

Danske Invest Allocation
Société d'investissement à capital variable
13, rue Edward Steichen, L-2540 Luxembourg
RCS Luxembourg B. 82717

NOTICE TO SHAREHOLDERS

Luxembourg, 02 October 2020

Dear Shareholders,

We hereby would like to provide you with some information related to your investment in Danske Invest Allocation (the "SICAV"). The board of directors of the SICAV has decided to approve certain changes to the prospectus of the SICAV. The updated prospectus enters into force in October 2020.

Main Changes to the general part of the prospectus

In this prospectus update, the following changes have been made to the prospectus's general sections applying to all funds within the SICAV:

- **Clarifications of ESG approach**
 - We believe that it is our obligation to serve your interests by creating both competitive and sustainable returns. To do so we integrate environmental, social and corporate governance (ESG) matters in all our investment practices similar to the way we look at financials or market momentum. We have now decided to strengthen our communication towards investors relating to the sustainable solutions Danske Invest Allocation can offer. In this regard, we have introduced the following thorough descriptions of ESG approach we adopt at Danske Invest Allocation.
 - Our sustainable investment approach contains four building blocks: Environmental, Social, Governance (ESG) Integration, Active Ownership, Screening and Reporting & Disclosure.
 - The funds can apply the following processes:
 - **ESG Integration:** integrate ESG as a factor alongside financial factors, treated holistically and managed from a risk-return perspective in the investment process.
 - **Active Ownership:** exercise active ownership through dialogue, voting and collaboration to create long-term value and build trust as a universal owner. In accordance with article 48(1) of the 2010 Law, the SICAV and all its funds, will not exercise a significant influence over the management of companies in fund portfolios.
 - **Screening:** screen to identify ESG risk, to apply customer specific criteria and thresholds, and to apply restrictions on specific funds or across the entire fund range.
 - **Reporting & Disclosure:** promote transparency, share information about our approach, report on progress, and make it available to investors and stakeholders.
 - All Danske Invest Allocation funds restrict investments in controversial weapons, thermal coal, tar sands, tobacco and as per Nordic norms unless otherwise stated in fund descriptions. The other funds may restrict investments into alcohol, gambling and pornography. Additional information on the funds' restrictions can be found in the newly introduced table "Values-based investment restrictions".
 - Each fund may be differently positioned depending on the ESG approach. The four different Danske Invest Allocation fund positioning's have been introduced for clarification purposes:
 - **ESG Inside: Integrated:** the fund integrates ESG factors as a basis for making better-informed investment decisions.
 - **ESG Inside: Restricted:** the fund restricts investments based on ethical/values-based criteria.
 - **ESG Inside: Thematic:** the fund targets specific sustainability themes to contribute to positive impact.
 - **ESG Inside:** these funds only adhere to the Sustainable Investment Policy of Danske Bank.
 - The funds of the SICAV have been positioned as follow:

