0.15%	0.70%	0.91%
Benchmark return (%)	(0.47%)	0.10%	0.50%	0.48%	(0.34%)
Total expense ratio	0.27%	0.26%	0.29%	0.52%	0.52%
Annual percentage rate (APR) at 31 December	0.27%	0.27%	0.30%	0.41%	0.57%
Sharpe Ratio (5 yrs)	1.63	1.58	1.23	1.52	1.99
Standard deviation (5 yrs)	0.62	0.63	0.79	0.93	1.01

*) Past performance is no guarantee of current or future performance.

¹⁾ The fund was converted to a unit class on 13 June 2017.

Korte Obligationer A DKK – Financial Statements

NOTES

Note (DKK 1,000)	2017 ¹⁾	2016	Note (DKK 1,000)	2017 ¹⁾	2016
a. Share of net profit for the year			c. Share of other assets		
Share of joint portfolio profit	9,477	34,654	Payables – unsettled transactions (class-specific)	13,675	39,070
Class-specific costs *)	(1,657)	(4,904)	Share of total other debt	13,675	39,070
Share of total net profit for the year	7,820	29,750			
*) Class-specific costs			d. Share of other debt		
Marketing costs	307	927	Payables (class-specific)	189	608
Fees to custodian	465	1,265	Payables – unsettled transactions (class-specific)	0	20,234
Other costs relating to asset management	309	917	Share of total other debt	189	20,842
Other costs	27	10			
Fixed management fee	549	1,785	e. Units in circulation		
Total class-specific costs	1,657	4,904	Nominal (DKK 1,000)	569,673	1,943,946
			Quantity	5,696,732	19,439,462
b. Distribution of profit			f. Investors' assets		
b1. To be allocated			f1. Units in circulation		
Proposed distribution for the financial year	6,266	19,439	Units in circulation at 1 Jan	1,943,946	1,516,300
Brought forward for distribution next year	461	0	Correction in connection with demerger	(940,581)	0
Available for distribution	6,727	19,439	Issues during the year	173,688	568,266
Brought forward to investors' assets	1,093	10,311	Redemptions during the year	(607,380)	(140,620)
Total distribution	7,820	29,750	Total units in circulation	569,673	1,943,946
			f2. Investors' assets		
b2. Available for distribution			Investors' assets at 1 Jan	1,947,181	1,512,004
Brought forward for distribution from last year	0	0	Correction in connection with demerger	(940,016)	0
Share of interest	7,355	23,668	Issues during the year	173,847	565,265
Share of capital gains for distribution	2,641	(2,008)	Redemptions during the year	(605,686)	(140,552)
Distribution adjustment in connection with issue/redemption concerning the above items	(1,433)	958	Correction of profit in connection with demerger	8,246	
Available for distribution before administrative costs	8,563	22,618	Net issue surcharges and redemption deductions	293	275
Set-off of administrative costs	(1,657)	(4,904)	Distribution from last year concerning units in circulation at 31 Dec	(19,439)	(18,196)
Distribution adjustment of administrative costs in connection with issue/redemption	(179)	(227)	Changes in dividend distribution due to issues/redemptions	32	(1,365)
Total administrative costs	(1,836)	(5,131)	Proposed distribution for the financial year	6,266	19,439
Available for distribution, gross	6,727	17,487	Brought forward from income statement	1,093	10,311
Voluntary distribution	0	1,952	Brought forward for distribution next year	461	0
Available for distribution	6,727	19,439	Investors' assets at year-end	572,278	1,947,181

¹⁾ The unit class was launched on 13 June 2017.

Korte Obligationer W DKK d – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2017

(DKK 1,000)	2017 ¹⁾
Financial highlights	
Share of net profit for the year	13,936
Units in circulation nominal	1,019,094
Units in circulation quantity	10,190,933
Investors' assets	1,024,322
Financial ratios	
NAV per unit	100.51
Dividend per unit	1.30
Return (%) ^{1) 2)}	1.36%
Benchmark return (%) ²⁾	(0.47%)
Total expense ratio	0.22%
Annual percentage rate (APR) at 31 December	0.18%
Sharpe Ratio (5 yrs)	1.64
Standard deviation (5 yrs)	0.62

***) Past performance is no guarantee of current or future performance.**

¹⁾ The unit class was launched on 13 June 2017 in connection with the demerger of Korte Obligationer A DKK

²⁾ Return for the period 1 Jan - 31 Dec 2017

Korte Obligationer W DKK d – Financial Statements

NOTES

Note (DKK 1,000)	2017 ¹⁾	Note (DKK 1,000)	2017 ¹⁾
a. Share of net profit for the year		c. Share of other debt	
Share of joint portfolio profit	16,311	Payables (class-specific)	242
Class-specific costs *)	<u>(2,375)</u>	Payables – unsettled transactions (class-specific)	<u>1,508</u>
Share of total net profit for the year	13,936	Share of total other debt	1,750
*) Class-specific costs		d. Units in circulation	
Marketing costs	255	Nominal (DKK 1,000)	1,019,094
Fees to custodian	581	Quantity	10,190,933
Other costs relating to asset management	533		
Other costs	57	e. Investors' assets	
Fixed management fee	<u>949</u>		
Total class-specific costs	2,375	e1. Units in circulation	
b. Distribution of profit		Correction in connection with demerger	940,581
b1. To be allocated		Issues during the year	228,360
Proposed distribution for the financial year	13,248	Redemptions during the year	<u>(149,847)</u>
Brought forward for distribution next year	<u>843</u>	Total units in circulation	1,019,094
Available for distribution	14,091	e2. Investors' assets	
Brought forward to investors' assets	<u>(155)</u>	Correction in connection with demerger	940,016
Total distribution	13,936	Issues during the year	228,815
b2. Available for distribution ²⁾		Redemptions during the year	(150,271)
Share of interest	12,599	Correction of profit in connection with demerger	(8,246)
Share of capital gains for distribution	4,924	Net issue surcharges and redemption deductions	72
Distribution adjustment in connection with issue/redemption concerning the above items	<u>(1,154)</u>	Proposed distribution for the financial year	13,248
Available for distribution before administrative costs	<u>16,369</u>	Brought forward from income statement	(155)
Set-off of administrative costs	(2,375)	Brought forward for distribution next year	<u>843</u>
Distribution adjustment of administrative costs in connection with issue/redemption	<u>97</u>	Investors' assets at year-end	1,024,322
Total administrative costs	<u>(2,278)</u>		
Available for distribution	14,091		

¹⁾ The unit class was launched on 13 June 2017 in connection with the demerger of Korte Obligationer A DKK

²⁾ Incl proportional share of income for 1 Jan - 13 Jun 2017 from Korte Obligationer A DKK

Mellemlange Obligationer KL

Fund report

Fund data and unit class data	Mellemlange Obligationer A DKK	Danish Bonds B DKK d	Mellemlange Obligationer W DKK d
ISIN	DK0060585073	DK0060738755	DK0060814879
Date of establishment	4 November 2014	18 May 2016	13 June 2017
Launch date	7 January 2015	29 August 2016	13 June 2017
Listed	Yes	No	No
Currency	DKK	DKK	DKK
Income fund	Yes	Yes	Yes
Denomination	100	10	100
Risk category	2	2	2
Approved for marketing in Germany	No	Yes	No
Benchmark	50% Nordea Constant Maturity 3 Year Government Bond Index 50% Nordea Constant Maturity 5 Year Government Bond Index		
Secondary name	Danish Bonds KL		

Introduction

The fund report should be read together with the sections in the annual report "Financial markets in 2017" on page 6, "Asset developments" on page 10 and "Risks" on page 15 to provide a complete picture of developments. The evaluation by the Board of Directors and Executive Management regarding fund specific risks appears below. For further information on risks associated with investing in the fund, reference is made to the current prospectus which may be downloaded at www.sydinvest.dk, www.sydinvest.de and www.sydinvest.com.

Investment profile

The fund invests in bonds traded on an exchange (regulated market) issued in DKK. The fund has an average duration of between 3 and 5 years. Duration reflects the price risk of a bond in connection with interest rate changes. The lower the duration, the more price stable the bond when interest rates change. Focus is on stable returns. The fund invests in bonds issued by governments, mortgage lenders and companies.

The fund is divided into the unit classes Mellemlange Obligationer A DKK, Danish Bonds B DKK d and Mellemlange Obligationer W DKK d. The investments in the individual unit classes are identical. The level of costs varies according to the unit class in which investors invest.

Risk profile

Price fluctuations in the fund are limited and impacted by interest rate developments in Denmark. Fund duration reflects the bonds' price risk and consequently fund risk. We adjust fund duration in accordance with our interest rate expectations. If we expect a decline, we increase interest rate sensitivity. And during periods when we expect a rise, we lower interest rate sensitivity.

The fund is placed in risk category 2.

Developments

The development in the NAV of the unit classes in 2017 appears from the table below. The differences in returns are attributable to the level of costs in the individual classes.

Unit class	Return	Benchmark
Mellemlange Obligationer A DKK	1.75%	(0.15%)
Danish Bonds B DKK d	1.79%	(0.15%)
Mellemlange Obligationer W DKK d ¹⁾	1.92%	(0.15%)

¹⁾The unit class was launched on 13 June 2017 in connection with the demerger of MellemLange Obligationer A DKK. Return covers the period from 1 January to 31 December 2017.

The market performed in line with expectations at the beginning of the year and the fund outperformed its benchmark, see the table above.

Despite solid growth in Europe in 2017 inflation has still not taken hold and consequently government bond yields have not changed significantly in 2017. However the Danish mortgage bond market has benefited from the very low interest rates around the globe as the search for excess return and high security has prompted particularly American and Japanese investors to look to Danish mortgage bonds. As a result Danish mortgage bond yields dropped in 2017 and in particular the 30-year mortgage bond yield was close to its lowest level ever at year-end 2017.

The fund has produced a return that is above its benchmark. The superior performance is due to the considerable tightening of the yield spread between mortgage bonds and government bonds and since the fund has primarily invested in Danish mortgage bonds the fund has outperformed its benchmark.

Market outlook

We anticipate that continued strong growth in the world economy and slightly increasing inflation as well as further monetary policy tightening in USA and Europe alike will lead to an upward pressure on international interest rates in 2018. However the ultra-short rates in Europe and by extension Denmark will be locked throughout 2018.

We project that the fund will generate a return in 2018 on a par with or above its benchmark as the fund is actively managed. The largest risk is that foreign investors will lose interest in Danish mortgage credit. This will destabilise the domestic mortgage bond market and result in poor performance.

Mellemlange Obligationer KL – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2015-2017

(DKK 1,000)	2017	2016	2015 ¹⁾
Financial highlights			
Net profit for the year	123,450	100,636	(45,099)
Investors' assets	6,531,248	8,215,343	3,662,246
Financial ratios			
Portfolio turnover rate (PTR)	0.51	0.82	0.35

¹⁾ The fund was launched on 7 Januar 2015.

Breakdown of profit for the year and investors' assets by unit class

(DKK 1,000)	2017		2016	
	Net profit for the year	Investors' assets at year-end	Net profit for the year	Investors' assets at year-end
Mellemlange Obligationer A DKK	70,772	3,702,312	100,962	8,068,346
Danish Bonds B DKK d ¹⁾	1,482	240,418	(326)	146,997
Mellemlange Obligationer W DKK d ²⁾	51,196	2,588,518	-	-
Total	123,450	6,531,248	100,636	8,215,343

¹⁾ The unit class was launched on 29 August 2016.

²⁾ The unit class was launched on 13 June 2017 in connection with the demerger of Mellemlange Obligationer A DKK

INCOME STATEMENT

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
Interest and dividends			Distribution of profit in the unit classes		
1. Interest	109,415	97,823			
Total interest and dividends	109,415	97,823	Mellemlange Obligationer A DKK		
Capital gains and losses			Proposed distribution for the financial year	36,596	104,129
2. Bonds	47,617	32,292	Brought forward for distribution next year	496	0
3. Transaction costs, operating activities	(12)	(15)	Brought forward to investors' assets	33,680	(3,167)
Total capital gains and losses	47,605	32,277			
Total income	157,020	130,100	Danish Bonds B DKK d ²⁾		
4. Administrative costs	(33,572)	(29,464)	Proposed distribution for the financial year	2,649	597
Net profit for the year	123,448	100,636	Brought forward for distribution next year	120	0
			Brought forward to investors' assets	(1,287)	(923)
Distribution of profit from the unit classes			Mellemlange Obligationer W DKK d ³⁾		
To be allocated			Proposed distribution for the financial year	33,205	-
Total proposed distribution for the financial year	72,450	104,726	Brought forward for distribution next year	218	-
Total brought forward for distribution next year	834	0	Brought forward to investors' assets	17,773	-
Total available for distribution	73,284	104,726			
Total brought forward to investors' assets	50,166	(4,090)			
Total distribution	123,450	100,636			

Mellemlange Obligationer KL – Financial Statements

BALANCE SHEET 31 DECEMBER 2017

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
ASSETS			LIABILITIES		
Liquid funds			5. Investors' assets *)	6,531,248	8,215,343
Deposits with custodian	114,503	60,789	Derivatives		
Deposits on margin accounts with custodian	198,143	0	Repo	198,114	0
Total liquid funds	312,646	60,789	Total derivatives	198,114	0
6. Bonds			Other debt		
Listed bonds from Danish issuers	6,454,352	7,776,911	Interest payable	13	10
Listed bonds from foreign issuers	29,348	116,210	Payables	5,084	8,550
Total bonds	6,483,700	7,893,121	Payables – unsettled transactions	98,742	248,031
Other assets			Total other debt	103,839	256,591
Interest receivable, dividends receivable etc	36,744	55,221	TOTAL LIABILITIES	6,833,201	8,471,934
Receivables – unsettled transactions	111	462,803			
Total other assets	36,855	518,024	*) Investors' assets by unit class		
TOTAL ASSETS	6,833,201	8,471,934	Mellemlange Obligationer A DKK	3,702,312	8,068,346
			Danish Bonds B DKK d **)	240,418	146,997
			Mellemlange Obligationer W DKK d ***)	2,588,518	-
			Total	6,531,248	8,215,343

**) The unit class was launched on 29 August 2016.

***) The unit class was launched on 13 June 2017.

Mellemlange Obligationer KL – Financial Statements

NOTES

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
1. Interest			4. Administrative costs		
Deposits with custodian	65	4			
Listed bonds from Danish issuers	108,739	96,687	Class-specific costs		
Listed bonds from foreign issuers	1,035	1,318	Marketing costs	14,180	13,500
Interest expense and negative interest with custodian	(841)	(186)	Fees to custodian	2,240	2,135
Other interest income	417	0	Other costs relating to asset management	7,159	5,409
Total interest	109,415	97,823	Other costs	360	131
			Fixed management fee *)	9,633	8,289
2. Capital gains and losses			Total class-specific costs	33,572	29,464
			*) The management fee represents a "fixed management fee" which includes costs relating to the Board of Directors, Executive Management, audit etc. Total remuneration to the Board of Directors and Executive Management appears from the Directors' Report under "Remuneration of Board of Directors and Executive Management" to which reference is made.		
Bonds			Audit fees appear from joint note 2 to which reference is made.		
Listed bonds from Danish issuers	49,894	31,130			
Listed bonds from foreign issuers	(2,277)	1,162	5. Investors' assets		
Total bonds	47,617	32,292	Investors' assets at 1 Jan	8,215,343	3,662,246
			Adjustments in connection with merger during the year	0	4,568,776
3. Transaction costs			Issues during the year	525,602	624,482
All transaction costs	24	24	Redemptions during the year	(2,231,061)	(694,954)
Covered by income from issue and redemption	(12)	(9)	Net issue surcharges and redemption deductions	2,038	889
Transaction costs, operating activities	12	15	Distribution from last year concerning units in circulation at 31 Dec	(104,726)	(48,082)
			Changes in dividend distribution due to issues/redemptions	602	1,350
			Proposed distribution for the financial year	72,450	104,726
			Brought forward from income statement	50,166	(4,090)
			Brought forward for distribution next year	834	0
			Investors' assets at year-end	6,531,248	8,215,343
			6. Financial instruments (securities)		
			A list of financial instruments (securities) is available free of charge from the investment management company.		

Mellemlange Obligationer KL – Financial Statements

SUPPLEMENTARY NOTES WITHOUT REFERENCE

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
a. Portfolio turnover			e. REPO		
Market value of purchase of securities	7,486,235	9,994,687	Exposure		
Market value of sale of securities	8,943,274	5,491,070	DKK	198,071	0
Total market value	16,429,509	15,485,757	Percentage of fund assets (max 20%)	3.03%	0.00%
b. Breakdown of financial instruments			Market value by maturity		
Listed financial instruments	99.27%	96.08%	7 days - 1 month	198,071	0
Financial instruments listed on other regulated market	0.00%	0.00%	Total	198,071	0
Newly issued financial instruments for which listing on a stock exchange or other regulated market is planned	0.00%	0.00%	Collateral provided as		
Other financial instruments	(3.03%)	0.00%	Liquid funds	198,143	0
	96.24%	96.08%	Total	198,143	0
Other assets/other debt	3.76%	3.92%	Reuse of collateral		
Total	100.00%	100.00%	Collateral received which is reused	0	0
c. Bonds by duration			Total	0	0
Bonds > 6 yrs	26.81%	23.08%	Return and costs		
Bonds 4-6 yrs	21.12%	20.13%	The full return accrues to the fund without any deductions.		
Bonds 2-4 yrs	27.58%	31.65%	Absolute numbers are available in the notes concerning interest and		
Bonds 0-2 yrs	23.76%	21.22%			
Cash, derivatives etc	0.73%	3.92%			
Total	100.00%	100.00%	f. Financial highlights from discontinued fund Dannebrog Akkumulerende KL		1.1-26.8.2016
d. Bonds by issuer			1) Interest and dividends		62,742
Mortgage bonds	81.61%	80.74%	2) Capital gains and losses		118,708
Government bonds	16.24%	13.95%	3) Dividend distributed during the period		(315,602)
Other bonds	1.42%	1.39%	4) Administrative costs		(17,948)
Cash, derivatives etc	0.73%	3.92%	5) Issues during the period		68,261
Total	100.00%	100.00%	6) Redemptions during the period		(717,730)
			7) Net issue surcharges and redemption deductions		670
			8) Net profit for the period		163,502
			9) Unit-holders' assets at 1 Jan		5,369,675
			10) Unit-holders' assets at merger date		4,568,776

Mellemlange Obligationer A DKK – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2015-2017

(DKK 1,000)	2017	2016 ²⁾	2015 ¹⁾
Financial highlights			
Share of net profit for the year	70,772	100,962	(45,099)
Units in circulation nominal	3,659,551	8,009,861	3,698,585
Units in circulation quantity	36,595,514	80,098,612	36,985,847
Investors' assets	3,702,312	8,068,346	3,662,246
Financial ratios			
NAV per unit	101.17	100.73	99.02
Dividend per unit	1.00	1.30	1.30
Return (%) [*])	1.75%	3.06 %	(0.98%)
Benchmark return (%)	(0.15%)	1.64 %	0.19%
Total expense ratio	0.54%	0.51 %	0.52%
Annual percentage rate (APR) at 31 December	0.57%	0.56 %	0.61%

^{*}) Past performance is no guarantee of current or future performance.

¹⁾ The unit class was launched on 7 Januar 2015.

²⁾ The fund was converted to a unit class on 29 August 2016.

Mellemlange Obligationer A DKK – Financial Statements

NOTES

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
a. Share of net profit for the year			c. Share of other debt		
Share of joint portfolio profit	93,230	130,191	Payables (class-specific)	3,917	8,424
Class-specific costs *)	(22,458)	(29,229)	Payables – unsettled transactions (class-specific)	14,164	8,048
Share of total net profit for the year	70,772	100,962	Share of total other debt	18,081	16,472
*) Class-specific costs			d. Units in circulation		
Marketing costs	10,501	13,405	Nominal (DKK 1,000)	3,659,551	8,009,861
Fees to custodian	1,449	2,124	Quantity	36,595,514	80,098,612
Other costs relating to asset management	4,221	5,362			
Other costs	210	132			
Fixed management fee	6,077	8,206			
Total class-specific costs	22,458	29,229			
b. Distribution of profit			e. Investors' assets		
b1. To be allocated			e1. Units in circulation		
Proposed distribution for the financial year	36,596	104,129	Units in circulation at 1 Jan	8,009,861	3,698,585
Brought forward for distribution next year	496	0	Adjustments in connection with merger during the year	0	4,384,982
Available for distribution	37,092	104,129	Correction in connection with demerger	(2,652,676)	0
Brought forward to investors' assets	33,680	(3,167)	Issues during the year	165,044	617,636
Total distribution	70,772	100,962	Redemptions during the year	(1,862,678)	(691,342)
b2. Available for distribution			Total units in circulation	3,659,551	8,009,861
Brought forward for distribution from last year	0	0	e2. Investors' assets		
Share of interest	65,044	97,140	Investors' assets at 1 Jan	8,068,346	3,662,246
Share of capital gains for distribution	1,226	(23,267)	Adjustments in connection with merger during the year	0	4,429,489
Distribution adjustment in connection with issue/redemption concerning the above items	(7,607)	38,336	Correction in connection with demerger	(2,662,316)	0
Available for distribution before administrative costs	58,663	112,209	Issues during the year	164,791	615,208
Set-off of administrative costs	(22,458)	(29,229)	Redemptions during the year	(1,863,400)	(693,711)
Distribution adjustment of administrative costs in connection with issue/redemption	887	(11,323)	Correction of profit in connection with demerger	25,823	0
Total administrative costs	(21,571)	(40,552)	Net issue surcharges and redemption deductions	1,760	884
Available for distribution, gross	37,092	71,657	Distribution from last year concerning units in circulation at 31 Dec	(104,129)	(48,082)
Voluntary distribution	0	32,472	Changes in dividend distribution due to issues/redemptions	665	1,350
Available for distribution	37,092	104,129	Proposed distribution for the financial year	36,596	104,129
			Brought forward from income statement	33,680	(3,167)
			Brought forward for distribution next year	496	0
			Investors' assets at year-end	3,702,312	8,068,346

Danish Bonds B DKK d – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2015-2017

(DKK 1,000)	2017	2016 ¹⁾	2015 ²⁾
Financial highlights			
Share of net profit for the year	1,482	(326)	(3,746)
Share of net profit for the year **)	1,482	3,819	(3,746)
Units in circulation nominal	240,863	149,303	110,727
Units in circulation quantity	24,086,280	14,930,284	11,072,732
Investors' assets	240,418	146,997	108,936
Financial ratios			
NAV per unit	9.98	9.85	9.84
Dividend per unit	0.11	0.04	0.09
Return (%) *)	1.79%	2.69 %	(1.62%)
Benchmark return (%)	(0.15%)	1.64 %	(1.16%)
Total expense ratio	0.48%	0.17 %	0.33%
Total expense ratio**)	0.48%	0.49 %	0.33%
Annual percentage rate (APR) at 31 December	0.88%	0.87 %	0.88%

*) Past performance is no guarantee of current or future performance.

¹⁾ The unit class was launched on 29 August 2016.

²⁾ Financial Regnskabstal fra Danish Bonds B DKK (Afdeling Dannebrog)

**)) For the period 1 Jan - 26 Aug 2016 Sydinvest Danish Bonds B DKK (the fund Sydinvest Dannebrog) is included.

Danish Bonds B DKK d – Financial Statements

NOTES

Note (DKK 1,000)	2017	2016 ¹⁾	Note (DKK 1,000)	2017	2016 ¹⁾
a. Share of net profit for the year			c. Share of other debt		
Share of joint portfolio profit	2,205	(90)	Payables (class-specific)	210	126
Class-specific costs *)	(723)	(236)	Share of total other debt	210	126
Share of total net profit for the year	1,482	(326)			
			d. Units in circulation		
*) Class-specific costs			Nominal (DKK 1,000)	240,863	149,303
Marketing costs	299	95	Quantity	24,086,280	14,930,284
Fees to custodian	32	12			
Other costs relating to asset management	145	48	e. Investors' assets		
Other costs	8	(2)			
Fixed management fee	239	83	e1. Units in circulation		
Total class-specific costs	723	236	Units in circulation at 1 Jan	149,303	0
			Adjustments in connection with merger during the year	0	141,105
b. Distribution of profit			Issues during the year	208,922	9,464
			Redemptions during the year	(117,362)	(1,266)
b1. To be allocated			Total units in circulation	240,863	149,303
Proposed distribution for the financial year	2,649	597			
Brought forward for distribution next year	120	0	e2. Investors' assets		
Available for distribution	2,769	597	Investors' assets at 1 Jan	146,997	0
Brought forward to investors' assets	(1,287)	(923)	Adjustments in connection with merger during the year	0	139,287
Total distribution	1,482	(326)	Issues during the year	207,965	9,274
			Redemptions during the year	(115,406)	(1,243)
b2. Available for distribution			Net issue surcharges and redemption deductions	40	5
Brought forward for distribution from last year	0	0	Distribution from last year concerning units in circulation at 31 Dec	(597)	0
Share of interest	2,203	866	Changes in dividend distribution due to issues/redemptions	(63)	0
Share of capital gains for distribution	429	(244)	Proposed distribution for the financial year	2,649	597
Distribution adjustment in connection with issue/redemption concerning the above items	1,326	33	Brought forward from income statement	(1,287)	(923)
Available for distribution before administrative costs	3,958	655	Brought forward for distribution next year	120	0
Set-off of administrative costs	(723)	(236)	Investors' assets at year-end	240,418	146,997
Distribution adjustment of administrative costs in connection with issue/redemption	(466)	(13)			
Total administrative costs	(1,189)	(249)			
Available for distribution, gross	2,769	406			
Voluntary distribution	0	191			
Available for distribution	2,769	597			

¹⁾ The unit class was launched on 29 August 2016.

Mellemlange Obligationer W DKK d – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2017

(DKK 1,000)	2017 ¹⁾
Financial highlights	
Share of net profit for the year	51,196
Units in circulation nominal	2,554,258
Units in circulation quantity	25,542,586
Investors' assets	2,588,518
Financial ratios	
NAV per unit	101.34
Dividend per unit	1.30
Return (%) ^{1) 2)}	1.92%
Benchmark return (%) ²⁾	(0.15%)
Total expense ratio	0.38%
Annual percentage rate (APR) at 31 December	0.25%

***) Past performance is no guarantee of current or future performance.**

¹⁾ The unit class was launched on 13 June 2017 in connection with the demerger of Mellemlange Obligationer A DKK

²⁾ Return for the period 1 Jan - 31 Dec 2017

Mellemlange Obligationer W DKK d – Financial Statements

NOTES

Note (DKK 1,000)	2017 ¹⁾	Note (DKK 1,000)	2017 ¹⁾
a. Share of net profit for the year		c. Share of other debt	
Share of joint portfolio profit	61,587	Payables (class-specific)	957
Class-specific costs *)	<u>(10,391)</u>	Payables – unsettled transactions (class-specific)	<u>3,039</u>
Share of total net profit for the year	51,196	Share of total other debt	3,996
*) Class-specific costs		d. Units in circulation	
Marketing costs	3,380	Nominal (DKK 1,000)	2,554,258
Fees to custodian	759	Quantity	25,542,586
Other costs relating to asset management	2,794		
Other costs	141		
Fixed management fee	<u>3,317</u>		
Total class-specific costs	10,391		
b. Distribution of profit		e. Investors' assets	
b1. To be allocated		e1. Units in circulation	
Proposed distribution for the financial year	33,205	Correction in connection with demerger	2,652,676
Brought forward for distribution next year	<u>218</u>	Issues during the year	151,777
Available for distribution	33,423	Redemptions during the year	<u>(250,195)</u>
Brought forward to investors' assets	17,773	Total units in circulation	2,554,258
Total distribution	51,196	e2. Investors' assets	
b2. Available for distribution ²⁾		Correction in connection with demerger	2,662,316
Share of interest	43,011	Issues during the year	152,846
Share of capital gains for distribution with issue/redemption concerning the above items	3,115	Redemptions during the year	(252,255)
Available for distribution before administrative costs	<u>42,672</u>	Correction of profit in connection with demerger	(25,823)
Set-off of administrative costs	(10,391)	Net issue surcharges and redemption deductions	238
Distribution adjustment of administrative costs in connection with issue/redemption	<u>1,142</u>	Proposed distribution for the financial year	33,205
Total administrative costs	<u>(9,249)</u>	Brought forward from income statement	17,773
Available for distribution	33,423	Brought forward for distribution next year	<u>218</u>
		Investors' assets at year-end	2,588,518

¹⁾ The unit class was launched on 13 June 2017 in connection with the demerger of Mellemlange Obligationer A DKK

²⁾ Incl proportional share of income for 1 Jan - 13 Jun 2017 from Mellemlange Obligationer A DKK

Mellemlange Obligationer Akkumulerende KL

Fund report

Fund data and unit class data	Mellemlange		Mellemlange
	Obligationer A DKK Akk	Danish Bonds B DKK Acc	Obligationer W DKK Acc
ISIN	DK0060585156	DK0060738672	DK0060853851
Date of establishment	4 November 2014	18 May 2016	13 June 2017
Launch date	7 January 2015	29 August 2016	13 June 2017
Listed	Yes	No	No
Currency	DKK	DKK	DKK
Income fund	No	No	No
Denomination	100	10	100
Risk category	2	2	2
Approved for marketing in Germany	No	Yes	No
Benchmark	50% Nordea Constant Maturity 3 Year Government Bond Index 50% Nordea Constant Maturity 5 Year Government Bond Index		
Secondary name	Danish Bonds Acc KL		

Introduction

The fund report should be read together with the sections in the annual report "Financial markets in 2017" on page 6, "Asset developments" on page 10 and "Risks" on page 15 to provide a complete picture of developments. The evaluation by the Board of Directors and Executive Management regarding fund specific risks appears below. For further information on risks associated with investing in the fund, reference is made to the current prospectus which may be downloaded at www.sydinvest.dk, www.sydinvest.de and www.sydinvest.com.

Investment profile

The fund invests in bonds traded on an exchange (regulated market) issued in DKK. The fund has an average duration of between 3 and 5 years. Duration reflects the price risk of a bond in connection with interest rate changes. The lower the duration, the more price stable the bond when interest rates change. Focus is on stable returns. The fund invests in bonds issued by governments, mortgage lenders and companies.

The fund is divided into the unit classes Mellemlange Obligationer A DKK Akk, Danish Bonds B DKK Acc and Mellemlange Obligationer W DKK Acc. The investments in the individual unit classes are identical. The level of costs varies according to the unit class in which investors invest.

Risk profile

Price fluctuations in the fund are limited and impacted by interest rate developments in Denmark. Fund duration reflects the bonds' price risk and consequently fund risk. We adjust fund duration in accordance with our interest rate expectations. If we expect a decline, we increase interest rate sensitivity. And during periods when we expect a rise, we lower interest rate sensitivity.

The fund is placed in risk category 2.

Developments

The development in the NAV of the unit classes in 2017 appears from the table below. The differences in returns are attributable to the level of costs in the individual classes.

Unit class	Return	Benchmark
Mellemlange Obligationer A DKK Akk	1.73%	(0.15%)
Danish Bonds B DKK Acc	1.80%	(0.15%)
Mellemlange Obligationer W DKK Acc ¹⁾	1.00%	(0.15%)

¹⁾ The unit class was launched on 13 June 2017.

The market performed in line with expectations at the beginning of the year and the fund outperformed its benchmark, see the table above.

Despite solid growth in Europe in 2017 inflation has still not taken hold and consequently government bond yields have not changed significantly in 2017. However the Danish mortgage bond market has benefited from the very low interest rates around the globe as the search for excess return and high security has prompted particularly American and Japanese investors to look to Danish mortgage bonds. As a result Danish mortgage bond yields dropped in 2017 and in particular the 30-year mortgage bond yield was close to its lowest level ever at year-end 2017.

The fund has produced a return that is above its benchmark. The superior performance is due to the considerable tightening of the yield spread between mortgage bonds and government bonds and since the fund has primarily invested in Danish mortgage bonds the fund has outperformed its benchmark.

Market outlook

We anticipate that continued strong growth in the world economy and slightly increasing inflation as well as further monetary policy tightening in USA and Europe alike will lead to an upward pressure on international interest rates in 2018. However the ultra-short rates in Europe and by extension Denmark will be locked throughout 2018.

We project that the fund will generate a return in 2018 on a par with or above its benchmark as the fund is actively managed. The largest risk is that foreign investors will lose interest in Danish mortgage credit. This will destabilise the domestic mortgage bond market and result in poor performance.

Mellemlange Obligationer Akkumulerende KL – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2015-2017

(DKK 1,000)	2017	2016	2015 ¹⁾
Financial highlights			
Net profit for the year	21,321	40,350	(13,984)
Investors' assets	984,152	1,671,627	986,841
Financial ratios			
Portfolio turnover rate (PTR)	0.43	0.91	0.21

¹⁾ The fund was launched on 7 Januar 2015.

Breakdown of profit for the year and investors' assets by unit class

(DKK 1,000)	2017		2016	
	Net profit for the year	Investors' assets at year-end	Net profit for the year	Investors' assets at year-end
Mellemlange Obligationer A DKK Akk	14,757	458,530	40,009	1,580,926
Danish Bonds B DKK Acc ²⁾	1,644	95,136	341	90,701
Mellemlange Obligationer W DKK Acc ³⁾	4,920	430,486	-	-
Total	21,321	984,152	40,350	1,671,627

²⁾ The unit class was launched on 29 August 2016.

³⁾ The unit class was launched on 13 June 2017.

INCOME STATEMENT

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
Interest and dividends			Distribution of profit from the unit classes		
1. Interest	19,676	22,657			
Total interest and dividends	19,676	22,657	To be allocated		
Capital gains and losses			Total brought forward to investors' assets	21,321	40,350
2. Bonds	7,733	24,642	Total distribution	21,321	40,350
3. Transaction costs, operating activities	(5)	(16)	Distribution of profit in the unit classes		
Total capital gains and losses	7,728	24,626	Brought forward to investors' assets		
Total income	27,404	47,283	Mellemlange Obligationer A DKK Akk	14,757	40,009
4. Administrative costs	(6,083)	(6,933)	Danish Bonds B DKK Acc ²⁾	1,644	341
Net profit for the year	21,321	40,350	Mellemlange Obligationer W DKK Acc ³⁾	4,920	-
			Total	21,321	40,350

Mellemlange Obligationer Akkumulerende KL – Financial Statements

BALANCE SHEET 31 DECEMBER 2017

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
ASSETS			LIABILITIES		
Liquid funds			5. Investors' assets *)	984,152	1,671,627
Deposits with custodian	16,274	11,996	Other debt		
Total liquid funds	16,274	11,996	Interest payable	2	1
6. Bonds			Payables	736	1,713
Listed bonds from Danish issuers	970,695	1,579,719	Payables – unsettled transactions	16,045	48,463
Listed bonds from foreign issuers	8,101	22,815	Total other debt	16,783	50,177
Total bonds	978,796	1,602,534	TOTAL LIABILITIES	1,000,935	1,721,804
Other assets			*) Investors' assets by unit class		
Interest receivable, dividends receivable etc	5,394	10,902	Mellemlange Obligationer A DKK Akk	458,530	1,580,926
Receivables – unsettled transactions	471	96,372	Danish Bonds B DKK Acc ^{*)}	95,136	90,701
Total other assets	5,865	107,274	Mellemlange Obligationer W DKK Acc ^{*)}	430,486	-
TOTAL ASSETS	1,000,935	1,721,804	Total	984,152	1,671,627

^{*)} The unit class was launched on 29 August 2016.

^{*)} The unit class was launched on 13 June 2017.

Mellemlange Obligationer Akkumulerende KL – Financial Statements

NOTES

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
1. Interest			4. Administrative costs		
Deposits with custodian	10	0			
Listed bonds from Danish issuers	19,662	22,261	Class-specific costs		
Listed bonds from foreign issuers	88	414	Marketing costs	2,583	3,216
Interest expense and negative interest with custodian	(84)	(18)	Fees to custodian	398	395
Total interest	19,676	22,657	Other costs relating to asset management	1,287	1,293
			Other costs	55	87
2. Capital gains and losses			Fixed management fee *)	1,760	1,942
			Total class-specific costs	6,083	6,933
Bonds			*) The management fee represents a "fixed management fee" which includes costs relating to the Board of Directors, Executive Management, audit etc. Total remuneration to the Board of Directors and Executive Management appears from the Directors' Report under "Remuneration of Board of Directors and Executive Management" to which reference is made.		
Listed bonds from Danish issuers	8,620	23,263	Audit fees appear from joint note 2 to which reference is made.		
Listed bonds from foreign issuers	(887)	1,379			
Total bonds	7,733	24,642	5. Investors' assets		
3. Transaction costs			Investors' assets at 1 Jan	1,671,627	986,841
All transaction costs	19	20	Adjustments in connection with merger during the year	0	581,451
Covered by income from issue and redemption	(14)	(4)	Issues during the year	571,967	183,679
Transaction costs, operating activities	5	16	Redemptions during the year	(1,281,466)	(120,896)
			Net issue surcharges and redemption deductions	703	202
			Brought forward from income statement	21,321	40,350
			Investors' assets at year-end	984,152	1,671,627
			6. Financial instruments (securities)		
			A list of financial instruments (securities) is available free of charge from the investment management company.		

Mellemlange Obligationer Akkumulerende KL – Financial Statements

SUPPLEMENTARY NOTES WITHOUT REFERENCE

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
a. Portfolio turnover			d. Bonds by issuer		
Market value of purchase of securities	1,229,634	2,009,209	Mortgage bonds	81.42%	80.58%
Market value of sale of securities	1,862,105	1,354,005	Government bonds	16.18%	13.81%
Total market value	3,091,739	3,363,214	Other bonds	1.86%	1.48%
			Cash, derivatives etc	0.54%	4.13%
b. Breakdown of financial instruments			Total	100.00%	100.00%
Listed financial instruments	99.46%	95.87%			
Financial instruments listed on other regulated market	0.00%	0.00%	e. Financial highlights from discontinued fund Dannebrog Akkumulerende KL		1.1-26.8.2016
Newly issued financial instruments for which listing on a stock exchange or other regulated market is planned	0.00%	0.00%	1) Interest and dividends		6,939
Other financial instruments	0.00%	0.00%	2) Capital gains and losses		14,035
	99.46%	95.87%	3) Administrative costs		(2,060)
Other assets/other debt	0.54%	4.13%	4) Issues during the period		20,317
Total	100.00%	100.00%	5) Redemptions during the period		(46,323)
			6) Net issue surcharges and redemption deductions		31
c. Bonds by duration			7) Net profit for the period		18,914
Bonds > 6 yrs	27.87%	22.38%	8) Unit-holders' assets at 1 Jan		588,512
Bonds 4-6 yrs	20.34%	20.85%	9) Unit-holders' assets at merger date		581,451
Bonds 2-4 yrs	25.84%	31.09%			
Bonds 0-2 yrs	25.41%	21.55%			
Cash, derivatives etc	0.54%	4.13%			
Total	100.00%	100.00%			

Mellemlange Obligationer A DKK Akk – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2015-2017

(DKK 1,000)	2017	2016	2015 ¹⁾
Financial highlights			
Share of net profit for the year	14,757	40,009	(13,984)
Units in circulation nominal	441,884	1,549,881	997,310
Units in circulation quantity	4,418,836	15,498,811	9,973,094
Investors' assets	458,530	1,580,926	986,841
Financial ratios			
NAV per unit	103.77	102.00	98.95
Return (%) *)	1.73%	3.09%	(1.05%)
Benchmark return (%)	(0.15%)	1.64%	0.19%
Total expense ratio	0.57%	0.53%	0.53%
Annual percentage rate (APR) at 31 December	0.56%	0.56%	0.62%

*) Past performance is no guarantee of current or future performance.

¹⁾ The unit class was launched on 7 January 2015.

Mellemlange Obligationer A DKK Akk – Financial Statements

NOTES

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
a. Share of net profit for the year			d. Units in circulation		
Share of joint portfolio profit	19,818	46,766	Nominal (DKK 1,000)	441,884	1,549,881
Class-specific costs *)	(5,061)	(6,757)	Quantity	4,418,836	15,498,811
Share of total net profit for the year	14,757	40,009	e. Investors' assets		
*) Class-specific costs			e1. Units in circulation		
Marketing costs	2,402	3,155	Units in circulation at 1 Jan	1,549,881	997,310
Fees to custodian	289	388	Adjustments in connection with merger during the year	0	479,820
Other costs relating to asset management	961	1,262	Issues during the year	57,883	187,407
Other costs	26	63	Redemptions during the year	(1,165,880)	(114,656)
Fixed management fee	1,383	1,889	Total units in circulation	441,884	1,549,881
Total class-specific costs	5,061	6,757	e2. Investors' assets		
b. Distribution of profit			Investors' assets at 1 Jan	1,580,926	986,841
b1. To be allocated			Adjustments in connection with merger during the year	0	489,976
Brought forward to investors' assets	14,757	40,009	Issues during the year	59,520	180,057
Total distribution	14,757	40,009	Redemptions during the year	(1,197,245)	(116,156)
c. Share of other debt			Net issue surcharges and redemption deductions	572	199
Payables (class-specific)	485	1,631	Brought forward from income statement	14,757	40,009
Share of total other debt	485	1,631	Investors' assets at year-end	458,530	1,580,926

Danish Bonds B DKK Acc – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2013-2017

(DKK 1,000)	2017	2016 ¹⁾	2015 ³⁾	2014 ²⁾	2013 ²⁾
Financial highlights					
Share of net profit for the year	1,644	341	409	8,133	451
Share of net profit for the year **)	1,644	3,463	621	8,133	451
Units in circulation nominal	28,702	27,856	31,242	78,110	72,337
Units in circulation quantity	2,870,229	2,785,633	3,124,194	7,810,974	7,233,663
Investors' assets	95,136	90,701	98,744	249,033	222,430
Financial ratios					
NAV per unit	33.15	32.56	31.61	31.88	30.75
Return (%) *)	1.80 %	3.02 %	(0.87%)	3.68 %	0.20 %
Benchmark return (%)	(0.15%)	1.64 %	0.34 %	4.72 %	(1.61%)
Total expense ratio	0.48 %	0.20 %	0.21 %	0.48 %	0.44 %
Total expense ratio**)	0.48 %	0.56 %	0.74 %	0.48 %	0.44 %
Annual percentage rate (APR) at 31 December	0.88 %	0.88 %	0.90 %	-	-

*) Past performance is no guarantee of current or future performance.

¹⁾ The unit class was launched on 29 August 2016.

²⁾ Financial highlights from ISI Danish Bonds.

³⁾ Financial highlights from Sydinvest Danish Bonds B DKK Acc (the fund Sydinvest Dannebrog Akk).

**)) For the period 1 Jan - 26 Aug 2016 Sydinvest Danish Bonds B DKK Acc (the fund Sydinvest Dannebrog Akk) is included.

Danish Bonds B DKK Acc – Financial Statements

NOTES

Note (DKK 1,000)	2017	2016 ¹⁾	Note (DKK 1,000)	2017	2016 ¹⁾
a. Share of net profit for the year			e. Units in circulation		
Share of joint portfolio profit	2,095	518	Nominal (DKK 1,000)	28,702	27,856
Class-specific costs *)	(451)	(177)	Quantity	2,870,229	2,785,633
Share of total net profit for the year	1,644	341			
*) Class-specific costs			f. Investors' assets		
Marketing costs	182	61	f1. Units in circulation		
Fees to custodian	15	7	Units in circulation at 1 Jan	27,856	0
Other costs relating to asset management	94	31	Adjustments in connection with merger during the year	0	28,023
Other costs	5	25	Issues during the year	4,786	1,289
Fixed management fee	155	53	Redemptions during the year	(3,940)	(1,456)
Total class-specific costs	451	177	Total units in circulation	28,702	27,856
b. Distribution of profit			f2. Investors' assets		
b1. To be allocated			Investors' assets at 1 Jan	90,701	0
Brought forward to investors' assets	1,644	341	Adjustments in connection with merger during the year	0	91,475
Total distribution	1,644	341	Issues during the year	15,694	3,622
c. Share of other assets			Redemptions during the year	(12,955)	(4,740)
Receivables – unsettled transactions (class-specific)	0	488	Net issue surcharges and redemption deductions	52	3
Share of total other debt	0	488	Brought forward from income statement	1,644	341
d. Share of other debt			Investors' assets at year-end	95,136	90,701
Payables (class-specific)	89	83	¹⁾ The unit class was launched on 29 August 2016.		
Share of total other debt	89	83			

Mellemlange Obligationer W DKK Acc – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2017

(DKK 1,000)	2017 ¹⁾
Financial highlights	
Share of net profit for the year	4,920
Units in circulation nominal	426,227
Units in circulation quantity	4,262,270
Investors' assets	430,486
Financial ratios	
NAV per unit	101.00
Return (%) *)	1.00%
Benchmark return (%)	(0.15%)
Total expense ratio	0.13%
Annual percentage rate (APR) at 31 December	0.25%

*) Past performance is no guarantee of current or future performance.

¹⁾ The unit class was launched on 13 June 2017.

NOTES

Note (DKK 1,000)	2017 ¹⁾	Note (DKK 1,000)	2017 ¹⁾
a. Share of net profit for the year		d. Share of other debt	
Share of joint portfolio profit	5,490	Payables (class-specific)	163
Class-specific costs *)	<u>(570)</u>	Payables – unsettled transactions (class-specific)	<u>3,030</u>
Share of total net profit for the year	4,920	Share of total other debt	3,193
*) Class-specific costs		e. Units in circulation	
Fees to custodian	93	Nominal (DKK 1,000)	426,227
Other costs relating to asset management	232	Quantity	4,262,270
Other costs	24	f. Investors' assets	
Fixed management fee	<u>221</u>	f1. Units in circulation	
Total class-specific costs	570	Issues during the year	496,893
b. Distribution of profit		Redemptions during the year	<u>(70,666)</u>
b1. To be allocated		Total units in circulation	426,227
Brought forward to investors' assets	4,920	f2. Investors' assets	
Total distribution	4,920	Issues during the year	496,753
c. Share of other assets		Redemptions during the year	(71,266)
Receivables – unsettled transactions (class-specific)	<u>471</u>	Net issue surcharges and redemption deductions	79
Share of total other debt	471	Brought forward from income statement	<u>4,920</u>
		Investors' assets at year-end	430,486

¹⁾ The unit class was launched on 13 June 2017.

Virksomhedsobligationer HY KL

Fund report

Fund data and unit class data	Virksomhedsobligationer HY A DKK	Virksomhedsobligationer HY W DKK d h
ISIN	DK0016098825	DK0060815090
Date of establishment	11 April 2001	13 June 2017
Launch date	23 May 2001	13 June 2017
Listed	Yes	No
Currency	DKK	DKK
Income fund	Yes	Yes
Denomination	100	100
Risk category	3	3
Approved for marketing in Germany	No	No
Benchmark	BofA Merrill Lynch Euro HY Index	
Secondary name	Corporate Bonds HY KL	

Introduction

The fund report should be read together with the sections in the annual report "Financial markets in 2017" on page 6, "Asset developments" on page 10 and "Risks" on page 15 to provide a complete picture of developments. The evaluation by the Board of Directors and Executive Management regarding fund specific risks appears below. For further information on risks associated with investing in the fund, reference is made to the current prospectus which may be downloaded at www.sydinvest.dk, www.sydinvest.de and www.sydinvest.com.

Investment profile

The fund invests in bonds issued by companies with low credit ratings from all over the world. At times government bonds may constitute part of the portfolio. The majority of the fund's currency positions must be hedged to DKK or EUR.

The fund is divided into the unit classes Virksomhedsobligationer HY A DKK and Virksomhedsobligationer HY W DKK d h. The investments in the individual unit classes are identical. The level of costs varies according to the unit class in which investors invest.

