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**")

Notice to Shareholders of the following Cells (the "Cells") of
Danske Invest PCC Limited

8 March 2021

Dear Shareholders,

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

- Danske Invest Hedge Fixed Income Strategies Fund ("DIHFISF")
- Danske Invest Hedge Fixed Income Relative Value Fund ("DIHFIRVF")
- Danske Invest Hedge Fixed Income Opportunities Fund ("DIHFIOF")

We hereby would like to provide you with some information related to your investment in the Company and the Cells listed above. The board of directors of the Company has decided to approve certain changes to the Scheme Particulars of the Company and the Supplemental Scheme Particulars of each Cell to fulfil the obligations under the Sustainable Finance Disclosure Regulation (SFDR, Regulation (EU) 2019/2088. The updated Scheme Particulars and Supplemental Scheme Particulars enters into force on 10 March 2021.

A) The following changes are made to the Scheme Particulars

A new section **3.7 "Sustainable Investment Policy"** has been inserted:

"When investors entrust us with their assets and savings, it is our duty to serve their interests by providing investment solutions that deliver competitive and long-term performance. Our commitment to responsible investment is an integral part of this duty. Responsible investing entails making better-informed investment decisions, addressing sustainability issues, dilemmas, and risks, and influencing fund portfolio companies through active dialogue to contribute to a positive outcome.

All Cells follow the Danske Bank Group's Responsible Investment Policy and incorporate sustainability risks alongside other risks when making investment decisions in line with Article 6 of the Sustainable Finance Disclosure Regulation (SFDR, Regulation (EU) 2019/2088).

Incorporating sustainability risks into the investment process is part of our fiduciary duty to investors to identify the sustainability criteria, which may pose a risk and thereby affect financial performance of an investment. Based on environment, social and governance (ESG) research and ESG data, sustainability risk factors are systematically identified and assessed by our investment teams alongside other risks. For each Cell, the investment universe is screened to identify sustainability risks associated with potential portfolio investments with reference to current regulations, industry's best practices, international norms and voluntary frameworks for corporate responsibility. Based on our assessment and company dialogue, we may from time to time decide to divest or restrict investments in a company, in a specific investment strategy or across multiple strategies.

As sustainability risks may have financial impacts, they are incorporated into the investment process for all Cells. 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 a Cell:

- *Sustainability risks are often complex, multidisciplinary and interlinked, which can make it difficult to assess in their entirety*
- *Sustainability risks, such as risks stemming from changes in physical climate, political action, societal expectation, consumer demand or technological development, can be driven by megatrends that are large in scope and magnitude or occur at an unanticipated pace, which may not be reflected to a full extent when investment decisions are made*
- *A lack of environmental, social, governance (ESG) comprehensive or standardized data can make it difficult to uncover all sustainability risks or to base investment decisions on faulty grounds*
- *The sustainability risk assessments can be inaccurate, which may cause the Cell to buy investments that are exposed to greater sustainability risks than anticipated, or to miss investment opportunities, or buy or sell investments at a sub-optimal time*
- *The impact of sustainability risks can increase in magnitude in combination with other risks, especially in relation with market, credit, liquidity, emerging and frontier markets, active management, concentration and tax risks.*

In order to meet Danske Bank Group's sustainability positions and investors' ethical and sustainability aspirations, certain industry sectors, and companies may also be excluded from the Cells' investment universe. All Cells exclude companies involved in controversial weapons, tar sands, thermal coal and tobacco, as well as companies involved in ESG related controversies, practices or whose activities considered unacceptable seen from a Nordic norms perspective. For more information about Danske Bank Group's investment restrictions, go to danskeinvest.com.
Our restriction criteria does not apply to investments in structures products, derivatives and external funds."

A new section **4.9 "Sustainable Risk"** has been inserted:

"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."

B) The following change are made to each Cells Supplemental Scheme Particulars

Before the section "Risk Factors" a new section **"Responsible Investment Policy"** has been inserted:

"The Cell follows Danske Bank Group's Responsible Investment Policy. See section 3.7 (page 7) of the Principal Particulars."

C) Impending Adoption of Mandatory Disclosure Rules in Guernsey

The following definition of Mandatory Disclosure Rules ("MDR") has been added to the Scheme Particulars:

"Any law, regulation or instrument (including any guidance issued in connection therewith) enacted in Guernsey for the purposes of the implementation of (i) the OECD (2018) Model Mandatory Disclosure Rules for CRS Avoidance Arrangements and Opaque Offshore Structures and (ii) the Multilateral Competent Authority Agreement on the Automatic Exchange regarding CRS Avoidance Arrangements and Opaque Offshore Structures;"

The following paragraph has been added in respect of the expected adoption of Mandatory Disclosure Rules in Guernsey:

"Like other Crown Dependencies, Guernsey is also prepared to implement regulations in respect of MDR, upon the appropriate exchange agreements being in place, which might create additional disclosure requirements on the Fund and its service providers. MDR is designed to bolster the CRS and discourages advisers and intermediaries from promoting certain avoidance schemes by triggering disclosure requirements where such schemes are reasonably believed to exist. The Fund, as a legal arrangement administered in Guernsey, is operated in compliance with FATCA and/or CRS reporting requirements where applicable, and with applicable AML/CFT Legislation. Accordingly, of the measures that MDR is expected to implement, the disclosures that may affect the Fund, some of its Shareholders and its service providers could be in the context of any arrangements where it is reasonable to conclude that such arrangements may be designed to have the effect of circumventing Guernsey's CRS regulations. Guidance is awaited in respect of the implementation of MDR. The Directors consider that MDR is "Similar Legislation" to FATCA and CRS for the purposes of these Particulars."

Other minor consequential updates have been made to the Scheme Particulars to explain when the Company might need Shareholders to provide information under MDR.

The Guernsey Financial Services Commission (the Regulator) has been notified of these changes.

If you would like any further information about the above, please contact the Administrator on +44 (0) 1481 744 141 or e-mail ofmis@rbc.com or the Sub-Administrator on +352 26 059 730 or LuxClientSHS1@rbc.com.

Yours faithfully,

Klaus Ebert
Director

For and on behalf of
Danske Invest PCC Limited acting for and on behalf of all the Cells.