

Danske Invest PCC Limited

(A protected cell company registered in Guernsey with registration number 42589)
Registered Office - PO Box 246, Dorey Court, Admiral Park, St Peter Port, Guernsey GY1 3QE
(the "Company")

21 December 2022

To the Shareholders of Danske Invest Hedge Fixed Income Relative Value Fund ("DIHFIRVF"), Danske Invest Hedge Fixed Income Strategies Fund ("DIHFISF") and Danske Invest Hedge Fixed Income Opportunities Fund ("DIHFIOF"), cells of the Company (the "Fund(s)")

Capitalised terms in this letter shall bear their respective meanings as in the Scheme Particulars of the Company and the Supplemental Scheme Particulars of DIHFIRVF and DIHFISF and DIHFIOF unless the context otherwise requires.

Dear Shareholder

The board of directors of the Company (the "**Board**") has resolved to update the Scheme Particulars (the "**SP**") and the Supplemental Scheme Particulars (the "**SSP(s)**") of the Cells as summarised below.

Changes to the Scheme Particulars

(i) Clarifications to the Section 4.9 "Sustainability Risk"

The wording relating to sustainability risk has been enhanced, where the following descriptions have been added:

"For a sustainability factor or sustainability to be considered material it needs to translate into investment performance, meaning it should have a positive or negative impact on either the revenue or expenses of an investment, the value of its assets or liabilities or its cost of capital.

Sustainability risks that could negatively affect the value of a particular investment might include the following:

- *Environmental: energy consumption and efficiency, extreme weather events such as flooding and high winds; pollution incidents; damage to biodiversity or marine habitats. New regulations, taxes or industry standards to protect or encourage sustainable businesses and practices may be introduced.*
- *Social: Inclusiveness/inequality, labour strikes; health and safety incidents such as injuries or fatalities; product safety issues.*
- *Governance: tax fraud; discrimination within a workforce; inappropriate remuneration practices; failure to protect personal data.*

Furthermore, although duly mapped, identified and managed in the investment processes, the following elements can affect the degree to which sustainability risks are likely to impact the returns of the Cells:

- *sustainability risk profile is dynamic and impacted by dimensions such as asset class, investment universe, investment strategy, specific investments, geographical exposure, responsible investment processes and investment horizon. This means that the sustainability risk exposure will evolve over time.*

The financial position of investments in the Cell may deteriorate due to sustainability risks materialising. The exact impact of a sustainability risk materialising is difficult to model due to the aspects mentioned above. Therefore, the impact of sustainability risk on returns may be both larger and smaller than expected based on the exact nature of the situation and context.

Sustainability risk exposure monitored on a continuous basis using the “Sustainability Risk Alert Framework”. The framework, leveraging the same indicators, measures the relative risk exposures versus a relevant benchmark to ensure that sustainability risks are continuously managed by the Cells. Sustainability risk exposures should be well managed and, as needed, lead to and/or influence a decision to either buy/increase weighting, hold/maintain weighting, decrease weighting, or sell/divest or to engage through Active Ownership activities.

The following description is removed from the sustainability risk descriptions:

Cells that have environmental and/or social characteristics (article 8 Cells under SFDR) would usually be considered to have lower exposure to sustainability risks as a result of their investment strategy and processes. Notwithstanding a limited exposure to sustainability risk, those Cells could underperform Cells without such sustainability features due to a potential limited investment universe.

Changes to the Supplemental Scheme Particulars of Danske Invest Hedge Fixed Income Opportunities Fund

The following description has been added to the section “SFDR classification”:

“The fund does not consider principal adverse impacts on sustainability factors of its investments. Due to the investment strategy of the fund and limited data availability, the fund is not as of this given date able to report on principal adverse impacts”.

Changes to the Supplemental Scheme Particulars of Danske Invest Hedge Fixed Income Relative Value Fund and Danske Invest Hedge Fixed Income Strategies Fund and Danske Invest Hedge Fixed Income Opportunities Fund

(i) Performance fee section

The following clarifications added to the Performance fee section, i.e. “General description” and “How the fee is calculated”:

“The Reference Benchmark is used as the hurdle rate and the main reference indicator remains the high watermark.”

“The first calculation period shall not be less than 12 months. If a Sub-Class that carries a performance fee is launched, its first calculation period will thus be from the launch date until the end of the following calendar year. The same is true for any existing Sub-Class to which a performance fee is added”.

“The results from these calculations accrue over the calculation period. When the accruals result in net outperformance (calculated net of all costs) for the period to date, they are factored into NAV. When the accruals result in net underperformance for the period to date, no performance fee is factored into NAV, but the accrual calculations continue, meaning that no performance fee can be earned during that calculation period until the accrued underperformance is overcome”.

Actions to be taken

Copies of the current SP and SSPs dated *30 September 2022* (except the SSP of DIHFIOF, which is dated *30 March 2022*) can be downloaded from the website www.danskehedge.com or obtained by request from the registered office of the Cells. Copies of the updated SP and DIHFIRVF and DIHFISF and DIHFIOF SSPs dated *30 December 2022* can be downloaded from the website from *30 December 2022*, or can be obtained by request from the registered office of the Cells. You should consult the SP and SSPs for the purposes of acquainting yourself with the full extent of the changes.

The SP and SSPs and this notice have been filed with the Guernsey Financial Services Commission.

If you would like any further information about the above, please contact the Administrator at email: ofmis@rbc.com, telephone: +44 (0) 1481 744141 or the Sub-Administrator at email: CSDanske@rbc.com or telephone: +352 26 059 730.

Yours faithfully,

A handwritten signature in black ink, consisting of several overlapping loops and a horizontal line extending to the right.

Director
For and on behalf of
Danske Invest PCC Limited