Risk profile

The fund carries a somewhat higher risk than that of traditional bond funds. In the short term large fluctuations in return may occur. The objective is to achieve a higher average return in the long term. Fund return depends on interest rate movements and issuers' ability to service debt. The fund is suitable for investments with a time horizon of at least four years.

The fund is placed in risk category 3.

Developments

The development in the NAV of the unit classes in 2017 appears from the table below. The differences in returns are attributable to the level of costs in the individual classes.

Unit class	Return	Benchmark
Virksomhedsobligationer HY A DKK	4.86%	6.79%
Virksomhedsobligationer HY W DKK d h ¹⁾	5.18%	6.79%

¹⁾The unit class was launched on 13 June 2017 in connection with the demerger of Virksomhedsobligationer HY A DKK. Return covers the period from 1 January to 31 December 2017.

The market exceeded expectations at the beginning of the year but the fund underperformed its benchmark.

In 2017 the HY corporate bond market was positively affected by growing search for excess returns, among other things due to the ECB's corporate bond-buying programme. As a result credit spreads on HY corporate bonds narrowed considerably, which resulted in higher HY corporate bond prices.

The fund has produced a return that is below the change in its benchmark. This is primarily due to the fund's costs. The fund was positively affected by its general bond allocation whereas the fund's underweight in corporate bonds from Italian banks as well as its rating selection had an adverse impact on return.

Market outlook

We expect a stable development for the fund in 2018. In general we expect rising government bond yields in Europe and we also project that credit spreads will increase from the very low levels at the end of 2017. Stronger monetary policy tightening in USA than forecast and accelerated tapering of the ECB's corporate bond-buying programme represent the most significant risk factors that may upset the projected favourable trend in 2018.

We project that the fund will generate a return in 2018 on a par with its benchmark or above as the fund is actively managed.

Virksomhedsobligationer HY KL – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2013-2017

(DKK 1,000)	2017	2016	2015	2014	2013
Financial highlights					
Net profit for the year	73,361	145,622	(112,721)	(67,432)	193,337
Investors' assets	1,232,726	1,791,738	2,312,861	2,924,368	3,092,901
Financial ratios					
Portfolio turnover rate (PTR)	0.20	0.25	0.90	0.27	0.22

Breakdown of profit for the year and investors' assets by unit class

(DKK 1,000)	2017		2016	
	Net profit for the year	Investors' assets at year-end	Net profit for the year	Investors' assets at year-end
Virksomhedsobligationer HY A DKK	59,580	1,033,531	145,622	1,791,738
Virksomhedsobligationer HY W DKK d h ^{*)}	13,781	199,195	-	-
Total	73,361	1,232,726	145,622	1,791,738

^{*)} The unit class was launched on 13 June 2017 in connection with the demerger of Virksomhedsobligationer HY A DKK

INCOME STATEMENT

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
Interest and dividends					
1. Interest	79,178	126,462	Distribution of profit from the unit classes		
Total interest and dividends	79,178	126,462	To be allocated		
Capital gains and losses					
2. Bonds	11,675	42,993	Total proposed distribution for the financial year		
Currency accounts	(199)	(440)	Total brought forward for distribution next year		
Other assets and liabilities	(3)	0			
3. Transaction costs, operating activities	(336)	(510)			
Total capital gains and losses	11,137	42,043	Total available for distribution		
Other income	82	80	Total brought forward to investors' assets		
Total income	90,397	168,585	Total distribution		
4. Administrative costs	(17,036)	(22,963)			
Net profit for the year	73,361	145,622	73,361		
Distribution of profit in the unit classes					
Virksomhedsobligationer HY A DKK					
Proposed distribution for the financial year					
Brought forward for distribution next year					
Brought forward to investors' assets					
Virksomhedsobligationer HY W DKK d h ^{*)}					
Proposed distribution for the financial year					
Brought forward for distribution next year					
Brought forward to investors' assets					

Virksomhedsobligationer HY KL – Financial Statements

BALANCE SHEET 31 DECEMBER 2017

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
ASSETS			LIABILITIES		
Liquid funds			5. Investors' assets *)	1,232,726	1,791,738
Deposits with custodian	19,382	26,011	Other debt		
Total liquid funds	19,382	26,011	Interest payable	1	0
6. Bonds			Payables	3,068	4,684
Listed bonds from Danish issuers	7,930	9,972	Payables – unsettled transactions	4,095	748
Listed bonds from foreign issuers	1,182,993	1,714,880	Total other debt	7,164	5,432
Unlisted bonds from foreign issuers	4,944	15,627	TOTAL LIABILITIES	1,239,890	1,797,170
Total bonds	1,195,867	1,740,479			
Other assets			*) Investors' assets by unit class		
Interest receivable, dividends receivable etc	20,127	29,935	Virksomhedsobligationer HY A DKK	1,033,531	1,791,738
Receivables – unsettled transactions	4,514	745	Virksomhedsobligationer HY W DKK d h ^{*)}	199,195	-
Total other assets	24,641	30,680	Total	1,232,726	1,791,738
TOTAL ASSETS	1,239,890	1,797,170			

^{*)} The unit class was launched on 13 June 2017.

Virksomhedsobligationer HY KL – Financial Statements

NOTES

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
1. Interest			4. Administrative costs		
Deposits with custodian	2	1			
Listed bonds from Danish issuers	477	623	Class-specific costs		
Listed bonds from foreign issuers	78,824	112,864	Marketing costs	8,247	11,627
Unlisted bonds from foreign issuers	23	13,007	Fees to custodian	1,284	1,634
Interest expense and negative interest with custodian	(148)	(33)	Other costs relating to asset management	5,312	6,782
Total interest	79,178	126,462	Other costs	76	2
			Fixed management fee *)	2,117	2,918
2. Capital gains and losses			Total class-specific costs	17,036	22,963
			*) The management fee represents a "fixed management fee" which includes costs relating to the Board of Directors, Executive Management, audit etc. Total remuneration to the Board of Directors and Executive Management appears from the Directors' Report under "Remuneration of Board of Directors and Executive Management" to which reference is made.		
Bonds			Audit fees appear from joint note 2 to which reference is made.		
Listed bonds from Danish issuers	847	278			
Listed bonds from foreign issuers	10,704	54,797	5. Investors' assets		
Unlisted bonds from Danish issuers	124	(12,082)	Investors' assets at 1 Jan	1,791,738	2,312,861
Total bonds	11,675	42,993	Issues during the year	69,626	40,214
			Redemptions during the year	(704,004)	(711,051)
3. Transaction costs			Net issue surcharges and redemption deductions	2,005	4,092
All transaction costs	828	697	Proposed distribution for the financial year	0	0
Covered by income from issue and redemption	(492)	(187)	Brought forward from income statement	83,681	303,756
Transaction costs, operating activities	336	510	Brought forward for distribution next year	(10,320)	(158,134)
			Investors' assets at year-end	1,232,726	1,791,738
			6. Financial instruments (securities)		
			A list of financial instruments (securities) is available free of charge from the investment management company.		

Virksomhedsobligationer HY KL – Financial Statements

SUPPLEMENTARY NOTES WITHOUT REFERENCE

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
a. Portfolio turnover			d. Bonds by industry		
Market value of purchase of securities	458,498	575,015	Consumer Staples	25.95%	24.39%
Market value of sale of securities	1,213,122	1,121,438	Consumer Discretionary	25.66%	27.21%
Total market value	1,671,620	1,696,453	Raw Materials	11.55%	12.09%
b. Breakdown of financial instruments			Financials	10.54%	11.22%
Listed financial instruments	96.61%	96.27%	Communications	9.25%	9.67%
Financial instruments listed on other regulated market	0.40%	0.87%	Industrials	8.36%	7.36%
Newly issued financial instruments for which listing on a stock exchange or other regulated market is planned	0.00%	0.00%	Energy	3.46%	3.17%
Other financial instruments	0.00%	0.00%	Utilities	2.24%	2.03%
	97.01%	97.14%	Cash, derivatives etc	2.99%	2.86%
Other assets/other debt	2.99%	2.86%	Total	100.00%	100.00%
Total	100.00%	100.00%			
c. Bonds by country					
Luxembourg	13.79%	10.90%			
France	13.56%	14.15%			
Italy	13.33%	12.59%			
USA	11.36%	6.12%			
Netherlands	8.67%	7.25%			
Germany	8.50%	10.22%			
UK	6.66%	11.56%			
Spain	3.72%	3.86%			
Other	17.42%	20.49%			
Cash, derivatives etc	2.99%	2.86%			
Total	100.00%	100.00%			

Virksomhedsobligationer HY A DKK – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2013-2017

(DKK 1,000)	2017 ¹⁾	2016	2015	2014	2013
Financial highlights					
Share of net profit for the year	59,580	145,622	(112,721)	(67,432)	193,337
Units in circulation nominal	1,253,792	2,279,168	3,187,528	3,662,621	3,535,125
Units in circulation quantity	12,537,914	22,791,677	31,875,273	36,626,207	35,351,248
Investors' assets	1,033,531	1,791,738	2,312,861	2,924,368	3,092,901
Financial ratios					
NAV per unit	82.43	78.61	72.56	79.84	87.49
Dividend per unit	0.00	0.00	0.00	4.10	6.10
Return (%) *)	4.86%	8.34%	(4.16%)	(2.06%)	7.00%
Benchmark return (%)	6.79%	8.81%	0.22%	-	-
Total expense ratio	1.19%	1.21%	1.14%	1.10%	1.06%
Annual percentage rate (APR) at 31 December	1.40%	1.38%	1.58%	1.51%	1.45%
Sharpe Ratio (5 yrs)	0.59	0.91	0.43	0.94	1.61
Standard deviation (5 yrs)	4.54	5.24	6.77	7.56	11.60

*) Past performance is no guarantee of current or future performance.

¹⁾ The fund was converted to a unit class on 13 June 2017.

Virksomhedsobligationer HY A DKK – Financial Statements

NOTES

Note (DKK 1,000)	2017 ¹⁾	2016	Note (DKK 1,000)	2017 ¹⁾	2016
a. Share of net profit for the year			c. Share of other debt		
Share of joint portfolio profit	74,120	168,505	Payables (class-specific)	2,829	4,684
Class-specific other income	67	80	Payables – unsettled transactions (class-specific)	0	748
Class-specific costs *)	(14,607)	(22,963)	Share of total other debt	2,829	5,432
Share of total net profit for the year	59,580	145,622			
*) Class-specific costs			d. Units in circulation		
Marketing costs	7,441	11,627	Nominal (DKK 1,000)	1,253,792	2,279,168
Fees to custodian	959	1,634	Quantity	12,537,914	22,791,677
Other costs relating to asset management	4,355	6,782			
Other costs	60	2	e. Investors' assets		
Fixed management fee	1,792	2,918	e1. Units in circulation		
Total class-specific costs	14,607	22,963	Units in circulation at 1 Jan	2,279,168	3,187,528
			Correction in connection with demerger	(338,111)	0
b. Distribution of profit			Issues during the year	4,741	53,586
b1. To be allocated			Redemptions during the year	(692,006)	(961,946)
Proposed distribution for the financial year	0	0	Total units in circulation	1,253,792	2,279,168
Brought forward for distribution next year	(8,523)	(158,134)	e2. Investors' assets		
Available for distribution	(8,523)	(158,134)	Investors' assets at 1 Jan	1,791,738	2,312,861
Brought forward to investors' assets	68,103	303,756	Correction in connection with demerger	(273,348)	0
Total distribution	59,580	145,622	Issues during the year	3,756	40,214
b2. Available for distribution			Redemptions during the year	(558,249)	(711,051)
Brought forward for distribution from last year	(158,134)	(236,900)	Correction of profit in connection with demerger	8,281	0
Adjustment of brought forward for distribution from last year – demerger	27,875	0	Net issue surcharges and redemption deductions	1,773	4,092
Share of interest	65,063	126,495	Proposed distribution for the financial year	0	0
Other income	67	80	Brought forward from income statement	68,103	303,756
Share of capital gains for distribution	30,813	(115,773)	Brought forward for distribution next year	(8,523)	(158,134)
Distribution adjustment in connection with issue/redemption concerning the above items	25,793	67,964	Investors' assets at year-end	1,033,531	1,791,738
***) Available for distribution before administrative costs	(8,523)	(158,134)			
Set-off of administrative costs	0	0			
Distribution adjustment of administrative costs in connection with issue/redemption	0	0			
Total administrative costs	0	0			
Available for distribution	(8,523)	(158,134)			
**) If amount available for distribution before administrative costs and any voluntary distribution is negative, administrative costs cannot be deducted.					

¹⁾ The fund was converted to a unit class on 13 Juni 2017.

Virksomhedsobligationer HY W DKK d h – Financial Statements

HOVED- OG NØGLETAL FOR 2017

(DKK 1,000)	2017 ¹⁾
Financial highlights	
Share of net profit	13,781
Units in circulation nominal	240,916
Units in circulation quantity	2,409,161
Investors' assets	199,195
Financial ratios	
NAV per unit	82.68
Dividend per unit	0.00
Return (%) ^{1) 2)}	5.18%
Benchmark return (%) ²⁾	6.79%
Total expense ratio	0.89%
Annual percentage rate (APR) at 31 December	0.72%
Sharpe Ratio (5 yrs)	0.61
Standard deviation (5 yrs)	4.54

*) Past performance is no guarantee of current or future performance.

¹⁾ The unit class was launched on 13 June 2017 in connection with the demerger of Virksomhedsobligationer HY A DKK

²⁾ Return for the period 1 Jan - 31 Dec 2017

Virksomhedsobligationer HY W DKK d h – Financial Statements

NOTES

Note (DKK 1,000)	2017 ¹⁾	Note (DKK 1,000)	2017 ¹⁾
a. Share of net profit for the year		c. Share of other debt	
Share of joint portfolio profit	16,194	Payables (class-specific)	<u>239</u>
Class-specific other income	15	Share of total other debt	239
Class-specific costs *)	<u>(2,428)</u>		
Share of total net profit for the year	13,781	d. Units in circulation	
		Nominal (DKK 1,000)	240,916
*) Class-specific costs		Quantity	2,409,161
Marketing costs	805		
Fees to custodian	325	e. Investors' assets	
Other costs relating to asset management	957		
Other costs	15	e1. Units in circulation	
Fixed management fee	<u>326</u>	Correction in connection with demerger	338,111
Total class-specific costs	2,428	Issues during the year	81,305
		Redemptions during the year	<u>(178,500)</u>
b. Distribution of profit		Total units in circulation	240,916
b1. To be allocated			
Proposed distribution for the financial year	0	e2. Investors' assets	
Brought forward for distribution next year	<u>(1,797)</u>	Correction in connection with demerger	273,348
Available for distribution	(1,797)	Issues during the year	65,870
Brought forward to investors' assets	15,578	Redemptions during the year	(145,755)
Total distribution	13,781	Correction of profit in connection with demerger	(8,281)
		Net issue surcharges and redemption deductions	232
b2. Available for distribution ²⁾		Proposed distribution for the financial year	0
Adjustment of brought forward for distribution from last year – demerger	(27,875)	Brought forward from income statement	15,578
Share of interest	14,263	Brought forward for distribution next year	<u>(1,797)</u>
Other income	15	Investors' assets at year-end	199,195
Share of capital gains for distribution	6,603		
Distribution adjustment in connection with issue/redemption concerning the above items	<u>5,197</u>		
**) Available for distribution before administrative costs	(1,797)		
Set-off of administrative costs	0		
Distribution adjustment of administrative costs in connection with issue/redemption	<u>0</u>		
Total administrative costs	<u>0</u>		
Available for distribution	(1,797)		
**) If amount available for distribution before administrative costs and any voluntary distribution is negative, administrative costs cannot be deducted.			

¹⁾ The unit class was launched on 13 June 2017 in connection with the demerger of Virksomhedsobligationer HY A DKK

²⁾ Incl proportional share of income for 1 Jan - 13 Jun 2017 from Virksomhedsobligationer HY A DKK

Virksomhedsobligationer HY Akkumulerende KL – Financial Statements

Fund report

Fund data and unit class data	Virksomhedsobligationer HY A DKK Akk	Virksomhedsobligationer HY W DKK Acc h
ISIN	DK0060089415	DK0060646982
Date of establishment	6 July 2007	16 June 2015
Launch date	24 September 2007	25 August 2015
Listed	Yes	No
Currency	DKK	DKK
Income fund	No	No
Denomination	100	100
Risk category	3	3
Approved for marketing in Germany	No	No
Benchmark	BofA Merrill Lynch Euro HY Index	
Secondary name	Corporate Bonds HY Acc KL	

Introduction

The fund report should be read together with the sections in the annual report “Financial markets in 2017” on page 6, “Asset developments” on page 10 and “Risks” on page 15 to provide a complete picture of developments. The evaluation by the Board of Directors and Executive Management regarding fund specific risks appears below. For further information on risks associated with investing in the fund, reference is made to the current prospectus which may be downloaded at www.sydinvest.dk, www.sydinvest.de and www.sydinvest.com.

Investment profile

The fund invests in bonds issued by companies with low credit ratings from all over the world. At times government bonds may constitute part of the portfolio. The majority of the fund’s currency positions must be hedged to DKK or EUR.

The fund is divided into the unit classes Virksomhedsobligationer HY A DKK Akk and Virksomhedsobligationer HY W DKK Acc h. The investments in the individual unit classes are identical. The level of costs varies according to the unit class in which investors invest.

Risk profile

The fund carries a somewhat higher risk than that of traditional bond funds. In the short term large fluctuations in return may occur. The objective is to achieve a higher average return in the long term. Fund return depends on interest rate movements and issuers’ ability to service debt. The fund is suitable for investments with a time horizon of at least four years.

The fund is placed in risk category 3.

Developments

The development in the NAV of the unit classes in 2017 appears from the table below. The differences in returns are attributable to the level of costs in the individual classes.

Unit class	Return	Benchmark
Virksomhedsobligationer HY A DKK Akk	4.87%	6.79%
Virksomhedsobligationer HY W DKK Acc h	5.60%	6.79%

The market exceeded expectations at the beginning of the year but the fund underperformed its benchmark.

In 2017 the HY corporate bond market was positively affected by growing search for excess returns, among other things due to the ECB’s corporate bond-buying programme. As a result credit spreads on HY corporate bonds narrowed considerably, which resulted in higher HY corporate bond prices.

The fund has produced a return that is below the change in its benchmark. This is primarily due to the fund’s costs. The fund was positively affected by its general bond allocation whereas the fund’s underweight in corporate bonds from Italian banks as well as its rating selection had an adverse impact on return.

Market outlook

We expect a stable development for the fund in 2018. In general we expect rising government bond yields in Europe and we also project that credit spreads will increase from the very low levels at the end of 2017. Stronger monetary policy tightening in USA than forecast and accelerated tapering of the ECB’s corporate bond-buying programme represent the most significant risk factors that may upset the projected favourable trend in 2018.

We project that the fund will generate a return in 2018 on a par with its benchmark or above as the fund is actively managed.

Virksomhedsobligationer HY Akkumulerende KL – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2013-2017

(DKK 1,000)	2017	2016	2015	2014	2013
Financial highlights					
Net profit for the year	42,480	48,233	(14,733)	(12,492)	19,060
Investors' assets	653,817	747,821	537,329	494,692	329,663
Financial ratios					
Portfolio turnover rate (PTR)	0.28	0.48	0.73	0.25	0.19

Breakdown of profit for the year and investors' assets by unit class

(DKK 1,000)	2017		2016	
	Net profit for the year	Investors' assets at year-end	Net profit for the year	Investors' assets at year-end
Virksomhedsobligationer HY A DKK Akk	15,966	230,491	30,574	418,733
Virksomhedsobligationer HY W DKK Acc h	26,514	423,326	17,659	329,088
Total	42,480	653,817	48,233	747,821

INCOME STATEMENT

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
Interest and dividends			Distribution of profit from the unit classes		
1. Interest	44,062	34,862			
Total interest and dividends	44,062	34,862	To be allocated		
Capital gains and losses			Total brought forward to investors' assets	42,480	48,233
2. Bonds	5,250	19,404	Total distribution	42,480	48,233
Currency accounts	(150)	(93)			
3. Transaction costs, operating activities	(177)	(112)	Distribution of profit in the unit classes		
Total capital gains and losses	4,923	19,199			
Other income	24	17	Brought forward to investors' assets		
Total income	49,009	54,078	Virksomhedsobligationer HY A DKK Akk	15,966	30,574
4. Administrative costs	(6,529)	(5,845)	Virksomhedsobligationer HY W DKK Acc h	26,514	17,659
Net profit for the year	42,480	48,233	Total	42,480	48,233

Virksomhedsobligationer HY Akkumulerende KL – Financial Statements

BALANCE SHEET 31 DECEMBER 2017

Note (DKK 1,000)	0	2016	Note (DKK 1,000)	0	2016
ASSETS			LIABILITIES		
Liquid funds			5. Investors' assets *)	653,817	747,821
Deposits with custodian	13,701	11,266	Other debt		
Total liquid funds	13,701	11,266	Interest payable	1	0
6. Bonds			Payables	1,241	1,383
Listed bonds from Danish issuers	4,535	4,274	Payables – unsettled transactions	3,118	0
Listed bonds from foreign issuers	626,626	713,516	Total other debt	4,360	1,383
Unlisted bonds from Danish issuers	2,280	6,696	TOTAL LIABILITIES	658,177	749,204
Total bonds	633,441	724,486			
Other assets			*) Investors' assets by unit class		
Interest receivable, dividends receivable etc	10,767	12,704	Virksomhedsobligationer HY A DKK Akk	230,491	418,733
Receivables – unsettled transactions	268	748	Virksomhedsobligationer HY W DKK Acc h	423,326	329,088
Total other assets	11,035	13,452	Total	653,817	747,821
TOTAL ASSETS	658,177	749,204			

Virksomhedsobligationer HY Akkumulerende KL – Financial Statements

NOTES

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
1. Interest			4. Administrative costs		
Deposits with custodian	1	0			
Listed bonds from Danish issuers	271	180	Class-specific costs		
Listed bonds from foreign issuers	43,861	34,004	Marketing costs	1,952	2,448
Unlisted bonds from Danish issuers	14	681	Fees to custodian	563	472
Interest expense and negative interest with custodian	(85)	(3)	Other costs relating to asset management	2,996	2,107
Total interest	44,062	34,862	Other costs	45	1
			Fixed management fee *)	973	817
2. Capital gains and losses			Total class-specific costs	6,529	5,845
Bonds			*) The management fee represents a "fixed management fee" which includes costs relating to the Board of Directors, Executive Management, audit etc. Total remuneration to the Board of Directors and Executive Management appears from the Directors' Report under "Remuneration of Board of Directors and Executive Management" to which reference is made.		
Listed bonds from Danish issuers	426	116	Audit fees appear from joint note 2 to which reference is made.		
Listed bonds from foreign issuers	4,764	19,727			
Unlisted bonds from Danish issuers	60	(439)	5. Investors' assets		
Total bonds	5,250	19,404	Investors' assets at 1 Jan	747,821	537,329
			Issues during the year	396,172	281,948
3. Transaction costs			Redemptions during the year	(534,277)	(120,262)
All transaction costs	576	253	Net issue surcharges and redemption deductions	1,621	573
Covered by income from issue and redemption	(399)	(141)	Brought forward from income statement	42,480	48,233
Transaction costs, operating activities	177	112	Investors' assets at year-end	653,817	747,821
			6. Financial instruments (securities)		
			A list of financial instruments (securities) is available free of charge from the investment management company.		

Virksomhedsobligationer HY Akkumulerende KL – Financial Statements

SUPPLEMENTARY NOTES WITHOUT REFERENCE

Note (DKK 1,000)	0	2016	Note (DKK 1,000)	0	2016
a. Portfolio turnover			d. Bonds by industry		
Market value of purchase of securities	651,110	434,706	Consumer Staples	25.77%	24.36%
Market value of sale of securities	692,042	243,691	Consumer Discretionary	25.67%	27.21%
Total market value	1,343,152	678,397	Raw Materials	11.41%	12.16%
			Financials	10.57%	11.21%
b. Breakdown of financial instruments			Communications	9.15%	9.62%
Listed financial instruments	96.53%	95.98%	Industrials	8.36%	7.18%
Financial instruments listed on other regulated market	0.35%	0.90%	Energy	3.75%	3.16%
Newly issued financial instruments for which listing on a stock exchange or other regulated market is planned	0.00%	0.00%	Utilities	2.20%	1.98%
Other financial instruments	0.00%	0.00%	Cash, derivatives etc	3.12%	3.12%
	96.88%	96.88%	Total	100.00%	100.00%
Other assets/other debt	3.12%	3.12%			
Total	100.00%	100.00%			
c. Bonds by country					
Luxembourg	13.83%	11.00%			
France	13.62%	14.16%			
Italy	13.25%	12.45%			
USA	11.54%	6.02%			
Netherlands	8.76%	7.14%			
Germany	8.12%	10.64%			
UK	6.53%	11.32%			
Spain	3.86%	3.70%			
Other	17.37%	20.45%			
Cash, derivatives etc	3.12%	3.12%			
Total	100.00%	100.00%			

Virksomhedsobligationer HY A DKK Akk – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2013-2017

(DKK 1,000)	2017	2016	2015	2014	2013
Financial highlights					
Share of net profit for the year	15,966	30,574	(13,010)	(12,492)	19,060
Units in circulation nominal	146,968	280,007	320,774	347,929	229,082
Units in circulation quantity	1,469,685	2,800,074	3,207,745	3,479,292	2,290,820
Investors' assets	230,491	418,733	443,998	494,692	329,663
Financial ratios					
NAV per unit	156.83	149.54	138.41	142.18	143.91
Return (%) *)	4.87%	8.04%	(2.65%)	(1.20%)	6.71%
Benchmark return (%)	6.79%	8.81%	0.22%	-	-
Total expense ratio	1.23%	1.20%	1.13%	1.10%	1.07%
Annual percentage rate (APR) at 31 December	1.41%	1.39%	1.58%	1.50%	1.45%
Sharpe Ratio (5 yrs)	0.69	1.02	0.50	0.99	1.62
Standard deviation (5 yrs)	4.45	5.18	6.92	7.56	11.54

*) Past performance is no guarantee of current or future performance.

NOTES

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
a. Share of net profit for the year			d. Investors' assets		
Share of joint portfolio profit	19,821	35,424			
Class-specific other income	9	13	d1. Units in circulation		
Class-specific costs *)	(3,864)	(4,863)	Units in circulation at 1 Jan	280,007	320,774
Share of total net profit for the year	15,966	30,574	Issues during the year	41,877	44,206
			Redemptions during the year	(174,916)	(84,973)
*) Class-specific costs			Total units in circulation	146,968	280,007
Marketing costs	1,952	2,448			
Fees to custodian	289	372	d2. Investors' assets		
Other costs relating to asset management	1,141	1,428	Investors' assets at 1 Jan	418,733	443,998
Other costs	13	0	Issues during the year	63,915	62,757
Fixed management fee	469	615	Redemptions during the year	(268,662)	(119,026)
Total class-specific costs	3,864	4,863	Net issue surcharges and redemption deductions	539	430
			Brought forward from income statement	15,966	30,574
b. Distribution of profit			Investors' assets at year-end	230,491	418,733
b1. To be allocated					
Brought forward to investors' assets	15,966	30,574			
Total distribution	15,966	30,574			
c. Units in circulation					
Nominal (DKK 1,000)	146,968	280,007			
Quantity	1,469,685	2,800,074			

Virksomhedsobligationer HY W DKK Acc h – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2015-2017

(DKK 1,000)	2017	2016	2015 ¹⁾
Financial highlights			
Share of net profit for the year	26,514	17,659	(1,723)
Units in circulation nominal	372,985	306,199	94,467
Units in circulation quantity	3,729,848	3,061,985	944,665
Investors' assets	423,326	329,088	93,331
Financial ratios			
NAV per unit	113.50	107.48	98.80
Return (%) *)	5.60%	8.78%	(1.20%)
Benchmark return (%)	6.79%	8.81%	(0.83%)
Total expense ratio	0.49%	0.48%	0.16%
Annual percentage rate (APR) at 31 December	0.72%	0.70%	0.76%

*) Past performance is no guarantee of current or future performance.

¹⁾ The unit class was launched on 25 August 2015.

NOTES

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
a. Share of net profit for the year			d. Investors' assets		
Share of joint portfolio profit	29,164	18,635			
Class-specific other income	15	5	d1. Units in circulation		
Class-specific costs *)	(2,665)	(981)	Units in circulation at 1 Jan	306,199	94,467
Share of total net profit for the year	26,514	17,659	Issues during the year	302,271	212,932
			Redemptions during the year	(235,485)	(1,200)
*) Class-specific costs			Total units in circulation	372,985	306,199
Fees to custodian	274	100			
Other costs relating to asset management	1,855	680	d2. Investors' assets		
Other costs	32	0	Investors' assets at 1 Jan	329,088	93,331
Fixed management fee	504	201	Issues during the year	332,257	219,191
Total class-specific costs	2,665	981	Redemptions during the year	(265,615)	(1,236)
			Net issue surcharges and redemption deductions	1,082	143
b. Distribution of profit			Brought forward from income statement	26,514	17,659
			Investors' assets at year-end	423,326	329,088
b1. To be allocated					
Brought forward to investors' assets	26,514	17,659			
Total distribution	26,514	17,659			
c. Units in circulation					
Nominal (DKK 1,000)	372,985	306,199			
Quantity	3,729,848	3,061,985			

Virksomhedsobligationer HY 2019

Fund report

Fund data

ISIN	DK0060681385
Date of establishment	23 November 2015
Launch date	1 February 2016
Listed	Yes
Currency	DKK
Income fund	Yes
Denomination	100
Risk category	3
Approved for marketing in Germany	No
Benchmark	No

Introduction

The fund report should be read together with the sections in the annual report "Financial markets in 2017" on page 6, "Asset developments" on page 10 and "Risks" on page 15 to provide a complete picture of developments. The evaluation by the Board of Directors and Executive Management regarding fund specific risks appears below. For further information on risks associated with investing in the fund, reference is made to the current prospectus which may be downloaded at www.sydinvest.dk, www.sydinvest.de and www.sydinvest.com.

Investment profile

The fund has a fixed maturity on 31 December 2019 and the fund will be liquidated on this date. The fund invests globally in high-yield corporate bonds with short maturities. The majority of the fund's investments will be hedged to DKK or EUR. Danish mortgage bonds and government bonds may at times form part of the portfolio. In particular during the period up to liquidation of the fund when they may represent practically the entire portfolio.

Risk profile

The fund's risks consist of credit risk and interest rate risk. The fund's overall risk will decline towards the scheduled date of maturity. The interest rate risk will decrease as the fund's investments approach maturity and the credit quality of the fund's investments will improve at the end of the fund's life. The fund is suitable for investments with an investment horizon matching the fund's date of maturity.

The fund is placed in risk category 3.

Developments

The fund yielded a return of 1.77% in 2017. The market exceeded expectations at the beginning of the year. The fund does not have a benchmark.

In 2017 the HY corporate bond market was positively affected by growing search for excess returns, among other things due to the ECB's corporate bond-buying programme. As a result credit spreads on HY corporate bonds narrowed considerably, which resulted in higher HY corporate bond prices.

The fund underperformed the overall HY corporate bond market, primarily on account of the low interest rate sensitivity.

Market outlook

We expect a stable development for the fund in 2018. In general we expect rising government bond yields in Europe and we also project that credit spreads will increase from the very low levels at the end of 2017. Stronger monetary policy tightening in USA than forecast and accelerated tapering of the ECB's corporate bond-buying programme represent the most significant risk factors that may upset the projected favourable trend in 2018.

We project that the fund will generate a return in 2018 on a par with the overall market return of short-term corporate bonds or above as the fund is actively managed.

Virksomhedsobligationer HY 2019 – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2016-2017

(DKK 1,000)	2017	2016 ¹⁾
Financial highlights		
Share of net profit	7,371	29,883
Units in circulation nominal	360,162	423,703
Units in circulation quantity	3,601,617	4,237,025
Investors' assets	386,494	457,969
Financial ratios		
NAV per unit	107.31	108.09
Dividend per unit	3.00	2.65
Return (%) *)	1.77%	8.09%
Total expense ratio	1.05%	0.96%
Annual percentage rate (APR) at 31 December	1.23%	1.27%
Portfolio turnover rate (PTR)	0.18	0.08

*) Past performance is no guarantee of current or future performance.

¹⁾ The fund was launched on 1 February 2016.

INCOME STATEMENT

Note (DKK 1,000)	2017	2016 ¹⁾	Note (DKK 1,000)	2017	2016 ¹⁾
Interest and dividends			Distribution of profit		
1. Interest	24,689	23,622	To be allocated		
Total interest and dividends	24,689	23,622	Proposed distribution for the financial year	10,805	11,228
Capital gains and losses			Brought forward to investors' assets	(3,434)	18,655
2. Bonds	(36,194)	19,187	Total distribution	7,371	29,883
2. Derivatives	24,236	(8,802)			
Currency accounts	(803)	103			
3. Transaction costs, operating activities	(48)	(29)			
Total capital gains and losses	(12,809)	10,459			
Other income	7	1			
Total income	11,887	34,082			
4. Administrative costs	(4,516)	(4,199)			
Net profit for the year	7,371	29,883			

¹⁾ The fund was launched on 1 February 2016.

Virksomhedsobligationer HY 2019 – Financial Statements

BALANCE SHEET 31 DECEMBER 2017

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
ASSETS			LIABILITIES		
Liquid funds			5. Investors' assets	386,494	457,969
Deposits with custodian	25,852	17,418	Derivatives		
Total liquid funds	25,852	17,418	Unlisted derivatives	24	1,821
6. Bonds			Total derivatives	24	1,821
Listed bonds from Danish issuers	0	2,970	Other debt		
Listed bonds from foreign issuers	352,471	430,093	Payables	937	1,073
Unlisted bonds from foreign issuers	0	2,822	Total other debt	937	1,073
Total bonds	352,471	435,885	TOTAL LIABILITIES	387,455	460,863
Derivatives					
Unlisted derivatives	3,997	575			
Total derivatives	3,997	575			
Other assets					
Interest receivable, dividends receivable etc	5,135	6,985			
Total other assets	5,135	6,985			
TOTAL ASSETS	387,455	460,863			

Virksomhedsobligationer HY 2019 – Financial Statements

NOTES

Note (DKK 1,000)	2017	2016 ¹⁾	Note (DKK 1,000)	2017	2016 ¹⁾
1. Interest			4. Administrative costs		
Deposits with custodian	90	33			
Listed bonds from Danish issuers	180	179	Fund-specific costs		
Listed bonds from foreign issuers	24,373	23,135	Marketing costs	2,570	2,372
Unlisted bonds from foreign issuers	71	275	Fees to custodian	222	240
Interest expense and negative interest with custodian	(25)	0	Other costs relating to asset management	1,080	989
Total interest	24,689	23,622	Other costs	22	(7)
			Fixed management fee *)	622	605
2. Capital gains and losses			Total fund-specific costs	4,516	4,199
Bonds			*) The management fee represents a "fixed management fee" which includes costs relating to the Board of Directors, Executive Management, audit etc. Total remuneration to the Board of Directors and Executive Management appears from the Directors' Report under "Remuneration of Board of Directors and Executive Management" to which reference is made.		
Listed bonds from Danish issuers	60	0	Audit fees appear from joint note 2 to which reference is made.		
Listed bonds from foreign issuers	(36,254)	18,560	5. Investors' assets		
Unlisted bonds from foreign issuers	0	627			
Total bonds	(36,194)	19,187	Units in circulation		
Derivatives			Units in circulation at 1 Jan	423,703	0
Forward exchange transactions/futures etc	24,236	(8,802)	Issues during the year	1,459	423,703
Total derivatives	24,236	(8,802)	Redemptions during the year	(65,000)	0
3. Transaction costs			Total units in circulation	360,162	423,703
All transaction costs	71	213	Investors' assets		
Covered by income from issue and redemption	(23)	(184)	Investors' assets at 1 Jan	457,969	0
Transaction costs, operating activities	48	29	Issues during the year	1,545	427,766
			Redemptions during the year	(69,588)	0
			Net issue surcharges and redemption deductions	425	320
			Distribution from last year concerning units in circulation at 31 Dec	(11,228)	0
			Proposed distribution for the financial year	10,805	11,228
			Brought forward from income statement	(3,434)	18,655
			Investors' assets at year-end	386,494	457,969
			6. Financial instruments (securities)		
			A list of financial instruments (securities) is available free of charge from the investment management company.		

Virksomhedsobligationer HY 2019 – Financial Statements

SUPPLEMENTARY NOTES WITHOUT REFERENCE

Note (DKK 1,000)	2017	2016 ¹⁾	Note (DKK 1,000)	2017	2016 ¹⁾
a. Units in circulation			e. Bonds by industry		
Nominal (DKK 1,000)	360,162	423,703	Financials	30.35%	25.32%
Quantity	3,601,617	4,237,025	Consumer Staples	18.47%	20.08%
			Consumer Discretionary	12.53%	14.58%
b. Portfolio turnover			Raw Materials	9.46%	11.92%
Market value of purchase of securities	110,005	457,394	Industrials	7.26%	7.98%
Market value of sale of securities	112,770	38,640	Communications	5.04%	5.60%
Total market value	222,775	496,034	Utilities	3.28%	5.08%
			Energy	4.81%	4.62%
c. Breakdown of financial instruments			Cash, derivatives etc	8.80%	4.82%
Listed financial instruments	91.20%	94.56%	Total	100.00%	100.00%
Financial instruments listed on other regulated market	0.00%	0.62%	Underlying exposure –		
Newly issued financial instruments for which listing on a stock exchange or other regulated market is planned	0.00%	0.00%	f. forward exchange transactions		
			Currency		
Other financial instruments	1.03%	(0.27%)	DKK	239,550	271,278
	92.23%	94.91%	GBP	(30,396)	(28,108)
Other assets/other debt	7.77%	5.09%	NOK	(8,192)	(4,828)
Total	100.00%	100.00%	SEK	(2,281)	(4,682)
			USD	(199,653)	(239,685)
d. Bonds by country			g. Net collateral position		
USA	29.24%	30.24%	Net calculation of collateral regarding derivatives		
UK	12.29%	12.02%	Collateral provided as		
France	5.20%	5.83%	Liquid funds	(380)	0
Italy	4.64%	3.58%	Total	(380)	0
Norway	4.54%	3.01%	Reuse of collateral		
Luxembourg	4.38%	5.27%	Collateral received which is reused	0	0
Germany	2.89%	4.40%	Total	0	0
Netherlands	2.86%	3.82%			
Other	25.16%	27.01%			
Cash, derivatives etc	8.80%	4.82%			
Total	100.00%	100.00%			

Virksomhedsobligationer HY ETIK KL

Fund report

Fund data and unit class data	Virksomhedsobligationer HY Etik W DKK d h
ISIN	DK0060783389
Date of establishment	10 February 2017
Launch date	24 February 2017
Listed	No
Currency	DKK
Income fund	Yes
Denomination	100
Risk category	3
Approved for marketing in Germany	No
Benchmark	BofA Merrill Lynch Euro HY Index hedged to DKK
Secondary name	Corporate Bonds HY Ethic KL

Introduction

The fund report should be read together with the sections in the annual report "Financial markets in 2017" on page 6, "Asset developments" on page 10 and "Risks" on page 15 to provide a complete picture of developments. The evaluation by the Board of Directors and Executive Management regarding fund specific risks appears below. For further information on risks associated with investing in the fund, reference is made to the current prospectus which may be downloaded at www.sydinvest.dk, www.sydinvest.de and www.sydinvest.com.

Investment profile

The fund invests primarily in high-yield corporate bonds issued by European companies with low credit ratings. The currency risk is limited. The portfolio is actively managed where focus is on overall developments in the economy and their impact on businesses' ability to meet their payment obligations.

The fund has an ethical profile according to which the turnover of companies invested in may not exceed 5% within the following business areas: Tobacco, alcohol, gambling, adult entertainment, armaments & firearms, fossil fuels.

The fund is divided into the unit class Virksomhedsobligationer HY Etik W DKK d h.

Risk profile

Investors must be aware that developments within the high-yield corporate bond market vary greatly. This may be attributable to company-specific issues, eg credit risk and overall movements in interest rates due to changed economic, political, regulatory and market-related issues, eg liquidity risk and credit risk. Credit risk may arise in connection with the bankruptcy of a business or a downgrade by one of the recognised credit rating agencies. Liquidity risk reflects market situations under stress where it is difficult to sell, in whole or in part, a desired quantity of corporate bonds at market prices due to insufficient market participation by buyers. The fund's capital is predominantly placed in high-yield corporate bonds. Therefore the risk profile of these investments is medium, ie some price fluctuations in the fund can be expected.

The fund is placed in risk category 3.

Developments

The development in the NAV of the unit class in 2017 appears from the table below.

Unit class	Return	Benchmark
Virksomhedsobligationer HY Etik W DKK d h ¹⁾	3.44%	4.91%

¹⁾ The unit class was launched on 24 February 2017.

The fund was launched on 24 February 2017. The market exceeded expectations at the beginning of the year but the fund underperformed its benchmark.

In 2017 the HY corporate bond market was positively affected by growing search for excess returns, among other things due to the ECB's corporate bond-buying programme. As a result credit spreads on HY corporate bonds narrowed considerably, which resulted in higher HY corporate bond prices.

The fund has produced a return that is below the change in its benchmark. This is primarily due to the fund's costs. The fund was positively affected by its general bond allocation whereas the fund's underweight in corporate bonds from Italian banks as well as its rating selection had an adverse impact on return.

Market outlook

We expect a stable development for the fund in 2018. In general we expect rising government bond yields in Europe and we also project that credit spreads will increase from the very low levels at the end of 2017. Stronger monetary policy tightening in USA than forecast and accelerated tapering of the ECB's corporate bond-buying programme represent the most significant risk factors that may upset the projected favourable trend in 2018. We project that the fund will generate a return in 2018 on a par with its benchmark or above as the fund is actively managed.

Virksomhedsobligationer HY ETIK KL – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2017

(DKK 1,000)	2017 ¹⁾
Financial highlights	
Net profit for the year	2,956
Investors' assets	97,972
Financial ratios	
Portfolio turnover rate (PTR)	0.33

¹⁾ The fund was launched on 24 February 2017 - first financial year 24 Feb - 31 Dec 2017.

Breakdown of profit for the year and investors' assets by unit class

(DKK 1,000)	2017	
	Net profit for the year	Investors' assets at year-end
Virksomhedsobligationer HY ETIK W DKK d h ¹⁾	2,956	97,972
Total	2,956	97,972

¹⁾ The unit class was launched on 24 February 2017.

INCOME STATEMENT

Note (DKK 1,000)	2017 ¹⁾	Note (DKK 1,000)	2017 ¹⁾
Interest and dividends		Distribution of profit from the unit classes	
1. Interest	3,955		
Total interest and dividends	3,955	To be allocated	
Capital gains and losses		Total proposed distribution for the financial year	2,368
2. Bonds	(519)	Total brought forward for distribution next year	81
Currency accounts	(15)	Total available for distribution	2,449
3. Transaction costs, operating activities	(19)	Total brought forward to investors' assets	507
Total capital gains and losses	(553)	Total distribution	2,956
Other income	1	Distribution of profit in the unit classes	
Total income	3,403	Virksomhedsobligationer HY ETIK W DKK d h	
4. Administrative costs	(447)	Proposed distribution for the financial year	2,368
Net profit for the year	2,956	Brought forward for distribution next year	81
		Brought forward to investors' assets	507

¹⁾ The fund was launched on 24 February 2017.

Virksomhedsobligationer HY ETIK KL – Financial Statements

BALANCE SHEET 31 DECEMBER 2017

Note (DKK 1,000)	2017	Note (DKK 1,000)	2017
ASSETS		LIABILITIES	
Liquid funds		5. Investors' assets *)	97,972
Deposits with custodian	<u>2,643</u>	Other debt	
Total liquid funds	2,643	Payables	<u>111</u>
6. Bonds		Total other debt	111
Listed bonds from Danish issuers	751	TOTAL LIABILITIES	98,083
Listed bonds from foreign issuers	92,743		
Unlisted bonds from Danish issuers	<u>380</u>	*) Investors' assets by unit class	
Total bonds	93,874	Virksomhedsobligationer HY ETIK W DKK d h	<u>97,972</u>
Other assets		Total	97,972
Interest receivable, dividends receivable etc	1,490		
Receivables – unsettled transactions	<u>76</u>		
Total other assets	1,566		
TOTAL ASSETS	98,083		

**) The unit class was launched on 24 February 2017.

Virksomhedsobligationer HY ETIK KL – Financial Statements

NOTES

Note (DKK 1,000)	2017	Note (DKK 1,000)	2017
1. Interest		4. Administrative costs	
Listed bonds from Danish issuers	43		
Listed bonds from foreign issuers	3,917	Class-specific costs	
Unlisted bonds from foreign issuers	2	Fees to custodian	41
Interest expense and negative interest with custodian	<u>(7)</u>	Other costs relating to asset management	286
Total interest	3,955	Other costs	42
		Fixed management fee *)	<u>78</u>
2. Capital gains and losses		Total class-specific costs	447
		*) The management fee represents a "fixed management fee" which includes costs relating to the Board of Directors, Executive Management, audit etc. Total remuneration to the Board of Directors and Executive Management appears from the Directors' Report under "Remuneration of Board of Directors and Executive Management" to which reference is made.	
Bonds		Audit fees appear from joint note 2 to which reference is made.	
Listed bonds from Danish issuers	39		
Listed bonds from foreign issuers	(566)	5. Investors' assets	
Unlisted bonds from foreign issuers	<u>8</u>	Issues during the year	117,859
Total bonds	(519)	Redemptions during the year	(23,057)
		Net issue surcharges and redemption deductions	214
3. Transaction costs		Proposed distribution for the financial year	2,368
All transaction costs	63	Brought forward from income statement	507
Covered by income from issue and redemption	<u>(44)</u>	Brought forward for distribution next year	<u>81</u>
Transaction costs, operating activities	19	Investors' assets at year-end	97,972
		6. Financial instruments (securities)	
		A list of financial instruments (securities) is available free of charge from the investment management company.	

Virksomhedsobligationer HY ETIK KL – Financial Statements

SUPPLEMENTARY NOTES WITHOUT REFERENCE

Note (DKK 1,000)	2017	Note (DKK 1,000)	2017
a. Portfolio turnover		d. Shares by industry	
Market value of purchase of securities	151,292	Consumer Staples	27.97%
Market value of sale of securities	<u>51,445</u>	Consumer Discretionary	20.62%
Total market value	202,737	Raw Materials	12.83%
		Financials	11.93%
		Communications	11.72%
b. Breakdown of financial instruments		Industrials	10.37%
Listed financial instruments	95.43%	Energy	0.38%
Financial instruments listed on other regulated market	0.39%	Cash, derivatives etc	<u>4.18%</u>
Newly issued financial instruments for which listing on a stock exchange or other regulated market is planned	0.00%	Total	100.00%
Other financial instruments	<u>0.00%</u>		
	95.82%		
Other assets/other debt	<u>4.18%</u>		
Total	100.00%		
c. Bonds by country			
France	14.94%		
Italy	13.72%		
USA	12.94%		
Luxembourg	12.36%		
Germany	9.26%		
Netherlands	7.91%		
UK	4.82%		
Spain	3.65%		
Other	16.22%		
Cash, derivatives etc	<u>4.18%</u>		
Total	100.00%		

Virksomhedsobligationer HY ETIK W DKK d h – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2017

(DKK 1,000)	2017 ¹⁾
Financial highlights	
Share of net profit	2,956
Units in circulation nominal	94,716
Units in circulation quantity	947,159
Investors' assets	97,972
Financial ratios	
NAV per unit	103.44
Dividend per unit	2.50
Return (%) [*])	3.44%
Dividend per unit	4.91%
Total expense ratio	0.47%
Annual percentage rate (APR) at 31 December	0.72%

^{*}) Past performance is no guarantee of current or future performance.

