

# Annual Report 2017

INVESTERINGSFORENINGEN JYSKE INVEST INTERNATIONAL



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# Association details

## Association

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## Custodian bank

Jyske Bank A/S  
Vestergade 8-16  
DK-8600 Silkeborg

## Day-to-day management

Bjarne Staael, Managing Director  
Finn Beck, Senior Director, Head of Investment  
Controlling, Accounting and Management Support  
Jan Houmann, Director, Head of Systems, Data and  
Operations

## Management

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## Supervisory Board

Hans Frimor, Professor (Chairman)  
Jane Soli Preuthun, Head of Investment  
(Deputy Chairman)  
Steen Ørgaard Konradsen, Director  
Bo Sandemann Rasmussen, Professor

## Auditor

BDO  
Statsautoriseret revisionsaktieselskab  
Papirfabrikken 34  
DK-8600 Silkeborg

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## Investeringsforeningen Jyske Invest International

Investeringsforeningen Jyske Invest International currently comprises 29 different funds designed for investors with different risk and return profiles. Investeringsforeningen Jyske Invest International has approx. 702 registered investors.

## Membership of Investering Danmark

Investeringsforeningen Jyske Invest International is a member of Investering Danmark.

## Public supervisory authority

All funds of Investeringsforeningen Jyske Invest International are subject to the provisions of *the Danish Investment Associations, etc. Act* and therefore they fall under the supervision of the Danish Financial Supervisory Authority.

## Price information

Information on daily prices of certificates is available at Jyske Bank A/S and at Jyske Invest International's website, jyskeinvest.com.

# Management's Review

## The year in review

- All bond funds posted positive returns in 2017. Jyske Invest Emerging Market Bonds CL generated the highest return at 9.74%. Similarly, developed-market bond funds generated decent returns due to lower credit spreads on mortgage bonds.
- Despite widespread political turmoil, the equity markets performed excellently in 2017. Equities benefited from general economic progress and a good appetite for risky assets among investors. Jyske Invest Chinese Equities CL generated the highest return at 45.38%.
- The mixed funds all generated positive returns. Funds with the highest allocation to equities generated the highest returns.
- A general weakening of the US dollar reduced the return in funds denominated in euro without any currency hedging.

# Performance and investment

## Performance

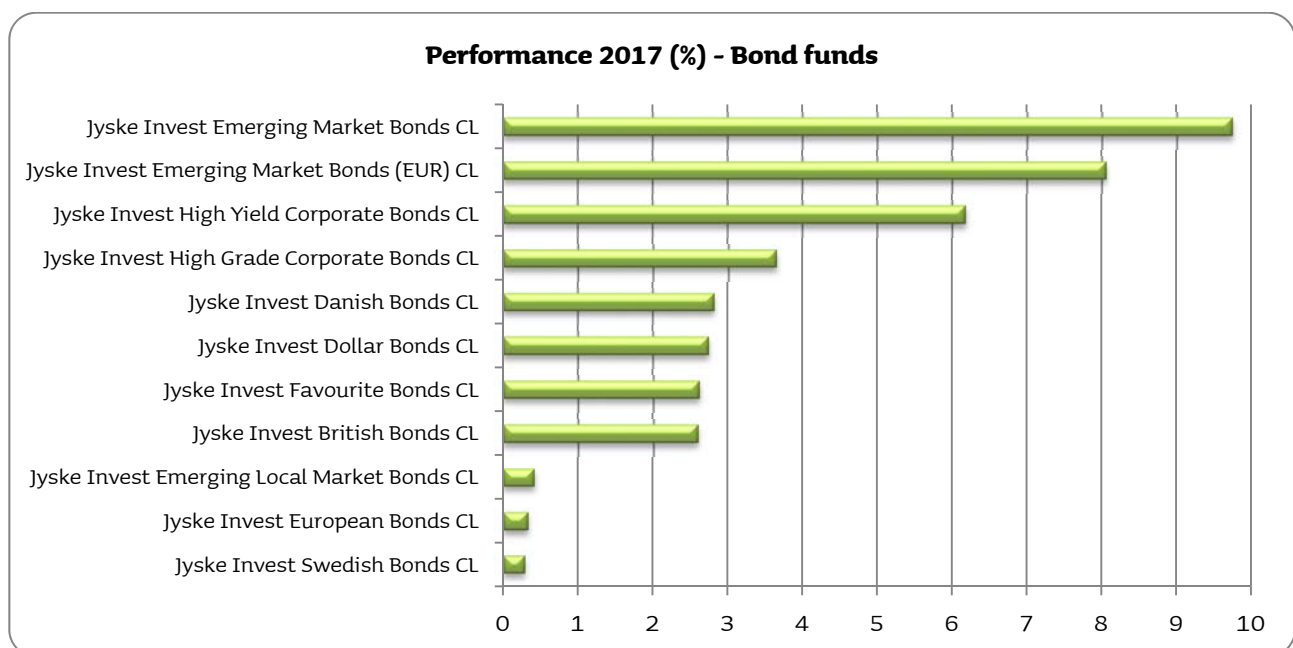
### Bond funds

Although the central banks have started tightening their monetary policies, yields remained low, contributing to bond returns.

The return of Jyske Invest Danish Bonds CL was 2.82% for 2017 and was positively impacted by high demand for and rising prices on Danish mortgage bonds.

Developments in the emerging bond markets were also positive throughout the year, Jyske Invest Emerging Market Bonds CL gained 9.74%. The return of Jyske Invest Emerging Local Market Bonds CL came to 0.41% and thereby somewhat lower due to the weakening of emerging market currencies.

2017 was also a positive year for corporate bonds since Jyske Invest High Yield Corporate Bonds CL generated a return at 6.18%, while Jyske Invest High Grade Corporate Bonds CL generated a return at 3.64%.



### Equity funds

2017 offered solid economic progress and increasing equity prices despite several periods of political turbulence in the US as well as in Europe and geopolitical turmoil. The equity prices in many equity markets delivered two-digit returns. However, for a Danish investor a large dollar decline reduced the return.

Due to the generally widespread risk seeking emerging market assets were in demand, particularly equities. The relatively large decline of the US dollar and not least the moderate development of US interest rates during the year caused especially the Asian equity markets to flourish with high returns, and Jyske Invest Global Equities CL generated a return at 21.14%. Jyske Invest Equities Low Volatility CL, which

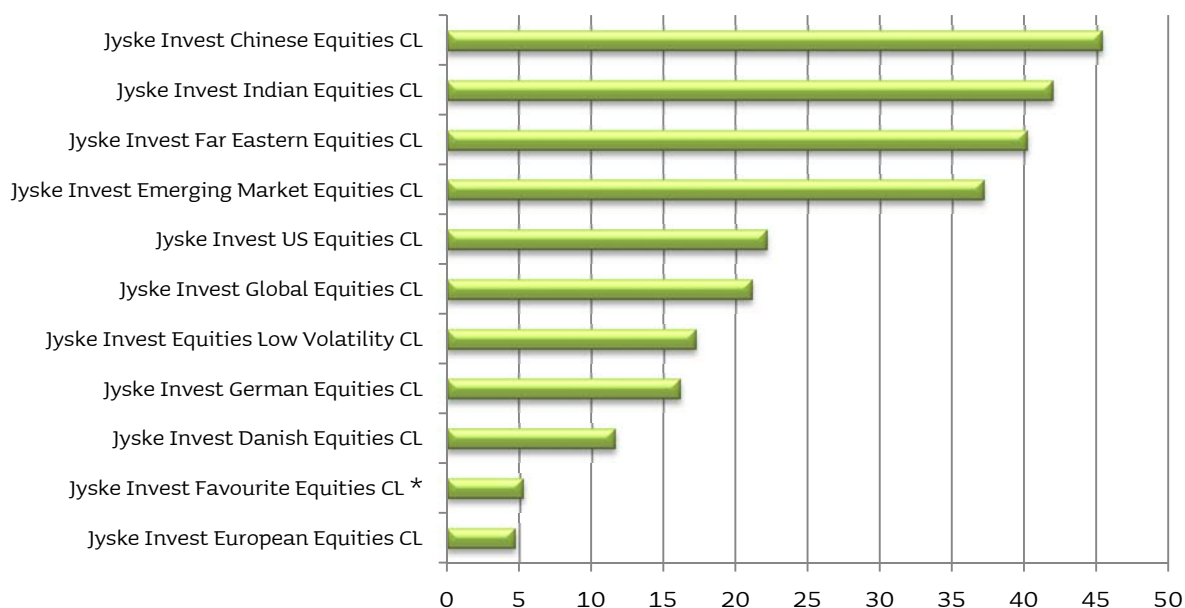
invests in a global equity portfolio and which is expected to have lower volatility than the global equity market, ended the year with a positive return of 17.23%.

In the developed markets, Jyske Invest US Equities CL was at the top with a 22.15% return, while Jyske Invest European Equities CL generated a return of 4.72%.

Emerging markets performed really well in 2017 when Jyske Invest Emerging Market Equities CL gained 37.20%.

Please note that the returns mentioned are calculated in the fund's currency of denomination.

### Performance 2017 (%) - Equity funds



\* Please note that the fund is a secondary name for the fund Jyske Invest Aggressive Strategy CL.

### Strategy funds

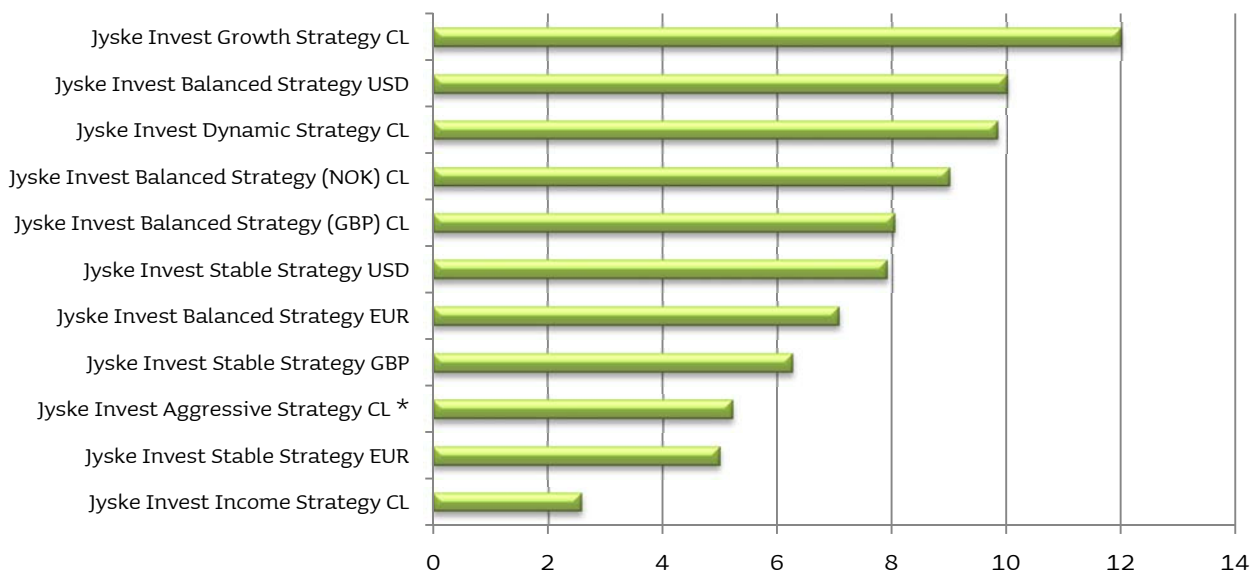
Positive returns on both equities and bonds meant that the returns were positive in the mixed funds. The returns were highest in funds with a large equity portfolio and a small bond portfolio.

The returns varied between 2.58% in Jyske Invest Income Strategy CL and 12.00% in Jyske Invest Growth Strategy CL.

The returns were affected by the fact that all funds - except for Jyske Invest Aggressive Strategy CL - hedge their currency risk.

Please note that past performance and price developments are not a reliable indicator of future performance and price developments.

### Performance 2017 (%) - Strategy funds



\*Please note that the fund is marketed under its secondary name Jyske Invest Favourite Equities

## **Market developments in 2017**

2017 turned out to be a good year for investors in the financial markets. The prior concerns, particularly in the field of politics after the election of Donald Trump as the president of the US, Brexit, and the extreme political trends in Italy, were largely ignored by the markets and instead the budding growth signs blossomed.

### **”Trumponomics”**

Early in the new year the global economy was broadly supported by high market expectations of President Trump's economic policy (Trumponomics), which comprised major infrastructure investments, higher military spending and not least tax cuts for both businesses and private individuals. Though initially the good economic intentions met resistance when the politically untested president was confronted with the political reality in Washington. In spite of the market participants' at times hesitating confidence in the outcome of above all the tax reform, economic growth nevertheless quietly manifested itself with resultant surprisingly strong economic indicators. At the end of 2017, the first real tax reform in the US in many years was adopted narrowly in the US Congress, which is a good sign for the growth performance in 2018.

### **Central banks keep their balance**

In addition to the US tax reform, the financial markets were positively impacted by the global central banks that managed to strike a balance between their intention of gradually tapering the historically accommodative monetary policy and their intention not to clash with the financial markets. Even the three rate hikes in 2017 from the Federal Reserve (Fed) did not spoil the risk appetite among investors. Similarly, the European Central Bank (ECB) tapered its monthly bond purchases and set an official expiry date for the programme without affecting the financial actors' confidence in the central bank's will to support the markets.

### **Emerging-market equities in high spirits**

Due to the generally widespread risk seeking emerging market assets were in demand, particularly equities. The relatively large decline of the US dollar and not least the moderate development of US interest rates during the year caused especially the Asian equity markets to flourish with high returns. In addition,

the general growth performance and the dollar decline meant that the previously struggling commodity markets saw a revival, which benefited the developing countries.

### **Concerns proved groundless in Europe**

Finally, the European financial markets freed themselves from many of the concerns relating to the political developments in Europe that existed at the beginning of the year. Growth took root in both the southern and northern regions, which is why especially European equities ended the year with excellent returns. The only exception was the British market which suffered under the ongoing Brexit negotiations.

### **2017 – a memorable year**

All in all, a positive year that is likely to be remembered for two things: the significant dollar decline, which reduced the final return for a global investor in Danish kroner, and not least a significantly falling market volatility due to an underlying positive approach to risk seeking among investors. Due to this optimism there were no significant corrections in the global equity markets, which means that a -5% equity market correction has not been seen for over a year. A new historical record joining the ranks of this year's historical highs in the US equity markets.

## **Evaluation of 2017 outlook**

Our expectations of positive returns in the equity markets were met entirely. The only fly in the ointment was the large dollar decline, which reduced the global equity return for a DKK-based investor. At the beginning of the year we expected that the equity returns would generally be generated under relatively high market turbulence, but this turned out not to be the case. The market trend was very persistent and clear, which, as mentioned, led to historically low fluctuations in the market.

Our expectations of relatively modest returns on developed-market bonds were belied somewhat. The central banks' changed approach to the monetary policy did not result in the expected interest rate increases, but secured decent returns on notably mortgage bonds.

The same situation applied to corporate bonds where investors flocked towards high-yield bonds, but where high-grade bonds at the same time delivered excellent



absolute returns. Consequently, excellent returns were again noted in this asset class overall.

The picture was slightly more mixed for the emerging bond markets. Emerging-markets hard-currency bonds delivered decent returns yet again and thereby fully met our expectations, while emerging-markets local-currency bonds were generally negatively impacted by the weak dollar development and therefore failed to keep up with the expectations.

Similarly, mixed funds with both equities and bonds met our expectations and even though the price decline on the dollar during the year meant slightly lower returns than expected, the relatively high share of equities in the portfolios caused the funds to end the year with rather decent returns.

## **Market outlook 2018**

This section contains current expectations of economic growth and returns in the financial markets. Such expectations involve widespread uncertainty and shall not in any way be considered a guarantee of the development. Therefore, we do not find it appropriate to present specific figures for our return expectations of the coming year. We recommend that investors always seek professional advice before investing.

With respect to the macro-economic situation we expect for 2018 that the broadly based increase in global growth will continue, though most likely at a more moderate pace. Particularly the fact that the growth picture is positive across all regions promises well for the future economic performance even though China risks slowing its growth pace a tad. In addition, we expect inflation to develop at a similarly moderate pace that will not force the central banks into any searing reactions which risk clashing with investors' appetite.

With a scenario like the above, we expect that mainly the cyclical components will be in demand, which is why that also in 2018 focus will be on the selection of regions, sectors and factors within the equity component. Just like high-yield corporate bonds and emerging-market bonds will be attractive.

However, given the positive picture for the macro-economic situation as well as for the sentiment, we expect that in 2018 investors will be met with wide fluctuations in market returns throughout the year. Due

to the high risk tolerance among investors at the beginning of the new year, it will only require minor negative surprises in the form of either disappointing macro economic data or higher risk aversion before it may trigger a major negative correction in the equity markets.

### **Developed-market bonds**

For 2018, we expect a slightly rising, though still low interest-rate level. In Europe the ECB's asset purchase programme runs until September for the time being, but it is an open question whether the programme will be extended yet again. If this is the case, we expect that this will be in a reduced form. Regardless whether the asset purchase programme is ended or continues in a reduced form, the ECB's monetary policy will remain very accommodative and supportive of a low interest-rate level. Actual rate hikes by the ECB are not expected until some time in 2019 at the earliest. The inflation performance will be the decisive factor for future rate hikes.

In the US, we expect the Fed to continue the string of interest rate hikes in 2018. The Fed expects to hike interest rates three times. Economic growth in the US as well as in Europe indicates a rising interest-rate level, but the continued moderate inflation performance causes the central banks to be more reluctant.

Due to the currently low interest-rate level combined with no prospects of further interest rate declines, the returns on developed-market bonds are expected to be moderate in 2018. At the same time, even moderate interest-rate increases may spark a negative return.

### **Emerging-market bonds**

We expect positive returns on emerging markets for 2018, but external factors may create turbulence along the way. Growth in and the expectations of growth for emerging markets are on the rise. This is traditionally good for the return on emerging markets. At the same time, the credibility in the monetary policy has been lifted markedly in some of the countries in the last few years. Inflation generally looks set to be under control although as always in emerging markets there are exceptions with especially Turkey standing out.

In addition to local factors, there are different external factors which supported the asset class in 2017 and which will also be essential for 2018. The rising and stable commodity prices have been positive for

the current accounts and budgets in many of the countries. The continuing low interest rates in the developed economies and central banks which continue to provide cheap liquidity mean low financing rates for emerging markets. Due to the low alternative rates, emerging markets still have relatively high interest rates. Demand is high, and this has reduced the price fluctuations significantly. The volatility, which reflects price fluctuations, was more than halved throughout 2017.

In 2017, the yield spread to US Treasury bonds narrowed from 3.40 to 2.90 percentage points for issues in USD, while the yield spread between emerging-markets local-currency bonds and US Treasury bonds narrowed from 4.80 to 4.0 percentage points. This is based on the above improvement and for the local markets on a job well done with using the monetary policy as an instrument to control inflation.

Overall, many positive headlines for 2017, but a default is looming in Venezuela. This should, however, not impact the asset class as a whole. Isolated local challenges rarely affect the entire asset class. Political turbulence in Mexico with an upcoming presidential election in 2018 and tough NAFTA negotiations may challenge Mexican securities. It is also important that the reform process continues in Argentina and that the fiscal policy initiatives in Brazil are not derailed towards a presidential election in October 2018.

Of external factors, the US monetary policy and tax package will be important for the expectations of the US interest rates and thereby also for emerging markets. Economic growth in China and thereby indirectly the level on the commodity markets will as always determine the direction of emerging markets.

### **Corporate bonds**

We expect a moderately positive return on corporate bonds in 2018. Rising global economic growth has generally resulted in higher earnings for most businesses and thereby a lower likelihood of default since a minor share of corporate earnings will now be going towards interest payments. Other things being equal, this development will be supported by falling corporate taxation, especially in the US.

We expect the ECB's purchases of corporate bonds to be reduced during 2018. Everything considered, continued strong global economic growth will prompt the central banks to pursue a stronger monetary policy,

which may cause credit spreads to widen. We expect that the positive effects of better corporate earnings will be higher than the effects of a tighter monetary policy, meaning that the return on corporate bonds will be moderately positive. If government bond yields rise more than expected, it may have a negative spillover effect on corporate bonds, which would in that case have a negative return. Although this return would be higher than the return on government bonds.

### **Equities**

We expect a positive return on the global equity markets in 2018, but with more turbulence than in the past year. Both national and international politics are potential sources of uncertainty, and this may impact the outlook for investors. The same is the case for the growth and inflation outlook, and the world's leading central banks therefore have an important role. Add to this the valuation, which makes great demands on the businesses' ability to show progress.

We expect that news about US politics will be of greatest interest for equity investors. We are particularly interested in the implementation of the adopted US tax cuts, just as a new central bank chief must find his role. If Donald Trump's venture is successful, it will be a fiscal policy experiment where an already booming economy and a tight labour market will be stimulated further. In view of the wide political uncertainty, the Federal Reserve's handling of growth, inflation and pressure on the labour market will be correspondingly important - both for the US and the other equity markets.

We expect new political agendas to create new dynamics. Both positive and negative dynamics. The US president has an at times unorthodox approach to international relations. There is a risk that this may create international tensions and new hot spots. On the other hand, Europe and China, whose strength is increasingly visible, have become closer allies as a consequence of this. North Korea is also a joker, just like many other hot spots. However, as long as the noise will not have severe consequences for economies and businesses, we estimate that it will alone result in short-lived price ripples.

We expect that the current valuation in the global equity markets will be a source of periodic turbulence in 2018 - especially when businesses report their earnings. As the valuation of the world's equity markets is higher now than in a long time, investors are more

easily worried when the financial or political climate does not develop as desired. We therefore expect a year with wider fluctuations than in 2017 in step with the newsflow. It is important to proportion the valuation of equities to the historically low and potentially rising interest-rate level and at the same time note that both economies and businesses are generally in fine shape.

### Market risks

Even though the general picture for the financial markets in 2018 is positive, there are still many risks that may adversely affect investor returns. Above all, we keep a close eye on that the tailwinds from the macro-economic performance do not moderate noticeably. With our positive expectations of risky assets in general, it is decisive that the growth picture does not change drastically. This will mean that economic indicators like industrial production and CAPEX investments must keep up the current positive trend and not least that inflation indicators must continue to develop moderately not to generate higher inflation than expected and thereby higher interest rate increases than expected.

The comparatively positive market sentiment means that unforeseen political events, disappointing economic indicators or market corrections may affect returns.

## Risk factors

Being an investor in the investment association, your investment is managed continuously. Among other things, the management takes into consideration the many different risk factors in the investment markets. The risk factors vary from fund to fund. Some risks affect especially equity funds, others affect especially bond funds, while other risk factors affect both types of funds.

One of the most important risk factors - and investors must themselves allow for this risk factor - is the selection of funds. Investors should be aware that there is always a risk involved in investing and that the individual funds invest within their respective investment areas no matter how the market develops. This means that if, for instance, an investor has decided to invest in a fund that has Danish equities as its investment area, this area will be maintained no matter whether the value of the relevant equities rises or falls.

The risk of investing via an investment association can generally be associated with four elements:

1. Investor's choice of funds
2. Investment markets
3. Investment decisions
4. Operation of the association

### 1. Risks associated with investor's choice of funds

Before making a decision to invest, it is important to determine an investment profile so the investment can be tailored to match the individual investor's needs and expectations. It is also decisive that investors are aware of the risks involved in the specific investment.

It is advisable that investors define their investment profiles together with an adviser. The investment profile must take into account the risk that investors want to assume when investing and the time horizon of their investments. Through Key Investor Information, standardised disclosure requirements have been introduced to make it easier for investors to get an overview of the investment.

Investors who want, for instance, stable performance of their investment certificates, should generally invest in funds with a relatively low risk. Such funds are marked with 1, 2 or 3 on the risk scale below. Funds with a risk indicator of 6 or 7 are rarely suitable for most investors with a short investment horizon.

Risk indicator	Annual fluctuations in net asset value (standard deviation)
7	Above 25%
6	15% - 25%
5	10% - 15%
4	5% - 10%
3	2% - 5%
2	0.5% - 2%
1	Below 0.5%

The risk is expressed through a number between 1 and 7, 1 expressing the lowest risk and 7 the highest risk. However, category 1 is not a risk-free investment. The risk indicator of the individual funds appears from the reviews of the individual funds.

The fund's ranking on the risk indicator is determined by the fluctuations in the fund's net asset value over the past five years and/or by representative data.

Large historical fluctuations equal high risk, reflected by a risk indicator of 6 or 7. Small historical fluctuations equal a lower risk, reflected by a risk indicator of 1 or 2. The fund's risk indicator is not constant over time. The risk indicator does not take into account sudden events like financial crises, devaluations, political intervention and sudden fluctuations in currencies.

#### Risk meter

The risk meter illustrates standard deviations and risk indicators of the association's funds as at the end of the year. The current risk indicators appear from the funds' Key Investor Information at [jyskeinvest.com](http://jyskeinvest.com).

Funds	Standard deviation	Risk indicator (1-7)
Jyske Invest Indian Equities CL	19.15 %	6
Jyske Invest Chinese Equities CL	18.84 %	6
Jyske Invest German Equities CL	17.22 %	6
Jyske Invest European Equities CL	16.01 %	6
Jyske Invest Emerging Market Equities CL	15.41 %	6
Jyske Invest Danish Equities CL	15.01 %	5
Jyske Invest Far Eastern Equities CL	14.58 %	5
Jyske Invest Aggressive Strategy CL	14.46 %	5
Jyske Invest Favourite Equities	14.46 %	5
Jyske Invest Global Equities CL	11.65 %	5
Jyske Invest US Equities CL	11.40 %	5
Jyske Invest Growth Strategy CL	10.51 %	5
Jyske Invest Emerging Local Market Bonds CL	10.23 %	5
Jyske Invest Equities Low Volatility CL *	9.90 %	5
Jyske Invest Dynamic Strategy CL	8.00 %	4
Jyske Invest British Bonds CL	6.82 %	4
Jyske Invest Emerging Market Bonds (EUR) CL	5.99 %	4
Jyske Invest Emerging Market Bonds CL	5.92 %	4
Jyske Invest Balanced Strategy EUR	5.59 %	4
Jyske Invest Balanced Strategy USD *	5.59 %	4
Jyske Invest Balanced Strategy (GBP) CL	5.41 %	4
Jyske Invest Balanced Strategy (NOK) CL	5.39 %	4
Jyske Invest European Bonds CL	4.07 %	3
Jyske Invest High Yield Corporate Bonds CL	3.88 %	3
Jyske Invest Stable Strategy GBP *	3.66 %	3
Jyske Invest Stable Strategy EUR	3.64 %	3
Jyske Invest Stable Strategy USD *	3.63 %	3
Jyske Invest Swedish Bonds CL	3.57 %	3
Jyske Invest Dollar Bonds CL	3.50 %	3
Jyske Invest Income Strategy CL	2.88 %	3
Jyske Invest Favourite Bonds CL	2.86 %	3
Jyske Invest High Grade Corporate Bonds CL	2.45 %	3
Jyske Invest Danish Bonds CL	2.29 %	3

\*Since the fund has existed for less than five years, the calculation has been supplemented with index data.

The standard deviation must be in another range for 18 weeks before the risk indicator is changed.

## 2. Risks associated with investment markets

Risks associated with investment markets include, for instance, the risk in the equity markets, interest-rate

risk, credit risk and currency risk. Jyske Invest International handles each of these risk factors within the guidelines for each of our many different investment areas. Examples of risk management elements are found in the funds' investment policies and the statutory requirements on risk diversification and the possibility of using derivatives.

Investors should pay particular attention to the risk factors below - depending on the individual fund's investment area. This list is not complete but contains the most material risks.

### General risk factors

#### *Exposure to a single country*

Investment in securities from a single country involves a risk that the financial market of that country may be exposed to special political or regulatory initiatives. Market conditions or general economic conditions in the country, including the development of the country's currency and interest rate, will also affect the values of the investments.

#### *Exposure to a single sector*

Investment in securities from a single sector involves a risk that the financial market of that sector may be exposed to special political or regulatory initiatives. Market-related or general economic conditions in the sector will also affect the value of the investments.

#### *Exposure to more than one country*

Investment in more than one well-organised and highly developed foreign market generally involves a lower risk of the total portfolio than investment alone in individual countries and individual markets.

#### *Foreign currency risk*

Investment in foreign securities involves exposure to currencies, which may fluctuate more or less against the fund's currency of denomination. Accordingly, the price of the individual fund will be affected by exchange-rate fluctuations between these currencies and the fund's currency of denomination. Funds, which solely invest in equities or bonds in the fund's currency of denomination, have no direct currency risk. Funds that we systematically hedge against the fund's currency of denomination have a very limited foreign currency risk. Any hedging will appear from

the description of the fund's investment policy under the individual fund.

#### *Issuer-specific risk*

The value of an individual share or bond may show wider fluctuations than the total market, possibly resulting in a return that is highly different from the benchmark. Shifts in the FX market as well as regulatory, competitive, market and liquidity conditions may affect the issuer's earnings. Since, at the time of investment, a fund may invest up to 10% in a single issuer, the value of the fund may vary sharply due to fluctuations in individual shares and bonds. An issuer may go bankrupt in which case the total amount invested will be lost.

Investment in 'Contingent Convertible' bonds (CoCos) involves special risks compared to investment in regular high-yield bonds. CoCos can be converted to equities or written down if a predetermined 'trigger' event takes place and/or the issuer may fail to pay interest. This may be the case even if payments do not stop on the company's other issues.

#### *Liquidity risk*

In special cases, local or global conditions may cause securities or currencies to become non-negotiable - or to be negotiable only to a limited extent. This may affect the funds' opportunities of making transactions in the financial markets. The consequence may be that one or more funds will have to suspend redemption and issuance for a short or long period.

#### *Counterparty risk*

A counterparty risk arises when the fund enters into an agreement with a counterparty through which the fund has a claim on the counterparty. This means a risk that the counterparty might breach the contract and be unable to pay. There is also a counterparty risk involved in investing in depositary receipts (e.g. ADRs, GDRs and GDNs) and in Pass-Through Notes.

#### *Particular risks associated with emerging markets*

Emerging markets include almost all countries in Latin America, Asia (but not Japan, Hong Kong and Singapore), Eastern Europe and Africa. Investments in emerging markets are associated with special risks that are not seen in the developed markets. This also applies when the issuer of an instrument has its place

of business or operates the majority of its business in such a country. Investment in instruments from emerging-market issuers is therefore often of a more speculative character and should only be made by persons who are familiar with these risks.

These countries may be characterised by political instability, relatively unsafe financial markets, relatively uncertain economic development as well as equity and bond markets that are under development. An unstable political system involves increased risk of sudden and fundamental economic and political changes. Corruption is widespread in several emerging-market countries. For investors this may have the consequence that assets are nationalised, that ownership of assets is restricted or that state monitoring and control mechanisms are introduced.

Currencies, equities and bonds from emerging markets are often exposed to wide and unforeseen fluctuations. Some countries have either already implemented currency controls or restrictions on securities trading or may do so at short notice.

The market liquidity in emerging markets may be on the decline due to economic and political changes or natural disasters. The effect may also be lasting.

In some emerging-market countries, there is an increased regulatory and legal risk. Insufficient supervision of financial markets may mean that legal requirements cannot - or can only with difficulty - be enforced. Moreover, because of insufficient legal experience, there may be great uncertainty with regard to the matter of law.

In some emerging-market countries, the quality of central clearing and settlement systems is insufficient. This may cause errors in the settlement and delays in delivery and performance of agreements.

#### *Particular risks associated with bond funds*

##### *The bond market*

The bond market may be exposed to special political or regulatory initiatives that affect the value of the fund's investments. Market-related or general economic conditions, including the development of interest rates, will also affect the value of the investments.

### *Interest rate risk*

The interest rate level varies from region to region and must be seen in connection with, for instance, the inflation level. To a great extent, the interest-rate level determines how attractive it is to invest in bonds, for instance. Moreover, changes in interest-rate levels may result in price declines or increases. Rising interest-rate levels may cause prices to fall. Duration expresses, among other things, the price risk on the bonds we invest in. The shorter the duration, the better the price stability of the bonds if interest rates change.

### *Credit risk*

Different bond types - government bonds, mortgage bonds, emerging-market bonds, corporate bonds, etc. - involve credit risk. Credit risk relates to the issuer's ability to redeem its debt obligations. Investments in bonds issued by corporations may involve an increased risk that the credit rating of the issuer is lowered and/or the issuer cannot meet its obligations. Credit spread/yield spread expresses the yield difference between developed-market government bonds and other types of bonds issued in the same currency and with the same maturity. The credit spread shows the premium received by the investor for accepting the credit risk.

### *Particular risks associated with equity funds*

#### *Fluctuations in the equity market*

Equity markets may fluctuate extensively and may decline considerably. Fluctuations may be a reaction to company-specific, political or regulatory conditions, among other things. They may also be a consequence of sector, regional, local or general market and economic conditions.

#### *Risk capital*

The return may fluctuate extensively due to the companies' potential for obtaining risk capital, for instance, for the development of new products. Funds may invest in companies working fully or partly with new technologies of which commercial distribution and timing may be difficult to assess.

### *Particular risks associated with mixed funds*

Mixed funds are affected by factors that affect both equity and bond funds.

The specific financial risks of the individual funds appear from the funds' management's reviews.

### **3. Risks associated with investment decisions**

Jyske Invest International has for all funds established benchmarks, which appear from the fund reviews - except for Jyske Invest Equities Low Volatility CL. A benchmark provides a basis for measuring the returns in the markets where the individual fund invests. We find that the benchmarks or basis of comparison are representative of the funds' portfolios and are therefore suitable for a comparison of fund performance. Benchmarks for funds with developed-market bonds are purely government bond indices, despite the fact that the funds invest a large proportion in mortgage credit bonds. However, there are a large number of disadvantages, among others, frequent replacements and changes in duration in connection with the mortgage credit indices offered in the market, and the biggest risk factor for developed-market bonds - interest-rate risk - will be included in the government bond index.

The funds' returns are stated before tax and before investor's own issue and redemption costs but after the funds' transaction costs and administrative expenses. The benchmark return does not take costs and expenses into account. The objective of the funds is to generate a return over time which is at least in line with the market development measured by the funds' benchmarks. We attempt to pick the best investments to achieve the highest possible returns, considering the risk. As a result of this strategy, investments will deviate from the benchmarks and the return may be either above or below that of the benchmark. Moreover, to some extent investment can be made in securities that are not part of the funds' benchmarks.

We attempt over time to generate a return in line with the market development through the use of our unique investment processes. These processes combine a model-based screening of the markets with the knowledge, experience and common sense of our portfolio managers and advisers. At the same time, discipline and teamwork are key words in our search

for attractive investments. We believe that the combination of active management of investments, teamwork and a disciplined investment process will lead to the best results for our investors.

The investment process is of great importance to the return, and there will be periods, during which our investment processes will not contribute to achieving the return targets. This may result in a return lower than benchmark. For instance, there may be periods during which the way portfolio managers select the fund's investments does not work well or where investments with a certain characteristic that is normally considered positive do not do perform well. Moreover, investors must be aware that due to the use of the same investment process in all funds within the same asset class, it is to be expected that the funds' relative returns will correlate strongly with the benchmark returns for periods. This is particularly important if investors invest in various funds.

Such investment decisions are obviously associated with uncertainty. For periods, the use of our investment processes will not contribute to achieving the return targets.

To maintain the funds' risk profiles, the association's Supervisory Board has specified guiding exposure limits for all funds. For the equity funds, limits have generally been specified in respect of tracking error. Tracking error is a mathematical expression of how closely the funds follow their benchmarks. The lower the tracking error, the closer the fund is expected to follow the benchmark. For bond funds, guiding restrictions have typically been specified in respect of duration (interest-rate sensitivity), and special credit risk restrictions have been specified by means of credit rating demands.

#### **4. Risks associated with operating the association**

The association is managed by the investment management company Jyske Invest Fund Management A/S, which had an average of 28 employees in 2017.

The investment management company's activity makes heavy demands on the business processes and knowledge resources of the company's employees.

To continue to deliver high-quality service it is decisive that the investment management company can recruit and retain employees with the necessary knowledge and experience. The increased complexity

in the product range of the association requires access to state-of-the-art information technology. Over the past years, the company has made investments in information technology to support the business development of the association and will continue to do so.

The critical business processes are to develop investment products, portfolio management as well as performance measurement and monitoring, to receive new deposits and redemptions by investors and to report returns, risks and net asset value, etc.

To avoid errors in the operation of the association, a large number of control and business procedures have been established to reduce the risk of error. We continuously work on developing the systems, and we strive to reduce the risk of human error as much as possible. Moreover, a management information system has been designed to ensure that we continuously follow up on costs and returns. Returns are regularly checked. If, in some respects, the development is not to our satisfaction, we assess what can be done to turn the development.

The investment association is subject to the supervision of the Danish Financial Supervisory Authority and to statutory audit by an auditor elected at the Annual General Meeting. Here focus is on risks and supervision.

Within information technology, we attach great importance to data and system security. Procedures and disaster recovery plans have been prepared with the aim of restoring, within fixed deadlines, the systems in the event of major or minor breakdowns. These procedures and plans are tested regularly.

In addition to the administration's focus on security and precision in the day-to-day operations, the Supervisory Board overlooks the area. The purpose is both to determine the level of security and to ensure that the necessary resources are present in the form of employees, qualifications, skills and equipment.

The association's business activity implies that the association is constantly a party to various disputes, including in particular disputes concerning direct and indirect tax.

Jyske Invest International is subject to taxation of certain sources of income around the world. In some cases, this involves disputes with the local tax authorities. Managerial assessment is used to assess

likely outcome of such disputes. The association assesses that the provisions for pending disputes are sufficient. However, the final liability may deviate from the managerial assessment, as the liability will depend on the outcome of disputes and settlements with the relevant tax authorities.

## **Statement of active management**

All equity portfolios in Jyske Invest International are actively managed based on a common investment philosophy and process. The objective for equity funds, which pursue an active investment strategy, is to generate a return over time which is as a minimum in line with the market development measured by the respective benchmarks.

The Supervisory Board of *Investeringsforeningen Jyske Invest International* follows up on the returns achieved and has set targets, which in addition to comparing the return to the benchmark return also compare returns to comparable actively and passively managed funds.

To give our investors an overview of the active management, the association publishes the ratios active share and tracking error in the Interim Report and in the Annual Report.

Active share is used to assess how much a fund's portfolio differs from the fund's benchmark. A high active share means that the composition is very different from the benchmark, and very actively managed funds will therefore typically have a high active share. Funds with a low active share are not necessarily passively managed. Investors should be aware that the ratios may be affected by the composition of the benchmark. In funds with a narrow benchmark, the composition of the benchmark coupled with the regulatory placement rules may mean that active share will be lower than in other funds. Here it is more relevant for investors to compare active share with other corresponding funds.

Investors can also use the ratio tracking error. Tracking error is a mathematical expression for the difference in return over a given period between a fund and its benchmark. The lower the tracking error, the lower the difference in return between the investment portfolio and benchmark. Investors should be aware that

tracking error will depend on the price fluctuations in the market. The higher the price fluctuations, the higher the tracking error. The ratio must therefore be viewed over time and in comparison with other funds to get an impression of the active management of the portfolio.

As an investor, it is important to consider these advanced ratios as a supplement to other information about a fund's active management, as the ratios cannot stand alone. The deviations against the benchmark are also a result of the investment opportunities that, in our view, exist in the market from time to time. To look after the interests of investors in the best possible way, considerations in respect of transaction costs in the form of brokerage, market spread, analyst coverage and the liquidity of the shares are also included in the decisions to buy and sell.

In *Investeringsforeningen Jyske Invest International*, two equity funds had at the end of 2017 both an active share below 50 and a tracking error (measured over three years) below 3. These are *Jyske Invest Danish Equities CL* and *Jyske Invest German Equities CL*. See the management's review of the individual funds for elaboration on the active management in these funds.

## **Activities of the association**

### **Business model**

In many ways, *Jyske Invest International* is a different investment association. We strike out on our own to optimise investors' returns.

Our vision is to be a widely recognised asset manager with consciously satisfied clients. We want to be known for our unique investment processes and client focus.

Discipline and teamwork are key words in our search for attractive investments.

### **A broad range of opportunities**

We offer 29 investment opportunities - from funds with developed-market equities and bonds to strategy funds and funds with focus on emerging markets.

Our range of funds covers:



- developed-market equities
- emerging-market equities
- developed-market bonds
- emerging-market bonds
- corporate bonds
- strategy funds

## Material events in 2017

2017 was dominated by a number of material events at the association and in our immediate surrounding world. The most significant events were:

1. Transfer of association's share in the management company Jyske Invest Fund Management A/S
2. Change of administration agreement with management company
3. Implementation of MiFID II
4. Change of cost structure
5. Re-delegation of advisory service agreement for Jyske Invest Danish Equities CL
6. Investor forum
7. Awards

### 1. Transfer of association's share in the management company Jyske Invest Fund Management A/S

Effective as of 31 March 2017, members in general meeting of the association on 23 March 2017 consented to the recommendation of the Supervisory Board to sell the association's share in Jyske Invest Fund Management A/S to Jyske Bank A/S.

Until then Jyske Invest Fund Management A/S had been owned by the association and three other associations which will in future continue to be under management by the company. The Danish Financial Supervisory Authority has approved the transfer.

The association will, with its own independent supervisory board, continue to be owned and controlled by the investors.

### 2. Change of administration agreement with management company

The association has concluded a new agreement with the investment management company Jyske Invest Fund Management A/S about administration fees.

The administration fee is determined individually at fund and share class level and is alone calculated as a fixed percentage vs. previously a variable percentage

of the assets of the fund or the share class. The new payment structure took effect as from 1 July 2017.

### 3. Change of cost structure

As of 1 January 2018, the MiFID II directive stipulates that payments for investment research reports and settlement must be kept separate. So far, the practice has been that payment for these investment research reports was an integrated part of the brokerage paid by the association for the securities trading. Therefore the cost structure has been adjusted for several funds so that the brokerage has fallen, while the fee for portfolio management advice has increased. Generally this will only result in minor changes to APR (Annual Percentage Rate) for the individual funds. The asset-weighted change to APR for the association's funds is cost-neutral to the investors.

### 4. Implementation of MiFID II

The date of entry into force for the implementation of the parts of MiFID II concerning commission payments, etc. from third parties and information on costs, etc. was 1 July 2017.

Prior to this, a number of practical issues, for instance, conclusion of new client agreements, etc. was settled with the distributors of the association just as there was a significant need for advising clients on the new rules and for getting the clients' acceptance of the new terms and conditions.

### 5. Re-delegation of advisory service agreement for Jyske Invest Danish Equities CL

Effective as of 15 December 2017, the association's investment adviser has re-delegated investment advisory services to BI Asset Management Fondsmæglerselskab A/S for Jyske Invest Danish Equities CL. The re-delegation does not result in any changes to the advisory fee.

### 6. Investor forum

In pursuance of the Danish Financial Business Act (Lov om finansiel virksomhed), investors in the associations managed by the association's management company are entitled to elect an investor representative to the Supervisory Board in the association's management company.

At the expiry of the nomination deadline for the position of investor representative only one candidate had been nominated, member of the association's Supervisory Board Steen Ørgaard Konradsen, who was therefore elected in an uncontested election.

Steen Ørgaard Konradsen will therefore take up the position of investor representative of the association's management company and has been elected for a one-year period.

## 7. Awards

For the sixth year running, Jyske Invest International was named the best small investment association in Europe. It is the internationally recognised rating agency Lipper, which awarded us the fine title "Best Fund Group – Overall – Small (3 years)".

We won the award on the background of our risk-adjusted return over the past three years.

In addition to the general European award, Lipper also awarded Jyske Invest International the title as best small fund group in the UK.

We are proud of the awards, which confirm to us that we have developed good and value-adding investment processes as well as they underline that we belong in the top of European investment fund associations.

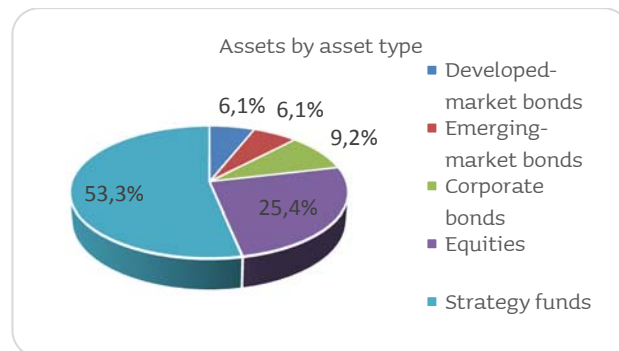
Further details about the awards that we have received are available at [jyskeinvest.com](http://jyskeinvest.com).

## Assets under management

Assets under management grew 19.4% from DKK 6,942 million to DKK 8,286 million at the end of the year. The increase consisted of net issue of DKK 881 million, net profit for the year of DKK 603 million and a foreign currency translation adjustment of the assets under management at the beginning of the year of DKK -140 million.

Net issues were DKK 881 million against net redemptions of DKK 215 million over the same period in 2016.

Net issues took place in high-yield bond funds, equity funds and in the strategy funds, while net redemptions took place in developed-market bond funds.



Over the period, the breakdown of the association's total assets by asset types was subject to the following changes compared with the beginning of the year: The share of equity funds grew 7.1 percentage points and accounted for 25.4% at the end of the year while the share of corporate bonds grew 8.1 percentage points and accounted for 9.2% at the end of the year. The share of the other asset types fell:

- Strategy funds fell by 4.5 percentage points to 53.3%.
- Developed-market bonds fell by 2.8 percentage points to 6.1%
- Emerging-markets bonds fell by 1.5 percentage points to 6.1%.

## Administrative expenses

Administrative expenses are expenses related to the operation of the association.

The administrative expenses are paid according to the administration agreement entered with the investment management company Jyske Invest Fund Management A/S which performs the day-to-day management of the association.

Administrative expenses consist of three separate and fixed percentages referred to as advisory fee, sales commission and administration fee, respectively.

Advisory fee covers payments for portfolio management advice/portfolio management.

Sales commission covers payments for distribution of certificates.

Administration fee covers payments for the investment management company's day-to-day management of the association as well as the association's other costs and expenses, including expenses relating

to the Supervisory Board, the Management Board, audit, the Danish Financial Supervisory Authority and other public authorities, stock exchange, general meetings, register of investors, market making, information and marketing activities, custody fees for the safekeeping of securities, VP Investor Services A/S, fees payable to the custodian bank covering custodian services, etc. as well as customary banking services.

Brokerage and issue and redemption costs are not included in the administration fee, and nor shall any costs and expenses for external advisory services (for instance, advisory services from lawyers, auditors, etc. relating to lawsuits, repatriation of foreign dividend tax and similar) as well as extraordinary transaction costs incurred abroad in connection with dividends be included.

In addition, any performance fee is paid separately from the relevant funds/share classes to the investment management company.

Danish bond funds have the lowest administrative expenses. The highest administrative expenses are found in specialised equity funds, which are generally the most expensive ones to operate.

The administrative expense ratio of the individual fund appears from the financial statements of the individual fund.

### **Material events subsequent to the closing of the Annual Report**

No material events have occurred subsequent to the closing of the Annual Report, which would affect the association.

### **Other events subsequent to the closing of the Annual Report**

No other events have occurred subsequent to the closing of the Annual Report, which would materially affect the association.

### **Recognition and measurement uncertainty**

Management estimates that there is no uncertainty in connection with recognition and measurement, just as no extraordinary conditions have affected recognition and measurement.

### **Knowledge resources**

The association has access to broad and detailed expert knowledge at the association's investment management company Jyske Invest Fund Management A/S.

Please see Risk factors, item 4: Risks associated with operating the association.

### **Supervisory and Management Boards**

At the association's Annual General Meeting on 23 March 2017, the Supervisory Board was re-elected.

The association's Supervisory Board consists of Hans Frimor, Professor, Jane Soli Preuthun, Head of Investment, Steen Ørgaard Konradsen, Director and Bo Sandemann Rasmussen, Professor.

Following the Annual General Meeting, the Supervisory Board elected Hans Frimor as its Chairman and Jane Soli Preuthun as its Deputy Chairman.

Jyske Invest is targeting a balance between male and female representation in the Supervisory Board. At present, the Supervisory Board has four members, of whom one is female. In the event of any increase in the number of board members, efforts will be made to fill the position with a qualified female candidate.

Eight board meetings were held in 2017.

### **Facts about the Supervisory Board**

Member	Age	Year of appointment
Hans Frimor	54	2011
Jane Soli Preuthun	57	2012
Steen Ørgaard Konradsen	70	2001 (alternate member) 2002 (full member)
Bo Sandemann Rasmussen	57	2015

The association's Supervisory Board consists of the same persons as those who constitute the supervisory boards of the other associations managed by Jyske Invest Fund Management A/S.

The aggregate board remuneration is paid in Jyske Invest Fund Management A/S and distributed among the associations under management.

The Supervisory Board's remuneration for the work performed in the association in 2017 amounted to DKK 62 thousand.

The Management Board's total remuneration, including pension contribution, for the work performed in the association in 2017 amounted to DKK 249 thousand.

