



2019 Annual Report

Investment Fund under Danish Law

CVR No: 24260534

Investeringsforeningen Sydinvest

Sydinvest

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Investment Fund Information

Investeringsforeningen Sydinvest
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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, General Manager
(Chairman)
Linda Sandris Larsen, Associate Professor
Niels Therkelsen, General Manager

Day-to-day management

Eskild Bak Kristensen, CEO

Investment management company

Syd Fund Management A/S
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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
Dirch Passers Allé 36
2000 Frederiksberg, Denmark

General meeting

The annual general meeting
will be held on 1 April 2020 at 3:00pm
Sønderjyllands Hallen, Aabenraa, Denmark

Places of Payment and Sales Offices

Places of payment and sales offices in Germany

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The prospectus, Key Investor Information, the articles of association as well as interim and annual reports are available free of charge at all places of payment and sales offices.

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 2019

2019 was an extremely good year for financial markets even though the negative news made the biggest headlines. Monetary policy easing by leading central banks and sharp drops in market rates were the main determinants of a highly favourable trend in bond markets and equity markets. In addition economic indicators improved somewhat towards the end of the year.

Downward trend in the world economy

The trade war between USA and China had a negative impact on world trade and by extension global growth in 2019. The drawn-out Brexit process in the UK also represented an element of uncertainty not least for Europe's economy. It must be assumed that the uncertainties of the trade war and Brexit had a detrimental effect on consumption and investments.

The slowdown in the global economy was more pronounced than anticipated at the beginning of 2019. Several international organisations, for instance the OECD and the IMF, lowered their global growth estimates for 2019 and 2020 as a result. USA recorded the strongest growth among leading mature economies in 2019 even though it was lower than the year before. Japan's growth rate was on a par with the previous year but still below 1%. Growth in Europe was under pressure and was lower than the year before and Germany's economy in particular struggled and recorded negative growth in the second quarter. Emerging markets also experienced a decline in growth. Among the major economies China was the top performer despite the trade war. Growth in India disappointed on the back of uncertainty about the regulation of the corporate sector and the health of the non-bank financial sector.

Progress in USA

The momentum of the long economic upturn in the US slowed in 2019. This was the result of several factors where higher tariffs on imported goods and tensions in the trade war play a significant part. In addition the effect of the large-scale fiscal easing measures, which were introduced in 2017 and 2018, subsided in 2019. The labour market has been very strong in USA and unemployment dropped to levels seen half a century ago. This resulted in rises in hourly pay and real wages, which together with high asset prices supported growth in private consumption.

Disappointing growth in Europe

Growth was lower than expected in Europe in 2019. The trade war and uncertainty surrounding Brexit left an unmistakable imprint on exports and investment activity. This impacted the manufacturing industry in particular but also had a negative effect on the service sector. Nevertheless the labour market was relatively strong and resulted in a decline in unemployment. Inflation was subdued but due to the elements of

uncertainty the greater purchasing power among consumers did not result in a corresponding increase in spending. On the other hand growth in savings has increased. At the end of the year there were signs of a turnaround in some of the economic indicators, which is the basis for some hope of stronger growth.

Growth in Japan at a low level

Growth in Japan remains low, which is due in particular to the lacklustre growth in world trade that has hit exports. However real wages have started to go up in Japan, which supported private consumption in 2019. In addition corporate investments have grown and finally the country's fiscal policy was eased via increases in public investments.

New markets

In 2019 growth declined as expected in China but less than feared given the tension in the trade area. One of the reasons was that China brought forward exports ahead of the higher US tariffs. The transition from investment to consumption has reduced the need to import capital goods and commodities. Another contributing factor is domestic production which has been relatively larger than previously. Consequently a solid trend in private consumption has not aggravated the Chinese trade balance. The Chinese authorities have eased monetary and fiscal policy to support domestic growth.

Growth contracted in India where especially exports and investments were hit by lower foreign demand as well as a lack of reform of the financial sector. In May President Modi turned an impending election defeat into a comfortable victory after the military conflict with Pakistan in February. In September corporation tax was unexpectedly reduced from 30% to 22%. New businesses are only required to pay 15%. This makes it more attractive for new businesses to start activities in India.

In Latin America focus was on the presidential election in Argentina. Market-friendly President Macri found himself defeated by socialist candidate Fernández at the election in October. This outcome shook markets and triggered sharp declines in bond prices, share prices and exchange rates. After a lengthy lead-up Brazil's much-needed pension reform was adopted. The economic difficulties continued in Venezuela and the situation deteriorated further after USA imposed additional sanctions on the country.

Fossil fuels

Oil prices were more stable in 2019 than in previous years but due to the sharp drops in oil prices during the last months of 2018, prices still went up by around 35%. However the price of other fossil fuels such as coal and natural gas fell considerably on the back of lower demand as a result of more subdued global

growth and other fuels being preferred to this type of fuel.

Inflation still under control

Lower than expected global growth in 2019 contributed to curbing inflation. There was an overall downward trend in commodity prices but oil and metals such as gold and silver rose in price. Nominal wages went up on account of strong labour markets in many places but the rate of increase was moderate and was counterbalanced to a certain extent by increases in productivity.

Easing signals by central banks

Monetary policy surprised in 2019 compared to expectations at the beginning of the year. At the end of 2018 the Fed had signalled three rate hikes of 0.25 percentage points. The protracted trade war and its growth implications as well as low inflation prompted the Fed to change its signals. Instead we saw three rate cuts of 0.25 percentage points in an attempt to support the US economy. The weakness in the European economy also called for a reduction in the key rate but as it was already very low the European Central Bank (ECB) was only able to muster a rate cut of 0.1 percentage point. However the ECB announced that it would restart its quantitative easing as of 1 November and buy EUR 20bn worth of assets a month. In Europe the monetary policy room for manoeuvre is extremely limited and against this background the ECB urged countries in the EU to consider the possibility of easing fiscal policy so as to stimulate economic activity in this way. A number of central banks have lowered their key rates in light of the weaker economy. In the UK, Sweden and Norway the central banks have swum against the current and raised their key rates.

Yield developments

Headed by USA, macroeconomic, monetary and political signals paved the way for massive drops in government bond yields across the entire yield curve in trend-setting countries. High-yield bond yields also saw declines and a narrowing of the yield spread to equivalent US government bonds. In the latter case this was most pronounced among corporate bonds with low credit ratings and hard currency bonds from emerging market countries.

High-yield bonds

High-yield bonds have benefited from declining government yields and monetary easing by central banks. The higher oil prices were a positive stimulus for emerging market countries. These factors carried greater weight than the negative stimulus of the trade war. Excess yields to equivalent US government bonds fell in 2019 as regards all asset types. At benchmark level it would seem that bonds from emerging market countries issued in local currency recorded the largest drop in yields. However this conceals several technical issues. For instance bonds from Venezuela, which saw large rises in yields in 2019, were assigned a weight of 0% in the benchmark due to sanctions from USA. As a result of lower yields and strengthened currencies emerging market bonds issued in local currency generated the highest returns. Bonds issued by companies with poor credit quality performed best among corporate bonds but bonds issued by companies with high credit quality also recorded high

returns in 2019. Default rates remained low also in 2019.

EUR weakening

EUR softened against several currencies as a result of the weak trend in the European economy. Both USD and JPY strengthened against EUR, by 1.8% and 2.8% respectively. The largest weakening and strengthening occurred against emerging market currencies. In particular the Egyptian pound, the Russian rouble, the Thai baht, the Philippine peso and the Indonesian rupiah appreciated against EUR while the opposite was true of the Argentine peso, the Brazilian real and the Turkish lira.

Rising equity markets

Equity markets were generally on an upward trend during 2019. Falling interest rates were a significant reason for the substantial price gains in 2019. A worsening of the trade war and announcements concerning Brexit only had a temporary and short-lived effect on the trend in prices. At the end of 2018 expectations as regards corporate earnings were significantly revised downwards but during 2019 the majority of companies published earnings reports that were better than expected.

In the large mature equity markets USA, France and Germany were the best performers measured in local currency, posting returns of more than 20%. As a result of the JPY appreciation Japanese shares measured in DKK also generated a return of upwards of 20%. In the US companies such as Apple and Facebook and IT companies saw large gains after the declines in prices in 2018.

In the new markets shares from Russia performed in a class of their own followed by Brazil. Declines in interest rates were part of the explanation but country-specific circumstances also played a part. In Russia some of the largest companies decided to pay out very large dividends, which was very warmly welcomed by the market. In Brazil it was positive that a pension reform was adopted.

The Chinese equity market was the market most severely affected by developments in the trade war. There was a strong trend in the market at the end of the year when the tone in the negotiations between USA and China grew more conciliatory. On the other hand shares from Hong Kong were under pressure due to turmoil and demonstrations against the government in China at the end of the year.

A popular rising was also seen in Chile, one of the few markets in 2019 posting a negative return. However the poorest trend was recorded in Argentina, where share prices dropped by about 30% measured in local currency. In addition the Argentine peso weakened sharply so translated to DKK prices more than halved in Argentina.

Sector developments

On a global level information technology was the best performing sector in 2019 followed by industrials and communications services. IT shares benefited from the low interest rates and the structural development in the area. Energy along with utilities and consumer staples were the poorest performing sectors.

Performance

All funds and unit classes investing in equities and bonds have generated positive returns.

Net profit

Net profit for 2019 totalled DKK 3.4bn compared to minus DKK 2.1bn in 2018. The Board of Directors will recommend to the general meeting that the Investment Fund distribute dividends totalling DKK 0.7bn to investors for 2019. The amount for 2018 was DKK 0.7bn. Returns and dividend rates for the individual funds and unit classes have been calculated after costs and appear from tables 1-7. Dividends have been 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.

High returns in share markets

All funds and unit classes investing in equities yielded positive returns in 2019. In mature share markets the funds BRIK KL and Morningstar Global Bæredygtig KL generated the highest returns. Both funds recorded returns below their respective benchmarks. Morningstar Global Bæredygtig KL is passively managed. Among the funds investing according to an equal weight and value strategy, USA Ligevægt & Value KL was the top performer but compared to its benchmark the fund was the poorest performer of all our funds and unit classes. Value shares were unable to keep up with growth shares and the price of large shares went up more than the price of smaller shares in 2019. Consequently all funds investing according to an equal weight and value strategy underperformed compared to their benchmarks. In the US IT shares, which are typically growth shares, performed well in particular, which hit USA Ligevægt & Value KL especially hard. The asset selection in Danmark KL resulted in underperformance.

Equity funds investing in emerging markets also generated high returns. The BRIC funds along with the Far Eastern funds delivered the highest returns. The BRIC funds benefited from a very strong Russian share market supported by interest rate declines and huge dividend payouts by a number of major companies. Shares from Brazil and China also performed well whereas Indian shares disappointed with a more modest return. The BRIC funds underperformed due to an overweight in Indian shares and company picks in Brazil. Company picks in China and Russia added to relative return. On the other hand the Far Eastern funds significantly outperformed their benchmarks. The outperformance at country level was driven by overweights in China and Taiwan and an underweight in South Korea. The funds were also rewarded for betting on a number of themes such as IT with high entry barriers, the rollout of the 5G network, financial

inclusion in India as well as focus on the environment and consumption in China. Some of the same themes played out in equity funds investing globally in emerging markets and contributed to outperformance but with lower returns as a result. Latinamerika KL was the poorest performer among funds investing in emerging markets and underperformed. This was primarily attributable to the company picks in Brazil.

Positive bond returns

Despite the low interest rates at the beginning of 2018 they went even lower. This meant that there was potential for positive returns in all funds and unit classes investing in bonds. Danish bond funds generated the lowest returns but outperformed their benchmarks. The reason for this was that Danish mortgage bonds yielded higher returns than Danish government bonds as Danish bond funds have a significant overweight position in mortgage bonds. The returns in International KL and International Akkumulerende KL were higher than the returns in the Danish bond funds but lower than the returns of their benchmarks. This is due to lower interest rate sensitivity and currency allocation in the fund than in the benchmark.

Among the funds and unit classes investing in high-yield bonds HøjrenteLande Lokal Valuta KL and HøjrenteLande Lokal Valuta Akk. KL produced the highest returns thanks to a combination of declining interest rates and strengthened currencies. The interest rate sensitivity of HøjrenteLande Valuta KL is lower than the two funds mentioned above and the fund generated a lower return as a result. HøjrenteLande Korte Obligationer Akk. KL was the poorest performer among high-yield funds. The other funds and unit classes investing exclusively in bonds issued in hard currency yielded the second-lowest returns. The return of HøjrenteLande Mix KL lies in-between. High-yield funds with benchmarks all underperformed their benchmarks. In all instances this was due in part to investments in some of the markets that were hit the hardest, for instance Venezuela and Argentina. For part of 2019 HøjrenteLande Mix KL had an overweight position in bonds issued in hard currency where bonds issued in local currency performed best.

Among the funds investing in corporate bonds Virksomhedsobligationer HY KL and Virksomhedsobligationer HY Akk. KL delivered the highest returns and Virksomhedsobligationer IG KL generated a slightly lower return. All funds with corporate bonds outperformed their benchmarks.

Table 1

Dividends at 31 December 2019			
Funds without underlying unit classes as well as unit classes A			
Fund/unit class	Dividend for the financial year		
	2017	2018	2019 ¹⁾
Bonds			
Fonde KL	2,00	18	12
HøjrenteLande A DKK	14,3	2,8	3,1
HøjrenteLande Lokal Valuta A DKK	11	0,00	3,3
HøjrenteLande Mix A DKK	6,8	3,6	3,7
HøjrenteLande Valuta A DKK	0,00	0,00	2,3
International A DKK	0,3	0,00	0,00
Korte Obligationer A DKK	11	12	0,8
Mellemlange Obligationer A DKK	100	0,8	2,5
Virksomhedsobligationer HY A DKK	0,00	2,3	0,4
Virksomhedsobligationer HY ETIK A DKK ¹⁾	-	-	18
Virksomhedsobligationer IG A DKK	12,8	0,00	0,3
Virksomhedsobligationer IG ETIK A DKK ¹⁾	-	-	0,7
Shares			
BRK KL	16,00	14,6	20,1
Danmark A DKK	30,5	30,00	7,3
Europa Ligevægt & Value A DKK	4,1	4,8	10,0
Fjernøsten A DKK	23,3	0,00	8,00
Globale EM-aktier A DKK	14,3	0,8	4,6
Latinamerika KL	0,00	0,00	2,9
Morningstar Global Bæredygtig KL ²⁾	-	-	4,9
Tyskland A DKK	0,00	6,00	13,2
USA Ligevægt & Value A DKK	3,1	3,8	2,4
Verden Etik A DKK ¹⁾	-	-	5,7
Verden Ligevægt & Value A DKK	6,3	6,2	4,00

¹⁾ Proposed dividend

Table 2

Dividends at 31 December 2019			
Unit classes B – targeting foreign investors			
Fund/unit class	Dividend for the financial year		
	2017	2018	2019 ¹⁾
Bonds			
Danish Bonds B DKK d	0,11	0,09	0,25
Emerging Market Bonds B EUR d	138	0,27	0,3
Emerging Market Local Currency Bonds B EUR d	0,33	0,00	0,29
International Bonds B EUR d	0,16	0,00	0,00
Shares			
Danish Equities B DKK d	124	1,9	0,31

¹⁾ Proposed dividend

Table 3

Dividends at 31 December 2019
Unit classes W – targeting Sydinvest Portefølje and Sydbank's Asset Management clients

Fund/unit class	Dividend for the financial year		
	2017	2018	2019 ¹⁾
Bonds			
HøjrenteLande W DKK d	14,7	3,3	3,6
HøjrenteLande Lokal Valuta W DKK d	16	0,00	4,00
HøjrenteLande Mix W DKK d	7,1	4,2	3,5
HøjrenteLande Valuta W DKK d	0,00	0,00	2,9
International W DKK d	0,5	0,00	0,00
Korte Obligationer W DKK d	13	12	0,8
Mellemlange Obligationer W DKK d	13	11	2,8
Virksomhedsobligationer HY W DKK d h	0,00	2,7	0,8
Virksomhedsobligationer HY ETIK W DKK d h	2,5	3,4	1,7
Virksomhedsobligationer IG W DKK d h	10,8	0,00	0,6
Virksomhedsobligationer IG ETIK W DKK d h	3,7	0,00	0,00
Shares			
Danmark W DKK d	-	12,5	3,4
Europa Ligevægt & Value W DKK d	4,5	5,4	15
Fjernøsten W DKK d	24,5	0,00	9,6
Globale EM-aktier W DKK d	15,4	19	5,5
USA Ligevægt & Value W DKK d	8,3	10,3	6,9
Verden Etik W DKK d	13,3	10,00	6,3
Verden Ligevægt & Value W DKK d	9,9	10,00	6,6

¹⁾ Proposed dividend

Table 4

NAV and total value increase at 31 December 2019
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	86,88	0,09	2,53	4,9	9,31	24,82
HøjrenteLande A DKK	83,52	10,81	8,4	14,69	12,83	66,00
HøjrenteLande A DKK Akk	94,78	0,69	8,28	14,48	12,9	64,23
HøjrenteLande Korte Obligationer A DKK Akk	100,31	4,74	5,89	6,76	8,27	-
HøjrenteLande Lokal Valuta A DKK	18,56	15,1	0,66	16,89	7,31	58,72
HøjrenteLande Mix A DKK	82,28	12,08	8,27	14,52	6,86	53,16
HøjrenteLande Valuta A DKK	18,13	10,43	6,48	12,68	4,9	37,48
International A DKK	18,05	2,58	-1,84	0,48	5,87	39,03
Korte Obligationer A DKK	99,15	0,57	2,32	4,18	5,86	14,22
Mellemlange Obligationer A DKK	111,12	1,53	3,54	5,66	-	-
Mellemlange Obligationer A DKK Akk	105,6	149	3,53	5,6	-	-
Virksomhedsobligationer HY A DKK	84,58	12,14	10,82	15,07	20,58	69,34
Virksomhedsobligationer HY A DKK Akk	85,64	12,00	10,76	15,5	22,82	74,27
Virksomhedsobligationer HY ETIK A DKK ¹⁾	112,25	2,25	-	-	-	-
Virksomhedsobligationer IG A DKK	104,03	9,46	7,81	11,05	15,81	-
Virksomhedsobligationer IG ETIK A DKK ¹⁾	100,13	0,13	-	-	-	-
Shares						
BRK KL	216,00	28,73	54,57	89,68	74,69	80,97
BRK A DKK Akk	335,47	28,62	54,61	90,87	77,39	83,93
Danmark A DKK	229,1	24,2	19,16	54,75	150,4	208,16
Europa Ligevægt & Value A DKK	73,96	21,65	15,54	33,81	61,29	85,78
Fjernøsten A DKK	177,68	26,9	30,1	38,41	73,24	126,3
Fjernøsten A DKK Akk	267,58	26,11	29,18	36,71	70,2	118,59
Globale EM-aktier A DKK	136,22	23,43	33,96	42,44	-	-
Globale EM-aktier A DKK Akk	170,48	23,48	33,27	42,9	-	-
Latinamerika KL	334,3	9,37	22,14	20,31	6,78	26,4
Morningstar Global Bæredygtig KL ²⁾	100,22	20,22	-	-	-	-
Tyskland A DKK	129,05	26,28	14,48	30,36	60,54	92,48
USA Ligevægt & Value A DKK	39,15	25,27	22,00	64,00	164,2	287,1
Verden Etik A DKK ¹⁾	18,06	8,06	-	-	-	-
Verden Ligevægt & Value A DKK	82,02	23,43	19,2	49,68	113,7	169,28
Verden Ligevægt & Value A DKK Akk	111,02	23,61	16,67	-	-	-

¹⁾ Launch date 30 September 2019.

²⁾ Launch date 26 November 2018.

Table 5

NAV and total value increase at 31 December 2019

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	9.96	153	3.64	5.05	-	-
Danish Bonds B DKK Acc	33.75	15	3.64	5.85	9.97	25.95
Emerging Market Bonds B EUR d	7.89	0.61	8.32	0.58	-	-
Emerging Market Bonds B EUR Acc h	29.68	0.99	9.01	6.41	14.1	67.84
Emerging Market Local Currency Bonds B EUR d	10.00	6.1	10.59	7.91	-	-
Emerging Market Local Currency Bonds B EUR Acc	7.94	6.05	10.55	10.09	5.5	54.23
International Bonds B EUR d	8.77	2.51	-1.85	-7.39	-	-
International Bonds B EUR Acc	6.3	2.61	-2.07	-6.6	5.54	34.27
Shares						
Danish Equities B DKK d	8.9	24.52	20.9	-	-	-
Far East Equities B EUR Acc	36.16	26.23	29.37	37.06	70.71	16.35
Global EM Equities B EUR Acc	37.33	23.67	33.75	418	42.86	44.79
Global Value Equities B EUR Acc	17.34	23.92	16.6	50.26	12.95	17.16
Latin America Equities B EUR Acc	30.73	8.6	21.71	20.81	7.64	29.09

Table 6

NAV and total value increase at 31 December 2019

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	2665.0	11.64	11.11	10.44	6.1	75.33
Emerging Market Local Currency Bonds I EUR Acc	1346.49	6.65	2.32	9.83	9.59	60.24
Emerging Market Sustainable Blended Debt USD Acc	16.49	13.09	6.48	-	-	-

Asset developments

Investors showed flagging interest in investing through Sydinvest in 2019 as net redemptions totalled DKK 3.3bn. The number of investors declined to around 53,000 at year-end.

In 2019 the Investment Fund's total assets declined by DKK 0.9bn to DKK 29.4bn. To this must be added that Sydinvest paid out dividends totalling DKK 0.7bn to investors in January 2019. Assets under management invested in equities rose by 10.7% and assets under management invested in bonds dropped by 8.9%.

Market outlook for 2020

Looking forward there are several reasons to be positive on shares even though, measured by various indicators, they grew more expensive during 2019. This presupposes that the trade war finally reaches a tolerable outcome for both parties and that we can put Brexit behind us. In most places the labour market is still healthy and growth in the digital economy is expected to secure growth in the overall economy. In addition the uncertainty mentioned earlier has given rise to accumulated demand as a result of postponed investment decisions. Against this background it is projected that corporate profits will accelerate in the second half of 2020. The expectations for corporate earnings coupled with the expectations regarding interest rate developments form a solid basis for a continued improvement in equity markets in 2020. Shares from emerging markets in particular look interesting.

Table 7

NAV and total value increase at 31 December 2019

Unit classes W – targeting Sydinvest Portefølje and 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	84.05	1152	10.2	18.59	14.7	68.75
Højrentelande W DKK Acc h	120.09	115	10.14	-	-	-
Højrentelande Korte Obligationer W DKK Acc	106.08	5.8	7.51	-	-	-
Højrentelande Lokal Valuta W DKK d	120.14	6.86	12.65	19.00	9.24	61.58
Højrentelande Lokal Valuta W DKK Acc	126.52	6.78	12.81	-	-	-
Højrentelande Mix W DKK d	62.76	12.79	10.08	16.44	8.65	55.71
Højrentelande Valuta W DKK d	19.88	1105	8.08	14.37	6.48	39.54
International W DKK d	16.37	3.03	-0.53	18.1	7.25	40.89
Korte Obligationer W DKK d	99.08	0.61	2.45	4.32	6.00	14.37
Mellemlange Obligationer W DKK d	101.26	1.79	4.31	6.44	-	-
Mellemlange Obligationer W DKK Acc	133.35	1.75	3.35	-	-	-
Virksomhedsobligationer HY W DKK d h	65.33	12.71	12.34	16.65	22.24	71.68
Virksomhedsobligationer HY W DKK Acc h	121.42	12.71	12.98	-	-	-
Virksomhedsobligationer HY ETK W DKK d h	12.76	11.45	9.11	-	-	-
Virksomhedsobligationer IG W DKK d h	95.73	9.92	9.26	-	-	-
Virksomhedsobligationer IG Etik W DKK d h	102.14	9.61	6.02	-	-	-
Shares						
BRK W DKK Acc	5125	29.65	5125	-	-	-
Danmark W DKK d	88.66	24.96	-	-	-	-
Europa Ligevegt & Value W DKK d	74.5	22.57	6.00	36.63	64.69	89.7
Europa Ligevegt & Value W DKK Acc	126.12	22.08	6.54	-	-	-
Fjernesten W DKK d	180.76	27.27	33.6	41.66	77.31	131.62
Fjernesten W DKK Acc	149.9	27.8	32.69	-	-	-
Globale EM-aktier W DKK d	126.6	24.3	36.65	45.29	-	-
Globale EM-aktier W DKK Acc	122.8	24.57	36.96	-	-	-
USA Ligevegt & Value W DKK d	98.72	26.28	25.36	-	-	-
USA Ligevegt & Value W DKK Acc h	110.45	15.45	-	-	-	-
Verden Etik W DKK d	121.05	26.66	25.32	-	-	-
Verden Ligevegt & Value W DKK d	116.93	24.5	22.59	-	-	-
Verden Ligevegt & Value W DKK Acc	135.2	24.7	22.6	-	-	-

¹ Launch date: 8 February 2019

At the end of 2019 high-yield funds accounted for 28.9% of the Investment Fund's total assets compared with 31.0% in 2018. The remaining bond funds represented 36.8% against 38.9% at year-end 2018. Equity funds constituted 34.3% compared with 30.1% at year-end 2018.

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 funds and unit classes that invest in equities in emerging markets and bonds.

However one should not expect much more help from central banks but given the brighter prospects outlined above the need for help is considerably smaller. Government bond yields are not expected to go down in 2020 but the pumping of liquidity by for instance the ECB and the moderate albeit higher global level of growth are forecast to keep interest rates at a low level. This is also expected to be the case for high-yield bonds. The consequence of this scenario will be substantially lower returns in our bond funds than in 2019.

EUR is expected to be relatively stable on average compared to most currencies, including USD, so no significant contribution is expected from this quarter to our funds with unhedged currency positions.

Risk factors

At the end of 2019 forward-looking indicators showed signs of a shift to stronger growth. There is a risk that this growth will not materialise, which will keep the global economy in a state of low growth.

If growth is too high the risk for financial markets is that interest rates will go up too much and too fast, which could have negative implications for pricing in financial markets.

Business developments

Mission, vision and cooperation

“A more rewarding life” for investors is Sydinvest’s mission. “A more rewarding life” is the concept that hopefully will be the hallmark of the Investment Fund, not only in terms of cash returns but also in its 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 and passive management

In autumn 2018 Sydinvest launched its first passively managed fund, namely Sydinvest Morningstar Bæredygtig. To the greatest extent possible the fund invests in the same shares as its benchmark and in the same proportions as its benchmark. Consequently investments seek to replicate the benchmark’s investments. In passive funds the objective is to achieve a return equivalent to the return of the fund’s benchmark less costs.

All the other funds at Sydinvest 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 that is as a minimum on a par with developments in the funds’ respective benchmarks.

The Board of Directors of Sydinvest 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 legislative investment provisions.

In both cases it is extremely important how any policy measures are implemented and communicated to financial markets, which entails a risk in itself. One concrete measure that will be followed closely is the result of the rethinking of monetary policy in Europe which is necessary according to new ECB President Christine Lagarde.

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 year-end 2019 BRIK KL, BRIK Akk. KL, Latinamerika KL, Latinamerika Akk. KL, Danmark KL and Tyskland KL had an active share of less than 50% and a tracking error of below 3. The current levels are shown in table 8 below. Danmark KL and Tyskland KL are measured against relatively narrow benchmarks, which is the main reason why the active share in the two funds is lower than 50.

Danmark KL underperformed in 2019. 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 overweights in companies such as Danske Bank and underweights in companies such as Ørsted. In 2019 Tyskland KL outperformed its benchmark, which can be taken as an expression of active management. The two BRIC funds profited from share picks but lost on country picks, which is an expression of active management. The management methodology and active share level in the two Latin American funds, which are new on the list, did not change greatly in 2019 compared to previous years but volatility in Brazil’s share market dropped sharply in 2019, which is

an important factor related to the decline in tracking error.

Against this background it may be concluded that the funds' investment strategy and level of risk-taking have

Table 8

Fund	Active share	Tracking error	Fund return	Benchmark return
Danmark KL	31.80%	2.26%	24.20%	26.66%
Tyskland KL	37.91%	2.42%	26.28%	25.14%
Latinamerika KL	39.82%	2.88%	18.37%	19.79%
Latinamerika Akk. KL	40.11%	2.75%	18.16%	19.63%
BRIK KL	44.98%	2.22%	28.73%	29.86%
BRIK Akk. KL	44.78%	2.27%	28.62%	29.86%

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 53,000 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 2019 more than 6,500 investors and guests attended our investor meetings around the country.

In 2019 the theme at investor meetings was how Sydinvest included the requirements regarding responsible investment in its investment decisions.

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

been constructed in such a manner that is characteristic of actively managed funds.

of the trade association the Danish Investment 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 there is one female member on the Board of Directors, which consisted of three members at the turn of the year..

In autumn 2019 the vice-chairman and a board member resigned from the Board of Directors for personal reasons. The Board of Directors assessed that it had sufficient competences to continue as a board consisting of three members until the general meeting in 2020 when the intention is to increase the number of members to five.

Investment philosophy

In terms of the actively managed funds, 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.

As regards the fund Sydinvest Bæredygtig the philosophy is to reflect the return of its benchmark, Morningstar Global Markets Sustainability Leaders, to the greatest extent possible by continuously adapting the fund's investments to the changes in the benchmark.

CSR policy

In 2010 Sydinvest's management company, Syd Fund Management A/S, signed the UN's six Principles for Responsible Investment, PRI. This means that environmental, social and corporate governance (ESG) issues are incorporated in investment decisions as regards all funds and unit classes.

PRI consists of six principles that have become increasingly embedded in 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.

The Investment Fund's strategy is to safeguard the interests of its investors by adjusting portfolios on an ongoing basis by buying or selling securities. However in accordance with PRI their interests are also safeguarded by establishing a dialogue with companies that could be problematic in one way or another.

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 investment at Sydinvest. The screening of portfolios as regards problematic companies and countries represents an important tool in this context.

Sydinvest reports specifically on corporate social responsibility. The CSR report is available at the Investment Fund's website http://sydinvest.dk/csr_2019. Syd Fund Management A/S has formulated a policy on responsible investment. To ensure compliance with the policy the management company started a collaboration with consulting business Global Engagement Services (GES) in 2010.

GES has since been acquired by Dutch company Sustainalytics, which, on behalf of Sydinvest, screens investments made by Sydinvest in companies that have issued shares or bonds. The results of the screenings provide the starting point for the engagement activities undertaken by Sustainalytics on behalf of Sydinvest and other investors with regard to companies that have violated widely accepted international conventions and norms.

Active ownership

Moreover Sydinvest has formulated a policy on active ownership. Voting at the general meetings of selected companies is part of the engagement activities that are undertaken in relation to companies.

As a signatory to the UN's Principles for Responsible Investment, Sydinvest prepares an annual progress report stating the activities initiated relating to responsible investment. 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 Sydinvest's policies on responsible investment and active ownership are available at Sydinvest's website: <https://www.sydinvest.dk/ansvarlighed/ansvarlighed-i-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 established unit classes targeting Danish private investors (class A), foreign investors (class B), institutional investors (class I) and finally funds using Sydinvest for their investments or investors who have a portfolio management agreement (class W). 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.

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.

As a result of the interest in passive investment funds as well as ethics and sustainability Sydinvest's Board of Directors decided to establish the fund Sydinvest Morningstar Bæredygtig in 2018.

As an additional result of this interest the Board of Directors decided in 2019 that three funds, which all have an ethical profile and which are accessible to funds and portfolio management agreements, should also be offered to private investors. Consequently unit classes A were established in the funds Verden Etik KL, Virksomhedsobligationer IG Etik KL and Virksomhedsobligationer HY Etik KL.

In November the Board of Directors decided to offer yet another passive fund to private investors. The fund was named Sydinvest Verden Etik Indeks. The objective of the fund is to have a very low tracking error compared to its benchmark, which is a benchmark developed by Morningstar. The fund is expected to be launched in early 2020. At the turn of the year the fund had not yet been approved by the Danish FSA.

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 232.

Danish bond funds 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.

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 and the annual percentage rate (APR) have risen or fallen.

The Board of Directors of Sydinvest monitors the development in costs on a continuing basis to ensure that the level of costs is competitive. Compared with other investment funds, foreign as well as Danish, the assessment is that costs at Sydinvest lie at a competitive level.

In 2019 part of the VAT previously paid was refunded as a result of the Investment Fund's trading abroad. Refunds totalled DKK 1.4m compared to DKK 1.3m in 2018.

Statutory regulations

Regulations on which costs UCITS must disclose are determined by the Danish authorities as well as the EU. Here work is carried out on an ongoing basis to ensure that investors receive adequate information.

As a result indirect transaction costs for UCITS must be disclosed. Indirect costs express the differences between the buying and selling prices of securities. They can be compared to the type of costs involved in car transactions where you are not paid the same price for your used car as the dealer's subsequent selling price. Therefore they are not costs that investors must pay to the UCITS but solely an expression of market conditions.

This type of costs is not only incurred when investing in units but also when investors trade securities themselves in the market.

Remuneration of Board of Directors and Executive Management

We aim to keep remuneration at a competitive and reasonable level to make it possible to retain qualified board and 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 0.75m in 2019 (2018: DKK 1.0m). Total remuneration to the Executive Management as regards all investment funds and funds managed by Syd Fund Management represented DKK 1.9m in 2019 (2018: DKK 1.9m). Audit fees for 2019 as regards Investeringsforeningen Sydinvest amounted to DKK 776,000.

Election of Board of Directors and appointment of auditors

At the annual general meeting of the Investment Fund on 4 April 2019, the Board of Directors had proposed that Niels Therkelsen, Peter Jørgensen and Linda Sandris Larsen be re-elected. The candidates were elected. The Board of Directors subsequently elected Hans Lindum Møller as chairman and Christian Anker Hansen 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 reappointed as auditor of the Investment Fund.

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:

- 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.

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 own 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, 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.

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 in this particular area.

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. With regard to 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 2019.

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 67</p> <p>General manager</p> <p>Elected to the Board of Directors in 2004, most recently re-elected in 2018 and up for re-election in 2020.</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 • 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>Linda Sandris Larsen 41 Associate professor</p> <p>Elected to the Board of Directors in 2013, most recently re-elected in 2019 and up for re-election in 2021.</p>	<p>Holds no other directorships.</p>	
<p>Niels Therkelsen 60</p> <p>General manager</p> <p>Elected to the Board of Directors in 1987, most recently re-elected in 2019 and up for re-election in 2021.</p>	<p>General manager and member of the board of directors of:</p>	<ul style="list-style-type: none"> • NT Holding af 12. september 2005 ApS • Universal Balance Health Wisdom ApS • Business Leasing Danmark ApS • Hansaring Kiel ApS • J.A.N. Invest GmbH • Schlossalle Glücksburg GmbH
<p>Executive Management</p> <p>Eskild Bak Kristensen 64</p> <p>Appointed as CEO in 2004.</p>	<p>Member of the board of directors of:</p>	<ul style="list-style-type: none"> • The Danish Investment Association
<p>Board work included: Investeringsforeningen Sydinvest, Investeringsforeningen Finansco, Investeringsforeningen Sydinvest Portefølje and Kapitalforeningen TDC Pension Emerging Markets.</p>		

Management Statement

Today the Board of Directors and Executive Management have reviewed and approved the annual report for the financial year from 1 January to 31 December 2019 of Investeringsforeningen Sydinvest.

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

The financial statements of the 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 descriptions 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, 25 February 2020

Board of Directors

Hans Lindum Møller
Chairman

Linda Sandris Larsen

Niels Therkelsen

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 2019, 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 2019 and of the results of the sub-funds' operations for the financial year ended 31 December 2019 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 2019. 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 valuation of the sub-funds' financial instruments, we find that there is generally 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 financial statements 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, 25 February 2020

ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Lars Rhod Søndergaard
State Authorised Public Accountant
mne28632

Michael Laursen
State Authorised Public Accountant
mne26804

Fund Reports and Financial Statements

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 the financial year. 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 investors' assets.

Key Investor Information

All investment associations must prepare a Key Investor Information document for each of their funds. It is a two-page document with a clear description of the fund's objectives, investment policy, risk profile and charges, constituting informative labelling 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 2019” 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.

The fund is placed in risk category 2.

Developments

The fund yielded a return of 0.09% in 2019. The market exceeded expectations at the beginning of the year.

At the beginning of 2019 dark clouds loomed over the global economy by way of an escalating trade war between the US and China, the uncertainty surrounding the outcome of Brexit and faint signs of weakness as regards global economic growth. On top of this the Fed had announced interest rate hikes whereas the ECB had just terminated its net purchases under the most recent bond buying programme. But thawing relations between Great Britain and the EU as well as the tariff negotiations between the US and China combined with interest rate cuts by the Fed and a new bond buying programme by the ECB resulted in new optimism among investors particularly at the end of the year. Loose monetary policy and low inflation expectations have driven down underlying 10-year government yields in the US and the euro zone. And despite a rise in yields towards the end of the year in the wake of the renewed optimism, underlying interest rates are lower than at the beginning of 2019.

The fund produced a return which is considerably better than the return generated by government bonds with the same interest rate risk. The outperformance is attributable to the fact that the fund has consisted of a small share of long-term callable bonds which have produced excellent returns and a large share of very low duration bonds to lower overall duration. The large share of low duration bonds was carefully selected among high-coupon bonds with optional drawings and capped floaters which are repurchased by borrowers. This composition has produced a significantly better return than short-term bonds.

Market outlook

We expect that in several respects recent months' developments will continue to spur the optimism which is spreading among investors and which is expected to support global economic growth in the next 12 months or so. To begin with the interest rate increases from late 2019 may very well continue into 2020 but the dark clouds may return soon enough if the trade war between USA and China resurfaces. Moreover it will be interesting to see whether the European Central Bank in particular changes its stance on negative key rates. A major report on monetary policy is scheduled for the end of this year.

We expect that in 2020 the fund will yield a return somewhere between the return of Korte Obligationer and the return of Mellemlange Obligationer, however closer to the return of Mellemlange Obligationer. The fund has changed its interest rate risk from being close to the interest rate risk of Korte Obligationer to being close to the interest rate risk of Mellemlange Obligationer. The largest risk is that foreign investors will lose interest in Danish mortgage credit. This will greatly destabilise the domestic mortgage market and result in poor performance.

Fonde KL – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2015-2019

(DKK 1,000)	2019	2018	2017	2016	2015
Financial highlights					
Net profit for the year	309	3,706	8,604	14,036	(1,124)
Investors' assets	544,041	518,814	517,039	605,302	578,700
Units in circulation nominal	626,170	585,576	574,760	667,616	637,582
Units in circulation quantity	6,261,696	5,855,756	5,747,600	6,676,162	6,375,821
Financial ratios					
NAV per unit	86.88	88.60	89.96	90.67	90.76
Dividend per unit	1.20	1.80	2.00	2.20	2.30
Return (%) ¹⁾	0.09%	0.73%	1.69%	2.45%	(0.14%)
Total expense ratio	0.48%	0.52%	0.52%	0.53%	0.53%
Annual percentage rate (APR) at 31 Dec	0.45%	0.55%	0.55%	0.55%	0.60%
Indirect transaction costs	0.05%	0.05%	-	-	-
Sharpe Ratio (5 yrs)	1.19	1.52	1.08	1.13	1.17
Standard deviation (5 yrs)	1.08	1.18	1.56	1.69	2.10
Portfolio turnover rate (PTR)	0.99	0.49	0.55	0.65	0.57

¹⁾ Past performance is no guarantee of future performance.

INCOME STATEMENT

Note	(DKK 1,000)	2019	2018
Interest and dividends			
1.	Interest	10,193	13,006
Total interest and dividends		10,193	13,006
Capital gains and losses			
2.	Bonds	(7,342)	(6,655)
3.	Transaction costs, operating activities	(1)	(2)
Total capital gains and losses		(7,343)	(6,657)
Total income		2,850	6,349
4.	Administrative costs	(2,541)	(2,643)
Net profit for the year		309	3,706
5. Distribution of profit			
To be allocated			
	Proposed distribution for the financial year	7,514	10,540
	Brought forward for distribution next year	495	0
	Available for distribution	8,009	10,540
	Brought forward to investors' assets	(7,700)	(6,834)
Total distribution		309	3,706

BALANCE SHEET 31 DECEMBER 2019

Note	(DKK 1,000)	2019	2018
ASSETS			
Liquid funds			
	Deposits with custodian	8,007	146
Total liquid funds		8,007	146
7.	Bonds		
	Listed bonds from Danish issuers	531,549	511,727
	Listed bonds from foreign issuers	3,074	3,042
Total bonds		534,623	514,769
Other assets			
	Interest receivable, dividends receivable etc	2,688	4,438
Total other assets		2,688	4,438
TOTAL ASSETS		545,318	519,353
LIABILITIES			
6.	Investors' assets	544,041	518,814
Other debt			
	Payables	338	539
	Payables – unsettled transactions	939	0
Total other debt		1,277	539
TOTAL LIABILITIES		545,318	519,353

Fonde KL – Financial Statements

NOTES

Note (DKK 1,000)	2019	2018
1. Interest		
Listed bonds from Danish issuers	10,217	13,021
Listed bonds from foreign issuers	19	19
Interest expense and negative interest with custodian	(43)	(34)
Total interest	10,193	13,006
2. Capital gains and losses		
Bonds		
Listed bonds from Danish issuers	(7,373)	(4,627)
Listed bonds from foreign issuers	31	(2,028)
Total bonds	(7,342)	(6,655)
3. Transaction costs		
All transaction costs	1	2
Covered by income from issue and redemption	0	0
Transaction costs, operating activities	1	2
4. Administrative costs		
Fund-specific costs		
Marketing costs	1,100	1,242
Fees to custodian	87	86
Other costs relating to asset management	525	512
Other costs	74	67
Fixed management fee	755	736
Total fund-specific costs	2,541	2,643
5. Available for distribution		
Brought forward for distribution from last year	0	0
Interest	10,236	13,040
Capital gains for distribution	(6,992)	(2,878)
Distribution adjustment in connection with issue/redemption concerning the above items	132	93
Available for distribution before administrative costs	3,376	10,255
Set-off of administrative costs	(2,541)	(2,643)
Distribution adjustment of which in connection with issue/redemption	(117)	(26)
Total administrative costs	(2,658)	(2,669)
Available for distribution, gross	718	7,586
Voluntary distribution	7,291	2,954
Available for distribution	8,009	10,540

NOTES (continued)

Note (DKK 1,000)	2019	2018
6. Investors' assets		
Units in circulation		
Units in circulation at 1 Jan	585,576	574,760
Issues during the year	43,094	17,816
Redemptions during the year	(2,500)	(7,000)
Total units in circulation	626,170	585,576
Investors' assets		
Investors' assets at 1 Jan	518,814	517,039
Issues during the year	37,610	15,724
Redemptions during the year	(2,191)	(6,161)
Net issue surcharges and redemption deductions	39	22
Distribution from last year concerning units in circulation at 31 Dec	(10,540)	(11,495)
Changes in dividend distribution due to issues/redemptions	0	(21)
Proposed distribution for the financial year	7,514	10,540
Brought forward from income statement	(7,700)	(6,834)
Brought forward for distribution next year	495	0
Investors' assets at year-end	544,041	518,814
7. Financial instruments (securities)		
A list of financial instruments (securities) is available free of charge from the investment management company.		

SUPPLEMENTARY NOTES

Note (DKK 1,000)	2019	2018
a. Breakdown of financial instruments		
Listed financial instruments	98.27%	99.22%
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%
Other financial instruments	0.00%	0.00%
	98.27%	99.22%
Other assets/other debt	1.73%	0.78%
Total	100.00%	100.00%
b. Bonds by duration		
Bonds > 6 yrs	29.07%	9.39%
Bonds 4-6 yrs	22.24%	8.20%
Bonds 2-4 yrs	5.54%	50.01%
Bonds 0-2 yrs	41.42%	31.62%
Cash, derivatives etc	1.73%	0.78%
Total	100.00%	100.00%
c. Bonds by type		
Mortgage bonds	73.57%	88.35%
Government bonds	24.70%	10.87%
Cash, derivatives etc	1.73%	0.78%
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	16 May 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

The fund's benchmark J.P. Morgan Emerging Markets Bond Index Global Diversified hedged to fund currency

Secondary name Emerging Market Bonds KL

Introduction

The fund report should be read together with the sections in the annual report "Financial markets in 2019" 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, 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 2019 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	31 Dec 2019		31 Dec 2018	
	Return	Benchmark	Return	Benchmark
HøjrenteLande A DKK	10.81%	11.39%	(9.75%)	(7.18%)
Emerging Market Bonds B EUR d	10.81%	11.66%	(9.85%)	(7.04%)
HøjrenteLande W DKK d	11.52%	11.39%	(9.15%)	(7.18%)

The market exceeded expectations at the beginning of the year but two of the unit classes underperformed their benchmark and the third outperformed its benchmark, see the above table.

Like 2018, 2019 was characterised by President Trump's unpredictable trade policy. In contrast 2019 saw lower interest rates in the US and Europe. In country-specific terms the asset class was influenced by the inclusion of oil states in the Middle East, by economic problems in Argentina as well as by political instability in eg Chile, Lebanon and Ecuador.

The yield differential between emerging market bonds and US Treasuries narrowed to 2.9 percentage points, which coupled with lower US interest rates was the reason for the decline in the yield to maturity of emerging market bonds issued in USD to 4.9%. The vast majority of countries in the fund's benchmark produced a positive return. Ukraine was the high jumper while Venezuela, Lebanon and Argentina had the largest negative returns.

Fund return was lower than benchmark return. Country selections in particular pulled down relative return. Relative return was driven by the fund's bond allocation in Romania, its overweight position in Oman as well as its underweight in Lebanon. In contrast the fund's overweights in Argentina and Venezuela detracted from performance.

Market outlook

Developments in 2020 will depend on a trade agreement being reached between USA and China. Compared with previous years we are entering a year in which the central banks in the US and Europe have created less stringent conditions for the global economy and EM bonds. Economic developments in China will continue to be of great significance. President Trump will remain a source of considerable uncertainty also in 2020.

We project that the fund will generate a return in 2020 on a par with or above its benchmark as the fund is actively managed.

HøjrenteLande KL – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2015-2019

(DKK 1,000)	2019	2018	2017	2016	2015
Financial highlights					
Net profit for the year	299,026	(348,567)	350,215	396,737	(145,235)
Investors' assets	2,794,548	3,026,990	4,139,675	4,502,025	4,401,188
Financial ratios					
Portfolio turnover rate (PTR)	0.67	0.77	0.38	0.68	0.60

INCOME STATEMENT

Note	(DKK 1,000)	2019	2018
Interest and dividends			
1.	Interest	155,606	159,746
Total interest and dividends		155,606	159,746
Capital gains and losses			
2.	Bonds	280,812	(237,444)
2.	Derivatives	(103,318)	(229,115)
	Currency accounts	487	(1,624)
	Other assets/liabilities	2	153
3.	Transaction costs, operating activities	(670)	(943)
Total capital gains and losses		177,313	(468,973)
	Other income	0	176
Total income		332,919	(309,051)
4.	Administrative costs	(33,893)	(39,516)
Net profit for the year		299,026	(348,567)

BALANCE SHEET 31 DECEMBER 2019

Note	(DKK 1,000)	2019	2018
ASSETS			
Liquid funds			
	Deposits with custodian	42,963	174,772
	Deposits on margin accounts with custodian	0	101,770
Total liquid funds		42,963	276,542
6.	Bonds		
	Listed bonds from foreign issuers	2,668,660	2,712,389
	Unlisted bonds from foreign issuers	26,040	96,047
Total bonds		2,694,700	2,808,436
Derivatives			
	Unlisted derivatives	13,461	299
Total derivatives		13,461	299
Other assets			
	Interest receivable, dividends receivable etc	47,917	49,763
	Receivables - unsettled transactions	5,537	0
Total other assets		53,454	49,763
TOTAL ASSETS		2,804,578	3,135,040
LIABILITIES			
5.	Investors' assets ¹⁾	2,794,548	3,026,990
Derivatives			
	Unlisted derivatives	720	92,093
Total derivatives		720	92,093
Other debt			
	Payables	5,433	8,170
	Payables – unsettled transactions	3,877	7,787
Total other debt		9,310	15,957
TOTAL LIABILITIES		2,804,578	3,135,040
¹⁾ Investors' assets by unit class			
	HøjrenteLande A DKK	2,244,618	2,302,462
	Emerging Market Bonds B EUR d h	135,988	140,505
	HøjrenteLande W DKK d h	413,942	584,023
Total		2,794,548	3,026,990

HøjrenteLande KL – Financial Statements

NOTES

Note (DKK 1,000)	2019	2018
1. Interest		
Deposits with custodian	950	2,208
Listed bonds from foreign issuers	152,298	152,871
Unlisted bonds from foreign issuers	2,630	5,110
Interest expense and negative interest with custodian	(272)	(443)
Total interest	155,606	159,746
2. Capital gains and losses		
Bonds		
Listed bonds from foreign issuers	276,898	(238,880)
Unlisted bonds from foreign issuers	3,914	1,436
Total bonds	280,812	(237,444)
Derivatives		
Forward exchange transactions/futures etc	(110,361)	(26,101)
Forward interest transactions/futures etc	7,043	(203,014)
Total derivatives	(103,318)	(229,115)
3. Transaction costs		
All transaction costs	679	953
Covered by income from issue and redemption	(9)	(10)
Transaction costs, operating activities	670	943
4. Administrative costs		
Class-specific costs		
Marketing costs	15,016	17,032
Fees to custodian	1,771	2,088
Other costs relating to asset management	12,900	15,199
Other costs	289	646
Fixed management fee	3,917	4,551
Total class-specific costs	33,893	39,516

NOTES (continued)

Note (DKK 1,000)	2019	2018
5. Investors' assets		
Investors' assets at 1 Jan	3,026,990	4,139,675
Issues during the year	104,419	333,106
Redemptions during the year	(529,188)	(508,810)
Net issue surcharges and redemption deductions	1,639	1,634
Distribution from last year concerning units in circulation at 31 Dec	(112,211)	(590,610)
Changes in dividend distribution due to issues/redemptions	3,873	562
Proposed distribution for the financial year	106,220	112,211
Brought forward from income statement	191,824	(460,778)
Brought forward for distribution next year	982	0
Investors' assets at year-end	2,794,548	3,026,990
5a. Joint income available for distribution in unit classes		
Interest	155,878	160,189
Capital gains for distribution	(11,933)	(342,976)
Distribution adjustment in connection with issue/redemption concerning the above items	(4,346)	13,620
Available for distribution in unit classes	139,599	(169,167)
Of which for distribution in:		
HøjrenteLande A DKK	112,157	(128,720)
Emerging Market Bonds B EUR d h	6,792	(7,850)
HøjrenteLande W DKK d h	20,650	(32,597)
Total for distribution	139,599	(169,167)
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

Note (DKK 1,000)	2019	2018
a. Breakdown of financial instruments		
Listed financial instruments	95.49%	89.61%
Financial instruments listed on other regulated market	0.93%	3.17%
Newly issued financial instruments for which listing on a stock exchange or other regulated market is planned	0.00%	0.00%
Other financial instruments	0.46%	(3.03%)
	96.88%	89.75%
Other assets/other debt	3.12%	10.25%
Total	100.00%	100.00%
b. Bonds by duration		
Bonds > 6 yrs	62.99%	47.53%
Bonds 4-6 yrs	14.42%	15.02%
Bonds 2-4 yrs	10.60%	17.90%
Bonds 0-2 yrs	8.41%	12.33%
Cash, derivatives etc	3.58%	7.22%
Total	100.00%	100.00%

SUPPLEMENTARY NOTES (continued)

Note (DKK 1,000)	2019	2018
c. Bonds by country		
Russia	6.54%	4.80%
Mexico	6.35%	4.94%
Turkey	5.24%	8.29%
Oman	5.01%	3.29%
Indonesia	4.96%	2.99%
Romania	4.63%	1.62%
Ghana	4.27%	3.01%
Ivory Coast	3.76%	3.81%
Other	55.66%	60.03%
Cash, derivatives etc	3.58%	7.22%
Total	100.00%	100.00%
d. Currency futures bought		
USD	432,357	522,563
Total	432,357	522,563
e. Currency futures sold		
USD	0	(14,044)
EUR	(242,143)	(281,880)
Total	(242,143)	(295,924)
f. Underlying exposure – forward exchange transactions		
Currency		
DKK	2,084,671	2,230,992
JPY	0	(37,462)
USD	(2,083),586	(2,294),194
g. Net collateral position		
Net calculation of collateral regarding derivatives		
Collateral provided as		
Liquid funds	0	101,770
Total	0	101,770
Reuse of collateral		
Collateral received which is reused	0	0
Total	0	0

HøjrenteLande A DKK – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2015-2019

(DKK 1,000)	2019	2018	2017	2016	2015 ¹⁾
Financial highlights					
Net profit for the year	230,386	(264,455)	274,035	382,519	(135,183)
Investors' assets	2,244,618	2,302,462	3,107,323	4,333,968	4,257,524
Units in circulation nominal	2,687,610	2,948,049	3,082,310	4,434,147	4,491,130
Units in circulation quantity	26,876,104	29,480,491	30,823,096	44,341,465	44,911,303
Financial ratios					
NAV per unit	83.52	78.10	100.81	97.74	94.80
Dividend per unit	3.10	2.80	14.30	4.80	5.40
Return (%) ²⁾	10.81%	(9.75%)	8.39%	9.00%	(2.94%)
Benchmark return (%)	11.39%	(7.18%)	8.08%	8.27%	0.24%
Total expense ratio	1.30%	1.33%	1.33%	1.33%	1.28%
Annual percentage rate (APR) at 31 Dec	1.40%	1.45%	1.46%	1.48%	1.62%
Indirect transaction costs	0.47%	0.34%	-	-	-
Sharpe Ratio (5 yrs)	0.50	0.26	0.37	0.56	0.49
Standard deviation (5 yrs)	6.10	6.21	6.71	7.24	7.04

¹⁾ Past performance is no guarantee of future performance.

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

NOTES

Note (DKK 1,000)	2019	2018
a. Net profit		
Share of joint portfolio profit	259,518	(231,218)
Other class-specific income	0	132
Class-specific costs ¹⁾	(29,132)	(33,369)
Total net profit	230,386	(264,455)
¹⁾ Class-specific costs		
Marketing costs	14,333	16,334
Fees to custodian	1,300	1,455
Other costs relating to asset management	10,074	11,435
Other costs	201	486
Fixed management fee	3,224	3,659
Total class-specific costs	29,132	33,369
b. Distribution of profit		
b1. To be allocated		
Proposed distribution for the financial year	83,316	82,545
Brought forward for distribution next year	553	0
Available for distribution	83,869	82,545
Brought forward to investors' assets	146,517	(347,000)
Total distribution	230,386	(264,455)
b2. Available for distribution		
Brought forward for distribution from last year	0	1,506
Other income	0	132
Distribution adjustment in connection with issue/redemption concerning the above items	0	(271)
Share of joint income	112,157	(128,720)
Available for distribution before administrative costs	112,157	(127,353)
Set-off of administrative costs	(29,132)	(33,369)
Distribution adjustment of which in connection with issue/redemption	844	1,548
Total administrative costs	(28,288)	(31,821)
Available for distribution, gross	83,869	(159,174)
Voluntary distribution	0	241,719
Available for distribution	83,869	82,545

NOTES (continued)

Note (DKK 1,000)	2019	2018
c. Other class-specific debt		
Payables	4,932	7,001
Payables – unsettled transactions	420	4,662
Total other class-specific debt	5,352	11,663
d. Investors' assets		
d1. Units in circulation		
Units in circulation at 1 Jan	2,948,049	3,082,310
Issues during the year	58,699	164,658
Redemptions during the year	(319,138)	(298,919)
Total units in circulation	2,687,610	2,948,049
d2. Investors' assets		
Investors' assets at 1 Jan	2,302,462	3,107,323
Issues during the year	46,585	142,304
Redemptions during the year	(254,065)	(243,839)
Net issue surcharges and redemption deductions	1,284	1,237
Distribution from last year concerning units in circulation at 31 Dec	(82,545)	(440,770)
Changes in dividend distribution due to issues/redemptions	511	662
Proposed distribution for the financial year	83,316	82,545
Brought forward from income statement	146,517	(347,000)
Brought forward for distribution next year	553	0
Investors' assets at year-end	2,244,618	2,302,462

Emerging Market Bonds B EUR d h – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2015-2019

(DKK 1,000)	2019	2018	2017	2016	2015 ¹⁾
Financial highlights					
Net profit for the year ²⁾	14,530	(13,944)	13,368	14,218	(10,052)
Investors' assets	135,988	140,505	156,470	168,057	143,664
Units in circulation nominal	172,409	190,354	163,570	180,088	152,530
Units in circulation quantity (EUR)	2,307,104	2,550,690	2,196,916	2,434,251	2,064,419
Financial ratios					
NAV per unit (EUR)	7.89	7.38	9.57	9.29	9.33
Dividend per unit (EUR)	0.30	0.27	1.38	0.48	0.89
Return in EUR (%) ^{1) 2)}	10.81%	(9.85%)	8.42%	9.48%	(6.75%)
Benchmark return in EUR (%) ²⁾	11.66%	(7.04%)	8.21%	8.32%	(3.24%)
Total expense ratio ²⁾	1.17%	1.17%	1.16%	1.15%	0.74%
Annual percentage rate (APR) at 31 Dec	1.67%	1.67%	1.66%	1.66%	1.66%
Indirect transaction costs	0.47%	0.34%	-	-	-
Sharpe Ratio (3 yrs)	0.60	0.40	-	-	-
Standard deviation (3 yrs)	5.31	6.34	-	-	-

¹⁾ Past performance is no guarantee of future performance.

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

²⁾ The year 2015: Net profit and financial ratios cover the period from 24 April to 31 December 2015.

NOTES

Note (DKK 1,000)	2019	2018
a. Net profit		
Share of joint portfolio profit	16,137	(12,324)
Other class-specific income	0	7
Class-specific costs ¹⁾	(1,607)	(1,627)
Total net profit	14,530	(13,944)
¹⁾ Class-specific costs		
Marketing costs	683	698
Fees to custodian	53	50
Other costs relating to asset management	622	623
Other costs	21	28
Fixed management fee	228	228
Total class-specific costs	1,607	1,627
b. Distribution of profit		
b1. To be allocated		
Proposed distribution for the financial year	5,172	5,139
Brought forward for distribution next year	101	0
Available for distribution	5,273	5,139
Brought forward to investors' assets	9,257	(19,083)
Total distribution	14,530	(13,944)
b2. Available for distribution		
Brought forward for distribution from last year	0	138
Other income	0	7
Distribution adjustment in connection with issue/redemption concerning the above items	0	148
Share of joint income	6,793	(7,850)
Available for distribution before administrative costs	6,793	(7,557)
Set-off of administrative costs	(1,607)	(1,627)
Distribution adjustment of which in connection with issue/redemption	87	(109)
Total administrative costs	(1,520)	(1,736)
Available for distribution, gross	5,273	(9,293)
Voluntary distribution	0	14,432
Available for distribution	5,273	5,139

NOTES (continued)

Note (DKK 1,000)	2019	2018
c. Other class-specific debt		
Payables	250	370
Total other class-specific debt	250	370
d. Investors' assets		
d1. Units in circulation		
Units in circulation at 1 Jan	190,354	163,570
Exchange rate adjustment of units in circulation at 1 Jan	305	373
Issues during the year	29,640	46,471
Redemptions during the year	(47,890)	(20,060)
Total units in circulation	172,409	190,354
d2. Investors' assets		
Investors' assets at 1 Jan	140,505	156,470
Issues during the year	22,692	36,379
Redemptions during the year	(36,682)	(17,469)
Net issue surcharges and redemption deductions	79	68
Distribution from last year concerning units in circulation at 31 Dec	(5,139)	(22,573)
Changes in dividend distribution due to issues/redemptions	3	1,574
Proposed distribution for the financial year	5,172	5,139
Brought forward from income statement	9,257	(19,083)
Brought forward for distribution next year	101	0
Investors' assets at year-end	135,988	140,505

HøjrenteLande W DKK d h – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2017-2019

(DKK 1,000)	2019	2018	2017 ¹⁾
Financial highlights			
Net profit for the year ²⁾	54,110	(70,168)	62,812
Investors' assets	413,942	584,023	875,882
Units in circulation nominal	492,549	743,260	865,761
Units in circulation quantity	4,925,480	7,432,594	8,657,608
Financial ratios			
NAV per unit	84.04	78.58	101.17
Dividend per unit	3.60	3.30	14.70
Return (%) ¹⁾²⁾	11.52%	(9.16%)	8.78%
Benchmark return (%) ²⁾	11.39%	(7.18%)	8.08%
Total expense ratio ²⁾	0.65%	0.66%	0.90%
Annual percentage rate (APR) at 31 Dec	0.78%	0.78%	0.73%
Indirect transaction costs	0.47%	0.34%	-

¹⁾ Past performance is no guarantee of future performance.

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

²⁾ The year 2017: Net profit and financial ratios cover the period from 1 January to 31 December 2017.

NOTES

Note (DKK 1,000)	2019	2018
a. Net profit		
Share of joint portfolio profit	57,263	(65,685)
Other class-specific income	0	37
Class-specific costs ¹⁾	(3,153)	(4,520)
Total net profit	54,110	(70,168)
¹⁾ Class-specific costs		
Marketing costs	0	210
Fees to custodian	417	374
Other costs relating to asset management	2,204	3,141
Other costs	67	132
Fixed management fee	465	663
Total class-specific costs	3,153	4,520
b. Distribution of profit		
b1. To be allocated		
Proposed distribution for the financial year	17,732	24,527
Brought forward for distribution next year	328	0
Available for distribution	18,060	24,527
Brought forward to investors' assets	36,050	(94,695)
Total distribution	54,110	(70,168)
b2. Available for distribution		
Brought forward for distribution from last year	0	165
Other income	0	37
Distribution adjustment in connection with issue/redemption concerning the above items	0	(292)
Share of joint income	20,650	(32,597)
Available for distribution before administrative costs	20,650	(32,687)
Set-off of administrative costs	(3,153)	(4,520)
Distribution adjustment of which in connection with issue/redemption	563	542
Total administrative costs	(2,590)	(3,978)
Available for distribution, gross	18,060	(36,665)
Voluntary distribution	0	61,192
Available for distribution	18,060	24,527

NOTES (continued)

Note (DKK 1,000)	2019	2018
c. Other class-specific debt		
Payables	231	776
Payables – unsettled transactions	2,927	3,125
Total other class-specific debt	3,158	3,901
d. Investors' assets		
d1. Units in circulation		
Units in circulation at 1 Jan	743,260	865,761
Issues during the year	44,108	180,926
Redemptions during the year	(294,819)	(303,427)
Total units in circulation	492,549	743,260
d2. Investors' assets		
Investors' assets at 1 Jan	584,023	875,882
Issues during the year	35,142	154,423
Redemptions during the year	(238,441)	(247,502)
Net issue surcharges and redemption deductions	276	329
Distribution from last year concerning units in circulation at 31 Dec	(24,527)	(127,267)
Changes in dividend distribution due to issues/redemptions	3,359	(1,674)
Proposed distribution for the financial year	17,732	24,527
Brought forward from income statement	36,050	(94,695)
Brought forward for distribution next year	328	0
Investors' assets at year-end	413,942	584,023

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

The fund's benchmark J.P. Morgan Emerging Markets Bond Index Global Diversified hedged to fund currency

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 2019" 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 2019 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	31 Dec 2019		31 Dec 2018	
	Return	Benchmark	Return	Benchmark
HøjrenteLande A DKK Akk	10.69%	11.39%	(9.75%)	(7.18%)
Emerging Market Bonds B EUR Acc h	10.99%	11.66%	(9.58%)	(7.04%)
Emerging Market Bonds I EUR Acc h	11.64%	11.66%	(8.83%)	(7.04%)
HøjrenteLande W DKK Acc h	11.50%	11.39%	(9.20%)	(7.18%)

The market exceeded expectations at the beginning of the year. The fund's unit classes A and B underperformed their benchmark, unit class I performed on a par with its benchmark and unit class W outperformed its benchmark, see the table above.

Like 2018, 2019 was characterised by President Trump's unpredictable trade policy. In contrast 2019 saw lower interest rates in the US and Europe. In country-specific terms the asset class was influenced by the inclusion of oil states in the Middle East, by economic problems in Argentina as well as by political instability in eg Chile, Lebanon and Ecuador.

The yield differential between emerging market bonds and US Treasuries narrowed to 2.9 percentage points, which coupled with lower US interest rates was the reason for the decline in the yield to maturity of emerging market bonds issued in USD to 4.9%. The vast majority of countries in the fund's benchmark produced a positive return. Ukraine was the high jumper while Venezuela, Lebanon and Argentina had the largest negative returns.

Fund return was lower than benchmark return. Country selections in particular pulled down relative return. Relative return was driven by the fund's bond allocation in Romania, its overweight position in Oman as well as its underweight in Lebanon. In contrast the fund's overweights in Argentina and Venezuela detracted from performance.

Market outlook

Developments in 2020 will depend on a trade agreement being reached between the US and China. Compared with previous years we are entering a year in which the central banks in the US and Europe have created less stringent conditions for the global economy and EM bonds. Economic developments in China will continue to be of great significance. President Trump will remain a source of considerable uncertainty also in 2020.

We project that the fund will generate a return in 2020 on a par with or above its benchmark as the fund is actively managed.