¹⁾ The unit class was launched on 24 February 2017.

Virksomhedsobligationer HY ETIK W DKK d h – Financial Statements

NOTES

Note (DKK 1,000)	2017 ¹⁾	Note (DKK 1,000)	2017 ¹⁾
a. Share of net profit for the year		c. Units in circulation	
Share of joint portfolio profit	3,402	Nominal (DKK 1,000)	94,716
Class-specific other income	1	Quantity	947,159
Class-specific costs *)	<u>(447)</u>		
Share of total net profit for the year	2,956	d. Investors' assets	
*) Class-specific costs		d1. Units in circulation	
Fees to custodian	41	Issues during the year	117,099
Other costs relating to asset management	286	Redemptions during the year	<u>(22,383)</u>
Other costs	42	Total units in circulation	94,716
Fixed management fee	<u>78</u>		
Total class-specific costs	447	d2. Investors' assets	
b1. To be allocated		Issues during the year	117,859
Proposed distribution for the financial year	2,368	Redemptions during the year	(23,057)
Brought forward for distribution next year	<u>81</u>	Net issue surcharges and redemption deductions	214
Available for distribution	2,449	Proposed distribution for the financial year	2,368
Brought forward to investors' assets	<u>507</u>	Brought forward from income statement	507
Total distribution	2,956	Brought forward for distribution next year	<u>81</u>
		Investors' assets at year-end	97,972
b2. Available for distribution		1) The unit class was launched on 24 February 2017.	
Share of interest	3,963		
Other income	1		
Share of capital gains for distribution	(1,119)		
Distribution adjustment in connection with issue/redemption concerning the above items	<u>61</u>		
Available for distribution before administrative costs	<u>2,906</u>		
Set-off of administrative costs	(447)		
Distribution adjustment of administrative costs in connection with issue/redemption	<u>(10)</u>		
Total administrative costs	<u>(457)</u>		
Available for distribution	2,449		

Virksomhedsobligationer IG KL

Fund report

Fund data and unit class data	Virksomhedsobligationer IG A DKK	Virksomhedsobligationer IG W DKK d h
ISIN	DK0060409266	DK0060751501
Date of establishment	23 January 2012	29 August 2016
Launch date	5 March 2012	5 October 2016
Listed	Yes	No
Currency	DKK	DKK
Income fund	Yes	Yes
Denomination	100	100
Risk category	3	3
Approved for marketing in Germany	No	No
Benchmark	Bank of America Merrill Lynch Global Corporate Index hedged to DKK	
Secondary name	Corporate Bonds IG KL	

Introduction

The fund report should be read together with the sections in the annual report "Financial markets in 2017" on page 6, "Asset developments" on page 10 and "Risks" on page 15 to provide a complete picture of developments. The evaluation by the Board of Directors and Executive Management regarding fund specific risks appears below. For further information on risks associated with investing in the fund, reference is made to the current prospectus which may be downloaded at www.sydinvest.dk, www.sydinvest.de and www.sydinvest.com.

Investment profile

The fund invests in corporate bonds from the whole world. The bonds have a high rating corresponding to investment grade, ie they are issued by sound and strong companies with a satisfactory ability to service debt. The fund's currency risk is limited and focus is on stable returns.

The fund is divided into the unit classes Virksomhedsobligationer IG A DKK and Virksomhedsobligationer IG W DKK d h. The investments in the individual unit classes are identical. The level of costs varies according to the unit class in which investors invest.

Risk profile

Investors must be aware that developments within the high-rated corporate bond market vary greatly. This may be attributable to company-specific issues, eg credit risk and overall movements in interest rates due to changed economic, political, regulatory and market-related issues, eg liquidity risk and credit risk. Credit risk may arise in connection with the bankruptcy of a business or a downgrade by one of the recognised credit rating agencies. Liquidity risk reflects market situations under stress where it is difficult to sell, in whole or in part, a desired quantity of corporate bonds at market prices due to insufficient market participation by buyers. The fund's capital is placed in investment grade corporate bonds. Therefore the risk profile of these investments is medium, ie some price fluctuations in the fund can be expected.

The fund is placed in risk category 3.

Developments

The development in the NAV of the unit classes in 2017 appears from the table below. The differences in returns are attributable to the level of costs in the individual classes.

Unit class	Return	Benchmark
Virksomhedsobligationer IG A DKK	3.90%	3.81%
Virksomhedsobligationer IG W DKK d h	4.47%	3.81%

The market exceeded expectations at the beginning of the year and the fund outperformed its benchmark.

In 2017 the IG corporate bond market was supported by the low interest rate environment and a recovery in the global economy, including USA and Europe. This trend was favourable for the credit spreads of BBB rated corporate bonds. The underlying 10-year government bond yields in USA and Europe declined in 1H in the wake of lower inflationary pressure but ended the year slightly higher than at the beginning of the year.

The fund has produced a return that is above the return of its benchmark. This is due to the fact that the fund had an overweight of BBB rated corporate bonds and a lower interest rate sensitivity than that of its benchmark.

Market outlook

We expect a stable development for the fund in 2018. In general we expect rising government bond yields in USA and Europe and we also project that credit spreads will increase from the very low levels at the end of 2017. Stronger monetary policy tightening in USA than forecast and accelerated tapering of the ECB's corporate bond-buying programme represent the most significant risk factors that may upset the projected favourable trend in 2018.

We project that the fund will generate a return in 2018 on a par with its benchmark or above as the fund is actively managed.

Virksomhedsobligationer IG KL – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2013-2017

(DKK 1,000)	2017	2016	2015	2014	2013
Financial highlights					
Net profit for the year	34,327	45,137	(16,050)	47,280	(872)
Investors' assets	832,690	928,094	1,046,083	1,118,512	1,299,316
Financial ratios					
Portfolio turnover rate (PTR)	0.80	0.69	0.47	0.64	0.80

Breakdown of profit for the year and investors' assets by unit class

(DKK 1,000)	2017		2016	
	Net profit for the year	Investors' assets at year-end	Net profit for the year	Investors' assets at year-end
Virksomhedsobligationer IG A DKK	33,290	768,798	45,442	914,866
Virksomhedsobligationer IG W DKK d h ^{*)}	1,037	63,892	(305)	13,228
Total	34,327	832,690	45,137	928,094

^{*)} The unit class was launched on 5 October 2016.

INCOME STATEMENT

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
Interest and dividends			Distribution of profit from the unit classes		
1. Interest	33,923	41,298			
Total interest and dividends	33,923	41,298	To be allocated		
Capital gains and losses			Total proposed distribution for the financial year	93,601	0
2. Bonds	(47,493)	32,762	Total brought forward for distribution next year	497	(9,235)
2. Derivatives	58,747	(17,464)	Total available for distribution	94,098	(9,235)
Currency accounts	(1,693)	(176)	Total brought forward to investors' assets	(59,771)	54,372
Other assets and liabilities	1	0	Total distribution	34,327	45,137
3. Transaction costs, operating activities	(784)	(1,017)	Distribution of profit in the unit classes		
Total capital gains and losses	8,778	14,105	Virksomhedsobligationer IG A DKK		
Other income	67	137	Proposed distribution for the financial year	86,860	0
Total income	42,768	55,540	Brought forward for distribution next year	482	(8,879)
4. Administrative costs	(8,342)	(10,318)	Brought forward to investors' assets	(54,052)	54,321
Pre-tax profit	34,426	45,222	Virksomhedsobligationer IG W DKK d h		
5. Tax	(99)	(85)	Proposed distribution for the financial year	6,741	0
Net profit for the year	34,327	45,137	Brought forward for distribution next year	15	(356)
			Brought forward to investors' assets	(5,719)	51

Virksomhedsobligationer IG KL – Financial Statements

BALANCE SHEET 31 DECEMBER 2017

Note (DKK 1,000)	0	2016	Note (DKK 1,000)	0	2016
ASSETS			LIABILITIES		
Liquid funds			6. Investors' assets *)	832,690	928,094
Deposits with custodian	43,860	11,047	Loans with custodians		
Deposits on margin accounts with custodian	0	23,850	Deposits on margin accounts with custodian	3,940	0
Total liquid funds	43,860	34,897	Total loans	3,940	0
7. Bonds			Derivatives		
Listed bonds from Danish issuers	14,700	20,296	Unlisted derivatives	14	15,461
Listed bonds from foreign issuers	762,209	878,049	Total derivatives	14	15,461
Total bonds	776,909	898,345	Other debt		
Derivatives			Interest payable	1	0
Unlisted derivatives	7,768	111	Payables	1,721	1,989
Total derivatives	7,768	111	Payables – unsettled transactions	1,054	0
Other assets			Total other debt	2,776	1,989
Interest receivable, dividends receivable etc	9,817	11,360	TOTAL LIABILITIES	839,420	945,544
Receivables – unsettled transactions	1,066	831			
Total other assets	10,883	12,191	*) Investors' assets by unit class		
TOTAL ASSETS	839,420	945,544	Virksomhedsobligationer IG A DKK	768,798	914,866
			Virksomhedsobligationer IG W DKK d h	63,892	13,228
			Total	832,690	928,094

Virksomhedsobligationer IG KL – Financial Statements

NOTES

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
1. Interest			4. Administrative costs		
Deposits with custodian	111	46			
Listed bonds from Danish issuers	586	769	Class-specific costs		
Listed bonds from foreign issuers	33,296	40,189	Marketing costs	4,291	5,736
Unlisted bonds from foreign issuers	0	322	Fees to custodian	501	572
Interest expense and negative interest with custodian	(70)	(28)	Other costs relating to asset management	2,234	2,496
Total interest	33,923	41,298	Other costs	46	5
			Fixed management fee *)	1,270	1,509
2. Capital gains and losses			Total class-specific costs	8,342	10,318
			*) The management fee represents a "fixed management fee" which includes costs relating to the Board of Directors, Executive Management, audit etc. Total remuneration to the Board of Directors and Executive Management appears from the Directors' Report under "Remuneration of Board of Directors and Executive Management" to which reference is made.		
Bonds			Audit fees appear from joint note 2 to which reference is made.		
Listed bonds from Danish issuers	148	353	5. Tax		
Listed bonds from foreign issuers	(47,768)	32,273	The fund is not liable to pay tax.		
Unlisted bonds from foreign issuers	127	136	Adjustment – tax on coupons etc	99	85
Total bonds	(47,493)	32,762	Total tax	99	85
Derivatives			6. Investors' assets		
Forward exchange transactions/futures etc	58,874	(16,644)	Investors' assets at 1 Jan	928,094	1,046,083
Forward interest transactions/futures etc	(127)	(820)	Issues during the year	87,239	38,729
Total derivatives	58,747	(17,464)	Redemptions during the year	(217,389)	(202,751)
			Net issue surcharges and redemption deductions	419	896
3. Transaction costs			Distribution from last year concerning units in circulation at 31 Dec	0	0
All transaction costs	985	1,077	Proposed distribution for the financial year	93,601	0
Covered by income from issue and redemption	(201)	(60)	Brought forward from income statement	(59,771)	54,372
Transaction costs, operating activities	784	1,017	Brought forward for distribution next year	497	(9,235)
			Investors' assets at year-end	832,690	928,094
			7. Financial instruments (securities)		
			A list of financial instruments (securities) is available free of charge from the investment management company.		

Virksomhedsobligationer IG KL – Financial Statements

SUPPLEMENTARY NOTES WITHOUT REFERENCE

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
a. Portfolio turnover			d. Bonds by industry		
Market value of purchase of securities	843,552	933,236	Financials	36.03%	31.63%
Market value of sale of securities	888,515	1,096,648	Energy	9.48%	12.45%
Total market value	1,732,067	2,029,884	Consumer Discretionary	9.48%	11.02%
			Consumer Staples	8.72%	7.16%
b. Breakdown of financial instruments			Industrials	8.67%	8.70%
Listed financial instruments	93.30%	96.79%	Raw Materials	7.14%	11.30%
Financial instruments listed on other regulated market	0.00%	0.00%	Utilities	6.93%	5.34%
Newly issued financial instruments for which listing on a stock exchange or other regulated market is planned	0.00%	0.00%	Communications	6.85%	7.54%
			Cash, derivatives etc	6.70%	4.86%
Other financial instruments	0.93%	(1.65%)	Total	100.00%	100.00%
	94.23%	95.14%			
Other assets/other debt	5.77%	4.86%	e. Currency futures sold		
Total	100.00%	100.00%	EUR	(25,754)	0
			USD	(15,515)	(14,631)
c. Bonds by country			Total	(41,269)	(14,631)
USA	36.44%	39.47%			
UK	9.67%	7.68%	Underlying exposure –		
France	7.51%	5.77%	f. forward exchange transactions		
Netherlands	6.68%	7.47%	Currency		
Mexico	3.40%	3.50%	DKK	546,251	680,063
China	3.21%	3.13%	GBP	(54,885)	(63,546)
Italy	2.90%	2.14%	USD	(495,722)	(634,460)
Australia	2.88%	2.12%	g. Net collateral position		
Other	20.61%	23.86%	Net calculation of collateral regarding derivatives		
Cash, derivatives etc	6.70%	4.86%	Collateral provided as		
Total	100.00%	100.00%	Liquid funds	(3,940)	23,850
			Total	(3,940)	23,850
			Reuse of collateral		
			Collateral received which is reused	0	0
			Total	0	0

Virksomhedsobligationer IG A DKK – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2013-2017

(DKK 1,000)	2017	2016 ¹⁾	2015	2014	2013
Financial highlights					
Share of net profit for the year	33,290	45,442	(16,050)	47,280	(872)
Units in circulation nominal	678,593	839,010	1,003,321	1,058,631	1,230,459
Units in circulation quantity	6,785,933	8,390,100	10,033,213	10,586,313	12,304,594
Investors' assets	768,798	914,866	1,046,083	1,118,512	1,299,316
Financial ratios					
NAV per unit	113.29	109.04	104.26	105.66	105.60
Dividend per unit	12.80	0.00	0.00	0.00	4.20
Return (%) *)	3.90%	4.58%	(1.32%)	4.14%	0.14%
Benchmark return (%)	3.81%	4.14%	(1.17%)	7.83%	(1.05%)
Total expense ratio	0.96%	1.04%	1.06%	1.05%	1.03%
Annual percentage rate (APR) at 31 December	1.18%	1.17%	1.37%	1.41%	1.44%
Sharpe Ratio (5 yrs)	0.75	0.78	0.29	-	-
Standard deviation (5 yrs)	3.06	3.17	2.98	-	-

*) Past performance is no guarantee of current or future performance.

¹⁾ The fund was converted to a unit class on 5 October 2016.

Virksomhedsobligationer IG A DKK – Financial Statements

NOTES

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
a. Share of net profit for the year			c. Units in circulation		
Share of joint portfolio profit	41,516	55,691	Nominal (DKK 1,000)	678,593	839,010
Class-specific other income	65	137	Quantity	6,785,933	8,390,100
Class-specific costs *)	(8,195)	(10,302)			
Share of tax	(96)	(84)	d. Investors' assets		
Share of total net profit for the year	33,290	45,442			
			d1. Units in circulation		
*) Class-specific costs			Units in circulation at 1 Jan	839,010	1,003,321
Marketing costs	4,291	5,736	Issues during the year	31,085	22,410
Fees to custodian	480	568	Redemptions during the year	(191,502)	(186,721)
Other costs relating to asset management	2,145	2,488	Total units in circulation	678,593	839,010
Other costs	43	5			
Fixed management fee	1,236	1,505	d2. Investors' assets		
Total class-specific costs	8,195	10,302	Investors' assets at 1 Jan	914,866	1,046,083
			Issues during the year	34,904	24,227
b. Distribution of profit			Redemptions during the year	(214,667)	(201,776)
b1. To be allocated			Net issue surcharges and redemption deductions	405	890
Proposed distribution for the financial year	86,860	0	Distribution from last year concerning units in circulation at 31 Dec	0	0
Brought forward for distribution next year	482	(8,879)	Proposed distribution for the financial year	86,860	0
Available for distribution	87,342	(8,879)	Brought forward from income statement	(54,052)	54,321
Brought forward to investors' assets	(54,052)	54,321	Brought forward for distribution next year	482	(8,879)
Total distribution	33,290	45,442	Investors' assets at year-end	768,798	914,866
b2. Available for distribution					
Brought forward for distribution from last year	(8,879)	(63,943)			
Share of interest	32,660	41,199			
Other income	65	137			
Share of non-refundable tax on coupons	(96)	(84)			
Share of capital gains for distribution	83,302	7,697			
Distribution adjustment in connection with issue/redemption concerning the above items	(12,467)	6,115			
**) Available for distribution before administrative costs	94,585	(8,879)			
Set-off of administrative costs	(8,195)	0			
Distribution adjustment of administrative costs in connection with issue/redemption	952	0			
Total administrative costs	(7,243)	0			
Available for distribution	87,342	(8,879)			
**) If amount available for distribution before administrative costs and any voluntary distribution is negative, administrative costs cannot be deducted.					

Virksomhedsobligationer IG W DKK d h – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2017

(DKK 1,000)	2017	2016 ¹⁾
Financial highlights		
Share of net profit for the year	1,037	(305)
Units in circulation nominal	62,419	13,500
Units in circulation quantity	624,185	135,000
Investors' assets	63,892	13,228
Financial ratios		
NAV per unit	102.36	97.98
Dividend per unit	10.80	0.00
Return (%) ^{1) 2)}	4.47%	(2.02%)
Benchmark return (%) ²⁾	3.81%	(2.81%)
Total expense ratio	0.38%	0.11%
Annual percentage rate (APR) at 31 December	0.62%	0.62%

^{*}) Past performance is no guarantee of current or future performance.

¹⁾ The unit class was launched on 5 October 2016.

Virksomhedsobligationer IG W DKK d h – Financial Statements

NOTES

Note (DKK 1,000)	2017	2016 ¹⁾	Note (DKK 1,000)	2017	2016 ¹⁾
a. Share of net profit for the year			c. Units in circulation		
Share of joint portfolio profit	1,185	(289)	Nominal (DKK 1,000)	62,419	13,500
Class-specific other income	2	0	Quantity	624,185	135,000
Class-specific costs *)	(147)	(15)			
Share of tax	(3)	(1)			
Share of total net profit for the year	1,037	(305)			
*) Class-specific costs			d. Investors' assets		
Fees to custodian	21	4	d1. Units in circulation		
Other costs relating to asset management	89	8	Units in circulation at 1 Jan	13,500	0
Other costs	3	0	Issues during the year	51,580	14,500
Fixed management fee	34	3	Redemptions during the year	(2,661)	(1,000)
Total class-specific costs	147	15	Total units in circulation	62,419	13,500
b. Distribution of profit			d2. Investors' assets		
b1. To be allocated			Investors' assets at 1 Jan	13,228	0
Proposed distribution for the financial year	6,741	0	Issues during the year	52,335	14,502
Brought forward for distribution next year	15	(356)	Redemptions during the year	(2,722)	(975)
Available for distribution	6,756	(356)	Net issue surcharges and redemption deductions	14	6
Brought forward to investors' assets	(5,719)	51	Distribution from last year concerning units in circulation at 31 Dec	0	0
Total distribution	1,037	(305)	Proposed distribution for the financial year	6,741	0
			Brought forward from income statement	(5,719)	51
			Brought forward for distribution next year	15	(356)
			Investors' assets at year-end	63,892	13,228
b2. Available for distribution			¹⁾ The unit class was launched on 5 October 2016.		
Brought forward for distribution from last year	(356)	0			
Share of interest	1,333	128			
Other income	2	0			
Share of non-refundable tax on coupons	(3)	(1)			
Share of capital gains for distribution	3,303	(434)			
Distribution adjustment in connection with issue/redemption concerning the above items	2,735	(49)			
***) Available for distribution before administrative costs	7,014	(356)			
Set-off of administrative costs	(147)	0			
Distribution adjustment of administrative costs in connection with issue/redemption	(111)	0			
Total administrative costs	(258)	0			
Available for distribution	6,756	(356)			
**) If amount available for distribution before administrative costs and any voluntary distribution is negative, administrative costs cannot be deducted.					

Virksomhedsobligationer IG Etik KL

Fund report

Fund data and unit class data	Virksomhedsobligationer IG Etik W DKK d h
ISIN	DK0060853422
Date of establishment	5 July 2017
Launch date	5 July 2017
Listed	No
Currency	DKK
Income fund	Yes
Denomination	100
Risk category	3
Approved for marketing in Germany	No
Benchmark	Bank of America Merrill Lynch Global Corporate Index hedged to DKK
Secondary name	Syinvest Corporate Bonds IG Ethic KL

Introduction

The fund report should be read together with the sections in the annual report "Financial markets in 2017" on page 6, "Asset developments" on page 10 and "Risks" on page 15 to provide a complete picture of developments. The evaluation by the Board of Directors and Executive Management regarding fund specific risks appears below. For further information on risks associated with investing in the fund, reference is made to the current prospectus which may be downloaded at www.syinvest.dk, www.syinvest.de and www.syinvest.com.

Investment profile

The fund invests in corporate bonds from the whole world. The bonds have a high rating corresponding to investment grade, ie they are issued by sound and strong companies with a satisfactory ability to service debt. The fund's currency risk is limited and focus is on stable returns.

The fund has an ethical profile according to which the turnover of companies invested in may not exceed 5% within the following business areas: Tobacco, alcohol, gambling, adult entertainment, armaments & firearms, fossil fuels.

The fund is divided into the unit class Virksomhedsobligationer IG Etik W DKK d h.

Risk profile

Investors must be aware that developments within the high-rated corporate bond market vary greatly. This may be attributable to company-specific issues, eg credit risk and overall movements in interest rates due to changed economic, political, regulatory and market-related issues, eg liquidity risk and credit risk. Credit risk may arise in connection with the bankruptcy of a business or a downgrade by one of the recognised credit rating agencies. Liquidity risk reflects market situations under stress where it is difficult to sell, in whole or in part, a desired quantity of corporate bonds at market prices due to insufficient market participation by buyers. The fund's capital is placed in investment grade corporate bonds. Therefore the risk profile of these investments is medium, ie some price fluctuations in the fund can be expected.

The fund is placed in risk category 3.

Developments

The development in the NAV of the unit class since its introduction on 5 July to 31 December 2017 appears from the table below.

Unit class	Return	Benchmark
Virksomhedsobligationer IG Etik W DKK d h	1.68%	1.34%

The fund was launched in the beginning of July. The market has exceeded expectations since July and the fund has outperformed its benchmark.

In 2017 the IG corporate bond market was supported by the low interest rate environment and a recovery in the global economy, including USA and Europe. This trend was favourable for the credit spreads of BBB rated corporate bonds. The underlying 10-year government bond yields in USA and Europe declined in 1H in the wake of subsiding inflationary pressure but ended the year slightly higher than at the beginning of the year.

The fund has produced a return that is above the return of its benchmark. This is due to the fact that the fund had an overweight of BBB rated corporate bonds and a lower interest rate sensitivity than that of its benchmark.

Market outlook

We expect a stable development for the fund in 2018 Virksomhedsobligationer IG Etik. In general we expect rising government bond yields in USA and Europe and we also project that credit spreads will increase from the very low levels at the end of 2017. Stronger monetary policy tightening in USA than forecast and accelerated tapering of the ECB's corporate bond-buying programme represent the most significant risk factors that may upset the projected favourable trend in 2018.

We project that the fund will generate a return in 2018 on a par with its benchmark or above as the fund is actively managed.

Virksomhedsobligationer IG Etik KL – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2017

(DKK 1,000)	2017 ¹⁾
Financial highlights	
Net profit for the year	1,322
Investors' assets	122,993
Financial ratios	
Portfolio turnover rate (PTR)	0.15

¹⁾ The fund was launched on 5 July 2017.

Breakdown of profit for the year and investors' assets by unit class

(DKK 1,000)	2017	
	Net profit for the year	Investors' assets at year-end
Virksomhedsobligationer IG Etik W DKK d h ¹⁾	1,322	122,993
Total	1,322	122,993

¹⁾ The unit class was launched on 5 October 2016.

INCOME STATEMENT

Note (DKK 1,000)	2017 ¹⁾	Note (DKK 1,000)	2017 ¹⁾
Interest and dividends		Distribution of profit from the unit classes	
1. Interest	1,538		
Total interest and dividends	1,538	To be allocated	
Capital gains and losses		Total proposed distribution for the financial year	4,476
2. Bonds	(2,217)	Total brought forward for distribution next year	110
2. Derivatives	2,317	Total available for distribution	4,586
Currency accounts	(74)	Total brought forward to investors' assets	(3,264)
3. Transaction costs, operating activities	(13)	Total distribution	1,322
Total capital gains and losses	13	Distribution of profit in the unit classes	
Total income	1,551	Virksomhedsobligationer IG Etik W DKK d h	
4. Administrative costs	(225)	Proposed distribution for the financial year	4,476
Pre-tax profit	1,326	Brought forward for distribution next year	110
5. Tax	(4)	Brought forward to investors' assets	(3,264)
Net profit for the year	1,322		

¹⁾ The fund was launched on 5 July 2017.

Virksomhedsobligationer IG Etik KL – Financial Statements

BALANCE SHEET 31 DECEMBER 2017

Note (DKK 1,000)	2017	Note (DKK 1,000)	2017
ASSETS		LIABILITIES	
Liquid funds		6. Investors' assets *)	122,993
Deposits with custodian	<u>15,492</u>	Other debt	
Total liquid funds	15,492	Payables	<u>87</u>
6. Bonds		Total other debt	87
Listed bonds from Danish issuers	2,899	TOTAL LIABILITIES	123,080
Listed bonds from foreign issuers	102,585		
Unlisted bonds from Danish issuers	<u>887</u>	*) Investors' assets by unit class	
Total bonds	106,371	Virksomhedsobligationer IG Etik W DKK d h	<u>122,993</u>
Other assets		Total	122,993
Interest receivable, dividends receivable etc	1,215		
Receivables – unsettled transactions	<u>2</u>		
Total other assets	1,217		
TOTAL ASSETS	123,080		

Virksomhedsobligationer IG Etik KL – Financial Statements

NOTES

Note (DKK 1,000)	2017	Note (DKK 1,000)	2017
1. Interest		4. Administrative costs	
Listed bonds from Danish issuers	24		
Listed bonds from foreign issuers	1,528	Class-specific costs	
Interest expense and negative interest with custodian	<u>(14)</u>	Fees to custodian	30
Total interest	1,538	Other costs relating to asset management	118
		Other costs	32
2. Capital gains and losses		Fixed management fee *)	<u>45</u>
		Total class-specific costs	225
Bonds			
Listed bonds from foreign issuers	<u>(2,217)</u>	5. Tax	
Total bonds	(2,217)	The fund is not liable to pay tax.	
		Adjustment – tax on coupons etc	<u>4</u>
Derivatives		Total tax	4
Forward exchange transactions/futures etc	2,323	*) The management fee represents a “fixed management fee” which includes costs relating to the Board of Directors, Executive Management, audit etc. Total remuneration to the Board of Directors and Executive Management appears from the Directors’ Report under “Remuneration of Board of Directors and Executive Management” to which reference is made.	
Forward interest transactions/futures etc	<u>(6)</u>	Audit fees appear from joint note 2 to which reference is made.	
Total derivatives	2,317		
3. Transaction costs		6. Investors’ assets	
All transaction costs	47	Issues during the year	122,566
Covered by income from issue and redemption	<u>(34)</u>	Redemptions during the year	(1,118)
Transaction costs, operating activities	13	Net issue surcharges and redemption deductions	223
		Proposed distribution for the financial year	4,476
		Brought forward from income statement	(3,264)
		Brought forward for distribution next year	<u>110</u>
		Investors’ assets at year-end	122,993
		7. Financial instruments (securities)	
		A list of financial instruments (securities) is available free of charge from the investment management company.	

Virksomhedsobligationer IG Etik W DKK d h – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2017

(DKK 1,000)	2017 ¹⁾
Financial highlights	
Share of net profit	1,322
Units in circulation nominal	120,962
Units in circulation quantity	1,209,615
Investors' assets	122,993
Financial ratios	
NAV per unit	101.68
Dividend per unit	3.70
Return (%) [*])	1.68%
Benchmark return (%)	1.34%
Total expense ratio	0.23%
Annual percentage rate (APR) at 31 December	0.62%

^{*}) Past performance is no guarantee of current or future performance.

¹⁾ The unit class was launched on 5 July 2017.

Virksomhedsobligationer IG Etik W DKK d h – Financial Statements

NOTES

Note (DKK 1,000)	2017	Note (DKK 1,000)	2017
a. Share of net profit for the year		c. Units in circulation	
Share of joint portfolio profit	1,547	Nominal (DKK 1,000)	120,962
Class-specific costs *)	(225)	Quantity	1,209,615
Share of tax	<u>(4)</u>		
Share of total net profit for the year	1,322	d. Investors' assets	
*) Class-specific costs		d1. Units in circulation	
Fees to custodian	30	Issues during the year	122,062
Other costs relating to asset management	118	Redemptions during the year	<u>(1,100)</u>
Other costs	32	Total units in circulation	120,962
Fixed management fee	<u>45</u>		
Total class-specific costs	225	d2. Investors' assets	
b. Distribution of profit		Issues during the year	122,566
b1. To be allocated		Redemptions during the year	(1,118)
Proposed distribution for the financial year	4,476	Net issue surcharges and redemption deductions	223
Brought forward for distribution next year	<u>110</u>	Proposed distribution for the financial year	4,476
Available for distribution	4,586	Brought forward from income statement	(3,264)
<u>Brought forward to investors' assets</u>	<u>(3,264)</u>	Brought forward for distribution next year	<u>110</u>
Total distribution	1,322	Investors' assets at year-end	122,993
b2. Available for distribution			
Share of interest	1,552		
Share of non-refundable tax on coupons	(4)		
Share of capital gains for distribution	2,076		
Distribution adjustment in connection with issue/redemption concerning the above items	<u>1,245</u>		
Available for distribution before administrative costs	<u>4,869</u>		
Set-off of administrative costs	(225)		
Distribution adjustment of administrative costs in connection with issue/redemption	<u>(58)</u>		
Total administrative costs	<u>(283)</u>		
Available for distribution	4,586		

BRIK KL

Fund report

Fund data

ISIN	DK0010303882
Date of establishment	13 April 2004
Launch date	30 April 2004
Listed	Yes
Currency	DKK
Income fund	Yes
Denomination	100
Risk category	6
Approved for marketing in Germany	No
Benchmark	25% in each MSCI index: BR, RU, IN, CN
Secondary name	BRIC Equities KL

Introduction

The fund report should be read together with the sections in the annual report "Financial markets in 2017" on page 6, "Asset developments" on page 10 and "Risks" on page 15 to provide a complete picture of developments. The evaluation by the Board of Directors and Executive Management regarding fund specific risks appears below. For further information on risks associated with investing in the fund, reference is made to the current prospectus which may be downloaded at www.sydinvest.dk, www.sydinvest.de and www.sydinvest.com.

Investment profile

The fund invests broadly in shares from Brazil, Russia, India and China. Companies in Hong Kong with their main activities in China are regarded as Chinese. Investments are diversified across a large number of businesses in different industries.

Risk profile

The fund invests in a limited number of markets that are characterised by large fluctuations in the economy. As a result short-term investments in the fund are associated with a high degree of risk. Fund return depends on movements in share prices and exchange rates. The fund is suitable for investments with a time horizon of at least five years.

The fund is placed in risk category 6.

Developments

The fund yielded 20.41% in 2017 while its benchmark gained 14.45%. The market exceeded expectations at the beginning of the year and the fund outperformed its benchmark.

2017 was a good year for BRIC equity markets. Equity indices in the different countries were overall rising with China and India as the clear top performers. From a political perspective things were remarkably calm and growth was high. China's economy recorded satisfactory growth and was more or less in line with the authorities' expectations. Growth is lower than before but on the other hand it is less reliant on debt and is driven to a greater degree by the service sector. India's structural growth continued, well assisted by Modi's reforms. In Brazil decreasing key rates constituted a positive factor whereas various political corruption scandals were a drag on performance in 1H. In 2H the market rose due to increasing commodity prices among other factors. Russia had a relatively sluggish year after a strong 2016.

The fund has produced a return that is above its benchmark. Relative return was driven by the fund's investments in all four BRIC countries, however share picks proved good in India and Russia in particular.

Market outlook

We anticipate that the synchronous recovery in the global economy will continue in 2018. This provides a basis for upbeat expectations for equity markets even if key rates increase slightly. Reforms and political stability will continue to help markets even in Russia. The recovery is expected to be positive for commodities and energy prices and this is essential to Brazil and Russia. The political situation in Brazil may give considerable fluctuations in the markets due to the presidential election in 2018. In general the risk is relatively high pricing and potentially rising inflation.

We project that the fund will generate a positive return in 2018 on a par with its benchmark or above as the fund is actively managed.

BRIK KL – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2013-2017

(DKK 1,000)	2017	2016	2015	2014	2013
Financial highlights					
Share of net profit for the year	107,089	123,794	6,052	39,105	(247,072)
Units in circulation nominal	297,215	344,578	422,466	631,117	1,048,517
Units in circulation quantity	2,972,149	3,445,782	4,224,660	6,311,165	10,485,165
Investors' assets	583,331	561,635	586,695	903,951	1,443,942
Financial ratios					
NAV per unit	196.27	162.99	138.87	143.23	137.71
Dividend per unit	16.00	0.00	10.40	0.00	0.00
Return (%) *)	20.41%	26.57%	(3.04%)	4.01%	(11.45%)
Benchmark return (%)	14.45%	31.92%	(3.11%)	2.45%	(7.82%)
Total expense ratio	1.69%	1.67%	1.60%	1.65%	1.64%
Annual percentage rate (APR) at 31 December	2.36%	2.57%	2.78%	2.73%	2.46%
Sharpe Ratio (5 yrs)	0.41	0.30	(0.34)	(0.09)	0.57
Standard deviation (5 yrs)	15.23	16.85	17.67	16.27	22.30
Tracking error	3.15	3.57	3.45	5.40	5.01
Active share	46.70	45.98	29.80	54.03	58.47
Portfolio turnover rate (PTR)	1.59	1.18	1.24	1.21	0.72

*) Past performance is no guarantee of current or future performance.

INCOME STATEMENT

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
Interest and dividends			7. Distribution of profit		
1. Interest	(24)	(10)	To be allocated		
2. Dividends	15,241	19,166	Proposed distribution for the financial year	47,554	0
Total interest and dividends	15,217	19,156	Brought forward for distribution next year	117	(22,248)
Capital gains and losses			Available for distribution	47,671	(22,248)
3. Shares	109,743	118,655	Brought forward to investors' assets	59,418	146,042
Currency accounts	(1,966)	163	Total distribution	107,089	123,794
Other assets and liabilities	22	27			
4. Transaction costs, operating activities	(4,978)	(3,864)			
Total capital gains and losses	102,821	114,981			
Other income	70	71			
Total income	118,108	134,208			
5. Administrative costs	(9,694)	(8,999)			
Pre-tax profit	108,414	125,209			
6. Tax	(1,325)	(1,415)			
Net profit for the year	107,089	123,794			

BRIK KL – Financial Statements

BALANCE SHEET 31 DECEMBER 2017

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
ASSETS			LIABILITIES		
Liquid funds			8. Investors' assets	583,331	561,635
Deposits with custodian	14,814	10,779	Other debt		
Total liquid funds	14,814	10,779	Payables	2,242	2,128
9. Holdings			Payables – unsettled transactions	18,505	5,872
Listed shares in foreign companies	578,015	556,018	Total other debt	20,747	8,000
Total holdings	578,015	556,018	TOTAL LIABILITIES	604,078	569,635
Other assets					
Interest receivable, dividends receivable etc	1,171	1,848			
Receivables – unsettled transactions	10,078	990			
Total other assets	11,249	2,838			
TOTAL ASSETS	604,078	569,635			

BRIK KL – Financial Statements

NOTES

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
1. Interest			6. Tax		
Deposits with custodian	2	2	The fund is not liable to pay tax.		
Interest expense and negative interest with custodian	(25)	(12)	Adjustment – dividend tax etc	1,325	1,415
Total interest	(23)	(10)	Total tax	1,325	1,415
2. Dividends			7. Available for distribution		
Listed shares in foreign companies	15,241	19,166	Brought forward for distribution from last year	(22,248)	278
Total dividends	15,241	19,166	Interest	2	2
3. Capital gains and losses			Dividends	15,241	19,166
Shares			Other income	70	71
Listed shares in foreign companies	109,743	118,788	Non-refundable dividend tax	(1,325)	(1,415)
Unlisted shares in foreign companies	0	(133)	Capital gains for distribution	67,885	(47,429)
Total shares	109,743	118,655	Distribution adjustment in connection with issue/redemption concerning the above items	(2,935)	7,079
4. Transaction costs			*) Available for distribution before administrative costs	56,690	(22,248)
All transaction costs	5,228	4,176	Set-off of administrative costs	(9,694)	0
Covered by income from issue and redemption	(250)	(312)	Distribution adjustment of administrative costs in connection with issue/redemption	675	0
Transaction costs, operating activities	4,978	3,864	Total administrative costs	(9,019)	0
5. Administrative costs			Available for distribution	47,671	(22,248)
Fund-specific costs			*) If amount available for distribution before administrative costs and any voluntary distribution is negative, administrative costs cannot be deducted.		
Marketing costs	4,743	4,227			
Fees to custodian	705	765			
Other costs relating to asset management	3,176	2,997			
Other costs	88	56			
Fixed management fee *)	982	954			
Total fund-specific costs	9,694	8,999			
<p>*) The management fee represents a "fixed management fee" which includes costs relating to the Board of Directors, Executive Management, audit etc. Total remuneration to the Board of Directors and Executive Management appears from the Directors' Report under "Remuneration of Board of Directors and Executive Management" to which reference is made.</p>					

BRIK KL – Financial Statements

NOTES

Note (DKK 1,000)	2017	2016
8. Investors' assets		
Units in circulation		
Units in circulation at 1 Jan	344,578	422,466
Issues during the year	1,640	4,150
Redemptions during the year	(49,003)	(82,038)
Total units in circulation	297,215	344,578
Investors' assets		
Investors' assets at 1 Jan	561,635	586,695
Issues during the year	3,083	5,690
Redemptions during the year	(88,596)	(114,298)
Net issue surcharges and redemption deductions	120	219
Distribution from last year concerning units in circulation at 31 Dec	0	(43,936)
Changes in dividend distribution due to issues/redemptions	0	3,471
Proposed distribution for the financial year	47,554	0
Brought forward from income statement	59,418	146,042
Brought forward for distribution next year	117	(22,248)
Investors' assets at year-end	583,331	561,635

9. Financial instruments (securities)

A list of financial instruments (securities) is available free of charge from the investment management company.

BRIK KL – Financial Statements

SUPPLEMENTARY NOTES WITHOUT REFERENCE

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
a. Units in circulation			d. Shares by country		
Nominal (DKK 1,000)	297,215	344,578	Russia	26.70%	28.84%
Quantity	2,972,149	3,445,782	India	24.57%	27.31%
			China	24.30%	21.66%
b. Portfolio turnover			Brazil	22.42%	21.19%
Market value of purchase of securities	911,492	619,299	Other	1.10%	0.00%
Market value of sale of securities	1,000,502	770,042	Cash, derivatives etc	0.91%	1.00%
Total market value	1,911,994	1,389,341	Total	100.00%	100.00%
c. Breakdown of financial instruments			e. Shares by industry		
Listed financial instruments	99.09%	99.00%	Financials	28.63%	27.51%
Financial instruments listed on other regulated market	0.00%	0.00%	Information Technology	15.80%	13.12%
Newly issued financial instruments for which listing on a stock exchange or other regulated market is planned	0.00%	0.00%	Energy	15.74%	21.96%
Other financial instruments	0.00%	0.00%	Materials	11.15%	8.38%
	99.09%	99.00%	Consumer Discretionary	9.69%	7.28%
Other assets/other debt	0.91%	1.00%	Consumer Staples	5.31%	6.36%
Total	100.00%	100.00%	Industrials	5.18%	3.84%
			Health Care	2.95%	3.75%
			Utilities	2.91%	4.44%
			REIT	1.73%	0.00%
			Telecommunications Services	0.00%	2.36%
			Cash, derivatives etc	0.91%	1.00%
			Total	100.00%	100.00%

BRIK Akkumulerende KL

Fund report

Fund data and unit class data	BRIK A DKK Akk	BRIK W DKK Acc
ISIN	DK0060013001	DK0060854073
Date of establishment	6 October 2005	13 June 2017
Launch date	18 November 2005	13 June 2017
Listed	Yes	No
Currency	DKK	DKK
Income fund	No	No
Denomination	100	100
Risk category	6	6
Approved for marketing in Germany	No	No
Benchmark	25% in each MSCI index: BR, RU, IN, CN	
Secondary name	BRIC Equities Acc KL	

Introduction

The fund report should be read together with the sections in the annual report "Financial markets in 2017" on page 6, "Asset developments" on page 10 and "Risks" on page 15 to provide a complete picture of developments. The evaluation by the Board of Directors and Executive Management regarding fund specific risks appears below. For further information on risks associated with investing in the fund, reference is made to the current prospectus which may be downloaded at www.sydinvest.dk, www.sydinvest.de and www.sydinvest.com.

Investment profile

The fund invests broadly in shares from Brazil, Russia, India and China. Companies in Hong Kong with their main activities in China are regarded as Chinese. Investments are diversified across a large number of businesses in different industries.

The fund is divided into the unit classes BRIK A DKK Akk and BRIK W DKK Acc. The investments in the individual unit classes are identical. The level of costs varies according to the unit class in which investors invest.

Risk profile

The fund invests in a limited number of markets that are characterised by large fluctuations in the economy. As a result short-term investments in the fund are associated with a high degree of risk. Fund return depends on movements in share prices and exchange rates. The fund is suitable for investments with a time horizon of at least five years.

The fund is placed in risk category 6.

Developments

The development in the NAV of the unit classes in 2017 appears from the table below. The differences in returns are attributable to the level of costs in the individual classes.

Unit class	Return	Benchmark
BRIK A DKK Akk	20.30%	14.45%
BRIK W DKK Acc ^{*)}	15.82%	13.49%

^{*)} The unit class was launched on 13 June 2017.

The market exceeded expectations at the beginning of the year and the fund outperformed its benchmark.

2017 was a good year for BRIC equity markets. Equity indices in the different countries were overall rising with China and India as the clear top performers. From a political perspective things were remarkably calm and growth was high. China's economy recorded satisfactory growth and was more or less in line with the authorities' expectations. Growth is lower than before but on the other hand it is less reliant on debt and is driven to a greater degree by the service sector. India's structural growth continued, well assisted by Modi's reforms. In Brazil decreasing key rates constituted a positive factor whereas various political corruption scandals were a drag on performance in 1H. In 2H the market rose due to increasing commodity prices among other factors. Russia had a relatively sluggish year after a strong 2016.

The fund has produced a return that is above its benchmark. Relative return was driven by the fund's investments in all four BRIC countries, however share picks proved good in India and Russia in particular.

Market outlook

We anticipate that the synchronous recovery in the global economy will continue in 2018. This provides a basis for upbeat expectations for equity markets even if key rates increase slightly. Reforms and political stability will continue to help markets even in Russia. The recovery is expected to be positive for commodities and energy prices and this is essential to Brazil and Russia. The political situation in Brazil may give considerable fluctuations in the markets due to the presidential election in 2018. In general the risk is relatively high pricing and potentially rising inflation.

We project that the fund will generate a positive return in 2018 on a par with its benchmark or above as the fund is actively managed.

BRIK Akkumulerende KL – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2013-2017

(DKK 1,000)	2017	2016	2015	2014	2013
Financial highlights					
Net profit for the year	57,348	64,903	489	16,381	(76,412)
Investors' assets	316,786	297,162	262,173	338,104	485,467
Financial ratios					
Tracking error	3.13	3.56	3.44	5.01	4.96
Active share	49.64	45.98	30.37	54.10	58.28
Portfolio turnover rate (PTR)	1.56	1.19	1.31	1.23	0.68

Breakdown of profit for the year and investors' assets by unit class

(DKK 1,000)	2017		2016	
	Net profit for the year	Investors' assets at year-end	Net profit for the year	Investors' assets at year-end
BRIK A DKK Akk	56,354	309,828	64,903	297,162
BRIK W DKK Acc ^{*)}	994	6,958	-	-
Total	57,348	316,786	64,903	297,162

^{*)} The unit class was launched on 13 June 2017.

INCOME STATEMENT

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
Interest and dividends			Distribution of profit from the unit classes		
1. Interest	(18)	(8)			
2. Dividends	8,421	9,548	To be allocated		
Total interest and dividends	8,403	9,540	Total brought forward to investors' assets	57,348	64,903
Capital gains and losses			Total distribution	57,348	64,903
3. Shares	58,666	61,720			
Currency accounts	(1,106)	670	Distribution of profit in the unit classes		
Other assets and liabilities	11	7			
4. Transaction costs, operating activities	(2,718)	(1,952)	Brought forward to investors' assets		
Total capital gains and losses	54,853	60,445	BRIK A DKK Akk	56,354	64,903
Other income	36	28	BRIK W DKK Acc	994	-
Total income	63,292	70,013	Total	57,348	64,903
5. Administrative costs	(5,207)	(4,409)			
Pre-tax profit	58,085	65,604			
6. Tax	(737)	(701)			
Net profit for the year	57,348	64,903			

BRIK Akkumulerende KL – Financial Statements

BALANCE SHEET 31 DECEMBER 2017

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
ASSETS			LIABILITIES		
Liquid funds			7. Investors' assets *)	316,786	297,162
Deposits with custodian	8,349	5,379	Other debt		
Total liquid funds	8,349	5,379	Payables	1,205	1,125
8. Holdings			Payables – unsettled transactions	11,472	2,862
Listed shares in foreign companies	314,868	293,850	Total other debt	12,677	3,987
Total holdings	314,868	293,850	TOTAL LIABILITIES	329,463	301,149
Other assets			*) Investors' assets by unit class		
Interest receivable, dividends receivable etc	640	967	BRIK A DKK Akk	309,828	297,162
Receivables – unsettled transactions	5,606	953	BRIK W DKK Acc	6,958	-
Total other assets	6,246	1,920	Total	316,786	297,162
TOTAL ASSETS	329,463	301,149			

BRIK Akkumulerende KL – Financial Statements

NOTES

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
1. Interest			5. Administrative costs		
Deposits with custodian	1	2			
Interest expense and negative interest with custodian	(19)	(10)	Class-specific costs		
Total interest	(18)	(8)	Marketing costs	2,586	2,127
			Fees to custodian	296	270
2. Dividends			Other costs relating to asset management	1,741	1,505
Listed shares in foreign companies	8,421	9,548	Other costs	48	26
Total dividends	8,421	9,548	Fixed management fee *)	536	481
			Total class-specific costs	5,207	4,409
3. Capital gains and losses			*) The management fee represents a "fixed management fee" which includes costs relating to the Board of Directors, Executive Management, audit etc. Total remuneration to the Board of Directors and Executive Management appears from the Directors' Report under "Remuneration of Board of Directors and Executive Management" to which reference is made.		
Shares			Audit fees appear from joint note 2 to which reference is made.		
Listed shares in foreign companies	58,666	61,778	6. Tax		
Unlisted shares in foreign companies	0	(58)	The fund is not liable to pay tax.		
Total shares	58,666	61,720	Adjustment – dividend tax etc	737	701
			Total tax	737	701
4. Transaction costs			7. Investors' assets		
All transaction costs	2,913	2,090	Investors' assets at 1 Jan	297,162	262,173
Covered by income from issue and redemption	(195)	(138)	Issues during the year	20,395	8,578
Transaction costs, operating activities	2,718	1,952	Redemptions during the year	(58,168)	(38,550)
			Net issue surcharges and redemption deductions	49	58
			Brought forward from income statement	57,348	64,903
			Investors' assets at year-end	316,786	297,162
			8. Financial instruments (securities)		
			A list of financial instruments (securities) is available free of charge from the investment management company.		