The members of the association's Supervisory Board and the Management Board of the association's investment management company, Jyske Invest Fund Management A/S, respectively, hold the following directorships:

Hans Frimor, Professor (Chairman)

Board member of:

- Jyske Invest Fund Management A/S
- Investeringsforeningen Jyske Invest, Chairman
- Investeringsforeningen Jyske Portefølje, Chairman
- Kapitalforeningen Jyske Portefølje, Chairman
- Kapitalforeningen Jyske Invest Institutional, Chairman

Jane Soli Preuthun, Head of Investment (Deputy Chairman)

Board member of:

- Semen Ejendomsaktieselskab
- Randan A/S
- Investeringsforeningen Jyske Invest, Deputy Chairman
- Investeringsforeningen Jyske Portefølje, Deputy Chairman
- Kapitalforeningen Jyske Portefølje, Deputy Chairman
- Kapitalforeningen Jyske Invest Institutional, Deputy Chairman

Managing director of:

- Semen Ejendomsaktieselskab
- Randan A/S

Steen Ørgaard Konradsen, Director

Board member of:

- Jyske Invest Fund Management A/S
- Investeringsforeningen Jyske Invest
- Investeringsforeningen Jyske Portefølje
- Kapitalforeningen Jyske Portefølje
- Kapitalforeningen Jyske Invest Institutional

Managing director of:

- Bavnehøj Invest ApS

Bo Sandemann Rasmussen, Professor

Board member of:

- Investeringsforeningen Jyske Invest
- Investeringsforeningen Jyske Portefølje
- Kapitalforeningen Jyske Portefølje
- Kapitalforeningen Jyske Invest Institutional

### **Management Board**

Jyske Invest Fund Management A/S

Bjarne Staael, Managing Director

- No other directorships

### **Material agreements**

The association has entered into the following material agreements:

A management agreement has been concluded with the investment management company Jyske Invest Fund Management A/S about handling all tasks relating to investment and administration of the association.

A custodian agreement has been concluded with Jyske Bank A/S, which assumes the role of supervisor, cf. *the Danish Investment Associations, etc. Act*. Furthermore, the association's securities and liquid assets are kept with Jyske Bank A/S.

Jyske Invest Fund Management A/S has concluded an agreement with Jyske Bank A/S about investment advice. Under the agreement, Jyske Bank A/S offers investment advice, alone or in cooperation with other advisers, to Jyske Invest Fund Management A/S on portfolio strategies and on allocation to various asset classes that Jyske Bank A/S considers profitable. Individual investment proposals are presented to Jyske Invest Fund Management A/S, which will decide whether they should be implemented. The advisory services are provided in accordance with the guidelines laid down by the association's Supervisory Board in the investment lines of the individual funds. Effective as of 15 December 2017, the Supervisory Board approved Jyske Bank A/S' re-delegation of investment advisory services to BI Asset Management A/S with respect to Jyske Invest Danish Equities CL.

An agreement has been concluded with Jyske Bank A/S about the terms of trading financial instruments and of foreign exchange transactions.

An agreement has been concluded with Jyske Bank A/S about distribution and sale of certificates. Under the agreement, Jyske Bank A/S carries out initiatives to further the sale of the certificates to investors and reports back to the administrator.

Agreements have been concluded with Jyske Bank A/S about the charge of up-front fees in connection with sale of the association's certificates and about payment of current sales commission on the association's assets under management.

An agreement has been concluded with Jyske Bank A/S about support for the association's marketing activities and about product development and tax issues.

Moreover, an agreement has been concluded with Jyske Bank A/S – Jyske Markets – about the quotation of fund certificates.

Finally, an agreement has been concluded with a number of distributors and agents about payment of ongoing trailer fee of the price of the capital added to the association by the distributor.

## **Fund Governance**

The association observes the Fund Governance recommendations laid down by Investering Danmark. Fund Governance means good business practice and corresponds to Corporate Governance for companies, i.e., a general presentation of the rules and values, which apply to the overall management of the association. The association's full Fund Governance policy is available at the association's website, [jyskeinvest.com](http://jyskeinvest.com).

## **Corporate social responsibility**

### **Policies**

The main responsibility of the association is taken to be to achieve the highest possible return for the investors. The association assumes corporate social responsibility in relation to its investments, which means that environmental, social and governance (ESG\*) issues are taken into consideration in the investment decision process. In the ESG work, focus is, among other things, on the areas of environment, employee rights, human rights and anti-corruption. Under the heading Results it appears which results the association has achieved together with other investors over the last year. The results are divided into

cases related to human and employee rights, environmental issues and corruption.

\* ESG is an acronym for Environmental, Social and Governance. The acronym ESG is used in both Danish and English.

Guidelines for the association's work with corporate social responsibility appear from the association's responsible investment policy which covers all ESG areas. The policy was adopted by the Supervisory Board in June 2017. The policy in force from time to time is available at the association's website [jyskeinvest.com](http://jyskeinvest.com).

### **Statement of active ownership**

In November 2016, the Committee on Corporate Governance issued recommendations for active ownership. The recommendations target Danish institutional investors which have equity investments in Danish listed companies. The recommendations for active ownership are based on a voluntary approach and the 'follow or explain' principle.

Jyske Invest follows five recommendations:

- 1) It is recommended that institutional investors publish a policy for active ownership in connection with investing in shares in Danish listed companies.
- 2) It is recommended that institutional investors monitor and engage in dialogue with the companies in which they invest, taking due account of the investment strategy and the principle of proportionality.
- 3) It is recommended that as part of their policy of active ownership, institutional investors specify how they can escalate their active ownership beyond the regular monitoring and dialogue.
- 4) It is recommended that as part of their policy of active ownership, institutional investors decide how they will work together with other investors in order to achieve greater effect and impact.
- 5) It is recommended that the policy of active ownership should contain a description of how conflicts of interest in relation to active ownership will be identified and managed.

In addition, two recommendations are partially followed:

- 1) It is recommended that as part of their policy of active ownership, institutional investors

adopt a voting policy and are willing to report whether and how they have voted.

Comment: The adopted voting policy is part of the total responsible investment policy, and has been matched to the principle of proportionality. Whether voting is reported will depend on the specific investment. Whether and how the vote was cast will generally not be disclosed.

- 2) It is recommended that institutional investors report on their active ownership activities at least once a year, including voting activity.

Comment: The report is included in the annual report as part of the reporting on corporate social responsibility. Whether voting is reported will depend on the specific investment. Whether and how the vote was cast will generally not be disclosed.

### **Actions**

The basis for the association's policy for responsible investment is the UN PRI. UN PRI is an acronym for "United Nations Principles for Responsible Investment". PRI is a global initiative to promote responsible investment, created by some of the world's largest investors together with the UN. PRI is based on a general statement and six principles (see the statement and the six principles below). The association's distributor and investment adviser Jyske Bank has signed these principles and is responsible for the contact to UN PRI.

Every year, the bank completes the Reporting and Assessment process according to the guidelines in PRI. Part of this report was published at PRI's website.

The association has entered into an agreement with an external adviser from whom we regularly receive reports informing about companies that seriously violate international norms or conventions. The adviser screens all of the association's investments twice a year. The agreement also covers reports every six months on developments in countries that issue bonds. The reports include a ranking of approx. 160 countries based on ESG issues. The development of the individual country is assessed continuously. The report also includes a list of countries affected by sanctions adopted by the UN and the EU.

To assess the reports from the external adviser, to determine the contribution to the cooperation with other investors about active ownership and to act in

situations posing ESG challenges, the association has established an internal forum that can quickly be convened to decide on the association's stance on the individual investment or the individual company.

The association has decided not to invest in a number of companies that do not meet our responsible investment policy and for which there are no prospects that dialogue will result in changed behaviour. At the end of 2017, the list of rejected companies included mainly companies that conducted activities relating to anti-personnel mines and cluster weapons.

The association considers ESG issues in relation to investment in government bonds and complies with international sanctions and bans adopted by the UN and the EU. By end-2017, we decided not to invest in a few countries, which are comprised by sanctions. Add to this sanctions against a number of Russian companies, typically government-controlled. Typically, the sanctions comprise newly issued securities.

The association's Supervisory Board has adopted a policy for exercising voting rights in connection with the association's financial instruments. We may exercise our voting rights, for instance, in situations where it will support the adopted responsible investment policy. The association will in selected situations thereby attempt to influence the companies by exercising voting rights. This will typically take place in dialogue with other investors to achieve the highest possible effect of the voting.

### **Results**

As active investor the association is, for instance, through the external adviser in ongoing dialogue with companies about activities violating international norms or conventions.

Through GES Engagement Forum, Jyske Invest together with other investors were in 2017 involved in 157 cases regarding violation of international conventions and norms. Of these cases, 66 involved companies in Jyske Invest's portfolios. 41 of these cases related to human and employee rights, 14 related to environmental issues and eleven cases related to corruption.

In 2017, ten cases in Jyske Invest's portfolios were solved and thus closed. In 27 cases very positive results were generated in the form of progression in specific cases and dialogue with the responsible busi-

nesses. 31 cases only generated partially positive results, while eight cases generated poor or no results at all.

### **Statement and the six principles of responsible investment (PRI)**

As institutional investors, we have a duty to act in the best long-term interest of our investors. In this fiduciary role, we believe that environmental, social and corporate governance (ESG) issues can affect the performance of investment portfolios (to varying degrees across companies, sectors, regions, asset classes and over time). We also recognise that applying the principles may better align investors with broader objectives of society. Where consistent with our fiduciary responsibility, we commit to the following:

1. We will incorporate environmental, social and corporate governance (ESG\*) issues into investment analyses and decision-making processes.
2. We will be active owners and incorporate ESG issues into our ownership policies and practices.

3. We will seek appropriate information on ESG issues from the enterprises that we invest in.
4. We will promote acceptance and implementation of the principles with the investment industry.
5. We will work together to enhance our effectiveness in implementing the principles.
6. We will each report on our activities and progress towards implementing the Principles.

Information about the association's work with corporate social responsibility is available at the association's website, [www.jyskeinvest.com](http://www.jyskeinvest.com).

### **Certification**

The association was GIPS certified in 2002. GIPS is an acronym for Global Investment Performance Standards. The certification means that the reporting of performance and ratios follows international reporting standards. The standards are designed to ensure investors across the world comparable and correct information about their investment. The auditor conducts an annual review to check whether the association observes the GIPS standards.

# Management's Review of individual funds

## General reading instructions

The association consists of several individual funds. Each fund presents separate financial statements and a fund review. The financial statements show the funds' performance throughout the year and offer a status at year-end. In the fund reviews, we comment on the funds' results for the year and the specific factors that apply to the individual fund.

The association performs the administrative tasks and the investment task common to all funds within the guidelines specified for each fund. This contributes to a cost-efficient operation of the association. Another reason is that the funds - although they invest in different types of securities and follow different strategies - are often affected by many of the

same factors. For instance, fluctuations in global economic growth may affect return and risk for all funds. Accordingly, we have described the general market developments, the general risks and the association's risk management in a text covering all funds in the Report. We recommend that the general text is read in connection with the specific fund reviews to get a satisfactory view on developments and the special factors and risks affecting the individual funds.

The investment management company Jyske Invest Fund Management A/S performs all tasks concerning investment and administration for the association.

All funds in the association have an active investment strategy.



## Jyske Invest Danish Bonds CL

### Investment area and profile

The fund invests in bonds denominated in Danish kroner. Investment is primarily made in bonds issued by or guaranteed by states, mortgage-credit institutions and supranationals.

The fund's assets are mainly invested in listed bonds, i.e., bonds traded in a regulated market. The fund may invest up to 10% of its assets in non-listed bonds.

The fund may invest up to 10% of its assets in certificates in other associations, individual funds or investment institutions.

To adjust the fund's risk to a defined risk profile, the fund may use derivative financial instruments (derivatives).

### Fund profile

Type of fund	Certificate-issuing, cumulative
ISIN code	DK0016260003
Listed	No
Established	1 March 1994
Functional currency	The Danish krone (DKK)
Benchmark	Nordea Constant Maturity Government Index Danmark - duration of 5 years
Risk indicator	3
Risk category	Amber

### Investment allocation

The fund's investment allocation appears from 'Asset allocation' in the fund's financial statements.

### Ratios

The fund's ratios appear from 'Key figures and ratios' in the fund's financial statements.

### Introduction

This fund review should be read in connection with the Annual Report's general text on investment markets, risk description and risk factors to get a satisfactory view of developments in the fund. The management's assessment of the fund's particular risks is stated below. For further information about the risks of investing in the fund, we refer to the relevant Prospectus, which is available at [jyskeinvest.com](http://jyskeinvest.com).

### Risk profile

Investors must be aware that investment in a Jyske Invest International fund will always imply issuer-specific, liquidity and counterparty risks as well as risks associated with the investment decisions and the operation of the association.

However, when investing in this specific fund, investors should be particularly aware of:

- Particular risks associated with bond funds
- Exposure to more than one country

All the risks mentioned may affect the value of the investments and have been described in further detail in the section on 'Risk factors' in the Management's Review.

### Performance in 2017

The fund generated a return of 2.82% for 2017, which was 2.76 percentage points above the benchmark return of 0.06%. The return exceeded expectations considering the market conditions and risks which, in our opinion, existed at the beginning of 2017. We outperformed the market, primarily due to an overweight of mortgage bonds with particularly callable bonds performing well.

2017 was dominated by rising economic growth in the US as well as in Europe, but at the same time the inflation performance was rather moderate. In the US Donald Trump was inaugurated as president at the beginning of the year, and throughout the year he struggled to get sweeping reforms across the line. Consequently, the economic policy was surrounded by a climate of great uncertainty. In spite of this, the Federal Reserve (Fed) hiked interest rates three times in 2017.

In Europe, the markets focused greatly on the announcements from the European Central Bank (ECB) and in particular on the future of the bank's asset purchase programme. In late October, the ECB announced that the programme will be extended until September 2018, but at a reduced form. This means

that the monetary policy will remain very accommodative.

Danish mortgage bonds were in 2017 influenced by massive interest from foreign investors. US investors purchased large amounts of short-term bonds which were an attractive alternative to short-term dollar bonds. Conversely, European and Japanese investors purchased large amounts of long-term callable bonds. Overall, this means that foreigners' share of Danish mortgage bonds is at a historically high level.

The Danish Ministry of Transport, Building, and Housing announced that in future subsidised residential construction will be financed by issuance of government-guaranteed mortgage bonds. This means that in the coming years a large amount of traditional mortgage bonds will be replaced by corresponding government-guaranteed bonds. The expected lower offering/purchase of traditional mortgage bonds combined with significant demand from foreign investors resulted in a significant positive performance of these in 2017.

Throughout 2017, the fund's assets were invested in Danish government and mortgage bonds. Relative to the benchmark, there was a definite overweight of callable mortgage bonds in particular. By contrast, the share of government bonds was low and investment was extensively in the inflation-regulated government bond. Despite the low inflation expectations, this bond, relative to risk, was the best-performing government bond in 2017.

### **Particular risks - including business and financial risks**

Since the fund mainly invests in the Danish market, the fund has a business risk related to developments in this market.

The Annual Report's texts on 'Market outlook 2018' and 'Risk factors' give further information about the various types of risks and the association's general assessment of these risks.

### **Performance outlook 2018**

For 2018, we expect a slightly rising, though still low interest-rate level. The ECB's asset purchase programme runs until September for the time being, but it is an open question whether the programme will be extended again. If this is the case, we expect that this will be in a reduced form. Regardless whether the asset purchase programme is ended or continues in a reduced form, the ECB's monetary policy will remain very accommodative and supportive of a low interest-rate level. Actual rate hikes by the ECB are not expected until some time in 2019 at the earliest. The inflation performance will be the decisive factor for future rate hikes.

In the US, we expect the Fed to continue the string of interest rate hikes in 2018. The Fed expects to hike interest rates three times. Economic growth in the US as well as in Europe indicates a rising interest-rate level, but the continued moderate inflation performance causes the central banks to be very reluctant.

Due to the currently low interest-rate level combined with no prospects of further interest rate declines, the returns on developed-market bonds are expected to be moderate and potentially negative in 2018. Even moderate interest rate increases will lead to negative returns.

## Jyske Invest Swedish Bonds CL

### Investment area and profile

The fund invests in bonds denominated in Swedish kronor. Investment is primarily made in bonds issued by or guaranteed by states, mortgage-credit institutions and supranationals.

The fund's assets are mainly invested in listed bonds, i.e., bonds traded in a regulated market. The fund may invest up to 10% of its assets in non-listed bonds.

The fund may invest up to 10% of its assets in certificates in other associations, individual funds or investment institutions.

To adjust the fund's risk to a defined risk profile, the fund may use derivative financial instruments (derivatives).

### Fund profile

Type of fund	Certificate-issuing, cumulative
ISIN code	DK0016260276
Listed	No
Established	16 December 1994
Functional currency	The Swedish krona (SEK)
Benchmark	J.P. Morgan Government Bond Index for Sweden
Risk indicator	3
Risk category	Amber

### Investment allocation

The fund's investment allocation appears from 'Asset allocation' in the fund's financial statements.

### Ratios

The fund's ratios appear from 'Key figures and ratios' in the fund's financial statements.

### Introduction

This fund review should be read in connection with the Annual Report's general text on investment markets, risk description and risk factors to get a satisfactory view of developments in the fund. The management's assessment of the fund's particular risks is stated below. For further information about the risks of investing in the fund, we refer to the relevant Prospectus, which is available at [jyskeinvest.com](http://jyskeinvest.com).

### Risk profile

Investors must be aware that investment in a Jyske Invest International fund will always imply issuer-specific, liquidity and counterparty risks as well as risks associated with the investment decisions and the operation of the association.

However, when investing in this specific fund, investors should be particularly aware of:

- Particular risks associated with bond funds
- Exposure to more than one country

All the risks mentioned may affect the value of the investments and have been described in further detail in the section on 'Risk factors' in the Management's Review.

### Performance in 2017

The fund generated a return of 0.28% for 2017, which was 0.12 percentage point above the benchmark return of 0.16%. The return was on level with expectations considering the market conditions and risks which, in our opinion, existed at the beginning of 2017.

The fund invests primarily in Swedish government and mortgage bonds, and throughout 2017 the fund overweighted mortgage bonds.

2017 was dominated by rising economic growth in the US as well as in Europe, but at the same time the inflation performance was rather moderate. In the US Donald Trump was inaugurated as president at the beginning of the year, and throughout the year he struggled to get sweeping reforms across the line. Consequently, the economic policy was surrounded by a climate of great uncertainty. In spite of this, the Federal Reserve (Fed) hiked interest rates three times in 2017.

In Europe, the markets focused greatly on the announcements from the European Central Bank (ECB) and in particular on the future of the bank's asset

purchase programme. In late October, the ECB announced that the programme will be extended until September 2018, but at a reduced form. This means that the monetary policy will remain very accommodative.

In Sweden, the Riksbank left interest rates unchanged throughout 2017. However, the bank ended the Swedish programme of bond purchases and is therefore no longer buying government bonds. The Swedish monetary policy will remain very accommodative since the Riksbank will continue to reinvest redemptions from the already purchased bonds. A contributory factor to the accommodative monetary policy is similarly a deposit rate at -1.25%.

### **Particular risks - including business and financial risks**

Since the fund mainly invests in the Swedish market, the fund has a business risk related to developments in this market.

The Annual Report's texts on 'Market outlook 2018' and 'Risk factors' give further information about the various types of risks and the association's general assessment of these risks.

### **Performance outlook 2018**

For 2018, we expect a slightly rising, though still low interest-rate level. In Sweden, the Riksbank expects

the first rate hikes to become a reality as of mid-2018. However, the pace of the rate hikes is expected to be moderate.

The ECB's asset purchase programme runs until September for the time being, but it is an open question whether the programme will be extended again. If this is the case, we expect that this will be in a reduced form. Regardless whether the asset purchase programme is ended or continues in a reduced form, the ECB's monetary policy will remain very accommodative and supportive of a low interest-rate level. Actual rate hikes by the ECB are not expected until some time in 2019 at the earliest. The inflation performance will be the decisive factor for future rate hikes.

In the US, we expect the Fed to continue the string of interest rate hikes in 2018. The Fed expects to hike interest rates three times. Economic growth in the US as well as in Europe indicates a rising interest-rate level, but the continued moderate inflation performance causes the central banks to be very reluctant.

Due to the currently low interest-rate level combined with no prospects of further interest rate declines, the returns on developed-market bonds are expected to be moderate and potentially negative in 2018. Even moderate interest rate increases will lead to negative returns.

## Jyske Invest British Bonds CL

### Investment area and profile

The fund invests in bonds denominated in sterling. Investment is primarily made in bonds issued by or guaranteed by states, mortgage-credit institutions and supranationals.

The fund's assets are mainly invested in listed bonds, i.e., bonds traded in a regulated market. The fund may invest up to 10% of its assets in non-listed bonds.

The fund may invest up to 10% of its assets in certificates in other associations, individual funds or investment institutions.

To adjust the fund's risk to a defined risk profile, the fund may use derivative financial instruments (derivatives).

### Fund profile

Type of fund	Certificate-issuing, cumulative
ISIN code	DK0016259856
Listed	No
Established	31 January 1994
Functional currency	Sterling (GBP)
Benchmark	J.P. Morgan Government Bond Index for the UK
Risk indicator	4
Risk category	Amber

### Investment allocation

The fund's investment allocation appears from 'Asset allocation' in the fund's financial statements.

### Ratios

The fund's ratios appear from 'Key figures and ratios' in the fund's financial statements.

### Introduction

This fund review should be read in connection with the Annual Report's general text on investment markets, risk description and risk factors to get a satisfactory view of developments in the fund. The management's assessment of the fund's particular risks is stated below. For further information about the risks of investing in the fund, we refer to the relevant Prospectus, which is available at [jyskeinvest.com](http://jyskeinvest.com).

### Risk profile

Investors must be aware that investment in a Jyske Invest International fund will always imply issuer-specific, liquidity and counterparty risks as well as risks associated with the investment decisions and the operation of the association.

However, when investing in this specific fund, investors should be particularly aware of:

- Particular risks associated with bond funds
- Exposure to more than one country

All the risks mentioned may affect the value of the investments and have been described in further detail in the section on 'Risk factors' in the Management's Review.

### Performance in 2017

The fund generated a return of 2.59% for 2017, which was 0.68 percentage point above the benchmark return of 1.91%. The return exceeded expectations considering the market conditions and risks which, in our opinion, existed at the beginning of 2017.

2017 was dominated by rising economic growth in the US as well as in Europe, but at the same time the inflation performance was rather moderate. In the US Donald Trump was inaugurated as president at the beginning of the year, and throughout the year he struggled to get sweeping reforms across the line. Consequently, the economic policy was surrounded by a climate of great uncertainty. In spite of this, the Federal Reserve (Fed) hiked interest rates three times in 2017.

In Europe, the markets focused greatly on the announcements from the European Central Bank (ECB) and in particular on the future of the bank's asset purchase programme. In late October, the ECB announced that the programme will be extended until September 2018, but at a reduced form. This means that the monetary policy will remain very accommodative.

In the UK, focus has been on the ongoing Brexit negotiations. The pace of the negotiations has generally been slow because of disagreement over the process both internally in the UK and in relation to the EU. However, late in the year agreement was reached on the general conditions for the withdrawal.

The interest-rate level in the UK fell in the first half of the year, but rose sharply around September when the inflation performance was somewhat higher than expected. However, in the second half of the year the interest-rate level fell again, and at the end of the year it was marginally lower than at the beginning of the year.

### **Particular risks - including business and financial risks**

Since the fund mainly invests in the British market, the fund has a business risk related to developments in this market.

The Annual Report's texts on 'Market outlook 2018' and 'Risk factors' give further information about the various types of risks and the association's general assessment of these risks.

### **Performance outlook 2018**

For 2018, we expect a slightly rising, though still low interest-rate level. In the UK, the development is associated with extraordinarily high uncertainty due to

the current Brexit negotiations. The outcome of the negotiations is expected to be decisive for the economic development in the UK.

The ECB's asset purchase programme runs until September for the time being, but it is an open question whether the programme will be extended again. If this is the case, we expect that this will be in a reduced form. Regardless whether the asset purchase programme is ended or continues in a reduced form, the ECB's monetary policy will remain very accommodative and supportive of a low interest-rate level. Actual rate hikes by the ECB are not expected until some time in 2019 at the earliest. The inflation performance will be the decisive factor for future rate hikes.

In the US, we expect the Fed to continue the string of interest rate hikes in 2018. The Fed expects to hike interest rates three times. Economic growth in the US as well as in Europe indicates a rising interest-rate level, but the continued moderate inflation performance causes the central banks to be very reluctant.

Due to the currently low interest-rate level combined with no prospects of further interest rate declines, the returns on developed-market bonds are expected to be moderate and potentially negative in 2018. Even moderate interest rate increases will lead to negative returns.

## Jyske Invest Dollar Bonds CL

### Investment area and profile

The fund invests in bonds denominated in the US dollar. Investment is primarily made in bonds issued by or guaranteed by states, mortgage-credit institutions and supranationals.

The fund's assets are mainly invested in listed bonds, i.e., bonds traded in a regulated market. The fund may invest up to 10% of its assets in non-listed bonds.

The fund may invest up to 10% of its assets in certificates in other associations, individual funds or investment institutions.

To adjust the fund's risk to a defined risk profile, the fund may use derivative financial instruments (derivatives).

### Fund profile

Type of fund	Certificate-issuing, cumulative
ISIN code	DK0016260359
Listed	No
Established	1 February 1996
Functional currency	The US dollar (USD)
Benchmark	J.P. Morgan Government Bond Index for the US
Risk indicator	3
Risk category	Amber

### Investment allocation

The fund's investment allocation appears from 'Asset allocation' in the fund's financial statements.

### Ratios

The fund's ratios appear from 'Key figures and ratios' in the fund's financial statements.

### Introduction

This fund review should be read in connection with the Annual Report's general text on investment markets, risk description and risk factors to get a satisfactory view of developments in the fund. The management's assessment of the fund's particular risks is stated below. For further information about the risks of investing in the fund, we refer to the relevant Prospectus, which is available at [jyskeinvest.com](http://jyskeinvest.com).

### Risk profile

Investors must be aware that investment in a Jyske Invest International fund will always imply issuer-specific, liquidity and counterparty risks as well as risks associated with the investment decisions and the operation of the association.

However, when investing in this specific fund, investors should be particularly aware of:

- Particular risks associated with bond funds
- Exposure to more than one country

All the risks mentioned may affect the value of the investments and have been described in further detail in the section on 'Risk factors' in the Management's Review.

### Performance in 2017

The fund generated a return of 2.74% for 2017, which was 0.25 percentage point above the benchmark return of 2.49%. The return exceeded expectations considering the market conditions and risks which, in our opinion, existed at the beginning of 2017.

2017 was dominated by rising economic growth in the US as well as in Europe, but at the same time the inflation performance was rather moderate. In the US Donald Trump was inaugurated as president at the beginning of the year, and throughout the year he struggled to get sweeping reforms across the line. Consequently, the economic policy was surrounded by a climate of great uncertainty. In spite of this, the Federal Reserve (Fed) hiked interest rates three times in 2017.

Though, the interest rate hikes did not have any major spill-over effect on long-term bonds. Accordingly, the yield on a 10-year government bond is largely unchanged against the beginning of the year. At the same time, the Fed initiated the phasing out of the its asset purchase programme since maturing bonds will no longer be fully reinvested.

In Europe, the markets focused greatly on the announcements from the European Central Bank (ECB) and in particular on the future of the bank's asset purchase programme. In late October, the ECB announced that the programme will be extended until September 2018, but at a reduced form. This means that the monetary policy will remain very accommodative.

Throughout 2017, the fund had an overweight of mortgage bonds and other credit bonds. Fund duration was typically close to the market's duration.

### **Particular risks - including business and financial risks**

Since the fund mainly invests in the US market, the fund has a business risk related to developments in this market.

The Annual Report's texts on 'Market outlook 2018' and 'Risk factors' give further information about the various types of risks and the association's general assessment of these risks.

### **Performance outlook 2018**

In the US, we expect the Fed to continue the string of interest rate hikes in 2018. The Fed expects to hike interest rates three times. Economic growth in the US as well as in Europe indicates a rising interest-rate level, but the continued moderate inflation performance causes the central banks to be very reluctant.

The ECB's asset purchase programme runs until September for the time being, but it is an open question whether the programme will be extended again. If this is the case, we expect that this will be in a reduced form. Regardless whether the asset purchase programme is ended or continues in a reduced form, the ECB's monetary policy will remain very accommodative and supportive of a low interest-rate level. Actual rate hikes by the ECB are not expected until some time in 2019 at the earliest. The inflation performance will be the decisive factor for future rate hikes.

Due to the currently low interest-rate level combined with no prospects of further interest rate declines, the returns on developed-market bonds are expected to be moderate and potentially negative in 2018. Even moderate interest rate increases will lead to negative returns.



## Jyske Invest European Bonds CL

### Investment area and profile

The fund invests in bonds denominated in European currencies. Investment is primarily made in bonds issued by or guaranteed by states, mortgage-credit institutions and supranationals.

The fund's assets are mainly invested in listed bonds, i.e., bonds traded in a regulated market. The fund may invest up to 10% of its assets in non-listed bonds.

The fund may invest up to 10% of its assets in certificates in other associations, individual funds or investment institutions.

To adjust the fund's risk to a defined risk profile, the fund may use derivative financial instruments (derivatives).

### Fund profile

Type of fund	Certificate-issuing, cumulative
ISIN code	DK0016261837
Listed	No
Established	1 April 1993
Functional currency	Euro (EUR)
Benchmark	Bank of America Merrill Lynch European Union Government Bond Index
Risk indicator	3
Risk category	Amber

### Investment allocation

The fund's investment allocation appears from 'Asset allocation' in the fund's financial statements.

### Ratios

The fund's ratios appear from 'Key figures and ratios' in the fund's financial statements.

### Introduction

This fund review should be read in connection with the Annual Report's general text on investment markets, risk description and risk factors to get a satisfactory view of developments in the fund. The management's assessment of the fund's particular risks is stated below. For further information about the risks of investing in the fund, we refer to the relevant Prospectus, which is available at [jyskeinvest.com](http://jyskeinvest.com).

### Risk profile

Investors must be aware that investment in a Jyske Invest International fund will always imply issuer-specific, liquidity and counterparty risks as well as risks associated with the investment decisions and the operation of the association.

However, when investing in this specific fund, investors should be particularly aware of:

- Particular risks associated with bond funds
- Foreign currency risk
- Exposure to more than one country

All the risks mentioned may affect the value of the investments and have been described in further detail

in the section on 'Risk factors' in the Management's Review.

### Performance in 2017

The fund generated a return of 0.33% for 2017, which was 0.65 percentage point above the benchmark return of -0.32%. The return was on level with expectations considering the market conditions and risks which, in our opinion, existed at the beginning of 2017.

2017 was dominated by rising economic growth in the US as well as in Europe, but at the same time the inflation performance was rather moderate. In the US Donald Trump was inaugurated as president at the beginning of the year, and throughout the year he struggled to get sweeping reforms across the line. Consequently, the economic policy was surrounded by a climate of great uncertainty. In spite of this, the Federal Reserve (Fed) hiked interest rates three times in 2017.

In Europe, the markets focused greatly on the announcements from the European Central Bank (ECB) and in particular on the future of the bank's asset purchase programme. In late October, the ECB announced that the programme will be extended until

September 2018, but at a reduced form. This means that the monetary policy will remain very accommodative.

A number of one-off events impacted the markets in 2017. In the spring the French went to the polls to elect a new president and here the right-wing nationalist Marine Le Penn looked set to do well for a long time. In Spain, the situation relating to Catalonia was turbulent after a large part of the population in Catalonia voted to separate from Spain. However, a common feature of these events was that the market impact was short-lived.

Around 20% of the portfolio was invested in British pound. The GBP rate was impacted by the ongoing Brexit negotiations in 2017. The GBP rate is approx. 4% lower than at the beginning of the year.

#### **Particular risks - including business and financial risks**

Since the fund invests in the European markets, the fund has a business risk related to developments in these markets.

The Annual Report's texts on 'Market outlook 2018' and 'Risk factors' give further information about the various types of risks and the association's general assessment of these risks.

#### **Performance outlook 2018**

For 2018, we expect a slightly rising, though still low interest-rate level. The ECB's asset purchase programme runs until September for the time being, but it is an open question whether the programme will be extended again. If this is the case, we expect that this will be in a reduced form. Regardless whether the asset purchase programme is ended or continues in a reduced form, the ECB's monetary policy will remain very accommodative and supportive of a low interest-rate level. Actual rate hikes by the ECB are not expected until some time in 2019 at the earliest. The inflation performance will be the decisive factor for future rate hikes.

In the US, we expect the Fed to continue the string of interest rate hikes in 2018. The Fed expects to hike interest rates three times. Economic growth in the US as well as in Europe indicates a rising interest-rate level, but the continued moderate inflation performance causes the central banks to be very reluctant.

Due to the currently low interest-rate level combined with no prospects of further interest rate declines, the returns on developed-market bonds are expected to be moderate and potentially negative in 2018. Even moderate interest rate increases will lead to negative returns.

## Jyske Invest Favourite Bonds CL

### Investment area and profile

The fund invests in a global portfolio of bonds. The bonds are primarily issued by or guaranteed by states, mortgage-credit institutions, supranationals as well as companies. At least 75% of the assets will at all times be invested in euro securities or hedged to the euro.

The fund assets are primarily invested in listed bonds and in the US market for high-yield bonds, also called the OTC Fixed Income market, regulated by the FINRA (Financial Industry Regulatory Authority), as well as in Rule 144 A issues with a right of exchange into papers which are registered with the SEC within twelve months pursuant to the Securities Act of 1933 and which are traded in the OTC Fixed Income market. The fund may invest up to 10% of its assets in non-listed bonds.

The fund may invest up to 10% of its assets in certificates in other associations, individual funds or investment institutions.

To adjust the fund's risk to a defined risk profile, the fund may use derivative financial instruments (derivatives).

### Fund profile

Type of fund	Certificate-issuing, cumulative
ISIN code	DK0060137164
Listed	No
Established	6 May 2008
Functional currency	Euro (EUR)
Benchmark	Benchmark measured by: <ul style="list-style-type: none"><li>• 80% JP Morgan Hedged ECU Unit Government Bond Index Global</li><li>• 10% JP Morgan Emerging Markets Bond Index (EMBI) Global Diversified</li><li>• 5% BofA Merrill Lynch Euro Corporate Index</li><li>• 2.5% Merrill Lynch European Currency High Yield, BB-B Constrained Index</li><li>• 2.5% Merrill Lynch US High Yield, BB-B Constrained Index</li></ul>
Risk indicator	3
Risk category	Amber

### Investment allocation

The fund's investment allocation appears from 'Asset allocation' in the fund's financial statements.

### Ratios

The fund's ratios appear from 'Key figures and ratios' in the fund's financial statements.

### Introduction

This fund review should be read in connection with the Annual Report's general text on investment markets, risk description and risk factors to get a satisfactory view of developments in the fund. The management's assessment of the fund's particular risks is stated below. For further information about the risks of investing in the fund, we refer to the relevant Prospectus, which is available at [jyskeinvest.com](http://jyskeinvest.com).

### Risk profile

Investors must be aware that investment in a Jyske Invest International fund will always imply issuer-specific, liquidity and counterparty risks as well as risks associated with the investment decisions and the operation of the association.

However, when investing in this specific fund, investors should be particularly aware of:

- Particular risks associated with bond funds
- Particular risks associated with emerging markets
- Foreign currency risk
- Exposure to more than one country

All the risks mentioned may affect the value of the investments and have been described in further detail in the section on 'Risk factors' in the Management's Review.

### **Performance in 2017**

The fund generated a return of 2.61% for 2017, which was 1.09 percentage points above the benchmark return of 1.52%. The return exceeded expectations considering the market conditions and risks which, in our opinion, existed at the beginning of 2017.

The fund invests globally across all bond classes, but with focus on government and mortgage bonds from the developed countries. Most bonds yielded positive returns in 2017. Emerging-market bonds together with corporate bonds yielded the highest returns in 2017.

2017 was dominated by rising economic growth in the US as well as in Europe, but at the same time the inflation performance was rather moderate. In the US Donald Trump was inaugurated as president at the beginning of the year, and throughout the year he struggled to get sweeping reforms across the line. Consequently, the economic policy was surrounded by a climate of great uncertainty. In spite of this, the Federal Reserve (Fed) hiked interest rates three times in 2017.

Though, the interest rate hikes did not have any major spill-over effect on long-term bonds. Accordingly, the yield on a 10-year government bond is largely unchanged against the beginning of the year. At the same time, the Fed initiated the phasing out of its asset purchase programme since maturing bonds will no longer be fully reinvested.

In Europe, the markets focused greatly on the announcements from the European Central Bank (ECB)

and in particular on the future of the bank's asset purchase programme. In late October, the ECB announced that the programme will be extended until September 2018, but at a reduced form. This means that the monetary policy will remain very accommodative.

### **Particular risks - including business and financial risks**

Since the fund invests in the international markets, the fund has a business risk related to developments in these markets.

The Annual Report's texts on 'Market outlook 2018' and 'Risk factors' give further information about the various types of risks and the association's general assessment of these risks.

### **Performance outlook 2018**

For 2018, we expect a slightly rising, though still low interest-rate level. The ECB's asset purchase programme runs until September for the time being, but it is an open question whether the programme will be extended again. If this is the case, we expect that this will be in a reduced form. Regardless whether the asset purchase programme is ended or continues in a reduced form, the ECB's monetary policy will remain very accommodative and supportive of a low interest-rate level. Actual rate hikes by the ECB are not expected until some time in 2019 at the earliest. The inflation performance will be the decisive factor for future rate hikes.

In the US, we expect the Fed to continue the string of interest rate hikes in 2018. The Fed expects to hike interest rates three times. Economic growth in the US as well as in Europe indicates a rising interest-rate level, but the continued moderate inflation performance causes the central banks to be very reluctant.

Due to the currently low interest-rate level combined with no prospects of further interest rate declines, the returns on developed-market bonds are expected to be moderate and potentially negative in 2018. Even moderate interest rate increases will lead to negative returns.

## Jyske Invest Emerging Market Bonds CL

### Investment area and profile

Investment is primarily made directly and indirectly in bonds issued by countries that are in a period of transition from developing countries to industrial nations, mainly in the areas Latin America, Asia, Eastern Europe and Africa. The bonds involve a certain credit risk. Investment is made primarily in bonds issued by or guaranteed by states. Investment will primarily be made in bonds denominated in the US dollar. Investments may also be made in bonds denominated in local currencies in emerging markets. Generally, these investments will not be hedged to USD.

The fund's assets are mainly invested in listed bonds, i.e., bonds traded in a regulated market. The fund may invest up to 10% of its assets in non-listed bonds.

The fund may invest up to 10% of its assets in certificates in other associations, individual funds or investment institutions.

To adjust the fund's risk to a defined risk profile, the fund may use derivative financial instruments (derivatives).

### Fund profile

Type of fund	Certificate-issuing, cumulative
ISIN code	DK0016272446
Listed	No
Established	1 June 1992
Functional currency	The US dollar (USD)
Benchmark	JP Morgan Emerging Markets Bond Index (EMBI) Global Diversified, measured in USD
Risk indicator	4
Risk category	Amber

### Investment allocation

The fund's investment allocation appears from 'Asset allocation' in the fund's financial statements.

### Ratios

The fund's ratios appear from 'Key figures and ratios' in the fund's financial statements.

### Introduction

This fund review should be read in connection with the Annual Report's general text on investment markets, risk description and risk factors to get a satisfactory view of developments in the fund. The management's assessment of the fund's particular risks is stated below. For further information about the risks of investing in the fund, we refer to the relevant Prospectus, which is available at [jyskeinvest.com](http://jyskeinvest.com).

### Risk profile

Investors must be aware that investment in a Jyske Invest International fund will always imply issuer-specific, liquidity and counterparty risks as well as risks associated with the investment decisions and the operation of the association.

However, when investing in this specific fund, investors should be particularly aware of:

- Particular risks associated with bond funds

- Particular risks associated with emerging markets
- Foreign currency risk
- Exposure to more than one country

All the risks mentioned may affect the value of the investments and have been described in further detail in the section on 'Risk factors' in the Management's Review.

### Performance in 2017

For 2017, the fund generated a return of 9.74% after costs against a benchmark return of 10.26%. The market return was slightly above the expected considering the market conditions and risks which, in our opinion, existed at the beginning of 2017.

The external factors stabilised in 2017, which reduced the price fluctuations. US yields moved in the 2%-2,5% range with increases in the latter part of the fourth quarter. The low and stable interest rates combined with rising energy and metal prices supported emerging markets. Similarly, China's economic indicators

were stable. The pursuit of return lifted investments in the more risky countries. The inflow to the asset class came to USD 110bn in 2017, which is a new record. The gross issuance for countries was USD 175bn and net USD 83bn. Yields in emerging markets fell in step with the reduced fluctuations, but still offer an attractive yield pickup to developed-market bonds.

Despite a return on level with that of the benchmark, there are wide differences in the contribution to the performance. Overweight in Argentina and Mexico contributed significantly, while underweight in China and Lebanon detracted. Similarly, the selection of bonds in Venezuela and underweight in Panama and Angola detracted from the relative return.

The credit spread opened the year at 339bp (5.80% yield) and narrowed continuously to 286bp. We have not seen similarly low credit spreads since 2014.

Despite stable external factors, individual countries continue to catch the headlines, politically and economically. Venezuela is moving closer to a default. Interest payments have so far been made, but not timely. South Africa is dominated by political turbulence and a new ANC leader has just been narrowly elected. Corruption is assessed to be very high, and this brought down the incumbent President Zuma and his wing. The big question is whether the new leader and probably the next president can bring South Africa back on track. The odds are against him. In Turkey, the politicians interfere with the monetary policy, and with inflation above 11% this is a major challenge. Given low currency reserves and a high financing requirement, the risk premiums increased somewhat during 2017.

### **Particular risks - including business and financial risks**

Since the fund invests in emerging markets, the fund has a business risk related to developments in these markets.

The Annual Report's texts on 'Market outlook 2018' and 'Risk factors' give further information about the various types of risks and the association's general assessment of these risks.

### **Performance outlook 2018**

Generally, economic growth has performed well in emerging markets, and more currencies have over a period adjusted to the economic conditions. This is positive.

In the US, we expect the Fed to continue the string of interest rate hikes in 2018. The Fed expects to hike interest rates three times, and unless we see any major surprises to the upside, the US economy and monetary policy are not expected to derail the sentiment in emerging markets. However, the NAFTA negotiations may create uncertainty in Mexico and any initiatives relating to trade sanctions on the part of Trump are an uncertainty factor.

The direction and the level in the commodity markets are still very important for emerging markets. The stability of the Chinese economy in 2017 supported emerging markets, and this will also be a decisive factor for 2018. There is an ongoing transition in China towards a consumer-driven economy, which is positive for the long term.

Elections are on the agenda in many emerging-market countries in 2018. The presidential elections in Mexico and Brazil will attract the most attention. In Brazil, the former president Lula is doing well in the opinion polls. The political crisis in Brazil is estimated to have bottomed out, but the disillusionment with politicians is high and it is feared that a Lula comeback will poison the financial markets. Mexico is likewise seeing a shift towards populism, which is traditionally not to the liking of the financial markets. In addition, elections are on the agenda in Colombia, Russia, Hungary, Pakistan, Malaysia and Venezuela, which may also cause movements in the financial markets.

The central banks' purchase of bonds to maintain low interest rates and thereby create global growth is expected to be tapered to an extent which should not surprise the market, but surprises may create turbulence.

## Jyske Invest Emerging Market Bonds (EUR) CL

### Investment area and profile

Investment is primarily made directly and indirectly in bonds issued by countries that are in a period of transition from developing countries to industrial nations, mainly in the areas Latin America, Asia, Eastern Europe and Africa. The bonds involve a certain credit risk. Investment is made primarily in bonds issued by or guaranteed by states. Investment will primarily be made in bonds denominated in the US dollar, which will be hedged to EUR. Investments may also be made in bonds denominated in local currencies in emerging markets. Generally, these investments will not be hedged to EUR.

The fund's assets are mainly invested in listed bonds, i.e., bonds traded in a regulated market. The fund may invest up to 10% of its assets in non-listed bonds.

The fund may invest up to 10% of its assets in certificates in other associations, individual funds or investment institutions.

To adjust the fund's risk to a defined risk profile, the fund may use derivative financial instruments (derivatives).

Fund profile		Investment allocation
Type of fund	Certificate-issuing, cumulative	The fund's investment allocation appears from 'Asset allocation' in the fund's financial statements.
ISIN code	DK0016261910	
Listed	No	
Established	1 February 2000	
Functional currency	Euro (EUR)	<b>Ratios</b>
Benchmark	JP Morgan Emerging Markets Bond Index (EMBI) Global Diversified - EUR	The fund's ratios appear from 'Key figures and ratios' in the fund's financial statements.
Risk indicator	4	
Risk category	Amber	

### Introduction

This fund review should be read in connection with the Annual Report's general text on investment markets, risk description and risk factors to get a satisfactory view of developments in the fund. The management's assessment of the fund's particular risks is stated below. For further information about the risks of investing in the fund, we refer to the relevant Prospectus, which is available at [jyskeinvest.com](http://jyskeinvest.com).

### Risk profile

Investors must be aware that investment in a Jyske Invest International fund will always imply issuer-specific, liquidity and counterparty risks as well as risks associated with the investment decisions and the operation of the association.

However, when investing in this specific fund, investors should be particularly aware of:

- Particular risks associated with bond funds
- Particular risks associated with emerging markets

- Foreign currency risk
- Exposure to more than one country

All the risks mentioned may affect the value of the investments and have been described in further detail in the section on 'Risk factors' in the Management's Review.

### Performance in 2017

The fund generated a return of 8.06% after costs in 2017 against a benchmark return of 8.21%. The market return was slightly above the expected considering the market conditions and risks which, in our opinion, existed at the beginning of 2017.

The external factors stabilised in 2017, which reduced the price fluctuations. US yields moved in the 2%-2,5% range with increases in the latter part of the fourth quarter. The low and stable interest rates combined with rising energy and metal prices supported emerging markets. Similarly, China's economic indicators were stable. The pursuit of return lifted investments in the more risky countries. The inflow to the asset

class came to USD 110bn in 2017, which is a new record. The gross issuance for countries was USD 175bn and net USD 83bn. Yields in emerging markets fell in step with the reduced fluctuations, but still offer an attractive yield pickup to developed-market bonds.

Despite a return on level with that of the benchmark, there are wide differences in the contribution to the performance. Overweight in Argentina and Mexico contributed significantly, while underweight in China and Lebanon detracted. Similarly, the selection of bonds in Venezuela and underweight in Panama and Angola detracted from the relative return.

The credit spread opened the year at 339bp (5.80% yield) and narrowed continuously to 286bp. We have not seen similarly low credit spreads since 2014.

Despite stable external factors, individual countries continue to catch the headlines, politically and economically. Venezuela is moving closer to a default. Interest payments have so far been made, but not timely. South Africa is dominated by political turbulence and a new ANC leader has just been narrowly elected. Corruption is assessed to be very high, and this brought down the incumbent President Zuma and his wing. The big question is whether the new leader and probably the next president can bring South Africa back on track. The odds are against him. In Turkey, the politicians interfere with the monetary policy, and with inflation above 11% this is a major challenge. Given low currency reserves and a high financing requirement, the risk premiums increased somewhat during 2017.

### **Particular risks - including business and financial risks**

Since the fund invests in emerging markets, the fund has a business risk related to developments in these markets.

The Annual Report's texts on 'Market outlook 2018' and 'Risk factors' give further information about the various types of risks and the association's general assessment of these risks.

### **Performance outlook 2018**

Generally, economic growth has performed well in emerging markets, and more currencies have over a period adjusted to the economic conditions. This is positive.

In the US, we expect the Fed to continue the string of interest rate hikes in 2018. The Fed expects to hike interest rates three times, and unless we see any major surprises to the upside, the US economy and monetary policy are not expected to derail the sentiment in emerging markets. However, the NAFTA negotiations may create uncertainty in Mexico and any initiatives relating to trade sanctions on the part of Trump are an uncertainty factor.

The direction and the level in the commodity markets are still very important for emerging markets. The stability of the Chinese economy in 2017 supported emerging markets, and this will also be a decisive factor for 2018. There is an ongoing transition in China towards a consumer-driven economy, which is positive for the long term.

Elections are on the agenda in many emerging-market countries in 2018. The presidential elections in Mexico and Brazil will attract the most attention. In Brazil, the former president Lula is doing well in the opinion polls. The political crisis in Brazil is estimated to have bottomed out, but the disillusionment with politicians is high and it is feared that a Lula comeback will poison the financial markets. Mexico is likewise seeing a shift towards populism, which is traditionally not to the liking of the financial markets. In addition, elections are on the agenda in Colombia, Russia, Hungary, Pakistan, Malaysia and Venezuela, which may also cause movements in the financial markets.

The central banks' purchase of bonds to maintain low interest rates and thereby create global growth is expected to be tapered to an extent which should not surprise the market, but surprises may create turbulence.