HøjrenteLande Akkumulerende KL – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2015-2019

(DKK 1,000)	2019	2018	2017 ¹⁾	2016	2015
Financial highlights					
Net profit for the year	178,416	(177,918)	151,082	128,131	(48,416)
Investors' assets	1,579,503	1,969,190	1,959,988	1,690,421	1,310,480
Financial ratios					
Portfolio turnover rate (PTR)	0.57	0.72	0.50	0.78	0.24

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

INCOME STATEMENT

Note (DKK 1,000)	2019	2018
Interest and dividends		
1. Interest	86,147	91,291
Total interest and dividends	86,147	91,291
Capital gains and losses		
2. Bonds	159,665	(130,763)
2. Derivatives	(54,363)	(120,610)
Currency accounts	362	(2,012)
Other assets/liabilities	1	66
3. Transaction costs, operating activities	(388)	(567)
Total capital gains and losses	105,277	(253,886)
Other income	0	80
Total income	191,424	(162,515)
4. Administrative costs	(13,008)	(15,403)
Net profit for the year	178,416	(177,918)

BALANCE SHEET 31 DECEMBER 2019

Note (DKK 1,000)	2019	2018
ASSETS		
Liquid funds		
Deposits with custodian	18,812	145,829
Deposits on margin accounts with custodian	0	61,500
Total liquid funds	18,812	207,329
6. Bonds		
Listed bonds from foreign issuers	1,511,976	1,728,661
Unlisted bonds from foreign issuers	13,628	60,566
Total bonds	1,525,604	1,789,227
Derivatives		
Unlisted derivatives	7,617	1,554
Total derivatives	7,617	1,554
Other assets		
Interest receivable, dividends receivable etc	27,119	31,899
Receivables – unsettled transactions	2,962	0
Total other assets	30,081	31,899
TOTAL ASSETS	1,582,114	2,030,009
LIABILITIES		
5. Investors' assets ¹⁾	1,579,503	1,969,190
Derivatives		
Unlisted derivatives	420	57,321
Total derivatives	420	57,321
Other debt		
Payables	1,699	3,470
Payables – unsettled transactions	492	28
Total other debt	2,191	3,498
TOTAL LIABILITIES	1,582,114	2,030,009
¹⁾ Investors' assets by unit class		
HøjrenteLande A DKK Akk	441,763	466,914
Emerging Market Bonds B EUR Acc h	58,918	62,489
Emerging Market Bonds I EUR Acc h	329,337	936,199
HøjrenteLande W DKK Acc h	749,485	503,588
Total	1,579,503	1,969,190

HøjrenteLande Akkumulerende KL – Financial Statements

NOTES

Note	(DKK 1,000)	2019	2018
1. Interest			
Deposits with custodian		494	1,046
Listed bonds from foreign issuers		84,417	87,671
Unlisted bonds from foreign issuers		1,442	2,867
Interest expense and negative interest with custodian		(206)	(293)
Total interest		86,147	91,291
2. Capital gains and losses			
Bonds			
Listed bonds from foreign issuers		157,224	(131,736)
Unlisted bonds from foreign issuers		2,441	973
Total bonds		159,665	(130,763)
Derivatives			
Forward exchange transactions/futures etc		(57,417)	(13,289)
Forward interest transactions/futures etc		3,054	(107,321)
Total derivatives		(54,363)	(120,610)
3. Transaction costs			
All transaction costs		400	584
Covered by income from issue and redemption		(12)	(17)
Transaction costs, operating activities		388	567

NOTES (continued)

Note	(DKK 1,000)	2019	2018
4. Administrative costs			
Class-specific costs			
Marketing costs		3,252	3,685
Fees to custodian		636	732
Other costs relating to asset management		7,174	8,508
Other costs		165	370
Fixed management fee		1,781	2,108
Total class-specific costs		13,008	15,403
5. Investors' assets			
Investors' assets at 1 Jan		1,969,190	1,959,988
Issues during the year		226,619	548,370
Redemptions during the year		(797,497)	(364,548)
Net issue surcharges and redemption deductions		2,775	3,298
Brought forward from income statement		178,416	(177,918)
Investors' assets at year-end		1,579,503	1,969,190
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

Note (DKK 1,000)	2019	2018
a. Breakdown of financial instruments		
Listed financial instruments	95.72%	87.79%
Financial instruments listed on other regulated market	0.86%	3.08%
Newly issued financial instruments for which listing on a stock exchange or other regulated market is planned	0.00%	0.00%
Other financial instruments	0.46%	(2.90%)
	97.04%	87.97%
Other assets/other debt	2.96%	12.03%
Total	100.00%	100.00%
b. Bonds by duration		
Bonds > 6 yrs	63.31%	45.85%
Bonds 4-6 yrs	14.68%	14.41%
Bonds 2-4 yrs	10.61%	17.28%
Bonds 0-2 yrs	7.98%	13.33%
Cash, derivatives etc	3.42%	9.13%
Total	100.00%	100.00%
c. Bonds by country		
Russia	6.56%	4.70%
Mexico	6.22%	4.85%
Turkey	5.35%	8.07%
Oman	5.00%	3.18%
Indonesia	4.91%	2.86%
Romania	4.62%	1.59%
Ghana	4.30%	2.95%
South Africa	3.74%	1.83%
Other	55.88%	60.84%
Cash, derivatives etc	3.42%	9.13%
Total	100.00%	100.00%

SUPPLEMENTARY NOTES (continued)

Note (DKK 1,000)	2019	2018
d. Currency futures bought		
USD	239,219	334,235
Total	239,219	334,235
e. Currency futures sold		
USD	0	(8,426)
EUR	(133,918)	(181,001)
Total	(133,918)	(189,427)
f. Underlying exposure – forward exchange transactions		
Currency		
DKK	885,240	703,585
EUR	289,835	724,519
JPY	0	(23,928)
USD	(1,174,267)	(1,465,412)
g. Net collateral position		
Net calculation of collateral regarding derivatives		
Collateral provided as		
Liquid funds	0	61,500
Total	0	61,500

HøjrenteLande A DKK Akk – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2015-2019

(DKK 1,000)	2019	2018	2017	2016	2015
Financial highlights					
Net profit for the year	46,099	(54,224)	56,017	60,984	(15,305)
Investors' assets	441,763	466,914	556,226	763,384	642,516
Units in circulation nominal	226,800	265,337	285,284	424,373	388,459
Units in circulation quantity	2,268,001	2,653,371	2,852,843	4,243,725	3,884,587
Financial ratios					
NAV per unit	194.78	175.97	194.97	179.89	165.40
Return (%) ¹⁾	10.69%	(9.75%)	8.39%	8.76%	(2.79%)
Benchmark return (%)	11.39%	(7.18%)	8.08%	8.27%	0.24%
Total expense ratio	1.30%	1.31%	1.34%	1.32%	1.30%
Annual percentage rate (APR) at 31 Dec	1.40%	1.44%	1.46%	1.48%	1.62%
Indirect transaction costs	0.47%	0.34%	-	-	-
Sharpe Ratio (5 yrs)	0.50	0.26	0.36	0.54	0.47
Standard deviation (5 yrs)	5.31	6.13	6.65	7.16	6.92

¹⁾ Past performance is no guarantee of future performance.

NOTES

Note (DKK 1,000)	2019	2018
a. Net profit		
Share of joint portfolio profit	69,561	(15,804)
Forward transactions (class-specific)	(17,535)	(31,807)
Other class-specific income	0	23
Class-specific costs ¹⁾	(5,927)	(6,636)
Total net profit	46,099	(54,224)
¹⁾ Class-specific costs		
Marketing costs	2,960	3,259
Fees to custodian	228	250
Other costs relating to asset management	2,061	2,294
Other costs	19	98
Fixed management fee	659	734
Total class-specific costs	5,927	6,635
b. Distribution of profit		
Brought forward to investors' assets	46,099	(54,224)
Total distribution	46,099	(54,224)
c. Derivatives (class-specific)		
Derivatives - assets	2,122	92
Derivatives - liabilities	(42)	(14,070)
Total derivatives (class-specific)	2,080	(13,978)

NOTES (continued)

Note (DKK 1,000)	2019	2018
d. Other class-specific debt		
Payables	987	1,414
Total other class-specific debt	987	1,414
e. Investors' assets		
e1. Units in circulation		
Units in circulation at 1 Jan	265,337	285,284
Issues during the year	10,116	14,843
Redemptions during the year	(48,653)	(34,790)
Total units in circulation	226,800	265,337
e2. Investors' assets		
Investors' assets at 1 Jan	466,914	556,226
Issues during the year	18,819	27,945
Redemptions during the year	(90,936)	(63,849)
Net issue surcharges and redemption deductions	867	816
Brought forward from income statement	46,099	(54,224)
Investors' assets at year-end	441,763	466,914

Emerging Market Bonds B EUR Acc h – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2015-2019

(DKK 1,000)	2019	2018	2017	2016	2015 ¹⁾
Financial highlights					
Net profit for the year ²⁾	6,296	(10,047)	10,554	10,048	(2,892)
Net profit for the year ³⁾	6,296	(10,047)	10,554	10,048	2,865
Investors' assets	58,918	62,489	128,069	125,971	113,960
Units in circulation nominal	19,855	23,372	43,305	46,450	45,607
Units in circulation quantity (EUR)	265,662	313,155	581,627	622,280	611,232
Financial ratios					
NAV per unit (EUR)	29.68	26.74	29.57	27.23	24.98
Return in EUR (%) ^{1) 2)}	10.99%	(9.58%)	8.63%	8.97%	(2.01%)
Benchmark return in EUR (%) ²⁾	11.66%	(7.04%)	8.21%	8.32%	0.74%
Total expense ratio ²⁾	1.15%	1.18%	1.15%	1.17%	0.42%
Total expense ratio ³⁾	1.15%	1.18%	1.15%	1.17%	1.33%
Annual percentage rate (APR) at 31 Dec	1.66%	1.67%	1.66%	1.65%	1.65%
Indirect transaction costs	0.47%	0.34%	1.66%	1.65%	1.65%
Sharpe Ratio (5 yrs)	0.57	0.32	0.39	0.57	0.51
Standard deviation (5 yrs)	6.00	6.11	6.68	7.21	7.05

¹⁾ Past performance is no guarantee of future performance.

¹⁾ The unit class was launched on 21 September 2015.

²⁾ The year 2015: Net profit and financial ratios cover the period from 21 September to 31 December 2015.

³⁾ For the period 1 January – 18 September 2015 ISI Emerging Market Bonds is included.

NOTES

Note (DKK 1,000)	2019	2018
a. Net profit		
Share of joint portfolio profit	9,146	(4,109)
Forward transactions (class-specific)	(2,157)	(4,922)
Other class-specific income	0	4
Class-specific costs ¹⁾	(693)	(1,020)
Total net profit	6,296	(10,047)
¹⁾ Class-specific costs		
Marketing costs	292	426
Fees to custodian	22	31
Other costs relating to asset management	271	400
Other costs	8	16
Fixed management fee	100	147
Total class-specific costs	693	1,020
b. Distribution of profit		
Brought forward to investors' assets	6,296	(10,047)
Total distribution	6,296	(10,047)
c. Derivatives (class-specific)		
Derivatives – assets	284	4
Derivatives – liabilities	(4)	(1,850)
Total derivatives (class-specific)	280	(1,846)

NOTES (continued)

Note (DKK 1,000)	2019	2018
d. Other class-specific debt		
Payables	110	167
Payables – unsettled transactions	0	28
Total other class-specific debt	110	195
e. Investors' assets		
e1. Units in circulation		
Units in circulation at 1 Jan	23,372	43,305
Exchange rate adjustment of units in circulation at 1 Jan	2	99
Issues during the year	74	424
Redemptions during the year	(3,593)	(20,456)
Total units in circulation	19,855	23,372
e2. Investors' assets		
Investors' assets at 1 Jan	62,489	128,069
Issues during the year	205	1,261
Redemptions during the year	(10,188)	(56,923)
Net issue surcharges and redemption deductions	116	129
Brought forward from income statement	6,296	(10,047)
Investors' assets at year-end	58,918	62,489

Emerging Market Bonds I EUR Acc h – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2015-2019

(DKK 1,000)	2019	2018	2017	2016	2015 ¹⁾
Financial highlights					
Net profit for the year ²⁾	53,888	(52,223)	41,854	37,949	(28,947)
Net profit for the year ³⁾	53,888	(52,223)	41,854	37,949	(38,540)
Investors' assets	329,337	936,199	524,393	442,669	404,485
Units in circulation nominal	123,570	392,148	200,253	185,148	185,148
Units in circulation quantity (EUR)	16,537	52,550	26,896	24,820	24,820
Financial ratios					
NAV per unit (EUR)	2,665.13	2,387.35	2,618.66	2,398.65	2,183.77
Return in EUR (%) ^{1) 2)}	11.64%	(8.83%)	9.17%	9.84%	(2.13%)
Benchmark return in EUR (%) ²⁾	11.66%	(7.04%)	8.21%	8.32%	0.74%
Total expense ratio ²⁾	0.67%	0.58%	0.58%	0.59%	0.17%
Total expense ratio ³⁾	0.67%	0.58%	0.58%	0.59%	0.94%
Annual percentage rate (APR) at 31 Dec	0.71%	0.73%	0.73%	0.75%	0.75%
Indirect transaction costs	0.47%	0.34%	-	-	-
Sharpe Ratio (5 yrs)	0.65	0.39	0.45	0.65	0.52
Standard deviation (5 yrs)	6.02	6.11	6.68	7.27	6.82

¹⁾ Past performance is no guarantee of future performance.

¹⁾ The unit class was launched on 21 September 2015.

²⁾ The year 2015: Net profit and financial ratios cover the period from 21 September to 31 December 2015.

³⁾ For the period 1 January – 18 September 2015 SEM Emerging Market Bonds is included.

NOTES

Note (DKK 1,000)	2019	2018
a. Net profit		
Share of joint portfolio profit	67,935	(13,426)
Forward transactions (class-specific)	(11,918)	(34,622)
Other class-specific income	0	24
Class-specific costs ¹⁾	(2,129)	(4,199)
Total net profit	53,888	(52,223)
¹⁾ Class-specific costs		
Fees to custodian	113	216
Other costs relating to asset management	1,652	3,170
Other costs	16	144
Fixed management fee	348	669
Total class-specific costs	2,129	4,199
b. Distribution of profit		
Brought forward to investors' assets	53,888	(52,223)
Total distribution	53,888	(52,223)
c. Derivatives (class-specific)		
Derivatives – assets	1,596	49
Derivatives – liabilities	(21)	(26,431)
Total derivatives (class-specific)	1,575	(26,382)

NOTES (continued)

Note (DKK 1,000)	2019	2018
d. Other class-specific debt		
Payables	179	1,220
Payables – unsettled transactions	198	0
e. Investors' assets		
e1. Units in circulation		
Units in circulation at 1 Jan	392,148	200,253
Exchange rate adjustment of units in circulation at 1 Jan	769	457
Issues during the year	213	194,662
Redemptions during the year	(269,560)	(3,224)
Total units in circulation	123,570	392,148
e2. Investors' assets		
Investors' assets at 1 Jan	936,199	524,393
Issues during the year	1,138	470,579
Redemptions during the year	(662,551)	(7,946)
Net issue surcharges and redemption deductions	663	1,396
Brought forward from income statement	53,888	(52,223)
Investors' assets at year-end	329,337	936,199

Emerging Market Bonds I USD Acc h – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2015-2019

(DKK 1,000)	2019 ²⁾	2018 ²⁾	2017 ²⁾	2016	2015 ¹⁾
Financial highlights					
Share of net profit for the year		-	1,465	9,354	(357)
Investors' assets		-	-	56,087	66,861
Units in circulation nominal		-	-	50,508	68,286
Units in circulation quantity (USD)		-	-	72,781	99,400
Financial ratios					
NAV per unit (USD)		-	-	109.32	97.91
Return in USD (%) ¹⁾		-	-	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 Dec		-	-	0.75%	0.75%

¹⁾ Past performance is no guarantee of future performance.

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

²⁾ The unit class ceased on 3 April 2017.

HøjrenteLande W DKK Acc h – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2015-2019

(DKK 1,000)	2019	2018	2017	2016	2015 ¹⁾
Financial highlights					
Net profit for the year ²⁾	72,133	(61,424)	41,192	9,796	(915)
Investors' assets	749,485	503,588	751,300	302,310	82,658
Units in circulation nominal	624,083	467,534	633,368	227,240	82,890
Units in circulation quantity	6,240,829	4,675,339	6,333,678	2,772,403	828,898
Financial ratios					
NAV per unit	120.09	107.71	118.62	109.04	99.72
Return (%) ^{1) 2)}	11.50%	(9.20%)	8.78%	9.35%	(0.28%)
Benchmark return (%) ²⁾	11.39%	(7.18%)	8.08%	8.27%	0.93%
Total expense ratio ²⁾	0.59%	0.61%	0.57%	0.57%	0.20%
Annual percentage rate (APR) at 31 Dec	0.73%	0.74%	0.74%	0.76%	0.76%
Indirect transaction costs	0.47%	0.34%	-	-	-
Sharpe Ratio (3 yrs)	0.67	0.45	-	-	-
Standard deviation (3 yrs)	5.33	6.30	-	-	-

¹⁾ Past performance is no guarantee of future performance.

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

²⁾ The year 2015: Net profit and financial ratios cover the period from 21 September to 31 December 2015.

NOTES

Note (DKK 1,000)	2019	2018
a. Net profit		
Share of joint portfolio profit	102,200	(21,956)
Forward transactions (class-specific)	(25,807)	(35,948)
Other class-specific income	0	29
Class-specific costs ¹⁾	(4,260)	(3,549)
Total net profit	72,133	(61,424)
¹⁾ Class-specific costs		
Fees to custodian	273	235
Other costs relating to asset management	3,191	2,644
Other costs	122	112
Fixed management fee	674	558
Total class-specific costs	4,260	3,549
b. Distribution of profit		
Brought forward to investors' assets	72,133	(61,424)
Total distribution	72,133	(61,424)
c. Derivatives (class-specific)		
Derivatives – assets	3,615	82
Derivatives – liabilities	(96)	(11,922)
Total derivatives (class-specific)	3,519	(11,840)

NOTES (continued)

Note (DKK 1,000)	2019	2018
d. Other class-specific debt		
Payables	412	650
Total other class-specific debt	412	650
e. Investors' assets		
e1. Units in circulation		
Units in circulation at 1 Jan	467,534	633,368
Issues during the year	185,368	43,952
Redemptions during the year	(28,819)	(209,786)
Total units in circulation	624,083	467,534
e2. Investors' assets		
Investors' assets at 1 Jan	503,588	751,300
Issues during the year	206,457	48,585
Redemptions during the year	(33,822)	(235,830)
Net issue surcharges and redemption deductions	1,129	957
Brought forward from income statement	72,133	(61,424)
Investors' assets at year-end	749,485	503,588

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	5 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 2019" 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 2019 appears from the table below. The difference in returns is attributable to the level of costs in the individual classes.

	31 Dec 2019	31 Dec 2018
Unit class	Return	Return
HøjrenteLande Korte Obligationer A DKK Akk	4.74%	(3.37%)
HøjrenteLande Korte Obligationer W DKK Acc	5.16%	(2.97%)

The market exceeded expectations at the beginning of the year. The fund's unit classes generated positive returns, see the table above.

Like 2018, 2019 was characterised by President Trump's unpredictable trade policy. In contrast 2019 saw lower interest rates in the US and Europe. In country-specific terms the asset class was influenced by the inclusion of oil states in the Middle East, by economic problems in Argentina as well as by political instability in eg Chile, Lebanon and Ecuador.

The yield differential between emerging market bonds and US Treasuries narrowed to 2.9 percentage points, which coupled with lower US interest rates was the reason for the decline in the yield to maturity of emerging market bonds issued in USD to 4.9%. The vast majority of countries in the fund's benchmark produced a positive return. Ukraine was the high jumper while Venezuela, Lebanon and Argentina had the largest negative returns.

The fund has produced a return that is above its benchmark. Relative return was driven by the investments in the Ivory Coast and Russia. In contrast investments in Argentina and Lebanon detracted from performance.

Market outlook

Developments in 2020 will depend on a trade agreement being reached between USA and China. Compared with previous years we are entering a year in which the central banks in the US and Europe have created less stringent conditions for the global economy and EM bonds. Economic developments in China will continue to be of great significance. President Trump will remain a source of considerable uncertainty also in 2020.

HøjrenteLande Korte Obligationer Akkumulerende KL – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2015-2019

(DKK 1,000)	2019	2018	2017	2016	2015
Financial highlights					
Net profit for the year	28,086	(22,958)	30,301	6,983	(7,974)
Investors' assets	640,073	598,487	699,410	605,424	308,931
Financial ratios					
Portfolio turnover rate (PTR)	0.46	0.41	0.69	0.69	0.98

INCOME STATEMENT

Note (DKK 1,000)	2019	2018
Interest and dividends		
1. Interest	27,877	32,244
Total interest and dividends	27,877	32,244
Capital gains and losses		
2. Bonds	23,939	(15,580)
2. Derivatives	(18,241)	(34,488)
Currency accounts	201	1,098
Other assets/liabilities	8	16
3. Transaction costs, operating activities	(4)	(8)
Total capital gains and losses	5,903	(48,962)
Other income	0	15
Total income	33,780	(16,703)
4. Administrative costs	(5,694)	(6,255)
Net profit for the year	28,086	(22,958)

BALANCE SHEET 31 DECEMBER 2019

Note (DKK 1,000)	2019	2018
ASSETS		
Liquid funds		
Deposits with custodian	21,887	49,894
Total liquid funds	21,887	49,894
6. Bonds		
Listed bonds from foreign issuers	601,091	517,999
Unlisted bonds from foreign issuers	5,533	36,589
Total bonds	606,624	554,588
Derivatives		
Unlisted derivatives	1,959	265
Total derivatives	1,959	265
Other assets		
Interest receivable, dividends receivable etc	10,464	13,036
Total other assets	10,464	13,036
TOTAL ASSETS	640,934	617,783
LIABILITIES		
5. Investors' assets ¹⁾	640,073	598,487
Derivatives		
Unlisted derivatives	0	15,711
Total derivatives	0	15,711
Other debt		
Payables	861	1,296
Payables – unsettled transactions	0	2,289
Total other debt	861	3,585
TOTAL LIABILITIES	640,934	617,783
¹⁾ Investors' assets by unit class		
HøjrenteLande		
Korte Obligationer A DKK Akk	514,647	493,632
HøjrenteLande		
Korte Obligationer W DKK Acc h	125,426	104,855
Total	640,073	598,487

HøjrenteLande Korte Obligationer Akkumulerende KL – Financial Statements

NOTES

Note (DKK 1,000)	2019	2018
1. Interest		
Deposits with custodian	256	378
Listed bonds from foreign issuers	26,452	29,457
Unlisted bonds from foreign issuers	1,233	2,467
Interest expense and negative interest with custodian	(64)	(58)
Total interest	27,877	32,244
2. Capital gains and losses		
Bonds		
Listed bonds from foreign issuers	23,073	(16,343)
Unlisted bonds from foreign issuers	866	763
Total bonds	23,939	(15,580)
Derivatives		
Forward exchange transactions/futures etc	(18,241)	(34,488)
Total derivatives	(18,241)	(34,488)
3. Transaction costs		
All transaction costs	5	10
Covered by income from issue and redemption	(1)	(2)
Transaction costs, operating activities	4	8
4. Administrative costs		
Class-specific costs		
Marketing costs	1,682	1,944
Fees to custodian	372	390
Other costs relating to asset management	2,735	2,927
Other costs	87	108
Fixed management fee	818	886
Total class-specific costs	5,694	6,255
5. Investors' assets		
Investors' assets at 1 Jan	598,487	699,410
Issues during the year	74,484	34,054
Redemptions during the year	(61,339)	(112,464)
Net issue surcharges and redemption deductions	355	445
Brought forward from income statement	28,086	(22,958)
Investors' assets at year-end	640,073	598,487
6. Financial instruments (securities)		
A list of financial instruments (securities) is available free of charge from the investment management company.		

SUPPLEMENTARY NOTES

Note (DKK 1,000)	2019	2018
a. Breakdown of financial instruments		
Listed financial instruments	93.91%	86.55%
Financial instruments listed on other regulated market	0.86%	6.11%
Newly issued financial instruments for which listing on a stock exchange or other regulated market is planned	0.00%	0.00%
Other financial instruments	0.31%	(2.58%)
	95.08%	90.08%
Other assets/other debt	4.92%	9.92%
Total	100.00%	100.00%
b. Bonds by duration		
Bonds 4-6 yrs	20.42%	10.39%
Bonds 2-4 yrs	44.32%	50.14%
Bonds 0-2 yrs	30.03%	32.13%
Cash, derivatives etc	5.23%	7.34%
Total	100.00%	100.00%
c. Bonds by country		
Indonesia	8.17%	1.83%
Mexico	7.31%	2.86%
Macedonia	5.39%	5.53%
Russia	5.03%	1.12%
South Africa	4.32%	2.89%
Seychelles	3.98%	4.55%
	3.50%	3.27%
Namibia	3.25%	3.06%
Other	53.82%	67.55%
Cash, derivatives etc	5.23%	7.34%
Total	100.00%	100.00%
d. Underlying exposure – forward exchange transactions		
Currency		
DKK	306,896	385,308
USD	(306,721)	(401,959)
e. Net collateral position		
Collateral concerning derivatives		
No collateral has been provided		

HøjrenteLande Korte Obligationer A DKK Akk – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2015-2019

(DKK 1,000)	2019	2018	2017	2016 ¹⁾	2015
Financial highlights					
Net profit for the year	22,383	(19,752)	25,342	7,310	(7,974)
Investors' assets	514,647	493,632	565,667	551,156	308,931
Units in circulation nominal	427,757	429,736	475,840	485,072	280,111
Units in circulation quantity	4,277,574	4,297,362	4,758,404	4,850,719	2,801,106
Financial ratios					
NAV per unit	120.31	114.87	118.88	113.62	110.29
Return (%) ¹⁾	4.74%	(3.37%)	4.62%	3.02%	(2.13%)
Total expense ratio	1.01%	1.03%	1.31%	1.29%	1.09%
Annual percentage rate (APR) at 31 Dec	1.12%	1.13%	1.13%	1.46%	1.59%
Indirect transaction costs	0.31%	0.23%	-	-	-
Sharpe Ratio (5 yrs)	0.53	0.19	0.45	0.61	0.37
Standard deviation (5 yrs)	3.08	3.23	3.11	3.25	3.13

¹⁾ Past performance is no guarantee of future performance.

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

NOTES

Note (DKK 1,000)	2019	2018
a. Net profit		
Share of joint portfolio profit	27,355	(14,146)
Other class-specific income	0	12
Class-specific costs ¹⁾	(4,972)	(5,618)
Total net profit	22,383	(19,752)
¹⁾ Class-specific costs		
Marketing costs	1,682	1,944
Fees to custodian	308	335
Other costs relating to asset management	2,206	2,461
Other costs	70	91
Fixed management fee	706	787
Total class-specific costs	4,972	5,618
b. Distribution of profit		
Brought forward to investors' assets	22,383	(19,752)
Total distribution	22,383	(19,752)
c. Other class-specific debt		
Payables	778	1,157
Payables – unsettled transactions	0	2,289
Total other class-specific debt	778	3,446

NOTES (continued)

Note (DKK 1,000)	2019	2018
d. Investors' assets		
d1. Units in circulation		
Units in circulation at 1 Jan	429,736	475,840
Issues during the year	39,618	17,755
Redemptions during the year	(41,597)	(63,859)
Total units in circulation	427,757	429,736
d2. Investors' assets		
Investors' assets at 1 Jan	493,632	565,667
Issues during the year	47,288	21,073
Redemptions during the year	(48,942)	(73,729)
Net issue surcharges and redemption deductions	286	373
Brought forward from income statement	22,383	(19,752)
Investors' assets at year-end	514,647	493,632

HøjrenteLande Korte Obligationer W DKK Acc h – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2016-2019

(DKK 1,000)	2019	2018	2017	2016 ¹⁾
Financial highlights				
Net profit for the year ²⁾	5,703	(3,206)	4,959	(327)
Investors' assets	125,426	104,855	133,743	54,268
Units in circulation nominal	118,256	103,958	128,658	55,010
Units in circulation quantity	1,182,555	1,039,581	1,286,584	550,100
Financial ratios				
NAV per unit	106.06	100.86	103.95	98.65
Return (%) ¹⁾²⁾	5.16%	(2.97%)	5.37%	(1.35%)
Total expense ratio ²⁾	0.61%	0.62%	0.59%	0.15%
Annual percentage rate (APR) at 31 Dec	0.72%	0.72%	0.73%	1.46%
Indirect transaction costs	0.31%	0.23%	-	-
Sharpe Ratio (3 yrs)	1.00	-	-	-
Standard deviation (3 yrs)	2.80	-	-	-

¹⁾ Past performance is no guarantee of future performance.

¹⁾ The fund was launched on 5 October 2016.

²⁾ The year 2016: Net profit and financial ratios cover the period from 5 October to 31 December 2016.

NOTES

Note	(DKK 1,000)	2019	2018
a. Net profit			
Share of joint portfolio profit		6,426	(2,571)
Other class-specific income		0	2
Class-specific costs ¹⁾		(723)	(637)
Total net profit		5,703	(3,206)
¹⁾ Class-specific costs			
Fees to custodian		64	55
Other costs relating to asset management		530	466
Other costs		17	17
Fixed management fee		112	99
Total class-specific costs		723	637
b. Distribution of profit			
Brought forward to investors' assets		5,703	(3,206)
Total distribution		5,703	(3,206)
c. Other class-specific debt			
Payables		75	135
Total other class-specific debt		75	135

NOTES (continued)

Note	(DKK 1,000)	2019	2018
d. Investors' assets			
d1. Units in circulation			
Units in circulation at 1 Jan		103,958	128,658
Issues during the year		26,237	12,822
Redemptions during the year		(11,939)	(37,522)
Total units in circulation		118,256	103,958
d2. Investors' assets			
Investors' assets at 1 Jan		104,855	133,743
Issues during the year		27,196	12,981
Redemptions during the year		(12,397)	(38,735)
Net issue surcharges and redemption deductions		69	72
Brought forward from income statement		5,703	(3,206)
Investors' assets at year-end		125,426	104,855

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	16 May 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	4	4	4
Approved for marketing in Germany	No	Yes	No
The fund's benchmark	J.P. Morgan Global Bond Index- Emerging Markets Global Diversified unhedged to fund currency		
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 2019" 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 4.

Developments

The development in the NAV of the unit classes in 2019 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	31 Dec 2019		31 Dec 2018	
	Return	Benchmark	Return	Benchmark
HøjrenteLande Lokal Valuta A DKK	15.10%	15.72%	(3.54%)	(1.26%)
Emerging Market Local Currency Bonds B EUR d	15.10%	15.56%	(3.60%)	(1.48%)
HøjrenteLande Lokal Valuta W DKK d	15.86%	15.72%	(2.84%)	(1.26%)

The market exceeded expectations at the beginning of the year. The fund's unit classes A and B underperformed their benchmark whereas unit class W outperformed its benchmark, see the table above.

Like 2018, 2019 was characterised by President Trump's unpredictable trade policy. In contrast 2019 saw lower interest rates in the US and Europe. In country-specific terms the asset class was influenced by the inclusion of oil states in the Middle East, by economic problems in Argentina as well as by political instability in eg Chile.

Yields on EM bonds issued in local currency have gone down, which is the most significant source of benchmark return, whereas EM currencies have appreciated relative to DKK, EUR and USD. Russia had the strongest currency and Turkey the best-performing bond market in 2019. Argentina was the cheapest in both categories.

The fund has produced a return which is on a par or slightly below its benchmark. Relative return was driven by the fund's bond allocation in Brazil and its underweight in Hungary. By contrast the fund's underweight in Thailand and its overweight in Argentina detracted from performance.

Market outlook

Developments in 2020 will depend on a trade agreement being reached between USA and China. Compared with previous years we are entering a year in which the central banks in the US and Europe have created less stringent conditions for the global economy and EM bonds. Economic developments in China will continue to be of great significance. President Trump will remain a source of considerable uncertainty also in 2020.

We project that the fund will generate a return in 2020 on a par with or above its benchmark as the fund is actively managed.

HøjrenteLande Lokal Valuta KL – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2015-2019

(DKK 1,000)	2019	2018	2017	2016	2015
Financial highlights					
Net profit for the year	96,006	(30,507)	(2,679)	99,998	(127,401)
Investors' assets	605,072	722,882	703,399	728,320	1,106,334
Financial ratios					
Portfolio turnover rate (PTR)	0.81	0.54	0.45	0.56	0.61

INCOME STATEMENT

Note (DKK 1,000)	2019	2018
Interest and dividends		
1. Interest	45,944	49,923
Total interest and dividends	45,944	49,923
Capital gains and losses		
2. Bonds	59,749	(70,882)
2. Derivatives	0	1,007
Currency accounts	(854)	(288)
Other assets/liabilities	(4)	7
3. Transaction costs, operating activities	(79)	(16)
Total capital gains and losses	58,812	(70,172)
Other income	0	17
Total income	104,756	(20,232)
4. Administrative costs	(7,785)	(9,396)
Profit before tax	96,971	(29,628)
5. Tax	(965)	(879)
Net profit for the year	96,006	(30,507)

BALANCE SHEET 31 DECEMBER 2019

Note (DKK 1,000)	2019	2018
ASSETS		
Liquid funds		
Deposits with custodian	14,202	18,455
Total liquid funds	14,202	18,455
7. Bonds		
Listed bonds from foreign issuers	563,739	667,734
Unlisted bonds from foreign issuers	17,618	26,261
Total bonds	581,357	693,995
Other assets		
Interest receivable, dividends receivable etc	9,688	12,453
Receivables – unsettled transactions	1,673	0
Total other assets	11,361	12,453
TOTAL ASSETS	606,920	724,903
LIABILITIES		
6. Investors' assets ¹⁾	605,072	722,882
Other debt		
Payables	1,123	2,021
Payables – unsettled transactions	725	0
Total other debt	1,848	2,021
TOTAL LIABILITIES	606,920	724,903
¹⁾ Investors' assets by unit class		
HøjrenteLande		
Lokal Valuta A DKK	392,448	562,618
Emerging Market Local		
Currency Bonds B EUR d	49,397	31,089
HøjrenteLande Lokal Valuta W DKK d	163,227	129,175
Total	605,072	722,882

HøjrenteLande Lokal Valuta KL – Financial Statements

NOTES

Note	(DKK 1,000)	2019	2018
1. Interest			
Deposits with custodian		131	304
Listed bonds from foreign issuers		44,995	48,051
Unlisted bonds from foreign issuers		863	1,680
Interest expense and negative interest with custodian		(45)	(112)
Total interest		45,944	49,923
2. Capital gains and losses			
Bonds			
Listed bonds from foreign issuers		57,958	(71,660)
Unlisted bonds from foreign issuers		1,791	778
Total bonds		59,749	(70,882)
Derivatives			
Forward exchange transactions/futures etc		0	1,007
Total derivatives		0	1,007
3. Transaction costs			
All transaction costs		107	19
Covered by income from issue and redemption		(28)	(3)
Transaction costs, operating activities		79	16
4. Administrative costs			
Class-specific costs			
Marketing costs		3,237	4,118
Fees to custodian		648	719
Other costs relating to asset management		2,925	3,385
Other costs		92	144
Fixed management fee		883	1,030
Total class-specific costs		7,785	9,396

NOTES (continued)

Note	(DKK 1,000)	2019	2018
5. Tax			
The fund is not liable to pay tax.			
Adjustment – tax on coupons etc		965	879
Total tax		965	879
6. Investors' assets			
Investors' assets at 1 Jan		722,882	703,399
Issues during the year		64,476	130,216
Redemptions during the year		(279,031)	(72,673)
Net issue surcharges and redemption deductions		739	486
Distribution from last year concerning units in circulation at 31 Dec		0	(8,008)
Changes in dividend distribution due to issues/redemptions		0	(31)
Proposed distribution for the financial year		17,792	0
Brought forward from income statement		78,010	(17,441)
Brought forward for distribution next year		204	(13,066)
Investors' assets at year-end		605,072	722,882
Joint income available for distribution in unit classes			
6a. Interest			
Interest		45,989	50,036
Non-refundable tax on coupons		(965)	(879)
Capital gains for distribution		(7,811)	(62,685)
Distribution adjustment in connection with issue/redemption concerning the above items		(3,157)	110
Available for distribution in unit classes		34,056	(13,418)
Of which for distribution in:			
HøjrenteLande Lokal Valuta A DKK		22,099	(10,447)
Emerging Market Local			
Currency Bonds B EUR d		2,781	(577)
HøjrenteLande Lokal Valuta W DKK d		9,176	(2,394)
Total for distribution		34,056	(13,418)
7. Financial instruments (securities)			
A list of financial instruments (securities) is available free of charge from the investment management company.			

HøjrenteLande Lokal Valuta KL – Financial Statements

SUPPLEMENTARY NOTES

Note (DKK 1,000)	2019	2018
a. Breakdown of financial instruments		
Listed financial instruments	93.17%	92.37%
Financial instruments listed on other regulated market	2.91%	3.63%
Newly issued financial instruments for which listing on a stock exchange or other regulated market is planned	0.00%	0.00%
Other financial instruments	0.00%	0.00%
	96.08%	96.00%
Other assets/other debt	3.92%	4.00%
Total	100.00%	100.00%
b. Bonds by duration		
Bonds > 6 yrs	36.75%	26.41%
Bonds 4-6 yrs	26.14%	20.86%
Bonds 2-4 yrs	23.16%	36.76%
Bonds 0-2 yrs	10.03%	11.97%
Cash, derivatives etc	3.92%	4.00%
Total	100.00%	100.00%

SUPPLEMENTARY NOTES (continued)

Note (DKK 1,000)	2019	2018
c. Bonds by country		
Brazil	10.96%	9.92%
Poland	10.59%	10.53%
Mexico	10.32%	6.22%
Russia	9.46%	7.13%
South Africa	8.08%	8.43%
Thailand	7.70%	8.96%
Indonesia	7.64%	5.91%
Colombia	4.71%	5.94%
Other	26.62%	32.96%
Cash, derivatives etc	3.92%	4.00%
Total	100.00%	100.00%

HøjrenteLande Lokal Valuta A DKK – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2015-2019

(DKK 1,000)	2019	2018	2017	2016	2015
Financial highlights					
Net profit for the year	70,582	(24,307)	(2,572)	97,006	(119,770)
Investors' assets	392,448	562,618	625,156	708,149	1,072,241
Units in circulation nominal	331,032	546,214	579,545	654,346	1,109,579
Units in circulation quantity	3,310,321	5,462,141	5,795,453	6,543,462	11,095,799
Financial ratios					
NAV per unit	118.55	103.00	107.87	108.22	96.63
Dividend per unit	3.30	0.00	1.10	0.00	1.10
Return (%) ¹⁾	15.10%	(3.54%)	(0.33%)	13.21%	(6.69%)
Benchmark return (%)	15.72%	(1.26%)	1.34%	12.82%	(5.02%)
Total expense ratio	1.35%	1.38%	1.36%	1.41%	1.34%
Annual percentage rate (APR) at 31 Dec	1.41%	1.44%	1.46%	1.48%	1.62%
Indirect transaction costs	0.24%	0.29%	-	-	-
Sharpe Ratio (5 yrs)	0.36	0.19	(0.06)	0.20	(0.07)
Standard deviation (5 yrs)	9.47	9.43	9.71	10.20	9.73

¹⁾ Past performance is no guarantee of future performance.

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

NOTES

Note (DKK 1,000)	2019	2018
a. Net profit		
Share of joint portfolio profit	76,943	(16,103)
Other class-specific income	0	14
Class-specific costs ¹⁾	(6,361)	(8,218)
Total net profit	70,582	(24,307)
¹⁾ Class-specific costs		
Marketing costs	3,011	3,965
Fees to custodian	466	582
Other costs relating to asset management	2,136	2,694
Other costs	65	115
Fixed management fee	683	862
Total class-specific costs	6,361	8,218
b. Distribution of profit		
b1. To be allocated		
Proposed distribution for the financial year	10,924	0
Brought forward for distribution next year	48	(10,139)
Available for distribution	10,972	(10,139)
Brought forward to investors' assets	59,610	(14,168)
Total distribution	70,582	(24,307)
b2. Available for distribution		
Brought forward for distribution from last year	(10,139)	328
Other income	0	14
Distribution adjustment in connection with issue/redemption concerning the above items	3,994	(34)
Share of joint income	22,099	(10,447)
Available for distribution before administrative costs	15,954	(10,139)
Available for distribution before administrative costs ¹⁾	(6,361)	0
Distribution adjustment of which in connection with issue/redemption	1,379	0
Total administrative costs	(4,982)	0
Available for distribution	10,972	(10,139)

NOTES (continued)

Note (DKK 1,000)	2019	2018
c. Other class-specific debt		
Payables	914	1,743
Total other class-specific debt	914	1,743
d. Investors' assets		
d1. Units in circulation		
Units in circulation at 1 Jan	546,214	579,545
Issues during the year	11,206	26,882
Redemptions during the year	(226,388)	(60,213)
Total units in circulation	331,032	546,214
d2. Investors' assets		
Investors' assets at 1 Jan	562,618	625,156
Issues during the year	12,346	28,743
Redemptions during the year	(253,629)	(60,981)
Net issue surcharges and redemption deductions	531	394
Distribution from last year concerning units in circulation at 31 Dec	0	(6,375)
Changes in dividend distribution due to issues/redemptions	0	(12)
Proposed distribution for the financial year	10,924	0
Brought forward from income statement	59,610	(14,168)
Brought forward for distribution next year	48	(10,139)
Investors' assets at year-end	392,448	562,618

¹⁾ If amount available for distribution before administrative costs and any voluntary distribution is negative, administrative costs cannot be deducted.

Emerging Market Local Currency Bonds B EUR d – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2015-2019

(DKK 1,000)	2019	2018	2017	2016	2015 ¹⁾
Financial highlights					
Net profit for the year ²⁾	6,144	(1,257)	(128)	2,992	(7,631)
Investors' assets	49,397	31,089	23,170	20,171	34,093
Units in circulation nominal	49,402	35,787	24,814	21,104	34,291
Units in circulation quantity (EUR)	661,153	479,594	333,277	282,352	532,445
Financial ratios					
NAV per unit (EUR)	10.00	8.69	9.34	9.61	8.58
Dividend per unit (EUR)	0.29	0.00	0.33	0.25	0.14
Return in EUR (%) ^{1) 2)}	15.10%	(3.60%)	0.32%	13.73%	(14.20%)
Benchmark return in EUR (%) ²⁾	15.56%	(1.48%)	1.20%	13.23%	(18.74%)
Total expense ratio ²⁾	1.18%	1.19%	1.21%	1.25%	0.80%
Annual percentage rate (APR) at 31 Dec	1.72%	1.72%	1.72%	1.71%	1.72%
Indirect transaction costs	0.24%	0.29%	-	-	-
Sharpe Ratio (3 yrs)	0.51	0.40	-	-	-
Standard deviation (3 yrs)	7.65	8.22	-	-	-

¹⁾ Past performance is no guarantee of future performance.

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

²⁾ The year 2015: Net profit and financial ratios cover the period from 24 April to 31 December 2015.

NOTES

Note (DKK 1,000)	2019	2018
a. Net profit		
Share of joint portfolio profit	6,702	(881)
Other class-specific income	0	1
Class-specific costs ¹⁾	(558)	(377)
Total net profit	6,144	(1,257)
¹⁾ Class-specific costs		
Marketing costs	226	153
Fees to custodian	40	28
Other costs relating to asset management	209	139
Other costs	7	6
Fixed management fee	76	51
Total class-specific costs	558	377
b. Distribution of profit		
b1. To be allocated		
Proposed distribution for the financial year	1,433	0
Brought forward for distribution next year	28	(551)
Available for distribution	1,461	(551)
Brought forward to investors' assets	4,683	(706)
Total distribution	6,144	(1,257)
b2. Available for distribution		
Brought forward for distribution from last year	(551)	14
Other income	0	1
Distribution adjustment in connection with issue/redemption concerning the above items	(208)	11
Share of joint income	2,781	(577)
Available for distribution before administrative costs	2,022	(551)
Available for distribution before administrative costs ¹⁾	(558)	0
Distribution adjustment of which in connection with issue/redemption	(3)	0
Total administrative costs	(561)	0
Available for distribution	1,461	(551)

NOTES (continued)

Note (DKK 1,000)	2019	2018
c. Investors' assets		
c1. Units in circulation		
Units in circulation at 1 Jan	35,787	24,814
Exchange rate adjustment of units in circulation at 1 Jan	77	57
Issues during the year	16,492	14,020
Redemptions during the year	(2,954)	(3,104)
Total units in circulation	49,402	35,787
c2. Investors' assets		
Investors' assets at 1 Jan	31,089	23,170
Issues during the year	14,901	12,739
Redemptions during the year	(2,792)	(2,744)
Net issue surcharges and redemption deductions	55	19
Distribution from last year concerning units in circulation at 31 Dec	0	(819)
Changes in dividend distribution due to issues/redemptions	0	(19)
Proposed distribution for the financial year	1,433	0
Brought forward from income statement	4,683	(706)
Brought forward for distribution next year	28	(551)
Investors' assets at year-end	49,397	31,089

¹⁾ If amount available for distribution before administrative costs and any voluntary distribution is negative, administrative costs cannot be deducted.

HøjrenteLande Lokal Valuta W DKK d – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2017-2019

(DKK 1,000)	2019	2018	2017 ¹⁾
Financial highlights			
Net profit for the year ²⁾	19,280	(4,943)	21
Investors' assets	163,227	129,175	55,073
Units in circulation nominal	135,865	124,577	50,852
Units in circulation quantity	1,358,651	1,245,770	508,515
Financial ratios			
NAV per unit	120.14	103.69	108.30
Dividend per unit	4.00	0.00	1.60
Return (%) ^{1) 2)}	15.86%	(2.84%)	0.07%
Benchmark return (%) ²⁾	15.72%	(1.26%)	1.34%
Total expense ratio ²⁾	0.66%	0.64%	0.97%
Annual percentage rate (APR) at 31 Dec	0.76%	0.73%	0.73%
Indirect transaction costs	0.24%	0.29%	-

¹⁾ Past performance is no guarantee of future performance.

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

²⁾ The year 2017: Net profit and financial ratios cover the period from 1 January to 31 December 2017.

NOTES

Note (DKK 1,000)	2019	2018
a. Net profit		
Share of joint portfolio profit	20,146	(4,143)
Other class-specific income	0	2
Class-specific costs ¹⁾	(866)	(802)
Total net profit	19,280	(4,943)
¹⁾ Class-specific costs		
Marketing costs	0	98
Fees to custodian	143	12
Other costs relating to asset management	581	552
Other costs	20	24
Fixed management fee	122	116
Total class-specific costs	866	802
b. Distribution of profit		
b1. To be allocated		
Proposed distribution for the financial year	5,435	0
Brought forward for distribution next year	128	(2,376)
Available for distribution	5,563	(2,376)
Brought forward to investors' assets	13,717	(2,567)
Total distribution	19,280	(4,943)
b2. Available for distribution		
Brought forward for distribution from last year	(2,376)	3
Other income	0	2
Distribution adjustment in connection with issue/redemption concerning the above items	(215)	13
Share of joint income	9,176	(2,394)
Available for distribution before administrative costs	6,585	(2,376)
Available for distribution before administrative costs ¹⁾	(866)	0
Distribution adjustment of which in connection with issue/redemption	(156)	0
Total administrative costs	(1,022)	0
Available for distribution	5,563	(2,376)

NOTES (continued)

Note (DKK 1,000)	2019	2018
d. Investors' assets		
d1. Units in circulation		
Units in circulation at 1 Jan	124,577	50,852
Issues during the year	31,641	82,589
Redemptions during the year	(20,353)	(8,864)
Total units in circulation	135,865	124,577
d2. Investors' assets		
Investors' assets at 1 Jan	129,175	55,073
Issues during the year	37,229	88,734
Redemptions during the year	(22,610)	(8,948)
Net issue surcharges and redemption deductions	153	73
Distribution from last year concerning units in circulation at 31 Dec	0	(814)
Changes in dividend distribution due to issues/redemptions	0	0
Proposed distribution for the financial year	5,435	0
Brought forward from income statement	13,717	(2,567)
Brought forward for distribution next year	128	(2,376)
Investors' assets at year-end	163,227	129,175

¹⁾ If amount available for distribution before administrative costs and any voluntary distribution is negative, administrative costs cannot be deducted.

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	16 June 2015	16 June 2015	16 June 2015
Launch date	21 September 2015	21 September 2015	25 August 2015
Listed	No	No	No
Currency	EUR	EUR	DKK
Income fund	No	No	No
Denomination	10	1,000	100
Risk category	4	4	4
Approved for marketing in Germany	Yes	Yes	No
The fund's benchmark	J.P. Morgan Emerging Markets Bond Index Global Diversified unhedged to fund currency		
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 2019" 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 4.

Developments

The development in the NAV of the unit classes in 2019 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	31 Dec 2019		31 Dec 2018	
	Return	Benchmark	Return	Benchmark
Emerging Market Local Currency Bonds B EUR Acc	15.05%	15.56%	(3.68%)	(1.48%)
Emerging Market Local Currency Bonds I EUR Acc	15.65%	15.56%	(3.18%)	(1.48%)
HøjrenteLande Lokal Valuta W DKK Acc	15.78%	15.72%	(2.98%)	(1.26%)

The market exceeded expectations at the beginning of the year. The fund's unit class B underperformed its benchmark whereas unit classes I and W outperformed their benchmark, see the table above.

Like 2018, 2019 was characterised by President Trump's unpredictable trade policy. In contrast 2019 saw lower interest rates in USA and Europe. In country-specific terms the asset class was influenced by the inclusion of oil states in the Middle East, by economic problems in Argentina as well as by political instability in eg Chile.

Yields on EM bonds issued in local currency have gone down, which is the most significant source of benchmark return, whereas EM currencies have appreciated relative to DKK, EUR and USD. Russia had the strongest currency and Turkey the best-performing bond market in 2019. Argentina was the cheapest in both categories.

The fund has produced a return which is on a par or slightly below its benchmark. Relative return was driven by the fund's bond allocation in Brazil and its underweight in Hungary. By contrast the fund's underweight in Thailand and its overweight in Argentina detracted from performance.

Market outlook

Developments in 2020 will depend on a trade agreement being reached between USA and China. Compared with previous years we are entering a year in which the central banks in the US and Europe have created less stringent conditions for the global economy and EM bonds. Economic developments in China will continue to be of great significance. President Trump will remain a source of considerable uncertainty also in 2020.

We project that the fund will generate a return in 2020 on a par with or above its benchmark as the fund is actively managed.

HøjrenteLande Lokal Valuta Akkumulerende KL – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2015-2019

(DKK 1,000)	2019	2018	2017	2016	2015 ¹⁾
Financial highlights					
Net profit for the year	120,095	(111,450)	29,963	326,985	41,678
Investors' assets	695,924	823,660	2,643,185	3,219,534	2,230,702
Financial ratios					
Portfolio turnover rate (PTR)	0.76	0.57	0.55	0.74	0.33

¹⁾ The fund was launched on 25 August 2015.

INCOME STATEMENT

Note	(DKK 1,000)	2019	2018
Interest and dividends			
1.	Interest	59,762	173,781
Total interest and dividends		59,762	173,781
Capital gains and losses			
2.	Bonds	67,591	(265,331)
2.	Derivatives	0	3,332
	Currency accounts	(1,865)	(212)
	Other assets/liabilities	15	(75)
3.	Transaction costs, operating activities	(21)	(21)
Total capital gains and losses		65,720	(262,307)
	Other income	1	62
Total income		125,483	(88,464)
4.	Administrative costs	(5,656)	(17,109)
Profit before tax		119,827	(105,573)
5.	Tax	268	(5,877)
Net profit for the year		120,095	(111,450)

BALANCE SHEET 31 DECEMBER 2019

Note	(DKK 1,000)	2019	2018
ASSETS			
Liquid funds			
	Deposits with custodian	13,611	37,504
Total liquid funds		13,611	37,504
7.	Bonds		
	Listed bonds from foreign issuers	652,487	747,468
	Unlisted bonds from foreign issuers	20,497	29,614
Total bonds		672,984	777,082
Other assets			
	Interest receivable, dividends receivable etc	11,737	12,250
	Receivables – unsettled transactions	5,972	0
Total other assets		17,709	12,250
TOTAL ASSETS		704,304	826,836
LIABILITIES			
6.	Investors' assets ¹⁾	695,924	823,660
Other debt			
	Payables	553	3,176
	Payables – unsettled transactions	7,827	0
Total other debt		8,380	3,176
TOTAL LIABILITIES		704,304	826,836
¹⁾ Investors' assets by unit class			
	Emerging Market Local		
	Currency Bonds B EUR Acc	29,904	32,869
	Emerging Market Local		
	Currency Bonds I EUR Acc	192,460	508,117
	HøjrenteLande Lokal Valuta W DKK Acc	473,560	282,674
Total		695,924	823,660

HøjrenteLande Lokal Valuta Akkumulerende KL – Financial Statements

NOTES

Note (DKK 1,000)	2019	2018
1. Interest		
Deposits with custodian	178	922
Listed bonds from foreign issuers	58,543	167,392
Unlisted bonds from foreign issuers	1,135	5,934
Interest expense and negative interest with custodian	(94)	(467)
Total interest	59,762	173,781
2. Capital gains and losses		
Bonds		
Listed bonds from foreign issuers	65,476	(268,250)
Unlisted bonds from foreign issuers	2,115	2,919
Total bonds	67,591	(265,331)
Derivatives		
Forward exchange transactions/futures etc	0	3,332
Total derivatives	0	3,332
3. Transaction costs		
All transaction costs	32	42
Covered by income from issue and redemption	(11)	(21)
Transaction costs, operating activities	21	21

NOTES (continued)

Note (DKK 1,000)	2019	2018
4. Administrative costs		
Class-specific costs		
Marketing costs	143	154
Fees to custodian	720	2,146
Other costs relating to asset management	3,923	11,831
Other costs	20	457
Fixed management fee	850	2,521
Total class-specific costs	5,656	17,109
5. Tax		
The fund is not liable to pay tax.		
Adjustment – tax on coupons etc	(268)	5,877
Total tax	(268)	5,877
6. Investors' assets		
Investors' assets at 1 Jan	823,660	2,643,185
Issues during the year	145,769	234,014
Redemptions during the year	(394,600)	(1,948,384)
Net issue surcharges and redemption deductions	1,000	6,295
Brought forward from income statement	120,095	(111,450)
Investors' assets at year-end	695,924	823,660
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

Note (DKK 1,000)	2019	2018
a. Breakdown of financial instruments		
Listed financial instruments	93.75%	90.75%
Financial instruments listed on other regulated market	2.95%	3.60%
Newly issued financial instruments for which listing on a stock exchange or other regulated market is planned	0.00%	0.00%
Other financial instruments	0.00%	0.00%
	96.70%	94.35%
Other assets/other debt	3.30%	5.65%
Total	100.00%	100.00%
b. Bonds by duration		
Bonds > 6 yrs	37.11%	26.16%
Bonds 4-6 yrs	26.67%	19.46%
Bonds 2-4 yrs	23.37%	35.21%
Bonds 0-2 yrs	9.55%	13.52%
Cash, derivatives etc	3.30%	5.65%
Total	100.00%	100.00%

SUPPLEMENTARY NOTES (continued)

Note (DKK 1,000)	2019	2018
c. Bonds by country		
Brazil	11.03%	9.76%
Poland	10.55%	10.56%
Mexico	10.36%	6.16%
Russia	9.49%	6.94%
South Africa	8.06%	8.15%
Thailand	7.78%	8.72%
Indonesia	7.76%	6.52%
Colombia	4.75%	4.43%
Other	26.92%	33.11%
Cash, derivatives etc	3.30%	5.65%
Total	100.00%	100.00%

Emerging Market Local Currency Bonds B EUR Acc – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2015-2019

(DKK 1,000)	2019	2018	2017	2016	2015 ¹⁾
Financial highlights					
Net profit for the year ²⁾	4,443	(1,524)	51	4,890	1,076
Net profit for the year ³⁾	4,443	(1,524)	51	4,890	(814)
Investors' assets	29,904	32,869	37,125	46,158	62,837
Units in circulation nominal	16,678	21,089	22,938	28,557	43,901
Units in circulation quantity (EUR)	223,130	282,539	308,084	382,627	588,348
Financial ratios					
NAV per unit (EUR)	17.94	15.59	16.18	16.22	14.31
Return in EUR (%) ^{1) 2)}	15.05%	(3.68%)	(0.24%)	13.36%	(7.37%)
Benchmark return in EUR (%) ²⁾	15.56%	(1.48%)	1.20%	13.23%	(11.28%)
Total expense ratio ²⁾	1.16%	1.17%	1.20%	1.23%	0.43%
Total expense ratio ³⁾	1.17%	1.17%	1.20%	1.23%	1.38%
Annual percentage rate (APR) at 31 Dec	1.70%	1.72%	1.70%	1.69%	1.71%
Indirect transaction costs	0.21%	0.29%	-	-	-
Sharpe Ratio (5 yrs)	0.35	0.18	(0.10)	0.57	0.51
Standard deviation (5 yrs)	9.48	9.48	9.82	7.21	7.05

¹⁾ Past performance is no guarantee of future performance.

¹⁾ The unit class was launched on 21 September 2015.

²⁾ The year 2015: Net profit and financial ratios cover the period from 21 September to 31 December 2015.

³⁾ For the period 1 January – 18 September 2015 ISI Emerging Market Local Currency Bonds is included.

NOTES

Note (DKK 1,000)	2019	2018
a. Net profit		
Share of joint portfolio profit	4,807	(1,125)
Other class-specific income	1	3
Class-specific costs ¹⁾	(365)	(402)
Total net profit	4,443	(1,524)
¹⁾ Class-specific costs		
Marketing costs	143	154
Fees to custodian	27	29
Other costs relating to asset management	142	156
Other costs	1	6
Fixed management fee	52	57
Total class-specific costs	365	402
b. Distribution of profit		
Brought forward to investors' assets	4,443	(1,524)
Total distribution	4,443	(1,524)
c. Other class-specific debt		
Payables	61	90
Total other class-specific debt	61	90

NOTES (continued)

Note (DKK 1,000)	2018	2017
d. Investors' assets		
d1. Units in circulation		
Units in circulation at 1 Jan	21,089	22,938
Exchange rate adjustment of units in circulation at 1 Jan	26	52
Issues during the year	8	677
Redemptions during the year	(4,445)	(2,578)
Total units in circulation	16,678	21,089
d2. Investors' assets		
Investors' assets at 1 Jan	32,869	37,125
Issues during the year	15	1,047
Redemptions during the year	(7,465)	(4,005)
Net issue surcharges and redemption deductions	42	226
Brought forward from income statement	4,443	(1,524)
Investors' assets at year-end	29,904	32,869

Emerging Market Local Currency Bonds I EUR Acc – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2015-2019

(DKK 1,000)	2019	2018	2017	2016	2015 ¹⁾
Financial highlights					
Net profit for the year ²⁾	61,905	(92,103)	31,037	321,035	40,666
Net profit for the year ³⁾	61,905	(92,103)	31,037	321,035	(147,951)
Investors' assets	192,460	508,117	2,440,839	3,164,380	2,159,941
Units in circulation nominal	99,652	302,676	1,404,144	1,831,145	1,420,178
Units in circulation quantity (EUR)	13,232	40,456	188,591	245,581	190,326
Financial ratios					
NAV per unit (EUR)	1,946.49	1,683.06	1,738.31	1,732.94	1,520.72
Return in EUR (%) ^{1) 2)}	15.65%	(3.18%)	0.31%	13.95%	(6.38%)
Benchmark return in EUR (%) ²⁾	15.56%	(1.48%)	1.20%	13.23%	(11.28%)
Total expense ratio ²⁾	0.63%	0.66%	0.64%	0.62%	0.17%
Total expense ratio ³⁾	0.63%	0.66%	0.64%	0.62%	0.97%
Annual percentage rate (APR) at 31 Dec	0.70%	0.72%	0.72%	0.74%	0.74%
Indirect transaction costs	0.21%	0.29%	-	-	-
Sharpe Ratio (5 yrs)	0.43	0.24	(0.04)	0.65	0.52
Standard deviation (5 yrs)	9.40	9.37	9.73	7.27	6.82

¹⁾ Past performance is no guarantee of future performance.

¹⁾ The unit class was launched on 21 September 2015.

²⁾ The year 2015: Net profit and financial ratios cover the period from 21 September to 31 December 2015.

³⁾ For the period 1 January – 18 September 2015 SEM Emerging Market Local Currency Bonds is included.

NOTES

Note (DKK 1,000)	2019	2018
a. Net profit		
Share of joint portfolio profit	64,779	(77,451)
Other class-specific income	0	53
Class-specific costs ¹⁾	(2,874)	(14,705)
Total net profit	61,905	(92,103)
¹⁾ Class-specific costs		
Fees to custodian	372	1,849
Other costs relating to asset management	2,068	10,291
Other costs	(3)	393
Fixed management fee	437	2,172
Total class-specific costs	2,874	14,705
b. Distribution of profit		
Brought forward to investors' assets	61,905	(92,103)
Total distribution	61,905	(92,103)
c. Other class-specific debt		
Payables	177	2,673
Payables – unsettled transactions	1,868	0
Total other class-specific debt	2,045	2,673

NOTES (continued)

Note (DKK 1,000)	2019	2018
d. Investors' assets		
d1. Units in circulation		
Units in circulation at 1 Jan	302,676	1,404,144
Exchange rate adjustment of units in circulation at 1 Jan	928	3,203
Issues during the year	7	14,726
Redemptions during the year	(203,959)	(1,119,397)
Total units in circulation	99,652	302,676
d2. Investors' assets		
Investors' assets at 1 Jan	508,117	2,440,839
Issues during the year	14	25,864
Redemptions during the year	(377,952)	(1,870,635)
Net issue surcharges and redemption deductions	376	4,152
Brought forward from income statement	61,905	(92,103)
Investors' assets at year-end	192,460	508,117

HøjrenteLande Lokal Valuta W DKK Acc – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2015-2019

(DKK 1,000)	2019	2018	2017	2016	2015 ¹⁾
Financial highlights					
Net profit for the year ²⁾	53,747	(17,823)	(1,125)	1,060	(64)
Investors' assets	473,560	282,674	165,221	8,996	7,924
Units in circulation nominal	374,307	258,695	146,701	8,021	8,021
Units in circulation quantity	3,743,067	2,586,951	1,467,015	80,215	80,214
Financial ratios					
NAV per unit	126.52	109.27	112.62	112.15	98.78
Return (%) ^{1) 2)}	15.78%	(2.98%)	0.42%	13.71%	(1.22%)
Benchmark return (%) ²⁾	15.72%	(1.26%)	1.34%	12.82%	(1.04%)
Total expense ratio ²⁾	0.63%	0.63%	0.56%	0.64%	0.19%
Annual percentage rate (APR) at 31 Dec	0.71%	0.73%	0.73%	0.76%	0.76%
Indirect transaction costs	0.21%	0.29%	-	-	-
Sharpe Ratio (3 yrs)	0.58	0.45	-	-	-
Standard deviation (3 yrs)	7.59	8.19	-	-	-

¹⁾ Past performance is no guarantee of future performance.

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

²⁾ The year 2015: Net profit and financial ratios cover the period from 21 September to 31 December 2015.

NOTES

Note (DKK 1,000)	2019	2018
a. Net profit		
Share of joint portfolio profit	56,164	(15,826)
Other class-specific income	0	6
Class-specific costs ¹⁾	(2,417)	(2,003)
Total net profit	53,747	(17,823)
^{1) Class-specific costs}		
Fees to custodian	320	268
Other costs relating to asset management	1,713	1,384
Other costs	22	59
Fixed management fee	362	292
Total class-specific costs	2,417	2,003
b. Distribution of profit		
Brought forward to investors' assets	53,747	(17,823)
Total distribution	53,747	(17,823)
c. Other class-specific debt		
Payables	310	398
Total other class-specific debt	310	398

NOTES (continued)

Note (DKK 1,000)	2019	2018
d. Investors' assets		
d1. Units in circulation		
Units in circulation at 1 Jan	258,695	146,701
Issues during the year	123,162	181,794
Redemptions during the year	(7,550)	(69,800)
Total units in circulation	374,307	258,695
d2. Investors' assets		
Investors' assets at 1 Jan	282,674	165,221
Issues during the year	145,740	207,103
Redemptions during the year	(9,183)	(73,744)
Net issue surcharges and redemption deductions	582	1,917
Brought forward from income statement	53,747	(17,823)
Investors' assets at year-end	473,560	282,674

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	16 May 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

The fund's benchmark 50% JP Morgan EMBI Global Diversified hedged to fund currency
50% J.P. Morgan GBI-EM Global Diversified unhedged to fund currency

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 2019" 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 2019 appears from the table below. The difference in returns is attributable to the level of costs in the individual classes.

Unit class	31 Dec 2019		31 Dec 2018	
	Return	Benchmark	Return	Benchmark
HøjrenteLande Mix A DKK	12.08%	13.67%	(6.43%)	(4.22%)
HøjrenteLande Mix W DKK d	12.79%	13.67%	(5.78%)	(4.22%)

The market exceeded expectations at the beginning of the year and both of the fund's unit classes underperformed their benchmark, see the above table.

Like 2018, 2019 was characterised by President Trump's unpredictable trade policy. In contrast 2019 saw lower interest rates in the US and Europe. In country-specific terms the asset class was influenced by the inclusion of oil states in the Middle East, by economic problems in Argentina as well as by political instability in eg Chile.

The yield differential between emerging market bonds and US Treasuries narrowed to 2.9 percentage points, which coupled with lower US interest rates was the reason for the decline in the yield to maturity of emerging market bonds issued in USD to 4.9%. The vast majority of countries in the fund's benchmark produced a positive return. Ukraine was the high jumper while Venezuela, Lebanon and Argentina had the largest negative returns.

Yields on EM bonds issued in local currency have gone down, which is the most significant source of benchmark return, whereas EM currencies have appreciated relative to DKK, EUR and USD. Russia had the strongest currency and Turkey the best-performing bond market in 2019. Argentina was the cheapest in both categories.

Fund return was lower than benchmark return. The fund's allocation between local currency and hard currency was a drag on performance in 2019. So were the investments within each asset class.

Market outlook

Developments in 2020 will depend on a trade agreement being reached between USA and China. Compared with previous years we are entering a year in which the central banks in the US and Europe have created less stringent conditions for the global economy and EM bonds. Economic developments in China will continue to be of great significance. President Trump will remain a source of considerable uncertainty also in 2020.

We project that the fund will generate a return in 2020 on a par with or above its benchmark as the fund is actively managed.

