

Computation of Reportable Income
Danske Invest PCC Ltd - Danske Invest Hedge Fixed Income Strategies Fund
Cover schedule

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Agent's ref: LS/FSTax/DD/DS/DL
- 2) Name of fund Danske Invest PCC Ltd - Danske Invest Hedge Fixed Income Strategies Fund
- 3) Change of name since last submission No
- 4) Tax Reference Number D0088
- 5) Reporting period 1 January 2018 to 31 December 2018
- 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 | <input checked="" type="checkbox"/> Enclosed |
| (b) A computation of the fund's reportable income | <input checked="" type="checkbox"/> See Schedule A |
| (c) A copy of the reports provided to participants | <input checked="" type="checkbox"/> Enclosed |
| (d) The reported income of the fund | <input checked="" type="checkbox"/> See Schedule A.1 |
| (e) The amount actually distributed in respect of the period | <input checked="" type="checkbox"/> See Schedule A.3 |
| (f) The number of units in issue at the end of the period | <input checked="" type="checkbox"/> See Schedule A.2 |
| (g) The reported income per unit of interest | <input checked="" type="checkbox"/> See Schedule A.2 |
| (h) Declaration of compliance with Regs 53 and 58 | <input checked="" type="checkbox"/> Enclosed |

9) Share class scope

Share class name	ISIN	HMRC Reference	Reporting Period		
DKK Sub-Class W	GG00BZ05S278	D0088-0003	1 January 2018	to	31 December 2018

Computation of Reportable Income
Danske Invest PCC Ltd - Danske Invest Hedge Fixed Income Strategies Fund
Schedule A: Computation of Excess Reportable Income

A.1 Computation of Reportable Income

DKK Sub-Class W

	Ref	DKK
Figure equivalent to total comprehensive income for the period		
Net increase in net assets resulting from operations	C.1	5,297,633
Adjustments arising from investments of the fund		
Adjustments for capital items under Regs 64-65	B.1	(6,080,920)
Adjustment for effective interest under Reg 66	B.2	(502,140)
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		(6,583,060)
Adjusted figure		(1,285,427)
No further adjustment required for funds not operating equalisation or adjustments		
Total adjusted figure		(1,285,427)
Reportable income for the period		Nil

A.2 Computation of Reported Income per unit

Reported income of the fund	A.1	Nil
Distributions to participants in respect of the period	A.3	Nil
Excess reportable income per Reg 94(1)		Nil
Number of units in issue at the period end		120,188
Excess per unit to be treated as additional distributions		Nil

A.3 Distributions to participants in respect of the period

No distributions were paid in respect of the period 1 January 2018 to 31 December 2018

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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

The following items require to be adjusted for as Capital Items under Regs 64 and/or 65:

Item	Reason for adjustment	Ref	DKK
Net realised gain / (loss) on sale of investments	Add back capital losses	C.1	20,267,246
Net realised gain / (loss) on Sale of options	Deduct capital gains	C.1	(20,756)
Net realised gain / (loss) on forward foreign exchange contracts	Deduct capital gains	C.1	(1,762,480)
Net realised gain on futures contracts	Add back capital losses	C.1	(1,350,257)
Net realised gain / (loss) on foreign exchange	Deduct capital gains	C.1	(25,980,828)
Net realised gain / (loss) on swaps	Deduct capital gains	C.1	(4,387,269)
Change in net unrealised appreciation / (depreciation) on:			
- investments	Add back capital losses	C.1	10,677,192
- forward foreign exchange contracts	Add back capital losses	C.1	718,463
- futures contracts	Deduct capital gains	C.1	(134,176)
- swaps	Deduct capital gains	C.1	(4,951,178)
- Options	Add back capital losses	C.1	17,370
Performance fees	Disallowable expense	C.1	825,753
Adjustments for capital items and miscellaneous items under Regs 64-65			A.1 <u><u>(6,080,920)</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 (502,140)
A.1 (502,140)

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 -

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 -

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 -

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Schedule C: Analysis of accounts

C.1 Analysis of accounts

Ref.

	DKK Sub-Class W	Non reporting shareclass	Total
	DKK	DKK	DKK
INCOME			
Interest on bonds, net	11,631,109	698,695,000	710,326,109
Interest on bank account and time deposit	38,723	2,321,345	2,360,068
Interest on swaps	16,890,629	1,011,783,864	1,028,674,493
Other income	1,734	104,557	106,291
TOTAL INCOME	28,562,195	1,712,904,766	1,741,466,961
EXPENSES			
Management fees	867,224	45,586,783	46,454,007
Performance fees	825,753	51,330,909	52,156,662
Interest on repos	1,252,914	75,295,867	76,548,781
Domiciliation, administration and transfer agent fees	69,846	4,239,465	4,309,311
Bank charges and correspondent fees	93160	5603979	5,697,139
Bank interest and interest on reverse repos	1,111,859	66,765,238	67,877,097
Interest on swaps	25,745,183	1,545,330,272	1,571,075,455
Amortisation of formation expenses	-	349	349
Operating and administrative fees	196,994	11,789,960	11,986,954
Other charges	8,302	55,169	63,471
TOTAL EXPENSES	30,171,235	1,805,997,991	1,836,169,226
NET INCOME / (LOSS) FROM OPERATIONS	(1,609,040)	(93,093,225)	(94,702,265)
NET REALISED GAIN / (LOSS) ON INVESTMENTS			
Net realised gain / (loss) on sale of investments	B.1 (20,267,246)	(936,762,439)	(957,029,685)
Net realised gain / (loss) on Sale of options	B.1 20,756	1,254,768	1,275,524
Net realised gain / (loss) on forward foreign exchange contracts	B.1 1,762,480	89,589,172	91,351,652
Net realised gain on futures contracts	B.1 1,350,257	(93,207,783)	(91,857,526)
Net realised gain / (loss) on foreign exchange	B.1 25,980,828	1,442,881,954	1,468,862,782
Net realised gain / (loss) on swaps	B.1 4,387,269	261,359,497	265,746,766
NET REALISED GAIN / (LOSS) ON INVESTMENTS	11,625,304	672,021,944	683,647,248
Change in net unrealised appreciation / (depreciation) on:			
- investments	B.1 (10,677,192)	(763,627,243)	(774,304,435)
- forward foreign exchange contracts	B.1 (718,463)	(38,477,535)	(39,195,998)
- futures contracts	B.1 134,176	7,791,787	7,925,963
- swaps	B.1 4,951,178	305,363,504	310,314,682
- Options	B.1 (17,370)	(1,006,906)	(1,024,276)
Net increase in net assets resulting from operations	A.1 5,297,633	182,065,551	187,363,184

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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	Nil	N/A	30 June 2019	No

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Schedule DER: Adjustments for derivatives

DER.1 Derivatives

The fund held the following derivative contracts during the period. Differences between the treatment per accounts and the corresponding UK accounting treatment under the IMA SORP are summarised below and any adjustments required are made in Schedule C to break down the returns and treat capital and revenue elements correctly.

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
Options	Capital	Capital	No
Interest rate swaps	Capital with income elements accounted for in revenue	Capital with income elements accounted for in revenue	No