## Jyske Invest Emerging Local Market Bonds CL

### Investment area and profile

The fund's assets are primarily invested directly and indirectly in bonds and money-market instruments denominated in currencies by countries that are in a period of transition from developing countries to industrial nations, mainly in the areas Latin America, Asia, Eastern Europe and Africa. Generally, local-currency investments will not be hedged. The bonds involve a certain credit risk. Investment is made primarily in bonds issued by or guaranteed by states. Assets may also be invested in instruments issued by other issuers, provided these instruments are denominated in local emerging-market currencies. Furthermore, assets may be invested in instruments denominated in currencies other than local currencies, provided the return on those instruments is related to the development in one or more local currencies or emerging-market bond yields. Part of the fund's assets may be placed on deposit with financial institutions.

The fund's assets are mainly invested in listed bonds, i.e., bonds traded in a regulated market. The fund may invest up to 10% of its assets in non-listed bonds.

The fund may invest up to 10% of its assets in certificates in other associations, individual funds or investment institutions.

To adjust the fund's risk to a defined risk profile, the fund may use derivative financial instruments (derivatives).

Fund profile		Investment allocation
Type of fund	Certificate-issuing, cumulative	The fund's investment allocation appears from 'Asset allocation' in the fund's financial statements.
ISIN code	DK0060009751	
Listed	No	
Established	13 June 2005	
Functional currency	Euro (EUR)	<b>Ratios</b> The fund's ratios appear from 'Key figures and ratios' in the fund's financial statements.
Benchmark	JP Morgan Government Bond Index – Emerging Markets Global Diversified Unhedged - EUR	
Risk indicator	5	
Risk category	Amber	

### Introduction

This fund review should be read in connection with the Annual Report's general text on investment markets, risk description and risk factors to get a satisfactory view of developments in the fund. The management's assessment of the fund's particular risks is stated below. For further information about the risks of investing in the fund, we refer to the relevant Prospectus, which is available at [jyskeinvest.com](http://jyskeinvest.com).

### Risk profile

Investors must be aware that investment in a Jyske Invest International fund will always imply issuer-specific, liquidity and counterparty risks as well as risks associated with the investment decisions and the operation of the association.

However, when investing in this specific fund, investors should be particularly aware of:

- Particular risks associated with bond funds
- Particular risks associated with emerging markets
- Foreign currency risk
- Exposure to more than one country

All the risks mentioned may affect the value of the investments and have been described in further detail in the section on 'Risk factors' in the Management's Review.

### Performance in 2017

The fund generated a return of 0.41% in 2017 against a benchmark return of 1.20%. The return is slightly lower than the expected considering the market conditions and risks which, in our opinion, existed at the beginning of 2017.

The fund invests in bonds issued in emerging markets denominated in the countries' own currencies. This gives investors duration exposure, FX exposure and credit exposure to 15-20 countries in the market universe.

Generally, market rates fell in most emerging-market countries in 2017, leading to capital gains on many of the portfolio's bonds. In addition, the coupon payments contributed to the return. On the other hand, the exchange rate developed negatively on the majority of the bond portfolio, contributing negatively to the absolute return. Despite the many capital gains on the bonds, the fund return only came to 0.41%.

In 2017, the dollar weakened by around 12% against the euro. 80% of the fund's FX exposure is towards currencies which to some or a high degree track the movements of the dollar. Accordingly, the dollar weakening contributed to a weakening of the emerging-market currencies against the euro (although the weakening of most currencies was lower than the dollar weakening against the euro).

#### **Particular risks - including business and financial risks**

Since the fund invests in emerging markets, the fund has a business risk related to developments in these markets.

The Annual Report's texts on 'Market outlook 2018' and 'Risk factors' give further information about the various types of risks and the association's general assessment of these risks.

#### **Performance outlook 2018**

We expect a moderately positive return for 2018. We believe that over time emerging-market currencies will perform relatively well since there are prospects that the growth rate in emerging markets will be higher than in the US and Europe. In addition, we expect that stable commodity prices will also support the currencies.

Inflation is under control in the majority of the countries in which the fund invests. Moreover, there is generally confidence in the central banks' work in

emerging markets. This forms the basis of falling market rates in the countries and thereby capital gains on the countries' bonds. The majority of the bond return is, however, expected to come from coupon interest.

There are expectations in the market of further rate hikes in the US. In addition, the ECB is expected to taper its purchases. In other words, a tighter monetary policy from the leading central banks is ahead.

Rising market rates in the US and Europe will, other things being equal, also lead to rising market rates in emerging markets. But as long as interest rates are not hiked fast and unexpectedly, we believe that emerging markets will perform relatively well compared with the developed markets. Accordingly, we see that over time interest rates will converge towards the developed markets. This is already about to happen in the Czech Republic, Hungary, Poland, Romania, Thailand, Malaysia and Chile where the 10-year local market rates are in the level 1.5% to 5.0%. Peru, Russia and Indonesia are heading in the same direction.

Part of the fund is still invested in countries with high market rates. Accordingly, the fund is invested in Turkey, Brazil, Nigeria and Argentina which all offer two-digit market rates. Interest rate convergence is of course further away in these countries, but with the right economic and structural reforms and a credible monetary policy, the market rates will also converge over time in these countries.

In 2018, there is a possibility that China will be included in JP Morgan's emerging markets' bond index. This will mean that the fund will have to allocate funds to Chinese renminbi bonds. Since the Chinese market rates are low (approx. 4% on a 10-year government bond), any investment in China will be a stabilising element in the portfolio. Any investment in China will, other things being equal, lead to a lower risk in the fund.

## Jyske Invest High Yield Corporate Bonds CL

### Investment area and profile

The fund's assets are primarily invested directly and indirectly in a portfolio of high-yield bonds issued by companies. The majority of the bonds will be rated below investment grade. The bonds involve a high credit risk. Generally, investments in currencies other than EUR will be hedged to EUR.

The fund assets are primarily invested in listed bonds and in the US market for high-yield bonds, also called the OTC Fixed Income market, regulated by the FINRA (Financial Industry Regulatory Authority), as well as in Rule 144 A issues with a right of exchange into papers which are registered with the SEC within twelve months pursuant to the Securities Act of 1933 and which are traded in the OTC Fixed Income market. The fund may invest up to 10% of its assets in non-listed bonds.

The fund may invest up to 10% of its assets in certificates in other associations, individual funds or investment institutions.

To adjust the fund's risk to a defined risk profile, the fund may use derivative financial instruments (derivatives).

### Fund profile

Type of fund	Certificate-issuing, cumulative
ISIN code	DK0016262728
Listed	No
Established	12 November 2001
Functional currency	Euro (EUR)
Benchmark	Benchmark measured in EUR: <ul style="list-style-type: none"><li>• 50% Merrill Lynch European Currency High Yield, BB-B Constrained Index</li><li>• 50% Merrill Lynch US High Yield, BB-B Constrained Index</li></ul>
Risk indicator	3
Risk category	Amber

### Investment allocation

The fund's investment allocation appears from 'Asset allocation' in the fund's financial statements.

### Ratios

The fund's ratios appear from 'Key figures and ratios' in the fund's financial statements.

### Introduction

This fund review should be read in connection with the Annual Report's general text on investment markets, risk description and risk factors to get a satisfactory view of developments in the fund. The management's assessment of the fund's particular risks is stated overleaf. For further information about the risks of investing in the fund, we refer to the relevant Prospectus, which is available at [jyskeinvest.com](http://jyskeinvest.com).

### Risk profile

Investors must be aware that investment in a Jyske Invest International fund will always imply issuer-specific, liquidity and counterparty risks as well as risks associated with the investment decisions and the operation of the association.

However, when investing in this specific fund, investors should be particularly aware of:

- Particular risks associated with bond funds
- Particular risks associated with emerging markets
- Exposure to more than one country

All the risks mentioned may affect the value of the investments and have been described in further detail in the section on 'Risk factors' in the Management's Review.

### Performance in 2017

The fund generated a return of 6.18% in 2017 against a benchmark return of 5.71%, i.e., 0.47 percentage point above the benchmark. The market return was on level with expectations considering the market conditions and risks which, in our opinion, existed at the beginning of 2017.

Except for the uncertainty leading up to the French presidential election and the general turbulence relating to President Trump, 2017 was dominated by very small fluctuations in the corporate bond market. Especially banks and insurance companies benefited from the stability in the financial markets, and bonds from these issuers generally had the highest returns throughout the year. By contrast, most companies in the retail sector had a difficult year with increasing pressure from online retailers.

The relative return of the portfolio is mainly driven by paper selection, especially within Banks, Health Care and Insurance. In the banking sector especially the positions in CoCo bonds issued by the largest banks contributed positively. The paper selection in the Media sector contributed negatively to the return.

The portfolio underweight in Basic Industry contributed negatively to the relative return. Most mining companies performed well throughout the year when commodity prices were generally on the rise.

#### **Particular risks - including business and financial risks**

Since the fund invests in the international markets, the fund has a business risk related to developments in these markets.

The Annual Report's texts on 'Market outlook 2018' and 'Risk factors' give further information about the various types of risks and the association's general assessment of these risks.

#### **Performance outlook 2018**

We expect a moderately positive return for 2018. The return will primarily be in the form of coupon interest and less so from capital gains. Higher yield increases may lead to a negative return.

Rising global economic growth has generally resulted in higher earnings for most businesses and thereby a lower likelihood of default since a minor share of corporate earnings will now be going towards interest payments. Other things being equal, this development will be supported by falling corporate taxation, especially in the US.

We expect the ECB's purchases of corporate bonds to be reduced during 2018. Everything considered, continued strong global economic growth will prompt the central banks to pursue a stronger monetary policy, which may cause credit spreads to widen. We expect that the positive effects of better corporate earnings will be higher than the effects of a tighter monetary policy, meaning that the return on corporate bonds will be moderately positive. If government bond yields rise more than expected, it may have a negative spillover effect on corporate bonds, which would in that case have a negative return. Although this return would be higher than the return on government bonds.

We expect a wider variation in the underlying credit quality, meaning that some companies will see higher leverage because of an increase in debt and/or falling earnings, which may ultimately result in more defaults. However, some companies will still have stable to slightly increasing credit quality, so the company analysis will be of great importance for creating additional value in the portfolio.

## Jyske Invest High Grade Corporate Bonds CL

### Investment area and profile

Jyske Invest High Grade Corporate Bonds CL's assets are primarily invested in a portfolio of bonds issued by companies. The fund's assets are mainly invested in bonds which are denominated in EUR and have an investment grade rating. The bonds involve a certain credit risk.

The fund assets are primarily invested in listed bonds and in the US market for high-yield bonds, also called the OTC Fixed Income market, regulated by the FINRA (Financial Industry Regulatory Authority), as well as in Rule 144 A issues with a right of exchange into papers which are registered with the SEC within twelve months pursuant to the Securities Act of 1933 and which are traded in the OTC Fixed Income market. The fund may invest up to 10% of its assets in non-listed bonds.

The fund may invest up to 10% of its assets in certificates in other associations, individual funds or investment institutions.

To adjust the fund's risk to a defined risk profile, the fund may use derivative financial instruments (derivatives).

Fund profile		Investment allocation
Type of fund	Certificate-issuing, cumulative	The fund's investment allocation appears from 'Asset allocation' in the fund's financial statements.
ISIN code	DK0060194207	
Listed	No	
Established	23 October 2009	
Functional currency	Euro (EUR)	<b>Ratios</b>
Benchmark	BofA Merrill Lynch Euro Corporate index, measured in EUR	The fund's ratios appear from 'Key figures and ratios' in the fund's financial statements.
Risk indicator	3	
Risk category	Amber	

### Introduction

This fund review should be read in connection with the Annual Report's general text on investment markets, risk description and risk factors to get a satisfactory view of developments in the fund. The management's assessment of the fund's particular risks is stated below. For further information about the risks of investing in the fund, we refer to the relevant Prospectus, which is available at [jyskeinvest.com](http://jyskeinvest.com).

### Risk profile

Investors must be aware that investment in a Jyske Invest International fund will always imply issuer-specific, liquidity and counterparty risks as well as risks associated with the investment decisions and the operation of the association.

However, when investing in this specific fund, investors should be particularly aware of:

- Particular risks associated with bond funds
- Particular risks associated with emerging markets

- Foreign currency risk
- Exposure to more than one country

All the risks mentioned may affect the value of the investments and have been described in further detail in the section on 'Risk factors' in the Management's Review.

### Performance in 2017

The fund generated a return of 3.64% in 2017 against a benchmark return of 2.42%, i.e., 1.22 percentage points above the benchmark. The market return is vaguely better than expected considering the market conditions and risks which, in our opinion, existed at the beginning of 2017.

Except for the uncertainty leading up to the French presidential election and the general turbulence relating to President Trump, 2017 was dominated by very small fluctuations in the corporate bond market. Especially banks and insurance companies benefited from the stability in the financial markets, and bonds from these issuers generally had the highest returns

throughout the year. By contrast, most companies in the retail sector had a difficult year with increasing pressure from online retailers.

The relative return of the portfolio is due to different factors. In terms of sectors, the overweight in Insurance and Health Care contributed positively. The paper selection also contributed positively to the relative return, especially within banks and utility companies. Generally, the portfolio's positions in subordinate bonds contributed to the relative return.

The portfolio underweight in Basic Industry contributed negatively to the relative return. Most mining companies performed well throughout the year when commodity prices were generally on the rise.

### **Particular risks - including business and financial risks**

Since the fund invests in the international markets, the fund has a business risk related to developments in these markets.

Financials are the fund's largest investment area in terms of sectors. Developments in this sector may significantly influence investors' future returns.

The Annual Report's texts on 'Market outlook 2018' and 'Risk factors' give further information about the various types of risks and the association's general assessment of these risks.

### **Performance outlook 2018**

We expect a moderately positive return for 2018. The return will primarily be in the form of coupon interest and less so from capital gains. Higher yield increases may lead to a negative return.

Rising global economic growth has generally resulted in higher earnings for most businesses and thereby a lower likelihood of default since a minor share of corporate earnings will now be going towards interest payments. Other things being equal, this development will be supported by falling corporate taxation, especially in the US.

We expect the ECB's purchases of corporate bonds to be reduced during 2018. Everything considered, continued strong global economic growth will prompt the central banks to pursue a stronger monetary policy, which may cause credit spreads to widen. We expect that the positive effects of better corporate earnings will be higher than the effects of a tighter monetary policy, meaning that the return on corporate bonds will be moderately positive. If government bond yields rise more than expected, it may have a negative spillover effect on corporate bonds, which would in that case have a negative return. Although this return would be higher than the return on government bonds.

We expect a wider variation in the underlying credit quality, meaning that some companies will see higher leverage because of an increase in debt and/or falling earnings, which may ultimately result in more defaults. However, some companies will still have stable to slightly increasing credit quality, so the company analysis will be of great importance for creating additional value in the portfolio.

## Jyske Invest Danish Equities CL

### Investment area and profile

The fund invests primarily directly and indirectly in equities issued by companies which are based in Denmark or which pursue more than 50% of their activities (by revenue or production) in Denmark, or which are included in the fund's benchmark. The companies are from various sectors.

The fund's assets are mainly invested in listed equities, i.e., equities traded in a regulated market. The fund may invest up to 10% of its assets in non-listed equities.

The fund may invest up to 10% of its assets in certificates in other associations, individual funds or investment institutions.

To adjust the fund's risk to a defined risk profile, the fund may use derivative financial instruments (derivatives).

### Fund profile

Type of fund	Certificate-issuing, cumulative
ISIN code	DK0016260789
Listed	No
Established	1 June 1997
Functional currency	The Danish krone (DKK)
Benchmark	OMX Copenhagen Cap GI Index, net dividends included
Risk indicator	5
Risk category	Amber

### Investment allocation

The fund's investment allocation appears from 'Asset allocation' in the fund's financial statements.

### Ratios

The fund's ratios appear from 'Key figures and ratios' in the fund's financial statements.

### Introduction

This fund review should be read in connection with the Annual Report's general text on investment markets, risk description and risk factors to get a satisfactory view of developments in the fund. The management's assessment of the fund's particular risks is stated below. For further information about the risks of investing in the fund, we refer to the relevant Prospectus, which is available at [jyskeinvest.com](http://jyskeinvest.com).

### Risk profile

Investors must be aware that investment in a Jyske Invest International fund will always imply issuer-specific, liquidity and counterparty risks as well as risks associated with the investment decisions and the operation of the association.

However, when investing in this specific fund, investors should be particularly aware of:

- Particular risks associated with equity funds
- Exposure to a single country

All the risks mentioned may affect the value of the investments and have been described in further detail

in the section on 'Risk factors' in the Management's Review.

### Performance in 2017

The fund generated a return of 11.60% in 2017 against a benchmark return of 16.82%. The return is better than expected considering the market conditions and risks which, in our opinion, existed at the beginning of 2017. The fund was outperformed by its benchmark due in particular to our investments in Bavarian Nordic, Pandora and Genmab.

It was a year with wide price fluctuations in the Danish market. The first half of the year was dominated by general increases in the market, while it was more of a consolidation in the second half.

The star performer was DSV, gaining more than 56% in the wake of a successful integration of UTI Worldwide and solid demand after global growth is again showing strength. Another contributor was the hearing aid producer GN Store Nord, which gained 37% in 2017.

On the negative side we had headwinds from Pandora, which fell almost 27%. The share has been besieged by short sellers that have been sceptical about sales in the US. Another share detracting the overall performance was Bavarian Nordic, which performed really well until September when its prostate-cancer vaccine Prostavac disappointed in phase 3 trials. The share plunged and closed the year 12% down.

### **Statement of active management**

Jyske Invest Danish Equities CL ended 2017 with an active share of 35.00% and a tracking error calculated over the last three years of 2.32%. The fund has a narrow benchmark where few major companies make up a relatively large share of the benchmark, and therefore the legislative framework reduces the possibilities of deviating from the benchmark. Moreover, the Danish market is characterised by low liquidity and limited analyst coverage of the minor companies outside of the benchmark. We have therefore found it in the interests of the investors to restrict the share of this segment.

### **Particular risks - including business and financial risks**

Since the fund invests in the Danish market, the fund has a business risk related to developments in this market.

The fund focuses on a few, heavyweight equities compared to investment in a broad global equity fund, for instance. This means that the company-specific dependence is high and the performance of individual shares will greatly impact the total return.

The Annual Report's texts on 'Market outlook 2018' and 'Risk factors' give further information about the various types of risks and the association's general assessment of these risks.

### **Performance outlook 2018**

We expect a positive return on the Danish equity market in 2018, but with more turbulence than in the past year. Both national and international politics are potential sources of uncertainty, and this may impact the outlook for investors. The same is the case for the growth and inflation outlook, and the world's leading central banks therefore have an important role. Add to this the valuation, which makes great demands on the businesses' ability to show progress. Price increases from here must be more earnings driven than up to now.

Here at the beginning of the year the prospects for earnings growth in 2018 appear rather good. The fundamental health of the companies in the portfolio is good, and generally growth looks set to match the 2017 level at least. Part of growth from the companies with international exposure will be diluted by the current low value of the dollar.

Following a number of years with considerable positive returns on Danish equities, the expectations of the 2018 equity return should be more moderate despite the prospects of continued earnings growth for the market in general.



## Jyske Invest German Equities CL

### Investment area and profile

The fund invests primarily directly and indirectly in equities issued by companies which are based in Germany or which pursue more than 50% of their activities (by revenue or production) in Germany, or which are included in the fund's benchmark. The companies are from various sectors.

The fund's assets are mainly invested in listed equities, i.e., equities traded in a regulated market. The fund may invest up to 10% of its assets in non-listed equities.

The fund may invest up to 10% of its assets in certificates in other associations, individual funds or investment institutions.

To adjust the fund's risk to a defined risk profile, the fund may use derivative financial instruments (derivatives).

### Fund profile

Type of fund	Certificate-issuing, cumulative
ISIN code	DK0016260433
Listed	No
Established	1 February 1997
Functional currency	Euro (EUR)
Benchmark	MSCI Germany 10/40, net dividends included
Risk indicator	6
Risk category	Amber

### Investment allocation

The fund's investment allocation appears from 'Asset allocation' in the fund's financial statements.

### Ratios

The fund's ratios appear from 'Key figures and ratios' in the fund's financial statements.

### Introduction

This fund review should be read in connection with the Annual Report's general text on investment markets, risk description and risk factors to get a satisfactory view of developments in the fund. The management's assessment of the fund's particular risks is stated below. For further information about the risks of investing in the fund, we refer to the relevant Prospectus, which is available at [jyskeinvest.com](http://jyskeinvest.com).

### Risk profile

Investors must be aware that investment in a Jyske Invest International fund will always imply issuer-specific, liquidity and counterparty risks as well as risks associated with the investment decisions and the operation of the association.

However, when investing in this specific fund, investors should be particularly aware of:

- Particular risks associated with equity funds
- Exposure to a single country

All the risks mentioned may affect the value of the investments and have been described in further detail

in the section on 'Risk factors' in the Management's Review.

### Performance in 2017

The fund yielded a return of 16.17% in 2017, outperforming the benchmark at 12.36%. The return is better than expected considering the market conditions and risks which, in our opinion, existed at the beginning of 2017. Especially the selection of shares within Industrials and Information Technology contributed to the fund outperforming the market.

In the first half of the year the German equity market ran more or less parallel with the leading global equity markets with decent price increases. However, at the end of the first half of the year this pattern changed. The reason was a speech by Mario Draghi, president of the ECB, who indicated that the European Central Bank (ECB) in step with the consolidation of the economic growth picture would tighten the very accommodative monetary policy. The speech prompted European rates to rise, and especially in the FX market the speech resulted in a continuous strengthening of the euro throughout the rest of the year. The prospects of an imminent tightening of the monetary policy and the euro strengthening put a lid

on German equities in the second half of the year, while non-European equity markets continued to skyrocket.

On the political scene, focus was on the election to the Bundestag in September 2017. The election was a success for the protest parties and a slap in the face for the established parties, the CDU/CSU and the SPD. Yet, the slap was not more serious than the established parties could still muster a majority in the parliament, but the government negotiations have been obstructed to such an extent that they are not yet completed.

Jyske Invest German Equities CL delivered a return above that of the German equity market in 2017. Especially the selection of shares within Industrials, Information Technology, Consumer Discretionary, and Financial Services contributed to the return. Within Industrials, the best contributor was the automotive parts supplier and weapons maker Rheinmetall, which gained 69%. Also Deutsche Lufthansa was a significant contributor, gaining 158%. Within Information Technology, the payment service provider Wirecard contributed at a return of 128%. Among financials, an underweight of the leading shares Munich RE and Deutsche contributed to the relative return since both shares were outperformed by the market. Within Consumer Discretionary, an overweight of the tyre producer Continental contributed to the relative return since the share gained 25%.

### **Statement of active management**

Jyske Invest German Equities CL ended 2017 with an active share of 32% and a tracking error calculated over the last three years of 1.49%. The fund has a narrow benchmark where few major companies make up a relatively large share of the benchmark, and therefore the legislative framework reduces the possibilities of deviating from the benchmark. Moreover, the German market is characterised by low liquidity and inferior analyst coverage of the minor companies outside of the benchmark, restricting the investment opportunities.

### **Particular risks - including business and financial risks**

Since the fund invests in the German market, the fund has a business risk related to developments in this market.

The fund focuses on a few, heavyweight equities compared to investment in a broad global equity fund, for

instance. This means that the company-specific dependence is high and the performance of individual shares will greatly impact the total return.

The Annual Report's texts on 'Market outlook 2018' and 'Risk factors' give further information about the various types of risks and the association's general assessment of these risks.

### **Performance outlook 2018**

We expect an eventful 2018 in the German equity market. Both national and international politics may affect the market developments. Nationally, the current government negotiations constitute an uncertainty factor for the market. The probability of a coalition agreement between the CDU/CSU and the SPD is rising again. Such a government would mean stability, but the government would likely be incapable of passing reforms. Internationally, Germany will especially be affected by the development of the European relations. Here the parliamentary election in Italy this spring is a risk factor as a gain of the North Italian independence parties may create uncertainty about the Italian national state, just as a likely unclear election result will halt the reforms of the Italian labour market.

Despite the political challenges, the German economy, in line with the European economy, expanded throughout 2017 and is in a relatively strong position at the threshold of 2018. There are prospects of continued solid GDP growth, low interest rates, low unemployment and low inflation. The strengthening of the euro throughout 2017 will potentially put a damper on earnings growth of the export-oriented companies. On the other hand, we expect that investment and consumption growth will provide stability to the German economy, just as the prospect that more EU countries will supplement Germany as growth engines and provide stability to the German economy.

The greatest uncertainty is related to the direction of the future monetary policy. A faster than expected tapering of the highly stimulating monetary policy pursued by the European Central Bank may result in price declines on the equity markets.

The current valuations in the German and the other European equity markets may per se be a source of wide price fluctuations. As the valuation of the equity markets is generally higher now than in a long time, investors are more easily worried if the financial or

political climate does not develop as desired. We therefore expect that we are facing another year with wide fluctuations in step with the newsflow. However, we believe that many risks have already been discounted in investors' expectations. At the same time,

it is important to determine the valuation of equities against the historically low and potentially rising interest-rate level. We therefore expect a positive return from the European equity market in 2018, but with some turbulence along the way.

## Jyske Invest US Equities CL

### Investment area and profile

The fund invests primarily directly and indirectly in equities issued by companies which are based in the US or which pursue more than 50% of their activities (by revenue or production) in the US, or which are included in the fund's benchmark. The companies are from various sectors.

The fund's assets are mainly invested in listed equities, i.e., equities traded in a regulated market. The fund may invest up to 10% of its assets in non-listed equities.

The fund may invest up to 10% of its assets in certificates in other associations, individual funds or investment institutions.

To adjust the fund's risk to a defined risk profile, the fund may use derivative financial instruments (derivatives).

Fund profile		Investment allocation
Type of fund	Certificate-issuing, cumulative	The fund's investment allocation appears from 'Asset allocation' in the fund's financial statements.
ISIN code	DK0016261167	
Listed	No	
Established	1 March 1999	<b>Ratios</b> The fund's ratios appear from 'Key figures and ratios' in the fund's financial statements.
Functional currency	The US dollar (USD)	
Benchmark	MSCI USA Index, net dividends included	
Risk indicator	5	
Risk category	Amber	

### Introduction

This fund review should be read in connection with the Annual Report's general text on investment markets, risk description and risk factors to get a satisfactory view of developments in the fund. The management's assessment of the fund's particular risks is stated below. For further information about the risks of investing in the fund, we refer to the relevant Prospectus, which is available at [jyskeinvest.com](http://jyskeinvest.com).

### Risk profile

Investors must be aware that investment in a Jyske Invest International fund will always imply issuer-specific, liquidity and counterparty risks as well as risks associated with the investment decisions and the operation of the association.

However, when investing in this specific fund, investors should be particularly aware of:

- Particular risks associated with equity funds
- Exposure to a single country

All the risks mentioned may affect the value of the investments and have been described in further detail in the section on 'Risk factors' in the Management's Review.

### Performance in 2017

The fund generated a return of 22.15% in 2017 against a benchmark return of 21.19%. The return is above expectations considering the market conditions and risks which, in our opinion, existed at the beginning of 2017. The relative return in the fund was created on the background of a positive contribution from the selection of shares and our momentum overweight.

2017 was a very strong equity year with high returns and few fluctuations. A global recovery in sync, interest rates and inflation remaining low, a solid labour market and the prospect of fiscal easing measures have kept up the optimism among consumers, businesses and investors. 2017 marked the ninth consecutive year with positive returns in the US equity market. The current recovery cycle, which began in March 2009, is the longest but one recovery cycle.

In addition to a very strong return, 2017 was dominated by a remarkably solid uptrend. This resulted in price increases in eleven out of twelve months. The VIX index, which measures the volatility/fluctuations in the equity market, was below 10 in 52 days in 2017. This only happened nine times in the period 1990-2016. There was plenty to be concerned about

during the year: geopolitical tensions in the wake of North Korea's missile launch, fear of a hard Brexit, jittery markets in connection with elections in different European countries, prolonged turmoil in the Trump administration and a possible impeachment case against the president due to accusations of attempts to obstruct an FBI investigation of alleged Russian involvement in the US presidential election in 2016.

Returns across the eleven MSCI sectors varied greatly in 2017. The best-performing sector of the year was unequalled Information Technology. The sector gained almost 40% and thereby almost twice as much as the US market in general. The second best sector Materials gained 25%, while Telecommunications Services and Energy at the bottom both shed 1%. The progress in Information Technology was especially driven by internet-related software companies (Facebook +53%; Google +33%) where, e.g., higher advertising revenue propelled significant earnings growth. Companies like Applied Materials (+60%) and On Semiconductor (+64%) were also among the year's star performers thanks to higher demand for semiconductor chips for, e.g., data analysis and car security systems. Applied Materials, Facebook and On Semiconductor were all in the top 10 of the most increasing shares in the fund in 2017.

The year's largest company contribution came from NRG (+66%). NRG is one of the largest independent utility companies in the US. The share gained on a plan to simplify the corporate structure and highlight the values in the company. The plan, which was initiated by the activist investor Elliott, comprises considerable cost savings, divestment of non-value-adding assets and reduction of the company's high debts.

### **Particular risks - including business and financial risks**

Since the fund invests in the US market, the fund has a business risk related to developments in this market.

The Annual Report's texts on 'Market outlook 2018' and 'Risk factors' give further information about the various types of risks and the association's general assessment of these risks.

### **Performance outlook 2018**

We expect a positive return on the US equity market in 2018, but with more turbulence than in the past year. Both national and international politics are potential sources of uncertainty, and this may impact the outlook for investors. The same is the case for the growth and inflation outlook, and the world's leading central banks therefore have an important role. Add to this a rising valuation of equities, which makes great demands on the businesses' ability to show sustained progress.

We expect to see the US economy expand by approx. 2% in 2018 - the same level as in 2017. Trump's tax reform, infrastructure investments, rising defence spending and deregulation will provide stimuli to both private consumption and US businesses. This will primarily take place via stronger growth, but also via higher post-tax profits and lower administrative burdens.

We expect that news about US politics will be of great interest for equity investors. We are particularly interested in the implementation of the adopted tax cuts, just as a new central bank chief must find his role. The tax reform is widely a fiscal-policy experiment where an already booming economy and a tight labour market add fuel to the fire. In view of the wide political uncertainty, the Federal Reserve's handling of growth, inflation and pressure on the labour market will be correspondingly important.

The current valuation of US equities may similarly become a source of turbulence in periods throughout 2018. US equities have higher valuations than we have seen for a long time because investors have already to some degree anticipated the gains from the fiscal easing measures and the growth-oriented policy. Investors will therefore more easily be worried if the economic or political climate does not develop as desired, just as we expect wide fluctuations during the earnings seasons. The currently high valuation leaves no room for disappointments. However, it is important to proportion the valuation of equities to the historically low and potentially rising interest-rate level - and at the same time note that both economies and businesses are generally in fine shape.

## Jyske Invest Chinese Equities CL

### Investment area and profile

The fund invests primarily directly and indirectly in equities issued by companies which are based in China or which pursue more than 50% of their activities (by revenue or production) in China, incl. Hong Kong or which are included in the fund's benchmark. The companies are from various sectors.

The fund's assets are mainly invested in listed equities, i.e., equities traded in a regulated market. The fund may invest up to 10% of its assets in non-listed equities.

The fund may invest up to 10% of its assets in certificates in other associations, individual funds or investment institutions.

To adjust the fund's risk to a defined risk profile, the fund may use derivative financial instruments (derivatives).

### Fund profile

Type of fund	Certificate-issuing, cumulative
ISIN code	DK0016262801
Listed	No
Established	3 January 2003
Functional currency	The US dollar (USD)
Benchmark	MSCI China 10/40 Index, net dividends included
Risk indicator	6
Risk category	Amber

### Investment allocation

The fund's investment allocation appears from 'Asset allocation' in the fund's financial statements.

### Ratios

The fund's ratios appear from 'Key figures and ratios' in the fund's financial statements.

### Introduction

This fund review should be read in connection with the Annual Report's general text on investment markets, risk description and risk factors to get a satisfactory view of developments in the fund. The management's assessment of the fund's particular risks is stated below. For further information about the risks of investing in the fund, we refer to the relevant Prospectus, which is available at [jyskeinvest.com](http://jyskeinvest.com).

### Risk profile

Investors must be aware that investment in a Jyske Invest International fund will always imply issuer-specific, liquidity and counterparty risks as well as risks associated with the investment decisions and the operation of the association.

However, when investing in this specific fund, investors should be particularly aware of:

- Particular risks associated with equity funds
- Particular risks associated with emerging markets
- Foreign currency risk
- Exposure to a single country

All the risks mentioned may affect the value of the investments and have been described in further detail in the section on 'Risk factors' in the Management's Review.

### Performance in 2017

The fund generated a return of 45.38% in 2017 against a benchmark return of 49.33%. The return was above expectations considering the market conditions and risks which, in our opinion, existed at the beginning of 2017. The return was lower than the market due to our selection of shares within Information Technology, Telecommunication Services and Real Estate.

2017 was a good year for Chinese equities, and the equity market rose steadily throughout the year.

The macro-economic concerns and risks on which investors focused in previous years were thrust into the background in 2017. Continued high growth and low inflation driven by a solid housing market, rising con-

sumption and rising export growth due to a global recovery in sync revived investor optimism with respect to developments in China.

The transition towards a consumer-driven economy continued with undisturbed strength in 2017. Double 11 (11/11), China's large shopping day, set another record with surging sales and clearly exceeded the large shopping days in the US like Black Friday and Cyber Monday. It is this transition towards a consumer-driven economy which China's internet giants - Alibaba, Tencent and Beidu - benefit from.

The reforms in the commodity sector gathered momentum in 2017 and reduced the excess capacity within the coal, steel and aluminium sector, etc. In addition, tough environmental requirements particularly in Northern China put a damper on the energy-intensive production. Both factors contributed to lifting earnings significantly in the affected sectors during 2017. Since they are also among the most indebted sectors in the Chinese economy, it reduced the fear of a collapse in the Chinese banking sector. It has therefore been possible for the regulators to tighten the grip on the uncontrolled lending in the financial system without reducing economic growth significantly.

Last but not least the Chinese own appetite for Chinese equities listed in Hong Kong (where we buy our Chinese shares) was high in 2017, which also contributed to lifting Chinese H-shares.

### **Particular risks - including business and financial risks**

Since the fund invests in the Chinese market, the fund has a business risk related to developments in this market.

Financials are the fund's largest investment area in terms of sectors. Developments in this sector may significantly influence investors' future returns.

The fund focuses on a few, heavyweight equities compared to investment in a broad global equity fund, for instance. This means that the company-specific dependence is high and the performance of individual shares will greatly impact the total return.

The Annual Report's texts on 'Market outlook 2018' and 'Risk factors' give further information about the various types of risks and the association's general assessment of these risks.

### **Performance outlook 2018**

The year 2018 looks set to be yet another interesting year for Chinese equities and we expect another year with positive returns. The economic and political course was set in the autumn 2017 when the Communist Party of China (CPC) held its 19th party congress. Here the new leadership for the next 5-year period was elected. This was a further consolidation of Secretary General Xi Jinping's power within CPC.

This promises well for the stability in China and the continuity of the economic development. But at the same time it reflects that the period of collective leadership at the top of the CPC is a thing of the past. Nor are there any prospects of political reforms that will reduce the CPC's political power – on the contrary.

But there are prospects of continued economic reforms where growth will perhaps cool a tad, but the quality of growth will increase due to lower growth in indebtedness and tighter environmental requirements for businesses. The capacity in the commodity sector will remain limited, and the tender reforms may perhaps spread to other sectors. The tightening against the financial sector will continue as long as economic growth is not hurt significantly.

And this is China's major dilemma in the coming years. The high rate of growth in lending needs to be reined in because it increases the already high indebtedness in the economy. But if the regulators tighten too much, it may hurt economic growth. The regulators are aware of the delicate balancing act and have so far handled the situation well, but there is no room for any major missteps.

With respect to external factors, the developments in US politics and the US economy will be decisive. President Donald Trump's tax reform will be of great interest, just like a new US Federal Reserve chief must find his role. The tax reform comes at a time when the US economy is already booming and the labour market is very tight. Therefore, it will be of vital importance how the Federal Reserve addresses growth and inflation. Similarly, the situation relating to North Korea and the international community's handling of the issue is an unknown factor, which may create uncertainty in the financial markets in 2018.

2018 will also be the year when MSCI for the first time includes Chinese A-shares (mainly shares reserved for Chinese investors internally in China) in its broad Chinese index. In this way, foreign investors

will have much easier access to buying locally listed shares than what they have had so far. At the same time, it will most likely be the start of a lengthy and gradual process where Chinese A-shares will make up an increasingly large share of the broad China index.

The valuation of Chinese equities rose during 2017 and is above the long-term average. They are now

trading at a higher level than emerging-market equities, but significantly below global equities. We do not expect further re-rating of Chinese equities in 2018, but nor are we concerned about the current price level. The prospects for both the Chinese economy and the global economy appear reasonable.



## Jyske Invest Indian Equities CL

### Investment area and profile

The fund invests primarily directly and indirectly in equities issued by companies which are based in India or which pursue more than 50% of their activities (by revenue or production) in India, or which are included in the fund's benchmark. The companies are from various sectors.

The fund's assets are mainly invested in listed equities, i.e., equities traded in a regulated market. The fund may invest up to 10% of its assets in non-listed equities.

The fund may invest up to 10% of its assets in certificates in other associations, individual funds or investment institutions.

To adjust the fund's risk to a defined risk profile, the fund may use derivative financial instruments (derivatives).

### Fund profile

Type of fund	Certificate-issuing, cumulative
ISIN code	DK0016270820
Listed	No
Established	12 December 2003
Functional currency	The US dollar (USD)
Benchmark	MSCI India 10/40 Index, net dividends included
Risk indicator	6
Risk category	Amber

### Investment allocation

The fund's investment allocation appears from 'Asset allocation' in the fund's financial statements.

### Ratios

The fund's ratios appear from 'Key figures and ratios' in the fund's financial statements.

### Introduction

This fund review should be read in connection with the Annual Report's general text on investment markets, risk description and risk factors to get a satisfactory view of developments in the fund. The management's assessment of the fund's particular risks is stated below. For further information about the risks of investing in the fund, we refer to the relevant Prospectus, which is available at [jyskeinvest.com](http://jyskeinvest.com).

### Risk profile

Investors must be aware that investment in a Jyske Invest International fund will always imply issuer-specific, liquidity and counterparty risks as well as risks associated with the investment decisions and the operation of the association.

However, when investing in this specific fund, investors should be particularly aware of:

- Particular risks associated with equity funds
- Particular risks associated with emerging markets
- Foreign currency risk
- Exposure to a single country

All the risks mentioned may affect the value of the investments and have been described in further detail in the section on 'Risk factors' in the Management's Review.

### Performance in 2017

The fund generated a return of 41.98% for 2017, which was higher than the benchmark return of 38.76%. The return is better than expected considering the market conditions and risks which, in our opinion, existed at the beginning of 2017. The fund outperformed its benchmark chiefly thanks to its selection of shares within the sectors Financial Services, Information Technology and Health Care.

2017 was an interesting year and with an equity market at full speed. Various events dominated the year.

The beginning of 2017 was especially impacted by the surprise initiative from Prime Minister Modi in late 2016. Modi banned two rupee notes, corresponding to 86% of the currency in circulation, and since the Indians typically pay with cash, it had major consequences in 2017. This affected especially sales within

Consumer Discretionary where specific product categories saw declines of up to 50%. In the first half of 2017 the money supply normalised and consumption returned. One of the explanations behind the high return in 2017 can also be found in the cancellation of the rupee notes. Throughout the year there was significant investment into investment products targeting the equity market, and the cancellation of the rupee notes and subsequently focus on getting money into the formal system via different tax relief measures have been contributing factors.

2017 was also the year when the long-awaited VAT reform was implemented with effect from 1 July. The reform harmonised the VAT rates across the country to the effect that all the states apply the same rates and India becomes a common market. The intention of the VAT reform was also to reduce the informal economy. Under the new scheme, everyone must register their products electronically - both in the different production stages and when goods are transported. This has proven to be a challenge since a large share of the Indian economy is informal, and this group has not earlier made any registration. One of the expected gains of the reforms has already materialised. The haul cycle time for transportation of goods has fallen significantly as trucks cross the borders of the different states much faster.

The government-owned banks have for a long period been challenged over the quality of their loan portfolio and have needed extra capital. Therefore the government announced a capital injection in the government-owned banks late in the year. The government now hopes that the banks will again offer loans to private businesses. The intention is to lift investments and thereby Indian growth.

### **Particular risks - including business and financial risks**

Since the fund invests in the Indian market, the fund has a business risk related to developments in this market.

The fund focuses on a few, heavyweight equities compared to investment in a broad global equity fund, for

instance. This means that the company-specific dependence is high and the performance of individual shares will greatly impact the total return.

The Annual Report's texts on 'Market outlook 2018' and 'Risk factors' give further information about the various types of risks and the association's general assessment of these risks.

### **Performance outlook 2018**

The political agenda will impact 2018 greatly, which has also been the case in the last few years. A prime minister must be elected again in 2019. Indications are that the incumbent Prime Minister Modi will be re-elected. To consolidate and strengthen his position, populist initiatives will be implemented throughout 2018. State elections across India showed growing support for the prime minister's party, for instance in the most densely populated state Uttar Pradesh. Late in the year, state elections were held in Gujarat (Modi was chief minister in this state before being elected prime minister), which also showed continued support for Modi. However, the result also showed that he lost support in rural areas. This means that Prime Minister Modi can be expected to introduce further initiatives targeting the rural areas to get higher support from this group. However, this may be a challenge for the government budget, which is already under pressure.

There are still good opportunities of a reasonable return in 2018 if the government succeeds in boosting the economy in earnest. If the effects of the VAT hike and the capitalisation of the government-owned banks unfold, it will have a positive effect on the Indian economy. However, it is important to bear in mind the valuation of the Indian market. The equity market is trading with a premium to its own track-record as well as to emerging equity markets in general. However, there are high expectations of corporate earnings growth in 2018, which may justify the valuation. The Indian market is increasingly driven by internal rather than external factors, which means that the development in the Indian market is to some degree independent of the global equity market.

## Jyske Invest Global Equities CL

### Investment area and profile

The fund invests primarily directly and indirectly in a global portfolio of equities. The companies are from several regions, countries and sectors. Investment is also made in emerging-market equities.

The fund's assets are mainly invested in listed equities, i.e., equities traded in a regulated market. The fund may invest up to 10% of its assets in non-listed equities.

The fund may invest up to 10% of its assets in certificates in other associations, individual funds or investment institutions.

To adjust the fund's risk to a defined risk profile, the fund may use derivative financial instruments (derivatives).

### Fund profile

Type of fund	Certificate-issuing, cumulative
ISIN code	DK0016259930
Listed	No
Established	15 December 1993
Functional currency	The US dollar (USD)
Benchmark	MSCI All Country World Index, net dividends included
Risk indicator	5
Risk category	Amber

### Investment allocation

The fund's investment allocation appears from 'Asset allocation' in the fund's financial statements.

### Ratios

The fund's ratios appear from 'Key figures and ratios' in the fund's financial statements.

### Introduction

This fund review should be read in connection with the Annual Report's general text on investment markets, risk description and risk factors to get a satisfactory view of developments in the fund. The management's assessment of the fund's particular risks is stated below. For further information about the risks of investing in the fund, we refer to the relevant Prospectus, which is available at [jyskeinvest.com](http://jyskeinvest.com).

### Risk profile

Investors must be aware that investment in a Jyske Invest International fund will always imply issuer-specific, liquidity and counterparty risks as well as risks associated with the investment decisions and the operation of the association.

However, when investing in this specific fund, investors should be particularly aware of:

- Particular risks associated with equity funds
- Particular risks associated with emerging markets
- Foreign currency risk
- Exposure to more than one country

All the risks mentioned may affect the value of the investments and have been described in further detail in the section on 'Risk factors' in the Management's Review.

### Performance in 2017

The fund generated a return of 21.14% for 2017, which was lower than the benchmark return of 23.97%. The return is above expectations considering the market conditions and risks which, in our opinion, existed at the beginning of 2017. The fund was outperformed by the market due to our selection of shares within notably Consumer Discretionary and Health Care.

2017 offered solid economic progress and increasing equity prices despite several periods of political turbulence in the US as well as in Europe and geopolitical turmoil. The equity prices in many equity markets delivered two-digit returns. However, for a Danish investor a large dollar decline at 12% reduced the return.

Even though the political scene in the US was characterised by widespread turbulence in 2017, prices of US equities increased more than 20%. Higher corporate earnings and prospects of tax cuts contributed to

this. Investors managed to turn a blind eye to President Donald Trump's somewhat unorthodox style - and they were even reassured by good economic indicators and the fact that the Federal Reserve found it necessary to hike its interest rate several times in the course of 2017.

Emerging-market equities took the lead in 2017 - thanks to rising commodity prices and positive trends in China where share prices rose 55%. The latter delivered good economic indicators, just as a further consolidation of Xi Jinping's power after replacements in the politbureau strengthened investors' confidence in China. The country's handling of the tensions between the US and North Korea also demonstrated political flair, which reassured investors.

The political headlines also dominated in Europe in 2017 - not least because of different parliamentary and presidential elections, Brexit, and Catalonia's attempt to separate from Spain. However, the European economy and the European businesses were largely immune to the turbulence. On the contrary, strong earnings reports supported share prices. The Brexit negotiations made the sea run high at times, but this was mainly in relation to the British pound.

The fund underperformed the global equity market in 2017. The return was especially negatively impacted by our selection of shares within Consumer Discretionary. We have held shares in different companies which have learnt what disruption means to the future prospects. In the business sector, the term is used when the use of new technologies and formats changes the market situation drastically. Several of our companies were hit by Amazon's dominant position within the switch from physical to online retail trade. This impacted, for instance, Autozone and Foot Locker. On the other hand, several of our shares from emerging markets benefited from the tailwind here.

### **Particular risks - including business and financial risks**

Since the fund invests in the international markets, the fund has a business risk related to developments in these markets.

The Annual Report's texts on 'Market outlook 2018' and 'Risk factors' give further information about the various types of risks and the association's general assessment of these risks.

### **Performance outlook 2018**

We expect a positive return on the global equity markets in 2018, but with more turbulence than in the past year. Both national and international politics are potential sources of uncertainty, and this may impact the outlook for investors. The same is the case for the growth and inflation outlook, and the world's leading central banks therefore have an important role. Add to this the valuation, which makes great demands on the businesses' ability to show progress.

We expect that news about US politics will be of greatest interest for equity investors. We are particularly interested in the implementation of the adopted US tax cuts, just as a new central bank chief must find his role. The tax package is a fiscal-policy experiment where an already booming economy and a tight labour market add fuel to the fire. In view of the wide political uncertainty, the Federal Reserve's handling of growth, inflation and pressure on the labour market will be correspondingly important - both for the US and the other equity markets.

We expect new political agendas to create new dynamics. Both positive and negative dynamics. The US president takes on everything and everyone. We believe this will continue to cause tensions and may create new hot spots. On the other hand, Europe and China - whose strength is increasingly visible - have become closer allies as a consequence of this. North Korea is also a joker, just like many other hot spots. However, as long as the noise will not have severe consequences for economies and businesses, we estimate that it will alone result in short-lived price ripples.

We expect that the current valuation in the global equity markets will be a source of periodic turbulence in 2018 - especially when businesses report their earnings. As the valuation of the world's equity markets is generally higher now than in a long time, investors are more easily worried if the financial or political climate does not develop as desired. We therefore expect a year with wider fluctuations than in 2017 in step with the newsflow. It is important to proportion the valuation of equities to the historically low and potentially rising interest-rate level - and at the same time note that both economies and businesses are generally in fine shape.

## Jyske Invest Equities Low Volatility CL

### Investment area and profile

The fund invests primarily in a global equity portfolio, which is expected to be less volatile than the global equity market. The companies are from several regions, countries and sectors.

The fund's assets are mainly invested in listed equities, i.e., equities traded in a regulated market. The fund may invest up to 10% of its assets in non-listed equities.

The fund may invest up to 10% of its assets in certificates in other associations, individual funds or investment institutions.

To adjust the fund's risk to a defined risk profile, the fund may use derivative financial instruments (derivatives).

### Fund profile

Type of fund	Certificate-issuing, cumulative
ISIN code	DK0060512358
Listed	No
Established	7 November 2013
Functional currency	The US dollar (USD)
Benchmark	The fund has no benchmark
Risk indicator	5
Risk category	Amber

### Investment allocation

The fund's investment allocation appears from 'Asset allocation' in the fund's financial statements.

### Ratios

The fund's ratios appear from 'Key figures and ratios' in the fund's financial statements.

### Introduction

This fund review should be read in connection with the Annual Report's general text on investment markets, risk description and risk factors to get a satisfactory view of developments in the fund. The management's assessment of the fund's particular risks is stated below. For further information about the risks of investing in the fund, we refer to the relevant Prospectus, which is available at [jyskeinvest.com](http://jyskeinvest.com).

### Risk profile

Investors must be aware that investment in a Jyske Invest International fund will always imply issuer-specific, liquidity and counterparty risks as well as risks associated with the investment decisions and the operation of the association.

However, when investing in this specific fund, investors should be particularly aware of:

- Particular risks associated with equity funds
- Particular risks associated with emerging markets
- Foreign currency risk
- Exposure to more than one country

All the risks mentioned may affect the value of the investments and have been described in further detail

in the section on 'Risk factors' in the Management's Review.

Despite the investment in equities with a lower volatility than that of the global equity market, the price deviations may be considerable and therefore the risk associated with the fund will be high.