BRIK Akkumulerende KL – Financial Statements

SUPPLEMENTARY NOTES WITHOUT REFERENCE

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
a. Portfolio turnover			c. Shares by country		
Market value of purchase of securities	515,291	335,594	Russia	26.84%	28.92%
Market value of sale of securities	553,635	363,683	India	24.69%	27.19%
Total market value	1,068,926	699,277	China	24.35%	21.75%
			Brazil	22.37%	21.03%
			Other	1.14%	0.00%
b. Breakdown of financial instruments			Cash, derivatives etc	0.61%	1.11%
Listed financial instruments	99.39%	98.89%	Total	100.00%	100.00%
Financial instruments listed on other regulated market	0.00%	0.00%			
Newly issued financial instruments for which listing on a stock exchange or other regulated market is planned	0.00%	0.00%	e. Shares by industry		
Other financial instruments	0.00%	0.00%	Financials	28.78%	27.40%
	99.39%	98.89%	Information Technology	15.91%	13.18%
Other assets/other debt	0.61%	1.11%	Energy	15.77%	21.92%
Total	100.00%	100.00%	Materials	11.17%	8.32%
			Consumer Discretionary	9.67%	7.26%
			Consumer Staples	5.33%	6.35%
			Industrials	5.18%	3.85%
			Health Care	2.93%	3.79%
			Utilities	2.91%	4.44%
			REIT	1.74%	0.00%
			Telecommunications Services	0.00%	2.38%
			Cash, derivatives etc	0.61%	1.11%
			Total	100.00%	100.00%

BRIK A DKK Akk – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2013-2017

(DKK 1,000)	2017 ¹⁾	2016	2015	2014	2013
Financial highlights					
Share of net profit for the year	56,354	64,903	489	16,381	(76,412)
Units in circulation nominal	118,967	136,956	153,015	192,368	288,293
Units in circulation quantity	1,186,964	1,369,556	1,530,143	1,923,674	2,882,926
Investors' assets	309,828	297,162	262,173	338,104	485,467
Financial ratios					
NAV per unit	261.03	216.98	171.34	175.76	168.39
Return (%) *)	20.30%	24.64%	(2.52%)	4.37%	(10.96%)
Benchmark return (%)	14.45%	31.92%	(3.11%)	2.45%	(7.82%)
Total expense ratio (TER)	1.67%	1.61%	1.55%	1.62%	1.61%
Annual percentage rate (APR) at 31 December	2.32%	2.52%	2.79%	2.71%	2.40%
Sharpe Ratio (5 yrs)	0.43	0.32	(0.32)	(0.08)	0.63
Standard deviation (5 yrs)	15.10	16.70	17.49	16.11	19.96

*) Past performance is no guarantee of current or future performance.

¹⁾ The fund was converted to a unit class on 13 June 2017.

NOTES

Note (DKK 1,000)	2017 ¹⁾	2016	Note (DKK 1,000)	2017 ¹⁾	2016
a. Share of net profit for the year			d. Investors' assets		
Share of joint portfolio profit	62,222	69,985			
Class-specific other income	36	28	d1. Units in circulation		
Class-specific costs *)	(5,176)	(4,409)	Units in circulation at 1 Jan	136,956	153,015
Share of tax	(728)	(701)	Issues during the year	5,811	4,181
Share of total net profit for the year	56,354	64,903	Redemptions during the year	(24,070)	(20,240)
			Total units in circulation	118,697	136,956
*) Class-specific costs			d2. Investors' assets		
Marketing costs	2,586	2,127	Investors' assets at 1 Jan	297,162	262,173
Fees to custodian	290	270	Issues during the year	13,822	8,578
Other costs relating to asset management	1,721	1,505	Redemptions during the year	(57,557)	(38,550)
Other costs	47	26	Net issue surcharges and redemption deductions	47	58
Fixed management fee	532	481	Brought forward from income statement	56,354	64,903
Total class-specific costs	5,176	4,409	Investors' assets at year-end	309,828	297,162
b. Distribution of profit			¹⁾ The fund was converted to a unit class on 13 June 2017.		
Brought forward to investors' assets	56,354	64,903			
Total distribution	56,354	64,903			
c. Units in circulation					
Nominal (DKK 1,000)	118,697	136,956			
Quantity	1,186,964	1,369,556			

BRIK W DKK Acc – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2017

(DKK 1,000)	2017 ¹⁾
Financial highlights	
Share of net profit	994
Units in circulation nominal	6,007
Units in circulation quantity	60,073
Investors' assets	6,958
Financial ratios	
NAV per unit	115.82
Return (%) *)	15.82%
Benchmark return (%)	13.49%
Total expense ratio	0.47%
Annual percentage rate (APR) at 31 December	1.38%

*) Past performance is no guarantee of current or future performance.

¹⁾ The unit class was launched on 13 June 2017.

NOTES

Note (DKK 1,000)	2017 ¹⁾	Note (DKK 1,000)	2017 ¹⁾
a. Share of net profit for the year		d. Investors' assets	
Share of joint portfolio profit	1,035		
Class-specific costs *)	(32)	d1. Units in circulation	
Share of tax	<u>(9)</u>	Issues during the year	6,547
Share of total net profit for the year	994	Redemptions during the year	<u>(540)</u>
		Total units in circulation	6,007
*) Class-specific costs		d2. Investors' assets	
Fees to custodian	6	Issues during the year	6,573
Other costs relating to asset management	21	Redemptions during the year	(611)
Other costs	1	Net issue surcharges and redemption deductions	2
Fixed management fee	<u>4</u>	Brought forward from income statement	<u>994</u>
Total class-specific costs	32	Investors' assets at year-end	6,958
b. Distribution of profit		¹⁾ The unit class was launched on 13 June 2017.	
b1. To be allocated			
Brought forward to investors' assets	<u>994</u>		
Total distribution	994		
c. Units in circulation			
Nominal (DKK 1,000)	6,007		
Quantity	60,073		

Danmark KL

Fund report

Fund data and unit class data	Danmark A DKK	Danish Equities B DKK d
ISIN	DK0015298384	DK0060711208
Date of establishment	21 August 1985	4 March 2016
Launch date	1 October 1985	2 May 2016
Listed	Yes	No
Currency	DKK	DKK
Income fund	Yes	Yes
Denomination	100	10
Risk category	5	5
Approved for marketing in Germany	No	Yes
Benchmark	OMXC ALL CAP GI	
Secondary name	Danish Equities KL	

Introduction

The fund report should be read together with the sections in the annual report "Financial markets in 2017" on page 6, "Asset developments" on page 10 and "Risks" on page 15 to provide a complete picture of developments. The evaluation by the Board of Directors and Executive Management regarding fund specific risks appears below. For further information on risks associated with investing in the fund, reference is made to the current prospectus which may be downloaded at www.sydinvest.dk, www.sydinvest.de and www.sydinvest.com.

Investment profile

The fund invests in Danish shares. The fund invests in companies spread across different industries, however predominantly in large companies.

The fund is divided into the unit classes Danmark A DKK and Danish Equities B DKK d. The investments in the individual unit classes are identical. The level of costs varies according to the unit class in which investors invest.

Risk profile

The fund invests in a limited market and therefore there is a risk of substantial price fluctuations in the short term. The fund is suitable for investments with a time horizon of at least four years.

The fund is placed in risk category 5.

Developments

The development in the NAV of the unit classes in 2017 appears from the table below. The differences in returns are attributable to the level of costs in the individual classes.

Unit class	Return	Benchmark
Danmark A DKK	11.44%	16.82%
Danish Equities B DKK d	11.78%	16.82%

The market exceeded expectations at the beginning of the year and the fund underperformed its benchmark.

2017 was a good year for Danish equities. Defensive shares outperformed cyclical shares. Large price fluctuations surrounding the quarterly reports characterised the year, clearly illustrated by Vestas and FLS. Both companies disappointed the market with their respective financial statements for Q3 and dropped by 19% and 8.5% respectively on the date of publication of the quarterly financial statements. However the uncertainty did not spread to the rest of the equity market, as is often the case.

The largest Danish shares, C25, performed exactly on a par with the very small shares whereas the medium-sized shares generated a return which was about 3 percentage points below. Had it not been for the substantial price drop in Bavarian, however, the medium-sized shares would have taken the lead.

The fund produced a return that is below the change in its benchmark. This was mainly attributable to the share picks in the health sector and the financial sector. Moreover the fund's underweight in utilities made a negative contribution.

Market outlook

Danish companies will profit from the global synchronous recovery which is anticipated in 2018 as well as a very sound domestic economy. However Danish shares are quite highly priced and therefore the return in 2018 is expected to be lower than in 2017.

We project that the fund will generate a return in 2018 on a par with or above its benchmark as the fund is actively managed.

Danmark KL – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2013-2017

(DKK 1,000)	2017	2016	2015	2014	2013
Financial highlights					
Net profit for the year	51,217	(8,296)	139,801	71,638	116,819
Investors' assets	469,943	500,244	572,048	466,259	413,173
Financial ratios					
Tracking error	2.30	2.57	2.13	1.90	1.92
Active share	32.89	33.08	24.92	50.00	21.11
Portfolio turnover rate (PTR)	0.21	0.22	0.17	0.15	0.21

Breakdown of profit for the year and investors' assets by unit class

(DKK 1,000)	2017		2016	
	Net profit for the year	Investors' assets at year-end	Net profit for the year	Investors' assets at year-end
Danmark A DKK	45,228	390,489	(9,095)	444,759
Danish Equities B DKK d ¹⁾	5,989	79,454	799	55,485
Total	51,217	469,943	(8,296)	500,244

¹⁾ The unit class was launched on 4 March 2016.

INCOME STATEMENT

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
Interest and dividends			Distribution of profit from the unit classes		
1. Interest	(36)	(17)			
2. Dividends	10,120	10,641			
Total interest and dividends	10,084	10,624	To be allocated		
Capital gains and losses			Total proposed distribution for the financial year	52,110	80,799
3. Shares	47,589	(11,968)	Total brought forward for distribution next year	106	51
4. Transaction costs, operating activities	(211)	(447)	Total available for distribution	52,216	80,850
Total capital gains and losses	47,378	(12,415)	Total brought forward to investors' assets	(999)	(89,146)
Total income	57,462	(1,791)	Total distribution	51,217	(8,296)
5. Administrative costs	(6,245)	(6,803)	Distribution of profit in the unit classes		
Pre-tax profit	51,217	(8,594)	Danmark A DKK		
6. Tax	0	298	Proposed distribution for the financial year	42,979	77,539
Net profit for the year	51,217	(8,296)	Brought forward for distribution next year	65	29
			Brought forward to investors' assets	2,184	(86,663)
			Danish Equities B DKK d		
			Proposed distribution for the financial year	9,131	3,260
			Brought forward for distribution next year	41	22
			Brought forward to investors' assets	(3,183)	(2,483)

Danmark KL – Financial Statements

BALANCE SHEET 31 DECEMBER 2017

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
ASSETS			LIABILITIES		
Liquid funds			7. Investors' assets *)	469,943	500,244
Deposits with custodian	2,485	6,732	Other debt		
Total liquid funds	2,485	6,732	Payables	1,385	1,422
8. Holdings			Total other debt	1,385	1,422
Listed shares in Danish companies	468,843	494,934	TOTAL LIABILITIES	471,328	501,666
Total holdings	468,843	494,934			
TOTAL ASSETS	471,328	501,666	*) Investors' assets by unit class		
			Danmark A DKK	390,489	444,759
			Danish Equities B DKK d	79,454	55,485
			Total	469,943	500,244

Danmark KL – Financial Statements

NOTES

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
1. Interest			6. Tax		
Deposits with custodian	3	0	The fund is not liable to pay tax.		
Interest expense and negative interest with custodian	(39)	(17)	Adjustment – dividend tax etc	0	(298)
Total interest	(36)	(17)	Total tax	0	(298)
2. Dividends			7. Investors' assets		
Listed shares in Danish companies	10,120	10,641	Investors' assets at 1 Jan	500,244	572,048
Total dividends	10,120	10,641	Issues during the year	59,582	115,183
3. Capital gains and losses			Redemptions during the year	(60,925)	(104,323)
			Net issue surcharges and redemption deductions	68	163
Shares			Distribution from last year concerning units in circulation at 31 Dec	(80,799)	(80,306)
Listed shares in foreign companies	47,589	(12,023)	Changes in dividend distribution due to issues/redemptions	556	5,775
Unlisted shares in foreign companies	0	55	Proposed distribution for the financial year	52,110	80,799
Total shares	47,589	(11,968)	Brought forward from income statement	(999)	(89,146)
			Brought forward for distribution next year	106	51
4. Transaction costs			Investors' assets at year-end	469,943	500,244
All transaction costs	314	574			
Covered by income from issue and redemption	(103)	(127)	8. Financial instruments (securities)		
Transaction costs, operating activities	211	447	A list of financial instruments (securities) is available free of charge from the investment management company.		
5. Administrative costs					
Class-specific costs					
Marketing costs	3,452	3,789			
Fees to custodian	259	307			
Other costs relating to asset management	1,696	1,803			
Other costs	26	9			
Fixed management fee *)	812	895			
Total class-specific costs	6,245	6,803			

*) The management fee represents a "fixed management fee" which includes costs relating to the Board of Directors, Executive Management, audit etc. Total remuneration to the Board of Directors and Executive Management appears from the Directors' Report under "Remuneration of Board of Directors and Executive Management" to which reference is made.

Audit fees appear from joint note 2 to which reference is made.

Danmark KL – Financial Statements

SUPPLEMENTARY NOTES WITHOUT REFERENCE

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
a. Portfolio turnover			d. Shares by industry		
Market value of purchase of securities	122,694	204,255	Industrials	30.81%	28.64%
Market value of sale of securities	196,375	250,942	Health Care	28.25%	24.21%
Total market value	319,069	455,197	Financials	18.09%	19.07%
b. Breakdown of financial instruments			Consumer Staples	7.97%	7.95%
Listed financial instruments	99.77%	98.94%	Consumer Discretionary	4.92%	7.13%
Financial instruments listed on other regulated market	0.00%	0.00%	Materials	4.24%	4.59%
Newly issued financial instruments for which listing on a stock exchange or other regulated market is planned	0.00%	0.00%	Information Technology	3.87%	1.96%
Other financial instruments	0.00%	0.00%	Utilities	1.41%	1.10%
	99.77%	98.94%	Energy	0.21%	0.25%
Other assets/other debt	0.23%	1.06%	Telecommunications Services	0.00%	4.04%
Total	100.00%	100.00%	Cash, derivatives etc	0.23%	1.06%
c. Shares by country			Total	100.00%	100.00%
Denmark	99.77%	98.94%			
Cash, derivatives etc	0.23%	1.06%			
Total	100.00%	100.00%			

Danmark A DKK – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2013-2017

(DKK 1,000)	2017	2016 ¹⁾	2015	2014	2013
Financial highlights					
Share of net profit for the year	45,228	(9,095)	139,801	71,638	116,819
Units in circulation nominal	140,916	148,259	161,259	157,426	153,351
Units in circulation quantity	1,409,160	1,482,586	1,612,580	1,574,256	1,533,512
Investors' assets	390,489	444,759	572,048	466,259	413,173
Financial ratios					
NAV per unit	277.11	299.99	354.74	296.18	269.43
Dividend per unit	30.50	52.30	49.80	30.60	18.90
Return (%) *)	11.44 %	(0.87%)	31.04 %	17.68 %	37.50 %
Benchmark return (%)	16.82 %	3.22 %	30.83 %	17.21 %	38.30 %
Total expense ratio	1.34 %	1.34 %	1.32 %	1.34 %	1.36 %
Annual percentage rate (APR) at 31 December	1.54 %	1.48 %	1.60 %	1.58 %	1.63 %
Sharpe Ratio (5 yrs)	1.51	1.58	1.00	0.94	0.96
Standard deviation (5 yrs)	11.33	11.98	13.97	14.02	17.79

*) Past performance is no guarantee of current or future performance.

¹⁾ The fund was converted to a unit class on 4 March 2016.

Danmark A DKK – Financial Statements

NOTES

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
a. Share of net profit for the year			c. Units in circulation		
Share of joint portfolio profit	50,718	(2,912)	Nominal (DKK 1,000)	140,916	148,259
Class-specific costs *)	(5,490)	(6,475)	Quantity	1,409,160	1,482,586
Share of tax	0	292			
Share of total net profit for the year	45,228	(9,095)	d. Investors' assets		
			d1. Units in circulation		
*) Class-specific costs			Units in circulation at 1 Jan	148,259	161,259
Marketing costs	3,097	3,640	Issues during the year	13,057	20,999
Fees to custodian	230	285	Redemptions during the year	(20,400)	(33,999)
Other costs relating to asset management	1,447	1,699	Total units in circulation	140,916	148,259
Other costs	22	8			
Fixed management fee	694	843	d2. Investors' assets		
Total class-specific costs	5,490	6,475	Investors' assets at 1 Jan	444,759	572,048
			Issues during the year	34,862	60,182
b. Distribution of profit			Redemptions during the year	(57,548)	(103,993)
b1. To be allocated			Net issue surcharges and redemption deductions	52	148
Proposed distribution for the financial year	42,979	77,539	Distribution from last year concerning units in circulation at 31 Dec	(77,539)	(80,306)
Brought forward for distribution next year	65	29	Changes in dividend distribution due to issues/redemptions	675	5,775
Available for distribution	43,044	77,568	Proposed distribution for the financial year	42,979	77,539
Brought forward to investors' assets	2,184	(86,663)	Brought forward from income statement	2,184	(86,663)
Total distribution	45,228	(9,095)	Brought forward for distribution next year	65	29
			Investors' assets at year-end	390,489	444,759
b2. Available for distribution					
Brought forward for distribution from last year	29	12			
Share of interest	3	0			
Share of dividends	8,736	10,521			
Share of non-refundable tax on coupons	0	292			
Share of capital gains for distribution	42,013	78,777			
Distribution adjustment in connection with issue/redemption concerning the above items	(2,413)	(5,914)			
Available for distribution before administrative costs	48,368	83,688			
Set-off of administrative costs	(5,490)	(6,475)			
Distribution adjustment of administrative costs in connection with issue/redemption	166	355			
Total administrative costs	(5,324)	(6,120)			
Available for distribution	43,044	77,568			

Danish Equities B DKK d – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2017

(DKK 1,000)	2017	2016 ¹⁾
Financial highlights		
Share of net profit	5,989	799
Units in circulation nominal	73,641	54,322
Units in circulation quantity	7,364,103	5,432,239
Investors' assets	79,454	55,485
Financial ratios		
NAV per unit	10.79	10.21
Dividend per unit	1.24	0.60
Return (%) *)	11.78 %	2.14 %
Benchmark return (%)	16.82 %	5.96 %
Total expense ratio	1.05 %	0.71 %
Annual percentage rate (APR) at 31 December	1.71 %	1.64 %

*) Past performance is no guarantee of current or future performance.

¹⁾ The unit class was launched on 4 March 2016.

Danish Equities B DKK d – Financial Statements

NOTES

Note (DKK 1,000)	2017	2016 ¹⁾	Note (DKK 1,000)	2017	2016 ¹⁾
a. Share of net profit for the year			c. Units in circulation		
Share of joint portfolio profit	6,744	1,121	Nominal (DKK 1,000)	73,641	54,322
Class-specific costs *)	(755)	(328)	Quantity	7,364,103	5,432,239
Share of tax	0	6			
Share of total net profit for the year	5,989	799	d. Investors' assets		
			d1. Units in circulation		
*) Class-specific costs			Units in circulation at 1 Jan	54,322	0
Marketing costs	355	149	Issues during the year	22,381	54,661
Fees to custodian	29	22	Redemptions during the year	(3,062)	(339)
Other costs relating to asset management	249	104	Total units in circulation	73,641	54,322
Other costs	4	1			
Fixed management fee	118	52	d2. Investors' assets		
Total class-specific costs	755	328	Investors' assets at 1 Jan	55,485	0
			Issues during the year	24,720	55,001
b. Distribution of profit			Redemptions during the year	(3,377)	(330)
b1. To be allocated			Net issue surcharges and redemption deductions	16	15
Proposed distribution for the financial year	9,131	3,260	Distribution from last year concerning units in circulation at 31 Dec	(3,260)	0
Brought forward for distribution next year	41	22	Changes in dividend distribution due to issues/redemptions	(119)	0
Available for distribution	9,172	3,282	Proposed distribution for the financial year	9,131	3,260
Brought forward to investors' assets	(3,183)	(2,483)	Brought forward from income statement	(3,183)	(2,483)
Total distribution	5,989	799	Brought forward for distribution next year	41	22
			Investors' assets at year-end	79,454	55,485
b2. Available for distribution					
Brought forward for distribution from last year	22	0			
Share of interest	1	1			
Share of dividends	1,384	119			
Share of non-refundable tax on coupons	0	6			
Share of capital gains for distribution	7,048	2,714			
Distribution adjustment in connection with issue/redemption concerning the above items	1,575	844			
Available for distribution before administrative costs	10,030	3,684			
Set-off of administrative costs	(755)	(328)			
Distribution adjustment of administrative costs in connection with issue/redemption	(103)	(74)			
Total administrative costs	(858)	(402)			
Available for distribution	9,172	3,282			

¹⁾ The unit class was launched on 4 March 2016.

Europa Ligevægt & Value KL

Fund report

Fund data and unit class data	Europa Ligevægt & Value A DKK	Europa Ligevægt & Value W DKK d
ISIN	DK0015323406	DK0060815686
Date of establishment	20 March 1986	13 June 2017
Launch date	1 May 1986	13 June 2017
Listed	Yes	No
Currency	DKK	DKK
Income fund	Yes	Yes
Denomination	100	100
Risk category	6	6
Approved for marketing in Germany	No	No
Benchmark	MSCI Europe	
Secondary name	European Value Equities KL	

Introduction

The fund report should be read together with the sections in the annual report "Financial markets in 2017" on page 6, "Asset developments" on page 10 and "Risks" on page 15 to provide a complete picture of developments. The evaluation by the Board of Directors and Executive Management regarding fund specific risks appears below. For further information on risks associated with investing in the fund, reference is made to the current prospectus which may be downloaded at www.sydinvest.dk, www.sydinvest.de and www.sydinvest.com.

Investment profile

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 is divided into the unit classes Europa Ligevægt & Value A DKK and Europa Ligevægt & Value W DKK d. The investments in the individual unit classes are identical. The level of costs varies according to the unit class in which investors invest.

Risk profile

The fund invests broadly in shares from Europe. By investing broadly throughout Europe national cyclical fluctuations are taken into account and risk is spread. The fund is suitable for investments with a time horizon of at least four years.

The fund is placed in risk category 6.

Developments

The development in the NAV of the unit classes in 2017 appears from the table below. The differences in returns are attributable to the level of costs in the individual classes.

Unit class	Return	Benchmark
Europa Ligevægt & Value A DKK	9.45%	10.39%
Europa Ligevægt & Value W DKK ⁾	10.02%	10.39%

⁾ The unit class was launched on 13 June 2017 in connection with the demerger of Europa Ligevægt & Value A DKK. Return covers the period from 1 January to 31 December 2017.

The market exceeded expectations at the beginning of the year but the fund underperformed its benchmark, see the above table.

European equities did well in 2017 due to a stronger European economy and strong economic developments as regards the most important business partners in Asia. During the year we saw solid progress in key economic indicators and decent growth in top and bottom lines at corporate level. Moreover inflation is extremely modest and consequently the monetary policy continues to be very supportive. Finally the markets responded well to the outcome of the elections in France and Germany and generally it was a quiet period in political terms.

The fund produced a return that is below the change in its benchmark due to the fund's strategy of investing in value shares. In 2017 value shares could not keep up with growth shares which topped return tables as a group in 2017.

Market outlook

A continuing upturn and growing earnings among companies suggest that 2018 may be another good year for shares. However risks are equally high due to relatively high pricing and generally high debt levels. The principal risk in 2018 is rising inflationary pressure in certain parts of the euro area, which may accelerate monetary policy tightening. We project that the fund will generate a return in 2018 on a par with or above its benchmark as the fund is actively managed.

Europa Ligevægt & Value KL – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2013-2017

(DKK 1,000)	2017	2016	2015	2014	2013
Financial highlights					
Net profit for the year	62,526	31,815	63,463	15,233	53,549
Investors' assets	999,575	671,961	942,261	771,697	478,474
Financial ratios					
Tracking error	2.37	2.45	2.35	1.34	1.80
Active share	71.39	72.67	71.95	69.29	61.42
Portfolio turnover rate (PTR)	0.09	0.42	0.69	0.61	0.35

Breakdown of profit for the year and investors' assets by unit class

(DKK 1,000)	2017		2016	
	Net profit for the year	Investors' assets at year-end	Net profit for the year	Investors' assets at year-end
Europa Ligevægt & Value A DKK	51,443	439,970	31,815	671,961
Europa Ligevægt & Value W DKK d ¹⁾	11,083	559,605	-	-
Total	62,526	999,575	31,815	671,961

¹⁾ The unit class was launched on 13 June 2017 in connection with the demerger of Europa Ligevægt & Value A DKK

Europa Ligevægt & Value KL – Financial Statements

INCOME STATEMENT

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
Interest and dividends			Distribution of profit from the unit classes		
1. Interest	(47)	(2)			
2. Dividends	25,129	32,384	To be allocated		
Total interest and dividends	25,082	32,382	Total proposed distribution for the financial year	54,792	0
Capital gains and losses			Total brought forward for distribution next year	914	1
3. Shares	48,825	15,672	Total available for distribution	55,706	1
Currency accounts	74	(797)	Total brought forward to investors' assets	6,820	31,814
Other assets and liabilities	(5)	40	Total distribution	62,526	31,815
4. Transaction costs, operating activities	(789)	(1,188)	Distribution of profit in the unit classes		
Total capital gains and losses	48,105	13,727			
Other income	117	7	Europa Ligevægt & Value A DKK		
Total income	73,304	46,116	Proposed distribution for the financial year	22,938	0
5. Administrative costs	(9,360)	(11,721)	Brought forward for distribution next year	349	1
Pre-tax profit	63,944	34,395	Brought forward to investors' assets	28,156	31,814
6. Tax	(1,418)	(2,580)	Europa Ligevægt & Value W DKK d		
Net profit for the year	62,526	31,815	Proposed distribution for the financial year	31,854	-
			Brought forward for distribution next year	565	-
			Brought forward to investors' assets	(21,336)	-

Europa Ligevægt & Value KL – Financial Statements

BALANCE SHEET 31 DECEMBER 2017

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
ASSETS			LIABILITIES		
Liquid funds			7. Investors' assets *)	999,575	671,961
Deposits with custodian	23,326	7,749	Other debt		
Total liquid funds	23,326	7,749	Interest payable	3	0
8. Holdings			Payables	1,858	2,519
Listed shares in Danish companies	19,994	8,206	Total other debt	1,861	2,519
Listed shares in foreign companies	957,150	657,517	TOTAL LIABILITIES	1,001,436	674,480
Total holdings	977,144	665,723			
Other assets			*) Investors' assets by unit class		
Interest receivable, dividends receivable etc	966	1,008	Europa Ligevægt & Value A DKK	439,970	671,961
Total other assets	966	1,008	Europa Ligevægt & Value W DKK d	559,605	-
TOTAL ASSETS	1,001,436	674,480	Total	999,575	671,961

Europa Ligevægt & Value KL – Financial Statements

NOTES

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
1. Interest			5. Administrative costs		
Deposits with custodian	8	1			
Interest expense and negative interest with custodian	(55)	(3)	Class-specific costs		
Total interest	(47)	(2)	Marketing costs	4,655	6,184
			Fees to custodian	869	932
2. Dividends			Other costs relating to asset management	2,722	3,198
Listed shares in Danish companies	192	247	Other costs	39	17
Listed shares in foreign companies	24,937	32,137	Fixed management fee *)	1,075	1,390
Total dividends	25,129	32,384	Total class-specific costs	9,360	11,721
			*) The management fee represents a “fixed management fee” which includes costs relating to the Board of Directors, Executive Management, audit etc. Total remuneration to the Board of Directors and Executive Management appears from the Directors’ Report under “Remuneration of Board of Directors and Executive Management” to which reference is made.		
3. Capital gains and losses			Audit fees appear from joint note 2 to which reference is made.		
Shares			6. Tax		
Listed shares in Danish companies	1,874	1,485	The fund is not liable to pay tax.		
Listed shares in foreign companies	46,739	14,335	Adjustment – dividend tax etc	1,418	2,580
Unlisted shares in foreign companies	212	(148)	Total tax	1,418	2,580
Total shares	48,825	15,672			
4. Transaction costs			7. Investors’ assets		
All transaction costs	2,481	1,816	Investors’ assets at 1 Jan	671,961	942,261
Covered by income from issue and redemption	(1,692)	(628)	Issues during the year	503,591	33,372
Transaction costs, operating activities	789	1,188	Redemptions during the year	(238,503)	(335,820)
			Net issue surcharges and redemption deductions	0	333
			Distribution from last year concerning units in circulation at 31 Dec	0	0
			Proposed distribution for the financial year	54,792	0
			Brought forward from income statement	6,820	31,814
			Brought forward for distribution next year	914	1
			Investors’ assets at year-end	999,575	671,961
			8. Financial instruments (securities)		
			A list of financial instruments (securities) is available free of charge from the investment management company.		

Europa Ligevægt & Value KL – Financial Statements

SUPPLEMENTARY NOTES WITHOUT REFERENCE

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
a. Portfolio turnover			d. Shares by industry		
Market value of purchase of securities	706,555	386,838	Financials	19.53%	19.67%
Market value of sale of securities	447,883	653,373	Consumer Staples	13.77%	14.15%
Total market value	1,154,438	1,040,211	Industrials	13.10%	13.03%
b. Breakdown of financial instruments			Health Care	12.11%	12.84%
Listed financial instruments	97.76%	99.07%	Consumer Discretionary	10.84%	11.10%
Financial instruments listed on other regulated market which listing on a stock exchange or other regulated market is planned	0.00%	0.00%	Materials	8.04%	8.14%
Other financial instruments	0.00%	0.00%	Energy	7.05%	8.11%
	97.76%	99.07%	Information Technology	4.98%	4.20%
Other assets/other debt	2.24%	0.93%	Telecommunications Services	3.98%	4.21%
Total	100.00%	100.00%	Utilities	3.63%	3.62%
			REIT	0.73%	0.00%
			Cash, derivatives etc	2.24%	0.93%
			Total	100.00%	100.00%
c. Shares by country					
UK	25.03%	28.35%			
France	21.89%	14.67%			
Germany	14.60%	11.43%			
Netherlands	6.93%	7.56%			
Italy	6.57%	6.15%			
Switzerland	5.65%	8.97%			
Spain	3.66%	4.43%			
Norway	2.76%	3.25%			
Other	10.67%	14.26%			
Cash, derivatives etc	2.24%	0.93%			
Total	100.00%	100.00%			

Europa Ligevægt & Value A DKK – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2013-2017

(DKK 1,000)	2017 ¹⁾	2016	2015	2014	2013
Financial highlights					
Share of net profit	51,443	31,815	63,463	15,233	53,549
Units in circulation nominal	559,452	935,172	1,389,761	1,233,115	787,168
Units in circulation quantity	5,594,524	9,351,720	13,897,609	12,331,147	7,871,680
Investors' assets	439,970	671,961	942,261	771,697	478,474
Financial ratios					
NAV per unit	78.64	71.85	67.80	62.58	60.78
Dividend per unit	4.10	0.00	0.00	0.00	0.00
Return (%) *)	9.45%	5.98%	8.34%	2.96%	17.08%
Benchmark return (%)	10.39%	2.20%	8.46%	6.64%	19.83%
Total expense ratio	1.57%	1.48%	1.36%	1.34%	1.37%
Annual percentage rate (APR) at 31 December	1.81%	1.77%	2.01%	1.89%	1.80%
Sharpe Ratio (5 yrs)	0.76	0.80	0.50	0.53	0.73
Standard deviation (5 yrs)	11.03	11.47	12.39	11.25	14.89

*) Past performance is no guarantee of current or future performance.

¹⁾ The fund was converted to a unit class on 13 June 2017.

Europa Ligevægt & Value A DKK – Financial Statements

NOTES

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
a. Share of net profit for the year			c. Units in circulation		
Share of joint portfolio profit	60,312	46,109	Nominal (DKK 1,000)	559,452	935,172
Class-specific other income	56	7	Quantity	5,594,524	9,351,720
Class-specific costs *)	(7,710)	(11,721)			
Share of tax	(1,215)	(2,580)	d. Investors' assets		
Share of total net profit for the year	51,443	31,815			
			d1. Units in circulation		
*) Class-specific costs			Units in circulation at 1 Jan	935,172	1,389,761
Marketing costs	4,237	6,184	Correction in connection with demerger	(136,656)	0
Fees to custodian	602	932	Issues during the year	43,665	51,000
Other costs relating to asset management	2,005	3,198	Redemptions during the year	(282,729)	(505,589)
Other costs	24	17	Total units in circulation	559,452	935,172
Fixed management fee	842	1,390			
Total class-specific costs	7,710	11,721	d2. Investors' assets		
			Investors' assets at 1 Jan	671,961	942,261
b. Distribution of profit			Correction in connection with demerger	(107,828)	0
			Issues during the year	43,887	33,372
b1. To be allocated			Redemptions during the year	(219,493)	(335,820)
Proposed distribution for the financial year	22,938	0	Net issue surcharges and redemption deductions	0	333
Brought forward for distribution next year	349	1	Distribution from last year concerning units in circulation at 31 Dec	0	0
Available for distribution	23,287	1	Proposed distribution for the financial year	22,938	0
Brought forward to investors' assets	28,156	31,814	Brought forward from income statement	28,156	31,814
Total distribution	51,443	31,815	Brought forward for distribution next year	349	1
			Investors' assets at year-end	439,970	671,961
b2. Available for distribution					
Brought forward for distribution from last year	1	(46,831)			
Share of interest	6	1			
Share of dividends	19,962	28,777			
Other income	56	7			
Share of non-refundable tax on coupons	(1,215)	1,026			
Share of capital gains for distribution	20,134	5,247			
Distribution adjustment in connection with issue/redemption concerning the above items	(8,794)	20,819			
Available for distribution before administrative costs	30,150	9,046			
Set-off of administrative costs	(7,710)	(11,721)			
Distribution adjustment of administrative costs in connection with issue/redemption	847	2,676			
Total administrative costs	(6,863)	(9,045)			
Available for distribution	23,287	1			

¹⁾ The fund was converted to a unit class on 13 June 2017.

Europa Ligevægt & Value W DKK d – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2017

(DKK 1,000)	2017 ¹⁾
Financial highlights	
Share of net profit	11,083
Units in circulation nominal	707,872
Units in circulation quantity	7,078,717
Investors' assets	559,605
Financial ratios	
NAV per unit	79.05
Dividend per unit	4.50
Return (%) ^{1) 2)}	10.02%
Benchmark return (%) ²⁾	10.39%
Total expense ratio	0.84%
Annual percentage rate (APR) at 31 December	0.85%
Sharpe Ratio (5 yrs)	0.77
Standard deviation (5 yrs)	11.02

*) Past performance is no guarantee of current or future performance.

¹⁾ The unit class was launched on 13 June 2017 in connection with the demerger of Europa Ligevægt & Value ADKK.

²⁾ Return for the period 1 Jan - 31 Dec 2017

Europa Ligevægt & Value W DKK d – Financial Statements

NOTES

Note (DKK 1,000)	2017 ¹⁾	Note (DKK 1,000)	2017 ¹⁾
a. Share of net profit for the year		c. Units in circulation	
Share of joint portfolio profit	12,876	Nominal (DKK 1,000)	707,872
Class-specific other income	61	Quantity	7,078,717
Class-specific costs *)	(1,650)		
Share of tax	<u>(204)</u>		
Share of total net profit for the year	11,083		
		d. Investors' assets	
*) Class-specific costs		d1. Units in circulation	
Marketing costs	418	Correction in connection with demerger	136,656
Fees to custodian	267	Issues during the year	595,419
Other costs relating to asset management	718	Redemptions during the year	<u>(24,203)</u>
Other costs	15	Total units in circulation	707,872
Fixed management fee	<u>232</u>		
Total class-specific costs	1,650	d2. Investors' assets	
		Correction in connection with demerger	107,828
b. Distribution of profit		Issues during the year	459,704
		Redemptions during the year	(19,010)
b1. To be allocated		Proposed distribution for the financial year	31,854
Proposed distribution for the financial year	31,854	Brought forward from income statement	(21,336)
Brought forward for distribution next year	<u>565</u>	Brought forward for distribution next year	<u>565</u>
Available for distribution	32,419	Investors' assets at year-end	559,605
<u>Brought forward to investors' assets</u>	<u>(21,336)</u>		
Total distribution	11,083		
		¹⁾ The unit class was launched on 13 June 2017 in connection with the demerger of Europa Ligevægt & Value A DKK	
b2. Available for distribution ²⁾		²⁾ Incl proportional share of income for 1 Jan - 13 Jun 2017 from Europa Ligevægt & Value A DKK	
Share of interest	3		
Share of dividends	5,168		
Other income	61		
Share of non-refundable tax on coupons	(204)		
Share of capital gains for distribution	2,929		
Distribution adjustment in connection with issue/redemption concerning the above items	<u>30,090</u>		
Available for distribution before administrative costs	<u>38,047</u>		
Set-off of administrative costs	(1,650)		
Distribution adjustment of administrative costs in connection with issue/redemption	<u>(3,978)</u>		
Total administrative costs	<u>(5,628)</u>		
Available for distribution	32,419		

Europa Ligevægt & Value Akkumulerende KL

Fund report

Fund data and unit class data	Europa Ligevægt & Value W DKK Acc
ISIN	DK0060751345
Date of establishment	29 August 2016
Launch date	5 October 2016
Listed	No
Currency	DKK
Income fund	Yes
Denomination	100
Risk category	6
Approved for marketing in Germany	No
Benchmark	MSCI Europe
Secondary name	European Value Equities Acc KL

Introduction

The fund report should be read together with the sections in the annual report “Financial markets in 2017” on page 6, “Asset developments” on page 10 and “Risks” on page 15 to provide a complete picture of developments. The evaluation by the Board of Directors and Executive Management regarding fund specific risks appears below. For further information on risks associated with investing in the fund, reference is made to the current prospectus which may be downloaded at www.sydinvest.dk, www.sydinvest.de and www.sydinvest.com.

Investment profile

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 is divided into the unit class Europa Ligevægt & Value W DKK Acc.

Risk profile

The fund invests broadly in shares from Europe. By investing broadly throughout Europe national cyclical fluctuations are taken into account and risk is spread. The fund is suitable for investments with a time horizon of at least four years.

The fund is placed in risk category 6.

Developments

The development in the NAV of the unit class in the period from 5 October 2016 to 31 December 2017 appears from the table below.

Unit class	Return	Benchmark
Europa Ligevægt & Value W DKK Acc ¹⁾	16.85%	16.52%
¹⁾ The unit class was launched on 5 October 2016.		

The market exceeded expectations at the beginning of the year but the fund outperformed its benchmark, see the above table.

European equities performed well in 2017 due to a stronger European economy and strong economic developments as regards the most important business partners in Asia. During the year we saw solid progress in key economic indicators and decent growth in top and bottom lines at corporate level. Moreover inflation is extremely modest and consequently the monetary policy continues to be very supportive. Finally the markets responded well to the outcome of the elections in France and Germany and generally it was a quiet period in political terms.

The fund produced a return that is above the change in its benchmark due to the fund's strategy of investing in value shares. In 2017 value shares could not keep up with growth shares which topped return tables as a group in 2017.

Market outlook

A continuing upturn and growing earnings among companies suggest that 2018 may be another good year for shares. However risks are equally high due to relatively high pricing and generally high debt levels. The principal risk in 2018 is rising inflationary pressure in certain parts of the euro area, which may accelerate monetary policy tightening. We project that the fund will generate a return in 2018 on a par with or above its benchmark as the fund is actively managed.

Europa Ligevægt & Value Akkumulerende KL – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2017

(DKK 1,000)	2017 ¹⁾
Financial highlights	
Net profit for the year	8,493
Investors' assets	175,029
Financial ratios	
Active share	
Portfolio turnover rate (PTR)	0.39

¹⁾ The fund was launched on 5 October 2016 - first financial year 5 Oct 2016 - 31 Dec 2017.

Breakdown of profit for the year and investors' assets by unit class

(DKK 1,000)	2017	
	Net profit for the year	Investors' assets at year-end
Europa Ligevægt & Value W DKK Acc ¹⁾	8,493	175,029
Total	8,493	175,029

¹⁾ The unit class was launched on 5 October 2016.

INCOME STATEMENT

Note (DKK 1,000)	2017 ¹⁾	Note (DKK 1,000)	2017 ¹⁾
Interest and dividends		Distribution of profit from the unit classes	
1. Interest	(13)		
2. Dividends	3,787	To be allocated	
Total interest and dividends	3,774	Total brought forward to investors' assets	8,493
Capital gains and losses		Total distribution	8,493
3. Shares	5,979		
Currency accounts	(52)	Distribution of profit in the unit classes	
Other assets and liabilities	1		
4. Transaction costs, operating activities	(221)	Brought forward to investors' assets	
Total capital gains and losses	5,707	Europa Ligevægt & Value W DKK Acc	8,493
Other income	19	Total	8,493
Total income	9,500		
5. Administrative costs	(739)		
Pre-tax profit	8,761		
6. Tax	(268)		
Net profit for the year	8,493		

¹⁾ The fund was launched on 5 October 2016 - first financial year 5 Oct 2016 - 31 Dec 2017

Europa Ligevægt & Value Akkumulerende KL – Financial Statements

BALANCE SHEET 31 DECEMBER 2017

Note (DKK 1,000)	2017	Note (DKK 1,000)	2017
ASSETS		LIABILITIES	
Liquid funds		7. Investors' assets *)	175,029
Deposits with custodian	<u>6,543</u>	Other debt	
Total liquid funds	6,543	Interest payable	1
8. Holdings		Payables	<u>210</u>
Listed shares in Danish companies	2,033	Total other debt	211
Listed shares in foreign companies	<u>166,443</u>	TOTAL LIABILITIES	175,240
Total holdings	168,476		
Other assets		*) Investors' assets by unit class	
Interest receivable, dividends receivable etc	<u>221</u>	Europa Ligevægt & Value W DKK Acc	<u>175,029</u>
Total other assets	221	Total	175,029
TOTAL ASSETS	175,240		

Europa Ligevægt & Value Akkumulerende KL – Financial Statements

NOTES

Note (DKK 1,000)	2017	Note (DKK 1,000)	2017
1. Interest		5. Administrative costs	
Deposits with custodian	1		
Interest expense and negative interest with custodian	<u>(13)</u>	Class-specific costs	
Total interest	(12)	Fees to custodian	96
		Other costs relating to asset management	492
		Other costs	9
2. Dividends		Fixed management fee *)	<u>142</u>
Listed shares in Danish companies	27	Total class-specific costs	739
Listed shares in foreign companies	<u>3,760</u>	*) The management fee represents a "fixed management fee" which includes costs relating to the Board of Directors, Executive Management, audit etc. Total remuneration to the Board of Directors and Executive Management appears from the Directors' Report under "Remuneration of Board of Directors and Executive Management" to which reference is made.	
Total dividends	3,787	Audit fees appear from joint note 2 to which reference is made.	
		6. Tax	
3. Capital gains and losses		The fund is not liable to pay tax.	
Shares		Adjustment – dividend tax etc	<u>268</u>
Listed shares in Danish companies	455	Total tax	268
Listed shares in foreign companies	5,509	7. Investors' assets	
Unlisted shares in foreign companies	<u>15</u>	Issues during the year	168,339
Total shares	5,979	Redemptions during the year	(1,898)
		Net issue surcharges and redemption deductions	95
4. Transaction costs		Brought forward from income statement	<u>8,493</u>
All transaction costs	543	Investors' assets at year-end	175,029
Covered by income from issue and redemption	<u>(322)</u>		
Transaction costs, operating activities	221	8. Financial instruments (securities)	
		A list of financial instruments (securities) is available free of charge from the investment management company.	

Europa Ligevægt & Value Akkumulerende KL – Financial Statements

SUPPLEMENTARY NOTES WITHOUT REFERENCE

Note (DKK 1,000)	2017	Note (DKK 1,000)	2017
a. Portfolio turnover		d. Shares by industry	
Market value of purchase of securities	188,469	Financials	19.16%
Market value of sale of securities	<u>52,948</u>	Consumer Staples	14.13%
Total market value	241,417	Industrials	13.09%
		Health Care	11.90%
		Consumer Discretionary	10.96%
b. Breakdown of financial instruments		Materials	7.24%
Listed financial instruments	96.26%	Energy	6.65%
Financial instruments listed on other regulated market	0.00%	Information Technology	5.02%
Newly issued financial instruments for which listing on a stock exchange or other regulated market is planned	0.00%	Utilities	4.21%
Other financial instruments	<u>0.00%</u>	Telecommunications Services	2.80%
	96.26%	REIT	1.10%
Other assets/other debt	<u>3.74%</u>	Cash, derivatives etc	<u>3.74%</u>
Total	100.00%	Total	100.00%
c. Shares by country			
France	22.78%		
UK	22.58%		
Germany	14.97%		
Italy	6.93%		
Netherlands	6.07%		
Switzerland	5.97%		
Spain	4.17%		
Norway	2.83%		
Other	9.96%		
Cash, derivatives etc	<u>3.74%</u>		
Total	100.00%		

Europa Ligevægt & Value W DKK Acc – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2017

(DKK 1,000)	2017 ¹⁾
Financial highlights	
Share of net profit	8,493
Units in circulation nominal	149,792
Units in circulation quantity	1,497,920
Investors' assets	175,029
Financial ratios	
NAV per unit	116.85
Return (%) [*])	16.85%
Benchmark return (%)	16.52%
Total expense ratio	0.59%
Annual percentage rate (APR) at 31 December	0.85%

^{*}) Past performance is no guarantee of current or future performance.

¹⁾ The fund was launched on 5 October 2016 - first financial year 5 Oct 2016 - 31 Dec 2017.

NOTES

Note (DKK 1,000)	2017 ¹⁾	Note (DKK 1,000)	2017 ¹⁾
a. Share of net profit for the year		d. Investors' assets	
Share of joint portfolio profit	9,481		
Class-specific other income	19	d1. Units in circulation	
Class-specific costs [*])	(739)	Issues during the year	151,492
Share of tax	<u>(268)</u>	Redemptions during the year	<u>(1,700)</u>
Share of total net profit for the year	8,493	Total units in circulation	149,792
*) Class-specific costs		d2. Investors' assets	
Fees to custodian	96	Issues during the year	168,339
Other costs relating to asset management	492	Redemptions during the year	(1,898)
Other costs	9	Net issue surcharges and redemption deductions	95
Fixed management fee	<u>142</u>	Brought forward from income statement	<u>8,493</u>
Total class-specific costs	739	Investors' assets at year-end	175,029
b. Distribution of profit		¹⁾ The unit class was launched on 5 October 2016.	
Brought forward to investors' assets	<u>8,493</u>		
Total distribution	8,493		
c. Units in circulation			
Nominal (DKK 1,000)	149,792		
Quantity	1,497,920		

Fjernøsten KL

Fund report

Fund data and unit class data	Fjernøsten A DKK	Fjernøsten W DKK d
ISIN	DK0010169549	DK0060815769
Date of establishment	14 March 1991	13 June 2017
Launch date	13 May 1991	13 June 2017
Listed	Yes	No
Currency	DKK	DKK
Income fund	Yes	Yes
Denomination	100	100
Risk category	6	6
Approved for marketing in Germany	No	No
Benchmark	MSCI Far East ex Japan	
Secondary name	Far East Equities KL	

Introduction

The fund report should be read together with the sections in the annual report “Financial markets in 2017” on page 6, “Asset developments” on page 10 and “Risks” on page 15 to provide a complete picture of developments. The evaluation by the Board of Directors and Executive Management regarding fund specific risks appears below. For further information on risks associated with investing in the fund, reference is made to the current prospectus which may be downloaded at www.sydinvest.dk, www.sydinvest.de and www.sydinvest.com.