- **ESG Inside: Restricted:** Horisont Aktie, Horisont Balanserad, Horisont Försiktig, Horisont Offensiv and Horisont Ränta.
 - **ESG Inside:** ESG Basic 100, ESG Basic 20, ESG Basic 35, ESG Basic 50, ES Basic 80, Global Portfolio Solution DKK – Balanced, Global Portfolio Solution DKK – Defensive, Global Portfolio Solution DKK – Equities, Global Portfolio Solution DKK - Fixed Income, Global Portfolio Solution DKK – Opportunity, Global Portfolio Solution EUR – Balanced, Global Portfolio Solution EUR – Defensive, Global Portfolio Solution EUR – Equities, Global Portfolio Solution EUR - Fixed Income, Global Portfolio Solution EUR - Opportunity, Global Portfolio Solution NOK – Balanced, Global Portfolio Solution NOK – Defensive, Global Portfolio Solution NOK – Equities, Global Portfolio Solution NOK - Fixed Income, Global Portfolio Solution NOK – Opportunity, Global Portfolio Solution SEK – Balanced, Global Portfolio Solution SEK – Defensive, Global Portfolio Solution SEK – Equities, Global Portfolio Solution SEK – Fixed Income and Global Portfolio Solution SEK – Opportunity.
- The description of ESG risk has been introduced to the prospectus for clarification purposes in the following manner: “An environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment”.
- **Clarification to the Risk Descriptions**
 - The Risk Descriptions section of the prospectus has been further detailed, notably in relation to the “Country Risk – China” and the “Credit Risk”:
 - The description of general risks associated with investments into China has been supplemented to state that “*securities trading and currency conversion and repatriation can be limited and all types of investments are likely to have comparatively high volatility and greater liquidity and counterparty risks*”.
 - The description of “Country Risk – China” has been complemented with the reference to the China Interbank Bond Market and Bond Connect, due to uncertainty whether a court would protect the fund’s right to securities purchased via these markets.
 - The following description of risks associated with investments via China Interbank Bond Market (“CIBM”) has been added: “*The CIBM is an over-the-counter market that provides a way for outside investors (such as a fund) to buy Chinese corporate and government bonds. The CIBM may have low trading volumes and high bid and offer spreads, making the bonds comparatively less liquid and more expensive*”.
 - The description of the liquidity risks associated with internal renminbi (“CNY”) and external renminbi (“CNH”) has been extended to state that liquidity risk might arise “*not only from potential CNY/CNH exchange limits but also potential limits on the removal of CNH currency from China or Hong Kong*”.
 - The Credit Risk section has been slightly restructured and the language ameliorated.
 - The Inflation Risk section has been renamed and slightly clarified to state that “*if inflation falls or remains low, the yields on short-term inflation-linked securities will fall or remain low*”.
- **Further clarifications to the Swing Pricing section**
 - The swing pricing section has been amended to comply with the recent Frequently Asked Questions (FAQ) document issued by the Luxembourg regulator on swing pricing mechanism.
 - The swing pricing section has been renamed into “anti-dilution adjustments (swing pricing)” and a possibility to apply anti—dilution levy to compensate for dilutions has been introduced pursuant to the articles of associations of the SICAV. The prospectus is now stating that “*the net asset value may be adjusted in order to counter the dilution effects of capital activity. Notably, the board may determine that a swing pricing methodology or any anti-dilution mechanism, such as anti-dilution levy, will be applied in the calculation of the net asset value per share of the relevant fund and/or class as described in the prospectus.*”
 - The swing pricing section has been further detailed and clarified to explain that “*to protect the interests of shareholders, a fund’s NAV may be adjusted to compensate for dilutions that can arise in connection with large flows of cash into or out of a fund These adjustments are normally applied on any day when the total volume of trading in a fund’s shares (meaning both purchases and redemptions) exceeds a certain percentage of the fund’s net assets (as set by the management company and approved by the SICAV)*”. Furthermore, “*Swing pricing adjustments are automatic and are applied systematically to all subscriptions, redemptions and switches in or out of the funds by adjusting their NAV prices by the swing factor. To the extent that markets have different charging structures on the buy and sell side, the*

swing factor may not be equal for net subscriptions or net redemptions’. Please, note that “*in unusual situations (such as higher market volatility), the board may raise this limit to 3% at the maximum to protect the interests of shareholders. All funds are in scope of the swing pricing mechanism*”.

- **Alignment with the articles of associations of the SICAV**

- Assets valuation section has been supplemented with the statement that “*in unusual situations (such as distressed markets), the board may adjust the net asset value to reflect higher price volatility or a liquidity stress in the relevant markets*”.
- The sub-section Temporarily suspend the calculation of NAV or transactions in a fund’s shares has been further updated pursuant to the restated articles of association of the SICAV to include some reasons where a fund’s NAV might be suspended taking due account of the investors’ interests:
 - when a fund is receiving a subscription in kind or paying a redemption in kind and a suspension is deemed to be in the interest of the fund and/or its shareholders;
 - the suspension is required by law or the Luxembourg regulator;
 - any other reason exists that any portfolio investments cannot be properly or accurately valued;
 - any other exceptional circumstances exist in which the board of directors of the SICAV considers the suspension of NAV calculation necessary to avoid irreversible negative effects on the SICAV, its funds or classes.
- Shareholder Meetings and Voting section has been updated pursuant to the restatement of the articles of associations of the SICAV in regards with the annual general meeting of shareholders which, henceforth, is held within six months from the end of the financial year. General meetings of shareholders, including the annual general meeting, are held at the registered office of the SICAV, or at another location in Luxembourg, as specified in the notice of the meeting at the date and time specified in such notice. Such meetings can be held abroad only if so required by unforeseen circumstances or force majeure events, as determined by the board.
- **The composition of the board of directors of the SICAV**
 - The composition of the board of directors of the SICAV has been amended, whereas Klaus Ebert has been co-opted as a board member in lieu of Robert Mikkelsen.

- **Miscellaneous**

- Section in regards with “Credit Rating” has been renamed into “Credit Rating Policy” for clarity purposes.
- The description of investor eligibility for RA and RI share classes present in the base share class characteristics table has been simplified. Henceforth, the RA and RI share classes are eligible for retail and/or institutional investors, in particular those residing in the UK, investing under an agreement with Danske Bank group entity.
- The reference in the “Conflict of Interest” section to Danske Bank A/S acting as a sub-custodian for assets held in Denmark and Sweden, has been removed as it is not the case anymore.