### Performance in 2017

For 2017, the fund yielded a return of 17.23% while the general equity market rose by 23.97%. By comparison, the index for minimum volatility (fluctuations) - MSCI AC World Minimum Volatility - rose by 17.93%. The return is above expectations considering the market conditions and risks which, in our opinion, existed at the beginning of 2017.

2017 offered solid economic progress and increasing equity prices despite several periods of political turbulence in the US as well as in Europe and geopolitical turmoil. The returns on many equity markets were two-digit in local currencies. However, for a Danish investor a large dollar decline at 12% reduced the return.

Even though the political scene in the US was characterised by widespread turbulence in 2017, prices of US equities increased more than 20%. Higher corporate earnings and prospects of tax cuts contributed to

this. Investors managed to turn a blind eye to President Donald Trump's somewhat unorthodox style - and they were even reassured by good economic indicators and the fact that the Federal Reserve hiked its interest rate several times in the course of 2017 in step with the positive development.

Emerging-market equities took the lead in 2017 - thanks to rising commodity prices and positive trends in China where share prices rose 55%. The latter delivered good economic indicators, just as a further consolidation of Xi Jinping's power after replacements in the politbureau strengthened investors' confidence in China. The country's handling of the tensions between the US and North Korea also demonstrated political flair, which reassured investors.

The political headlines also dominated in Europe in 2017 - not least because of different parliamentary and presidential elections. In addition, Brexit and Catalonia's attempt to separate from Spain are still creating uncertainty. However, the European economy and the European businesses were largely immune to the turbulence. On the contrary, strong earnings reports supported share prices. The Brexit negotiations made the sea run high at times, but this mainly resulted in a weakening of the British pound.

The fund underperformed the global equity market in 2017. The return was in particular negatively impacted by a classic risk-on environment in the second half of the year with the cyclical sectors at the top and the defensive sectors at the bottom. Correspondingly, emerging-market equities outperformed developed-market equities, which is why low-volatility equities were not popular in the second half of the year. The best sectors were Information Technology and Materials, which gained 40% and 27%, respectively, while the defensive sectors like Telecommunication Services and Utilities only gained 4% and 11%, respectively.

The highest return for the year came from the South Korean technology company Samsung Electronics, which benefited from strong fundamentals in the memory chip market. The share was sold in November after a 59% gain. The share which fell the most during the year was the US company AutoZone, which sells auto parts (-35%). In addition to weak reports, the share was hit by increasing fears of growing competition from Amazon. The share was sold in Q3 since we expected a normalisation of organic growth after years with supernormal growth.

### **Particular risks - including business and financial risks**

Since the fund invests in the international markets, the fund has a business risk related to developments in these markets.

Despite the investment in equities with a lower volatility than that of the global equity market, the price deviations may be considerable and therefore the risk associated with the fund will be high.

The Annual Report's texts on 'Market outlook 2018' and 'Risk factors' give further information about the various types of risks and the association's general assessment of these risks.

### **Performance outlook 2018**

We expect a positive return on the global equity markets in 2018, but with more turbulence than in the past year. Both national and international politics are potential sources of uncertainty, and this may impact the outlook for investors. The same is the case for the growth and inflation outlook, and the world's leading central banks therefore have an important role. Add to this the valuation, which makes great demands on the businesses' ability to show progress.

We expect that news about US politics will be of greatest interest for equity investors. We are particularly interested in the implementation of the adopted US tax cuts, just as a new central bank chief must find his role. The tax package is a fiscal-policy experiment where an already booming economy and a tight labour market add fuel to the fire. In view of the wide political uncertainty, the Federal Reserve's handling of growth, inflation and pressure on the labour market will be correspondingly important - both for the US and the other equity markets.

We expect new political agendas to create new dynamics. Both positive and negative dynamics. The US president takes on everything and everyone. We believe this will continue to cause tensions and may create new hot spots. On the other hand, Europe and China - whose strength is increasingly visible - have become closer allies as a consequence of this. North Korea is also a joker, just like many other hot spots. However, as long as the noise will not have severe consequences for economies and businesses, we estimate that it will alone result in short-lived price ripples.

We expect that the current valuation in the global equity markets will be a source of periodic turbulence in 2018 – especially when businesses report their earnings. As the valuation of the world's equity markets is generally higher now than in a long time, investors are more easily worried if the financial or political climate does not develop as desired. We therefore expect a year with wider fluctuations than in 2017 in step with the newsflow. It is important to proportion the valuation of equities to the historically low and potentially rising interest-rate level - and at the same time note that both economies and businesses are generally in fine shape.

Equities with low volatility are sensitive to the development in 10-year yields. This sensitivity became visible in the second half of 2017 when yields on 10-year US government bonds saw the first increase since 2013. The rising 10-year yield led to lower returns on low-volatility equities as proportionally it became more attractive to hold bonds than stable equities. If 10-year yields rise significantly in 2018, it may squeeze the return from low-volatility equities.

## Jyske Invest Emerging Market Equities CL

### Investment area and profile

The fund invests primarily in a portfolio of equities issued by companies which are based in, or which pursue more than 50% of their activities (by revenue or production) in a country undergoing or about to undergo a transition from a developing country to an industrial country or which is included in the fund's benchmark. Investment is typically made in equities from Asia, Latin America, Africa and Eastern Europe. The companies are from several regions, countries and sectors.

The fund's assets are mainly invested in listed equities, i.e., equities traded in a regulated market. The fund may invest up to 10% of its assets in non-listed equities.

The fund may invest up to 10% of its assets in certificates in other associations, individual funds or investment institutions.

To adjust the fund's risk to a defined risk profile, the fund may use derivative financial instruments (derivatives).

Fund profile		Investment allocation
Type of fund	Certificate-issuing, cumulative	The fund's investment allocation appears from 'Asset allocation' in the fund's financial statements.
ISIN code	DK0016260193	
Listed	No	
Established	14 March 1994	
Functional currency	The US dollar (USD)	<b>Ratios</b>
Benchmark	MSCI Emerging Markets Index, net dividends included	The fund's ratios appear from 'Key figures and ratios' in the fund's financial statements.
Risk indicator	6	
Risk category	Amber	

### Introduction

This fund review should be read in connection with the Annual Report's general text on investment markets, risk description and risk factors to get a satisfactory view of developments in the fund. The management's assessment of the fund's particular risks is stated below. For further information about the risks of investing in the fund, we refer to the relevant Prospectus, which is available at [jyskeinvest.com](http://jyskeinvest.com).

### Risk profile

Investors must be aware that investment in a Jyske Invest International fund will always imply issuer-specific, liquidity and counterparty risks as well as risks associated with the investment decisions and the operation of the association.

However, when investing in this specific fund, investors should be particularly aware of:

- Particular risks associated with equity funds
- Particular risks associated with emerging markets
- Foreign currency risk

- Exposure to more than one country

All the risks mentioned may affect the value of the investments and have been described in further detail in the section on 'Risk factors' in the Management's Review.

### Performance in 2017

The fund generated a return of 37.20% in 2017 against a benchmark return of 37.28%. The return was above expectations considering the market conditions and risks which, in our opinion, existed at the beginning of 2017. The return was in line with the market return.

2017 was a really good year for emerging-market equities, and the market grew steadily throughout the year, supported by index-heavy countries like China, Korea and India. This means that Asia was also the region with the highest return. The markets benefited from a global recovery in sync, ample global liquidity, rising commodity prices and a weak dollar. And this was in spite of different geopolitical risks like the situation relating to North Korea, the China-Korea conflict



and the fear of rising protectionism in the wake of Donald Trump's election win in the autumn of 2016. The best-performing sector was the Information Technology sector, while Utilities and Telecommunication Services lagged behind.

In China, the macro-economic concerns and risks on which investors focused in previous years were thrust into the background in 2017. Continued high growth and low inflation driven by a solid housing market, rising consumption and rising export growth revived investor optimism with respect to developments in China.

The transition towards a consumer-driven economy continued with undisturbed strength and the reforms in the commodity sector took off in 2017. The latter lifted earnings among the listed commodity companies, which is very positive since they are among the most indebted companies in China. At the same time, this reduced the fear of a collapse in the Chinese banking sector and was a significant reason behind the strong equity market in 2017.

In India, reforms were a top priority in 2017. The currency reform, which was initiated in late 2016, dominated the beginning of 2017. Prime Minister Modi banned two rupee notes, corresponding to 86% of the currency in circulation, and since the Indians typically pay with cash, it had major consequences in 2017. Within certain product groups, sales fell by up to 50%, but in step with the normalisation of the money supply, consumption returned. 2017 was also the year when India implemented the long-awaited VAT reform to the effect that all states apply the same VAT rates. The purpose of the reform is to reduce the informal economy, lift the efficiency in the economy and create a broader tax base.

In Latin America, the Brazilian central bank cut interest rates by no less than 6.75 percentage points from 13.75% to 7.00%. This was a result of falling inflation in the wake of very weak growth over the last few years. The rate cuts contributed to lifting Brazil out of the worst recession in 100 years. Brazilian president Michel Temer has been accused of corruption, but the Congress could not muster a majority to impeach him so he survived for the present. Mexico was under great pressure in 2017 due to President Trump's anti-immigration policy, protectionism and renegotiation of the NAFTA agreement (trading agreement with the US, Canada and Mexico). All of the above may have very large consequences for the Mexican economy,

and the Mexican central bank hiked interest rates five times during the year to defend a weakened currency.

In Eastern Europe, the Russian index performed relatively poorly even though the oil price rose rather significantly in the second half of 2017. The hope of a better relationship with the US after the election of Trump as US president was not met, and instead the US tightened the sanctions against Russia. The South African market rose quite decently in 2017. But this is very much due to the media group Naspers which surged on its large ownership interest in the Chinese Tencent.

### **Particular risks - including business and financial risks**

Since the fund invests in emerging markets, the fund has a business risk related to developments in these markets.

The Annual Report's texts on 'Market outlook 2018' and 'Risk factors' give further information about the various types of risks and the association's general assessment of these risks.

### **Performance outlook 2018**

The year 2018 looks set to be yet another interesting year for emerging-market equities and we expect positive returns.

In China, President Xi Jinping strengthened his position when the Communist Party of China (CPC) held its 19th party congress in the autumn. This promises well for the stability in China and the continuity of the economic development. As the world's second largest economy, this is not only important for emerging markets, but for the entire global economy. There are prospects of a continued reform process where growth will perhaps cool a tad, but the quality of growth will increase due to lower growth in indebtedness and tighter environmental requirements for businesses.

The largest challenge in China is still the dilemma between growth and indebtedness. The high rate of growth in lending needs to be reined in because it increases the already high indebtedness in the economy. But if the regulators tighten too much, it may hurt economic growth. The regulators are aware of the delicate balancing act and have so far handled the situation well, but there is no room for any major missteps.

With respect to external factors, the developments in US politics and the US economy will be decisive. President Donald Trump's tax reform will be of great interest, just like a new US Federal Reserve chief must find his role. The tax reform comes at a time when the US economy is already booming and the labour market is very tight. Therefore, it will be of vital importance how the Federal Reserve addresses growth and inflation. Similarly, the situation relating to North Korea and the international community's handling of the issue is an unknown factor, which may create uncertainty in the financial markets in 2018.

Other risk factors for the equity return on the emerging equity markets include sharply rising global interest rates, a significant increase of the dollar, recession in the US, a vehement slowdown of growth in China, rising global protectionism, etc.

2018 will also be the year when MSCI for the first time includes Chinese A-shares (mainly shares reserved for Chinese investors internally in China) in its broad Far Eastern equity index. In this way, foreign investors will have much easier access to buying locally listed shares than what they have had so far. At the same time, it will most likely be the start of a lengthy and gradual process where Chinese A-shares will make up an increasingly large share of the index.

The valuation of emerging-market equities rose during 2017 and is above the long-term average, but significantly below equities in the global market. We do not expect further re-rating of emerging-market equities, but nor are we concerned about the current price level. The outlook for the global economy appears reasonable, and this will secure decent earnings growth for businesses.

## Jyske Invest European Equities CL

### Investment area and profile

The fund invests primarily directly and indirectly in equities issued by companies which are based in Europe or which pursue more than 50% of their activities (by revenue or production) in Europe, or which are included in the fund's benchmark. The companies are from various countries and sectors.

The fund's assets are mainly invested in listed equities, i.e., equities traded in a regulated market. The fund may invest up to 10% of its assets in non-listed equities.

The fund may invest up to 10% of its assets in certificates in other associations, individual funds or investment institutions.

To adjust the fund's risk to a defined risk profile, the fund may use derivative financial instruments (derivatives).

### Fund profile

Type of fund	Certificate-issuing, cumulative
ISIN code	DK0016261084
Listed	No
Established	1 June 1998
Functional currency	Euro (EUR)
Benchmark	MSCI Europe Index, net dividends included
Risk indicator	6
Risk category	Amber

### Investment allocation

The fund's investment allocation appears from 'Asset allocation' in the fund's financial statements.

### Ratios

The fund's ratios appear from 'Key figures and ratios' in the fund's financial statements.

### Introduction

This fund review should be read in connection with the Annual Report's general text on investment markets, risk description and risk factors to get a satisfactory view of developments in the fund. The management's assessment of the fund's particular risks is stated below. For further information about the risks of investing in the fund, we refer to the relevant Prospectus, which is available at [jyskeinvest.com](http://jyskeinvest.com).

### Risk profile

Investors must be aware that investment in a Jyske Invest International fund will always imply issuer-specific, liquidity and counterparty risks as well as risks associated with the investment decisions and the operation of the association.

However, when investing in this specific fund, investors should be particularly aware of:

- Particular risks associated with equity funds
- Particular risks associated with emerging markets
- Foreign currency risk
- Exposure to more than one country

All the risks mentioned may affect the value of the investments and have been described in further detail in the section on 'Risk factors' in the Management's Review.

### Performance in 2017

The fund generated a return of 4.72% for 2017, which was lower than the benchmark return of 10.24%. The return is roughly in line with expectations considering the market conditions and risks which, in our opinion, existed at the beginning of 2017. The fund return was below the market return due to a disappointing performance of several of the shares selected for the portfolio.

After several populist election results in 2016 like Brexit, Trump and a rejected Italian constitutional amendment there was some concern going into 2017. The year hosted elections in different major EU countries, including parliamentary election in the Netherlands, presidential election in France and federal elections in Germany. However, the fear turned out to be unjustified, and the elections therefore had limited market effect. In Spain the independence movement in Catalonia contributed to some market jitters just like the negotiations about the UK's withdrawal from

the EU membership also at times contributed to market fluctuations.

The returns for the year in the European equity markets were predominantly created in the first five months of the year. In the remaining part of the year there was no value added to the European equity index, while the global equity index continued to skyrocket. One of the reasons behind this imbalance was a strong euro which dampened the earnings prospects for several of the European exporters. In addition, the risk of a hard Brexit loomed, just like continuing political uncertainty in various countries may delay the reform work in the European economies and result in uncertainty about the future European relationship/solidarity.

The fund delivered a return below that of the European equity index in 2017. Shares with our preferred combination of value and momentum did well, while a few selected shares pulled down the return since they were outperformed by the market.

The largest negative contribution came from Danish jewellery group Pandora, which fell almost 27%. The share has been besieged by short sellers that have been sceptical about sales in the US. Another share which detracting the overall result was the Dutch food retail group Koninklijke Ahold Delhaize, which missed the earnings guidance announced at the beginning of the year. In addition, the market's negative focus on companies in the risk zone of increased competition from the internet giant Amazon burdened Ahold's share price. Finally, the London-listed US pharmaceutical company Shire also pushed down the return. Shire was hit by a threat of increased competition for the company's haemophilia business following strong phase 3 data for Roche's rival drug.

The contributors to the return included the Italian utility company Enel, which generated a return of 28%, and the Dutch bank ABN AMRO Group, which generated a return of 34%.

### **Particular risks - including business and financial risks**

Since the fund invests in the European markets, the fund has a business risk related to developments in these markets.

The Annual Report's texts on 'Market outlook 2018' and 'Risk factors' give further information about the various types of risks and the association's general assessment of these risks.

### **Performance outlook 2018**

We expect an eventful 2018 in the European equity market. Both national and international politics as well as elections are on the agenda, and this may potentially impact the outlook for investors, as well as the outlook for growth and inflation, and here the world's leading central banks play an important role.

We expect the political agenda in Europe to attract great attention in the coming year. We estimate that notably the Italian parliamentary election in March will attract investor attention. In the wake of the independence vote in Catalonia focus is on the North Italian independence parties, just as the prospects of an unclear election result are likely to halt the reforms of the Italian labour market.

Despite the many political challenges, the European economy expanded throughout 2017 and is in a relatively strong position at the threshold of 2018. There are prospects of continued solid GDP growth, low interest rates, falling unemployment and low inflation. However, 2018 looks set to be a year with mixed economic growth - Germany's role as European growth engine can be matched by France, while economic growth in the UK is likely to suffer further from the Brexit negotiations.

The current valuation in the European equity market may per se be a source of wide price fluctuations. As the valuation of the equity markets is generally higher now than in a long time, investors are more easily worried if the financial or political climate does not develop as desired. We therefore expect that we are facing yet another year with some fluctuations in step with the newsflow. However, we believe that many risks have already been discounted in investors' expectations. At the same time, it is important to proportion the valuation of equities to the historically low and potentially rising interest-rate level. We therefore expect a positive return from the European equity market in 2018, but with some turbulence along the way.

## Jyske Invest Far Eastern Equities CL

### Investment area and profile

The fund's assets are primarily invested directly and indirectly in equities issued by companies which are based in the Far East or which pursue more than 50% of their activities (by revenue or production) in the Far East, exclusive of Japan, or which are included in the fund's benchmark. The companies are from various countries and sectors.

The fund's assets are mainly invested in listed equities, i.e., equities traded in a regulated market. The fund may invest up to 10% of its assets in non-listed equities.

The fund may invest up to 10% of its assets in certificates in other associations, individual funds or investment institutions.

To adjust the fund's risk to a defined risk profile, the fund may use derivative financial instruments (derivatives).

### Fund profile

Type of fund	Certificate-issuing, cumulative
ISIN code	DK0016260946
Listed	No
Established	1 June 1998
Functional currency	The US dollar (USD)
Benchmark	MSCI All Country Asia ex. Japan Index, net dividends included
Risk indicator	5
Risk category	Amber

### Investment allocation

The fund's investment allocation appears from 'Asset allocation' in the fund's financial statements.

### Ratios

The fund's ratios appear from 'Key figures and ratios' in the fund's financial statements.

### Introduction

This fund review should be read in connection with the Annual Report's general text on investment markets, risk description and risk factors to get a satisfactory view of developments in the fund. The management's assessment of the fund's particular risks is stated below. For further information about the risks of investing in the fund, we refer to the relevant Prospectus, which is available at [jyskeinvest.com](http://jyskeinvest.com).

### Risk profile

Investors must be aware that investment in a Jyske Invest International fund will always imply issuer-specific, liquidity and counterparty risks as well as risks associated with the investment decisions and the operation of the association.

However, when investing in this specific fund, investors should be particularly aware of:

- Particular risks associated with equity funds
- Particular risks associated with emerging markets
- Foreign currency risk
- Exposure to more than one country

All the risks mentioned may affect the value of the investments and have been described in further detail in the section on 'Risk factors' in the Management's Review.

### Performance in 2017

The fund generated a return of 40.23% in 2017 against a benchmark return of 41.72%. The return was above expectations considering the market conditions and risks which, in our opinion, existed at the beginning of 2017. The return was lower than that of the market due to our selection of shares within Consumer Discretionary and Real Estate.

2017 was a really good year for equities from the Far East, and the market grew steadily throughout the year, supported by index-heavy countries like China, Korea and India. The markets in the region benefited from a global recovery in sync, ample global liquidity, rising commodity prices and a weak dollar. And this was in spite of different geopolitical risks like the situation relating to North Korea, the China-Korea conflict and the fear of rising protectionism in the wake of Donald Trump's election win in the autumn of 2016.

The best-performing sector was the Information Technology sector, while Utilities and Telecommunication Services lagged behind.

In China, the macro-economic concerns and risks on which investors focused in previous years were thrust into the background in 2017. Continued high growth and low inflation driven by a solid housing market, rising consumption and rising export growth revived investor optimism with respect to developments in China.

The transition towards a consumer-driven economy continued with undisturbed strength and the reforms in the commodity sector took off in 2017. The latter lifted earnings among the listed commodity companies, which is very positive since they are among the most indebted companies in China. At the same time, this reduced the fear of a collapse in the Chinese banking sector and was a significant reason behind the strong equity market in 2017.

In India, reforms were a top priority in 2017. The currency reform, which was initiated in late 2016, dominated the beginning of 2017. Prime Minister Modi banned two rupee notes, corresponding to 86% of the currency in circulation, and since the Indians typically pay with cash, it had major consequences in 2017. Within certain product groups, sales fell by up to 50%, but in step with the normalisation of the money supply, consumption returned. 2017 was also the year when India implemented the long-awaited VAT reform to the effect that all states apply the same VAT rates. The purpose of the reform is to reduce the informal economy, lift the efficiency in the economy and create a broader tax base.

The Korean market was among the best-performing markets in 2017, driven by rising earnings among companies within the Financials and Information Technology sectors and by the new President Moon's focus on reforms and on a more shareholder-friendly policy among the large family-owned corporations. Nevertheless, 2017 was filled with challenges for Korea. There were tensions in the relationship with China due to the installation of the THAAD missile system, an impeachment case against the incumbent President Park which ended with her resignation, a presidential election in May, the fear of increasing trade protectionism from the US due to Korea's wide trade surplus against the US and last but not least continuing provocative acts and missile tests from

North Korea. In this perspective, the equity market performed really well in 2017.

The ASEAN region lagged the rest of Asia in 2017, mainly because the Information Technology sector is not a large sector in the region. Again in 2017, Thailand was the best-performing country despite the mourning period in connection with the king's death in 2016. Indonesia benefited from the rating upgrade by the credit rating agency Fitch and from the central bank lowering interest rates a couple of times.

### **Particular risks - including business and financial risks**

Since the fund invests in the international markets in the Far East, the fund has a business risk related to developments in these markets.

Financials are the fund's largest investment area in terms of sectors. Developments in this sector may significantly influence investors' future returns.

The Annual Report's texts on 'Market outlook 2018' and 'Risk factors' give further information about the various types of risks and the association's general assessment of these risks.

### **Performance outlook 2018**

The year 2018 looks set to be yet another interesting year for Far Eastern equities and we expect positive returns.

In China, President Xi Jinping strengthened his position when the Communist Party of China (CPC) held its 19th party congress in the autumn. This promises well for the stability in China and the continuity of the economic development. As the world's second largest economy, this is not only important for emerging markets, but for the entire global economy. There are prospects of a continued reform process where economic growth will slow down a tad, but the quality of growth will increase due to lower growth in indebtedness and tighter environmental requirements for businesses.

The largest challenge in China is still the dilemma between growth and indebtedness. The high rate of growth in lending needs to be reined in because it increases the already high indebtedness in the economy. But if the regulators tighten too much, it may hurt economic growth. The regulators are aware of the delicate balancing act and have so far handled the

situation well, but there is no room for any major missteps.

With respect to external factors, the developments in US politics and the US economy will be decisive. President Donald Trump's tax reform will be of great interest, just like a new US Federal Reserve chief must find his role. The tax reform comes at a time when the US economy is already booming and the labour market is very tight. Therefore, it will be of vital importance how the Federal Reserve addresses growth and inflation. Similarly, the situation relating to North Korea and the international community's handling of the issue is an unknown factor, which may create uncertainty in the financial markets in 2018.

Other risk factors for the equity return in the Far East include sharply rising global interest rates, a significant increase of the dollar, recession in the US, a vehement slowdown of growth in China, rising global protectionism, etc.

2018 will also be the year when MSCI for the first time includes Chinese A-shares (mainly shares reserved for Chinese investors internally in China) in its broad Far Eastern equity index. In this way, foreign investors will have much easier access to buying locally listed shares than what they have had so far. At the same time, it will most likely be the start of a lengthy and gradual process where Chinese A-shares will make up an increasingly large share of the broad Far Eastern index.

The valuation of Far Eastern equities rose during 2017 and is above the long-term average. They are now trading at a slightly higher level than emerging-market equities, but significantly below global equities. We do not expect further re-rating of Far Eastern equities in 2018, but nor are we concerned about the current price level. The outlook for the global economy appears reasonable, and this will secure decent earnings growth for businesses.

## Jyske Invest Income Strategy CL

### Investment area and profile

The fund invests in a global portfolio of bonds. Investment is primarily made in bonds issued by or guaranteed by states, mortgage-credit institutions and supranationals. Investment is also made in emerging-market bonds and corporate bonds. These securities involve a certain degree of risk. At least 75% of the assets will at all times be invested in euro securities or hedged to the euro.

The fund assets are primarily invested in listed bonds and in the US market for high-yield bonds, also called the OTC Fixed Income market, regulated by the FINRA (Financial Industry Regulatory Authority), as well as in Rule 144 A issues with a right of exchange into papers which are registered with the SEC within twelve months pursuant to the Securities Act of 1933 and which are traded in the OTC Fixed Income market. The fund may invest up to 10% of its assets in non-listed bonds.

To adjust the fund's risk to a defined risk profile, the fund may use derivative financial instruments (derivatives).

Fund profile		Investment allocation
Type of fund	Certificate-issuing, cumulative	The fund's investment allocation appears from 'Asset allocation' in the fund's financial statements.
ISIN code	DK0016261670	
Listed	No	<b>Ratios</b> The fund's ratios appear from 'Key figures and ratios' in the fund's financial statements.
Established	12 April 1991	
Functional currency	Euro (EUR)	
Benchmark	Benchmark measured by (hedged to EUR): <ul style="list-style-type: none"><li>• 80% JP Morgan Hedged ECU Unit Government Bond Index Global</li><li>• 10% JP Morgan Emerging Markets Bond Index (EMBI) Global Diversified</li><li>• 5% Merrill Lynch European Currency High Yield, BB-B Constrained Index</li><li>• 5% Merrill Lynch US High Yield, BB-B Constrained Index</li></ul>	
Risk indicator	3	
Risk category	Amber	

### Introduction

This fund review should be read in connection with the Annual Report's general text on investment markets, risk description and risk factors to get a satisfactory view of developments in the fund. The management's assessment of the fund's particular risks is stated below. For further information about the risks of investing in the fund, we refer to the relevant Prospectus, which is available at [jyskeinvest.com](http://jyskeinvest.com).

### Risk profile

Investors must be aware that investment in a Jyske Invest International fund will always imply issuer-specific, liquidity and counterparty risks as well as

risks associated with the investment decisions and the operation of the association.

However, when investing in this specific fund, investors should be particularly aware of:

- Particular risks associated with bond funds
- Particular risks associated with emerging markets
- Foreign currency risk
- Exposure to more than one country

All the risks mentioned may affect the value of the investments and have been described in further detail



in the section on 'Risk factors' in the Management's Review.

### **Performance in 2017**

For 2017 the fund generated a return of 2.58%, outperforming the benchmark by 0.90 percentage point. The return is above the expected considering the market conditions and risks which, in our opinion, existed at the beginning of 2017. The background to the relative return is mainly an overweight of Danish mortgage bonds in the portfolio.

In view of low interest rates and credit spreads, 2017 was, somewhat unexpectedly, a good year with decent returns for interest bearing investments. The year will be remembered for a significantly falling market volatility due to underlying risk seeking among investors who flocked towards high-yield bonds and emerging-market hard-currency bonds.

The market volatility fell markedly although 2017 was liberal with significant political events which could potentially throw grit into the machinery. A few of the most important: Trump's first year as president with unconventional communication and controversial initiatives. North Korea's nuclear tests and threats against the US. Elections in France, the UK, Germany and Catalonia. Party congress in China with President Xi Jinping further consolidating his power. In addition, the Federal Reserve hiked interest rates in December for the third time in 2017. Finally, the European Central Bank announced that in 2018 it will taper its supportive monthly bond purchases.

When none of these political events spoiled the risk seeking investor behaviour in earnest, it is because they were thrust into the background by a solid global growth performance with China, the US and Europe all showing growth increases at the same time - which is the first time since 2007. The growth performance

contributed to a decent increase in corporate earnings, which supported increases of high-yield corporate bonds.

Despite a solid increase in global growth and signals of tighter monetary policies in both the US and Europe, the inflation performance in 2017 was very modest, which contributed to keeping long bond yields low. The combination of moderate inflation and solid economic growth created good return conditions for corporate bonds, emerging-market bonds and Danish mortgage bonds.

Throughout 2017, we had a neutral allocation to high-yield bonds and a more significant overweight of Danish mortgage bonds.

### **Particular risks - including business and financial risks**

Since the fund invests in the international markets, the fund has a business risk related to developments in these markets.

The Annual Report's texts on 'Market outlook 2018' and 'Risk factors' give further information about the various types of risks and the association's general assessment of these risks.

### **Performance outlook 2018**

We expect moderate returns also for 2018 for our mixed funds with high-yield bonds and safe bonds. We assess that high-yield bonds will still be the primary return driver despite low credit spreads. This is of course due to the very low interest-rate level of safe bonds. Our main scenario is still low, but vaguely rising interest rates in 2018, meaning that the expected return from here will be limited. We therefore still expect that the highest return will go to risky bonds.

Unlike 2017, investors are in 2018 expected to be met by wider fluctuations in market returns due to higher market volatility.

## Jyske Invest Stable Strategy CL

### Investment area and profile

Jyske Invest Stable Strategy CL invests in a global equity and bond portfolio.

At least 75% of the assets will at all times be invested in euro securities or hedged to the euro.

### Introduction

This review is common to the share classes and should be read in connection with the Annual Report's general text on investment markets, risk description and risk factors to get a satisfactory view of developments in the share classes. The management's assessment of the share classes' particular risks is stated below. For further information about the risks of investing in the share classes, we refer to the relevant Prospectus, which is available at [jyskeinvest.com](http://jyskeinvest.com).

The fund is offered in three share classes:

- Jyske Invest Stable Strategy EUR
- Jyske Invest Stable Strategy USD
- Jyske Invest Stable Strategy GBP

Combined financial statements translated into euro for the fund comprising the results of the investments made jointly for the classes and the classes' own investments are found in the financial statements for the fund.

Notes for the individual share classes, prepared in euro, are found in the financial statements for the individual share class.

Ratios for net asset value, return and costs, etc. are calculated for each share class.

### Risk profile

Investors must be aware that investment in a Jyske Invest International fund will always imply issuer-specific, liquidity and counterparty risks as well as risks associated with the investment decisions and the operation of the association.

However, when investing in this specific fund, investors should be particularly aware of:

- Particular risks associated with mixed funds
- Particular risks associated with emerging markets
- Foreign currency risk
- Exposure to more than one country

All the risks mentioned may affect the value of the investments and have been described in further detail in the section on 'Risk factors' in the Management's Review.

### Performance in 2017

For 2017 Jyske Invest Stable Strategy EUR generated a return of 5.01%, outperforming the benchmark by 0.33 percentage point. For 2017 Jyske Invest Stable Strategy USD generated a return of 7.92%, outperforming the benchmark by 3.24 percentage points. For 2017 Jyske Invest Stable Strategy GBP generated a return of 6.28%, outperforming the benchmark by 1.60 percentage points. The return of all three share classes is better than the expected considering the market conditions and risks which, in our opinion, existed at the beginning of 2017. Our overweight of equities and Danish mortgage bonds contributed positively, while our selection of global equities detracted.

2017 was a good year with decent returns in most asset classes. The year will be remembered for significant exchange rate movements and not least a large dollar decline. Similarly, it will be remembered for significantly falling market volatility due to underlying risk seeking among investors.

The market volatility fell markedly although 2017 was liberal with significant political events which could potentially throw grit into the machinery. A few of the most important: Trump's first year as president with unconventional communication and controversial initiatives. North Korea's nuclear tests and threats against the US. Elections in France, the UK, Germany and Catalonia. Party congress in China with President Xi Jinping further consolidating his power. In addition, the Federal Reserve hiked interest rates in December

for the third time in 2017. Finally, the European Central Bank announced that in 2018 it will taper its supportive monthly bond purchases.

When none of these political events spoiled the risk seeking investor behaviour in earnest, it is because they were thrust into the background by a solid global growth performance with China, the US and Europe all showing growth increases at the same time - which is the first time since 2007. The growth performance contributed to a decent increase in corporate earnings, which supported increases and record levels in many equity markets. Towards the end of 2017 growth in the US was lent a hand by the Congress which on the threshold of 2018 adopted an extensive tax reform with tax cuts for both citizens and businesses.

Despite a solid increase in global growth and signals of tighter monetary policies in both the US and Europe, the inflation performance in 2017 was very modest, which contributed to keeping long bond yields low. The combination of moderate inflation and solid economic growth created good return conditions for corporate bonds, emerging-market bonds and Danish mortgage bonds.

Throughout 2017, we generally had higher risk in the portfolio than the benchmark – primarily in the form of a higher share of equities. Within equities we exclusively had exposure to global equities, while within bonds we had a significant overweight of Danish mortgage bonds.

### **Particular risks - including business and financial risks**

Since the fund invests in the international markets, the fund has a business risk related to developments in these markets.

The Annual Report's texts on 'Market outlook 2018' and 'Risk factors' give further information about the various types of risks and the association's general assessment of these risks.

### **Performance outlook 2018**

Also for 2018, we expect positive returns for our mixed funds containing both equities and bonds. We assess that equities will still be the primary return driver despite a general valuation at the high end. This is of course due to the very low interest-rate level, and our main scenario is still low, but vaguely rising interest rates in 2018, meaning that the expected return from here will be limited. We therefore still expect that the highest return will go to the risky investors.

Unlike 2017, investors are in 2018 expected to be met by wider fluctuations in market returns due to higher market volatility. Therefore the distribution between the different asset classes is expected to influence the final portfolio return greatly.

## Jyske Invest Stable Strategy EUR

Share class under Jyske Invest Stable Strategy CL

### Investment area and profile

The fund invests in a global equity and bond portfolio. The portfolio includes 0%-40% equities. The companies in the equity component of the portfolio are from various regions, countries and sectors. The equity portfolio will typically consist of 30 - 50 companies. In the bond portfolio investment is primarily made in bonds issued by or guaranteed by states, mortgage-credit institutions and supranationals. Investment is also made in emerging-market bonds and equities and in corporate bonds. These securities involve a certain degree of risk. At least 75% of the assets will at all times be invested in euro securities or hedged to the euro.

The fund assets are primarily invested in listed securities and in the US market for high-yield bonds, also called the OTC Fixed Income market, regulated by the FINRA (Financial Industry Regulatory Authority), as well as in Rule 144 A issues with a right of exchange into papers which are registered with the SEC within twelve months pursuant to the Securities Act of 1933 and which are traded in the OTC Fixed Income market. The fund may invest up to 10% of its assets in non-listed securities.

The fund may invest up to 10% of its assets in certificates in other associations, individual funds or investment institutions.

To adjust the fund's risk to a defined risk profile, the fund may use derivative financial instruments (derivatives).

### Fund profile

Type of fund	Certificate-issuing, cumulative
ISIN code	DK0016262058
Listed	No
Established	24 July 2000
Functional currency	Euro (EUR)
Benchmark	Benchmark measured by (hedged to EUR): <ul style="list-style-type: none"><li>• 65% JP Morgan Hedged ECU Unit Government Bond Index Global</li><li>• 20% MSCI AC World, net dividends included</li><li>• 7.5% JP Morgan Emerging Markets Bond Index (EMBI) Global Diversified</li><li>• 3.75% Merrill Lynch European Currency High Yield, BB-B Constrained Index</li><li>• 3.75% Merrill Lynch US High Yield, BB-B Constrained Index</li></ul>
Risk indicator	3
Risk category	Amber

### Investment allocation

The fund's investment allocation appears from 'Asset allocation' in the fund's financial statements.

### Ratios

The ratios of the share class appear from 'Key figures and ratios' in the financial statements of the share class.

## Jyske Invest Stable Strategy USD

Share class under Jyske Invest Stable Strategy CL

### Investment area and profile

The fund invests in a global equity and bond portfolio. The portfolio includes 0%-40% equities. The companies in the equity component of the portfolio are from various regions, countries and sectors. The equity portfolio will typically consist of 30 - 50 companies. In the bond portfolio investment is primarily made in bonds issued by or guaranteed by states, mortgage-credit institutions and supranationals. Investment is also made in emerging-market bonds and equities and in corporate bonds. These securities involve a certain degree of risk. At least 75% of the fund assets will at all times be invested in US dollar (USD) or hedged to the US dollar.

The fund assets are primarily invested in listed securities and in the US market for high-yield bonds, also called the OTC Fixed Income market, regulated by the FINRA (Financial Industry Regulatory Authority), as well as in Rule 144 A issues with a right of exchange into papers which are registered with the SEC within twelve months pursuant to the Securities Act of 1933 and which are traded in the OTC Fixed Income market. The fund may invest up to 10% of its assets in non-listed securities.

The fund may invest up to 10% of its assets in certificates in other associations, individual funds or investment institutions.

To adjust the fund's risk to a defined risk profile, the fund may use derivative financial instruments (derivatives).

### Fund profile

Type of fund	Certificate-issuing, cumulative
ISIN code	DK0060729259
Listed	No
Established	12 April 2016
Functional currency	The US dollar (USD)
Benchmark	Benchmark measured by (hedged to EUR): <ul style="list-style-type: none"><li>• 65% JP Morgan Hedged ECU Unit Government Bond Index Global</li><li>• 20% MSCI AC World, net dividends included</li><li>• 7.5% JP Morgan Emerging Markets Bond Index (EMBI) Global Diversified</li><li>• 3.75% Merrill Lynch European Currency High Yield, BB-B Constrained Index</li><li>• 3.75% Merrill Lynch High Yield, BB-B Constrained Index</li></ul>
Risk indicator	3
Risk category	Amber

### Investment allocation

The fund's investment allocation appears from 'Asset allocation' in the fund's financial statements.

### Ratios

The ratios of the share class appear from 'Key figures and ratios' in the financial statements of the share class.

## Jyske Invest Stable Strategy GBP

Share class under Jyske Invest Stable Strategy CL

### Investment area and profile

The fund invests in a global equity and bond portfolio. The portfolio includes 0%-40% equities. The companies in the equity component of the portfolio are from various regions, countries and sectors. The equity portfolio will typically consist of 30 - 50 companies. In the bond portfolio investment is primarily made in bonds issued by or guaranteed by states, mortgage-credit institutions and supranationals. Investment is also made in emerging-market bonds and equities and in corporate bonds. These securities involve a certain degree of risk. At least 75% of the fund's assets will at all times be invested in sterling (GBP) or hedged to sterling.

The fund assets are primarily invested in listed securities and in the US market for high-yield bonds, also called the OTC Fixed Income market, regulated by the FINRA (Financial Industry Regulatory Authority), as well as in Rule 144 A issues with a right of exchange into papers which are registered with the SEC within twelve months pursuant to the Securities Act of 1933 and which are traded in the OTC Fixed Income market. The fund may invest up to 10% of its assets in non-listed securities.

The fund may invest up to 10% of its assets in certificates in other associations, individual funds or investment institutions.

To adjust the fund's risk to a defined risk profile, the fund may use derivative financial instruments (derivatives).

### Fund profile

Type of fund	Certificate-issuing, cumulative
ISIN code	DK0060729333
Listed	No
Established	12 April 2016
Functional currency	Sterling (GBP)
Benchmark	Benchmark measured by (hedged to EUR): <ul style="list-style-type: none"><li>• 65% JP Morgan Hedged ECU Unit Government Bond Index Global</li><li>• 20% MSCI AC World, net dividends included</li><li>• 7.5% JP Morgan Emerging Markets Bond Index (EMBI) Global Diversified</li><li>• 3.75% Merrill Lynch European Currency High Yield, BB-B Constrained Index</li><li>• 3.75% Merrill Lynch US High Yield, BB-B Constrained Index</li></ul>
Risk indicator	3
Risk category	Amber

### Investment allocation

The fund's investment allocation appears from 'Asset allocation' in the fund's financial statements.

### Ratios

The ratios of the share class appear from 'Key figures and ratios' in the financial statements of the share class.

## Jyske Invest Balanced Strategy CL

### Investment area and profile

Jyske Invest Balanced Strategy CL invests in a global equity and bond portfolio.

At least 75% of the assets will at all times be invested in euro securities or hedged to the euro.

### Introduction

This review is common to the share classes and should be read in connection with the Annual Report's general text on investment markets, risk description and risk factors to get a satisfactory view of developments in the share classes. The management's assessment of the share classes' particular risks is stated below. For further information about the risks of investing in the share classes, we refer to the relevant Prospectus, which is available at [jyskeinvest.com](http://jyskeinvest.com).

The fund is offered in two share classes:

- Jyske Invest Balanced Strategy EUR
- Jyske Invest Balanced Strategy USD

Combined financial statements translated into euro for the fund comprising the results of the investments made jointly for the classes and the classes' own investments are found in the financial statements for the fund.

Notes for the individual share classes, prepared in euro, are found in the financial statements for the individual share class.

Ratios for net asset value, return and costs, etc. are calculated for each share class.

### Risk profile

Investors must be aware that investment in a Jyske Invest International fund will always imply issuer-specific, liquidity and counterparty risks as well as risks associated with the investment decisions and the operation of the association.

However, when investing in this specific fund, investors should be particularly aware of:

- Particular risks associated with mixed funds
- Particular risks associated with emerging markets
- Foreign currency risk
- Exposure to more than one country

All the risks mentioned may affect the value of the investments and have been described in further detail in the section on 'Risk factors' in the Management's Review.

### Performance in 2017

For 2017 Jyske Invest Balanced Strategy EUR generated a return of 7.08%, underperforming the benchmark by 0.67 percentage point. For 2017 Jyske Invest Balanced Strategy USD generated a return of 10.01%, outperforming the benchmark by 2.26 percentage points. The return of both share classes is better than the expected considering the market conditions and risks which, in our opinion, existed at the beginning of 2017. Our overweight of equities and Danish mortgage bonds contributed positively, while our selection of global equities detracted.

2017 was a good year with decent returns in most asset classes. The year will be remembered for significant exchange rate movements and not least a large dollar decline. Similarly, it will be remembered for significantly falling market volatility due to underlying risk seeking among investors.

The market volatility fell markedly although 2017 was liberal with significant political events which could potentially throw grit into the machinery. A few of the most important: Trump's first year as president with unconventional communication and controversial initiatives. North Korea's nuclear tests and threats against the US. Elections in France, the UK, Germany and Catalonia. Party congress in China with President Xi Jinping further consolidating his power. In addition, the Federal Reserve hiked interest rates in December for the third time in 2017. Finally, the European Central Bank announced that in 2018 it will taper its supportive monthly bond purchases.

When none of these political events spoiled the risk seeking investor behaviour in earnest, it is because they were thrust into the background by a solid global growth performance with China, the US and Europe all showing growth increases at the same time - which is the first time since 2007. The growth performance contributed to a decent increase in corporate earnings, which supported increases and record levels in

many equity markets. Towards the end of 2017 growth in the US was lent a hand by the Congress which on the threshold of 2018 adopted an extensive tax reform with tax cuts for both citizens and businesses.

Despite a solid increase in global growth and signals of tighter monetary policies in both the US and Europe, the inflation performance in 2017 was very modest, which contributed to keeping long bond yields low. The combination of moderate inflation and solid economic growth created good return conditions for corporate bonds, emerging-market bonds and Danish mortgage bonds.

Throughout 2017, we generally had higher risk in the portfolio than the benchmark – primarily in the form of a higher share of equities. Within equities we exclusively had exposure to global equities, while within bonds we had a significant overweight of Danish mortgage bonds.

#### **Particular risks - including business and financial risks**

Since the fund invests in the international markets, the fund has a business risk related to developments in these markets.

The Annual Report's texts on 'Market outlook 2018' and 'Risk factors' give further information about the various types of risks and the association's general assessment of these risks.

#### **Performance outlook 2018**

Also for 2018, we expect positive returns for our mixed funds containing both equities and bonds. We assess that equities will still be the primary return driver despite a general valuation at the high end. This is of course due to the very low interest-rate level, and our main scenario is still low, but vaguely rising interest rates in 2018, meaning that the expected return from here will be limited. We therefore still expect that the highest return will go to the risky investors.

Unlike 2017, investors are in 2018 expected to be met by wider fluctuations in market returns due to higher market volatility. Therefore the distribution between the different asset classes is expected to influence the final portfolio return greatly.



## Jyske Invest Balanced Strategy EUR

Share class under Jyske Invest Balanced Strategy CL

### Investment area and profile

The fund invests in a global equity and bond portfolio. The portfolio includes 30% to 60% equities. The companies in the equity component of the portfolio are from various regions, countries and sectors. The equity portfolio will typically consist of 30 - 50 companies. In the bond portfolio investment is primarily made in bonds issued by or guaranteed by states, mortgage-credit institutions and supranationals. Investment is also made in emerging-market bonds and equities and in corporate bonds. These securities involve a certain degree of risk. At least 75% of the assets will at all times be invested in euro securities or hedged to the euro.

The fund assets are primarily invested in listed securities and in the US market for high-yield bonds, also called the OTC Fixed Income market, regulated by the FINRA (Financial Industry Regulatory Authority), as well as in Rule 144 A issues with a right of exchange into papers which are registered with the SEC within twelve months pursuant to the Securities Act of 1933 and which are traded in the OTC Fixed Income market. The fund may invest up to 10% of its assets in non-listed securities.

To adjust the fund's risk to a defined risk profile, the fund may use derivative financial instruments (derivatives).

### Fund profile

Type of fund	Certificate-issuing, cumulative
ISIN code	DK0016262132
Listed	No
Established	24 July 2000
Functional currency	Euro (EUR)
Benchmark	Benchmark measured by (hedged to EUR): <ul style="list-style-type: none"><li>• 50% JP Morgan Hedged ECU Unit Government Bond Index Global</li><li>• 40% MSCI AC World Index, net dividends included</li><li>• 5% JP Morgan Emerging Markets Bond Index (EMBI) Global Diversified</li><li>• 2.5% Merrill Lynch European Currency High Yield, BB-B Constrained Index</li><li>• 2.5% Merrill Lynch US High Yield, BB-B Constrained Index</li></ul>
Risk indicator	4
Risk category	Amber

### Investment allocation

The fund's investment allocation appears from 'Asset allocation' in the fund's financial statements.

### Ratios

The ratios of the share class appear from 'Key figures and ratios' in the financial statements of the share class.

## Jyske Invest Balanced Strategy USD

Share class under Jyske Invest Balanced Strategy CL

### Investment area and profile

The fund invests in a global equity and bond portfolio. The portfolio includes 30% to 60% equities. The companies in the equity component of the portfolio are from various regions, countries and sectors. The equity portfolio will typically consist of 30 - 50 companies. In the bond portfolio investment is primarily made in bonds issued by or guaranteed by states, mortgage-credit institutions and supranationals. Investment is also made in emerging-market bonds and equities and in corporate bonds. These securities involve a certain degree of risk. At least 75% of the fund assets will at all times be invested in US dollar (USD) or hedged to the US dollar.

The fund assets are primarily invested in listed securities and in the US market for high-yield bonds, also called the OTC Fixed Income market, regulated by the FINRA (Financial Industry Regulatory Authority), as well as in Rule 144 A issues with a right of exchange into papers which are registered with the SEC within twelve months pursuant to the Securities Act of 1933 and which are traded in the OTC Fixed Income market. The fund may invest up to 10% of its assets in non-listed securities.

To adjust the fund's risk to a defined risk profile, the fund may use derivative financial instruments (derivatives).

### Fund profile

Type of fund	Certificate-issuing, cumulative
ISIN code	DK0060656197
Listed	No
Established	25 September 2015
Functional currency	The US dollar (USD)
Benchmark	Benchmark measured by (hedged to EUR): <ul style="list-style-type: none"><li>• 50% JP Morgan Hedged ECU Unit Government Bond Index Global</li><li>• 40% MSCI AC World Index, net dividends included</li><li>• 5% JP Morgan Emerging Markets Bond Index (EMBI) Global Diversified</li><li>• 2.5% Merrill Lynch European Currency High Yield, BB-B Constrained Index</li><li>• 2.5% Merrill Lynch US High Yield, BB-B Constrained Index</li></ul>
Risk indicator	4
Risk category	Amber

### Investment allocation

The fund's investment allocation appears from 'Asset allocation' in the fund's financial statements.

### Ratios

The ratios of the share class appear from 'Key figures and ratios' in the financial statements of the share class.

## Jyske Invest Balanced Strategy (NOK) CL

### Investment area and profile

The fund invests in a global equity and bond portfolio. The portfolio includes 30% to 60% equities. The companies in the equity component of the portfolio are from various regions, countries and sectors. The equity portfolio will typically consist of 30 - 50 companies. In the bond portfolio investment is primarily made in bonds issued by or guaranteed by states, mortgage-credit institutions and supranationals. Investment is also made in emerging-market bonds and equities and in corporate bonds. These securities involve a certain degree of risk. At least 75% of the fund's assets will at all times be invested in Norwegian kroner (NOK) or hedged to the Norwegian krone.

The fund assets are primarily invested in listed securities and in the US market for high-yield bonds, also called the OTC Fixed Income market, regulated by the FINRA (Financial Industry Regulatory Authority), as well as in Rule 144 A issues with a right of exchange into papers which are registered with the SEC within twelve months pursuant to the Securities Act of 1933 and which are traded in the OTC Fixed Income market. The fund may invest up to 10% of its assets in non-listed securities.