HøjrenteLande Mix KL – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2015-2019

(DKK 1,000)	2019	2018	2017	2016	2015
Financial highlights					
Net profit for the year	115,777	(71,187)	45,547	157,273	(98,647)
Investors' assets	1,020,071	987,968	1,174,820	1,458,092	1,775,970
Financial ratios					
Portfolio turnover rate (PTR)	0.91	1.00	0.69	0.81	0.79

INCOME STATEMENT

Note (DKK 1,000)	2019	2018
Interest and dividends		
1. Interest	62,563	63,092
Total interest and dividends	62,563	63,092
Capital gains and losses		
2. Bonds	92,386	(87,375)
2. Derivatives	(24,288)	(30,130)
Currency accounts	(665)	(1,494)
Other assets/liabilities	(26)	47
3. Transaction costs, operating activities	(211)	(400)
Total capital gains and losses	67,196	(119,352)
Other income	0	50
Total income	129,759	(56,210)
4. Administrative costs	(13,330)	(14,163)
Profit before tax	116,429	(70,373)
5. Tax	(652)	(814)
Net profit for the year	115,777	(71,187)

BALANCE SHEET 31 DECEMBER 2019

Note (DKK 1,000)	2019	2018
ASSETS		
Liquid funds		
Deposits with custodian	28,372	33,657
Deposits on margin accounts with custodian	0	18,810
Total liquid funds	28,372	52,467
7. Bonds		
Listed bonds from foreign issuers	953,325	908,486
Unlisted bonds from foreign issuers	20,360	34,642
Total bonds	973,685	943,128
Derivatives		
Unlisted derivatives	2,570	221
Total derivatives	2,570	221
Other assets		
Interest receivable, dividends receivable etc	16,998	16,754
Receivables – unsettled transactions	1,462	6,551
Total other assets	18,460	23,305
TOTAL ASSETS	1,023,087	1,019,121
LIABILITIES		
6. Investors' assets ¹⁾	1,020,071	987,968
Derivatives		
Unlisted derivatives	142	15,348
Total derivatives	142	15,348
Other debt		
Payables	2,237	3,004
Payables – unsettled transactions	637	12,801
Total other debt	2,874	15,805
TOTAL LIABILITIES	1,023,087	1,019,121
^{1) Investors' assets by unit class}		
HøjrenteLande Mix A DKK	974,590	950,621
HøjrenteLande Mix W DKK d	45,481	37,347
Total	1,020,071	987,968

HøjrenteLande Mix KL – Financial Statements

NOTES

Note	(DKK 1,000)	2019	2018
1. Interest			
Deposits with custodian		261	564
Listed bonds from foreign issuers		61,297	60,589
Unlisted bonds from foreign issuers		1,100	2,058
Interest expense and negative interest with custodian		(95)	(119)
Total interest		62,563	63,092
2. Capital gains and losses			
Bonds			
Listed bonds from foreign issuers		90,464	(88,447)
Unlisted bonds from foreign issuers		1,922	1,072
Total bonds		92,386	(87,375)
Derivatives			
Forward exchange transactions/futures etc		(22,355)	(3,776)
Forward interest transactions/futures etc		(1,933)	(26,354)
Total derivatives		(24,288)	(30,130)
3. Transaction costs			
All transaction costs		235	417
Covered by income from issue and redemption		(24)	(17)
Transaction costs, operating activities		211	400
4. Administrative costs			
Class-specific costs			
Marketing costs		6,204	6,754
Fees to custodian		908	937
Other costs relating to asset management		4,629	4,763
Other costs		126	203
Fixed management fee		1,463	1,506
Total class-specific costs		13,330	14,163

NOTES (continued)

Note	(DKK 1,000)	2019	2018
5. Tax			
The fund is not liable to pay tax.			
Adjustment – tax on coupons etc		652	814
Total tax		652	814
6. Investors' assets			
Investors' assets at 1 Jan		987,968	1,174,820
Issues during the year		167,955	46,707
Redemptions during the year		(206,291)	(72,908)
Net issue surcharges and redemption deductions		1,092	279
Distribution from last year concerning units in circulation at 31 Dec		(46,515)	(89,947)
Changes in dividend distribution due to issues/redemptions		85	204
Proposed distribution for the financial year		45,747	46,515
Brought forward from income statement		68,800	(117,702)
Brought forward for distribution next year		1,230	0
Investors' assets at year-end		1,020,071	987,968
6a. Joint income available for distribution in unit classes			
Interest		62,658	63,211
Non-refundable tax on coupons		(652)	(814)
Capital gains for distribution		(9,869)	(111,503)
Distribution adjustment in connection with issue/redemption concerning the above items		(1,840)	2,168
Available for distribution in unit classes		50,297	(46,938)
Of which for distribution in:			
HøjrenteLande Mix A DKK		48,053	(45,167)
HøjrenteLande Mix W DKK d		2,244	(1,771)
Total for distribution		50,297	(46,938)
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

Note (DKK 1,000)	2019	2018
a. Breakdown of financial instruments		
Listed financial instruments	93.45%	91.96%
Financial instruments listed on other regulated market	2.00%	3.51%
Newly issued financial instruments for which listing on a stock exchange or other regulated market is planned	0.00%	0.00%
Other financial instruments	0.24%	(1.55%)
	95.69%	93.92%
Other assets/other debt	4.31%	6.08%
Total	100.00%	100.00%
b. Bonds by duration		
Bonds > 6 yrs	49.31%	34.56%
Bonds 4-6 yrs	19.63%	19.21%
Bonds 2-4 yrs	16.80%	29.71%
Bonds 0-2 yrs	9.71%	11.99%
Cash, derivatives etc	4.55%	4.53%
Total	100.00%	100.00%
c. Bonds by country		
Mexico	8.21%	5.67%
Russia	7.94%	6.13%
Indonesia	6.32%	4.78%
South Africa	5.86%	5.17%
Brazil	5.68%	5.51%
Poland	5.29%	5.55%
Turkey	4.44%	6.78%
Thailand	3.85%	4.82%
Other	47.86%	51.06%
Cash, derivatives etc	4.55%	4.53%
Total	100.00%	100.00%

SUPPLEMENTARY NOTES (continued)

Note (DKK 1,000)	2019	2018
d. Currency futures bought		
USD	77,255	35,352
Total	77,255	35,352
e. Currency futures sold		
USD	0	(1,404)
EUR	(42,823)	(47,373)
Total	(42,823)	(48,777)
f. Underlying exposure – forward exchange transactions		
Currency		
USD	(397,693)	(400,101)
DKK	397,890	389,086
JPY	0	(5,443)
g. Net collateral position		
Net calculation of collateral regarding derivatives		
Collateral provided as		
Liquid funds	0	18,810
Total	0	18,810

HøjrenteLande Mix A DKK – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2015-2019

(DKK 1,000)	2019	2018	2017 ¹⁾	2016	2015
Financial highlights					
Net profit for the year	111,288	(68,897)	43,577	157,273	(98,647)
Investors' assets	974,590	950,621	1,132,606	1,458,092	1,775,970
Units in circulation nominal	1,184,423	1,235,846	1,273,365	1,607,133	2,049,330
Units in circulation quantity	11,844,235	12,358,463	12,733,654	16,071,333	20,493,301
Financial ratios					
NAV per unit	82.28	76.92	88.95	90.73	86.66
Dividend per unit	3.70	3.60	6.80	4.60	4.90
Return (%) ²⁾	12.08%	(6.43%)	3.24%	10.63%	(4.38%)
Benchmark return (%)	13.67%	(4.22%)	4.70%	10.61%	(2.29%)
Total expense ratio	1.32%	1.37%	1.36%	1.38%	1.33%
Annual percentage rate (APR) at 31 Dec	1.42%	1.45%	1.47%	1.49%	1.63%
Indirect transaction costs	0.39%	0.38%	-	-	-
Sharpe Ratio (5 yrs)	0.42	0.21	0.06	0.34	0.15
Standard deviation (5 yrs)	7.20	7.29	7.76	8.19	7.86

²⁾ Past performance is no guarantee of future performance.

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

NOTES

Note (DKK 1,000)	2019	2018
a. Net profit		
Share of joint portfolio profit	124,366	(55,040)
Other class-specific income	0	48
Class-specific costs ¹⁾	(13,078)	(13,905)
Total net profit	111,288	(68,897)
¹⁾ Class-specific costs		
Marketing costs	6,204	6,754
Fees to custodian	865	896
Other costs relating to asset management	4,461	4,590
Other costs	121	196
Fixed management fee	1,427	1,469
Total class-specific costs	13,078	13,905
b. Distribution of profit		
b1. To be allocated		
Proposed distribution for the financial year	43,824	44,490
Brought forward for distribution next year	792	0
Available for distribution	44,616	44,490
Brought forward to investors' assets	66,672	(113,387)
Total distribution	111,288	(68,897)
b2. Available for distribution		
Brought forward for distribution from last year	0	838
Other income	0	48
Distribution adjustment in connection with issue/redemption concerning the above items	0	(36)
Share of joint income	48,053	(45,167)
Available for distribution before administrative costs	48,053	(44,317)
Set-off of administrative costs	(13,078)	(13,905)
Distribution adjustment of which in connection with issue/redemption	719	552
Total administrative costs	(12,359)	(13,353)
Available for distribution, gross	35,694	(57,670)
Voluntary distribution	8,922	102,160
Available for distribution	44,616	44,490

NOTES (continued)

Note (DKK 1,000)	2019	2018
c. Other class-specific debt		
Payables	2,203	2,946
Payables – unsettled transactions	0	5,349
Total other class-specific debt	2,203	8,295
d. Investors' assets		
d1. Units in circulation		
Units in circulation at 1 Jan	1,235,846	1,273,365
Issues during the year	191,051	53,027
Redemptions during the year	(242,474)	(90,546)
Total units in circulation	1,184,423	1,235,846
d2. Investors' assets		
Investors' assets at 1 Jan	950,621	1,132,606
Issues during the year	147,206	43,437
Redemptions during the year	(191,213)	(70,409)
Net issue surcharges and redemption deductions	1,053	269
Distribution from last year concerning units in circulation at 31 Dec	(44,490)	(86,589)
Changes in dividend distribution due to issues/redemptions	125	204
Proposed distribution for the financial year	43,824	44,490
Brought forward from income statement	66,672	(113,387)
Brought forward for distribution next year	792	0
Investors' assets at year-end	974,590	950,621

HøjrenteLande Mix W DKK d – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2017-2019

(DKK 1,000)	2019	2018	2017 ¹⁾
Financial highlights			
Net profit for the year ²⁾	4,489	(2,290)	1,970
Investors' assets	45,481	37,347	42,214
Units in circulation nominal	54,955	48,213	47,299
Units in circulation quantity	549,546	482,133	472,996
Financial ratios			
NAV per unit	82.76	77.46	89.25
Dividend per unit	3.50	4.20	7.10
Return (%) ¹⁾²⁾	12.79%	(5.78%)	3.59%
Benchmark return (%) ²⁾	13.67%	(4.22%)	4.70%
Total expense ratio ²⁾	0.68%	0.68%	1.05%
Annual percentage rate (APR) at 31 Dec	0.79%	0.78%	0.74%
Indirect transaction costs	0.39%	0.38%	-

¹⁾ Past performance is no guarantee of future performance.

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

²⁾ The year 2017: Net profit and financial ratios cover the period from 1 January to 31 December 2017.

NOTES

Note (DKK 1,000)	2019	2018
a. Net profit		
Share of joint portfolio profit	4,741	(2,033)
Other class-specific income	0	2
Class-specific costs ¹⁾	(252)	(259)
Total net profit	4,489	(2,290)
¹⁾ Class-specific costs		
Fees to custodian	43	42
Other costs relating to asset management	168	173
Other costs	5	7
Fixed management fee	36	37
Total class-specific costs	252	259
b. Distribution of profit		
b1. To be allocated		
Proposed distribution for the financial year	1,923	2,025
Brought forward for distribution next year	27	0
Available for distribution	1,950	2,025
Brought forward to investors' assets	2,539	(4,315)
Total distribution	4,489	(2,290)
b2. Available for distribution		
Brought forward for distribution from last year	0	38
Other income	0	2
Distribution adjustment in connection with issue/redemption concerning the above items	0	2
Share of joint income	2,244	(1,771)
Available for distribution before administrative costs	2,244	(1,729)
Set-off of administrative costs	(252)	(259)
Distribution adjustment of which in connection with issue/redemption	(42)	1
Total administrative costs	(294)	(258)
Available for distribution, gross	1,950	(1,987)
Voluntary distribution	0	4,012
Available for distribution	1,950	2,025

NOTES (continued)

Note (DKK 1,000)	2019	2018
c. Other class-specific debt		
Payables	26	52
Payables – unsettled transactions	0	924
Total other class-specific debt	26	976
d. Investors' assets		
d1. Units in circulation		
Units in circulation at 1 Jan	48,213	47,299
Issues during the year	26,073	4,054
Redemptions during the year	(19,331)	(3,140)
Total units in circulation	54,955	48,213
d2. Investors' assets		
Investors' assets at 1 Jan	37,347	42,214
Issues during the year	20,749	3,270
Redemptions during the year	(15,078)	(2,499)
Net issue surcharges and redemption deductions	39	10
Distribution from last year concerning units in circulation at 31 Dec	(2,025)	(3,358)
Changes in dividend distribution due to issues/redemptions	(40)	0
Proposed distribution for the financial year	1,923	2,025
Brought forward from income statement	2,539	(4,315)
Brought forward for distribution next year	27	0
Investors' assets at year-end	45,481	37,347

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
The fund's 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 2019" 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.com.

For more information on fund developments, reference is made to the Investment Fund's website and for more detailed information on risks associated with investing in the fund, reference is made to the current prospectus which may be downloaded at www.sydinvest-em.com.

Investment profile

The fund invests opportunistically in sovereign bonds issued by emerging market countries and can furthermore invest in the 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 ESG screening process across the entire investment universe. ESG incorporates environmental, social and corporate governance issues. Consequently the fund will at times restrict the investment universe regardless of the composition of the fund's reference benchmark.

The investment approach is a combination of an ESG country exclusion and screening process and an opportunistic investment style driven 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 in 2019 appears from the table below.

Unit class	31 Dec 2019		31 Dec 2018	
	Return	Benchmark	Return	Benchmark
HøjrenteLande Mix Etik I USD Acc *)	13.09%	13.81%	(5.67%)	(5.18%)

The market exceeded expectations at the beginning of the year and the fund's unit class underperformed its benchmark, see the above table.

Like 2018, 2019 was characterised by President Trump's unpredictable trade policy. In contrast 2019 saw lower interest rates in the US and Europe. In country-specific terms the asset class was influenced by the inclusion of oil states in the Middle East, by economic problems in Argentina as well as by political instability in eg Chile.

The yield differential between emerging market bonds and US Treasuries narrowed to 2.9 percentage points, which coupled with lower US interest rates was the reason for the decline in the yield to maturity of emerging market bonds issued in USD to 4.9%. The vast majority of countries in the fund's benchmark produced a positive return. Ukraine was the high jumper while Venezuela, Lebanon and Argentina had the largest negative returns.

Yields on EM bonds issued in local currency have gone down, which is the most significant source of benchmark return, whereas EM currencies have appreciated relative to DKK, EUR and USD. Russia had the strongest currency and Turkey the best-performing bond market in 2019. Argentina was the cheapest in both categories.

Fund return was lower than benchmark return. The exclusion of countries as a consequence of the ESG process in particular made a negative contribution to the fund's relative return. Relative return was pulled down in particular by the fund's investments in the exclusions in local currency.

Market outlook

Developments in 2020 will depend on a trade agreement being reached between the US and China. Compared with previous years we are entering a year in which the central banks in the US and Europe have created less stringent conditions for the global economy and EM bonds. Economic developments in China will continue to be of great significance. President Trump will remain a source of considerable uncertainty also in 2020.

We project that the fund will generate a return in 2020 on a par with or above its benchmark as the fund is actively managed.

HøjrenteLande Mix Etik Akkumulerende KL – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2017-2019

(DKK 1,000)	2019	2018	2017 ¹⁾
Financial highlights			
Net profit for the year	25,907	(1,091)	(7,018)
Investors' assets	227,461	167,108	141,661
Financial ratios			
Portfolio turnover rate (PTR)	0.96	0.44	0.51

¹⁾ The fund was launched on 3 April 2017.

INCOME STATEMENT

Note (DKK 1,000)	2019	2018
Interest and dividends		
1. Interest	12,086	8,785
Total interest and dividends	12,086	8,785
Capital gains and losses		
2. Bonds	14,095	(9,344)
2. Derivatives	1,207	413
Currency accounts	15	164
Other assets/liabilities	(1)	2
3. Transaction costs, operating activities	(38)	(28)
Total capital gains and losses	15,278	(8,793)
Other income	0	6
Total income	27,364	(2)
4. Administrative costs	(1,300)	(974)
Profit before tax	26,064	(976)
5. Tax	(157)	(115)
Net profit for the year	25,907	(1,091)

BALANCE SHEET 31 DECEMBER 2019

Note (DKK 1,000)	2019	2018
ASSETS		
Liquid funds		
Deposits with custodian	3,475	9,517
Total liquid funds	3,475	9,517
7. Bonds		
Listed bonds from foreign issuers	215,962	144,725
Unlisted bonds from foreign issuers	4,643	9,951
Total bonds	220,605	154,676
Derivatives		
Unlisted derivatives	44	439
Total derivatives	44	439
Other assets		
Interest receivable, dividends receivable etc	3,496	2,701
Receivables – unsettled transactions	328	0
Total other assets	3,824	2,701
TOTAL ASSETS	227,948	167,333
LIABILITIES		
6. Investors' assets ¹⁾	227,461	167,108
Derivatives		
Unlisted derivatives	208	15
Total derivatives	208	15
Other debt		
Payables	146	210
Payables – unsettled transactions	133	0
Total other debt	279	210
TOTAL LIABILITIES	227,948	167,333
¹⁾ Investors' assets by unit class		
Emerging Market Sustainable Blended Debt I USD Acc	227,461	167,108
Total	227,461	167,108

HøjrenteLande Mix Etik Akkumulerende KL – Financial Statements

NOTES

Note	(DKK 1,000)	2019	2018
1. Interest			
Deposits with custodian		132	133
Listed bonds from foreign issuers		11,641	8,299
Unlisted bonds from foreign issuers		318	358
Interest expense and negative interest with custodian		(5)	(5)
Total interest		12,086	8,785
2. Capital gains and losses			
Bonds			
Listed bonds from foreign issuers		13,626	(9,563)
Unlisted bonds from foreign issuers		469	219
Total bonds		14,095	(9,344)
Derivatives			
Forward exchange transactions/futures etc		1,006	(621)
Forward interest transactions/futures etc		201	1,034
Total derivatives		1,207	413
3. Transaction costs			
All transaction costs		39	30
Covered by income from issue and redemption		(1)	(2)
Transaction costs, operating activities		38	28

NOTES (continued)

Note	(DKK 1,000)	2019	2018
4. Administrative costs			
Class-specific costs			
Fees to custodian		120	88
Other costs relating to asset management		880	640
Other costs		66	76
Fixed management fee		234	170
Total class-specific costs		1,300	974
5. Tax			
The fund is not liable to pay tax.			
Adjustment – tax on coupons etc		157	115
Total tax		157	115
6. Investors' assets			
Investors' assets at 1 Jan		167,108	141,661
Issues during the year		34,326	26,454
Net issue surcharges and redemption deductions		120	84
Brought forward from income statement		25,907	(1,091)
Investors' assets at year-end		227,461	167,108
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

Note (DKK 1,000)	2019	2018
a. Breakdown of financial instruments		
Listed financial instruments	90.96%	86.61%
Financial instruments listed on other regulated market	1.96%	5.95%
Newly issued financial instruments for which listing on a stock exchange or other regulated market is planned	0.00%	0.00%
Other financial instruments	(0.07%)	0.22%
	92.85%	92.78%
Other assets/other debt	7.15%	7.22%
Total	100.00%	100.00%
b. Bonds by duration		
Bonds > 6 yrs	45.51%	38.56%
Bonds 4-6 yrs	24.32%	18.09%
Bonds 2-4 yrs	15.79%	23.19%
Bonds 0-2 yrs	7.30%	12.72%
Cash, derivatives etc	7.08%	7.44%
Total	100.00%	100.00%

SUPPLEMENTARY NOTES (continued)

Note (DKK 1,000)	2019	2018
c. Bonds by country		
Mexico	11.11%	9.22%
South Africa	8.83%	8.16%
Indonesia	7.33%	7.42%
Colombia	6.23%	6.89%
Brazil	6.11%	6.83%
Poland	5.11%	6.55%
Thailand	3.77%	0.00%
Romania	3.26%	0.00%
Other	41.17%	47.49%
Cash, derivatives etc	7.08%	7.44%
Total	100.00%	100.00%
d. Currency futures bought		
USD	16,942	12,855
Total	16,942	12,855
e. Currency futures sold		
EUR	(9,343)	(7,941)
Total	(9,343)	(7,941)
f. Underlying exposure – forward exchange transactions		
Currency		
USD	21,040	14,104
EUR	(21,077)	(13,692)
g. Net collateral position		
Collateral concerning derivatives		
No collateral has been provided		

HøjrenteLande Mix Etik I USD Acc – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2017-2019

(DKK 1,000)	2019	2018	2017 ¹⁾
Financial highlights			
Net profit for the year ²⁾	25,907	(1,091)	(7,018)
Investors' assets	227,461	167,108	141,661
Units in circulation nominal	196,971	163,646	130,863
Units in circulation quantity (USD)	295,885	250,685	211,056
Financial ratios			
NAV per unit (USD)	115.48	102.12	108.25
Return in USD (%) ^{1) 2)}	13.09%	(5.67%)	8.25%
Benchmark return in USD (%) ²⁾	13.81%	(5.18%)	7.04%
Total expense ratio ²⁾	0.66%	0.69%	0.53%
Annual percentage rate (APR) at 31 Dec	0.76%	0.78%	0.80%
Indirect transaction costs	0.30%	0.33%	-

¹⁾ Past performance is no guarantee of future performance.

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

²⁾ The year 2017: Net profit and financial ratios cover the period from 1 January to 31 December 2017.

NOTES

Note (DKK 1,000)	2019	2018
a. Net profit		
Share of joint portfolio profit	27,207	(123)
Other class-specific income	0	6
Class-specific costs ¹⁾	(1,300)	(974)
Total net profit	25,907	(1,091)
¹⁾ Class-specific costs		
Fees to custodian	120	88
Other costs relating to asset management	880	640
Other costs	66	76
Fixed management fee	234	170
Total class-specific costs	1,300	974
b. Distribution of profit		
Brought forward to investors' assets	25,907	(1,091)
Total distribution	25,907	(1,091)
c. Other class-specific debt		
Payables	145	210
Total other class-specific debt	145	210

NOTES (continued)

Note (DKK 1,000)	2019	2018
d. Investors' assets		
d1. Units in circulation		
Units in circulation at 1 Jan	163,646	130,863
Exchange rate adjustment of units in circulation at 1 Jan	2,984	6,913
Issues during the year	30,341	25,870
Total units in circulation	196,971	163,646
d2. Investors' assets		
Investors' assets at 1 Jan	167,108	141,661
Issues during the year	34,326	26,454
Net issue surcharges and redemption deductions	120	84
Brought forward from income statement	25,907	(1,091)
Investors' assets at year-end	227,461	167,108

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	16 May 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
The fund's benchmark	J.P. Morgan Global Bond Index – Emerging Markets Global Diversified unhedged to fund currency	
Secondary name	Emerging Market Currency Bonds KL	

Introduction

The fund report should be read together with the sections in the annual report “Financial markets in 2019” 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 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 2019 appears from the table below. The difference in returns is attributable to the level of costs in the individual classes.

Unit class	31 Dec 2019		31 Dec 2018	
	Return	Benchmark	Return	Benchmark
HøjrenteLande Valuta A DKK	10.43%	15.72%	(1.79%)	(1.26%)
HøjrenteLande Valuta W DKK d *)	11.05%	15.72%	(1.08%)	(1.26%)

The market exceeded expectations at the beginning of the year and both of the fund's unit classes underperformed their benchmark, see the table above.

Like 2018, 2019 was characterised by President Trump's unpredictable trade policy. In contrast 2019 saw lower interest rates in USA and Europe. In country-specific terms the asset class was influenced by the inclusion of oil states in the Middle East, by economic problems in Argentina as well as by political instability in eg Chile.

Yields on EM bonds issued in local currency have gone down, which is the most significant source of benchmark return, whereas EM currencies have appreciated relative to DKK, EUR and USD. Russia had the strongest currency and Turkey the best-performing bond market in 2019. Argentina was the cheapest in both categories.

Fund return was lower than benchmark return. Relative performance in 2019 was pulled down in particular by the fund's short duration because yields dropped at benchmark level.

Market outlook

Developments in 2020 will depend on a trade agreement being reached between USA and China. Compared with previous years we are entering a year in which the central banks in the US and Europe have created less stringent conditions for the global economy and EM bonds. Economic developments in China will continue to be of great significance. President Trump will remain a source of considerable uncertainty also in 2020.

We project that the fund will generate a return in 2020 on a par with or above its benchmark as the fund is actively managed.

HøjrenteLande Valuta KL – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2015-2019

(DKK 1,000)	2019	2018	2017	2016	2015
Financial highlights					
Net profit for the year	103,949	(23,260)	(21,440)	123,645	(86,973)
Investors' assets	938,661	1,112,771	1,164,739	1,124,531	1,557,528
Financial ratios					
Portfolio turnover rate (PTR)	0.91	0.63	0.73	0.45	0.75

INCOME STATEMENT

Note (DKK 1,000)	2019	2018
Interest and dividends		
1. Interest	82,225	74,014
Total interest and dividends	82,225	74,014
Capital gains and losses		
2. Bonds	48,379	(81,514)
2. Derivatives	0	1,275
Currency accounts	(12,349)	(753)
Other assets/liabilities	8	12
3. Transaction costs, operating activities	(22)	(16)
Total capital gains and losses	36,016	(80,996)
Other income	0	31
Total income	118,241	(6,951)
4. Administrative costs	(13,594)	(15,788)
Profit before tax	104,647	(22,739)
5. Tax	(698)	(521)
Net profit for the year	103,949	(23,260)

BALANCE SHEET 31 DECEMBER 2019

Note (DKK 1,000)	2019	2018
ASSETS		
Liquid funds		
Deposits with custodian	11,119	51,040
Total liquid funds	11,119	51,040
7. Bonds		
Listed bonds from foreign issuers	884,150	1,007,081
Unlisted bonds from foreign issuers	28,413	41,246
Total bonds	912,563	1,048,327
Other assets		
Interest receivable, dividends receivable etc	17,170	17,847
Receivables – unsettled transactions	4,362	0
Total other assets	21,532	17,847
TOTAL ASSETS	945,214	1,117,214
LIABILITIES		
6. Investors' assets ¹⁾		
Other debt		
Payables	2,199	3,398
Payables – unsettled transactions	4,354	1,045
Total other debt	6,553	4,443
TOTAL LIABILITIES	945,214	1,117,214
¹⁾ Investors' assets by unit class		
HøjrenteLande Valuta A DKK	936,826	1,101,229
HøjrenteLande Valuta W DKK	1,835	11,542
Total	938,661	1,112,771

HøjrenteLande Valuta KL – Financial Statements

NOTES

Note	(DKK 1,000)	2019	2018
1. Interest			
Deposits with custodian		273	398
Listed bonds from foreign issuers		80,539	70,892
Unlisted bonds from foreign issuers		1,470	2,932
Interest expense and negative interest with custodian		(57)	(208)
Total interest		82,225	74,014
2. Capital gains and losses			
Bonds			
Listed bonds from foreign issuers		46,806	(82,406)
Unlisted bonds from foreign issuers		1,573	892
Total bonds		48,379	(81,514)
Derivatives			
Forward exchange transactions/futures etc		0	1,275
Total derivatives		0	1,275
3. Transaction costs			
All transaction costs		25	17
Covered by income from issue and redemption		(3)	(1)
Transaction costs, operating activities		22	16
4. Administrative costs			
Class-specific costs			
Marketing costs		6,384	7,829
Fees to custodian		802	881
Other costs relating to asset management		4,750	5,198
Other costs		143	224
Fixed management fee		1,515	1,656
Total class-specific costs		13,594	15,788

NOTES (continued)

Note	(DKK 1,000)	2019	2018
5. Tax			
The fund is not liable to pay tax.			
Adjustment – tax on coupons etc		698	521
Total tax		698	521
6. Investors' assets			
Investors' assets at 1 Jan		1,112,771	1,164,739
Issues during the year		13,403	51,669
Redemptions during the year		(292,096)	(80,686)
Net issue surcharges and redemption deductions		634	309
Distribution from last year concerning units in circulation at 31 Dec		0	0
Proposed distribution for the financial year		18,599	0
Brought forward from income statement		85,247	7,417
Brought forward for distribution next year		103	(30,677)
Investors' assets at year-end		938,661	1,112,771
Joint income available for distribution in unit classes			
6a. Interest			
Interest		82,282	74,223
Non-refundable tax on coupons		(698)	(521)
Capital gains for distribution		(19,179)	(75,347)
Distribution adjustment in connection with issue/redemption concerning the above items		(8,604)	310
Available for distribution in unit classes		53,801	(1,335)
Of which for distribution in:			
HøjrenteLande Valuta A DKK		53,696	(1,321)
HøjrenteLande Valuta W DKK d		105	(14)
Total for distribution		53,801	(1,335)
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

Note (DKK 1,000)	2019	2018
a. Breakdown of financial instruments		
Listed financial instruments	94.19%	90.50%
Financial instruments listed on other regulated market	3.03%	3.71%
Newly issued financial instruments for which listing on a stock exchange or other regulated market is planned	0.00%	0.00%
Other financial instruments	0.00%	0.00%
	97.22%	94.21%
Other assets/other debt	2.78%	5.79%
Total	100.00%	100.00%
b. Bonds by duration		
Bonds 2-4 yrs	41.34%	18.02%
Bonds 0-2 yrs	55.88%	76.19%
Cash, derivatives etc	2.78%	5.79%
Total	100.00%	100.00%

SUPPLEMENTARY NOTES (continued)

Note (DKK 1,000)	2019	2018
c. Bonds by country		
Brazil	11.35%	9.78%
Poland	10.89%	10.36%
Supranationals	10.66%	13.91%
Mexico	10.28%	9.01%
Russia	9.66%	6.97%
South Africa	8.07%	8.56%
Thailand	7.69%	8.92%
Colombia	4.74%	5.60%
Other	23.88%	21.10%
Cash, derivatives etc	2.78%	5.79%
Total	100.00%	100.00%

HøjrenteLande Valuta A DKK – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2015-2019

(DKK 1,000)	2019	2018	2017 ¹⁾	2016	2015
Financial highlights					
Net profit for the year	103,107	(23,045)	(21,030)	123,645	(86,973)
Investors' assets	936,826	1,101,229	1,148,553	1,124,531	1,557,528
Units in circulation nominal	806,690	1,047,120	1,072,549	1,031,074	1,581,999
Units in circulation quantity	8,066,890	10,471,195	10,725,490	10,310,742	15,819,989
Financial ratios					
NAV per unit	116.13	105.17	107.09	109.06	98.45
Dividend per unit	2.30	0.00	0.00	0.00	0.00
Return (%) ¹⁾	10.43%	(1.79%)	(1.81%)	10.78%	(4.47%)
Benchmark return (%)	15.72%	(1.26%)	1.34%	12.82%	(5.02%)
Total expense ratio	1.30%	1.38%	1.33%	1.36%	1.32%
Annual percentage rate (APR) at 31 Dec	1.38%	1.40%	1.41%	1.41%	1.56%
Indirect transaction costs	0.25%	0.29%	-	-	-
Sharpe Ratio (5 yrs)	0.35	0.20	(0.08)	0.18	(0.15)
Standard deviation (5 yrs)	7.70	7.47	7.46	7.74	7.48

¹⁾ Past performance is no guarantee of future performance.

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

NOTES

Note (DKK 1,000)	2019	2018
a. Net profit		
Share of joint portfolio profit	116,642	(7,385)
Other class-specific income	0	31
Class-specific costs ¹⁾	(13,535)	(15,691)
Total net profit	103,107	(23,045)
¹⁾ Class-specific costs		
Marketing costs	6,384	7,829
Fees to custodian	793	869
Other costs relating to asset management	4,709	5,130
Other costs	142	221
Fixed management fee	1,507	1,642
Total class-specific costs	13,535	15,691
b. Distribution of profit		
b1. To be allocated		
Proposed distribution for the financial year	18,554	0
Brought forward for distribution next year	103	(30,352)
Available for distribution	18,657	(30,352)
Brought forward to investors' assets	84,450	7,307
Total distribution	103,107	(23,045)
b2. Available for distribution		
Brought forward for distribution from last year	(30,352)	(29,765)
Other income	0	31
Distribution adjustment in connection with issue/redemption concerning the above items	6,969	703
Share of joint income	53,696	(1,321)
Available for distribution before administrative costs ¹⁾	30,313	(30,352)
Set-off of administrative costs	(13,535)	0
Distribution adjustment of which in connection with issue/redemption	1,879	0
Total administrative costs	(11,656)	0
Available for distribution	18,657	(30,352)

NOTES (continued)

Note (DKK 1,000)	2019	2018
c. Other class-specific debt		
Payables	2,190	3,370
Payables – unsettled transactions	0	1,045
Total other class-specific debt	2,190	4,415
d. Investors' assets		
d1. Units in circulation		
Units in circulation at 1 Jan	1,047,120	1,072,549
Issues during the year	9,274	47,071
Redemptions during the year	(249,704)	(72,500)
Total units in circulation	806,690	1,047,120
d2. Investors' assets		
Investors' assets at 1 Jan	1,101,229	1,148,553
Issues during the year	10,040	50,128
Redemptions during the year	(278,179)	(74,712)
Net issue surcharges and redemption deductions	629	305
Distribution from last year concerning units in circulation at 31 Dec	0	0
Changes in dividend distribution due to issues/redemptions	0	0
Proposed distribution for the financial year	18,554	0
Brought forward from income statement	84,450	7,307
Brought forward for distribution next year	103	(30,352)
Investors' assets at year-end	936,826	1,101,229

¹⁾ If amount available for distribution before administrative costs and any voluntary distribution is negative, administrative costs cannot be deducted.

HøjrenteLande Valuta W DKK d – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2017-2019

(DKK 1,000)	2019	2018	2017 ¹⁾
Financial highlights			
Net profit for the year ²⁾	842	(215)	(410)
Investors' assets	1,835	11,542	16,186
Units in circulation nominal	1,557	10,873	15,084
Units in circulation quantity	15,569	108,731	150,835
Financial ratios			
NAV per unit	117.88	106.15	107.31
Dividend per unit	2.90	0.00	0.00
Return (%) ^{1) 2)}	11.05%	(1.08%)	(1.61%)
Benchmark return (%) ²⁾	15.72%	(1.26%)	1.34%
Total expense ratio ²⁾	0.71%	0.66%	0.78%
Annual percentage rate (APR) at 31 Dec	0.72%	0.71%	0.69%
Indirect transaction costs	0.25%	0.29%	-

¹⁾ Past performance is no guarantee of future performance.

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

²⁾ The year 2017: Net profit and financial ratios cover the period from 1 January to 31 December 2017.

NOTES

Note (DKK 1,000)	2019	2018
a. Net profit		
Share of joint portfolio profit	901	(117)
Class-specific costs ¹⁾	(59)	(98)
Total net profit	842	(215)
^{1) Class-specific costs}		
Fees to custodian	9	13
Other costs relating to asset management	40	68
Other costs	1	3
Fixed management fee	9	14
Total class-specific costs	59	98
b. Distribution of profit		
b1. To be allocated		
Proposed distribution for the financial year	45	0
Brought forward for distribution next year	0	(325)
Available for distribution	45	(325)
Brought forward to investors' assets	797	110
Total distribution	842	(215)
b2. Available for distribution		
Brought forward for distribution from last year	(325)	(431)
Distribution adjustment in connection with issue/redemption concerning the above items	278	120
Share of joint income	105	(14)
Available for distribution before administrative costs ¹⁾	58	(325)
Set-off of administrative costs	(59)	0
Distribution adjustment of which in connection with issue/redemption	46	0
Total administrative costs	(13)	0
Available for distribution	45	(325)
c. Other class-specific debt		
Payables	1	18
Total other class-specific debt	1	18

NOTES (continued)

Note (DKK 1,000)	2019	2018
d. Investors' assets		
d1. Units in circulation		
Units in circulation at 1 Jan	10,873	15,084
Issues during the year	3,024	1,423
Redemptions during the year	(12,340)	(5,634)
Total units in circulation	1,557	10,873
d2. Investors' assets		
Investors' assets at 1 Jan	11,542	16,186
Issues during the year	3,363	1,541
Redemptions during the year	(13,917)	(5,974)
Net issue surcharges and redemption deductions	5	4
Distribution from last year concerning units in circulation at 31 Dec	0	0
Changes in dividend distribution due to issues/redemptions	0	0
Proposed distribution for the financial year	45	0
Brought forward from income statement	797	110
Brought forward for distribution next year	0	(325)
Investors' assets at year-end	1,835	11,542

¹⁾ If amount available for distribution before administrative costs and any voluntary distribution is negative, administrative costs cannot be deducted.

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	18 February 2015	16 May 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
The fund's benchmark	J.P. Morgan Global Government in fund currency (until 17 May 2018) Barclays Global Aggregate Treasuries 1-3 year in fund currency		
Secondary name	International Bonds KL		

Introduction

The fund report should be read together with the sections in the annual report "Financial markets in 2019" 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 2019 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	31 Dec 2019		31 Dec 2018	
	Return	Benchmark	Return	Benchmark
International A DKK	2.58%	3.94%	2.47%	3.47%
International Bonds B EUR d	2.51%	3.80%	2.44%	3.21%
International W DKK d ¹⁾	3.03%	3.94%	3.05%	3.45%

The market exceeded expectations at the beginning of the year and the fund's unit classes underperformed their benchmark, see the above table.

At the beginning of 2019 dark clouds loomed over the global economy by way of an escalating trade war between the US and China, the uncertainty surrounding the outcome of Brexit and faint signs of weakness as regards global economic growth. On top of this the Fed had announced interest rate hikes whereas the ECB had just terminated its net purchases under the most recent bond buying programme. But thawing relations between Great Britain and the EU as well as the tariff negotiations between the US and China combined with interest rate cuts by the Fed and a new bond buying programme by the ECB resulted in new optimism among investors particularly at the end of the year. Loose monetary policy and low inflation expectations have driven down underlying 2-year government yields in the US and the euro zone. And despite a rise in yields towards the end of the year in the wake of the renewed optimism, underlying interest rates are lower than at the beginning of 2019. In terms of currency USD benefited from a relatively stronger and more resilient US economy while JPY was investors' preferred currency when the trade conflict between the US and China intensified. Both currencies appreciated against DKK during the year.

The fund has produced a return that is below its benchmark. This is mainly due to the fact that the interest rate sensitivity of the fund was lower than that of its benchmark.

Market outlook

We expect that in several respects developments at the end of 2019 will continue to spur the optimism which is spreading among investors and which is expected to support global economic growth in the next 12 months or so. In terms of interest rates we do not anticipate major changes as regards the current level and we project that USD vs DKK will be largely unchanged. But the dark clouds may return soon enough if the trade war between USA and China resurfaces.

We project that the fund will generate a return in 2020 on a par with its benchmark or above as the fund is actively managed.

International KL – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2015-2019

(DKK 1,000)	2019	2018	2017	2016	2015
Financial highlights					
Net profit for the year	8,046	8,157	(26,574)	(15,887)	20,130
Investors' assets	261,843	308,553	345,069	526,116	997,407
Financial ratios					
Portfolio turnover rate (PTR)	0.13	0.93	0.00	0.56	0.02

INCOME STATEMENT

Note	(DKK 1,000)	2019	2018
Interest and dividends			
1.	Interest	3,598	5,213
	Total interest and dividends	3,598	5,213
Capital gains and losses			
2.	Bonds	6,631	3,930
	Currency accounts	(246)	1,894
3.	Transaction costs, operating activities	(18)	(293)
	Total capital gains and losses	6,367	5,531
	Other income	73	9
	Total income	10,038	10,753
4.	Administrative costs	(1,992)	(2,596)
	Net profit for the year	8,046	8,157

BALANCE SHEET 31 DECEMBER 2019

Note	(DKK 1,000)	2019	2018
ASSETS			
Liquid funds			
	Deposits with custodian	13,848	42,062
	Total liquid funds	13,848	42,062
6.	Bonds		
	Listed bonds from foreign issuers	247,461	267,153
	Total bonds	247,461	267,153
Other assets			
	Interest receivable, dividends receivable etc	751	1,058
	Total other assets	751	1,058
	TOTAL ASSETS	262,060	310,273
LIABILITIES			
5.	Investors' assets ¹⁾	261,843	308,553
Other debt			
	Payables	217	604
	Payables – unsettled transactions	0	1,116
	Total other debt	217	1,720
	TOTAL LIABILITIES	262,060	310,273
¹⁾ Investors' assets by unit class			
	International A DKK	150,691	198,439
	International Bonds B EUR d	8,513	9,706
	International W DKK d	102,639	100,408
	Total	261,843	308,553

International KL – Financial Statements

NOTES

Note	(DKK 1,000)	2019	2018
1. Interest			
Deposits with custodian		69	153
Listed bonds from Danish issuers		0	41
Listed bonds from foreign issuers		3,618	4,962
Unlisted bonds from foreign issuers		0	178
Interest expense and negative interest with custodian		(89)	(121)
Total interest		3,598	5,213
2. Capital gains and losses			
Bonds			
Listed bonds from Danish issuers		0	(541)
Listed bonds from foreign issuers		6,631	5,180
Unlisted bonds from foreign issuers		0	(709)
Total bonds		6,631	3,930
3. Transaction costs			
All transaction costs		33	329
Covered by income from issue and redemption		(15)	(36)
Transaction costs, operating activities		18	293
4. Administrative costs			
Class-specific costs			
Marketing costs		702	1,085
Fees to custodian		192	226
Other costs relating to asset management		704	817
Other costs		37	43
Fixed management fee		357	425
Total class-specific costs		1,992	2,596
5. Investors' assets			
Investors' assets at 1 Jan		308,553	345,069
Issues during the year		166	15,575
Redemptions during the year		(54,961)	(59,030)
Net issue surcharges and redemption deductions		39	47
Distribution from last year concerning units in circulation at 31 Dec		0	(1,282)
Changes in dividend distribution due to issues/redemptions		0	17
Proposed distribution for the financial year		0	0
Brought forward from income statement		23,011	32,663
Brought forward for distribution next year		(14,965)	(24,506)
Investors' assets at year-end		261,843	308,553

NOTES (continued)

Note	(DKK 1,000)	2019	2018
Joint income available for distribution in unit classes			
5a.			
Interest		2,935	7,994
Capital gains for distribution		2,418	3,149
Distribution adjustment in connection with issue/redemption concerning the above items		(161)	(2,349)
Available for distribution in unit classes		5,192	8,794
Of which for distribution in:			
International A DKK		2,989	(15,928)
International Bonds B EUR d		169	(778)
International W DKK d		2,034	(8,048)
Total for distribution		5,192	(24,754)
6. Financial instruments (securities)			
A list of financial instruments (securities) is available free of charge from the investment management company.			

SUPPLEMENTARY NOTES

Note	(DKK 1,000)	2019	2018
a. Breakdown of financial instruments			
Listed financial instruments		94.51%	86.58%
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%
Other financial instruments		0.00%	0.00%
		94.51%	86.58%
Other assets/other debt		5.49%	13.42%
Total		100.00%	100.00%
b. Bonds by country			
USA		43.81%	38.94%
Japan		22.96%	20.31%
Spain		7.59%	6.25%
France		7.13%	6.27%
Italy		6.02%	5.19%
Other		7.00%	9.62%
Cash, derivatives etc		5.49%	13.42%
Total		100.00%	100.00%
c. Assets by currency			
USD		44.58%	38.32%
JPY		24.97%	25.63%
EUR		22.19%	20.72%
GBP		3.98%	5.62%
MXN		3.28%	5.23%
DKK		0.78%	0.99%
SEK		0.22%	3.47%
Other		0.00%	0.02%
Total		100.00%	100.00%

International A DKK – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2015-2019

(DKK 1,000)	2019	2018	2017	2016	2015 ¹⁾
Financial highlights					
Net profit for the year	4,766	4,761	(22,549)	(15,174)	22,009
Investors' assets	150,691	198,439	249,167	493,214	956,119
Units in circulation nominal	130,975	176,930	227,011	419,624	763,378
Units in circulation quantity	1,309,755	1,769,305	2,270,111	4,196,239	7,633,782
Financial ratios					
NAV per unit	115.05	112.16	109.76	117.54	125.25
Dividend per unit	0.00	0.00	0.30	0.00	5.30
Return (%) ²⁾	2.58%	2.47%	%	%	4.35%
Benchmark return (%)	3.94%	3.45%	%	4.05%	8.35%
Total expense ratio	0.90%	0.98%	1.01%	1.00%	0.93%
Annual percentage rate (APR) at 31 Dec	0.75%	1.03%	1.08%	1.09%	1.18%
Indirect transaction costs	0.03%	0.04%	-	-	-
Sharpe Ratio (5 yrs)	0.08	0.33	0.04	0.59	0.68
Standard deviation (5 yrs)	5.25	5.33	5.49	5.88	6.08

¹⁾ Past performance is no guarantee of future performance.

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

NOTES

Note (DKK 1,000)	2019	2018
a. Net profit		
Share of joint portfolio profit	6,205	6,889
Other class-specific income	73	6
Class-specific costs ¹⁾	(1,512)	(2,134)
Total net profit	4,766	4,761
¹⁾ Class-specific costs		
Marketing costs	675	1,056
Fees to custodian	145	180
Other costs relating to asset management	425	551
Other costs	22	29
Fixed management fee	245	318
Total class-specific costs	1,512	2,134
b. Distribution of profit		
b1. To be allocated		
Proposed distribution for the financial year	0	0
Brought forward for distribution next year	(8,625)	(15,788)
Available for distribution	(8,625)	(15,788)
Brought forward to investors' assets	13,391	20,549
Total distribution	4,766	4,761
b2. Available for distribution		
Brought forward for distribution from last year	(15,788)	219
Other income	73	6
Distribution adjustment in connection with issue/redemption concerning the above items	4,101	(85)
Share of joint income	2,989	(15,928)
Available for distribution before administrative costs ¹⁾	(8,625)	(15,788)
Set-off of administrative costs	0	0
Distribution adjustment of which in connection with issue/redemption	0	0
Total administrative costs	0	0
Available for distribution	(8,625)	(15,788)

NOTES (continued)

Note (DKK 1,000)	2019	2018
c. Other class-specific debt		
Payables	163	431
Payables – unsettled transactions	0	1,116
Total other class-specific debt	163	1,547
d. Investors' assets		
d1. Units in circulation		
Units in circulation at 1 Jan	176,930	227,011
Issues during the year	145	1,043
Redemptions during the year	(46,100)	(51,124)
Total units in circulation	130,975	176,930
d2. Investors' assets		
Investors' assets at 1 Jan	198,439	249,167
Issues during the year	166	1,154
Redemptions during the year	(52,699)	(55,997)
Net issue surcharges and redemption deductions	19	27
Distribution from last year concerning units in circulation at 31 Dec	0	(681)
Changes in dividend distribution due to issues/redemptions	0	8
Proposed distribution for the financial year	0	0
Brought forward from income statement	13,391	20,549
Brought forward for distribution next year	(8,625)	(15,788)
Investors' assets at year-end	150,691	198,439

¹⁾ If amount available for distribution before administrative costs and any voluntary distribution is negative, administrative costs cannot be deducted.

International Bonds B EUR d – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2015-2019

(DKK 1,000)	2019	2018	2017	2016	2015 ¹⁾
Financial highlights					
Net profit for the year ²⁾	243	223	(1,270)	(713)	(1,879)
Investors' assets	8,513	9,706	11,609	32,902	41,288
Units in circulation nominal	9,711	11,349	13,641	34,655	42,077
Units in circulation quantity (EUR)	129,956	152,093	183,218	478,610	578,211
Financial ratios					
NAV per unit (EUR)	8.77	8.55	8.51	9.25	9.57
Dividend per unit (EUR)	0.00	0.00	0.16	0.14	0.19
Return in EUR (%) ^{1) 2)}	2.51%	2.44%	(6.54%)	(1.39%)	(4.32%)
Benchmark return in EUR (%) ²⁾	3.80%	3.21%	(5.70%)	4.43%	(1.81%)
Total expense ratio ²⁾	0.78%	0.78%	0.80%	0.81%	0.49%
Annual percentage rate (APR) at 31 Dec	1.17%	1.18%	1.23%	1.23%	1.17%
Indirect transaction costs	0.03%	0.04%	-	-	-
Sharpe Ratio (3 yrs)	(0.03)	(0.44)	-	-	-
Standard deviation (3 yrs)	3.70	3.64	-	-	-

¹⁾ Past performance is no guarantee of future performance.

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

²⁾ The year 2015: Net profit and financial ratios cover the period from 24 May to 31 December 2015.

NOTES

Note (DKK 1,000)	2019	2018
a. Net profit		
Share of joint portfolio profit	313	298
Class-specific costs ¹⁾	(70)	(75)
Total net profit	243	223
¹⁾ Class-specific costs		
Marketing costs	27	29
Fees to custodian	4	4
Other costs relating to asset management	23	25
Other costs	1	1
Fixed management fee	15	16
Total class-specific costs	70	75
b. Distribution of profit		
b1. To be allocated		
Proposed distribution for the financial year	0	0
Brought forward for distribution next year	(488)	(769)
Available for distribution	(488)	(769)
Brought forward to investors' assets	731	992
Total distribution	243	223
b2. Available for distribution		
Brought forward for distribution from last year	(769)	13
Distribution adjustment in connection with issue/redemption concerning the above items	112	(4)
Share of joint income	169	(778)
Available for distribution before administrative costs ¹⁾	(488)	(769)
Set-off of administrative costs	0	0
Distribution adjustment of which in connection with issue/redemption	0	0
Total administrative costs	0	0
Available for distribution	(488)	(769)

NOTES (continued)

Note (DKK 1,000)	2019	2018
c. Other class-specific debt		
Payables	11	16
Total other class-specific debt	11	16
d. Investors' assets		
d1. Units in circulation		
Units in circulation at 1 Jan	11,349	13,641
Exchange rate adjustment of units in circulation at 1 Jan	11	31
Redemptions during the year	(1,649)	(2,323)
Total units in circulation	9,711	11,349
d2. Investors' assets		
Investors' assets at 1 Jan	9,706	11,609
Redemptions during the year	(1,437)	(1,919)
Net issue surcharges and redemption deductions	1	2
Distribution from last year concerning units in circulation at 31 Dec	0	(218)
Changes in dividend distribution due to issues/redemptions	0	9
Proposed distribution for the financial year	0	0
Brought forward from income statement	731	992
Brought forward for distribution next year	(488)	(769)
Investors' assets at year-end	8,513	9,706

¹⁾ If amount available for distribution before administrative costs and any voluntary distribution is negative, administrative costs cannot be deducted.

International W DKK d – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2017-2019

(DKK 1,000)	2019	2018	2017 ¹⁾
Financial highlights			
Net profit for the year ²⁾	3,037	3,173	(2,755)
Investors' assets	102,639	100,408	84,293
Units in circulation nominal	88,199	88,899	76,552
Units in circulation quantity	881,989	888,989	765,522
Financial ratios			
NAV per unit	116.37	112.95	110.11
Dividend per unit	0.00	0.00	0.50
Return (%) ¹⁾²⁾	3.03%	3.05%	(6.32%)
Benchmark return (%) ²⁾	3.94%	3.45%	(5.57%)
Total expense ratio ²⁾	0.40%	0.40%	0.43%
Annual percentage rate (APR) at 31 Dec	0.43%	0.44%	0.51%
Indirect transaction costs	0.03%	0.04%	-

¹⁾ Past performance is no guarantee of future performance.

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

²⁾ The year 2017: Net profit and financial ratios cover the period from 1 January to 31 December 2017.

NOTES

Note (DKK 1,000)	2019	2018
a. Net profit		
Share of joint portfolio profit	3,448	3,557
Other class-specific income	0	3
Class-specific costs ¹⁾	(411)	(387)
Total net profit	3,037	3,173
¹⁾ Class-specific costs		
Fees to custodian	43	41
Other costs relating to asset management	257	241
Other costs	14	13
Fixed management fee	97	92
Total class-specific costs	411	387
b. Distribution of profit		
b1. To be allocated		
Proposed distribution for the financial year	0	0
Brought forward for distribution next year	(5,852)	(7,949)
Available for distribution	(5,852)	(7,949)
Brought forward to investors' assets	8,889	11,122
Total distribution	3,037	3,173
b2. Available for distribution		
Brought forward for distribution from last year	(7,949)	71
Other income	0	3
Distribution adjustment in connection with issue/redemption concerning the above items	63	25
Share of joint income	2,034	(8,048)
Available for distribution before administrative costs ¹⁾	(5,852)	(7,949)
Set-off of administrative costs	0	0
Distribution adjustment of which in connection with issue/redemption	0	0
Total administrative costs	0	0
Available for distribution	(5,852)	(7,949)

NOTES (continued)

Note (DKK 1,000)	2019	2018
c. Other class-specific debt		
Payables	42	82
Total other class-specific debt	42	82
d. Investors' assets		
d1. Units in circulation		
Units in circulation at 1 Jan	88,899	76,552
Issues during the year	0	13,347
Redemptions during the year	(700)	(1,000)
Total units in circulation	88,199	88,899
d2. Investors' assets		
Investors' assets at 1 Jan	100,408	84,293
Issues during the year	0	14,421
Redemptions during the year	(825)	(1,114)
Net issue surcharges and redemption deductions	19	18
Distribution from last year concerning units in circulation at 31 Dec	0	(383)
Changes in dividend distribution due to issues/redemptions	0	0
Proposed distribution for the financial year	0	0
Brought forward from income statement	8,889	11,122
Brought forward for distribution next year	(5,852)	(7,949)
Investors' assets at year-end	102,639	100,408

¹⁾ If amount available for distribution before administrative costs and any voluntary distribution is negative, administrative costs cannot be deducted.

International Akkumulerende KL

Fund report

Fund data and unit class data

ISIN	DK0060647014
Date of establishment	16 June 2015
Launch date	18 September 2015
Listed	No
Currency	EUR
Income fund	No
Denomination	10
Risk category	4
Approved for marketing in Germany	Yes

International Bonds B EUR Acc

The fund's benchmark	J.P. Morgan Global Government in fund currency (until 17 May 2018) Barclays Global Aggregate Treasuries 1-3 year in fund currency
Secondary name	International Bonds Acc KL

Introduction

The fund report should be read together with the sections in the annual report "Financial markets in 2019" 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 classes in 2019 appears from the table below.

Unit class	31 Dec 2019		31 Dec 2018	
	Return	Benchmark	Return	Benchmark
International Bonds B EUR Acc	2.61%	3.80%	2.54%	3.21%

The market exceeded expectations at the beginning of the year and the fund's unit class underperformed its benchmark, see the above table.

At the beginning of 2019 dark clouds loomed over the global economy by way of an escalating trade war between the US and China, the uncertainty surrounding the outcome of Brexit and faint signs of weakness as regards global economic growth. On top of this the Fed had announced interest rate hikes whereas the ECB had just terminated its net purchases under the most recent bond buying programme. But thawing relations between Great Britain and the EU as well as the tariff negotiations between the US and China combined with interest rate cuts by the Fed and a new bond buying programme by the ECB resulted in new optimism among investors particularly at the end of the year. Loose monetary policy and low inflation expectations have driven down underlying 2-year government yields in the US and the euro zone. And despite a rise in yields towards the end of the year in the wake of the renewed optimism, underlying interest rates are lower than at the beginning of 2019. In terms of currency USD benefited from a relatively stronger and more resilient US economy while JPY was investors' preferred currency when the trade conflict between the US and China intensified. Both currencies appreciated against DKK during the year.

The fund has produced a return that is below its benchmark. This is mainly due to the fact that the interest rate sensitivity of the fund was lower than that of its benchmark.

Market outlook

We expect that in several respects developments at the end of 2019 will continue to spur the optimism which is spreading among investors and which is expected to support global economic growth in the next 12 months or so. In terms of interest rates we do not anticipate major changes as regards the current level and we project that USD vs DKK will be largely unchanged. But the dark clouds may return soon enough if the trade war between the US and China resurfaces.

We project that the fund will generate a return in 2020 on a par with its benchmark or above as the fund is actively managed.

International Akkumulerende KL – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2015-2019

(DKK 1,000)	2019	2018	2017	2016	2015 ¹⁾
Financial highlights					
Net profit for the year	777	789	(3,254)	(1,688)	2,309
Investors' assets	25,589	30,641	36,670	64,744	83,379
Financial ratios					
Portfolio turnover rate (PTR)	0.16	0.97	0.03	0.65	0.03

¹⁾ The fund was launched on 21 September 2015.

INCOME STATEMENT

Note (DKK 1,000)	2019	2018
Interest and dividends		
1. Interest	359	542
Total interest and dividends	359	542
Capital gains and losses		
2. Bonds	656	285
Currency accounts	(19)	184
3. Transaction costs, operating activities	(5)	(34)
Total capital gains and losses	632	435
Other income	0	58
Total income	991	1,035
4. Administrative costs	(214)	(246)
Net profit for the year	777	789

BALANCE SHEET 31 DECEMBER 2019

Note (DKK 1,000)	2019	2018
ASSETS		
Liquid funds		
Deposits with custodian	2,065	5,294
Total liquid funds	2,065	5,294
6. Bonds		
Listed bonds from foreign issuers	23,481	25,297
Total bonds	23,481	25,297
Other assets		
Interest receivable, dividends receivable etc	75	101
Total other assets	75	101
TOTAL ASSETS	25,621	30,692
LIABILITIES		
5. Investors' assets ¹⁾	25,589	30,641
Other debt		
Payables	32	51
Total other debt	32	51
TOTAL LIABILITIES	25,621	30,692
¹⁾ Investors' assets by unit class		
International Bonds B EUR Acc	25,589	30,641
Total	25,589	30,641

International Akkumulerende KL – Financial Statements

NOTES

Note	(DKK 1,000)	2019	2018
1. Interest			
Deposits with custodian		9	13
Listed bonds from Danish issuers		0	5
Listed bonds from foreign issuers		362	517
Unlisted bonds from foreign issuers		0	21
Interest expense and negative interest with custodian		(12)	(14)
Total interest		359	542
2. Capital gains and losses			
Bonds			
Listed bonds from Danish issuers		0	(66)
Listed bonds from foreign issuers		656	435
Unlisted bonds from foreign issuers		0	(84)
Total bonds		656	285
3. Transaction costs			
All transaction costs		5	34
Covered by income from issue and redemption		0	0
Transaction costs, operating activities		5	34
4. Administrative costs			
Class-specific costs			
Marketing costs		82	91
Fees to custodian		13	16
Other costs relating to asset management		69	81
Other costs		4	4
Fixed management fee		46	54
Total class-specific costs		214	246
5. Investors' assets			
Investors' assets at 1 Jan		30,641	36,670
Issues during the year		4	7
Redemptions during the year		(5,833)	(6,825)
Brought forward from income statement		777	789
Investors' assets at year-end		25,589	30,641
6. Financial instruments (securities)			
A list of financial instruments (securities) is available free of charge from the investment management company.			

SUPPLEMENTARY NOTES

Note	(DKK 1,000)	2019	2018
a. Breakdown of financial instruments			
Listed financial instruments		91.76%	82.56%
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%
Other financial instruments		0.00%	0.00%
		91.76%	82.56%
Other assets/other debt		8.24%	17.44%
Total		100.00%	100.00%
b. Bonds by country			
USA		43.81%	38.94%
Japan		22.96%	20.31%
Spain		7.59%	6.25%
France		7.13%	6.27%
Italy		6.02%	5.19%
Other		7.00%	9.62%
Cash, derivatives etc		5.49%	13.42%
Total		100.00%	100.00%
c. Assets by currency			
USD		44.58%	38.32%
JPY		24.97%	25.63%
EUR		22.19%	20.72%
GBP		3.98%	5.62%
MXN		3.28%	5.23%
DKK		0.78%	0.99%
SEK		0.22%	3.47%
Other		0.00%	0.02%
Total		100.00%	100.00%

International Bonds B EUR Acc – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2015-2019

(DKK 1,000)	2019	2018	2017	2016	2015 ¹⁾
Financial highlights					
Net profit for the year ²⁾	777	789	(3,254)	(1,688)	2,309
Net profit for the year ³⁾	777	789	(3,254)	(1,688)	8,259
Investors' assets	25,589	30,641	36,670	64,744	83,379
Units in circulation nominal	15,712	19,252	23,669	39,056	49,223
Units in circulation quantity (EUR)	210,075	258,465	317,904	523,118	659,661
Financial ratios					
NAV per unit (EUR)	16.30	15.89	15.49	16.65	16.94
Return in EUR (%) ^{1) 2)}	2.61%	2.54%	(6.92%)	(1.72%)	3.74%
Benchmark return in EUR (%) ²⁾	3.80%	3.21%	(5.70%)	4.43%	8.11%
Total expense ratio ²⁾	0.78%	0.76%	0.78%	0.78%	0.47%
Total expense ratio ³⁾	0.78%	0.76%	0.78%	0.78%	0.88%
Annual percentage rate (APR) at 31 Dec	1.17%	1.18%	1.23%	1.23%	1.17%
Indirect transaction costs	0.03%	0.00	-	-	-
Sharpe Ratio (3 yrs)	0.06	(0.47)	-	-	-
Standard deviation (3 yrs)	5.51	0.29	-	-	-

¹⁾ Past performance is no guarantee of future performance.

¹⁾ The unit class was launched on 21 September 2015.

²⁾ The year 2015: Net profit and financial ratios cover the period from 21 September to 31 December 2015.

³⁾ For the period 1 January – 18 September 2015 ISI International Bonds is included.

NOTES

Note (DKK 1,000)	2019	2018
a. Net profit		
Share of joint portfolio profit	991	977
Other class-specific income	0	58
Class-specific costs ¹⁾	(214)	(246)
Total net profit	777	789
¹⁾ Class-specific costs		
Marketing costs	82	91
Fees to custodian	13	16
Other costs relating to asset management	69	81
Other costs	4	4
Fixed management fee	46	54
Total class-specific costs	214	246
b. Distribution of profit		
Brought forward to investors' assets	777	789
Total distribution	777	789

NOTES (continued)

Note (DKK 1,000)	2019	2018
c. Other class-specific debt		
Payables	32	51
Total other class-specific debt	32	51
d. Investors' assets		
d1. Units in circulation		
Units in circulation at 1 Jan	19,302	23,669
Exchange rate adjustment of units in circulation at 1 Jan	18	54
Issues during the year	2	5
Redemptions during the year	(3,610)	(4,426)
Total units in circulation	15,712	19,302
d2. Investors' assets		
Investors' assets at 1 Jan	30,641	36,670
Issues during the year	4	7
Redemptions during the year	(5,833)	(6,825)
Brought forward from income statement	777	789
Investors' assets at year-end	25,589	30,641

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	16 May 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 2019" 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 2019 appears from the table below. The difference in returns is attributable to the level of costs in the individual classes.

Unit class	31 Dec 2019		31 Dec 2018	
	Return	Benchmark	Return	Benchmark
Korte Obligationer A DKK	0.57%	(0.49%)	0.43%	(0.27%)
Korte Obligationer W DKK d	0.61%	(0.49%)	0.47%	(0.27%)

The market exceeded expectations at the beginning of the year and the fund's unit classes outperformed their benchmark, see the table above.

At the beginning of 2019 dark clouds loomed over the global economy by way of an escalating trade war between the US and China, the uncertainty surrounding the outcome of Brexit and faint signs of weakness as regards global economic growth. On top of this the Fed had announced interest rate hikes whereas the ECB had just terminated its net purchases under the most recent bond buying programme. But thawing relations between Great Britain and the EU as well as the tariff negotiations between the US and China combined with rate cuts by the Fed and a new bond buying programme by the ECB resulted in new optimism among investors particularly at the end of the year. Loose monetary policy and low inflation expectations have driven down underlying 10-year government yields in the US and the euro zone. And despite a rise in yields towards the end of the year in the wake of the renewed optimism, underlying interest rates are lower than at the beginning of 2019.

The fund has produced a return that is above its benchmark. The outperformance is attributable to the fact that the fund has consisted of a small share of long-term callable bonds which have produced excellent returns and a large share of very low duration bonds to lower overall duration. The large share of low duration bonds was carefully selected among high-coupon bonds with optional drawings and capped floaters which are repurchased by borrowers. This composition has produced a significantly better return than short-term government bonds and as a result the fund has outperformed its benchmark.

Market outlook

We expect that in several respects developments at the end of 2019 will continue to spur the optimism which is spreading among investors and which is expected to support global economic growth in the next 12 months or so. To begin with the interest rate increases from late 2019 may very well continue into 2020 but the dark clouds may return soon enough if the trade war between USA and China resurfaces. Moreover it will be interesting to see whether the European Central Bank in particular changes its stance on negative key rates. A major report on monetary policy is scheduled for the end of this year.

We project that the fund will generate a return in 2020 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 greatly destabilise the domestic mortgage market and result in poor performance.