Investment profile

The fund invests in Far Eastern shares (however not including Japanese). Investments are diversified across different countries and industries.

The fund is divided into the unit classes Fjernøsten A DKK and Fjernøsten W DKK d. The investments in the individual unit classes are identical. The level of costs varies according to the unit class in which investors invest.

Risk profile

The fund invests in a limited number of markets that are characterised by large fluctuations in the economy. As a result short-term investments in the fund are associated with a high degree of risk. Fund return depends on movements in share prices and exchange rates. The fund is suitable for investments with a time horizon of at least five years.

The fund is placed in risk category 6.

Developments

The development in the NAV of the unit classes in 2017 appears from the table below. The differences in returns are attributable to the level of costs in the individual classes.

Unit class	Return	Benchmark
Fjernøsten A DKK	25.01%	24.65%
Fjernøsten W DKK ⁾	25.65%	24.65%

⁾ The unit class was launched on 13 June 2017 in connection with the demerger of Fjernøsten A DKK. Return covers the period from 1 January to 31 December 2017.

The market exceeded expectations at the beginning of the year and the fund outperformed its benchmark, see the table above.

2017 was a good year for Far Eastern equities. Share indices in local markets rose by 20-30%, however return was slightly lower in DKK. From a political perspective things were remarkably calm and growth was high and solid. China's economy recorded satisfactory growth and was more or less in line with the authorities' expectations. Growth is lower than before but on the other hand it is less reliant on debt and is driven to a greater degree by the service sector. India's structural growth continued, well assisted by Modi's reforms. Reforms were passed regarding a uniform indirect tax throughout the country, a currency swap to curb the black economy and most recently a capital injection to state-owned banks. These are reforms that will strengthen growth in the long term.

The fund has produced a return that is above the return of its benchmark. In China particularly Chinese IT shares generated high returns whereas in India returns, although high, were spread across more sectors.

Market outlook

We anticipate that the synchronous recovery in the global economy will continue in 2018. This provides a basis for upbeat expectations for equity markets even if key rates increase slightly. Reforms and political stability will continue to help markets. We project that the fund will generate a return in 2018 on a par with or above its benchmark as the fund is actively managed.

Fjernøsten KL – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2013-2017

(DKK 1,000)	2017	2016	2015	2014	2013
Financial highlights					
Net profit for the year	582,269	49,990	86,109	533,808	16,037
Investors' assets	2,680,758	2,698,397	2,764,799	2,775,001	2,437,013
Financial ratios					
Tracking error	3.84	4.38	5.13	7.07	4.85
Active share	63.19	55.89	62.47	73.53	68.53
Portfolio turnover rate (PTR)	1.83	1.80	1.83	1.42	1.34

Breakdown of profit for the year and investors' assets by unit class

(DKK 1,000)	2017		2016	
	Net profit for the year	Investors' assets at year-end	Net profit for the year	Investors' assets at year-end
Fjernøsten A DKK	568,730	2,548,409	49,990	2,698,397
Fjernøsten W DKK d ^{*)}	13,539	132,349	-	-
Total	582,269	2,680,758	49,990	2,698,397

^{*)} The unit class was launched on 13 June 2017 in connection with the demerger of Fjernøsten A DKK

INCOME STATEMENT

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
Interest and dividends			Distribution of profit from the unit classes		
1. Interest	225	37			
2. Dividends	55,389	48,085	To be allocated		
Total interest and dividends	55,614	48,122	Total proposed distribution for the financial year	323,719	132,850
Capital gains and losses			Total brought forward for distribution next year	1,106	979
3. Shares	623,290	79,321	Total available for distribution	324,825	133,829
3. Derivatives	(93)	(13)	Total brought forward to investors' assets	257,444	(83,839)
Currency accounts	(17,021)	329	Total distribution	582,269	49,990
Other assets and liabilities	(789)	628			
4. Transaction costs, operating activities	(31,455)	(31,276)	Distribution of profit in the unit classes		
Total capital gains and losses	573,932	48,989			
Other income	450	421	Fjernøsten A DKK		
Total income	629,996	97,532	Proposed distribution for the financial year	307,038	132,850
5. Administrative costs	(43,417)	(41,687)	Brought forward for distribution next year	1,084	979
Pre-tax profit	586,579	55,845	Brought forward to investors' assets	260,608	(83,839)
6. Tax	(4,310)	(5,855)			
Net profit for the year	582,269	49,990	Fjernøsten W DKK d		
			Proposed distribution for the financial year	16,681	-
			Brought forward for distribution next year	22	-
			Brought forward to investors' assets	(3,164)	-

Fjernøsten KL – Financial Statements

BALANCE SHEET 31 DECEMBER 2017

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
ASSETS			LIABILITIES		
Liquid funds			7. Investors' assets *)	2,680,758	2,698,397
Deposits with custodian	8,991	297,516	Other debt		
Total liquid funds	8,991	297,516	Interest payable	3	0
8. Holdings			Payables	10,129	10,569
Listed shares in foreign companies	2,676,098	2,463,019	Payables – unsettled transactions	23,685	56,346
Unlisted shares in foreign companies	6	6	Total other debt	33,817	66,915
Total holdings	2,676,104	2,463,025	TOTAL LIABILITIES	2,714,575	2,765,312
Derivatives			*) Investors' assets by unit class		
Listed derivatives	38	195	Fjernøsten A DKK	2,548,409	2,698,397
Total derivatives	38	195	Fjernøsten W DKK d	132,349	-
Other assets			Total	2,680,758	2,698,397
Interest receivable, dividends receivable etc	424	312			
Receivables – unsettled transactions	29,018	4,264			
Total other assets	29,442	4,576			
TOTAL ASSETS	2,714,575	2,765,312			

Fjernøsten KL – Financial Statements

NOTES

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
1. Interest			5. Administrative costs		
Deposits with custodian	238	242			
Interest expense and negative interest with custodian	(13)	(205)	Class-specific costs		
Total interest	225	37	Marketing costs	21,687	20,177
			Fees to custodian	2,464	2,588
2. Dividends			Other costs relating to asset management	14,414	14,287
Listed shares in foreign companies	55,389	48,085	Other costs	432	76
Total dividends	55,389	48,085	Fixed management fee *)	4,420	4,559
			Total class-specific costs	43,417	41,687
3. Capital gains and losses			*) The management fee represents a “fixed management fee” which includes costs relating to the Board of Directors, Executive Management, audit etc. Total remuneration to the Board of Directors and Executive Management appears from the Directors’ Report under “Remuneration of Board of Directors and Executive Management” to which reference is made.		
Shares			Audit fees appear from joint note 2 to which reference is made.		
Listed shares in foreign companies	623,280	79,703	6. Tax		
Unlisted shares in foreign companies	10	(382)	The fund is not liable to pay tax.		
Total shares	623,290	79,321	Adjustment – dividend tax etc	4,310	5,855
			Total tax	4,310	5,855
3. Derivatives			7. Investors’ assets		
Options etc	(93)	(13)	Investors’ assets at 1 Jan	2,698,397	2,764,799
Total derivatives	(93)	(13)	Issues during the year	158,451	324,810
			Redemptions during the year	(630,932)	(146,741)
4. Transaction costs			Net issue surcharges and redemption deductions	725	670
All transaction costs	33,401	32,846	Distribution from last year concerning units in circulation at 31 Dec	(132,850)	(303,877)
Covered by income from issue and redemption	(1,946)	(1,570)	Changes in dividend distribution due to issues/redemptions	4,698	8,746
Transaction costs, operating activities	31,455	31,276	Proposed distribution for the financial year	323,719	132,850
			Brought forward from income statement	257,444	(83,839)
			Brought forward for distribution next year	1,106	979
			Investors’ assets at year-end	2,680,758	2,698,397
			8. Financial instruments (securities)		
			A list of financial instruments (securities) is available free of charge from the investment management company.		

Fjernøsten KL – Financial Statements

SUPPLEMENTARY NOTES WITHOUT REFERENCE

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
a. Portfolio turnover			d. Shares by industry		
Market value of purchase of securities	5,782,170	4,711,932	Information Technology	35.17%	24.47%
Market value of sale of securities	6,196,411	5,018,819	Financials	26.89%	27.90%
Total market value	11,978,581	9,730,751	Consumer Discretionary	12.85%	8.58%
b. Breakdown of financial instruments			Industrials	7.05%	10.49%
Listed financial instruments	99.83%	91.27%	Materials	4.80%	3.60%
Financial instruments listed on other regulated market	0.00%	0.00%	Consumer Staples	4.09%	1.50%
Newly issued financial instruments for which listing on a stock exchange or other regulated market is planned	0.00%	0.00%	REIT	3.91%	0.00%
Other financial instruments	0.00%	0.01%	Utilities	1.88%	5.11%
	99.83%	91.28%	Energy	1.79%	7.54%
Other assets/other debt	0.17%	8.72%	Health Care	1.40%	0.47%
Total	100.00%	100.00%	Telecommunications Services	0.00%	1.61%
c. Shares by country			Cash, derivatives etc	0.17%	8.73%
China	33.66%	28.18%	Total	100.00%	100.00%
India	17.44%	19.60%			
South Korea	12.82%	12.87%			
Taiwan	12.14%	7.42%			
Hong Kong	6.88%	5.66%			
Thailand	5.13%	5.77%			
Singapore	3.87%	2.31%			
Indonesia	3.44%	1.03%			
Other	4.45%	8.43%			
Cash, derivatives etc	0.17%	8.73%			
Total	100.00%	100.00%			

Fjernøsten A DKK – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2013-2017

(DKK 1,000)	2017 ¹⁾	2016	2015	2014	2013
Financial highlights					
Share of net profit for the year	568,730	49,990	86,109	533,808	16,037
Units in circulation nominal	1,317,760	1,660,625	1,550,395	1,535,115	1,665,970
Units in circulation quantity	13,177,597	16,606,248	15,503,953	15,351,148	16,659,696
Investors' assets	2,548,409	2,698,397	2,764,799	2,775,001	2,437,013
Financial ratios					
NAV per unit	193.39	162.49	178.33	180.77	146.28
Dividend per unit	23.30	8.00	19.60	9.40	0.00
Return (%) *)	25.01%	3.04%	3.25%	23.57%	1.29%
Benchmark return (%)	24.65%	8.20%	1.40%	17.70%	(0.73%)
Total expense ratio	1.70%	1.62%	1.51%	1.52%	1.53%
Annual percentage rate (APR) at 31 December	2.48%	3.05%	3.19%	2.79%	2.74%
Sharpe Ratio (5 yrs)	0.76	0.69	0.35	0.72	0.89
Standard deviation (5 yrs)	13.55	14.07	14.81	12.85	16.03

*) Past performance is no guarantee of current or future performance.

¹⁾ The fund was converted to a unit class on 13 June 2017.

Fjernøsten A DKK – Financial Statements

NOTES

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
a. Share of net profit for the year			c. Units in circulation		
Share of joint portfolio profit	615,319	97,111	Nominal (DKK 1,000)	1,317,760	1,660,625
Class-specific other income	442	421	Quantity	13,177,597	16,606,248
Class-specific costs *)	(42,798)	(41,687)			
Share of tax	(4,233)	(5,855)	d. Investors' assets		
Share of total net profit for the year	568,730	49,990			
			d1. Units in circulation		
*) Class-specific costs			Units in circulation at 1 Jan	1,660,625	1,550,395
Marketing costs	21,632	20,177	Correction in connection with demerger	(7,892)	0
Fees to custodian	2,394	2,588	Issues during the year	23,970	201,019
Other costs relating to asset management	14,021	14,287	Redemptions during the year	(358,943)	(90,789)
Other costs	417	76	Total units in circulation	1,317,760	1,660,625
Fixed management fee	4,334	4,559			
Total class-specific costs	42,798	41,687	d2. Investors' assets		
b. Distribution of profit			Investors' assets at 1 Jan	2,698,397	2,764,799
			Correction in connection with demerger	(14,026)	0
b1. To be allocated			Issues during the year	42,825	324,810
Proposed distribution for the financial year	307,038	132,850	Redemptions during the year	(622,049)	(146,741)
Brought forward for distribution next year	1,084	979	Correction of profit in connection with demerger	1,959	0
Available for distribution	308,122	133,829	Net issue surcharges and redemption deductions	725	670
Brought forward to investors' assets	260,608	(83,839)	Distribution from last year concerning units in circulation at 31 Dec	(132,850)	(303,877)
Total distribution	568,730	49,990	Changes in dividend distribution due to issues/redemptions	4,698	8,746
			Proposed distribution for the financial year	307,038	132,850
b2. Available for distribution			Brought forward from income statement	260,608	(83,839)
Brought forward for distribution from last year	979	961	Brought forward for distribution next year	1,084	979
Adjustment of brought forward for distribution from last year – demerger	(5)	0	Investors' assets at year-end	2,548,409	2,698,397
Share of interest	233	242			
Share of dividends	53,992	48,086			
Other income	442	421			
Share of non-refundable tax on coupons	(4,233)	(5,855)			
Share of capital gains for distribution	323,898	130,000			
Distribution adjustment in connection with issue/redemption concerning the above items	(27,991)	3,226			
Available for distribution before administrative costs	347,315	177,081			
Set-off of administrative costs	(42,798)	(41,687)			
Distribution adjustment of administrative costs in connection with issue/redemption	3,605	(1,565)			
Total administrative costs	(39,193)	(43,252)			
Available for distribution	308,122	133,829			

¹⁾ The fund was converted to a unit class on 13 June 2017.

Fjernøsten W DKK d – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2017

(DKK 1,000)	2017 ¹⁾
Financial highlights	
Share of net profit	13,539
Units in circulation nominal	68,087
Units in circulation quantity	680,866
Investors' assets	132,349
Financial ratios	
NAV per unit	194.38
Dividend per unit	24.50
Return (%) ^{1) 2)}	25.65%
Benchmark return (%) ²⁾	24.65%
Total expense ratio	0.79%
Annual percentage rate (APR) at 31 December	1.55%
Sharpe Ratio (5 yrs)	0.76
Standard deviation (5 yrs)	13.56

***) Past performance is no guarantee of current or future performance.**

¹⁾ The unit class was launched on 13 June 2017 in connection with the demerger of Fjernøsten A DKK

²⁾ Return for the period 1 Jan - 31 Dec 2017

Fjernøsten Akkumulerende KL

Fund report

Fund data and unit class data

	Fjernøsten A DKK Akk	Far East Equities B EUR Acc	Fjernøsten W DKK Acc
ISIN	DK0060036994	DK0060647287	DK0060647360
Date of establishment	27 March 2006	16 June 2015	16 June 2015
Launch date	24 May 2006	18 September 2015	25 August 2015
Listed	Yes	No	No
Currency	DKK	EUR	DKK
Income fund	No	No	No
Denomination	100	10	100
Risk category	6	6	6
Approved for marketing in Germany	No	Yes	No
Benchmark	MSCI Far East ex Japan		
Secondary name	Far East Equities Acc KL		

Introduction

The fund report should be read together with the sections in the annual report "Financial markets in 2017" on page 6, "Asset developments" on page 10 and "Risks" on page 15 to provide a complete picture of developments. The evaluation by the Board of Directors and Executive Management regarding fund specific risks appears below. For further information on risks associated with investing in the fund, reference is made to the current prospectus which may be downloaded at www.sydinvest.dk, www.sydinvest.de and www.sydinvest.com.

Investment profile

The fund invests in Far Eastern shares (however not including Japanese). Investments are diversified across different countries and industries.

The fund is divided into the unit classes Fjernøsten A DKK Akk, Far East Equities B EUR Acc and Fjernøsten W DKK Acc. The investments in the individual unit classes are identical. The level of costs varies according to the unit class in which investors invest.

Risk profile

The fund invests in a limited number of markets that are characterised by large fluctuations in the economy. As a result short-term investments in the fund are associated with a high degree of risk. Fund return depends on movements in share prices and exchange rates. The fund is suitable for investments with a time horizon of at least five years.

The fund is placed in risk category 6.

Developments

The development in the NAV of the unit classes in 2017 appears from the table below. The differences in returns are attributable to the level of costs in the individual classes and the fact that fund currency varies in the individual unit classes. The different currencies also explain the difference in the development of the benchmark.

Unit class	Return	Benchmark
Fjernøsten A DKK Akk	24.41%	24.65%
Far East Equities B EUR Acc	24.56%	24.48%
Fjernøsten W DKK Acc	25.55%	24.65%

The market exceeded expectations at the beginning of the year and the fund performed largely on a par with its benchmark, see the above table.

2017 was a good year for Far Eastern equities. Share indices in local markets rose by 20-30%, however return was slightly lower in DKK. From a political perspective things were remarkably calm and growth was high and solid. China's economy recorded satisfactory growth and was more or less in line with the authorities' expectations. Growth is lower than before but on the other hand it is less reliant on debt and is driven to a greater degree by the service sector. India's structural growth continued, well assisted by Modi's reforms. Reforms were passed regarding a uniform indirect tax throughout the country, a currency swap to curb the black economy and most recently a capital injection to state-owned banks. These are reforms that will strengthen growth in the long term.

The fund has produced a return on a par with benchmark return. In China particularly Chinese IT shares generated high returns whereas in India returns, although high, were spread across more sectors.

Market outlook

We anticipate that the synchronous recovery in the global economy will continue in 2018. This provides a basis for upbeat expectations for equity markets even if key rates increase slightly. Reforms and political stability will continue to help markets. We project that the fund will generate a return in 2018 on a par with or above its benchmark as the fund is actively managed.

Fjernøsten Akkumulerende KL – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2013-2017

(DKK 1,000)	2017	2016	2015	2014	2013
Financial highlights					
Net profit for the year	182,203	18,886	17,393	58,467	690
Investors' assets	1,031,862	707,830	687,301	301,725	266,260
Financial ratios					
Tracking error	3.85	4.34	5.18	7.15	4.69
Active share	63.21	55.76	62.55	73.41	68.70
Portfolio turnover rate (PTR)	2.13	1.72	1.06	1.33	1.32

Breakdown of profit for the year and investors' assets by unit class

(DKK 1,000)	2017		2016	
	Net profit for the year	Investors' assets at year-end	Net profit for the year	Investors' assets at year-end
Fjernøsten A DKK Akk	71,241	348,376	7,283	311,551
Far East Equities B EUR Acc	73,770	368,067	7,148	300,071
Fjernøsten W DKK Acc	37,192	315,419	4,455	96,208
Total	182,203	1,031,862	18,886	707,830

INCOME STATEMENT

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
Interest and dividends					
1. Interest	41	35	Distribution of profit from the unit classes		
2. Dividends	17,447	12,517	To be allocated		
Total interest and dividends	17,488	12,552	Total brought forward to investors' assets	182,203	18,886
Capital gains and losses					
			Total distribution	182,203	18,886
3. Shares	193,682	25,764	Distribution of profit in the unit classes		
3. Derivatives	(21)	(5)	Brought forward to investors' assets		
Currency accounts	(5,454)	(77)	Fjernøsten A DKK Akk	71,241	7,283
Other assets and liabilities	(61)	169	Far East Equities B EUR Acc	73,770	7,148
4. Transaction costs, operating activities	(10,414)	(8,294)	Fjernøsten W DKK Acc	37,192	4,455
Total capital gains and losses	177,732	17,557	Total	182,203	18,886
Other income	121	82			
Total income	195,341	30,191			
5. Administrative costs	(11,806)	(9,794)			
Pre-tax profit	183,535	20,397			
6. Tax	(1,332)	(1,511)			
Net profit for the year	182,203	18,886			

Fjernøsten Akkumulerende KL – Financial Statements

BALANCE SHEET 31 DECEMBER 2017

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
ASSETS			LIABILITIES		
Liquid funds			7. Investors' assets *)	1,031,862	707,830
Deposits with custodian	17,354	75,632	Other debt		
Total liquid funds	17,354	75,632	Interest payable	1	0
8. Holdings			Payables	2,953	2,420
Listed shares in foreign companies	1,021,031	649,597	Payables – unsettled transactions	19,738	17,784
Unlisted shares in foreign companies	1	1	Total other debt	22,692	20,204
Total holdings	1,021,032	649,598	TOTAL LIABILITIES	1,054,554	728,034
Derivatives			*) Investors' assets by unit class		
Listed derivatives	10	47	Fjernøsten A DKK Akk	348,376	311,551
Total derivatives	10	47	Far East Equities B EUR Acc	368,067	300,071
Other assets			Fjernøsten W DKK Acc	315,419	96,208
Interest receivable, dividends receivable etc	149	80	Total	1,031,862	707,830
Receivables – unsettled transactions	16,009	2,677			
Total other assets	16,158	2,757			
TOTAL ASSETS	1,054,554	728,034			

Fjernøsten Akkumulerende KL – Financial Statements

NOTES

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
1. Interest			5. Administrative costs		
Deposits with custodian	81	60			
Interest expense and negative interest with custodian	(40)	(25)	Class-specific costs		
Total interest	41	35	Marketing costs	4,956	4,276
			Fees to custodian	667	553
2. Dividends			Other costs relating to asset management	4,705	3,794
Listed shares in foreign companies	17,447	12,517	Other costs	142	58
Total interest	17,447	12,517	Fixed management fee *)	1,336	1,113
			Total class-specific costs	11,806	9,794
3. Capital gains and losses			*) The management fee represents a "fixed management fee" which includes costs relating to the Board of Directors, Executive Management, audit etc. Total remuneration to the Board of Directors and Executive Management appears from the Directors' Report under "Remuneration of Board of Directors and Executive Management" to which reference is made.		
Shares			Audit fees appear from joint note 2 to which reference is made.		
Listed shares in foreign companies	193,682	25,869			
Unlisted shares in foreign companies	0	(105)	6. Tax		
Total shares	193,682	25,764	The fund is not liable to pay tax.		
			Adjustment – dividend tax etc	1,332	1,511
3. Derivatives			Total tax	1,332	1,511
Options etc	(21)	(5)			
Total derivatives	(21)	(5)	7. Investors' assets		
			Investors' assets at 1 Jan	707,830	687,301
4. Transaction costs			Issues during the year	247,443	105,769
All transaction costs	10,838	8,529	Redemptions during the year	(105,716)	(104,467)
Covered by income from issue and redemption	(424)	(235)	Net issue surcharges and redemption deductions	102	341
Transaction costs, operating activities	10,414	8,294	Brought forward from income statement	182,203	18,886
			Investors' assets at year-end	1,031,862	707,830
			8. Financial instruments (securities)		
			A list of financial instruments (securities) is available free of charge from the investment management company.		

Fjernøsten Akkumulerende KL – Financial Statements

SUPPLEMENTARY NOTES WITHOUT REFERENCE

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
a. Portfolio turnover			d. Shares by industry		
Market value of purchase of securities	2,105,003	1,250,675	Information Technology	34.99%	24.58%
Market value of sale of securities	1,928,415	1,286,066	Financials	26.68%	28.13%
Total market value	4,033,418	2,536,741	Consumer Discretionary	12.65%	8.52%
b. Breakdown of financial instruments			Industrials	6.85%	10.57%
Listed financial instruments	98.95%	91.77%	Materials	4.76%	3.63%
Financial instruments listed on other regulated market	0.00%	0.00%	Consumer Staples	4.05%	1.50%
Newly issued financial instruments for which listing on a stock exchange or other regulated market is planned	0.00%	0.00%	REIT	3.96%	0.00%
Other financial instruments	0.00%	0.01%	Utilities	1.85%	5.21%
	98.95%	91.78%	Energy	1.77%	7.54%
Other assets/other debt	1.05%	8.22%	Health Care	1.39%	0.46%
Total	100.00%	100.00%	Telecommunications Services	0.00%	1.63%
c. Shares by country			Cash, derivatives etc	1.05%	8.23%
China	33.43%	28.31%	Total	100.00%	100.00%
India	17.24%	19.80%			
South Korea	12.69%	12.88%			
Taiwan	12.04%	7.44%			
Hong Kong	6.81%	5.68%			
Thailand	5.11%	5.67%			
Singapore	3.84%	2.27%			
Indonesia	3.40%	1.04%			
Other	4.39%	8.68%			
Cash, derivatives etc	1.05%	8.23%			
Total	100.00%	100.00%			

Fjernøsten A DKK Akk – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2013-2017

(DKK 1,000)	2017	2016	2015 ¹⁾	2014	2013
Financial highlights					
Share of net profit for the year	71,241	7,283	5,756	58,467	690
Units in circulation nominal	135,187	150,403	157,454	154,157	168,120
Units in circulation quantity	1,351,866	1,504,028	1,574,539	1,541,571	1,681,202
Investors' assets	348,376	311,551	316,293	301,725	266,260
Financial ratios					
NAV per unit	257.70	207.14	200.88	195.73	158.37
Return (%) *)	24.41%	3.11%	2.63%	23.58%	0.74%
Benchmark return (%)	24.65%	8.20%	1.40%	17.70%	(0.73%)
Total expense ratio	1.68%	1.62%	1.55%	1.54%	1.53%
Annual percentage rate (APR) at 31 December	2.48%	3.05%	3.19%	2.77%	2.75%
Sharpe Ratio (5 yrs)	0.74	0.67	0.32	0.69	0.86
Standard deviation (5 yrs)	13.52	14.04	14.79	12.87	15.99

*) Past performance is no guarantee of current or future performance.

¹⁾ The fund was converted to a unit class on 25 August 2015.

NOTES

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
a. Share of net profit for the year			d. Investors' assets		
Share of joint portfolio profit	77,273	12,800			
Class-specific other income	50	37	d1. Units in circulation		
Class-specific costs *)	(5,544)	(4,873)	Units in circulation at 1 Jan	150,403	157,454
Share of tax	(538)	(681)	Issues during the year	19,317	19,353
Share of total net profit for the year	71,241	7,283	Redemptions during the year	(34,533)	(26,404)
			Total units in circulation	135,187	150,403
*) Class-specific costs			d2. Investors' assets		
Marketing costs	2,776	2,358	Investors' assets at 1 Jan	311,551	316,293
Fees to custodian	322	315	Issues during the year	47,572	38,618
Other costs relating to asset management	1,817	1,670	Redemptions during the year	(82,018)	(50,723)
Other costs	68	21	Net issue surcharges and redemption deductions	30	80
Fixed management fee	561	509	Brought forward from income statement	71,241	7,283
Total class-specific costs	5,544	4,873	Investors' assets at year-end	348,376	311,551
b. Distribution of profit					
b1. To be allocated					
Brought forward to investors' assets	71,241	7,283			
Total distribution	71,241	7,283			
c. Units in circulation					
Nominal (DKK 1,000)	135,187	150,403			
Quantity	1,351,866	1,504,028			

Far East Equities B EUR Acc – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2013-2017

(DKK 1,000)	2017	2016 ¹⁾	2015 ²⁾	2014 ²⁾	2013 ²⁾
Financial highlights					
Share of net profit for the year	73,770	7,148	9,829	69,388	4,537
Share of net profit for the year **)	73,770	7,148	8,466	69,388	4,537
Units in circulation nominal	108,722	110,806	118,475	127,261	158,298
Units in circulation quantity (EUR)	1,460,254	1,484,838	1,587,749	1,705,334	2,121,189
Investors' assets	368,067	300,071	310,736	326,506	327,163
Financial ratios					
NAV per unit (EUR)	33.85	27.18	26.23	25.66	20.67
Return in EUR (%) *)	24.56%	3.64%	2.22%	24.13%	0.34%
Benchmark return in EUR (%)	24.48%	8.60%	1.18%	17.92%	(0.72%)
Total expense ratio	1.43%	1.45%	0.77%	1.41%	1.40%
Total expense ratio**)	1.43%	1.45%	1.49%	1.41%	1.40%
Annual percentage rate (APR) at 31 December	2.85%	3.36%	3.53%	-	-
Sharpe Ratio (5 yrs)	0.73	0.66	0.31	0.67	0.92
Standard deviation (5 yrs)	13.62	14.14	14.92	13.00	16.01

*) Past performance is no guarantee of current or future performance.

1) The unit class was launched on 18 September 2015.

2) Financial highlights from ISI Far East Equities.

***) For the period 1 Jan - 18 Sep 2015 ISI Far East Equities is included.

NOTES

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
a. Share of net profit for the year			d. Investors' assets		
Share of joint portfolio profit	79,150	12,033			
Class-specific other income	50	36	d1. Units in circulation		
Class-specific costs *)	(4,884)	(4,263)	Units in circulation at 1 Jan	110,806	118,475
Share of tax	(546)	(658)	Exchange rate adjustment of units in circulation at 1 Jan	(254)	0
Share of total net profit for the year	73,770	7,148	Issues during the year	4,843	7,538
			Redemptions during the year	(6,673)	(15,207)
*) Class-specific costs			Total units in circulation		
Marketing costs	2,180	1,918		108,722	110,806
Fees to custodian	209	182	d2. Investors' assets		
Other costs relating to asset management	1,884	1,623	Investors' assets at 1 Jan	300,071	310,736
Other costs	46	35	Issues during the year	15,068	21,036
Fixed management fee	565	505	Redemptions during the year	(20,914)	(39,030)
Total class-specific costs	4,884	4,263	Net issue surcharges and redemption deductions	72	181
			Brought forward from income statement	73,770	7,148
b. Distribution of profit			Investors' assets at year-end		
				368,067	300,071
b1. To be allocated					
Brought forward to investors' assets	73,770	7,148			
Total distribution	73,770	7,148			
c. Units in circulation					
Nominal (DKK 1,000)	108,722	110,806			
Quantity (EUR)	1,460,254	1,484,838			

Fjernøsten W DKK Acc – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2015-2017

(DKK 1,000)	2017	2016	2015 ¹⁾
Financial highlights			
Share of net profit	37,192	4,455	1,808
Units in circulation nominal	223,428	85,563	55,699
Units in circulation quantity	2,234,277	855,627	556,988
Investors' assets	315,419	96,208	60,272
Financial ratios			
NAV per unit	141.17	112.44	108.21
Return (%) *)	25.55%	3.91%	8.21%
Benchmark return (%)	24.65%	8.20%	10.84%
Total expense ratio	0.72%	0.80%	0.09%
Annual percentage rate (APR) at 31 December	1.55%	2.12%	2.15%

*) Past performance is no guarantee of current or future performance.

¹⁾ The unit class was launched on 25 August 2015.

NOTES

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
a. Share of net profit for the year			d. Investors' assets		
Share of joint portfolio profit	38,796	5,275			
Class-specific other income	21	9	d1. Units in circulation		
Class-specific costs *)	(1,377)	(657)	Units in circulation at 1 Jan	85,563	55,699
Share of tax	(248)	(172)	Issues during the year	139,934	43,645
Share of total net profit for the year	37,192	4,455	Redemptions during the year	(2,069)	(13,781)
			Total units in circulation	223,428	85,563
*) Class-specific costs			d2. Investors' assets		
Fees to custodian	136	56	Investors' assets at 1 Jan	96,208	60,272
Other costs relating to asset management	1,003	501	Issues during the year	184,803	46,115
Other costs	28	1	Redemptions during the year	(2,784)	(14,714)
Fixed management fee	210	99	Net issue surcharges and redemption deductions	0	80
Total class-specific costs	1,377	657	Brought forward from income statement	37,192	4,455
			Investors' assets at year-end	315,419	96,208
b. Distribution of profit					
b1. To be allocated					
Brought forward to investors' assets	37,192	4,455			
Total distribution	37,192	4,455			
c. Units in circulation					
Nominal (DKK 1,000)	223,428	85,563			
Quantity	2,234,277	855,627			

Globale EM-aktier KL

Fund report

Fund data and unit class data	Globale EM-aktier A DKK	Globale EM-aktier W DKK d
ISIN	DK0060499663	DK0060815843
Date of establishment	12 August 2013	13 June 2017
Launch date	30 September 2013	13 June 2017
Listed	Yes	No
Currency	DKK	DKK
Income fund	Yes	Yes
Denomination	100	100
Risk category	6	6
Approved for marketing in Germany	No	No
Benchmark	MSCI World and MSCI Emerging + Frontier Markets Index	
Secondary name	Global EM Equities KL	

Introduction

The fund report should be read together with the sections in the annual report "Financial markets in 2017" on page 6, "Asset developments" on page 10 and "Risks" on page 15 to provide a complete picture of developments. The evaluation by the Board of Directors and Executive Management regarding fund specific risks appears below. For further information on risks associated with investing in the fund, reference is made to the current prospectus which may be downloaded at www.sydinvest.dk, www.sydinvest.de and www.sydinvest.com.

Investment profile

The fund invests globally in shares in companies from emerging markets. A small part is invested in frontier markets, ie countries with a significant growth potential. The foreign exchange risk relating to the currencies of individual countries is not usually hedged.

The fund is divided into the unit classes Globale EM-aktier A DKK and Globale EM-aktier W DKK d. The investments in the individual unit classes are identical. The level of costs varies according to the unit class in which investors invest.

Risk profile

The fund invests in markets that are characterised by large fluctuations in the economy. As a result short-term investments in the fund are associated with a high degree of risk. Fund return depends on movements in share prices and exchange rates. The fund is suitable for investments with a time horizon of at least five years.

The fund is placed in risk category 6.

Developments

The development in the NAV of the unit classes in 2017 appears from the table below. The differences in returns are attributable to the level of costs in the individual classes.

Unit class	Return	Benchmark
Globale EM-aktier A DKK	26.35%	20.63%
Globale EM-aktier W DKK d ¹⁾	26.95%	20.63%

¹⁾ The unit class was launched on 13 June 2017 in connection with the demerger of Globale EM-aktier A DKK. Return covers the period from 1 January to 31 December 2017.

The market exceeded expectations at the beginning of the year and the fund outperformed its benchmark.

2017 was a good year for the new equity markets. Equity indices in the different countries were overall rising with few exceptions such as Turkey and Mexico. From a political perspective things were remarkably calm and growth was high and broadly based. China's economy recorded satisfactory growth and was more or less in line with the authorities' expectations. Growth is lower than before but on the other hand it is less reliant on debt and is driven to a greater degree by the service sector. India's structural growth continued, well assisted by Modi's reforms. In Latin America decreasing key rates in Brazil constituted a positive factor whereas various political corruption scandals were a drag on performance in 1H. In 2H the market rose due to increasing commodity prices among other factors. In Mexico the market was relatively weak. The uncertainty surrounding the rules of future trade with the USA, known as NAFTA, and concerns about the election in 2018 depressed the market. The key rate was hiked several times to prevent excessive price declines against USD.

The fund produced a return that is above its benchmark, mainly as a result of its investments in India, Taiwan, Malaysia, China and Russia.

Market outlook

We anticipate that the synchronous recovery in the global economy will continue in 2018. This provides a basis for upbeat expectations for equity markets even if key rates increase slightly. Reforms and political stability will continue to help markets. The recovery is expected to be positive for the trend in commodity prices, which is essential to Latin America. The political situation in Brazil and Mexico may give considerable fluctuations in the markets due to the presidential elections in 2018. In general the risk is relatively high pricing and potentially rising inflation.

We project that the fund will generate a positive return in 2018 on a par with its benchmark or above as the fund is actively managed.

Globale EM-aktier KL

FINANCIAL HIGHLIGHTS FOR 2013-2017

(DKK 1,000)	2017	2016	2015	2014	2013 ¹⁾
Financial highlights					
Net profit for the year	106,954	29,748	(15,026)	62,641	1,404
Investors' assets	552,541	389,413	471,026	541,252	295,578
Financial ratios					
Tracking error	3.11	2.99	-	-	-
Active share	66.36	64.74	53.60	-	-
Portfolio turnover rate (PTR)	1.83	1.49	1.11	1.13	0.13

¹⁾ The fund was launched on 4 October 2013.

Breakdown of profit for the year and investors' assets by unit class

(DKK 1,000)	2017		2016	
	Net profit for the year	Investors' assets at year-end	Net profit for the year	Investors' assets at year-end
Globale EM-aktier A DKK	81,599	417,990	29,748	389,413
Globale EM-aktier W DKK d ¹⁾	25,355	134,551	-	-
Total	106,954	552,541	29,748	389,413

¹⁾ The unit class was launched on 13 June 2017 in connection with the demerger of Globale EM-aktier A DKK

Globale EM-aktier KL – Financial Statements

INCOME STATEMENT

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
Interest and dividends			Distribution of profit from the unit classes		
1. Interest	70	182			
2. Dividends	9,362	10,361			
Total interest and dividends	9,432	10,543	To be allocated		
Capital gains and losses			Total proposed distribution for the financial year	56,150	0
3. Shares	115,017	32,726	Total brought forward for distribution next year	99	(3,609)
3. Units	0	(522)	Total available for distribution	56,249	(3,609)
3. Derivatives	0	(7)	Total brought forward to investors' assets	50,705	33,357
Currency accounts	(2,875)	(1,048)	Total distribution	106,954	29,748
Other assets and liabilities	17	(14)			
4. Transaction costs, operating activities	(6,267)	(4,065)	Distribution of profit in the unit classes		
Total capital gains and losses	105,892	27,070	Globale EM-aktier A DKK		
Other income	76	55	Proposed distribution for the financial year	41,747	0
Total income	115,400	37,668	Brought forward for distribution next year	26	(3,609)
5. Administrative costs	(7,634)	(6,815)	Brought forward to investors' assets	39,826	33,357
Pre-tax profit	107,766	30,853			
6. Tax	(812)	(1,105)	Globale EM-aktier W DKK d		
Net profit for the year	106,954	29,748	Proposed distribution for the financial year	14,403	-
			Brought forward for distribution next year	73	-
			Brought forward to investors' assets	10,879	-

Globale EM-aktier KL – Financial Statements

BALANCE SHEET 31 DECEMBER 2017

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
ASSETS			LIABILITIES		
Liquid funds			7. Investors' assets *)	552,541	389,413
Deposits with custodian	22,352	3,647	Other debt		
Total liquid funds	22,352	3,647	Payables	1,790	1,557
8. Holdings			Payables – unsettled transactions	3,936	12,659
Listed shares in foreign companies	532,458	393,052	Total other debt	5,726	14,216
Total holdings	532,458	393,052	TOTAL LIABILITIES	558,267	403,629
Other assets			*) Investors' assets by unit class		
Interest receivable, dividends receivable etc	201	305	Globale EM-aktier A DKK	417,990	389,413
Receivables – unsettled transactions	3,256	6,625	Globale EM-aktier W DKK d	134,551	-
Total other assets	3,457	6,930	Total	552,541	389,413
TOTAL ASSETS	558,267	403,629			

Globale EM-aktier KL – Financial Statements

NOTES

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
1. Interest			5. Administrative costs		
Deposits with custodian	149	198			
Interest expense and negative interest with custodian	(79)	(16)	Class-specific costs		
Total interest	70	182	Marketing costs	3,342	3,185
			Fees to custodian	739	627
2. Dividends			Other costs relating to asset management	2,582	2,261
Listed shares in foreign companies	9,362	10,361	Other costs	212	22
Total dividends	9,362	10,361	Fixed management fee *)	759	720
			Total class-specific costs	7,634	6,815
3. Capital gains and losses			*) The management fee represents a "fixed management fee" which includes costs relating to the Board of Directors, Executive Management, audit etc. Total remuneration to the Board of Directors and Executive Management appears from the Directors' Report under "Remuneration of Board of Directors and Executive Management" to which reference is made.		
Shares			Audit fees appear from joint note 2 to which reference is made.		
Listed shares in foreign companies	115,017	32,747	6. Tax		
Unlisted shares in foreign companies	0	(21)	The fund is not liable to pay tax.		
Total shares	115,017	32,726	Adjustment – dividend tax etc	812	1,105
			Total tax	812	1,105
3. Units			7. Investors' assets		
Units in foreign investment funds	0	(522)	Investors' assets at 1 Jan	389,413	471,026
Total units	0	(522)	Adjustments in connection with merger during the year	84,514	0
			Issues during the year	101,765	29,109
3. Derivatives			Redemptions during the year	(130,243)	(112,435)
Options etc	0	(7)	Net issue surcharges and redemption deductions	138	348
Total derivatives	0	(7)	Distribution from last year concerning units in circulation at 31 Dec	0	(33,143)
			Changes in dividend distribution due to issues/redemptions	0	4,760
4. Transaction costs			Proposed distribution for the financial year	56,150	0
All transaction costs	6,914	4,352	Brought forward from income statement	50,705	33,357
Covered by income from issue and redemption	(647)	(287)	Brought forward for distribution next year	99	(3,609)
Transaction costs, operating activities	6,267	4,065	Investors' assets at year-end	552,541	389,413
			8. Financial instruments (securities)		
			A list of financial instruments (securities) is available free of charge from the investment management company.		

Globale EM-aktier KL – Financial Statements

SUPPLEMENTARY NOTES WITHOUT REFERENCE

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
a. Portfolio turnover			d. Shares by industry		
Market value of purchase of securities	1,217,913	618,502	Information Technology	29.05%	25.35%
Market value of sale of securities	1,193,234	727,962	Financials	22.90%	29.53%
Total market value	2,411,147	1,346,464	Consumer Discretionary	15.12%	9.84%
b. Breakdown of financial instruments			Materials	6.83%	8.45%
Listed financial instruments	96.37%	100.93%	Industrials	5.82%	6.75%
Financial instruments listed on other regulated market	0.00%	0.00%	Energy	5.59%	8.46%
Newly issued financial instruments for which listing on a stock exchange or other regulated market is planned	0.00%	0.00%	Consumer Staples	4.67%	3.55%
Other financial instruments	0.00%	0.00%	REIT	3.05%	0.00%
	96.37%	100.93%	Health Care	1.74%	3.39%
Other assets/other debt	3.63%	(0.93%)	Utilities	1.29%	3.51%
Total	100.00%	100.00%	Telecommunications Services	0.31%	2.10%
c. Shares by country			Cash, derivatives etc	3.63%	(0.93%)
China	26.67%	23.01%	Total	100.00%	100.00%
India	14.75%	13.79%	Financial highlights from discontinued fund Afrika KL		
South Korea	10.72%	11.39%	1) Interest and dividends	1.1-	9.6.2017
Taiwan	10.01%	12.87%	2) Capital gains and losses	1,292	
South Africa	7.55%	6.84%	3) Other income	4	
Brazil	5.87%	6.10%	4) Administrative costs	(785)	
Russia	3.74%	5.08%	5) Tax	(171)	
Indonesia	2.85%	2.97%	6) Redemptions during the period	(15,522)	
Other	14.21%	18.88%	7) Net issue surcharges and redemption deductions	103	
Cash, derivatives etc	3.63%	-0.93%	8) Net profit for the period	608	
Total	100.00%	100.00%	9) Unit-holders' assets at 1 Jan	99,325	
			10) Unit-holders' assets at merger date	84,514	

Globale EM-aktier A DKK – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2013-2017

(DKK 1,000)	2017 ¹⁾	2016	2015	2014	2013
Financial highlights					
Share of net profit for the year	81,599	29,748	(15,026)	62,641	1,404
Units in circulation nominal	291,938	343,641	419,536	451,616	89,545
Units in circulation quantity	2,919,382	3,436,406	4,195,365	4,516,165	895,453
Investors' assets	417,990	389,413	471,026	541,252	295,578
Financial ratios					
NAV per unit	143.18	113.32	112.27	119.85	103.66
Dividend per unit	14.30	0.00	7.90	5.70	0.00
Return (%) *)	26.35%	8.69%	(2.18%)	15.61%	3.66%
Benchmark return (%)	20.63%	13.88%	(5.00%)	11.64%	0.22%
Total expense ratio	1.76%	1.68%	1.55%	1.50%	0.42%
Annual percentage rate (APR) at 31 December	0.02	0.03	0.03	0.03	0.02
Sharpe Ratio (3 yrs)	0.73	0.50	-	-	-
Standard deviation (3 yrs)	13.87	14.02	-	-	-

*) Past performance is no guarantee of current or future performance.

¹⁾ The fund was converted to a unit class on 13 June 2017.

Globale EM-aktier A DKK – Financial Statements

NOTES

Note (DKK 1,000)	2017 ¹⁾	2016	Note (DKK 1,000)	2017 ¹⁾	2016
a. Share of net profit for the year			c. Units in circulation		
Share of joint portfolio profit	88,565	37,613	Nominal (DKK 1,000)	291,938	343,641
Class-specific other income	60	55	Quantity	2,919,382	3,436,406
Class-specific costs *)	(6,387)	(6,815)			
Share of tax	(639)	(1,105)	d. Investors' assets		
Share of total net profit for the year	81,599	29,748	d1. Units in circulation		
			Units in circulation at 1 Jan	343,641	419,536
*) Class-specific costs			Adjustments in connection with merger during the year	65,289	0
Marketing costs	3,048	3,185	Correction in connection with demerger	(69,930)	0
Fees to custodian	547	627	Issues during the year	41,180	28,359
Other costs relating to asset management	1,996	2,261	Redemptions during the year	(88,242)	(104,254)
Other costs	179	22	Total units in circulation	291,938	343,641
Fixed management fee	617	720	d2. Investors' assets		
Total class-specific costs	6,387	6,815	Investors' assets at 1 Jan	389,413	471,026
			Adjustments in connection with merger during the year	84,514	0
b. Distribution of profit			Correction in connection with demerger	(89,658)	0
b1. To be allocated			Issues during the year	54,220	29,109
Proposed distribution for the financial year	41,747	0	Redemptions during the year	(111,288)	(112,435)
Brought forward for distribution next year	26	(3,609)	Correction of profit in connection with demerger	9,052	0
Available for distribution	41,773	(3,609)	Net issue surcharges and redemption deductions	138	348
Brought forward to investors' assets	39,826	33,357	Distribution from last year concerning units in circulation at 31 Dec	0	(33,143)
Total distribution	81,599	29,748	Changes in dividend distribution due to issues/redemptions	0	4,760
			Proposed distribution for the financial year	41,747	0
b2. Available for distribution			Brought forward from income statement	39,826	33,357
Brought forward for distribution from last year	(3,609)	128	Brought forward for distribution next year	26	(3,609)
Adjustment of brought forward for distribution from last year – demerger	683	0	Investors' assets at year-end	417,990	389,413
Share of interest	117	198			
Share of dividends	7,309	10,361			
Other income	60	55			
Share of non-refundable tax on coupons	(639)	(1,105)			
Share of capital gains for distribution	43,180	(15,565)			
Distribution adjustment in connection with issue/redemption concerning the above items	1,560	2,319			
***) Available for distribution before administrative costs	48,661	(3,609)			
Set-off of administrative costs	(6,387)	0			
Distribution adjustment of administrative costs in connection with issue/redemption	(501)	0			
Total administrative costs	(6,888)	0			
Available for distribution	41,773	(3,609)			
***) If amount available for distribution before administrative costs and any voluntary distribution is negative, administrative costs cannot be deducted.					

¹⁾ The fund was converted to a unit class on 13 June 2017.

Globale EM-aktier W DKK d – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2017

(DKK 1,000)	2017 ¹⁾
Financial highlights	
Share of net profit	25,355
Units in circulation nominal	93,529
Units in circulation quantity	935,292
Investors' assets	134,551
Financial ratios	
NAV per unit	143.86
Dividend per unit	15.40
Return (%) ^{1) 2)}	26.95%
Benchmark return (%) ²⁾	20.63%
Total expense ratio	1.16%
Annual percentage rate (APR) at 31 December	0.01
Sharpe Ratio (3 yrs)	0.74
Standard deviation (3 yrs)	13.88

*) Past performance is no guarantee of current or future performance.