To adjust the fund's risk to a defined risk profile, the fund may use derivative financial instruments (derivatives).

### Fund profile

Type of fund	Certificate-issuing, cumulative
ISIN code	DK0060129815
Listed	No
Established	1 January 2008
Functional currency	The Norwegian krone (NOK)
Benchmark	Benchmark measured by (hedged to EUR): <ul style="list-style-type: none"><li>• 50% JP Morgan Hedged ECU Unit Government Bond Index Global</li><li>• 40% MSCI AC World Index, net dividends included</li><li>• 5% JP Morgan Emerging Markets Bond Index (EMBI) Global Diversified</li><li>• 2.5% Merrill Lynch European Currency High Yield, BB-B Constrained Index</li><li>• 2.5% Merrill Lynch US High Yield, BB-B Constrained Index</li></ul>
Risk indicator	4
Risk category	Amber

### Investment allocation

The fund's investment allocation appears from 'Asset allocation' in the fund's financial statements.

### Ratios

The fund's ratios appear from 'Key figures and ratios' in the fund's financial statements.

### Introduction

This fund review should be read in connection with the Annual Report's general text on investment markets, risk description and risk factors to get a satisfactory view of developments in the fund. The management's assessment of the fund's particular risks is stated below. For further information about the risks of investing in the fund, we refer to the relevant Prospectus, which is available at [jyskeinvest.com](http://jyskeinvest.com).

### Risk profile

Investors must be aware that investment in a Jyske Invest International fund will always imply issuer-specific, liquidity and counterparty risks as well as risks associated with the investment decisions and the operation of the association.

However, when investing in this specific fund, investors should be particularly aware of:

- Particular risks associated with mixed funds
- Particular risks associated with emerging markets
- Foreign currency risk
- Exposure to more than one country

All the risks mentioned may affect the value of the investments and have been described in further detail in the section on 'Risk factors' in the Management's Review.

### **Performance in 2017**

For 2017 the fund generated a return of 9.01%, outperforming the benchmark by 1.26 percentage points. The return is better than the expected considering the market conditions and risks which, in our opinion, existed at the beginning of 2017. Our overweight of equities and Danish mortgage bonds contributed positively, while our selection of global equities detracted.

2017 was a good year with decent returns in most asset classes. The year will be remembered for significant exchange rate movements and not least a large dollar decline. Similarly, it will be remembered for significantly falling market volatility due to underlying risk seeking among investors.

The market volatility fell markedly although 2017 was liberal with significant political events which could potentially throw grit into the machinery. A few of the most important: Trump's first year as president with unconventional communication and controversial initiatives. North Korea's nuclear tests and threats against the US. Elections in France, the UK, Germany and Catalonia. Party congress in China with President Xi Jinping further consolidating his power. In addition, the Federal Reserve hiked interest rates in December for the third time in 2017. Finally, the European Central Bank announced that in 2018 it will taper its supportive monthly bond purchases.

When none of these political events spoiled the risk seeking investor behaviour in earnest, it is because they were thrust into the background by a solid global growth performance with China, the US and Europe all showing growth increases at the same time - which is the first time since 2007. The growth performance contributed to a decent increase in corporate earnings, which supported increases and record levels in

many equity markets. Towards the end of 2017 growth in the US was lent a hand by the Congress which on the threshold of 2018 adopted an extensive tax reform with tax cuts for both citizens and businesses.

Despite a solid increase in global growth and signals of tighter monetary policies in both the US and Europe, the inflation performance in 2017 was very modest, which contributed to keeping long bond yields low. The combination of moderate inflation and solid economic growth created good return conditions for corporate bonds, emerging-market bonds and Danish mortgage bonds.

Throughout 2017, we generally had higher risk in the portfolio than the benchmark – primarily in the form of more shares. Within equities we exclusively had exposure to global equities, while within bonds we had a significant overweight of Danish mortgage bonds.

### **Particular risks - including business and financial risks**

Since the fund invests in the international markets, the fund has a business risk related to developments in these markets.

The Annual Report's texts on 'Market outlook 2018' and 'Risk factors' give further information about the various types of risks and the association's general assessment of these risks.

### **Performance outlook 2018**

Also for 2018, we expect positive returns for our mixed funds containing both equities and bonds. We assess that equities will still be the primary return driver despite a general valuation at the high end. This is of course due to the very low interest-rate level, and our main scenario is still low, but vaguely rising interest rates in 2018, meaning that the expected return from here will be limited. We therefore still expect that the highest return will go to the risky investors.

Unlike 2017, investors are in 2018 expected to be met by wider fluctuations in market returns due to higher market volatility. Therefore the distribution between the different asset classes is expected to influence the final portfolio return greatly.

## Jyske Invest Balanced Strategy (GBP) CL

### Investment area and profile

Jyske Invest Balanced Strategy (GBP) CL invests in a global equity and bond portfolio. The portfolio includes 30% to 60% equities. The companies in the equity component of the portfolio are from various regions, countries and sectors. The equity portfolio will typically consist of 30 - 50 companies. In the bond portfolio investment is primarily made in bonds issued by or guaranteed by states, mortgage-credit institutions and supranationals. Investment is also made in emerging-market bonds and equities and in corporate bonds. These securities involve a certain degree of risk. At least 75% of the fund's assets will at all times be invested in sterling (GBP) or hedged to sterling.

The fund assets are primarily invested in listed securities and in the US market for high-yield bonds, also called the OTC Fixed Income market, regulated by the FINRA (Financial Industry Regulatory Authority), as well as in Rule 144 A issues with a right of exchange into papers which are registered with the SEC within twelve months pursuant to the Securities Act of 1933 and which are traded in the OTC Fixed Income market. The fund may invest up to 10% of its assets in non-listed securities.

To adjust the fund's risk to a defined risk profile, the fund may use derivative financial instruments (derivatives).

### Fund profile

Type of fund	Certificate-issuing, cumulative
ISIN code	DK0060238194
Listed	No
Established	20 July 2010
Functional currency	Sterling (GBP)
Benchmark	Benchmark measured by (hedged to EUR): <ul style="list-style-type: none"> <li>• 50% JP Morgan Hedged ECU Unit Government Bond Index Global</li> <li>• 40% MSCI AC World Index, net dividends included</li> <li>• 5% JP Morgan Emerging Markets Bond Index (EMBI) Global Diversified</li> <li>• 2.5% Merrill Lynch European Currency High Yield, BB-B Constrained Index</li> <li>• 2.5% Merrill Lynch US High Yield, BB-B Constrained Index</li> </ul>
Risk indicator	4
Risk category	Amber

### Investment allocation

The fund's investment allocation appears from 'Asset allocation' in the fund's financial statements.

### Ratios

The fund's ratios appear from 'Key figures and ratios' in the fund's financial statements.

### Introduction

This fund review should be read in connection with the Annual Report's general text on investment markets, risk description and risk factors to get a satisfactory view of developments in the fund. The management's assessment of the fund's particular risks is stated below. For further information about the risks of investing in the fund, we refer to the relevant Prospectus, which is available at [jyskeinvest.com](http://jyskeinvest.com).

### Risk profile

Investors must be aware that investment in a Jyske Invest International fund will always imply issuer-specific, liquidity and counterparty risks as well as risks associated with the investment decisions and the operation of the association.

However, when investing in this specific fund, investors should be particularly aware of:

- Particular risks associated with mixed funds
- Particular risks associated with emerging markets
- Foreign currency risk
- Exposure to more than one country

All the risks mentioned may affect the value of the investments and have been described in further detail in the section on 'Risk factors' in the Management's Review.

### **Performance in 2017**

For 2017 the fund generated a return of 8.05%, outperforming the benchmark by 0.30 percentage point. The return is better than the expected considering the market conditions and risks which, in our opinion, existed at the beginning of 2017. Our overweight of equities and Danish mortgage bonds contributed positively, while our selection of global equities detracted.

2017 was a good year with decent returns in most asset classes. The year will be remembered for significant exchange rate movements and not least a large dollar decline. Similarly, it will be remembered for significantly falling market volatility due to underlying risk seeking among investors.

The market volatility fell markedly although 2017 was liberal with significant political events which could potentially throw grit into the machinery. A few of the most important: Trump's first year as president with unconventional communication and controversial initiatives. North Korea's nuclear tests and threats against the US. Elections in France, the UK, Germany and Catalonia. Party congress in China with President Xi Jinping further consolidating his power. In addition, the Federal Reserve hiked interest rates in December for the third time in 2017. Finally, the European Central Bank announced that in 2018 it will taper its supportive monthly bond purchases.

When none of these political events spoiled the risk seeking investor behaviour in earnest, it is because they were thrust into the background by a solid global growth performance with China, the US and Europe all showing growth increases at the same time - which is the first time since 2007. The growth performance contributed to a decent increase in corporate earnings, which supported increases and record levels in

many equity markets. Towards the end of 2017 growth in the US was lent a hand by the Congress which on the threshold of 2018 adopted an extensive tax reform with tax cuts for both citizens and businesses.

Despite a solid increase in global growth and signals of tighter monetary policies in both the US and Europe, the inflation performance in 2017 was very modest, which contributed to keeping long bond yields low. The combination of moderate inflation and solid economic growth created good return conditions for corporate bonds, emerging-market bonds and Danish mortgage bonds.

Throughout 2017, we generally had higher risk in the portfolio than the benchmark – primarily in the form of more shares. Within equities we exclusively had exposure to global equities, while within bonds we had a significant overweight of Danish mortgage bonds.

### **Particular risks - including business and financial risks**

Since the fund invests in the international markets, the fund has a business risk related to developments in these markets.

The Annual Report's texts on 'Market outlook 2018' and 'Risk factors' give further information about the various types of risks and the association's general assessment of these risks.

### **Performance outlook 2018**

Also for 2018, we expect positive returns for our mixed funds containing both equities and bonds. We assess that equities will still be the primary return driver despite a general valuation at the high end. This is of course due to the very low interest-rate level, and our main scenario is still low, but vaguely rising interest rates in 2018, meaning that the expected return from here will be limited. We therefore still expect that the highest return will go to the risky investors.

Unlike 2017, investors are in 2018 expected to be met by wider fluctuations in market returns due to higher market volatility. Therefore the distribution between the different asset classes is expected to influence the final portfolio return greatly.

## Jyske Invest Dynamic Strategy CL

### Investment area and profile

The fund invests in a global equity and bond portfolio. The portfolio includes 40%-80% equities. The companies in the equity component of the portfolio are from various regions, countries and sectors. The equity portfolio will typically consist of 30 - 50 companies. In the bond portfolio investment is primarily made in bonds issued by or guaranteed by states, mortgage-credit institutions and supranationals. Investment is also made in emerging-market bonds and equities and in corporate bonds. These securities involve a certain degree of risk. At least 75% of the assets will at all times be invested in euro securities or hedged to the euro.

The fund assets are primarily invested in listed securities and in the US market for high-yield bonds, also called the OTC Fixed Income market, regulated by the FINRA (Financial Industry Regulatory Authority), as well as in Rule 144 A issues with a right of exchange into papers which are registered with the SEC within twelve months pursuant to the Securities Act of 1933 and which are traded in the OTC Fixed Income market. The fund may invest up to 10% of its assets in non-listed securities.

To adjust the fund's risk to a defined risk profile, the fund may use derivative financial instruments (derivatives).

### Fund profile

Type of fund	Certificate-issuing, cumulative
ISIN code	DK0060004794
Listed	No
Established	13 December 2004
Functional currency	Euro (EUR)
Benchmark	Benchmark measured by (hedged to EUR): <ul style="list-style-type: none"><li>• 60% MSCI AC World Index, net dividend included</li><li>• 30% JP Morgan Hedged ECU Unit Government Bond Index Global</li><li>• 5% JP Morgan Emerging Markets Bond Index (EMBI) Global Diversified</li><li>• 2.5% Merrill Lynch European Currency High Yield, BB-B Constrained Index</li><li>• 2.5% Merrill Lynch US High Yield, BB-B Constrained Index</li></ul>
Risk indicator	4
Risk category	Amber

### Investment allocation

The fund's investment allocation appears from 'Asset allocation' in the fund's financial statements.

### Ratios

The fund's ratios appear from 'Key figures and ratios' in the fund's financial statements.

### Introduction

This fund review should be read in connection with the Annual Report's general text on investment markets, risk description and risk factors to get a satisfactory view of developments in the fund. The management's assessment of the fund's particular risks is stated below. For further information about the risks of investing in the fund, we refer to the relevant Prospectus, which is available at [jyskeinvest.com](http://jyskeinvest.com).

### Risk profile

Investors must be aware that investment in a Jyske Invest International fund will always imply issuer-specific, liquidity and counterparty risks as well as risks associated with the investment decisions and the operation of the association.

However, when investing in this specific fund, investors should be particularly aware of:

- Particular risks associated with mixed funds

- Particular risks associated with emerging markets
- Foreign currency risk
- Exposure to more than one country

All the risks mentioned may affect the value of the investments and have been described in further detail in the section on 'Risk factors' in the Management's Review.

### **Performance in 2017**

For 2017 the fund generated a return of 9.85%, underperforming the benchmark by 1.39 percentage points. The return is better than the expected considering the market conditions and risks which, in our opinion, existed at the beginning of 2017. Our overweight of equities and less so our overweight of Danish mortgage bonds contributed positively, while our selection of global equities could not follow the market return for equities and therefore detracted overall.

2017 was a good year with decent returns in most asset classes. The year will be remembered for significant exchange rate movements and not least a large dollar decline. Similarly, it will be remembered for significantly falling market volatility due to underlying risk seeking among investors.

The market volatility fell markedly although 2017 was liberal with significant political events which could potentially throw grit into the machinery. A few of the most important: Trump's first year as president with unconventional communication and controversial initiatives. North Korea's nuclear tests and threats against the US. Elections in France, the UK, Germany and Catalonia. Party congress in China with President Xi Jinping further consolidating his power. In addition, the Federal Reserve hiked interest rates in December for the third time in 2017. Finally, the European Central Bank announced that in 2018 it will taper its supportive monthly bond purchases.

When none of these political events spoiled the risk seeking investor behaviour in earnest, it is because they were thrust into the background by a solid global growth performance with China, the US and Europe all showing growth increases at the same time - which is the first time since 2007. The growth performance contributed to a decent increase in corporate earnings, which supported increases and record levels in

many equity markets. Towards the end of 2017 growth in the US was lent a hand by the Congress which on the threshold of 2018 adopted an extensive tax reform with tax cuts for both citizens and businesses.

Despite a solid increase in global growth and signals of tighter monetary policies in both the US and Europe, the inflation performance in 2017 was very modest, which contributed to keeping long bond yields low. The combination of moderate inflation and solid economic growth created good return conditions for corporate bonds, emerging-market bonds and Danish mortgage bonds.

Throughout 2017, we generally had higher risk in the portfolio than the benchmark – primarily in the form of more shares. Within equities we exclusively had exposure to global equities, while within bonds we had a significant overweight of Danish mortgage bonds.

### **Particular risks - including business and financial risks**

Since the fund invests in the international markets, the fund has a business risk related to developments in these markets.

The Annual Report's texts on 'Market outlook 2018' and 'Risk factors' give further information about the various types of risks and the association's general assessment of these risks.

### **Performance outlook 2018**

Also for 2018, we expect positive returns for our mixed funds containing both equities and bonds. We assess that equities will still be the primary return driver despite a general valuation at the high end. This is of course due to the very low interest-rate level, and our main scenario is still low, but vaguely rising interest rates in 2018, meaning that the expected return from here will be limited. We therefore still expect that the highest return will go to the risky investors.

Unlike 2017, investors are in 2018 expected to be met by wider fluctuations in market returns due to higher market volatility. Therefore the distribution between the different asset classes is expected to influence the final portfolio return greatly.



## Jyske Invest Growth Strategy CL

### Investment area and profile

The fund invests in a global equity and bond portfolio. The portfolio includes 60%-100% equities. The companies in the equity component of the portfolio are from various regions, countries and sectors. The equity portfolio will typically consist of 30 - 50 companies. In the bond portfolio investment is primarily made in bonds issued by or guaranteed by states, mortgage-credit institutions and supranationals. Investment is also made in emerging-market bonds and equities and in corporate bonds. These securities involve a certain degree of risk. At least 75% of the assets will at all times be invested in euro securities or hedged to the euro.

The fund assets are primarily invested in listed securities and in the US market for high-yield bonds, also called the OTC Fixed Income market, regulated by the FINRA (Financial Industry Regulatory Authority), as well as in Rule 144 A issues with a right of exchange into papers which are registered with the SEC within twelve months pursuant to the Securities Act of 1933 and which are traded in the OTC Fixed Income market. The fund may invest up to 10% of its assets in non-listed securities.

To adjust the fund's risk to a defined risk profile, the fund may use derivative financial instruments (derivatives).

### Fund profile

Type of fund	Certificate-issuing, cumulative
ISIN code	DK0016262215
Listed	No
Established	24 July 2000
Functional currency	Euro (EUR)
Benchmark	Benchmark measured by (hedged to EUR): <ul style="list-style-type: none"><li>• 80% MSCI AC World Index, net dividend included</li><li>• 10% JP Morgan Hedged ECU Unit Government Bond Index Global</li><li>• 5% JP Morgan Emerging Markets Bond Index (EMBI) Global Diversified</li><li>• 2.5% Merrill Lynch European Currency High Yield, BB-B Constrained Index</li><li>• 2.5% Merrill Lynch US High Yield, BB-B Constrained Index</li></ul>
Risk indicator	5
Risk category	Amber

### Investment allocation

The fund's investment allocation appears from 'Asset allocation' in the fund's financial statements.

### Ratios

The fund's ratios appear from 'Key figures and ratios' in the fund's financial statements.

### Introduction

This fund review should be read in connection with the Annual Report's general text on investment markets, risk description and risk factors to get a satisfactory view of developments in the fund. The management's assessment of the fund's particular risks is stated below. For further information about the risks of investing in the fund, we refer to the relevant Prospectus, which is available at [jyskeinvest.com](http://jyskeinvest.com).

### Risk profile

Investors must be aware that investment in a Jyske Invest International fund will always imply issuer-specific, liquidity and counterparty risks as well as risks associated with the investment decisions and the operation of the association.

However, when investing in this specific fund, investors should be particularly aware of:

- Particular risks associated with mixed funds
- Particular risks associated with emerging markets
- Foreign currency risk
- Exposure to more than one country

All the risks mentioned may affect the value of the investments and have been described in further detail in the section on 'Risk factors' in the Management's Review.

### **Performance in 2017**

For 2017 the fund generated a return of 12.00%, outperforming the benchmark by 2.82 percentage points. The return is better than the expected considering the market conditions and risks which, in our opinion, existed at the beginning of 2017. Our overweight of equities contributed positively, while our selection of global equities could not follow the market return for equities and detracted overall.

2017 was a good year with decent returns in most asset classes. The year will be remembered for significant exchange rate movements and not least a large dollar decline. Similarly, it will be remembered for significantly falling market volatility due to underlying risk seeking among investors.

The market volatility fell markedly although 2017 was liberal with significant political events which could potentially throw grit into the machinery. A few of the most important: Trump's first year as president with unconventional communication and controversial initiatives. North Korea's nuclear tests and threats against the US. Elections in France, the UK, Germany and Catalonia. Party congress in China with President Xi Jinping further consolidating his power. In addition, the Federal Reserve hiked interest rates in December for the third time in 2017. Finally, the European Central Bank announced that in 2018 it will taper its supportive monthly bond purchases.

When none of these political events spoiled the risk seeking investor behaviour in earnest, it is because they were thrust into the background by a solid global growth performance with China, the US and Europe all showing growth increases at the same time - which is the first time since 2007. The growth performance contributed to a decent increase in corporate earnings, which supported increases and record levels in

many equity markets. Towards the end of 2017 growth in the US was lent a hand by the Congress which on the threshold of 2018 adopted an extensive tax reform with tax cuts for both citizens and businesses.

Despite a solid increase in global growth and signals of tighter monetary policies in both the US and Europe, the inflation performance in 2017 was very modest, which contributed to keeping long bond yields low. The combination of moderate inflation and solid economic growth created good return conditions for corporate bonds, emerging-market bonds and Danish mortgage bonds.

Throughout 2017, we generally had higher risk in the portfolio than the benchmark – primarily in the form of more shares. Within equities we exclusively had exposure to global equities, while within bonds we had a significant overweight of Danish mortgage bonds.

### **Particular risks - including business and financial risks**

Since the fund invests in the international markets, the fund has a business risk related to developments in these markets.

The Annual Report's texts on 'Market outlook 2018' and 'Risk factors' give further information about the various types of risks and the association's general assessment of these risks.

### **Performance outlook 2018**

Also for 2018, we expect positive returns for our mixed funds containing both equities and bonds. We assess that equities will still be the primary return driver despite a general valuation at the high end. This is of course due to the very low interest-rate level, and our main scenario is still low, but vaguely rising interest rates in 2018, meaning that the expected return from here will be limited. We therefore still expect that the highest return will go to the risky investors.

Unlike 2017, investors are in 2018 expected to be met by wider fluctuations in market returns due to higher market volatility. Therefore the distribution between the different asset classes is expected to influence the final portfolio return greatly.

## Jyske Invest Aggressive Strategy CL

(Secondary name: Jyske Invest Favourite Equities CL)

### Investment area and profile

Jyske Invest Aggressive Strategy CL invests primarily in a global portfolio of equities from various regions, countries and sectors. The portfolio will typically consist of 30 - 50 companies.

The fund's assets are mainly invested in listed equities, i.e., equities traded in a regulated market. The fund may invest up to 10% of its assets in non-listed equities.

The fund may invest up to 10% of its assets in certificates in other associations, individual funds or investment institutions.

To adjust the fund's risk to a defined risk profile, the fund may use derivative financial instruments (derivatives).

Fund profile		Investment allocation
Type of fund	Certificate-issuing, cumulative	The fund's investment allocation appears from 'Asset allocation' in the fund's financial statements.
ISIN code	DK0016262488 / DK0060005924	
Listed	No	<b>Ratios</b> The fund's ratios appear from 'Key figures and ratios' in the fund's financial statements.
Established	24 July 2000	
Functional currency	Euro (EUR)	
Benchmark	MSCI AC World Index, net dividends included	
Risk indicator	5	
Risk category	Amber	

### Introduction

This fund review should be read in connection with the Annual Report's general text on investment markets, risk description and risk factors to get a satisfactory view of developments in the fund. The management's assessment of the fund's particular risks is stated below. For further information about the risks of investing in the fund, we refer to the relevant Prospectus, which is available at [jyskeinvest.com](http://jyskeinvest.com).

### Risk profile

Investors must be aware that investment in a Jyske Invest International fund will always imply issuer-specific, liquidity and counterparty risks as well as risks associated with the investment decisions and the operation of the association.

However, when investing in this specific fund, investors should be particularly aware of:

- Particular risks associated with equity funds
- Particular risks associated with emerging markets
- Foreign currency risk
- Exposure to more than one country

All the risks mentioned may affect the value of the investments and have been described in further detail in the section on 'Risk factors' in the Management's Review.

### Performance in 2017

The fund generated a return of 5.22% for 2017, which was lower than the benchmark return of 8.89%. The return is roughly in line with expectations considering the market conditions and risks which, in our opinion, existed at the beginning of 2017. The fund was outperformed by the market due to our selection of shares within notably Consumer Discretionary.

2017 offered solid economic progress and increasing equity prices despite several periods of political turbulence in the US as well as in Europe and geopolitical turmoil. The equity prices in many equity markets delivered two-digit returns. However, for a Danish investor a large dollar decline at 12% reduced the return.

Even though the political scene in the US was characterised by widespread turbulence in 2017, prices of

US equities increased more than 20%. Higher corporate earnings and prospects of tax cuts contributed to this. Investors managed to turn a blind eye to President Donald Trump's somewhat unorthodox style - and they were even reassured by good economic indicators and the fact that the Federal Reserve found it necessary to hike its interest rate several times in the course of 2017.

Emerging-market equities took the lead in 2017 - thanks to rising commodity prices and positive trends in China where share prices rose 55%. The latter delivered good economic indicators, just as a further consolidation of Xi Jinping's power after replacements in the politbureau strengthened investors' confidence in China. The country's handling of the tensions between the US and North Korea also demonstrated political flair, which reassured investors.

The political headlines also dominated in Europe in 2017 - not least because of different parliamentary and presidential elections, Brexit, and Catalonia's attempt to separate from Spain. However, the European economy and the European businesses were largely immune to the turbulence. On the contrary, strong earnings reports supported share prices. The Brexit negotiations made the sea run high at times, but this was mainly in relation to the British pound.

Jyske Invest Aggressive Strategy CL underperformed the global equity market in 2017. The return was especially negatively impacted by our selection of shares within Consumer Discretionary. We have held shares in different companies which have learnt what disruption means to the future prospects. In the business sector, the term is used when the use of new technologies and formats changes the market situation drastically. Several of our companies were hit by Amazon's dominant position within the switch from physical to online retail trade. This impacted, for instance, Foot Locker. On the other hand, several of our shares from emerging markets benefited from the tailwind here.

### **Particular risks - including business and financial risks**

Since the fund invests in the international markets, the fund has a business risk related to developments in these markets.

As the fund will typically only invest in 30-50 companies, the company-specific dependence is high, and

therefore the performance of individual shares will greatly impact the overall return.

The Annual Report's texts on 'Market outlook 2018' and 'Risk factors' give further information about the various types of risks and the association's general assessment of these risks.

### **Performance outlook 2018**

We expect a positive return on the global equity markets in 2018, but with more turbulence than in the past year. Both national and international politics are potential sources of uncertainty, and this may impact the outlook for investors. The same is the case for the growth and inflation outlook, and the world's leading central banks therefore have an important role. Add to this the valuation, which makes great demands on the businesses' ability to show progress.

We expect that news about US politics will be of greatest interest for equity investors. We are particularly interested in the implementation of the adopted US tax cuts, just as a new central bank chief must find his role. The tax package is a fiscal-policy experiment where an already booming economy and a tight labour market add fuel to the fire. In view of the wide political uncertainty, the Federal Reserve's handling of growth, inflation and pressure on the labour market will be correspondingly important - both for the US and the other equity markets.

We expect new political agendas to create new dynamics. Both positive and negative dynamics. The US president takes on everything and everyone. We believe this will continue to cause tensions and may create new hot spots. On the other hand, Europe and China - whose strength is increasingly visible - have become closer allies as a consequence of this. North Korea is also a joker, just like many other hot spots. However, as long as the noise will not have severe consequences for economies and businesses, we estimate that it will alone result in short-lived price ripples.

We expect that the current valuation in the global equity markets will be a source of periodic turbulence in 2018 - especially when businesses report their earnings. As the valuation of the world's equity markets is generally higher now than in a long time, investors are more easily worried if the financial or political climate does not develop as desired. We therefore expect a year with wider fluctuations than in 2017 in step with the newsflow. It is important to proportion

the valuation of equities to the historically low and potentially rising interest-rate level - and at the same

time note that both economies and businesses are generally in fine shape.

# Statement by the Management and Supervisory Boards on the Annual Report

The Supervisory Board and the Management Board have today discussed and approved the Annual Report for 2017 of Investeringsforeningen Jyske Invest International.

The Annual Report has been prepared in accordance with *the Danish Investment Associations, etc. Act* and any further requirements provided by articles of association or by agreement.

The financial statements of the individual funds give a true and fair view of the individual funds' assets and liabilities, financial position and the results.

In our opinion, the Management's Review and the reviews of the individual funds contain fair presentations of the performance of the association and the funds and their financial position as well as a description of the most material risks and elements of uncertainty that may affect the association and the individual funds.

The Annual Report is recommended for approval by the Annual General Meeting.

Silkeborg, 21 February 2018

## Supervisory Board

Hans Frimor  
Chairman

Jane Soli Preuthun  
Deputy Chairman

Steen Ørgaard Konradsen

Bo Sandemann Rasmussen

## Management Board Jyske Invest Fund Management A/S

Bjarne Staael  
Managing Director

# Independent Auditors' Report

## **To the investors of Investeringsforeningen Jyske Invest International**

### **Audit opinion**

We have audited the financial statements for the individual funds of Investeringsforeningen Jyske Invest International for the financial year 1 January to 31 December 2017, comprising Income statement, Balance sheet and Notes. The financial statements for the individual funds have been prepared in accordance with the Danish Investment Associations, etc. Act and any further requirements provided by articles of association or by agreement.

In our opinion, the financial statements give a true and fair view of the individual funds' assets, liabilities and financial position at 31 December 2017 and of the results of the funds' operations in the financial year 1 January – 31 December 2017 in accordance with the Danish Investment Associations, etc. Act, and any further requirements provided by articles of association or by agreement.

### **Basis of the audit opinion**

We conducted our audit in accordance with the International Standards on Auditing and the additional requirements applicable in Denmark. Our responsibility according to these standards and requirements is described in detail in the Auditors' Report under the heading 'The auditor's responsibility for the audit of the financial statements'. We are independent of the association in accordance with the code of ethics of the International Ethics Standard Board for Accountants (IESBA) and also in accordance with the additional requirements applicable in Denmark; also, we have met our ethical obligations according to this code of ethics and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Management's responsibility for the financial statements**

Management is responsible for the preparation of financial statements for the individual funds that offer a true and fair view in accordance with the Danish In-

vestment Associations, etc. Act and any further requirements provided by articles of association or by agreement. Moreover, management is responsible for the internal control that management finds necessary to prepare financial statements for the individual funds that are free from material misstatement, whether due to fraud or error.

When preparing the financial statements of the individual funds, management is responsible for assessing the association's and/or the individual funds' ability to continue operations, and for disclosing circumstances relating to the continued operations, where relevant, and to prepare the financial statements of the individual funds on the basis of the accounting principle on continued operations, unless management intends to wind up the association and/or the funds, discontinue operations or does not have any other realistic alternative than doing so.

### **The auditor's responsibility for the audit of the financial statements**

The objective of our audit is that of obtaining a high level of assurance and audit evidence that the financial statements of the individual funds are free of material misstatements, whether or not due to fraud or error, and that of issuing an Auditors' Report expressing an audit opinion. A high level of assurance is a high level of assurance, but no guarantee that an audit performed in accordance with the International Standards on Auditing and the additional requirements applicable in Denmark will always reveal any material misstatement if such misstatement has been made. Misstatements can also be given due to fraud or error and can be considered material if it is reasonable to assume that such misstatements will individually or collectively affect the financial decisions that financial statement users make on the basis of the financial statements for the individual funds.

In the course of the audit that is performed in accordance with the International Standards on Auditing and the additional requirements applicable in Denmark, we make professional assessments with an attitude of professional scepticism during the audit. In addition:

# Independent Auditors' Report

- We identify and assess the risk of material misstatements in the financial statements for the individual funds, whether or not such misstatements are due to fraud or error; we design and perform audit procedures in reaction to these risks and also obtain audit evidence sufficient and suitable for the basis of our audit opinion. The risk of not detecting any material misstatement due to fraud is higher than that in connection with material misstatements caused by error, as fraud may comprise conspiracy, forgery, conscious omissions, misrepresentation or disregard of internal control.
- We gain an understanding of the internal control relevant for the audit in order to prepare audit procedures that are appropriate under the circumstances, but not to express an audit opinion on the efficiency of the association's internal control.
- We make a decision whether the accounting policies applied by management are suitable, and whether the accounting estimates and relevant information that management has prepared are reasonable.
- We determine whether management's preparation of the financial statements for the individual funds on the basis of the accounting principle on going concern is suitable, as well as whether, on the basis of the audit evidence obtained, there is any material uncertainty linked to events or circumstances that may result in considerable doubt as to the association's and/or the funds' ability to continue operations. If we determine that there is material uncertainty, we must in our auditors' report draw attention to information of this in the financial statements, or if such information is not sufficient modify our audit opinion. Our audit opinion is based on the audit evidence that is obtained until the date of our auditors' report. However, future events or circumstances may result in the association and/or the funds not being able to continue operations any longer.

- We make a decision on the overall presentation, structure and contents of the financial statements for the individual funds, including disclosures in the notes, and whether the financial statements for the individual funds reflect the underlying transactions and events in such a way that they render a true and fair view of these.

We communicate with management, among other things, on the planned extent and the timing of the audit as well as considerable audit observations, including any considerable shortcomings in the internal control that we identify during our audit.

## **Statement on the Management's Review**

Management is responsible for the association's Management's Review and the reviews of the individual funds.

Our audit opinion on the financial statements for the individual funds does not cover the association's Management's Review and the reviews of the individual funds, and we do not express any kind of unmodified audit opinion on the association's Management's Review and the reviews of the individual funds.

In connection with our audit of the financial statements for the individual funds, it is our responsibility to read the association's Management's Review and the reviews of the individual funds and in that connection consider whether the association's Management's Review and the reviews of the individual funds are materially inconsistent with the financial statements for the individual funds or our knowledge attained through the audit or in other ways seem to contain any material misstatement.

In addition, it is our responsibility to consider whether the association's Management's Review and the reviews of the individual funds contain the required information according to the Danish Investment Associations, etc. Act and any further requirements provided by articles of association or by agreement.



# Independent Auditors' Report

Based on the work performed, we believe that the association's Management's Review and the reviews of the individual funds are consistent with the financial statements for the individual funds and that they have been prepared in accordance with the Danish In-

vestment Associations, etc. Act and any further requirements provided by articles of association or by agreement. We did not find any material misstatement in the association's Management's Review and the reviews of the individual funds.

Silkeborg, 21 February 2018

**BDO Statsautoriseret revisionsaktieselskab**  
**Business Reg. No. 20 22 26 70**

Per Kloborg  
State-Authorised Public Accountant  
Identification No. (MNE) 19678

# Financial statements of individual funds

## Jyske Invest Danish Bonds CL

### Income statement for the year

Note	2017 DKK '000	2016 DKK '000
<b>Interest:</b>		
1. Interest income	4,555	5,809
1. Interest expenses	5	0
<b>Total interest</b>	<b>4,550</b>	<b>5,809</b>
<b>Capital gains and losses:</b>		
Bonds	5,591	12,501
Transaction costs	3	3
<b>Total capital gains and losses</b>	<b>5,588</b>	<b>12,498</b>
<b>Total net income</b>	<b>10,138</b>	<b>18,307</b>
3. Administrative expenses	2,114	2,613
<b>Pre-tax profit or loss</b>	<b>8,024</b>	<b>15,694</b>
<b>Net profit or loss for the year</b>	<b>8,024</b>	<b>15,694</b>
<b>At disposal</b>	<b>8,024</b>	<b>15,694</b>
<b>Transferred to assets</b>	<b>8,024</b>	<b>15,694</b>

### Balance sheet, year-end

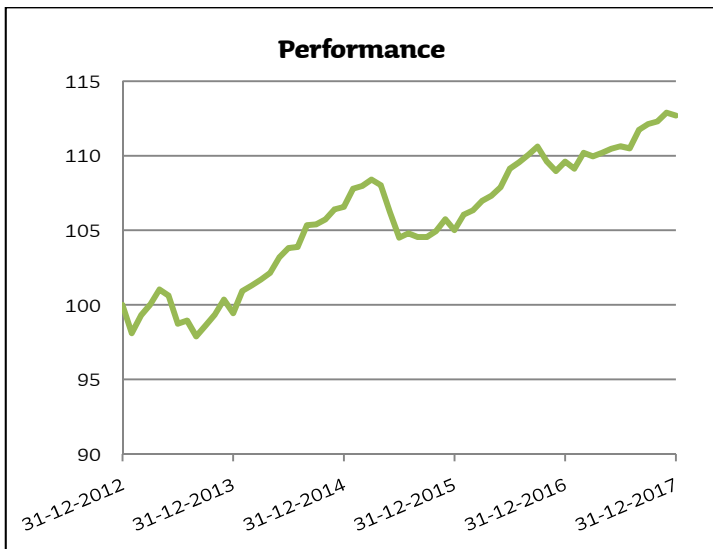
Note	2017 DKK '000	2016 DKK '000
<b>ASSETS</b>		
<b>Cash and cash equivalents:</b>		
4. Balance with custodian bank	1,939	67
<b>Total cash and cash equivalents</b>	<b>1,939</b>	<b>67</b>
<b>Bonds:</b>		
4. Listed bonds from Danish issuers	266,356	357,450
Listed bonds from foreign issuers	0	4,114
<b>Total bonds</b>	<b>266,356</b>	<b>361,564</b>
<b>Other assets:</b>		
Interest, dividends, etc. receivable	1,410	2,000
<b>Total other assets</b>	<b>1,410</b>	<b>2,000</b>
<b>TOTAL ASSETS</b>	<b>269,705</b>	<b>363,631</b>
<b>EQUITY AND LIABILITIES</b>		
5. <b>Investors' assets</b>	<b>265,720</b>	<b>360,730</b>
<b>Other liabilities:</b>		
Payables	161	0
Unsettled transactions	3,824	2,901
<b>Total other liabilities</b>	<b>3,985</b>	<b>2,901</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>269,705</b>	<b>363,631</b>

## Notes

			<b>2017</b> DKK '000	<b>2016</b> DKK '000
1.	<b>Interest income:</b>			
	Listed bonds from Danish issuers		4,548	5,769
	Listed bonds from foreign issuers		7	40
	<b>Total interest income</b>		4,555	5,809
1.	<b>Interest expenses:</b>			
	Other interest expenses		5	0
	<b>Total interest expenses</b>		5	0
2.	<b>Capital gains and losses:</b>			
	<b>Bonds:</b>			
	Listed bonds from Danish issuers		5,580	12,420
	Listed bonds from foreign issuers		11	81
	<b>Total capital gains and losses, bonds</b>		5,591	12,501
	<b>Transaction costs:</b>			
	Gross transaction costs		4	3
	Covered by issue and redemption income		1	0
	<b>Total transaction costs - operating activities</b>		3	3
	<b>Total capital gains and losses</b>		5,588	12,498
		<b>2017</b> DKK '000 Fund direct exp.	<b>2017</b> DKK '000 Share of joint exp.	<b>2016</b> DKK '000 Fund direct exp.
3.	<b>Administrative expenses:</b>			<b>2016</b> DKK '000 Share of joint exp.
	Remuneration for Supervisory Board, etc.	0	2	4
	Remuneration for Management Board	0	7	16
	Payroll	0	55	119
	Audit fee	0	2	8
	Other audit fees	0	12	26
	Rent, etc.	0	4	11
	Office supplies, etc.	0	0	1
	IT costs	0	49	114
	Marketing costs	1,352	44	133
	Fees to custodian bank	7	1	8
	Other asset management-related expenses	300	19	43
	Other expenses	0	40	103
	Fixed administrative fee	220	0	0
	<b>Total administrative expenses broken down</b>	1,879	235	586
	<b>Total administrative expenses</b>		2,114	2,613
			<b>2017</b> (%)	<b>2016</b> (%)
4.	<b>Financial Instruments:</b>			
	Listed financial instruments		100.24	100.23
	Other assets and Other liabilities		-0.24	-0.23
	<b>Total</b>		100.00	100.00
		<b>2017</b> Number of certificates	<b>2017</b> DKK '000 Asset value	<b>2016</b> Number of certificates
5.	<b>Investors' assets:</b>			<b>2016</b> DKK '000 Asset value
	Investors' assets, beginning of period	1,434,521	360,730	382,688
	Issues in the year	168,763	42,852	7,600
	Redemptions in the year	-575,562	-145,948	-45,294
	Net issue margin		38	6
	Net redemption margin		24	36
	Transfer of net profit or loss for the period		8,024	15,694
	<b>Total investors' assets</b>	1,027,722	265,720	360,730

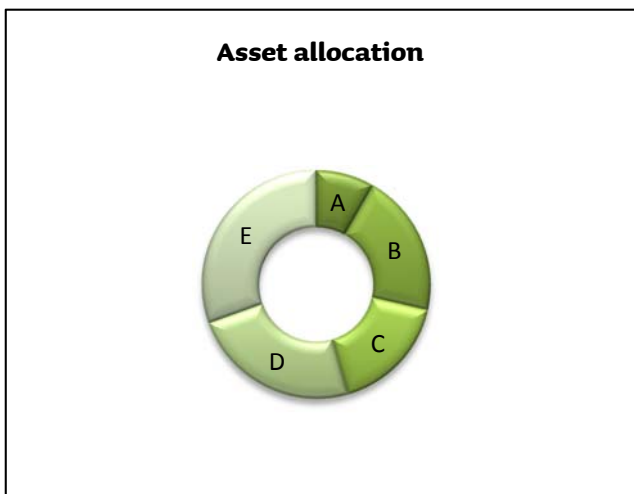
Information about each fund's financial instruments as per 31.12.2017 can be obtained by contacting Jyske Invest Fund Management A/S or be viewed at the Investment Association's website [jyskeinvest.com](http://jyskeinvest.com).

## Notes



Original investment of DKK 100.  
Performance is based on net asset value.

Largest holdings	
0.10% Denmark I/L Government Bond 15.11.2023 (ILB)	9.01%
1% Realkredit Danmark A/S 01.04.2027 (10f)	5.50%
2% Nordea Kredit Realkreditaktieselskab 01.10.2047 (IOH)	4.69%
2% Nykredit Realkredit A/S 01.10.2047 (01E.)	4.12%
1% BRFKredit A/S 01.01.2025 (321E)	3.86%



- A Duration of 0-1 years **8.30%**
- B Duration of 1-3 years **20.30%**
- C Duration of 3-5 years **16.90%**
- D Duration of 5-7 years **24.00%**
- E Duration of 7-10 years **30.50%**

## Notes

Key figures and ratios	2013	2014	2015	2016	2017
<u>Key figures:</u>					
Net profit/loss for the year (DKK '000)	-1,821	13,485	-7,613	15,694	8,024
Number of certificates	767,550	899,166	1,588,434	1,434,521	1,027,722
Investors' assets (DKK '000)	175,117	219,839	382,688	360,730	265,720
<u>Ratios:</u>					
Net asset value (DKK per certificate)	228.15	244.49	240.92	251.46	258.55
Return for the year (%) p.a.:					
- Benchmark	-1.81	6.23	0.37	2.45	0.06
- Fund	-0.56	7.16	-1.46	4.38	2.82
Total Expense Ratio - TER	0.75	0.79	0.73	0.72	0.71
Portfolio turnover at market value (DKK '000):					
- Bought	313,722	272,017	516,622	324,699	244,400
- Sold	372,167	233,838	347,100	355,239	345,198
- Total	685,889	505,855	863,722	679,938	589,598
Portfolio turnover rate	0.95	0.86	0.71	0.86	0.67
Transaction costs - operating activities (DKK '000):					
- Total transaction costs	109	7	4	3	3
- Transaction costs in % of assets	0.05	0.00	0.00	0.00	0.00
Sharpe ratio:					
- Benchmark	0.86	1.13	0.79	0.72	0.63
- Fund	0.94	1.23	0.84	0.97	0.98
Standard deviation (%):					
- Benchmark	3.58	3.51	2.97	2.38	2.62
- Fund	2.78	2.53	2.63	2.52	2.29
Tracking Error (%)	1.25	1.05	1.26	1.32	1.44

# Jyske Invest Swedish Bonds CL

## Income statement for the year

Note	2017 SEK '000	2016 SEK '000
<b>Interest:</b>		
1. Interest income	425	881
<b>Total interest</b>	425	881
<b>Capital gains and losses:</b>		
2. Bonds	-227	1,095
Currency accounts	0	3
Transaction costs	0	1
<b>Total capital gains and losses</b>	-227	1,097
<b>Total net income</b>	198	1,978
3. Administrative expenses	127	254
<b>Pre-tax profit or loss</b>	71	1,724
<b>Net profit or loss for the year</b>	71	1,724
<b>At disposal</b>	71	1,724
<b>Transferred to assets</b>	71	1,724

## Balance sheet, year-end

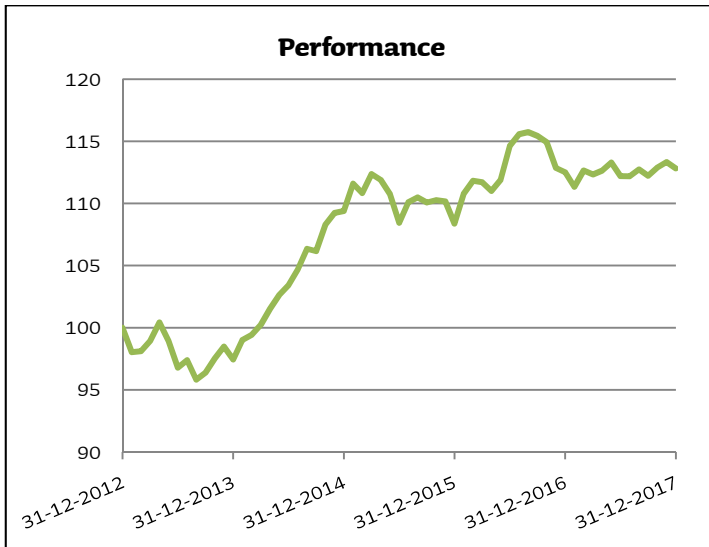
Note	2017 SEK '000	2016 SEK '000
<b>ASSETS</b>		
<b>Cash and cash equivalents:</b>		
4. Balance with custodian bank	161	872
<b>Total cash and cash equivalents</b>	161	872
<b>Bonds:</b>		
4. Listed bonds from foreign issuers	13,699	18,579
<b>Total bonds</b>	13,699	18,579
<b>Other assets:</b>		
Interest, dividends, etc. receivable	233	296
<b>Total other assets</b>	233	296
<b>TOTAL ASSETS</b>	14,093	19,747
<b>EQUITY AND LIABILITIES</b>		
5. <b>Investors' assets</b>	14,083	19,747
<b>Other liabilities:</b>		
Payables	10	0
<b>Total other liabilities</b>	10	0
<b>TOTAL EQUITY AND LIABILITIES</b>	14,093	19,747

## Notes

			<b>2017</b> SEK '000	<b>2016</b> SEK '000
1.	<b>Interest income:</b>			
	Listed bonds from foreign issuers		425	881
	<b>Total interest income</b>		425	881
2.	<b>Capital gains and losses:</b>			
	<b>Bonds:</b>			
	Listed bonds from foreign issuers		-227	1,095
	<b>Total capital gains and losses, bonds</b>		-227	1,095
	Currency accounts		0	3
	<b>Transaction costs:</b>			
	Gross transaction costs		0	3
	Covered by issue and redemption income		0	2
	<b>Total transaction costs - operating activities</b>		0	1
	<b>Total capital gains and losses</b>		-227	1,097
		<b>2017</b> SEK '000 Fund direct exp.	<b>2017</b> SEK '000 Share of joint exp.	<b>2016</b> SEK '000 Fund direct exp.
3.	<b>Administrative expenses:</b>			<b>2016</b> SEK '000 Share of joint exp.
	Remuneration for Management Board	0	0	1
	Payroll	0	3	11
	Audit fee	0	0	1
	Other audit fees	0	1	2
	Rent, etc.	0	0	1
	IT costs	0	2	11
	Marketing costs	74	2	13
	Fees to custodian bank	4	0	1
	Other asset management-related expenses	16	1	4
	Other expenses	0	3	9
	Fixed administrative fee	21	0	0
	<b>Total administrative expenses broken down</b>	115	12	54
	<b>Total administrative expenses</b>		127	254
			<b>2017</b> (%)	<b>2016</b> (%)
4.	<b>Financial Instruments:</b>			
	Listed financial instruments		97.27	94.09
	Other assets and Other liabilities		2.73	5.91
	<b>Total</b>		100.00	100.00
		<b>2017</b> Number of certificates	<b>2017</b> SEK '000 Asset value	<b>2016</b> Number of certificates
5.	<b>Investors' assets:</b>			<b>2016</b> SEK '000 Asset value
	Investors' assets, beginning of period	62,320	19,747	39,444
	Redemptions in the year	-18,000	-5,743	-21,455
	Net redemption margin		8	34
	Transfer of net profit or loss for the period		71	1,724
	<b>Total investors' assets</b>	44,320	14,083	19,747

Information about each fund's financial instruments as per 31.12.2017 can be obtained by contacting Jyske Invest Fund Management A/S or be viewed at the Investment Association's website [jyskeinvest.com](http://jyskeinvest.com).

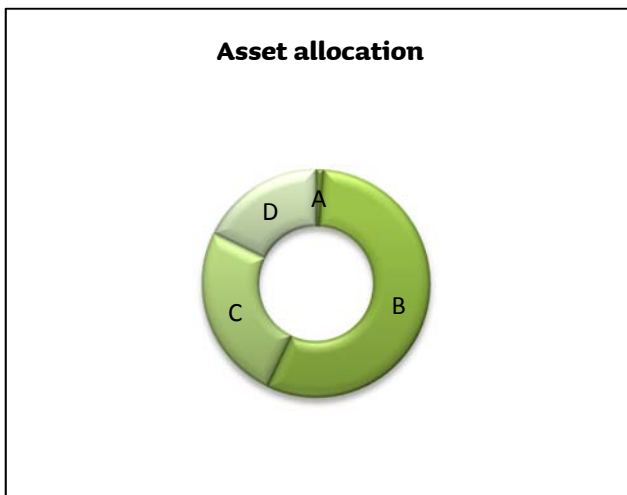
## Notes



Original investment of SEK 100.  
Performance is based on net asset value.

