



# ANNUAL REPORT INCLUDING AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

DANSKE INVEST ALLOCATION, SICAV

Danske

Invest

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# DANSKE INVEST ALLOCATION

## Société d'Investissement à Capital Variable

Annual Report including Audited Financial Statements

as at December 31, 2016

R.C.S B82717

The Prospectus and the relevant KIID (Key Investor Information Document) should be read in their entirety before making any investments in the Shares. Subscriptions can only be placed after the relevant KIID has been made available and on the basis of the current Prospectus accompanied by the most recent annual report, including audited financial statements and semi-annual reports of the Fund, if any. Such reports are deemed to be an integral part of the Prospectus.

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# DANSKE INVEST ALLOCATION

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# DANSKE INVEST ALLOCATION

## Management and Administration

### BOARD OF DIRECTORS OF THE FUND

Robert Bruun MIKKELSTRUP (Chairman)  
Head of Investment Risk and Implementation of  
Wealth Management  
Danske Bank A/S  
2800 Kgs. Lyngby  
Denmark

Henrik Rye PETERSEN  
Head of Fund Distribution  
Danske Invest  
2800 Kgs. Lyngby  
Denmark

Morten RASTEN  
Managing Director  
Danske Invest Management A/S  
2800 Kgs. Lyngby  
Denmark

### MANAGEMENT COMPANY

Danske Invest Management Company  
13, rue Edward Steichen  
L-2540 Luxembourg  
Grand Duchy of Luxembourg

### BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Morten RASTEN (Chairman)  
Managing Director  
Danske Invest Management A/S  
2800 Kgs. Lyngby  
Denmark

Johnny BISGAARD (resigned as of July 22, 2016)  
Deputy General Manager  
Danske Bank International S.A.  
Luxembourg  
Grand-Duchy of Luxembourg

Lone MORTENSEN (resigned as of May 31, 2016)  
Member of Executive Board  
Head of Management Company Integration  
Danske Invest Management A/S  
2800 Kgs. Lyngby  
Denmark

Lone Larsson HESTNES (appointed on July 22, 2016)  
Managing Director  
Danske Capital AS  
Oslo  
Norway

Thomas Borg DIDERIKSEN  
(co-opted May 31, 2016)  
Managing Director  
Danske Bank International S.A.  
Luxembourg  
Grand-Duchy of Luxembourg

### DEPOSITARY BANK AND PRINCIPAL PAYING AGENT

RBC Investor Services Bank S.A.  
14, Porte de France  
L-4360 Esch-sur-Alzette  
Grand Duchy of Luxembourg

### INVESTMENT MANAGERS

Danske Bank A/S  
Parallelvej 17  
2800 Kgs. Lyngby  
Denmark

Danske Capital AB  
16, Kungsträdgårdsgatan  
SE-111 47 Stockholm  
Sweden

### CABINET DE RÉVISION AGRÉÉ

Deloitte Audit,  
*Société à responsabilité limitée*  
560, rue de Neudorf  
L-2220 Luxembourg  
Grand Duchy of Luxembourg

### CENTRAL ADMINISTRATION AGENT AND REGISTRAR AGENT

RBC Investor Services Bank S.A.  
14, Porte de France  
L-4360 Esch-sur-Alzette  
Grand Duchy of Luxembourg

### REGISTERED OFFICE

13, rue Edward Steichen  
L-2540 Luxembourg  
Grand Duchy of Luxembourg

### DOMICILIARY AGENT

Danske Invest Management Company  
13, rue Edward Steichen  
L-2540 Luxembourg  
Grand Duchy of Luxembourg

# DANSKE INVEST ALLOCATION

## Information to Shareholders

Information about the Net Asset Value of the shares of each Sub-Fund and about the subscription and redemption prices is available at all times at the registered office of the Fund.

Copies of the annual report, including audited financial statements and semi-annual reports may be obtained by holders of shares from the registered office of the Fund.

A detailed schedule of portfolio changes is available free of charge upon request at the registered office of the Fund.

# DANSKE INVEST ALLOCATION

## Remuneration Policy (Unaudited)

The Management Company adopted a remuneration policy on May 11, 2016 and the current remuneration policy is available on the website [www.danskeinvest.lu](http://www.danskeinvest.lu). In accordance with Articles 1 & 13 in the UCITS V Directive, a table on remuneration related information for 2016 is below:

### Total salaries in Danske Invest Management Company for 2016

### Total salaries of Danske Invest Management Company in EUR 1,000

	<b>Fixed Salaries</b>	<b>Variable salaries</b>	<b>Total salaries</b>	<b>Head-counts</b>
Danske Invest Allocation Board of Directors	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>
DIMC Board of Directors	0	0	0	3
Management Board	261	53	314	2
Other material risk takers	81	0	81	1
Other employees	268	8	276	4
<b>Total salaries</b>	<b>610</b>	<b>61</b>	<b>671</b>	<b>10</b>

# DANSKE INVEST ALLOCATION

## Directors' Report

### Significant events during the year 2016:

#### Board of Directors of the Fund

**The Annual General Meeting of Danske Invest Allocation took place on March 1, 2016.**

The General Assembly noted the expiry of the mandate for all the current Board Members as of March 1, 2016 and noted that there is no remuneration fee for Board Members from Danske Bank Group. The General Assembly elected the following Board Members - Mr. Robert Mikkelsen, Mr. Morten Rasten and Mr. Henrik Rye Petersen for a one year period until the next Annual General Meeting which will be held in 2017.

The current *Cabinet de révision agréé à responsabilité limitée* was re-elected as Statutory Auditor for another one year term until the next Annual General Meeting which will be held in 2017.

#### **Mandates held by the current Board of Directors of Danske Invest Allocation**

**Mr. Robert Mikkelsen** has the following mandates in addition to the Director mandate and Chairman of Danske Invest Allocation:

Board membership: Danske Invest SICAV and Danske Invest SICAV-SIF (Luxembourg).

**Mr. Henrik Rye Petersen** has the following mandates in addition to the Director mandate of Danske Invest Allocation.

Board membership: Danske Invest SICAV and Danske Invest SICAV-SIF (Luxembourg).

**Mr. Morten Rasten** has the following mandates and engagements in addition to the Director mandate of Danske Invest Allocation.

Board membership: Danske Invest Fund Management Ltd (Finland), Danske Capital AB (Sweden), Danske Capital AS Norway, Danske Invest SICAV SIF, Danske Invest SICAV, Danske Invest Management Company (Luxembourg), Danish (IFB) and Norwegian (UFF) fund associations.

Management position: Managing Director in Danske Invest Management A/S (Denmark).

#### **Event subsequent to Annual General Meeting**

A circular resolution constituting Mr. Robert Mikkelsen as Chairman to the Board was made subsequent to the Annual General Meeting.

#### **Brexit June 2016**

RBC ITS published the net asset value prices for the funds on June 24, 2016 with a small delay after the outcome of the decision on the UK Referendum not to stay in the EU. Subscriptions/ Redemptions were monitored closely in the feed following the decision. Senior Management at DIMC reviewed the pricing (with snap-shot 9:30 a.m.) and concluded that fair prices from all markets at this time-slot were obtained and there was no need to suspend any of the funds due to Brexit.

#### **Danske Invest Allocation Prospectus February 2016**

In line with the plan to merge existing UCITS funds domiciled in Sweden into Danske Invest Allocation, the Prospectus was updated to include the changes listed below. The CSSF approved the Prospectus on February 26, 2016 and issued the visa stamped Prospectus on March 29, 2016.

The main changes to the Prospectus are listed below:

- Update the "Glossary of Terms" to be called "Definitions" and to include several new definitions;
- Insert a new section called "Interpretation Rules" into the Prospectus;
- Insert in the Section "Management and Administration" Danske Capital AB Sweden as Investment Manager;
- Clarification in sub-paragraph 1.2.2 of the Prospectus regarding the Class(es) of Units to include Class Y and Class YI;
- Update Section "2 Investment Objectives of the Sub-Funds" to include a note on Responsible Investments policy;
- Update Section "3.3.3.1 Securities Lending transactions" to include the possibility for Danske Invest Management Company to receive a remuneration fee in relation to its activity of the securities lending oversight;
- Update Section "7 Investment Managers" to include information on Danske Capital AB and their remuneration and information on the Investment Manager Agreement;
- Update Section "19 Determination of the Net Asset Value" by adding that the Fund has decided the timing of the prices used for valuing the portfolios of each Sub-Fund are stated in the relevant Appendix to the Prospectus;
- Update the Appendix to the following Sub-Funds: "Dynamic", "Equity Opportunities" and "Stable Income" to include "A snap shot of market prices as of 9.30 a.m. Luxembourg time is applied.";
- Insert 5 new Sub-Fund Appendices namely: Horisont Aktie, Horisont Balanserad, Horisont Försiktig, Horisont Ränta, and Horisont Offensiv in the Prospectus.

# DANSKE INVEST ALLOCATION

## Directors' Report (continued)

The Board of Directors approved the appointment of Danske Capital AB, Sweden as the Investment Manager for the five Swedish Funds namely: Horisont Aktie, Horisont Balanserad, Horisont Försiktig, Horisont Ränta and Horisont Offensiv.

### Danske Invest Allocation Prospectus September 2016

As part of a strategic project in Danske Bank A/S, the Wealth Management Product Committee approved for six new balanced Fund of Funds investing in Exchange Traded Funds (ETF) to be established to the Fund. An updated Prospectus was filed with the CSSF on June 30, 2016 and the CSSF issued the visa stamped Prospectus on October 6, 2016 which included the six new Sub-Funds together with the UCITS V Directive requirements on Remuneration policy and the Depositary updates. The UCITS V Directive was adopted by the Luxembourg Parliament on April 21, 2016 and the Luxembourg UCITS V Law entered in force on June 1, 2016.

The main changes to the Prospectus are listed below:

- Update the section "Definitions" to include the following definitions – Depositary, Depositary Bank, UCITS ETF, Indicative Net Asset Value and Multilateral Trading Facility;
- Update section "Management and Administration" with the changes in the Board of Directors of the Management Company and updates to Depositary Bank;
- Insert in the sub-section "1.2.2 Share Classes" two extra share classes - Class J and Class R - in the table of share classes available;
- Update Section "2 Investment Objectives of the Sub-Funds" by inserting the following line to the paragraph on RI policy – "unless otherwise specified in the relevant Appendix";
- Update Section "7 Investment Managers" to include the names of the new Sub-Funds - Defensive Short, Defensive, Moderate Short, Moderate, Balanced, Progressive and Opportunity;
- Update Section "7 Investment Manager" with their latest financial statistics;
- Update Section "8 Depositary and Principal Paying Agent" with the details of the duties and functions of the Depositary and Principal Paying Agent;
- Update Section "23.3 Savings Directive" to be "Automatic Exchange of Information in the Field of Taxation" and to include a paragraph on the common reporting standard;
- Update section "24.4 Documents and other information available" to include the DIMC Remuneration policy and the Depositary and Principal Paying Agent Agreement;
- Create seven new sub-funds – Defensive Short, Defensive, Moderate Short, Moderate, Balanced, Progressive and Opportunity whose details are described in the relevant appendix in the Prospectus.

The KIIDs for the six new Sub-Funds were updated with a paragraph on the Remuneration policy.

### RBC ITS – UCITS V Depositary Agreement

On July 14, 2016 the UCITS V Depositary and Principal Paying Agent agreement was signed between the Fund and RBC ITS.

From April 1, 2016, RBC IS have charged additional fees relating to their enhanced duties as Depositary as laid out in the UCITS V Directive. For the Stable Income Sub-Fund where Fixed TER has been implemented, DIMC shall cover these additional fees out of the Operating and Administrative fees received from this Fund. There will therefore be no change to the Fixed TER in the Sub-Fund for now.

### Sales Activities 2016

In accordance with the current Danske Invest Allocation, SICAV Prospectus, the Management Company handles the marketing and the promotion of the Danske Invest Allocation, SICAV Sub-Funds. The total number of Sub-Funds activated in Danske Invest Allocation SICAV as per end 2016 was nine.

The Prospectus, Articles of Incorporation and KIIDs are available on the website [www.danskeinvest.com](http://www.danskeinvest.com). The website [www.danskeinvest.com](http://www.danskeinvest.com), which is operated by Danske Bank A/S, will be continuously developed to be used as the major marketing / investor information tool in all our areas of distribution.

### Notification in Denmark, Finland, Norway and Sweden

In November 2016 the share class J in the "June" Sub-Funds was notified in Finland.  
In November 2016 the share class J- dkk in the "June" Sub-Funds was notified in Denmark.  
In November 2016 the share class J- sek-h in the "June" Sub-Funds was notified in Sweden.  
In November 2016 the share class J- nok-h in the "June" Sub-Funds was notified in Norway.



# DANSKE INVEST ALLOCATION

## Directors' Report (continued)

### Launch of six new Sub-Funds in November 2016

The following five Sub-Funds were launched on 4 November 2016 at the initial issue prices below:

June Balanced Class J - ISIN code LU1446762624 - initial issue price of EUR 10  
June Balanced Class J-dkk - ISIN code LU1446763192 - initial issue price of DKK 100  
June Balanced Class J-nok h - ISIN code LU1446762970 - initial issue price of NOK 100  
June Balanced Class J-sek h - ISIN code LU1446762897 - initial issue price of SEK 100  
June Balanced Class R - ISIN code LU1446763275 - initial issue price of EUR 10

June Defensive Class J - ISIN code LU1446763358 - initial issue price of EUR 10  
June Defensive Class J-dkk - ISIN code LU1446763606 - initial issue price of DKK 100  
June Defensive Class J-nok h - ISIN code LU1446763515 - initial issue price of NOK 100  
June Defensive Class J-sek h - ISIN code LU1446763432 - initial issue price of SEK 100  
June Defensive Class R - ISIN code LU1446763788 - initial issue price of EUR 10

June Moderate Class J - ISIN code LU1446764323 - initial issue price of EUR 10  
June Moderate Class J-dkk - ISIN code LU1446764752 - initial issue price of DKK 100  
June Moderate Class J-nok h - ISIN code LU1446764679 - initial issue price of NOK 100  
June Moderate Class J-sek h - ISIN code LU1446764596 - initial issue price of SEK 100  
June Moderate Class R - ISIN code LU1446764836 - initial issue price of EUR 10

June Opportunity Class J - ISIN code LU1446765486 - initial issue price of EUR 10  
June Opportunity Class J-dkk - ISIN code LU1446765726 - initial issue price of DKK 100  
June Opportunity Class J-nok h - ISIN code LU1446765643 - initial issue price of NOK 100  
June Opportunity Class J-sek h - ISIN code LU1446765569 - initial issue price of SEK 100  
June Opportunity Class R - ISIN code LU1446765999 - initial issue price of EUR 10

June Progressive Class J - ISIN code LU1446766021 - initial issue price of EUR 10  
June Progressive Class J-dkk - ISIN code LU1446766450 - initial issue price of DKK 100  
June Progressive Class J-nok h - ISIN code LU1446766377 - initial issue price of NOK 100  
June Progressive Class J-sek h - ISIN code LU1446766294 - initial issue price of SEK 100  
June Progressive Class R - ISIN code LU1446766534 - initial issue price of EUR 10

The following Sub-Fund was launched on 17 November 2016 at the initial issue price listed below:

June Moderate Class J - ISIN code LU1446764919 - initial issue price of EUR 10  
June Moderate Class J-dkk - ISIN code LU1446765213 - initial issue price of DKK 100  
June Moderate Class J-nok h - ISIN code LU1446765130 - initial issue price of NOK 100  
June Moderate Class J-sek h - ISIN code LU1446765056 - initial issue price of SEK 100  
June Moderate Class R - ISIN code LU1446765304 - initial issue price of EUR 10

### Outlook 2017

In 2017 Danske Bank Wealth Management will – on behalf of the Management Company - support the distribution activities of Danske Invest Allocation, SICAV in the markets where the Fund is notified for marketing.

### Risk Management

The Management Company employs a risk management process which monitors and measures the risk of the positions and their contribution to the overall risk profile of the portfolio. The Risk management function monitors the Fund's compliance with the investment restrictions as well as global exposure and Counterparty risk.

Global exposure is calculated on a daily basis by using the commitment approach or the Value-at-Risk or the VaR approach (representing the maximum loss not exceeded with a given probability defined as the confidence level, over a given period of time) or other advanced risk measurement methodologies as may be appropriate in compliance with any relevant circular or regulation issued by the CSSF or any European authority authorised to issue related regulation or technical standards. The approach used when calculating the global exposure of each Sub-Fund is specified in the relevant Appendix of the Prospectus.

### Danske Invest Allocation – Stable Income

The Sub-Fund Stable Income uses a VaR approach to monitor the portfolio's global exposure in particular relating to derivative instruments. On a daily basis, the absolute VaR over a monthly time horizon on all positions in the Sub-Fund's portfolio cannot exceed 6.5% of Net Asset Value with a 99% confidence interval.

# DANSKE INVEST ALLOCATION

## Directors' Report (continued)

The use of financial derivative instruments generates a possibility of leverage in the Sub-Fund. Leverage is measured by using the sum of notional approach and is not expected to exceed 500%. Usually the expected level of leverage is 95-225%. The level of leverage may vary over time. The Sub-Fund is using forward exchange transactions (FETs) for Share Class hedging purpose. FETs used in Share Class hedging purposes do not add any incremental exposure, leverage and/or other market risks.

### Value at Risk (VaR) approach for the Stable Income Sub-Fund:

For this sub-fund using VaR approach we use the Monte Carlo methodology with one (1) month time horizon and 99% confidence interval. The VaR history for the Sub-Fund for 2016 is as follows:

Average VaR%	3.13%
Minimum VaR%	2.52% as per November 15, 2016
Maximum VaR%	3.66% as per January 15, 2016

The historical Leverage levels for Stable Income for 2016 are as follows:

### Leverage (including FET hedging)

Average	42.84%
Minimum	33.25% as per February 23, 2016
Maximum	70.96% as per October 6, 2016

### Leverage (excluding FET hedging)

Average	19.55%
Minimum	11.54% as per February 23, 2016
Maximum	32.65% as per May 31, 2016

### **Performance 2016**

At the year-end the Fund managed a total of nine Sub-Funds and the performance for 2016 for each Sub-Fund below is based on the financial year end reporting Net Asset Value calculations:

### **Danske Invest Allocation Performance as per December 30, 2016**

<b>SUB-FUND NAME</b>	<b>CLASS CURRENCY</b>	<b>ISIN CODE</b>	<b>LAUNCH DATE</b>	<b>PERFORMANCE 2016</b>
<b>Dynamic</b>				
Dynamic - Class A p	EUR	LU0130372641	25-Jul-01	3.15%
<b>Equity Opportunities</b>				
Equity Opportunities - Class A	EUR	LU0130373375	25-Jul-01	1.03%
Equity Opportunities - Class PM	EUR	LU0208489442	11-Feb-05	2.15%
<b>June Balanced</b>				
June Balanced - Class J	EUR	LU1446762624	04-Nov-16	3.88%
June Balanced - Class J-dkk	DKK	LU1446763192	04-Nov-16	3.79%
June Balanced - Class J-nok h	NOK	LU1446762970	04-Nov-16	4.06%
June Balanced - Class J-sek h	SEK	LU1446762897	04-Nov-16	3.72%
June Balanced - Class R	EUR	LU1446763275	04-Nov-16	3.91%
<b>June Defensive</b>				
June Defensive - Class J	EUR	LU1446763358	04-Nov-16	1.39%
June Defensive - Class J-dkk	DKK	LU1446763606	04-Nov-16	1.30%
June Defensive - Class J-nok h	NOK	LU1446763515	04-Nov-16	1.57%
June Defensive - Class J-sek h	SEK	LU1446763432	04-Nov-16	1.23%
June Defensive - Class R	EUR	LU1446763788	04-Nov-16	1.42%

# DANSKE INVEST ALLOCATION

## Directors' Report (continued)

SUB-FUND NAME	CLASS CURRENCY	ISIN CODE	LAUNCH DATE	PERFORMANCE 2016
<b>June Moderate</b>				
June Moderate - Class J	EUR	LU1446764323	04-Nov-16	2.42%
June Moderate - Class J-dkk	DKK	LU1446764752	04-Nov-16	2.33%
June Moderate - Class J-nok h	NOK	LU1446764679	04-Nov-16	2.61%
June Moderate - Class J-sek h	SEK	LU1446764596	04-Nov-16	2.31%
June Moderate - Class R	EUR	LU1446764836	04-Nov-16	2.45%
<b>June Moderate Short</b>				
June Moderate Short - Class J	EUR	LU1446764919	17-Nov-16	1.59%
June Moderate Short - Class J-dkk	DKK	LU1446765213	17-Nov-16	1.48%
June Moderate Short - Class J-nok h	NOK	LU1446765130	17-Nov-16	1.76%
June Moderate Short - Class J-sek h	SEK	LU1446765056	17-Nov-16	1.51%
June Moderate Short - Class R	EUR	LU1446765304	17-Nov-16	1.62%
<b>June Opportunity</b>				
June Opportunity - Class J	EUR	LU1446765486	04-Nov-16	9.45%
June Opportunity - Class J-dkk	DKK	LU1446765726	04-Nov-16	9.36%
June Opportunity - Class J-nok h	NOK	LU1446765643	04-Nov-16	9.60%
June Opportunity - Class J-sek h	SEK	LU1446765569	04-Nov-16	9.22%
June Opportunity - Class R	EUR	LU1446765999	04-Nov-16	9.49%
<b>June Progressive</b>				
June Progressive - Class J	EUR	LU1446766021	04-Nov-16	5.32%
June Progressive - Class J-dkk	DKK	LU1446766450	04-Nov-16	5.23%
June Progressive - Class J-nok h	NOK	LU1446766377	04-Nov-16	5.49%
June Progressive - Class J-sek h	SEK	LU1446766294	04-Nov-16	5.17%
June Progressive - Class R	EUR	LU1446766534	04-Nov-16	5.35%
<b>Stable Income</b>				
Stable Income - Class A p	EUR	LU0130372484	25-Jul-01	-0.64%
Stable Income - Class A sek hp	SEK	LU1269705874	02-Nov-15	-0.75%

At the year-end aggregate net assets amounted to EUR 127.5 million.