¹⁾ The unit class was launched on 13 June 2017 in connection with the demerger of Globale EM-aktier A DKK

²⁾ Return for the period 1 Jan - 31 Dec 2017

Globale EM-aktier W DKK d – Financial Statements

NOTES

Note (DKK 1,000)	2017 ¹⁾	Note (DKK 1,000)	2017 ¹⁾
a. Share of net profit for the year		c. Units in circulation	
Share of joint portfolio profit	26,760	Nominal (DKK 1,000)	93,529
Class-specific other income	15	Quantity	935,292
Class-specific costs *)	(1,247)		
Share of tax	<u>(173)</u>		
Share of total net profit for the year	25,355		
		d. Investors' assets	
*) Class-specific costs		d1. Units in circulation	
Marketing costs	294	Correction in connection with demerger	69,930
Fees to custodian	192	Issues during the year	37,229
Other costs relating to asset management	586	Redemptions during the year	<u>(13,630)</u>
Other costs	33	Total units in circulation	93,529
Fixed management fee	<u>142</u>		
Total class-specific costs	1,247	d2. Investors' assets	
		Correction in connection with demerger	89,658
b. Distribution of profit		Issues during the year	47,545
		Redemptions during the year	(18,955)
b1. To be allocated		Correction of profit in connection with demerger	(9,052)
Proposed distribution for the financial year	14,403	Proposed distribution for the financial year	14,403
Brought forward for distribution next year	<u>73</u>	Brought forward from income statement	10,879
Available for distribution	14,476	Brought forward for distribution next year	<u>73</u>
Brought forward to investors' assets	10,879	Investors' assets at year-end	134,551
Total distribution	25,355		
		¹⁾ The unit class was launched on 13 June 2017 in connection with the demerger of Globale EM-aktier A DKK	
b2. Available for distribution ²⁾		²⁾ Incl proportional share of income for 1 Jan - 13 Jun 2017 from Globale EM-aktier A DKK	
Adjustment of brought forward for distribution from last year – demerger	(683)		
Share of interest	32		
Share of dividends	2,054		
Other income	15		
Share of non-refundable tax on coupons	(173)		
Share of capital gains for distribution	11,783		
Distribution adjustment in connection with issue/redemption concerning the above items	<u>2,964</u>		
Available for distribution before administrative costs	<u>15,992</u>		
Set-off of administrative costs	(1,247)		
Distribution adjustment of administrative costs in connection with issue/redemption	<u>(269)</u>		
Total administrative costs	<u>(1,516)</u>		
Available for distribution	14,476		

Globale EM-aktier Akkumulerende KL

Fund report

Fund data and unit class data	Globale EM-aktier A DKK Akk	Global EM Equities B EUR Acc	Globale EM-aktier W DKK Acc
ISIN	DK0060499747	DK0060647444	DK0060647527
Date of establishment	12 August 2013	16 June 2015	16 June 2015
Launch date	30 September 2013	18 September 2015	25 August 2015
Listed	Yes	No	No
Currency	DKK	EUR	DKK
Income fund	No	No	No
Denomination	100	10	100
Risk category	6	6	6
Approved for marketing in Germany	No	Yes	No
Benchmark	MSCI World and MSCI Emerging + Frontier Markets Index		
Secondary name	Global EM Equities Acc KL		

Introduction

The fund report should be read together with the sections in the annual report "Financial markets in 2017" on page 6, "Asset developments" on page 10 and "Risks" on page 15 to provide a complete picture of developments. The evaluation by the Board of Directors and Executive Management regarding fund specific risks appears below. For further information on risks associated with investing in the fund, reference is made to the current prospectus which may be downloaded at www.sydinvest.dk, www.sydinvest.de and www.sydinvest.com.

Investment profile

The fund invests globally in shares in companies from emerging markets. A small part is invested in frontier markets, ie countries with a significant growth potential. The foreign exchange risk relating to the currencies of individual countries is not usually hedged.

The fund is divided into the unit classes Globale EM-aktier A DKK Akk, Global EM Equities B EUR Acc and Globale EM-aktier W DKK Acc. The investments in the individual unit classes are identical. The level of costs varies according to the unit class in which investors invest.

Risk profile

The fund invests in markets that are characterised by large fluctuations in the economy. As a result short-term investments in the fund are associated with a high degree of risk. Fund return depends on movements in share prices and exchange rates. The fund is suitable for investments with a time horizon of at least five years.

The fund is placed in risk category 6.

Developments

The development in the NAV of the unit classes in 2017 appears from the table below. The differences in returns are attributable to the level of costs in the individual classes and the fact that fund currency varies in the individual unit classes. The different currencies also explain the difference in the development of the benchmark.

Unit class	Return	Benchmark
Globale EM-aktier A DKK Akk	25.89%	20.63%
Global EM Equities B EUR Acc	26.08%	20.47%
Globale EM-aktier W DKK Acc	27.07%	20.63%

The market exceeded expectations at the beginning of the year and the fund outperformed its benchmark.

2017 was a good year for the new equity markets. Equity indices in the different countries were overall rising with few exceptions such as Turkey and Mexico. From a political perspective things were remarkably calm and growth was high and broadly based. China's economy recorded satisfactory growth and was more or less in line with the authorities' expectations. Growth is lower than before but on the other hand it is less reliant on debt and is driven to a greater degree by the service sector. India's structural growth continued, well assisted by Modi's reforms. In Latin America decreasing key rates in Brazil constituted a positive factor whereas various political corruption scandals were a drag on performance in 1H. In 2H the market rose due to increasing commodity prices among other factors. In Mexico the market was relatively weak. The uncertainty surrounding the rules of future trade with the USA, known as NAFTA, and concerns about the election in 2018 depressed the market. The key rate was hiked several times to prevent excessive price declines against USD.

The fund produced a return that is above its benchmark, mainly as a result of its investments in India, Taiwan, Malaysia, China and Russia.

Market outlook

We anticipate that the synchronous recovery in the global economy will continue in 2018. This provides a basis for upbeat expectations for equity markets even if key rates increase slightly. Reforms and political stability will continue to help markets. The recovery is expected to be positive for the trend in commodity prices, which is essential to Latin America. The political situation in Brazil and Mexico may give considerable fluctuations in the markets due to the presidential elections in 2018. In general the risk is relatively high pricing and potentially rising inflation.

We project that the fund will generate a positive return in 2018 on a par with its benchmark or above as the fund is actively managed.

Globale EM-aktier Akkumulerende KL – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2013-2017

(DKK 1,000)	2017	2016	2015	2014	2013 ¹⁾
Financial highlights					
Net profit for the year	109,368	22,306	(4,209)	25,028	1,436
Investors' assets	684,748	331,918	319,251	240,676	92,767
Financial ratios					
Tracking error	3.14	3.10	-	-	-
Active share	66.41	63.85	53.49	-	-
Portfolio turnover rate (PTR)	1.94	1.48	0.84	1.00	0.13

¹⁾ Launch date 4 October 2013.

Breakdown of profit for the year and investors' assets by unit class

(DKK 1,000)	2017		2016	
	Net profit for the year	Investors' assets at year-end	Net profit for the year	Investors' assets at year-end
Globale EM-aktier A DKK Akk	41,791	166,567	14,436	196,633
Global EM Equities B EUR Acc	24,321	110,953	8,146	96,696
Globale EM-aktier W DKK Acc	43,256	407,228	(276)	38,589
I alt	109,368	684,748	22,306	331,918

Globale EM-aktier Akkumulerende KL – Financial Statements

INCOME STATEMENT

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
Interest and dividends			Distribution of profit from the unit classes		
1. Interest	21	118			
2. Dividends	10,333	7,335			
Total interest and dividends	10,354	7,453	To be allocated		
Capital gains and losses			Total brought forward to investors' assets	109,368	22,306
3. Shares	115,941	24,554	Total distribution	109,368	22,306
3. Units	0	(400)	Distribution of profit in the unit classes		
3. Derivatives	0	(5)			
Currency accounts	(3,515)	(668)	Brought forward to investors' assets		
Other assets and liabilities	15	(10)	Globale EM-aktier A DKK Akk	41,791	14,436
4. Transaction costs, operating activities	(6,177)	(3,075)	Global EM Equities B EUR Acc	24,321	8,146
Total capital gains and losses	106,264	20,396	Globale EM-aktier W DKK Acc	43,256	(276)
Other income	53	35	Total	109,368	22,306
Total income	116,671	27,884			
5. Administrative costs	(6,329)	(4,795)			
Pre-tax profit	110,342	23,089			
6. Tax	(974)	(783)			
Net profit for the year	109,368	22,306			

BALANCE SHEET 31 DECEMBER 2017

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
ASSETS			LIABILITIES		
Liquid funds			6. Investors' assets *)		
Deposits with custodian	33,285	7,105		684,748	331,918
Total liquid funds	33,285	7,105	Other debt		
8. Shares			Interest payable	1	0
Listed shares in foreign companies	650,152	325,612	Payables	1,583	1,127
Total shares	650,152	325,612	Payables – unsettled transactions	4,578	5,153
Other assets			Total other debt	6,162	6,280
Interest receivable, dividends receivable etc	541	243	TOTAL LIABILITIES	690,910	338,198
Receivables – unsettled transactions	6,932	5,238			
Total other assets	7,473	5,481	*) Investors' assets by unit class		
TOTAL ASSETS	690,910	338,198	Globale EM-aktier A DKK Akk	166,567	196,633
			Global EM Equities B EUR Acc	110,953	96,696
			Globale EM-aktier W DKK Acc	407,228	38,589
			Total	684,748	331,918

Globale EM-aktier Akkumulerende KL – Financial Statements

NOTES

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
1. Interest			5. Administrative costs		
Deposits with custodian	57	125			
Interest expense and negative interest with custodian	(36)	(7)	Class-specific costs		
Total interest	21	118	Marketing costs	2,237	2,119
			Fees to custodian	488	338
2. Dividends			Other costs relating to asset management	2,785	1,794
Listed shares in foreign companies	10,333	7,286	Other costs	83	29
Units in foreign investment funds	0	49	Fixed management fee *)	736	515
Total dividends	10,333	7,335	Total class-specific costs	6,329	4,795
			*) The management fee represents a "fixed management fee" which includes costs relating to the Board of Directors, Executive Management, audit etc. Total remuneration to the Board of Directors and Executive Management appears from the Directors' Report under "Remuneration of Board of Directors and Executive Management" to which reference is made.		
3. Capital gains and losses			Audit fees appear from joint note 2 to which reference is made.		
Shares					
Listed shares in foreign companies	115,941	24,569	6. Tax		
Unlisted shares in foreign companies	0	(15)	The fund is not liable to pay tax.		
Total shares	115,941	24,554	Adjustment – dividend tax etc	974	783
			Total tax	974	783
Units					
Units in foreign investment funds	0	(400)	7. Investors' assets		
Total units	0	(400)	Investors' assets at 1 Jan	331,918	319,251
			Issues during the year	361,398	54,490
Derivatives			Redemptions during the year	(118,330)	(64,401)
Options etc	0	(5)	Net issue surcharges and redemption deductions	394	272
Total derivatives	0	(5)	Brought forward from income statement	109,368	22,306
			Investors' assets at year-end	684,748	331,918
4. Transaction costs					
All transaction costs	7,164	3,213	8. Financial instruments (securities)		
Covered by income from issue and redemption	(987)	(138)	A list of financial instruments (securities) is available free of charge from the investment management company.		
Transaction costs, operating activities	6,177	3,075			

Globale EM-aktier Akkumulerende KL – Financial Statements

SUPPLEMENTARY NOTES WITHOUT REFERENCE

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
a. Portfolio turnover			d. Shares by industry		
Market value of purchase of securities	1,349,551	493,147	Information Technology	28.63%	25.37%
Market value of sale of securities	1,140,597	509,364	Financials	22.71%	28.71%
Total market value	2,490,148	1,002,511	Consumer Discretionary	14.80%	9.36%
b. Breakdown of financial instruments			Materials	6.72%	7.97%
Listed financial instruments	94.95%	98.10%	Industrials	5.60%	6.60%
Financial instruments listed on other regulated market	0.00%	0.00%	Energy	5.52%	7.95%
Newly issued financial instruments for which listing on a stock exchange or other regulated market is planned	0.00%	0.00%	Consumer Staples	4.57%	3.35%
Other financial instruments	0.00%	0.00%	REIT	3.03%	0.00%
	94.95%	98.10%	Health Care	1.72%	3.28%
Other assets/other debt	5.05%	1.90%	Utilities	1.34%	3.31%
Total	100.00%	100.00%	Telecommunications Services	0.31%	2.20%
c. Shares by country			Cash, derivatives etc	5.05%	1.90%
China	26.30%	23.01%	Total	100.00%	100.00%
India	14.72%	13.12%			
South Korea	10.52%	11.43%			
Taiwan	9.73%	12.55%			
South Africa	7.45%	6.52%			
Brazil	5.79%	5.83%			
Russia	3.70%	4.93%			
Indonesia	2.84%	2.93%			
Other	13.90%	17.78%			
Cash, derivatives etc	5.05%	1.90%			
Total	100.00%	100.00%			

Globale EM-aktier A DKK Akk – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2013-2017

(DKK 1,000)	2017	2016	2015 ¹⁾	2014	2013
Financial highlights					
Share of net profit for the year	41,791	14,436	(9,691)	25,028	1,436
Units in circulation nominal	103,431	153,714	175,285	200,711	89,545
Units in circulation quantity	1,034,308	1,537,141	1,752,842	2,007,106	895,453
Investors' assets	166,567	196,633	205,640	240,676	92,767
Financial ratios					
NAV per unit	161.04	127.92	117.32	119.91	103.60
Return (%) *)	25.89%	9.04%	(2.16%)	15.75%	3.60%
Benchmark return (%)	20.63%	13.88%	(5.00%)	11.64%	0.22%
Total expense ratio (TER)	1.75%	1.67%	1.58%	1.52%	0.41%
Annual percentage rate (APR) at 31 December	2.47%	2.91%	2.64%	2.49%	2.36%
Sharpe Ratio (3 yrs)	0.72	0.50	-	-	-
Standard deviation (3 yrs)	13.99	14.14	-	-	-

*) Past performance is no guarantee of current or future performance.

¹⁾ The fund was converted to a unit class on 25 August 2015.

NOTES

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
a. Share of net profit for the year			d. Investors' assets		
Share of joint portfolio profit	45,297	18,058			
Class-specific other income	23	22	d1. Units in circulation		
Class-specific costs *)	(3,147)	(3,141)	Units in circulation at 1 Jan	153,714	175,285
Share of tax	(382)	(503)	Issues during the year	21,646	10,301
Share of total net profit for the year	41,791	14,436	Redemptions during the year	(71,929)	(31,872)
			Total units in circulation	103,431	153,714
*) Class-specific costs			d2. Investors' assets		
Marketing costs	1,556	1,476	Investors' assets at 1 Jan	196,633	205,640
Fees to custodian	235	264	Issues during the year	31,862	13,019
Other costs relating to asset management	1,011	1,047	Redemptions during the year	(103,925)	(36,634)
Other costs	33	20	Net issue surcharges and redemption deductions	206	172
Fixed management fee	312	334	Brought forward from income statement	41,791	14,436
Total class-specific costs	3,147	3,141	Investors' assets at year-end	166,567	196,633
b. Distribution of profit					
b1. To be allocated					
Brought forward to investors' assets	41,791	14,436			
Total distribution	41,791	14,436			
c. Units in circulation					
Nominal (DKK 1,000)	103,431	153,714			
Quantity	1,034,308	1,537,141			

Global EM Equities B EUR Acc – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2013-2017

(DKK 1,000)	2017	2016	2015 1)	2014 2)	2013 2)
Financial highlights					
Share of net profit for the year	24,321	8,146	4,863	17,261	(37,358)
Share of net profit for the year **)	24,321	8,146	1,136	17,261	(37,358)
Units in circulation nominal	31,529	34,781	40,403	50,671	81,985
Units in circulation quantity (EUR)	423,461	465,925	541,468	678,977	1,098,591
Investors' assets	110,953	96,696	102,978	133,395	189,693
Financial ratios					
NAV per unit (EUR)	35.19	27.91	25.48	26.33	23.14
Return in EUR (%) *)	26.08%	9.52%	(3.20%)	13.78%	(11.46%)
Benchmark return in EUR (%)	20.47%	14.30%	(5.21%)	11.20%	(7.82%)
Total expense ratio (TER)	1.43%	1.59%	0.20%	1.49%	1.55%
Total expense ratio**)	1.99%	1.59%	1.45%	1.49%	1.55%
Annual percentage rate (APR) at 31 December	2.78%	3.17%	3.12%	-	-
Sharpe Ratio (5 yrs)	0.43	0.23	(0.26)	(0.01)	0.68
Standard deviation (5 yrs)	13.84	15.76	17.21	15.99	20.18

*) Past performance is no guarantee of current or future performance.

1) The unit class was launched on 18 September 2015.

2) Financial highlights from ISI Global EM Equities.

**) For the period 1 Jan -18 Sep 2015 ISI Global EM Equities is included.

NOTES

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
a. Share of net profit for the year			d. Investors' assets		
Share of joint portfolio profit	26,049	9,962			
Class-specific other income	13	12	d1. Units in circulation		
Class-specific costs *)	(1,527)	(1,562)	Units in circulation at 1 Jan	34,781	40,403
Share of tax	(214)	(266)	Exchange rate adjustment of units in circulation at 1 Jan	(91)	0
Share of total net profit for the year	24,321	8,146	Issues during the year	1,095	1,077
			Redemptions during the year	(4,256)	(6,699)
*) Class-specific costs			Total units in circulation		
Marketing costs	681	642		31,529	34,781
Fees to custodian	69	64	d2. Investors' assets		
Other costs relating to asset management	587	678	Investors' assets at 1 Jan	96,696	102,978
Other costs	14	9	Issues during the year	3,418	3,011
Fixed management fee	176	169	Redemptions during the year	(13,670)	(17,572)
Total class-specific costs	1,527	1,562	Net issue surcharges and redemption deductions	188	133
			Brought forward from income statement	24,321	8,146
b. Distribution of profit			Investors' assets at year-end		
				110,953	96,696
b1. To be allocated					
Brought forward to investors' assets	24,321	8,146			
Total distribution	24,321	8,146			
c. Units in circulation					
Nominal (DKK 1,000)	31,529	34,781			
Quantity (EUR)	423,461	465,925			

Globale EM-aktier W DKK Acc – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2015-2017

(DKK 1,000)	2017	2016	2015 ¹⁾
Financial highlights			
Share of net profit for the year	43,256	(276)	619
Units in circulation nominal	270,663	32,590	9,850
Units in circulation quantity	2,706,638	325,903	98,500
Investors' assets	407,228	38,589	10,633
Financial ratios			
NAV per unit	150.46	118.41	107.95
Return (%) [*])	27.07%	9.69%	7.95%
Benchmark return (%)	20.63%	13.88%	6.40%
Total expense ratio (TER)	0.72%	0.80%	0.13%
Annual percentage rate (APR) at 31 December	1.48%	1.92%	1.59%

^{*}) Past performance is no guarantee of current or future performance.

¹⁾ The unit class was launched on 25 August 2015.

NOTES

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
a. Share of net profit for the year			d. Investors' assets		
Share of joint portfolio profit	45,273	(170)			
Class-specific other income	17	1	d1. Units in circulation		
Class-specific costs [*])	(1,656)	(92)	Units in circulation at 1 Jan	32,590	9,850
Share of tax	(378)	(15)	Issues during the year	238,591	32,540
Share of total net profit for the year	43,256	(276)	Redemptions during the year	(518)	(9,800)
			Total units in circulation	270,663	32,590
[*]) Class-specific costs			d2. Investors' assets		
Fees to custodian	184	10	Investors' assets at 1 Jan	38,589	10,633
Other costs relating to asset management	1,188	70	Issues during the year	326,118	38,241
Other costs	36	0	Redemptions during the year	(735)	(10,195)
Fixed management fee	248	12	Net issue surcharges and redemption deductions	0	186
Total class-specific costs	1,656	92	Brought forward from income statement	43,256	(276)
b. Distribution of profit			Investors' assets at year-end	407,228	38,589
b1. To be allocated					
Brought forward to investors' assets	43,256	(276)			
Total distribution	43,256	(276)			
c. Units in circulation					
Nominal (DKK 1,000)	270,663	32,590			
Quantity	2,706,638	325,903			

Latinamerika KL

Fund report

Fund data

ISIN	DK0010169465
Date of establishment	14 March 1991
Launch date	13 May 1991
Listed	Yes
Currency	DKK
Income fund	Yes
Denomination	100
Risk category	6
Approved for marketing in Germany	No
Benchmark	MSCI Latin America
Secondary name	Latin America Equities KL

Introduction

The fund report should be read together with the sections in the annual report “Financial markets in 2017” on page 6, “Asset developments” on page 10 and “Risks” on page 15 to provide a complete picture of developments. The evaluation by the Board of Directors and Executive Management regarding fund specific risks appears below. For further information on risks associated with investing in the fund, reference is made to the current prospectus which may be downloaded at www.sydinvest.dk, www.sydinvest.de and www.sydinvest.com.

Investment profile

The fund invests in Latin American shares. Investments are diversified across different countries and industries. The fund's largest investments are mainly in Brazil and Mexico.

Risk profile

The fund invests in a limited number of markets that are characterised by large fluctuations in the economy. As a result short-term investments in the fund are associated with a high degree of risk. Fund return depends on movements in share prices and exchange rates. The fund is suitable for investments with a time horizon of at least five years.

The fund is placed in risk category 6.

Developments

The fund returned 2.86% in 2017 while its benchmark gained 8.84%. The market fell short of expectations at the beginning of the year and the fund underperformed its benchmark.

The fund produced a modest but positive return in 2017. The decreasing key rates in Brazil constituted a positive factor whereas various political corruption scandals were a drag on performance in 1H. In 2H the market rose due to increasing commodity prices among other factors. The adoption of a crucial pension reform had to be deferred until 2018 and so the problem was not solved but merely postponed. In Mexico the market was relatively weak. The uncertainty surrounding the rules of future trade with the USA, known as NAFTA, and concerns about the election in 2018 depressed the market. The key rate was hiked several times to prevent excessive price declines against USD. In Chile the market-friendly Pinera won the presidential election in December improving the opportunities to tackle future economic challenges. The equity market responded very positively to the election.

The fund produced a return that is 5.81 percentage points lower than the change in its benchmark. In Brazil the fund's overweight in industrial shares made a positive contribution and so did the fund's overweight in commodities shares in Chile. In Mexico particularly the fund's overweight in financials detracted from relative return.

Market outlook

We anticipate that the synchronous recovery in the global economy will continue in 2018. The recovery is expected to be favourable for the trend in commodity prices, which is essential to Latin America. The political situation in Brazil and Mexico may give considerable fluctuations in the markets due to the presidential elections in 2018.

Latinamerika KL – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2013-2017

(DKK 1,000)	2017	2016	2015	2014	2013
Financial highlights					
Share of net profit for the year	5,339	26,498	(34,174)	19,576	(114,111)
Units in circulation nominal	93,101	77,580	83,481	130,171	223,241
Units in circulation quantity	931,002	775,795	834,811	1,301,711	2,232,408
Investors' assets	262,112	212,335	199,685	361,689	602,037
Financial ratios					
NAV per unit	281.54	273.70	239.20	277.86	269.68
Dividend per unit	0.00	0.00	0.00	0.00	0.00
Return (%) *)	2.86%	14.42%	(13.91%)	3.03%	(13.86%)
Benchmark return (%)	8.84%	34.47%	(23.01%)	(0.32%)	(17.11%)
Total expense ratio	1.70%	1.63%	1.58%	1.62%	1.57%
Annual percentage rate (APR) at 31 December	2.24%	2.50%	2.66%	2.55%	2.60%
Sharpe Ratio (5 yrs)	(0.13)	(0.04)	(0.42)	0.03	0.79
Standard deviation (5 yrs)	16.27	16.81	16.48	15.99	17.74
Tracking error	7.05	7.14	4.66	4.64	4.11
Active share	32.31	45.96	41.69	46.36	42.41
Portfolio turnover rate (PTR)	1.18	1.30	1.36	1.08	1.30

*) Past performance is no guarantee of current or future performance.

INCOME STATEMENT

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
Interest and dividends			7. Distribution of profit		
1. Interest	190	90			
2. Dividends	9,409	8,728			
Total interest and dividends	9,599	8,818	To be allocated		
Capital gains and losses			Proposed distribution for the financial year	0	0
3. Shares	3,466	21,126	Brought forward for distribution next year	(15,496)	(13,339)
Currency accounts	(1,418)	1,381	Available for distribution	(15,496)	(13,339)
Other assets and liabilities	(53)	61	Brought forward to investors' assets	20,835	39,837
4. Transaction costs, operating activities	(1,398)	(1,360)	Total distribution	5,339	26,498
Total capital gains and losses	597	21,208			
Other income	25	117			
Total income	10,221	30,143			
5. Administrative costs	(4,371)	(3,321)			
Pre-tax profit	5,850	26,822			
6. Tax	(511)	(324)			
Net profit for the year	5,339	26,498			

Latinamerika KL – Financial Statements

BALANCE SHEET 31 DECEMBER 2017

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
ASSETS			LIABILITIES		
Liquid funds			8. Investors' assets	262,112	212,336
Deposits with custodian	2,094	24,899	Other debt		
Total liquid funds	2,094	24,899	Payables	1,052	787
9. Holdings			Payables – unsettled transactions	787	2,967
Listed shares in foreign companies	258,457	187,164	Total other debt	1,839	3,754
Unlisted shares in foreign companies	0	1	TOTAL LIABILITIES	263,951	216,090
Total holdings	258,457	187,165			
Other assets					
Interest receivable, dividends receivable etc	1,093	1,111			
Receivables – unsettled transactions	2,307	2,915			
Total other assets	3,400	4,026			
TOTAL ASSETS	263,951	216,090			

Latinamerika KL – Financial Statements

NOTES

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
1. Interest			7. Available for distribution		
Deposits with custodian	228	90	Brought forward for distribution from last year	(13,339)	(24,097)
Interest expense and negative interest with custodian	(38)	0	Interest	228	90
Total interest	190	90	Dividends	9,409	8,728
			Other income	25	117
2. Dividends			Non-refundable dividend tax	(511)	(324)
Listed shares in foreign companies	9,409	8,728	Capital gains for distribution	(7,847)	(591)
Total interest	9,409	8,728	Distribution adjustment in connection with issue/redemption concerning the above items	(3,461)	2,738
			*) Available for distribution before administrative costs	(15,496)	(13,339)
3. Capital gains and losses			Set-off of administrative costs	0	0
Shares			Distribution adjustment of administrative costs in connection with issue/redemption	0	0
Listed shares in foreign companies	3,453	21,199	Total administrative costs	0	0
Unlisted shares in foreign companies	13	(73)	Available for distribution	(15,496)	(13,339)
Total shares	3,466	21,126	*) If amount available for distribution before administrative costs and any voluntary distribution is negative, administrative costs cannot be deducted.		
			8. Investors' assets		
4. Transaction costs			Units in circulation		
All transaction costs	1,571	1,456	Units in circulation at 1 Jan	77,580	83,481
Covered by income from issue and redemption	(173)	(96)	Issues during the year	20,981	4,359
Transaction costs, operating activities	1,398	1,360	Redemptions during the year	(5,460)	(10,260)
			Total units in circulation	93,101	77,580
5. Administrative costs			Investors' assets		
Fund-specific costs			Investors' assets at 1 Jan	212,336	199,685
Marketing costs	2,135	1,578	Issues during the year	59,593	11,846
Fees to custodian	348	267	Redemptions during the year	(15,331)	(25,776)
Other costs relating to asset management	1,419	1,119	Net issue surcharges and redemption deductions	175	83
Other costs	30	1	Distribution from last year concerning units in circulation at 31 Dec	0	0
Fixed management fee *)	439	356	Changes in dividend distribution due to issues/redemptions	0	0
Total fund-specific costs	4,371	3,321	Proposed distribution for the financial year	0	0
*) The management fee represents a "fixed management fee" which includes costs relating to the Board of Directors, Executive Management, audit etc. Total remuneration to the Board of Directors and Executive Management appears from the Directors' Report under "Remuneration of Board of Directors and Executive Management" to which reference is made.			Brought forward from income statement	20,835	39,837
Audit fees appear from joint note 2 to which reference is made.			Brought forward for distribution next year	(15,496)	(13,339)
			Investors' assets at year-end	262,112	212,336
6. Tax			9. Financial instruments (securities)		
The fund is not liable to pay tax.			A list of financial instruments (securities) is available free of charge from the investment management company.		
Adjustment – dividend tax etc	511	324			
Total tax	511	324			

Latinamerika KL – Financial Statements

SUPPLEMENTARY NOTES WITHOUT REFERENCE

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
a. Units in circulation			e. Shares by industry		
Nominal (DKK 1,000)	93,101	77,580	Financials	31.93%	28.03%
Quantity	931,002	775,795	Materials	21.53%	17.41%
			Consumer Staples	12.52%	13.51%
b. Portfolio turnover			Energy	9.62%	8.46%
Market value of purchase of securities	373,843	267,773	Industrials	8.10%	11.31%
Market value of sale of securities	308,308	296,587	Consumer Discretionary	5.31%	2.44%
Total market value	682,151	564,360	Utilities	4.65%	2.04%
			Telecommunications Services	3.67%	2.82%
c. Breakdown of financial instruments			Health Care	0.89%	1.31%
Listed financial instruments	98.61%	88.15%	Information Technology	0.39%	0.82%
Financial instruments listed on other regulated market	0.00%	0.00%	Cash, derivatives etc	1.39%	11.85%
which listing on a stock exchange or other regulated market is planned	0.00%	0.00%	Total	100.00%	100.00%
Other financial instruments	0.00%	0.00%			
	98.61%	88.15%			
Other assets/other debt	1.39%	11.85%			
Total	100.00%	100.00%			
d. Shares by country					
Brazil	57.99%	42.26%			
Mexico	26.56%	38.82%			
Chile	8.57%	1.94%			
Peru	3.03%	3.34%			
Argentina	1.95%	0.02%			
Colombia	0.50%	0.86%			
USA	0.00%	0.89%			
Other	0.01%	0.02%			
Cash, derivatives etc	1.39%	11.85%			
Total	100.00%	100.00%			

Latinamerika Akkumulerende KL

Fund report

Fund data and unit class data	Latin America Equities B EUR Acc
ISIN	DK0060647873
Date of establishment	8 July 2015
Launch date	18 September 2015
Listed	No
Currency	EUR
Income fund	No
Denomination	10
Risk category	6
Approved for marketing in Germany	Yes
Benchmark	MSCI Latin America
Secondary name	Latin America Equities Acc KL

Introduction

The fund report should be read together with the sections in the annual report "Financial markets in 2017" on page 6, "Asset developments" on page 10 and "Risks" on page 15 to provide a complete picture of developments. The evaluation by the Board of Directors and Executive Management regarding fund specific risks appears below. For further information on risks associated with investing in the fund, reference is made to the current prospectus which may be downloaded at www.sydinvest.dk, www.sydinvest.de and www.sydinvest.com.

Investment profile

The fund invests in Latin American shares. Investments are diversified across different countries and industries. The fund's largest investments are mainly in Brazil and Mexico.

The fund is divided into the unit class Latin America Equities B EUR Acc.

Risk profile

The fund invests in a limited number of markets that are characterised by large fluctuations in the economy. As a result short-term investments in the fund are associated with a high degree of risk. Fund return depends on movements in share prices and exchange rates. The fund is suitable for investments with a time horizon of at least five years.

The fund is placed in risk category 6.

Developments

The development in the NAV of the unit class in 2017 appears from the table below.

Unit class	Return	Benchmark
Latin America Equities B EUR Acc	3.06%	8.69%

The market fell short of expectations at the beginning of the year and the fund underperformed its benchmark.

The fund produced a modest but positive return in 2017. The decreasing key rates in Brazil constituted a positive factor whereas various political corruption scandals were a drag on performance in 1H. In 2H the market rose due to increasing commodity prices among other factors. The adoption of a crucial pension reform had to be deferred until 2018 and so the problem was not solved but merely postponed. In Mexico the market was relatively weak. The uncertainty surrounding the rules of future trade with the USA, known as NAFTA, and concerns about the election in 2018 depressed the market. The key rate was hiked several times to prevent excessive price declines against USD. In Chile the market-friendly Pinera won the presidential election in December improving the opportunities to tackle future economic challenges. The equity market responded very positively to the election.

The fund produced a return that is below the change in its benchmark. In Brazil the fund's overweight in industrial shares made a positive contribution and so did the fund's overweight in commodities shares in Chile. In Mexico particularly the fund's overweight in financials detracted from relative return.

Market outlook

We anticipate that the synchronous recovery in the global economy will continue in 2018. The recovery is expected to be favourable for the trend in commodity prices, which is essential to Latin America. The political situation in Brazil and Mexico may give considerable fluctuations in the markets due to the presidential elections in 2018.

Latinamerika Akkumulerende KL – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2015-2017

(DKK 1,000)	2017	2016	2015 ¹⁾
Financial highlights			
Net profit for the year	2,169	9,275	(1,328)
Investors' assets	49,918	63,520	64,584
Financial ratios			
Portfolio turnover rate (PTR)	1.30	1.31	0.44

¹⁾ The fund was launched on 18 September 2015.

Årets resultat og investorenes formue fordeles på andelsklassen således

(DKK 1,000)	2017		2016	
	Net profit for the year	Investors' assets at year-end	Net profit for the year	Investors' assets at year-end
Latin America Equities B EUR Acc	2,169	49,918	9,275	63,520
Total	2,169	49,918	9,275	63,520

INCOME STATEMENT

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
Interest and dividends			Distribution of profit from the unit classes		
1. Interest	74	34			
2. Dividends	2,237	2,917	To be allocated		
Total interest and dividends	2,311	2,951	Total brought forward to investors' assets	2,169	9,275
Capital gains and losses			Total distribution	2,169	9,275
3. Shares	1,564	7,432			
Currency accounts	(331)	403	Distribution of profit in the unit classes		
Other assets and liabilities	(17)	15			
4. Transaction costs, operating activities	(399)	(480)	Brought forward to investors' assets		
Total capital gains and losses	817	7,370	Latin America Equities B EUR Acc	2,169	9,275
Other income	9	33	Total	2,169	9,275
Total income	3,137	10,354			
5. Administrative costs	(836)	(973)			
Pre-tax profit	2,301	9,381			
6. Tax	(132)	(106)			
Net profit for the year	2,169	9,275			

Latinamerika Akkumulerende KL – Financial Statements

BALANCE SHEET 31 DECEMBER 2017

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
ASSETS			LIABILITIES		
Liquid funds			6. Investors' assets *)	49,918	63,520
Deposits with custodian	717	4,130	Other debt		
Total liquid funds	717	4,130	Payables	173	219
8. Shares			Payables – unsettled transactions	340	1,912
Listed shares in foreign companies	49,053	59,716	Total other debt	513	2,131
Total shares	49,053	59,716	TOTAL LIABILITIES	50,431	65,651
Other assets			*) Investors' assets by unit class		
Interest receivable, dividends receivable etc	210	361	Latin America Equities B EUR Acc	49,918	63,520
Receivables – unsettled transactions	451	1,444	Total	49,918	63,520
Total other assets	661	1,805			
TOTAL ASSETS	50,431	65,651			

Latinamerika Akkumulerende KL – Financial Statements

NOTES

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
1. Interest			5. Administrative costs		
Deposits with custodian	76	34			
Interest expense and negative interest with custodian	(2)	0	Class-specific costs		
Total interest	74	34	Marketing costs	370	438
2. Dividends			Fees to custodian	41	46
Listed shares in foreign companies	2,236	2,917	Other costs relating to asset management	322	370
Unlisted shares in foreign companies	1	0	Other costs	7	4
Total dividends	2,237	2,917	Fixed management fee *)	96	115
3. Capital gains and losses			Total class-specific costs	836	973
Shares			*) The management fee represents a "fixed management fee" which includes costs relating to the Board of Directors, Executive Management, audit etc. Total remuneration to the Board of Directors and Executive Management appears from the Directors' Report under "Remuneration of Board of Directors and Executive Management" to which reference is made.		
Listed shares in foreign companies	1,557	7,453	Audit fees appear from joint note 2 to which reference is made.		
Unlisted shares in foreign companies	7	(21)	6. Tax		
Total shares	1,564	7,432	The fund is not liable to pay tax.		
4. Transaction costs			Adjustment – dividend tax etc	132	106
All transaction costs	399	480	Total tax	132	106
Covered by income from issue and redemption	0	0	7. Investors' assets		
Transaction costs, operating activities	399	480	Investors' assets at 1 Jan	63,520	64,584
			Issues during the year	631	1,371
			Redemptions during the year	(16,402)	(11,710)
			Brought forward from income statement	2,169	9,275
			Investors' assets at year-end	49,918	63,520
			8. Financial instruments (securities)		
			A list of financial instruments (securities) is available free of charge from the investment management company.		

Latinamerika Akkumulerende KL – Financial Statements

SUPPLEMENTARY NOTES WITHOUT REFERENCE

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
a. Portfolio turnover			d. Shares by industry		
Market value of purchase of securities	76,571	88,374	Financials	31.89%	30.09%
Market value of sale of securities	89,382	98,457	Materials	21.51%	18.27%
Total market value	165,953	186,831	Consumer Staples	12.47%	14.22%
b. Breakdown of financial instruments			Energy	9.72%	8.85%
Listed financial instruments	98.27%	94.01%	Industrials	7.92%	12.55%
Financial instruments listed on other regulated market which listing on a stock exchange or other regulated market is planned	0.00%	0.00%	Consumer Discretionary	5.29%	2.66%
Other financial instruments	0.00%	0.00%	Utilities	4.60%	2.10%
	98.27%	94.01%	Telecommunications Services	3.60%	3.03%
Other assets/other debt	1.73%	5.99%	Health Care	0.88%	1.38%
Total	100.00%	100.00%	Information Technology	0.39%	0.86%
			Cash, derivatives etc	1.73%	5.99%
			Total	100.00%	100.00%
c. Shares by country					
Brazil	57.82%	44.82%			
Mexico	26.23%	41.68%			
Chile	8.78%	2.17%			
Peru	3.03%	3.43%			
Argentina	1.93%	0.02%			
Colombia	0.48%	0.86%			
USA	0.00%	1.03%			
Cash, derivatives etc	1.73%	5.99%			
Total	100.00%	100.00%			

Latin America Equities B EUR Acc – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2013-2017

(DKK 1,000)	2017	2016	2015 ¹⁾	2014 ²⁾	2013 ²⁾
Financial highlights					
Share of net profit for the year	2,169	9,275	(1,328)	3,134	(26,112)
Share of net profit for the year **)	2,169	9,275	(10,569)	3,134	(26,112)
Units in circulation nominal	19,181	25,256	29,425	35,507	57,783
Units in circulation quantity (EUR)	257,627	338,311	394,349	475,782	774,307
Investors' assets	49,918	63,520	64,584	90,328	142,798
Financial ratios					
NAV per unit (EUR)	26.02	25.25	21.95	25.44	24.71
Return in EUR (%) *)	3.06%	15.06%	(13.73%)	2.94%	(13.44%)
Benchmark return in EUR (%)	8.69%	34.96%	(23.18%)	(0.13%)	(17.10%)
Total expense ratio	1.46%	1.45%	0.41%	1.46%	1.50%
Total expense ratio**)	1.46%	1.45%	1.56%	1.46%	1.50%
Annual percentage rate (APR) at 31 December	2.58%	2.80%	3.01%	-	-
Sharpe Ratio (5 yrs)	(0.11)	(0.03)	(0.41)	0.05	0.90
Standard deviation (5 yrs)	16.24	16.75	16.46	16.01	17.67

*) Past performance is no guarantee of current or future performance.

1) The unit class was launched on 18 September 2015.

2) Financial highlights from ISI Latin America Equities.

***) For the period 1 Jan - 18 Sep 2015 ISI Latin America Equities is included.

NOTES

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
a. Share of net profit for the year			d. Investors' assets		
Share of joint portfolio profit	3,128	10,321			
Class-specific other income	9	33	d1. Units in circulation		
Class-specific costs *)	(836)	(973)	Units in circulation at 1 Jan	25,256	29,425
Share of tax	(132)	(106)	Exchange rate adjustment of units in circulation at 1 Jan	(67)	0
Share of total net profit for the year	2,169	9,275	Issues during the year	239	617
			Redemptions during the year	(6,247)	(4,786)
*) Class-specific costs			Total units in circulation	19,181	25,256
Marketing costs	370	438	d2. Investors' assets		
Fees to custodian	41	46	Investors' assets at 1 Jan	63,520	64,584
Other costs relating to asset management	322	370	Issues during the year	631	1,371
Other costs	7	4	Redemptions during the year	(16,402)	(11,710)
Fixed management fee	96	115	Brought forward from income statement	2,169	9,275
Total class-specific costs	836	973	Investors' assets at year-end	49,918	63,520
b. Distribution of profit					
b1. To be allocated					
Brought forward to investors' assets	2,169	9,275			
Total distribution	2,169	9,275			
c. Units in circulation					
Nominal (DKK 1,000)	19,181	25,256			
Quantity (EUR)	257,627	338,311			

SCANDI KL

Fund report

Fund data

ISIN	DK0060089332
Date of establishment	6 July 2007
Launch date	24 September 2007
Listed	Yes
Currency	DKK
Income fund	Yes
Denomination	100
Risk category	6
Approved for marketing in Germany	No
Benchmark	VINX capped
Secondary name	Scandinavian Equities KL

Introduction

The fund report should be read together with the sections in the annual report "Financial markets in 2017" on page 6, "Asset developments" on page 10 and "Risks" on page 15 to provide a complete picture of developments. The evaluation by the Board of Directors and Executive Management regarding fund specific risks appears below. For further information on risks associated with investing in the fund, reference is made to the current prospectus which may be downloaded at www.sydinvest.dk, www.sydinvest.de and www.sydinvest.com.

Investment profile

The fund invests in shares from Denmark, Norway, Sweden, Finland and Iceland. Investments are diversified across different industries and companies.

Risk profile

The fund invests in a limited market and therefore there is a risk of substantial price fluctuations in the short term. Fund return depends on movements in share prices as well as SEK and NOK. The fund is suitable for investments with a time horizon of at least four years.

The fund is placed in risk category 6.

Developments

The fund returned 8.71% in 2017 while its benchmark gained 10.40%. The market exceeded expectations at the beginning of the year and the fund underperformed its benchmark.

Scandinavian equity markets again exhibited highly divergent trends in 2017. When adjusted for currency fluctuations Danish shares were the top performers. The defensive ISINs showed their strength again after a sluggish 2016. Norwegian equities were a clear runner-up. The rest of the market was driven by the strongest securities across several sectors. In the next places were Finnish shares and Swedish shares. Particularly Swedish shares disappointed despite a weak SEK. The reason could be found among the large Swedish banks and former retail giant H&M.

The fund produced a return that is 1.69% percentage points below the change in its benchmark. This was mainly attributable to the asset allocation in materials and consumer discretionary. Conversely the fund's asset allocation within IT was a positive contributor.

Market outlook

Scandinavian companies are well positioned to benefit from the global synchronous upturn which is expected in 2018. The uncertainty surrounding housing prices in Norway and Sweden is expected to continue in 2018. The largest risk factors are a less expansive monetary policy globally and more rate increases from the Fed.

We project that the fund will generate a return in 2018 on a par with or above its benchmark as the fund is actively managed.

SCANDI KL – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2013-2017

(DKK 1,000)	2017	2016	2015	2014	2013
Financial highlights					
Share of net profit	17,679	13,783	43,173	14,722	53,576
Units in circulation nominal	171,432	183,460	208,938	240,662	290,787
Units in circulation quantity	1,714,320	1,834,600	2,089,377	2,406,617	2,907,867
Investors' assets	212,595	209,281	258,570	256,938	295,818
Financial ratios					
NAV per unit	124.01	114.07	123.75	106.76	101.73
Dividend per unit	11.80	0.00	16.90	1.90	0.00
Return (%) *)	8.71%	6.61%	17.66%	4.95%	20.26%
Benchmark return (%)	10.40%	2.32%	15.12%	9.85%	21.73%
Total expense ratio	1.44%	1.44%	1.34%	1.39%	1.25%
Annual percentage rate (APR) at 31 December	1.64%	1.88%	1.85%	1.90%	1.75%
Sharpe Ratio (5 yrs)	0.90	0.89	0.47	0.62	0.93
Standard deviation (5 yrs)	12.18	13.90	15.69	15.53	18.46
Tracking error	4.20	4.15	3.45	3.71	2.04
Active share	52.15	52.33	53.54	62.09	44.98
Portfolio turnover rate (PTR)	0.69	1.12	0.74	0.62	0.55

*) Past performance is no guarantee of current or future performance.

INCOME STATEMENT

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
Interest and dividends			7. Distribution of profit		
1. Interest	(3)	1			
2. Dividends	6,413	7,958	To be allocated		
Total interest and dividends	6,410	7,959	Proposed distribution for the financial year	20,229	0
Capital gains and losses			Brought forward for distribution next year	45	74
3. Bonds	13,996	7,204	Available for distribution	20,274	74
Currency accounts	(136)	(155)	Brought forward to investors' assets	(2,595)	13,709
4. Transaction costs, operating activities	(495)	(772)	Total distribution	17,679	13,783
Total capital gains and losses	13,365	6,277			
Other income	2	2			
Total income	19,775	14,238			
5. Administrative costs	(3,145)	(3,303)			
Pre-tax profit	16,630	10,935			
6. Tax	1,049	2,848			
Net profit for the year	17,679	13,783			

SCANDI KL – Financial Statements

BALANCE SHEET 31 DECEMBER 2017

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
ASSETS			LIABILITIES		
Liquid funds			8. Investors' assets	212,595	209,281
Deposits with custodian	1,230	890	Other debt		
Total liquid funds	1,230	890	Payables	702	672
9. Holdings			Payables – unsettled transactions	0	1,530
Listed shares in Danish companies	95,993	88,972	Total other debt	702	2,202
Listed shares in foreign companies	116,074	120,021	TOTAL LIABILITIES	213,297	211,483
Total holdings	212,067	208,993			
Other assets					
Receivables – unsettled transactions	0	1,600			
Total other assets	0	1,600			
TOTAL ASSETS	213,297	211,483			

SCANDI KL – Financial Statements

NOTES

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
1. Interest			6. Tax		
Deposits with custodian	0	1	The fund is not liable to pay tax.		
Interest expense and negative interest with custodian	(3)	0	Adjustment – dividend tax etc	(1,049)	(2,848)
Total interest	(3)	1	Total tax	(1,049)	(2,848)
2. Dividends			7. Available for distribution		
Listed shares in foreign companies	2,988	2,204	Brought forward for distribution from last year	74	100
Listed shares in foreign companies	3,425	5,754	Interest	0	1
Total interest	6,413	7,958	Dividends	6,413	7,958
3. Capital gains and losses			Other income	2	2
Shares			Non-refundable dividend tax	1,049	2,848
Listed shares in Danish companies	3,203	2,860	Capital gains for distribution	16,445	(4,453)
Listed shares in foreign companies	10,793	4,344	Distribution adjustment in connection with issue/redemption concerning the above items	(650)	(3,313)
Total shares	13,996	7,204	Available for distribution before administrative costs	23,333	3,143
4. Transaction costs			Set-off of administrative costs	(3,145)	(3,303)
All transaction costs	537	852	Distribution adjustment of administrative costs in connection with issue/redemption	86	234
Covered by income from issue and redemption	(42)	(80)	Total administrative costs	(3,059)	(3,069)
Transaction costs, operating activities	495	772	Available for distribution	20,274	74
5. Administrative costs					
Fund-specific costs					
Marketing costs	1,846	1,783			
Fees to custodian	157	271			
Other costs relating to asset management	764	808			
Other costs	12	39			
Fixed management fee *)	366	402			
Total fund-specific costs	3,145	3,303			

*) The management fee represents a "fixed management fee" which includes costs relating to the Board of Directors, Executive Management, audit etc. Total remuneration to the Board of Directors and Executive Management appears from the Directors' Report under "Remuneration of Board of Directors and Executive Management" to which reference is made.