**Largest holdings**

5.7% Swedbank Hypotek AB 12.05.2020	20.16%
3.25% Nordea Hypotek AB 17.06.2020	19.94%
3.5% Sweden Government Bond 30.03.2039	17.51%
1.25% European Investment Bank 12.05.2025	16.73%
1.5% Skandinaviska Enskilda Banken AB 17.06.2020	14.73%



- A Duration of 0-1 years **1.10%**
- B Duration of 1-3 years **55.90%**
- C Duration of 5-7 years **25.20%**
- D Duration of 10-20 years **17.80%**



## Notes

Key figures and ratios	2013	2014	2015	2016	2017
<u>Key figures:</u>					
Net profit/loss for the year (SEK '000)	-2,077	5,252	-321	1,724	71
Number of certificates	170,995	144,997	129,220	62,320	44,320
Investors' assets (SEK '000)	46,926	44,676	39,444	19,747	14,083
<u>Ratios:</u>					
Net asset value (SEK per certificate)	274.43	308.12	305.25	316.86	317.76
Return for the year (%) p.a.:					
- Benchmark	-2.91	12.15	-0.21	4.09	0.16
- Fund	-2.57	12.28	-0.93	3.80	0.28
Total Expense Ratio - TER	0.74	0.74	0.77	0.76	0.80
Portfolio turnover at market value (SEK '000):					
- Bought	12,343	13,439	8,823	9,485	0
- Sold	42,507	19,278	13,118	30,426	4,653
- Total	54,850	32,717	21,941	39,911	4,653
Portfolio turnover rate	0.10	0.21	0.18	0.27	0.00
Transaction costs - operating activities (SEK '000):					
- Total transaction costs	42	13	6	1	0
- Transaction costs in % of assets	0.07	0.03	0.01	0.00	0.00
Sharpe ratio:					
- Benchmark	0.37	1.05	0.57	0.26	0.37
- Fund	0.38	1.09	0.64	0.43	0.37
Standard deviation (%):					
- Benchmark	4.87	4.52	4.30	4.07	4.04
- Fund	4.21	3.97	3.95	3.85	3.57
Tracking Error (%)	1.56	1.35	0.98	0.81	0.70

# Jyske Invest British Bonds CL

## Income statement for the year

Note	2017 GBP '000	2016 GBP '000
<b>Interest:</b>		
1. Interest income	119	138
<b>Total interest</b>	119	138
<b>Capital gains and losses:</b>		
2. Bonds	0	276
<b>Total capital gains and losses</b>	0	276
<b>Total net income</b>	119	414
3. Administrative expenses	26	29
<b>Pre-tax profit or loss</b>	93	385
<b>Net profit or loss for the year</b>	93	385
<b>At disposal</b>	93	385
<b>Transferred to assets</b>	93	385

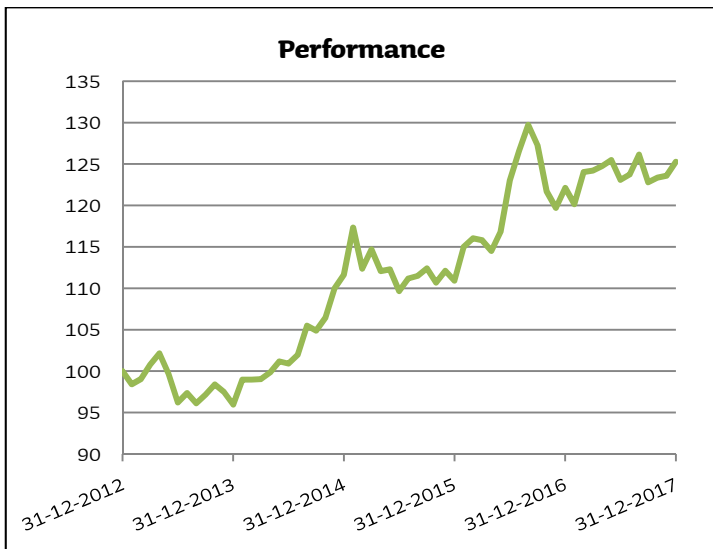
## Balance sheet, year-end

Note	2017 GBP '000	2016 GBP '000
<b>ASSETS</b>		
<b>Cash and cash equivalents:</b>		
4. Balance with custodian bank	45	22
<b>Total cash and cash equivalents</b>	45	22
<b>Bonds:</b>		
4. Listed bonds from foreign issuers	2,760	3,530
<b>Total bonds</b>	2,760	3,530
<b>Other assets:</b>		
Interest, dividends, etc. receivable	68	84
<b>Total other assets</b>	68	84
<b>TOTAL ASSETS</b>	2,873	3,636
<b>EQUITY AND LIABILITIES</b>		
5. <b>Investors' assets</b>	2,871	3,636
<b>Other liabilities:</b>		
Payables	2	0
<b>Total other liabilities</b>	2	0
<b>TOTAL EQUITY AND LIABILITIES</b>	2,873	3,636

## Notes

			<b>2017</b> GBP '000	<b>2016</b> GBP '000
1.	<b>Interest income:</b>			
	Listed bonds from foreign issuers		119	138
	<b>Total interest income</b>		119	138
2.	<b>Capital gains and losses:</b>			
	<b>Bonds:</b>			
	Listed bonds from foreign issuers		0	276
	<b>Total capital gains and losses, bonds</b>		0	276
	<b>Total capital gains and losses</b>		0	276
		<b>2017</b> GBP '000 Fund direct exp.	<b>2017</b> GBP '000 Share of joint exp.	<b>2016</b> GBP '000 Fund direct exp.
3.	<b>Administrative expenses:</b>			<b>2016</b> GBP '000 Share of joint exp.
	Payroll	0	1	0
	IT costs	0	1	0
	Marketing costs	16	0	17
	Fees to custodian bank	1	0	2
	Other asset management-related expenses	3	0	4
	Other expenses	0	0	0
	Fixed administrative fee	4	0	0
	<b>Total administrative expenses broken down</b>	24	2	23
	<b>Total administrative expenses</b>		26	6
				29
				<b>2017</b> (%)
4.	<b>Financial Instruments:</b>			<b>2016</b> (%)
	Listed financial instruments		96.13	97.08
	Other assets and Other liabilities		3.87	2.92
	<b>Total</b>		100.00	100.00
	Information about each fund's financial instruments as per 31.12.2017 can be obtained by contacting Jyske Invest Fund Management A/S or be viewed at the Investment Association's website <a href="http://jyskeinvest.com">jyskeinvest.com</a> .			
		<b>2017</b> Number of certificates	<b>2017</b> GBP '000 Asset value	<b>2016</b> Number of certificates
5.	<b>Investors' assets:</b>			<b>2016</b> GBP '000 Asset value
	Investors' assets, beginning of period	9,561	3,636	11,630
	Issues in the year	0	0	581
	Redemptions in the year	-2,200	-859	-2,650
	Net redemption margin		1	1
	Transfer of net profit or loss for the period		93	385
	<b>Total investors' assets</b>	7,361	2,871	9,561
				3,636

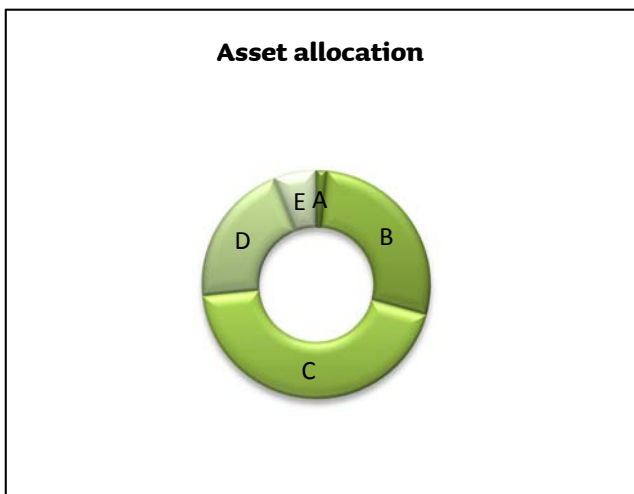
## Notes



Original investment of GBP 100.  
Performance is based on net asset value.

**Largest holdings**

3.25% United Kingdom Gilt 22.01.2044	20.42%
4.875% Lloyds Bank PLC 30.03.2027	19.85%
5.25% Santander UK PLC 16.02.2029	18.63%
5.625% Nationwide Building Society 28.01.2026	9.15%
5.5% European Investment Bank 15.04.2025	8.78%



- A Duration of 0-1 years **1.50%**
- B Duration of 5-7 years **27.80%**
- C Duration of 7-10 years **44.10%**
- D Duration of 10-20 years **20.60%**
- E Duration of 20 years or more **6.00%**

## Notes

Key figures and ratios	2013	2014	2015	2016	2017
<u>Key figures:</u>					
Net profit/loss for the year (GBP '000)	-386	638	-30	385	93
Number of certificates	23,149	12,500	11,630	9,561	7,361
Investors' assets (GBP '000)	6,917	4,345	4,017	3,636	2,871
<u>Ratios:</u>					
Net asset value (GBP per certificate)	298.82	347.60	345.42	380.26	390.09
Return for the year (%) p.a.:					
- Benchmark	-4.15	14.12	1.15	10.68	1.91
- Fund	-4.04	16.33	-0.63	10.08	2.59
Total Expense Ratio - TER	0.73	0.77	0.77	0.75	0.77
Portfolio turnover at market value (GBP '000):					
- Bought	7,914	814	904	261	131
- Sold	9,014	3,886	975	899	902
- Total	16,928	4,700	1,879	1,160	1,033
Portfolio turnover rate	0.27	0.00	0.09	0.00	0.01
Transaction costs - operating activities (GBP '000):					
- Total transaction costs	10	2	0	0	0
- Transaction costs in % of assets	0.10	0.06	0.01	0.00	0.00
Sharpe ratio:					
- Benchmark	0.53	1.17	0.78	0.51	0.56
- Fund	0.57	1.30	0.86	0.69	0.57
Standard deviation (%):					
- Benchmark	6.23	5.60	6.73	8.01	7.21
- Fund	6.73	5.71	6.12	6.86	6.82
Tracking Error (%)	3.00	2.26	1.18	1.21	1.06

# Jyske Invest Dollar Bonds CL

## Income statement for the year

Note	2017 USD '000	2016 USD '000
<b>Interest:</b>		
1. Interest income	198	233
<b>Total interest</b>	198	233
<b>Capital gains and losses:</b>		
2. Bonds	-9	-31
Currency accounts	1	0
Transaction costs	0	1
<b>Total capital gains and losses</b>	-8	-32
<b>Total net income</b>	190	201
3. Administrative expenses	45	55
<b>Pre-tax profit or loss</b>	145	146
<b>Net profit or loss for the year</b>	145	146
<b>At disposal</b>	145	146
<b>Transferred to assets</b>	145	146

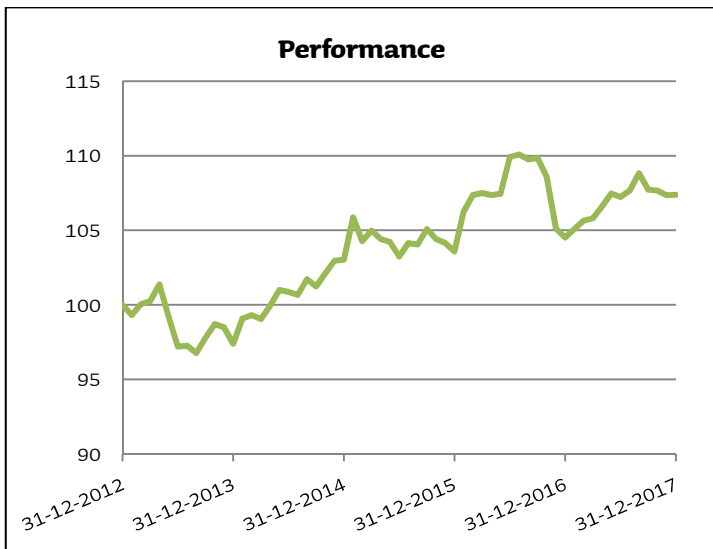
## Balance sheet, year-end

Note	2017 USD '000	2016 USD '000
<b>ASSETS</b>		
<b>Cash and cash equivalents:</b>		
4. Balance with custodian bank	711	245
<b>Total cash and cash equivalents</b>	711	245
<b>Bonds:</b>		
4. Listed bonds from foreign issuers	8,493	5,657
<b>Total bonds</b>	8,493	5,657
<b>Other assets:</b>		
Interest, dividends, etc. receivable	85	52
<b>Total other assets</b>	85	52
<b>TOTAL ASSETS</b>	9,289	5,954
<b>EQUITY AND LIABILITIES</b>		
5. <b>Investors' assets</b>	8,593	5,954
<b>Other liabilities:</b>		
Payables	6	0
Unsettled transactions	690	0
<b>Total other liabilities</b>	696	0
<b>TOTAL EQUITY AND LIABILITIES</b>	9,289	5,954

## Notes

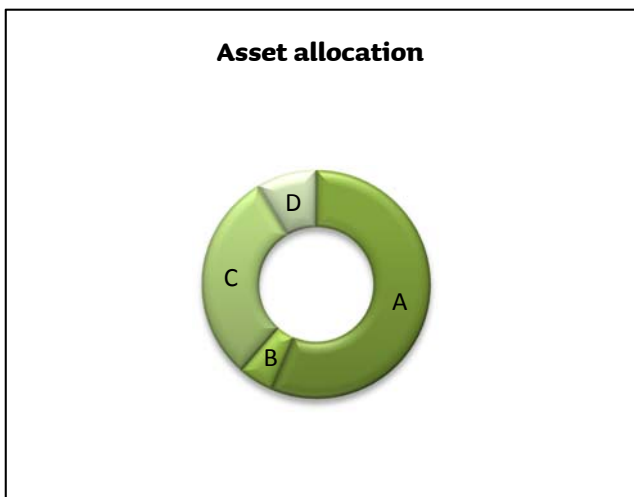
			<b>2017</b> USD '000	<b>2016</b> USD '000
1. <b>Interest income:</b>				
Balance with custodian bank			3	0
Listed bonds from foreign issuers			195	233
<b>Total interest income</b>			<b>198</b>	<b>233</b>
2. <b>Capital gains and losses:</b>				
<b>Bonds:</b>				
Listed bonds from foreign issuers			-9	-31
<b>Total capital gains and losses, bonds</b>			<b>-9</b>	<b>-31</b>
Currency accounts			1	0
<b>Transaction costs:</b>				
Gross transaction costs			1	1
Covered by issue and redemption income			1	0
<b>Total transaction costs - operating activities</b>			<b>0</b>	<b>1</b>
<b>Total capital gains and losses</b>			<b>-8</b>	<b>-32</b>
	<b>2017</b> USD '000 Fund direct exp.	<b>2017</b> USD '000 Share of joint exp.	<b>2016</b> USD '000 Fund direct exp.	<b>2016</b> USD '000 Share of joint exp.
3. <b>Administrative expenses:</b>				
Payroll	0	1	0	2
IT costs	0	1	0	2
Marketing costs	27	1	33	4
Fees to custodian bank	1	0	3	0
Other asset management-related expenses	6	0	7	1
Other expenses	0	1	0	3
Fixed administrative fee	7	0	0	0
<b>Total administrative expenses broken down</b>	<b>41</b>	<b>4</b>	<b>43</b>	<b>12</b>
<b>Total administrative expenses</b>		<b>45</b>		<b>55</b>
			<b>2017</b> (%)	<b>2016</b> (%)
4. <b>Financial Instruments:</b>				
Listed financial instruments			98.84	95.01
Other assets and Other liabilities			1.16	4.99
<b>Total</b>			<b>100.00</b>	<b>100.00</b>
Information about each fund's financial instruments as per 31.12.2017 can be obtained by contacting Jyske Invest Fund Management A/S or be viewed at the Investment Association's website <a href="http://jyskeinvest.com">jyskeinvest.com</a> .				
	<b>2017</b> Number of certificates	<b>2017</b> USD '000 Asset value	<b>2016</b> Number of certificates	<b>2016</b> USD '000 Asset value
5. <b>Investors' assets:</b>				
Investors' assets, beginning of period	25,670	5,954	32,735	7,524
Issues in the year	15,387	3,678	35	8
Redemptions in the year	-5,000	-1,191	-7,100	-1,727
Net issue margin		5		0
Net redemption margin		2		3
Transfer of net profit or loss for the period		145		146
<b>Total investors' assets</b>	<b>36,057</b>	<b>8,593</b>	<b>25,670</b>	<b>5,954</b>

## Notes



Original investment of USD 100.  
Performance is based on net asset value.

Instrument	Percentage
2.625% ING Bank NV 05.12.2022	16.91%
2.5% SR-Boligkreditt AS 12.04.2022	13.29%
6.25% United States Treasury Note/Bond 15.08.2023	12.69%
5.25% United States Treasury Note/Bond 15.11.2028	10.34%
1.5% United States Treasury Note/Bond 15.08.2026	7.58%



- A Duration of 3-5 years **56.30%**
- B Duration of 5-7 years **5.10%**
- C Duration of 7-10 years **30.10%**
- D Duration of 10-20 years **8.50%**



## Notes

Key figures and ratios	2013	2014	2015	2016	2017
<u>Key figures:</u>					
Net profit/loss for the year (USD '000)	-673	543	38	146	145
Number of certificates	76,966	35,541	32,735	25,670	36,057
Investors' assets (USD '000)	16,636	8,126	7,524	5,954	8,593
<u>Ratios:</u>					
Net asset value (USD per certificate)	216.15	228.65	229.86	231.96	238.32
Return for the year (%) p.a.:					
- Benchmark	-3.38	6.08	0.87	1.11	2.49
- Fund	-2.61	5.78	0.53	0.91	2.74
Total Expense Ratio - TER	0.72	0.77	0.77	0.76	0.75
Portfolio turnover at market value (USD '000):					
- Bought	14,692	4,002	2,001	1,760	4,828
- Sold	10,793	12,410	2,366	3,478	1,983
- Total	25,485	16,412	4,367	5,238	6,811
Portfolio turnover rate	0.07	0.18	0.14	0.24	0.13
Transaction costs - operating activities (USD '000):					
- Total transaction costs	18	6	1	1	0
- Transaction costs in % of assets	0.09	0.06	0.01	0.01	0.00
Sharpe ratio:					
- Benchmark	0.28	1.0	0.64	0.05	-0.07
- Fund	0.34	0.99	0.70	0.23	-0.05
Standard deviation (%):					
- Benchmark	4.29	3.57	3.46	3.90	3.49
- Fund	4.28	3.49	3.46	3.56	3.50
Tracking Error (%)	1.67	1.15	0.77	0.69	0.73

# Jyske Invest European Bonds CL

## Income statement for the year

Note	2017 EUR '000	2016 EUR '000	
	<b>Interest:</b>		
1.	Interest income	117	189
	<b>Total interest</b>	117	189
2.	<b>Capital gains and losses:</b>		
	Bonds	-74	-27
	Currency accounts	-1	-2
	Transaction costs	0	1
	<b>Total capital gains and losses</b>	-75	-30
	<b>Total net income</b>	42	159
3.	Administrative expenses	38	53
	<b>Pre-tax profit or loss</b>	4	106
	<b>Net profit or loss for the year</b>	4	106
	<b>At disposal</b>	4	106
	<b>Transferred to assets</b>	4	106

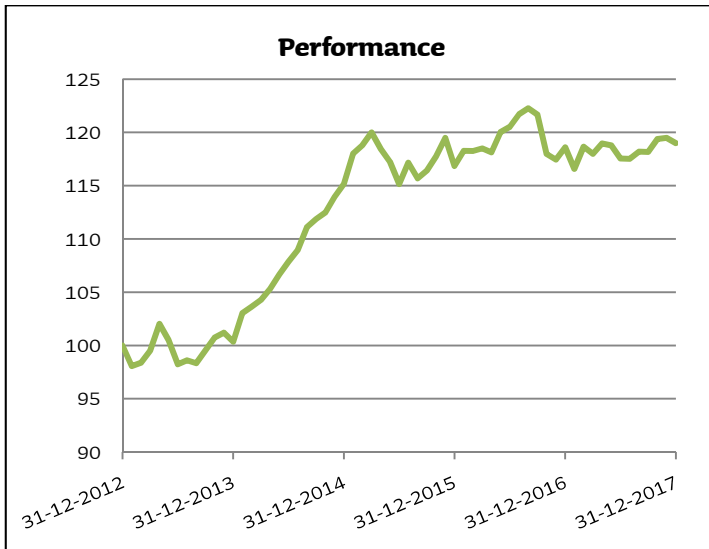
## Balance sheet, year-end

Note	2017 EUR '000	2016 EUR '000	
	<b>ASSETS</b>		
	<b>Cash and cash equivalents:</b>		
4.	Balance with custodian bank	5	16
	<b>Total cash and cash equivalents</b>	5	16
4.	<b>Bonds:</b>		
	Listed bonds from Danish issuers	135	347
	Listed bonds from foreign issuers	3,779	6,296
	<b>Total bonds</b>	3,914	6,643
	<b>Other assets:</b>		
	Interest, dividends, etc. receivable	55	113
	<b>Total other assets</b>	55	113
	<b>TOTAL ASSETS</b>	3,974	6,772
	<b>EQUITY AND LIABILITIES</b>		
5.	<b>Investors' assets</b>	3,971	6,772
	<b>Other liabilities:</b>		
	Payables	3	0
	<b>Total other liabilities</b>	3	0
	<b>TOTAL EQUITY AND LIABILITIES</b>	3,974	6,772

## Notes

			<b>2017</b> EUR '000	<b>2016</b> EUR '000
1. <b>Interest income:</b>				
Listed bonds from Danish issuers			3	6
Listed bonds from foreign issuers			114	183
<b>Total interest income</b>			117	189
2. <b>Capital gains and losses:</b>				
<b>Bonds:</b>				
Listed bonds from Danish issuers			5	24
Listed bonds from foreign issuers			-79	-51
<b>Total capital gains and losses, bonds</b>			-74	-27
Currency accounts			-1	-2
<b>Transaction costs:</b>				
Gross transaction costs			0	1
<b>Total transaction costs - operating activities</b>			0	1
<b>Total capital gains and losses</b>			-75	-30
	<b>2017</b> EUR '000 Fund direct exp.	<b>2017</b> EUR '000 Share of joint exp.	<b>2016</b> EUR '000 Fund direct exp.	<b>2016</b> EUR '000 Share of joint exp.
3. <b>Administrative expenses:</b>				
Payroll	0	1	0	3
IT costs	0	1	0	2
Marketing costs	23	1	32	3
Fees to custodian bank	1	0	3	0
Other asset management-related expenses	5	0	7	1
Other expenses	0	1	0	2
Fixed administrative fee	5	0	0	0
<b>Total administrative expenses broken down</b>	34	4	42	11
<b>Total administrative expenses</b>		38		53
			<b>2017</b> (%)	<b>2016</b> (%)
4. <b>Financial Instruments:</b>				
Listed financial instruments			98.56	98.10
Other assets and Other liabilities			1.44	1.90
<b>Total</b>			100.00	100.00
Information about each fund's financial instruments as per 31.12.2017 can be obtained by contacting Jyske Invest Fund Management A/S or be viewed at the Investment Association's website <a href="http://jyskeinvest.com">jyskeinvest.com</a> .				
	<b>2017</b> Number of certificates	<b>2017</b> EUR '000 Asset value	<b>2016</b> Number of certificates	<b>2016</b> EUR '000 Asset value
5. <b>Investors' assets:</b>				
Investors' assets, beginning of period	142,388	6,772	154,388	7,233
Issues in the year	540	26	0	0
Redemptions in the year	-59,700	-2,835	-12,000	-568
Net redemption margin		4		1
Transfer of net profit or loss for the period		4		106
<b>Total investors' assets</b>	83,228	3,971	142,388	6,772

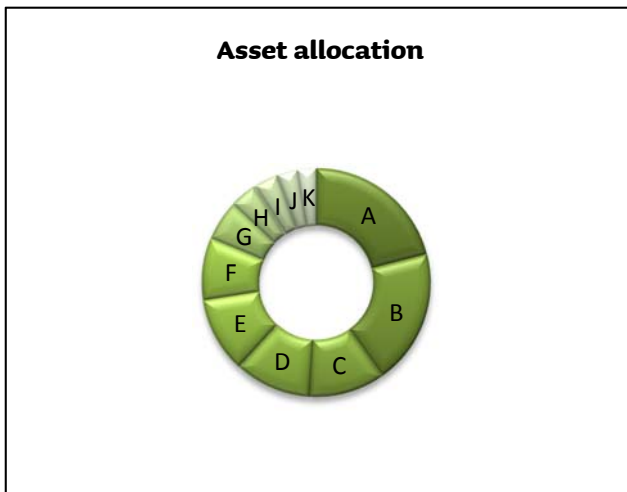
## Notes



Original investment of EUR 100.  
Performance is based on net asset value.

**Largest holdings**

6% Lloyds Bank PLC 08.02.2029	12.00%
3.75% Italy Buoni Poliennali Del Tesoro 01.09.2024	10.16%
1.5% Temasek Financial I Ltd 01.03.2028	8.73%
0.50% French Republic Government Bond OAT 25.05.2026	8.35%
5.5% Italy Buoni Poliennali Del Tesoro 01.09.2022	8.29%



- A Italy **21.00%**
- B The UK **19.20%**
- C France **10.80%**
- D Netherlands **10.80%**
- E Spain **10.70%**
- F Singapore **8.80%**
- G Austria **5.70%**
- H Ireland **3.90%**
- I Denmark **3.50%**
- J Germany **2.90%**
- K Sweden **2.70%**

## Notes

Key figures and ratios	2013	2014	2015	2016	2017
<u>Key figures:</u>					
Net profit/loss for the year (EUR '000)	-34	1,126	97	106	4
Number of certificates	319,533	153,858	154,388	142,388	83,228
Investors' assets (EUR '000)	12,856	7,104	7,233	6,772	3,971
<u>Ratios:</u>					
Net asset value (EUR per certificate)	40.23	46.17	46.85	47.56	47.71
Return for the year (%) p.a.:					
- Benchmark	0.18	15.05	2.52	1.63	-0.32
- Fund	0.34	14.76	1.46	1.52	0.33
Total Expense Ratio - TER	0.73	0.77	0.77	0.76	0.78
Portfolio turnover at market value (EUR '000):					
- Bought	21,271	5,593	4,563	2,136	557
- Sold	21,568	12,175	4,382	2,514	3,213
- Total	42,839	17,768	8,945	4,650	3,770
Portfolio turnover rate	0.61	0.55	0.56	0.28	0.08
Transaction costs - operating activities (EUR '000):					
- Total transaction costs	18	6	2	1	0
- Transaction costs in % of assets	0.11	0.08	0.03	0.01	0.00
Sharpe ratio:					
- Benchmark	0.94	1.43	1.25	1.18	0.79
- Fund	0.91	1.37	1.24	1.31	0.82
Standard deviation (%):					
- Benchmark	4.44	4.53	5.01	4.98	4.69
- Fund	4.42	4.03	4.43	4.17	4.07
Tracking Error (%)	1.56	1.15	1.14	1.31	1.24

# Jyske Invest Favourite Bonds CL

## Income statement for the year

Note	2017 EUR '000	2016 EUR '000	
	<b>Interest:</b>		
1.	Interest income	532	593
1.	Interest expenses	1	0
	<b>Total interest</b>	531	593
	<b>Capital gains and losses:</b>		
2.	Bonds	-635	217
	Derivatives	683	-97
	Currency accounts	-14	31
	Other assets/liabilities	-2	0
	Transaction costs	2	4
	<b>Total capital gains and losses</b>	30	147
	<b>Total net income</b>	561	740
3.	Administrative expenses	137	152
	<b>Pre-tax profit or loss</b>	424	588
4.	Tax	0	2
	<b>Net profit or loss for the year</b>	424	586
	<b>At disposal</b>	424	586
	<b>Transferred to assets</b>	424	586

## Balance sheet, year-end

Note	2017 EUR '000	2016 EUR '000	
	<b>ASSETS</b>		
	<b>Cash and cash equivalents:</b>		
5.	Balance with custodian bank	123	85
	<b>Total cash and cash equivalents</b>	123	85
	<b>Bonds:</b>		
5.	Listed bonds from Danish issuers	2,779	3,536
	Listed bonds from foreign issuers	12,408	12,339
	<b>Total bonds</b>	15,187	15,875
	<b>Derivatives:</b>		
5.	Listed derivatives	0	3
	Unlisted derivatives	85	75
	<b>Total derivatives</b>	85	78
	<b>Other assets:</b>		
	Interest, dividends, etc. receivable	274	240
	Unsettled transactions	276	0
	<b>Total other assets</b>	550	240
	<b>TOTAL ASSETS</b>	15,945	16,278
	<b>EQUITY AND LIABILITIES</b>		
6.	<b>Investors' assets</b>	15,932	16,271
	<b>Derivatives:</b>		
5.	Listed derivatives	2	6
	Unlisted derivatives	0	1
	<b>Total derivatives</b>	2	7
	<b>Other liabilities:</b>		
	Payables	11	0
	<b>Total other liabilities</b>	11	0
	<b>TOTAL EQUITY AND LIABILITIES</b>	15,945	16,278

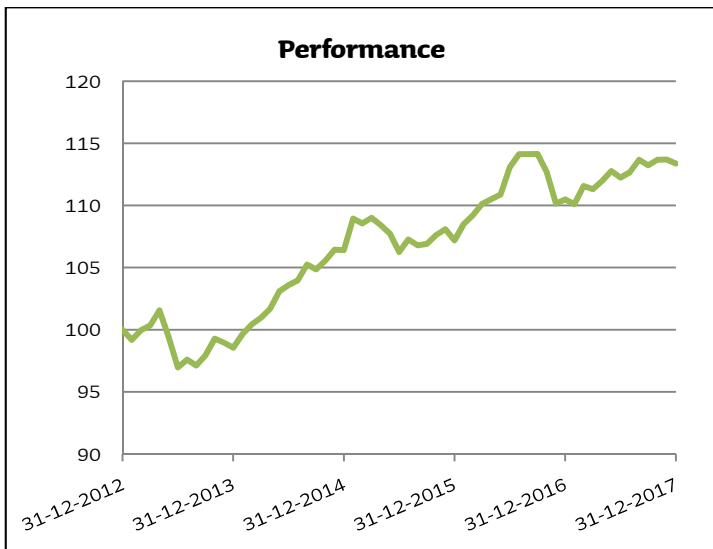


## Notes

	2017	2017	2016	2016
	Number of certificates	EUR '000 Asset value	Number of certificates	EUR '000 Asset value
6. <b>Investors' assets:</b>				
Investors' assets, beginning of period	109,405	16,271	127,905	18,455
Issues in the year	268	40	0	0
Redemptions in the year	-5,275	-804	-18,500	-2,777
Net redemption margin		1		7
Transfer of net profit or loss for the period		424		586
<b>Total investors' assets</b>	104,398	15,932	109,405	16,271



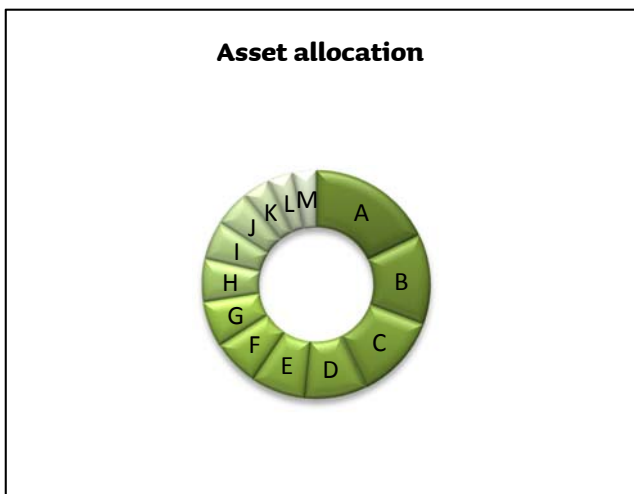
## Notes



Original investment of EUR 100.  
Performance is based on net asset value.

### Largest holdings

6.75% Federal Home Loan Mortgage Corp 15.03.2031	8.22%
2% Nordea Kredit Realkreditaktieselskab 01.01.2025 (.)	7.40%
3.15% CDP Financial Inc 24.07.2024	6.39%
2% Realkredit Danmark A/S 01.04.2022 (10T)	5.46%
2.5% SR-Boligkreditt AS 12.04.2022	5.45%



- A Denmark **17.90%**
- B Other **12.80%**
- C USA **12.10%**
- D Netherlands **8.80%**
- E UK **7.80%**
- F Italy **6.60%**
- G Canada **6.50%**
- H Singapore **6.10%**
- I Norway **5.50%**
- J Portugal **5.10%**
- K France **3.90%**
- L Spain **3.60%**
- M Argentina **3.30%**

## Notes

Key figures and ratios	2013	2014	2015	2016	2017
<u>Key figures:</u>					
Net profit/loss for the year (EUR '000)	-481	1,877	166	586	424
Number of certificates	197,140	157,904	127,905	109,405	104,398
Investors' assets (EUR '000)	26,152	22,618	18,455	16,271	15,932
<u>Ratios:</u>					
Net asset value (EUR per certificate)	132.66	143.24	144.29	148.72	152.61
Return for the year (%) p.a.:					
- Benchmark	-0.51	8.12	0.84	3.42	1.52
- Fund	-1.45	7.98	0.74	3.07	2.61
Total Expense Ratio - TER	0.97	0.99	0.89	0.85	0.84
Portfolio turnover at market value (EUR '000):					
- Bought	23,120	5,177	6,468	8,624	8,575
- Sold	33,462	10,521	11,819	10,513	8,628
- Total	56,582	15,698	18,287	19,137	17,203
Portfolio turnover rate	0.62	0.16	0.35	0.44	0.48
Transaction costs - operating activities (EUR '000):					
- Total transaction costs	36	8	6	4	2
- Transaction costs in % of assets	0.11	0.03	0.03	0.02	0.01
Sharpe ratio:					
- Benchmark	1.43	1.76	1.32	1.15	0.87
- Fund	1.14	1.20	0.80	1.08	0.79
Standard deviation (%):					
- Benchmark	2.62	2.53	3.07	3.27	3.10
- Fund	3.40	2.89	2.88	2.94	2.86
Tracking Error (%)	2.14	0.97	0.90	0.82	0.79

# Jyske Invest Emerging Market Bonds CL

## Income statement for the year

Note	2017 USD '000	2016 USD '000	
	<b>Interest:</b>		
1.	Interest income	779	819
1.	Interest expenses	1	0
	<b>Total interest</b>	778	819
	<b>Capital gains and losses:</b>		
2.	Bonds	971	446
	Derivatives	-192	94
	Currency accounts	22	10
	Transaction costs	2	4
	<b>Total capital gains and losses</b>	799	546
	<b>Total net income</b>	1,577	1,365
3.	Administrative expenses	175	162
	<b>Pre-tax profit or loss</b>	1,402	1,203
	<b>Net profit or loss for the year</b>	1,402	1,203
	<b>At disposal</b>	1,402	1,203
	<b>Transferred to assets</b>	1,402	1,203

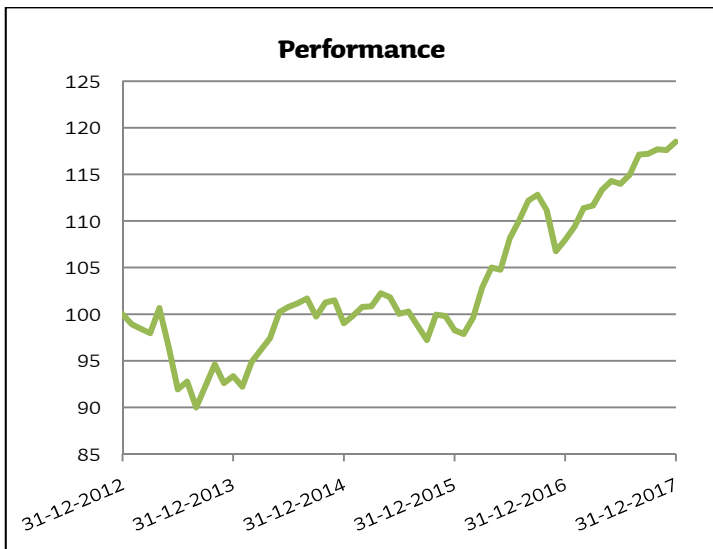
## Balance sheet, year-end

Note	2017 USD '000	2016 USD '000	
	<b>ASSETS</b>		
	<b>Cash and cash equivalents:</b>		
4.	Balance with custodian bank	942	267
	<b>Total cash and cash equivalents</b>	942	267
	<b>Bonds:</b>		
4.	Listed bonds from foreign issuers	14,641	13,867
	<b>Total bonds</b>	14,641	13,867
	<b>Derivatives:</b>		
4.	Unlisted derivatives	2	19
	<b>Total derivatives</b>	2	19
	<b>Other assets:</b>		
	Interest, dividends, etc. receivable	238	235
	<b>Total other assets</b>	238	235
	<b>TOTAL ASSETS</b>	15,823	14,388
	<b>EQUITY AND LIABILITIES</b>		
5.	<b>Investors' assets</b>	15,790	14,388
	<b>Derivatives:</b>		
4.	Unlisted derivatives	17	0
	<b>Total derivatives</b>	17	0
	<b>Other liabilities:</b>		
	Payables	16	0
	<b>Total other liabilities</b>	16	0
	<b>TOTAL EQUITY AND LIABILITIES</b>	15,823	14,388

## Notes

			<b>2017</b> USD '000	<b>2016</b> USD '000
1.	<b>Interest income:</b>			
	Balance with custodian bank		7	0
	Listed bonds from foreign issuers		772	819
	<b>Total interest income</b>		<b>779</b>	<b>819</b>
1.	<b>Interest expenses:</b>			
	Other interest expenses		1	0
	<b>Total interest expenses</b>		<b>1</b>	<b>0</b>
2.	<b>Capital gains and losses:</b>			
	<b>Bonds:</b>			
	Listed bonds from foreign issuers		971	446
	<b>Total capital gains and losses, bonds</b>		<b>971</b>	<b>446</b>
	<b>Derivatives:</b>			
	Forward exchange transactions/futures		-192	94
	<b>Total capital gains and losses, derivatives</b>		<b>-192</b>	<b>94</b>
	Currency accounts		22	10
	<b>Transaction costs:</b>			
	Gross transaction costs		2	5
	Covered by issue and redemption income		0	1
	<b>Total transaction costs - operating activities</b>		<b>2</b>	<b>4</b>
	<b>Total capital gains and losses</b>		<b>799</b>	<b>546</b>
		<b>2017</b> USD '000 Fund direct exp.	<b>2017</b> USD '000 Share of joint exp.	<b>2016</b> USD '000 Fund direct exp.
3.	<b>Administrative expenses:</b>			<b>2016</b> USD '000 Share of joint exp.
	Remuneration for Management Board	0	0	1
	Payroll	0	2	5
	Other audit fees	0	1	1
	IT costs	0	2	4
	Marketing costs	99	2	5
	Fees to custodian bank	3	0	0
	Other asset management-related expenses	46	1	2
	Other expenses	0	2	4
	Fixed administrative fee	17	0	0
	<b>Total administrative expenses broken down</b>	<b>165</b>	<b>10</b>	<b>22</b>
	<b>Total administrative expenses</b>		<b>175</b>	<b>162</b>
			<b>2017</b> (%)	<b>2016</b> (%)
4.	<b>Financial Instruments:</b>			
	Listed financial instruments		92.72	96.38
	Other financial instruments		-0.09	0.13
	Other assets and Other liabilities		7.37	3.49
	<b>Total</b>		<b>100.00</b>	<b>100.00</b>
	Information about each fund's financial instruments as per 31.12.2017 can be obtained by contacting Jyske Invest Fund Management A/S or be viewed at the Investment Association's website <a href="http://jyskeinvest.com">jyskeinvest.com</a> .			
		<b>2017</b> Number of certificates	<b>2017</b> USD '000 Asset value	<b>2016</b> Number of certificates
5.	<b>Investors' assets:</b>			<b>2016</b> USD '000 Asset value
	Investors' assets, beginning of period	31,033	14,388	14,683
	Issues in the year	0	0	982
	Redemptions in the year	0	0	-2,502
	Net issue margin		0	6
	Net redemption margin		0	16
	Transfer of net profit or loss for the period		1,402	1,203
	<b>Total investors' assets</b>	<b>31,033</b>	<b>15,790</b>	<b>14,388</b>

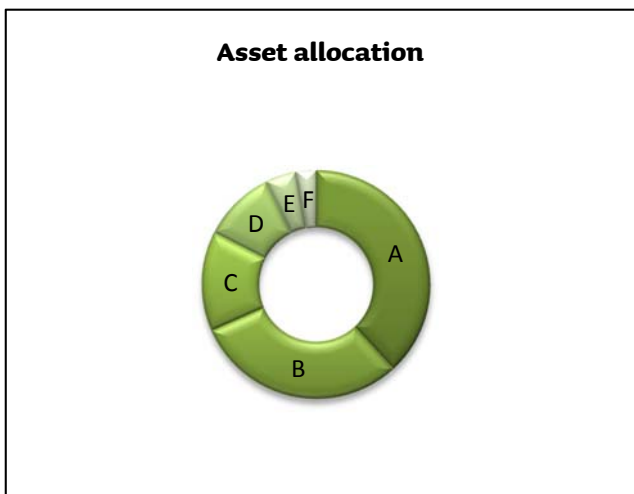
## Notes



Original investment of USD 100.  
Performance is based on net asset value.

### Largest holdings

Currency account USD	4.43%
5.5% Petroleos Mexicanos 24.02.2025	3.51%
8.28% Argentine Republic Government International Bond	3.10%
4% Panama Government International Bond 22.09.2024	2.70%
4.875% Turkey Government International Bond 09.10.2026	2.51%



- A Latin America **38.20%**
- B Europe, CEE & CIS **30.20%**
- C Asia **14.10%**
- D Africa **10.30%**
- E North America **4.40%**
- F Middle East **2.80%**

## Notes

Key figures and ratios	2013	2014	2015	2016	2017
<u>Key figures:</u>					
Net profit/loss for the year (USD '000)	-1,998	1,209	-115	1,203	1,402
Number of certificates	49,447	40,296	34,796	31,033	31,033
Investors' assets (USD '000)	19,820	17,130	14,683	14,388	15,790
<u>Ratios:</u>					
Net asset value (USD per certificate)	400.84	425.11	421.97	463.64	508.82
Return for the year (%) p.a.:					
- Benchmark	-5.25	7.43	1.18	10.15	10.26
- Fund	-6.64	6.06	-0.74	9.88	9.74
Total Expense Ratio - TER	1.24	1.24	1.18	1.15	1.15
Portfolio turnover at market value (USD '000):					
- Bought	18,860	17,002	12,186	11,484	13,558
- Sold	26,501	20,431	13,182	12,300	13,755
- Total	45,361	37,433	25,368	23,784	27,313
Portfolio turnover rate	0.55	0.63	0.66	0.69	0.90
Transaction costs - operating activities (USD '000):					
- Total transaction costs	30	16	9	4	2
- Transaction costs in % of assets	0.11	0.08	0.05	0.03	0.01
Sharpe ratio:					
- Benchmark	1.40	1.0	0.69	0.71	0.47
- Fund	1.14	0.72	0.41	0.52	0.29
Standard deviation (%):					
- Benchmark	7.51	6.95	6.67	5.90	6.24
- Fund	7.57	6.49	6.17	6.20	5.92
Tracking Error (%)	0.99	0.98	0.78	0.68	0.58

## Jyske Invest Emerging Market Bonds (EUR) CL

### Income statement for the year

Note	2017 EUR '000	2016 EUR '000
<b>Interest:</b>		
1. Interest income	1,487	1,805
1. Interest expenses	2	0
<b>Total interest</b>	<b>1,485</b>	<b>1,805</b>
<b>2. Capital gains and losses:</b>		
Bonds	-1,657	2,202
Derivatives	2,936	-1,196
Currency accounts	-154	68
Transaction costs	3	7
<b>Total capital gains and losses</b>	<b>1,122</b>	<b>1,067</b>
<b>Total net income</b>	<b>2,607</b>	<b>2,872</b>
<b>3. Administrative expenses</b>		
	335	358
<b>Pre-tax profit or loss</b>	<b>2,272</b>	<b>2,514</b>
<b>Net profit or loss for the year</b>	<b>2,272</b>	<b>2,514</b>
<b>At disposal</b>	<b>2,272</b>	<b>2,514</b>
<b>Transferred to assets</b>	<b>2,272</b>	<b>2,514</b>

### Balance sheet, year-end

Note	2017 EUR '000	2016 EUR '000
<b>ASSETS</b>		
<b>Cash and cash equivalents:</b>		
4. Balance with custodian bank	883	374
<b>Total cash and cash equivalents</b>	<b>883</b>	<b>374</b>
<b>4. Bonds:</b>		
Listed bonds from foreign issuers	26,931	28,448
Unlisted bonds	97	154
<b>Total bonds</b>	<b>27,028</b>	<b>28,602</b>
<b>4. Derivatives:</b>		
Unlisted derivatives	245	14
<b>Total derivatives</b>	<b>245</b>	<b>14</b>
<b>Other assets:</b>		
Interest, dividends, etc. receivable	409	499
<b>Total other assets</b>	<b>409</b>	<b>499</b>
<b>TOTAL ASSETS</b>	<b>28,565</b>	<b>29,489</b>
<b>EQUITY AND LIABILITIES</b>		
5. <b>Investors' assets</b>	<b>28,537</b>	<b>29,210</b>
<b>4. Derivatives:</b>		
Unlisted derivatives	0	279
<b>Total derivatives</b>	<b>0</b>	<b>279</b>
<b>Other liabilities:</b>		
Payables	28	0
<b>Total other liabilities</b>	<b>28</b>	<b>0</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>28,565</b>	<b>29,489</b>

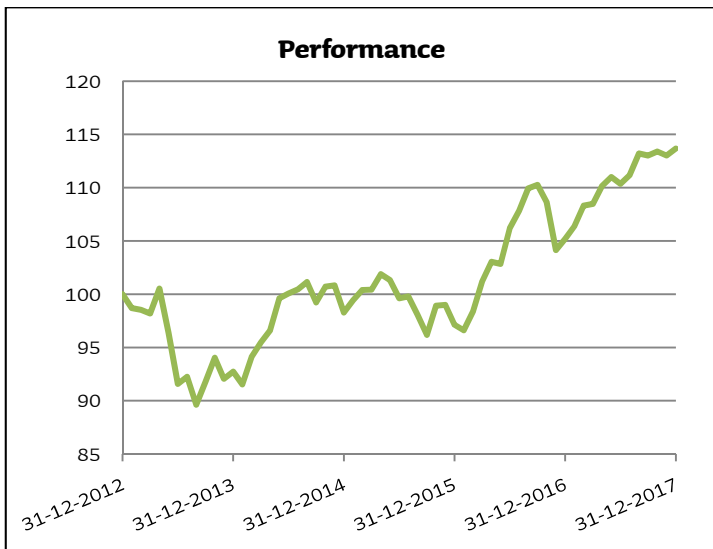
## Notes

			<b>2017</b> EUR '000	<b>2016</b> EUR '000	
1.	<b>Interest income:</b>				
	Balance with custodian bank		6	0	
	Listed bonds from foreign issuers		1,472	1,797	
	Unlisted bonds		8	8	
	Other interest income		1	0	
	<b>Total interest income</b>		<b>1,487</b>	<b>1,805</b>	
1.	<b>Interest expenses:</b>				
	Other interest expenses		2	0	
	<b>Total interest expenses</b>		<b>2</b>	<b>0</b>	
2.	<b>Capital gains and losses:</b>				
	<b>Bonds:</b>				
	Listed bonds from foreign issuers		-1,639	2,184	
	Unlisted bonds		-18	18	
	<b>Total capital gains and losses, bonds</b>		<b>-1,657</b>	<b>2,202</b>	
	<b>Derivatives:</b>				
	Forward exchange transactions/futures		2,936	-1,196	
	<b>Total capital gains and losses, derivatives</b>		<b>2,936</b>	<b>-1,196</b>	
	Currency accounts		-154	68	
	<b>Transaction costs:</b>				
	Gross transaction costs		3	8	
	Covered by issue and redemption income		0	1	
	<b>Total transaction costs - operating activities</b>		<b>3</b>	<b>7</b>	
	<b>Total capital gains and losses</b>		<b>1,122</b>	<b>1,067</b>	
		<b>2017</b> EUR '000 Fund direct exp.	<b>2017</b> EUR '000 Share of joint exp.	<b>2016</b> EUR '000 Fund direct exp.	<b>2016</b> EUR '000 Share of joint exp.
3.	<b>Administrative expenses:</b>				
	Remuneration for Management Board	0	1	0	1
	Payroll	0	5	0	10
	Audit fee	0	0	0	1
	Other audit fees	0	1	0	2
	Rent, etc.	0	0	0	1
	IT costs	0	4	0	10
	Marketing costs	190	4	200	11
	Fees to custodian bank	7	0	15	1
	Other asset management-related expenses	88	2	93	4
	Other expenses	0	3	0	9
	Fixed administrative fee	30	0	0	0
	<b>Total administrative expenses broken down</b>	<b>315</b>	<b>20</b>	<b>308</b>	<b>50</b>
	<b>Total administrative expenses</b>		<b>335</b>		<b>358</b>
				<b>2017</b> (%)	<b>2016</b> (%)
4.	<b>Financial Instruments:</b>				
	Listed financial instruments			94.37	97.39
	Other financial instruments			1.20	-0.38
	Other assets and Other liabilities			4.43	2.99
	<b>Total</b>			<b>100.00</b>	<b>100.00</b>
		<b>2017</b> Number of certificates	<b>2017</b> EUR '000 Asset value	<b>2016</b> Number of certificates	<b>2016</b> EUR '000 Asset value
5.	<b>Investors' assets:</b>				
	Investors' assets, beginning of period	105,113	29,210	120,113	30,818
	Redemptions in the year	-10,077	-2,947	-15,000	-4,148
	Net redemption margin		2		26
	Transfer of net profit or loss for the period		2,272		2,514
	<b>Total investors' assets</b>	<b>95,036</b>	<b>28,537</b>	<b>105,113</b>	<b>29,210</b>

Information about each fund's financial instruments as per 31.12.2017 can be obtained by contacting Jyske Invest Fund Management A/S or be viewed at the Investment Association's website [jyskeinvest.com](http://jyskeinvest.com).