Fund changes

Other general clarifications have been introduced on the fund description pages in relation with the following topics with no impact, as the case may be, on any fund’s distribution policy, benchmark use investment policy, or risk profile or the subscription, switch and redemption order process. Some clarifications have been provided on the funds’ approach to the ESG matters without changing it as such. Those clarifications entail:

- The regulatory-driven clarification on the benchmark use (e.g. for performance comparison, for performance comparison and duration management, for performance comparison, risk management and portfolio construction or for tracking) and the correlation between the relevant fund’s and benchmark’s holdings and performances;
- The simplification of the footnote under the share class fee table in the funds descriptions;
- Restructuring and recapitulating of the ESG – related information appearing in the funds descriptions and an introduction of the dedicated wording about the funds’ ESG positioning as described above (e.g. Integrated, Restricted, Thematic and Unlabelled);
- Adding into the funds descriptions “ESG” as a risk typically associated with ordinary market conditions;
- Updating the investor profile section based on the ESG positioning of each fund (e.g. Integrated, Restricted, Thematic and Unlabelled);

- Clarifying in the Subscriptions, switches and redemptions section the information in regards with the days when the orders are processed.

Fund specific changes

There are also changes and clarifications that apply to particular funds. These are detailed in the appendix to this letter. These changes take effect on the same day as the prospectus, unless another date is indicated in the appendix.

Further information and the right to redeem

If you are a shareholder of the funds listed below, you may if you wish, until the cut-off time for each fund (stated in the fund descriptions in the prospectus) on 9 November 2020, request the full redemption or conversion into any other fund within the SICAV free of redemption/conversion charges. This right is vested in with the investors of the following funds in relation only with the amendments detailed in the Appendix:

- *ESG Basic 20, ESG Basic 35, ESG Basic 50, ESG Basic 80, ESG Basic 100*
- *Global Portfolio Solution DKK - Balanced, Global Portfolio Solution DKK - Defensive, Global Portfolio Solution DKK - Equities, Global Portfolio Solution DKK - Fixed Income, Global Portfolio Solution DKK - Opportunity, Global Portfolio Solution EUR - Balanced, Global Portfolio Solution EUR - Defensive, Global Portfolio Solution EUR - Equities, Global Portfolio Solution EUR - Fixed Income, Global Portfolio Solution EUR – Opportunity, Global Portfolio Solution NOK - Balanced, Global Portfolio Solution NOK - Defensive, Global Portfolio Solution NOK - Equities, Global Portfolio Solution NOK - Fixed Income, Global Portfolio Solution NOK – Opportunity, Global Portfolio Solution SEK - Balanced, Global Portfolio Solution SEK - Defensive, Global Portfolio Solution SEK - Equities, Global Portfolio Solution SEK - Fixed Income, Global Portfolio Solution SEK – Opportunity.*

The prospectus will be made available online at danskeinvest.com and free of charge at the registered office of the SICAV.

Yours faithfully,

The Board of Directors of
Danske Invest Allocation
 13, rue Edward Steichen
 L-2540 Luxembourg

Appendix – Fund Specific Changes

ESG Basic 20, ESG Basic 35, ESG Basic 50, ESG Basic 80, ESG Basic 100

Orders on ESG Basic funds will be accepted by the registrar agent by 5:30 PM Luxembourg time on any day that is a business day no longer only in Luxembourg but also in Denmark and will be ordinarily processed the following business day in Luxembourg that is also a trading day on the main stock exchanges in Denmark.

Global Portfolio Solution DKK - Balanced, Global Portfolio Solution DKK - Defensive, Global Portfolio Solution DKK - Equities, Global Portfolio Solution DKK - Fixed Income, Global Portfolio Solution DKK - Opportunity, Global Portfolio Solution EUR - Balanced, Global Portfolio Solution EUR - Defensive, Global Portfolio Solution EUR - Equities, Global Portfolio Solution EUR - Fixed Income, Global Portfolio Solution EUR – Opportunity, Global Portfolio Solution NOK - Balanced, Global Portfolio Solution NOK - Defensive, Global Portfolio Solution NOK - Equities, Global Portfolio Solution NOK - Fixed Income, Global Portfolio Solution NOK – Opportunity, Global Portfolio Solution SEK - Balanced, Global Portfolio Solution SEK - Defensive, Global Portfolio Solution SEK - Equities, Global Portfolio Solution SEK - Fixed Income, Global Portfolio Solution SEK – Opportunity.

Orders on Global Portfolio feeder funds will be accepted by the registrar agent by 10:00 AM Luxembourg time on any day that is a business day no longer only in Luxembourg but also in Denmark and will be ordinarily processed the following business day in Luxembourg that is also a trading day on the main stock exchanges in Denmark.

Horisont Aktie, Horisont Balanserad, Horisont Fösiktig, Horiosnt Offensiv, Horisont Ränta

The reference to the target distribution rates have been removed from the fund descriptions and substituted with the following statement: “*the fund intends (but does not guarantee) to distribute dividends based on previous year returns.*”