Audit fees appear from joint note 2 to which reference is made.

SCANDI KL – Financial Statements

NOTES

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
8. Investors' assets			Investors' assets		
			Investors' assets at 1 Jan	209,281	258,570
Units in circulation			Issues during the year	5,519	12,254
Units in circulation at 1 Jan	183,460	208,938	Redemptions during the year	(19,919)	(41,018)
Issues during the year	4,422	11,442	Net issue surcharges and redemption deductions	35	31
Redemptions during the year	(16,450)	(36,920)	Distribution from last year concerning units in circulation at 31 Dec	0	(35,310)
Total units in circulation	171,432	183,460	Changes in dividend distribution due to issues/redemptions	0	971
			Proposed distribution for the financial year	20,229	0
			Brought forward from income statement	(2,595)	13,709
			Brought forward for distribution next year	45	74
			Investors' assets at year-end	212,595	209,281

9. Financial instruments (securities)

A list of financial instruments (securities) is available free of charge from the investment management company.

SCANDI KL – Financial Statements

SUPPLEMENTARY NOTES WITHOUT REFERENCE

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
a. Units in circulation			d. Shares by country		
Nominal (DKK 1,000)	171,432	183,460	Denmark	45.15%	42.51%
Quantity	1,714,320	1,834,600	Sweden	41.15%	44.21%
			Finland	8.21%	9.50%
			Norway	5.24%	3.62%
b. Portfolio turnover			Other	0.00%	0.02%
Market value of purchase of securities	157,451	254,507	Cash, derivatives etc	0.25%	0.14%
Market value of sale of securities	168,416	310,081			
Total market value	325,867	564,588	Total	100.00%	100.00%
c. Breakdown of financial instruments			e. Shares by industry		
Listed financial instruments	99.75%	99.86%	Industrials	26.80%	23.66%
Financial instruments listed on other regulated market	0.00%	0.00%	Financials	21.11%	22.08%
Newly issued financial instruments for which listing on a stock exchange or other regulated market is planned	0.00%	0.00%	Health Care	15.08%	12.98%
			Information Technology	11.93%	11.12%
Other financial instruments	0.00%	0.00%	Consumer Discretionary	9.45%	14.30%
	99.75%	99.86%	Materials	6.24%	6.51%
Other assets/other debt	0.25%	0.14%	Consumer Staples	5.36%	5.86%
Total	100.00%	100.00%	Telecommunications Services	2.10%	2.08%
			Energy	0.93%	1.27%
			Utilities	0.75%	0.00%
			Cash, derivatives etc	0.25%	0.14%
			Total	100.00%	100.00%

Tyskland KL

Fund report

Fund data and unit class data	Tyskland A DKK
ISIN	DK0060033116
Date of establishment	6 March 2006
Launch date	25 April 2006
Listed	Yes
Currency	DKK
Income fund	Yes
Denomination	100
Risk category	6
Approved for marketing in Germany	No
Benchmark	CDAX Performance Index
Secondary name	Germany Equities KL

Introduction

The fund report should be read together with the sections in the annual report "Financial markets in 2017" on page 6, "Asset developments" on page 10 and "Risks" on page 15 to provide a complete picture of developments. The evaluation by the Board of Directors and Executive Management regarding fund specific risks appears below. For further information on risks associated with investing in the fund, reference is made to the current prospectus which may be downloaded at www.sydinvest.dk, www.sydinvest.de and www.sydinvest.com.

Investment profile

The fund invests in German shares. Investments are diversified across different industries and companies.

The fund is divided into the unit class Tyskland A DKK.

Risk profile

The fund invests in markets that are characterised by large fluctuations in the economy. As a result short-term investments in the fund are associated with a high degree of risk. Fund return depends on movements in share prices and exchange rates. The fund is suitable for investments with a time horizon of at least five years.

The fund is placed in risk category 6.

Developments

The development in the NAV of the unit class in 2017 appears from the table below.

Unit class	Return	Benchmark
Tyskland A DKK	14.24%	16.13%

The market exceeded expectations at the beginning of the year and the fund underperformed its benchmark, see the table above.

German equities had a good year helped by the growth in the European economy and increasing confidence among investors in the underlying strength of the economy despite insecurity about the monetary policy perspectives and a strengthened EUR. The positive momentum in several financial indicators has tempered concerns about any negative impacts as a result of the ECB's decision to cut its monthly bond purchases.

The fund produced a return that is below the change in its benchmark. The fund's share picks made a negative contribution to relative return, for instance the fund has not invested in Volkswagen after the diesel scandal and the company produced a return of almost 27% in 2017. On the other hand the use of derivatives made a positive contribution. The fund had an investment ratio of approximately 110% during the year which had a positive influence on return in a generally rising market.

Market outlook

German companies are well positioned to benefit from the expected global synchronous recovery. They are heavily export-oriented and have strong brands. The pricing appears to be attractive compared with US and many European equity markets. Very large and unexpected interest rate increases may change the positive prospects for German equities. We project that the fund will generate a return in 2018 on a par with or above its benchmark as the fund is actively managed.

Tyskland KL – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2013-2017

(DKK 1,000)	2017	2016	2015	2014	2013
Financial highlights					
Net profit for the year	89,400	23,263	66,483	(6,272)	196,625
Investors' assets	705,249	663,094	796,024	754,558	987,385
Financial ratios					
Tracking error	2.51	2.53	2.15	1.78	2.00
Active share	35.09	30.65	38.96	43.31	34.46
Portfolio turnover rate (PTR)	0.24	0.43	0.17	0.28	0.20

Årets resultat og investorenes formue fordeles på andelsklassen således

(DKK 1,000)	2017		2016	
	Net profit for the year	Investors' assets at year-end	Net profit for the year	Investors' assets at year-end
Tyskland A DKK ¹⁾	89,400	705,249	23,263	663,094
Total	89,400	705,249	23,263	663,094

¹⁾ The unit class was launched on 13 June 2017.

INCOME STATEMENT

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
Interest and dividends			Distribution of profit from the unit classes		
1. Interest	(44)	(30)			
2. Dividends	17,811	20,153			
Total interest and dividends	17,767	20,123	To be allocated		
Capital gains and losses			Total proposed distribution for the financial year	0	0
3. Shares	77,763	3,463	Total brought forward for distribution next year	(18,503)	(80,391)
3. Units	0	(582)	Total available for distribution	(18,503)	(80,391)
3. Derivatives	8,091	13,180	Total brought forward to investors' assets	107,903	103,654
Currency accounts	(27)	(100)	Total distribution	89,400	23,263
Other assets and liabilities	0	2			
4. Transaction costs, operating activities	(588)	(1,012)	Distribution of profit in the unit classes		
Total capital gains and losses	85,239	14,951	Tyskland A DKK		
Other income	75	0	Proposed distribution for the financial year	0	0
Total income	103,081	35,074	Brought forward for distribution next year	(18,503)	(80,391)
5. Administrative costs	(10,535)	(10,402)	Brought forward to investors' assets	107,903	103,654
Pre-tax profit	92,546	24,672			
6. Tax	(3,146)	(1,409)			
Net profit for the year	89,400	23,263			

Tyskland KL – Financial Statements

BALANCE SHEET 31 DECEMBER 2017

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
ASSETS			LIABILITIES		
Liquid funds			7. Investors' assets *)	705,249	663,094
Deposits with custodian	12,184	26,901	Other debt		
Total liquid funds	12,184	26,901	Payables	2,480	2,292
8. Holdings			Payables – unsettled transactions	338	241
Listed shares in foreign companies	695,883	638,581	Total other debt	2,818	2,533
Total holdings	695,883	638,581	TOTAL LIABILITIES	708,067	665,627
Other assets			*) Investors' assets by unit class		
Receivables – unsettled transactions	0	145	Tyskland ADKK	705,249	663,094
Total other assets	0	145	Total	705,249	663,094
TOTAL ASSETS	708,067	665,627			

Tyskland KL – Financial Statements

NOTES

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
1. Interest			5. Administrative costs		
Interest expense and negative interest with custodian	(44)	(30)			
Total interest	(44)	(30)	Class-specific costs		
			Marketing costs	5,062	5,178
2. Dividends			Fees to custodian	568	633
Listed shares in foreign companies	17,811	20,153	Other costs relating to asset management	3,730	3,338
Total dividends	17,811	20,153	Other costs	36	54
			Fixed management fee *)	1,139	1,199
3. Capital gains and losses			Total class-specific costs	10,535	10,402
Shares			*) The management fee represents a "fixed management fee" which includes costs relating to the Board of Directors, Executive Management, audit etc. Total remuneration to the Board of Directors and Executive Management appears from the Directors' Report under "Remuneration of Board of Directors and Executive Management" to which reference is made.		
Listed shares in foreign companies	77,763	3,463	Audit fees appear from joint note 2 to which reference is made.		
Total shares	77,763	3,463			
3. Units			6. Tax		
Units in foreign investment funds	0	(582)	The fund is not liable to pay tax.		
Total units	0	(582)	Adjustment – dividend tax etc	3,146	1,409
			Total tax	3,146	1,409
3. Derivatives			7. Investors' assets		
Forward equity transactions/futures etc	8,091	13,180	Investors' assets at 1 Jan	663,094	796,024
Total derivatives	8,091	13,180	Issues during the year	22,550	8,781
			Redemptions during the year	(69,898)	(165,174)
4. Transaction costs			Net issue surcharges and redemption deductions	103	200
All transaction costs	717	1,253	Proposed distribution for the financial year	0	0
Covered by income from issue and redemption	(129)	(241)	Brought forward from income statement	107,903	103,654
Transaction costs, operating activities	588	1,012	Brought forward for distribution next year	(18,503)	(80,391)
			Investors' assets at year-end	705,249	663,094
			8. Financial instruments (securities)		
			A list of financial instruments (securities) is available free of charge from the investment management company.		

Tyskland KL – Financial Statements

SUPPLEMENTARY NOTES WITHOUT REFERENCE

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
a. Portfolio turnover			d. Shares by industry		
Market value of purchase of securities	201,209	299,386	Industrials	21.28%	18.58%
Market value of sale of securities	222,169	457,869	Financials	16.64%	14.15%
Total market value	423,378	757,255	Information Technology	15.88%	14.40%
b. Breakdown of financial instruments			Consumer Discretionary	14.19%	17.61%
Listed financial instruments	98.67%	96.30%	Materials	11.52%	12.50%
Financial instruments listed on other regulated market which listing on a stock exchange or other regulated market is planned	0.00%	0.00%	Health Care	10.41%	11.01%
Other financial instruments	0.00%	0.00%	Telecommunications Services	4.10%	5.51%
	98.67%	96.30%	Consumer Staples	2.97%	2.54%
Other assets/other debt	1.33%	3.70%	REIT	0.96%	0.00%
Total	100.00%	100.00%	Utilities	0.72%	0.00%
c. Shares by country			Cash, derivatives etc	1.33%	3.70%
Germany	98.67%	96.30%	Total	100.00%	100.00%
Cash, derivatives etc	1.33%	3.70%	e. Currency futures bought		
Total	100.00%	100.00%	EUR	79,300	0
			Total	79,300	0

f. Net collateral position

Collateral regarding derivatives

No collateral has been provided

g. Dividend tax in Germany

Sydinvest has applied for a refund of dividend tax on German share dividends with the German authorities. So far no refund from the German authorities has been received. Consequently it is uncertain to which extent the amount will be refunded. The amount claimed for Sydinvest Tyskland represents DKK 48.2m for the period 2007-2016. Due to new tax rules in Germany Sydinvest has not applied for any refund of dividend tax for the year 2017.

Tyskland A DKK – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2013-2017

(DKK 1,000)	2017 ¹⁾	2016	2015	2014	2013
Financial highlights					
Share of net profit for the year	89,400	23,263	66,483	(6,272)	196,625
Units in circulation nominal	514,666	552,794	696,434	722,654	945,354
Units in circulation quantity	5,146,655	5,527,937	6,964,337	7,226,537	9,453,537
Investors' assets	705,249	663,094	796,024	754,558	987,385
Financial ratios					
NAV per unit	137.03	119.95	114.30	104.42	104.45
Dividend per unit	0.00	0.00	0.00	0.00	0.00
Return (%) *)	14.24%	4.95%	9.47%	(0.03%)	23.19%
Benchmark return (%)	16.13%	5.76%	9.79%	1.95%	25.54%
Total expense ratio	1.56%	1.52%	1.31%	1.30%	1.26%
Annual percentage rate (APR) at 31 December	1.76%	1.76%	1.61%	1.67%	1.60%
Sharpe Ratio (5 yrs)	0.67	0.79	0.38	0.45	0.54
Standard deviation (5 yrs)	13.47	14.96	17.31	16.06	20.24

*) Past performance is no guarantee of current or future performance.

¹⁾ The fund was converted to a unit class on 13 June 2017.

Tyskland A DKK – Financial Statements

NOTES

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
a. Share of net profit for the year			c. Units in circulation		
Share of joint portfolio profit	103,006	35,074	Nominal (DKK 1,000)	514,666	552,794
Class-specific other income	75	0	Quantity	5,146,655	5,527,937
Class-specific costs *)	(10,535)	(10,402)			
Share of tax	(3,146)	(1,409)	d. Investors' assets		
Share of total net profit for the year	89,400	23,263			
			d1. Units in circulation		
*) Class-specific costs			Units in circulation at 1 Jan	552,794	696,434
Marketing costs	5,062	5,178	Issues during the year	16,772	8,610
Fees to custodian	568	633	Redemptions during the year	(54,900)	(152,250)
Other costs relating to asset management	3,730	3,338	Total units in circulation	514,666	552,794
Other costs	36	54			
Fixed management fee	1,139	1,199	d2. Investors' assets		
Total class-specific costs	10,535	10,402	Investors' assets at 1 Jan	663,094	796,024
			Issues during the year	22,550	8,781
b. Distribution of profit			Redemptions during the year	(69,898)	(165,174)
b1. To be allocated			Net issue surcharges and redemption deductions	103	200
Proposed distribution for the financial year	0	0	Proposed distribution for the financial year	0	0
Brought forward for distribution next year	(18,503)	(80,391)	Brought forward from income statement	107,903	103,654
Available for distribution	(18,503)	(80,391)	Brought forward for distribution next year	(18,503)	(80,391)
Brought forward to investors' assets	107,903	103,654	Investors' assets at year-end	705,249	663,094
Total distribution	89,400	23,263			
b2. Available for distribution					
Brought forward for distribution from last year	(80,391)	(161,985)			
Share of dividends	17,811	20,153			
Other income	75	0			
Share of non-refundable tax on coupons	(3,146)	(1,409)			
Share of capital gains for distribution	42,645	14,968			
Distribution adjustment in connection with issue/redemption concerning the above items	4,503	47,882			
**) Available for distribution before administrative costs	(18,503)	(80,391)			
Set-off of administrative costs	0	0			
Distribution adjustment of administrative costs in connection with issue/redemption		0			
Total administrative costs	0	0			
Available for distribution	(18,503)	(80,391)			

**) If amount available for distribution before administrative costs and any voluntary distribution is negative, administrative costs cannot be deducted.

USA Ligevægt & Value KL

Fund report

Fund data and unit class data	USA Ligevægt & Value A DKK	USA Ligevægt & Value W DKK d
ISIN	DK0010270776	DK0060774982
Date of establishment	16 August 2000	9 December 2016
Launch date	31 October 2000	15 December 2016
Listed	Yes	No
Currency	DKK	DKK
Income fund	Yes	Yes
Denomination	100	100
Risk category	5	5
Approved for marketing in Germany	No	No
Benchmark	MSCI USA	
Secondary name	Syinvest American Value Equities KL	

Introduction

The fund report should be read together with the sections in the annual report "Financial markets in 2017" on page 6, "Asset developments" on page 10 and "Risks" on page 15 to provide a complete picture of developments. The evaluation by the Board of Directors and Executive Management regarding fund specific risks appears below. For further information on risks associated with investing in the fund, reference is made to the current prospectus which may be downloaded at www.syinvest.dk, www.syinvest.de and www.syinvest.com.

Investment profile

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 is divided into the unit classes USA Ligevægt & Value A DKK and USA Ligevægt & Value W DKK d. The investments in the individual unit classes are identical. The level of costs varies according to the unit class in which investors invest.

Risk profile

The fund invests mainly in North American shares listed on the US equity market. The fund invests in a limited market and therefore there is a risk of substantial price fluctuations in the short term. Fund return depends on movements in share prices and USD. The fund is suitable for investments with a time horizon of at least four years.

The fund is placed in risk category 5.

Developments

The development in the NAV of the unit classes in 2017 appears from the table below. The differences in returns are attributable to the level of costs in the individual classes.

Unit class	Return	Benchmark
USA Ligevægt & Value A DKK	2.55%	6.59%
USA Ligevægt & Value W DKK d	3.56%	6.59%

The market performed largely on a par with expectations at the beginning of the year but the fund underperformed its benchmark, see the table above.

American shares did well in 2017 due to the strong US economy and increasing confidence in a tax reform which was implemented at the end of the year. During the year we saw solid improvement in all key indicators and decent growth in top and bottom lines at corporate level. Moreover inflation was modest and consequently so was monetary policy tightening. Overall this was a favourable environment for shares.

The fund produced a return that is below the change in its benchmark due to the fund's focus on small and mediums-sized value shares. Value shares could not keep up with growth shares which topped return tables as a group in 2017. Particularly the large shares in the growth category, such as Facebook and Amazon, saw considerable price increases.

Market outlook

A continuing upturn and growing earnings among companies suggest that 2018 may be another good year for shares. However risks are equally high due to historically high pricing and generally high debt levels. The principal risk in 2018 is rising inflationary pressure, which may accelerate monetary policy tightening. We project that the fund will generate a return in 2018 on a par with or above its benchmark as the fund is actively managed.

USA Ligevægt & Value KL – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2013-2017

(DKK 1,000)	2017	2016	2015	2014	2013
Financial highlights					
Net profit for the year	17,054	63,549	46,325	67,570	85,572
Investors' assets	678,782	553,551	331,800	357,442	330,414
Financial ratios					
Tracking error	4.03	3.62	2.41	1.89	2.54
Active share	75.40	73.71	77.83	81.57	79.56
Portfolio turnover rate (PTR)	0.45	0.50	0.13	0.59	0.84

Breakdown of profit for the year and investors' assets by unit class

(DKK 1,000)	2017		2016	
	Net profit for the year	Investors' assets at year-end	Net profit for the year	Investors' assets at year-end
USA Ligevægt & Value A DKK	2,777	277,517	66,240	459,582
USA Ligevægt & Value W DKK d ¹⁾	14,277	401,265	(2,691)	93,969
Total	17,054	678,782	63,549	553,551

¹⁾ The unit class was launched on 12 December 2016.

INCOME STATEMENT

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
Interest and dividends					
1. Interest	(21)	16	Distribution of profit from the unit classes		
2. Dividends	16,643	11,295	To be allocated		
Total interest and dividends			Total proposed distribution for the financial year		
	16,622	11,311		55,211	56,500
			Total brought forward for distribution next year		
				559	437
Capital gains and losses					
3. Shares	10,642	59,292	Total available for distribution		
Currency accounts	(576)	(104)	Total brought forward to investors' assets		
Other assets and liabilities	(13)	6		(38,716)	6,612
4. Transaction costs, operating activities	(694)	(552)	Total distribution		
Total capital gains and losses				17,054	63,549
Other income	24	18	Distribution of profit in the unit classes		
Total income			USA Ligevægt & Value A DKK		
	26,005	69,971	Proposed distribution for the financial year		
5. Administrative costs	(6,797)	(4,965)	Brought forward for distribution next year		
Pre-tax profit				21,729	55,341
	19,208	65,006	Brought forward to investors' assets		
6. Tax	(2,154)	(1,457)		(19,467)	10,478
Net profit for the year			USA Ligevægt & Value W DKK d		
	17,054	63,549	Proposed distribution for the financial year		
			Brought forward for distribution next year		
				33,482	1,159
			Brought forward to investors' assets		
				44	16
				(19,249)	(3,866)

USA Ligevægt & Value KL – Financial Statements

BALANCE SHEET 31 DECEMBER 2017

Note (DKK 1,000)	0	2016	Note (DKK 1,000)	0	2016
ASSETS			LIABILITIES		
Liquid funds			7. Investors' assets *)	678,782	553,551
Deposits with custodian	20,915	16,984	Other debt		
Total liquid funds	20,915	16,984	Payables	1,375	1,371
8. Holdings			Payables – unsettled transactions	400	0
Listed shares in foreign companies	652,300	535,440	Total other debt	1,775	1,371
Total holdings	652,300	535,440	TOTAL LIABILITIES	680,557	554,922
Other assets			*) Investors' assets by unit class		
Interest receivable, dividends receivable etc	900	684	USA Ligevægt & Value A DKK	277,517	459,582
Receivables – unsettled transactions	6,442	1,814	USA Ligevægt & Value W DKK d	401,265	93,969
Total other assets	7,342	2,498	Total	678,782	553,551
TOTAL ASSETS	680,557	554,922			

USA Ligevægt & Value KL – Financial Statements

NOTES

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
1. Interest			5. Administrative costs		
Deposits with custodian	38	19			
Interest expense and negative interest with custodian	(59)	(3)	Class-specific costs		
Total interest	(21)	16	Marketing costs	3,038	2,662
			Fees to custodian	457	322
2. Dividends			Other costs relating to asset management	2,389	1,381
Listed shares in foreign companies	16,643	11,295	Other costs	35	1
Total dividends	16,643	11,295	Fixed management fee *)	878	599
			Total class-specific costs	6,797	4,965
3. Capital gains and losses			*) The management fee represents a "fixed management fee" which includes costs relating to the Board of Directors, Executive Management, audit etc. Total remuneration to the Board of Directors and Executive Management appears from the Directors' Report under "Remuneration of Board of Directors and Executive Management" to which reference is made.		
Shares			Audit fees appear from joint note 2 to which reference is made.		
Listed shares in foreign companies	10,604	58,516	6. Tax		
Unlisted shares in foreign companies	38	776	The fund is not liable to pay tax.		
Total shares	10,642	59,292	Adjustment – dividend tax etc	2,154	1,457
			Total tax	2,154	1,457
4. Transaction costs					
All transaction costs	1,268	758	7. Investors' assets		
Covered by income from issue and redemption	(574)	(206)	Investors' assets at 1 Jan	553,551	331,800
Transaction costs, operating activities	694	552	Issues during the year	388,888	244,255
			Redemptions during the year	(219,670)	(69,135)
			Net issue surcharges and redemption deductions	30	369
			Distribution from last year concerning units in circulation at 31 Dec	(56,500)	(18,851)
			Changes in dividend distribution due to issues/redemptions	(4,571)	1,564
			Proposed distribution for the financial year	55,211	56,500
			Brought forward from income statement	(38,716)	6,612
			Brought forward for distribution next year	559	437
			Investors' assets at year-end	678,782	553,551
			8. Financial instruments (securities)		
			A list of financial instruments (securities) is available free of charge from the investment management company.		

USA Ligevægt & Value KL – Financial Statements

SUPPLEMENTARY NOTES WITHOUT REFERENCE

Note (DKK 1,000)	0	2016	Note (DKK 1,000)	0	2016
a. Portfolio turnover			d. Shares by industry		
Market value of purchase of securities	626,041	440,660	Information Technology	23.52%	21.14%
Market value of sale of securities	515,615	289,826	Financials	14.67%	14.94%
Total market value	1,141,656	730,486	Consumer Discretionary	12.89%	12.15%
b. Breakdown of financial instruments			Health Care	12.54%	13.19%
Listed financial instruments	96.10%	96.73%	Industrials	10.01%	9.86%
Financial instruments listed on other regulated market	0.00%	0.00%	Consumer Staples	6.89%	9.44%
Newly issued financial instruments for which listing on a stock exchange or other regulated market is planned	0.00%	0.00%	Energy	5.94%	7.05%
Other financial instruments	0.00%	0.00%	Materials	2.94%	2.99%
	96.10%	96.73%	REIT	2.88%	0.00%
Other assets/other debt	3.90%	3.27%	Telecommunications Services	1.97%	3.13%
Total	100.00%	100.00%	Utilities	1.85%	2.84%
c. Shares by country			Cash, derivatives etc	3.90%	3.27%
USA	96.10%	96.73%	Total	100.00%	100.00%
Cash, derivatives etc	3.90%	3.27%			
Total	100.00%	100.00%			

USA Ligevægt & Value A DKK – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2013-2017

(DKK 1,000)	2017	2016 ¹⁾	2015	2014	2013
Financial highlights					
Share of net profit	2,777	66,240	46,325	67,570	85,572
Units in circulation nominal	700,931	1,044,179	856,867	1,029,103	1,204,469
Units in circulation quantity	7,009,314	10,441,792	8,568,679	10,291,030	12,044,687
Investors' assets	277,517	459,582	331,800	357,442	330,414
Financial ratios					
NAV per unit	39.59	44.01	38.72	34.73	27.43
Dividend per unit	3.10	5.30	2.20	0.00	0.00
Return (%) *)	2.55%	20.58%	11.48%	26.61%	27.23%
Benchmark return (%)	6.59%	13.80%	12.40%	28.09%	26.09%
Total expense ratio	1.55%	1.43%	1.31%	1.30%	1.30%
Annual percentage rate (APR) at 31 December	1.67%	1.71%	1.67%	1.67%	1.71%
Sharpe Ratio (5 yrs)	1.44	1.62	1.31	1.80	1.34
Standard deviation (5 yrs)	11.16	10.52	10.64	9.22	11.00

*) Past performance is no guarantee of current or future performance.

¹⁾ The fund was converted to a unit class on 15 December 2016.

USA Ligevægt & Value A DKK – Financial Statements

NOTES

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
a. Share of net profit for the year			c. Units in circulation		
Share of joint portfolio profit	9,493	72,613	Nominal (DKK 1,000)	700,931	1,044,179
Class-specific other income	15	18	Quantity	7,009,314	10,441,792
Class-specific costs *)	(5,427)	(4,943)			
Share of tax	(1,304)	(1,448)	d. Investors' assets		
Share of total net profit for the year	2,777	66,240			
			d1. Units in circulation		
*) Class-specific costs			Units in circulation at 1 Jan	1,044,179	856,867
Marketing costs	3,038	2,661	Issues during the year	210,382	365,343
Fees to custodian	319	320	Redemptions during the year	(553,630)	(178,031)
Other costs relating to asset management	1,444	1,366	Total units in circulation	700,931	1,044,179
Other costs	19	1			
Fixed management fee	607	595	d2. Investors' assets		
Total class-specific costs	5,427	4,943	Investors' assets at 1 Jan	459,582	331,800
			Issues during the year	85,743	147,682
b. Distribution of profit			Redemptions during the year	(210,901)	(69,135)
			Net issue surcharges and redemption deductions	30	282
b1. To be allocated			Distribution from last year concerning units in circulation at 31 Dec	(55,341)	(18,851)
Proposed distribution for the financial year	21,729	55,341	Changes in dividend distribution due to issues/redemptions	(4,373)	1,564
Brought forward for distribution next year	515	421	Proposed distribution for the financial year	21,729	55,341
Available for distribution	22,244	55,762	Brought forward from income statement	(19,467)	10,478
Brought forward to investors' assets	(19,467)	10,478	Brought forward for distribution next year	515	421
Total distribution	2,777	66,240	Investors' assets at year-end	277,517	459,582
b2. Available for distribution					
Brought forward for distribution from last year	421	167			
Share of interest	22	20			
Share of dividends	10,378	11,229			
Other income	15	18			
Share of non-refundable tax on coupons	(1,304)	(1,448)			
Share of capital gains for distribution	28,545	41,809			
Distribution adjustment in connection with issue/redemption concerning the above items	(11,686)	9,945			
Available for distribution before administrative costs	26,391	61,740			
Set-off of administrative costs	(5,427)	(4,943)			
Distribution adjustment of administrative costs in connection with issue/redemption	1,280	(1,035)			
Total administrative costs	(4,147)	(5,978)			
Available for distribution	22,244	55,762			

USA Ligevægt & Value W DKK d – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2016-2017

(DKK 1,000)	2017	2016 ¹⁾
Financial highlights		
Share of net profit for the year	14,277	(2,691)
Units in circulation nominal	403,397	96,597
Units in circulation quantity	4,033,971	965,973
Investors' assets	401,265	93,969
Financial ratios		
NAV per unit	99.47	97.28
Dividend per unit	8.30	1.20
Return (%) *)	3.56%	(2.72%)
Benchmark return (%)	6.59%	(2.18%)
Total expense ratio	0.55%	0.02%
Annual percentage rate (APR) at 31 December	0.72%	0.76%

*) Past performance is no guarantee of current or future performance.

¹⁾ The unit class was launched on 12 December 2016.

USA Ligevægt & Value W DKK d – Financial Statements

NOTES

Note (DKK 1,000)	2017	2016 ¹⁾	Note (DKK 1,000)	2017	2016 ¹⁾
a. Share of net profit for the year			c. Units in circulation		
Share of joint portfolio profit	16,488	(2,661)	Nominal (DKK 1,000)	403,397	96,597
Class-specific other income	9	0	Quantity	4,033,971	965,973
Class-specific costs *)	(1,370)	(21)			
Share of tax	(850)	(9)	d. Investors' assets		
Share of total net profit for the year	14,277	(2,691)			
			d1. Units in circulation		
*) Class-specific costs			Units in circulation at 1 Jan	96,597	0
Fees to custodian	137	1	Issues during the year	315,698	96,597
Other costs relating to asset management	945	15	Redemptions during the year	(8,898)	0
Other costs	17	0	Total units in circulation	403,397	96,597
Fixed management fee	271	5			
Total class-specific costs	1,370	21	d2. Investors' assets		
			Investors' assets at 1 Jan	93,969	0
b. Distribution of profit			Issues during the year	303,145	96,573
b1. To be allocated			Redemptions during the year	(8,769)	0
Proposed distribution for the financial year	33,482	1,159	Net issue surcharges and redemption deductions	0	87
Brought forward for distribution next year	44	16	Distribution from last year concerning units in circulation at 31 Dec	(1,159)	0
Available for distribution	33,526	1,175	Changes in dividend distribution due to issues/redemptions	(198)	0
Brought forward to investors' assets	(19,249)	(3,866)	Proposed distribution for the financial year	33,482	1,159
Total distribution	14,277	(2,691)	Brought forward from income statement	(19,249)	(3,866)
			Brought forward for distribution next year	44	16
b2. Available for distribution			Investors' assets at year-end	401,265	93,969
Brought forward for distribution from last year	16	0			
Share of interest	16	0			
Share of dividends	6,266	66			
Other income	9	0			
Share of non-refundable tax on coupons	(850)	(9)			
Share of capital gains for distribution	11,305	988			
Distribution adjustment in connection with issue/redemption concerning the above items	18,968	155			
Available for distribution before administrative costs	35,730	1,200			
Set-off of administrative costs	(1,370)	(21)			
Distribution adjustment of administrative costs in connection with issue/redemption	(834)	(4)			
Total administrative costs	(2,204)	(25)			
Available for distribution	33,526	1,175			

¹⁾ The unit class was launched on 12 December 2016.

Sydinvest Verden Etik KL

Fund report

Fund data and unit class data	Verden Etik W DKK d
ISIN	DK0060681468
Date of establishment	23 November 2015
Launch date	1 February 2016
Listed	No
Currency	DKK
Income fund	Yes
Denomination	100
Risk category	5
Approved for marketing in Germany	No
Benchmark	MSCI All Country World Index
Secondary name	Sydinvest Global Ethics Equities KL

Introduction

The fund report should be read together with the sections in the annual report "Financial markets in 2017" on page 6, "Asset developments" on page 10 and "Risks" on page 15 to provide a complete picture of developments. The evaluation by the Board of Directors and Executive Management regarding fund specific risks appears below. For further information on risks associated with investing in the fund, reference is made to the current prospectus which may be downloaded at www.sydinvest.dk, www.sydinvest.de and www.sydinvest.com.

Investment profile

The fund invests globally in shares. Investments are diversified across different countries and industries. The largest investments are in USA and Europe. The fund pursues an equal weight value strategy. When we invest in 200 shares, each share will constitute roughly 0.50% of the fund. By investing an equal share in each equity we ensure a relatively heavy weighting of small and medium-sized shares and less so of large shares. Consequently exposure to small shares is achieved in a systematic manner without taking substantial risks in individual companies. When investing according to a value strategy, we select companies that are inexpensively priced based on a number of financial ratios. Historically small and inexpensive companies have produced an excess return. It is this return that we are trying to provide with an equal weight value strategy. The fund screens companies' activities in selected business areas. These are tobacco, alcohol, gambling, adult entertainment, armaments & firearms as well as the extraction, production, refining, distribution and sale of fossil fuels. Companies that derive more than 5% of their turnover from activities in these business areas are removed from the investment universe. Consequently investments are not made in companies that fail to meet the screening criteria.

Risk profile

The fund invests broadly in shares from the whole world. The fund reduces risk by spreading investments across several markets, thereby taking into account regional cyclical fluctuations. Fund return depends on movements in share prices and exchange rates. The fund is suitable for investments with a time horizon of at least four years.

The fund is placed in risk category 5.

Developments

The development in the NAV of the unit class in 2017 appears from the table below.

Unit class	Return	Benchmark
Verden Etik W DKK d	5.61%	9.04%

The market slightly exceeded expectations at the beginning of the year but the fund underperformed its benchmark, see the table above.

Equity markets developed extremely well in 2017 mainly due to a global upturn in growth which gained momentum during the year. As a result consumer confidence rose and corporate earnings grew. Cyclical sectors such as IT, materials and industrials were the top performers. Geographically emerging markets saw the largest price increases because they benefited from rising commodity prices.

The fund produced a return that is below the change in its benchmark due to the fund's focus on small and medium-sized value shares. Value shares could not keep up with growth shares which topped return tables as a group in 2017. Particularly the large shares in the growth category, such as Facebook and Amazon, saw considerable price increases.

Market outlook

A continuing global upturn and growing corporate earnings suggest that 2018 may be another good year for shares. However risks are equally high due to high pricing and generally high debt levels. The principal risk in 2018 is rising inflationary pressure, which may accelerate monetary policy tightening. We project that the fund will generate a return in 2018 on a par with or above its benchmark as the fund is actively managed.

Sydinvest Verden Etik KL – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2016-2017

(DKK 1,000)	2017	2016 ¹⁾
Financial highlights		
Net profit for the year	11,506	25,543
Investors' assets	256,089	184,230
Financial ratios		
Portfolio turnover rate (PTR)	0.54	0.34

¹⁾ The fund was launched on 1 February 2016.

Breakdown of profit for the year and investors' assets by unit class

(DKK 1,000)	2017		2016	
	Net profit for the year	Investors' assets at year-end	Net profit for the year	Investors' assets at year-end
Verden Etik W DKK d ¹⁾	11,506	256,089	25,543	184,230
Total	11,506	256,089	25,543	184,230

¹⁾ The unit class was launched on 1 February 2016.

INCOME STATEMENT

Note (DKK 1,000)	2017	2016 ¹⁾	Note (DKK 1,000)	2017	2016 ¹⁾
Interest and dividends			Distribution of profit from the unit classes		
1. Interest	(4)	(4)	To be allocated		
2. Dividends	6,753	4,428	Total proposed distribution for the financial year	27,296	8,050
Total interest and dividends	6,749	4,424	Total brought forward for distribution next year	194	9
Capital gains and losses			Total available for distribution	27,490	8,059
3. Shares	7,543	22,635	Total brought forward to investors' assets	(15,984)	17,484
Currency accounts	(568)	(205)	Total distribution	11,506	25,543
Other assets and liabilities	(4)	0	Distribution of profit in the unit classes		
4. Transaction costs, operating activities	(308)	(86)	Verden Etik W DKK d		
Total capital gains and losses	6,663	22,344	Proposed distribution for the financial year	27,296	8,050
Other income	9	9	Brought forward for distribution next year	194	9
Total income	13,421	26,777	Brought forward to investors' assets	(15,984)	17,484
5. Administrative costs	(1,168)	(715)	¹⁾ The fund was launched on 1 February 2016.		
Pre-tax profit	12,253	26,062			
6. Tax	(747)	(519)			
Net profit for the year	11,506	25,543			

Sydinvest Verden Etik KL – Financial Statements

BALANCE SHEET 31 DECEMBER 2017

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
ASSETS			LIABILITIES		
Liquid funds			7. Investors' assets *)	256,089	184,230
Deposits with custodian	15,823	7,030	Other debt		
Total liquid funds	15,823	7,030	Interest payable	1	0
8. Holdings			Payables	253	176
Listed shares in Danish companies	1,861	961	Total other debt	254	176
Listed shares in foreign companies	238,244	176,151	TOTAL LIABILITIES	256,343	184,406
Total holdings	240,105	177,112			
Other assets			*) Investors' assets by unit class		
Interest receivable, dividends receivable etc	415	264	Verden Etik W DKK d	256,089	184,230
Total other assets	415	264	Total	256,089	184,230
TOTAL ASSETS	256,343	184,406			

Sydinvest Verden Etik KL – Financial Statements

NOTES

Note (DKK 1,000)	2017	2016 ¹⁾	Note (DKK 1,000)	2017	2016 ¹⁾
1. Interest			5. Administrative costs		
Deposits with custodian	10	3			
Interest expense and negative interest with custodian	(14)	(7)	Class-specific costs		
Total interest	(4)	(4)	Marketing costs	83	0
			Fees to custodian	11	72
2. Dividends			Other costs relating to asset management	730	415
Listed shares in Danish companies	34	0	Other costs	104	77
Listed shares in foreign companies	6,709	4,428	Fixed management fee *)	240	151
Unlisted shares in foreign companies	10	0	Total class-specific costs	1,168	715
Total dividends	6,753	4,428	*) The management fee represents a "fixed management fee" which includes costs relating to the Board of Directors, Executive Management, audit etc. Total remuneration to the Board of Directors and Executive Management appears from the Directors' Report under "Remuneration of Board of Directors and Executive Management" to which reference is made.		
			Audit fees appear from joint note 2 to which reference is made.		
3. Capital gains and losses			6. Tax		
Shares			The fund is not liable to pay tax.		
Listed shares in Danish companies	371	82	Adjustment – dividend tax etc	747	519
Listed shares in foreign companies	7,157	22,485	Total tax	747	519
Unlisted shares in foreign companies	15	68			
Total shares	7,543	22,635	7. Investors' assets		
			Investors' assets at 1 Jan	184,230	0
4. Transaction costs			Issues during the year	104,440	346,666
All transaction costs	498	597	Redemptions during the year	(35,646)	(189,319)
Covered by income from issue and redemption	(190)	(511)	Net issue surcharges and redemption deductions	179	1,340
Transaction costs, operating activities	308	86	Distribution from last year concerning units in circulation at 31 Dec	(8,050)	0
			Changes in dividend distribution due to issues/redemptions	(570)	0
			Proposed distribution for the financial year	27,296	8,050
			Brought forward from income statement	(15,984)	17,484
			Brought forward for distribution next year	194	9
			Investors' assets at year-end	256,089	184,230
			8. Financial instruments (securities)		
			A list of financial instruments (securities) is available free of charge from the investment management company.		

Sydinvest Verden Etik KL – Financial Statements

SUPPLEMENTARY NOTES WITHOUT REFERENCE

Note (DKK 1,000)	2017	2016 ¹⁾	Note (DKK 1,000)	2017	2016 ¹⁾
a. Portfolio turnover			d. Shares by industry		
Market value of purchase of securities	211,928	391,235	Financials	19.22%	20.55%
Market value of sale of securities	156,012	235,675	Information Technology	17.46%	15.79%
Total market value	367,940	626,910	Consumer Discretionary	12.74%	12.74%
b. Breakdown of financial instruments			Health Care	12.22%	13.62%
Listed financial instruments	93.76%	96.14%	Industrials	10.80%	12.06%
Financial instruments listed on other regulated market	0.00%	0.00%	Consumer Staples	9.08%	10.95%
Newly issued financial instruments for which listing on a stock exchange or other regulated market is planned	0.00%	0.00%	Materials	5.59%	5.76%
Other financial instruments	0.00%	0.00%	Telecommunications Services	4.02%	4.13%
	93.76%	96.14%	REIT	2.63%	0.00%
Other assets/other debt	6.24%	3.86%	Utilities	0.00%	0.54%
Total	100.00%	100.00%	Cash, derivatives etc	6.24%	3.86%
c. Shares by country			Total	100.00%	100.00%
USA	48.54%	54.88%			
Japan	7.10%	7.55%			
Canada	6.80%	3.59%			
France	5.58%	3.68%			
UK	3.85%	3.68%			
China	3.26%	3.38%			
Germany	2.41%	2.99%			
Italy	2.31%	1.75%			
Other	13.91%	14.64%			
Cash, derivatives etc	6.24%	3.86%			
Total	100.00%	100.00%			

Sydinvest Verden Etik W DKK d – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2016-2017

(DKK 1,000)	2017	2016 ¹⁾
Financial highlights		
Share of net profit	11,506	25,543
Units in circulation nominal	205,235	149,072
Units in circulation quantity	2,052,358	1,490,723
Investors' assets	256,089	184,230
Financial ratios		
NAV per unit	124.78	123.58
Dividend per unit	13.30	5.40
Return (%) *)	5.61%	23.58%
Benchmark return (%)	9.04%	17.80%
Total expense ratio	0.56%	0.53%
Annual percentage rate (APR) at 31 December	0.74%	0.78%

*) Past performance is no guarantee of current or future performance.

¹⁾ The unit class was launched on 1 February 2016.

Sydinvest Verden Etik W DKK d – Financial Statements

NOTES

Note (DKK 1,000)	2017	2016 ¹⁾	Note (DKK 1,000)	2017	2016 ¹⁾
a. Share of net profit for the year			c. Units in circulation		
Share of joint portfolio profit	13,412	26,767	Nominal (DKK 1,000)	205,235	149,072
Class-specific other income	9	9	Quantity	2,052,358	1,490,723
Class-specific costs *)	(1,168)	(714)			
Share of tax	(747)	(519)	d. Investors' assets		
Share of total net profit for the year	11,506	25,543			
*) Class-specific costs			d1. Units in circulation		
Fees to custodian	94	71	Units in circulation at 1 Jan	149,072	0
Other costs relating to asset management	730	415	Issues during the year	85,530	331,665
Other costs	104	77	Redemptions during the year	(29,367)	(182,593)
Fixed management fee	240	151	Total units in circulation	205,235	149,072
Total class-specific costs	1,168	714	d2. Investors' assets		
b. Distribution of profit			Investors' assets at 1 Jan	184,230	0
b1. To be allocated			Issues during the year	104,440	346,666
Proposed distribution for the financial year	27,296	8,050	Redemptions during the year	(35,646)	(189,319)
Brought forward for distribution next year	194	9	Net issue surcharges and redemption deductions	179	1,340
Available for distribution	27,490	8,059	Distribution from last year concerning units in circulation at 31 Dec	(8,050)	0
Brought forward to investors' assets	(15,984)	17,484	Changes in dividend distribution due to issues/redemptions	(570)	0
Total distribution	11,506	25,543	Proposed distribution for the financial year	27,296	8,050
			Brought forward from income statement	(15,984)	17,484
b2. Available for distribution			Brought forward for distribution next year	194	9
Brought forward for distribution from last year	9	0	Investors' assets at year-end	256,089	184,230
Share of interest	10	3			
Share of dividends	6,753	4,427			
Other income	9	9			
Share of non-refundable tax on coupons	(747)	(519)			
Share of capital gains for distribution	17,683	2,405			
Distribution adjustment in connection with issue/redemption concerning the above items	5,164	2,769			
Available for distribution before administrative costs	28,881	9,094			
Set-off of administrative costs	(1,168)	(714)			
Distribution adjustment of administrative costs in connection with issue/redemption	(223)	(321)			
Total administrative costs	(1,391)	(1,035)			
Available for distribution	27,490	8,059			

¹⁾ The unit class was launched on 1 February 2016.

Verden Ligevægt & Value KL

Fund report

Fund data and unit class data	Verden Ligevægt & Value A DKK	Verden Ligevægt & Value W DKK d
ISIN	DK0010101740	DK0060726909
Date of establishment	11 September 1987	12 April 2016
Launch date	16 November 1987	18 April 2016
Listed	Yes	Yes
Currency	DKK	DKK
Income fund	Yes	Yes
Denomination	100	100
Risk category	5	5
Approved for marketing in Germany	No	No
Benchmark	MSCI All Country World Index	
Secondary name	Sydinvest Global Value Equities KL	

Introduction

The fund report should be read together with the sections in the annual report "Financial markets in 2017" on page 6, "Asset developments" on page 10 and "Risks" on page 15 to provide a complete picture of developments. The evaluation by the Board of Directors and Executive Management regarding fund specific risks appears below. For further information on risks associated with investing in the fund, reference is made to the current prospectus which may be downloaded at www.sydinvest.dk, www.sydinvest.de and www.sydinvest.com.

Investment profile

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. When the fund invests in 200 shares, each share will constitute around 0.5% of the fund. By investing an equal share in each equity we ensure a relatively heavy weighting of small and medium-sized shares and less so of large shares. Consequently exposure to small shares is achieved in a systematic manner without taking substantial risks in individual companies. 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. Historically small and inexpensive companies have produced an excess return. It is this return that we are trying to provide with an equal weight value strategy.

The fund is divided into the unit classes Verden Ligevægt & Value A DKK and Verden Ligevægt & Value W DKK d. The investments in the individual unit classes are identical. The level of costs varies according to the unit class in which investors invest.

Risk profile

The fund invests broadly in shares from the whole world. The fund reduces risk by spreading investments across several markets, thereby taking into account regional cyclical fluctuations. Fund return depends on movements in share prices and exchange rates. The fund is suitable for investments with a time horizon of at least four years.

The fund is placed in risk category 5.

Developments

The development in the NAV of the unit classes in 2017 appears from the table below. The differences in returns are attributable to the level of costs in the individual classes.

Unit class	Return	Benchmark
Verden Ligevægt & Value A DKK	4.10%	9.04%
Verden Ligevægt & Value W DKK d	5.15%	9.04%

The market slightly exceeded expectations at the beginning of the year but the fund underperformed its benchmark, see the table above.

Equity markets developed extremely well in 2017 mainly due to a global upturn in growth which gained momentum during the year. As a result consumer confidence rose and corporate earnings grew. Cyclical sectors such as IT, materials and industrials were the top performers. Geographically emerging markets saw the largest price increases because they benefited from rising commodity prices.

The fund produced a return that is below the change in its benchmark due to the fund's focus on small and medium-sized value shares. Value shares could not keep up with growth shares which topped return tables as a group in 2017. Particularly the large shares in the growth category, such as Facebook and Amazon, saw considerable price increases.

Market outlook

A continuing global upturn and growing corporate earnings suggest that 2018 may be another good year for shares. However risks are equally high due to high pricing and generally high debt levels. The principal risk in 2018 is rising inflationary pressure, which may accelerate monetary policy tightening. We project that the fund will generate a return in 2018 on a par with or above its benchmark as the fund is actively managed.