Korte Obligationer KL – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2015-2019

(DKK 1,000)	2019	2018	2017	2016	2015
Financial highlights					
Net profit for the year	9,400	6,208	21,756	29,750	1,708
Investors' assets	1,665,225	1,567,000	1,596,600	1,947,181	1,512,004
Financial ratios					
Portfolio turnover rate (PTR)	0.98	1.43	0.81	1.24	0.59

INCOME STATEMENT

Note (DKK 1,000)	2019	2018
Interest and dividends		
1. Interest	17,039	19,425
Total interest and dividends	17,039	19,425
Capital gains and losses		
2. Bonds	(4,245)	(9,956)
3. Transaction costs, operating activities	(13)	(18)
Total capital gains and losses	(4,258)	(9,974)
Total income	12,781	9,451
4. Administrative costs	(3,381)	(3,243)
Net profit for the year	9,400	6,208

BALANCE SHEET 31 DECEMBER 2019

Note (DKK 1,000)	2019	2018
ASSETS		
Liquid funds		
Deposits with custodian	40,210	24,758
Total liquid funds	40,210	24,758
6. Bonds		
Listed bonds from Danish issuers	1,607,713	1,525,665
Listed bonds from foreign issuers	15,368	20,282
Total bonds	1,623,081	1,545,947
Other assets		
Interest receivable, dividends receivable etc	5,182	10,771
Receivables – unsettled transactions	846	0
Total other assets	6,028	10,771
TOTAL ASSETS	1,669,319	1,581,476
LIABILITIES		
5. Investors' assets ¹⁾	1,665,225	1,567,000
Other debt		
Payables	367	493
Payables – unsettled transactions	3,727	13,983
Total other debt	4,094	14,476
TOTAL LIABILITIES	1,669,319	1,581,476
^{1) Investors' assets by unit class}		
Korte Obligationer A DKK	917,218	898,804
Korte Obligationer W DKK d	748,007	668,196
Total	1,665,225	1,567,000

Korte Obligationer KL – Financial Statements

NOTES

Note	(DKK 1,000)	2019	2018
1. Interest			
Listed bonds from Danish issuers		17,150	19,302
Listed bonds from foreign issuers		142	278
Interest expense and negative interest with custodian		(253)	(155)
Total interest		17,039	19,425
2. Capital gains and losses			
Bonds			
Listed bonds from Danish issuers		(4,315)	(10,071)
Listed bonds from foreign issuers		70	115
Total bonds		(4,245)	(9,956)
3. Transaction costs			
All transaction costs		21	23
Covered by income from issue and redemption		(8)	(5)
Transaction costs, operating activities		13	18
4. Administrative costs			
Class-specific costs			
Marketing costs		501	398
Fees to custodian		437	534
Other costs relating to asset management		798	759
Other costs		225	200
Fixed management fee		1,420	1,352
Total class-specific costs		3,381	3,243
5. Investors' assets			
Investors' assets at 1 Jan		1,567,000	1,596,600
Issues during the year		1,164,539	545,390
Redemptions during the year		(1,057,251)	(562,101)
Net issue surcharges and redemption deductions		954	420
Distribution from last year concerning units in circulation at 31 Dec		(18,854)	(19,514)
Changes in dividend distribution due to issues/redemptions		(563)	(3)
Proposed distribution for the financial year		13,441	18,854
Brought forward from income statement		(5,239)	(13,686)
Brought forward for distribution next year		1,198	1,040
Investors' assets at year-end		1,665,225	1,567,000

NOTES (continued)

Note	(DKK 1,000)	2019	2018
5a. Joint income available for distribution in unit classes			
Interest		17,292	19,580
Capital gains for distribution		462	989
Distribution adjustment in connection with issue/redemption concerning the above items		(735)	522
Available for distribution in unit classes		17,019	21,091
Of which for distribution in:			
Korte Obligationer A DKK		9,375	12,098
Korte Obligationer W DKK d		7,644	8,993
Total for distribution		17,019	21,091
6. Financial instruments (securities)			
A list of financial instruments (securities) is available free of charge from the investment management company.			

SUPPLEMENTARY NOTES

Note	(DKK 1,000)	2019	2018
a. Breakdown of financial instruments			
Listed financial instruments		97.47%	98.66%
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%
Other financial instruments		0.00%	0.00%
		97.47%	98.66%
Other assets/other debt		2.53%	1.34%
Total		100.00%	100.00%
b. Bonds by duration			
Bonds > 6 yrs		7.30%	7.37%
Bonds 4-6 yrs		14.78%	1.64%
Bonds 2-4 yrs		8.05%	48.69%
Bonds 0-2 yrs		67.34%	40.96%
Cash, derivatives etc		2.53%	1.34%
Total		100.00%	100.00%
c. Bonds by type			
Mortgage bonds		68.33%	89.07%
Government bonds		20.57%	6.84%
Other bonds		8.57%	2.75%
Cash, derivatives etc		2.53%	1.34%
Total		100.00%	100.00%

Korte Obligationer A DKK – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2015-2019

(DKK 1,000)	2019	2018	2017 ¹⁾	2016	2015
Financial highlights					
Net profit for the year	4,985	3,345	7,820	29,750	1,708
Investors' assets	917,218	898,804	572,278	1,947,181	1,512,004
Units in circulation nominal	925,105	900,743	569,673	1,943,946	1,516,300
Units in circulation quantity	9,251,055	9,007,434	5,696,732	19,439,462	15,162,998
Financial ratios					
NAV per unit	99.15	99.78	100.46	100.17	99.72
Dividend per unit	0.80	1.20	1.10	1.00	1.20
Return (%) ¹⁾	0.57%	0.43%	1.30%	1.67%	0.15%
Benchmark return (%)	(0.49%)	(0.27%)	(0.47%)	0.10%	0.50%
Total expense ratio	0.23%	0.23%	0.27%	0.26%	0.29%
Annual percentage rate (APR) at 31 Dec	0.24%	0.24%	0.27%	0.27%	0.30%
Indirect transaction costs	0.09%	0.11%	-	-	-
Sharpe Ratio (5 yrs)	1.84	1.70	1.63	1.58	1.23
Standard deviation (5 yrs)	0.63	0.60	0.62	0.63	0.79

¹⁾ Past performance is no guarantee of future performance.

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

NOTES

Note (DKK 1,000)	2019	2018
a. Net profit		
Share of joint portfolio profit	7,288	5,203
Class-specific costs ¹⁾	(2,303)	(1,858)
Total net profit	4,985	3,345
¹⁾ Class-specific costs		
Marketing costs	501	398
Fees to custodian	249	232
Other costs relating to asset management	507	404
Other costs	143	106
Fixed management fee	903	718
Total class-specific costs	2,303	1,858
b. Distribution of profit		
b1. To be allocated		
Proposed distribution for the financial year	7,401	10,809
Brought forward for distribution next year	782	875
Available for distribution	8,183	11,684
Brought forward to investors' assets	(3,198)	(8,339)
Total distribution	4,985	3,345
b2. Available for distribution		
Brought forward for distribution from last year	875	461
Distribution adjustment in connection with issue/redemption concerning the above items	24	1,186
Share of joint income	9,375	12,098
Available for distribution before administrative costs	10,274	13,745
Set-off of administrative costs	(2,303)	(1,858)
Distribution adjustment of which in connection with issue/redemption	212	(203)
Total administrative costs	(2,091)	(2,061)
Available for distribution	8,183	11,684

NOTES (continued)

Note (DKK 1,000)	2019	2018
c. Other class-specific debt		
Payables	260	325
Payables – unsettled transactions	846	3,989
Total other class-specific debt	1,106	4,314
d. Investors' assets		
d1. Units in circulation		
Units in circulation at 1 Jan	900,743	569,673
Issues during the year	467,623	472,919
Redemptions during the year	(443,261)	(141,849)
Total units in circulation	925,105	900,743
d2. Investors' assets		
Investors' assets at 1 Jan	898,804	572,278
Issues during the year	464,932	470,646
Redemptions during the year	(440,819)	(141,217)
Net issue surcharges and redemption deductions	615	216
Distribution from last year concerning units in circulation at 31 Dec	(10,809)	(6,266)
Changes in dividend distribution due to issues/redemptions	(490)	(198)
Proposed distribution for the financial year	7,401	10,809
Brought forward from income statement	(3,198)	(8,339)
Brought forward for distribution next year	782	875
Investors' assets at year-end	917,218	898,804

Korte Obligationer W DKK d – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2017-2019

(DKK 1,000)	2019	2018	2017 ¹⁾
Financial highlights			
Net profit for the year ²⁾	4,415	2,863	13,936
Investors' assets	748,007	668,196	1,024,322
Units in circulation nominal	754,950	670,379	1,019,094
Units in circulation quantity	7,549,503	6,703,789	10,190,933
Financial ratios			
NAV per unit	99.08	99.67	100.51
Dividend per unit	0.80	1.20	1.30
Return (%) ¹⁾²⁾	0.61%	0.47%	1.36%
Benchmark return (%) ²⁾	(0.49%)	(0.27%)	(0.47%)
Total expense ratio ²⁾	0.18%	0.20%	0.22%
Annual percentage rate (APR) at 31 Dec	0.20%	0.21%	0.18%
Indirect transaction costs	0.09%	0.11%	-

¹⁾ Past performance is no guarantee of future performance.

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

²⁾ The year 2017: Net profit and financial ratios cover the period from 1 January to 31 December 2017.

NOTES

Note (DKK 1,000)	2019	2018
a. Net profit		
Share of joint portfolio profit	5,493	4,247
Class-specific costs ¹⁾	(1,078)	(1,384)
Total net profit	4,415	2,863
¹⁾ Class-specific costs		
Fees to custodian	187	302
Other costs relating to asset management	291	356
Other costs	82	93
Fixed management fee	518	633
Total class-specific costs	1,078	1,384
b. Distribution of profit		
b1. To be allocated		
Proposed distribution for the financial year	6,040	8,045
Brought forward for distribution next year	416	165
Available for distribution	6,456	8,210
Brought forward to investors' assets	(2,041)	(5,347)
Total distribution	4,415	2,863
b2. Available for distribution		
Brought forward for distribution from last year	165	843
Distribution adjustment in connection with issue/redemption concerning the above items	21	(326)
Share of joint income	7,644	8,993
Available for distribution before administrative costs	7,830	9,510
Set-off of administrative costs	(1,078)	(1,384)
Distribution adjustment of which in connection with issue/redemption	(296)	84
Total administrative costs	(1,374)	(1,300)
Available for distribution	6,456	8,210

NOTES (continued)

Note (DKK 1,000)	2019	2018
c. Other class-specific debt		
Payables	79	161
Payables – unsettled transactions	0	1,992
Total other class-specific debt	79	2,153
d. Investors' assets		
d1. Units in circulation		
Units in circulation at 1 Jan	670,379	1,019,094
Issues during the year	705,290	75,258
Redemptions during the year	(620,719)	(423,973)
Total units in circulation	754,950	670,379
d2. Investors' assets		
Investors' assets at 1 Jan	668,196	1,024,322
Issues during the year	699,607	74,744
Redemptions during the year	(616,432)	(420,884)
Net issue surcharges and redemption deductions	339	204
Distribution from last year concerning units in circulation at 31 Dec	(8,045)	(13,248)
Changes in dividend distribution due to issues/redemptions	(73)	195
Proposed distribution for the financial year	6,040	8,045
Brought forward from income statement	(2,041)	(5,347)
Brought forward for distribution next year	416	165
Investors' assets at year-end	748,007	668,196

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	16 May 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 2019" 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 2019 appears from the table below. The differences in returns are attributable to the level of costs in the individual classes.

Unit class	31 Dec 2019		31 Dec 2018	
	Return	Benchmark	Return	Benchmark
Mellemlange Obligationer A DKK	1.53%	0.73%	0.23%	0.65%
Danish Bonds B DKK d	1.53%	0.73%	0.28%	0.65%
Mellemlange Obligationer W DKK d	1.79%	0.73%	0.53%	0.65%

The market exceeded expectations at the beginning of the year and the fund's unit classes outperformed their benchmark, see the table above.

At the beginning of 2019 dark clouds loomed over the global economy by way of an escalating trade war between the US and China, the uncertainty surrounding the outcome of Brexit and faint signs of weakness as regards global economic growth. On top of this the Fed had announced interest rate hikes whereas the ECB had just terminated its net purchases under the most recent bond buying programme. But thawing relations between Great Britain and the EU as well as the tariff negotiations between the US and China combined with rate cuts by the Fed and a new bond buying programme by the ECB resulted in new optimism among investors particularly at the end of the year. Loose monetary policy and low inflation expectations have driven down underlying 10-year government yields in the US and the euro zone. And despite a rise in yields towards the end of the year in the wake of the renewed optimism, underlying interest rates are lower than at the beginning of 2019.

The fund has produced a return that is above its benchmark. The outperformance is attributable to the fund's considerable exposure to callable mortgage bonds which have performed well compared to government bonds due to a continued strong demand by foreign investors.

Market outlook

We expect that in several respects developments at the end of 2019 will continue to spur the optimism which is spreading among investors and which is expected to support global economic growth in the next 12 months or so. To begin with the interest rate increases from late 2019 may very well continue into 2020 but the dark clouds may return soon enough if the trade war between USA and China resurfaces. Moreover it will be interesting to see whether the European Central Bank in particular changes its stance on negative key rates. A major report on monetary policy is scheduled for the end of this year.

We project that the fund will generate a return in 2020 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 greatly destabilise the domestic mortgage market and result in poor performance.

Mellemlange Obligationer KL – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2015-2019

(DKK 1,000)	2019	2018	2017	2016	2015 ¹⁾
Financial highlights					
Net profit for the year	103,290	21,110	123,450	100,636	(45,099)
Investors' assets	5,084,142	6,139,677	6,531,248	8,215,343	3,662,246
Financial ratios					
Portfolio turnover rate (PTR)	1.29	1.06	0.51	0.82	0.35

¹⁾ The fund was launched on 7 January 2015.

INCOME STATEMENT

Note	(DKK 1,000)	2019	2018
Interest and dividends			
1.	Interest	63,006	85,499
	Total interest and dividends	63,006	85,499
Capital gains and losses			
2.	Bonds	63,384	(38,474)
3.	Transaction costs, operating activities	(18)	(16)
	Total capital gains and losses	63,366	(38,490)
	Total income	126,372	47,009
4.	Administrative costs	(23,082)	(25,899)
	Net profit for the year	103,290	21,110

BALANCE SHEET 31 DECEMBER 2019

Note	(DKK 1,000)	2019	2018
ASSETS			
Liquid funds			
	Deposits with custodian	46,275	107,793
	Deposits on margin accounts with custodian	1	5,080
	Total liquid funds	46,276	112,873
6.	Bonds		
	Listed bonds from Danish issuers	5,031,818	5,999,524
	Listed bonds from foreign issuers	15,368	29,423
	Total bonds	5,047,186	6,028,947
Other assets			
	Interest receivable, dividends receivable etc	18,445	36,676
	Receivables – unsettled transactions	910	0
	Total other assets	19,355	36,676
	TOTAL ASSETS	5,112,817	6,178,496
LIABILITIES			
5.	Investors' assets ¹⁾	5,084,142	6,139,677
Other debt			
	Payables	2,548	4,782
	Payables – unsettled transactions	26,127	34,037
	Total other debt	28,675	38,819
	TOTAL LIABILITIES	5,112,817	6,178,496
¹⁾ Investors' assets by unit class			
	Mellemlange Obligationer A DKK	3,096,594	3,466,712
	Danish Bonds B DKK d	225,876	228,875
	Mellemlange Obligationer W DKK d	1,761,672	2,444,090
	Total	5,084,142	6,139,677

Mellemlange Obligationer KL – Financial Statements

NOTES

Note	(DKK 1,000)	2019	2018
1. Interest			
Listed bonds from Danish issuers		63,135	83,882
Listed bonds from foreign issuers		131	157
Interest expense and negative interest with custodian		(1,592)	(1,552)
Other interest income		1,332	3,012
Total interest		63,006	85,499
2. Capital gains and losses			
Bonds			
Listed bonds from Danish issuers		63,194	(38,549)
Listed bonds from foreign issuers		190	75
Total bonds		63,384	(38,474)
3. Transaction costs			
All transaction costs		21	17
Covered by income from issue and redemption		(3)	(1)
Transaction costs, operating activities		18	16
4. Administrative costs			
Class-specific costs			
Marketing costs		7,652	9,063
Fees to custodian		1,483	1,634
Other costs relating to asset management		5,799	6,398
Other costs		817	841
Fixed management fee		7,331	7,963
Total class-specific costs		23,082	25,899
5. Investors' assets			
Investors' assets at 1 Jan		6,139,677	6,531,248
Issues during the year		419,275	420,374
Redemptions during the year		(1,523),686	(761,996)
Net issue surcharges and redemption deductions		1,729	1,001
Distribution from last year concerning units in circulation at 31 Dec		(56,436)	(72,450)
Changes in dividend distribution due to issues/redemptions		293	390
Proposed distribution for the financial year		130,938	56,436
Brought forward from income statement		(30,967)	(37,623)
Brought forward for distribution next year		3,319	2,297
Investors' assets at year-end		5,084,142	6,139,677
Joint income available for distribution in unit classes			
5a. Interest			
Interest		63,266	87,051
Capital gains for distribution		109,984	(295)
Distribution adjustment in connection with issue/redemption concerning the above items		(20,199)	(3,656)
Available for distribution in unit classes		153,051	83,100
Of which for distribution in:			
Mellemlange Obligationer A DKK		93,232	46,934
Danish Bonds B DKK d		6,801	3,098
Mellemlange Obligationer W DKK d		53,018	33,068
Total for distribution		153,051	83,100
6. Financial instruments (securities)			
A list of financial instruments (securities) is available free of charge from the investment management company.			

SUPPLEMENTARY NOTES

Note	(DKK 1,000)	2019	2018
a. Breakdown of financial instruments			
Listed financial instruments		99.27%	98.20%
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%
Other financial instruments		0.00%	0.00%
		99.27%	98.20%
Other assets/other debt		0.73%	1.80%
Total		100.00%	100.00%
b. Bonds by duration			
Bonds > 6 yrs		28.90%	34.59%
Bonds 4-6 yrs		24.90%	8.07%
Bonds 2-4 yrs		3.48%	30.41%
Bonds 0-2 yrs		41.99%	25.13%
Cash, derivatives etc		0.73%	1.80%
Total		100.00%	100.00%
c. Bonds by type			
Mortgage bonds		66.13%	81.56%
Government bonds		26.87%	15.62%
Other bonds		6.27%	1.02%
Cash, derivatives etc		0.73%	1.80%
Total		100.00%	100.00%

Mellemlange Obligationer A DKK – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2015-2019

(DKK 1,000)	2019	2018	2017	2016 ²⁾	2015 ¹⁾
Financial highlights					
Net profit for the year ³⁾	54,854	7,128	70,772	100,962	(45,099)
Investors' assets	3,096,594	3,466,712	3,702,312	8,068,346	3,662,246
Units in circulation nominal	3,062,186	3,452,861	3,659,551	8,009,861	3,698,585
Units in circulation quantity	30,621,862	34,528,611	36,595,514	80,098,612	36,985,847
Financial ratios					
NAV per unit	101.12	100.40	101.17	100.73	99.02
Dividend per unit	2.50	0.80	1.00	1.30	1.30
Return (%) ¹⁾³⁾	1.53%	0.23%	1.75%	3.06%	(0.98%
Benchmark return (%) ³⁾	0.73%	0.65%	(0.15%) ³⁾	1.64%	0.19%
Total expense ratio ³⁾	0.50%	0.53%	0.54%	0.51%	0.52%
Annual percentage rate (APR) at 31 Dec	0.46%	0.56%	0.57%	0.56%	0.61%
Indirect transaction costs	0.09%	0.11%	-	-	-
Sharpe Ratio (3 yrs)	1.16	1.45	-	-	-
Standard deviation (3 yrs)	1.33	1.35	-	-	-

¹⁾ Past performance is no guarantee of future performance.

¹⁾ The fund was launched on 7 January 2015.

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

³⁾ The year 2015: Net profit and financial ratios cover the period from 21 September to 31 December 2015.

NOTES

Note (DKK 1,000)	2019	2018
a. Net profit		
Share of joint portfolio profit	71,717	25,854
Class-specific costs ¹⁾	(16,863)	(18,726)
Total net profit	54,854	7,128
¹⁾ Class-specific costs		
Marketing costs	7,188	8,635
Fees to custodian	947	1,012
Other costs relating to asset management	3,382	3,531
Other costs	476	464
Fixed management fee	4,870	5,084
Total class-specific costs	16,863	18,726
b. Distribution of profit		
b1. To be allocated		
Proposed distribution for the financial year	76,555	27,623
Brought forward for distribution next year	2,423	1,348
Available for distribution	78,978	28,971
Brought forward to investors' assets	(24,124)	(21,843)
Total distribution	54,854	7,128
b2. Available for distribution		
Brought forward for distribution from last year	1,348	496
Distribution adjustment in connection with issue/redemption concerning the above items	(152)	(120)
Share of joint income	93,232	46,934
Available for distribution before administrative costs	94,428	47,310
Set-off of administrative costs	(16,863)	(18,726)
Distribution adjustment of which in connection with issue/redemption	1,413	387
Total administrative costs	(15,450)	(18,339)
Available for distribution	78,978	28,971

NOTES (continued)

Note (DKK 1,000)	2019	2018
c. Other class-specific debt		
Payables	1,973	3,602
Payables – unsettled transactions	10,008	4,010
Total other class-specific debt	11,981	7,612
d. Investors' assets		
d1. Units in circulation		
Units in circulation at 1 Jan	3,452,861	3,659,551
Issues during the year	63,682	73,080
Redemptions during the year	(454,357)	(279,770)
Total units in circulation	3,062,186	3,452,861
d2. Investors' assets		
Investors' assets at 1 Jan	3,466,712	3,702,312
Issues during the year	64,511	73,133
Redemptions during the year	(462,888)	(280,083)
Net issue surcharges and redemption deductions	1,014	553
Distribution from last year concerning units in circulation at 31 Dec	(27,623)	(36,596)
Changes in dividend distribution due to issues/redemptions	14	265
Proposed distribution for the financial year	76,555	27,623
Brought forward from income statement	(24,124)	(21,843)
Brought forward for distribution next year	2,423	1,348
Investors' assets at year-end	3,096,594	3,466,712

Danish Bonds B DKK d – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2015-2019

(DKK 1,000)	2019	2018	2017	2016 ¹⁾	2015 ²⁾
Financial highlights					
Net profit for the year ³⁾	3,665	470	1,482	(326)	(3,746)
Net profit for the year ⁴⁾	3,665	470	1,482	3,819	(3,746)
Investors' assets	225,876	228,875	240,418	146,997	108,936
Units in circulation nominal	226,793	231,214	240,863	149,303	110,727
Units in circulation quantity	22,679,280	23,121,389	24,086,280	14,930,284	11,072,732
Financial ratios					
NAV per unit	9.96	9.90	9.98	9.85	9.84
Dividend per unit	0.25	0.09	0.11	0.04	0.09
Return (%) ^{1) 3)}	1.53%	0.28%	1.79%	2.69%	(1.62%)
Benchmark return (%) ³⁾	0.73%	0.65%	(0.15%) ³⁾	1.64%	(1.16%)
Total expense ratio ³⁾	0.49%	0.49%	0.48%	0.17%	0.33%
Total expense ratio ⁴⁾	0.49%	0.49%	0.48%	0.49%	0.33%
Annual percentage rate (APR) at 31 Dec	0.88%	0.88%	0.88%	0.87%	0.88%
Indirect transaction costs	0.09%	0.11%	-	-	-
Sharpe Ratio (3 yrs)	1.17	-	-	-	-
Standard deviation (3 yrs)	1.33	-	-	-	-

¹⁾ Past performance is no guarantee of future performance.

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

²⁾ Financial figures from Danish Bonds B DKK (The fund Dannebrog).

³⁾ The year 2016: Net profit and financial ratios cover the period from 29 August to 31 December 2016.

⁴⁾ For the period 1 January – 26 August 2016 Danish Bonds B DKK (The fund Dannebrog) is included.

NOTES

Note (DKK 1,000)	2019	2018
a. Net profit		
Share of joint portfolio profit	4,817	1,542
Class-specific costs ¹⁾	(1,152)	(1,072)
Total net profit	3,665	470
¹⁾ Class-specific costs		
Marketing costs	465	428
Fees to custodian	31	29
Other costs relating to asset management	235	221
Other costs	33	29
Fixed management fee	388	365
Total class-specific costs	1,152	1,072
b. Distribution of profit		
b1. To be allocated		
Proposed distribution for the financial year	5,670	2,081
Brought forward for distribution next year	43	22
Available for distribution	5,713	2,103
Brought forward to investors' assets	(2,048)	(1,633)
Total distribution	3,665	470
b2. Available for distribution		
Brought forward for distribution from last year	22	120
Distribution adjustment in connection with issue/redemption concerning the above items	(1)	(8)
Share of joint income	6,801	3,098
Available for distribution before administrative costs	6,822	3,210
Set-off of administrative costs	(1,152)	(1,072)
Distribution adjustment of which in connection with issue/redemption	43	(35)
Total administrative costs	(1,109)	(1,107)
Available for distribution	5,713	2,103

NOTES (continued)

Note (DKK 1,000)	2019	2018
c. Other class-specific debt		
Payables	173	212
Total other class-specific debt	173	212
d. Investors' assets		
d1. Units in circulation		
Units in circulation at 1 Jan	231,214	240,863
Issues during the year	31,960	16,744
Redemptions during the year	(36,381)	(26,393)
Total units in circulation	226,793	231,214
d2. Investors' assets		
Investors' assets at 1 Jan	228,875	240,418
Issues during the year	31,885	16,545
Redemptions during the year	(36,504)	(26,054)
Net issue surcharges and redemption deductions	72	34
Distribution from last year concerning units in circulation at 31 Dec	(2,081)	(2,649)
Changes in dividend distribution due to issues/redemptions	(36)	111
Proposed distribution for the financial year	5,670	2,081
Brought forward from income statement	(2,048)	(1,633)
Brought forward for distribution next year	43	22
Investors' assets at year-end	225,876	228,875

Mellemlange Obligationer W DKK d – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2017-2019

(DKK 1,000)	2019	2018	2017 ¹⁾
Financial highlights			
Net profit for the year ²⁾	44,771	13,512	51,196
Investors' assets	1,761,672	2,444,090	2,588,518
Units in circulation nominal	1,739,742	2,430,156	2,554,258
Units in circulation quantity	17,397,422	24,301,566	25,542,586
Financial ratios			
NAV per unit	101.26	100.57	101.34
Dividend per unit	2.80	1.10	1.30
Return (%) ¹⁾²⁾	1.79%	0.53%	1.92%
Benchmark return (%) ²⁾	0.73%	0.65%	(0.15%)
Total expense ratio ²⁾	0.24%	0.23%	0.38%
Annual percentage rate (APR) at 31 Dec	0.26%	0.26%	0.25%
Indirect transaction costs	0.09%	0.11%	-

¹⁾ Past performance is no guarantee of future performance.

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

²⁾ The year 2017: Net profit and financial ratios cover the period from 1 January to 31 December 2017.

NOTES

Note (DKK 1,000)	2019	2018
a. Net profit		
Share of joint portfolio profit	49,838	19,613
Class-specific costs ¹⁾	(5,067)	(6,101)
Total net profit	44,771	13,512
¹⁾ Class-specific costs		
Fees to custodian	504	593
Other costs relating to asset management	2,182	2,646
Other costs	308	348
Fixed management fee	2,073	2,514
Total class-specific costs	5,067	6,101
b. Distribution of profit		
b1. To be allocated		
Proposed distribution for the financial year	48,713	26,732
Brought forward for distribution next year	853	927
Available for distribution	49,566	27,659
Brought forward to investors' assets	(4,795)	(14,147)
Total distribution	44,771	13,512
b2. Available for distribution		
Brought forward for distribution from last year	927	218
Distribution adjustment in connection with issue/redemption concerning the above items	(263)	(11)
Share of joint income	53,018	33,068
Available for distribution before administrative costs	53,682	33,275
Set-off of administrative costs	(5,067)	(6,101)
Distribution adjustment of which in connection with issue/redemption	951	485
Total administrative costs	(4,116)	(5,616)
Available for distribution	49,566	27,659

NOTES (continued)

Note (DKK 1,000)	2019	2018
c. Other class-specific debt		
Payables	369	936
Payables – unsettled transactions	8,604	5,022
Total other class-specific debt	8,973	5,958
d. Investors' assets		
d1. Units in circulation		
Units in circulation at 1 Jan	2,430,156	2,554,258
Issues during the year	317,662	331,159
Redemptions during the year	(1,008,076)	(455,261)
Total units in circulation	1,739,742	2,430,156
d2. Investors' assets		
Investors' assets at 1 Jan	2,444,090	2,588,518
Issues during the year	322,879	330,696
Redemptions during the year	(1,024,294)	(455,859)
Net issue surcharges and redemption deductions	643	414
Distribution from last year concerning units in circulation at 31 Dec	(26,732)	(332)05
Changes in dividend distribution due to issues/redemptions	315	14
Proposed distribution for the financial year	48,713	26,732
Brought forward from income statement	(4,795)	(14,147)
Brought forward for distribution next year	853	927
Investors' assets at year-end	1,761,672	2,444,090

Mellemlange Obligationer Akkumulerende KL

Fund report

Fund data and unit class data	Mellemlange Obligationer A DKK Akk	Danish Bonds B DKK Acc	Mellemlange Obligationer W DKK Acc
ISIN	DK0060585156	DK0060738672	DK0060853851
Date of establishment	4 November 2014	18 May 2016	16 May 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 2019" 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 2019 appears from the table below. The differences in returns are attributable to the level of costs in the individual classes.

Unit class	31 Dec 2019		31 Dec 2018	
	Return	Benchmark	Return	Benchmark
Mellemlange Obligationer A DKK Akk	1.49%	0.73%	0.27%	0.65%
Danish Bonds B DKK Acc	1.50%	0.73%	0.31%	0.65%
Mellemlange Obligationer W DKK Acc	1.75%	0.73%	0.57%	0.65%

The market exceeded expectations at the beginning of the year and the fund's unit classes outperformed their benchmark, see the table above.

At the beginning of 2019 dark clouds loomed over the global economy by way of an escalating trade war between the US and China, the uncertainty surrounding the outcome of Brexit and faint signs of weakness as regards global economic growth. On top of this the Fed had announced interest rate hikes whereas the ECB had just terminated its net purchases under the most recent bond buying programme. But thawing relations between Great Britain and the EU as well as the tariff negotiations between the US and China combined with rate cuts by the Fed and a new bond buying programme by the ECB resulted in new optimism among investors particularly at the end of the year. Loose monetary policy and low inflation expectations have driven down underlying 10-year government yields in the US and the euro zone. And despite a rise in yields towards the end of the year in the wake of the renewed optimism, underlying interest rates are lower than at the beginning of 2019.

The fund has produced a return that is above its benchmark. The outperformance is attributable to the fund's considerable exposure to callable mortgage bonds which have performed well compared to government bonds due to a continued strong demand by foreign investors.

Market outlook

We expect that in several respects developments at the end of 2019 will continue to spur the optimism which is spreading among investors and which is expected to support global economic growth in the next 12 months or so. To begin with the interest rate increases from late 2019 may very well continue into 2020 but the dark clouds may return soon enough if the trade war between USA and China resurfaces. Moreover it will be interesting to see whether the European Central Bank in particular changes its stance on negative key rates. A major report on monetary policy is scheduled for the end of this year.

We project that the fund will generate a return in 2020 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 greatly destabilise the domestic mortgage market and result in poor performance.

Mellemlange Obligationer Akkumulerende KL – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2015-2019

(DKK 1,000)	2019	2018	2017	2016	2015 ¹⁾
Financial highlights					
Net profit for the year	15,756	3,825	21,321	40,350	(13,984)
Investors' assets	795,274	947,320	984,152	1,671,627	986,841
Financial ratios					
Portfolio turnover rate (PTR)	1.23	1.05	0.43	0.91	0.21

¹⁾ The fund was launched on 7 January 2015.

INCOME STATEMENT

Note (DKK 1,000)	2019	2018
Interest and dividends		
1. Interest	9,736	12,835
Total interest and dividends	9,736	12,835
Capital gains and losses		
2. Bonds	9,573	(5,192)
3. Transaction costs, operating activities	(5)	(9)
Total capital gains and losses	9,568	(5,201)
Total income	19,304	7,634
4. Administrative costs	(3,548)	(3,809)
Net profit for the year	15,756	3,825

BALANCE SHEET 31 DECEMBER 2019

Note (DKK 1,000)	2019	2018
ASSETS		
Liquid funds		
Deposits with custodian	10,043	21,682
Total liquid funds	10,043	21,682
6. Bonds		
Listed bonds from Danish issuers	783,719	918,661
Listed bonds from foreign issuers	2,049	8,117
Total bonds	785,768	926,778
Other assets		
Interest receivable, dividends receivable etc	2,908	5,490
Receivables – unsettled transactions	1,952	0
Total other assets	4,860	5,490
TOTAL ASSETS	800,671	953,950
LIABILITIES		
5. Investors' assets ¹⁾		
Other debt		
Payables	410	702
Payables – unsettled transactions	4,987	5,928
Total other debt	5,397	6,630
TOTAL LIABILITIES	800,671	953,950
¹⁾ Investors' assets by unit class		
Mellemlange Obligationer A DKK Akk	435,715	435,086
Danish Bonds B DKK Acc	93,593	99,207
Mellemlange Obligationer W DKK Acc	265,966	413,027
Total	795,274	947,320

Mellemlange Obligationer Akkumulerende KL – Financial Statements

NOTES

Note (DKK 1,000)	2019	2018
1. Interest		
Listed bonds from Danish issuers	9,771	12,905
Listed bonds from foreign issuers	33	42
Interest expense and negative interest with custodian	(68)	(112)
Total interest	9,736	12,835
2. Capital gains and losses		
Bonds		
Listed bonds from Danish issuers	9,519	(5,208)
Listed bonds from foreign issuers	54	16
Total bonds	9,573	(5,192)
3. Transaction costs		
All transaction costs	6	11
Covered by income from issue and redemption	(1)	(2)
Transaction costs, operating activities	5	9
4. Administrative costs		
Class-specific costs		
Marketing costs	1,157	1,247
Fees to custodian	211	228
Other costs relating to asset management	903	987
Other costs	127	130
Fixed management fee	1,150	1,217
Total class-specific costs	3,548	3,809
5. Investors' assets		
Investors' assets at 1 Jan	947,320	984,152
Issues during the year	110,249	136,591
Redemptions during the year	(278,306)	(177,490)
Net issue surcharges and redemption deductions	255	242
Brought forward from income statement	15,756	3,825
Investors' assets at year-end	795,274	947,320
6. Financial instruments (securities)		
A list of financial instruments (securities) is available free of charge from the investment management company.		

SUPPLEMENTARY NOTES

Note (DKK 1,000)	2019	2018
a. Breakdown of financial instruments		
Listed financial instruments	98.80%	97.83%
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%
Other financial instruments	0.00%	0.00%
	98.80%	97.83%
Other assets/other debt	1.20%	2.17%
Total	100.00%	100.00%
b. Bonds by duration		
Bonds > 6 yrs	28.62%	34.87%
Bonds 4-6 yrs	25.65%	7.80%
Bonds 2-4 yrs	3.60%	29.45%
Bonds 0-2 yrs	40.93%	25.71%
Cash, derivatives etc	1.20%	2.17%
Total	100.00%	100.00%
c. Bonds by type		
Mortgage bonds	65.25%	80.63%
Government bonds	27.33%	15.51%
Other bonds	6.22%	1.69%
Cash, derivatives etc	1.20%	2.17%
Total	100.00%	100.00%

Mellemlange Obligationer A DKK Akk – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2015-2019

(DKK 1,000)	2019	2018	2017	2016	2015 ¹⁾
Financial highlights					
Net profit for the year ²⁾	6,856	1,070	14,757	40,009	(13,984)
Investors' assets	435,715	435,086	458,530	1,580,926	986,841
Units in circulation nominal	412,595	418,141	441,884	1,549,881	997,310
Units in circulation quantity	4,125,949	4,181,411	4,418,836	15,498,811	9,973,094
Financial ratios					
NAV per unit	105.60	104.05	103.77	102.00	98.95
Return (%)	1.49%	0.27%	1.73%	3.09%	(1.05%)
Benchmark return (%) ²⁾	0.73%	0.65%	(0.15%)	1.64%	0.19%
Total expense ratio ²⁾	0.49%	0.53%	0.57%	0.53%	0.53%
Annual percentage rate (APR) at 31 Dec	0.45%	0.56%	0.56%	0.56%	0.62%
Indirect transaction costs	0.09%	0.11%	-	-	-
Sharpe Ratio (3 yrs)	1.14	1.46	-	-	-
Standard deviation (3 yrs)	1.35	1.35	-	-	-

¹⁾ Past performance is no guarantee of future performance.

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

²⁾ The year 2015: Net profit and financial ratios cover the period from 7 January to 31 December 2015.

NOTES

Note (DKK 1,000)	2019	2018
a. Net profit		
Share of joint portfolio profit	9,115	3,335
Class-specific costs ¹⁾	(2,259)	(2,265)
Total net profit	6,856	1,070
¹⁾ Class-specific costs		
Marketing costs	967	1,056
Fees to custodian	111	102
Other costs relating to asset management	458	430
Other costs	64	57
Fixed management fee	659	620
Total class-specific costs	2,259	2,265
b. Distribution of profit		
b1. To be allocated		
Brought forward to investors' assets	6,856	1,070
Total distribution	6,856	1,070

NOTES (continued)

Note (DKK 1,000)	2019	2018
c. Other class-specific debt		
Payables	275	442
Payables – unsettled transactions	951	0
Total other class-specific debt	1,226	442
d. Investors' assets		
d1. Units in circulation		
Units in circulation at 1 Jan	418,141	441,884
Issues during the year	53,190	35,459
Redemptions during the year	(58,736)	(59,202)
Total units in circulation	412,595	418,141
d2. Investors' assets		
Investors' assets at 1 Jan	435,086	458,530
Issues during the year	56,170	36,803
Redemptions during the year	(62,527)	(61,423)
Net issue surcharges and redemption deductions	130	106
Brought forward from income statement	6,856	1,070
Investors' assets at year-end	435,715	435,086

Danish Bonds B DKK Acc – Interim Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2015-2019

(DKK 1,000)	2019	2018	2017	2016 ¹⁾	2015 ²⁾
Financial highlights					
Net profit for the year ³⁾	1,462	288	1,644	341	409
Net profit for the year ⁴⁾	1,462	288	1,644	3,463	621
Investors' assets	93,593	99,207	95,136	90,701	98,744
Units in circulation nominal	27,734	29,837	28,702	27,856	31,242
Units in circulation quantity	2,773,399	2,983,740	2,870,229	2,785,633	3,124,194
Financial ratios					
NAV per unit	33.75	33.25	33.15	32.56	31.61
Return (%) ^{1) 3)}	1.50%	0.31%	1.80%	3.02%	(0.87%)
Benchmark return (%) ³⁾	0.73%	0.65%	(0.15%)	1.64%	0.34%
Total expense ratio ³⁾	0.49%	0.49%	0.48%	0.20%	0.21%
Total expense ratio ⁴⁾	0.49%	0.49%	0.48%	0.56%	0.74%
Annual percentage rate (APR) at 31 Dec	0.89%	0.88%	0.88%	0.88%	0.90%
Indirect transaction costs	0.09%	0.11%	-	-	-

¹⁾ Past performance is no guarantee of future performance.

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

²⁾ Financial figures from Danish Bonds B DKK Acc (The fund Dannebrog Akk).

³⁾ The year 2016: Net profit and financial ratios cover the period from 29 August to 31 December 2016.

⁴⁾ For the period 1 January – 26 August 2016 Danish Bonds B DKK Acc (The fund Dannebrog Akk) is included.

NOTES

Note (DKK 1,000)	2019	2018
a. Net profit		
Share of joint portfolio profit	1,937	765
Class-specific costs ¹⁾	(475)	(477)
Total net profit	1,462	288
¹⁾ Class-specific costs		
Marketing costs	190	191
Fees to custodian	14	14
Other costs relating to asset management	97	98
Other costs	14	13
Fixed management fee	160	161
Total class-specific costs	475	477
b. Distribution of profit		
b1. To be allocated		
Brought forward to investors' assets	1,462	288
Total distribution	1,462	288

NOTES (continued)

Note (DKK 1,000)	2019	2018
c. Other class-specific debt		
Payables	73	93
Payables – unsettled transactions	513	0
Total other class-specific debt	586	93
d. Investors' assets		
d1. Units in circulation		
Units in circulation at 1 Jan	29,837	28,702
Issues during the year	578	2,608
Redemptions during the year	(2,681)	(1,473)
Total units in circulation	27,734	29,837
d2. Investors' assets		
Investors' assets at 1 Jan	99,207	95,136
Issues during the year	1,964	8,638
Redemptions during the year	(9,068)	(4,879)
Net issue surcharges and redemption deductions	28	24
Brought forward from income statement	1,462	288
Investors' assets at year-end	93,593	99,207

Mellemlange Obligationer W DKK Acc – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2017-2019

(DKK 1,000)	2019	2018	2017 ¹⁾
Financial highlights			
Net profit for the year ²⁾	7,438	2,467	4,920
Investors' assets	265,966	413,027	430,486
Units in circulation nominal	257,335	406,627	426,227
Units in circulation quantity	2,573,351	4,066,265	4,262,270
Financial ratios			
NAV per unit	103.35	101.57	101.00
Return (%) ^{1) 2)}	1.75%	0.57%	1.00%
Benchmark return (%) ²⁾	0.73%	0.65%	(0.15%)
Total expense ratio ²⁾	0.24%	0.23%	0.13%
Annual percentage rate (APR) at 31 Dec	0.26%	0.26%	0.25%
Indirect transaction costs	0.09%	0.11%	-

¹⁾ Past performance is no guarantee of future performance.

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

²⁾ The year 2017: Net profit and financial ratios cover the period from 13 June to 31 December 2017.

NOTES

Note (DKK 1,000)	2019	2018
a. Net profit		
Share of joint portfolio profit	8,251	3,535
Class-specific costs ¹⁾	(813)	(1,068)
Total net profit	7,438	2,467
¹⁾ Class-specific costs		
Fees to custodian	85	111
Other costs relating to asset management	348	460
Other costs	49	60
Fixed management fee	331	437
Total class-specific costs	813	1,068
b. Distribution of profit		
b1. To be allocated		
Brought forward to investors' assets	7,438	2,467
Total distribution	7,438	2,467

NOTES (continued)

Note (DKK 1,000)	2019	2018
c. Other class-specific debt		
Payables	56	160
Payables – unsettled transactions	2,584	1,928
Total other class-specific debt	2,640	2,088
d. Investors' assets		
d1. Units in circulation		
Units in circulation at 1 Jan	406,627	426,227
Issues during the year	50,402	90,398
Redemptions during the year	(199,694)	(109,998)
Total units in circulation	257,335	406,627
d2. Investors' assets		
Investors' assets at 1 Jan	413,027	430,486
Issues during the year	52,115	91,150
Redemptions during the year	(206,711)	(111,188)
Net issue surcharges and redemption deductions	97	112
Brought forward from income statement	7,438	2,467
Investors' assets at year-end	265,966	413,027

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	16 May 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 hedged to DKK	
Secondary name	Corporate Bonds HY KL	

Introduction

The fund report should be read together with the sections in the annual report "Financial markets in 2019" 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 2019 appears from the table below. The difference in returns is attributable to the level of costs in the individual classes.

Unit class	31 Dec 2019		31 Dec 2018	
	Return	Benchmark	Return	Benchmark
Virksomhedsobligationer HY A DKK	12.14%	11.03%	(5.76%)	(3.77%)
Virksomhedsobligationer HY W DKK d h	12.71%	11.03%	(5.23%)	(3.77%)

The market exceeded expectations at the beginning of the year and the fund's unit classes outperformed their benchmark, see the above table.

At the beginning of 2019 dark clouds loomed over the global economy by way of an escalating trade war between the US and China, the uncertainty surrounding the outcome of Brexit, faint signs of weakness as regards global economic growth as well as monetary tightening in USA and Europe alike. But thawing relations between Great Britain and the EU as well as the tariff negotiations between the US and China combined with rate cuts by the Fed and a new bond buying programme by the European Central Bank resulted in new optimism among investors particularly at the end of the year. Developments have supported the market for HY corporate bonds, which has led to significant tightening of credit spreads and a rise in bond prices.

The fund has produced a return that is above the return of its benchmark. This was due to the positive impact of the narrowing of credit spreads as well as several company-specific news reports that triggered considerable price increases.

Market outlook

We expect that in several respects developments at the end of 2019 will continue to spur the optimism which is spreading among investors and which is expected to support global economic growth in the next 12 months or so. It is expected that the corporate bond market will remain well supported given the improved growth outlook, historically low default rates as well as very low underlying interest rates due to central banks' loose monetary policy. In Europe growth prospects have brightened slightly but the dark clouds may return soon enough if the trade war between USA and China resurfaces.

We project that the fund will generate a return in 2020 on a par with its benchmark or above as the fund is actively managed.

Virksomhedsobligationer HY KL – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2015-2019

(DKK 1,000)	2019	2018	2017	2016	2015
Financial highlights					
Net profit for the year	83,724	(55,093)	73,361	145,622	(112,721)
Investors' assets	669,106	799,451	1,232,726	1,791,738	2,312,861
Financial ratios					
Portfolio turnover rate (PTR)	0.25	0.29	0.20	0.25	0.90

INCOME STATEMENT

Note (DKK 1,000)	2019	2018
Interest and dividends		
1. Interest	33,282	51,652
Total interest and dividends	33,282	51,652
Capital gains and losses		
2. Bonds	58,403	(95,266)
Currency accounts	0	(127)
Other assets/liabilities	0	4
3. Transaction costs, operating activities	(151)	(288)
Total capital gains and losses	58,252	(95,677)
Other income	0	64
Total income	91,534	(43,961)
4. Administrative costs	(7,810)	(11,132)
Net profit for the year	83,724	(55,093)

BALANCE SHEET 31 DECEMBER 2019

Note (DKK 1,000)	2019	2018
ASSETS		
Liquid funds		
Deposits with custodian	37,101	5,551
Total liquid funds	37,101	5,551
6. Bonds		
Listed bonds from Danish issuers	5,863	10,000
Listed bonds from foreign issuers	613,739	768,995
Unlisted bonds from foreign issuers	3,144	4,223
Total bonds	622,746	783,218
Other assets		
Interest receivable, dividends receivable etc	10,194	15,150
Receivables – unsettled transactions	295	1,493
Total other assets	10,489	16,643
TOTAL ASSETS	670,336	805,412
LIABILITIES		
5. Investors' assets ¹⁾	669,106	799,451
Other debt		
Payables	1,230	2,151
Payables – unsettled transactions	0	3,810
Total other debt	1,230	5,961
TOTAL LIABILITIES	670,336	805,412
¹⁾ Investors' assets by unit class		
Virksomhedsobligationer HY A DKK	593,210	695,273
Virksomhedsobligationer HY W DKK d h	75,896	104,178
Total	669,106	799,451

Virksomhedsobligationer HY KL – Financial Statements

NOTES

Note	(DKK 1,000)	2019	2018
1. Interest			
Deposits with custodian		0	2
Listed bonds from Danish issuers		416	572
Listed bonds from foreign issuers		33,007	51,014
Unlisted bonds from foreign issuers		127	194
Interest expense and negative interest with custodian		(268)	(130)
Total interest		33,282	51,652
2. Capital gains and losses			
Bonds			
Listed bonds from Danish issuers		223	102
Listed bonds from foreign issuers		58,048	(95,027)
Unlisted bonds from Danish issuers		132	(341)
Total bonds		58,403	(95,266)
3. Transaction costs			
All transaction costs		237	495
Covered by income from issue and redemption		(86)	(207)
Transaction costs, operating activities		151	288
4. Administrative costs			
Class-specific costs			
Marketing costs		3,641	5,216
Fees to custodian		622	807
Other costs relating to asset management		2,508	3,570
Other costs		51	134
Fixed management fee		988	1,405
Total class-specific costs		7,810	11,132
5. Investors' assets			
Investors' assets at 1 Jan		799,451	1,232,726
Issues during the year		5,259	16,841
Redemptions during the year		(196,446)	(396,952)
Net issue surcharges and redemption deductions		941	1,929
Distribution from last year concerning units in circulation at 31 Dec		(24,174)	0
Changes in dividend distribution due to issues/redemptions		351	0
Proposed distribution for the financial year		3,517	24,174
Brought forward from income statement		79,751	(79,929)
Brought forward for distribution next year		456	662
Investors' assets at year-end		669,106	799,451

NOTES (continued)

Note	(DKK 1,000)	2019	2018
Joint income available for distribution in unit classes			
5a.			
Interest		33,550	51,782
Capital gains for distribution		(24,613)	(793)
Distribution adjustment in connection with issue/redemption concerning the above items		1,573	(9,955)
Available for distribution in unit classes		10,510	41,034
Of which for distribution in:			
Virksomhedsobligationer HY A DKK		9,320	35,695
Virksomhedsobligationer HY W DKK d h		1,190	5,339
Total for distribution		10,510	41,034
6. Financial instruments (securities)			
A list of financial instruments (securities) is available free of charge from the investment management company.			

SUPPLEMENTARY NOTES

Note	(DKK 1,000)	2019	2018
a. Breakdown of financial instruments			
Listed financial instruments		92.60%	97.44%
Financial instruments listed on other regulated market		0.47%	0.53%
Newly issued financial instruments for which listing on a stock exchange or other regulated market is planned		0.00%	0.00%
Other financial instruments		0.00%	0.00%
		93.07%	97.97%
Other assets/other debt		6.93%	2.03%
Total		100.00%	100.00%
b. Bonds by country			
Netherlands		14.55%	13.26%
France		12.26%	12.26%
Italy		10.61%	12.52%
USA		9.33%	11.55%
Germany		8.83%	10.55%
Luxembourg		7.32%	11.05%
UK		6.49%	3.96%
Spain		3.14%	3.40%
Other		20.54%	19.42%
Cash, derivatives etc		6.93%	2.03%
Total		100.00%	100.00%
c. Bonds by industry			
Consumer Staples		25.08%	25.64%
Consumer Discretionary		22.45%	21.50%
Financials		14.28%	12.80%
Raw Materials		10.06%	12.34%
Communications		9.07%	8.87%
Industrials		6.38%	10.24%
Energy		4.34%	5.36%
Utilities		1.41%	1.22%
Cash, derivatives etc		6.93%	2.03%
Total		100.00%	100.00%

Virksomhedsobligationer HY A DKK – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2015-2019

(DKK 1,000)	2019	2018	2017 ¹⁾	2016	2015
Financial highlights					
Net profit for the year	72,743	(49,035)	59,580	145,622	(112,721)
Investors' assets	593,210	695,273	1,033,531	1,791,738	2,312,861
Units in circulation nominal	701,348	894,958	1,253,792	2,279,168	3,187,528
Units in circulation quantity	7,013,475	8,949,578	12,537,914	22,791,677	31,875,273
Financial ratios					
NAV per unit	84.58	77.69	82.43	78.61	72.56
Dividend per unit	0.40	2.30	0.00	0.00	0.00
Return (%) ²⁾	12.14%	(5.76%)	4.86%	8.34%	(4.16%)
Benchmark return (%)	11.03%	(3.77%)	6.79%	8.81%	0.22%
Total expense ratio	1.17%	1.19%	1.19%	1.21%	1.14%
Annual percentage rate (APR) at 31 Dec	1.33%	1.35%	1.40%	1.38%	1.58%
Indirect transaction costs	0.15%	0.13%	-	-	-
Sharpe Ratio (5 yrs)	0.69	0.06	0.59	0.91	0.43
Standard deviation (5 yrs)	4.53	4.41	4.54	5.24	6.77

¹⁾ Past performance is no guarantee of future performance.

²⁾ The fund was converted to a unit class on 13 June 2017.

NOTES

Note (DKK 1,000)	2019	2018
a. Net profit		
Share of joint portfolio profit	79,994	(38,750)
Other class-specific income	0	58
Class-specific costs ¹⁾	(7,251)	(10,343)
Total net profit	72,743	(49,035)
¹⁾ Class-specific costs		
Marketing costs	3,641	5,216
Fees to custodian	472	619
Other costs relating to asset management	2,193	3,111
Other costs	42	117
Fixed management fee	903	1,280
Total class-specific costs	7,251	10,343
b. Distribution of profit		
b1. To be allocated		
Proposed distribution for the financial year	2,805	20,584
Brought forward for distribution next year	373	567
Available for distribution	3,178	21,151
Brought forward to investors' assets	69,565	(70,186)
Total distribution	72,743	(49,035)
b2. Available for distribution		
Brought forward for distribution from last year	567	(8,523)
Other income	0	58
Distribution adjustment in connection with issue/redemption concerning the above items	(122)	2,427
Share of joint income	9,320	35,695
Available for distribution before administrative costs	9,765	29,657
Set-off of administrative costs	(7,251)	(10,343)
Distribution adjustment of which in connection with issue/redemption	664	1,837
Total administrative costs	(6,587)	(8,506)
Available for distribution	3,178	21,151

NOTES (continued)

Note (DKK 1,000)	2019	2018
c. Other class-specific debt		
Payables	1,188	2,021
Payables – unsettled transactions	0	2,318
Total other class-specific debt	1,188	4,339
d. Investors' assets		
d1. Units in circulation		
Units in circulation at 1 Jan	894,958	1,253,792
Issues during the year	6,530	5,908
Redemptions during the year	(200,140)	(364,742)
Total units in circulation	701,348	894,958
d2. Investors' assets		
Investors' assets at 1 Jan	695,273	1,033,531
Issues during the year	5,259	4,863
Redemptions during the year	(160,604)	(295,798)
Net issue surcharges and redemption deductions	827	1,712
Distribution from last year concerning units in circulation at 31 Dec	(20,584)	0
Changes in dividend distribution due to issues/redemptions	296	0
Proposed distribution for the financial year	2,805	20,584
Brought forward from income statement	69,565	(70,186)
Brought forward for distribution next year	373	567
Investors' assets at year-end	593,210	695,273

Virksomhedsobligationer HY W DKK d h – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2017-2019

(DKK 1,000)	2019	2018	2017 ¹⁾
Financial highlights			
Net profit for the year ²⁾	10,981	(6,058)	13,781
Investors' assets	75,896	104,178	199,195
Units in circulation nominal	88,947	132,956	240,916
Units in circulation quantity	889,466	1,329,559	2,409,161
Financial ratios			
NAV per unit	85.33	78.36	82.68
Dividend per unit	0.80	2.70	0.00
Return (%) ³⁾	12.71%	(5.23%)	5.18%
Benchmark return (%) ²⁾	11.03%	(3.77%)	6.79%
Total expense ratio ²⁾	0.63%	0.63%	0.89%
Annual percentage rate (APR) at 31 Dec	0.80%	0.76%	0.72%
Indirect transaction costs	0.15%	0.13%	-

¹⁾ Past performance is no guarantee of future performance.

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

²⁾ The year 2017: Net profit and financial ratios cover the period from 1 January to 31 December 2017.

NOTES

Note (DKK 1,000)	2019	2018
a. Net profit		
Share of joint portfolio profit	11,541	(5,276)
Other class-specific income	0	6
Class-specific costs ¹⁾	(560)	(788)
Total net profit	10,981	(6,058)
¹⁾ Class-specific costs		
Fees to custodian	150	188
Other costs relating to asset management	315	459
Other costs	9	17
Fixed management fee	86	124
Total class-specific costs	560	788
b. Distribution of profit		
b1. To be allocated		
Proposed distribution for the financial year	712	3,590
Brought forward for distribution next year	83	95
Available for distribution	795	3,685
Brought forward to investors' assets	10,186	(9,743)
Total distribution	10,981	(6,058)
b2. Available for distribution		
Brought forward for distribution from last year	95	(1,797)
Other income	0	6
Distribution adjustment in connection with issue/redemption concerning the above items	(31)	805
Share of joint income	1,190	5,339
Available for distribution before administrative costs	1,254	4,353
Set-off of administrative costs	(560)	(788)
Distribution adjustment of which in connection with issue/redemption	101	120
Total administrative costs	(459)	(668)
Available for distribution	795	3,685

NOTES (continued)

Note (DKK 1,000)	2019	2018
c. Other class-specific debt		
Payables	38	121
Total other class-specific debt	38	121
d. Investors' assets		
d1. Units in circulation		
Units in circulation at 1 Jan	132,956	240,916
Issues during the year	0	14,440
Redemptions during the year	(44,009)	(122,400)
Total units in circulation	88,947	132,956
d2. Investors' assets		
Investors' assets at 1 Jan	104,178	199,195
Issues during the year	0	11,978
Redemptions during the year	(35,842)	(101,154)
Net issue surcharges and redemption deductions	114	217
Distribution from last year concerning units in circulation at 31 Dec	(3,590)	0
Changes in dividend distribution due to issues/redemptions	55	0
Proposed distribution for the financial year	712	3,590
Brought forward from income statement	10,186	(9,743)
Brought forward for distribution next year	83	95
Investors' assets at year-end	75,896	104,178

Virksomhedsobligationer HY Akkumulerende KL

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 hedged to DKK	
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 2019" 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 2019 appears from the table below. The difference in returns is attributable to the level of costs in the individual classes.

Unit class	31 Dec 2019		31 Dec 2018	
	Return	Benchmark	Return	Benchmark
Virksomhedsobligationer HY A DKK Akk	12.00%	11.03%	(5.70%)	(3.77%)
Virksomhedsobligationer HY W DKK Acc h	12.71%	11.03%	(5.08%)	(3.77%)

The market exceeded expectations at the beginning of the year and the fund's unit classes outperformed their benchmark, see the above table.

At the beginning of 2019 dark clouds loomed over the global economy by way of an escalating trade war between the US and China, the uncertainty surrounding the outcome of Brexit, faint signs of weakness as regards global economic growth as well as monetary tightening in USA and Europe alike. But thawing relations between Great Britain and the EU as well as the tariff negotiations between the US and China combined with rate cuts by the Fed and a new bond buying programme by the European Central Bank resulted in new optimism among investors particularly at the end of the year. Developments have supported the market for HY corporate bonds, which has led to significant tightening of credit spreads and a rise in bond prices.

The fund has produced a return that is above the return of its benchmark. This was due to the positive impact of the narrowing of credit spreads as well as several company-specific news reports that triggered considerable price increases.

Market outlook

We expect that in several respects developments at the end of 2019 will continue to spur the optimism which is spreading among investors and which is expected to support global economic growth in the next 12 months or so. It is expected that the corporate bond market will remain well supported given the improved growth outlook, historically low default rates as well as very low underlying interest rates due to central banks' loose monetary policy. In Europe growth prospects have brightened slightly but the dark clouds may return soon enough if the trade war between USA and China resurfaces.

We project that the fund will generate a return in 2020 on a par with its benchmark or above as the fund is actively managed.

Virksomhedsobligationer HY Akkumulerende KL – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2015-2019

(DKK 1,000)	2019	2018	2017	2016	2015
Financial highlights					
Net profit for the year	53,032	(28,217)	42,480	48,233	(14,733)
Investors' assets	458,529	442,518	653,817	747,821	537,329
Financial ratios					
Portfolio turnover rate (PTR)	0.30	0.32	0.28	0.48	0.73

INCOME STATEMENT

Note (DKK 1,000)	2019	2018
Interest and dividends		
1. Interest	20,701	27,806
Total interest and dividends	20,701	27,806
Capital gains and losses		
2. Bonds	35,701	(51,695)
Currency accounts	23	(68)
Other assets/liabilities	(1)	1
3. Transaction costs, operating activities	(120)	(182)
Total capital gains and losses	35,603	(51,944)
Other income	0	44
Total income	56,304	(24,094)
4. Administrative costs	(3,272)	(4,123)
Net profit for the year	53,032	(28,217)

BALANCE SHEET 31 DECEMBER 2019

Note (DKK 1,000)	2019	2018
ASSETS		
Liquid funds		
Deposits with custodian	26,748	11,840
Total liquid funds	26,748	11,840
6. Bonds		
Listed bonds from Danish issuers	3,665	5,555
Listed bonds from foreign issuers	418,343	421,171
Unlisted bonds from Danish issuers	1,962	2,461
Total bonds	423,970	429,187
Other assets		
Interest receivable, dividends receivable etc	6,896	11,406
Receivables – unsettled transactions	1,366	0
Total other assets	8,262	11,406
TOTAL ASSETS	458,980	452,433
LIABILITIES		
5. Investors' assets ¹⁾	458,529	442,518
Other debt		
Payables	451	803
Payables – unsettled transactions	0	9,112
Total other debt	451	9,915
TOTAL LIABILITIES	458,980	452,433
¹⁾ Investors' assets by unit class		
Virksomhedsobligationer HY A DKK Akk	152,940	156,835
Virksomhedsobligationer HY W DKK Acc h	305,589	285,683
Total	458,529	442,518

Virksomhedsobligationer HY Akkumulerende KL – Financial Statements

NOTES

Note (DKK 1,000)	2019	2018
1. Interest		
Deposits with custodian	0	1
Listed bonds from Danish issuers	255	312
Listed bonds from foreign issuers	20,548	27,444
Unlisted bonds from Danish issuers	81	122
Interest expense and negative interest with custodian	(183)	(73)
Total interest	20,701	27,806
2. Capital gains and losses		
Bonds		
Listed bonds from Danish issuers	128	11
Listed bonds from foreign issuers	35,485	(51,507)
Unlisted bonds from Danish issuers	88	(199)
Total bonds	35,701	(51,695)
3. Transaction costs		
All transaction costs	154	282
Covered by income from issue and redemption	(34)	(100)
Transaction costs, operating activities	120	182
4. Administrative costs		
Class-specific costs		
Marketing costs	906	1,202
Fees to custodian	250	312
Other costs relating to asset management	1,575	1,917
Other costs	38	72
Fixed management fee	503	620
Total class-specific costs	3,272	4,123
5. Investors' assets		
Investors' assets at 1 Jan	442,518	653,817
Issues during the year	21,095	6,509
Redemptions during the year	(58,386)	(190,444)
Net issue surcharges and redemption deductions	270	853
Brought forward from income statement	53,032	(28,217)
Investors' assets at year-end	458,529	442,518

- 6. Financial instruments (securities)**
A list of financial instruments (securities) is available free of charge from the investment management company.

SUPPLEMENTARY NOTES

Note (DKK 1,000)	2019	2018
a. Breakdown of financial instruments		
Listed financial instruments	92.03%	96.43%
Financial instruments listed on other regulated market	0.43%	0.56%
Newly issued financial instruments for which listing on a stock exchange or other regulated market is planned	0.00%	0.00%
Other financial instruments	0.00%	0.00%
	92.46%	96.99%
Other assets/other debt	7.54%	3.01%
Total	100.00%	100.00%
b. Bonds by country		
Netherlands	14.11%	13.28%
France	12.57%	12.05%
Italy	10.40%	12.29%
USA	9.28%	11.72%
Germany	8.64%	10.30%
Luxembourg	7.24%	11.10%
UK	6.60%	3.79%
Spain	3.29%	3.30%
Other	20.33%	19.16%
Cash, derivatives etc	7.54%	3.01%
Total	100.00%	100.00%
c. Bonds by industry		
Consumer Staples	25.25%	25.11%
Consumer Discretionary	21.86%	21.46%
Financials	14.44%	12.82%
Raw Materials	10.02%	12.22%
Communications	9.04%	8.83%
Industrials	6.30%	10.13%
Energy	4.17%	5.37%
Utilities	1.38%	1.05%
Cash, derivatives etc	7.54%	3.01%
Total	100.00%	100.00%

Virksomhedsobligationer HY A DKK Akk – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2015-2019

(DKK 1,000)	2019	2018	2017	2016	2015
Financial highlights					
Net profit for the year	17,692	(11,257)	15,966	30,574	(13,010)
Investors' assets	152,940	156,835	230,491	418,733	443,998
Units in circulation nominal	92,333	106,043	146,968	280,007	320,774
Units in circulation quantity	923,327	1,060,431	1,469,685	2,800,074	3,207,745
Financial ratios					
NAV per unit	165.64	147.90	156.83	149.54	138.41
Return (%)	12.00%	(5.70%)	4.87%	8.04%	(2.65%)
Benchmark return (%)	11.03%	(3.77%)	6.79%	8.81%	0.22%
Total expense ratio	1.15%	1.18%	1.23%	1.20%	1.13%
Annual percentage rate (APR) at 31 Dec	1.31%	1.34%	1.41%	1.39%	1.58%
Indirect transaction costs	0.14%	0.14%	-	-	-
Sharpe Ratio (5 yrs)	0.74	0.16	0.69	1.02	0.50
Standard deviation (5 yrs)	4.56	4.36	4.45	5.18	6.92

¹⁾ Past performance is no guarantee of future performance.

NOTES

Note (DKK 1,000)	2019	2018
a. Net profit		
Share of joint portfolio profit	19,467	(8,918)
Other class-specific income	0	23
Class-specific costs ¹⁾	(1,775)	(2,362)
Total net profit	17,692	(11,257)
¹⁾ Class-specific costs		
Marketing costs	906	1,202
Fees to custodian	100	130
Other costs relating to asset management	540	711
Other costs	7	27
Fixed management fee	222	292
Total class-specific costs	1,775	2,362
b. Distribution of profit		
b1. To be allocated		
Brought forward to investors' assets	17,692	(11,257)
Total distribution	17,692	(11,257)

NOTES (continued)

Note (DKK 1,000)	2019	2018
c. Investors' assets		
c1. Units in circulation		
Units in circulation at 1 Jan	106,043	146,968
Issues during the year	4,557	3,395
Redemptions during the year	(18,267)	(44,320)
Total units in circulation	92,333	106,043
c2. Investors' assets		
Investors' assets at 1 Jan	156,835	230,491
Issues during the year	7,278	5,284
Redemptions during the year	(28,953)	(67,999)
Net issue surcharges and redemption deductions	88	316
Brought forward from income statement	17,692	(11,257)
Investors' assets at year-end	152,940	156,835

Virksomhedsobligationer HY W DKK Acc h – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2015-2019

(DKK 1,000)	2019	2018	2017	2016	2015 ¹⁾
Financial highlights					
Net profit for the year ²⁾	35,340	(16,960)	26,514	17,659	(1,723)
Investors' assets	305,589	285,683	423,326	329,088	93,331
Units in circulation nominal	251,670	265,174	372,985	306,199	94,467
Units in circulation quantity	2,516,703	2,651,739	3,729,848	3,061,985	944,665
Financial ratios					
NAV per unit	121.42	107.73	113.50	107.48	98.80
Return (%) ¹⁾²⁾	12.71%	(5.08%)	5.60%	8.78%	(1.20%)
Benchmark return (%) ²⁾	11.03%	(3.77%)	6.79%	8.81%	(0.83%)
Total expense ratio ²⁾	0.51%	0.52%	0.49%	0.48%	0.16%
Annual percentage rate (APR) at 31 Dec	0.68%	0.68%	0.72%	0.70%	0.76%
Indirect transaction costs	0.14%	0.13%	-	-	-
Sharpe Ratio (3 yrs)	1.12	0.76	-	-	-
Standard deviation (3 yrs)	3.97	4.20	-	-	-

¹⁾ Past performance is no guarantee of future performance.

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

²⁾ The year 2015: Net profit and financial ratios cover the period from 25 August to 31 December 2015.

NOTES

Note (DKK 1,000)	2019	2018
a. Net profit		
Share of joint portfolio profit	36,837	(15,220)
Other class-specific income	0	21
Class-specific costs ¹⁾	(1,497)	(1,761)
Total net profit	35,340	(16,960)
¹⁾ Class-specific costs		
Fees to custodian	150	182
Other costs relating to asset management	1,035	1,206
Other costs	31	45
Fixed management fee	281	328
Total class-specific costs	1,497	1,761
b. Distribution of profit		
b1. To be allocated		
Brought forward to investors' assets	35,340	(16,960)
Total distribution	35,340	(16,960)

NOTES (continued)

Note (DKK 1,000)	2019	2018
c. Investors' assets		
c1. Units in circulation		
Units in circulation at 1 Jan	265,174	372,985
Issues during the year	11,817	1,085
Redemptions during the year	(25,321)	(108,896)
Total units in circulation	251,670	265,174
c2. Investors' assets		
Investors' assets at 1 Jan	285,683	423,326
Issues during the year	13,817	1,225
Redemptions during the year	(29,433)	(122,445)
Net issue surcharges and redemption deductions	182	537
Brought forward from income statement	35,340	(16,960)
Investors' assets at year-end	305,589	285,683

Virksomhedsobligationer HY ETIK KL

Fund report

Fund data and unit class data	Virksomhedsobligationer HY ETIK A DKK	Virksomhedsobligationer HY ETIK W DKK d h
ISIN	DK0061148574	DK0060783389
Date of establishment	22 August 2019	10 February 2017
Launch date	30 September 2019	24 February 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 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 2019" 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 classes Virksomhedsobligationer HY ETIK A DKK and 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 classes in 2019 appears from the table below. The difference in returns is attributable to the level of costs in the individual classes and the fact that unit class A has not existed for the entire period.