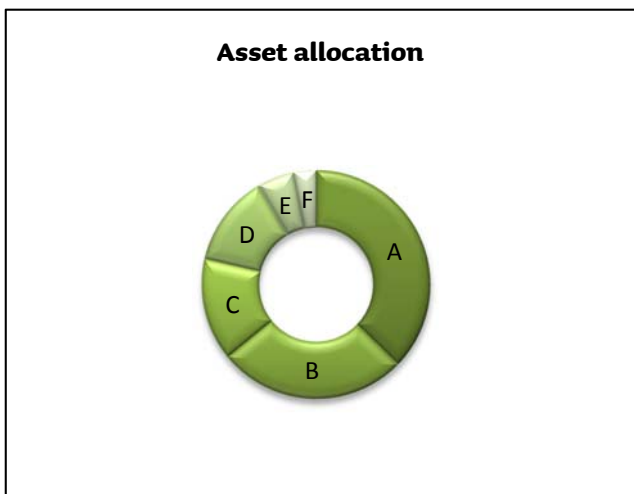
## Notes



Original investment of EUR 100.  
Performance is based on net asset value.

**Largest holdings**

5.5% Petroleos Mexicanos 24.02.2025	3.39%
7.5% Argentine Republic Government International Bond 22.04.2026	3.18%
Currency account USD	3.11%
5.375% Hungary Government International Bond 21.02.2023	2.02%
7.375% Ukraine Government International Bond 25.09.2032	1.73%



- A Latin America **37.30%**
- B Europe, CEE & CIS **26.80%**
- C Africa **14.50%**
- D Asia **13.00%**
- E Middle East **5.20%**
- F North America **3.20%**

## Notes

Key figures and ratios	2013	2014	2015	2016	2017
<u>Key figures:</u>					
Net profit/loss for the year (EUR '000)	-2,901	1,386	-457	2,514	2,272
Number of certificates	111,721	108,768	120,113	105,113	95,036
Investors' assets (EUR '000)	27,363	28,232	30,818	29,210	28,537
<u>Ratios:</u>					
Net asset value (EUR per certificate)	244.92	259.57	256.58	277.89	300.28
Return for the year (%) p.a.:					
- Benchmark	-5.59	7.09	0.74	8.32	8.21
- Fund	-7.27	5.98	-1.15	8.31	8.06
Total Expense Ratio - TER	1.24	1.24	1.17	1.16	1.15
Portfolio turnover at market value (EUR '000):					
- Bought	27,364	25,658	26,070	22,309	26,984
- Sold	36,671	28,723	26,146	24,738	26,900
- Total	64,035	54,381	52,216	47,047	53,884
Portfolio turnover rate	0.50	0.59	0.76	0.68	0.81
Transaction costs - operating activities (EUR '000):					
- Total transaction costs	43	23	15	7	3
- Transaction costs in % of assets	0.13	0.08	0.05	0.02	0.01
Sharpe ratio:					
- Benchmark	1.34	0.94	0.66	0.76	0.58
- Fund	1.24	0.80	0.45	0.59	0.41
Standard deviation (%):					
- Benchmark	7.51	7.00	6.70	5.96	6.25
- Fund	7.29	6.32	6.15	6.22	5.99
Tracking Error (%)	0.90	0.88	0.93	0.83	0.82

# Jyske Invest Emerging Local Market Bonds CL

## Income statement for the year

Note	2017 EUR '000	2016 EUR '000	
	<b>Interest:</b>		
1.	Interest income	1,709	1,978
1.	Interest expenses	1	0
	<b>Total interest</b>	1,708	1,978
	<b>Capital gains and losses:</b>		
2.	Bonds	-1,134	1,423
	Derivatives	-3	14
	Currency accounts	-58	21
	Transaction costs	5	18
	<b>Total capital gains and losses</b>	-1,200	1,440
	<b>Total net income</b>	508	3,418
3.	Administrative expenses	321	351
	<b>Pre-tax profit or loss</b>	187	3,067
4.	Tax	18	30
	<b>Net profit or loss for the year</b>	169	3,037
	<b>At disposal</b>	169	3,037
	<b>Transferred to assets</b>	169	3,037

## Balance sheet, year-end

Note	2017 EUR '000	2016 EUR '000	
	<b>ASSETS</b>		
	<b>Cash and cash equivalents:</b>		
5.	Balance with custodian bank	706	1,644
	<b>Total cash and cash equivalents</b>	706	1,644
	<b>Bonds:</b>		
5.	Listed bonds from foreign issuers	22,323	23,378
	Unlisted bonds	2,092	2,443
	<b>Total bonds</b>	24,415	25,821
	<b>Derivatives:</b>		
5.	Unlisted derivatives	47	213
	<b>Total derivatives</b>	47	213
	<b>Other assets:</b>		
	Interest, dividends, etc. receivable	561	593
	<b>Total other assets</b>	561	593
	<b>TOTAL ASSETS</b>	25,729	28,271
	<b>EQUITY AND LIABILITIES</b>		
6.	<b>Investors' assets</b>	25,685	28,027
	<b>Derivatives:</b>		
5.	Unlisted derivatives	18	244
	<b>Total derivatives</b>	18	244
	<b>Other liabilities:</b>		
	Payables	26	0
	<b>Total other liabilities</b>	26	0
	<b>TOTAL EQUITY AND LIABILITIES</b>	25,729	28,271

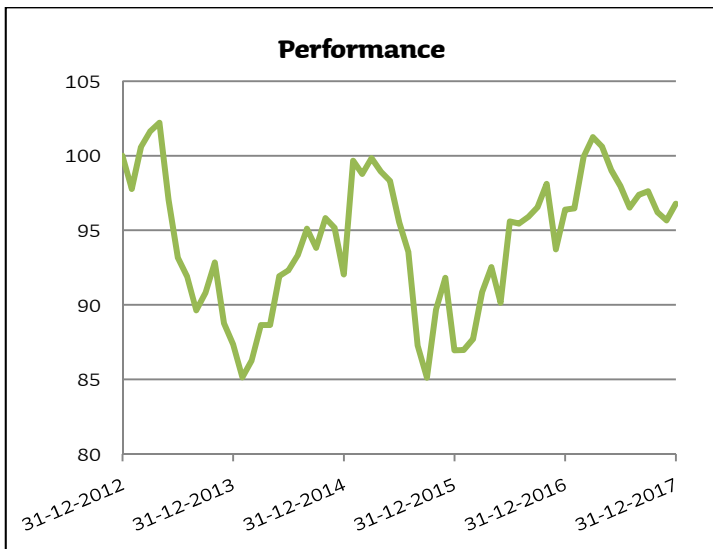
## Notes

	2017 EUR '000		2016 EUR '000	
<b>1. Interest income:</b>				
Balance with custodian bank		10		5
Listed bonds from foreign issuers		1,592		1,841
Unlisted bonds		107		132
<b>Total interest income</b>		<b>1,709</b>		<b>1,978</b>
<b>1. Interest expenses:</b>				
Other interest expenses		1		0
<b>Total interest expenses</b>		<b>1</b>		<b>0</b>
<b>2. Capital gains and losses:</b>				
<b>Bonds:</b>				
Listed bonds from foreign issuers		-1,081		1,405
Unlisted bonds		-53		18
<b>Total capital gains and losses, bonds</b>		<b>-1,134</b>		<b>1,423</b>
<b>Derivatives:</b>				
Forward exchange transactions/futures		-3		14
<b>Total capital gains and losses, derivatives</b>		<b>-3</b>		<b>14</b>
Currency accounts		-58		21
<b>Transaction costs:</b>				
Gross transaction costs		5		20
Covered by issue and redemption income		0		2
<b>Total transaction costs - operating activities</b>		<b>5</b>		<b>18</b>
<b>Total capital gains and losses</b>		<b>-1,200</b>		<b>1,440</b>
	<b>2017</b> EUR '000 Fund direct exp.	<b>2017</b> EUR '000 Share of joint exp.	<b>2016</b> EUR '000 Fund direct exp.	<b>2016</b> EUR '000 Share of joint exp.
<b>3. Administrative expenses:</b>				
Remuneration for Management Board	0	1	0	1
Payroll	0	5	0	10
Audit fee	0	0	0	1
Other audit fees	0	1	0	2
Rent, etc.	0	0	0	1
IT costs	0	4	0	9
Marketing costs	177	4	191	11
Fees to custodian bank	10	0	23	1
Other asset management-related expenses	82	2	89	4
Other expenses	0	3	0	8
Fixed administrative fee	32	0	0	0
<b>Total administrative expenses broken down</b>	<b>301</b>	<b>20</b>	<b>303</b>	<b>48</b>
<b>Total administrative expenses</b>		<b>321</b>		<b>351</b>
<b>4. Tax:</b>				
Non-refundable tax on interest			18	30
<b>Total tax</b>			<b>18</b>	<b>30</b>
<b>5. Financial Instruments:</b>				
Listed financial instruments			86.91	83.41
Other financial instruments			8.26	8.61
Other assets and Other liabilities			4.83	7.98
<b>Total</b>			<b>100.00</b>	<b>100.00</b>
			<b>2017</b> (%)	<b>2016</b> (%)
Information about each fund's financial instruments as per 31.12.2017 can be obtained by contacting Jyske Invest Fund Management A/S or be viewed at the Investment Association's website <a href="http://jyskeinvest.com">jyskeinvest.com</a> .				

## Notes

	2017	2017	2016	2016
	Number of	EUR '000	Number of	EUR '000
	certificates	Asset	certificates	Asset
		value		value
6. <b>Investors' assets:</b>				
Investors' assets, beginning of period	168,808	28,027	213,309	31,951
Redemptions in the year	-14,743	-2,513	-44,501	-6,996
Net redemption margin		2		35
Transfer of net profit or loss for the period		169		3,037
<b>Total investors' assets</b>	154,065	25,685	168,808	28,027

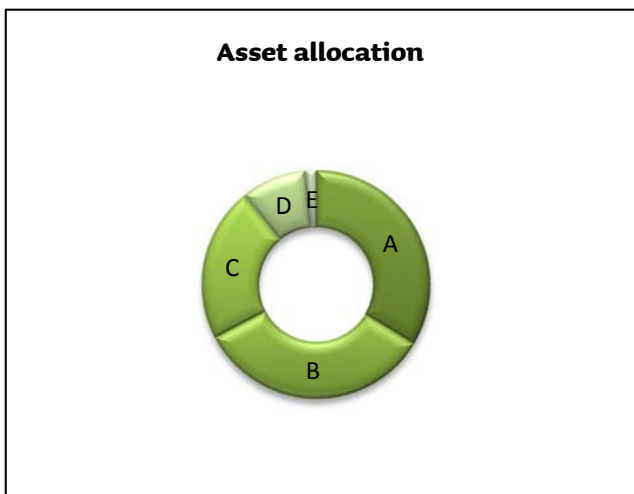
## Notes



Original investment of EUR 100.  
Performance is based on net asset value.

### Largest holdings

5.75% Mexican Bonos 05.03.2026	5.77%
3.25% Republic of Poland Government Bond 25.07.2019	5.66%
11% Turkey Government Bond 24.02.2027	5.14%
7.7% Russian Federal Bond - OFZ 23.03.2033	4.58%
8.375% Indonesia Treasury Bond 15.03.2034	3.95%



- A Europe, CEE & CIS **33.70%**
- B Latin America **33.60%**
- C Asia **21.90%**
- D Africa **9.30%**
- E North America **1.50%**

## Notes

Key figures and ratios	2013	2014	2015	2016	2017
<u>Key figures:</u>					
Net profit/loss for the year (EUR '000)	-11,393	2,434	-1,334	3,037	169
Number of certificates	382,198	259,618	213,309	168,808	154,065
Investors' assets (EUR '000)	57,504	41,162	31,951	28,027	25,685
<u>Ratios:</u>					
Net asset value (EUR per certificate)	150.46	158.55	149.79	166.03	166.72
Return for the year (%) p.a.:					
- Benchmark	-11.58	7.36	-5.23	13.23	1.20
- Fund	-12.66	5.38	-5.53	10.84	0.41
Total Expense Ratio - TER	1.31	1.29	1.20	1.18	1.18
Portfolio turnover at market value (EUR '000):					
- Bought	80,024	38,535	26,849	37,041	20,957
- Sold	81,588	55,141	32,917	42,651	21,229
- Total	161,612	93,676	59,766	79,692	42,186
Portfolio turnover rate	0.64	0.76	0.64	1.20	0.69
Transaction costs - operating activities (EUR '000):					
- Total transaction costs	111	42	29	18	5
- Transaction costs in % of assets	0.14	0.09	0.08	0.06	0.02
Sharpe ratio:					
- Benchmark	0.83	0.73	0.09	0.38	0.07
- Fund	0.74	0.52	-0.02	0.25	-0.06
Standard deviation (%):					
- Benchmark	9.13	8.59	10.72	10.61	9.61
- Fund	8.47	8.39	9.84	10.41	10.23
Tracking Error (%)	0.93	0.73	0.87	0.92	0.94

# Jyske Invest High Yield Corporate Bonds CL

## Income statement for the year

Note	2017 EUR '000	2016 EUR '000	
	<b>Interest:</b>		
1.	Interest income	4,121	3,662
1.	Interest expenses	11	0
	<b>Total interest</b>	4,110	3,662
	<b>Capital gains and losses:</b>		
2.	Bonds	-2,767	2,577
	Derivatives	3,721	-402
	Currency accounts	-112	206
	Transaction costs	3	12
	<b>Total capital gains and losses</b>	839	2,369
	<b>Total net income</b>	4,949	6,031
3.	Administrative expenses	921	709
	<b>Pre-tax profit or loss</b>	4,028	5,322
4.	Tax	26	0
	<b>Net profit or loss for the year</b>	4,002	5,322
	<b>At disposal</b>	4,002	5,322
	<b>Transferred to assets</b>	4,002	5,322

## Balance sheet, year-end

Note	2017 EUR '000	2016 EUR '000	
	<b>ASSETS</b>		
	<b>Cash and cash equivalents:</b>		
5.	Balance with custodian bank	6,654	1,379
	<b>Total cash and cash equivalents</b>	6,654	1,379
	<b>Bonds:</b>		
5.	Listed bonds from Danish issuers	0	781
	Listed bonds from foreign issuers	86,880	56,703
	<b>Total bonds</b>	86,880	57,484
	<b>Derivatives:</b>		
5.	Unlisted derivatives	628	333
	<b>Total derivatives</b>	628	333
	<b>Other assets:</b>		
	Interest, dividends, etc. receivable	1,275	1,152
	<b>Total other assets</b>	1,275	1,152
	<b>TOTAL ASSETS</b>	95,437	60,348
	<b>EQUITY AND LIABILITIES</b>		
6.	<b>Investors' assets</b>	95,314	60,332
	<b>Derivatives:</b>		
5.	Unlisted derivatives	0	16
	<b>Total derivatives</b>	0	16
	<b>Other liabilities:</b>		
	Payables	93	0
	Debt to custodian bank	30	0
	<b>Total other liabilities</b>	123	0
	<b>TOTAL EQUITY AND LIABILITIES</b>	95,437	60,348



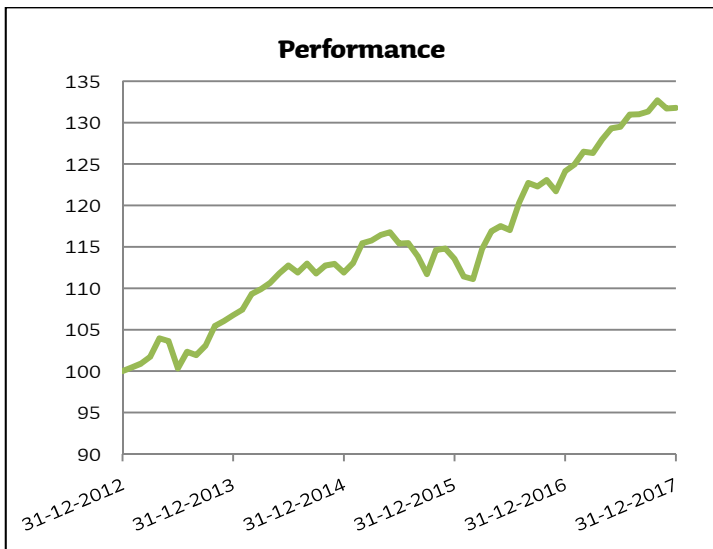
## Notes

		2017 EUR '000	2016 EUR '000
1. <b>Interest income:</b>			
Balance with custodian bank		16	1
Listed bonds from Danish issuers		21	63
Listed bonds from foreign issuers		4,082	3,576
Unlisted bonds		0	22
Other interest income		2	0
<b>Total interest income</b>		4,121	3,662
1. <b>Interest expenses:</b>			
Other interest expenses		11	0
<b>Total interest expenses</b>		11	0
2. <b>Capital gains and losses:</b>			
<b>Bonds:</b>			
Listed bonds from Danish issuers		-53	88
Listed bonds from foreign issuers		-2,716	2,551
Unlisted bonds		2	-62
<b>Total capital gains and losses, bonds</b>		-2,767	2,577
<b>Derivatives:</b>			
Forward exchange transactions/futures		3,721	-402
<b>Total capital gains and losses, derivatives</b>		3,721	-402
Currency accounts		-112	206
<b>Transaction costs:</b>			
Gross transaction costs		4	14
Covered by issue and redemption income		1	2
<b>Total transaction costs - operating activities</b>		3	12
<b>Total capital gains and losses</b>		839	2,369
		2017 EUR '000	2016 EUR '000
		Fund	Fund
		direct exp.	direct exp.
3. <b>Administrative expenses:</b>			
Remuneration for Supervisory Board, etc.	0	0	1
Remuneration for Management Board	0	1	3
Payroll	0	11	20
Audit fee	0	0	1
Other audit fees	0	2	4
Rent, etc.	0	1	2
IT costs	0	10	19
Marketing costs	524	8	398
Fees to custodian bank	13	0	28
Other asset management-related expenses	242	4	184
Other expenses	0	8	0
Fixed administrative fee	97	0	0
<b>Total administrative expenses broken down</b>	876	45	610
<b>Total administrative expenses</b>		921	709
		2017 EUR '000	2016 EUR '000
4. <b>Tax:</b>			
Non-refundable tax on interest		26	0
<b>Total tax</b>		26	0
		2017 (%)	2016 (%)
5. <b>Financial Instruments:</b>			
Listed financial instruments		91.15	95.28
Other financial instruments		0.66	0.53
Other assets and Other liabilities		8.19	4.19
<b>Total</b>		100.00	100.00
Information about each fund's financial instruments as per 31.12.2017 can be obtained by contacting Jyske Invest Fund Management A/S or be viewed at the Investment Association's website <a href="http://jyskeinvest.com">jyskeinvest.com</a> .			

## Notes

	2017	2017	2016	2016
	Number of	EUR '000		EUR '000
	certificates	Asset	Number of	Asset
		value	certificates	value
6. <b>Investors' assets:</b>				
Investors' assets, beginning of period	312,998	60,332	373,598	65,882
Issues in the year	175,652	35,495	0	0
Redemptions in the year	-22,927	-4,581	-60,600	-10,957
Net issue margin		66		0
Net redemption margin		0		85
Transfer of net profit or loss for the period		4,002		5,322
<b>Total investors' assets</b>	<b>465,723</b>	<b>95,314</b>	<b>312,998</b>	<b>60,332</b>

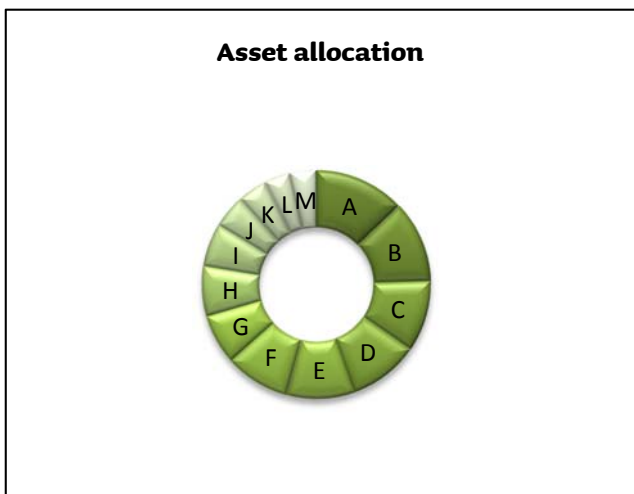
## Notes



Original investment of EUR 100.  
Performance is based on net asset value.

**Largest holdings**

Currency account EUR	3.96%
Currency account USD	2.88%
7.5% HCA Inc 15.02.2022	1.92%
8.75% Enel SpA 24.09.2073	1.85%
4.875% NEW Areva Holding SA 23.09.2024	1.82%



A Other <b>12.90%</b>	K Utilities <b>4.20%</b>
B Financial institutions <b>11.60%</b>	L Transportation <b>3.70%</b>
C Basic industry <b>10.10%</b>	M Service <b>3.70%</b>
D Capital goods <b>9.90%</b>	
E Media <b>9.70%</b>	
F Health Care <b>9.20%</b>	
G Energy <b>7.10%</b>	
H Telecommunication Services <b>7.10%</b>	
I Retail <b>6.10%</b>	
J Technology & Electronics <b>4.70%</b>	

## Notes

Key figures and ratios	2013	2014	2015	2016	2017
<u>Key figures:</u>					
Net profit/loss for the year (EUR '000)	4,780	3,120	724	5,322	4,002
Number of certificates	413,821	341,000	373,598	312,998	465,723
Investors' assets (EUR '000)	68,605	59,262	65,882	60,332	95,314
<u>Ratios:</u>					
Net asset value (EUR per certificate)	165.78	173.79	176.34	192.75	204.66
Return for the year (%) p.a.:					
- Benchmark	7.89	4.66	-0.99	11.19	5.71
- Fund	6.75	4.83	1.47	9.31	6.18
Total Expense Ratio - TER	1.23	1.25	1.17	1.15	1.14
Portfolio turnover at market value (EUR '000):					
- Bought	50,988	41,803	49,169	35,039	93,412
- Sold	53,903	54,234	44,359	44,511	61,249
- Total	104,891	96,037	93,528	79,550	154,661
Portfolio turnover rate	0.50	0.59	0.63	0.54	0.70
Transaction costs - operating activities (EUR '000):					
- Total transaction costs	64	41	29	12	3
- Transaction costs in % of assets	0.09	0.07	0.05	0.02	0.00
Sharpe ratio:					
- Benchmark	1.95	1.47	1.06	1.67	1.32
- Fund	1.46	0.96	0.68	1.59	1.33
Standard deviation (%):					
- Benchmark	8.09	5.88	4.56	4.80	4.27
- Fund	7.27	5.21	5.07	4.26	3.88
Tracking Error (%)	2.16	0.70	1.11	1.32	1.35

# Jyske Invest High Grade Corporate Bonds CL

## Income statement for the year

Note	2017 EUR '000	2016 EUR '000
<b>Interest:</b>		
1. Interest income	198	289
1. Interest expenses	2	0
<b>Total interest</b>	<b>196</b>	<b>289</b>
<b>2. Capital gains and losses:</b>		
Bonds	153	381
Derivatives	13	22
Transaction costs	1	3
<b>Total capital gains and losses</b>	<b>165</b>	<b>400</b>
<b>Total net income</b>	<b>361</b>	<b>689</b>
<b>3. Administrative expenses</b>		
Administrative expenses	68	87
<b>Pre-tax profit or loss</b>	<b>293</b>	<b>602</b>
<b>Net profit or loss for the year</b>	<b>293</b>	<b>602</b>
<b>At disposal</b>	<b>293</b>	<b>602</b>
<b>Transferred to assets</b>	<b>293</b>	<b>602</b>

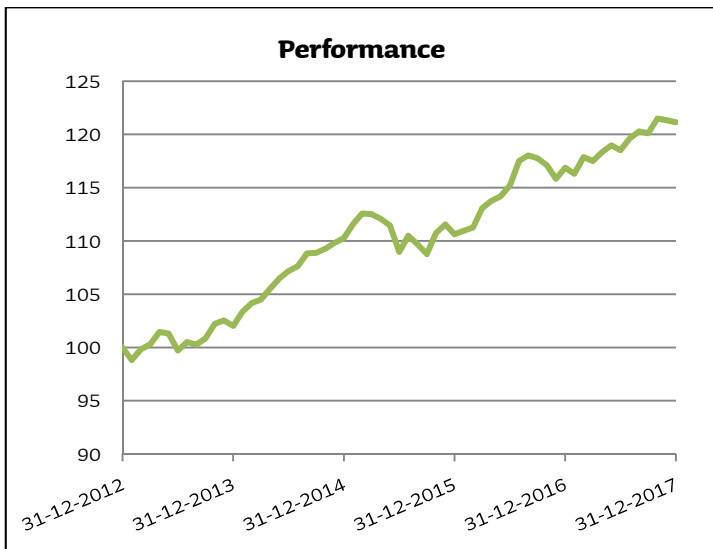
## Balance sheet, year-end

Note	2017 EUR '000	2016 EUR '000
<b>ASSETS</b>		
<b>Cash and cash equivalents:</b>		
4. Balance with custodian bank	534	112
<b>Total cash and cash equivalents</b>	<b>534</b>	<b>112</b>
<b>4. Bonds:</b>		
Listed bonds from Danish issuers	253	234
Listed bonds from foreign issuers	6,669	8,223
<b>Total bonds</b>	<b>6,922</b>	<b>8,457</b>
<b>4. Derivatives:</b>		
Listed derivatives	0	7
<b>Total derivatives</b>	<b>0</b>	<b>7</b>
<b>Other assets:</b>		
Interest, dividends, etc. receivable	82	96
<b>Total other assets</b>	<b>82</b>	<b>96</b>
<b>TOTAL ASSETS</b>	<b>7,538</b>	<b>8,672</b>
<b>EQUITY AND LIABILITIES</b>		
5. <b>Investors' assets</b>	<b>7,528</b>	<b>8,672</b>
<b>4. Derivatives:</b>		
Listed derivatives	5	0
<b>Total derivatives</b>	<b>5</b>	<b>0</b>
<b>Other liabilities:</b>		
Payables	5	0
<b>Total other liabilities</b>	<b>5</b>	<b>0</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>7,538</b>	<b>8,672</b>

## Notes

			<b>2017</b> EUR '000	<b>2016</b> EUR '000
<b>1. Interest income:</b>				
Listed bonds from Danish issuers			5	7
Listed bonds from foreign issuers			193	282
<b>Total interest income</b>			<b>198</b>	<b>289</b>
<b>1. Interest expenses:</b>				
Other interest expenses			2	0
<b>Total interest expenses</b>			<b>2</b>	<b>0</b>
<b>2. Capital gains and losses:</b>				
<b>Bonds:</b>				
Listed bonds from Danish issuers			0	-2
Listed bonds from foreign issuers			153	382
Unlisted bonds			0	1
<b>Total capital gains and losses, bonds</b>			<b>153</b>	<b>381</b>
<b>Derivatives:</b>				
Forward interest transactions/futures			13	22
<b>Total capital gains and losses, derivatives</b>			<b>13</b>	<b>22</b>
<b>Transaction costs:</b>				
Gross transaction costs			1	4
Covered by issue and redemption income			0	1
<b>Total transaction costs - operating activities</b>			<b>1</b>	<b>3</b>
<b>Total capital gains and losses</b>			<b>165</b>	<b>400</b>
			<b>2017</b> EUR '000 Fund direct exp.	<b>2017</b> EUR '000 Share of joint exp.
<b>3. Administrative expenses:</b>				
Payroll	0	1	0	3
Other audit fees	0	1	0	1
IT costs	0	1	0	4
Marketing costs	37	1	47	4
Fees to custodian bank	2	0	5	0
Other asset management-related expenses	14	1	18	2
Other expenses	0	1	0	3
Fixed administrative fee	9	0	0	0
<b>Total administrative expenses broken down</b>	<b>62</b>	<b>6</b>	<b>70</b>	<b>17</b>
<b>Total administrative expenses</b>		<b>68</b>		<b>87</b>
			<b>2017</b> (%)	<b>2016</b> (%)
<b>4. Financial Instruments:</b>				
Listed financial instruments			91.88	97.60
Other assets and Other liabilities			8.12	2.40
<b>Total</b>			<b>100.00</b>	<b>100.00</b>
Information about each fund's financial instruments as per 31.12.2017 can be obtained by contacting Jyske Invest Fund Management A/S or be viewed at the Investment Association's website <a href="http://jyskeinvest.com">jyskeinvest.com</a> .				
			<b>2017</b> Number of certificates	<b>2017</b> EUR '000 Asset value
<b>5. Investors' assets:</b>				
Investors' assets, beginning of period	64,899	8,672	91,599	11,584
Redemptions in the year	-10,540	-1,440	-26,700	-3,522
Net redemption margin		3		8
Transfer of net profit or loss for the period		293		602
<b>Total investors' assets</b>	<b>54,359</b>	<b>7,528</b>	<b>64,899</b>	<b>8,672</b>

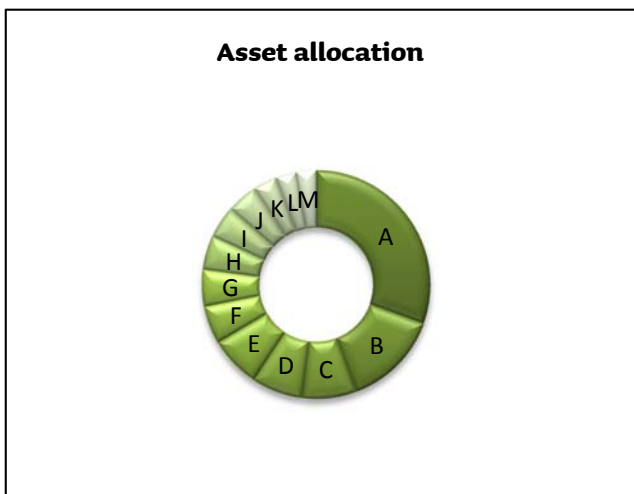
## Notes



**Largest holdings**

Currency account EUR	7.06%
4.5% Municipality Finance PLC 01.04.2166	3.02%
1.875% McDonald's Corp 26.05.2027	2.79%
0.8750% HSBC Holdings PLC 06.09.2024	2.66%
1.5% Nederlandse Financierings Maatschappij voor Ontwik 08.12.2025	2.64%

Original investment of EUR 100.  
Performance is based on net asset value.



A Financial institutions <b>30.60%</b>	K Insurance <b>3.40%</b>
B Utilities <b>13.70%</b>	L Financials <b>2.90%</b>
C Other <b>7.70%</b>	M Transport <b>2.90%</b>
D Consumer Discretionary <b>7.30%</b>	
E Technology & Electronics <b>7.20%</b>	
F Telecommunication Services <b>5.40%</b>	
G Energy <b>5.20%</b>	
H Real Estate <b>4.80%</b>	
I Retail <b>4.50%</b>	
J Health Care <b>4.40%</b>	

## Notes

Key figures and ratios	2013	2014	2015	2016	2017
<u>Key figures:</u>					
Net profit/loss for the year (EUR '000)	373	1,039	38	602	293
Number of certificates	124,094	96,099	91,599	64,899	54,359
Investors' assets (EUR '000)	14,472	12,114	11,584	8,672	7,528
<u>Ratios:</u>					
Net asset value (EUR per certificate)	116.62	126.06	126.46	133.62	138.49
Return for the year (%) p.a.:					
- Benchmark	1.96	8.52	-0.43	4.75	2.42
- Fund	2.01	8.09	0.32	5.66	3.64
Total Expense Ratio - TER	0.89	0.94	0.85	0.83	0.83
Portfolio turnover at market value (EUR '000):					
- Bought	5,930	10,313	10,775	7,483	5,276
- Sold	17,864	13,141	11,038	10,372	6,963
- Total	23,794	23,454	21,813	17,855	12,239
Portfolio turnover rate	0.15	0.65	0.88	0.65	0.67
Transaction costs - operating activities (EUR '000):					
- Total transaction costs	20	10	9	3	1
- Transaction costs in % of assets	0.10	0.08	0.07	0.03	0.02
Sharpe ratio:					
- Benchmark	1.88	1.76	1.33	1.68	1.24
- Fund	1.44	1.27	1.07	1.70	1.34
Standard deviation (%):					
- Benchmark	3.32	3.01	2.99	2.76	2.76
- Fund	4.29	3.57	2.81	2.49	2.45
Tracking Error (%)	1.35	0.57	0.59	0.69	0.64



# Jyske Invest Danish Equities CL

## Income statement for the year

Note	2017 DKK '000	2016 DKK '000	
	<b>Interest and dividends:</b>		
1.	Interest expenses	3	0
2.	Dividends	1,709	1,436
	<b>Total interest and dividends</b>	1,706	1,436
	<b>Capital gains and losses:</b>		
3.	Equity investments	6,744	1,405
	Transaction costs	64	31
	<b>Total capital gains and losses</b>	6,680	1,374
	<b>Total net income</b>	8,386	2,810
4.	Administrative expenses	988	856
	<b>Pre-tax profit or loss</b>	7,398	1,954
5.	Tax	256	206
	<b>Net profit or loss for the year</b>	7,142	1,748
	<b>At disposal</b>	7,142	1,748
	<b>Transferred to assets</b>	7,142	1,748

## Balance sheet, year-end

Note	2017 DKK '000	2016 DKK '000	
	<b>ASSETS</b>		
	<b>Cash and cash equivalents:</b>		
6.	Balance with custodian bank	1,372	568
	<b>Total cash and cash equivalents</b>	1,372	568
6.	<b>Equity investments:</b>		
	Listed shares in Danish companies	67,525	61,498
	Unlisted equity investments in Danish companies	0	1
	<b>Total equity investments</b>	67,525	61,499
	<b>Other assets:</b>		
	Unsettled transactions	412	0
	<b>Total other assets</b>	412	0
	<b>TOTAL ASSETS</b>	69,309	62,067
	<b>EQUITY AND LIABILITIES</b>		
7.	<b>Investors' assets</b>	69,223	62,067
	<b>Other liabilities:</b>		
	Payables	86	0
	<b>Total other liabilities</b>	86	0
	<b>TOTAL EQUITY AND LIABILITIES</b>	69,309	62,067

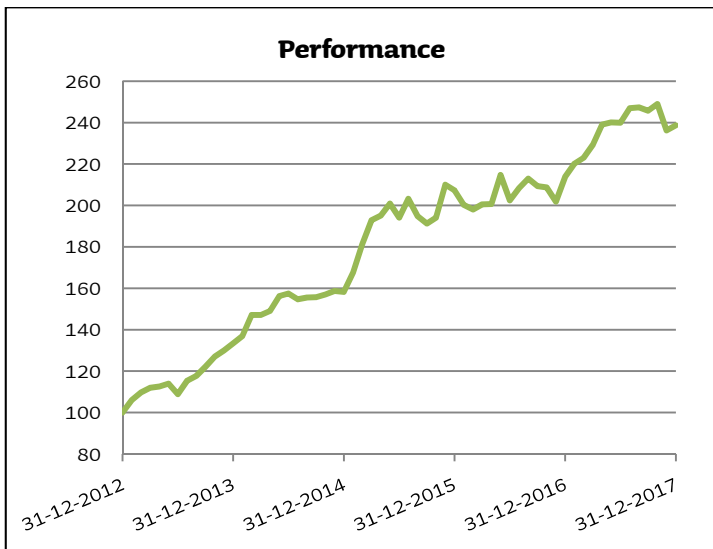
## Notes

	2017 DKK '000		2016 DKK '000	
<b>1. Interest expenses:</b>				
Other interest expenses		3		0
<b>Total interest expenses</b>		<b>3</b>		<b>0</b>
<b>2. Dividends:</b>				
Listed shares in Danish companies		1,709		1,436
<b>Total dividends</b>		<b>1,709</b>		<b>1,436</b>
<b>3. Capital gains and losses:</b>				
<b>Equity investments:</b>				
Listed shares in Danish companies		6,744		1,453
Listed shares in foreign companies		0		-48
<b>Total capital gains and losses, equity investments</b>		<b>6,744</b>		<b>1,405</b>
<b>Transaction costs:</b>				
Gross transaction costs		72		43
Covered by issue and redemption income		8		12
<b>Total transaction costs - operating activities</b>		<b>64</b>		<b>31</b>
<b>Total capital gains and losses</b>		<b>6,680</b>		<b>1,374</b>
	<b>2017</b> DKK '000 Fund direct exp.	<b>2017</b> DKK '000 Share of joint exp.	<b>2016</b> DKK '000 Fund direct exp.	<b>2016</b> DKK '000 Share of joint exp.
<b>4. Administrative expenses:</b>				
Remuneration for Supervisory Board, etc.	0	0	0	1
Remuneration for Management Board	0	1	0	3
Payroll	0	11	0	20
Audit fee	0	1	0	1
Other audit fees	0	2	0	4
Rent, etc.	0	1	0	2
IT costs	0	10	0	19
Marketing costs	592	8	510	22
Fees to custodian bank	2	0	8	1
Other asset management-related expenses	279	4	240	7
Other expenses	0	8	0	18
Fixed administrative fee	69	0	0	0
<b>Total administrative expenses broken down</b>	<b>942</b>	<b>46</b>	<b>758</b>	<b>98</b>
<b>Total administrative expenses</b>		<b>988</b>		<b>856</b>
<b>5. Tax:</b>				
Non-refundable tax on interest and dividends			256	206
<b>Total tax</b>			<b>256</b>	<b>206</b>
<b>6. Financial Instruments:</b>				
Listed financial instruments			97.55	99.08
Other assets and Other liabilities			2.45	0.92
<b>Total</b>			<b>100.00</b>	<b>100.00</b>
<b>Financial instruments issued by Jyske Bank A/S:</b>				
<b>Name:</b>			Market value DKK '000	Market value DKK '000
Jyske Bank A/S			0	2,655
Information about each fund's financial instruments as per 31.12.2017 can be obtained by contacting Jyske Invest Fund Management A/S or be viewed at the Investment Association's website <a href="http://jyskeinvest.com">jyskeinvest.com</a> .				

## Notes

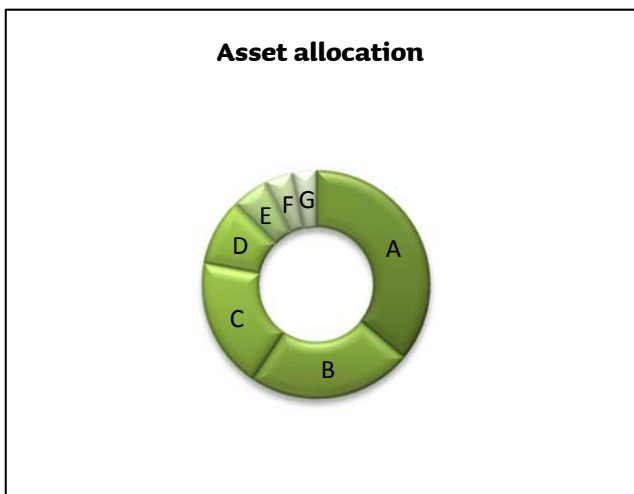
	<b>2017</b>	<b>2017</b> DKK '000	<b>2016</b>	<b>2016</b> DKK '000
	Number of certificates	Asset value	Number of certificates	Asset value
<b>7. Investors' assets:</b>				
Investors' assets, beginning of period	108,151	62,067	111,494	62,012
Issues in the year	5,937	3,766	7,558	4,047
Redemptions in the year	-6,000	-3,757	-10,901	-5,745
Net issue margin		2		1
Net redemption margin		3		4
Transfer of net profit or loss for the period		7,142		1,748
<b>Total investors' assets</b>	<b>108,088</b>	<b>69,223</b>	<b>108,151</b>	<b>62,067</b>

## Notes



Original investment of DKK 100.  
Performance is based on net asset value.

Danske Bank A/S	9.64%
Novo Nordisk A/S	9.51%
DSV A/S	8.85%
Vestas Wind Systems A/S	5.07%
Chr Hansen Holding A/S	5.04%



- A Industrials **36.10%**
- B Health Care **23.30%**
- C Financials **18.60%**
- D Consumer Staples **9.40%**
- E Materials **5.30%**
- F Consumer Discretionary **4.00%**
- G Utilities **3.30%**

## Notes

Key figures and ratios	2013	2014	2015	2016	2017
<u>Key figures:</u>					
Net profit/loss for the year (DKK '000)	10,135	6,914	13,709	1,748	7,142
Number of certificates	103,635	98,595	111,494	108,151	108,088
Investors' assets (DKK '000)	37,100	41,861	62,012	62,067	69,223
<u>Ratios:</u>					
Net asset value (DKK per certificate)	357.98	424.57	556.19	573.89	640.44
Return for the year (%) p.a.:					
- Benchmark	38.30	17.22	30.83	3.22	16.82
- Fund	33.43	18.60	31.00	3.18	11.60
Total Expense Ratio - TER	1.37	1.45	1.41	1.41	1.41
Portfolio turnover at market value (DKK '000):					
- Bought	8,442	12,285	17,758	17,688	35,564
- Sold	13,536	14,210	11,127	18,464	36,284
- Total	21,978	26,495	28,885	36,152	71,848
Portfolio turnover rate	0.13	0.13	0.09	0.21	0.46
Transaction costs - operating activities (DKK '000):					
- Total transaction costs	30	27	12	31	64
- Transaction costs in % of assets	0.08	0.06	0.02	0.05	0.09
Sharpe ratio:					
- Benchmark	1.05	1.08	1.12	1.84	1.84
- Fund	0.92	0.96	1.0	1.80	1.72
Standard deviation (%):					
- Benchmark	17.05	13.31	11.44	12.54	11.28
- Fund	18.65	15.65	15.95	15.37	15.01
Tracking Error (%)	1.71	1.60	1.79	1.89	2.32
Active Share (%)	24.06	22.34	23.03	36.26	35.00

# Jyske Invest German Equities CL

## Income statement for the year

Note	2017 EUR '000	2016 EUR '000	
	<b>Interest and dividends:</b>		
1.	Interest expenses	1	0
2.	Dividends	621	786
	<b>Total interest and dividends</b>	620	786
	<b>Capital gains and losses:</b>		
3.	Equity investments	3,668	381
	Transaction costs	30	23
	<b>Total capital gains and losses</b>	3,638	358
	<b>Total net income</b>	4,258	1,144
4.	Administrative expenses	363	347
	<b>Pre-tax profit or loss</b>	3,895	797
5.	Tax	146	167
	<b>Net profit or loss for the year</b>	3,749	630
	<b>At disposal</b>	3,749	630
	<b>Transferred to assets</b>	3,749	630

## Balance sheet, year-end

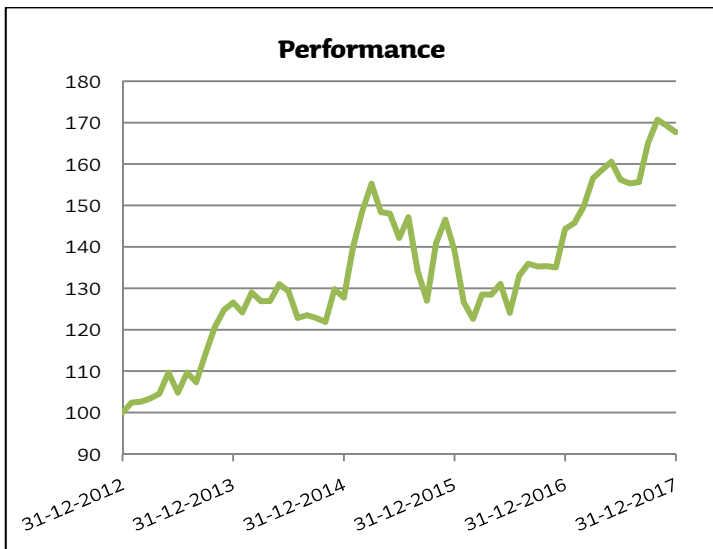
Note	2017 EUR '000	2016 EUR '000	
	<b>ASSETS</b>		
	<b>Cash and cash equivalents:</b>		
6.	Balance with custodian bank	169	258
	<b>Total cash and cash equivalents</b>	169	258
6.	<b>Equity investments:</b>		
	Listed shares in foreign companies	24,146	24,220
	<b>Total equity investments</b>	24,146	24,220
	<b>TOTAL ASSETS</b>	24,315	24,478
	<b>EQUITY AND LIABILITIES</b>		
7.	<b>Investors' assets</b>	24,284	24,478
	<b>Other liabilities:</b>		
	Payables	31	0
	<b>Total other liabilities</b>	31	0
	<b>TOTAL EQUITY AND LIABILITIES</b>	24,315	24,478

## Notes

			<b>2017</b> EUR '000	<b>2016</b> EUR '000
1.	<b>Interest expenses:</b>			
	Other interest expenses		1	0
	<b>Total interest expenses</b>		1	0
2.	<b>Dividends:</b>			
	Listed shares in foreign companies		621	786
	<b>Total dividends</b>		621	786
3.	<b>Capital gains and losses:</b>			
	<b>Equity investments:</b>			
	Listed shares in foreign companies		3,668	381
	<b>Total capital gains and losses, equity investments</b>		3,668	381
	<b>Transaction costs:</b>			
	Gross transaction costs		36	28
	Covered by issue and redemption income		6	5
	<b>Total transaction costs - operating activities</b>		30	23
	<b>Total capital gains and losses</b>		3,638	358
		<b>2017</b> EUR '000 Fund direct exp.	<b>2017</b> EUR '000 Share of joint exp.	<b>2016</b> EUR '000 Fund direct exp.
4.	<b>Administrative expenses:</b>			<b>2016</b> EUR '000 Share of joint exp.
	Remuneration for Management Board	0	1	1
	Payroll	0	4	8
	Audit fee	0	0	1
	Other audit fees	5	1	2
	Rent, etc.	0	0	1
	IT costs	0	4	7
	Marketing costs	209	3	201
	Fees to custodian bank	6	0	12
	Other asset management-related expenses	99	1	95
	Other expenses	0	3	0
	Fixed administrative fee	27	0	0
	<b>Total administrative expenses broken down</b>	346	17	308
	<b>Total administrative expenses</b>		363	347
			<b>2017</b> EUR '000	<b>2016</b> EUR '000
5.	<b>Tax:</b>			
	Non-refundable tax on interest and dividends		146	167
	<b>Total tax</b>		146	167
			<b>2017</b> (%)	<b>2016</b> (%)
6.	<b>Financial Instruments:</b>			
	Listed financial instruments		99.43	98.95
	Other assets and Other liabilities		0.57	1.05
	<b>Total</b>		100.00	100.00
		<b>2017</b> Number of certificates	<b>2017</b> EUR '000 Asset value	<b>2016</b> Number of certificates
7.	<b>Investors' assets:</b>			<b>2016</b> Asset value
	Investors' assets, beginning of period	175,073	24,478	198,863
	Issues in the year	100	15	860
	Redemptions in the year	-25,660	-3,959	-24,650
	Net redemption margin		1	2
	Transfer of net profit or loss for the period		3,749	630
	<b>Total investors' assets</b>	149,513	24,284	175,073
				24,478

Information about each fund's financial instruments as per 31.12.2017 can be obtained by contacting Jyske Invest Fund Management A/S or be viewed at the Investment Association's website [jyskeinvest.com](http://jyskeinvest.com).

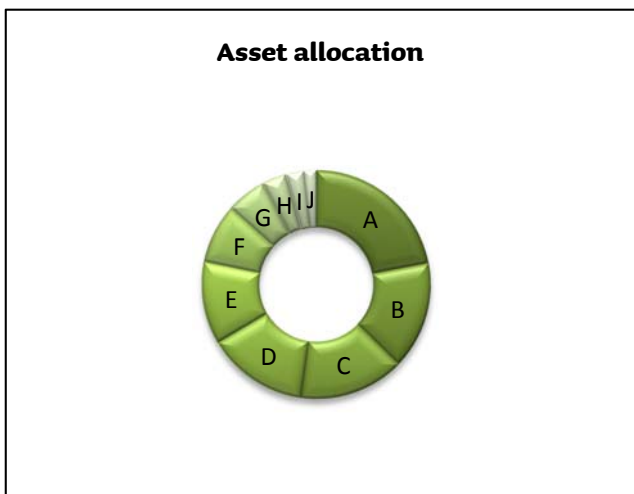
## Notes



Original investment of EUR 100.  
Performance is based on net asset value.