Verden Ligevægt & Value KL – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2013-2017

(DKK 1,000)	2017	2016	2015	2014	2013
Financial highlights					
Net profit for the year	57,391	101,140	29,691	54,228	53,318
Investors' assets	1,399,517	1,066,309	389,301	377,805	406,095
Financial ratios					
Tracking error	3.05	2.89	2.26	1.19	1.65
Active share	81.37	78.79	80.39	84.02	79.87
Portfolio turnover rate (PTR)	0.21	0.45	0.30	0.77	0.96

Breakdown of profit for the year and investors' assets by unit class

(DKK 1,000)	2017		2016	
	Net profit for the year	Investors' assets at year-end	Net profit for the year	Investors' assets at year-end
Verden Ligevægt & Value A DKK	14,421	317,719	59,738	705,697
Verden Ligevægt & Value W DKK d ¹⁾	42,970	1,081,798	41,402	360,612
Total	57,391	1,399,517	101,140	1,066,309

¹⁾ The unit class was launched on 18 April 2016.

INCOME STATEMENT

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
Interest and dividends					
1. Interest	(62)	18	Distribution of profit from the unit classes		
2. Dividends	44,768	17,163	To be allocated		
Total interest and dividends			Total proposed distribution for the financial year		
	44,706	17,181		113,240	67,081
			Total brought forward for distribution next year		
				778	358
Capital gains and losses					
3. Shares	33,578	93,521	Total available for distribution		
Currency accounts	(1,906)	(709)	Total brought forward to investors' assets		
Other assets and liabilities	(24)	40		(56,627)	33,701
4. Transaction costs, operating activities	(1,376)	(645)	Total distribution		
Total capital gains and losses				57,391	101,140
Other income	32	20	Distribution of profit in the unit classes		
Total income			Verden Ligevægt & Value A DKK		
	75,010	109,408	Proposed distribution for the financial year		
5. Administrative costs	(12,796)	(6,358)		23,844	56,336
Pre-tax profit			Brought forward for distribution next year		
	62,214	103,050		44	167
6. Tax	(4,823)	(1,910)	Brought forward to investors' assets		
Net profit for the year				(9,467)	3,235
	57,391	101,140	Verden Ligevægt & Value W DKK d		
			Proposed distribution for the financial year		
				89,396	10,745
			Brought forward for distribution next year		
				734	191
			Brought forward to investors' assets		
				(47,160)	30,466

Verden Ligevægt & Value KL – Financial Statements

BALANCE SHEET 31 DECEMBER 2017

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
ASSETS			LIABILITIES		
Liquid funds			7. Investors' assets *)	1,399,517	1,066,309
Deposits with custodian	17,828	28,496	Other debt		
Total liquid funds	17,828	28,496	Payables	2,433	1,948
8. Holdings			Total other debt	2,433	1,948
Listed shares in Danish companies	7,561	5,264	TOTAL LIABILITIES	1,401,950	1,068,257
Listed shares in foreign companies	1,372,391	1,029,644	*) Investors' assets by unit class		
Total holdings	1,379,952	1,034,908	Verden Ligevægt & Value A DKK	317,719	705,697
Other assets			Verden Ligevægt & Value W DKK d	1,081,798	360,612
Interest receivable, dividends receivable etc	2,912	1,655	Total	1,399,517	1,066,309
Receivables – unsettled transactions	1,258	3,198			
Total other assets	4,170	4,853			
TOTAL ASSETS	1,401,950	1,068,257			

Verden Ligevægt & Value KL – Financial Statements

NOTES

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
1. Interest			5. Administrative costs		
Deposits with custodian	68	18			
Interest expense and negative interest with custodian	(130)	0	Class-specific costs		
Total interest	(62)	18	Marketing costs	4,441	2,930
			Fees to custodian	1,197	591
2. Dividends			Other costs relating to asset management	5,276	2,015
Listed shares in Danish companies	182	0	Other costs	88	11
Listed shares in foreign companies	44,586	17,163	Fixed management fee *)	1,794	811
Total dividends	44,768	17,163	Total class-specific costs	12,796	6,358
			*) The management fee represents a "fixed management fee" which includes costs relating to the Board of Directors, Executive Management, audit etc. Total remuneration to the Board of Directors and Executive Management appears from the Directors' Report under "Remuneration of Board of Directors and Executive Management" to which reference is made.		
3. Capital gains and losses			Audit fees appear from joint note 2 to which reference is made.		
Shares			6. Tax		
Listed shares in Danish companies	1,973	190	The fund is not liable to pay tax.		
Listed shares in foreign companies	31,566	92,961	Adjustment – dividend tax etc	4,823	1,910
Unlisted shares in foreign companies	39	370	Total tax	4,823	1,910
Total shares	33,578	93,521			
			7. Investors' assets		
4. Transaction costs			Investors' assets at 1 Jan	1,066,309	389,301
All transaction costs	2,768	1,556	Issues during the year	909,859	713,355
Covered by income from issue and redemption	(1,392)	(911)	Redemptions during the year	(565,803)	(108,555)
Transaction costs, operating activities	1,376	645	Net issue surcharges and redemption deductions	336	1,683
			Distribution from last year concerning units in circulation at 31 Dec	(67,081)	(33,650)
			Changes in dividend distribution due to issues/redemptions	(1,494)	3,035
			Proposed distribution for the financial year	113,240	67,081
			Brought forward from income statement	(56,627)	33,701
			Brought forward for distribution next year	778	358
			Investors' assets at year-end	1,399,517	1,066,309
			8. Financial instruments (securities)		
			A list of financial instruments (securities) is available free of charge from the investment management company.		

Verden Ligevægt & Value KL – Financial Statements

SUPPLEMENTARY NOTES WITHOUT REFERENCE

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
a. Portfolio turnover			d. Shares by industry		
Market value of purchase of securities	1,167,665	951,997	Financials	18.55%	18.59%
Market value of sale of securities	854,250	376,717	Information Technology	16.83%	14.89%
Total market value	2,021,915	1,328,714	Consumer Discretionary	12.30%	11.60%
b. Breakdown of financial instruments			Industrials	10.78%	11.33%
Listed financial instruments	98.60%	97.06%	Health Care	10.58%	11.65%
Financial instruments listed on other regulated market	0.00%	0.00%	Consumer Staples	8.60%	9.55%
Newly issued financial instruments for which listing on a stock exchange or other regulated market is planned	0.00%	0.00%	Energy	7.13%	7.52%
Other financial instruments	0.00%	0.00%	Materials	5.21%	5.22%
	98.60%	97.06%	Telecommunications Services	3.94%	4.50%
Other assets/other debt	1.40%	2.94%	REIT	2.63%	0.00%
Total	100.00%	100.00%	Utilities	2.05%	2.21%
			Cash, derivatives etc	1.40%	2.94%
			Total	100.00%	100.00%
c. Shares by country					
USA	46.29%	52.59%			
Canada	9.37%	4.06%			
Japan	8.09%	7.77%			
France	6.07%	4.26%			
UK	5.22%	4.24%			
China	3.82%	3.58%			
Italy	2.51%	2.14%			
South Korea	2.23%	1.90%			
Other	15.00%	16.52%			
Cash, derivatives etc	1.40%	2.94%			
Total	100.00%	100.00%			

Verden Ligevægt & Value A DKK – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2013-2017

(DKK 1,000)	2017	2016 ¹⁾	2015	2014	2013
Financial highlights					
Share of net profit	14,421	59,738	29,691	54,228	53,318
Units in circulation nominal	378,480	804,801	473,942	419,967	465,605
Units in circulation quantity	3,784,795	8,048,006	4,739,415	4,199,671	4,656,047
Investors' assets	317,719	705,697	389,301	377,805	406,095
Financial ratios					
NAV per unit	83.95	87.69	82.14	89.85	87.22
Dividend per unit	6.30	7.00	7.10	15.10	9.60
Return (%) *)	4.10%	17.07%	7.26%	15.88%	16.10%
Benchmark return (%)	9.04%	10.69%	9.00%	18.39%	17.49%
Total expense ratio	1.65%	1.46%	1.38%	1.36%	1.33%
Annual percentage rate (APR) at 31 December	1.74%	1.76%	1.79%	1.87%	1.75%
Sharpe Ratio (5 yrs)	1.19	1.33	0.81	1.34	1.20
Standard deviation (5 yrs)	9.58	9.54	10.17	8.32	10.77

*) Past performance is no guarantee of current or future performance.

¹⁾ The fund was converted to a unit class on 18 April 2016.

Verden Ligevægt & Value A DKK – Financial Statements

NOTES

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
a. Share of net profit for the year			c. Units in circulation		
Share of joint portfolio profit	24,657	66,754	Nominal (DKK 1,000)	378,480	804,801
Class-specific other income	13	17	Quantity	3,784,795	8,048,006
Class-specific costs *)	(8,155)	(5,557)			
Share of tax	(2,094)	(1,476)	d. Investors' assets		
Share of total net profit for the year	14,421	59,738			
*) Class-specific costs			d1. Units in circulation		
Marketing costs	4,441	2,930	Units in circulation at 1 Jan	804,801	473,942
Fees to custodian	724	460	Issues during the year	142,989	422,993
Other costs relating to asset management	2,091	1,503	Redemptions during the year	(569,310)	(92,134)
Other costs	21	11	Total units in circulation	378,480	804,801
Fixed management fee	878	653	d2. Investors' assets		
Total class-specific costs	8,155	5,557	Investors' assets at 1 Jan	705,697	389,301
b. Distribution of profit			Issues during the year	118,019	358,041
b1. To be allocated			Redemptions during the year	(463,505)	(71,779)
Proposed distribution for the financial year	23,844	56,336	Net issue surcharges and redemption deductions	282	1,011
Brought forward for distribution next year	44	167	Distribution from last year concerning units in circulation at 31 Dec	(56,336)	(33,650)
Available for distribution	23,888	56,503	Changes in dividend distribution due to issues/redemptions	(859)	3,035
Brought forward to investors' assets	(9,467)	3,235	Proposed distribution for the financial year	23,844	56,336
Total distribution	14,421	59,738	Brought forward from income statement	(9,467)	3,235
			Brought forward for distribution next year	44	167
			Investors' assets at year-end	317,719	705,697
b2. Available for distribution					
Brought forward for distribution from last year	167	144			
Share of interest	26	15			
Share of dividends	18,543	13,255			
Other income	13	17			
Share of non-refundable tax on coupons	(2,094)	(1,476)			
Share of capital gains for distribution	36,364	29,660			
Distribution adjustment in connection with issue/redemption concerning the above items	(24,117)	24,843			
Available for distribution before administrative costs	28,902	66,458			
Set-off of administrative costs	(8,155)	(5,557)			
Distribution adjustment of administrative costs in connection with issue/redemption	3,141	(4,398)			
Total administrative costs	(5,014)	(9,955)			
Available for distribution	23,888	56,503			

Verden Ligevægt & Value W DKK d – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2016-2017

(DKK 1,000)	2017	2016 ¹⁾
Financial highlights		
Share of net profit	42,970	41,402
Units in circulation nominal	902,989	307,010
Units in circulation quantity	9,029,892	3,070,097
Investors' assets	1,081,798	360,612
Financial ratios		
NAV per unit	119.80	117.46
Dividend per unit	9.90	3.50
Return (%) [*])	5.15%	17.46%
Benchmark return (%)	9.04%	13.58%
Total expense ratio	0.56%	0.43%
Annual percentage rate (APR) at 31 December	0.78%	0.78%

^{*}) Past performance is no guarantee of current or future performance.

¹⁾ The unit class was launched on 18 April 2016.

Verden Ligevægt & Value W DKK d – Financial Statements

NOTES

Note (DKK 1,000)	2017	2016 ¹⁾	Note (DKK 1,000)	2017	2016 ¹⁾
a. Share of net profit for the year			c. Units in circulation		
Share of joint portfolio profit	50,321	42,635	Nominal (DKK 1,000)	902,989	307,010
Class-specific other income	19	3	Quantity	9,029,892	3,070,097
Class-specific costs *)	(4,641)	(802)			
Share of tax	(2,729)	(434)	d. Investors' assets		
Share of total net profit for the year	42,970	41,402			
*) Class-specific costs			d1. Units in circulation		
Fees to custodian	473	131	Units in circulation at 1 Jan	307,010	0
Other costs relating to asset management	3,186	513	Issues during the year	683,116	339,504
Other costs	66	0	Redemptions during the year	(87,137)	(32,494)
Fixed management fee	916	158	Total units in circulation	902,989	307,010
Total class-specific costs	4,641	802	d2. Investors' assets		
b. Distribution of profit			Investors' assets at 1 Jan	360,612	0
b1. To be allocated			Issues during the year	791,840	355,314
Proposed distribution for the financial year	89,396	10,745	Redemptions during the year	(102,298)	(36,776)
Brought forward for distribution next year	734	191	Net issue surcharges and redemption deductions	54	672
Available for distribution	90,130	10,936	Distribution from last year concerning units in circulation at 31 Dec	(10,745)	0
Brought forward to investors' assets	(47,160)	30,466	Changes in dividend distribution due to issues/redemptions	(635)	0
Total distribution	42,970	41,402	Proposed distribution for the financial year	89,396	10,745
b2. Available for distribution			Brought forward from income statement	(47,160)	30,466
Brought forward for distribution from last year	191	0	Brought forward for distribution next year	734	191
Share of interest	43	9	Investors' assets at year-end	1,081,798	360,612
Share of dividends	26,225	3,909			
Other income	19	3			
Share of non-refundable tax on coupons	(2,729)	(434)			
Share of capital gains for distribution	35,852	5,021			
Distribution adjustment in connection with issue/redemption concerning the above items	36,783	3,656			
Available for distribution before administrative costs	96,384	12,164			
Set-off of administrative costs	(4,641)	(802)			
Distribution adjustment of administrative costs in connection with issue/redemption	(1,613)	(426)			
Total administrative costs	(6,254)	(1,228)			
Available for distribution	90,130	10,936			

¹⁾ The unit class was launched on 18 April 2016.

Verden Ligevægt & Value Akkumulerende KL

Fund report

Fund data and unit class data	Verden Ligevægt & Value A DKK Akk	Global Value Equities B EUR Acc	Verden Ligevægt & Value W DKK Acc
ISIN	DK0060669091	DK0060647600	DK0060751428
Date of establishment	8 July 2015	16 June 2015	29 August 2016
Launch date	23 November 2015	18 September 2015	05 October 2016
Listed	Yes	No	No
Currency	DKK	EUR	DKK
Income fund	No	No	No
Denomination	100	10	100
Risk category	5	5	5
Approved for marketing in Germany	No	Yes	No
Benchmark	MSCI All Country World Index		
Secondary name	Sydinvest Global Value Equities Acc KL		

Introduction

The fund report should be read together with the sections in the annual report "Financial markets in 2017" on page 6, "Asset developments" on page 10 and "Risks" on page 15 to provide a complete picture of developments. The evaluation by the Board of Directors and Executive Management regarding fund specific risks appears below. For further information on risks associated with investing in the fund, reference is made to the current prospectus which may be downloaded at www.sydinvest.dk, www.sydinvest.de and www.sydinvest.com.

Investment profile

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. When the fund invests in 200 shares, each share will constitute around 0.5% of the fund. By investing an equal share in each equity we ensure a relatively heavy weighting of small and medium-sized shares and less so of large shares. Consequently exposure to small shares is achieved in a systematic manner without taking substantial risks in individual companies. 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. Historically small and inexpensive companies have produced an excess return. It is this return that we are trying to provide with an equal weight value strategy.

The fund is divided into the unit classes Verden Ligevægt & Value A DKK Akk, Global Value Equities B EUR and Verden Ligevægt & Value W DKK Acc. The investments in the individual unit classes are identical. The level of costs varies according to the unit class in which investors invest.

Risk profile

The fund invests broadly in shares from the whole world. The fund reduces risk by spreading investments across several markets, thereby taking into account regional cyclical fluctuations. Fund return depends on movements in share prices and exchange rates. The fund is suitable for investments with a time horizon of at least four years.

The fund is placed in risk category 5.

Developments

The development in the NAV of the unit classes in 2017 appears from the table below. The differences in returns are attributable to the level of costs in the individual classes and the fact that fund currency varies in the individual unit classes. The different currencies also explain the difference in the development of the benchmark.

Unit class	Return	Benchmark
Verden Ligevægt & Value A DKK Akk	3.84%	9.04%
Global Value Equities B EUR Acc	4.22%	8.89%
Verden Ligevægt & Value W DKK Acc	4.94%	9.04%

The market slightly exceeded expectations at the beginning of the year but the fund underperformed its benchmark, see the table above.

Equity markets developed extremely well in 2017 mainly due to a global upturn in growth which gained momentum during the year. As a result consumer confidence rose and corporate earnings grew. Cyclical sectors such as IT, materials and industrials were the top performers. Geographically emerging markets saw the largest price increases because they benefited from rising commodity prices.

The fund produced a return that is below the change in its benchmark due to the fund's focus on small and medium-sized value shares. Value shares could not keep up with growth shares which topped return tables as a group in 2017. Particularly the large shares in the growth category, such as Facebook and Amazon, saw considerable price increases.

Market outlook

A continuing global upturn and growing corporate earnings suggest that 2018 may be another good year for shares. However risks are equally high due to high pricing and generally high debt levels. The principal risk in 2018 is rising inflationary pressure, which may accelerate monetary policy tightening. We project that the fund will generate a return in 2018 on a par with or above its benchmark as the fund is actively managed.

Verden Ligevægt & Value Akkumulerende KL – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2015-2017

(DKK 1,000)	2017	2016	2015 ¹⁾
Financial highlights			
Net profit for the year	14,352	13,470	(120)
Investors' assets	591,241	309,297	63,920
Financial ratios			
Portfolio turnover rate (PTR)	0.14	0.73	0.31

¹⁾ The fund was launched on 18 September 2015.

Breakdown of profit for the year and investors' assets by unit class

(DKK 1,000)	2017		2016	
	Net profit for the year	Investors' assets at year-end	Net profit for the year	Investors' assets at year-end
Verden Ligevægt & Value A DKK Akk	3,396	70,812	7,732	220,738
Global Value Equities B EUR Acc	4,152	118,124	5,008	76,627
Verden Ligevægt & Value W DKK Acc	6,804	402,305	730	11,932
Total	14,352	591,241	13,470	309,297

¹⁾ The unit class was launched on 5 October 2016.

INCOME STATEMENT

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
Interest and dividends			Distribution of profit from the unit classes		
1. Interest	(26)	7	To be allocated		
2. Dividends	12,970	2,704	Total brought forward to investors' assets	14,352	13,470
Total interest and dividends	12,944	2,711	Total distribution	14,352	13,470
Capital gains and losses			Distribution of profit in the unit classes		
3. Shares	7,983	12,429	Brought forward to investors' assets		
Currency accounts	(355)	(119)	Verden Ligevægt & Value A DKK Akk	3,396	7,732
Other assets and liabilities	(8)	0	Global Value Equities B EUR Acc	4,152	5,008
4. Transaction costs, operating activities	(474)	(183)	Verden Ligevægt & Value W DKK Acc	6,804	730
Total capital gains and losses	7,146	12,127	Total	14,352	13,470
Other income	9	3			
Total income	20,099	14,841			
5. Administrative costs	(4,279)	(1,049)			
Pre-tax profit	15,820	13,792			
6. Tax	(1,468)	(322)			
Net profit for the year	14,352	13,470			

Verden Ligevægt & Value Akkumulerende KL – Financial Statements

BALANCE SHEET 31 DECEMBER 2017

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
ASSETS			LIABILITIES		
Liquid funds			6. Investors' assets *)	591,241	309,297
Deposits with custodian	34,090	15,318	Other debt		
Total liquid funds	34,090	15,318	Interest payable	2	0
8. Shares			Payables	849	402
Listed shares in Danish companies	3,184	1,574	Payables – unsettled transactions	314	0
Listed shares in foreign companies	551,063	292,406	Total other debt	1,165	402
Total shares	554,247	293,980	TOTAL LIABILITIES	592,406	309,699
Other assets			*) Investors' assets by unit class		
Interest receivable, dividends receivable etc	986	401	Verden Ligevægt & Value A DKK Akk	70,812	220,738
Receivables – unsettled transactions	3,083	0	Global Value Equities B EUR Acc	118,124	76,627
Total other assets	4,069	401	Verden Ligevægt & Value W DKK Acc	402,305	11,932
TOTAL ASSETS	592,406	309,699	Total	591,241	309,297

Verden Ligevægt & Value Akkumulerende KL – Financial Statements

NOTES

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
1. Interest			5. Administrative costs		
Deposits with custodian	18	9			
Interest expense and negative interest with custodian	(44)	(2)	Class-specific costs		
Total interest	(26)	7	Marketing costs	1,764	501
			Fees to custodian	367	67
2. Dividends			Other costs relating to asset management	1,546	312
Listed shares in Danish companies	58	0	Other costs	27	34
Listed shares in foreign companies	12,912	2,704	Fixed management fee *)	575	135
Total dividends	12,970	2,704	Total class-specific costs	4,279	1,049
			*) The management fee represents a "fixed management fee" which includes costs relating to the Board of Directors, Executive Management, audit etc. Total remuneration to the Board of Directors and Executive Management appears from the Directors' Report under "Remuneration of Board of Directors and Executive Management" to which reference is made.		
3. Capital gains and losses			Audit fees appear from joint note 2 to which reference is made.		
Shares			6. Tax		
Listed shares in Danish companies	628	64	The fund is not liable to pay tax.		
Listed shares in foreign companies	7,345	12,249	Adjustment – dividend tax etc	1,468	322
Unlisted shares in foreign companies	10	116	Total tax	1,468	322
Total shares	7,983	12,429			
4. Transaction costs			7. Investors' assets		
All transaction costs	1,130	456	Investors' assets at 1 Jan	309,297	63,920
Covered by income from issue and redemption	(656)	(273)	Issues during the year	492,958	240,033
Transaction costs, operating activities	474	183	Redemptions during the year	(225,720)	(8,416)
			Net issue surcharges and redemption deductions	354	290
			Brought forward from income statement	14,352	13,470
			Investors' assets at year-end	591,241	309,297
			8. Financial instruments (securities)		
			A list of financial instruments (securities) is available free of charge from the investment management company.		

Verden Ligevægt & Value Akkumulerende KL – Financial Statements

SUPPLEMENTARY NOTES WITHOUT REFERENCE

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
a. Portfolio turnover			d. Shares by industry		
Market value of purchase of securities	540,560	276,445	Financials	17.73%	18.50%
Market value of sale of securities	288,102	58,041	Information Technology	15.48%	14.77%
Total market value	828,662	334,486	Consumer Discretionary	11.79%	11.45%
b. Breakdown of financial instruments			Health Care	10.42%	11.73%
Listed financial instruments	93.74%	95.05%	Industrials	10.23%	10.89%
Financial instruments listed on other regulated market	0.00%	0.00%	Consumer Staples	8.46%	9.24%
Newly issued financial instruments for which listing on a stock exchange or other regulated market is planned	0.00%	0.00%	Energy	6.55%	7.56%
Other financial instruments	0.00%	0.00%	Materials	4.96%	4.46%
	93.74%	95.05%	Telecommunications Services	3.79%	4.08%
Other assets/other debt	6.26%	4.95%	REIT	2.40%	0.00%
Total	100.00%	100.00%	Utilities	1.93%	2.37%
c. Shares by country			Cash, derivatives etc	6.26%	4.95%
USA	44.74%	53.24%	Total	100.00%	100.00%
Canada	9.10%	3.81%			
Japan	6.82%	7.84%			
France	6.15%	4.35%			
UK	5.17%	4.29%			
China	3.39%	3.46%			
Italy	2.58%	2.20%			
Switzerland	2.13%	2.38%			
Other	13.66%	13.48%			
Cash, derivatives etc	6.26%	4.95%			
Total	100.00%	100.00%			

Verden Ligevægt & Value A DKK Akk – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2015-2017

(DKK 1,000)	2017	2016	2015 ¹⁾
Financial highlights			
Share of net profit for the year	3,396	7,732	(1,731)
Units in circulation nominal	57,390	185,765	29,795
Units in circulation quantity	573,897	1,857,648	297,945
Investors' assets	70,812	220,738	30,305
Financial ratios			
NAV per unit	123.39	118.83	101.71
Return (%) [*]	3.84%	16.83%	(4.88%)
Benchmark return (%)	9.04%	10.69%	(4.41%)
Total expense ratio	1.69%	1.40%	0.54%
Annual percentage rate (APR) at 31 December	1.74%	1.74%	1.76%

^{*}) Past performance is no guarantee of current or future performance.

¹⁾ The fund was launched on 23 November 2015.

NOTES

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
a. Share of net profit for the year			d. Investors' assets		
Share of joint portfolio profit	6,278	8,523			
Class-specific other income	2	1	d1. Units in circulation		
Class-specific costs [*])	(2,252)	(630)	Units in circulation at 1 Jan	185,765	29,795
Share of tax	(632)	(162)	Issues during the year	33,520	160,616
Share of total net profit for the year	3,396	7,732	Redemptions during the year	(161,895)	(4,646)
			Total units in circulation	57,390	185,765
[*]) Class-specific costs			d2. Investors' assets		
Marketing costs	1,221	323	Investors' assets at 1 Jan	220,738	30,305
Fees to custodian	207	42	Issues during the year	40,573	187,186
Other costs relating to asset management	577	162	Redemptions during the year	(193,935)	(4,661)
Other costs	4	31	Net issue surcharges and redemption deductions	40	176
Fixed management fee	243	72	Brought forward from income statement	3,396	7,732
Total class-specific costs	2,252	630	Investors' assets at year-end	70,812	220,738
b. Distribution of profit					
Brought forward to investors' assets	3,396	7,732			
Total distribution	3,396	7,732			
c. Units in circulation					
Nominal (DKK 1,000)	57,390	185,765			
Quantity	573,897	1,857,648			

Global Value Equities B EUR Acc – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2013-2017

(DKK 1,000)	2017	2016	2015 ¹⁾	2014 ²⁾	2013 ²⁾
Financial highlights					
Share of net profit	4,152	5,008	1,611	5,657	5,619
Share of net profit for the year **)	4,152	5,008	2,544	5,657	5,619
Units in circulation nominal	78,138	53,900	28,238	32,604	36,634
Units in circulation quantity (EUR)	1,049,941	710,778	365,657	436,915	490,923
Investors' assets	118,124	76,627	33,615	37,627	36,283
Financial ratios					
NAV per unit (EUR)	15.11	14.50	12.32	11.54	9.90
Return in EUR (%) *)	4.22%	17.70%	6.75%	16.52%	15.92%
Benchmark return in EUR (%)	8.89%	11.09%	8.76%	18.61%	17.49%
Total expense ratio	1.12%	1.10%	0.48%	1.13%	1.15%
Total expense ratio**)	1.12%	1.10%	1.35%	1.13%	1.15%
Annual percentage rate (APR) at 31 December	1.99%	1.97%	2.09%	-	-
Sharpe Ratio (5 yrs)	1.19	1.33	0.81	1.36	1.22
Standard deviation (5 yrs)	9.65	9.65	10.21	8.27	10.74

*) Past performance is no guarantee of current or future performance.

¹⁾ The unit class was launched on 18 September 2015.

²⁾ Financial highlights from ISI Global Value Equities.

**)

NOTES

Note (DKK 1,000)	2017	2016	Note (DKK 1,000)	2017	2016
a. Share of net profit for the year			d. Investors' assets		
Share of joint portfolio profit	5,779	5,568			
Class-specific other income	2	2	d1. Units in circulation		
Class-specific costs *)	(1,217)	(405)	Units in circulation at 1 Jan	53,900	28,238
Share of tax	(412)	(157)	Exchange rate adjustment of units in circulation at 1 Jan	(1,015)	0
Share of total net profit for the year	4,152	5,008	Issues during the year	32,940	28,489
			Redemptions during the year	(7,687)	(2,827)
*) Class-specific costs			Total units in circulation	78,138	53,900
Marketing costs	542	178			
Fees to custodian	57	21	d2. Investors' assets		
Other costs relating to asset management	433	143	Investors' assets at 1 Jan	76,627	33,615
Other costs	7	2	Issues during the year	48,705	41,656
Fixed management fee	178	61	Redemptions during the year	(11,514)	(3,755)
Total class-specific costs	1,217	405	Net issue surcharges and redemption deductions	154	103
			Brought forward from income statement	4,152	5,008
b. Distribution of profit			Investors' assets at year-end	118,124	76,627
Brought forward to investors' assets	4,152	5,008			
Total distribution	4,152	5,008			
			c. Units in circulation		
Nominal (DKK 1,000)	78,138	53,900			
Quantity (EUR)	1,049,941	710,778			

Verden Ligevægt & Value W DKK Acc – Financial Statements

FINANCIAL HIGHLIGHTS FOR 2015-2017

(DKK 1,000)	2017	2016 ¹⁾
Financial highlights		
Share of net profit	6,804	730
Units in circulation nominal	346,286	10,778
Units in circulation quantity	3,462,858	107,775
Investors' assets	402,305	11,932
Financial ratios		
NAV per unit	116.18	110.71
Return (%) *)	4.94%	10.71%
Benchmark return (%)	9.04%	7.43%
Total expense ratio	0.54%	0.17%
Annual percentage rate (APR) at 31 December	0.78%	0.78%

*) Past performance is no guarantee of current or future performance.

¹⁾ The unit class was launched on 5 October 2016.

NOTES

Note (DKK 1,000)	2017	2016 ¹⁾	Note (DKK 1,000)	2017	2016 ¹⁾
a. Share of net profit for the year			d. Investors' assets		
Share of joint portfolio profit	8,033	747			
Class-specific other income	4	0	d1. Units in circulation		
Class-specific costs *)	(810)	(14)	Units in circulation at 1 Jan	10,778	0
Share of tax	(423)	(3)	Issues during the year	353,830	10,778
Share of total net profit for the year	6,804	730	Redemptions during the year	(18,322)	0
			Total units in circulation	346,286	10,778
*) Class-specific costs					
Fees to custodian	104	5	d2. Investors' assets		
Other costs relating to asset management	536	7	Investors' assets at 1 Jan	11,932	0
Other costs	16	0	Issues during the year	403,680	11,191
Fixed management fee	154	2	Redemptions during the year	(20,271)	0
Total class-specific costs	810	14	Net issue surcharges and redemption deductions	160	11
			Brought forward from income statement	6,804	730
b. Distribution of profit			Investors' assets at year-end	402,305	11,932
Brought forward to investors' assets	6,804	730			
Total distribution	6,804	730			
c. Units in circulation					
Nominal (DKK 1,000)	346,286	10,778			
Quantity	3,462,858	107,775			

¹⁾ The unit class was launched on 5 October 2016.

Joint Notes

1. ACCOUNTING POLICIES

The 2017 Annual Report of Investeringssforeningen Sydinvest is prepared in accordance with the provisions of the Danish investment Associations, etc. Act and the Danish executive order on the presentation of financial reports by Danish UCITS.

Foreign currency translation

Income and expenses settled in foreign currency are translated to DKK and recognised in the income statement using the exchange rates prevailing at the transaction date.

Securities and receivables in foreign currency are translated to DKK according to the exchange rates for listed currencies at 1600 GMT.

Uncertainty regarding recognition and measurement

The most significant uncertainty concerning recognition and measurement is related to determination of a correct fair value of financial instruments as, in some circumstances, such determination is based on an estimate made by management. These estimates are made in accordance with accounting policies based on past experience and assumptions considered reasonable and realistic by management, see measurement of financial instruments.

Areas involving a higher degree of assessment comprise:

- listed financial instruments that are priced in markets with a low trading volume
- unlisted financial instruments – in particular corporate bonds – involving significant estimates in connection with fair value measurement.

Income statement

Interest and dividends

Interest includes accrued interest on bonds, convertible bonds and deposits with the custodian and other banks. Interest receivable is recognised under other assets.

Dividends include Danish and foreign dividends from shares and units which have been declared. Dividends are recognised at the time of adoption by the general meeting of the dividend distributing company.

Interest on and dividends from securities in foreign currencies are included in the income statement at the exchange rates prevailing at the time of receipt. Accrued interest on foreign securities is calculated on the basis of the officially listed exchange rates at the balance sheet date.

Interest expense as regards amounts owed to the custodian is realised in connection with unsettled

transactions. Negative interest is included under interest expense.

Capital gains and losses

Realised and unrealised capital gains and losses on financial instruments, including securities, derivatives and other assets and liabilities, are recognised in the income statement.

Realised capital gains and losses are measured per ISIN as the difference between the selling price and the fair value at the beginning of the year or the acquisition cost if the asset has been acquired during the financial year.

Unrealised capital gains and losses are measured per ISIN as the difference between the fair value at the beginning of the year and year-end or the acquisition cost if the asset has been acquired during the financial year.

Changes in the fair value of financial instruments are recognised in the income statement under derivatives.

Transaction costs

Transaction costs are determined as all direct costs etc in connection with trading in financial instruments.

The share of transaction costs incurred in connection with the purchase and sale of financial instruments and deriving from issue and redemption is recognised directly in investors' assets.

Administrative costs

The Investment Fund pays a fixed management fee representing costs charged according to separate agreement with Syd Fund Management A/S concerning administration.

Adjustments have been made between administrative costs and the market value adjustment of units to reflect costs from underlying units.

External costs are paid separately in addition to the fixed management fee.

The funds have entered into separate agreements with Syd Fund Management A/S on fixed management fees.

Other income

Other income is a new item as of the 2016 financial year. Comparative figures have been restated as regards this item.

Other income is allocated proportionately among the funds affected. Other income will primarily consist of refunded VAT.

Tax

The funds are not independently liable to pay tax. Tax for the year consists exclusively of non-refundable tax on coupons and dividends withheld by foreign tax authorities in connection with interest and dividend payments.

Distribution of net profit and distribution statement

The proposal for distribution of net profit by the Board of Directors and proposed distribution as regards each fund are stated beneath the income statement of the fund.

The distributable amount is calculated in compliance with section 16C of the Danish Tax Assessment Act, which stipulates the minimum income. The amount consists of interest earned and dividends, unrealised and realised net capital gains on derivatives, realised net capital gains on bonds and instruments, realised net capital gains on holdings as well as amounts carried forward as a result of the rounding down of the minimum income in previous years.

With respect to funds/unit classes that have not existed for the entire financial year, the distributable amount is calculated from the establishment of the fund/unit class. With respect to unit classes established in connection with the demerger in 2017, the distributable amount is calculated for the entire financial year.

If the calculated minimum income is positive, administrative costs insofar as the minimum income allows as well as amounts carried forward due to a negative minimum income in previous years are deducted.

Any remaining minimum income is carried forward for set-off against future years' minimum income.

Any voluntary distribution may be added to the minimum income.

The payout ratio is calculated as the amount available for distribution in percentage terms of the capital in circulation of the fund at the balance sheet date. The calculated payout ratio is rounded down to the nearest amount divisible by 0.1% in accordance with section 16 C of the Danish Tax Assessment Act. Excess amounts are carried forward for distribution in the following year. As a result funds with a negative result may distribute dividends.

In years when distributable capital gains have not been obtained, funds which distribute dividends in accordance with Article 26(3) of the Articles of Association distribute dividends consisting of interest income less administrative costs.

The difference between net profit and distribution is added to/deducted from the assets of the fund.

The distributable amount includes a distribution adjustment in accordance with section 16C of the Danish Tax Assessment Act to prevent the payout ratio from being affected by issues and redemptions.

If the minimum income is positive the item "Brought forward for distribution next year" will consist of the remaining amount after the rounding down of "Available for distribution". If the minimum income is negative the item will represent this amount.

With respect to tax-free mergers, interest, dividends, capital gains and administrative costs of the discontinuing fund/unit class in the period from the beginning of the year until the merger date are included in the distribution regarding the continuing fund/unit class.

The statement of minimum income is specified in a note.

Funds which for tax purposes have been established as tax-exempt investment companies are not required to distribute dividends. In these funds the Board of Directors recommends distribution to the general meeting for approval. According to their articles of association these funds may distribute from their assets.

Balance sheet

Financial instruments (securities etc)

Initial recognition of financial instruments is at fair value. Unless otherwise stated below, financial instruments are measured at fair value. Derecognition of financial instruments is at the date of sale.

A financial instrument is defined as any contract that both gives rise to a financial asset of one entity and a financial liability or an equity instrument of another entity. Examples of financial instruments are liquid funds, bonds, shares and derivatives.

The fair value of listed holdings, units, bonds etc is determined at the closing price on the balance sheet date or other market based price if this is assumed to be a better expression of the fair value.

Unlisted securities are measured at an estimated value at the balance sheet date to reflect fair value determined according to market-consistent methods of calculation. Bonds traded via the US OTC – Fixed Income Pricing System are included under listed bonds.

Derivatives are measured at fair value at the balance sheet date. Derivatives not publicly quoted are measured at fair value calculated on the basis of the publicly quoted prices of the underlying instruments. Positive fair value of derivatives is recognised under assets and negative fair value under liabilities.

Other assets/other debt

Other assets and other debt are measured at fair value.

Receivables/payables concerning unsettled transactions consist of the proceeds of buying and selling securities as well as issues and redemptions occurring before the balance sheet date where

settlement is effected after the balance sheet date. If the amount shows a receivable, it is recorded as a receivable concerning unsettled transactions under other assets. If the amount shows a debt, it is recorded as a payable concerning unsettled transactions under other debt.

Interest receivable consists of accrued interest at the balance sheet date.

Dividends receivable consist of dividends declared before the balance sheet date but paid after the balance sheet date.

Payables consist of accrued expenses regarding for instance consulting fees or custody fees which the fund is obliged to pay but which are not paid until after the balance sheet date. Payables are measured at fair value.

Investors' assets

Investors' assets are specified in a note. Assets include issues and redemptions for the year, issue surcharges and redemption deductions. Net issue surcharges and net redemption deductions are determined after deduction of transaction costs relating to issues or redemptions.

Finally investors' assets include the amount brought forward from the income statement. With respect to income funds, assets also include proposed unpaid dividend for the year. If the determined minimum income for the year is negative the amount is deducted from assets.

Funds with unit classes

Some funds are offered in several unit classes. A fund with several unit classes consists of a joint portfolio (multi class) where joint investments are made in securities for the unit classes. Costs are paid as class-specific costs.

Joint financial statements are prepared for the entire fund (multi class) as well as relevant notes to the individual unit classes. The financial ratios concerning return, NAV, costs, distribution and number of units are calculated for the individual unit classes.

Fund merger

In connection with mergers, assets and liabilities acquired are recognised and measured at fair value on the date of exchange.

Merger consideration received by the continuing fund on the date of exchange is added as a separate item in the statement of assets of the continuing fund under the item "Investors' assets". The assets of the continuing fund (multi class)/unit class at the beginning of the period are not adjusted and comparative figures in the income statement, the balance sheet and notes as well as financial ratios are not restated.

With respect to funds that were subject to fund mergers in 2016, comparative figures from the

discontinuing unit classes B are however included in the continuing unit classes B.

Financial ratios

The financial ratios are calculated in accordance with the Danish executive order on financial reports for investment funds etc as well as standards issued by the Danish Investment Association.

The annual report includes the following financial ratios:

- Units in circulation
- Units in circulation (quantity) (in the denomination currency of the fund/unit class)
- NAV at year-end (in the denomination currency of the fund/unit class)
- Dividend per unit (in the denomination currency of the fund/unit class)
- Return (in the denomination currency of the fund/unit class)
- Benchmark return (in the denomination currency of the fund/unit class)
- Total expense ratio
- APR
- Portfolio turnover rate
- Sharpe Ratio
- Standard deviation
- Active share
- Tracking error.

Units in circulation

The nominal capital in circulation of a fund at year-end.

Units (quantity)

Number of units issued registered with VP Securities at year-end.

NAV at year-end

NAV per unit is calculated as:

Total investors' assets / units in circulation at year-end.

With respect to unit classes denominated in a currency other than the currency of the fund (multi class), NAV is calculated as:

- Investors' assets / units in circulation at year-end / exchange rate.

Investors' assets in income funds include distribution for the financial year.

Dividend per unit

Dividend per unit is calculated as:

- Distribution to investors / units in circulation at year-end.

Return

Return is calculated in accordance with the Danish executive order on the presentation of financial statements by investment associations and special-purpose associations etc.

In income funds/unit classes return is calculated as:

- $((\text{NAV at 31 Dec} / \text{NAV at 1 Jan} - 1) \times 100) + \text{distribution per unit} \times \text{NAV at 31 Dec} / \text{NAV immediately after distribution}$.

In accumulation funds/unit classes return is calculated as:

- $(\text{NAV at 31 Dec} / \text{NAV at 1 Jan} - 1) \times 100$.

Benchmark return

The annual return of the benchmark with which the fund can be compared according to the prospectus.

Total expense ratio (TER)

The total expense ratio of the funds/unit classes is calculated as:

- $\text{Total administrative costs} / \text{average assets} \times 100$.

According to the guidelines of the Danish FSA average assets are defined as a simple average of the sum of assets at the end of each month.

APR

Annual Percentage Rate. APR is based on costs as specified in Key Investor Information.

Annual administrative costs in percentage terms of average assets are included in the calculation of APR. Administrative costs are restated to cover changes in cost rates during the year, according to agreements concluded, to the effect that the changes would have impacted costs since the beginning of the year. In addition transaction costs of operating activities in percentage terms of average assets as well as current maximum issue surcharges and redemption deductions according to the prospectus are included.

The financial ratio is calculated on the basis of an expected holding period of seven years by the investor.

As regards new funds whose first financial reporting period deviates from one year, administrative costs and transaction costs are translated to full-year terms.

Portfolio turnover rate (PTR)

The portfolio turnover rate is calculated as:

- $((\text{Market value of purchases} + \text{market value of sales} - \text{market value of purchases in connection with issues} - \text{market value of sales in connection with redemptions}) / 2) / \text{investors' average assets}$.

The market value of purchases and sales is determined on the basis of realised buying and selling prices including transaction costs. In addition redemption of bonds is included in the market value of sales.

Determination of investors' average assets is as described under total expense ratio.

Sharpe Ratio

The Sharpe Ratio is a measure expressing risk assumed by an investor relative to return achieved. The greater the Sharpe Ratio, the better the fund's risk-adjusted performance.

The standard deviation and the Sharpe Ratio of a fund are only calculated if the fund has existed for a minimum of 36 months.

Standard deviation

Standard deviation is a measure of the probability that the return of a period is close to the average return recorded during that period.

Active share

Active share is used by equity funds and measures the percentage of holdings that differs from the fund's benchmark.

Active share is only calculated if the fund has a benchmark and has existed for a minimum of 36 months.

Tracking error

Tracking error is a measure of fluctuations in active return over time where active return represents the difference between the return of the investment and the return achievable via a passive investment in the benchmark.

Tracking error measures the volatility of active return. The greater the variation in active return, the larger the fund's tracking error.

Tracking error is only calculated if the fund has a benchmark and has existed for a minimum of 36 months.

Supplementary notes

Supplementary notes "without reference" are included as a result of guidelines issued by the European Securities and Markets Authority (ESMA) on ETFs and other UCITS issues as well as the European Parliament and Council regulation on transparency of securities financing transactions.

2. ADMINISTRATIVE COSTS

The funds' administrative costs consist of the following:

- Fees paid to investment advisers in connection with securities investments
- Remuneration to distribution channels regarding the sale of the Investment Fund's units and advice provided to customers concerning the sale and purchase of units
- Management fee to Syd Fund Management A/S for management of the Investment Fund and its funds
- Fees paid to the Investment Fund's custodian
- Other administrative costs.

Administrative costs are included in the calculation of the total expense ratio of the individual funds/unit classes.

The total expense ratio appears from the financial statements of the individual funds/unit classes.

Remuneration of Board of Directors and Executive Management

The Investment Fund's total remuneration to the Board of Directors and the Executive Management appears from the Directors' Report under "Remuneration of Board of Directors and Executive Management" on page 15, to which reference is made.

Remuneration to the Board of Directors and the Executive Management is included in the item "Fixed management fee", which appears from the note "Administrative costs" in the financial statements of the funds.

3. SIGNIFICANT AGREEMENTS

The most significant agreements of any importance which the Investment Fund and the funds have concluded with businesses associated with the Investment Fund's management company are listed below.

The current rates always appear from the Investment Fund's prospectus.

Custodian bank agreement

The Investment Fund has concluded an agreement with Sydbank A/S whereby the bank as a custodian manages and keeps in custody securities and liquid funds of each of the Investment Fund's funds in compliance with the Danish Investment Associations, etc. Act as well as the stipulations of the Danish FSA and undertakes the control responsibilities and obligations contained herein.

Agreement on marketing, distribution and arranging for sale

The Investment Fund has concluded an agreement with Syd Fund Management on marketing, distribution and arranging for the sale of Sydinvest units. Payment for these services is included in the management fee agreed for the individual fund. Syd

Auditors' fee

Ernst & Young, Godkendt Revisionspartnerselskab performs the audit of the Investment Fund.

The auditors' fee is included in the item "Fixed management fee", which appears from the note "Administrative costs" in the financial statements of the Investment Fund. The total auditors' fee (audit fees and fees for other services) of the Investment Fund for 2017 represents:

Audit fees	2017 (DKK 1,000)	2016 (DKK 1,000)
Audit fees	718.8	853.4
Assurance engagements	18.8	0.0
Fees for other services	0.0	47.9
Total auditors' fee	737.5	901.3

Fees for other assurance engagements comprise reports on the exchange ratio in connection with mergers.

Fund Management has outsourced the distribution and arranging for the sale of Sydinvest units to Sydbank.

Portfolio advice agreement

The Investment Fund has concluded an agreement with Sydbank A/S on portfolio advice. As a result the bank prepares macro-economic analyses and investment proposals to be applied as input by the investment department of the investment management company in its formulation of an investment strategy and its subsequent implementation.

Management agreement

The Investment Fund has concluded an agreement with Syd Fund Management A/S whereby the company undertakes the Investment Fund's administrative and investment responsibilities in compliance with the Danish Investment Associations, etc. Act, the Investment Fund's Articles of Association and instructions issued by the Investment Fund's Board of Directors, including investment limits applying to the individual funds. The price agreed as regards the individual fund or unit class appears from the prospectus.

The price paid for services is fixed subject to negotiation between Syd Fund Management A/S and the provider of the individual service.

Market maker agreement

The Investment Fund has concluded an agreement with Sydbank whereby the bank quotes two-sided prices as regards the products listed on InvesteringForeningsBørsen (IFX) under Nasdaq Copenhagen A/S. The purpose of the quotation is to generate liquidity within the Investment Fund's products. Furthermore the agreement ensures that investors are able to trade at spreads (difference between buying and selling prices) which are better than the requirements of the Danish Investment Associations, etc. Act. Quotation is based on fund NAV and the related issue and redemption prices.

Agreement on issue of units

The Investment Fund has concluded an issuer agreement with Sydbank. The issuer undertakes to provide VP Securities (CSD) with the required information as regards each fund on terms and conditions applying to the relevant ISIN. Moreover the issuer must provide information about capital increases and reductions, dividend payments etc,

4. COUNTERPARTY TO DERIVATIVES

Investeringforeningen Sydinvest may receive collateral as security for unsettled gains on derivatives. The custodian of the Investment Fund, Sydbank A/S, is the counterparty to all derivatives.

money accounts for payment to and from the Investment Fund as well as other issues as described in the guidelines and rules of VP. The information must be provided in accordance with these guidelines and rules.

The issuer is obliged to maintain information concerning all the Investment Fund's funds which are registered with VP. Securities and foreign exchange agreement.

Securities trading agreement

The Investment Fund has concluded a securities trading agreement with Sydbank.

Trading is at market prices plus any foreign transaction costs to cover Sydbank's costs in connection with execution of the trade.

In connection with execution of the trade a commission is paid to Sydbank.

Commission in connection with securities trading is included under "Transaction costs".

The Investment Fund can reinvest collateral received. All collateral is held with the custodian.

If a fund uses derivatives, the underlying values are stated in a separate note.

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