

# Danske Invest PCC Limited

PO Box 246, Canada Court, Upland Road, St. Peter Port, Guernsey, Channel Islands, GY1 3QE  
A Company registered in Guernsey under number: 42589

15 August 2018

Dear Shareholder

Danske Invest PCC Limited (the “**Company**”) and the following Cells of the Company:

Danske Invest Hedge Fixed Income Opportunities Fund

Danske Invest Hedge Fixed Income Strategies Fund

Danske Invest Hedge Fixed Income Relative Value Fund

Danske Invest Hedge Mortgage Arbitrage Fund

The Company has amended its Supplemental Scheme Particulars. The changes reflected in the updated Supplemental Scheme Particulars are summarised below:

**1.1 Classes, which have not been launched, have been removed, and the documents have been updated accordingly.**

**1.2 Calculation of leverage and exposure (not guaranteed) has been specified.**

For the Danske Invest Hedge Fixed Income Opportunities Fund, the total exposure using the gross or commitment method is not to exceed 1,500 per cent, rather than an expectation not to exceed.

For the Danske Invest Hedge Fixed Income Strategies Fund, the total exposure using the gross or commitment method is not to exceed 15,000 per cent, rather than an expectation not to exceed.

For the Danske Invest Hedge Fixed Income Relative Value Fund, the total exposure using the gross or commitment method is not to exceed 15,000 per cent, rather than an expectation not to exceed.

For the Danske Invest Hedge Mortgage Arbitrage Fund, the total exposure using the gross or commitment method is not to exceed 2,000 per cent, rather than an expectation not to exceed.

For all four Cells, it is now specified, that the maximum leverage according to the gross method can be exceeded in periods of up to 5 (five) months where opposite derivative positions are taken in the same instrument so that the impact of the excess is neutralized.

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

At the same time following fund-specific changes have been made:

**2.1 Change of hurdle rate used when calculating performance fees of the fund Danske Invest Hedge Fixed Income Opportunities Fund**

With the aim of aligning the hurdle rates used to calculate performance fees across currencies for funds managed by Danske Invest Management A/S, the hurdle rate used for the fund Danske Invest Hedge Fixed Income Opportunities Fund will change as follows on the date indicated in the table:

	<b>Until 31 August 2018</b>	<b>As from 1 September 2018</b>
<b>Definition of the Risk-free Rate DKK</b>	Denmark's Nationalbank's lending rate.	Tomorrow/Next Interest Rate (Bloomberg ticker: DE TNT/N)

## 2.2 **Change of hurdle rates used when calculating performance fees of the fund Danske Invest Hedge Fixed Income Strategies Fund**

With the aim of aligning the hurdle rates used to calculate performance fees across currencies for funds managed by Danske Invest Management A/S, the hurdle rates used for the fund Danske Invest Hedge Fixed Income Strategies Fund will change as follows on the date indicated in the table:

	<b>Until 31 August 2018</b>	<b>As from 1 September 2018</b>
<b>Definition of the Risk-free Rate DKK</b>	Denmark's Nationalbank's lending rate.	Tomorrow/Next Interest Rate (Bloomberg ticker: DE TNT/N)
<b>Definition of the Risk-free Rate EUR</b>	European Central Bank's lending rate	EMMI EURO Overnight Index Average (Bloomberg ticker: EONIA)
<b>Definition of the Risk-free Rate SEK</b>	Sveriges Riksbank's lending rate	Stockholm Interbank Offered Rate T/N (Bloomberg ticker: STIB1D)

## 2.3 **Change of hurdle rate used when calculating performance fees of the fund Danske Invest Hedge Fixed Income Relative Value Fund**

With the aim of aligning the hurdle rates used to calculate performance fees across currencies for funds managed by Danske Invest Management A/S, the hurdle rate used for the fund Danske Invest Hedge Fixed Income Relative Value Fund will change as follows on the date indicated in the table:

	<b>Until 31 August 2018</b>	<b>As from 1 September 2018</b>
<b>Definition of the Risk-free Rate DKK</b>	Denmark's Nationalbank's lending rate.	Tomorrow/Next Interest Rate (Bloomberg ticker: DE TNT/N)
<b>Definition of the Risk-free Rate EUR</b>	European Central Bank's lending rate	EMMI EURO Overnight Index Average (Bloomberg ticker: EONIA)
<b>Definition of the Risk-free Rate SEK</b>	Sveriges Riksbank's lending rate	Stockholm Interbank Offered Rate T/N (Bloomberg ticker: STIB1D);
<b>Definition of the Risk-free Rate USD</b>	US Federal Fund's Target Rate	USD Overnight Deposit (Bloomberg ticker: FEDLO1)

## 2.4 **Change of hurdle rate used when calculating performance fees of the funds Danske Invest Hedge Mortgage Arbitrage Fund**

With the aim of aligning the hurdle rates used to calculate performance fees across currencies for funds managed by Danske Invest Management A/S, the hurdle rate used for the fund Danske Invest Hedge Mortgage Arbitrage Fund will change as follows on the date indicated in the table:

	<b>Until 31 August 2018</b>	<b>As from 1 September 2018</b>
<b>Definition of the Risk-free Rate DKK</b>	Denmark's Nationalbank's lending rate.	Tomorrow/Next Interest Rate (Bloomberg ticker: DE TNT/N)

## 2.5 **Introduction of “floor”**

At the same time as the new hurdle rates for the four Cells will become effective, the Board of Directors has decided – until further notice – to introduce a zero percentage floor for currencies, where the actual rate would be negative. This will have a positive impact (less performance fees charged) on currencies where the actual rate is negative and a zero impact on currencies where the actual rate is positive.

If the Board of Directors decide – at a later stage – to remove the zero percentage floor, investors in the funds will be given 30 days notice with the right to request full redemption free of charge or conversion of their shares into any other fund within the Company free of charges.

Investors in the Cells, have the right until close of business on 31 August 2018 to request the full redemption free of charge or conversion of their shares into any other Cell within the Company free of charges.

The updated Supplemental Scheme Particulars dated 15 August 2018 can be downloaded from the website [www.danskehedge.com](http://www.danskehedge.com) or obtained by request from the registered office of the Fund.

If content with the changes, Investors are not required to take any action in respect of the changes. The Guernsey Financial Services Commission has been notified of the above amendments.

In case you are acting as a nominee you are obliged to send this information to the underlying investors as this letter has been passed to the shareholders in the shareholder register of the Fund.

If you have any questions in relation to the above, please contact us at email: [ofmis@rbc.com](mailto:ofmis@rbc.com), telephone: +44 (0) 1481 744141, fax: +44 (0) 1481 744524 or by post to RBC Offshore Fund Managers Limited, Attn: Shareholder Services, P O Box 246, Canada Court, Upland Road, St Peter Port, Guernsey, GY1 3QE.

Yours faithfully,

The Board of Directors

Danske Invest PCC Limited