Due to the prevailing market conditions during the year, the Fund Board of Directors considers the performance to be satisfactory.

Luxembourg, February 27, 2017

The Board of Directors of the Fund

# DANSKE INVEST ALLOCATION

## Investment Managers' Report for the year ended December 31, 2016

### **Dynamic**

#### *Return*

Danske Invest Allocation Fund Dynamic is up 3.15% in 2016. The Sub-Fund has no benchmark.

#### *Market*

Politics was at the top of the agenda in 2016, which presented decisive events that in more cases entailed big surprises for the financial markets. At the beginning of the year, markets worried over recession in the USA, which among other things was driven by a severely plagued energy sector, a potential currency crisis in China and worries about the banking system in Europe.

However, none of these scenarios materialised, and economic developments turned for the better. Thus 2016 ended with growth above trend in the USA, China and in Europe. Economic progress underpinned global stock markets, which ended the year with fair returns. However, the political development was marked by great fluctuation brought about by the consequences of surprising events on the political scene. The Brexit-referendum and the US presidential election in particular had a bearing on the financial markets.

#### *Performance*

Equities were the largest contributor to return, with the highest returns coming from US and Emerging market equity funds. Equity long/short funds performed poorly in 2016 and delivered negative returns. Danish mortgage bonds, high yield and emerging market debt contributed positively to return.

The allocation to equities has varied from 52% to 70% over the course of the year and is currently at 64%. We increased the equity weight in January as we viewed the decline in equity markets as overdone and reflecting a too high fear of a global recession and a financial meltdown in China. We lowered the allocation to equities in the second quarter due to growth worries and the Brexit vote in England. The initial reaction to Brexit was an equity correction but the market quickly recovered. In September we bought emerging market equities and at the end of November we bought developed market equities. Expectations that robust growth in the global economy in 2017 and an easy monetary policy course by central banks will underpin corporate bottom lines were the reasons why we decided to increase the portfolio's proportions of global stocks at the end of November. We were of the opinion that growth accelerated during the fourth quarter to a level above trend in both Europe and in the USA and that it would stay at this level in 2017.

For reference, the year-to-date return for the BC Euro Aggregate Treasury 3-5 year index and EFFAS Germany 3-5 year (bonds) was 1.54% and 1.63% respectively as per the end of 2016. MSCI Europe increased 2.58% and MSCI World AC was up 11.09%.

#### *Specific risks in connection with the market trends in 2017*

At the beginning of 2017, the Sub-Fund has a moderate allocation to equities and an above-average allocation to credit bonds.

Politics appear to be capable of playing a decisive role in 2017. We are heading for elections in three European countries: Holland, Germany and France. In all three cases, increasing populism constitutes a threat, and now we cannot rule out that we will once again be forced to acknowledge that the established parties will lose ground - and maybe even the power. The results of these elections can affect sentiment in all of Europe but we do not expect that these events will have any significant impact on the European economy. In The US, the big question is which elements of Trump's political agenda will be realised.

### **Equity Opportunities**

#### *Return*

Danske Invest Allocation Fund Equity Opportunities is up 1.03% in 2016 while the benchmark return is 5.52%.

#### *Market*

Politics was at the top of the agenda in 2016, which presented decisive events that in more cases entailed big surprises for the financial markets. At the beginning of the year, markets worried over recession in the USA, which among other things was driven by a severely plagued energy sector, a potential currency crisis in China and worries about the banking system in Europe.

However, none of these scenarios materialised, and economic developments turned for the better. Thus 2016 ended with growth above trend in the USA, China and in Europe. Economic progress underpinned global stock markets, which ended the year with fair returns. However, the political development was marked by great fluctuation brought

# DANSKE INVEST ALLOCATION

## Investment Managers' Report for the year ended December 31, 2016 (continued)

about by the consequences of surprising events on the political scene. The Brexit-referendum and the US presidential election in particular had a bearing on the financial markets.

### *Performance*

US equity funds provided the highest absolute returns in 2016 with returns around 13%. European equity funds were significant detractors to return as most of them underperformed their respective benchmarks. The exception was DI Europe High Dividend, which contributed positively to return. Equity long/short funds performed poorly in 2016 and delivered negative returns.

In April and May, we reduced the allocation to Europe and increased the weight in US equities. We viewed European equities as being more risky due to the Brexit vote. Also, ECB initiatives had been reflected in the markets, while FED remained dovish. The overweight in US equities was reduced again in September.

### *Specific risks in connection with the market trends in 2017*

Politics appear to be capable of playing a decisive role in 2017. We are heading for elections in three European countries: Holland, Germany and France. In all three cases, increasing populism constitutes a threat, and now we cannot rule out that we will once again be forced to acknowledge that the established parties will lose ground - and maybe even the power. The results of these elections can affect sentiment in all of Europe but we do not expect that these events will have any significant impact on the European economy. In The US, the big question is which elements of Trump's political agenda will be realised.

### *Market outlook and Strategy for the Dynamic and Equity Opportunities Sub-Funds*

The global economy will deliver robust growth in 2017, and this is good news for listed companies whose earnings have been under pressure for long now due to the weak growth in the global economy. Therefore, there are prospects for an impressive earnings growth in 2017. In addition, we expect that the large economies will maintain both easy monetary and fiscal policies, and this will imply that the economies will maintain the solid momentum exhibited at the end of 2016.

In the USA, we expect to see a gradual normalisation of monetary policies in light of a tight labour market with consequent increasing wages and consumer prices. Therefore, the US central bank is likely to hike interest rate twice or three times during the coming year without this putting a damper on growth. We expect that Trump's policy course will affect growth positively in 2017.

In Europe, we expect that monetary and fiscal policies will remain easy. At the end of 2016, once again, the European Central Bank, ECB, extended its bond-buying programme. The ECB will contribute positively to growth by keeping interest rates low and the euro weak. Thus, the European Commission recommends that fiscal policies be kept expansionary, and we expect that - particularly southern Europe - will follow the recommendation and allow government budgets to slide further. Overall, this will cause European growth to increase above its long-term potential.

In China, we expect that Beijing will manage the economy sternly in the same way, as it was the case in 2016. We expect in particular that infrastructure investments will contribute to maintaining growth at some 6.5%. Basically, the policy course is unsustainable, and we expect that the Chinese will continue to create imbalances in the financial system. But we do not expect that this will result in a financial crisis in 2017, as the central bank will ensure that there is ample liquidity.

The European and US stock markets will experience robust earnings growth, while Japanese stocks continue to be inexpensively priced.

### **June Balanced (Launch date November 4, 2016)**

#### *Return*

Since the launch of the June Balanced Sub-Fund on November 4, 2016 and until year-end, the class J in the Sub-Fund has delivered a return of 3.88%.

#### *Market*

After initial jitters, equity markets rose in November and December following the November election of Donald Trump as the next president in the USA. While to a large extent the first reaction was that the election would give rise to great uncertainty and put a damper on corporate investments going forward, now, confidence in the economy does not seem to be negatively affected. In fact, both consumer and business confidence data have increased since the election painting a sound picture for 2017. The big question is which elements of his political programme will actually be implemented.

# DANSKE INVEST ALLOCATION

## Investment Managers' Report for the year ended December 31, 2016 (continued)

### *Performance*

The Sub-Fund is invested via ETFs in government bonds, credit bonds (corporate bonds and emerging market debt) and equities. Equities contributed the most to return followed by credit bonds, while long-term government bonds detracted slightly from return.

We increased the allocation to equities in the beginning of December as robust global growth and dovish central banks supports both earnings growth and valuation.

### *Specific risks in connection with the market trends in 2017*

At the beginning of 2017, the Sub-Fund have a moderate allocation to equities and an above-average allocation to credit bonds. The remaining part is invested in Euro government bond ETFs.

Politics appear to be capable of playing a decisive role in 2017. We are heading for elections in three European countries: Holland, Germany and France. In all three cases, increasing populism constitutes a threat, and now we cannot rule out that we will once again be forced to acknowledge that the established parties will lose ground - and maybe even the power. The results of these elections can affect sentiment in all of Europe but we do not expect that these events will have any significant impact on the European economy. In the US, the big question is which elements of Trump's political agenda will be realised.

### **June Defensive (Launch date November 4, 2016)**

#### *Return*

Since the launch of the June Defensive Sub-Fund on November 4, 2016 and until year-end, the class J in the Sub-Fund has delivered a return of 1.39%.

#### *Market*

After initial jitters, equity markets rose in November and December following the November election of Donald Trump as the next president in the USA. While to a large extent the first reaction was that the election would give rise to great uncertainty and put a damper on corporate investments going forward, now, confidence in the economy does not seem to be negatively affected. In fact, both consumer and business confidence data have increased since the election painting a sound picture for 2017. The big question is which elements of his political programme will actually be implemented.

### *Performance*

The Sub-Fund is invested via ETFs in government bonds, credit bonds (corporate bonds and emerging market debt) and equities. Equities contributed the most to return followed by credit bonds, while long-term government bonds detracted slightly from return.

We increased the allocation to equities in the beginning of December as robust global growth and dovish central banks supports both earnings growth and valuation.

### *Specific risks in connection with the market trends in 2017*

At the beginning of 2017, the Sub-Fund have a moderate allocation to equities and an above-average allocation to credit bonds. The remaining part is invested in Euro government bond ETFs.

Politics appear to be capable of playing a decisive role in 2017. We are heading for elections in three European countries: Holland, Germany and France. In all three cases, increasing populism constitutes a threat, and now we cannot rule out that we will once again be forced to acknowledge that the established parties will lose ground - and maybe even the power. The results of these elections can affect sentiment in all of Europe but we do not expect that these events will have any significant impact on the European economy. In the US, the big question is which elements of Trump's political agenda will be realised.

# DANSKE INVEST ALLOCATION

## Investment Managers' Report for the year ended December 31, 2016 (continued)

### **June Moderate (Launch date November 4, 2016)**

#### *Return*

Since the launch of the June Moderate Sub-Fund on November 4, 2016 and until year-end, the class J in the Sub-Fund has delivered a return of 2.42%.

#### *Market*

After initial jitters, equity markets rose in November and December following the November election of Donald Trump as the next president in the USA. While to a large extent the first reaction was that the election would give rise to great uncertainty and put a damper on corporate investments going forward, now, confidence in the economy does not seem to be negatively affected. In fact, both consumer and business confidence data have increased since the election painting a sound picture for 2017. The big question is which elements of his political programme will actually be implemented.

#### *Performance*

The Sub-Fund is invested via ETFs in government bonds, credit bonds (corporate bonds and emerging market debt) and equities. Equities contributed the most to return followed by credit bonds, while long-term government bonds detracted slightly from return.

We increased the allocation to equities in the beginning of December as robust global growth and dovish central banks supports both earnings growth and valuation.

#### *Specific risks in connection with the market trends in 2017*

At the beginning of 2017, the Sub-Fund have a moderate allocation to equities and an above-average allocation to credit bonds. The remaining part is invested in Euro government bond ETFs.

Politics appear to be capable of playing a decisive role in 2017. We are heading for elections in three European countries: Holland, Germany and France. In all three cases, increasing populism constitutes a threat, and now we cannot rule out that we will once again be forced to acknowledge that the established parties will lose ground - and maybe even the power. The results of these elections can affect sentiment in all of Europe but we do not expect that these events will have any significant impact on the European economy. In the US, the big question is which elements of Trump's political agenda will be realised.

### **June Moderate Short (Launch date November 17, 2016)**

#### *Return*

Since the launch of the June Moderate Short Sub-Fund on November 4, 2016 and until year-end, the Sub-Fund has delivered a return of 1.59%.

#### *Market*

After initial jitters, equity markets rose in November and December following the November election of Donald Trump as the next president in the USA. While to a large extent the first reaction was that the election would give rise to great uncertainty and put a damper on corporate investments going forward, now, confidence in the economy does not seem to be negatively affected. In fact, both consumer and business confidence data have increased since the election painting a sound picture for 2017. The big question is which elements of his political programme will actually be implemented.

#### *Performance*

The Sub-Fund is invested via ETFs in short term government bonds, credit bonds (corporate bonds and emerging market debt) and equities. Equities contributed the most to return followed by credit bonds.

We increased the allocation to equities in the beginning of December as robust global growth and dovish central banks supports both earnings growth and valuation.

# DANSKE INVEST ALLOCATION

## Investment Managers' Report for the year ended December 31, 2016 (continued)

### *Specific risks in connection with the market trends in 2017*

At the beginning of 2017, the Sub-Fund has a moderate allocation to equities and an above-average allocation to credit bonds. The remaining part is invested in short term Euro government bond ETFs.

Politics appear to be capable of playing a decisive role in 2017. We are heading for elections in three European countries: Holland, Germany and France. In all three cases, increasing populism constitutes a threat, and now we cannot rule out that we will once again be forced to acknowledge that the established parties will lose ground - and maybe even the power. The results of these elections can affect sentiment in all of Europe but we do not expect that these events will have any significant impact on the European economy. In the US, the big question is which elements of Trump's political agenda will be realised.

### **June Opportunity (Launch date November 4, 2016)**

#### *Return*

Since the launch of the June Opportunity Sub-Fund on November 4, 2016 and until year-end, the Sub-Fund has delivered a return of 9.45%.

#### *Market*

After initial jitters, equity markets rose in November and December following the November election of Donald Trump as the next president in the USA. While to a large extent the first reaction was that the election would give rise to great uncertainty and put a damper on corporate investments going forward, now, confidence in the economy does not seem to be negatively affected. In fact, both consumer and business confidence data have increased since the election painting a sound picture for 2017. The big question is which elements of his political programme will actually be implemented.

#### *Performance*

The Sub-Fund is invested via ETFs in equities and credit bonds (corporate bonds and emerging market debt). Equities was the primary contributor to return.

We increased the allocation to equities in the beginning of December as robust global growth and dovish central banks supports both earnings growth and valuation.

### *Specific risks in connection with the market trends in 2017*

At the beginning of 2017, the Sub-Fund is primarily invested in equities with a minor allocation to high yield and emerging market debt. The Sub-Fund may also invest in Euro government ETFs.

Politics appear to be capable of playing a decisive role in 2017. We are heading for elections in three European countries: Holland, Germany and France. In all three cases, increasing populism constitutes a threat, and now we cannot rule out that we will once again be forced to acknowledge that the established parties will lose ground - and maybe even the power. The results of these elections can affect sentiment in all of Europe but we do not expect that these events will have any significant impact on the European economy. In the US, the big question is which elements of Trump's political agenda will be realised.

### **June Progressive (Launch date November 4, 2016)**

#### *Return*

Since the launch of the June Progressive Sub-Fund on November 4, 2016 and until year-end, the class J in the Sub-Fund has delivered a return of 5.32%.

#### *Market*

After initial jitters, equity markets rose in November and December following the November election of Donald Trump as the next president in the USA. While to a large extent the first reaction was that the election would give rise to great uncertainty and put a damper on corporate investments going forward, now, confidence in the economy does not seem to be negatively affected. In fact, both consumer and business confidence data have increased since the election painting a sound picture for 2017. The big question is which elements of his political programme will actually be implemented.



# DANSKE INVEST ALLOCATION

## Investment Managers' Report for the year ended December 31, 2016 (continued)

### *Performance*

The Sub-Fund is invested via ETFs in government bonds, credit bonds (corporate bonds and emerging market debt) and equities. Equities contributed the most to return followed by credit bonds, while long-term government bonds detracted slightly from return.

We increased the allocation to equities in the beginning of December as robust global growth and dovish central banks supports both earnings growth and valuation.

### *Specific risks in connection with the market trends in 2017*

At the beginning of 2017, the Sub-Fund have a moderate allocation to equities and an above-average allocation to credit bonds. The remaining part is invested in Euro government bond ETFs.

Politics appear to be capable of playing a decisive role in 2017. We are heading for elections in three European countries: Holland, Germany and France. In all three cases, increasing populism constitutes a threat, and now we cannot rule out that we will once again be forced to acknowledge that the established parties will lose ground - and maybe even the power. The results of these elections can affect sentiment in all of Europe but we do not expect that these events will have any significant impact on the European economy. In the US, the big question is which elements of Trump's political agenda will be realised.

### *Market outlook and Strategy for the "June" Sub-Funds*

The global economy will deliver robust growth in 2017, and this is good news for listed companies whose earnings have been under pressure for long now due to the weak growth in the global economy. Therefore, there are prospects for an impressive earnings growth in 2017. In addition, we expect that the large economies will maintain both easy monetary and fiscal policies, and this will imply that the economies will maintain the solid momentum exhibited at the end of 2016.

In the USA, we expect to see a gradual normalisation of monetary policies in light of a tight labour market with consequent increasing wages and consumer prices. Therefore, the US central bank is likely to hike interest rates twice or three times during the coming year without this putting a damper on growth. We expect that Trump's policy course will affect growth positively in 2017.

In Europe, we expect that monetary and fiscal policies will remain easy. At the end of 2016, once again, the European Central Bank, ECB, extended its bond-buying programme. The ECB will contribute positively to growth by keeping interest rates low and the euro weak. Thus, the European Commission recommends that fiscal policies be kept expansionary, and we expect that - particularly southern Europe - will follow the recommendation and allow government budgets to slide further. Overall, this will cause European growth to increase above its long-term potential.

In China, we expect that Beijing will manage the economy sternly in the same way, as it was the case in 2016. We expect in particular that infrastructure investments will contribute to maintain growth at some 6.5%. Basically, the policy course is unsustainable, and we expect that the Chinese will continue to create imbalances in the financial system. But we do not expect that this will result in a financial crisis in 2017, as the central bank will ensure that there is ample liquidity.

We start up the year with a moderate overweight position in risky assets. We prefer stocks issued in the developed markets and Emerging Markets bonds issued in local currencies. The European and US stock markets will experience robust earnings growth, while Japanese stocks continue to be inexpensively priced. Emerging Markets bonds issued in local currencies offer attractive yields in the global low-yield environment, and we see no more than a moderate risk for a weakening of these currencies, since the prices of the respective currencies already are reflecting the numerous risks.

### **Stable Income**

#### *Return*

The return for the fund was -0.64%. The fund has no benchmark.

# DANSKE INVEST ALLOCATION

## Investment Managers' Report for the year ended December 31, 2016 (continued)

### *Market*

Politics was the dominating theme in 2016, with several of the many important events delivering a major upset. But before delving into the political scene we should first look back at how the economy performed in 2016. The year started with fears of a recession in the US due to a much stronger dollar (USD) – which hit exporters – and a collapse in energy investments following the fall in oil prices. However, the malaise did not significantly spread to the larger and GDP wise more important service sector, which enabled the US to avoid a recession. The US central bank (the Fed) did, however, have to revise down its expectations for 2016 and ended up raising interest rates just once during the year compared to the four rate hikes it had initially penciled in. Misery likes company of course, and as fears of a recession in the US were swirling, investors also began to worry about a currency crisis in China. Signs of weakness in the Chinese economy in 2015, following government efforts to get the economy back onto a sustainable track, stoked speculation that China would need to significantly devalue its currency. Europe added to investor woes as the stability of its banking system, and particularly Deutsche Bank, was increasingly questioned. However, these fears began to dissipate as spring approached and the global economy demonstrated a renewed vigour. By the end of the year, fears of a crisis had been replaced by optimism on growth.

Turning to politics, two events in particular had a profound significance for investors – the UK's decision to leave the EU (Brexit) and the US electing Donald Trump as president. Brexit took everyone by surprise and investors were initially very jittery. Neither the financial markets nor the opinion polls had correctly predicted the result of the referendum, so equity prices tumbled. However, sentiment soon turned as the major central banks reassured investors they would once again support risk assets either by maintaining accommodative monetary policies or by easing further. The second key event was the US presidential election, and once again the pundits, polls and financial markets got it wrong – US voters elected Donald Trump.