Unit class	31 Dec 2019		31 Dec 2018	
	Return	Benchmark	Return	Benchmark
Virksomhedsobligationer HY ETIK A DKK ¹⁾	2.25%	1.91%	'-	'-
Virksomhedsobligationer HY ETIK W DKK d h	11.45%	11.03%	(5.35%)	(3.77%)

¹⁾ The unit class was launched on 30 September 2019.

The market exceeded expectations at the beginning of the year and the fund's unit classes outperformed their benchmark, see the above table.

At the beginning of 2019 dark clouds loomed over the global economy by way of an escalating trade war between the US and China, the uncertainty surrounding the outcome of Brexit, faint signs of weakness as regards global economic growth as well as monetary tightening in the US and Europe alike. But thawing relations between Great Britain and the EU as well as the tariff negotiations between USA and China combined with rate cuts by the Fed and a new bond buying programme by the European Central Bank resulted in new optimism among investors particularly at the end of the year. Developments have supported the market for HY corporate bonds, which has led to significant tightening of credit spreads and a rise in bond prices.

The fund has produced a return that is above the return of its benchmark. This was due to the positive impact of the narrowing of credit spreads as well as several company-specific news reports that triggered considerable price increases.

Market outlook

We expect that in several respects developments at the end of 2019 will continue to spur the optimism which is spreading among investors and which is expected to support global economic growth in the next 12 months or so. It is expected that the corporate bond market will remain well supported given the improved growth outlook, historically low default rates as well as very low underlying interest rates due to central banks' loose monetary policy. In Europe growth prospects have brightened slightly but the dark clouds may return soon enough if the trade war between USA and China resurfaces.

We project that the fund will generate a return in 2020 on a par with its benchmark or above as the fund is actively managed.

Virksomhedsobligationer HY ETIK KL – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2017-2019

(DKK 1,000)	2019	2018	2017 ¹⁾
Financial highlights			
Net profit for the year	13,635	(5,943)	2,956
Investors' assets	153,827	86,962	97,972
Financial ratios			
Portfolio turnover rate (PTR)	0.00	0.17	0.33

¹⁾ The fund was launched on 24 February 2017.

INCOME STATEMENT

Note	(DKK 1,000)	2019	2018
Interest and dividends			
1.	Interest	6,550	4,585
Total interest and dividends		6,550	4,585
Capital gains and losses			
2.	Bonds	7,878	(9,971)
	Currency accounts	(13)	(31)
3.	Transaction costs, operating activities	0	(17)
Total capital gains and losses		7,865	(10,019)
	Other income	0	6
Total income		14,415	(5,428)
4.	Administrative costs	(780)	(515)
Net profit for the year		13,635	(5,943)

BALANCE SHEET 31 DECEMBER 2019

Note	(DKK 1,000)	2019	2018
ASSETS			
Liquid funds			
	Deposits with custodian	12,835	2,614
Total liquid funds		12,835	2,614
6.	Bonds		
	Listed bonds from Danish issuers	1,466	1,111
	Listed bonds from foreign issuers	136,612	81,550
	Unlisted bonds from Danish issuers	785	351
Total bonds		138,863	83,012
Other assets			
	Interest receivable, dividends receivable etc	2,095	1,442
	Receivables – unsettled transactions	124	0
Total other assets		2,219	1,442
TOTAL ASSETS		153,917	87,068
LIABILITIES			
5.	Investors' assets ¹⁾	153,827	86,962
Other debt			
	Payables	90	106
Total other debt		90	106
TOTAL LIABILITIES		153,917	87,068
¹⁾ Investors' assets by unit class			
	Virksomhedsobligationer HY ETIK A DKK ¹⁾	10,030	–
	Virksomhedsobligationer HY ETIK W DKK d h	143,797	86,962
Total		153,827	86,962

¹⁾ The unit class was launched on 30 September 2019.

Virksomhedsobligationer HY ETIK KL – Financial Statements

NOTES

Note	(DKK 1,000)	2019	2018
1. Interest			
Listed bonds from Danish issuers		90	57
Listed bonds from foreign issuers		6,496	4,528
Unlisted bonds from foreign issuers		25	16
Interest expense and negative interest with custodian		(61)	(16)
Total interest		6,550	4,585
2. Capital gains and losses			
Bonds			
Listed bonds from Danish issuers		19	(8)
Listed bonds from foreign issuers		7,835	(9,935)
Unlisted bonds from foreign issuers		24	(28)
Total bonds		7,878	(9,971)
3. Transaction costs			
All transaction costs		182	84
Covered by income from issue and redemption		(182)	(67)
Transaction costs, operating activities		0	17
4. Administrative costs			
Class-specific costs			
Marketing costs		14	0
Fees to custodian		73	45
Other costs relating to asset management		518	332
Other costs		33	48
Fixed management fee		142	90
Total class-specific costs		780	515
5. Investors' assets			
Investors' assets at 1 Jan		86,962	97,972
Issues during the year		162,446	63,161
Redemptions during the year		(106,050)	(66,331)
Net issue surcharges and redemption deductions		1,216	471
Distribution from last year concerning units in circulation at 31 Dec		(3,094)	(2,368)
Changes in dividend distribution due to issues/redemptions		(1,288)	0
Proposed distribution for the financial year		2,556	3,094
Brought forward from income statement		11,050	(9,103)
Brought forward for distribution next year		29	66
Investors' assets at year-end		153,827	86,962
Joint income available for distribution in unit classes			
5a. Interest			
Interest		6,611	4,601
Capital gains for distribution		(2,543)	(1,039)
Distribution adjustment in connection with issue/redemption concerning the above items		(840)	(3)
Available for distribution in unit classes		3,228	3,559
Of which for distribution in:			
Virksomhedsobligationer HY ETIK A DKK		211	-
Virksomhedsobligationer HY ETIK W DKK d h		3,017	3,559
Total for distribution		3,228	3,559
6. Financial instruments (securities)			
A list of financial instruments (securities) is available free of charge from the investment management company.			

SUPPLEMENTARY NOTES

Note	(DKK 1,000)	2019	2018
a. Breakdown of financial instruments			
Listed financial instruments		89.76%	95.06%
Financial instruments listed on other regulated market		0.51%	0.40%
Newly issued financial instruments for which listing on a stock exchange or other regulated market is planned		0.00%	0.00%
Other financial instruments		0.00%	0.00%
		90.27%	95.46%
Other assets/other debt		9.73%	4.54%
Total		100.00%	100.00%
b. Bonds by country			
Netherlands		15.78%	12.78%
France		12.61%	12.44%
Italy		10.79%	11.62%
USA		9.88%	12.03%
Germany		8.93%	11.05%
Luxembourg		6.23%	10.90%
UK		4.76%	3.64%
Spain		3.55%	3.24%
Other		17.74%	17.76%
Cash, derivatives etc		9.73%	4.54%
Total		100.00%	100.00%
c. Bonds by industry			
Consumer Staples		28.28%	29.80%
Consumer Discretionary		20.15%	21.58%
Financials		14.96%	12.38%
Communications		10.81%	8.16%
Raw Materials		9.59%	12.59%
Industrials		6.48%	10.55%
Energy		0.00%	0.40%
Cash, derivatives etc		9.73%	4.54%
Total		100.00%	100.00%

Virksomhedsobligationer HY ETIK A DKK – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEAR 2019

(DKK 1,000)	2019 ¹⁾
Financial highlights	
Net profit for the year ²⁾	186
Investors' assets	10,030
Units in circulation nominal	9,809
Units in circulation quantity	98,092
Financial ratios	
NAV per unit	102.25
Dividend per unit	1.80
Return (%) ¹⁾²⁾	2.25%
Benchmark return (%) ²⁾	1.91%
Total expense ratio ²⁾	0.31%
Annual percentage rate (APR) at 31 Dec	1.35%
Indirect transaction costs	0.15%

¹⁾ Past performance is no guarantee of future performance.

¹⁾ The unit class was launched on 30 September 2019.

²⁾ The year 2019: Net profit and financial ratios cover the period from 30 September to 31 December 2019.

NOTES

Note	(DKK 1,000)	2019 ¹⁾
a. Net profit		
	Share of joint portfolio profit	217
	Class-specific costs ¹⁾	(31)
	Total net profit	186
¹⁾ Class-specific costs		
	Marketing costs	14
	Fees to custodian	2
	Other costs relating to asset management	9
	Other costs	2
	Fixed management fee	4
	Total class-specific costs	31
b. Distribution of profit		
b1. To be allocated		
	Proposed distribution for the financial year	177
	Brought forward for distribution next year	2
	Available for distribution	179
	Brought forward to investors' assets	7
	Total distribution	186
b2. Available for distribution		
	Share of joint income	211
	Available for distribution before administrative costs	211
	Set-off of administrative costs	(31)
	Distribution adjustment of which in connection with issue/redemption	(1)
	Total administrative costs	(32)
	Available for distribution	179

NOTES (continued)

Note	(DKK 1,000)	2019 ¹⁾
c. Investors' assets		
c1. Units in circulation		
	Issues during the year	12,295
	Redemptions during the year	(2,486)
	Total units in circulation	9,809
c2. Investors' assets		
	Issues during the year	12,345
	Redemptions during the year	(2,512)
	Net issue surcharges and redemption deductions	11
	Proposed distribution for the financial year	177
	Brought forward from income statement	7
	Brought forward for distribution next year	2
	Investors' assets at year-end	10,030

¹⁾ The unit class was launched on 30 September 2019.

Virksomhedsobligationer HY ETIK W DKK d h – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2017-2019

(DKK 1,000)	2019	2018	2017 ¹⁾
Financial highlights			
Net profit for the year ²⁾	13,449	(5,943)	2,956
Investors' assets	143,797	86,962	97,972
Units in circulation nominal	139,932	91,011	94,716
Units in circulation quantity	1,399,322	910,107	947,159
Financial ratios			
NAV per unit	102.76	95.55	103.44
Dividend per unit	1.70	3.40	2.50
Return (%) ^{1,2)}	11.45%	(5.35%)	3.44%
Benchmark return (%) ²⁾	11.03%	(3.77%)	4.91%
Total expense ratio ²⁾	0.50%	0.55%	0.47%
Annual percentage rate (APR) at 31 Dec	0.69%	0.71%	0.72%
Indirect transaction costs	0.15%	0.13%	-

¹⁾ Past performance is no guarantee of future performance.

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

²⁾ The year 2017: Net profit and financial ratios cover the period from 24 February to 31 December 2017.

NOTES

Note (DKK 1,000)	2019	2018
a. Net profit		
Share of joint portfolio profit	14,198	(5,434)
Other class-specific income	0	6
Class-specific costs ¹⁾	(749)	(515)
Total net profit	13,449	(5,943)
¹⁾ Class-specific costs		
Fees to custodian	71	45
Other costs relating to asset management	509	332
Other costs	31	48
Fixed management fee	138	90
Total class-specific costs	749	515
b. Distribution of profit		
b1. To be allocated		
Proposed distribution for the financial year	2,379	3,094
Brought forward for distribution next year	27	66
Available for distribution	2,406	3,160
Brought forward to investors' assets	11,043	(9,103)
Total distribution	13,449	(5,943)
b2. Available for distribution		
Brought forward for distribution from last year	66	81
Other income	0	6
Distribution adjustment in connection with issue/redemption concerning the above items	35	11
Share of joint income	3,017	3,559
Available for distribution before administrative costs	3,118	3,657
Set-off of administrative costs	(749)	(515)
Distribution adjustment of which in connection with issue/redemption	37	18
Total administrative costs	(712)	(497)
Available for distribution	2,406	3,160

NOTES (continued)

Note (DKK 1,000)	2019	2018
c. Investors' assets		
c1. Units in circulation		
Units in circulation at 1 Jan	91,011	94,716
Issues during the year	153,612	62,649
Redemptions during the year	(104,691)	(66,354)
Total units in circulation	139,932	91,011
c2. Investors' assets		
Investors' assets at 1 Jan	86,962	97,972
Issues during the year	150,101	63,161
Redemptions during the year	(103,538)	(66,331)
Net issue surcharges and redemption deductions	1,205	471
Distribution from last year concerning units in circulation at 31 Dec	(3,094)	(2,368)
Changes in dividend distribution due to issues/redemptions	(1,288)	0
Proposed distribution for the financial year	2,379	3,094
Brought forward from income statement	11,043	(9,103)
Brought forward for distribution next year	27	66
Investors' assets at year-end	143,797	86,962

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
The fund's 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 2019" 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 2019 appears from the table below. The difference in returns is attributable to the level of costs in the individual classes.

Unit class	31 Dec 2019		31 Dec 2018	
	Return	Benchmark	Return	Benchmark
Virksomhedsobligationer IG A DKK	9.46%	9.00%	(5.38%)	(3.77%)
Virksomhedsobligationer IG W DKK d h	9.92%	9.00%	(4.85%)	(3.77%)

Developments in 2019

The market exceeded expectations at the beginning of the year and the fund's unit classes outperformed their benchmark, see the above table.

At the beginning of 2019 dark clouds loomed over the global economy by way of an escalating trade war between the US and China, the uncertainty surrounding the outcome of Brexit and faint signs of weakness as regards global economic growth. On top of this the Fed had announced interest rate hikes whereas the ECB had just terminated its net purchases under the most recent bond buying programme. But thawing relations between the UK and the EU as well as the tariff negotiations between USA and China combined with rate cuts by the Fed and a new bond buying programme by the ECB resulted in new optimism among investors particularly at the end of the year. The IG corporate bond market was supported by this development as in 2019 the market saw a substantial capital inflow in the pursuit of positive interest rates. Loose monetary policy and low inflation expectations have driven down underlying 10-year government yields in USA and the euro zone. And despite a rise in yields towards the end of the year in the wake of the renewed optimism, underlying interest rates are lower than at the beginning of 2019.

The fund has produced a return that is above the return of its benchmark. This is due to the fact that the fund was overweight in BBB-rated corporate bonds.

Market outlook

We expect that in several respects developments at the end of 2019 will continue to spur the optimism which is spreading among investors and which is expected to support global economic growth in the next 12 months or so. It is expected that the corporate bond market will remain well supported given the improved growth outlook, low inflation expectations as well as prospects of continued very low underlying interest rates due to central banks' loose monetary policy. But the dark clouds may return soon enough if the trade war between the US and China resurfaces.

We project that the fund will generate a return in 2020 on a par with its benchmark or above as the fund is actively managed.

Virksomhedsobligationer IG KL – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2015-2019

(DKK 1,000)	2019	2018	2017	2016	2015
Financial highlights					
Net profit for the year	42,421	(36,415)	34,327	45,137	(16,050)
Investors' assets	724,869	497,144	832,690	928,094	1,046,083
Financial ratios					
Portfolio turnover rate (PTR)	0.86	0.57	0.80	0.69	0.47

INCOME STATEMENT

Note (DKK 1,000)	2019	2018
Interest and dividends		
1. Interest	17,464	23,563
Total interest and dividends	17,464	23,563
Capital gains and losses		
2. Bonds	48,000	(22,794)
2. Derivatives	(18,035)	(30,615)
Currency accounts	(38)	(558)
Other assets/liabilities	3	0
3. Transaction costs, operating activities	(481)	(435)
Total capital gains and losses	29,449	(54,402)
Other income	0	37
Total income	46,913	(30,802)
4. Administrative costs	(4,453)	(5,551)
Profit before tax	42,460	(36,353)
5. Tax	(39)	(62)
Net profit for the year	42,421	(36,415)

BALANCE SHEET 31 DECEMBER 2019

Note (DKK 1,000)	2019	2018
ASSETS		
Liquid funds		
Deposits with custodian	119,423	18,463
Total liquid funds	119,423	18,463
7. Bonds		
Listed bonds from Danish issuers	22,142	8,183
Listed bonds from foreign issuers	584,381	468,494
Total bonds	606,523	476,677
Derivatives		
Unlisted derivatives	2,050	817
Total derivatives	2,050	817
Other assets		
Interest receivable, dividends receivable etc	4,939	5,340
Receivables – unsettled transactions	1,109	0
Total other assets	6,048	5,340
TOTAL ASSETS	734,044	501,297
LIABILITIES		
6. Investors' assets ¹⁾		
Derivatives		
Unlisted derivatives	240	244
Total derivatives	240	244
Other debt		
Payables	599	1,073
Payables – unsettled transactions	8,336	2,836
Total other debt	8,935	3,909
TOTAL LIABILITIES	734,044	501,297
¹⁾ Investors' assets by unit class		
Virksomhedsobligationer IG A DKK	394,738	438,858
Virksomhedsobligationer IG W DKK d h	330,131	58,286
Total	724,869	497,144

Virksomhedsobligationer IG KL – Financial Statements

NOTES

Note	(DKK 1,000)	2019	2018
1. Interest			
Deposits with custodian		135	111
Listed bonds from Danish issuers		298	191
Listed bonds from foreign issuers		17,180	23,328
Interest expense and negative interest with custodian		(149)	(67)
Total interest		17,464	23,563
2. Capital gains and losses			
Bonds			
Listed bonds from Danish issuers		419	(234)
Listed bonds from foreign issuers		47,519	(22,560)
Unlisted bonds from foreign issuers		62	0
Total bonds		48,000	(22,794)
Derivatives			
Forward exchange transactions/futures etc		(16,259)	(1,501)
Forward interest transactions/futures etc		(1,776)	(29,114)
Total derivatives		(18,035)	(30,615)
3. Transaction costs			
All transaction costs		607	592
Covered by income from issue and redemption		(126)	(157)
Transaction costs, operating activities		481	435
4. Administrative costs			
Class-specific costs			
Marketing costs		1,658	2,702
Fees to custodian		443	364
Other costs relating to asset management		1,606	1,562
Other costs		41	80
Fixed management fee		705	843
Total class-specific costs		4,453	5,551

NOTES (continued)

Note	(DKK 1,000)	2019	2018
5. Tax			
The fund is not liable to pay tax.			
Adjustment – tax on coupons etc		39	62
Total tax		39	62
6. Investors' assets			
Investors' assets at 1 Jan		497,144	832,690
Issues during the year		335,363	41,413
Redemptions during the year		(151,609)	(248,245)
Net issue surcharges and redemption deductions		1,549	829
Distribution from last year concerning units in circulation at 31 Dec		0	(93,601)
Changes in dividend distribution due to issues/redemptions		1	473
Proposed distribution for the financial year		3,207	0
Brought forward from income statement		38,735	(32,253)
Brought forward for distribution next year		479	(4,162)
Investors' assets at year-end		724,869	497,144
6a. Joint income available for distribution in unit classes			
Interest		17,613	23,630
Non-refundable tax on coupons		(39)	(62)
Capital gains for distribution		(4,534)	(26,175)
Distribution adjustment in connection with issue/redemption concerning the above items		1,342	(1,820)
Available for distribution in unit classes		14,382	(4,427)
Of which for distribution in:			
Virksomhedsobligationer IG A DKK		7,834	(3,909)
Virksomhedsobligationer IG W DKK d h		6,548	(518)
Total for distribution		14,382	(4,427)
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

Note (DKK 1,000)	2019	2018
a. Breakdown of financial instruments		
Listed financial instruments	83.67%	95.88%
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%
Other financial instruments	0.25%	0.12%
	83.92%	96.00%
Other assets/other debt	16.08%	4.00%
Total	100.00%	100.00%
b. Bonds by country		
USA	27.65%	36.21%
France	9.27%	8.57%
UK	6.94%	10.03%
Netherlands	6.45%	6.70%
Germany	5.41%	2.81%
Spain	3.79%	1.41%
Denmark	3.03%	1.65%
Luxembourg	2.92%	0.27%
Other	18.21%	28.23%
Cash, derivatives etc	16.33%	4.12%
Total	100.00%	100.00%
c. Bonds by industry		
Financials	31.21%	31.92%
Utilities	10.13%	8.54%
Raw Materials	9.37%	9.85%
Consumer Discretionary	9.26%	9.55%
Consumer Staples	8.60%	10.87%
Communications	6.59%	8.82%
Industrials	4.30%	6.99%
Energy	4.21%	9.34%
Cash, derivatives etc	16.33%	4.12%
Total	100.00%	100.00%

SUPPLEMENTARY NOTES (continued)

Note (DKK 1,000)	2019	2018
d. Currency futures bought		
USD	223,633	0
Total	223,633	0
e. Currency futures sold		
USD	(87,203)	(9,641)
EUR	0	(19,165)
Total	(87,203)	(28,806)
f. Underlying exposure – forward exchange transactions		
Currency		
USD	(283,588)	(319,870)
GBP	(18,270)	(24,935)
DKK	302,259	344,966
g. Net collateral position		
Collateral concerning derivatives		
No collateral has been provided		

Virksomhedsobligationer IG A DKK – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2015-2019

(DKK 1,000)	2019	2018	2017	2016 ¹⁾	2015
Financial highlights					
Net profit for the year	35,590	(33,080)	33,290	45,442	(16,050)
Investors' assets	394,738	438,858	768,798	914,866	1,046,083
Units in circulation nominal	379,445	461,773	678,593	839,010	1,003,321
Units in circulation quantity	3,794,448	4,617,733	6,785,933	8,390,100	10,033,213
Financial ratios					
NAV per unit	104.03	95.04	113.29	109.04	104.26
Dividend per unit	0.30	0.00	12.80	0.00	0.00
Return (%) ¹⁾	9.46%	(5.38%)	3.90%	4.58%	(1.32%)
Benchmark return (%)	9.00%	(3.77%)	3.81%	4.14%	(1.17%)
Total expense ratio	0.93%	1.00%	0.96%	1.04%	1.06%
Annual percentage rate (APR) at 31 Dec	0.91%	1.16%	1.18%	1.17%	1.37%
Indirect transaction costs	0.14%	0.08%	-	-	-
Sharpe Ratio (5 yrs)	0.76	0.45	0.75	0.78	0.29
Standard deviation (5 yrs)	3.15	2.85	3.06	3.17	2.98

¹⁾ Past performance is no guarantee of future performance.

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

NOTES

Note (DKK 1,000)	2019	2018
a. Net profit		
Share of joint portfolio profit	39,297	(27,835)
Other class-specific income	0	34
Class-specific costs ¹⁾	(3,707)	(5,279)
Total net profit	35,590	(33,080)
¹⁾ Class-specific costs		
Marketing costs	1,658	2,702
Fees to custodian	249	332
Other costs relating to asset management	1,200	1,394
Other costs	24	71
Fixed management fee	576	780
Total class-specific costs	3,707	5,279
b. Distribution of profit		
b1. To be allocated		
Proposed distribution for the financial year	1,138	0
Brought forward for distribution next year	154	(3,664)
Available for distribution	1,292	(3,664)
Brought forward to investors' assets	34,298	(29,416)
Total distribution	35,590	(33,080)

NOTES (continued)

Note (DKK 1,000)	2019	2018
b2. Available for distribution		
Brought forward for distribution from last year	(3,664)	482
Other income	0	34
Distribution adjustment in connection with issue/redemption concerning the above items	653	(271)
Share of joint income	7,834	(3,909)
Available for distribution before administrative costs ¹⁾	4,823	(3,664)
Set-off of administrative costs	(3,707)	0
Distribution adjustment of which in connection with issue/redemption	176	0
Total administrative costs	(3,531)	0
Available for distribution	1,292	(3,664)
c. Investors' assets		
c1. Units in circulation		
Units in circulation at 1 Jan	461,773	678,593
Issues during the year	28,223	12,231
Redemptions during the year	(110,551)	(229,051)
Total units in circulation	379,445	461,773
c2. Investors' assets		
Investors' assets at 1 Jan	438,858	768,798
Issues during the year	29,278	12,256
Redemptions during the year	(110,006)	(223,648)
Net issue surcharges and redemption deductions	1,018	752
Distribution from last year concerning units in circulation at 31 Dec	0	(86,860)
Changes in dividend distribution due to issues/redemptions	0	640
Proposed distribution for the financial year	1,138	0
Brought forward from income statement	34,298	(29,416)
Brought forward for distribution next year	154	(3,664)
Investors' assets at year-end	394,738	438,858

¹⁾ 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 THE YEARS 2016-2019

(DKK 1,000)	2019	2018	2017	2016 ¹⁾
Financial highlights				
Net profit for the year ²⁾	6,831	(3,335)	1,037	(305)
Investors' assets	330,131	58,286	63,892	13,228
Units in circulation nominal	344,874	66,931	62,419	13,500
Units in circulation quantity	3,448,743	669,312	624,185	135,000
Financial ratios				
NAV per unit	95.73	87.08	102.36	97.98
Dividend per unit	0.60	0.00	10.80	0.00
Return (%) ¹⁾²⁾	9.92%	(4.85%)	4.47%	(2.02%)
Benchmark return (%) ²⁾	9.00%	(3.77%)	3.81%	(2.81%)
Total expense ratio ²⁾	0.52%	0.42%	0.38%	0.11%
Annual percentage rate (APR) at 31 Dec	0.71%	0.60%	0.62%	0.62%
Indirect transaction costs	0.14%	0.08%	-	-
Sharpe Ratio (3 yrs)	1.18	-	-	-
Standard deviation (3 yrs)	2.81	-	-	-

¹⁾ Past performance is no guarantee of future performance.

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

²⁾ The year 2016: Net profit and financial ratios cover the period from 5 October to 31 December 2016.

NOTES

Note (DKK 1,000)	2019	2018
a. Net profit		
Share of joint portfolio profit	7,577	(3,066)
Other class-specific income	0	3
Class-specific costs ¹⁾	(746)	(272)
Total net profit	6,831	(3,335)
^{1) Class-specific costs}		
Fees to custodian	193	33
Other costs relating to asset management	407	168
Other costs	17	9
Fixed management fee	129	62
Total class-specific costs	746	272
b. Distribution of profit		
b1. To be allocated		
Proposed distribution for the financial year	2,069	0
Brought forward for distribution next year	325	(498)
Available for distribution	2,394	(498)
Brought forward to investors' assets	4,437	(2,837)
Total distribution	6,831	(3,335)
b2. Available for distribution		
Brought forward for distribution from last year	(498)	15
Other income	0	3
Distribution adjustment in connection with issue/redemption concerning the above items	(2,066)	2
Share of joint income	6,548	(518)
Available for distribution before administrative costs ¹⁾	3,984	(498)
Set-off of administrative costs	(746)	0
Distribution adjustment of which in connection with issue/redemption	(844)	0
Total administrative costs	(1,590)	0
Available for distribution	2,394	(498)

NOTES (continued)

Note (DKK 1,000)	2019	2018
c. Investors' assets		
c1. Units in circulation		
Units in circulation at 1 Jan	66,931	62,419
Issues during the year	321,964	32,608
Redemptions during the year	(44,021)	(28,096)
Total units in circulation	344,874	66,931
c2. Investors' assets		
Investors' assets at 1 Jan	58,286	63,892
Issues during the year	306,085	29,157
Redemptions during the year	(41,603)	(24,597)
Net issue surcharges and redemption deductions	531	77
Distribution from last year concerning units in circulation at 31 Dec	0	(6,741)
Changes in dividend distribution due to issues/redemptions	1	(167)
Proposed distribution for the financial year	2,069	0
Brought forward from income statement	4,437	(2,837)
Brought forward for distribution next year	325	(498)
Investors' assets at year-end	330,131	58,286

¹⁾ 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 A DKK	Virksomhedsobligationer Etik W DKK d h
ISIN	DK0061148491	DK0060853422
Date of establishment	22 August 2019	24 February 2017
Launch date	30 September 2019	5 July 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	Bank of America Merrill Lynch Global Corporate Index hedged to DKK	
Secondary name	Corporate Bonds IG Ethic KL	

Introduction

The fund report should be read together with the sections in the annual report "Financial markets in 2019" 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 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 classes Virksomhedsobligationer IG Etik A DKK and 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 classes in 2019 appears from the table below. The difference in returns is attributable to the level of costs in the individual classes and the fact that unit class A has not existed for the entire period.

Unit class	31 Dec 2019		31 Dec 2018	
	Return	Benchmark	Return	Benchmark
Virksomhedsobligationer IG Etik A DKK ¹⁾	0.13%	0.05%	'-	'-
Virksomhedsobligationer IG Etik W DKK d h	9.61%	9.00%	(4.88%)	(3.77%)

¹⁾ The unit class was launched on 30 September 2019.

The market exceeded expectations at the beginning of the year and the fund's unit classes outperformed their benchmark, see the above table.

At the beginning of 2019 dark clouds loomed over the global economy by way of an escalating trade war between the US and China, the uncertainty surrounding the outcome of Brexit and faint signs of weakness as regards global economic growth. On top of this the Fed had announced interest rate hikes whereas the ECB had just terminated its net purchases under the most recent bond buying programme. But thawing relations between the UK and the EU as well as the tariff negotiations between the US and China combined with rate cuts by the Fed and a new bond buying programme by the ECB resulted in new optimism among investors particularly at the end of the year. The IG corporate bond market was supported by this development as in 2019 the market saw substantial capital inflow in the pursuit of positive interest rates. Loose monetary policy and low inflation expectations have driven down underlying 10-year government yields in USA and the euro zone. And despite a rise in yields towards the end of the year in the wake of the renewed optimism, underlying interest rates are lower than at the beginning of 2019.

The fund has produced a return that is above the return of its benchmark. This is due to the fact that the fund was overweight in BBB-rated corporate bonds.

Market outlook

We expect that in several respects developments at the end of 2019 will continue to spur the optimism which is spreading among investors and which is expected to support global economic growth in the next 12 months or so. It is expected that the corporate bond market will remain well supported given the improved growth outlook, low inflation expectations as well as prospects of continued very low underlying interest rates due to central banks' loose monetary policy. But the dark clouds may return soon enough if the trade war between the US and China resurfaces.

We project that the fund will generate a return in 2020 on a par with its benchmark or above as the fund is actively managed.

Virksomhedsobligationer IG Etik KL – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2017-2019

(DKK 1,000)	2019	2018	2017 ¹⁾
Financial highlights			
Net profit for the year	15,185	(7,708)	1,322
Investors' assets	440,840	157,226	122,993
Financial ratios			
Portfolio turnover rate (PTR)	0.67	0.63	0.15

¹⁾ The fund was launched on 5 July 2017.

INCOME STATEMENT

Note (DKK 1,000)	2019	2018
Interest and dividends		
1. Interest	6,067	5,359
Total interest and dividends	6,067	5,359
Capital gains and losses		
2. Bonds	17,965	(4,464)
2. Derivatives	(7,730)	(7,864)
Currency accounts	173	73
3. Transaction costs, operating activities	(347)	(151)
Total capital gains and losses	10,061	(12,406)
Other income	0	3
Total income	16,128	(7,044)
4. Administrative costs	(927)	(653)
Profit before tax	15,201	(7,697)
5. Tax	(16)	(11)
Net profit for the year	15,185	(7,708)

BALANCE SHEET 31 DECEMBER 2019

Note (DKK 1,000)	2019	2018
ASSETS		
Liquid funds		
Deposits with custodian	94,020	5,217
Total liquid funds	94,020	5,217
7. Bonds		
Listed bonds from Danish issuers	27,006	2,398
Listed bonds from foreign issuers	316,406	147,897
Total bonds	343,412	150,295
Derivatives		
Unlisted derivatives	802	262
Total derivatives	802	262
Other assets		
Interest receivable, dividends receivable etc	2,375	1,710
Receivables – unsettled transactions	736	0
Total other assets	3,111	1,710
TOTAL ASSETS	441,345	157,484
LIABILITIES		
6. Investors' assets ¹⁾	440,840	157,226
Derivatives		
Unlisted derivatives	159	109
Total derivatives	159	109
Other debt		
Payables	165	149
Payables – unsettled transactions	181	0
Total other debt	346	149
TOTAL LIABILITIES	441,345	157,484
¹⁾ Investors' assets by unit class		
Virksomhedsobligationer IG Etik A DKK ¹⁾	11,026	-
Virksomhedsobligationer IG Etik W DKK d h	429,814	157,226
Total	440,840	157,226

¹⁾ The unit class was launched on 30 September 2019.

Virksomhedsobligationer IG Etik KL – Financial Statements

NOTES

Note	(DKK 1,000)	2019	2018
1. Interest			
Deposits with custodian		0	14
Listed bonds from Danish issuers		120	46
Listed bonds from foreign issuers		6,034	5,333
Interest expense and negative interest with custodian		(87)	(34)
Total interest		6,067	5,359
2. Capital gains and losses			
Bonds			
Listed bonds from Danish issuers		85	(58)
Listed bonds from foreign issuers		17,822	(4,406)
Unlisted bonds from foreign issuers		58	0
Total bonds		17,965	(4,464)
Derivatives			
Forward exchange transactions/futures etc		(5,972)	(568)
Forward interest transactions/futures etc		(1,758)	(7,296)
Total derivatives		(7,730)	(7,864)
3. Transaction costs			
All transaction costs		380	208
Covered by income from issue and redemption		(33)	(57)
Transaction costs, operating activities		347	151
4. Administrative costs			
Class-specific costs			
Marketing costs		6	0
Fees to custodian		90	69
Other costs relating to asset management		601	387
Other costs		38	55
Fixed management fee		192	142
Total class-specific costs		927	653

NOTES (continued)

Note	(DKK 1,000)	2019	2018
5. Tax			
The fund is not liable to pay tax.			
Adjustment – tax on coupons etc		16	11
Total tax		16	11
6. Investors' assets			
Investors' assets at 1 Jan		157,226	122,993
Issues during the year		324,875	62,924
Redemptions during the year		(57,929)	(16,039)
Net issue surcharges and redemption deductions		1,483	256
Distribution from last year concerning units in circulation at 31 Dec		0	(4,476)
Changes in dividend distribution due to issues/redemptions		0	(724)
Proposed distribution for the financial year		77	0
Brought forward from income statement		22,889	(2,844)
Brought forward for distribution next year		(7,781)	(4,864)
Investors' assets at year-end		440,840	157,226
6a. Joint income available for distribution in unit classes			
Interest		6,139	5,393
Non-refundable tax on coupons		(16)	(11)
Capital gains for distribution		(2,518)	(10,094)
Distribution adjustment in connection with issue/redemption concerning the above items		848	(351)
Available for distribution in unit classes		4,453	(5,063)
Of which for distribution in:			
Virksomhedsobligationer IG Etik A DKK		111	-
Virksomhedsobligationer IG Etik W DKK d h		4,343	(5,063)
Total for distribution		4,454	(5,063)
7. Financial instruments (securities)			
A list of financial instruments (securities) is available free of charge from the investment management company.			

Virksomhedsobligationer IG Etik KL – Financial Statements

SUPPLEMENTARY NOTES

Note (DKK 1,000)	2019	2018
a. Breakdown of financial instruments		
Listed financial instruments	77.90%	95.59%
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%
Other financial instruments	0.15%	0.10%
	78.05%	95.69%
Other assets/other debt	21.95%	4.31%
Total	100.00%	100.00%
b. Bonds by country		
USA	20.95%	39.33%
France	10.93%	10.07%
Netherlands	8.64%	4.75%
UK	6.89%	11.28%
Denmark	6.10%	1.53%
Germany	4.46%	3.60%
Sweden	4.20%	2.51%
Spain	3.24%	2.16%
Other	12.49%	20.36%
Cash, derivatives etc	22.10%	4.41%
Total	100.00%	100.00%

SUPPLEMENTARY NOTES (continued)

Note (DKK 1,000)	2019	2018
c. Bonds by industry		
Financials	47.24%	38.38%
Consumer Discretionary	7.29%	10.42%
Consumer Staples	6.59%	9.14%
Communications	5.80%	10.42%
Raw Materials	5.34%	9.11%
Industrials	4.63%	9.37%
Utilities	1.01%	6.20%
Energy	0.00%	2.55%
Cash, derivatives etc	22.10%	4.41%
Total	100.00%	100.00%
d. Currency futures bought		
USD	147,733	0
Total	147,733	0
e. Currency futures sold		
USD	0	(3,214)
EUR	(31,144)	(6,899)
Total	(31,144)	(10,113)
f. Underlying exposure – forward exchange transactions		
Currency		
USD	(107,843)	(96,614)
GBP	(9,844)	(7,065)
DKK	117,862	103,710
g. Net collateral position		
Collateral concerning derivatives		
No collateral has been provided		

Virksomhedsobligationer IG Etik A DKK – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEAR 2019

(DKK 1,000)	2019 ¹⁾
Financial highlights	
Net profit for the year ²⁾	4
Investors' assets	11,026
Units in circulation nominal	11,013
Units in circulation quantity	110,126
Financial ratios	
NAV per unit	100.13
Dividend per unit	0.70
Return (%) ¹⁾²⁾	0.13%
Benchmark return (%) ²⁾	0.05%
Total expense ratio ²⁾	0.20%
Annual percentage rate (APR) at 31 Dec	0.94%
Indirect transaction costs	0.14%

¹⁾ Past performance is no guarantee of future performance.

¹⁾ The unit class was launched on 30 September 2019.

²⁾ The year 2019: Net profit and financial ratios cover the period from 30 September to 31 December 2019.

NOTES

Note (DKK 1,000)	2019 ¹⁾
a. Net profit	
Share of joint portfolio profit	25
Class-specific costs ¹⁾	(21)
Total net profit	4
^{1) Class-specific costs}	
Marketing costs	6
Fees to custodian	2
Other costs relating to asset management	7
Other costs	2
Fixed management fee	4
Total class-specific costs	21
b. Distribution of profit	
b1. To be allocated	
Proposed distribution for the financial year	77
Brought forward for distribution next year	7
Available for distribution	84
Brought forward to investors' assets	(80)
Total distribution	4
b2. Available for distribution	
Share of joint income	111
Available for distribution before administrative costs	111
Set-off of administrative costs	(21)
Distribution adjustment of which in connection with issue/redemption	(6)
Total administrative costs	(27)
Available for distribution	84

NOTES (continued)

Note (DKK 1,000)	2019 ¹⁾
c. Investors' assets	
c1. Units in circulation	
Issues during the year	17,683
Redemptions during the year	(6,670)
Total units in circulation	11,013
c2. Investors' assets	
Issues during the year	17,680
Redemptions during the year	(6,667)
Net issue surcharges and redemption deductions	9
Proposed distribution for the financial year	77
Brought forward from income statement	(80)
Brought forward for distribution next year	7
Investors' assets at year-end	11,026

¹⁾ The unit class was launched on 30 September 2019.

Virksomhedsobligationer IG Etik W DKK d h – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2017-2019

(DKK 1,000)	2019	2018	2017 ¹⁾
Financial highlights			
Net profit for the year ²⁾	15,181	(7,708)	1,322
Investors' assets	429,814	157,226	122,993
Units in circulation nominal	420,793	168,717	120,962
Units in circulation quantity	4,207,928	1,687,174	1,209,615
Financial ratios			
NAV per unit	102.14	93.19	101.68
Dividend per unit	0.00	0.00	3.70
Return (%) ^{1,2)}	9.61%	(4.88%)	1.68%
Benchmark return (%) ²⁾	9.00%	(3.77%)	1.34%
Total expense ratio ²⁾	0.44%	0.43%	0.23%
Annual percentage rate (APR) at 31 Dec	0.62%	0.61%	0.62%
Indirect transaction costs	0.14%	0.08%	-

¹⁾ Past performance is no guarantee of future performance.

¹⁾ The unit class was launched on 5 July 2017.

²⁾ The year 2017: Net profit and financial ratios cover the period from 5 July to 31 December 2017.

NOTES

Note (DKK 1,000)	2019	2018
a. Net profit		
Share of joint portfolio profit	16,087	(7,058)
Other class-specific income	0	3
Class-specific costs ¹⁾	(906)	(653)
Total net profit	15,181	(7,708)
¹⁾ Class-specific costs		
Fees to custodian	88	69
Other costs relating to asset management	595	387
Other costs	35	55
Fixed management fee	188	142
Total class-specific costs	906	653
b. Distribution of profit		
b1. To be allocated		
Proposed distribution for the financial year	0	0
Brought forward for distribution next year	(7,788)	(4,864)
Available for distribution	(7,788)	(4,864)
Brought forward to investors' assets	22,969	(2,844)
Total distribution	15,181	(7,708)
b2. Available for distribution		
Brought forward for distribution from last year	(4,864)	110
Other income	0	3
Distribution adjustment in connection with issue/redemption concerning the above items	(7,267)	86
Share of joint income	4,343	(5,063)
Available for distribution before administrative costs ¹⁾	(7,788)	(4,864)
Set-off of administrative costs	0	0
Distribution adjustment of which in connection with issue/redemption	0	0
Total administrative costs	0	0
Available for distribution	(7,788)	(4,864)

NOTES (continued)

Note (DKK 1,000)	2019	2018
c. Investors' assets		
c1. Units in circulation		
Units in circulation at 1 Jan	168,717	120,962
Issues during the year	302,872	64,905
Redemptions during the year	(50,796)	(17,150)
Total units in circulation	420,793	168,717
c2. Investors' assets		
Investors' assets at 1 Jan	157,226	122,993
Issues during the year	307,195	62,924
Redemptions during the year	(51,262)	(16,039)
Net issue surcharges and redemption deductions	1,474	256
Distribution from last year concerning units in circulation at 31 Dec	0	(4,476)
Changes in dividend distribution due to issues/redemptions	0	(724)
Proposed distribution for the financial year	0	0
Brought forward from income statement	22,969	(2,844)
Brought forward for distribution next year	(7,788)	(4,864)
Investors' assets at year-end	429,814	157,226

¹⁾ If amount available for distribution before administrative costs and any voluntary distribution is negative, administrative costs cannot be deducted.

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 2019" 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 a return of 28.73% while its benchmark gained 29.86%. The market exceeded expectations at the beginning of the year and the fund underperformed its benchmark.

Overall 2019 was the best year for shares since 2009 as well as a very good year for emerging market shares. 2019 was characterised by falling interest rates, loose monetary policy by central banks but also by a general slowdown in global growth. This resulted in a share market which was split in two where many investors purchased growth shares as well as defensive shares with a high, stable level of return. In contrast cyclical shares were sold off. The trade war between USA and China continued for the second year and was a contributory factor in the outperformance of mature markets compared to new markets. Russia was the best share market among the BRIC countries but also Brazil and China performed well. India on the other hand struggled to keep pace among other things due to weak macroeconomic indicators. During the year there was a clear focus on growth companies within the sectors IT and consumer discretionary. In contrast the more traditional sectors such as materials and industrials were at the bottom of the scale in terms of return.

The fund has produced a return that is 1.13 percentage points below its benchmark. Return was favourably affected by our focus on growth shares and the IT sector in particular in China. In addition our Russian shares made a positive contribution via our selection of energy shares as well as our exposure to palladium and nickel which are increasingly used in batteries for eg electric cars. However our investments in the Brazilian materials industry detracted from performance as domestic oriented shares significantly outperformed exporting companies in 2019. The fund was also adversely affected by the growth decline in India.

Market outlook

We are positive on the return potential of shares from the BRIC countries in 2020 as we expect that growth in earnings will improve significantly particularly driven by China and Brazil. A continued positive development in the trade war between USA and China will also have a bearing on the BRIC countries in 2020. Risks include a slowdown in global growth, sharply rising US interest rates and a strengthening USD. We forecast increased volatility in 2020 in the run-up to the US presidential election. In selected countries and sectors valuation remains attractive.

We project that the fund will generate a return in 2020 on a par with or above its benchmark as the fund is actively managed.

BRIK KL – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2015-2019

(DKK 1,000)	2019	2018	2017	2016	2015
Financial highlights					
Net profit for the year	129,088	631	107,089	123,794	6,052
Investors' assets	547,136	498,866	583,331	561,635	586,695
Units in circulation nominal	254,487	276,070	297,215	344,578	422,466
Units in circulation quantity	2,544,871	2,760,697	2,972,149	3,445,782	4,224,660
Financial ratios					
NAV per unit	215.00	180.70	196.27	162.99	138.87
Dividend per unit	20.10	14.60	16.00	0.00	10.40
Return (%) ^{*)}	28.73%	(0.28%)	20.41%	26.57%	(3.04%)
Benchmark return (%)	29.86%	(0.37%)	14.45%	31.92%	(3.11%)
Total expense ratio	1.77%	1.66%	1.69%	1.67%	1.60%
Annual percentage rate (APR) at 31 Dec	2.08%	2.25%	2.36%	2.57%	2.78%
Indirect transaction costs	0.17%	0.31%	-	-	-
Sharpe Ratio (5 yrs)	0.90	0.57	0.41	0.30	(0.34)
Standard deviation (5 yrs)	14.57	15.30	15.23	16.85	17.67
Tracking error	2.22	2.51	3.15	3.57	3.45
Active share	44.98	42.49	46.70	45.98	29.80
Portfolio turnover rate (PTR)	0.80	1.00	1.59	1.18	1.24

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

INCOME STATEMENT

Note	(DKK 1,000)	2019	2018
Interest and dividends			
1.	Interest	61	41
2.	Dividends	22,610	18,094
Total interest and dividends		22,671	18,135
Capital gains and losses			
3.	Shares	118,955	(3,613)
	Currency accounts	(351)	(1,342)
	Other assets/liabilities	(33)	(17)
4.	Transaction costs, operating activities	(1,295)	(2,152)
Total capital gains and losses		117,276	(7,124)
	Other income	0	61
Total income		139,947	11,072
5.	Administrative costs	(9,058)	(9,016)
Profit before tax		130,889	2,056
6.	Tax	(1,801)	(1,425)
Net profit for the year		129,088	631
7. Distribution of profit			
To be allocated			
	Proposed distribution for the financial year	51,152	40,306
	Brought forward for distribution next year	132	142
	Available for distribution	51,284	40,448
	Brought forward to investors' assets	77,804	(39,817)
Total distribution		129,088	631

BALANCE SHEET 31 DECEMBER 2019

Note	(DKK 1,000)	2019	2018
ASSETS			
Liquid funds			
	Deposits with custodian	7,723	8,701
Total liquid funds		7,723	8,701
9.	Holdings		
	Listed shares in foreign companies	538,028	490,442
Total holdings		538,028	490,442
Other assets			
	Interest receivable, dividends receivable etc	2,756	1,335
	Receivables – unsettled transactions	790	448
Total other assets		3,546	1,783
TOTAL ASSETS		549,297	500,926
LIABILITIES			
8.	Investors' assets	547,136	498,866
Other debt			
	Payables	1,546	2,060
	Payables – unsettled transactions	616	0
Total other debt		2,162	2,060
TOTAL LIABILITIES		549,298	500,926

BRIK KL – Financial Statements

NOTES

Note (DKK 1,000)	2019	2018
1. Interest		
Deposits with custodian	68	61
Interest expense and negative interest with custodian	(7)	(20)
Total interest	61	41
2. Dividends		
Listed shares in foreign companies	22,610	18,094
Total dividends	22,610	18,094
3. Capital gains and losses		
Shares		
Listed shares in foreign companies	118,955	(3,614)
Unlisted shares in foreign companies	0	1
Total shares	118,955	(3,613)
4. Transaction costs		
All transaction costs	1,397	2,298
Covered by income from issue and redemption	(102)	(146)
Transaction costs, operating activities	1,295	2,152
5. Administrative costs		
Fund-specific costs		
Marketing costs	3,823	3,984
Fees to custodian	622	661
Other costs relating to asset management	3,306	3,079
Other costs	443	367
Fixed management fee	864	925
Total class-specific costs	9,058	9,016
6. Tax		
The fund is not liable to pay tax.		
Adjustment – dividend tax etc	1,801	1,425
Total tax	1,801	1,425

NOTES (continued)

Note (DKK 1,000)	2019	2018
7. Available for distribution		
Brought forward for distribution from last year	142	117
Interest	68	61
Dividends	22,610	18,094
Other income	0	61
Non-refundable dividend tax	(1,801)	(1,425)
Capital gains for distribution	41,207	36,149
Distribution adjustment in connection with issue/redemption concerning the above items	(2,176)	(4,120)
Available for distribution before administrative costs	60,050	48,937
Set-off of administrative costs	(9,058)	(9,016)
Distribution adjustment of which in connection with issue/redemption	292	527
Total administrative costs	(8,766)	(8,489)
Available for distribution	51,284	40,448
8. Investors' assets		
Units in circulation		
Units in circulation at 1 Jan	276,070	297,215
Issues during the year	6,309	9,503
Redemptions during the year	(27,892)	(30,648)
Total units in circulation	254,487	276,070
Investors' assets		
Investors' assets at 1 Jan	498,866	583,331
Issues during the year	12,122	18,336
Redemptions during the year	(52,852)	(55,980)
Net issue surcharges and redemption deductions	78	82
Distribution from last year concerning units in circulation at 31 Dec	(40,306)	(47,554)
Changes in dividend distribution due to issues/redemptions	140	20
Proposed distribution for the financial year	51,152	40,306
Brought forward from income statement	77,804	(39,817)
Brought forward for distribution next year	132	142
Investors' assets at year-end	547,136	498,866
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

Note (DKK 1,000)	2019	2018
a. Breakdown of financial instruments		
Listed financial instruments	98.34%	98.31%
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%
Other financial instruments	0.00%	0.00%
	98.34%	98.31%
Other assets/other debt	1.66%	1.69%
Total	100.00%	100.00%

SUPPLEMENTARY NOTES (continued)

Note (DKK 1,000)	2019	2018
b. Shares by country		
Russia	27.06%	28.76%
India	25.24%	23.72%
China	23.89%	22.47%
Brazil	21.51%	20.95%
Other	0.64%	2.41%
Cash, derivatives etc	1.66%	1.69%
Total	100.00%	100.00%
c. Shares by industry		
Financials	26.57%	27.94%
Energy	23.74%	24.26%
Consumer Discretionary	13.69%	10.37%
Materials	9.58%	9.82%
Information Technology	7.05%	5.95%
Industrials	5.91%	3.09%
Telecommunications Services	4.14%	2.53%
Consumer Staples	2.91%	6.33%
REIT	2.27%	2.39%
Utilities	2.03%	2.60%
Health Care	0.45%	3.03%
Cash, derivatives etc	1.66%	1.69%
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	16 May 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 2019" 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 2019 appears from the table below. The difference in returns is attributable to the level of costs in the individual classes.

Unit class	31 Dec 2019		31 Dec 2018	
	Return	Benchmark	Return	Benchmark
BRIK A DKK Akk	28.62%	29.86%	(0.08%)	(0.37%)
BRIK W DKK Acc	29.65%	29.86%	0.73%	(0.37%)

The market exceeded expectations at the beginning of the year and the fund's unit classes underperformed their benchmark, see the above table.

Overall 2019 was the best year for shares since 2009 as well as a very good year for emerging market shares. 2019 was characterised by falling interest rates, loose monetary policy by central banks but also by a general slowdown in global growth. This resulted in a share market which was split in two where many investors purchased growth shares as well as defensive shares with a high, stable level of return. In contrast cyclical shares were sold off. The trade war between USA and China continued for the second year and was a contributory factor in the outperformance of mature markets compared to new markets. Russia was the best share market among the BRIC countries but also Brazil and China performed well. India on the other hand struggled to keep pace among other things due to weak macroeconomic indicators. During the year there was a clear focus on growth companies within the sectors IT and consumer discretionary. In contrast the more traditional sectors such as materials and industrials were at the bottom of the scale in terms of return.

The fund has produced a return that is below its benchmark. Return was favourably affected by our focus on growth shares and the IT sector in particular in China. In addition our Russian shares made a positive contribution via our selection of energy shares as well as our exposure to palladium and nickel which are increasingly used in batteries for eg electric cars. However our investments in the Brazilian materials industry detracted from performance as domestic oriented shares significantly outperformed exporting companies in 2019. The fund was also adversely affected by the growth decline in India.

Market outlook

We are positive on the return potential of shares from the BRIC countries in 2020 as we expect that growth in earnings will improve significantly particularly driven by China and Brazil. A continued positive development in the trade war between USA and China will also have a bearing on the BRIC countries in 2020. Risks include a slowdown in global growth, sharply rising US interest rates and a strengthening USD. We forecast increased volatility in 2020 in the run-up to the US presidential election. In selected countries and sectors valuation remains attractive.

We project that the fund will generate a return in 2020 on a par with or above its benchmark as the fund is actively managed.

BRIK Akkumulerende KL – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2015-2019

(DKK 1,000)	2019	2018	2017	2016	2015
Financial highlights					
Net profit for the year	82,639	(417)	57,348	64,903	489
Investors' assets	365,562	295,433	316,786	297,162	262,173
Financial ratios					
Tracking error	2.27	2.48	3.13	3.56	3.44
Active share	44.78	42.14	49.64	45.98	30.37
Portfolio turnover rate (PTR)	0.78	0.90	1.56	1.19	1.31

INCOME STATEMENT

Note (DKK 1,000)	2019	2018
Interest and dividends		
1. Interest	47	21
2. Dividends	14,636	10,592
Total interest and dividends	14,683	10,613
Capital gains and losses		
3. Shares	76,071	(3,220)
Currency accounts	(271)	(720)
Other assets/liabilities	(17)	(8)
4. Transaction costs, operating activities	(823)	(1,150)
Total capital gains and losses	74,960	(5,098)
Other income	0	34
Total income	89,643	5,549
5. Administrative costs	(5,825)	(5,138)
Profit before tax	83,818	411
6. Tax	(1,179)	(828)
Net profit for the year	82,639	(417)

BALANCE SHEET 31 DECEMBER 2019

Note (DKK 1,000)	2019	2018
ASSETS		
Liquid funds		
Deposits with custodian	4,206	5,308
Total liquid funds	4,206	5,308
8. Holdings		
Listed shares in foreign companies	362,228	290,530
Total holdings	362,228	290,530
Other assets		
Interest receivable, dividends receivable etc	1,846	787
Receivables – unsettled transactions	1,926	0
Total other assets	3,772	787
TOTAL ASSETS	370,206	296,625
LIABILITIES		
7. Investors' assets ¹⁾	365,562	295,433
Other debt		
Payables	1,032	1,192
Payables – unsettled transactions	3,612	0
Total other debt	4,644	1,192
TOTAL LIABILITIES	370,206	296,625
^{1) Investors' assets by unit class}		
BRIK A DKK Akk	357,602	287,783
BRIK W DKK Acc	7,960	7,650
Total	365,562	295,433

BRIK Akkumulerende KL – Financial Statements

NOTES

Note	(DKK 1,000)	2019	2018
1. Interest			
Deposits with custodian		51	33
Interest expense and negative interest with custodian		(4)	(12)
Total interest		47	21
2. Dividends			
Listed shares in foreign companies		14,636	10,592
Total dividends		14,636	10,592
3. Capital gains and losses			
Shares			
Listed shares in foreign companies		76,071	(3,220)
Total shares		76,071	(3,220)
4. Transaction costs			
All transaction costs		878	1,237
Covered by income from issue and redemption		(55)	(87)
Transaction costs, operating activities		823	1,150
5. Administrative costs			
Class-specific costs			
Marketing costs		2,531	2,321
Fees to custodian		290	278
Other costs relating to asset management		2,152	1,791
Other costs		293	214
Fixed management fee		559	534
Total class-specific costs		5,825	5,138
6. Tax			
The fund is not liable to pay tax.			
Adjustment – dividend tax etc		1,179	828
Total tax		1,179	828
7. Investors' assets			
Investors' assets at 1 Jan		295,433	316,786
Issues during the year		14,336	11,249
Redemptions during the year		(26,879)	(32,228)
Net issue surcharges and redemption deductions		33	43
Brought forward from income statement		82,639	(417)
Investors' assets at year-end		365,562	295,433
8. Financial instruments (securities)			
A list of financial instruments (securities) is available free of charge from the investment management company.			

SUPPLEMENTARY NOTES

Note	(DKK 1,000)	2019	2018
a. Breakdown of financial instruments			
Listed financial instruments		99.09%	98.34%
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%
Other financial instruments		0.00%	0.00%
		99.09%	98.34%
Other assets/other debt		0.91%	1.66%
Total		100.00%	100.00%
b. Shares by country			
Russia		27.22%	29.08%
India		25.38%	23.66%
China		24.07%	22.35%
Brazil		21.77%	20.87%
Other		0.65%	2.38%
Cash, derivatives etc		0.91%	1.66%
Total		100.00%	100.00%
c. Shares by industry			
Financials		27.93%	28.63%
Energy		25.00%	25.17%
Consumer Discretionary		14.38%	10.59%
Materials		10.01%	10.01%
Information Technology		7.45%	6.05%
Industrials		6.22%	3.13%
Consumer Staples		3.14%	6.42%
REIT		2.36%	0.00%
Utilities		2.14%	2.66%
Health Care		0.46%	3.11%
Telecommunications Services		0.00%	2.57%
Cash, derivatives etc		0.91%	1.66%
Total		100.00%	100.00%

BRIK Akkumulerende A DKK Akk – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2015-2019

(DKK 1,000)	2019	2018	2017 ¹⁾	2016	2015
Financial highlights					
Net profit for the year	80,618	(480)	56,354	64,903	489
Investors' assets	357,602	287,783	309,828	297,162	262,173
Units in circulation nominal	106,598	110,336	118,697	136,956	153,015
Units in circulation quantity	1,065,979	1,103,356	1,186,964	1,369,556	1,530,143
Financial ratios					
NAV per unit	335.47	260.82	261.03	216.98	171.34
Return (%) ¹⁾	28.62%	(0.08%)	20.30%	24.64%	(2.52%)
Benchmark return (%)	29.86%	(0.37%)	14.45%	31.92%	(3.11%)
Total expense ratio	1.76%	1.64%	1.67%	1.61%	1.55%
Annual percentage rate (APR) at 31 Dec	2.05%	2.22%	2.32%	2.52%	2.79%
Indirect transaction costs	0.16%	0.31%	-	-	-
Sharpe Ratio (5 yrs)	0.92	0.59	0.43	0.32	(0.32)
Standard deviation (5 yrs)	14.46	15.17	15.10	16.70	17.49

¹⁾ Past performance is no guarantee of future performance.

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

NOTES

Note (DKK 1,000)	2019	2018
a. Net profit		
Share of joint portfolio profit	86,369	4,561
Other class-specific income	0	34
Class-specific costs ¹⁾	(5,751)	(5,075)
Total net profit	80,618	(480)
¹⁾ Class-specific costs		
Marketing costs	2,531	2,321
Fees to custodian	283	271
Other costs relating to asset management	2,101	1,749
Other costs	287	208
Fixed management fee	550	526
Total class-specific costs	5,752	5,075
b. Distribution of profit		
b1. To be allocated		
Brought forward to investors' assets	80,618	(480)
Total distribution	80,618	(480)

NOTES (continued)

Note (DKK 1,000)	2019	2018
c. Investors' assets		
c1. Units in circulation		
Units in circulation at 1 Jan	110,336	118,697
Issues during the year	3,946	3,843
Redemptions during the year	(7,684)	(12,204)
Total units in circulation	106,598	110,336
c2. Investors' assets		
Investors' assets at 1 Jan	287,783	309,828
Issues during the year	11,905	10,436
Redemptions during the year	(22,737)	(32,042)
Net issue surcharges and redemption deductions	33	41
Brought forward from income statement	80,618	(480)
Investors' assets at year-end	357,602	287,783

BRIK W DKK Acc – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2017-2019

(DKK 1,000)	2019	2018	2017 ¹⁾
Financial highlights			
Net profit for the year ²⁾	2,021	63	994
Investors' assets	7,960	7,650	6,958
Units in circulation nominal	5,263	6,557	6,007
Units in circulation quantity	52,628	65,570	60,073
Financial ratios			
NAV per unit	151.25	116.66	115.82
Return (%) ^{1) 2)}	29.65%	0.73%	15.82%
Benchmark return (%) ²⁾	29.86%	(0.37%)	13.49%
Total expense ratio ²⁾	0.94%	0.84%	0.47%
Annual percentage rate (APR) at 31 Dec	1.26%	1.32%	1.38%
Indirect transaction costs	0.16%	0.31%	-

¹⁾ Past performance is no guarantee of future performance.

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

²⁾ The year 2017: Net profit and financial ratios cover the period from 13 June to 31 December 2017.

NOTES

Note (DKK 1,000)	2019	2018
a. Net profit		
Share of joint portfolio profit	2,094	125
Other class-specific income	0	1
Class-specific costs ¹⁾	(73)	(63)
Total net profit	2,021	63
¹⁾ Class-specific costs		
Fees to custodian	7	7
Other costs relating to asset management	51	42
Other costs	6	5
Fixed management fee	9	9
Total class-specific costs	73	63
b. Distribution of profit		
b1. To be allocated		
Brought forward to investors' assets	2,021	63
Total distribution	2,021	63

NOTES (continued)

Note (DKK 1,000)	2019	2018
c. Investors' assets		
c1. Units in circulation		
Units in circulation at 1 Jan	6,557	6,007
Issues during the year	1,701	700
Redemptions during the year	(2,995)	(150)
Total units in circulation	5,263	6,557
c2. Investors' assets		
Investors' assets at 1 Jan	7,650	6,958
Issues during the year	2,431	813
Redemptions during the year	(4,142)	(186)
Net issue surcharges and redemption deductions	0	2
Brought forward from income statement	2,021	63
Investors' assets at year-end	7,960	7,650

Danmark KL

Fund report

Fund and unit class data	Danmark A DKK	Danish Equities B DKK d	Danmark W DKK d
ISIN	DK0015298384	DK0060711208	DK0061032786
Date of establishment	21 August 1985	4 March 2016	15 May 2018
Launch date	1 October 1985	2 May 2016	12 June 2018
Listed	Yes	No	No
Currency	DKK	DKK	DKK
Income fund	Yes	Yes	Yes
Denomination	100	10	100
Risk category	6	6	6
Approved for marketing in Germany	No	Yes	No
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 2019" 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, Danish Equities B DKK d and Danmark 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 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 6.

Developments

The development in the NAV of the unit classes in 2019 appears from the table below. The differences in returns are attributable to the level of costs in the individual classes.

Unit class	31 Dec 2019		31 Dec 2018	
	Return	Benchmark	Return	Benchmark
Danmark A DKK	24.20%	26.66%	(13.93%)	(7.50%)
Danish Equities B DKK d	24.52%	26.66%	(13.65%)	(7.50%)
Danmark W DKK d ¹⁾	24.96%	26.66%	(17.08%)	(11.74%)

¹⁾ The unit class was launched on 12 June 2018. Return covers the period from 12 June to 31 December 2018.

Developments in 2019

The market exceeded expectations at the beginning of the year and the fund's unit classes underperformed their benchmark, see the above table.

In 2019 the Danish share market was characterised by significant variations in returns among the largest Danish securities. In general cyclical securities struggled in 2019 compared to more defensive industries. In terms of return 2019 was a weak year for several of the larger banks as well as companies within cyclical consumption. IT and defensive industries, eg consumer staples, health care and utilities, were the best performing industries. DSV Panalpina, SimCorp and Ørsted were the year's top performers among the largest companies.

In the financial sector general insurance companies performed well in general while banks' performance was more heterogeneous. Anti-money laundering and dividend scandals weighed heavily on price developments in the large Danish banks also in 2019. Moreover the banking industry was further squeezed by falling interest rates. Within health care return was driven primarily by Novo Nordisk, Coloplast and Genmab. Within the consumer staples sector Carlsberg and Royal Unibrew saw impressive returns.

The fund has produced a return that is below its benchmark. This was mainly due to the fund's underweight in the utilities sector and its allocations in the financial sector. The fund's overweight in consumer staples and its share picks within health care and energy made a positive contribution to return.

Market outlook

High valuation combined with uncertainty surrounding global growth, trade restrictions and geopolitical tension may well dampen price developments. In contrast high earnings quality, strong competitiveness and adaptable business models in many Danish companies should support Danish shares in 2020.

We project that the fund will generate a return in 2020 on a par with or above its benchmark as the fund is actively managed.

Danmark KL – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2015-2019

(DKK 1,000)	2019	2018	2017	2016	2015
Financial highlights					
Net profit for the year	101,402	(75,528)	51,217	(8,296)	139,801
Investors' assets	512,882	444,603	469,943	500,244	572,048
Financial ratios					
Tracking error	2.26	2.35	2.30	2.57	2.13
Active share	31.80	37.14	32.89	33.08	24.92
Portfolio turnover rate (PTR)	0.37	0.54	0.21	0.22	0.17

INCOME STATEMENT

Note	(DKK 1,000)	2019	2018
Interest and dividends			
1.	Interest	(55)	(76)
2.	Dividends	9,285	8,549
	Total interest and dividends	9,230	8,473
Capital gains and losses			
3.	Shares	98,478	(77,312)
4.	Transaction costs, operating activities	(157)	(596)
	Total capital gains and losses	98,321	(77,908)
	Total income	107,551	(69,435)
5.	Administrative costs	(6,149)	(6,093)
	Net profit for the year	101,402	(75,528)

BALANCE SHEET 31 DECEMBER 2019

Note	(DKK 1,000)	2019	2018
ASSETS			
Liquid funds			
	Deposits with custodian	2,458	11,882
	Total liquid funds	2,458	11,882
7.	Holdings		
	Listed shares in Danish companies	489,468	428,616
	Listed shares in foreign companies	19,045	5,936
	Total holdings	508,513	434,552
Other assets			
	Receivables – unsettled transactions	2,984	0
	Total other assets	2,984	0
	TOTAL ASSETS	513,955	446,434
LIABILITIES			
6.	Investors' assets ¹⁾	512,882	444,603
Other debt			
	Payables	1,073	1,280
	Payables – unsettled transactions	0	551
	Total other debt	1,073	1,831
	TOTAL LIABILITIES	513,955	446,434
¹⁾ Investors' assets by unit class			
	Danmark A DKK	399,851	310,076
	Danish Equities B DKK d	55,264	66,229
	Danmark W DKK d	57,767	68,298
	Total	512,882	444,603

Danmark KL – Financial Statements

NOTES

Note	(DKK 1,000)	2019	2018
1. Interest			
Interest expense and negative interest with custodian		(55)	(76)
Total interest		(55)	(76)
2. Dividends			
Listed shares in Danish companies		9,285	8,405
Total dividends		9,285	8,405
3. Capital gains and losses			
Shares			
Listed shares in Danish companies		93,675	(76,330)
Listed shares in foreign companies		4,803	(982)
Total shares		98,478	(77,312)
4. Transaction costs			
All transaction costs		284	709
Covered by income from issue and redemption		(127)	(113)
Transaction costs, operating activities		157	596
5. Administrative costs			
Class-specific costs			
Marketing costs		2,868	3,043
Fees to custodian		383	326
Other costs relating to asset management		1,883	1,735
Other costs		259	201
Fixed management fee		756	788
Total class-specific costs		6,149	6,093
6. Investors' assets			
Investors' assets at 1 Jan		444,603	469,943
Adjustments in connection with merger during the year		99,278	0
Issues during the year		55,127	137,331
Redemptions during the year		(125,897)	(35,593)
Net issue surcharges and redemption deductions		34	159
Distribution from last year concerning units in circulation at 31 Dec		(63,583)	(52,110)
Changes in dividend distribution due to issues/redemptions		1,918	401
Proposed distribution for the financial year		16,875	63,583
Brought forward from income statement		84,462	(139,237)
Brought forward for distribution next year		65	126
Investors' assets at year-end		512,882	444,603

NOTES (continued)

Note	(DKK 1,000)	2019	2018
6a. Joint income available for distribution in unit classes			
Dividends		9,285	8,548
Capital gains for distribution		12,452	50,877
Distribution adjustment in connection with issue/redemption concerning the above items		1,331	10,227
Available for distribution in unit classes		23,068	69,652
Of which for distribution in:			
Danmark A DKK		17,989	48,597
Danish Equities B DKK d		2,485	10,373
Danmark W DKK d		2,594	10,682
Total for distribution		23,068	69,652
7. Financial instruments (securities)			
A list of financial instruments (securities) is available free of charge from the investment management company.			

