

**Computation of Reportable Income**  
**Danske Invest PCC Ltd - Danske Invest Hedge Mortgage Arbitrage Fund**  
**Cover schedule**

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Agent's ref: LS/FSTax/RB/BMC
- 2) Name of fund Danske Invest PCC Ltd - Danske Invest Hedge Mortgage Arbitrage Fund
- 3) Change of name since last submission N/A
- 4) Tax Reference Number D0088
- 5) Reporting period 1 January 2017 - 31 December 2017
- 6) Type of fund Open-ended protected cell investment company
- 7) GAAP Luxembourg GAAP

8) Information required by Regulation 106(1)

(a) A copy of the final audited accounts for the period	✓	Enclosed
(b) A computation of the fund's reportable income	✓	See Schedule A
(c) A copy of the reports provided to participants	✓	Enclosed
(d) The reported income of the fund	✓	See Schedule A.1
(e) The amount actually distributed in respect of the period	✓	See Schedule A.3
(f) The number of units in issue at the end of the period	✓	See Schedule A.2
(g) The reported income per unit of interest	✓	See Schedule A.2
(h) Declaration of compliance with Regs 53 and 58	✓	Enclosed

9) Share class scope

Share class name	ISIN	HMRC Reference	Reporting Period		
				to	
DKK Sub-Class W	GG00BZ05RY20	D0088-0002	01 January 2017		31 December 2017

**Computation of Reportable Income**  
**Danske Invest PCC Ltd - Danske Invest Hedge Mortgage Arbitrage Fund**  
**Schedule A: Computation of Excess Reportable Income**

**A.1 Computation of Reportable Income**

	DKK Sub-Class W
	DKK
	Ref
Figure equivalent to total comprehensive income for the period	
NET INCREASE IN NET ASSETS AS A RESULT OF OPERATIONS	C.1 <u>15,089,911</u>
Adjustments arising from investments of the fund	
Adjustments for capital items under Regs 64-65	B.1 (4,335,409)
Adjustment for effective interest under Reg 66	B.2 (1,222,568)
Adjustment for income from wholly owned subsidiaries under Reg 67	B.3 Nil
Adjustments for income from other offshore funds under Regs 68-71	B.4 Nil
Total adjustments	<u>(5,557,977)</u>
Adjusted figure	<u>9,531,934</u>
No further adjustment required for funds not operating equalisation or adjustments	
Total adjusted figure	<u><u>9,531,934</u></u>
Reportable income for the period	<u><u>9,531,934</u></u>

**A.2 Computation of Reported Income per unit**

Reported income of the fund	A.1 9,531,934
Distributions to participants in respect of the period	A.3 Nil
Excess reportable income per Reg 94(1)	9,531,934
Number of units in issue at the period end	<u>7,329.32</u>
Excess per unit to be treated as additional distributions	<u><u>1,300.5215</u></u>

**A.3 Distributions to participants in respect of the period**

No distributions were paid in respect of the period 1 January 2017 - 31 December 2017

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**Schedule B: Adjustments required in calculating reportable income**

**B.1 Adjustments for capital items and miscellaneous items**

		DKK Sub-Class W	
		DKK	
The following items require to be adjusted for as Capital Items under Regs 64 and/or 65:			
Item	Reason for adjustment	Ref	
Net realised gain / (loss) on sale of investments	Deduct capital gains	C.1	(28,522,711)
Net realised gain / (loss) on forward foreign exchange contracts	Deduct capital gains	C.1	(26,502)
Net realised gain on futures contracts	Deduct capital gains	C.1	(60,389)
Net realised gain / (loss) on foreign exchange	Deduct capital gains	C.1	(148,512)
Net realised gain / (loss) on swaps	Add back capital losses	C.1	13,691,656
Change in net unrealised appreciation / (depreciation) on:			
- investments	Add back capital losses	C.1	15,327,746
- forward foreign exchange contracts	Add back capital losses	C.1	28,713
- futures contracts	Deduct capital gains	C.1	(2,534)
- swaps	Deduct capital gains	C.1	(4,622,876)
Adjustments for capital items and miscellaneous items under Regs 64-65		A.1	<u><u>(4,335,409)</u></u>

**B.2 Adjustment for effective interest**

The fund does not operate effective interest on interest bearing securities in line with the UK SORP. Therefore, we have calculated an adjustment, the total of which is shown below

Adjustment for effective interest under Reg 66	A.1 <u><u>(1,222,568)</u></u>
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**B.3 Adjustment for income from wholly owned subsidiaries**

The Fund had no subsidiaries meeting the definition of a wholly owned subsidiary in the period.

Adjustment for wholly owned subsidiaries	A.1 <u><u>-</u></u>
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**B.4 Adjustment for income from other offshore funds**

The Fund has no holding in offshore funds, therefore no adjustment is required.