European 10Y yields started 2016 at just over 0.6%, but the focus on Europe's weakest banks and unstable economic signals from China quickly pushed European 10Y yields down to around 0.15%. The European Central Bank (ECB) reacted by boosting its QE programme of bond buybacks from EUR60bn to EUR80bn per month. Just as calm was descending on Europe's markets the UK voted to leave the EU. That sent German 10Y yields down to a historical low of -0.19%. Summer again brought calm to the markets, but a debate on whether the ECB might alter its asset purchase programme caused yields to rise in the autumn. However, the impact of this discussion was capped by general considerations of whether southern Europe could cope with rising interest rates given their prevailing levels of debt. European inflation expectations remain relatively subdued despite the higher growth and inflation expectations in the US – and hence the ECB's asset purchase programme has been extended to December 2017. German 10Y yields therefore ended 2016 back in positive territory at 0.21%.

### *Performance*

The fund return was significantly below our expectations. The reasons for the underperformance was investments in hedge funds and the "Trumponomics" euphoria.

Investments in Equity hedge funds was the main reason for the underperformance. The hedge funds delivered negative returns, and the contribution to Fund return was more than -1 percentage point. Due to the underperformance we decided to reduce the allocation significantly. Beginning of the year the Fund had a 20% allocation to hedge funds. End of the year the allocation was 5%.

In addition, the Fund was invested in European high dividend paying companies and companies where the payout ratio has been rising. The Fund was also invested in European and US companies with a low level of price fluctuation, i.e. typically companies with stable earnings growth. The sensitivity to the general market was hedged in order to reduce the total risk of the Fund. If the broad market was to outperform the chosen companies the fund performance would be hurt. The surprising outcome of the US election led to significantly outperformance of risky stocks. As a result the allocation to high quality companies suffered in comparison with the broad market. Due to valuation of the companies, we decided to stick to the investments. More than half of the Fund was invested in high quality companies.

Close to 30% of the Fund was invested in European corporate and Emerging market government bonds. The interest rate sensitivity was hedged. What was left was the default risk for these companies. If the default risk were to decrease, the fund return would increase. This was the case, and the investments contributed positively.

### *Specific risks for 2017*

The fund is invested in US and European high dividend paying companies and companies where the payout ratio has been rising. In addition, the fund is invested in companies with a low level of price fluctuation, i.e. typically companies with stable earnings growth. The sensitivity to the general market is hedged. If the broad market outperforms the chosen companies the fund performance will be hurt. From time to time the Fund may be invested in the broad market. In this case, a negative market return would hurt the Fund return.

# DANSKE INVEST ALLOCATION

## Investment Managers' Report for the year ended December 31, 2016 (continued)

In addition, the Fund is invested in European corporate and Emerging market government bonds. The interest rate sensitivity is hedged. What is left is the default risk for these companies. If the default risk increases, the fund return will decrease.

### *Market outlook and Strategy*

We expect robust economic growth in 2017. All the major economies will continue to pursue expansionary monetary and fiscal policies, which should help sustain the decent economic performance of late 2016. Politics will likely be less influential than in 2016, but the trend towards populism among western nations will continue to leave its mark on investor risk appetite.

The global economy is being driven forward by solid growth in the developed economies together with a stabilisation of growth in the emerging markets. Growth rates between the various economic regions still vary considerably, which among other things will result in a tightening of US monetary policy in 2017 alongside a paradigm shift in interest rate movements – and this plus relatively high prices on US equities will put a damper on the US equity market. Financial conditions will remain very loose in Europe, which will support investment and consumption, while a further weakening of the EUR against the USD will be supportive of economic growth in Europe and thus create a potential for decent earnings combined with attractive pricing. We generally expect equity markets to develop moderately positively in 2017, though there will also be markets affected by both rising and falling risk appetite that is driven by global economic and political news.

Until further notice the Fund will be invested in high dividend paying companies, companies where the payout ratio has been increasing, and in companies with a low level of price fluctuation. In addition, the Fund will be invested in Developed Markets Corporate and Emerging Markets Government bonds. The Fund will continue to pursue a strategy where the dependency on general market developments is low. But from time to time we will increase the risk in order to exploit market opportunities.

The information stated in this report is historical and not necessarily indicative of future performance.

## Report of the *Réviseur d'Entreprises Agréé*

To the Shareholders of Danske Invest Allocation  
13, rue Edward Steichen  
L - 2540 Luxembourg  
Grand Duchy of Luxembourg

Following our appointment by the Annual General Meeting of the Shareholders dated March 1, 2016, we have audited the accompanying financial statements of Danske Invest Allocation, (the "Fund") and of each of its Sub-Funds which comprise the Statement of Net Assets and the Statement of Investments as at December 31, 2016 and the Statement of Operations and Changes in Net Assets for the year then ended, and a summary of significant accounting policies and other explanatory notes to the audited financial statements.

### *Responsibility of the Board of Directors of the SICAV for the financial statements*

The Board of Directors of the SICAV is responsible for the preparation and fair presentation of these financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the financial statements and for such internal control as the Board of Directors of the SICAV determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Responsibility of the Réviseur d'Entreprises Agréé*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the *Commission de Surveillance du Secteur Financier*. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the *Réviseur d'Entreprises Agréé's* judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the *Réviseur d'Entreprises Agréé* considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors of the SICAV, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of Danske Invest Allocation and of each of its Sub-Funds as at December 31, 2016, and of the results of their operations and changes in their net assets for the year then ended in accordance with the Luxembourg legal and regulatory requirements relating to the preparation of the financial statements.

## Report of the *Réviseur d'Entreprises Agréé* (continued)

### *Other information*

The Board of Directors of the SICAV is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our report of *Réviseur d'Entreprises Agréé* thereon.

Our opinion on the financial statements does not cover the other information 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 other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.



For Deloitte Audit, *Cabinet de révision agréé*

Jean-Philippe Bachelet, *Réviseur d'Entreprises Agréé*  
Partner

February 27, 2017  
Luxembourg

Société à responsabilité limitée au capital de 35.000 EUR  
RCS Luxembourg B 67.895  
September 30, 2016  
560, rue de Neudorf  
L-2220 Luxembourg

# DANSKE INVEST ALLOCATION

## Statement of Net Assets as at December 31, 2016

		Dynamic	Equity Opportunities	June Balanced*	June Defensive*
	Note	EUR	EUR	EUR	EUR
<b>ASSETS</b>					
Investment portfolio at market value	(2)	22,332,405	12,365,891	266,334	255,562
Cash at bank	(2)	600,688	7,575	11,250	3,779
Amounts receivable on sale of investments		-	25,218	-	-
Amounts receivable on subscriptions		-	-	807	13
Interest and dividends receivable		13,968	1	170	49
Net unrealised profit on forward foreign exchange contracts	(11)	-	-	-	265
Other assets	(15)	31,558	24,739	-	-
<b>TOTAL ASSETS</b>		<b>22,978,619</b>	<b>12,423,424</b>	<b>278,561</b>	<b>259,668</b>
<b>LIABILITIES</b>					
Amounts payable to brokers		-	-	-	-
Interest payable		107	11	2	1
Amounts payable on redemptions		-	-	-	-
Net unrealised loss on forward foreign exchange contracts	(11)	-	-	99	-
Net unrealised loss on futures contracts	(12)	-	-	-	-
Management fee payable	(3)	16,455	11,168	56	52
Performance commission payable	(9)	-	-	-	-
Taxes and expenses payable	(10)	19,109	13,065	62	57
<b>TOTAL LIABILITIES</b>		<b>35,671</b>	<b>24,244</b>	<b>219</b>	<b>110</b>
<b>TOTAL NET ASSETS</b>		<b>22,942,948</b>	<b>12,399,180</b>	<b>278,342</b>	<b>259,558</b>
<b>Net asset value per share</b>					
Accumulation Class A		-	30.555	-	-
Accumulation Class A p		34.783	-	-	-
Accumulation Class A-Sek-Hp		-	-	-	-
Accumulation Class PM		-	37.553	-	-
Accumulation Class J		-	-	10.388	10.139
Accumulation Class J dkk		-	-	103.789	101.304
Accumulation Class J nok h		-	-	104.064	101.571
Accumulation Class J sek h		-	-	103.720	101.235
Accumulation Class R		-	-	10.391	10.142
<b>Number of shares outstanding</b>					
Accumulation Class A		-	205,825.8248	-	-
Accumulation Class A p		659,600.6624	-	-	-
Accumulation Class A-Sek-Hp		-	-	-	-
Accumulation Class PM		-	162,709.5092	-	-
Accumulation Class J		-	-	2,000.0000	2,000.0000
Accumulation Class J dkk		-	-	2,599.7033	1,710.5207
Accumulation Class J nok h		-	-	2,000.0000	2,000.0000
Accumulation Class J sek h		-	-	2,000.0000	2,000.0000
Accumulation Class R		-	-	17,000.0000	17,000.0000

\* Launched as at November 4, 2016

The accompanying notes form an integral part of these financial statements.

# DANSKE INVEST ALLOCATION

## Statement of Net Assets (continued) as at December 31, 2016

		June Moderate*	June Moderate Short**	June Opportunity*	June Progressive*
	Note	EUR	EUR	EUR	EUR
<b>ASSETS</b>					
Investment portfolio at market value	(2)	258,579	257,357	286,769	266,115
Cash at bank	(2)	9,670	818	5,512	5,169
Amounts receivable on sale of investments		-	-	-	-
Amounts receivable on subscriptions		282	-	7,634	1,345
Interest and dividends receivable		51	48	422	256
Net unrealised profit on forward foreign exchange contracts	(11)	254	513	869	65
Other assets	(15)	-	-	-	-
<b>TOTAL ASSETS</b>		<b>268,836</b>	<b>258,736</b>	<b>301,206</b>	<b>272,950</b>
<b>LIABILITIES</b>					
Amounts payable to brokers		-	-	-	-
Interest payable		1	-	2	2
Amounts payable on redemptions		-	-	-	-
Net unrealised loss on forward foreign exchange contracts	(11)	-	-	-	-
Net unrealised loss on futures contracts	(12)	-	-	-	-
Management fee payable	(3)	54	53	59	55
Performance commission payable	(9)	-	-	-	-
Taxes and expenses payable	(10)	59	57	66	60
<b>TOTAL LIABILITIES</b>		<b>114</b>	<b>110</b>	<b>127</b>	<b>117</b>
<b>TOTAL NET ASSETS</b>		<b>268,722</b>	<b>258,626</b>	<b>301,079</b>	<b>272,833</b>
<b>Net asset value per share</b>					
Accumulation Class A		-	-	-	-
Accumulation Class A p		-	-	-	-
Accumulation Class A-Sek-Hp		-	-	-	-
Accumulation Class PM		-	-	-	-
Accumulation Class J		10.242	10.159	10.945	10.532
Accumulation Class J dkk		102.332	101.479	109.360	105.231
Accumulation Class J nok h		102.606	101.763	109.599	105.495
Accumulation Class J sek h		102.312	101.510	109.216	105.167
Accumulation Class R		10.245	10.162	10.949	10.535
<b>Number of shares outstanding</b>					
Accumulation Class A		-	-	-	-
Accumulation Class A p		-	-	-	-
Accumulation Class A-Sek-Hp		-	-	-	-
Accumulation Class PM		-	-	-	-
Accumulation Class J		2,000.0000	2,000.0000	2,000.0000	2,000.0000
Accumulation Class J dkk		2,184.1702	1,604.2768	3,131.5513	1,937.5726
Accumulation Class J nok h		2,000.0000	2,000.0000	2,000.0000	2,000.0000
Accumulation Class J sek h		2,000.0000	2,000.0000	2,000.0000	2,000.0000
Accumulation Class R		17,000.0000	17,000.0000	17,000.0000	17,000.0000

\* Launched as at November 4, 2016

\*\* Launched as at November 17, 2016

The accompanying notes form an integral part of these financial statements.

# DANSKE INVEST ALLOCATION

## Statement of Net Assets (continued) as at December 31, 2016

		Stable Income	Combined
	Note	EUR	EUR
<b>ASSETS</b>			
Investment portfolio at market value	(2)	88,629,055	124,918,067
Cash at bank	(2)	2,448,430	3,092,891
Amounts receivable on sale of investments		1,030,900	1,056,118
Amounts receivable on subscriptions		12,558	22,639
Interest and dividends receivable		38,540	53,505
Net unrealised profit on forward foreign exchange contracts	(11)	-	1,966
Other assets	(15)	155,596	211,893
<b>TOTAL ASSETS</b>		<b>92,315,079</b>	<b>129,357,079</b>
<b>LIABILITIES</b>			
Amounts payable to brokers		64,910	64,910
Interest payable		266	392
Amounts payable on redemptions		184,489	184,489
Net unrealised loss on forward foreign exchange contracts	(11)	1,083,005	1,083,104
Net unrealised loss on futures contracts	(12)	193,831	193,831
Management fee payable	(3)	49,264	77,216
Performance commission payable	(9)	157,261	157,261
Taxes and expenses payable	(10)	27,021	59,556
<b>TOTAL LIABILITIES</b>		<b>1,760,047</b>	<b>1,820,759</b>
<b>TOTAL NET ASSETS</b>		<b>90,555,032</b>	<b>127,536,320</b>
<b>Net asset value per share</b>			
Accumulation Class A		-	
Accumulation Class A p		32.080	
Accumulation Class A-Sek-Hp		99.769	
Accumulation Class PM		-	
Accumulation Class J		-	
Accumulation Class J dkk		-	
Accumulation Class J nok h		-	
Accumulation Class J sek h		-	
Accumulation Class R		-	
<b>Number of shares outstanding</b>			
Accumulation Class A		-	
Accumulation Class A p		2,695,142.8708	
Accumulation Class A-Sek-Hp		392,913.0737	
Accumulation Class PM		-	
Accumulation Class J		-	
Accumulation Class J dkk		-	
Accumulation Class J nok h		-	
Accumulation Class J sek h		-	
Accumulation Class R		-	

The accompanying notes form an integral part of these financial statements.



# DANSKE INVEST ALLOCATION

## Statement of Operations and Changes in Net Assets for the Year/Period ended December 31, 2016

		Dynamic	Equity Opportunities	June Balanced*
	Note	EUR	EUR	EUR
<b>TOTAL NET ASSETS AT THE BEGINNING OF THE YEAR/PERIOD</b>		<b>28,938,971</b>	<b>20,327,300</b>	-
<b>INCOME</b>				
Dividends, net	(2)	-	-	237
Interest on bonds, net	(2)	59,948	-	-
Bank interest, net		131	13	-
Other income	(13)	149,451	116,486	-
<b>TOTAL INCOME</b>		<b>209,530</b>	<b>116,499</b>	<b>237</b>
<b>EXPENSES</b>				
Management fees	(3)	224,220	183,815	103
Performance commission	(9)	-	-	-
Domiciliary agent fees		3,283	2,717	-
Central administration, depositary fees, registrar and transfer agent fees, UCITS V and compliance fees	(5)	41,042	27,249	-
Audit, printing and publication expenses		13,641	9,115	-
Subscription tax	(6)	2,485	163	17
Marketing, Operating and Administrative fees	(7),(8)	-	-	82
Bank charges and correspondent fees	(14)	867	260	-
Bank interest		1,388	198	2
Other charges		9,476	8,297	-
<b>TOTAL EXPENSES</b>		<b>296,402</b>	<b>231,814</b>	<b>204</b>
<b>NET INCOME (LOSS) FROM INVESTMENTS</b>		<b>(86,872)</b>	<b>(115,315)</b>	<b>33</b>
Net realised profit/(loss) on sale of investments	(2)	1,118,352	1,536,603	(234)
Net realised profit/(loss) on forward foreign exchange contracts		(21)	(68)	-
Net realised profit/(loss) on futures contracts		-	-	-
Net realised profit/(loss) on foreign exchange		(2,398)	3,946	218
<b>NET REALISED PROFIT/(LOSS)</b>		<b>1,029,061</b>	<b>1,425,166</b>	<b>17</b>
Change in net unrealised appreciation / (depreciation) on:				
- investments		(554,960)	(1,582,227)	10,974
- forward foreign exchange contracts		-	-	(99)
- futures contracts		-	-	-
<b>NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF OPERATIONS</b>		<b>474,101</b>	<b>(157,061)</b>	<b>10,892</b>
<b>MOVEMENTS IN CAPITAL</b>				
Subscriptions of shares		4,760,549	12,594	267,450
Redemption of shares		(11,230,673)	(7,783,653)	-
<b>TOTAL NET ASSETS AT THE END OF THE YEAR/PERIOD</b>		<b>22,942,948</b>	<b>12,399,180</b>	<b>278,342</b>

\* Launched as at November 4, 2016

The accompanying notes form an integral part of these financial statements.

# DANSKE INVEST ALLOCATION

## Statement of Operations and Changes in Net Assets (continued) for the Year/Period ended December 31, 2016

		June Defensive*	June Moderate*	June Moderate Short**
	Note	EUR	EUR	EUR
<b>TOTAL NET ASSETS AT THE BEGINNING OF THE YEAR/PERIOD</b>		-	-	-
<b>INCOME</b>				
Dividends, net	(2)	90	94	48
Interest on bonds, net	(2)	-	-	-
Bank interest, net		-	-	-
Other income	(13)	-	-	-
<b>TOTAL INCOME</b>		<b>90</b>	<b>94</b>	<b>48</b>
<b>EXPENSES</b>				
Management fees	(3)	99	100	77
Performance commission	(9)	-	-	-
Domiciliary agent fees		-	-	-
Central administration, depositary fees, registrar and transfer agent fees, UCITS V and compliance fees	(5)	-	-	-
Audit, printing and publication expenses		-	-	-
Subscription tax	(6)	15	16	15
Marketing, Operating and Administrative fees	(7),(8)	79	80	62
Bank charges and correspondent fees	(14)	-	-	-
Bank interest		2	2	-
Other charges		-	-	-
<b>TOTAL EXPENSES</b>		<b>195</b>	<b>198</b>	<b>154</b>
<b>NET INCOME (LOSS) FROM INVESTMENTS</b>		<b>(105)</b>	<b>(104)</b>	<b>(106)</b>
Net realised profit/(loss) on sale of investments	(2)	(7)	(10)	1
Net realised profit/(loss) on forward foreign exchange contracts		-	-	-
Net realised profit/(loss) on futures contracts		-	-	-
Net realised profit/(loss) on foreign exchange		81	127	(443)
<b>NET REALISED PROFIT/(LOSS)</b>		<b>(31)</b>	<b>13</b>	<b>(548)</b>
Change in net unrealised appreciation / (depreciation) on:				
- investments		4,188	6,783	4,767
- forward foreign exchange contracts		265	254	513
- futures contracts		-	-	-
<b>NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF OPERATIONS</b>		<b>4,422</b>	<b>7,050</b>	<b>4,732</b>
<b>MOVEMENTS IN CAPITAL</b>				
Subscriptions of shares		255,157	262,037	253,894
Redemption of shares		(21)	(365)	-
<b>TOTAL NET ASSETS AT THE END OF THE YEAR/PERIOD</b>		<b>259,558</b>	<b>268,722</b>	<b>258,626</b>

\* Launched as at November 4, 2016

\*\* Launched as at November 17, 2016

The accompanying notes form an integral part of these financial statements.

# DANSKE INVEST ALLOCATION

## Statement of Operations and Changes in Net Assets (continued) for the Year/Period ended December 31, 2016

		June Opportunity*	June Progressive*	Stable Income
	Note	EUR	EUR	EUR
<b>TOTAL NET ASSETS AT THE BEGINNING OF THE YEAR/PERIOD</b>		-	-	<b>119,450,365</b>
<b>INCOME</b>				
Dividends, net	(2)	424	305	868,787
Interest on bonds, net	(2)	-	-	11,326
Bank interest, net		-	-	1,251
Other income	(13)	-	-	697,521
<b>TOTAL INCOME</b>		<b>424</b>	<b>305</b>	<b>1,578,885</b>
<b>EXPENSES</b>				
Management fees	(3)	107	103	727,655
Performance commission	(9)	-	-	157,261
Domiciliary agent fees		-	-	-
Central administration, depositary fees, registrar and transfer agent fees, UCITS V and compliance fees	(5)	-	-	-
Audit, printing and publication expenses		-	-	982
Subscription tax	(6)	19	16	6,012
Marketing, Operating and Administrative fees	(7),(8)	86	82	390,768
Bank charges and correspondent fees	(14)	-	-	39,319
Bank interest		4	3	15,285
Other charges		-	-	2,587
<b>TOTAL EXPENSES</b>		<b>216</b>	<b>204</b>	<b>1,339,869</b>
<b>NET INCOME (LOSS) FROM INVESTMENTS</b>		<b>208</b>	<b>101</b>	<b>239,016</b>
Net realised profit/(loss) on sale of investments	(2)	(236)	(228)	(1,538,559)
Net realised profit/(loss) on forward foreign exchange contracts		-	-	3,434,682
Net realised profit/(loss) on futures contracts		-	-	(2,501,152)
Net realised profit/(loss) on foreign exchange		156	318	(676,680)
<b>NET REALISED PROFIT/(LOSS)</b>		<b>128</b>	<b>191</b>	<b>(1,042,693)</b>
Change in net unrealised appreciation / (depreciation) on:				
- investments		24,003	14,158	1,175,701
- forward foreign exchange contracts		869	65	(1,538,816)
- futures contracts		-	-	688,120
<b>NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF OPERATIONS</b>		<b>25,000</b>	<b>14,414</b>	<b>(717,688)</b>
<b>MOVEMENTS IN CAPITAL</b>				
Subscriptions of shares		276,092	258,419	21,680,011
Redemption of shares	(13)	(13)	-	(49,857,656)
<b>TOTAL NET ASSETS AT THE END OF THE YEAR/PERIOD</b>		<b>301,079</b>	<b>272,833</b>	<b>90,555,032</b>

\* Launched as at November 4, 2016

The accompanying notes form an integral part of these financial statements.