SUPPLEMENTARY NOTES

Note	(DKK 1,000)	2019	2018
a. Breakdown of financial instruments			
Listed financial instruments		99.15%	97.74%
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%
Other financial instruments		0.00%	0.00%
		99.15%	97.74%
Other assets/other debt		0.85%	2.26%
Total		100.00%	100.00%
b. Shares by country			
Denmark		97.25%	97.74%
Foreign		1.90%	0.00%
Cash, derivatives etc		0.85%	2.26%
c. Shares by industry			
Health Care		29.21%	34.56%
Industrials		29.16%	25.14%
Financials		10.71%	16.83%
Consumer Staples		10.21%	8.44%
Utilities		7.45%	0.00%
Energy		4.69%	1.34%
Materials		4.49%	6.64%
Consumer Discretionary		1.63%	1.63%
Information Technology		1.60%	3.16%
Cash, derivatives etc		0.85%	2.26%
Total		100.00%	100.00%
d. Financial highlights from discontinued fund SCANDI KL		1 Jan – 14 Jun 2019	
¹⁾ Interest and dividends		3,417	
²⁾ Capital gains and losses		13,202	
³⁾ Administrative costs		(942)	
⁴⁾ Tax		(84)	
⁵⁾ Dividend distributed during the period		(11,208)	
⁶⁾ Issues during the period		381	
⁷⁾ Redemptions during the period		(45,400)	
⁸⁾ Net issue surcharges and redemption deductions		90	
⁹⁾ Net profit for the period		15,593	
¹⁰⁾ Investors' assets at 1 Jan		139,822	
¹¹⁾ Investors' assets at merger date		99,278	

Danmark A DKK – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2015-2019

(DKK 1,000)	2019	2018	2017	2016 ¹⁾	2015
Financial highlights					
Net profit for the year	73,976	(50,384)	45,228	(9,095)	139,801
Investors' assets	399,851	310,076	390,489	444,759	572,048
Units in circulation nominal	174,532	145,824	140,916	148,259	161,259
Units in circulation quantity	1,745,323	1,458,243	1,409,160	1,482,586	1,612,580
Financial ratios					
NAV per unit	229.10	212.64	277.11	299.99	354.74
Dividend per unit	7.30	30.00	30.50	52.30	49.80
Return (%) ¹⁾	24.20%	(13.93%)	11.44%	(0.87%)	31.04%
Benchmark return (%)	26.66%	(7.50%)	16.82%	3.22%	30.83%
Total expense ratio	1.43%	1.37%	1.34%	1.34%	1.32%
Annual percentage rate (APR) at 31 Dec	1.49%	1.53%	1.54%	1.48%	1.60%
Indirect transaction costs	0.02%	0.02%	-	-	-
Sharpe Ratio (5 yrs)	0.74	0.64	1.51	1.58	1.00
Standard deviation (5 yrs)	12.23	12.22	11.33	11.98	13.97

¹⁾ Past performance is no guarantee of future performance.

¹⁾ The fund was converted to a unit class on 4 March 2016.

NOTES

Note (DKK 1,000)	2019	2018
a. Net profit		
Share of joint portfolio profit	78,992	(45,438)
Class-specific costs ¹⁾	(5,016)	(4,946)
Total net profit	73,976	(50,384)
¹⁾ Class-specific costs		
Marketing costs	2,576	2,671
Fees to custodian	237	216
Other costs relating to asset management	1,404	1,298
Other costs	209	151
Fixed management fee	590	610
Total class-specific costs	5,016	4,946
b. Distribution of profit		
b1. To be allocated		
Proposed distribution for the financial year	12,741	43,747
Brought forward for distribution next year	11	5
Available for distribution	12,752	43,752
Brought forward to investors' assets	61,224	(94,136)
Total distribution	73,976	(50,384)
b2. Available for distribution		
Brought forward for distribution from last year	5	65
Distribution adjustment in connection with issue/redemption concerning the above items	1	6
Share of joint income	17,989	48,597
Available for distribution before administrative costs	17,995	48,668
Set-off of administrative costs	(5,016)	(4,946)
Distribution adjustment of which in connection with issue/redemption	(227)	30
Total administrative costs	(5,243)	(4,916)
Available for distribution	12,752	43,752

NOTES (continued)

Note (DKK 1,000)	2019	2018
c. Investors' assets		
c1. Units in circulation		
Units in circulation at 1 Jan	145,824	140,916
Adjustments in connection with merger during the year	47,312	0
Issues during the year	18,819	14,156
Redemptions during the year	(37,423)	(9,248)
Total units in circulation	174,532	145,824
c2. Investors' assets		
Investors' assets at 1 Jan	310,076	390,489
Adjustments in connection with merger during the year	99,278	0
Issues during the year	38,338	35,343
Redemptions during the year	(79,067)	(23,116)
Net issue surcharges and redemption deductions	26	134
Distribution from last year concerning units in circulation at 31 Dec	(43,747)	(42,979)
Changes in dividend distribution due to issues/redemptions	971	589
Proposed distribution for the financial year	12,741	43,747
Brought forward from income statement	61,224	(94,136)
Brought forward for distribution next year	11	5
Investors' assets at year-end	399,851	310,076

Danish Equities B DKK d – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2016-2019

(DKK 1,000)	2019	2018	2017	2016 ¹⁾
Financial highlights				
Net profit for the year ²⁾	13,433	(10,623)	5,989	799
Investors' assets	55,264	66,229	79,454	55,485
Units in circulation nominal	62,125	80,169	73,641	54,322
Units in circulation quantity	6,212,535	8,016,876	7,364,103	5,432,239
Financial ratios				
NAV per unit	8.90	8.26	10.79	10.21
Dividend per unit	0.31	1.19	1.24	0.60
Return (%) ¹⁾²⁾	24.52%	(13.65%)	11.78%	2.14%
Benchmark return (%) ²⁾	26.66%	(7.50%)	16.82%	5.96%
Total expense ratio ²⁾	1.15%	1.10%	1.05%	0.71%
Annual percentage rate (APR) at 31 Dec	1.68%	1.71%	1.71%	1.64%
Indirect transaction costs	0.02%	0.02%	-	-
Sharpe Ratio (3 yrs)	0.58	-	-	-
Standard deviation (3 yrs)	11.32	-	-	-

¹⁾ Past performance is no guarantee of future performance.

¹⁾ The unit class was launched on 4 March 2016.

²⁾ The year 2016: Net profit and financial ratios cover the period from 4 March to 31 December 2016.

NOTES

Note (DKK 1,000)	2019	2018
a. Net profit		
Share of joint portfolio profit	14,098	(9,797)
Class-specific costs ¹⁾	(665)	(826)
Total net profit	13,433	(10,623)
¹⁾ Class-specific costs		
Marketing costs	292	373
Fees to custodian	18	25
Other costs relating to asset management	234	271
Other costs	25	32
Fixed management fee	96	125
Total class-specific costs	665	826
b. Distribution of profit		
b1. To be allocated		
Proposed distribution for the financial year	1,926	9,540
Brought forward for distribution next year	15	43
Available for distribution	1,941	9,583
Brought forward to investors' assets	11,492	(20,206)
Total distribution	13,433	(10,623)
b2. Available for distribution		
Brought forward for distribution from last year	43	41
Distribution adjustment in connection with issue/redemption concerning the above items	(10)	7
Share of joint income	2,485	10,373
Available for distribution before administrative costs	2,518	10,421
Set-off of administrative costs	(665)	(826)
Distribution adjustment of which in connection with issue/redemption	88	(12)
Total administrative costs	(577)	(838)
Available for distribution	1,941	9,583

NOTES (continued)

Note (DKK 1,000)	2019	2018
c. Investors' assets		
c1. Units in circulation		
Units in circulation at 1 Jan	80,169	73,641
Issues during the year	8,764	11,272
Redemptions during the year	(26,808)	(4,744)
Total units in circulation	62,125	80,169
c2. Investors' assets		
Investors' assets at 1 Jan	66,229	79,454
Issues during the year	6,799	11,086
Redemptions during the year	(22,477)	(4,394)
Net issue surcharges and redemption deductions	5	25
Distribution from last year concerning units in circulation at 31 Dec	(9,540)	(9,131)
Changes in dividend distribution due to issues/redemptions	815	(188)
Proposed distribution for the financial year	1,926	9,540
Brought forward from income statement	11,492	(20,206)
Brought forward for distribution next year	15	43
Investors' assets at year-end	55,264	66,229

Denmark W DKK d – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2018-2019

(DKK 1,000)	2019	2018 ¹⁾
Financial highlights		
Net profit for the year ²⁾	13,993	(14,521)
Investors' assets	57,767	68,298
Units in circulation nominal	64,941	82,369
Units in circulation quantity	649,405	823,693
Financial ratios		
NAV per unit	88.95	82.92
Dividend per unit	3.40	12.50
Return (%) ¹⁾²⁾	24.96%	(17.08%)
Benchmark return (%) ²⁾	26.66%	(11.74%)
Total expense ratio ²⁾	0.78%	0.40%
Annual percentage rate (APR) at 31 Dec	0.85%	0.77%
Indirect transaction costs	0.02%	0.02%

¹⁾ Past performance is no guarantee of future performance.

¹⁾ The unit class was launched on 12 June 2018.

²⁾ The year 2018: Net profit and financial ratios cover the period from 12 June to 31 December 2018.

NOTES

Note (DKK 1,000)	2019	2018 ¹⁾²⁾
a. Net profit		
Share of joint portfolio profit	14,462	(14,200)
Class-specific costs ¹⁾	(469)	(321)
Total net profit	13,993	(14,521)
¹⁾ Class-specific costs		
Fees to custodian	127	85
Other costs relating to asset management	245	165
Other costs	26	19
Fixed management fee	71	52
Total class-specific costs	469	321
b. Distribution of profit		
b1. To be allocated		
Proposed distribution for the financial year	2,208	10,296
Brought forward for distribution next year	39	78
Available for distribution	2,247	10,374
Brought forward to investors' assets	11,746	(24,895)
Total distribution	13,993	(14,521)
b2. Available for distribution ²⁾		
Brought forward for distribution from last year	78	0
Distribution adjustment in connection with issue/redemption concerning the above items	(16)	0
Share of joint income	2,594	10,682
Available for distribution before administrative costs	2,656	10,682
Set-off of administrative costs	(469)	(321)
Distribution adjustment of which in connection with issue/redemption	60	13
Total administrative costs	(409)	(308)
Available for distribution	2,247	10,374

NOTES (continued)

Note (DKK 1,000)	2019	2018 ¹⁾²⁾
c. Investors' assets		
c1. Units in circulation		
Units in circulation at 1 Jan	82,369	0
Issues during the year	12,393	90,950
Redemptions during the year	(29,821)	(8,581)
Total units in circulation	64,941	82,369
c2. Investors' assets		
Investors' assets at 1 Jan	68,298	0
Issues during the year	9,990	90,902
Redemptions during the year	(24,353)	(8,083)
Net issue surcharges and redemption deductions	3	0
Distribution from last year concerning units in circulation at 31 Dec	(10,296)	0
Changes in dividend distribution due to issues/redemptions	132	0
Proposed distribution for the financial year	2,208	10,296
Brought forward from income statement	11,746	(24,895)
Brought forward for distribution next year	39	78
Investors' assets at year-end	57,767	68,298

¹⁾ The unit class was launched on 12 June 2018.

²⁾ Profit covers the period from 12 June to 31 December 2018.

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	16 May 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 Europa unhedged to DKK	
Secondary name	European Value Equities KL	

Introduction

The fund report should be read together with the sections in the annual report "Financial markets in 2019" 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 2019 appears from the table below. The difference in returns is attributable to the level of costs in the individual classes.

Unit class	31 Dec 2019		31 Dec 2018	
	Return	Benchmark	Return	Benchmark
Europa Ligevægt & Value A DKK	21.65%	26.22%	(12.47%)	(10.37%)
Europa Ligevægt & Value W DKK	22.57%	26.22%	(11.75%)	(10.37%)

The market exceeded expectations at the beginning of the year and the fund's unit classes underperformed compared to benchmark, cf the table above.

Despite zero growth in corporate earnings, declining economic indicators and an unresolved trade conflict, European shares recorded sizeable price increases in 2019. However it must also be said that European shares performed poorly at the end of 2018 due to fears of an imminent recession. Since then we have seen a stabilisation in several economic indicators, a supportive central bank and a growing number of companies forecasting improvements in 2020, which has generated renewed optimism among investors.

The fund has produced a return below the change in its benchmark. This was due to the fund's focus on value shares. Value shares have not been able to keep up with growth shares and have also struggled compared to stable shares.

Market outlook

We do not anticipate that share market returns will match the level of 2019. However given receding recession fears, a supportive central bank and improved growth prospects we may well see a positive share year also in 2020. The most significant risks are geopolitical instability, a renewed growth slowdown and weakness in emerging markets – one of Europe's large trading partners.

We project that the fund will generate a return in 2020 on a par with or above its benchmark as the fund is actively managed.

Europa Ligevægt & Value KL – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2015-2019

(DKK 1,000)	2019	2018	2017	2016	2015
Financial highlights					
Net profit for the year	139,882	(105,568)	62,526	31,815	63,463
Investors' assets	701,828	723,104	999,575	671,961	942,261
Financial ratios					
Tracking error	3.33	2.19	2.37	2.45	2.35
Active share	71.86	69.40	71.39	72.67	71.95
Portfolio turnover rate (PTR)	0.53	0.49	0.09	0.42	0.69

INCOME STATEMENT

Note	(DKK 1,000)	2019	2018
Interest and dividends			
1.	Interest	(52)	(94)
2.	Dividends	34,103	39,877
	Total interest and dividends	34,051	39,783
Capital gains and losses			
3.	Shares	114,878	(132,082)
	Currency accounts	871	39
	Other assets/liabilities	86	(5)
4.	Transaction costs, operating activities	(943)	(1,384)
	Total capital gains and losses	114,892	(133,432)
	Other income	0	2
	Total income	148,943	(93,647)
5.	Administrative costs	(8,094)	(10,070)
	Profit before tax	140,849	(103,717)
6.	Tax	(967)	(1,851)
	Net profit for the year	139,882	(105,568)

BALANCE SHEET 31 DECEMBER 2019

Note	(DKK 1,000)	2019	2018
ASSETS			
Liquid funds			
	Deposits with custodian	16,955	29,723
	Total liquid funds	16,955	29,723
8.	Holdings		
	Listed shares in Danish companies	31,132	21,556
	Listed shares in foreign companies	651,695	672,632
	Total holdings	682,827	694,188
Other assets			
	Interest receivable, dividends receivable etc	498	1,132
	Receivables – unsettled transactions	2,761	0
	Total other assets	3,259	1,132
	TOTAL ASSETS	703,041	725,043
LIABILITIES			
7.	Investors' assets ¹⁾	701,828	723,104
Other debt			
	Payables	1,178	1,939
	Payables – unsettled transactions	35	0
	Total other debt	1,213	1,939
	TOTAL LIABILITIES	703,041	725,043
¹⁾ Investors' assets by unit class			
	Europa Ligevægt & Value A DKK	352,043	371,284
	Europa Ligevægt & Value W DKK d	349,785	351,820
	Total	701,828	723,104

Europa Ligevægt & Value KL – Financial Statements

NOTES

Note	(DKK 1,000)	2019	2018
1. Interest			
Interest expense and negative interest with custodian		(52)	(94)
Total interest		(52)	(94)
2. Dividends			
Listed shares in Danish companies		1,581	820
Listed shares in foreign companies		32,522	39,057
Total dividends		34,103	39,877
3. Capital gains and losses			
Shares			
Listed shares in Danish companies		1,662	(6,774)
Listed shares in foreign companies		113,422	(125,308)
Unlisted shares in foreign companies		(206)	0
Total shares		114,878	(132,082)
4. Transaction costs			
All transaction costs		1,233	1,683
Covered by income from issue and redemption		(290)	(299)
Transaction costs, operating activities		943	1,384
5. Administrative costs			
Class-specific costs			
Marketing costs		2,917	3,474
Fees to custodian		915	1,219
Other costs relating to asset management		3,022	3,725
Other costs		279	378
Fixed management fee		961	1,274
Total class-specific costs		8,094	10,070
6. Tax			
The fund is not liable to pay tax.			
Adjustment – dividend tax etc		967	1,851
Total tax		967	1,851
7. Investors' assets			
Investors' assets at 1 Jan		723,104	999,575
Issues during the year		59,248	87,975
Redemptions during the year		(164,007)	(204,059)
Net issue surcharges and redemption deductions		24	126
Distribution from last year concerning units in circulation at 31 Dec		(56,109)	(54,792)
Changes in dividend distribution due to issues/redemptions		(314)	(153)
Proposed distribution for the financial year		11,803	56,109
Brought forward from income statement		127,677	(161,829)
Brought forward for distribution next year		402	152
Investors' assets at year-end		701,828	723,104

NOTES (continued)

Note	(DKK 1,000)	2019	2018
7a. Joint income available for distribution in unit classes			
Interest		0	0
Dividends		34,103	25,130
Non-refundable dividend tax		(1,003)	(1,419)
Capital gains for distribution		(14,672)	37,138
Distribution adjustment in connection with issue/redemption concerning the above items		1,296	(10,377)
Available for distribution in unit classes		19,724	50,472
Of which for distribution in:			
Europa Ligevægt & Value A DKK		9,904	33,311
Europa Ligevægt & Value W DKK d		9,820	31,499
Total for distribution		19,724	64,810
8. Financial instruments (securities)			
A list of financial instruments (securities) is available free of charge from the investment management company.			

SUPPLEMENTARY NOTES

Note	(DKK 1,000)	2019	2018
a. Breakdown of financial instruments			
Listed financial instruments		97.29%	96.00%
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%
Other financial instruments		0.00%	0.00%
		97.29%	96.00%
Other assets/other debt		2.71%	4.00%
Total		100.00%	100.00%
b. Shares by country			
UK		25.94%	30.92%
France		22.96%	17.04%
Germany		13.68%	12.18%
Netherlands		6.91%	6.88%
Denmark		4.44%	2.98%
Switzerland		3.81%	5.10%
Italy		3.73%	4.05%
Sweden		3.47%	3.13%
Other		12.35%	13.72%
Cash, derivatives etc		2.71%	4.00%
Total		100.00%	100.00%
c. Shares by industry			
Financials		18.44%	19.36%
Consumer Staples		14.23%	13.18%
Industrials		13.56%	13.81%
Health Care		13.02%	12.03%
Consumer Discretionary		9.61%	8.39%
Energy		7.32%	8.18%
Materials		6.09%	8.44%
Information Technology		5.75%	5.44%
Telecommunications Services		4.36%	3.97%
Utilities		3.84%	3.20%
REIT		1.07%	0.00%
Cash, derivatives etc		2.71%	4.00%
Total		100.00%	100.00%

Europa Ligevægt & Value A DKK – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2015-2019

(DKK 1,000)	2019	2018	2017 ¹⁾	2016	2015
Financial highlights					
Net profit for the year	71,344	(52,418)	51,443	31,815	63,463
Investors' assets	352,043	371,284	439,970	671,961	942,261
Units in circulation nominal	476,017	568,254	559,452	935,172	1,389,761
Units in circulation quantity	4,760,170	5,682,544	5,594,524	9,351,720	13,897,609
Financial ratios					
NAV per unit	73.96	65.34	78.64	71.85	67.80
Dividend per unit	1.00	4.80	4.10	0.00	0.00
Return (%) ²⁾	21.65%	(12.47%)	9.45%	5.98%	8.34%
Benchmark return (%)	26.22%	(10.37%)	10.39%	2.20%	8.46%
Total expense ratio	1.58%	1.54%	1.57%	1.48%	1.36%
Annual percentage rate (APR) at 31 Dec	1.81%	1.81%	1.81%	1.77%	2.01%
Indirect transaction costs	0.04%	0.03%	-	-	-
Sharpe Ratio (5 yrs)	0.47	0.23	0.76	0.80	0.50
Standard deviation (5 yrs)	12.95	11.59	11.03	11.47	12.39

¹⁾ Past performance is no guarantee of future performance.

²⁾ The fund was converted to a unit class on 13 June 2017.

NOTES

Note (DKK 1,000)	2019	2018
a. Net profit		
Share of joint portfolio profit	76,939	(45,969)
Other class-specific income	0	1
Class-specific costs ¹⁾	(5,595)	(6,450)
Total net profit	71,344	(52,418)
¹⁾ Class-specific costs		
Marketing costs	2,917	3,473
Fees to custodian	333	383
Other costs relating to asset management	1,600	1,714
Other costs	148	174
Fixed management fee	597	706
Total class-specific costs	5,595	6,450
b. Distribution of profit		
b1. To be allocated		
Proposed distribution for the financial year	4,760	27,276
Brought forward for distribution next year	56	25
Available for distribution	4,816	27,301
Brought forward to investors' assets	66,528	(79,719)
Total distribution	71,344	(52,418)
b2. Available for distribution		
Brought forward for distribution from last year	25	349
Other income	0	1
Distribution adjustment in connection with issue/redemption concerning the above items	(4)	10
Share of joint income	9,904	33,311
Available for distribution before administrative costs	9,925	33,671
Set-off of administrative costs	(5,595)	(6,450)
Distribution adjustment of which in connection with issue/redemption	486	80
Total administrative costs	(5,109)	(6,370)
Available for distribution	4,816	27,301

NOTES (continued)

Note (DKK 1,000)	2019	2018
c. Investors' assets		
c1. Units in circulation		
Units in circulation at 1 Jan	568,254	559,452
Issues during the year	30,745	44,734
Redemptions during the year	(122,982)	(35,932)
Total units in circulation	476,017	568,254
c2. Investors' assets		
Investors' assets at 1 Jan	371,284	439,970
Issues during the year	20,502	32,816
Redemptions during the year	(83,510)	(26,154)
Net issue surcharges and redemption deductions	24	126
Distribution from last year concerning units in circulation at 31 Dec	(27,276)	(22,938)
Changes in dividend distribution due to issues/redemptions	(325)	(118)
Proposed distribution for the financial year	4,760	27,276
Brought forward from income statement	66,528	(79,719)
Brought forward for distribution next year	56	25
Investors' assets at year-end	352,043	371,284

Europa Ligevægt & Value W DKK d – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2017-2019

(DKK 1,000)	2019	2018	2017 ¹⁾
Financial highlights			
Net profit for the year ²⁾	68,538	(53,150)	11,083
Investors' assets	349,785	351,820	559,605
Units in circulation nominal	469,531	533,941	707,872
Units in circulation quantity	4,695,311	5,339,406	7,078,717
Financial ratios			
NAV per unit	74.50	65.89	79.05
Dividend per unit	1.50	5.40	4.50
Return (%) ¹⁾²⁾	22.57%	(11.75%)	10.02%
Benchmark return (%) ²⁾	26.22%	(10.37%)	10.39%
Total expense ratio ²⁾	0.80%	0.74%	0.84%
Annual percentage rate (APR) at 31 Dec	1.03%	0.96%	0.85%
Indirect transaction costs	0.04%	0.03%	-

¹⁾ Past performance is no guarantee of future performance.

¹⁾ The unit class was launched on 13 June 2017 in connection with the demerger of Europa Ligevægt & Value A DKK.

²⁾ The year 2017: Net profit and financial ratios cover the period from 1 January to 31 December 2017.

NOTES

Note (DKK 1,000)	2019	2018
a. Net profit		
Share of joint portfolio profit	71,037	(49,531)
Other class-specific income	0	1
Class-specific costs ¹⁾	(2,499)	(3,620)
Total net profit	68,538	(53,150)
¹⁾ Class-specific costs		
Fees to custodian	582	837
Other costs relating to asset management	1,422	2,011
Other costs	131	204
Fixed management fee	364	568
Total class-specific costs	2,499	3,620
b. Distribution of profit		
b1. To be allocated		
Proposed distribution for the financial year	7,043	28,833
Brought forward for distribution next year	346	127
Available for distribution	7,389	28,960
Brought forward to investors' assets	61,149	(82,110)
Total distribution	68,538	(53,150)
b2. Available for distribution		
Brought forward for distribution from last year	127	565
Other income	0	1
Distribution adjustment in connection with issue/redemption concerning the above items	(16)	(174)
Share of joint income	9,820	31,499
Available for distribution before administrative costs	9,931	31,891
Set-off of administrative costs	(2,499)	(3,620)
Distribution adjustment of which in connection with issue/redemption	(43)	689
Total administrative costs	(2,542)	(2,931)
Available for distribution	7,389	28,960

NOTES (continued)

Note (DKK 1,000)	2019	2018
c. Investors' assets		
c1. Units in circulation		
Units in circulation at 1 Jan	533,941	707,872
Issues during the year	55,035	75,110
Redemptions during the year	(119,445)	(249,041)
Total units in circulation	469,531	533,941
c2. Investors' assets		
Investors' assets at 1 Jan	351,820	559,605
Issues during the year	38,746	55,159
Redemptions during the year	(80,497)	(177,905)
Distribution from last year concerning units in circulation at 31 Dec	(28,833)	(31,854)
Changes in dividend distribution due to issues/redemptions	11	(35)
Proposed distribution for the financial year	7,043	28,833
Brought forward from income statement	61,149	(82,110)
Brought forward for distribution next year	346	127
Investors' assets at year-end	349,785	351,820

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	No
Denomination	100
Risk category	6
Approved for marketing in Germany	No
Benchmark	MSCI Europa unhedged to DKK
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 2019" 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.

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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 classes in 2019 appears from the table below.

Unit class	31 Dec 2019		31 Dec 2018	
	Return	Benchmark	Return	Benchmark
Europa Ligevægt & Value W DKK Acc	22.08%	26.22%	16.85%	16.52%

The market exceeded expectations at the beginning of the year and the fund's unit class underperformed compared to benchmark, cf the table above.

Despite zero growth in corporate earnings, declining economic indicators and an unresolved trade conflict, European shares recorded sizeable price increases in 2019. However it must also be said that European shares performed poorly at the end of 2018 due to fears of an imminent recession. Since then we have seen a stabilisation in several economic indicators, a supportive central bank and a growing number of companies forecasting improvements in 2020, which has generated renewed optimism among investors.

The fund has produced a return that is 4.14 percentage points below the change in its benchmark. This was due to the fund's focus on value shares. Value shares have not been able to keep up with growth shares and have also struggled compared to stable shares.

Market outlook

We do not anticipate that share market returns will match the level of 2019. However given receding recession fears, a supportive central bank and improved growth prospects we may well see a positive share year also in 2020. The most significant risks are geopolitical instability, a renewed growth slowdown and weakness in emerging markets – one of Europe's large trading partners.

We project that the fund will generate a return in 2020 on a par with or above its benchmark as the fund is actively managed.

Europa Ligevægt & Value Akkumulerende KL – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2017-2019

(DKK 1,000)	2019	2018	2017 ¹⁾
Financial highlights			
Net profit for the year	13,331	(13,354)	8,493
Investors' assets	86,394	75,314	175,029
Financial ratios			
Active share	71.97	69.50	72.80
Portfolio turnover rate (PTR)	0.54	0.60	0.39

¹⁾ The fund was launched on 5 October 2016 – the first financial year: 5 October 2016 – 31 December 2017.

INCOME STATEMENT

Note (DKK 1,000)	2019	2018
Interest and dividends		
1. Interest	(10)	(15)
2. Dividends	3,051	5,657
Total interest and dividends	3,041	5,642
Capital gains and losses		
3. Shares	10,910	(17,483)
Currency accounts	37	(43)
Other assets/liabilities	8	(1)
4. Transaction costs, operating activities	(101)	(202)
Total capital gains and losses	10,854	(17,729)
Other income	0	1
Total income	13,895	(12,086)
5. Administrative costs	(434)	(815)
Profit before tax	13,461	(12,901)
6. Tax	(130)	(453)
Net profit for the year	13,331	(13,354)

BALANCE SHEET 31 DECEMBER 2019

Note (DKK 1,000)	2019	2018
ASSETS		
Liquid funds		
Deposits with custodian	2,279	3,376
Total liquid funds	2,279	3,376
8. Holdings		
Listed shares in Danish companies	3,785	2,208
Listed shares in foreign companies	80,058	69,727
Total holdings	83,843	71,935
Other assets		
Interest receivable, dividends receivable etc	324	129
Total other assets	324	129
TOTAL ASSETS	86,446	75,440
LIABILITIES		
7. Investors' assets ¹⁾	86,394	75,314
Other debt		
Payables	52	126
Total other debt	52	126
TOTAL LIABILITIES	86,446	75,440
¹⁾ Investors' assets by unit class		
Europa Ligevægt & Value W DKK Acc	86,394	75,314
Total	86,394	75,314

Europa Ligevægt & Value Akkumulerende KL – Financial Statements

NOTES

Note (DKK 1,000)	2019	2018
1. Interest		
Interest expense and negative interest with custodian	(9)	(15)
Total interest	(9)	(15)
2. Dividends		
Listed shares in Danish companies	132	143
Listed shares in foreign companies	2,919	5,514
Total dividends	3,051	5,657
3. Capital gains and losses		
Shares		
Listed shares in Danish companies	201	(949)
Listed shares in foreign companies	10,730	(16,534)
Unlisted shares in foreign companies	(21)	0
Total shares	10,910	(17,483)
4. Transaction costs		
All transaction costs	213	395
Covered by income from issue and redemption	(112)	(193)
Transaction costs, operating activities	101	202
5. Administrative costs		
Class-specific costs		
Fees to custodian	54	94
Other costs relating to asset management	282	520
Other costs	26	53
Fixed management fee	72	148
Total class-specific costs	434	815
6. Tax		
The fund is not liable to pay tax.		
Adjustment – dividend tax etc	130	453
Total tax	130	453
7. Investors' assets		
Investors' assets at 1 Jan	75,314	175,029
Issues during the year	36,845	28,138
Redemptions during the year	(39,134)	(114,548)
Net issue surcharges and redemption deductions	38	49
Brought forward from income statement	13,331	(13,354)
Investors' assets at year-end	86,394	75,314
8. Financial instruments (securities)		
A list of financial instruments (securities) is available free of charge from the investment management company.		

SUPPLEMENTARY NOTES

Note (DKK 1,000)	2019	2018
a. Breakdown of financial instruments		
Listed financial instruments	97.05%	95.51%
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%
Other financial instruments	0.00%	0.00%
	97.05%	95.51%
Other assets/other debt	2.95%	4.49%
Total	100.00%	100.00%
b. Shares by country		
UK	25.79%	30.91%
France	22.91%	16.76%
Germany	13.59%	12.58%
Netherlands	6.76%	6.77%
Denmark	4.38%	2.93%
Italy	4.05%	4.00%
Switzerland	3.79%	5.01%
Sweden	3.46%	3.03%
Other	12.32%	13.52%
Cash, derivatives etc	2.95%	4.49%
Total	100.00%	100.00%
c. Shares by industry		
Financials	18.64%	19.24%
Consumer Staples	14.22%	13.12%
Health Care	13.13%	12.18%
Industrials	13.08%	13.60%
Consumer Discretionary	10.13%	8.29%
Energy	7.01%	8.11%
Materials	6.08%	8.54%
Information Technology	5.81%	5.28%
Telecommunications Services	4.16%	3.99%
Utilities	3.77%	3.16%
REIT	1.02%	0.00%
Cash, derivatives etc	2.95%	4.49%
Total	100.00%	100.00%

Europa Ligevægt & Value W DKK Akk – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2017-2019

(DKK 1,000)	2019	2018	2017 ¹⁾
Financial highlights			
Net profit for the year ²⁾	13,331	(13,354)	8,493
Investors' assets	86,394	75,314	175,029
Units in circulation nominal	68,503	72,904	149,792
Units in circulation quantity	685,031	729,044	1,497,920
Financial ratios			
NAV per unit	126.12	103.31	116.85
Return (%) ^{1) 2)}	22.08%	(11.59%)	16.85%
Benchmark return (%) ²⁾	26.22%	(10.37%)	16.52%
Total expense ratio ²⁾	0.68%	0.65%	0.59%
Annual percentage rate (APR) at 31 Dec	0.94%	0.89%	0.85%
Indirect transaction costs	0.04%	0.03%	-
Sharpe Ratio (3 yrs)	0.51	-	-
Standard deviation (3 yrs)	11.82	-	-

¹⁾ Past performance is no guarantee of future performance.

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

²⁾ The year 2017: Net profit and financial ratios cover the period from 5 October 2016 to 31 December 2017.

NOTES

Note (DKK 1,000)	2019	2018
a. Net profit		
Share of joint portfolio profit	13,765	(12,540)
Other class-specific income	0	1
Class-specific costs ¹⁾	(434)	(815)
Total net profit	13,331	(13,354)
¹⁾ Class-specific costs		
Fees to custodian	54	94
Other costs relating to asset management	282	520
Other costs	26	53
Fixed management fee	72	148
Total class-specific costs	434	815
b. Distribution of profit		
b1. To be allocated		
Brought forward to investors' assets	13,331	(13,354)
Total distribution	13,331	(13,354)

NOTES (continued)

Note (DKK 1,000)	2019	2018
c. Investors' assets		
c1. Units in circulation		
Units in circulation at 1 Jan	72,904	149,792
Issues during the year	30,954	24,138
Redemptions during the year	(35,355)	(101,026)
Total units in circulation	68,503	72,904
c2. Investors' assets		
Investors' assets at 1 Jan	75,314	175,029
Issues during the year	36,845	28,138
Redemptions during the year	(39,134)	(114,548)
Net issue surcharges and redemption deductions	38	49
Brought forward from income statement	13,331	(13,354)
Investors' assets at year-end	86,394	75,314

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	16 May 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 AC ASIA ex Japan unhedged to DKK	
Secondary name	Far East Equities KL	

Introduction

The fund report should be read together with the sections in the annual report "Financial markets in 2019" 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 2019 appears from the table below. The difference in returns is attributable to the level of costs in the individual classes.

Unit class	31 Dec 2019		31 Dec 2018	
	Return	Benchmark	Return	Benchmark
Fjernøsten A DKK	26.19%	20.51%	(17.53%)	(9.85%)
Fjernøsten W DKK	27.27%	20.51%	(16.74%)	(9.85%)

The market exceeded expectations at the beginning of the year and the fund's unit classes outperformed their benchmark, see the above table.

2019 was the best year for global shares since 2009. 2019 was characterised by a slowdown in global growth but also by falling interest rates and loose monetary policy by central banks. As a result investors bought growth shares to which the fund is exposed. In contrast their appetite for cyclical shares was smaller.

The fund has produced a return that is above its benchmark. China was the primary driving force behind the fund's return – in absolute as well as relative terms – even though the US-Sino trade war was in its second year. The essential piece of news came in December when USA and China reached a phase 1 deal. The Americans cancelled the otherwise planned tariff increases scheduled to take effect in the last month of the year. The deal means that China will increase its imports of US goods and in future will respect intellectual rights as well as allow more foreign competition in its home market.

Taiwan was the country in the region with the highest increases. The Taiwanese stock exchange is dominated by techs. Our focus on growth shares had a favourable impact on return because the IT industry has driven the fund's return. The very large tech companies such as Samsung Electronics and Taiwan Semiconductor Manufacturing had a good year although also smaller IT companies that are sub-suppliers to eg Apple performed extraordinarily well. In addition our shares within industrials and the property sector made significant contributions to return. Defensive sectors such as consumer staples, health care and utilities produced modest returns.

Market outlook

We are positive on the region's return potential in 2020 when we expect that earnings growth will improve substantially. A continued positive development in the trade war between the US and China will also have a positive bearing on the return in 2020. At the same time the very low interest rate level boosts investors' risk appetite and other things being equal this should support shares in the Far East. Finally we believe that Far Eastern shares are cheap compared to American shares.

Risks include a slowdown in global growth, sharply rising US interest rates and a strengthening USD. We forecast increased volatility in 2020 in the run-up to the US presidential election.

We project that the fund will generate a return in 2020 on a par with or above its benchmark as the fund is actively managed.

Fjernøsten KL – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2015-2019

(DKK 1,000)	2019	2018	2017	2016	2015
Financial highlights					
Net profit for the year	321,801	(364,184)	582,269	49,990	86,109
Investors' assets	1,180,478	1,570,894	2,680,758	2,698,397	2,764,799
Financial ratios					
Tracking error	3.49	3.57	3.84	4.38	5.13
Active share	63.32	62.34	63.19	55.89	62.47
Portfolio turnover rate (PTR)	1.41	1.65	1.83	1.80	1.83

INCOME STATEMENT

Note	(DKK 1,000)	2019	2018
Interest and dividends			
1.	Interest	114	159
2.	Dividends	34,590	53,599
	Total interest and dividends	34,704	53,758
Capital gains and losses			
3.	Shares	322,014	(358,023)
3.	Derivatives	0	(31)
	Currency accounts	(1,730)	(4,444)
	Other assets/liabilities	(4)	155
4.	Transaction costs, operating activities	(7,024)	(16,440)
	Total capital gains and losses	313,256	(378,783)
	Other income	0	381
	Total income	347,960	(324,644)
5.	Administrative costs	(24,040)	(35,735)
	Profit before tax	323,920	(360,379)
6.	Tax	(2,119)	(3,805)
	Net profit for the year	321,801	(364,184)

BALANCE SHEET 31 DECEMBER 2019

Note	(DKK 1,000)	2019	2018
ASSETS			
Liquid funds			
	Deposits with custodian	15,420	29,219
	Total liquid funds	15,420	29,219
8.	Holdings		
	Listed shares in foreign companies	1,166,425	1,549,314
	Unlisted shares in foreign companies	0	7
	Total holdings	1,166,425	1,549,321
Other assets			
	Interest receivable, dividends receivable etc	1,375	92
	Receivables – unsettled transactions	904	219
	Total other assets	2,279	311
	TOTAL ASSETS	1,184,124	1,578,851
LIABILITIES			
7.	Investors' assets ¹⁾	1,180,478	1,570,894
Other debt			
	Payables	3,422	6,570
	Payables – unsettled transactions	224	1,387
	Total other debt	3,646	7,957
	TOTAL LIABILITIES	1,184,124	1,578,851
¹⁾ Investors' assets by unit class			
	Fjernøsten A DKK	1,130,644	1,508,781
	Fjernøsten W DKK d	49,834	62,113
	Total	1,180,478	1,570,894

Fjernøsten KL – Financial Statements

NOTES

Note	(DKK 1,000)	2019	2018
1. Interest			
Deposits with custodian		174	204
Interest expense and negative interest with custodian		(60)	(45)
Total interest		114	159
2. Dividends			
Listed shares in foreign companies		34,583	53,592
Unlisted shares in foreign companies		7	7
Total dividends		34,590	53,599
3. Capital gains and losses			
Shares			
Listed shares in foreign companies		322,021	(358,023)
Unlisted shares in foreign companies		(7)	0
Total shares		322,014	(358,023)
Derivatives			
Options etc		0	(31)
Total derivatives		0	(31)
4. Transaction costs			
All transaction costs		8,428	17,610
Covered by income from issue and redemption		(1,404)	(1,170)
Transaction costs, operating activities		7,024	16,440
5. Administrative costs			
Class-specific costs			
Marketing costs		10,751	16,889
Fees to custodian		1,313	1,975
Other costs relating to asset management		8,732	11,826
Other costs		987	1,525
Fixed management fee		2,257	3,520
Total class-specific costs		24,040	35,735

NOTES (continued)

Note	(DKK 1,000)	2019	2018
6. Tax			
The fund is not liable to pay tax.			
Adjustment – dividend tax etc		2,119	3,805
Total tax		2,119	3,805
7. Investors' assets			
Investors' assets at 1 Jan		1,570,894	2,680,758
Issues during the year		17,776	59,699
Redemptions during the year		(731,263)	(484,325)
Net issue surcharges and redemption deductions		1,270	662
Distribution from last year concerning units in circulation at 31 Dec		0	(323,719)
Changes in dividend distribution due to issues/redemptions		0	2,003
Proposed distribution for the financial year		53,555	0
Brought forward from income statement		267,753	(364,184)
Brought forward for distribution next year		493	0
Investors' assets at year-end		1,180,478	1,570,894
Joint income available for distribution in unit classes			
7a. Interest			
Interest		174	204
Dividends		34,590	53,599
Non-refundable dividend tax		(2,404)	(3,805)
Capital gains for distribution		59,372	(21,067)
Distribution adjustment in connection with issue/redemption concerning the above items		(18,784)	(18,801)
Available for distribution in unit classes		72,948	10,130
Of which for distribution in:			
Fjernøsten A DKK		69,875	9,730
Fjernøsten W DKK d		3,073	400
Total for distribution		72,948	10,130
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

Note (DKK 1,000)	2019	2018
a. Breakdown of financial instruments		
Listed financial instruments	98.81%	98.63%
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%
Other financial instruments	0.00%	0.00%
	98.81%	98.63%
Other assets/other debt	1.19%	1.37%
Total	100.00%	100.00%

SUPPLEMENTARY NOTES (continued)

Note (DKK 1,000)	2019	2018
b. Shares by country		
China	45.57%	36.95%
Taiwan	15.36%	10.30%
South Korea	11.72%	13.49%
India	10.54%	13.63%
Hong Kong	7.33%	9.61%
Indonesia	2.66%	3.34%
Singapore	2.60%	5.32%
Philippines	1.95%	1.56%
Other	1.08%	4.43%
Cash, derivatives etc	1.19%	1.37%
Total	100.00%	100.00%
c. Shares by industry		
Information Technology	26.28%	16.43%
Financials	19.08%	27.69%
Consumer Discretionary	16.59%	12.27%
Industrials	9.13%	5.81%
REIT	6.63%	6.89%
Materials	6.36%	4.19%
Telecommunications Services	5.66%	5.24%
Energy	4.09%	6.77%
Consumer Staples	3.41%	6.28%
Health Care	1.27%	4.07%
Utilities	0.31%	2.99%
Cash, derivatives etc	1.19%	1.37%
Total	100.00%	100.00%

Fjernøsten A DKK – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2015-2019

(DKK 1,000)	2019	2018	2017 ¹⁾	2016	2015
Financial highlights					
Net profit for the year	309,271	(350,315)	568,730	49,990	86,109
Investors' assets	1,130,644	1,508,781	2,548,409	2,698,397	2,764,799
Units in circulation nominal	636,345	1,071,523	1,317,760	1,660,625	1,550,395
Units in circulation quantity	6,363,443	10,715,226	13,177,597	16,606,248	15,503,953
Financial ratios					
NAV per unit	177.68	140.81	193.39	162.49	178.33
Dividend per unit	8.00	0.00	23.30	8.00	19.60
Return (%) ²⁾	26.19%	(17.53%)	25.01%	3.04%	3.25%
Benchmark return (%)	20.51%	(9.85%)	24.65%	8.20%	1.40%
Total expense ratio	1.84%	1.77%	1.70%	1.62%	1.51%
Annual percentage rate (APR) at 31 Dec	2.34%	2.42%	2.48%	3.05%	3.19%
Indirect transaction costs	0.24%	0.36%	-	-	-
Sharpe Ratio (5 yrs)	0.44	0.43	0.76	0.69	0.35
Standard deviation (5 yrs)	15.35	14.43	13.55	14.07	14.81

¹⁾ Past performance is no guarantee of future performance.

²⁾ The fund was converted to a unit class on 13 June 2017.

NOTES

Note (DKK 1,000)	2019	2018
a. Net profit		
Share of joint portfolio profit	332,864	(315,706)
Other class-specific income	0	363
Class-specific costs ¹⁾	(23,593)	(34,972)
Total net profit	309,271	(350,315)
¹⁾ Class-specific costs		
Marketing costs	10,751	16,889
Fees to custodian	1,269	1,897
Other costs relating to asset management	8,419	11,310
Other costs	952	1,461
Fixed management fee	2,202	3,415
Total class-specific costs	23,593	34,972
b. Distribution of profit		
b1. To be allocated		
Proposed distribution for the financial year	50,908	0
Brought forward for distribution next year	481	0
Available for distribution	51,389	0
Brought forward to investors' assets	257,882	(350,315)
Total distribution	309,271	(350,315)
b2. Available for distribution		
Brought forward for distribution from last year	0	1,084
Other income	0	363
Distribution adjustment in connection with issue/redemption concerning the above items	0	(412)
Share of joint income	69,875	9,730
Available for distribution before administrative costs ¹⁾	69,875	10,765
Set-off of administrative costs	(23,593)	(10,765)
Distribution adjustment of which in connection with issue/redemption	5,107	0
Total administrative costs	(18,486)	(10,765)
Available for distribution	51,389	0

NOTES (continued)

Note (DKK 1,000)	2019	2018
c. Investors' assets		
c1. Units in circulation		
Units in circulation at 1 Jan	1,071,523	1,317,760
Issues during the year	7,053	22,565
Redemptions during the year	(442,231)	(268,802)
Total units in circulation	636,345	1,071,523
c2. Investors' assets		
Investors' assets at 1 Jan	1,508,781	2,548,409
Issues during the year	11,190	38,767
Redemptions during the year	(699,835)	(422,518)
Net issue surcharges and redemption deductions	1,237	662
Distribution from last year concerning units in circulation at 31 Dec	0	(307,038)
Changes in dividend distribution due to issues/redemptions	0	814
Proposed distribution for the financial year	50,908	0
Brought forward from income statement	257,882	(350,315)
Brought forward for distribution next year	481	0
Investors' assets at year-end	1,130,644	1,508,781

¹⁾ Maximum deduction for administrative costs equivalent to total income before administrative costs

Fjernøsten W DKK d – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2017-2019

(DKK 1,000)	2019	2018	2017 ¹⁾
Financial highlights			
Net profit for the year ²⁾	12,530	(13,869)	13,539
Investors' assets	49,834	62,113	132,349
Units in circulation nominal	27,570	43,736	68,087
Units in circulation quantity	275,704	437,359	680,866
Financial ratios			
NAV per unit	180.75	142.02	194.38
Dividend per unit	9.60	0.00	24.50
Return (%) ¹⁾²⁾	27.27%	(16.74%)	25.65%
Benchmark return (%) ²⁾	20.51%	(9.85%)	24.65%
Total expense ratio ²⁾	0.93%	0.86%	0.79%
Annual percentage rate (APR) at 31 Dec	1.48%	1.49%	1.55%
Indirect transaction costs	0.24%	0.36%	-

¹⁾ Past performance is no guarantee of future performance.

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

²⁾ The year 2017: Net profit and financial ratios cover the period from 1 January to 31 December 2017.

NOTES

Note (DKK 1,000)	2019	2018
a. Net profit		
Share of joint portfolio profit	12,978	(13,124)
Other class-specific income	0	18
Class-specific costs ¹⁾	(448)	(763)
Total net profit	12,530	(13,869)
¹⁾ Class-specific costs		
Fees to custodian	45	77
Other costs relating to asset management	313	516
Other costs	35	64
Fixed management fee	55	106
Total class-specific costs	448	763
b. Distribution of profit		
b1. To be allocated		
Proposed distribution for the financial year	2,647	0
Brought forward for distribution next year	12	0
Available for distribution	2,659	0
Brought forward to investors' assets	9,871	(13,869)
Total distribution	12,530	(13,869)
b2. Available for distribution		
Brought forward for distribution from last year	0	22
Other income	0	18
Distribution adjustment in connection with issue/redemption concerning the above items	0	(15)
Share of joint income	3,073	400
Available for distribution before administrative costs ¹⁾	3,073	425
Set-off of administrative costs	(448)	(425)
Distribution adjustment of which in connection with issue/redemption	34	0
Total administrative costs	(414)	(425)
Available for distribution	2,659	0

NOTES (continued)

Note (DKK 1,000)	2019	2018
c. Investors' assets		
c1. Units in circulation		
Units in circulation at 1 Jan	43,736	68,087
Issues during the year	4,104	12,553
Redemptions during the year	(20,270)	(36,904)
Total units in circulation	27,570	43,736
c2. Investors' assets		
Investors' assets at 1 Jan	62,113	132,349
Issues during the year	6,586	20,932
Redemptions during the year	(31,428)	(61,807)
Net issue surcharges and redemption deductions	33	0
Distribution from last year concerning units in circulation at 31 Dec	0	(16,681)
Changes in dividend distribution due to issues/redemptions	0	1,189
Proposed distribution for the financial year	2,647	0
Brought forward from income statement	9,871	(13,869)
Brought forward for distribution next year	12	0
Investors' assets at year-end	49,834	62,113

¹⁾ Maximum deduction for administrative costs equivalent to total income before administrative costs

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 AC ASIA ex Japan unhedged to fund currency

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 2019" 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 2019 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	31 Dec 2019		31 Dec 2018	
	Return	Benchmark	Return	Benchmark
Fjernøsten A DKK Akk	26.11%	20.51%	(17.66%)	(9.85%)
Far East Equities B EUR Acc	26.23%	20.34%	(17.72%)	(10.05%)
Fjernøsten W DKK Acc	27.18%	20.51%	(16.91%)	(9.85%)

The market exceeded expectations at the beginning of the year and the fund's unit classes outperformed their benchmark, see the above table.

2019 was the best year for global shares since 2009. 2019 was characterised by a slowdown in global growth but also by falling interest rates and loose monetary policy by central banks. As a result investors bought growth shares to which the fund is exposed. In contrast their appetite for cyclical shares was smaller.

The fund has produced a return that is above its benchmark. China was the primary driving force behind the fund's return – in absolute as well as relative terms – even though the US-Sino trade war was in its second year. The essential piece of news came in December when USA and China reached a phase 1 deal. The Americans cancelled the otherwise planned tariff increases scheduled to take effect in the last month of the year. The deal means that China will increase its imports of US goods and in future will respect intellectual rights as well as allow more foreign competition in its home market.

Taiwan was the country in the region with the highest increases. The Taiwanese stock exchange is dominated by techs. Our focus on growth shares had a favourable impact on return because the IT industry has driven the fund's return. The very large tech companies such as Samsung Electronics and Taiwan Semiconductor Manufacturing had a good year although also smaller IT companies that are sub-suppliers to eg Apple performed extraordinarily well. In addition our shares within industrials and the property sector made significant contributions to return. Defensive sectors such as consumer staples, health care and utilities produced modest returns.

Market outlook

We are positive on the region's return potential in 2020 when we expect that earnings growth will improve substantially. A continued positive development in the trade war between USA and China will also have a positive bearing on the return in 2020. At the same time the very low interest rate level boosts investors' risk appetite and other things being equal this should support shares in the Far East. Finally we believe that Far Eastern shares are cheap compared to American shares.

Risks include a slowdown in global growth, sharply rising US interest rates and a strengthening USD. We forecast increased volatility in 2020 in the run-up to the US presidential election. We project that the fund will generate a return in 2020 on a par with or above its benchmark as the fund is actively managed.

Fjernøsten Akkumulerende KL – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2015-2019

(DKK 1,000)	2019	2018	2017	2016	2015
Financial highlights					
Net profit for the year	197,204	(171,686)	182,203	18,886	17,393
Investors' assets	959,615	804,453	1,031,862	707,830	687,301
Financial ratios					
Tracking error	3.50	3.56	3.85	4.34	5.18
Active share	63.35	62.18	63.21	55.76	62.55
Portfolio turnover rate (PTR)	1.40	1.50	2.13	1.72	1.06

INCOME STATEMENT

Note (DKK 1,000)	2019	2018
Interest and dividends		
1. Interest	82	19
2. Dividends	19,120	24,165
Total interest and dividends	19,202	24,184
Capital gains and losses		
3. Shares	195,330	(172,585)
3. Derivatives	0	(9)
Currency accounts	(613)	(1,771)
Other assets/liabilities	(6)	(110)
4. Transaction costs, operating activities	(4,123)	(7,024)
Total capital gains and losses	190,588	(181,499)
Other income	0	142
Total income	209,790	(157,173)
5. Administrative costs	(11,293)	(12,830)
Profit before tax	198,497	(170,003)
6. Tax	(1,293)	(1,683)
Net profit for the year	197,204	(171,686)

BALANCE SHEET 31 DECEMBER 2019

Note (DKK 1,000)	2019	2018
ASSETS		
Liquid funds		
Deposits with custodian	14,954	18,265
Total liquid funds	14,954	18,265
8. Holdings		
Listed shares in foreign companies	942,803	789,447
Unlisted shares in foreign companies	0	2
Total holdings	942,803	789,449
Other assets		
Interest receivable, dividends receivable etc	928	48
Receivables – unsettled transactions	2,831	0
Total other assets	3,759	48
TOTAL ASSETS	961,516	807,762
LIABILITIES		
7. Investors' assets ¹⁾		
Other debt		
Payables	1,717	2,580
Payables – unsettled transactions	184	729
Total other debt	1,901	3,309
TOTAL LIABILITIES	961,516	807,762
¹⁾ Investors' assets by unit class		
Fjernøsten A DKK Akk	270,771	282,914
Far East Equities B EUR Acc	228,909	243,646
Fjernøsten W DKK Acc	459,935	277,893
Total	959,615	804,453

Fjernøsten Akkumulerende KL – Financial Statements

NOTES

Note	(DKK 1,000)	2019	2018
1. Interest			
Deposits with custodian		118	72
Interest expense and negative interest with custodian		(36)	(53)
Total interest		82	19
2. Dividends			
Listed shares in foreign companies		19,118	24,163
Unlisted shares in foreign companies		2	2
Total interest		19,120	24,165
3. Capital gains and losses			
Shares			
Listed shares in foreign companies		195,332	(172,585)
Unlisted shares in foreign companies		(2)	0
Total shares		195,330	(172,585)
Derivatives			
Options etc		0	(9)
Total derivatives		0	(9)
4. Transaction costs			
All transaction costs		4,895	7,657
Covered by income from issue and redemption		(772)	(633)
Transaction costs, operating activities		4,123	7,024
5. Administrative costs			
Class-specific costs			
Marketing costs		3,602	4,518
Fees to custodian		596	704
Other costs relating to asset management		5,264	5,446
Other costs		634	712
Fixed management fee		1,197	1,450
Total class-specific costs		11,293	12,830
6. Tax			
The fund is not liable to pay tax.			
Adjustment – dividend tax etc		1,293	1,683
Total tax		1,293	1,683
7. Investors' assets			
Investors' assets at 1 Jan		804,453	1,031,862
Issues during the year		199,916	180,171
Redemptions during the year		(242,139)	(235,955)
Net issue surcharges and redemption deductions		181	61
Brought forward from income statement		197,204	(171,686)
Investors' assets at year-end		959,615	804,453

8. Financial instruments (securities)
A list of financial instruments (securities) is available free of charge from the investment management company.

SUPPLEMENTARY NOTES

Note	(DKK 1,000)	2019	2018
a. Breakdown of financial instruments			
Listed financial instruments		98.25%	98.13%
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%
Other financial instruments		0.00%	0.00%
		98.25%	98.13%
Other assets/other debt		1.75%	1.87%
Total		100.00%	100.00%
b. Shares by country			
China		45.33%	36.86%
Taiwan		15.28%	10.14%
South Korea		11.59%	13.21%
India		10.54%	13.60%
Hong Kong		7.31%	9.71%
Indonesia		2.60%	3.33%
Singapore		2.58%	5.35%
Philippines		1.90%	1.54%
Other		1.12%	4.39%
Cash, derivatives etc		1.75%	1.87%
Total		100.00%	100.00%
c. Shares by industry			
Information Technology		26.11%	16.41%
Financials		19.01%	27.20%
Consumer Discretionary		16.43%	12.26%
Industrials		9.10%	5.71%
REIT		6.55%	6.98%
Materials		6.40%	4.15%
Telecommunications Services		5.64%	5.31%
Energy		4.04%	6.77%
Consumer Staples		3.40%	6.25%
Health Care		1.27%	4.08%
Utilities		0.30%	3.01%
Cash, derivatives etc		1.75%	1.87%
Total		100.00%	100.00%

Fjernøsten A DKK Akk – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2015-2019

(DKK 1,000)	2019	2018	2017	2016	2015 ¹⁾
Financial highlights					
Net profit for the year	65,036	(63,486)	71,241	7,283	5,756
Investors' assets	270,771	282,914	348,376	311,551	316,293
Units in circulation nominal	101,192	133,337	135,187	150,403	157,454
Units in circulation quantity	1,011,916	1,333,368	1,351,866	1,504,028	1,574,539
Financial ratios					
NAV per unit	267.58	212.18	257.70	207.14	200.88
Return (%) ¹⁾	26.11%	(17.66%)	24.41%	3.11%	2.63%
Benchmark return (%)	20.51%	(9.85%)	24.65%	8.20%	1.40%
Total expense ratio	1.79%	1.71%	1.68%	1.62%	1.55%
Annual percentage rate (APR) at 31 Dec	2.32%	2.42%	2.48%	3.05%	3.19%
Indirect transaction costs	0.23%	0.35%	-	-	-
Sharpe Ratio (5 yrs)	0.43	0.42	0.74	0.67	0.32
Standard deviation (5 yrs)	15.28	14.36	13.52	14.04	14.79

¹⁾ Past performance is no guarantee of future performance.

¹⁾ The fund was converted to a unit class on 25 August 2015.

NOTES

Note (DKK 1,000)	2019	2018
a. Net profit		
Share of joint portfolio profit	70,025	(57,761)
Other class-specific income	0	49
Class-specific costs ¹⁾	(4,989)	(5,774)
Total net profit	65,036	(63,486)
¹⁾ Class-specific costs		
Marketing costs	2,239	2,733
Fees to custodian	245	291
Other costs relating to asset management	1,811	1,915
Other costs	221	258
Fixed management fee	473	577
Total class-specific costs	4,989	5,774
b. Distribution of profit		
b1. To be allocated		
Brought forward to investors' assets	65,036	(63,486)
Total distribution	65,036	(63,486)

NOTES (continued)

Note (DKK 1,000)	2019	2018
c. Investors' assets		
c1. Units in circulation		
Units in circulation at 1 Jan	133,337	135,187
Issues during the year	6,084	16,346
Redemptions during the year	(38,229)	(18,196)
Total units in circulation	101,192	133,337
c2. Investors' assets		
Investors' assets at 1 Jan	282,914	348,376
Issues during the year	14,576	39,998
Redemptions during the year	(91,844)	(42,035)
Net issue surcharges and redemption deductions	89	61
Brought forward from income statement	65,036	(63,486)
Investors' assets at year-end	270,771	282,914

Far East Equities B EUR Acc – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2015-2019

(DKK 1,000)	2019	2018	2017	2016	2015 ¹⁾
Financial highlights					
Net profit for the year ²⁾	55,611	(50,479)	73,770	7,148	9,829
Net profit for the year ³⁾	55,611	(50,479)	73,770	7,148	8,466
Investors' assets	228,909	243,646	368,067	300,071	310,736
Units in circulation nominal	65,102	87,469	108,722	110,806	118,475
Units in circulation quantity (EUR)	871,198	1,172,104	1,460,254	1,484,838	1,587,749
Financial ratios					
NAV per unit (EUR)	35.16	27.86	33.85	27.18	26.23
Return in EUR (%) ^{1) 2)}	26.23%	(17.72%)	24.56%	3.64%	2.22%
Benchmark return in EUR (%) ²⁾	20.34%	(10.05%)	24.48%	8.60%	1.18%
Total expense ratio ²⁾	1.58%	1.47%	1.43%	1.45%	0.77%
Total expense ratio ³⁾	1.58%	1.47%	1.43%	1.45%	1.49%
Annual percentage rate (APR) at 31 Dec	2.77%	2.82%	2.85%	3.36%	3.53%
Indirect transaction costs	0.23%	0.35%	-	-	-
Sharpe Ratio (5 yrs)	0.44	0.43	0.73	0.66	0.31
Standard deviation (5 yrs)	15.31	14.39	13.62	14.14	14.92

¹⁾ Past performance is no guarantee of future performance.

¹⁾ The unit class was launched on 21 September 2015.

²⁾ The year 2015: Net profit and financial ratios cover the period from 21 September to 31 December 2015.

³⁾ For the period 1 January – 18 September 2015 ISI Far East Equities is included.

NOTES

Note (DKK 1,000)	2019	2018
a. Net profit		
Share of joint portfolio profit	59,104	(46,094)
Other class-specific income	0	48
Class-specific costs ¹⁾	(3,493)	(4,433)
Total net profit	55,611	(50,479)
¹⁾ Class-specific costs		
Marketing costs	1,363	1,786
Fees to custodian	141	191
Other costs relating to asset management	1,453	1,730
Other costs	167	220
Fixed management fee	369	506
Total class-specific costs	3,493	4,433
b. Distribution of profit		
b1. To be allocated		
Brought forward to investors' assets	55,611	(50,479)
Total distribution	55,611	(50,479)

NOTES (continued)

Note (DKK 1,000)	2019	2018
c. Investors' assets		
c1. Units in circulation		
Units in circulation at 1 Jan	87,469	108,722
Exchange rate adjustment of units in circulation at 1 Jan	79	248
Issues during the year	3,807	3,844
Redemptions during the year	(26,253)	(25,345)
Total units in circulation	65,102	87,469
c2. Investors' assets		
Investors' assets at 1 Jan	243,646	368,067
Issues during the year	12,637	12,032
Redemptions during the year	(83,047)	(85,974)
Net issue surcharges and redemption deductions	62	0
Brought forward from income statement	55,611	(50,479)
Investors' assets at year-end	228,909	243,646

Fjernøsten W DKK Acc – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2015-2019

(DKK 1,000)	2019	2018	2017	2016	2015 ¹⁾
Financial highlights					
Net profit for the year ²⁾	76,557	(57,721)	37,192	4,455	1,808
Investors' assets	459,935	277,893	315,419	96,208	60,272
Units in circulation nominal	308,281	236,895	223,428	85,563	55,699
Units in circulation quantity	3,082,807	2,368,947	2,234,277	855,627	556,988
Financial ratios					
NAV per unit	149.19	117.31	141.17	112.44	108.21
Return (%) ¹⁾²⁾	27.18%	(16.91%)	25.55%	3.91%	8.21%
Benchmark return (%) ²⁾	20.51%	(9.85%)	24.65%	8.20%	10.84%
Total expense ratio ²⁾	0.89%	0.82%	0.72%	0.80%	0.09%
Annual percentage rate (APR) at 31 Dec	1.46%	1.49%	1.55%	2.12%	2.15%
Indirect transaction costs	0.23%	0.35%	-	-	-
Sharpe Ratio (3 yrs)	0.71	0.22	-	-	-
Standard deviation (3 yrs)	13.77	13.47	-	-	-

¹⁾ Past performance is no guarantee of future performance.

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

²⁾ The year 2015: Net profit and financial ratios cover the period from 25 August to 31 December 2015.

NOTES

Note (DKK 1,000)	2019	2018
a. Net profit		
Share of joint portfolio profit	79,368	(55,143)
Other class-specific income	0	45
Class-specific costs ¹⁾	(2,811)	(2,623)
Total net profit	76,557	(57,721)
¹⁾ Class-specific costs		
Fees to custodian	211	222
Other costs relating to asset management	2,001	1,801
Other costs	245	234
Fixed management fee	354	366
Total class-specific costs	2,811	2,623
b. Distribution of profit		
b1. To be allocated		
Brought forward to investors' assets	76,557	(57,721)
Total distribution	76,557	(57,721)

NOTES (continued)

Note (DKK 1,000)	2019	2018
c. Investors' assets		
c1. Units in circulation		
Units in circulation at 1 Jan	236,895	223,428
Issues during the year	125,575	93,896
Redemptions during the year	(54,189)	(80,429)
Total units in circulation	308,281	236,895
c2. Investors' assets		
Investors' assets at 1 Jan	277,893	315,419
Issues during the year	172,703	128,141
Redemptions during the year	(67,248)	(107,946)
Net issue surcharges and redemption deductions	30	0
Brought forward from income statement	76,557	(57,721)
Investors' assets at year-end	459,935	277,893

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	16 May 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 Emerging + Frontier Markets Index unhedged to DKK	
Secondary name	Global EM Equities KL	

Introduction

The fund report should be read together with the sections in the annual report "Financial markets in 2019" 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 2019 appears from the table below. The difference in returns is attributable to the level of costs in the individual classes.

Unit class	31 Dec 2019		31 Dec 2018	
	Return	Benchmark	Return	Benchmark
Globale EM-aktier A DKK	23.43%	20.80%	(14.10%)	(10.11%)
Globale EM-aktier W DKK d	24.30%	20.80%	(13.40%)	(10.11%)

The market exceeded expectations at the beginning of the year and the fund's unit classes outperformed their benchmark, see the above table.

Overall 2019 was the best year for shares since 2009 as well as a very good year for emerging market shares. 2019 was characterised by falling interest rates, loose monetary policy by central banks but also by a general slowdown in global growth. This resulted in a share market which was split in two where many investors purchased growth shares as well as defensive shares with a high, stable level of return. In contrast cyclical shares were sold off. The trade war between USA and China continued for the second year and was a contributory factor in the outperformance of mature markets compared to new markets. Among EM countries the best performing large share markets were Russia, Taiwan, Brazil and China. In contrast India for example struggled to keep up among other things due to weak macroeconomic indicators. During the year there was a clear focus on growth companies within the sectors IT and consumer discretionary. In contrast the more traditional sectors such as materials and industrials were at the bottom of the scale in terms of return.