Adjustments for income from other offshore funds under Regs 68-71	A.1 <u><u>-</u></u>
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**B.5 Adjustment for funds operating equalisation, and choice of equalisation or income adjustment**

The fund has elected not to apply equalisation, nor to make income adjustments.

Adjustments for funds operating equalisation under Reg 72	A.1 <u><u>-</u></u>
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**Schedule C: Analysis of accounts**

NB This schedule may be used as an information request to gather breakdowns from the fund

C.1 Analysis of accounts

	Ref.	Total of non-reporting shares		Total
		DKK Sub-Class W	DKK	
<b>INCOME</b>				
Interest on bonds, net		10,898,768	37,472,058	48,370,826
Interest on bank account and time deposit		63,747	22,401	86,148
Interest on repos		3,788,221	10,307,952	14,096,173
Interest on swaps		4,017,820	4,445,550	8,463,370
Other income		-	-	-
<b>TOTAL INCOME</b>		<b>18,768,556</b>	<b>52,247,961</b>	<b>71,016,517</b>
<b>EXPENSES</b>				
Management fees		2,389,386	7,868,310	10,257,696
Performance fees		3,079,949	15,851,356	18,931,305
Custodian fees		321,704	(73,547)	248,157
Interest on repos		508,762	627,478	1,136,240
Domiciliation, administration and transfer agent fees		978,316	852,442	1,830,758
Audit fees, printing and publishing expenses		11,176	71,402	82,578
Liquidation fees		-	-	-
Bank charges and correspondent fees		223,686	391,165	614,851
Bank interest and interest on reverse repos		2,279,969	3,725,065	6,005,034
Interest on swaps		(1,779,140)	20,058,171	18,279,031
Amortisation of formation expenses		-	-	-
Distributor's Fees		-	-	-
Dividends on shares, net		-	-	-
Other charges		246	118,138	118,384
<b>TOTAL EXPENSES</b>		<b>8,014,054</b>	<b>49,489,980</b>	<b>57,504,034</b>
<b>NET INCOME / (LOSS) FROM OPERATIONS</b>		<b>10,754,502</b>	<b>2,757,981</b>	<b>13,512,483</b>
Net realised gain / (loss) on sale of investments	B.1	28,522,711	127,059,259	155,581,970
Net realised gain / (loss) on forward foreign exchange contracts	B.1	26,502	762,685	789,187
Net realised gain on futures contracts	B.1	60,389	4,638,744	4,699,133
Net realised gain / (loss) on foreign exchange	B.1	148,512	141,814	290,326
Net realised gain / (loss) on swaps	B.1	(13,691,656)	(6,164,487)	(19,856,143)
<b>NET REALISED GAIN / (LOSS) ON INVESTMENTS</b>		<b>25,820,960</b>	<b>129,195,996</b>	<b>155,016,956</b>
Change in net unrealised appreciation / (depreciation) on:				
- investments	B.1	(15,327,746)	(96,954,182)	(112,281,928)
- swaptions		-	-	-
- forward foreign exchange contracts	B.1	(28,713)	80,034	51,321
- futures contracts	B.1	2,534	571,327	573,861
- swaps	B.1	4,622,876	22,742,584	27,365,460
- CFD		-	-	-
- Options		-	-	-
Total net investment loss		-	-	-
<b>NET INCREASE IN NET ASSETS AS A RESULT OF OPERATIONS</b>	A.1	<b>15,089,911</b>	<b>55,635,759</b>	<b>70,725,670</b>

## Computation of Reportable Income

### Danske Invest PCC Ltd - Danske Invest Hedge Mortgage Arbitrage Fund

#### Schedule D: Summary of information reported to investors

##### D.1 Figures reported to investors

The following summarises the information required to be reported to investors in compliance with Regulation 92(1)

The table is set out according to the sub-sections of Regulation 92(1), as follows:

- a) Amount actually distributed to participants per share
- b) Excess of reported income per share over amount actually distributed
- c) Dates on which distributions were made
- d) Fund distribution date
- e) The fund remains a reporting fund at the date reports are made

	CCY	(a)	(b)	(c)	(d)	(e)
DKK Sub-Class W	DKK	Nil	1,300.5215	N/A	30-Jun-2018	Yes

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**Schedule DER: Adjustments for derivatives**

DER.1 Derivatives

Derivative type	Accounting treatment per financial statements	Corresponding UK accounting treatment	Adjustment required in computation of reportable income
Forward foreign exchange contracts	Capital	Capital	No
Future contracts	Capital	Capital	No
Interest rate swaps	Capital with income elements accounted for in revenue	Capital with income elements accounted for in revenue	No