# DANSKE INVEST ALLOCATION

## Statement of Operations and Changes in Net Assets (continued) for the Year/Period ended December 31, 2016

	Note	EUR
<b>TOTAL NET ASSETS AT THE BEGINNING OF THE YEAR/PERIOD</b>		
		<b>168,716,636</b>
<b>INCOME</b>		
Dividends, net	(2)	869,985
Interest on bonds, net	(2)	71,274
Bank interest, net		1,395
Other income	(13)	963,458
<b>TOTAL INCOME</b>		<b>1,906,112</b>
<b>EXPENSES</b>		
Management fees	(3)	1,136,279
Performance commission	(9)	157,261
Domiciliary agent fees		6,000
Central administration, depositary fees, registrar and transfer agent fees, UCITS V and compliance fees	(5)	68,291
Audit, printing and publication expenses		23,738
Subscription tax	(6)	8,758
Marketing, Operating and Administrative fees	(7),(8)	391,239
Bank charges and correspondent fees	(14)	40,446
Bank interest		16,884
Other charges		20,360
<b>TOTAL EXPENSES</b>		<b>1,869,256</b>
<b>NET INCOME (LOSS) FROM INVESTMENTS</b>		<b>36,856</b>
Net realised profit/(loss) on sale of investments	(2)	1,115,682
Net realised profit/(loss) on forward foreign exchange contracts		3,434,593
Net realised profit/(loss) on futures contracts		(2,501,152)
Net realised profit/(loss) on foreign exchange		(674,675)
<b>NET REALISED PROFIT/(LOSS)</b>		<b>1,411,304</b>
Change in net unrealised appreciation / (depreciation) on:		
- investments		(896,613)
- forward foreign exchange contracts		(1,536,949)
- futures contracts		688,120
<b>NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF OPERATIONS</b>		<b>(334,138)</b>
<b>MOVEMENTS IN CAPITAL</b>		
Subscriptions of shares		28,026,203
Redemption of shares		(68,872,381)
<b>TOTAL NET ASSETS AT THE END OF THE YEAR/PERIOD</b>		<b>127,536,320</b>

The accompanying notes form an integral part of these financial statements.

# DANSKE INVEST ALLOCATION

## Statement of Changes in the Number of Shares for the Year/Period ended December 31, 2016

	Dynamic	Equity Opportunities	June Balanced*	June Defensive*
<b>Accumulation Class A</b>				
Number of shares outstanding at the beginning of the year/period	-	416,094.6487	-	-
Number of shares issued	-	437.1967	-	-
Number of shares redeemed	-	(210,706.0206)	-	-
Number of shares outstanding at the end of the year/period	-	205,825.8248	-	-
<b>Accumulation Class A p</b>				
Number of shares outstanding at the beginning of the year/period	858,160.5290	-	-	-
Number of shares issued	144,926.9269	-	-	-
Number of shares redeemed	(343,486.7935)	-	-	-
Number of shares outstanding at the end of the year/period	659,600.6624	-	-	-
<b>Accumulation Class A-Sek-Hp</b>				
Number of shares outstanding at the beginning of the year/period	-	-	-	-
Number of shares issued	-	-	-	-
Number of shares redeemed	-	-	-	-
Number of shares outstanding at the end of the year/period	-	-	-	-
<b>Accumulation Class PM</b>				
Number of shares outstanding at the beginning of the year/period	-	210,642.4789	-	-
Number of shares issued	-	-	-	-
Number of shares redeemed	-	(47,932.9697)	-	-
Number of shares outstanding at the end of the year/period	-	162,709.5092	-	-
<b>Accumulation Class J</b>				
Number of shares outstanding at the beginning of the year/period	-	-	-	-
Number of shares issued	-	-	2,000.0000	2,000.0000
Number of shares redeemed	-	-	-	-
Number of shares outstanding at the end of the year/period	-	-	2,000.0000	2,000.0000
<b>Accumulation Class J dkk</b>				
Number of shares outstanding at the beginning of the year/period	-	-	-	-
Number of shares issued	-	-	2,599.7033	1,712.0809
Number of shares redeemed	-	-	-	(1.5602)
Number of shares outstanding at the end of the year/period	-	-	2,599.7033	1,710.5207
<b>Accumulation Class J nok h</b>				
Number of shares outstanding at the beginning of the year/period	-	-	-	-
Number of shares issued	-	-	2,000.0000	2,000.0000
Number of shares redeemed	-	-	-	-
Number of shares outstanding at the end of the year/period	-	-	2,000.0000	2,000.0000
<b>Accumulation Class J sek h</b>				
Number of shares outstanding at the beginning of the year/period	-	-	-	-
Number of shares issued	-	-	2,000.0000	2,000.0000
Number of shares redeemed	-	-	-	-
Number of shares outstanding at the end of the year/period	-	-	2,000.0000	2,000.0000
<b>Accumulation Class R</b>				
Number of shares outstanding at the beginning of the year/period	-	-	-	-
Number of shares issued	-	-	17,000.0000	17,000.0000
Number of shares redeemed	-	-	-	-
Number of shares outstanding at the end of the year/period	-	-	17,000.0000	17,000.0000

\* Launched as at November 4, 2016

The accompanying notes form an integral part of these financial statements.

# DANSKE INVEST ALLOCATION

## Statement of Changes in the Number of Shares (continued) for the Year/Period ended December 31, 2016

	June Moderate*	June Moderate Short**	June Opportunity*	June Progressive*
<b>Accumulation Class A</b>				
Number of shares outstanding at the beginning of the year/period	-	-	-	-
Number of shares issued	-	-	-	-
Number of shares redeemed	-	-	-	-
Number of shares outstanding at the end of the year/period	-	-	-	-
<b>Accumulation Class A p</b>				
Number of shares outstanding at the beginning of the year/period	-	-	-	-
Number of shares issued	-	-	-	-
Number of shares redeemed	-	-	-	-
Number of shares outstanding at the end of the year/period	-	-	-	-
<b>Accumulation Class A-Sek-Hp</b>				
Number of shares outstanding at the beginning of the year/period	-	-	-	-
Number of shares issued	-	-	-	-
Number of shares redeemed	-	-	-	-
Number of shares outstanding at the end of the year/period	-	-	-	-
<b>Accumulation Class PM</b>				
Number of shares outstanding at the beginning of the year/period	-	-	-	-
Number of shares issued	-	-	-	-
Number of shares redeemed	-	-	-	-
Number of shares outstanding at the end of the year/period	-	-	-	-
<b>Accumulation Class J</b>				
Number of shares outstanding at the beginning of the year/period	-	-	-	-
Number of shares issued	2,000.0000	2,000.0000	2,000.0000	2,000.0000
Number of shares redeemed	-	-	-	-
Number of shares outstanding at the end of the year/period	2,000.0000	2,000.0000	2,000.0000	2,000.0000
<b>Accumulation Class J dkk</b>				
Number of shares outstanding at the beginning of the year/period	-	-	-	-
Number of shares issued	2,210.6866	1,604.2768	3,132.4937	1,937.5726
Number of shares redeemed	(26.5164)	-	(0.9424)	-
Number of shares outstanding at the end of the year/period	2,184.1702	1,604.2768	3,131.5513	1,937.5726
<b>Accumulation Class J nok h</b>				
Number of shares outstanding at the beginning of the year/period	-	-	-	-
Number of shares issued	2,000.0000	2,000.0000	2,000.0000	2,000.0000
Number of shares redeemed	-	-	-	-
Number of shares outstanding at the end of the year/period	2,000.0000	2,000.0000	2,000.0000	2,000.0000
<b>Accumulation Class J sek h</b>				
Number of shares outstanding at the beginning of the year/period	-	-	-	-
Number of shares issued	2,000.0000	2,000.0000	2,000.0000	2,000.0000
Number of shares redeemed	-	-	-	-
Number of shares outstanding at the end of the year/period	2,000.0000	2,000.0000	2,000.0000	2,000.0000
<b>Accumulation Class R</b>				
Number of shares outstanding at the beginning of the year/period	-	-	-	-
Number of shares issued	17,000.0000	17,000.0000	17,000.0000	17,000.0000
Number of shares redeemed	-	-	-	-
Number of shares outstanding at the end of the year/period	17,000.0000	17,000.0000	17,000.0000	17,000.0000

\* Launched as at November 4, 2016

\*\* Launched as at November 17, 2016

The accompanying notes form an integral part of these financial statements.

# DANSKE INVEST ALLOCATION

## Statement of Changes in the Number of Shares (continued) for the Year/Period ended December 31, 2016

	<b>Stable Income</b>
<b>Accumulation Class A</b>	
Number of shares outstanding at the beginning of the year/period	-
Number of shares issued	-
Number of shares redeemed	-
Number of shares outstanding at the end of the year/period	-
<b>Accumulation Class A p</b>	
Number of shares outstanding at the beginning of the year/period	3,699,427.4081
Number of shares issued	510,309.6924
Number of shares redeemed	(1,514,594.2297)
Number of shares outstanding at the end of the year/period	2,695,142.8708
<b>Accumulation Class A-Sek-Hp</b>	
Number of shares outstanding at the beginning of the year/period	1,000.0000
Number of shares issued	486,282.1358
Number of shares redeemed	(94,369.0621)
Number of shares outstanding at the end of the year/period	392,913.0737
<b>Accumulation Class PM</b>	
Number of shares outstanding at the beginning of the year/period	-
Number of shares issued	-
Number of shares redeemed	-
Number of shares outstanding at the end of the year/period	-
<b>Accumulation Class J</b>	
Number of shares outstanding at the beginning of the year/period	-
Number of shares issued	-
Number of shares redeemed	-
Number of shares outstanding at the end of the year/period	-
<b>Accumulation Class J dkk</b>	
Number of shares outstanding at the beginning of the year/period	-
Number of shares issued	-
Number of shares redeemed	-
Number of shares outstanding at the end of the year/period	-
<b>Accumulation Class J nok h</b>	
Number of shares outstanding at the beginning of the year/period	-
Number of shares issued	-
Number of shares redeemed	-
Number of shares outstanding at the end of the year/period	-
<b>Accumulation Class J sek h</b>	
Number of shares outstanding at the beginning of the year/period	-
Number of shares issued	-
Number of shares redeemed	-
Number of shares outstanding at the end of the year/period	-
<b>Accumulation Class R</b>	
Number of shares outstanding at the beginning of the year/period	-
Number of shares issued	-
Number of shares redeemed	-
Number of shares outstanding at the end of the year/period	-

The accompanying notes form an integral part of these financial statements.

# DANSKE INVEST ALLOCATION

## Statistics

	Dynamic	Equity Opportunities	June Balanced*	June Defensive*
	EUR	EUR	EUR	EUR
<b>Total Net Asset Value</b>				
December 31, 2016	22,942,948	12,399,180	278,342	259,558
December 31, 2015	28,938,971	20,327,300	-	-
December 31, 2014	24,880,166	21,672,890	-	-
<b>NAV per unit at the end of the Year/Period</b>				
<b>December 31, 2016</b>				
Accumulation Class A	-	30.555	-	-
Accumulation Class A p	34.783	-	-	-
Accumulation Class A-Sek-Hp	-	-	-	-
Accumulation Class PM	-	37.553	-	-
Accumulation Class J	-	-	10.388	10.139
Accumulation Class J dkk	-	-	103.789	101.304
Accumulation Class J nok h	-	-	104.064	101.571
Accumulation Class J sek h	-	-	103.720	101.235
Accumulation Class R	-	-	10.391	10.142
<b>December 31, 2015</b>				
Accumulation Class A	-	30.242	-	-
Accumulation Class A p	33.722	-	-	-
Accumulation Class A-Sek-Hp	-	-	-	-
Accumulation Class PM	-	36.762	-	-
<b>December 31, 2014</b>				
Accumulation Class A	31.463	27.227	-	-
Accumulation Class PM	-	32.733	-	-

\* Launched as at November 4, 2016

The accompanying notes form an integral part of these financial statements.



# DANSKE INVEST ALLOCATION

## Statistics (continued)

	June Moderate*	June Moderate Short**	June Opportunity*	June Progressive*
	EUR	EUR	EUR	EUR
<b>Total Net Asset Value</b>				
December 31, 2016	268,722	258,626	301,079	272,833
December 31, 2015	-	-	-	-
December 31, 2014	-	-	-	-
<b>NAV per unit at the end of the Year/Period</b>				
<b>December 31, 2016</b>				
Accumulation Class A	-	-	-	-
Accumulation Class A p	-	-	-	-
Accumulation Class A-Sek-Hp	-	-	-	-
Accumulation Class PM	-	-	-	-
Accumulation Class J	10.242	10.159	10.945	10.532
Accumulation Class J dkk	102.332	101.479	109.360	105.231
Accumulation Class J nok h	102.606	101.763	109.599	105.495
Accumulation Class J sek h	102.312	101.510	109.216	105.167
Accumulation Class R	10.245	10.162	10.949	10.535
<b>December 31, 2015</b>				
Accumulation Class A	-	-	-	-
Accumulation Class A p	-	-	-	-
Accumulation Class A-Sek-Hp	-	-	-	-
Accumulation Class PM	-	-	-	-
<b>December 31, 2014</b>				
Accumulation Class A	-	-	-	-
Accumulation Class PM	-	-	-	-

\* Launched as at November 4, 2016

\*\* Launched as at November 17, 2016

The accompanying notes form an integral part of these financial statements.

# DANSKE INVEST ALLOCATION

## Statistics (continued)

### Stable Income

	<b>EUR</b>
<b>Total Net Asset Value</b>	
December 31, 2016	90,555,032
December 31, 2015	119,450,365
December 31, 2014	118,221,299
<b>NAV per unit at the end of the Year/Period</b>	
<b>December 31, 2016</b>	
Accumulation Class A	-
Accumulation Class A p	32.080
Accumulation Class A-Sek-Hp	99.769
Accumulation Class PM	-
Accumulation Class J	-
Accumulation Class J dkk	-
Accumulation Class J nok h	-
Accumulation Class J sek h	-
Accumulation Class R	-
<b>December 31, 2015</b>	
Accumulation Class A	-
Accumulation Class A p	32.286
Accumulation Class A-Sek-Hp	100.520
Accumulation Class PM	-
<b>December 31, 2014</b>	
Accumulation Class A	30.622
Accumulation Class PM	-

The accompanying notes form an integral part of these financial statements.

# DANSKE INVEST ALLOCATION

## Dynamic

### Statement of Investments as at December 31, 2016

(expressed in EUR)

Description	Quantity / Face Value	Currency	Cost	Evaluation	% net assets
<b>Transferable securities admitted to an official stock exchange listing</b>					
<b>Bonds</b>					
<b>Denmark</b>					
Nykredit 2% 14-01.10.37	7,168,500	DKK	936,756	977,117	4.26
Nykredit Frn 15-01.07.26	2,962,542	DKK	403,098	416,502	1.81
Nykredit Tv 04-38 43d Cf Oa	3,710,804	DKK	519,578	521,075	2.27
Realkrdt 1% 14-01.04.21	3,400,000	DKK	473,525	473,027	2.06
Realkredit 3% 12-01.10.44	1,656,992	DKK	223,203	233,406	1.02
Realkredit 3.5% 12-01.10.44 /Rbt**	1,336,909	DKK	183,896	190,203	0.83
Realkredit Danmark 4% 05-38 S.Ioh Oa	272,954	DKK	38,170	39,292	0.17
Realkredit Tv 05-01.10.38 Oa	2,819,320	DKK	398,191	398,357	1.74
			<b>3,176,417</b>	<b>3,248,979</b>	<b>14.16</b>
<b>Total - Bonds</b>			<b>3,176,417</b>	<b>3,248,979</b>	<b>14.16</b>
<b>Total - Transferable securities admitted to an official stock exchange listing</b>			<b>3,176,417</b>	<b>3,248,979</b>	<b>14.16</b>

### Open-ended collective investment scheme qualifying under article 41(1)(e) of the amended law of December 17, 2010

#### Investment Funds

##### Luxembourg

Danske I Eu -I- Eur /Cap*	274,127	EUR	3,697,529	4,283,783	18.67
Danske I Eu Hyb -A- Cap*	28,000	EUR	317,492	339,864	1.48
Danske I Eulsd Shs-I P-Cap*	56,000	EUR	584,014	633,192	2.76
Danske Inv Europe Small -I- /Cap*	18,000	EUR	271,383	345,456	1.51
Danske Inv Gbl Em Mkt I /Cap*	30,248	USD	893,532	975,607	4.25
Danske Inv Gbl Em Sm Cap*	3,096	USD	89,628	102,039	0.45
Danske Inv Gl Stockpick -I- Cap*	256,464	EUR	3,168,670	4,396,821	19.16
Danske Inv Sic Eu Abs -I- Eur /Cap*	46,000	EUR	578,259	615,664	2.68
Danske Invest /Europe -I- /Cap*	66,000	EUR	894,948	879,582	3.83
Danske Invest /High Dividend -I- /Cap*	36,800	EUR	392,451	530,182	2.31
Danske Invest Japan A*	21,000	JPY	439,390	522,954	2.28
Fid America -Y- Usd /Cap	101,578	USD	1,529,837	1,855,835	8.09
Gs Gr & Em Debt I Ac Eur-Hedg Cap	27,000	EUR	448,270	517,590	2.26
Gs Gr&Em Db Loc I (Acc)-Cap	109,000	EUR	1,415,090	1,394,110	6.08
Ing L R Gl Hy -I- Hdg /Cap	900	EUR	431,671	485,829	2.12
Jpm Fl. /Us Sel. Equi. -C- Usd Cap	3,049	USD	426,383	828,978	3.61

\* Related party fund (Note 3)

\*\* RBT securities (Note 2)

The accompanying notes form an integral part of these financial statements.

# DANSKE INVEST ALLOCATION

## Dynamic

### Statement of Investments (continued) as at December 31, 2016

(expressed in EUR)

Description	Quantity / Face Value	Currency	Cost	Evaluation	% net assets
Trowe Glb Hi Yld Bd -Ah- Eur	16,605	EUR	269,431	375,940	1.64
			<b>15,847,978</b>	<b>19,083,426</b>	<b>83.18</b>
<b>Total - Investment Funds</b>			<b>15,847,978</b>	<b>19,083,426</b>	<b>83.18</b>
<b>Total - Open-ended collective investment scheme qualifying under article 41(1) (e) of the amended law of December 17, 2010</b>			<b>15,847,978</b>	<b>19,083,426</b>	<b>83.18</b>
<b>TOTAL INVESTMENT PORTFOLIO</b>			<b>19,024,395</b>	<b>22,332,405</b>	<b>97.34</b>

The accompanying notes form an integral part of these financial statements.

# DANSKE INVEST ALLOCATION

Dynamic

## Geographical and Economic Portfolio Breakdowns as at December 31, 2016

(expressed as a percentage of net assets)

<u>Geographical breakdown</u>	<u>%</u>	<u>Economic breakdown</u>	<u>%</u>
Luxembourg	83.18	Investment Funds	83.18
Denmark	14.16	Mortgage and Funding Institutions	14.16
	<b>97.34</b>		<b>97.34</b>

# DANSKE INVEST ALLOCATION

## Equity Opportunities

### Statement of Investments as at December 31, 2016

(expressed in EUR)

Description	Quantity / Face Value	Currency	Cost	Evaluation	% net assets
<b>Open-ended collective investment scheme qualifying under article 41(1)(e) of the amended law of December 17, 2010</b>					
<b>Luxembourg</b>					
Br Gf-European Fund /-D2- Cap	5,019	EUR	509,210	576,199	4.65
Danske I Eu -I- Eur /Cap*	154,030	EUR	2,001,856	2,407,027	19.41
Danske I Eulsd Shs-I P-Cap*	30,000	EUR	310,485	339,210	2.74
Danske Inv Europe Small -I- /Cap*	21,561	EUR	245,730	413,806	3.34
Danske Inv Gl Stockpick /-I- Cap*	139,171	EUR	1,429,109	2,385,944	19.24
Danske Inv Sic Eu Abs -Ip- Eur /Cap*	22,000	EUR	279,180	294,448	2.37
Danske Invest /Europe -I- /Cap*	138,340	EUR	2,004,461	1,843,657	14.87
Danske Invest /High Dividend -I- /Cap*	130,808	EUR	1,265,987	1,884,546	15.20
Danske Invest Japan A*	12,350	JPY	221,730	307,547	2.48
Fid America -Y- Usd /Cap	61,512	USD	556,166	1,123,824	9.06
Jpm Fl. /us Sel. Equi. -C- Usd Cap	2,904	USD	495,906	789,683	6.37
			<b>9,319,820</b>	<b>12,365,891</b>	<b>99.73</b>
<b>Total - Open-ended collective investment scheme qualifying under article 41(1)(e) of the amended law of December 17, 2010</b>			<b>9,319,820</b>	<b>12,365,891</b>	<b>99.73</b>
<b>TOTAL INVESTMENT PORTFOLIO</b>			<b>9,319,820</b>	<b>12,365,891</b>	<b>99.73</b>

\* Related party fund (Note 3)

The accompanying notes form an integral part of these financial statements.