The fund has produced a return that is above its benchmark. Our focus on growth shares had a positive impact on return. The IT sector in particular made a positive contribution to return. Our investments in the materials sector faced headwinds. Our asset selections within IT made a large positive contribution to relative return. The very large tech companies such as Samsung Electronics and Taiwan Semiconductor Manufacturing had a good year although also smaller IT companies that are sub-suppliers to eg Apple performed extraordinarily well.

Market outlook

We are positive on the return potential of EM shares in 2020 when we expect that earnings growth will improve substantially. A continued positive development in the trade war between USA and China will also have a bearing on global EM shares in 2020. Risks include a slowdown in global growth, sharply rising US interest rates and a strengthening USD. We forecast increased volatility in 2020 in the run-up to the US presidential election. In selected countries and sectors valuation remains attractive.

We project that the fund will generate a return in 2020 on a par with or above its benchmark as the fund is actively managed.

Globale EM-aktier KL – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2015-2019

(DKK 1,000)	2019	2018	2017	2016	2015
Financial highlights					
Net profit for the year	85,823	(76,797)	106,954	29,748	(15,026)
Investors' assets	428,574	386,854	552,541	389,413	471,026
Financial ratios					
Tracking error	2.84	3.00	3.11	2.99	-
Active share	61.55	63.84	66.36	64.74	53.60
Portfolio turnover rate (PTR)	0.89	1.20	1.83	1.49	1.11

INCOME STATEMENT

Note	(DKK 1,000)	2019	2018
Interest and dividends			
1.	Interest	160	274
2.	Dividends	15,965	14,588
	Total interest and dividends	16,125	14,862
Capital gains and losses			
3.	Shares	79,327	(78,395)
3.	Units	248	20
	Currency accounts	(549)	(1,672)
	Other assets/liabilities	(3)	(1)
4.	Transaction costs, operating activities	(1,277)	(2,682)
	Total capital gains and losses	77,746	(82,730)
	Other income	0	74
	Total income	93,871	(67,794)
5.	Administrative costs	(6,969)	(7,734)
	Profit before tax	86,902	(75,528)
6.	Tax	(1,079)	(1,269)
	Net profit for the year	85,823	(76,797)

BALANCE SHEET 31 DECEMBER 2019

Note	(DKK 1,000)	2019	2018
ASSETS			
Liquid funds			
	Deposits with custodian	8,526	8,102
	Total liquid funds	8,526	8,102
8.	Holdings		
	Listed shares in foreign companies	421,535	378,301
	Total holdings	421,535	378,301
8.	Units		
	Listed units in foreign UCITS	0	1,699
	Total units	0	1,699
Other assets			
	Interest receivable, dividends receivable etc	666	273
	Total other assets	666	273
	TOTAL ASSETS	430,727	388,375
LIABILITIES			
7.	Investors' assets ¹⁾	428,574	386,854
Other debt			
	Payables	1,123	1,521
	Receivables – unsettled transactions	1,030	0
	Total other debt	2,153	1,521
	TOTAL LIABILITIES	430,727	388,375
¹⁾ Investors' assets by unit class			
	Globale EM-aktier A DKK	369,219	314,272
	Globale EM-aktier W DKK d	59,355	72,582
	Total	428,574	386,854

Globale EM-aktier KL – Financial Statements

NOTES

Note	(DKK 1,000)	2019	2018
1. Interest			
Deposits with custodian		168	285
Interest expense and negative interest with custodian		(8)	(11)
Total interest		160	274
2. Dividends			
Listed shares in foreign companies		15,947	14,505
Listed units in foreign UCITS		18	83
Total dividends		15,965	14,588
3. Capital gains and losses			
Shares			
Listed shares in foreign companies		79,327	(78,395)
Total shares		79,327	(78,395)
Units			
Listed units in foreign UCITS		248	20
Total units		248	20
4. Transaction costs			
All transaction costs		1,436	3,053
Covered by income from issue and redemption		(159)	(371)
Transaction costs, operating activities		1,277	2,682
5. Administrative costs			
Class-specific costs			
Marketing costs		2,794	2,953
Fees to custodian		514	623
Other costs relating to asset management		2,651	2,954
Other costs		354	398
Fixed management fee		656	806
Total class-specific costs		6,969	7,734

NOTES (continued)

Note	(DKK 1,000)	2019	2018
6. Tax			
The fund is not liable to pay tax.			
Adjustment – dividend tax etc		1,079	1,269
Total tax		1,079	1,269
7. Investors' assets			
Investors' assets at 1 Jan		386,854	552,541
Issues during the year		30,837	119,121
Redemptions during the year		(71,587)	(152,125)
Net issue surcharges and redemption deductions		97	384
Distribution from last year concerning units in circulation at 31 Dec		(3,498)	(56,150)
Changes in dividend distribution due to issues/redemptions		48	(120)
Proposed distribution for the financial year		14,858	3,498
Brought forward from income statement		70,782	(80,465)
Brought forward for distribution next year		183	170
Investors' assets at year-end		428,574	386,854
7a. Joint income available for distribution in unit classes			
Interest		168	285
Dividends		15,965	14,588
Non-refundable dividend tax		(1,093)	(1,269)
Capital gains for distribution		7,393	136
Distribution adjustment in connection with issue/redemption concerning the above items		(819)	(3,439)
Available for distribution in unit classes		21,614	10,301
Of which for distribution in:			
Globale EM-aktier A DKK		18,626	8,370
Globale EM-aktier W DKK d		2,988	1,931
Total for distribution		21,614	10,301
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

Note (DKK 1,000)	2019	2018
a. Breakdown of financial instruments		
Listed financial instruments	98.36%	98.23%
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%
Other financial instruments	0.00%	0.00%
	98.36%	98.23%
Other assets/other debt	1.64%	1.77%
Total	100.00%	100.00%
b. Shares by country		
China	31.91%	29.65%
Taiwan	14.19%	8.17%
South Korea	11.95%	12.69%
Brazil	9.89%	8.63%
India	9.71%	13.76%
Russia	4.24%	3.60%
South Africa	3.87%	5.86%
Mexico	2.92%	3.28%
Other	9.68%	12.59%
Cash, derivatives etc	1.64%	1.77%
Total	100.00%	100.00%

SUPPLEMENTARY NOTES (continued)

Note (DKK 1,000)	2019	2018
c. Shares by industry		
Information Technology	23.87%	14.67%
Financials	19.60%	26.57%
Consumer Discretionary	16.30%	10.70%
Energy	7.99%	11.17%
Materials	7.82%	9.75%
Industrials	7.23%	4.75%
Telecommunications Services	5.34%	4.81%
REIT	4.61%	3.35%
Consumer Staples	3.48%	6.35%
Utilities	1.47%	2.79%
Health Care	0.65%	3.32%
Cash, derivatives etc	1.64%	1.77%
Total	100.00%	100.00%

Globale EM-aktier A DKK – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2015-2019

(DKK 1,000)	2019	2018	2017 ¹⁾	2016	2015
Financial highlights					
Net profit for the year	71,081	(53,429)	81,599	29,748	(15,026)
Investors' assets	369,219	314,272	417,990	389,413	471,026
Units in circulation nominal	271,049	282,817	291,938	343,641	419,536
Units in circulation quantity	2,710,489	2,828,172	2,919,382	3,436,406	4,195,365
Financial ratios					
NAV per unit	136.22	111.12	143.18	113.32	112.27
Dividend per unit	4.60	0.80	14.30	0.00	7.90
Return (%) ¹⁾	23.43%	(14.10%)	26.35%	8.69%	(2.18%)
Benchmark return (%)	20.80%	(10.11%)	20.63%	13.88%	(5.00%)
Total expense ratio	1.83%	1.73%	1.76%	1.68%	1.55%
Annual percentage rate (APR) at 31 Dec	2.22%	2.33%	2.48%	2.90%	2.68%
Indirect transaction costs	0.18%	0.33%	-	-	-
Sharpe Ratio (5 yrs)	0.54	0.46	0.73	0.50	-
Standard deviation (5 yrs)	13.71	12.91	13.87	14.02	-

¹⁾ Past performance is no guarantee of future performance.

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

NOTES

Note (DKK 1,000)	2019	2018
a. Net profit		
Share of joint portfolio profit	77,311	(47,144)
Other class-specific income	0	54
Class-specific costs ¹⁾	(6,230)	(6,339)
Total net profit	71,081	(53,429)
¹⁾ Class-specific costs		
Marketing costs	2,794	2,953
Fees to custodian	353	386
Other costs relating to asset management	2,205	2,085
Other costs	302	287
Fixed management fee	576	628
Total class-specific costs	6,230	6,339
b. Distribution of profit		
b1. To be allocated		
Proposed distribution for the financial year	12,468	2,263
Brought forward for distribution next year	155	157
Available for distribution	12,623	2,420
Brought forward to investors' assets	58,458	(55,849)
Total distribution	71,081	(53,429)
b2. Available for distribution		
Brought forward for distribution from last year	157	27
Other income	0	54
Distribution adjustment in connection with issue/redemption concerning the above items	(7)	(15)
Share of joint income	18,626	8,370
Available for distribution before administrative costs	18,776	8,436
Set-off of administrative costs	(6,230)	(6,329)
Distribution adjustment of which in connection with issue/redemption	77	313
Total administrative costs	(6,153)	(6,016)
Available for distribution	12,623	2,420

NOTES (continued)

Note (DKK 1,000)	2019	2018
c. Investors' assets		
c1. Units in circulation		
Units in circulation at 1 Jan	282,817	291,938
Issues during the year	22,643	31,905
Redemptions during the year	(34,411)	(41,026)
Total units in circulation	271,049	282,817
c2. Investors' assets		
Investors' assets at 1 Jan	314,272	417,990
Issues during the year	27,960	42,490
Redemptions during the year	(41,944)	(51,015)
Net issue surcharges and redemption deductions	97	384
Distribution from last year concerning units in circulation at 31 Dec	(2,263)	(41,747)
Changes in dividend distribution due to issues/redemptions	16	(401)
Proposed distribution for the financial year	12,468	2,263
Brought forward from income statement	58,458	(55,849)
Brought forward for distribution next year	155	157
Investors' assets at year-end	369,219	314,272

Globale EM-aktier W DKK d – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2017-2019

(DKK 1,000)	2019	2018	2017 ¹⁾
Financial highlights			
Net profit for the year ²⁾	14,742	(23,368)	25,355
Investors' assets	59,355	72,582	134,551
Units in circulation nominal	43,452	64,983	93,529
Units in circulation quantity	434,522	649,826	935,292
Financial ratios			
NAV per unit	136.60	111.69	143.86
Dividend per unit	5.50	1.90	15.40
Return (%) ¹⁾²⁾	24.30%	(13.40%)	26.95%
Benchmark return (%) ²⁾	20.80%	(10.11%)	20.63%
Total expense ratio ²⁾	1.08%	0.89%	1.16%
Annual percentage rate (APR) at 31 Dec	1.47%	1.47%	1.48%
Indirect transaction costs	0.18%	0.33%	-

¹⁾ Past performance is no guarantee of future performance.

¹⁾ The unit class was launched on 13 June 2017 in connection with the demerger of Globale EM-aktier A DKK.

²⁾ The year 2017: Net profit and financial ratios cover the period from 1 January to 31 December 2017.

NOTES

Note (DKK 1,000)	2019	2018
a. Net profit		
Share of joint portfolio profit	15,481	(21,993)
Other class-specific income	0	20
Class-specific costs ¹⁾	(739)	(1,395)
Total net profit	14,742	(23,368)
¹⁾ Class-specific costs		
Fees to custodian	161	237
Other costs relating to asset management	447	870
Other costs	52	110
Fixed management fee	79	178
Total class-specific costs	739	1,395
b. Distribution of profit		
b1. To be allocated		
Proposed distribution for the financial year	2,390	1,235
Brought forward for distribution next year	27	23
Available for distribution	2,417	1,258
Brought forward to investors' assets	12,325	(24,626)
Total distribution	14,742	(23,368)
b2. Available for distribution		
Brought forward for distribution from last year	23	72
Other income	0	20
Distribution adjustment in connection with issue/redemption concerning the above items	(8)	(7)
Share of joint income	2,988	1,931
Available for distribution before administrative costs	3,003	2,016
Set-off of administrative costs	(737)	(1,395)
Distribution adjustment of which in connection with issue/redemption	151	637
Total administrative costs	(586)	(758)
Available for distribution	2,417	1,258

NOTES (continued)

Note (DKK 1,000)	2019	2018
c. Investors' assets		
c1. Units in circulation		
Units in circulation at 1 Jan	64,983	93,529
Issues during the year	2,401	56,736
Redemptions during the year	(23,932)	(85,282)
Total units in circulation	43,452	64,983
c2. Investors' assets		
Investors' assets at 1 Jan	72,582	134,551
Issues during the year	2,877	76,631
Redemptions during the year	(29,643)	(101,110)
Distribution from last year concerning units in circulation at 31 Dec	(1,235)	(14,403)
Changes in dividend distribution due to issues/redemptions	32	281
Proposed distribution for the financial year	2,390	1,235
Brought forward from income statement	12,325	(24,626)
Brought forward for distribution next year	27	23
Investors' assets at year-end	59,355	72,582

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 Emerging + Frontier Markets Index unhedged to fund currency		
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 2019" 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 2019 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	31 Dec 2019		31 Dec 2018	
	Return	Benchmark	Return	Benchmark
Globale EM-aktier A DKK Akk	23.48%	20.80%	(14.27%)	(10.11%)
Global EM Equities B EUR Acc	23.67%	20.64%	(14.22%)	(10.31%)
Globale EM-aktier W DKK Acc	24.57%	20.80%	(13.48%)	(10.11%)

The market exceeded expectations at the beginning of the year and the fund's unit classes outperformed their benchmark, see the above table.

Overall 2019 was the best year for shares since 2009 as well as a very good year for emerging market shares. 2019 was characterised by falling interest rates, loose monetary policy by central banks but also by a general slowdown in global growth. This resulted in a share market which was split in two where many investors purchased growth shares as well as defensive shares with a high, stable level of return. In contrast cyclical shares were sold off. The trade war between USA and China continued for the second year and was a contributory factor in the outperformance of mature markets compared to new markets. Among EM countries the best performing large share markets were Russia, Taiwan, Brazil and China. In contrast India for example struggled to keep up among other things due to weak macroeconomic indicators. During the year there was a clear focus on growth companies within the sectors IT and consumer discretionary. In contrast the more traditional sectors such as materials and industrials were at the bottom of the scale in terms of return.

The fund has produced a return that is above its benchmark. Our focus on growth shares had a positive impact on return. The IT sector in particular made a positive contribution to return. Our investments in the materials sector faced headwinds. Our asset selections within IT made a large positive contribution to relative return. The very large tech companies such as Samsung Electronics and Taiwan Semiconductor Manufacturing had a good year although also smaller IT companies that are sub-suppliers to eg Apple performed extraordinarily well.

Market outlook

We are positive on the return potential of EM shares in 2020 when we expect that earnings growth will improve substantially. A continued positive development in the trade war between USA and China will also have a bearing on global EM shares in 2020. Risks include a slowdown in global growth, sharply rising US interest rates and a strengthening USD. We forecast increased volatility in 2020 in the run-up to the US presidential election. In selected countries and sectors valuation remains attractive.

We project that the fund will generate a return in 2020 on a par with or above its benchmark as the fund is actively managed.

Globale EM-aktier Akkumulerende KL – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2015-2019

(DKK 1,000)	2019	2018	2017	2016	2015
Financial highlights					
Net profit for the year	117,047	(97,105)	109,368	22,306	(4,209)
Investors' assets	594,392	534,496	684,748	331,918	319,251
Financial ratios					
Tracking error	2.80	3.02	3.14	3.10	-
Active share	61.65	63.93	66.41	63.85	53.49
Portfolio turnover rate (PTR)	0.82	1.09	1.94	1.48	0.84

INCOME STATEMENT

Note (DKK 1,000)	2019	2018
Interest and dividends		
1. Interest	194	311
2. Dividends	20,753	17,709
Total interest and dividends	20,947	18,020
Capital gains and losses		
3. Shares	106,084	(101,332)
3. Units	300	40
Currency accounts	(681)	(1,753)
Other assets/liabilities	(5)	(2)
4. Transaction costs, operating activities	(1,541)	(2,916)
Total capital gains and losses	104,157	(105,963)
Other income	0	85
Total income	125,104	(87,858)
5. Administrative costs	(6,644)	(7,803)
Profit before tax	118,460	(95,661)
6. Tax	(1,413)	(1,444)
Net profit for the year	117,047	(97,105)

BALANCE SHEET 31 DECEMBER 2019

Note (DKK 1,000)	2019	2018
ASSETS		
Liquid funds		
Deposits with custodian	16,744	16,128
Total liquid funds	16,744	16,128
7. Shares		
Listed shares in foreign companies	577,238	517,627
Total shares	577,238	517,627
7. Units		
Listed units in foreign UCITS	0	2,051
Total units	0	2,051
Other assets		
Interest receivable, dividends receivable etc	893	381
Receivables – unsettled transactions	529	0
Total other assets	1,422	381
TOTAL ASSETS	595,404	536,187
LIABILITIES		
6. Investors' assets ¹⁾	594,392	534,496
Other debt		
Payables	932	1,522
Payables – unsettled transactions	80	169
Total other debt	1,012	1,691
TOTAL LIABILITIES	595,404	536,187
¹⁾ Investors' assets by unit class		
Globale EM-aktier A DKK Akk	140,218	157,025
Global EM Equities B EUR Acc	90,720	85,441
Globale EM-aktier W DKK Acc	363,454	292,030
Total	594,392	534,496

Globale EM-aktier Akkumulerende KL – Financial Statements

NOTES

Note	(DKK 1,000)	2019	2018
1. Interest			
Deposits with custodian		214	343
Interest expense and negative interest with custodian		(20)	(32)
Total interest		194	311
2. Dividends			
Listed shares in foreign companies		20,731	17,606
Listed units in foreign UCITS		22	103
Total dividends		20,753	17,709
3. Capital gains and losses			
Shares			
Listed shares in foreign companies		106,084	(101,332)
Total shares		106,084	(101,332)
Units			
Listed units in foreign UCITS		300	40
Total units		300	40
4. Transaction costs			
All transaction costs		1,932	3,853
Covered by income from issue and redemption		(391)	(937)
Transaction costs, operating activities		1,541	2,916
5. Administrative costs			
Class-specific costs			
Marketing costs		1,615	2,132
Fees to custodian		407	504
Other costs relating to asset management		3,457	3,747
Other costs		436	502
Fixed management fee		729	918
Total class-specific costs		6,644	7,803
6. Tax			
The fund is not liable to pay tax.			
Adjustment – dividend tax etc		1,413	1,444
Total tax		1,413	1,444
7. Investors' assets			
Investors' assets at 1 Jan		534,496	684,748
Issues during the year		83,521	199,123
Redemptions during the year		(140,869)	(252,870)
Net issue surcharges and redemption deductions		197	600
Brought forward from income statement		117,047	(97,105)
Investors' assets at year-end		594,392	534,496
8. Financial instruments (securities)			
A list of financial instruments (securities) is available free of charge from the investment management company.			

SUPPLEMENTARY NOTES

Note	(DKK 1,000)	2019	2018
a. Breakdown of financial instruments			
Listed financial instruments		97.11%	97.23%
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%
Other financial instruments		0.00%	0.00%
		97.11%	97.23%
Other assets/other debt		2.89%	2.77%
Total		100.00%	100.00%
b. Shares by country			
China		31.52%	29.76%
Taiwan		14.08%	8.39%
South Korea		11.85%	12.84%
Brazil		9.64%	8.20%
India		9.60%	13.60%
Russia		4.14%	3.29%
South Africa		3.88%	5.74%
Mexico		2.84%	3.08%
Other		9.56%	12.33%
Cash, derivatives etc		2.89%	2.77%
Total		100.00%	100.00%
c. Shares by industry			
Information Technology		23.65%	14.90%
Financials		19.49%	26.84%
Consumer Discretionary		16.11%	10.51%
Energy		7.93%	11.30%
Materials		7.60%	9.15%
Industrials		7.05%	4.66%
Telecommunications Services		5.25%	4.78%
REIT		4.55%	3.40%
Consumer Staples		3.41%	5.78%
Utilities		1.43%	2.65%
Health Care		0.64%	3.26%
Cash, derivatives etc		2.89%	2.77%
Total		100.00%	100.00%

Globale EM-aktier A DKK Akk – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2015-2019

(DKK 1,000)	2019	2018	2017	2016	2015 ¹⁾
Financial highlights					
Net profit for the year	29,181	(29,754)	41,791	14,436	(9,691)
Investors' assets	140,218	157,025	166,567	196,633	205,640
Units in circulation nominal	82,251	113,739	103,431	153,714	175,285
Units in circulation quantity	822,512	1,137,386	1,034,308	1,537,141	1,752,842
Financial ratios					
NAV per unit	170.48	138.06	161.04	127.92	117.32
Return (%) ¹⁾	23.48%	(14.27%)	25.89%	9.04%	(2.16%)
Benchmark return (%)	20.80%	(10.11%)	20.63%	13.88%	(5.00%)
Total expense ratio (TER)	1.86%	1.72%	1.75%	1.67%	1.58%
Annual percentage rate (APR) at 31 Dec	2.19%	2.30%	2.47%	2.91%	2.64%
Indirect transaction costs	0.18%	0.33%	-	-	-
Sharpe Ratio (5 yrs)	0.53	0.46	0.72	0.50	-
Standard deviation (5 yrs)	13.76	12.97	13.99	14.14	-

¹⁾ Past performance is no guarantee of future performance.

¹⁾ The fund was converted to a unit class on 25 August 2015.

NOTES

Note (DKK 1,000)	2019	2018
a. Net profit		
Share of joint portfolio profit	31,588	(26,532)
Other class-specific income	0	23
Class-specific costs ¹⁾	(2,407)	(3,245)
Total net profit	29,181	(29,754)
¹⁾ Class-specific costs		
Marketing costs	1,092	1,551
Fees to custodian	120	161
Other costs relating to asset management	854	1,062
Other costs	118	151
Fixed management fee	223	320
Total class-specific costs	2,407	3,245
b. Distribution of profit		
b1. To be allocated		
Brought forward to investors' assets	29,181	(29,754)
Total distribution	29,181	(29,754)

NOTES (continued)

Note (DKK 1,000)	2019	2018
c. Investors' assets		
c1. Units in circulation		
Units in circulation at 1 Jan	113,739	103,431
Issues during the year	7,433	35,069
Redemptions during the year	(38,921)	(24,761)
Total units in circulation	82,251	113,739
c2. Investors' assets		
Investors' assets at 1 Jan	157,025	166,567
Issues during the year	11,714	58,220
Redemptions during the year	(57,723)	(38,253)
Net issue surcharges and redemption deductions	21	245
Brought forward from income statement	29,181	(29,754)
Investors' assets at year-end	140,218	157,025

Global EM Equities B EUR Acc – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2015-2019

(DKK 1,000)	2019	2018	2017	2016	2015 ¹⁾
Financial highlights					
Net profit for the year ²⁾	19,037	(14,734)	24,321	8,146	4,863
Net profit for the year ³⁾	19,037	(14,734)	24,321	8,146	1,136
Investors' assets	90,720	85,441	110,953	96,696	102,978
Units in circulation nominal	24,304	28,307	31,529	34,781	40,403
Units in circulation quantity (EUR)	325,207	379,285	423,461	465,925	541,468
Financial ratios					
NAV per unit (EUR)	37.33	30.19	35.19	27.91	25.48
Return in EUR (%) ^{1) 2)}	23.67%	(14.22%)	26.08%	9.52%	(3.20%)
Benchmark return in EUR (%) ²⁾	20.64%	(10.31%)	20.47%	14.30%	(5.21%)
Total expense ratio ²⁾	1.54%	1.46%	1.43%	1.59%	0.20%
Total expense ratio ³⁾	1.54%	1.46%	1.99%	1.59%	1.45%
Annual percentage rate (APR) at 31 Dec	2.60%	2.71%	2.78%	3.17%	3.12%
Indirect transaction costs	0.18%	0.33%	2.78%	3.17%	3.12%
Sharpe Ratio (5 yrs)	0.53	0.40	0.43	0.23	(0).26
Standard deviation (5 yrs)	13.86	13.91	13.84	15.76	17.21

¹⁾ Past performance is no guarantee of future performance.

¹⁾ The unit class was launched on 21 September 2015.

²⁾ The year 2015: Net profit and financial ratios cover the period from 21 September to 31 December 2015.

³⁾ For the period 1 January – 18 September 2015 ISI Global EM Equities is included.

NOTES

Note (DKK 1,000)	2019	2018
a. Net profit		
Share of joint portfolio profit	20,414	(13,294)
Other class-specific income	0	13
Class-specific costs ¹⁾	(1,377)	(1,453)
Total net profit	19,037	(14,734)
¹⁾ Class-specific costs		
Marketing costs	523	581
Fees to custodian	58	65
Other costs relating to asset management	579	566
Other costs	70	76
Fixed management fee	147	165
Total class-specific costs	1,377	1,453
b. Distribution of profit		
b1. To be allocated		
Brought forward to investors' assets	19,037	(14,734)
Total distribution	19,037	(14,734)

NOTES (continued)

Note (DKK 1,000)	2019	2018
c. Investors' assets		
c1. Units in circulation		
Units in circulation at 1 Jan	28,307	31,529
Exchange rate adjustment of units in circulation at 1 Jan	34	71
Issues during the year	140	179
Redemptions during the year	(4,177)	(3,472)
Total units in circulation	24,304	28,307
c2. Investors' assets		
Investors' assets at 1 Jan	85,441	110,953
Issues during the year	459	618
Redemptions during the year	(14,288)	(11,603)
Net issue surcharges and redemption deductions	71	207
Brought forward from income statement	19,037	(14,734)
Investors' assets at year-end	90,720	85,441

Globale EM-aktier W DKK Acc – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2015-2019

(DKK 1,000)	2019	2018	2017	2016	2015 ¹⁾
Financial highlights					
Net profit for the year ²⁾	68,829	(52,617)	43,256	(276)	619
Investors' assets	363,454	292,030	407,228	38,589	10,633
Units in circulation nominal	224,129	224,334	270,663	32,590	9,850
Units in circulation quantity	2,241,293	2,243,340	2,706,638	325,903	98,500
Financial ratios					
NAV per unit	162.16	130.18	150.46	118.41	107.95
Return (%) ¹⁾²⁾	24.57%	(13.48%)	27.07%	9.69%	7.95%
Benchmark return (%) ²⁾	20.80%	(10.11%)	20.63%	13.88%	6.40%
Total expense ratio ²⁾	0.91%	0.83%	0.72%	0.80%	0.13%
Annual percentage rate (APR) at 31 Dec	1.29%	1.40%	1.48%	1.92%	1.59%
Indirect transaction costs	0.18%	0.33%	-	-	-
Sharpe Ratio (3 yrs)	0.90	0.55	-	-	-
Standard deviation (3 yrs)	12.04	11.89	-	-	-

¹⁾ Past performance is no guarantee of future performance.

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

²⁾ The year 2015: Net profit and financial ratios cover the period from 25 August to 31 December 2015.

NOTES

Note (DKK 1,000)	2019	2018
a. Net profit		
Share of joint portfolio profit	71,689	(49,561)
Other class-specific income	0	49
Class-specific costs ¹⁾	(2,860)	(3,105)
Total net profit	68,829	(52,617)
¹⁾ Class-specific costs		
Fees to custodian	228	278
Other costs relating to asset management	2,025	2,118
Other costs	249	277
Fixed management fee	358	432
Total class-specific costs	2,860	3,105
b. Distribution of profit		
b1. To be allocated		
Brought forward to investors' assets	68,829	(52,617)
Total distribution	68,829	(52,617)

NOTES (continued)

Note (DKK 1,000)	2019	2018
c. Investors' assets		
c1. Units in circulation		
Units in circulation at 1 Jan	224,334	270,663
Issues during the year	48,223	93,922
Redemptions during the year	(48,428)	(140,251)
Total units in circulation	224,129	224,334
c2. Investors' assets		
Investors' assets at 1 Jan	292,030	407,228
Issues during the year	71,348	140,285
Redemptions during the year	(68,858)	(203,014)
Net issue surcharges and redemption deductions	105	148
Brought forward from income statement	68,829	(52,617)
Investors' assets at year-end	363,454	292,030

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 Index
Secondary name	Latin America Equities KL

Introduction

The fund report should be read together with the sections in the annual report "Financial markets in 2019" 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 yielded a return of 18.37% while its benchmark gained 19.79%. The market exceeded expectations at the beginning of the year and the fund underperformed its benchmark.

Once again Latin American share markets were greatly influenced by politics during the year. The adoption of a long-awaited pension reform in Brazil created a solid foundation enabling the country's economy to finally grow out of its multi-year economic crisis. The upbeat sentiment translated primarily into sharp gains during the year in domestic oriented shares particularly within consumption and manufacturing. 2019 saw a continued slowdown in growth in Mexico where jitters over the president's economic measures continued into 2019. The government's dedicated goal is to push the weakest part of the population up the economic ladder but share markets are concerned about the economic impact of the means allocated to achieving this goal. In addition the government's handling of the country's large oil company, which is an important part of the country's economy, has raised concern over developments in Mexico's sovereign debt. Chile's share market closed as the region's poorest performer following the eruption of strong protests over the increasing inequality in the country. This resulted in severe destruction in major cities, shop closures and suspension of production. The government has tried to reach out to the population by introducing constitutional changes aimed at accommodating citizens with low incomes but the situation is still unresolved. Argentina rejoined the benchmark in 2019 but the market slipped heavily already in autumn due to an unexpected presidential election.

The fund has produced a return that is 1.42 percentage points below its benchmark. The fund's return was adversely affected by the share picks in Brazil where our exposure to commodities and energy underperformed Brazilian shares in general. Our underweight in Chile produced the biggest positive contribution to the portfolio.

Market outlook

We are positive on the return potential of Latin American shares in 2020. We anticipate that the Brazilian share market will be favourably impacted by a rise in economic growth and that this will translate into improvements in the labour market and growing consumption. In Mexico we expect a stabilisation in the decline in economic growth, a stable to falling inflation rate and continued loose monetary policy. In addition we forecast that USA, Canada and Mexico will sign the joint trade agreement USMCA in early 2020. Chile and Argentina are still facing a politically volatile period but we estimate that much of the uncertainty has been discounted in prices by now. Risks for 2020: growth in Brazil will not live up to expectations, economic growth in Mexico will continue to go down and inflation will go up, which could put a stop to the loose monetary policy. Constitutional changes in Chile may squeeze budgets and result in a downward adjustment of growth prospects. Argentina is facing major repayments of debt to the IMF and any default of its debt obligations could lead to additional price drops.

We project that the fund will generate a return in 2020 on a par with or above its benchmark as the fund is actively managed.

Latinamerika KL – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2015-2019

(DKK 1,000)	2019	2018	2017	2016	2015
Financial highlights					
Net profit for the year	33,565	512	5,339	26,498	(34,174)
Investors' assets	163,057	215,092	262,112	212,335	199,685
Units in circulation nominal	48,776	76,159	93,101	77,580	83,481
Units in circulation quantity	487,756	761,584	931,002	775,795	834,811
Financial ratios					
NAV per unit	334.30	282.43	281.54	273.70	239.20
Dividend per unit	2.90	0.00	0.00	0.00	0.00
Return (%) ¹⁾	18.37%	0.32%	2.86%	14.42%	(13.91%)
Benchmark return (%)	19.79%	(1.64%)	8.84%	34.47%	(23.01%)
Total expense ratio	1.79%	1.70%	1.70%	1.63%	1.58%
Annual percentage rate (APR) at 31 Dec	1.97%	2.16%	2.24%	2.50%	2.66%
Indirect transaction costs	0.13%	0.27%	-	-	-
Sharpe Ratio (5 yrs)	0.22	0.06	(0).13	(0).04	(0).42
Standard deviation (5 yrs)	18.32	18.08	16.27	16.81	16.48
Tracking error	2.88	5.64	7.05	7.14	4.66
Active share	39.82	36.22	32.31	45.96	41.69
Portfolio turnover rate (PTR)	0.62	0.79	1.18	1.30	1.36

¹⁾ Past performance is no guarantee of future performance.

INCOME STATEMENT

Note	(DKK 1,000)	2019	2018
Interest and dividends			
1.	Interest	75	146
2.	Dividends	10,028	11,933
Total interest and dividends		10,103	12,079
Capital gains and losses			
3.	Shares	28,466	(5,431)
	Currency accounts	(681)	(536)
	Other assets/liabilities	(1)	36
4.	Transaction costs, operating activities	(317)	(665)
Total capital gains and losses		27,467	(6,596)
	Other income	0	15
Total income		37,570	5,498
5.	Administrative costs	(3,303)	(4,229)
Profit before tax		34,267	1,269
6.	Tax	(702)	(757)
Net profit for the year		33,565	512
7. Distribution of profit			
To be allocated			
	Proposed distribution for the financial year	1,414	0
	Brought forward for distribution next year	24	(15,063)
	Available for distribution	1,438	(15,063)
	Brought forward to investors' assets	32,127	15,575
Total distribution		33,565	512

BALANCE SHEET 31 DECEMBER 2019

Note	(DKK 1,000)	2019	2018
ASSETS			
Liquid funds			
	Deposits with custodian	3,481	4,696
Total liquid funds		3,481	4,696
9.	Holdings		
	Listed shares in foreign companies	160,706	210,472
	Unlisted shares in foreign companies	173	168
Total holdings		160,879	210,640
Other assets			
	Interest receivable, dividends receivable etc	2,116	1,514
Total other assets		2,116	1,514
TOTAL ASSETS		166,476	216,850
LIABILITIES			
8.	Investors' assets	163,057	215,092
Other debt			
	Payables	475	920
	Receivables – unsettled transactions	2,944	838
Total other debt		3,419	1,758
TOTAL LIABILITIES		166,476	216,850

Latinamerika KL – Financial Statements

NOTES

Note (DKK 1,000)	2019	2018
1. Interest		
Deposits with custodian	79	152
Interest expense and negative interest with custodian	(4)	(6)
Total interest	75	146
2. Dividends		
Listed shares in foreign companies	10,028	11,933
Total dividends	10,028	11,933
3. Capital gains and losses		
Shares		
Listed shares in foreign companies	29,507	(5,524)
Unlisted shares in foreign companies	(1,041)	93
Total shares	28,466	(5,431)
4. Transaction costs		
All transaction costs	455	795
Covered by income from issue and redemption	(138)	(130)
Transaction costs, operating activities	317	665
5. Administrative costs		
Fund-specific costs		
Marketing costs	1,404	1,909
Fees to custodian	239	323
Other costs relating to asset management	1,216	1,416
Other costs	126	155
Fixed management fee	318	426
Total class-specific costs	3,303	4,229
6. Tax		
The fund is not liable to pay tax.		
Adjustment – dividend tax etc	702	757
Total tax	702	757

NOTES (continued)

Note (DKK 1,000)	2019	2018
7. Available for distribution		
Brought forward for distribution from last year	(15,063)	(15,496)
Interest	79	152
Dividends	10,028	11,933
Other income	0	15
Non-refundable dividend tax	(702)	(757)
Capital gains for distribution	7,657	(13,105)
Distribution adjustment in connection with issue/redemption concerning the above items	2,149	2,195
Available for distribution before administrative costs ¹⁾	4,148	(15,063)
Set-off of administrative costs	(3,303)	0
Distribution adjustment of which in connection with issue/redemption	593	0
Total administrative costs	(2,710)	0
Available for distribution	1,438	(15,063)
¹⁾ If amount available for distribution before administrative costs and any voluntary distribution is negative, administrative costs cannot be deducted.		
8. Investors' assets		
Units in circulation		
Units in circulation at 1 Jan	76,159	93,101
Issues during the year	2,348	5,218
Redemptions during the year	(29,731)	(22,160)
Total units in circulation	48,776	76,159
Investors' assets		
Investors' assets at 1 Jan	215,092	262,112
Issues during the year	7,504	15,157
Redemptions during the year	(93,320)	(62,846)
Net issue surcharges and redemption deductions	216	157
Proposed distribution for the financial year	1,414	0
Brought forward from income statement	32,127	15,575
Brought forward for distribution next year	24	(15,063)
Investors' assets at year-end	163,057	215,092
9. Financial instruments (securities)		
A list of financial instruments (securities) is available free of charge from the investment management company.		

Latinamerika KL – Financial Statements

SUPPLEMENTARY NOTES

Note (DKK 1,000)	2019	2018
a. Breakdown of financial instruments		
Listed financial instruments	98.56%	97.85%
Financial instruments listed on other regulated market	0.11%	0.08%
Newly issued financial instruments for which listing on a stock exchange or other regulated market is planned	0.00%	0.00%
Other financial instruments	0.00%	0.00%
	98.67%	97.93%
Other assets/other debt	1.33%	2.07%
Total	100.00%	100.00%

SUPPLEMENTARY NOTES (continued)

Note (DKK 1,000)	2019	2018
b. Shares by country		
Brazil	68.27%	62.42%
Mexico	21.47%	25.20%
Chile	4.50%	4.90%
Colombia	1.74%	1.13%
Peru	1.61%	4.27%
Argentina	1.08%	0.01%
Cash, derivatives etc	1.33%	2.07%
Total	100.00%	100.00%
c. Shares by industry		
Financials	36.27%	34.76%
Materials	12.47%	17.60%
Consumer Staples	11.17%	11.49%
Industrials	10.92%	5.66%
Energy	10.79%	9.31%
Consumer Discretionary	8.23%	5.58%
Utilities	6.24%	5.27%
REIT	2.03%	1.00%
Information Technology	0.55%	0.00%
Telecommunications Services	0.00%	6.46%
Health Care	0.00%	0.80%
Cash, derivatives etc	1.33%	2.07%
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 Index unhedged to EUR
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 2019" 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 classes in 2019 appears from the table below.

Unit class	31 Dec 2019		31 Dec 2018	
	Return	Benchmark	Return	Benchmark
Latin America Equities B EUR Acc	18.16%	19.63%	(0.06%)	(1.86%)

The market exceeded expectations at the beginning of the year and the fund's unit class underperformed its benchmark, see the above table.

Once again Latin American share markets were greatly influenced by politics during the year. The adoption of a long-awaited pension reform in Brazil created a solid foundation enabling the country's economy to finally grow out of its multi-year economic crisis. The upbeat sentiment translated primarily into sharp gains during the year in domestic oriented shares particularly within consumption and manufacturing. 2019 saw a continued slowdown in growth in Mexico where jitters over the president's economic measures continued into 2019. The government's dedicated goal is to push the weakest part of the population up the economic ladder but share markets are concerned about the economic impact of the means allocated to achieving this goal. In addition the government's handling of the country's large oil company, which is an important part of the country's economy, has raised concern over developments in Mexico's sovereign debt. Chile's share market closed as the region's poorest performer following the eruption of strong protests over the increasing inequality in the country. This resulted in severe destruction in major cities, shop closures and suspension of production. The government has tried to reach out to the population by introducing constitutional changes aimed at accommodating citizens with low incomes but the situation is still unresolved. Argentina rejoined the benchmark in 2019 but the market slipped heavily already in autumn due to an unexpected presidential election.

The fund has produced a return that is below its benchmark. The fund's return was adversely affected by the share picks in Brazil where our exposure to commodities and energy underperformed Brazilian shares in general. Our underweight in Chile produced the biggest positive contribution to the portfolio.

Market outlook

We are positive on the return potential of Latin American shares in 2020. We anticipate that the Brazilian share market will be favourably impacted by a rise in economic growth and that this will translate into improvements in the labour market and growing consumption. In Mexico we expect a stabilisation in the decline in economic growth, a stable to falling inflation rate and continued loose monetary policy. In addition we forecast that USA, Canada and Mexico will sign the joint trade agreement USMCA in early 2020. Chile and Argentina are still facing a politically volatile period but we estimate that much of the uncertainty has been discounted in prices by now. Risks for 2020: growth in Brazil will not live up to expectations, economic growth in Mexico will continue to go down and inflation will go up, which could put a stop to the loose monetary policy. Constitutional changes in Chile may squeeze budgets and result in a downward adjustment of growth prospects. Argentina is facing major repayments of debt to the IMF and any default of its debt obligations could lead to additional price drops.

We project that the fund will generate a return in 2020 on a par with or above its benchmark as the fund is actively managed.

Latinamerika Akkumulerende KL – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2015-2019

(DKK 1,000)	2019	2018	2017	2016	2015 ¹⁾
Financial highlights					
Net profit for the year	7,000	148	2,169	9,275	(1,328)
Investors' assets	41,063	41,110	49,918	63,520	64,584
Financial ratios					
Tracking error	2.75	5.58	-	-	-
Active share	40.11	36.26	-	-	-
Portfolio turnover rate (PTR)	0.91	0.90	1.30	1.31	0.44

¹⁾ The fund was launched on 18 September 2015.

INCOME STATEMENT

Note	(DKK 1,000)	2019	2018
Interest and dividends			
1.	Interest	17	23
2.	Dividends	2,202	2,206
Total interest and dividends		2,219	2,229
Capital gains and losses			
3.	Shares	5,838	(976)
	Currency accounts	(116)	(137)
	Other assets/liabilities	(1)	7
4.	Transaction costs, operating activities	(156)	(177)
Total capital gains and losses		5,565	(1,283)
	Other income	0	3
Total income		7,784	949
5.	Administrative costs	(631)	(660)
Profit before tax		7,153	289
6.	Tax	(153)	(141)
Net profit for the year		7,000	148

BALANCE SHEET 31 DECEMBER 2019

Note	(DKK 1,000)	2019	2018
ASSETS			
Liquid funds			
	Deposits with custodian	863	1,049
Total liquid funds		863	1,049
7.	Shares		
	Listed shares in foreign companies	39,997	39,887
	Unlisted shares in foreign companies	51	50
Total shares		40,048	39,937
Other assets			
	Interest receivable, dividends receivable etc	265	288
	Receivables – unsettled transactions	10	0
Total other assets		275	288
TOTAL ASSETS		41,186	41,274
LIABILITIES			
6.	Investors' assets ¹⁾	41,063	41,110
Other debt			
	Payables	102	150
	Payables – unsettled transactions	21	14
Total other debt		123	164
TOTAL LIABILITIES		41,186	41,274
¹⁾ Investors' assets by unit class			
	Latin America Equities B EUR Acc	41,063	41,110
Total		41,063	41,110

Latinamerika Akkumulerende KL – Financial Statements

NOTES

Note	(DKK 1,000)	2019	2018
1. Interest			
Deposits with custodian		18	24
Interest expense and negative interest with custodian		(1)	(1)
Total interest		17	23
2. Dividends			
Listed shares in foreign companies		2,202	2,206
Total dividends		2,202	2,206
3. Capital gains and losses			
Shares			
Listed shares in foreign companies		6,074	(988)
Unlisted shares in foreign companies		(236)	12
Total shares		5,838	(976)
4. Transaction costs			
All transaction costs		156	177
Covered by income from issue and redemption		0	0
Transaction costs, operating activities		156	177
5. Administrative costs			
Class-specific costs			
Marketing costs		233	262
Fees to custodian		30	32
Other costs relating to asset management		271	261
Other costs		28	29
Fixed management fee		69	76
Total class-specific costs		631	660
6. Tax			
The fund is not liable to pay tax.			
Adjustment – dividend tax etc		153	141
Total tax		153	141

NOTES (continued)

Note	(DKK 1,000)	2019	2018
7. Investors' assets			
Investors' assets at 1 Jan		41,110	49,918
Issues during the year		358	658
Redemptions during the year		(7,405)	(9,614)
Brought forward from income statement		7,000	148
Investors' assets at year-end		41,063	41,110
8. Financial instruments (securities)			
A list of financial instruments (securities) is available free of charge from the investment management company.			

SUPPLEMENTARY NOTES

Note	(DKK 1,000)	2019	2018
a. Breakdown of financial instruments			
Listed financial instruments		97.41%	97.03%
Financial instruments listed on other regulated market		0.12%	0.12%
Newly issued financial instruments for which listing on a stock exchange or other regulated market is planned		0.00%	0.00%
Other financial instruments		0.00%	0.00%
		97.53%	97.15%
Other assets/other debt		2.47%	2.85%
Total		100.00%	100.00%
b. Shares by country			
Brazil		67.42%	61.96%
Mexico		21.25%	25.01%
Chile		4.45%	4.77%
Colombia		1.74%	1.12%
Peru		1.60%	4.28%
Argentina		1.07%	0.01%
Cash, derivatives etc		2.47%	2.85%
Total		100.00%	100.00%
c. Shares by industry			
Financials		35.96%	34.58%
Materials		12.19%	17.41%
Consumer Staples		11.10%	11.43%
Industrials		10.87%	5.64%
Energy		10.69%	9.33%
Consumer Discretionary		8.04%	5.45%
Utilities		6.13%	5.08%
REIT		2.01%	1.00%
Information Technology		0.54%	0.00%
Telecommunications Services		0.00%	6.43%
Health Care		0.00%	0.80%
Cash, derivatives etc		2.47%	2.85%
Total		100.00%	100.00%

Latin America Equities B EUR Acc – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2015-2019

(DKK 1,000)	2019	2018	2017	2016	2015 ¹⁾
Financial highlights					
Net profit for the year ²⁾	7,000	148	2,169	9,275	(1,328)
Net profit for the year ³⁾	7,000	148	2,169	9,275	(10,569)
Investors' assets	41,063	41,110	49,918	63,520	64,584
Units in circulation nominal	13,367	15,811	19,181	25,256	29,425
Units in circulation quantity (EUR)	178,808	211,805	257,627	338,311	394,349
Financial ratios					
NAV per unit (EUR)	30.73	26.01	26.02	25.25	21.95
Return in EUR (%) ^{1) 2)}	18.16%	(0.06%)	3.06%	15.06%	(13.73%)
Benchmark return in EUR (%) ²⁾	19.63%	(1.86%)	8.69%	34.96%	(23.18%)
Total expense ratio ²⁾	1.51%	1.44%	1.46%	1.45%	0.41%
Total expense ratio ³⁾	1.51%	1.44%	1.46%	1.45%	1.56%
Annual percentage rate (APR) at 31 Dec	2.48%	2.54%	2.58%	2.80%	3.01%
Indirect transaction costs	0.13%	0.27%	-	-	-
Sharpe Ratio (5 yrs)	0.23	0.07	(0).11	(0).03	(0).41
Standard deviation (5 yrs)	18.30	18.04	16.24	16.75	16.46

¹⁾ Past performance is no guarantee of future performance.

¹⁾ The unit class was launched on 21 September 2015.

²⁾ The year 2015: Net profit and financial ratios cover the period from 21 September to 31 December 2015.

³⁾ For the period 1 January – 18 September 2015 ISI Latin America Equities is included.

NOTES

Note (DKK 1,000)	2019	2018
a. Net profit		
Share of joint portfolio profit	7,631	805
Other class-specific income	0	3
Class-specific costs ¹⁾	(631)	(660)
Total net profit	7,000	148
¹⁾ Class-specific costs		
Marketing costs	233	262
Fees to custodian	30	32
Other costs relating to asset management	271	261
Other costs	28	29
Fixed management fee	69	76
Total class-specific costs	631	660
b. Distribution of profit		
b1. To be allocated		
Brought forward to investors' assets	7,000	148
Total distribution	7,000	148

NOTES (continued)

Note (DKK 1,000)	2019	2018
c. Investors' assets		
c1. Units in circulation		
Units in circulation at 1 Jan	15,811	19,181
Exchange rate adjustment of units in circulation at 1 Jan	16	44
Issues during the year	125	250
Redemptions during the year	(2,585)	(3,664)
Total units in circulation	13,367	15,811
c2. Investors' assets		
Investors' assets at 1 Jan	41,110	49,918
Issues during the year	358	658
Redemptions during the year	(7,405)	(9,614)
Brought forward from income statement	7,000	148
Investors' assets at year-end	41,063	41,110

Morningstar Global Markets Sustainability Leaders KL

Fund report

Fund data

ISIN	DK0061111572
Date of establishment	23 August 2018
Launch date	26 November 2018
Listed	Yes
Currency	DKK
Income fund	Yes
Denomination	100
Risk category	5
Approved for marketing in Germany	No
Benchmark	Morningstar Global Markets Sustainability Leaders Index
Secondary name	Morningstar Global Bæredygtig KL

Introduction

The fund report should be read together with the sections in the annual report "Financial markets in 2019" 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 which are part of the index Morningstar Global Markets Sustainability Leaders.

Risk profile

The objective is to obtain a return that equals the return of the fund's benchmark adjusted for costs while observing stipulated risk limits. The fund's benchmark is Morningstar Global Markets Sustainability Leaders, including net dividends, unhedged to DKK. Consequently the fund is passively managed.

The fund is placed in risk category 5.

Developments

Since its introduction on 26 November 2018 the fund has generated a return of 20.22% whereas its benchmark has gained 21.47%. The market exceeded expectations at the beginning of the year and the fund underperformed its benchmark.

Despite zero growth in corporate earnings, declining economic indicators and an unresolved trade conflict, global shares recorded sizeable price increases in 2019. However it must also be said that global shares performed poorly at the end of 2018 due to fears of an imminent recession. Since then we have seen a stabilisation in several economic indicators, supportive central banks and a growing number of companies forecasting improvements in 2020, which has generated renewed optimism among investors.

The fund has produced a return that is 1.25 percentage points below the change in its benchmark. The primary reason is extraordinary costs imposed on the fund in connection with company changes in the benchmark. Moreover the fund has only seen emissions in a rising market.

Market outlook

We do not anticipate that share market returns will match the level of 2019. However given receding recession fears, supportive central banks and improved growth prospects we may well see a positive share year also in 2020. The most significant risks are geopolitical instability, a renewed growth slowdown and a strong USD.

We project that the fund will generate a return in 2020 on a par with its benchmark less administrative costs as the fund is passively managed.

Morningstar Global Markets Sustainability Leaders KL – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEAR 2019

(DKK 1,000)	2019 ¹⁾
Financial highlights	
Net profit for the year	29,272
Investors' assets	394,819
Units in circulation nominal	328,425
Units in circulation quantity	3,284,253
Financial ratios	
NAV per unit	120.22
Dividend per unit	4.90
Return (%) ^{1 2)}	20.22%
Benchmark return (%) ²⁾	21.47%
Total expense ratio ²⁾	0.49%
Annual percentage rate (APR) at 31 Dec	0.63%
Indirect transaction costs	0.05%
Active share	1.59
Portfolio turnover rate (PTR)	1.80

¹⁾ Past performance is no guarantee of future performance.

¹⁾ The fund was launched on 26 November 2018.

²⁾ The year 2019: Net profit and financial ratios cover the period from 26 November 2018 to 31 December 2019.

INCOME STATEMENT

Note (DKK 1,000)	26 Nov 2018 – 31 Dec 2019 ¹⁾
Interest and dividends	
1. Interest	(14)
2. Dividends	4,600
Total interest and dividends	4,586
Capital gains and losses	
3. Shares	26,925
3. Units	44
Currency accounts	(158)
4. Transaction costs, operating activities	(538)
Total capital gains and losses	26,273
Total income	30,859
5. Administrative costs	(957)
Profit before tax	29,902
6. Tax	(630)
Net profit for the year	29,272
7. Distribution of profit	
To be allocated	
Proposed distribution for the financial year	16,093
Brought forward for distribution next year	0
Available for distribution	16,093
Brought forward to investors' assets	13,179
Total distribution	29,272

¹⁾ The fund was launched on 26 November 2018.

BALANCE SHEET 31 DECEMBER 2019

Note (DKK 1,000)	2019
ASSETS	
Liquid funds	
Deposits with custodian	641
Total liquid funds	641
9. Holdings	
Listed shares in Danish companies	13,206
Listed shares in foreign companies	375,774
Total holdings	388,980
9. Units	
Listed units in foreign UCITS	4,999
Total units	4,999
Other assets	
Interest receivable, dividends receivable etc	36
Receivables – unsettled transactions	6,212
Total other assets	6,248
TOTAL ASSETS	400,868
LIABILITIES	
8. Investors' assets	
Other debt	
Payables	178
Payables – unsettled transactions	5,871
Total other debt	6,049
TOTAL LIABILITIES	400,868

Morningstar Global Markets Sustainability Leaders KL – Financial Statements

NOTES

Note	(DKK 1,000)	26 Nov 2018 – 31 Dec 2019 ¹⁾
1. Interest		
Deposits with custodian		4
Interest expense and negative interest with custodian		(18)
Total interest		(14)
2. Dividends		
Listed shares in Danish companies		168
Listed shares in foreign companies		4,432
Total interest		4,600
3. Capital gains and losses		
Shares		
Listed shares in Danish companies		1,671
Listed shares in foreign companies		25,254
Total shares		26,925
Units		
Listed units in foreign UCITS		44
Total units		44
4. Transaction costs		
All transaction costs		772
Covered by income from issue and redemption		(234)
Transaction costs, operating activities		538
5. Administrative costs		
Fund-specific costs		
Fees to custodian		80
Other costs relating to asset management		556
Other costs		22
Fixed management fee		299
Total class-specific costs		957
6. Tax		
The fund is not liable to pay tax.		
Adjustment – dividend tax etc		630
Total tax		630
7. Available for distribution		
Interest		4
Dividends		4,600
Non-refundable dividend tax		(630)
Capital gains for distribution		9,299
Distribution adjustment in connection with issue/redemption concerning the above items		4,802
Available for distribution before administrative costs		18,075
Set-off of administrative costs		(934)
Distribution adjustment of which in connection with issue/redemption		(1,080)
Total administrative costs		(2,014)
Available for distribution, gross		16,061
Voluntary distribution		32
Available for distribution		16,093

NOTES (continued)

Note	(DKK 1,000)	2019
8. Investors' assets		
Units in circulation		
Issues during the year		328,425
Total units in circulation		328,425
Investors' assets		
Issues during the year		365,127
Net issue surcharges and redemption deductions		420
Proposed distribution for the financial year		16,093
Brought forward from income statement		13,179
Brought forward for distribution next year		0
Investors' assets at year-end		394,819
9. Financial instruments (securities)		
A list of financial instruments (securities) is available free of charge from the investment management company.		

SUPPLEMENTARY NOTES

Note	(DKK 1,000)	2019
a. Breakdown of financial instruments		
Listed financial instruments		99.79%
Financial instruments listed on other regulated market		0.00%
Newly issued financial instruments for which listing on a stock exchange or other regulated market is planned		0.00%
Other financial instruments		0.00%
		99.79%
Other assets/other debt		0.21%
Total		100.00%
b. Shares by country		
USA		39.09%
France		12.40%
Germany		10.37%
Japan		8.84%
Netherlands		6.82%
Denmark		3.35%
UK		3.28%
Australia		2.88%
Other		12.76%
Cash, derivatives etc		0.21%
Total		100.00%
c. Shares by industry		
Information Technology		38.53%
Financials		11.30%
Consumer Discretionary		11.28%
Industrials		10.01%
Health Care		9.52%
REIT		5.93%
Materials		5.05%
Consumer Staples		4.85%
Telecommunications Services		2.33%
Energy		0.70%
Utilities		0.29%
Cash, derivatives etc		0.21%
Total		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 unhedged to DKK
Secondary name	Germany Equities KL

Introduction

The fund report should be read together with the sections in the annual report "Financial markets in 2019" 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 classes in 2019 appears from the table below.

Unit class	31 Dec 2019		31 Dec 2018	
	Return	Benchmark	Return	Benchmark
Tyskland A DKK	26.28%	25.14%	(21.34%)	(17.82%)

The market exceeded expectations at the beginning of the year and the fund's unit class outperformed its benchmark, see the table above.

The German share market was exposed to positive and negative influences in 2019. The positive forces prevailed and meant that the Fed lowered its fed funds rate by a total of 0.75 percentage points and that the ECB followed suit and introduced a single key rate cut and launched its bond buying programme worth EUR 20bn a month in November. Moreover the assessment of developments in the negotiations about global trade and Brexit grew even more positive. The weakness of the German economy, which recorded negative growth in Q2, had a minor and short-term impact on developments in the German share market. Also, German shares were cheap measured by various ratios. As German share prices have risen more investors have dared to buy German shares.

The fund has produced a return that is above the return of its benchmark. The investment level, which exceeded 100% throughout 2019, was the greatest contributor to the improved performance as the German equity market rose sharply in 2019. The overweight in and share selection among financials as well as the share picks within cyclical consumption and industrials added to relative performance, which was also the case as regards the overweight in IT shares. Negative contributors include the allocation of shares among companies within IT and pharmaceuticals.

Market outlook

We do not anticipate that the German market will generate returns matching the level in 2019. At the end of 2019 German economic indicators showed signs of improvement following an overall weak year. The prospects of continued low interest rates in 2020 provide a solid foundation for earnings in and the pricing of German companies. History in recent years shows that the German economy and German companies are very susceptible to developments in the trade negotiations between USA and China as well as Brexit. These two elements coupled with too large an interest rate increase could represent risk factors also in 2020.

We project that the fund will generate a return in 2020 on a par with or above its benchmark as the fund is actively managed.

Tyskland KL – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2015-2019

(DKK 1,000)	2019	2018	2017	2016	2015
Financial highlights					
Net profit for the year	110,394	(135,165)	89,400	23,263	66,483
Investors' assets	443,025	477,142	705,249	663,094	796,024
Financial ratios					
Tracking error	2.43	2.33	2.51	2.53	2.15
Active share	37.91	34.86	35.09	30.65	38.96
Portfolio turnover rate (PTR)	0.48	0.43	0.24	0.43	0.17

INCOME STATEMENT

Note	(DKK 1,000)	2019	2018
Interest and dividends			
1.	Interest	(25)	(48)
2.	Dividends	13,829	18,479
	Total interest and dividends	13,804	18,431
Capital gains and losses			
3.	Shares	97,070	(126,148)
3.	Derivatives	7,423	(14,650)
	Currency accounts	(34)	(32)
4.	Transaction costs, operating activities	(337)	(833)
	Total capital gains and losses	104,122	(141,663)
	Total income	117,926	(123,232)
5.	Administrative costs	(7,605)	(9,875)
	Profit before tax	110,321	(133,107)
6.	Tax	73	(2,058)
	Net profit for the year	110,394	(135,165)

BALANCE SHEET 31 DECEMBER 2019

Note	(DKK 1,000)	2019	2018
ASSETS			
Liquid funds			
	Deposits with custodian	3,174	15,447
	Total liquid funds	3,174	15,447
8.	Holdings		
	Listed shares in foreign companies	442,306	463,539
	Total holdings	442,306	463,539
Other assets			
	Interest receivable, dividends receivable etc	790	0
	Receivables – unsettled transactions	1,000	67
	Total other assets	1,790	67
	TOTAL ASSETS	447,270	479,053
LIABILITIES			
7.	Investors' assets ¹⁾	443,025	477,142
Other debt			
	Payables	1,176	1,911
	Payables – unsettled transactions	3,069	0
	Total other debt	4,245	1,911
	TOTAL LIABILITIES	447,270	479,053
¹⁾ Investors' assets by unit class			
	Tyskland A DKK	443,025	477,142
	Total	443,025	477,142

Tyskland KL – Financial Statements

NOTES

Note (DKK 1,000)	2019	2018
1. Interest		
Interest expense and negative interest with custodian	(25)	(48)
Total interest	(25)	(48)
2. Dividends		
Listed shares in foreign companies	13,829	18,479
Total dividends	13,829	18,479
3. Capital gains and losses		
Shares		
Listed shares in foreign companies	97,070	(126,148)
Total shares	97,070	(126,148)
Derivatives		
Forward equity transactions/futures etc	7,423	(14,650)
Total derivatives	7,423	(14,650)
4. Transaction costs		
All transaction costs	424	974
Covered by income from issue and redemption	(87)	(141)
Transaction costs, operating activities	337	833
5. Administrative costs		
Class-specific costs		
Marketing costs	3,371	4,544
Fees to custodian	436	527
Other costs relating to asset management	2,813	3,493
Other costs	198	257
Fixed management fee	787	1,054
Total class-specific costs	7,605	9,875

NOTES (continued)

Note (DKK 1,000)	2019	2018
6. Tax		
The fund is not liable to pay tax.		
Adjustment – dividend tax etc	(73)	2,058
Total tax	(73)	2,058
7. Investors' assets		
Investors' assets at 1 Jan	477,142	705,249
Issues during the year	17,095	9,353
Redemptions during the year	(135,628)	(102,389)
Net issue surcharges and redemption deductions	136	94
Distribution from last year concerning units in circulation at 31 Dec	(26,559)	0
Changes in dividend distribution due to issues/redemptions	445	0
Proposed distribution for the financial year	45,314	26,559
Brought forward from income statement	64,772	(161,989)
Brought forward for distribution next year	308	265
Investors' assets at year-end	443,025	477,142
Joint income available for distribution in unit classes		
7a. Dividends		
Dividends	13,829	17,811
Non-refundable dividend tax	73	(2,058)
Capital gains for distribution	44,217	42,667
Distribution adjustment in connection with issue/redemption concerning the above items	(5,993)	(7,196)
Available for distribution in unit classes	52,126	51,224
Of which for distribution in:		
Tyskland A DKK	52,126	51,892
Total for distribution	52,126	51,892
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

Note (DKK 1,000)	2019	2018
a. Breakdown of financial instruments		
Listed financial instruments	99.84%	97.15%
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%
Other financial instruments	0.00%	0.00%
	99.84%	97.15%
Other assets/other debt	0.16%	2.85%
Total	100.00%	100.00%
b. Shares by country		
Germany	98.84%	94.48%
UK	1.00%	2.67%
Cash, derivatives etc	0.16%	2.85%
Total	100.00%	100.00%

SUPPLEMENTARY NOTES (continued)

Note (DKK 1,000)	2019	2018
c. Shares by industry		
Information Technology	23.19%	17.45%
Financials	20.57%	16.94%
Industrials	16.07%	17.35%
Consumer Discretionary	15.99%	12.96%
Health Care	11.23%	10.56%
Materials	5.66%	13.07%
Telecommunications Services	2.62%	5.10%
Consumer Staples	2.32%	1.43%
Utilities	1.20%	1.35%
REIT	0.99%	0.94%
Cash, derivatives etc	0.16%	2.85%
Total	100.00%	100.00%
d. Currency futures bought		
EUR	0	61,081
Total	0	61,081

e. Net collateral position

Collateral concerning derivatives
No collateral has been provided

f. 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 dividend tax claimed totals DKK 48.2m for the years 2007-2016 and is not recognised in the fund's financial statements.

Due to new tax rules in Germany Sydinvest has not applied for any refund of dividend tax as from 2017.

Tyskland A DKK – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2015-2019

(DKK 1,000)	2019	2018	2017 ¹⁾	2016	2015
Financial highlights					
Net profit for the year	110,394	(135,165)	89,400	23,263	66,483
Investors' assets	443,025	477,142	705,249	663,094	796,024
Units in circulation nominal	343,291	442,651	514,666	552,794	696,434
Units in circulation quantity	3,432,916	4,426,513	5,146,655	5,527,937	6,964,337
Financial ratios					
NAV per unit	129.05	107.79	137.03	119.95	114.30
Dividend per unit	13.20	6.00	0.00	0.00	0.00
Return (%) ¹⁾	26.28%	(21.34%)	14.24%	4.95%	9.47%
Benchmark return (%)	25.14%	(17.87%)	16.13%	5.76%	9.79%
Total expense ratio	1.63%	1.60%	1.56%	1.52%	1.31%
Annual percentage rate (APR) at 31 Dec	1.68%	1.75%	1.76%	1.76%	1.61%
Indirect transaction costs	0.02%	0.02%	-	-	-
Sharpe Ratio (5 yrs)	0.34	0.05	0.67	0.79	0.38
Standard deviation (5 yrs)	16.32	15.60	13.47	14.96	17.31

¹⁾ Past performance is no guarantee of future performance.

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

NOTES

Note (DKK 1,000)	2019	2018
a. Net profit		
Share of joint portfolio profit	117,999	(125,290)
Class-specific costs ¹⁾	(7,605)	(9,875)
Total net profit	110,394	(135,165)
¹⁾ Class-specific costs		
Marketing costs	3,371	4,544
Fees to custodian	436	527
Other costs relating to asset management	2,813	3,493
Other costs	198	257
Fixed management fee	787	1,054
Total class-specific costs	7,605	9,875
b. Distribution of profit		
b1. To be allocated		
Proposed distribution for the financial year	45,314	26,559
Brought forward for distribution next year	308	265
Available for distribution	45,622	26,824
Brought forward to investors' assets	64,772	(161,989)
Total distribution	110,394	(135,165)
b2. Available for distribution		
Brought forward for distribution from last year	265	(18,503)
Distribution adjustment in connection with issue/redemption concerning the above items	(60)	2,459
Share of joint income	52,126	51,892
Available for distribution before administrative costs	52,331	35,848
Set-off of administrative costs	(7,605)	(9,875)
Distribution adjustment of which in connection with issue/redemption	896	851
Total administrative costs	(6,709)	(9,024)
Available for distribution	45,622	26,824

NOTES (continued)

Note (DKK 1,000)	2019	2018
c. Investors' assets		
c1. Units in circulation		
Units in circulation at 1 Jan	442,651	514,666
Issues during the year	14,730	7,385
Redemptions during the year	(114,090)	(79,400)
Total units in circulation	343,291	442,651
c2. Investors' assets		
Investors' assets at 1 Jan	477,142	705,249
Issues during the year	17,095	9,353
Redemptions during the year	(135,628)	(102,389)
Net issue surcharges and redemption deductions	136	94
Distribution from last year concerning units in circulation at 31 Dec	(26,559)	0
Changes in dividend distribution due to issues/redemptions	445	0
Proposed distribution for the financial year	45,314	26,559
Brought forward from income statement	64,772	(161,989)
Brought forward for distribution next year	308	265
Investors' assets at year-end	443,025	477,142

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 unhedged to DKK	
Secondary name	American Value Equities KL	

Introduction

The fund report should be read together with the sections in the annual report "Financial markets in 2019" 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 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 2019 appears from the table below. The difference in returns is attributable to the level of costs in the individual classes.

Unit class	31 Dec 2019		31 Dec 2018	
	Return	Benchmark	Return	Benchmark
USA Ligevægt & Value A DKK	25.27%	33.46%	(5.03%)	(0.02%)
USA Ligevægt & Value W DKK d	26.28%	33.46%	(4.14%)	(0.02%)

The market exceeded expectations at the beginning of the year and the fund's unit classes underperformed compared to benchmark, cf the table above.