# DANSKE INVEST ALLOCATION

## Equity Opportunities

### Geographical and Economic Portfolio Breakdowns as at December 31, 2016

(expressed as a percentage of net assets)

<u>Geographical breakdown</u>	<u>%</u>	<u>Economic breakdown</u>	<u>%</u>
<u>Luxembourg</u>	<u>99.73</u>	<u>Investment Funds</u>	<u>99.73</u>
	<b>99.73</b>		<b>99.73</b>

# DANSKE INVEST ALLOCATION

June Balanced\*

## Statement of Investments as at December 31, 2016

(expressed in EUR)

Description	Quantity / Face Value	Currency	Cost	Evaluation	% net assets
<b>Transferable securities admitted to an official stock exchange listing</b>					
<b>Investment Funds</b>					
<b>France</b>					
L UCITS 3-5Y INV GR ACT CAP	251	EUR	38,440	38,528	13.84
			<b>38,440</b>	<b>38,528</b>	<b>13.84</b>
<b>Ireland</b>					
ISHARES EM LOC GOV BD UCITS ETF	171	USD	10,020	10,065	3.62
ISHARES EUR CORP BD 1-5Y ETF	113	EUR	12,472	12,501	4.49
ISHARES JPM USD EM BUCITS ETF	165	USD	16,843	17,185	6.18
ISHS CR MSCI JP USD ACCUM	264	USD	8,314	8,682	3.12
ISHS CR PAC/AC EX TR FDS USD	40	USD	4,247	4,476	1.61
ISHS MSCI EM USD-AC SHS USD ETF	482	USD	9,708	10,133	3.64
ISHS VI CORE S&P500 UCITS CAP	219	USD	39,041	44,429	15.96
SPDR BARCL.EUR GOV.BD.UCIT ETF	427	EUR	26,938	26,837	9.64
SPDR BARCLAYS EURO HY BOND ETF	569	EUR	32,489	32,945	11.84
SSGA BARC 1-3Y EUR GOV BD/DIS	311	EUR	16,387	16,424	5.90
SSGA SPDR EU EUR-AC ETF	130	EUR	21,104	23,079	8.29
VANG S&P 500 PTF -USD- /DIS	517	USD	19,357	21,050	7.56
			<b>216,920</b>	<b>227,806</b>	<b>81.85</b>
<b>Total - Investment Funds</b>			<b>255,360</b>	<b>266,334</b>	<b>95.69</b>
<b>Total - Transferable securities admitted to an official stock exchange listing</b>			<b>255,360</b>	<b>266,334</b>	<b>95.69</b>
<b>TOTAL INVESTMENT PORTFOLIO</b>			<b>255,360</b>	<b>266,334</b>	<b>95.69</b>

\* Launched as at November 4, 2016

The accompanying notes form an integral part of these financial statements.



# DANSKE INVEST ALLOCATION

June Balanced\*

## Geographical and Economic Portfolio Breakdowns as at December 31, 2016

(expressed as a percentage of net assets)

<u>Geographical breakdown</u>	<u>%</u>	<u>Economic breakdown</u>	<u>%</u>
Ireland	81.85	Investment Funds	95.69
France	13.84		<b>95.69</b>
	<b>95.69</b>		

\* Launched as at November 4, 2016

The accompanying notes form an integral part of these financial statements.

# DANSKE INVEST ALLOCATION

## June Defensive\*

### Statement of Investments as at December 31, 2016

(expressed in EUR)

Description	Quantity / Face Value	Currency	Cost	Evaluation	% net assets
<b>Transferable securities admitted to an official stock exchange listing</b>					
<b>Investment Funds</b>					
<b>France</b>					
L UCITS 3-5Y INV GR ACT CAP	294	EUR	45,026	45,129	17.39
L UCITS GOBL INV GR ACT. CAP	168	EUR	30,097	29,879	11.51
			<b>75,123</b>	<b>75,008</b>	<b>28.90</b>
<b>Ireland</b>					
ISHARES EM LOC GOV BD UCITS ETF	171	USD	10,020	10,065	3.88
ISHARES EUR CORP BD 1-5Y ETF	114	EUR	12,583	12,612	4.86
ISHARES JPM USD EM BDUCITS ETF	101	USD	10,310	10,519	4.05
ISHS CR MSCI JP USD ACCUM	93	USD	2,933	3,058	1.18
ISHS CR PAC/AC EX TR FDS USD	14	USD	1,484	1,567	0.60
ISHS MSCI EM USD-AC SHS USD ETF	161	USD	3,242	3,385	1.30
ISHS VI CORE S&P500 UCITS CAP	112	USD	20,235	22,722	8.75
SPDR BARCL.EUR GOV.BD.UCIT ETF	593	EUR	37,411	37,270	14.36
SPDR BARCLAYS EURO HY BOND ETF	706	EUR	40,311	40,877	15.75
SSGA BARC 1-3Y EUR GOV BD/DIS	574	EUR	30,244	30,313	11.68
SSGA SPDR EU EUR-AC ETF	46	EUR	7,478	8,166	3.15
			<b>176,251</b>	<b>180,554</b>	<b>69.56</b>
<b>Total - Investment Funds</b>			<b>251,374</b>	<b>255,562</b>	<b>98.46</b>
<b>Total - Transferable securities admitted to an official stock exchange listing</b>			<b>251,374</b>	<b>255,562</b>	<b>98.46</b>
<b>TOTAL INVESTMENT PORTFOLIO</b>			<b>251,374</b>	<b>255,562</b>	<b>98.46</b>

\* Launched as at November 4, 2016

The accompanying notes form an integral part of these financial statements.

# DANSKE INVEST ALLOCATION

June Defensive\*

## Geographical and Economic Portfolio Breakdowns as at December 31, 2016

(expressed as a percentage of net assets)

<u>Geographical breakdown</u>	<u>%</u>	<u>Economic breakdown</u>	<u>%</u>
Ireland	69.56	Investment Funds	98.46
France	28.90		<b>98.46</b>
	<b>98.46</b>		

\* Launched as at November 4, 2016

The accompanying notes form an integral part of these financial statements.

# DANSKE INVEST ALLOCATION

June Moderate\*

## Statement of Investments as at December 31, 2016

(expressed in EUR)

Description	Quantity / Face Value	Currency	Cost	Evaluation	% net assets
<b>Transferable securities admitted to an official stock exchange listing</b>					
<b>Investment Funds</b>					
<b>France</b>					
L UCITS 3-5Y INV GR ACT CAP	244	EUR	37,369	37,454	13.94
L UCITS GOBL INV GR ACT. CAP	139	EUR	24,902	24,721	9.20
			<b>62,271</b>	<b>62,175</b>	<b>23.14</b>
<b>Ireland</b>					
ISHARES EM LOC GOV BD UCITS ETF	171	USD	10,020	10,065	3.75
ISHARES EUR CORP BD 1-5Y ETF	114	EUR	12,583	12,612	4.69
ISHARES JPM USD EM BDUCITS ETF	106	USD	10,820	11,040	4.11
ISHS CR MSCI JP USD ACCUM	157	USD	4,945	5,163	1.92
ISHS CR PAC/AC EX TR FDS USD	23	USD	2,442	2,574	0.96
ISHS MSCI EM USD-AC SHS USD ETF	285	USD	5,740	5,991	2.23
ISHS VI CORE S&P500 UCITS CAP	188	USD	33,865	38,140	14.19
SPDR BARCL.EUR GOV.BD.UCIT ETF	492	EUR	31,039	30,922	11.51
SPDR BARCLAYS EURO HY BOND ETF	758	EUR	43,280	43,888	16.33
SSGA BARC 1-3Y EUR GOV BD/DIS	423	EUR	22,288	22,339	8.31
SSGA SPDR EU EUR-AC ETF	77	EUR	12,504	13,670	5.09
			<b>189,526</b>	<b>196,404</b>	<b>73.09</b>
<b>Total - Investment Funds</b>			<b>251,797</b>	<b>258,579</b>	<b>96.23</b>
<b>Total - Transferable securities admitted to an official stock exchange listing</b>			<b>251,797</b>	<b>258,579</b>	<b>96.23</b>
<b>TOTAL INVESTMENT PORTFOLIO</b>			<b>251,797</b>	<b>258,579</b>	<b>96.23</b>

\* Launched as at November 4, 2016

The accompanying notes form an integral part of these financial statements.

# DANSKE INVEST ALLOCATION

June Moderate\*

## Geographical and Economic Portfolio Breakdowns as at December 31, 2016

(expressed as a percentage of net assets)

<u>Geographical breakdown</u>	<u>%</u>	<u>Economic breakdown</u>	<u>%</u>
Ireland	73.09	Investment Funds	96.23
France	23.14		<b>96.23</b>
	<b>96.23</b>		

\* Launched as at November 4, 2016

The accompanying notes form an integral part of these financial statements.

# DANSKE INVEST ALLOCATION

## June Moderate Short\*

### Statement of Investments as at December 31, 2016

(expressed in EUR)

Description	Quantity / Face Value	Currency	Cost	Evaluation	% net assets
<b>Transferable securities admitted to an official stock exchange listing</b>					
<b>Investment Funds</b>					
<b>France</b>					
L UCITS 1-3Y INV GR ACT CAP/DIS	340	EUR	42,859	43,015	16.63
			<b>42,859</b>	<b>43,015</b>	<b>16.63</b>
<b>Ireland</b>					
ISHARES EM LOC GOV BD UCITS ETF	178	USD	10,179	10,478	4.05
ISHARES EUR CORP BD 1-5Y ETF	115	EUR	12,661	12,722	4.92
ISHARES JPM USD EM BDUCITS ETF	99	USD	10,123	10,311	3.99
ISHS CR MSCI JP USD ACCUM	156	USD	5,060	5,130	1.98
ISHS CR PAC/AC EX TR FDS USD	23	USD	2,516	2,574	0.99
ISHS HY CORP BD EUR SHS EUR ETF	414	EUR	43,375	44,116	17.06
ISHS MSCI EM USD-AC SHS USD ETF	277	USD	5,579	5,823	2.25
ISHS VI CORE S&P500 UCITS CAP	187	USD	36,047	37,937	14.67
SSGA BARC 1-3Y EUR GOV BD/DIS	647	EUR	34,042	34,168	13.21
SSGA SPDR EU EUR-AC ETF	77	EUR	12,848	13,670	5.29
			<b>172,430</b>	<b>176,929</b>	<b>68.41</b>
<b>Luxembourg</b>					
DBXT2 EGB13 -1C- CAP	220	EUR	37,301	37,413	14.47
			<b>37,301</b>	<b>37,413</b>	<b>14.47</b>
<b>Total - Investment Funds</b>			<b>252,590</b>	<b>257,357</b>	<b>99.51</b>
<b>Total - Transferable securities admitted to an official stock exchange listing</b>			<b>252,590</b>	<b>257,357</b>	<b>99.51</b>
<b>TOTAL INVESTMENT PORTFOLIO</b>			<b>252,590</b>	<b>257,357</b>	<b>99.51</b>

\* Launched as at November 17, 2016

The accompanying notes form an integral part of these financial statements.

# DANSKE INVEST ALLOCATION

June Moderate Short\*

## Geographical and Economic Portfolio Breakdowns as at December 31, 2016

(expressed as a percentage of net assets)

<u>Geographical breakdown</u>	<u>%</u>	<u>Economic breakdown</u>	<u>%</u>
Ireland	68.41	Investment Funds	99.51
France	16.63		<b>99.51</b>
<u>Luxembourg</u>	<u>14.47</u>		
	<b>99.51</b>		

\* Launched as at November 17, 2016

The accompanying notes form an integral part of these financial statements.

# DANSKE INVEST ALLOCATION

## June Opportunity\*

### Statement of Investments as at December 31, 2016

(expressed in EUR)

Description	Quantity / Face Value	Currency	Cost	Evaluation	% net assets
<b>Transferable securities admitted to an official stock exchange listing</b>					
<b>Investment Funds</b>					
<b>Germany</b>					
Ishares Dj Stoxx 600 (De)	80	EUR	2,883	2,877	0.96
			<b>2,883</b>	<b>2,877</b>	<b>0.96</b>
<b>Ireland</b>					
ISHARES EM LOC GOV BD UCITS ETF	171	USD	10,020	10,066	3.34
ISHS CR MSCI JP USD ACCUM	618	USD	19,445	20,324	6.75
ISHS CR PAC/AC EX TR FDS USD	93	USD	9,860	10,408	3.46
ISHS MSCI EM USD-AC SHS USD ETF	1,138	USD	22,920	23,924	7.95
ISHS VI CORE S&P500 UCITS CAP	262	USD	47,075	53,152	17.65
SPDR BARCLAYS EURO HY BOND ETF	220	EUR	12,562	12,738	4.23
SSGA SPDR EU EUR-AC ETF	302	EUR	49,006	53,614	17.81
SSGA SPDR S&P 500 ETF DIS	238	EUR	46,369	51,134	16.98
VANG S&P 500 PTF -USD- /DIS	1,192	USD	42,626	48,532	16.12
			<b>259,883</b>	<b>283,892</b>	<b>94.29</b>
<b>Total - Investment Funds</b>			<b>262,766</b>	<b>286,769</b>	<b>95.25</b>
<b>Total - Transferable securities admitted to an official stock exchange listing</b>			<b>262,766</b>	<b>286,769</b>	<b>95.25</b>
<b>TOTAL INVESTMENT PORTFOLIO</b>			<b>262,766</b>	<b>286,769</b>	<b>95.25</b>

\* Launched as at November 4, 2016

The accompanying notes form an integral part of these financial statements.



# DANSKE INVEST ALLOCATION

## June Opportunity\*

### Geographical and Economic Portfolio Breakdowns as at December 31, 2016

(expressed as a percentage of net assets)

<u>Geographical breakdown</u>	<u>%</u>	<u>Economic breakdown</u>	<u>%</u>
Ireland	94.29	Investment Funds	95.25
Germany	0.96		<b>95.25</b>
	<b>95.25</b>		

\* Launched as at November 4, 2016

The accompanying notes form an integral part of these financial statements.

# DANSKE INVEST ALLOCATION

June Progressive\*

## Statement of Investments as at December 31, 2016

(expressed in EUR)

Description	Quantity / Face Value	Currency	Cost	Evaluation	% net assets
<b>Transferable securities admitted to an official stock exchange listing</b>					
<b>Investment Funds</b>					
<b>France</b>					
L UCITS 3-5Y INV GR ACT CAP	208	EUR	31,855	31,928	11.70
			<b>31,855</b>	<b>31,928</b>	<b>11.70</b>
<b>Ireland</b>					
ISHARES EM LOC GOV BD UCITS ETF	171	USD	10,020	10,065	3.69
ISHARES EUR CORP BD 1-5Y ETF	114	EUR	12,583	12,612	4.62
ISHARES JPM USD EM BDUCITS ETF	166	USD	16,916	17,289	6.34
ISHS CR MSCI JP USD ACCUM	344	USD	10,816	11,313	4.15
ISHS CR PAC/AC EX TR FDS USD	51	USD	5,396	5,707	2.09
ISHS MSCI EM USD-AC SHS USD ETF	643	USD	12,951	13,518	4.96
ISHS VI CORE S&P500 UCITS CAP	212	USD	37,610	43,009	15.76
SPDR BARCL.EUR GOV.BD.UCIT ETF	336	EUR	21,197	21,117	7.74
SPDR BARCLAYS EURO HY BOND ETF	401	EUR	22,896	23,218	8.51
SSGA BARC 1-3Y EUR GOV BD/DIS	100	EUR	5,269	5,281	1.94
SSGA SPDR EU EUR-AC ETF	170	EUR	27,587	30,180	11.06
VANG S&P 500 PTF -USD- /DIS	1,004	USD	36,861	40,878	14.98
			<b>220,102</b>	<b>234,187</b>	<b>85.84</b>
<b>Total - Investment Funds</b>			<b>251,957</b>	<b>266,115</b>	<b>97.54</b>
<b>Total - Transferable securities admitted to an official stock exchange listing</b>			<b>251,957</b>	<b>266,115</b>	<b>97.54</b>
<b>TOTAL INVESTMENT PORTFOLIO</b>			<b>251,957</b>	<b>266,115</b>	<b>97.54</b>

\* Launched as at November 4, 2016

The accompanying notes form an integral part of these financial statements.

# DANSKE INVEST ALLOCATION

June Progressive\*

## Geographical and Economic Portfolio Breakdowns as at December 31, 2016

(expressed as a percentage of net assets)

<u>Geographical breakdown</u>	<u>%</u>	<u>Economic breakdown</u>	<u>%</u>
Ireland	85.84	Investment Funds	97.54
France	11.70		<b>97.54</b>
	<b>97.54</b>		

\* Launched as at November 4, 2016

The accompanying notes form an integral part of these financial statements.

# DANSKE INVEST ALLOCATION

## Stable Income

### Statement of Investments as at December 31, 2016

(expressed in EUR)

Description	Quantity / Face Value	Currency	Cost	Evaluation	% net assets
<b>Transferable securities admitted to an official stock exchange listing</b>					
<b>Investment Funds</b>					
<b>Denmark</b>					
D1 Nye Mar Ob Dkk /Cap	321,450	DKK	4,459,241	4,458,264	4.92
			<b>4,459,241</b>	<b>4,458,264</b>	<b>4.92</b>
<b>Total - Investment Funds</b>			<b>4,459,241</b>	<b>4,458,264</b>	<b>4.92</b>
<b>Shares</b>					
<b>Belgium</b>					
Anheuser-Busch Inbev Sa/Nv	1,833	EUR	211,493	183,043	0.20
Etab Colruyt	3,604	EUR	163,969	168,325	0.19
Eurofins Scientific Sa	314	EUR	126,850	126,809	0.14
Gbl	2,325	EUR	175,595	184,814	0.20
Melexis Nv Ieper	1,969	EUR	91,286	125,524	0.14
Proximus Sa	1,458	EUR	39,625	39,855	0.04
			<b>808,817</b>	<b>828,370</b>	<b>0.92</b>
<b>Bermuda Islands</b>					
Arch Capital Gp Ltd Bermuda	2,485	USD	170,440	203,465	0.23
Axis Capital Holdings Ltd	3,347	USD	164,766	207,578	0.23
Everest Reinsurance Group Ltd	1,073	USD	183,917	220,550	0.24
Renaissancere Hld Ltd	1,687	USD	174,010	218,029	0.24
Validus Holdings	3,925	USD	170,893	205,162	0.23
			<b>864,026</b>	<b>1,054,784</b>	<b>1.17</b>
<b>Denmark</b>					
Coloplast -B-	2,041	DKK	141,803	131,993	0.15
Danske Bank As	5,348	DKK	145,367	154,835	0.17
Gn Great Nordic Ltd	2,894	DKK	49,888	57,234	0.06
Novo Nordisk A/S /-B-	4,467	DKK	211,960	153,067	0.17
Novozymes Shs -B-	4,003	DKK	169,988	130,974	0.14
Schouw & Co	1,893	DKK	128,873	132,431	0.15
			<b>847,879</b>	<b>760,534</b>	<b>0.84</b>
<b>Finland</b>					
Kone Oyj -B	3,090	EUR	127,761	130,058	0.14
			<b>127,761</b>	<b>130,058</b>	<b>0.14</b>
<b>France</b>					
Aerports De Paris Adp	1,773	EUR	199,884	179,871	0.20
Air Liquide	938	EUR	112,675	98,631	0.11
Biomerieux	1,538	EUR	167,598	219,396	0.24
Dassault Systemes Sa	1,059	EUR	78,997	76,714	0.08
Groupe Danone	3,136	EUR	201,960	187,501	0.21
Hermes International	320	EUR	105,130	125,280	0.14
L Oreal	1,056	EUR	177,687	181,473	0.20
Lvmh Moet Hennessy	1,200	EUR	215,856	215,640	0.24

The accompanying notes form an integral part of these financial statements.

# DANSKE INVEST ALLOCATION

## Stable Income

### Statement of Investments (continued) as at December 31, 2016

(expressed in EUR)

Description	Quantity / Face Value	Currency	Cost	Evaluation	% net assets
Plastic Omnium	4,184	EUR	109,796	125,792	0.14
Sanofi-Aventis	2,885	EUR	224,594	218,827	0.24
Sartorius Stedim Biotech	2,427	EUR	160,577	145,571	0.16
Total Sa	4,331	EUR	195,538	210,032	0.23
Vivendi	6,388	EUR	128,176	114,090	0.13
			<b>2,078,468</b>	<b>2,098,818</b>	<b>2.32</b>
<b>Germany</b>					
Adidas — Namen-Akt	689	EUR	100,695	101,869	0.11
Basf Namen-Akt.	2,473	EUR	199,763	216,313	0.24
Bayer	313	EUR	28,227	30,824	0.03
Bertrandt Ag	1,207	EUR	129,445	116,765	0.13
Continental Ag	694	EUR	118,174	128,008	0.14
Cts Eventim Ag. Bremen	5,155	EUR	178,740	154,341	0.17
Deutsche Telekom /Nam.	13,463	EUR	226,768	219,245	0.24
Duerr Ag	1,661	EUR	108,589	126,103	0.14
Fielmann Ag	2,093	EUR	134,364	130,247	0.14
Fuchs Petrolub Vz. A.	3,293	EUR	111,988	131,720	0.15
Kabel Deutschland Holding Ag	2,052	EUR	229,251	224,592	0.25
Man Ag	2,415	EUR	227,074	228,338	0.25
Sap Ag	2,642	EUR	195,218	218,573	0.24
Siemens Ag /Nam.	1,792	EUR	165,472	207,783	0.23
Tag Immobilien Ag	10,707	EUR	130,391	132,392	0.15
			<b>2,284,159</b>	<b>2,367,113</b>	<b>2.61</b>
<b>Great Britain</b>					
Admiral Group Plc	3,415	GBP	82,832	72,176	0.08
Ashtead Group Plc	6,636	GBP	95,349	122,274	0.14
Astrazeneca Plc	3,516	GBP	211,017	181,444	0.20
Aviva Plc	10,402	GBP	68,061	58,824	0.06
Bba Aviation Plc	24,531	GBP	80,964	79,430	0.09
Bellway Plc	4,370	GBP	126,363	125,731	0.14
Booker Group Plc	62,728	GBP	153,271	127,814	0.14
British American Tobacco (25p)	6,212	GBP	336,525	335,442	0.37
Burberry Group Plc	7,193	GBP	122,463	125,146	0.14
Capita Plc	23,330	GBP	264,445	141,113	0.16
Centrica Plc	14,404	GBP	44,049	39,071	0.04
Compass Group Plc	11,383	GBP	172,643	197,115	0.22
Diageo Plc	8,371	GBP	222,757	205,218	0.23
Direct Line	52,346	GBP	281,371	225,177	0.25
Domino S Pizza Group Plc	30,061	GBP	125,050	125,733	0.14
Galliford Try Plc	8,423	GBP	89,922	126,974	0.14
Howden Joinery Group Plc	32,739	GBP	191,230	147,141	0.16
Hsbc Holdings Plc	28,277	GBP	210,803	215,444	0.24
Jd Sports Fashion Plc	31,938	GBP	122,210	118,928	0.13
Morgan Advanced Materials Plc	36,014	GBP	97,140	117,991	0.13
National Grid Plc	17,605	GBP	228,255	195,393	0.22
Next Plc	2,187	GBP	210,066	127,149	0.14
Reckitt Benckiser Group Plc	2,516	GBP	222,441	201,890	0.22
Royal Dutch Shell /-B-	4,075	GBP	113,800	111,439	0.12
Rsa Insurance Group Plc	6,408	GBP	43,657	43,299	0.05
Saga Plc	89,362	GBP	209,032	203,265	0.22

The accompanying notes form an integral part of these financial statements.

# DANSKE INVEST ALLOCATION

## Stable Income

### Statement of Investments (continued) as at December 31, 2016

(expressed in EUR)

Description	Quantity / Face Value	Currency	Cost	Evaluation	% net assets
Sage Grp	16,793	GBP	134,633	128,535	0.14
Scottish & Southern Energy Plc	9,409	GBP	196,076	171,172	0.19
St James Place Plc	10,795	GBP	98,102	126,176	0.14
Ted Baker Plc London	3,983	GBP	181,321	129,479	0.14
Unite Group Plc	22,132	GBP	181,533	154,412	0.17
United Utilities Group Plc	16,801	GBP	224,277	176,465	0.19
Vodafone Group Plc	82,927	GBP	253,457	193,538	0.21
Wh Smith Plc	7,247	GBP	132,310	131,755	0.15
			<b>5,527,425</b>	<b>4,982,153</b>	<b>5.50</b>
<b>Ireland</b>					
Accenture Plc	1,544	USD	154,451	171,823	0.19
Kerry Group A	1,956	EUR	148,433	132,167	0.14
Medtronic Holdings Limited	1,032	USD	68,838	70,217	0.08
Paddy Power Plc	1,249	EUR	146,300	127,148	0.14
			<b>518,022</b>	<b>501,355</b>	<b>0.55</b>
<b>Italy</b>					
Ansaldo Sts Spa	19,048	EUR	187,739	225,338	0.25
Reply Spa Torino	1,108	EUR	134,338	129,303	0.14
			<b>322,077</b>	<b>354,641</b>	<b>0.39</b>
<b>Jersey</b>					
Boohoo. Com Plc	62,210	GBP	70,444	98,746	0.11
Experian Plc	4,541	GBP	77,960	83,301	0.09
			<b>148,404</b>	<b>182,047</b>	<b>0.20</b>
<b>Malta</b>					
Kindred Group	15,969	SEK	160,897	142,809	0.16
			<b>160,897</b>	<b>142,809</b>	<b>0.16</b>
<b>Norway</b>					
Tomra Systems As	12,707	NOK	128,856	126,243	0.14
			<b>128,856</b>	<b>126,243</b>	<b>0.14</b>
<b>Spain</b>					
Amadeus It Holding Sr. A	1,246	EUR	47,054	54,033	0.06
Enagas	6,083	EUR	162,666	147,452	0.16
Endesa Sa	3,851	EUR	78,358	78,252	0.09
Iberdrola Sa	35,971	EUR	225,070	222,912	0.25
Inditex	3,895	EUR	128,119	126,023	0.14
Red electrica corporacion. Sa	7,354	EUR	143,204	131,857	0.14
Viscofan Envolturas Celulosi	2,742	EUR	130,939	129,628	0.14
			<b>915,410</b>	<b>890,157</b>	<b>0.98</b>
<b>Sweden</b>					
Intrum Justitia Ab	4,186	SEK	128,530	134,215	0.15
J.M.Ab	4,798	SEK	103,379	131,631	0.14
Modern Times Group Ab B	4,712	SEK	132,314	132,422	0.15
			<b>364,223</b>	<b>398,268</b>	<b>0.44</b>

The accompanying notes form an integral part of these financial statements.

# DANSKE INVEST ALLOCATION

## Stable Income

### Statement of Investments (continued) as at December 31, 2016

(expressed in EUR)

Description	Quantity / Face Value	Currency	Cost	Evaluation	% net assets
<b>Switzerland</b>					
Barry Callebaut Ag /Nam.	129	CHF	129,010	147,064	0.16
Bqe. Cantonale Vaudoise /Nom.	387	CHF	224,929	232,122	0.26
Galenica Ag /Namenaktie	123	CHF	127,716	131,868	0.15
Geberit Ag /Namen-Aktien	338	CHF	104,891	128,496	0.14
Givaudan Sa /Reg.	191	CHF	326,424	329,197	0.36
Kuehne + Nagel International	1,735	CHF	221,291	218,625	0.24
Lindt & Spruengli /Reg	1	CHF	67,760	57,025	0.06
Nestle Sa	3,236	CHF	225,171	220,295	0.24
Novartis Ag Basel /Nam.	3,006	CHF	237,425	207,435	0.23
Partners Group Holding	293	CHF	131,258	130,612	0.14
Psp Swiss Property /Nam.	2,652	CHF	212,057	215,955	0.24
Roche Holding Ag /Genussschein	1,612	CHF	396,813	348,194	0.39
Sonova Holding Ag /Nom.	1,815	CHF	225,097	208,774	0.23
Straumann Holding Ag /Nom.	502	CHF	161,097	184,420	0.20
Swiss Prime Site Ag /Nom.	2,849	CHF	203,988	219,933	0.24
Swisscom /Nam.	523	CHF	245,144	221,557	0.25
Syngenta Ag	571	CHF	187,039	215,959	0.24
Zurich Insurance Group /Nam	827	CHF	194,928	215,576	0.24
			<b>3,622,038</b>	<b>3,633,107</b>	<b>4.01</b>
<b>The Netherlands</b>					
Unilever Cert. of Shs	4,988	EUR	205,698	195,031	0.22
			<b>205,698</b>	<b>195,031</b>	<b>0.22</b>
<b>United States of America</b>					
3M Co	1,186	USD	173,632	201,240	0.22
Agnc Investment Corp /Reit	9,914	USD	161,922	171,229	0.19
Alphabet Inc -A-	251	USD	182,307	191,662	0.21
Altria Group	3,078	USD	165,541	198,623	0.22
Annaly Capital Management Inc	11,843	USD	107,059	113,085	0.13
At & T	5,392	USD	173,310	218,767	0.24
Automatic Data Proces.	2,046	USD	161,352	201,302	0.22
Autozone Inc	207	USD	147,811	157,199	0.17
Bard (C.R.) Inc	777	USD	135,004	165,627	0.18
Berkshire Hathaway - B	1,324	USD	188,059	205,315	0.23
Cboe Holdings Inc	2,914	USD	191,390	204,170	0.23
Cheesecake Factory Inc	1,843	USD	82,256	107,343	0.12
Cisco Systems Inc.	6,462	USD	163,473	187,201	0.21
Cme Group Inc	353	USD	39,698	38,807	0.04
Coca-Cola Co.	4,211	USD	170,166	166,606	0.18
Compass Minerals International	1,891	USD	121,592	142,708	0.16
Consolidated Edison Inc	1,699	USD	99,420	119,687	0.13
Cracker Barrel Old Country St	250	USD	37,440	40,028	0.04
Dominion Resources Inc	2,489	USD	156,917	182,251	0.20
Eversource Energy	655	USD	31,918	34,617	0.04
Exxon Mobil Corp	2,476	USD	191,774	212,760	0.24
Facebook Inc -A-	231	USD	25,318	25,562	0.03
Fed. Realty Inv. Tr. /Sbi	1,155	USD	160,008	153,843	0.17
Gartner Inc. *Opa*	1,061	USD	84,084	102,301	0.11
General Mills Inc	2,907	USD	159,451	172,410	0.19
Henry Jack & Associates Inc.	1,995	USD	146,453	169,208	0.19

The accompanying notes form an integral part of these financial statements.

# DANSKE INVEST ALLOCATION

## Stable Income

### Statement of Investments (continued) as at December 31, 2016

(expressed in EUR)

Description	Quantity / Face Value	Currency	Cost	Evaluation	% net assets
Ibm	1,332	USD	172,801	211,053	0.23
Investors Bancorp Inc	15,592	USD	184,789	206,420	0.23
Johnson & Johnson	1,963	USD	191,148	215,614	0.24
Kellogg Co	2,023	USD	131,074	142,300	0.16
Mastercard Inc. Shs -A-	1,878	USD	171,093	185,344	0.21
Mc-Cormick & Co /N. Voting	1,212	USD	99,962	107,973	0.12
Mcdonald S Corp.	1,819	USD	195,645	212,426	0.24
Mid-america apartment commun.	1,030	USD	86,050	94,620	0.10
Newmont Mining Corp.	5,197	USD	86,943	174,329	0.19
Panera Bread -A-	129	USD	21,648	25,510	0.03
Paychex Inc.	991	USD	49,787	57,870	0.06
Pepsico Inc	2,003	USD	188,287	200,005	0.22
Pfizer Inc.	1,599	USD	47,429	49,409	0.05
Pg&E Corp	759	USD	42,621	44,098	0.05
Philip Morris Int.	2,100	USD	170,264	183,207	0.20
Pinnacle West Cap. Corp.	949	USD	65,093	70,626	0.08
Procter & Gamble Co.	2,052	USD	147,043	164,617	0.18
Raytheon Company	1,112	USD	145,940	151,647	0.17
Republic Services Inc.	1,262	USD	51,082	68,594	0.08
Royal Gold Inc	1,463	USD	49,117	92,807	0.10
Schlumberger Ltd	2,586	USD	186,379	207,087	0.23
Simon Property /Paired Shs	324	USD	57,079	54,227	0.06
Southern Co.	3,476	USD	146,429	163,213	0.18
Starbucks corp.	3,712	USD	203,610	198,830	0.22
Stryker Corp.	1,500	USD	150,115	171,934	0.19
Synopsys Inc.	2,238	USD	106,023	126,475	0.14
Target Corp	2,680	USD	189,664	185,098	0.20
The Hershey Co	1,355	USD	110,067	134,012	0.15
Unitedhealth Group Inc	1,335	USD	166,193	204,468	0.23
Utd Parcel Service Inc B	1,710	USD	162,714	186,995	0.21
Verizon Communications Inc	4,245	USD	182,709	216,964	0.24
Visa Inc -A	1,247	USD	91,113	92,898	0.10
Walt Disney /Disney Ser	1,918	USD	182,828	190,733	0.21
Waste Management Inc	3,084	USD	155,112	208,279	0.23
Wec Energy Group Inc	1,840	USD	85,663	102,985	0.11
			<b>7,930,869</b>	<b>8,986,218</b>	<b>9.93</b>
<b>Total - Shares</b>			<b>26,855,030</b>	<b>27,631,706</b>	<b>30.51</b>
<b>Total - Transferable securities admitted to an official stock exchange listing</b>			<b>31,314,271</b>	<b>32,089,969</b>	<b>35.44</b>

Open-ended collective investment scheme qualifying under article 41(1)(e) of the amended law of December 17, 2010

#### Investment Funds

##### Denmark

Di Eng Low Vola -Units- Eur /Cap*	21,938	EUR	3,962,113	3,779,259	4.17
			<b>3,962,113</b>	<b>3,779,259</b>	<b>4.17</b>

\* Related party fund (Note 3)

The accompanying notes form an integral part of these financial statements.



# DANSKE INVEST ALLOCATION

## Stable Income

### Statement of Investments (continued) as at December 31, 2016

(expressed in EUR)

Description	Quantity / Face Value	Currency	Cost	Evaluation	% net assets
<b>Ireland</b>					
FI Gl Eq Rsk Pr Ls A Eur Cap	118,435	EUR	12,156,168	12,221,308	13.50
			<b>12,156,168</b>	<b>12,221,308</b>	<b>13.50</b>
<b>Luxembourg</b>					
Danske I Eu Hyb -A- Cap*	818,174	EUR	9,555,456	9,930,996	10.97
Danske I Eulsd Shs-I P-Cap*	390,856	EUR	4,470,605	4,419,406	4.88
Danske Inv Nor Cb -I- Eur /Cap*	1,471,802	EUR	15,055,033	15,108,048	16.68
Danske Invest /High Dividend -I- /Cap*	769,075	EUR	10,242,393	11,080,068	12.24
			<b>39,323,487</b>	<b>40,538,518</b>	<b>44.77</b>
<b>Total - Investment Funds</b>			<b>55,441,768</b>	<b>56,539,085</b>	<b>62.44</b>
<b>Total - Open-ended collective investment scheme qualifying under article 41(1) (e) of the amended law of December 17, 2010</b>			<b>55,441,768</b>	<b>56,539,085</b>	<b>62.44</b>
<b>TOTAL INVESTMENT PORTFOLIO</b>			<b>86,756,039</b>	<b>88,629,055</b>	<b>97.87</b>

\* Related party fund (Note 3)

The accompanying notes form an integral part of these financial statements.

# DANSKE INVEST ALLOCATION

## Stable Income

### Geographical and Economic Portfolio Breakdowns as at December 31, 2016

(expressed as a percentage of net assets)

<u>Geographical breakdown</u>	<u>%</u>	<u>Economic breakdown</u>	<u>%</u>
Luxembourg	44.77	Investment Funds	67.36
Ireland	14.05	Pharmaceuticals and Cosmetics	3.44
Denmark	9.93	Food and Distilleries	2.36
United States of America	9.93	Insurance	1.99
Great Britain	5.50	Public Services	1.99
Switzerland	4.01	Holding and Finance Companies	1.79
Germany	2.61	Internet Software	1.59
France	2.32	News Transmission	1.57
Bermuda Islands	1.17	Real Estate Companies	1.45
Spain	0.98	Retail	1.40
Belgium	0.92	Tobacco and Spirits	1.22
Sweden	0.44	Leisure	1.14
Italy	0.39	Chemicals	1.12
The Netherlands	0.22	Transportation	0.99
Jersey	0.20	Mechanics, Machinery	0.94
Malta	0.16	Banks and Financial Institutions	0.88
Finland	0.14	Textile	0.85
Norway	0.14	Consumer Goods	0.76
	<b>97.87</b>	Petrol	0.74
		Other Services	0.59
		Construction, Building Material	0.56
		Graphic Art, Publishing	0.51
		Office Equipment, Computers	0.44
		Environmental Services & Recycling	0.31
		Precious Metals	0.29
		Electronics and Electrical Equipment	0.23
		Healthcare Education & Social Services	0.23
		Electronic Semiconductor	0.22
		Aerospace Technology	0.17
		Mines, Heavy Industries	0.16
		Various Capital Goods	0.16
		Business Houses	0.15
		Tyres & Rubber	0.14
		Automobile Industry	0.13
			<b>97.87</b>

The accompanying notes form an integral part of these financial statements.

# DANSKE INVEST ALLOCATION

## Notes to the Audited Financial Statements as at December 31, 2016

### NOTE 1 — GENERAL

DANSKE INVEST ALLOCATION, (the "Fund"), is an undertaking for collective investment in transferable securities in the legal form of an investment company with variable capital (Société d'Investissement à Capital Variable, "SICAV"), subject to Part I of the amended Law of December 17, 2010 (the "2010 Law") transposing Directive 2009/65/EC relating to undertakings for collective investment ("UCITS").

The Articles were first published on August 10, 2001 in the *Mémorial C, Recueil des Sociétés et Associations* (the "Mémorial C"). They were amended on September 6, 2005, October 24, 2005, November 14, 2008 and July 16, 2014 and published in the Mémorial C on November 25, 2005, November 16, 2005, December 8, 2008 and October 8, 2014 respectively.

The Fund has appointed Danske Invest Management Company to serve as its designated Management Company under chapter 15 of the 2010 Law pursuant to an agreement as of July 16, 2014 (the "Management Company Agreement") for an unlimited duration, unless terminated by either party with six (6) months' prior written notice. The Management Company must at all time act honestly and fairly in conducting its activities in the best interest of the Shareholders and in conformity with the 2010 Law, the Prospectus and the Articles. The Management Company was incorporated on September 21, 1988 as a société anonyme under the laws of the Grand Duchy of Luxembourg. The Management Company is registered with the Luxembourg Registre de Commerce et des Sociétés under the number B-28945 and is approved as a Management Company under Chapter 15 of the 2010 Law. Danske Invest Management Company has also been appointed as Management Company for the following Investment Funds: Danske Invest, Danske Invest SICAV, Danske Fund of Funds and Danske Invest SICAV-SIF.

The registered office of the Fund is established at 13, rue Edward Steichen, L-2540 Luxembourg. The Fund is recorded at the Luxembourg Registre de Commerce et des Sociétés under the number B 82717.

The Fund is an umbrella fund and as such provides investors with the choice of investments in a range of Sub-Funds, each of which relates to a separate portfolio of liquid assets and other securities and assets permitted by the 2010 Law and the specific investment objectives as described in the relevant appendix to the prospectus.

On December 31, 2016, nine Sub-Funds were operational:

- Dynamic
- Equity Opportunities
- June Balanced (Launch date November 4, 2016)
- June Defensive (Launch date November 4, 2016)
- June Moderate (Launch date November 4, 2016)
- June Moderate Short (Launch date November 17, 2016)
- June Opportunity (Launch date November 4, 2016)
- June Progressive (Launch date November 4, 2016)
- Stable Income

The Fund's purpose is to invest in all kinds of transferable securities, units or shares of UCITS or other UCIs, as well as derivatives on transferable securities and other financial instruments authorised by the 2010 Law.

Each Sub-Fund has a separate investment objective, which it pursues through separate investment policies as described in the relevant Appendix to the Prospectus. Unless otherwise specified in the relevant Appendix to the Prospectus, the Sub-Funds will be actively managed.