Despite zero growth in corporate earnings, declining economic indicators and an unresolved trade conflict, US shares recorded sizeable price increases in 2019. However it must also be said that US shares performed poorly at the end of 2018 due to fears of an imminent recession. Since then we have seen a stabilisation in several economic indicators, a supportive central bank and a growing number of companies forecasting improvements in 2020, which has generated renewed optimism among investors.

The fund has produced a return below the change in its benchmark. This was due to the fund's focus on value shares. Value shares have not been able to keep up with growth shares and have also struggled compared to the large, stable shares.

Market outlook

We do not anticipate that share market returns will match the level of 2019. However given receding recession fears, a supportive central bank and improved growth prospects we may well see a positive share year also in 2020. The most significant risks are geopolitical instability, a renewed growth slowdown and an undecided presidential election.

We project that the fund will generate a return in 2020 on a par with or above its benchmark as the fund is actively managed.

USA Ligevægt & Value KL – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2015-2019

(DKK 1,000)	2019	2018	2017	2016	2015
Financial highlights					
Net profit for the year	241,791	(35,085)	17,054	63,549	46,325
Investors' assets	1,475,159	709,334	678,782	553,551	331,800
Financial ratios					
Tracking error	4.78	4.23	4.03	3.62	2.41
Active share	76.69	78.95	75.40	73.71	77.83
Portfolio turnover rate (PTR)	0.52	0.77	0.45	0.50	0.13

INCOME STATEMENT

Note	(DKK 1,000)	2019	2018
Interest and dividends			
1.	Interest	111	(1)
2.	Dividends	40,173	18,182
	Total interest and dividends	40,284	18,181
Capital gains and losses			
3.	Shares	218,308	(43,372)
	Currency accounts	954	151
	Other assets/liabilities	(8)	7
4.	Transaction costs, operating activities	(499)	(508)
	Total capital gains and losses	218,755	(43,722)
	Other income	0	20
	Total income	259,039	(25,521)
5.	Administrative costs	(11,222)	(6,924)
	Profit before tax	247,817	(32,445)
6.	Tax	(6,026)	(2,640)
	Net profit for the year	241,791	(35,085)

BALANCE SHEET 31 DECEMBER 2019

Note	(DKK 1,000)	2019	2018
ASSETS			
Liquid funds			
	Deposits with custodian	27,186	7,858
	Total liquid funds	27,186	7,858
8.	Holdings		
	Listed shares in foreign companies	1,449,285	701,756
	Total holdings	1,449,285	701,756
Other assets			
	Interest receivable, dividends receivable etc	1,847	1,451
	Receivables – unsettled transactions	327	1,384
	Total other assets	2,174	2,835
	TOTAL ASSETS	1,478,645	712,449
LIABILITIES			
7.	Investors' assets ¹⁾	1,475,159	709,334
Other debt			
	Payables	1,579	1,576
	Payables – unsettled transactions	1,907	1,539
	Total other debt	3,486	3,115
	TOTAL LIABILITIES	1,478,645	712,449
¹⁾ Investors' assets by unit class			
	USA Ligevægt & Value A DKK	355,122	261,117
	USA Ligevægt & Value W DKK d	1,120,037	448,217
	Total	1,475,159	709,334

USA Ligevægt & Value KL – Financial Statements

NOTES

Note	(DKK 1,000)	2019	2018
1. Interest			
Deposits with custodian		179	69
Interest expense and negative interest with custodian		(68)	(70)
Total interest		111	(1)
2. Dividends			
Listed shares in foreign companies		40,173	18,182
Total dividends		40,173	18,182
3. Capital gains and losses			
Shares			
Listed shares in foreign companies		218,308	(43,372)
Total shares		218,308	(43,372)
4. Transaction costs			
All transaction costs		919	618
Covered by income from issue and redemption		(420)	(110)
Transaction costs, operating activities		499	508
5. Administrative costs			
Class-specific costs			
Marketing costs		2,553	2,293
Fees to custodian		1,220	458
Other costs relating to asset management		5,263	2,891
Other costs		504	300
Fixed management fee		1,682	982
Total class-specific costs		11,222	6,924

NOTES (continued)

Note	(DKK 1,000)	2019	2018
6. Tax			
The fund is not liable to pay tax.			
Adjustment – dividend tax etc		6,026	2,640
Total tax		6,026	2,640
7. Investors' assets			
Investors' assets at 1 Jan		709,334	678,782
Issues during the year		896,386	184,266
Redemptions during the year		(291,570)	(63,564)
Net issue surcharges and redemption deductions		735	160
Distribution from last year concerning units in circulation at 31 Dec		(81,264)	(55,211)
Changes in dividend distribution due to issues/redemptions		(253)	(14)
Proposed distribution for the financial year		100,055	81,264
Brought forward from income statement		139,842	(116,740)
Brought forward for distribution next year		1,894	391
Investors' assets at year-end		1,475,159	709,334
Joint income available for distribution in unit classes			
7a. Interest		179	69
Dividends		40,173	16,643
Non-refundable dividend tax		(6,026)	(2,640)
Capital gains for distribution		76,366	68,462
Distribution adjustment in connection with issue/redemption concerning the above items		2,166	4,115
Available for distribution in unit classes		112,858	86,649
Of which for distribution in:			
USA Ligevægt & Value A DKK		27,211	32,514
USA Ligevægt & Value W DKK d		85,647	55,674
Total for distribution		112,858	88,188
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

Note (DKK 1,000)	2019	2018
a. Breakdown of financial instruments		
Listed financial instruments	98.25%	98.93%
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%
Other financial instruments	0.00%	0.00%
	98.25%	98.93%
Other assets/other debt	1.75%	1.07%
Total	100.00%	100.00%
b. Shares by country		
USA	98.25%	98.93%
Cash, derivatives etc	1.75%	1.07%
Total	100.00%	100.00%

SUPPLEMENTARY NOTES (continued)

Note (DKK 1,000)	2019	2018
c. Shares by industry		
Information Technology	22.93%	21.71%
Health Care	13.64%	16.47%
Financials	12.68%	14.61%
Telecommunications Services	10.27%	2.26%
Consumer Discretionary	10.04%	11.24%
Industrials	8.91%	9.79%
Consumer Staples	6.92%	7.63%
Energy	3.91%	6.55%
Utilities	3.01%	3.31%
Materials	2.98%	3.26%
REIT	2.96%	2.10%
Cash, derivatives etc	1.75%	1.07%
Total	100.00%	100.00%

USA Ligevægt & Value A DKK – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2015-2019

(DKK 1,000)	2019	2018	2017	2016 ¹⁾	2015
Financial highlights					
Net profit for the year	67,535	(13,222)	2,777	66,240	46,325
Investors' assets	355,122	261,117	277,517	459,582	331,800
Units in circulation nominal	907,074	751,754	700,931	1,044,179	856,867
Units in circulation quantity	9,070,739	7,517,536	7,009,314	10,441,792	8,568,679
Financial ratios					
NAV per unit	39.15	34.73	39.59	44.01	38.72
Dividend per unit	2.40	3.80	3.10	5.30	2.20
Return (%) ¹⁾	25.27%	(5.03%)	2.55%	20.58%	11.48%
Benchmark return (%)	33.46%	(0.02%)	6.59%	13.80%	12.40%
Total expense ratio	1.49%	1.52%	1.55%	1.43%	1.31%
Annual percentage rate (APR) at 31 Dec	1.61%	1.62%	1.67%	1.71%	1.67%
Indirect transaction costs	0.04%	0.03%	-	-	-
Sharpe Ratio (5 yrs)	0.72	0.80	1.44	1.62	1.31
Standard deviation (5 yrs)	14.21	12.79	11.16	10.52	10.64

¹⁾ Past performance is no guarantee of future performance.

¹⁾ The fund was converted to a unit class on 16 December 2016.

NOTES

Note (DKK 1,000)	2019	2018
a. Net profit		
Share of joint portfolio profit	72,309	(8,947)
Other class-specific income	0	8
Class-specific costs ¹⁾	(4,774)	(4,283)
Total net profit	67,535	(13,222)
¹⁾ Class-specific costs		
Marketing costs	2,553	2,293
Fees to custodian	293	259
Other costs relating to asset management	1,273	1,136
Other costs	119	118
Fixed management fee	535	477
Total class-specific costs	4,773	4,283
b. Distribution of profit		
b1. To be allocated		
Proposed distribution for the financial year	21,770	28,567
Brought forward for distribution next year	853	262
Available for distribution	22,623	28,829
Brought forward to investors' assets	44,912	(42,051)
Total distribution	67,535	(13,222)
b2. Available for distribution		
Brought forward for distribution from last year	262	515
Other income	0	8
Distribution adjustment in connection with issue/redemption concerning the above items	54	87
Share of joint income	27,211	32,514
Available for distribution before administrative costs	27,527	33,124
Set-off of administrative costs	(4,774)	(4,283)
Distribution adjustment of which in connection with issue/redemption	(130)	(12)
Total administrative costs	(4,904)	(4,295)
Available for distribution	22,623	28,829

NOTES (continued)

Note (DKK 1,000)	2019	2018
c. Other class-specific assets		
Receivables – unsettled transactions	0	1,384
Total other class-specific assets	0	1,384
d. Investors' assets		
d1. Units in circulation		
Units in circulation at 1 Jan	751,754	700,931
Issues during the year	315,109	134,765
Redemptions during the year	(159,789)	(83,942)
Total units in circulation	907,074	751,754
d2. Investors' assets		
Investors' assets at 1 Jan	261,117	277,517
Issues during the year	112,144	49,906
Redemptions during the year	(57,445)	(31,446)
Net issue surcharges and redemption deductions	219	69
Distribution from last year concerning units in circulation at 31 Dec	(28,567)	(21,729)
Changes in dividend distribution due to issues/redemptions	119	22
Proposed distribution for the financial year	21,770	28,567
Brought forward from income statement	44,912	(42,051)
Brought forward for distribution next year	853	262
Investors' assets at year-end	355,122	261,117

USA Ligevægt & Value W DKK d – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2016-2019

(DKK 1,000)	2019	2018	2017	2016 ¹⁾
Financial highlights				
Net profit for the year ²⁾	174,256	(21,863)	14,277	(2,691)
Investors' assets	1,120,037	448,217	401,265	93,969
Units in circulation nominal	1,134,565	511,621	403,397	96,597
Units in circulation quantity	11,345,651	5,116,208	4,033,971	965,973
Financial ratios				
NAV per unit	98.72	87.61	99.47	97.28
Dividend per unit	6.90	10.30	8.30	1.20
Return (%) ¹⁾²⁾	26.28%	(4.14%)	3.56%	(2.72%)
Benchmark return (%) ²⁾	33.46%	(0.02%)	6.59%	(2.18%)
Total expense ratio ²⁾	0.62%	0.60%	0.55%	0.02%
Annual percentage rate (APR) at 31 Dec	0.74%	0.67%	0.72%	0.76%
Indirect transaction costs	0.04%	0.03%	-	-
Sharpe Ratio (3 yrs)	0.55	-	-	-
Standard deviation (3 yrs)	14.29	-	-	-

¹⁾ Past performance is no guarantee of future performance.

¹⁾ The unit class was launched on 16 December 2016.

²⁾ The year 2016: Net profit and financial ratios cover the period from 16 December to 31 December 2016.

NOTES

Note (DKK 1,000)	2019	2018
a. Net profit		
Share of joint portfolio profit	180,704	(19,234)
Other class-specific income	0	12
Class-specific costs ¹⁾	(6,448)	(2,641)
Total net profit	174,256	(21,863)
¹⁾ Class-specific costs		
Fees to custodian	927	199
Other costs relating to asset management	3,989	1,755
Other costs	385	182
Fixed management fee	1,147	505
Total class-specific costs	6,448	2,641
b. Distribution of profit		
b1. To be allocated		
Proposed distribution for the financial year	78,285	52,697
Brought forward for distribution next year	1,041	129
Available for distribution	79,326	52,826
Brought forward to investors' assets	94,930	(74,689)
Total distribution	174,256	(21,863)
b2. Available for distribution		
Brought forward for distribution from last year	129	44
Other income	0	12
Distribution adjustment in connection with issue/redemption concerning the above items	158	25
Share of joint income	85,647	55,674
Available for distribution before administrative costs	85,934	55,755
Set-off of administrative costs	(6,448)	(2,641)
Distribution adjustment of which in connection with issue/redemption	(160)	(288)
Total administrative costs	(6,608)	(2,929)
Available for distribution	79,326	52,826

NOTES (continued)

Note (DKK 1,000)	2019	2018
c. Investors' assets		
c1. Units in circulation		
Units in circulation at 1 Jan	511,621	403,397
Issues during the year	884,133	140,899
Redemptions during the year	(261,189)	(32,675)
Total units in circulation	1,134,565	511,621
c2. Investors' assets		
Investors' assets at 1 Jan	448,217	401,265
Issues during the year	784,242	134,360
Redemptions during the year	(234,125)	(32,118)
Net issue surcharges and redemption deductions	516	91
Distribution from last year concerning units in circulation at 31 Dec	(52,697)	(33,482)
Changes in dividend distribution due to issues/redemptions	(372)	(36)
Proposed distribution for the financial year	78,285	52,697
Brought forward from income statement	94,930	(74,689)
Brought forward for distribution next year	1,041	129
Investors' assets at year-end	1,120,037	448,217

USA Ligevægt & Value Akkumulerende KL

Fund report

Fund data and unit class data	USA Ligevægt & Value W DKK Akk
ISIN	DK0061132065
Date of establishment	11 December 2018
Launch date	8 February 2019
Listed	No
Currency	DKK
Income fund	No
Denomination	100
Risk category	5
Approved for marketing in Germany	No
Benchmark	MSCI USA unhedged to DKK

Introduction

The fund report should be read together with the sections in the annual report "Financial markets in 2019" 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 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 class USA Ligevægt & Value W DKK Acc.

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 class in 2019 appears from the table below.

Unit class	31 Dec 2019	
	Return	Benchmark
USA Ligevægt & Value W DKK Acc ¹⁾	13.45%	22.34%

¹⁾ The unit class was launched on 8 February 2019.

The market exceeded expectations at the beginning of the year and the fund's unit class underperformed compared to benchmark, cf the table above.

Despite zero growth in corporate earnings, declining economic indicators and an unresolved trade conflict, US shares recorded sizeable price increases in 2019. However it must also be said that US shares performed poorly at the end of 2018 due to fears of an imminent recession. Since then we have seen a stabilisation in several economic indicators, a supportive central bank and a growing number of companies forecasting improvements in 2020, which has generated renewed optimism among investors.

The fund has produced a return that is 8.89 percentage points below the change in its benchmark. This was due to the fund's focus on value shares. Value shares have not been able to keep up with growth shares and have also struggled compared to the large, stable shares.

Market outlook

We do not anticipate that share market returns will match the level of 2019. However given receding recession fears, a supportive central bank and improved growth prospects we may well see a positive share year also in 2020. The most significant risks are geopolitical instability, a renewed growth slowdown and an undecided presidential election.

We project that the fund will generate a return in 2020 on a par with or above its benchmark as the fund is actively managed.

USA Ligevægt & Value Akkumulerende KL – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEAR 2019

(DKK 1,000)	2019 ¹⁾
Financial highlights	
Net profit for the year	7,269
Investors' assets	97,602
Financial ratios	
Active share	76.66
Portfolio turnover rate (PTR)	0.68

¹⁾ The fund was launched on 8 February 2019.

INCOME STATEMENT

Note	(DKK 1,000)	2019 ¹⁾
	Interest and dividends	
1.	Interest	(3)
2.	Dividends	1,592
	Total interest and dividends	1,589
	Capital gains and losses	
3.	Shares	6,640
	Currency accounts	(349)
	Other assets/liabilities	(1)
4.	Transaction costs, operating activities	(27)
	Total capital gains and losses	6,263
	Total income	7,852
5.	Administrative costs	(344)
	Profit before tax	7,508
6.	Tax	(239)
	Net profit for the year	7,269

¹⁾ The fund was launched on 8 February 2019.

BALANCE SHEET 31 DECEMBER 2019

Note	(DKK 1,000)	2019
	ASSETS	
	Liquid funds	
	Deposits with custodian	2,474
	Total liquid funds	2,474
7.	Shares	
	Listed shares in Danish companies	95,062
	Total shares	95,062
	Other assets	
	Interest receivable, dividends receivable etc	115
	Total other assets	115
	TOTAL ASSETS	97,651
	LIABILITIES	
6.	Investors' assets ¹⁾	97,602
	Other debt	
	Payables	49
	Total other debt	49
	TOTAL LIABILITIES	97,651
	¹⁾ Investors' assets by unit class	
	USA Ligevægt & Value W DKK Acc ²⁾	97,602
	Total	97,602

²⁾ The unit class was launched on 8 February 2019.

USA Ligevægt & Value Akkumulerende KL – Financial Statements

NOTES

Note	(DKK 1,000)	2019 ¹⁾
1. Interest		
Deposits with custodian		3
Interest expense and negative interest with custodian		(6)
Total interest		(3)
2. Dividends		
Listed shares in foreign companies		1,592
Total dividends		1,592
3. Capital gains and losses		
Shares		
Listed shares in foreign companies		6,640
Total shares		6,640
4. Transaction costs		
All transaction costs		64
Covered by income from issue and redemption		(37)
Transaction costs, operating activities		27
5. Administrative costs		
Class-specific costs		
Fees to custodian		58
Other costs relating to asset management		206
Other costs		21
Fixed management fee		59
Total class-specific costs		344
6. Tax		
The fund is not liable to pay tax.		
Adjustment – dividend tax etc		239
Total tax		239
7. Investors' assets		
Issues during the year		100,308
Redemptions during the year		(10,051)
Net issue surcharges and redemption deductions		76
Brought forward from income statement		7,269
Investors' assets at year-end		97,602
8. Financial instruments (securities)		
A list of financial instruments (securities) is available free of charge from the investment management company.		

SUPPLEMENTARY NOTES

Note	(DKK 1,000)	2019
a. Breakdown of financial instruments		
Listed financial instruments		97.40%
Financial instruments listed on other regulated market		0.00%
Newly issued financial instruments for which listing on a stock exchange or other regulated market is planned		0.00%
Other financial instruments		0.00%
		97.40%
Other assets/other debt		2.60%
Total		100.00%
b. Shares by country		
USA		97.40%
Cash, derivatives etc		2.60%
Total		100.00%
c. Shares by industry		
Information Technology		22.61%
Health Care		13.79%
Financials		12.74%
Consumer Discretionary		9.96%
Telecommunications Services		9.76%
Industrials		8.84%
Consumer Staples		6.86%
Energy		3.89%
Utilities		3.01%
REIT		2.99%
Materials		2.95%
Cash, derivatives etc		2.60%
Total		100.00%

USA Ligevægt & Value W DKK Acc – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEAR 2019

(DKK 1,000)	2019 ¹⁾
Financial highlights	
Net profit for the year ²⁾	7,269
Investors' assets	97,602
Units in circulation nominal	86,029
Units in circulation quantity	860,285
Financial ratios	
NAV per unit	113.45
Return (%) ^{1) 2)}	13.45%
Benchmark return (%) ²⁾	22.34%
Total expense ratio ²⁾	0.58%
Annual percentage rate (APR) at 31 Dec	0.74%
Indirect transaction costs	0.04%

¹⁾ Past performance is no guarantee of future performance.

¹⁾ The unit class was launched on 8 February 2019.

²⁾ The year 2019: Net profit and financial ratios cover the period from 8 February to 31 December 2019.

NOTES

Note (DKK 1,000)	2019 ¹⁾
a. Net profit	
Share of joint portfolio profit	7,613
Class-specific costs ¹⁾	(344)
Total net profit	7,269
¹⁾ Class-specific costs	
Fees to custodian	58
Other costs relating to asset management	206
Other costs	21
Fixed management fee	59
Total class-specific costs	344
b. Distribution of profit	
b1. To be allocated	
Brought forward to investors' assets	7,269
Total distribution	7,269

NOTES (continued)

Note (DKK 1,000)	2019 ¹⁾
c. Investors' assets	
c1. Units in circulation	
Issues during the year	95,279
Redemptions during the year	(9,250)
Total units in circulation	86,029
c2. Investors' assets	
Issues during the year	100,308
Redemptions during the year	(10,051)
Net issue surcharges and redemption deductions	76
Brought forward from income statement	7,269
Investors' assets at year-end	97,602

¹⁾ The unit class was launched on 8 February 2019.

Verden Etik KL

Fund report

Fund data and unit class data	Verden Etik A DKK	Verden Etik W DKK d
ISIN	DK0061148657	DK0060681468
Date of establishment	22 August 2019	23 November 2015
Launch date	30 September 2019	1 February 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 All Country World Index unhedged to DKK	
Secondary name	Global Ethics Equities KL	

Introduction

The fund report should be read together with the sections in the annual report "Financial markets in 2019" 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 (equal weight). By investing an equal share in each equity we ensure a relatively heavy weighting of small and medium-size 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, pornography, armaments 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 screened out of the investment universe. Consequently investments are not made in companies that fail to meet the screening criteria.

The fund is divided into the unit classes Verden Etik A DKK and Verden Etik W DKK d.

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 2019 appears from the table below. The difference in returns is attributable to the level of costs in the individual classes and the fact that unit class A has not existed for the entire period.

Unit class	31 Dec 2019		31 Dec 2018	
	Return	Benchmark	Return	Benchmark
Verden Etik A DKK ¹⁾	8.06%	5.90%	-	-
Verden Etik W DKK d	26.66%	29.10%	5.61%	9.04%

¹⁾ The unit class was launched on 30 September 2019.

The market exceeded expectations at the beginning of the year and one of the fund's unit classes underperformed compared to its benchmark and the newest unit class performed well relative to its benchmark, see the table above.

Despite zero growth in corporate earnings, declining economic indicators and an unresolved trade conflict, global shares recorded sizeable price increases in 2019. However it must also be said that global shares performed poorly at the end of 2018 due to fears of an imminent recession. Since then we have seen a stabilisation in several economic indicators, supportive central banks and a growing number of companies forecasting improvements in 2020, which has generated renewed optimism among investors.

The unit class that has existed for the entire year has produced a return below the change in its benchmark. This was due to the fund's focus on value shares. Value shares have not been able to keep up with growth shares and have also struggled compared to the large, stable shares.

Market outlook

We do not anticipate that share market returns will match the level of 2019. However given receding recession fears, supportive central banks and improved growth prospects we may well see a positive share year also in 2020. The most significant risks are geopolitical instability, a renewed growth slowdown and a strong USD.

We project that the fund will generate a return in 2020 on a par with or above its benchmark as the fund is actively managed.

Verden Etik KL – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2016-2019

(DKK 1,000)	2019	2018	2017	2016 ¹⁾
Financial highlights				
Net profit for the year	75,948	(16,940)	11,506	25,543
Investors' assets	392,769	262,191	256,089	184,230
Financial ratios				
Tracking error	3.76	-	-	-
Active share	82.77	-	-	-
Portfolio turnover rate (PTR)	0.66	0.66	0.54	0.34

¹⁾ The fund was launched on 1 February 2016.

INCOME STATEMENT

Note (DKK 1,000)	2019	2018
Interest and dividends		
1. Interest	10	41
2. Dividends	11,991	9,048
Total interest and dividends	12,001	9,089
Capital gains and losses		
3. Shares	67,116	(22,870)
Currency accounts	384	(124)
Other assets/liabilities	13	1
4. Transaction costs, operating activities	(215)	(323)
Total capital gains and losses	67,298	(23,316)
Other income	0	5
Total income	79,299	(14,222)
5. Administrative costs	(1,988)	(1,644)
Profit before tax	77,311	(15,866)
6. Tax	(1,363)	(1,074)
Net profit for the year	75,948	(16,940)

BALANCE SHEET 31 DECEMBER 2019

Note (DKK 1,000)	2019	2018
ASSETS		
Liquid funds		
Deposits with custodian	23,198	5,330
Total liquid funds	23,198	5,330
8. Holdings		
Listed shares in Danish companies	4,043	0
Listed shares in foreign companies	365,049	256,797
Total holdings	369,092	256,797
Other assets		
Interest receivable, dividends receivable etc	719	404
Total other assets	719	404
TOTAL ASSETS	393,009	262,531
LIABILITIES		
7. Investors' assets ¹⁾		
Other debt		
Payables	240	340
Total other debt	240	340
TOTAL LIABILITIES	393,009	262,531
¹⁾ Investors' assets by unit class		
Verden Etik A DKK ¹⁾	10,049	-
Verden Etik W DKK d	382,720	262,191
Total	392,769	262,191

¹⁾ The unit class was launched on 30 September 2019.

Verden Etik KL – Financial Statements

NOTES

Note	(DKK 1,000)	2019	2018
1. Interest			
Deposits with custodian		37	56
Interest expense and negative interest with custodian		(27)	(15)
Total interest		10	41
2. Dividends			
Listed shares in Danish companies		149	0
Listed shares in foreign companies		11,842	9,048
Total dividends		11,991	9,048
3. Capital gains and losses			
Shares			
Listed shares in Danish companies		(399)	31
Listed shares in foreign companies		67,515	(22,901)
Total shares		67,116	(22,870)
4. Transaction costs			
All transaction costs		323	455
Covered by income from issue and redemption		(108)	(132)
Transaction costs, operating activities		215	323
5. Administrative costs			
Class-specific costs			
Marketing costs		18	0
Fees to custodian		146	125
Other costs relating to asset management		1,282	994
Other costs		172	206
Fixed management fee		370	319
Total class-specific costs		1,988	1,644

NOTES (continued)

Note	(DKK 1,000)	2019	2018
6. Tax			
The fund is not liable to pay tax.			
Adjustment – dividend tax etc		1,363	1,074
Total tax		1,363	1,074
7. Investors' assets			
Investors' assets at 1 Jan		262,191	256,089
Issues during the year		128,615	98,877
Redemptions during the year		(48,947)	(50,250)
Net issue surcharges and redemption deductions		108	148
Distribution from last year concerning units in circulation at 31 Dec		(25,017)	(27,296)
Changes in dividend distribution due to issues/redemptions		(129)	1,563
Proposed distribution for the financial year		20,448	25,017
Brought forward from income statement		55,461	(41,985)
Brought forward for distribution next year		39	28
Investors' assets at year-end		392,769	262,191
Joint income available for distribution in unit classes			
7a. Interest			
Interest		37	56
Dividends		11,991	6,753
Non-refundable dividend tax		(1,375)	(1,074)
Capital gains for distribution		11,092	17,931
Distribution adjustment in connection with issue/redemption concerning the above items		888	460
Available for distribution in unit classes		22,633	24,126
Of which for distribution in:			
Verden Etik A DKK		580	-
Verden Etik W DKK d		22,053	26,421
Total for distribution		22,633	26,421
8. Financial instruments (securities)			
A list of financial instruments (securities) is available free of charge from the investment management company.			

Verden Etik KL – Financial Statements

SUPPLEMENTARY NOTES

Note (DKK 1,000)	2019	2018
a. Breakdown of financial instruments		
Listed financial instruments	93.97%	97.94%
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%
Other financial instruments	0.00%	0.00%
	93.97%	97.94%
Other assets/other debt	6.03%	2.06%
Total	100.00%	100.00%
b. Shares by country		
USA	53.95%	51.43%
Japan	6.38%	8.18%
China	4.69%	5.37%
France	4.65%	3.27%
Germany	3.51%	3.42%
UK	3.50%	4.30%
Canada	3.18%	3.88%
South Korea	1.62%	2.32%
Other	12.49%	15.77%
Cash, derivatives etc	6.03%	2.06%
Total	100.00%	100.00%

SUPPLEMENTARY NOTES (continued)

Note (DKK 1,000)	2018	2017
c. Shares by industry		
Financials	19.43%	20.38%
Information Technology	19.06%	17.05%
Health Care	13.77%	14.98%
Consumer Discretionary	12.74%	11.86%
Industrials	10.84%	11.09%
Consumer Staples	9.68%	9.87%
Materials	5.01%	5.51%
REIT	3.44%	2.86%
Telecommunications Services	0.00%	4.34%
Cash, derivatives etc	6.03%	2.06%
Total	100.00%	100.00%

Verden Etik A DKK – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEAR 2019

(DKK 1,000)	2019 ¹⁾
Financial highlights	
Net profit for the year ²⁾	582
Investors' assets	10,049
Units in circulation nominal	9,299
Units in circulation quantity	92,993
Financial ratios	
NAV per unit	108.06
Dividend per unit	5.70
Return (%) ¹⁾²⁾	8.06%
Benchmark return (%) ²⁾	5.90%
Total expense ratio ²⁾	0.40%
Annual percentage rate (APR) at 31 Dec	1.67%
Indirect transaction costs	0.04%

¹⁾ Past performance is no guarantee of future performance.

¹⁾ The unit class was launched on 30 September 2019.

²⁾ The year 2019: Net profit and financial ratios cover the period from 30 September to 31 December 2019.

NOTES

Note (DKK 1,000)	2019 ¹⁾
a. Net profit	
Share of joint portfolio profit	617
Class-specific costs ¹⁾	(35)
Total net profit	582
¹⁾ Class-specific costs	
Marketing costs	18
Fees to custodian	2
Other costs relating to asset management	9
Other costs	3
Fixed management fee	3
Total class-specific costs	35
b. Distribution of profit	
b1. To be allocated	
Proposed distribution for the financial year	530
Brought forward for distribution next year	9
Available for distribution	539
Brought forward to investors' assets	43
Total distribution	582
b2. Available for distribution	
Share of joint income	580
Available for distribution before administrative costs	580
Set-off of administrative costs	(35)
Distribution adjustment of which in connection with issue/redemption	(6)
Total administrative costs	(41)
Available for distribution	539

NOTES (continued)

Note (DKK 1,000)	2019 ¹⁾
c. Investors' assets	
c1. Units in circulation	
Issues during the year	14,782
Redemptions during the year	(5,483)
Total units in circulation	9,299
c2. Investors' assets	
Issues during the year	15,203
Redemptions during the year	(5,736)
Net issue surcharges and redemption deductions	0
Proposed distribution for the financial year	530
Brought forward from income statement	43
Brought forward for distribution next year	9
Investors' assets at year-end	10,049

¹⁾ The unit class was launched on 30 September 2019.

Verden Etik W DKK d – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2016-2019

(DKK 1,000)	2019	2018	2017	2016 ¹⁾
Financial highlights				
Net profit for the year ²⁾	75,366	(16,940)	11,506	25,543
Investors' assets	382,720	262,191	256,089	184,230
Units in circulation nominal	316,159	250,174	205,235	149,072
Units in circulation quantity	3,161,591	2,501,737	2,052,358	1,490,723
Financial ratios				
NAV per unit	121.05	104.80	124.78	123.58
Dividend per unit	6.30	10.00	13.30	5.40
Return (%) ¹⁾²⁾	26.66%	(6.31%)	5.61%	23.58%
Benchmark return (%) ²⁾	29.10%	(4.63%)	9.04%	17.80%
Total expense ratio ²⁾	0.61%	0.59%	0.56%	0.53%
Annual percentage rate (APR) at 31 Dec	0.75%	0.77%	0.74%	0.78%
Indirect transaction costs	0.04%	0.05%	-	-
Sharpe Ratio (3 yrs)	0.65	-	-	-
Standard deviation (3 yrs)	12.15	-	-	-

¹⁾ Past performance is no guarantee of future performance.

¹⁾ The unit class was launched on 1 February 2016.

²⁾ The year 2016: Net profit and financial ratios cover the period from 1 February to 31 December 2016.

NOTES

Note (DKK 1,000)	2019	2018
a. Net profit		
Share of joint portfolio profit	77,319	(15,301)
Other class-specific income	0	5
Class-specific costs ¹⁾	(1,953)	(1,644)
Total net profit	75,366	(16,940)
^{1) Class-specific costs}		
Fees to custodian	143	125
Other costs relating to asset management	1,274	994
Other costs	170	206
Fixed management fee	366	319
Total class-specific costs	1,953	1,644
b. Distribution of profit		
b1. To be allocated		
Proposed distribution for the financial year	19,918	25,017
Brought forward for distribution next year	30	28
Available for distribution	19,948	25,045
Brought forward to investors' assets	55,418	(41,985)
Total distribution	75,366	(16,940)
b2. Available for distribution		
Brought forward for distribution from last year	28	194
Other income	0	5
Distribution adjustment in connection with issue/redemption concerning the above items	7	117
Share of joint income	22,053	26,421
Available for distribution before administrative costs	22,088	26,737
Set-off of administrative costs	(1,953)	(1,644)
Distribution adjustment of which in connection with issue/redemption	(187)	(48)
Total administrative costs	(2,140)	(1,692)
Available for distribution	19,948	25,045

NOTES (continued)

Note (DKK 1,000)	2019	2018
c. Investors' assets		
c1. Units in circulation		
Units in circulation at 1 Jan	250,174	205,235
Issues during the year	105,991	87,495
Redemptions during the year	(40,006)	(42,556)
Total units in circulation	316,159	250,174
c2. Investors' assets		
Investors' assets at 1 Jan	262,191	256,089
Issues during the year	113,412	98,877
Redemptions during the year	(43,211)	(50,250)
Net issue surcharges and redemption deductions	108	148
Distribution from last year concerning units in circulation at 31 Dec	(25,017)	(27,296)
Changes in dividend distribution due to issues/redemptions	(129)	1,563
Proposed distribution for the financial year	19,918	25,017
Brought forward from income statement	55,418	(41,985)
Brought forward for distribution next year	30	28
Investors' assets at year-end	382,720	262,191

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	No
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 unhedged to DKK	
Secondary name	Global Value Equities KL	

Introduction

The fund report should be read together with the sections in the annual report "Financial markets in 2019" 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 100 shares, each share will constitute around 1.00% of the fund. By investing an equal share in each equity we ensure a relatively heavy weighting of small and medium-size 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 2019 appears from the table below. The difference in returns is attributable to the level of costs in the individual classes.

Unit class	31 Dec 2019		31 Dec 2018	
	Return	Benchmark	Return	Benchmark
Verden Ligevægt & Value A DKK	23.43%	29.10%	(7.23%)	(4.63%)
Verden Ligevægt & Value W DKK d	24.50%	29.10%	(6.35%)	(4.63%)

The market exceeded expectations at the beginning of the year and the fund's unit classes underperformed compared to benchmark, cf the table above.

Despite zero growth in corporate earnings, declining economic indicators and an unresolved trade conflict, global shares recorded sizeable price increases in 2019. However it must also be said that global shares performed poorly at the end of 2018 due to fears of an imminent recession. Since then we have seen a stabilisation in several economic indicators, supportive central banks and a growing number of companies forecasting improvements in 2020, which has generated renewed optimism among investors.

The fund has produced a return below the change in its benchmark. This was due to the fund's focus on value shares. Value shares have not been able to keep up with growth shares and have also struggled compared to the large, stable shares.

Market outlook

We do not anticipate that share market returns will match the level of 2019. However given receding recession fears, supportive central banks and improved growth prospects we may well see a positive share year also in 2020. The most significant risks are geopolitical instability, a renewed growth slowdown and a strong USD.

We project that the fund will generate a return in 2020 on a par with or above its benchmark as the fund is actively managed.

Verden Ligevægt & Value KL – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2015-2019

(DKK 1,000)	2019	2018	2017	2016	2015
Financial highlights					
Net profit for the year	258,056	(85,006)	57,391	101,140	29,691
Investors' assets	1,189,811	1,248,152	1,399,517	1,066,309	389,301
Financial ratios					
Tracking error	3.52	3.01	3.05	2.89	2.26
Active share	81.04	83.42	81.37	78.79	80.39
Portfolio turnover rate (PTR)	0.47	0.72	0.21	0.45	0.30

INCOME STATEMENT

Note	(DKK 1,000)	2019	2018
Interest and dividends			
1.	Interest	73	94
2.	Dividends	46,295	43,788
	Total interest and dividends	46,368	43,882
Capital gains and losses			
3.	Shares	227,197	(112,951)
	Currency accounts	685	1,040
	Other assets/liabilities	15	12
4.	Transaction costs, operating activities	(745)	(1,756)
	Total capital gains and losses	227,152	(113,655)
	Other income	0	40
	Total income	273,520	(69,733)
5.	Administrative costs	(10,464)	(10,643)
	Profit before tax	263,056	(80,376)
6.	Tax	(5,000)	(4,630)
	Net profit for the year	258,056	(85,006)

BALANCE SHEET 31 DECEMBER 2019

Note	(DKK 1,000)	2019	2018
ASSETS			
Liquid funds			
	Deposits with custodian	21,159	13,372
	Total liquid funds	21,159	13,372
8.	Holdings		
	Listed shares in Danish companies	11,591	6,372
	Listed shares in foreign companies	1,158,124	1,228,644
	Total holdings	1,169,715	1,235,016
Other assets			
	Interest receivable, dividends receivable etc	2,049	2,497
	Receivables – unsettled transactions	0	683
	Total other assets	2,049	3,180
	TOTAL ASSETS	1,192,923	1,251,568
LIABILITIES			
7.	Investors' assets ¹⁾	1,189,811	1,248,152
Other debt			
	Payables	1,352	2,236
	Payables – unsettled transactions	1,760	1,180
	Total other debt	3,112	3,416
	TOTAL LIABILITIES	1,192,923	1,251,568
¹⁾ Investors' assets by unit class			
	Verden Ligevægt & Value A DKK	301,168	251,990
	Verden Ligevægt & Value W DKK d	888,643	996,162
	Total	1,189,811	1,248,152

Verden Ligevægt & Value KL – Financial Statements

NOTES

Note	(DKK 1,000)	2019	2018
1. Interest			
Deposits with custodian		140	156
Interest expense and negative interest with custodian		(67)	(62)
Total interest		73	94
2. Dividends			
Listed shares in Danish companies		633	0
Listed shares in foreign companies		45,662	43,788
Total dividends		46,295	43,788
3. Capital gains and losses			
Shares			
Listed shares in Danish companies		(1,757)	(561)
Listed shares in foreign companies		229,142	(112,390)
Unlisted shares in foreign companies		(188)	0
Total shares		227,197	(112,951)
4. Transaction costs			
All transaction costs		1,211	2,526
Covered by income from issue and redemption		(466)	(770)
Transaction costs, operating activities		745	1,756
5. Administrative costs			
Class-specific costs			
Marketing costs		2,214	2,342
Fees to custodian		951	1,002
Other costs relating to asset management		5,346	5,161
Other costs		442	533
Fixed management fee		1,511	1,605
Total class-specific costs		10,464	10,643

NOTES (continued)

Note	(DKK 1,000)	2019	2018
6. Tax			
The fund is not liable to pay tax.			
Adjustment – dividend tax etc		5,000	4,630
Total tax		5,000	4,630
7. Investors' assets			
Investors' assets at 1 Jan		1,248,152	1,399,517
Issues during the year		241,580	426,355
Redemptions during the year		(442,086)	(383,203)
Net issue surcharges and redemption deductions		348	737
Distribution from last year concerning units in circulation at 31 Dec		(118,219)	(113,240)
Changes in dividend distribution due to issues/redemptions		1,980	2,992
Proposed distribution for the financial year		64,864	118,219
Brought forward from income statement		193,151	(203,504)
Brought forward for distribution next year		41	279
Investors' assets at year-end		1,189,811	1,248,152
7a. Joint income available for distribution in unit classes			
Interest		140	156
Dividends		46,295	43,788
Non-refundable dividend tax		(5,000)	(4,630)
Capital gains for distribution		35,945	80,133
Distribution adjustment in connection with issue/redemption concerning the above items		(2,851)	9,428
Available for distribution in unit classes		74,529	128,875
Of which for distribution in:			
Verden Ligevægt & Value A DKK		18,894	26,071
Verden Ligevægt & Value W DKK d		55,635	102,804
Total for distribution		74,529	128,875
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

Note (DKK 1,000)	2019	2018
a. Breakdown of financial instruments		
Listed financial instruments	98.31%	98.95%
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%
Other financial instruments	0.00%	0.00%
	98.31%	98.95%
Other assets/other debt	1.69%	1.05%
Total	100.00%	100.00%
b. Shares by country		
USA	54.04%	51.22%
Japan	6.84%	7.76%
France	5.68%	3.75%
Canada	5.32%	5.02%
China	4.41%	4.97%
UK	3.55%	6.94%
Germany	2.93%	2.62%
South Korea	2.35%	2.61%
Other	13.19%	14.06%
Cash, derivatives etc	1.69%	1.05%
Total	100.00%	100.00%

SUPPLEMENTARY NOTES (continued)

Note (DKK 1,000)	2019	2018
c. Shares by industry		
Financials	16.90%	17.68%
Information Technology	16.30%	15.24%
Health Care	11.72%	13.27%
Consumer Discretionary	9.96%	10.74%
Industrials	9.48%	10.73%
Telecommunications Services	8.17%	3.72%
Consumer Staples	7.85%	8.55%
Energy	6.60%	6.90%
Materials	4.22%	5.27%
Utilities	4.00%	4.27%
REIT	3.11%	2.58%
Cash, derivatives etc	1.69%	1.05%
Total	100.00%	100.00%

Verden Ligevægt & Value A DKK – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2015-2019

(DKK 1,000)	2019	2018	2017	2016 ¹⁾	2015
Financial highlights					
Net profit for the year	57,002	(19,709)	14,421	59,738	29,691
Investors' assets	301,168	251,990	317,719	705,697	389,301
Units in circulation nominal	367,173	349,127	378,480	804,801	473,942
Units in circulation quantity	3,671,735	3,491,272	3,784,795	8,048,006	4,739,415
Financial ratios					
NAV per unit	82.02	72.18	83.95	87.69	82.14
Dividend per unit	4.00	6.20	6.30	7.00	7.10
Return (%) ¹⁾	23.43%	(7.23%)	4.10%	17.07%	7.26%
Benchmark return (%)	29.10%	(4.63%)	9.04%	10.69%	9.00%
Total expense ratio	1.57%	1.57%	1.65%	1.46%	1.38%
Annual percentage rate (APR) at 31 Dec	1.72%	1.77%	1.74%	1.76%	1.79%
Indirect transaction costs	0.03%	0.05%	-	-	-
Sharpe Ratio (5 yrs)	0.68	0.64	1.19	1.33	0.81
Standard deviation (5 yrs)	12.40	10.92	9.58	9.54	10.17

¹⁾ Past performance is no guarantee of future performance.

¹⁾ The fund was converted to a unit class on 18 April 2016.

NOTES

Note (DKK 1,000)	2019	2018
a. Net profit		
Share of joint portfolio profit	61,329	(15,288)
Other class-specific income	0	9
Class-specific costs ¹⁾	(4,327)	(4,430)
Total net profit	57,002	(19,709)
¹⁾ Class-specific costs		
Marketing costs	2,214	2,342
Fees to custodian	311	315
Other costs relating to asset management	1,234	1,165
Other costs	108	128
Fixed management fee	460	480
Total class-specific costs	4,327	4,430
b. Distribution of profit		
b1. To be allocated		
Proposed distribution for the financial year	14,687	21,646
Brought forward for distribution next year	15	188
Available for distribution	14,702	21,834
Brought forward to investors' assets	42,300	(41,543)
Total distribution	57,002	(19,709)
b2. Available for distribution		
Brought forward for distribution from last year	188	43
Other income	0	9
Distribution adjustment in connection with issue/redemption concerning the above items	10	(6)
Share of joint income	18,894	26,071
Available for distribution before administrative costs	19,092	26,117
Set-off of administrative costs	(4,327)	(4,430)
Distribution adjustment of which in connection with issue/redemption	(63)	147
Total administrative costs	(4,390)	(4,283)
Available for distribution	14,702	21,834

NOTES (continued)

Note (DKK 1,000)	2019	2018
c. Investors' assets		
c1. Units in circulation		
Units in circulation at 1 Jan	349,127	378,480
Issues during the year	69,993	28,506
Redemptions during the year	(51,947)	(57,859)
Total units in circulation	367,173	349,127
c2. Investors' assets		
Investors' assets at 1 Jan	251,990	317,719
Issues during the year	53,053	22,701
Redemptions during the year	(39,311)	(45,542)
Net issue surcharges and redemption deductions	133	259
Distribution from last year concerning units in circulation at 31 Dec	(21,646)	(23,844)
Changes in dividend distribution due to issues/redemptions	(53)	406
Proposed distribution for the financial year	14,687	21,646
Brought forward from income statement	42,300	(41,543)
Brought forward for distribution next year	15	188
Investors' assets at year-end	301,168	251,990

Verden Ligevægt & Value W DKK d – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2016-2019

(DKK 1,000)	2019	2018	2017	2016 ¹⁾
Financial highlights				
Net profit for the year ²⁾	201,054	(65,297)	42,970	41,402
Investors' assets	888,643	996,162	1,081,798	360,612
Units in circulation nominal	759,956	965,732	902,989	307,010
Units in circulation quantity	7,599,564	9,657,324	9,029,892	3,070,097
Financial ratios				
NAV per unit	116.93	103.15	119.80	117.46
Dividend per unit	6.60	10.00	9.90	3.50
Return (%) ¹⁾²⁾	24.50%	(6.35%)	5.15%	17.46%
Benchmark return (%) ²⁾	29.10%	(4.63%)	9.04%	13.58%
Total expense ratio ²⁾	0.67%	0.64%	0.56%	0.43%
Annual percentage rate (APR) at 31 Dec	0.81%	0.82%	0.78%	0.78%
Indirect transaction costs	0.03%	0.05%	-	-
Sharpe Ratio (3 yrs)	0.60	-	-	-
Standard deviation (3 yrs)	12.02	-	-	-

¹⁾ Past performance is no guarantee of future performance.

¹⁾ The unit class was launched on 18 April 2016.

²⁾ The year 2016: Net profit and financial ratios cover the period from 18 April to 31 December 2016.

NOTES

Note (DKK 1,000)	2019	2018
a. Net profit		
Share of joint portfolio profit	207,191	(59,114)
Other class-specific income	0	30
Class-specific costs ¹⁾	(6,137)	(6,213)
Total net profit	201,054	(65,297)
¹⁾ Class-specific costs		
Fees to custodian	640	686
Other costs relating to asset management	4,112	3,996
Other costs	334	406
Fixed management fee	1,051	1,125
Total class-specific costs	6,137	6,213
b. Distribution of profit		
b1. To be allocated		
Proposed distribution for the financial year	50,157	96,573
Brought forward for distribution next year	57	101
Available for distribution	50,214	96,674
Brought forward to investors' assets	150,840	(161,971)
Total distribution	201,054	(65,297)
b2. Available for distribution		
Brought forward for distribution from last year	101	733
Other income	0	30
Distribution adjustment in connection with issue/redemption concerning the above items	(21)	(8)
Share of joint income	55,635	102,804
Available for distribution before administrative costs	55,715	103,559
Set-off of administrative costs	(6,137)	(6,213)
Distribution adjustment of which in connection with issue/redemption	636	(672)
Total administrative costs	(5,501)	(6,885)
Available for distribution	50,214	96,674

NOTES (continued)

Note (DKK 1,000)	2019	2018
c. Investors' assets		
c1. Units in circulation		
Units in circulation at 1 Jan	965,732	902,989
Issues during the year	174,110	365,002
Redemptions during the year	(379,886)	(302,259)
Total units in circulation	759,956	965,732
c2. Investors' assets		
Investors' assets at 1 Jan	996,162	1,081,798
Issues during the year	188,527	403,654
Redemptions during the year	(402,775)	(337,661)
Net issue surcharges and redemption deductions	215	478
Distribution from last year concerning units in circulation at 31 Dec	(96,573)	(89,396)
Changes in dividend distribution due to issues/redemptions	2,033	2,586
Proposed distribution for the financial year	50,157	96,573
Brought forward from income statement	150,840	(161,971)
Brought forward for distribution next year	57	101
Investors' assets at year-end	888,643	996,162

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	5 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 unhedged to fund currency		
Secondary name	Global Value Equities Acc KL		

Introduction

The fund report should be read together with the sections in the annual report "Financial markets in 2019" 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 100 shares each share will constitute around 1.00% of the fund. By investing an equal share in each equity we ensure a relatively heavy weighting of small and medium-size 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 Acc 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 2019 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	31 Dec 2019		31 Dec 2018	
	Return	Benchmark	Return	Benchmark
Verden Ligevægt & Value A DKK Akk	23.61%	29.10%	(7.54%)	(4.63%)
Global Value Equities B EUR Acc	23.92%	28.93%	(7.39%)	(4.85%)
Verden Ligevægt & Value W DKK Acc	24.70%	29.10%	(6.68%)	(4.63%)

The market exceeded expectations at the beginning of the year and the fund's unit classes underperformed compared to benchmark, cf the table above.

Despite zero growth in corporate earnings, declining economic indicators and an unresolved trade conflict, global shares recorded sizeable price increases in 2019. However it must also be said that global shares performed poorly at the end of 2018 due to fears of an imminent recession. Since then we have seen a stabilisation in several economic indicators, supportive central banks and a growing number of companies forecasting improvements in 2020, which has generated renewed optimism among investors.

The fund has produced a return below the change in its benchmark. This was due to the fund's focus on value shares. Value shares have not been able to keep up with growth shares and have also struggled compared to the large, stable shares.

Market outlook

We do not anticipate that share market returns will match the level of 2019. However given receding recession fears, supportive central banks and improved growth prospects we may well see a positive share year also in 2020. The most significant risks are geopolitical instability, a renewed growth slowdown and a strong USD.

We project that the fund will generate a return in 2020 on a par with or above its benchmark as the fund is actively managed.

Verden Ligevægt & Value Akkumulerende KL – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2015-2019

(DKK 1,000)	2019	2018	2017	2016	2015 ¹⁾
Financial highlights					
Net profit for the year	131,617	(52,167)	14,352	13,470	(120)
Investors' assets	521,493	690,251	591,241	309,297	63,920
Financial ratios					
Tracking error	3.57	3.00	-	-	-
Active share	81.11	83.49	-	-	-
Portfolio turnover rate (PTR)	0.45	0.73	0.14	0.73	0.31

¹⁾ The fund was launched on 18 September 2015.

INCOME STATEMENT

Note (DKK 1,000)	2019	2018
Interest and dividends		
1. Interest	30	76
2. Dividends	24,572	21,369
Total interest and dividends	24,602	21,445
Capital gains and losses		
3. Shares	114,790	(65,113)
Currency accounts	712	58
Other assets/liabilities	8	2
4. Transaction costs, operating activities	(360)	(871)
Total capital gains and losses	115,150	(65,924)
Other income	0	11
Total income	139,752	(44,468)
5. Administrative costs	(5,373)	(5,281)
Profit before tax	134,379	(49,749)
6. Tax	(2,762)	(2,418)
Net profit for the year	131,617	(52,167)

BALANCE SHEET 31 DECEMBER 2019

Note (DKK 1,000)	2019	2018
ASSETS		
Liquid funds		
Deposits with custodian	13,862	29,483
Total liquid funds	13,862	29,483
7. Shares		
Listed shares in Danish companies	4,873	3,298
Listed shares in foreign companies	501,343	657,899
Total shares	506,216	661,197
Other assets		
Interest receivable, dividends receivable etc	904	1,352
Receivables – unsettled transactions	1,086	0
Total other assets	1,990	1,352
TOTAL ASSETS	522,068	692,032
LIABILITIES		
6. Investors' assets ¹⁾	521,493	690,251
Other debt		
Payables	575	1,251
Payables – unsettled transactions	0	530
Total other debt	575	1,781
TOTAL LIABILITIES	522,068	692,032
¹⁾ Investors' assets by unit class		
Verden Ligevægt & Value A DKK Akk	77,151	61,819
Global Value Equities B EUR Acc	73,498	157,957
Verden Ligevægt & Value W DKK Acc	370,844	470,475
Total	521,493	690,251

Verden Ligevægt & Value Akkumulerende KL – Financial Statements

NOTES

Note (DKK 1,000)	2019	2018
1. Interest		
Deposits with custodian	62	126
Interest expense and negative interest with custodian	(32)	(50)
Total interest	30	76
2. Dividends		
Listed shares in Danish companies	379	0
Listed shares in foreign companies	24,193	21,369
Total dividends	24,572	21,369
3. Capital gains and losses		
Shares		
Listed shares in Danish companies	(1,143)	(305)
Listed shares in foreign companies	116,031	(64,808)
Unlisted shares in foreign companies	(98)	0
Total shares	114,790	(65,113)
4. Transaction costs		
All transaction costs	675	1,144
Covered by income from issue and redemption	(315)	(273)
Transaction costs, operating activities	360	871
5. Administrative costs		
Class-specific costs		
Marketing costs	1,194	1,252
Fees to custodian	343	362
Other costs relating to asset management	2,796	2,572
Other costs	227	265
Fixed management fee	813	830
Total class-specific costs	5,373	5,281
6. Tax		
The fund is not liable to pay tax.		
Adjustment – dividend tax etc	2,762	2,418
Total tax	2,762	2,418
7. Investors' assets		
Investors' assets at 1 Jan	690,251	591,241
Issues during the year	81,616	221,765
Redemptions during the year	(382,162)	(70,695)
Net issue surcharges and redemption deductions	171	107
Brought forward from income statement	131,617	(52,167)
Investors' assets at year-end	521,493	690,251
8. Financial instruments (securities)		
A list of financial instruments (securities) is available free of charge from the investment management company.		

SUPPLEMENTARY NOTES

Note (DKK 1,000)	2019	2018
a. Breakdown of financial instruments		
Listed financial instruments	97.07%	95.79%
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%
Other financial instruments	0.00%	0.00%
	97.07%	95.79%
Other assets/other debt	2.93%	4.21%
Total	100.00%	100.00%
b. Shares by country		
USA	52.96%	50.58%
Japan	7.04%	7.26%
France	5.38%	3.51%
Canada	5.04%	4.85%
China	4.70%	4.75%
UK	3.39%	6.49%
Germany	2.78%	2.45%
South Korea	2.65%	2.49%
Other	13.13%	13.41%
Cash, derivatives etc	2.93%	4.21%
Total	100.00%	100.00%
c. Shares by industry		
Financials	16.69%	17.00%
Information Technology	16.30%	14.89%
Health Care	11.42%	13.02%
Consumer Discretionary	9.83%	10.36%
Industrials	9.41%	10.33%
Telecommunications Services	8.07%	3.60%
Consumer Staples	7.68%	8.23%
Energy	6.54%	6.63%
Materials	4.24%	5.04%
Utilities	3.98%	4.14%
REIT	2.91%	2.55%
Cash, derivatives etc	2.93%	4.21%
Total	100.00%	100.00%

Verden Ligevægt & Value A DKK Akk – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2015-2019

(DKK 1,000)	2019	2018	2017	2016	2015 ¹⁾
Financial highlights					
Net profit for the year ²⁾	14,601	(5,078)	3,396	7,732	(1,731)
Investors' assets	77,151	61,819	70,812	220,738	30,305
Units in circulation nominal	54,710	54,187	57,390	185,765	29,795
Units in circulation quantity	547,105	541,866	573,897	1,857,648	297,945
Financial ratios					
NAV per unit	141.02	114.08	123.39	118.83	101.71
Return (%) ¹⁾²⁾	23.61%	(7.54%)	3.84%	16.83%	(4.88%)
Benchmark return (%) ²⁾	29.10%	(4.63%)	9.04%	10.69%	(4.41%)
Total expense ratio ²⁾	1.56%	1.54%	1.69%	1.40%	0.54%
Annual percentage rate (APR) at 31 Dec	1.71%	1.76%	1.74%	1.74%	1.76%
Indirect transaction costs	0.04%	0.05%	-	-	-
Sharpe Ratio (3 yrs)	0.51	0.40	-	-	-
Standard deviation (3 yrs)	12.02	10.19	-	-	-

¹⁾ Past performance is no guarantee of future performance.

¹⁾ The fund was launched on 23 November 2015.

²⁾ The year 2015: Net profit and financial ratios cover the period from 23 November to 31 December 2015.

NOTES

Note (DKK 1,000)	2019	2018
a. Net profit		
Share of joint portfolio profit	15,719	(4,054)
Other class-specific income	0	1
Class-specific costs ¹⁾	(1,118)	(1,025)
Total net profit	14,601	(5,078)
¹⁾ Class-specific costs		
Marketing costs	589	549
Fees to custodian	60	59
Other costs relating to asset management	320	273
Other costs	29	31
Fixed management fee	120	113
Total class-specific costs	1,118	1,025
b. Distribution of profit		
b1. To be allocated		
Brought forward to investors' assets	14,601	(5,078)
Total distribution	14,601	(5,078)

NOTES (continued)

Note (DKK 1,000)	2019	2018
c. Investors' assets		
c1. Units in circulation		
Units in circulation at 1 Jan	54,187	57,390
Issues during the year	9,606	5,448
Redemptions during the year	(9,083)	(8,651)
Total units in circulation	54,710	54,187
c2. Investors' assets		
Investors' assets at 1 Jan	61,819	70,812
Issues during the year	12,414	6,699
Redemptions during the year	(11,729)	(10,633)
Net issue surcharges and redemption deductions	46	19
Brought forward from income statement	14,601	(5,078)
Investors' assets at year-end	77,151	61,819

Global Value Equities B EUR Acc – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2015-2019

(DKK 1,000)	2019	2018	2017	2015 ¹⁾	2014 ²⁾
Financial highlights					
Net profit for the year ²⁾	23,336	(14,176)	4,152	5,008	1,611
Net profit for the year ³⁾	23,336	(14,176)	4,152	5,008	2,544
Investors' assets	73,498	157,957	118,124	76,627	33,615
Units in circulation nominal	42,376	112,871	78,138	53,900	28,238
Units in circulation quantity (EUR)	567,231	1,512,658	1,049,941	710,778	365,657
Financial ratios					
NAV per unit (EUR)	17.34	13.99	15.11	14.50	12.32
Return in EUR (%) ^{1) 2)}	23.92%	(7.39%)	4.22%	17.70%	6.75%
Benchmark return in EUR (%) ²⁾	28.93%	(4.85%)	8.89%	11.09%	8.76%
Total expense ratio ²⁾	1.24%	1.14%	1.12%	1.10%	0.48%
Total expense ratio ³⁾	1.24%	1.14%	1.12%	1.10%	1.35%
Annual percentage rate (APR) at 31 Dec	2.00%	2.02%	1.99%	1.97%	2.09%
Indirect transaction costs	0.04%	0.05%	-	-	-
Sharpe Ratio (5 yrs)	0.69	0.65	1.19	1.33	0.81
Standard deviation (5 yrs)	12.41	10.92	9.65	9.65	10.21

¹⁾ Past performance is no guarantee of future performance.

¹⁾ The unit class was launched on 21 September 2015.

²⁾ The year 2015: Net profit and financial ratios cover the period from 21 September to 31 December 2015.

³⁾ For the period 1 January – 18 September 2015 ISI Global Value Equities is included.

NOTES

Note (DKK 1,000)	2019	2018
a. Net profit		
Share of joint portfolio profit	24,793	(12,531)
Other class-specific income	0	2
Class-specific costs ¹⁾	(1,457)	(1,647)
Total net profit	23,336	(14,176)
¹⁾ Class-specific costs		
Marketing costs	605	703
Fees to custodian	54	66
Other costs relating to asset management	552	584
Other costs	44	59
Fixed management fee	202	235
Total class-specific costs	1,457	1,647
b. Distribution of profit		
b1. To be allocated		
Brought forward to investors' assets	23,336	(14,176)
Total distribution	23,336	(14,176)

NOTES (continued)

Note (DKK 1,000)	2019	2018
c. Investors' assets		
c1. Units in circulation		
Units in circulation at 1 Jan	112,871	78,138
Exchange rate adjustment of units in circulation at 1 Jan	188	238
Issues during the year	679	37,381
Redemptions during the year	(71,362)	(2,886)
Total units in circulation	42,376	112,871
c2. Investors' assets		
Investors' assets at 1 Jan	157,957	118,124
Issues during the year	1,130	58,354
Redemptions during the year	(108,926)	(4,374)
Net issue surcharges and redemption deductions	1	29
Brought forward from income statement	23,336	(14,176)
Investors' assets at year-end	73,498	157,957

Verden Ligevægt & Value W DKK Acc – Financial Statements

FINANCIAL HIGHLIGHTS FOR THE YEARS 2016-2019

(DKK 1,000)	2019	2018	2017	2016 ¹⁾
Financial highlights				
Net profit for the year ²⁾	93,680	(32,913)	6,804	730
Investors' assets	370,844	470,475	402,305	11,932
Units in circulation nominal	274,299	433,959	346,286	10,778
Units in circulation quantity	2,742,989	4,339,587	3,462,858	107,775
Financial ratios				
NAV per unit	135.20	108.41	116.18	110.71
Return (%) ^{1) 2)}	24.70%	(6.68%)	4.94%	10.71%
Benchmark return (%) ²⁾	29.10%	(4.63%)	9.04%	7.43%
Total expense ratio ²⁾	0.66%	0.62%	0.54%	0.17%
Annual percentage rate (APR) at 31 Dec	0.79%	0.81%	0.78%	0.78%
Indirect transaction costs	0.04%	0.05%	-	-
Standard deviation (3 yrs)	0.59	-	-	-
Sharpe Ratio (3 yrs)	11.98	-	-	-

¹⁾ Past performance is no guarantee of future performance.

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

²⁾ The year 2016: Net profit and financial ratios cover the period from 5 October to 31 December 2016.

NOTES

Note (DKK 1,000)	2019	2018
a. Net profit		
Share of joint portfolio profit	96,478	(30,312)
Other class-specific income	0	8
Class-specific costs ¹⁾	(2,798)	(2,609)
Total net profit	93,680	(32,913)
¹⁾ Class-specific costs		
Fees to custodian	228	237
Other costs relating to asset management	1,924	1,715
Other costs	154	174
Fixed management fee	492	483
Total class-specific costs	2,798	2,609
b. Distribution of profit		
b1. To be allocated		
Brought forward to investors' assets	93,680	(32,913)
Total distribution	93,680	(32,913)

NOTES (continued)

Note (DKK 1,000)	2019	2018
c. Investors' assets		
c1. Units in circulation		
Units in circulation at 1 Jan	433,959	346,286
Issues during the year	54,166	135,034
Redemptions during the year	(213,826)	(47,361)
Total units in circulation	274,299	433,959
c2. Investors' assets		
Investors' assets at 1 Jan	470,475	402,305
Issues during the year	68,072	156,712
Redemptions during the year	(261,507)	(55,688)
Net issue surcharges and redemption deductions	124	59
Brought forward from income statement	93,680	(32,913)
Investors' assets at year-end	370,844	470,475

Joint Notes

1. ACCOUNTING POLICIES

The 2019 Annual Report of Investeringforeningen 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.

The accounting policies applied are consistent with those adopted in the previous year.

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 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 or UCIT respectively.

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. The fixed management fee represents costs charged according to separate agreement with Syd Fund Management A/S concerning management.

The fixed management fee 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. Audit fees are stated in a joint note in the annual report.

When a fund owns units in another fund, adjustments are made between administrative costs and the market value adjustment of units to reflect costs from underlying units. This adjustment is not included under administrative costs when distribution is calculated.

External costs are paid separately in addition to the fixed management fee.

Other income

Other income is allocated proportionately among the funds affected.

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/unit class are stated beneath net profit for the year of the fund/unit class.

The distributable amount is calculated in compliance with section 16 C 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.

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, however a maximum equal to 2% of the nominal assets.

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 16 C 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.

The statement of minimum income is specified in a note. If the fund is divided into unit classes the information is only provided for the unit class.

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

Liquid funds

Liquid funds consist of deposit accounts held with banks.

Liquid funds in foreign currency are measured at listed exchange rates at the balance sheet date.

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 time 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.

In funds with unit classes receivables/payables concerning issues and redemptions in the unit class are recorded as class-specific receivables/payables concerning unsettled transactions. If the amount shows a receivable, it is recorded as a class-specific receivable concerning unsettled transactions under other assets. If the amount shows a debt, it is recorded as a class-specific 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.

Current tax assets comprise refundable tax on coupons and dividend tax which are being withheld abroad.

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.

Financial ratios

The financial ratios are calculated in accordance with the Danish executive order on financial reports for Danish UCITS as well as standards issued by the Danish Investment Association.

As regards funds with unit classes relevant financial highlights are only shown for the fund. As regards individual unit classes financial highlights are shown in accordance with Annex 4 of the Danish executive order on financial reports for Danish UCITS.

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
- Indirect transaction costs
- 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/unit classes 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.

In income funds/unit classes return is calculated as:

- $((NAV \text{ at } 31 \text{ Dec} / NAV \text{ at } 1 \text{ Jan} - 1) \times 100) + \text{distribution per unit} \times NAV \text{ at } 31 \text{ Dec} / NAV \text{ immediately after distribution.}$

In accumulation funds/unit classes return is calculated as:

- $(NAV \text{ at } 31 \text{ Dec} / NAV \text{ at } 1 \text{ Jan} - 1) \times 100.$

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. . The ratio is calculated as the sum of the four elements below.

Estimated annual administrative costs in percentage terms of average assets. Administrative costs are restated to cover changes in cost rates during the year, according to agreements concluded, to the effect the changes would have impacted costs since the beginning of the year. Reimbursed commission is deducted from administrative costs.

Direct transaction costs of operating activities in percentage terms of average assets.

1/7 of the maximum issue surcharge as specified in the prospectus.

1/7 of the maximum redemption reduction as specified in the prospectus.

As regards new funds whose first financial reporting period deviates from one year, administrative costs and transaction costs are translated to full-year terms.

Indirect transaction costs

Indirect transaction costs are an estimate of costs arising when there is a difference between the buying and selling prices of trades executed in connection with fund operations.

Indirect transaction costs do not form part of APR.

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 14, to which reference is made.

3. SIGNIFICANT AGREEMENTS

The most significant agreements of great 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 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 macroeconomic analyses and

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.

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 represents:

Audit fees	2019 (DKK 1,000)	2018 (DKK 1,000)
Audit fees	775.8	758.3
Assurance engagements	0.0	0.0
Fees for other services	50.4	0.0
Total auditors' fee	826.2	758.3

Fees for other assurance engagements comprise reports on the exchange ratio in connection with liquidation.

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 quoting prices 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. Quotations are based on fund NAV and 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, money accounts for payment to and from the Investment Fund as well as other issues as described in the guidelines and rules of VP Securities. 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. 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.

Commission is paid to Sydbank in connection with the execution of a trade.

Commission in connection with securities trading is included under "Transaction costs".

4. COUNTERPARTY TO DERIVATIVES

Investeringsforeningen 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.

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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