The investment objectives of each relevant Sub-Fund are as follows:

#### **Dynamic Sub-Fund**

The investment objective of the Sub-Fund is to obtain, through an active investment policy, the highest possible long-term return by way of investment primarily in units or shares of other open-ended UCITS and UCIs with the possibility of investing a portion of the portfolio directly in other transferable securities and money market instruments in accordance with the following objective:

Up to 80% of the portfolio of the Sub-Fund can be invested, through funds, in international equities.

With a view to improve the performance of the portfolio, a minor part up to 20% of the portfolio may, for periods, be invested in funds investing in emerging markets (including Russia) and sector funds. Sector funds consist of funds investing in international equities related to specific sectors, e.g. IT, Media, pharmaceutical and energy.

At any time, up to 50% of the total assets may be invested in international bonds either:

- through UCITS and UCIs investing in international bonds or
- direct investment in international bonds, mortgage bonds, money market instruments and corporate bonds, provided that they are admitted or dealt in on a Regulated Market.

# DANSKE INVEST ALLOCATION

## Notes to the Audited Financial Statements (continued) as at December 31, 2016

### NOTE 1 — GENERAL (continued)

#### Equity Opportunities Sub-Fund

The investment objective of the Sub-Fund is to obtain, through an active investment policy, the highest possible long-term return within the various equities markets by way of investment primarily in units or shares of other open-ended UCITS and UCIs with the possibility of investing a portion of the portfolio directly in other transferable securities, admitted to or dealt in on a Regulated Market, in accordance with the following objective:

At any time up to 100% of the portfolio of the Sub-Fund can be invested in international equities. The total portfolio of equities shall be invested in accordance with the following rules:

- At least 75% of the total assets must be invested in units or shares of other open-ended funds investing in international equities;
- Up to 25% of the total assets may be invested directly in transferable securities, consisting of international equities and related equity-based instruments.

With a view to improve the performance of the Sub-Fund, at any time, the Sub-Fund may have significant positions in funds involving a risk exceeding the market risk, e.g. emerging markets (including Russia) funds or sector funds. Sector funds consist of equities related to specific sectors, e.g. IT, media, pharmaceutical and energy.

Should the opportunity arise, and on ancillary basis only, the Sub-Fund may take positions up to 20% of the net assets of the Sub-Fund in a fund which specialize in IPOs (Initial Public Offers), or OTCs (Over The Counter) or make placements through funds which invest in private equity.

#### June Balanced Sub-Fund (Launch date November 4, 2016)

The investment objective of the Sub-Fund is to obtain a stable return in the relevant markets by investing globally in Debt Securities and equities through open-ended UCITS ETFs and Index UCITS funds.

The screening in accordance with the RI (Responsible Investments) policy as mentioned in section 2 "Investment Objective of the Sub-Funds" of the Prospectus does not apply to the Sub-Fund's investments in UCITS ETFs and Index UCITS funds.

The Sub-Fund aims to have an allocation which provides the investor a stable return and a significant diversification of risk in order to minimize security and asset class specific risks by combining investments in both Debt Securities and equities.

The Sub-Fund invests indirectly in both Debt Securities and equities with a strategic allocation of 65% in bonds and 35% in equities. The actual allocation may vary from this strategic allocation.

The Sub-Fund's maximum exposure towards equity must not exceed 60% and shall as a minimum be 20%. The Sub-Funds maximum exposure towards Debt Securities must not exceed 80% and shall as a minimum be 40%.

The average duration of the Debt Securities' exposure of the Sub-Fund, including cash holdings, must at least be 3 years.

The Sub-Fund seeks to obtain its investment objective through active asset allocation.

At least 90% of the Sub-Fund's investments in Debt Securities must be denominated in or hedged to EUR. The inherent foreign exchange risk is hedged by means of forward contracts.

#### June Defensive Sub-Fund (Launch date November 4, 2016)

The investment objective of the Sub-Fund is to obtain a stable return in the relevant markets by investing globally in Debt Securities and equities through open-ended UCITS ETFs and Index UCITS funds.

The screening in accordance with the RI (Responsible Investments) policy as mentioned in section 2 "Investment Objective of the Sub-Funds" of the Prospectus does not apply to the Sub-Fund's investments in UCITS ETFs and Index UCITS funds.

The Sub-Fund aims to have an allocation which provides the investor a stable return and a significant diversification of risk in order to minimize security- and asset class specific risks by combining investments in both Debt Securities and equities.

The Sub-Fund invests indirectly in both Debt Securities and equities with a strategic allocation of 90% in bonds and 10% in equities. The actual allocation may vary from this strategic allocation.

The Sub-Fund's maximum exposure towards equity must not exceed 25% and has no minimum exposure. The Sub-Funds maximum exposure towards Debt Securities must not exceed 100% and shall as a minimum be 75%.

The average duration of the Debt Securities' exposure of the Sub-Fund, including cash holdings, must at least be 3 years.

# DANSKE INVEST ALLOCATION

## Notes to the Audited Financial Statements (continued) as at December 31, 2016

### **NOTE 1 — GENERAL (continued)**

#### **June Defensive Sub-Fund (Launch date November 4, 2016) (continued)**

The Sub-Fund seeks to obtain its investment objective through active asset allocation.

At least 90% of the Sub-Fund's investments in Debt Securities must be denominated in or hedged to EUR. The inherent foreign exchange risk is hedged by means of forward contracts.

#### **June Moderate Sub-Fund (Launch date November 4, 2016)**

The investment objective of the Sub-Fund is to obtain a stable return in the relevant markets by investing globally in Debt Securities and equities through open-ended UCITS ETFs and Index UCITS funds.

The screening in accordance with the RI (Responsible Investments) policy as mentioned in section 2 "Investment Objective of the Sub-Funds" of the Prospectus does not apply to the Sub-Fund's investments in UCITS ETFs and Index UCITS funds.

The Sub-Fund aims to have an allocation which provides the investor a stable return and a significant diversification of risk in order to minimize security- and asset class specific risks by combining investments in both Debt Securities and equities.

The Sub-Fund invests indirectly in both Debt Securities and equities with a strategic allocation of 75% in bonds and 25% in equities. The actual allocation may vary from this strategic allocation.

The Sub-Fund's maximum exposure towards equity must not exceed 40% and shall as a minimum be 15%. The Sub-Funds maximum exposure towards fixed income must not exceed 85% and shall as a minimum be 60%.

The average duration of the Debt Securities' exposure of the Sub-Fund, including cash holdings, must at least be 3 years.

The Sub-Fund seeks to obtain its investment objective through active asset allocation.

At least 90% of the Sub-Fund's investments in Debt Securities must be denominated in or hedged to EUR. The inherent foreign exchange risk is hedged by means of forward contracts.

#### **June Moderate Short Sub-Fund (Launch date November 17, 2016)**

The investment objective of the Sub-Fund is to obtain a stable return in the relevant markets by investing globally in Debt Securities and equities through open-ended UCITS ETFs and Index UCITS funds.

The screening in accordance with the RI (Responsible Investments) policy as mentioned in section 2 "Investment Objective of the Sub-Funds" of the Prospectus does not apply to the Sub-Fund's investments in UCITS ETFs and Index UCITS funds.

The Sub-Fund aims to have an allocation which provides the investor a stable return and a significant diversification of risk in order to minimize security- and asset class specific risks by combining investments in both bonds and equities.

The Sub-Fund invests indirectly in both Debt Securities and equities with a strategic allocation of 75% in bonds and 25% in equities. The actual allocation may vary from this strategic allocation.

The Sub-Fund's maximum exposure towards equity must not exceed 40% and shall as a minimum be 15%. The Sub-Funds maximum exposure towards Debt Securities must not exceed 85% and shall as a minimum be 60%.

The average duration of the Debt Securities' exposure of the Sub-Fund, including cash holdings, must not exceed 3 years.

The Sub-Fund seeks to obtain its investment objective through active asset allocation.

At least 90% of the Sub-Fund's investments in Debt Securities must be denominated in or hedged to EUR. The inherent foreign exchange risk is hedged by means of forward contracts.

#### **June Opportunity Sub-Fund (Launch date November 4, 2016)**

The investment objective of the Sub-Fund is to obtain a stable return in the relevant markets by investing globally in Debt Securities and equities through open-ended UCITS ETFs and Index UCITS funds.

The screening in accordance with the RI (Responsible Investments) policy as mentioned in section 2 "Investment Objective of the Sub-Funds" of the Prospectus does not apply to the Sub-Fund's investments in UCITS ETFs and Index UCITS funds.

The Sub-Fund aims to have an allocation which provides the investor a stable return and a significant diversification of risk in order to minimize security- and asset class specific risks by combining investments in both Debt Securities and equities.

# DANSKE INVEST ALLOCATION

## Notes to the Audited Financial Statements (continued) as at December 31, 2016

### NOTE 1 — GENERAL (continued)

#### June Opportunity Sub-Fund (Launch date November 4, 2016) (continued)

The Sub-Fund invests indirectly in both Debt Securities and equities with a strategic allocation of 20% in bonds and 80% in equities. The actual allocation may vary from this strategic allocation.

The Sub-Fund's maximum exposure towards equity must not exceed 100% and shall as a minimum be 50%. The Sub-Funds maximum exposure towards Debt Securities must not exceed 50% and has no minimum exposure.

The average duration of the Debt Securities' exposure of the Sub-Fund, including cash holdings, must at least be 3 years.

The Sub-Fund seeks to obtain its investment objective through active asset allocation.

At least 90% of the Sub-Fund's investments in Debt Securities must be denominated in or hedged to EUR. The inherent foreign exchange risk is hedged by means of forward contracts.

#### June Progressive Sub-Fund (Launch date November 4, 2016)

The investment objective of the Sub-Fund is to obtain a stable return in the relevant markets by investing globally in Debt Securities and equities through open-ended UCITS ETFs and Index UCITS funds.

The screening in accordance with the RI (Responsible Investments) policy as mentioned in section 2 "Investment Objective of the Sub-Funds" of the Prospectus does not apply to the Sub-Fund's investments in UCITS ETFs and Index UCITS funds.

The Sub-Fund aims to have an allocation which provides the investor a stable return and a significant diversification of risk in order to minimize security- and asset class specific risks by combining investments in both Debt Securities and equities.

The Sub-Fund invests indirectly in both Debt Securities and equities with a strategic allocation of 50% in bonds and 50% in equities. The actual allocation may vary from this strategic allocation.

The Sub-Fund's maximum exposure towards equity must not exceed 75% and shall as a minimum be 30%. The Sub-Funds maximum exposure towards Debt Securities must not exceed 70% and shall as a minimum be 25%.

The average duration of the Debt Securities' exposure of the Sub-Fund, including cash holdings, must at least be 3 years.

The Sub-Fund seeks to obtain its investment objective through active asset allocation.

At least 90% of the Sub-Fund's investments in Debt Securities must be denominated in or hedged to EUR. The inherent foreign exchange risk is hedged by means of forward contracts.

#### Stable Income Sub-Fund

The investment objective of the Sub-Fund is to obtain, through a conservative long-term investment policy, a total return generated by income and capital appreciation from investments in a combination of equities and fixed income instruments. The portfolio construction is intended to generate stable income and capital appreciation sufficient for providing a total return in excess of what can be obtained by investing in the EURIBOR 3M money market rate. The Sub-Fund has no benchmark.

The Sub-Fund aims to be broadly diversified to minimize security and asset class specific risks.

The Sub-Fund seeks to obtain its investment objective through active investment management by taking long and short positions in equities and fixed income instruments. The Sub-Fund intends to be invested globally including emerging and frontier markets. Fixed income investments may include credit instruments with both investment grade and non-investment grade. Investments may include fixed income instruments with a credit rating below BBB- (Standard & Poor's) or Baa3- (Moody's).

### NOTE 2 — SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with generally accepted accounting principles and in accordance with laws and regulations in force in the Grand Duchy of Luxembourg.

#### a) Valuation of investments in portfolio

(i) The value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received is deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof is arrived at after making such discount as may be considered appropriate in such case to reflect the true value thereof.

(ii) The value of assets which are listed or dealt in on any stock exchange is based on the last available price on the stock exchange which is normally the principal market for such assets.

# DANSKE INVEST ALLOCATION

## Notes to the Audited Financial Statements (continued) as at December 31, 2016

### NOTE 2 — SIGNIFICANT ACCOUNTING POLICIES (continued)

(iii) The value of assets dealt in on any other Regulated Market is based on the last available price.

(iv) In the event that any assets are not listed or dealt in on any stock exchange or on any other Regulated Market, or if, with respect to assets listed or dealt in on any stock exchange, or other Regulated Market as aforesaid, the price as determined pursuant to sub-paragraph (ii) or (iii) is not representative of the fair market value of the relevant assets, the value of such assets will be based on the reasonably foreseeable sales price determined prudently and in good faith by the Board of Directors of the Fund.

(v) The liquidating value of option contracts not traded on exchanges or on other Regulated Markets shall mean their net liquidating value determined, pursuant to the policies established by the Board of Directors of the Fund, on a basis consistently applied for each different variety of contracts. The liquidating value of futures, forward or options contracts traded on exchanges or on other Regulated Markets shall be based upon the last available settlement prices of these contracts on exchanges and Regulated Markets on which the particular futures, forward or option contracts are traded by the Fund; provided that if a futures, forward or options contract could not be liquidated on the day with respect to which net assets are being determined, the basis for determining the liquidating value of such contract shall be such value as the Board of Directors of the Fund may deem fair and reasonable. Swaps other than CDS (Credit Default Swaps) will be valued at their market value established by reference to the applicable interest rates' curve.

(vi) Units or shares of open-ended UCIs will be valued at their last determined and available net asset value or, if such price is not representative of the fair market value of such assets, then the price shall be determined by the Board of Directors of the Fund on a fair and equitable basis.

(vii) All other securities and other assets will be valued at fair market value as determined in good faith pursuant to the procedures established by the Board of Directors of the Fund in accordance with the generally accepted valuation principles and procedures.

#### **b) Net Realised profits/(losses) on sale of investments**

Profits and losses on sale of investments sold are computed on the basis of average cost.

#### **c) Foreign exchange conversion**

The net asset values of the Sub-Funds are expressed in EUR.

All assets valued in a currency other than the base currency of the Sub-Fund are converted to the base currency at the exchange rates prevailing at December 30, 2016.

The exchange rates used as at December 30, 2016, are the following:

1	AUD	=	0.686766	EUR
1	CHF	=	0.930639	EUR
1	DKK	=	0.134535	EUR
1	GBP	=	1.167673	EUR
1	JPY	=	0.008132	EUR
1	NOK	=	0.110082	EUR
1	SEK	=	0.104473	EUR
1	USD	=	0.951068	EUR

Income and expenses derived in a currency other than the base currency of the Sub-Fund are converted at the applicable exchange rate prevailing at the transaction date.

#### **d) Cost of investments**

The acquisition cost of investments in each Sub-Fund deriving in currencies other than the currency of denomination is converted to the base currency at the exchange rates prevailing at the purchase date.

#### **e) Combined financial statements of the Fund**

The combined financial statements of the Fund are expressed in EUR. The combined statements of net assets equals the sum of the corresponding items in the financial statements of each Sub-Fund converted to EUR at the exchange rates prevailing at the closing date.

# DANSKE INVEST ALLOCATION

## Notes to the Audited Financial Statements (continued) as at December 31, 2016

### NOTE 2 — SIGNIFICANT ACCOUNTING POLICIES (continued)

#### f) Income from investments

Dividends are recognized as income on the date the securities are first quoted ex-dividend, to the extent information thereon is reasonably available to the Fund. Interest is accrued for each net asset valuation.

#### g) Cost of target Funds

When the Sub-Funds invest in other UCIs which are not managed directly or by delegation by the same Management Company or by any other company to which the Management Company is linked by common management, the Sub-Funds may be liable to transaction costs such as sales charges and redemption charges as well as to management fees.

#### h) RBT securities

In the Statements of Investments the Danish bonds that are repaid by instalments and are subject to drawing are called "RBT" securities - the instalments are drawn from the bondholders in exchange for the instalments paid by the borrower. When the borrowers pay instalments, the same amount of the bond series is drawn pro rata from the bondholders, and they will receive the par value of the drawn bonds.

#### i) Forward foreign exchange contracts

Profit and loss arising from un-matured forward foreign exchange contracts are determined on the basis of the applicable forward foreign exchange rates at the valuation date, and are recorded in the Statement of Net Assets. Realised profit or loss on forward foreign exchange contracts are recorded in the Statement of Operations and Changes in Net Assets.

#### j) Valuation of futures contracts

Futures are valued on the last available published price on the valuation date and are recorded in the Statement of Net Assets and Statement of Operations and Changes in Net Assets.

### NOTE 3 — MANAGEMENT FEES

The Fund pays to the Management Company a management fee amounting to a percentage of maximum 3.5% per annum of the Net Asset Value as determined in respect of each Sub-Fund.

Currently, the Management Company receives from each Sub-Fund an annual fee determined as follows:

Sub Funds	Management Fee
Dynamic - Class A p	0.90%
Equity Opportunities - Class A	1.60%
Equity Opportunities - Class PM	0.50%
June Balanced - Class J*	0.35%
June Balanced - Class J-dkk*	0.35%
June Balanced - Class J-nok h*	0.35%
June Balanced - Class J-sek h*	0.35%
June Balanced - Class R*	0.20%
June Defensive - Class J*	0.35%
June Defensive - Class J-dkk*	0.35%
June Defensive - Class J-nok h*	0.35%
June Defensive - Class J-sek h*	0.35%
June Defensive - Class R*	0.20%
June Moderate - Class J*	0.35%
June Moderate - Class J-dkk*	0.35%
June Moderate - Class J-nok h*	0.35%
June Moderate - Class J-sek h*	0.35%
June Moderate - Class R*	0.20%
June Moderate Short - Class J**	0.35%
June Moderate Short - Class J-dkk**	0.35%
June Moderate Short - Class J-nok h**	0.35%
June Moderate Short - Class J-sek h**	0.35%



# DANSKE INVEST ALLOCATION

## Notes to the Audited Financial Statements (continued) as at December 31, 2016

### NOTE 3 — MANAGEMENT FEES (continued)

Sub Funds	Management Fee
June Moderate Short - Class R**	0.20%
June Opportunity - Class J*	0.35%
June Opportunity - Class J-dkk*	0.35%
June Opportunity - Class J-nok h*	0.35%
June Opportunity - Class J-sek h*	0.35%
June Opportunity - Class R*	0.20%
June Progressive - Class J*	0.35%
June Progressive - Class J-dkk*	0.35%
June Progressive - Class J-nok h*	0.35%
June Progressive - Class J-sek h*	0.35%
June Progressive - Class R*	0.20%
Stable Income - Class A p	0.65%
Stable Income - Class A sek hp	0.65%

\* Launched as at November 4, 2016

\*\* Launched as at November 17, 2016

The fees are payable quarterly in arrears and are calculated on the Net Asset Value of each Sub-Fund on each valuation date during the relevant quarter.

In respect of a Sub-Fund's investments in UCITS and other UCIs whether managed or not by the Management Company or any other company linked to the Management Company, the total management fee (excluding any performance fee, if any and taking into account net amount of possible rebates from the other UCITS and/or UCIs in which the Sub-Fund invests in) charged to such Sub-Fund itself and the other UCITS and/or other UCIs concerned shall not exceed:

Sub Funds	Management Fee
Dynamic - Class A p	2.25%
Equity Opportunities - Class A	2.75%
Equity Opportunities - Class PM	1.65%
June Balanced - Class J*	0.65%
June Balanced - Class R*	0.50%
June Defensive - Class J*	0.65%
June Defensive - Class R*	0.50%
June Moderate - Class J*	0.65%
June Moderate - Class R*	0.50%
June Moderate Short - Class J**	0.65%
June Moderate Short - Class R**	0.50%
June Opportunity - Class J*	0.65%
June Opportunity - Class R*	0.50%
June Progressive - Class J*	0.65%
June Progressive - Class R*	0.50%

\* Launched as at November 4, 2016

\*\* Launched as at November 17, 2016

# DANSKE INVEST ALLOCATION

## Notes to the Audited Financial Statements (continued) as at December 31, 2016

### **NOTE 3 — MANAGEMENT FEES (continued)**

For the purpose of maintaining a fixed ongoing charge, the Stable Income Sub-Fund shall, when investing in units or shares of other open-ended UCITS, only invest in units or shares of other open - ended UCITS with a fixed ongoing charge.

If the Fund invests in the units of other UCITS and/or other UCIs that are managed, directly or by delegation, by the same Management Company or by any other company to which the Management Company is linked by common management or control or by a substantial direct or indirect holding, that Management Company or other company may not charge subscription or redemption fees on account of the Fund's investment in the units of other UCITS and/or other UCI.

### **NOTE 4 — ADMINISTRATIVE FEES**

The Dynamic and Equity Opportunities Sub-Funds pay the Management Company an annual fee of 0.15% payable quarterly in arrears and calculated on the net asset value of each Sub-Fund on each valuation date during the relevant quarter. The Management Company shall pay out of the Administrative fees the fees to the Depositary and the Central Administration for the two Sub-Funds.

Some Sub-Funds have implemented a Fixed Total Expense Ratio with an Operating and Administrative Expenses accrual of 0.20% (for Sub-Funds June Balanced\*, June Defensive\*, June Moderate\*, June Moderate Short\*\*, June Opportunity\*, June Progressive\*) and 0.25% (for the Sub-Fund Stable Income) which is paid to the Management Company. The Management Company shall pay all fees and expenses out of the Operating and Administrative Expenses.

### **NOTE 5 — CENTRAL ADMINISTRATION, DEPOSITARY FEES, REGISTRAR AND TRANSFER AGENT FEES, UCITS V FEES AND COMPLIANCE FEES**

#### **Central Administration Fees:**

The Management Company has appointed RBC Investor Services Bank S.A. as its central administration (the Central Administration Agent) pursuant to an agreement as of July 16, 2014 (the Administration Agency Agreement) for an unlimited duration, unless terminated by either party with ninety (90) days prior written notice. The Sub-Funds Dynamic and Equity Opportunities are not subject to central administration as described above in note 4.

For Sub-Funds June Balanced\*, June Defensive\*, June Moderate\*, June Moderate Short\*\*, June Opportunity\*, June Progressive\* and Stable Income these central administration fees are paid by the Management Company out of the Operating and Administrative Expenses accrual. (See note 8.)

#### **Depositary Fees:**

The Fund has appointed RBC Investor Services Bank S.A. as its Depositary and Paying Agent agreement (the Depositary and Paying Agent) pursuant to an agreement as of July 14, 2016 for an unlimited term unless terminated by either part with ninety (90) days prior written notice. The Sub-Funds Dynamic and Equity Opportunities are not subject to Depositary fees as described above in note 4.

For the Sub-Funds June Balanced\*, June Defensive\*, June Moderate\*, June Moderate Short\*\*, June Opportunity\* June Progressive\* and Stable Income these Depositary fees are paid by the Management Company out of the Operating and Administrative Expenses accrual. (See note 8.)

#### **Registrar and Transfer Agent Fees:**

In accordance with the agreement dated July 16, 2014, RBC investor Services Bank S.A. provides registrar and transfer agency services to the Fund. For the Sub-Funds Dynamic and Equities Opportunities the fees related to these services are paid by each Sub-Fund.

For the Sub-Funds June Balanced\*, June Defensive\*, June Moderate\*, June Moderate Short\*\*, June Opportunity\* June Progressive\* and Stable Income these registrar and transfer agency fees are paid by the Management Company out of the Operating and Administrative Expenses accrual. (See note 8.)

\* Launched as at November 4, 2016

\*\* Launched as at November 17, 2016

# DANSKE INVEST ALLOCATION

## Notes to the Audited Financial Statements (continued) as at December 31, 2016

### **NOTE 5 — CENTRAL ADMINISTRATION, DEPOSITARY FEES, REGISTRAR AND TRANSFER AGENT FEES, UCITS V FEES AND COMPLIANCE FEES (continued)**

#### **UCITS V Fees:**

As a consequence of the implementation of the UCITS V Directive the following additional fees have been charged from April 1, 2016 in the Sub-Funds Dynamic and Equity Opportunities:

- Depositary Cashflow Monitoring fee - EUR 6,000 per annum
- Oversight fee UCITS V - 0.25 bps per annum on total net assets

For the Sub-Funds June Balanced\*, June Defensive\*, June Moderate\*, June Moderate Short\*\*, June Opportunity\*, June Progressive\* and Stable Income these UCITS V additional fees are paid by the Management Company out of the Operating and Administrative Expenses accrual. (See note 8.)

#### **Compliance Fees:**

In accordance with the Compliance Monitoring Agreement dated July 16, 2014 RBC Investor Services Bank S.A. provides compliance monitoring services to the Fund. The fees related to these services are accrued (0.40 basis points) and are paid by both the Dynamic and Equity Opportunities Sub-Funds.

For the Sub-Funds June Balanced\*, June Defensive\*, June Moderate\*, June Moderate Short\*, June Opportunity\*, June Progressive\* and Stable Income these compliance monitoring fees are paid by the Management Company out of the Operating and Administrative Expenses accrual. (See note 8.)

### **NOTE 6 — SUBSCRIPTION TAX**

Under present Luxembourg law, the Fund is subject only to a subscription tax ("Taxe d' Abonnement") at the annual rate of 0.05% calculated and payable quarterly on the net asset value of the Sub-Fund at the end of each quarter, (except those Sub-Funds or Share Classes, which may benefit from the lower rate of 0.01% as more fully described in Article 174 of the 2010 Law or may be exempt as described in Article 175 of the 2010 Law).

The subscription tax ("Taxe d' Abonnement") fees are accrued and are paid by both the Dynamic and Equity Opportunities Sub-Funds.

For the Sub-Funds June Balanced\*, June Defensive\*, June Moderate\*, June Moderate Short\*, June Opportunity\*, June Progressive\* and Stable Income the subscription tax ("Taxe d' Abonnement") fees are paid by the Management Company out of the Operating and Administrative Expenses accrual. (See note 8.)

In case some Sub-Funds are invested in other Luxembourg investment funds, which in turn are subject to the subscription tax, no subscription tax is due from the Sub-funds on the portion of assets invested therein.

### **NOTE 7 — MARKETING FEE**

The Stable Income Sub-Fund has a marketing fee (the "Marketing Fee") amounting to a percentage of maximum 0.10% per annum of the Net Asset Value determined in respect of each class except for the I sub-classes where the marketing fee is not charged.

\* Launched as at November 4, 2016

\*\* Launched as at November 17, 2016

# DANSKE INVEST ALLOCATION

## Notes to the Audited Financial Statements (continued) as at December 31, 2016

### NOTE 8 — OPERATING AND ADMINISTRATIVE FEES

The following Sub-Funds pay the Management Company an operating and administrative expense (the “Operating and Administrative Expenses”) amounting to a percentage of 0.20% p.a. of the Net Asset Value (for Sub-Funds June Balanced\*, June Defensive\*, June Moderate\*, June Moderate Short\*\*, June Opportunity\* and June Progressive\*) and 0.25% (for the Sub-Fund Stable Income) as determined in respect of each Sub-Fund and/or Share Class in the relevant Appendix.

The Operating and Administrative Expenses are fixed. This means that the Management Company shall bear the excess in actual expenses to any Operating and Administrative Expenses charged to the Sub-Fund and/or Share Class. On the other hand the Management Company is entitled to retain any amount of the Operating and Administrative Expenses charged to the Sub-Fund and/or Share Class which exceeds the actual related expenses incurred by the respective Sub-Fund and/or Share Class.

The Operating and Administrative Expenses cover the administration and safe-keeping of assets and in addition other ongoing operating and administrative expenses as follows:

(a) Remuneration of the Depositary and its transaction charges and such part of any fees or charges of a local correspondent as may exceed the Depositary's remuneration; remuneration of the Central Administration; remuneration of the Registrar Agent; remuneration of the Principal Paying Agent and of any paying agent. The fees and reasonable out-of-pocket expenses incurred by the Board of Directors (no fees are paid to directors who are also employees of the Danske Bank group) as well as auditors' fees and expenses;

(b) A fund servicing fee, remaining part of the Operating and Administrative Expenses after deduction of the expenses detailed under paragraph (a) above, paid to the Management Company for administrative and related services including but limited to:

- the cost of ordinary legal advice received by the Management Company, the Depositary, the Central Administration or the Registrar Agent when acting in the interest of the Shareholders;
- the costs of printing, preparing, translating and distributing financial reports, KIIDs, and Prospectus;
- any fees of registration of the Sub-Funds in different jurisdictions including fees due to the supervisory authorities in such countries;
- the cost of publishing the Offer Price and Redemption Price and publishing and/or sending any notices to Shareholders;
- other customary administration and publication expenses arising from the Fund's operations;
- risk and compliance monitoring support;
- operational support relating to securities lending;
- the costs and expenses incurred in connection with the formation of the Fund and/or Sub-Fund and the initial issue of Shares by the relevant Sub-Fund; and
- the payment of the Luxembourg tax d'abonnement, subscription tax.

In case a portion of the above mentioned fees of the Service Providers is paid directly from the assets of the Sub-Fund and/or Share Class, the Operating and Administrative Expenses due to the Management Company is reduced accordingly. The Operating and Administrative Expenses do not include the following fees and expenses, which are payable by the relevant Sub-Funds:

- brokerage fees and commissions;
- interest and bank charges or other transaction related expenses such as taxes payable in relation to the transaction;
- extraordinary expenses such as litigation expenses and any tax, levy duty or similar charge and any unforeseen charges imposed on the Sub-Fund or its assets that would not be considered as ordinary expenses.

\* Launched as at November 4, 2016

\*\* Launched as at November 17, 2016

# DANSKE INVEST ALLOCATION

## Notes to the Audited Financial Statements (continued) as at December 31, 2016

### NOTE 9 — PERFORMANCE COMMISSION

In the Sub-Funds Dynamic and Stable Income, the Investment Manager is entitled to receive a performance fee accrued and locked on each Valuation Day and paid annually in arrears on or after the last Valuation Day in each financial year. If a performance fee is payable in relation to a relevant Class, the performance fee shall be an amount equal respectively to 15% of the Out performance of the Dynamic Sub-Fund and 20% of the Out performance of the Stable Income Sub-Fund as more fully described in the Prospectus dated September 2016.

The performance fee is collected by the Management Company from the respective Sub-Funds' assets and passed on to the Investment Manager. As at December 31, 2016 the performance fees amounted to EUR 157,261 for the Stable Income Sub-Fund and there was no performance fee for the Dynamic Sub-Fund.

The Equity Opportunities Sub-Fund, June Balanced\* Sub-Fund, June Defensive\* Sub-Fund, June Moderate\* Sub-Fund, June Moderate Short\*\* Sub-Fund, June Opportunity\* Sub-Fund and June Progressive\* Sub-Fund do not calculate a performance fee.

### NOTE 10 — TAXES AND EXPENSES PAYABLE

For the year ended December 31, 2016, the following accrued expenses were charged to the statement of net assets:

	Dynamic EUR	Equity Opportunities EUR
Subscription tax payable (Note 6)	1,210	182
Central administration, depositary fees, registrar and transfer agent fees, UCITS V fees and compliance fees payable (Notes 4 and 5)	5,943	4,579
Audit Fees payable	11,956	8,304
	<b>19,109</b>	<b>13,065</b>

  

	June Balanced* EUR	June Defensive* EUR	June Moderate* EUR	June Moderate Short** EUR
Subscription tax payable (Note 6)	-	-	-	-
Operating and Administrative fee (Note 8)	45	42	43	42
Audit Fees payable	-	-	-	-
	<b>45</b>	<b>42</b>	<b>43</b>	<b>42</b>

  

	June Opportunity* EUR	June Progressive* EUR
Subscription tax payable (Note 6)	-	-
Operating and Administrative fee (Note 8)	47	44
Audit Fees payable	-	-
	<b>47</b>	<b>44</b>

  

	Stable Income EUR
Subscription tax payable (Note 6)	-
Operating and Administrative fee (Note 8)	26,457
Marketing fee (Note 7)	564
	<b>27,021</b>

\* Launched as at November 4, 2016

\*\* Launched as at November 17, 2016

# DANSKE INVEST ALLOCATION

## Notes to the Audited Financial Statements (continued) as at December 31, 2016

### NOTE 11 — FORWARD FOREIGN EXCHANGE CONTRACTS

For the year ended December 31, 2016, the following forward foreign exchange contracts were outstanding:

#### June Balanced\*

No collateral has been received in relation with the Forward Foreign Exchange contracts.

	Purchase		Sale	Maturity		Unrealised gain/(loss) (EUR)
EUR	16,793	USD	18,710	10/01/2017	EUR	(987)
NOK	200,000	EUR	21,957	10/01/2017	EUR	63
SEK	200,000	EUR	20,128	10/01/2017	EUR	791
USD	1,000	EUR	916	10/01/2017	EUR	34
						<u>          </u>
						(99)

The counterparty linked to the forward foreign exchange contracts is:  
Danske Bank A/S

#### June Defensive\*

No collateral has been received in relation with the Forward Foreign Exchange contracts.

	Purchase		Sale	Maturity		Unrealised gain/(loss) (EUR)
EUR	10,277	USD	11,450	10/01/2017	EUR	(604)
EUR	549	NOK	5,000	10/01/2017	EUR	(1)
EUR	610	SEK	6,000	10/01/2017	EUR	(18)
NOK	200,000	EUR	21,957	10/01/2017	EUR	63
SEK	200,000	EUR	20,128	10/01/2017	EUR	791
USD	1,000	EUR	916	10/01/2017	EUR	34
						<u>          </u>
						265

The counterparty linked to the forward foreign exchange contracts is:  
Danske Bank A/S

#### June Moderate\*

No collateral has been received in relation with the Forward Foreign Exchange contracts.

	Purchase		Sale	Maturity		Unrealised gain/(loss) (EUR)
EUR	10,788	USD	12,020	10/01/2017	EUR	(634)
NOK	200,000	EUR	21,957	10/01/2017	EUR	63
SEK	200,000	EUR	20,128	10/01/2017	EUR	791
USD	1,000	EUR	916	10/01/2017	EUR	34
						<u>          </u>
						254

The counterparty linked to the forward foreign exchange contracts is:  
Danske Bank A/S

\* Launched as at November 4, 2016

# DANSKE INVEST ALLOCATION

## Notes to the Audited Financial Statements (continued) as at December 31, 2016

### NOTE 11 — FORWARD FOREIGN EXCHANGE CONTRACTS (continued)

#### June Moderate Short\*\*

No collateral has been received in relation with the Forward Foreign Exchange contracts.

	Purchase		Sale	Maturity		Unrealised gain/(loss) (EUR)
EUR	10,182	USD	10,847	10/01/2017	EUR	(126)
EUR	510	SEK	5,000	10/01/2017	EUR	(13)
EUR	549	NOK	5,000	10/01/2017	EUR	(1)
NOK	200,000	EUR	21,960	10/01/2017	EUR	60
SEK	200,000	EUR	20,326	10/01/2017	EUR	<u>593</u>
						513

The counterparty linked to the forward foreign exchange contracts is:  
Danske Bank A/S

#### June Opportunity\*

No collateral has been received in relation with the Forward Foreign Exchange contracts.

	Purchase		Sale	Maturity		Unrealised gain (EUR)
NOK	213,000	EUR	23,397	10/01/2017	EUR	54
SEK	211,000	EUR	21,255	10/01/2017	EUR	<u>815</u>
						869

The counterparty linked to the forward foreign exchange contracts is:  
Danske Bank A/S

#### June Progressive\*

No collateral has been received in relation with the Forward Foreign Exchange contracts.

	Purchase		Sale	Maturity		Unrealised gain/(loss) (EUR)
EUR	16,767	USD	18,521	10/01/2017	EUR	(833)
NOK	206,000	EUR	22,620	10/01/2017	EUR	60
SEK	205,000	EUR	20,640	10/01/2017	EUR	803
USD	1,000	EUR	916	10/01/2017	EUR	<u>35</u>
						65

The counterparty linked to the forward foreign exchange contracts is:  
Danske Bank A/S

\* Launched as at November 4, 2016

\*\* Launched as at November 17, 2016

# DANSKE INVEST ALLOCATION

## Notes to the Audited Financial Statements (continued) as at December 31, 2016

### NOTE 11 — FORWARD FOREIGN EXCHANGE CONTRACTS (continued)

#### Stable Income

No collateral has been received in relation with the Forward Foreign Exchange contracts.

	Purchase		Sale	Maturity		Unrealised gain/(loss) (EUR)
CHF	848,000	EUR	784,694	11/01/2017	EUR	4,597
DKK	22,842,000	EUR	3,070,716	11/01/2017	EUR	2,408
EUR	11,666,535	GBP	10,301,000	11/01/2017	EUR	(359,097)
EUR	6,929,234	CHF	7,563,000	11/01/2017	EUR	(110,146)
EUR	9,932,989	DKK	73,901,596	11/01/2017	EUR	(9,605)
EUR	511,426	NOK	4,623,000	11/01/2017	EUR	2,696
EUR	10,144,113	USD	11,389,000	11/01/2017	EUR	(683,621)
EUR	2,983,796	SEK	28,846,814	11/01/2017	EUR	(30,225)
GBP	2,542,386	EUR	2,947,984	11/01/2017	EUR	20,036
NOK	547,000	EUR	60,431	11/01/2017	EUR	(237)
SEK	49,760,253	EUR	5,168,158	11/01/2017	EUR	30,981
USD	1,077,000	EUR	974,691	11/01/2017	EUR	49,208
						(1,083,005)

The counterparties linked to the forward foreign exchange contracts are:

Danske Bank A/S

RBC IS Bank Luxembourg

### NOTE 12 — FUTURES CONTRACTS

As at December 31, 2016, the following Sub-Fund was committed in the following futures contracts:

#### Stable Income

No collateral has been received in relation with the Futures contracts.

Contracts	Currency	Number of contracts	Commitment (EUR)	Maturity date	Unrealised gain/(loss) (EUR)
PURCHASE 10Y BTP ITALIAN BOND	EUR	30	4,066,500	08/03/2017	75,600
SALE DOW JONES STOXX 600 PRICE IX	EUR	(1,488)	(26,627,760)	17/03/2017	(312,741)
SALE EURO BUND	EUR	(15)	(2,465,850)	08/03/2017	(16,650)
SALE EURO SCHATZ	EUR	(45)	(5,052,825)	08/03/2017	(4,950)
SALE S&P 500 INDICES	USD	(12)	(6,735,300)	16/03/2017	64,910
					(193,831)

The counterparty linked to the financial futures contracts is:

Danske Bank A/S



# DANSKE INVEST ALLOCATION

## Notes to the Audited Financial Statements (continued) as at December 31, 2016

### NOTE 13 — OTHER INCOME

For the year ended December 31, 2016, the trailer fees were recorded to the Statement of Operations and Changes in Net Assets under the heading "other income".

### NOTE 14 — TRANSACTION COSTS

For the year ended December 31, 2016, the Fund incurred transaction costs relating to purchase or sale of securities as follows:

- Dynamic : 1,324 EUR
- Equity Opportunities : 0 EUR
- June Balanced\* : 0 EUR
- June Defensive\* : 0 EUR
- June Moderate\* : 0 EUR
- June Moderate Short\*\* : 0 EUR
- June Opportunity\* : 0 EUR
- June Progressive\* : 0 EUR
- Stable Income : 45,496 EUR

These transaction costs are composed of brokerage costs and are included in cost of securities. The transaction costs included under the heading "Bank charges and correspondent fees" in the "Statement of Operations and Changes in Net Assets" are composed amongst other transaction fees and are not included in the table above.

### NOTE 15 — REBATE FEES

As at December 31, 2016, "Other assets" mostly includes rebate fees from underlying investments in target funds for the Sub-Funds. Rebate fee agreements have been negotiated by the Investment Manager when the initial investments were made in the target fund. The rebate fees receivable are recorded as "Other assets" in the Statement of Net Assets.

### NOTE 16 — SECURITIES LENDING

The Fund had entered into fully collateralized securities lending agreements through a high quality financial institution as described in the prospectus.

On December 31, 2016, no security has been lent.

### NOTE 17 — RISK EXPOSURE

The Management Company uses a risk management procedure for the Fund in accordance with the 2010 Law and other applicable regulations, in particular CSSF Circular 11/512. This risk management procedure provides for the measurement and control of the overall risk of all funds using the commitment approach or the Value at Risk ("VaR") approach. The methodology used in order to calculate the Global Exposure is the commitment approach for all the Sub-Funds of the Fund, with the exception of the Stable Income Sub-Fund which uses a VaR approach.

\* Launched as at November 4, 2016

\*\* Launched as at November 17, 2016

# DANSKE INVEST ALLOCATION

## Notes to the Audited Financial Statements (continued) as at December 31, 2016

### **NOTE 18 — SUBSEQUENT EVENTS AFTER DECEMBER 31, 2016**

#### **Danske Invest Allocation Prospectus January 2017**

Following on from the strategy to distribute the Fund in the UK, the Prospectus has been updated to include "clean" share classes for UK distribution for the two Sub-Funds - namely Dynamic and Stable Income, and in line with the MiFID II project in Denmark, a "clean" share class (W) for Denmark has been included in the Prospectus. The updated Prospectus was filed with the CSSF on 11 January 2017 and on 12 January 2017 the CSSF verbally approved the submitted draft Prospectus.

A list of the changes made to the Prospectus is below:

- Update the Definitions to include UK Resident definition;
- Update Section 1.2.2 Share Classes to include the description of Share Classes RA and RI;
- Update Section 1.2.2 Share Classes to include the description of Share Class W (Please note that currently no Class W is activated, therefore no impact on existing shareholder);
- Inserted explanatory note to Class W;
- Updated Appendix for Sub-Fund Dynamic with details for the RA and RI Classes;
- Updated Appendix for Sub-Fund Stable Income with details for the RA and RI Classes as well as the addition of a Class W for this Sub-Fund.