**Largest holdings**

Allianz SE	8.62%
Siemens AG	8.18%
Bayer AG	7.63%
BASF SE	7.55%
Volkswagen AG	5.55%



- A Consumer Discretionary **22.00%**
- B Materials **15.30%**
- C Industrials **14.90%**
- D Financials **14.30%**
- E Health Care **11.70%**
- F Information Technology **8.40%**
- G Telecommunication Services **5.70%**
- H Consumer Staples **3.40%**
- I Utilities **2.50%**
- J Real Estate **1.80%**



## Notes

Key figures and ratios	2013	2014	2015	2016	2017
<u>Key figures:</u>					
Net profit/loss for the year (EUR '000)	8,253	130	2,583	630	3,749
Number of certificates	283,326	220,286	198,863	175,073	149,513
Investors' assets (EUR '000)	34,738	27,255	26,807	24,478	24,284
<u>Ratios:</u>					
Net asset value (EUR per certificate)	122.61	123.73	134.80	139.81	162.42
Return for the year (%) p.a.:					
- Benchmark	25.56	2.14	9.55	5.75	12.36
- Fund	26.59	0.91	8.95	3.72	16.17
Total Expense Ratio - TER	1.41	1.50	1.47	1.46	1.48
Portfolio turnover at market value (EUR '000):					
- Bought	8,497	4,652	9,683	7,827	10,346
- Sold	18,328	12,340	12,473	10,655	14,208
- Total	26,825	16,992	22,156	18,482	24,554
Portfolio turnover rate	0.19	0.13	0.31	0.31	0.41
Transaction costs - operating activities (EUR '000):					
- Total transaction costs	57	26	27	23	30
- Transaction costs in % of assets	0.16	0.08	0.09	0.10	0.12
Sharpe ratio:					
- Benchmark	0.76	0.67	0.47	0.90	0.75
- Fund	0.78	0.68	0.45	0.87	0.76
Standard deviation (%):					
- Benchmark	19.77	16.31	15.57	16.93	14.41
- Fund	21.38	19.45	20.26	18.47	17.22
Tracking Error (%)	1.33	1.28	1.28	1.33	1.49
Active Share (%)	27.75	26.62	26.09	37.04	31.63

# Jyske Invest US Equities CL

## Income statement for the year

Note	2017 USD '000	2016 USD '000
<b>Interest and dividends:</b>		
1. Interest income	1	0
2. Dividends	171	244
<b>Total interest and dividends</b>	172	244
<b>Capital gains and losses:</b>		
3. Equity investments	2,147	476
Currency accounts	1	0
Transaction costs	42	38
<b>Total capital gains and losses</b>	2,106	438
<b>Total net income</b>	2,278	682
4. Administrative expenses	152	167
<b>Pre-tax profit or loss</b>	2,126	515
5. Tax	35	29
<b>Net profit or loss for the year</b>	2,091	486
<b>At disposal</b>	2,091	486
<b>Transferred to assets</b>	2,091	486

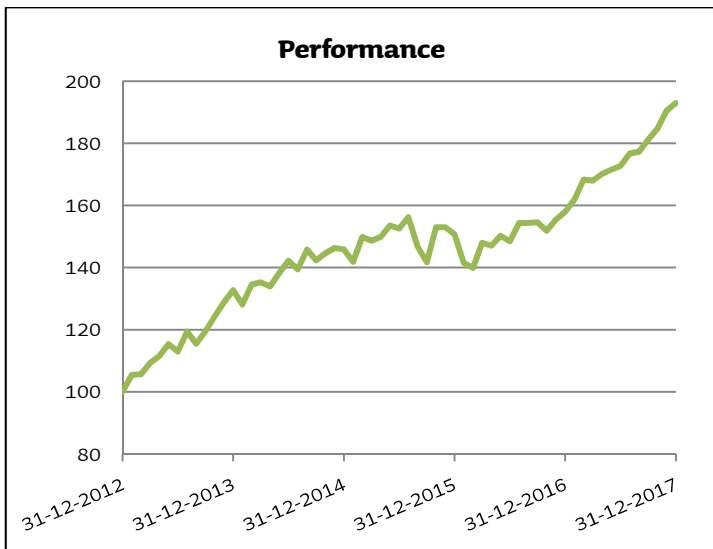
## Balance sheet, year-end

Note	2017 USD '000	2016 USD '000
<b>ASSETS</b>		
<b>Cash and cash equivalents:</b>		
6. Balance with custodian bank	42	114
<b>Total cash and cash equivalents</b>	42	114
<b>Equity investments:</b>		
6. Listed shares in foreign companies	10,374	10,852
<b>Total equity investments</b>	10,374	10,852
<b>Other assets:</b>		
Interest, dividends, etc. receivable	7	10
Unsettled transactions	0	37
<b>Total other assets</b>	7	47
<b>TOTAL ASSETS</b>	10,423	11,013
<b>EQUITY AND LIABILITIES</b>		
7. <b>Investors' assets</b>	10,410	11,013
<b>Other liabilities:</b>		
Payables	13	0
<b>Total other liabilities</b>	13	0
<b>TOTAL EQUITY AND LIABILITIES</b>	10,423	11,013

## Notes

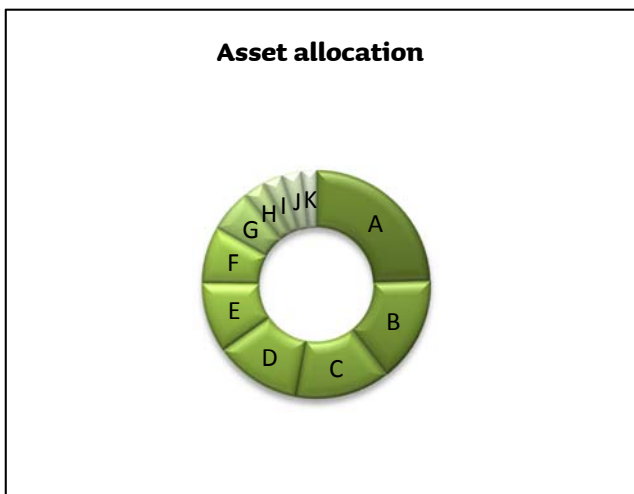
			<b>2017</b> USD '000	<b>2016</b> USD '000
1.	<b>Interest income:</b>			
	Balance with custodian bank		1	0
	<b>Total interest income</b>		1	0
2.	<b>Dividends:</b>			
	Listed shares in foreign companies		171	244
	<b>Total dividends</b>		171	244
3.	<b>Capital gains and losses:</b>			
	<b>Equity investments:</b>			
	Listed shares in foreign companies		2,147	476
	<b>Total capital gains and losses, equity investments</b>		2,147	476
	Currency accounts		1	0
	<b>Transaction costs:</b>			
	Gross transaction costs		47	41
	Covered by issue and redemption income		5	3
	<b>Total transaction costs - operating activities</b>		42	38
	<b>Total capital gains and losses</b>		2,106	438
		<b>2017</b> USD '000 Fund direct exp.	<b>2017</b> USD '000 Share of joint exp.	<b>2016</b> USD '000 Fund direct exp.
4.	<b>Administrative expenses:</b>			<b>2016</b> USD '000 Share of joint exp.
	Payroll	0	2	4
	Other audit fees	0	0	1
	IT costs	0	2	4
	Marketing costs	89	1	5
	Fees to custodian bank	3	0	0
	Other asset management-related expenses	42	1	1
	Other expenses	0	1	3
	Fixed administrative fee	11	0	0
	<b>Total administrative expenses broken down</b>	145	7	18
	<b>Total administrative expenses</b>		152	167
5.	<b>Tax:</b>		<b>2017</b> USD '000	<b>2016</b> USD '000
	Non-refundable tax on interest and dividends		35	29
	<b>Total tax</b>		35	29
			<b>2017</b> (%)	<b>2016</b> (%)
6.	<b>Financial Instruments:</b>			
	Listed financial instruments		99.65	98.54
	Other assets and Other liabilities		0.35	1.46
	<b>Total</b>		100.00	100.00
	Information about each fund's financial instruments as per 31.12.2017 can be obtained by contacting Jyske Invest Fund Management A/S or be viewed at the Investment Association's website <a href="http://jyskeinvest.com">jyskeinvest.com</a> .			
		<b>2017</b> Number of certificates	<b>2017</b> USD '000 Asset value	<b>2016</b> Number of certificates
7.	<b>Investors' assets:</b>			<b>2016</b> USD '000 Asset value
	Investors' assets, beginning of period	59,283	11,013	12,327
	Issues in the year	94	21	16
	Redemptions in the year	-13,500	-2,715	-1,816
	Transfer of net profit or loss for the period		2,091	486
	<b>Total investors' assets</b>	45,877	10,410	11,013

## Notes



Original investment of USD 100.  
Performance is based on net asset value.

Apple Inc	4.23%
Microsoft Corp	3.45%
Facebook Inc	2.54%
Bank of America Corp	2.47%
Johnson & Johnson	2.42%



A Information Technology	24.50%	K Telecommunication Services	2.10%
B Financials	15.00%		
C Health Care	13.40%		
D Consumer Discretionary	12.30%		
E Industrials	10.00%		
F Consumer Staples	8.00%		
G Energy	6.10%		
H Materials	3.10%		
I Utilities	2.80%		
J Real Estate	2.70%		

## Notes

Key figures and ratios	2013	2014	2015	2016	2017
<u>Key figures:</u>					
Net profit/loss for the year (USD '000)	5,848	1,637	583	486	2,091
Number of certificates	128,437	87,146	69,498	59,283	45,877
Investors' assets (USD '000)	20,051	14,950	12,327	11,013	10,410
<u>Ratios:</u>					
Net asset value (USD per certificate)	156.12	171.55	177.37	185.76	226.90
Return for the year (%) p.a.:					
- Benchmark	31.79	12.69	0.69	10.89	21.19
- Fund	32.75	9.89	3.39	4.73	22.15
Total Expense Ratio - TER	1.41	1.51	1.46	1.47	1.47
Portfolio turnover at market value (USD '000):					
- Bought	9,595	12,077	12,044	10,158	10,908
- Sold	15,920	18,989	15,096	12,047	13,533
- Total	25,515	31,066	27,140	22,205	24,441
Portfolio turnover rate	0.35	0.63	0.75	0.89	1.04
Transaction costs - operating activities (USD '000):					
- Total transaction costs	62	55	37	38	42
- Transaction costs in % of assets	0.31	0.32	0.27	0.34	0.41
Sharpe ratio:					
- Benchmark	1.04	1.08	0.94	1.22	1.40
- Fund	0.97	0.98	0.86	0.97	1.24
Standard deviation (%):					
- Benchmark	15.77	13.10	10.59	10.78	9.52
- Fund	16.86	15.34	14.61	12.42	11.40
Tracking Error (%)	1.92	2.30	2.45	2.55	2.09
Active Share (%)	69.76	72.04	68.54	67.17	62.77

# Jyske Invest Chinese Equities CL

## Income statement for the year

Note	2017 USD '000	2016 USD '000
	<b>Interest and dividends:</b>	
1. Dividends	199	175
	<b>Total interest and dividends</b>	175
	<b>Capital gains and losses:</b>	
2. Equity investments	2,622	-303
Currency accounts	0	-3
Transaction costs	56	83
	<b>Total capital gains and losses</b>	-389
	<b>Total net income</b>	-214
3. Administrative expenses	129	126
	<b>Pre-tax profit or loss</b>	-340
4. Tax	15	12
	<b>Net profit or loss for the year</b>	-352
	<b>At disposal</b>	-352
	<b>Transferred to assets</b>	-352

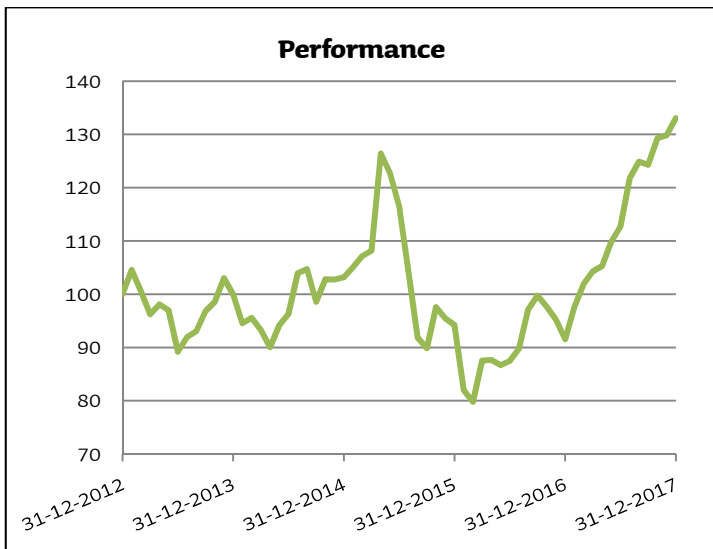
## Balance sheet, year-end

Note	2017 USD '000	2016 USD '000
	<b>ASSETS</b>	
	<b>Cash and cash equivalents:</b>	
5. Balance with custodian bank	38	64
	<b>Total cash and cash equivalents</b>	64
5. <b>Equity investments:</b>		
Listed shares in foreign companies	6,767	6,374
	<b>Total equity investments</b>	6,374
	<b>Other assets:</b>	
Interest, dividends, etc. receivable	1	0
Unsettled transactions	0	46
	<b>Total other assets</b>	46
	<b>TOTAL ASSETS</b>	6,484
	<b>EQUITY AND LIABILITIES</b>	
6. <b>Investors' assets</b>	6,796	6,484
	<b>Other liabilities:</b>	
Payables	10	0
	<b>Total other liabilities</b>	0
	<b>TOTAL EQUITY AND LIABILITIES</b>	6,484

## Notes

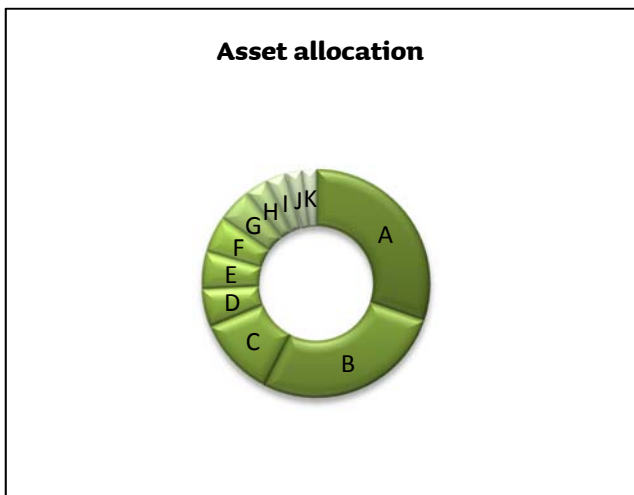
			<b>2017</b> USD '000	<b>2016</b> USD '000
1.	<b>Dividends:</b>			
	Listed shares in foreign companies		199	175
	<b>Total dividends</b>		199	175
2.	<b>Capital gains and losses:</b>			
	<b>Equity investments:</b>			
	Listed shares in foreign companies		2,622	-303
	<b>Total capital gains and losses, equity investments</b>		2,622	-303
	Currency accounts		0	-3
	<b>Transaction costs:</b>			
	Gross transaction costs		64	89
	Covered by issue and redemption income		8	6
	<b>Total transaction costs - operating activities</b>		56	83
	<b>Total capital gains and losses</b>		2,566	-389
		<b>2017</b> USD '000 Fund direct exp.	<b>2017</b> USD '000 Share of joint exp.	<b>2016</b> USD '000 Fund direct exp.
3.	<b>Administrative expenses:</b>			<b>2016</b> USD '000 Share of joint exp.
	Payroll	0	1	2
	IT costs	0	1	2
	Marketing costs	78	1	4
	Fees to custodian bank	2	0	0
	Other asset management-related expenses	35	1	1
	Other expenses	0	1	2
	Fixed administrative fee	9	0	0
	<b>Total administrative expenses broken down</b>	124	5	11
	<b>Total administrative expenses</b>		129	126
4.	<b>Tax:</b>			
	Non-refundable tax on interest and dividends			12
	<b>Total tax</b>			12
5.	<b>Financial Instruments:</b>		<b>2017</b> (%)	<b>2016</b> (%)
	Listed financial instruments		99.57	98.30
	Other assets and Other liabilities		0.43	1.70
	<b>Total</b>		100.00	100.00
	Information about each fund's financial instruments as per 31.12.2017 can be obtained by contacting Jyske Invest Fund Management A/S or be viewed at the Investment Association's website <a href="http://jyskeinvest.com">jyskeinvest.com</a> .			
		<b>2017</b> Number of certificates	<b>2017</b> USD '000 Asset value	<b>2016</b> Number of certificates
6.	<b>Investors' assets:</b>			<b>2016</b> USD '000 Asset value
	Investors' assets, beginning of period	18,634	6,484	8,408
	Redemptions in the year	-5,200	-2,310	-1,574
	Net redemption margin		1	2
	Transfer of net profit or loss for the period		2,621	-352
	<b>Total investors' assets</b>	13,434	6,796	6,484

## Notes



Original investment of USD 100.  
Performance is based on net asset value.

Tencent Holdings Ltd	9.86%
China Construction Bank Corp	9.44%
Alibaba Group Holding Ltd	9.39%
Ping An Insurance Group Co of China Ltd	7.60%
Bank of China Ltd	4.39%



- A Information Technology **30.30%**
- B Financials **27.20%**
- C Consumer Discretionary **11.30%**
- D Industrials **5.40%**
- E Real Estate **5.30%**
- F Energy **5.10%**
- G Telecommunication Services **4.90%**
- H Health Care **3.30%**
- I Consumer Staples **2.90%**
- J Materials **2.20%**
- K Utilities **2.10%**



## Notes

Key figures and ratios	2013	2014	2015	2016	2017
<u>Key figures:</u>					
Net profit/loss for the year (USD '000)	-1,708	149	-525	-352	2,621
Number of certificates	53,488	33,175	23,474	18,634	13,434
Investors' assets (USD '000)	20,316	13,010	8,408	6,484	6,796
<u>Ratios:</u>					
Net asset value (USD per certificate)	379.81	392.16	358.20	347.96	505.85
Return for the year (%) p.a.:					
- Benchmark	3.74	8.38	-8.01	0.43	49.33
- Fund	-0.08	3.25	-8.66	-2.86	45.38
Total Expense Ratio - TER	1.68	1.77	1.84	1.85	1.85
Portfolio turnover at market value (USD '000):					
- Bought	26,504	11,727	8,265	10,839	7,540
- Sold	42,959	19,214	12,237	12,532	9,767
- Total	69,463	30,941	20,502	23,371	17,307
Portfolio turnover rate	0.69	0.74	0.77	1.60	1.06
Transaction costs - operating activities (USD '000):					
- Total transaction costs	279	106	63	83	56
- Transaction costs in % of assets	0.91	0.69	0.61	1.21	0.80
Sharpe ratio:					
- Benchmark	0.60	0.24	0.0	0.19	0.41
- Fund	0.57	0.14	-0.11	0.05	0.24
Standard deviation (%):					
- Benchmark	23.16	19.58	19.60	21.42	18.59
- Fund	24.07	21.17	22.68	19.75	18.84
Tracking Error (%)	1.84	2.46	2.82	2.94	2.78
Active Share (%)	39.78	38.10	31.79	52.67	51.42

# Jyske Invest Indian Equities CL

## Income statement for the year

Note	2017 USD '000	2016 USD '000
	<b>Interest and dividends:</b>	
1. Dividends	203	163
	<b>Total interest and dividends</b>	<b>163</b>
	<b>Capital gains and losses:</b>	
2. Equity investments	3,129	-378
Currency accounts	12	2
Transaction costs	26	41
	<b>Total capital gains and losses</b>	<b>-417</b>
	<b>Total net income</b>	<b>-254</b>
3. Administrative expenses	172	157
	<b>Pre-tax profit or loss</b>	<b>-411</b>
	<b>Net profit or loss for the year</b>	<b>-411</b>
	<b>At disposal</b>	<b>-411</b>
	<b>Transferred to assets</b>	<b>-411</b>

## Balance sheet, year-end

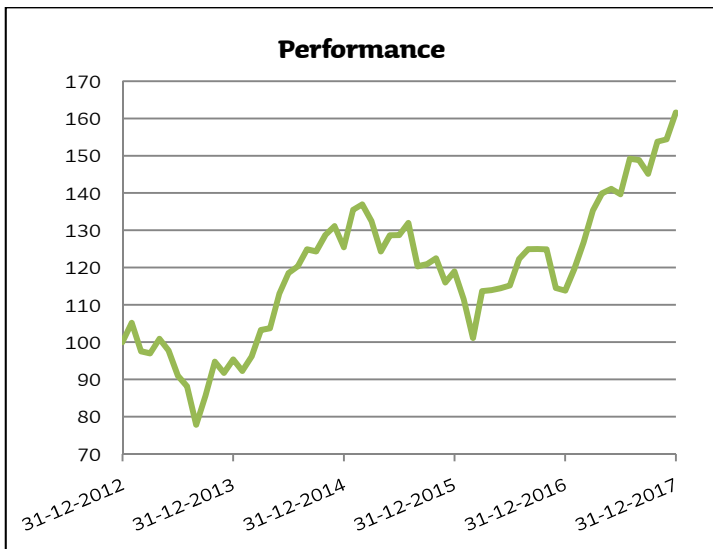
Note	2017 USD '000	2016 USD '000
	<b>ASSETS</b>	
	<b>Cash and cash equivalents:</b>	
4. Balance with custodian bank	100	102
	<b>Total cash and cash equivalents</b>	<b>102</b>
4. <b>Equity investments:</b>		
Listed shares in foreign companies	8,778	8,041
	<b>Total equity investments</b>	<b>8,041</b>
	<b>TOTAL ASSETS</b>	<b>8,143</b>
	<b>EQUITY AND LIABILITIES</b>	
5. <b>Investors' assets</b>	<b>8,864</b>	<b>8,143</b>
	<b>Other liabilities:</b>	
Payables	14	0
	<b>Total other liabilities</b>	<b>0</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>8,143</b>

## Notes

			<b>2017</b> USD '000	<b>2016</b> USD '000
1. <b>Dividends:</b>				
Listed shares in foreign companies			203	163
<b>Total dividends</b>			203	163
2. <b>Capital gains and losses:</b>				
<b>Equity investments:</b>				
Listed shares in foreign companies			3,129	-378
<b>Total capital gains and losses, equity investments</b>			3,129	-378
Currency accounts			12	2
<b>Transaction costs:</b>				
Gross transaction costs			35	44
Covered by issue and redemption income			9	3
<b>Total transaction costs - operating activities</b>			26	41
<b>Total capital gains and losses</b>			3,115	-417
			<b>2017</b> USD '000 Fund direct exp.	<b>2017</b> USD '000 Share of joint exp.
3. <b>Administrative expenses:</b>				
Payroll	0	2	0	3
Other audit fees	1	0	4	1
IT costs	0	1	0	3
Marketing costs	102	1	92	3
Fees to custodian bank	3	0	6	0
Other asset management-related expenses	47	1	42	1
Other expenses	0	1	0	2
Fixed administrative fee	13	0	0	0
<b>Total administrative expenses broken down</b>	166	6	144	13
<b>Total administrative expenses</b>		172		157
			<b>2017</b> (%)	<b>2016</b> (%)
4. <b>Financial Instruments:</b>				
Listed financial instruments			99.03	98.75
Other assets and Other liabilities			0.97	1.25
<b>Total</b>			100.00	100.00
			<b>2017</b> Number of certificates	<b>2016</b> Number of certificates
5. <b>Investors' assets:</b>				
Investors' assets, beginning of period	22,505	8,143	23,763	8,989
Issues in the year	0	0	492	186
Redemptions in the year	-5,250	-2,426	-1,750	-621
Net redemption margin		1		0
Transfer of net profit or loss for the period		3,146		-411
<b>Total investors' assets</b>	17,255	8,864	22,505	8,143

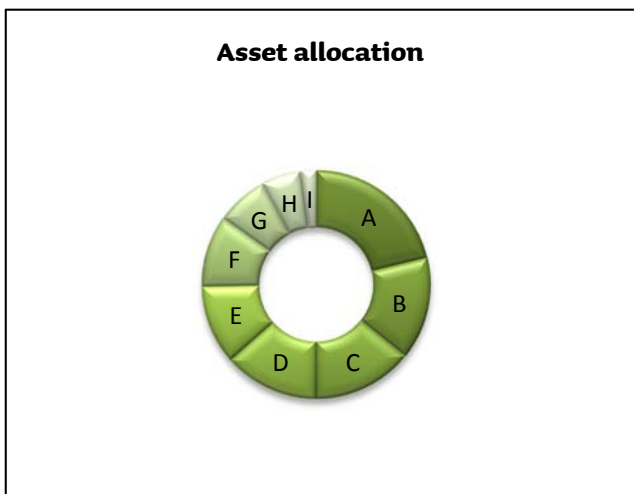
Information about each fund's financial instruments as per 31.12.2017 can be obtained by contacting Jyske Invest Fund Management A/S or be viewed at the Investment Association's website [jyskeinvest.com](http://jyskeinvest.com).

## Notes



Original investment of USD 100.  
Performance is based on net asset value.

Reliance Industries Ltd	8.87%
Maruti Suzuki India Ltd	5.52%
Housing Development Finance Corp Ltd	4.64%
Infosys Ltd	4.53%
Yes Bank Ltd	3.25%



- A Financials **21.20%**
- B Information Technology **14.60%**
- C Consumer Discretionary **14.20%**
- D Energy **13.50%**
- E Materials **11.20%**
- F Industrials **10.10%**
- G Consumer Staples **7.40%**
- H Health Care **5.60%**
- I Utilities **2.20%**

## Notes

Key figures and ratios	2013	2014	2015	2016	2017
<u>Key figures:</u>					
Net profit/loss for the year (USD '000)	-1,245	2,859	-473	-411	3,146
Number of certificates	35,388	27,331	23,763	22,505	17,255
Investors' assets (USD '000)	10,729	10,899	8,989	8,143	8,864
<u>Ratios:</u>					
Net asset value (USD per certificate)	303.18	398.80	378.26	361.81	513.70
Return for the year (%) p.a.:					
- Benchmark	-4.14	24.76	-6.15	-1.07	38.76
- Fund	-4.63	31.54	-5.15	-4.35	41.98
Total Expense Ratio - TER	1.74	1.79	1.91	1.87	1.87
Portfolio turnover at market value (USD '000):					
- Bought	6,901	7,043	8,348	5,484	3,317
- Sold	13,528	10,002	9,789	6,008	5,782
- Total	20,429	17,045	18,137	11,492	9,099
Portfolio turnover rate	0.47	0.57	0.78	0.63	0.36
Transaction costs - operating activities (USD '000):					
- Total transaction costs	89	65	64	41	26
- Transaction costs in % of assets	0.63	0.60	0.62	0.48	0.28
Sharpe ratio:					
- Benchmark	0.52	0.22	-0.12	0.27	0.41
- Fund	0.48	0.23	-0.12	0.28	0.47
Standard deviation (%):					
- Benchmark	32.50	25.54	18.91	17.51	18.16
- Fund	28.75	23.63	23.18	20.58	19.15
Tracking Error (%)	1.66	2.63	2.46	3.07	2.85
Active Share (%)	34.29	41.46	36.44	53.79	53.62

# Jyske Invest Global Equities CL

## Income statement for the year

Note	2017 USD '000	2016 USD '000	
	<b>Interest and dividends:</b>		
1.	Interest income	13	0
1.	Interest expenses	3	0
2.	Dividends	2,354	1,210
	<b>Total interest and dividends</b>	2,364	1,210
3.	<b>Capital gains and losses:</b>		
	Equity investments	20,431	1,349
	Currency accounts	39	-21
	Other assets/liabilities	1	0
	Transaction costs	366	97
	<b>Total capital gains and losses</b>	20,105	1,231
	<b>Total net income</b>	22,469	2,441
4.	Administrative expenses	1,716	744
	<b>Pre-tax profit or loss</b>	20,753	1,697
5.	Tax	346	117
	<b>Net profit or loss for the year</b>	20,407	1,580
	<b>At disposal</b>	20,407	1,580
	<b>Transferred to assets</b>	20,407	1,580

## Balance sheet, year-end

Note	2017 USD '000	2016 USD '000	
	<b>ASSETS</b>		
	<b>Cash and cash equivalents:</b>		
6.	Balance with custodian bank	1,501	208
	<b>Total cash and cash equivalents</b>	1,501	208
6.	<b>Equity investments:</b>		
	Listed shares in Danish companies	3,183	775
	Listed shares in foreign companies	183,611	43,403
	<b>Total equity investments</b>	186,794	44,178
	<b>Other assets:</b>		
	Interest, dividends, etc. receivable	217	51
	Unsettled transactions	253	0
	<b>Total other assets</b>	470	51
	<b>TOTAL ASSETS</b>	188,765	44,437
	<b>EQUITY AND LIABILITIES</b>		
7.	<b>Investors' assets</b>	188,527	44,437
	<b>Other liabilities:</b>		
	Payables	238	0
	<b>Total other liabilities</b>	238	0
	<b>TOTAL EQUITY AND LIABILITIES</b>	188,765	44,437

## Notes

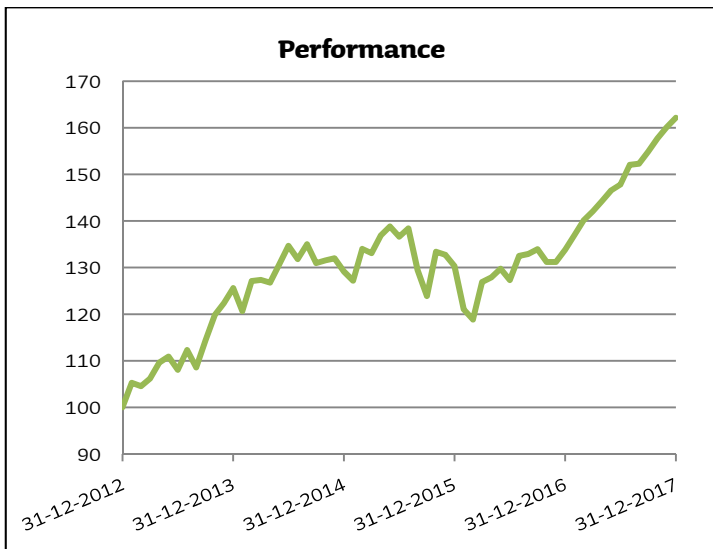
			2017 USD '000	2016 USD '000
1.	<b>Interest income:</b>			
	Balance with custodian bank		13	0
	<b>Total interest income</b>		13	0
1.	<b>Interest expenses:</b>			
	Other interest expenses		3	0
	<b>Total interest expenses</b>		3	0
2.	<b>Dividends:</b>			
	Listed shares in Danish companies		37	35
	Listed shares in foreign companies		2,317	1,175
	<b>Total dividends</b>		2,354	1,210
3.	<b>Capital gains and losses:</b>			
	<b>Equity investments:</b>			
	Listed shares in Danish companies		16	-41
	Listed shares in foreign companies		20,415	1,390
	<b>Total capital gains and losses, equity investments</b>		20,431	1,349
	Currency accounts		39	-21
	Other assets/liabilities		1	0
	<b>Transaction costs:</b>			
	Gross transaction costs		559	124
	Covered by issue and redemption income		193	27
	<b>Total transaction costs - operating activities</b>		366	97
	<b>Total capital gains and losses</b>		20,105	1,231
4.	<b>Administrative expenses:</b>			
	Remuneration for Management Board	0	1	0
	Payroll	0	9	17
	Audit fee	0	0	1
	Other audit fees	6	2	4
	Rent, etc.	0	1	2
	IT costs	0	8	16
	Marketing costs	991	7	429
	Fees to custodian bank	12	0	25
	Other asset management-related expenses	466	3	202
	Other expenses	-1	5	1
	Fixed administrative fee	206	0	0
	<b>Total administrative expenses broken down</b>	1,680	36	662
	<b>Total administrative expenses</b>		1,716	744
5.	<b>Tax:</b>			
	Non-refundable tax on interest and dividends		346	117
	<b>Total tax</b>		346	117
6.	<b>Financial Instruments:</b>			
	Listed financial instruments		99.08	99.42
	Other assets and Other liabilities		0.92	0.58
	<b>Total</b>		100.00	100.00
<p>Information about each fund's financial instruments as per 31.12.2017 can be obtained by contacting Jyske Invest Fund Management A/S or be viewed at the Investment Association's website <a href="http://jyskeinvest.com">jyskeinvest.com</a>.</p>				

## Notes

	<b>2017</b>	<b>2017</b>	<b>2016</b>	<b>2016</b>
	Number of	USD '000	Number of	USD '000
	certificates	Asset	certificates	Asset
		value		value
<b>7. Investors' assets:</b>				
Investors' assets, beginning of period	162,567	44,437	188,684	50,223
Issues in the year	464,503	140,665	14,783	3,572
Redemptions in the year	-57,749	-17,078	-40,900	-10,944
Net issue margin		96		2
Net redemption margin		0		4
Transfer of net profit or loss for the period		20,407		1,580
<b>Total investors' assets</b>	<b>569,321</b>	<b>188,527</b>	<b>162,567</b>	<b>44,437</b>



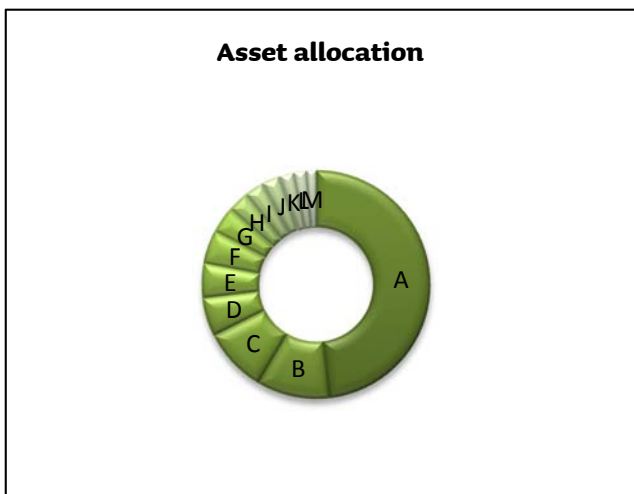
## Notes



Original investment of USD 100.  
Performance is based on net asset value.

**Largest holdings**

Apple Inc	2.64%
Facebook Inc	1.86%
Bank of America Corp	1.79%
Alphabet A Inc	1.70%
Johnson & Johnson	1.61%



A USA	48.10%	K Germany	2.00%
B Other	10.40%	L Denmark	1.80%
C Japan	9.10%	M Australia	1.40%
D The UK	5.50%		
E China	4.90%		
F Canada	4.70%		
G Korea	3.70%		
H France	3.00%		
I Netherlands	2.80%		
J Hong Kong	2.60%		

## Notes

Key figures and ratios	2013	2014	2015	2016	2017
<u>Key figures:</u>					
Net profit/loss for the year (USD '000)	9,672	1,170	507	1,580	20,407
Number of certificates	192,430	171,415	188,684	162,567	569,321
Investors' assets (USD '000)	49,358	45,220	50,223	44,437	188,527
<u>Ratios:</u>					
Net asset value (USD per certificate)	256.50	263.80	266.17	273.34	331.14
Return for the year (%) p.a.:					
- Benchmark	22.80	4.16	-2.36	7.86	23.97
- Fund	25.59	2.85	0.90	2.69	21.14
Total Expense Ratio - TER	1.42	1.51	1.50	1.47	1.45
Portfolio turnover at market value (USD '000):					
- Bought	26,339	29,330	38,691	29,757	267,959
- Sold	20,017	34,277	34,263	36,756	145,771
- Total	46,356	63,607	72,954	66,513	413,730
Portfolio turnover rate	0.36	0.41	0.56	0.51	1.09
Transaction costs - operating activities (USD '000):					
- Total transaction costs	127	124	105	97	366
- Transaction costs in % of assets	0.30	0.26	0.21	0.19	0.31
Sharpe ratio:					
- Benchmark	0.83	0.64	0.40	0.72	0.92
- Fund	0.83	0.66	0.46	0.65	0.82
Standard deviation (%):					
- Benchmark	17.60	14.57	10.95	11.23	9.94
- Fund	18.21	16.02	15.18	12.93	11.65
Tracking Error (%)	2.14	2.44	2.56	2.59	2.14
Active Share (%)	85.49	85.13	83.73	82.14	82.04

# Jyske Invest Equities Low Volatility CL

## Income statement for the year

Note	2017 USD '000	2016 USD '000	
	<b>Interest and dividends:</b>		
1.	Interest income	5	0
1.	Interest expenses	3	0
2.	Dividends	1,176	1,203
	<b>Total interest and dividends</b>	1,178	1,203
3.	<b>Capital gains and losses:</b>		
	Equity investments	5,881	1,888
	Currency accounts	114	-76
	Transaction costs	81	70
	<b>Total capital gains and losses</b>	5,914	1,742
	<b>Total net income</b>	7,092	2,945
4.	Administrative expenses	585	655
	<b>Pre-tax profit or loss</b>	6,507	2,290
5.	Tax	146	155
	<b>Net profit or loss for the year</b>	6,361	2,135
	<b>At disposal</b>	6,361	2,135
	<b>Transferred to assets</b>	6,361	2,135

## Balance sheet, year-end

Note	2017 USD '000	2016 USD '000	
	<b>ASSETS</b>		
	<b>Cash and cash equivalents:</b>		
6.	Balance with custodian bank	952	1,528
	<b>Total cash and cash equivalents</b>	952	1,528
6.	<b>Equity investments:</b>		
	Listed shares in Danish companies	404	408
	Listed shares in foreign companies	38,358	37,672
	<b>Total equity investments</b>	38,762	38,080
	<b>Other assets:</b>		
	Interest, dividends, etc. receivable	54	59
	<b>Total other assets</b>	54	59
	<b>TOTAL ASSETS</b>	39,768	39,667
	<b>EQUITY AND LIABILITIES</b>		
7.	<b>Investors' assets</b>	39,718	39,667
	<b>Other liabilities:</b>		
	Payables	50	0
	<b>Total other liabilities</b>	50	0
	<b>TOTAL EQUITY AND LIABILITIES</b>	39,768	39,667

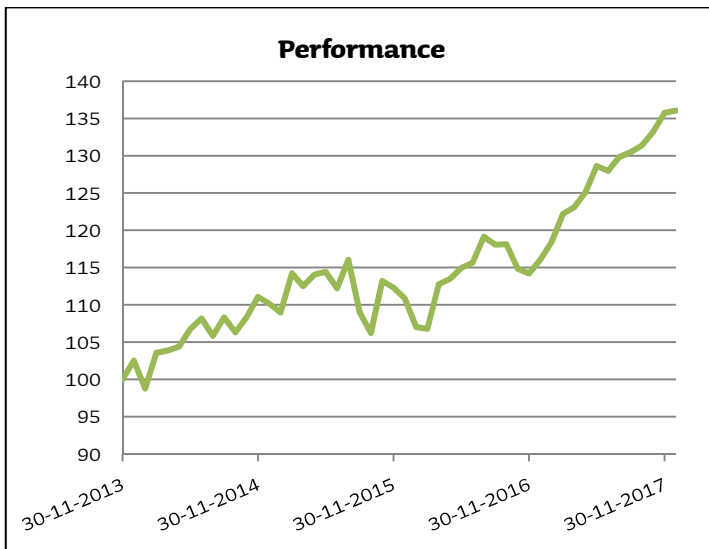
## Notes

			<b>2017</b> USD '000	<b>2016</b> USD '000
1.	<b>Interest income:</b>			
	Balance with custodian bank		5	0
	<b>Total interest income</b>		5	0
1.	<b>Interest expenses:</b>			
	Other interest expenses		3	0
	<b>Total interest expenses</b>		3	0
2.	<b>Dividends:</b>			
	Listed shares in Danish companies		13	22
	Listed shares in foreign companies		1,163	1,181
	<b>Total dividends</b>		1,176	1,203
3.	<b>Capital gains and losses:</b>			
	<b>Equity investments:</b>			
	Listed shares in Danish companies		62	-43
	Listed shares in foreign companies		5,819	1,931
	<b>Total capital gains and losses, equity investments</b>		5,881	1,888
	Currency accounts		114	-76
	<b>Transaction costs:</b>			
	Gross transaction costs		85	85
	Covered by issue and redemption income		4	15
	<b>Total transaction costs - operating activities</b>		81	70
	<b>Total capital gains and losses</b>		5,914	1,742
		<b>2017</b> USD '000 Fund direct exp.	<b>2017</b> USD '000 Share of joint exp.	<b>2016</b> USD '000 Fund direct exp.
4.	<b>Administrative expenses:</b>			<b>2016</b> USD '000 Share of joint exp.
	Remuneration for Management Board	0	1	2
	Payroll	0	7	15
	Audit fee	0	0	1
	Other audit fees	5	1	3
	Rent, etc.	0	1	1
	IT costs	0	6	14
	Marketing costs	341	5	381
	Fees to custodian bank	10	0	23
	Other asset management-related expenses	160	2	179
	Other expenses	-1	5	0
	Fixed administrative fee	42	0	0
	<b>Total administrative expenses broken down</b>	557	28	583
	<b>Total administrative expenses</b>		585	655
5.	<b>Tax:</b>			
	Non-refundable tax on interest and dividends			155
	<b>Total tax</b>		146	155
6.	<b>Financial Instruments:</b>		<b>2017</b> (%)	<b>2016</b> (%)
	Listed financial instruments		97.59	96.00
	Other assets and Other liabilities		2.41	4.00
	<b>Total</b>		100.00	100.00
	Information about each fund's financial instruments as per 31.12.2017 can be obtained by contacting Jyske Invest Fund Management A/S or be viewed at the Investment Association's website <a href="http://jyskeinvest.com">jyskeinvest.com</a> .			

## Notes

	2017		2016	
	Number of certificates	USD '000 Asset value	Number of certificates	USD '000 Asset value
<b>7. Investors' assets:</b>				
Investors' assets, beginning of period	341,748	39,667	416,549	46,180
Issues in the year	3,673	453	1,800	184
Redemptions in the year	-53,512	-6,763	-76,601	-8,834
Net redemption margin		0		2
Transfer of net profit or loss for the period		6,361		2,135
<b>Total investors' assets</b>	<b>291,909</b>	<b>39,718</b>	<b>341,748</b>	<b>39,667</b>

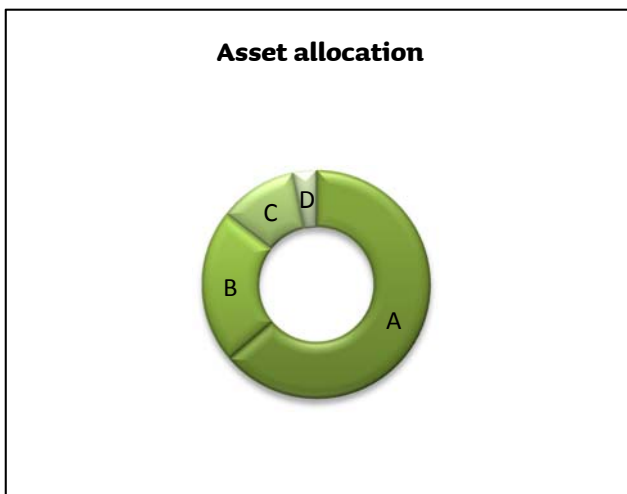
## Notes



Original investment of USD 100.  
Performance is based on net asset value.

### Largest holdings

Vinci SA	1.73%
East Japan Railway Co	1.67%
Johnson & Johnson	1.65%
PepsiCo Inc	1.63%
Mondelez International Inc	1.63%



- A North & South America **63.70%**
- B Europe & Middle East **21.80%**
- C Pacific region **11.20%**
- D Asia **3.30%**

## Notes

Key figures and ratios	2013*	2014	2015	2016	2017
<u>Key figures:</u>					
Net profit/loss for the year (USD '000)	545	2,644	183	2,135	6,361
Number of certificates	217,136	365,222	416,549	341,748	291,909
Investors' assets (USD '000)	22,262	40,238	46,180	39,667	39,718
<u>Ratios:</u>					
Net asset value (USD per certificate)	102.53	110.18	110.86	116.07	136.06
Return for the year (%) p.a.	2.53	7.46	0.62	4.70	17.23
Total Expense Ratio - TER	0.04	1.49	1.48	1.46	1.47
Portfolio turnover at market value (USD '000):					
- Bought	20,834	30,974	28,937	20,777	21,826
- Sold	0	16,139	23,288	29,303	27,246
- Total	20,834	47,113	52,225	50,080	49,072
Portfolio turnover rate	0.00	0.38	0.39	0.45	0.51
Transaction costs - operating activities (USD '000):					
- Total transaction costs	44	86	66	70	81
- Transaction costs in % of assets	0.20	0.25	0.13	0.16	0.20
Sharpe ratio				0.38	0.77
Standard deviation (%)	15.05	13.43	12.93	10.80	9.90

\*2013 covers a period of less than 12 months

# Jyske Invest Emerging Market Equities CL

## Income statement for the year

Note	2017 USD '000	2016 USD '000
	<b>Interest and dividends:</b>	
1.	Interest income	1
1.	Interest expenses	1
2.	Dividends	244
	<b>Total interest and dividends</b>	244
3.	<b>Capital gains and losses:</b>	
	Equity investments	2,916
	Currency accounts	-5
	Transaction costs	60
	<b>Total capital gains and losses</b>	2,851
	<b>Total net income</b>	3,095
4.	Administrative expenses	175
	<b>Pre-tax profit or loss</b>	2,920
5.	Tax	25
	<b>Net profit or loss for the year</b>	2,895
	<b>At disposal</b>	2,895
	<b>Transferred to assets</b>	2,895

## Balance sheet, year-end

Note	2017 USD '000	2016 USD '000
	<b>ASSETS</b>	
	<b>Cash and cash equivalents:</b>	
6.	Balance with custodian bank	178
	<b>Total cash and cash equivalents</b>	178
6.	<b>Equity investments:</b>	
	Listed shares in foreign companies	9,639
	<b>Total equity investments</b>	9,639
	<b>Other assets:</b>	
	Interest, dividends, etc. receivable	11
	<b>Total other assets</b>	11
	<b>TOTAL ASSETS</b>	9,828
	<b>EQUITY AND LIABILITIES</b>	
7.	<b>Investors' assets</b>	9,812
	<b>Other liabilities:</b>	
	Payables	16
	Unsettled transactions	0
	<b>Total other liabilities</b>	16
	<b>TOTAL EQUITY AND LIABILITIES</b>	9,828

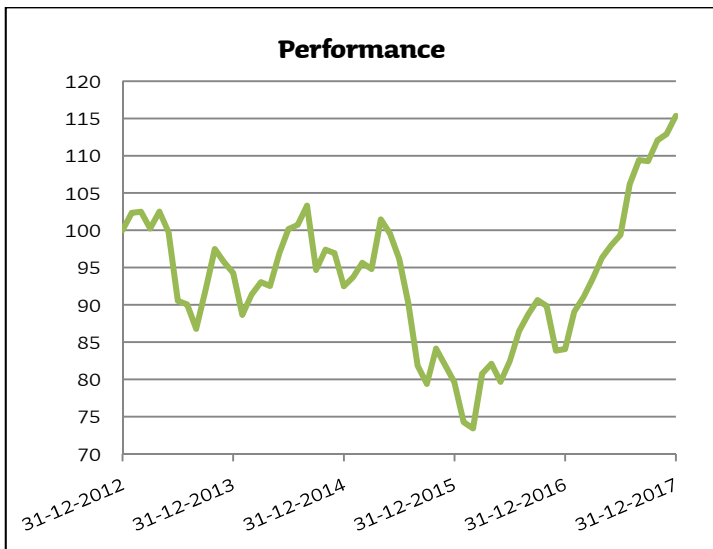


## Notes

			<b>2017</b> USD '000	<b>2016</b> USD '000
1.	<b>Interest income:</b>			
	Balance with custodian bank		1	1
	<b>Total interest income</b>		1	1
1.	<b>Interest expenses:</b>			
	Other interest expenses		1	1
	<b>Total interest expenses</b>		1	1
2.	<b>Dividends:</b>			
	Listed shares in foreign companies		244	224
	<b>Total dividends</b>		244	224
3.	<b>Capital gains and losses:</b>			
	<b>Equity investments:</b>			
	Listed shares in foreign companies		2,916	516
	<b>Total capital gains and losses, equity investments</b>		2,916	516
	Currency accounts		-5	-19
	<b>Transaction costs:</b>			
	Gross transaction costs		65	65
	Covered by issue and redemption income		5	3
	<b>Total transaction costs - operating activities</b>		60	62
	<b>Total capital gains and losses</b>		2,851	435
		<b>2017</b> USD '000 Fund direct exp.	<b>2017</b> USD '000 Share of joint exp.	<b>2016</b> USD '000 Fund direct exp.
4.	<b>Administrative expenses:</b>			<b>2016</b> USD '000 Share of joint exp.
	Payroll	0	1	0
	Other audit fees	0	0	9
	IT costs	0	1	0
	Marketing costs	103	1	92
	Fees to custodian bank	4	0	7
	Other asset management-related expenses	47	1	42
	Other expenses	0	2	0
	Fixed administrative fee	15	0	0
	<b>Total administrative expenses broken down</b>	169	6	150
	<b>Total administrative expenses</b>		175	164
5.	<b>Tax:</b>			
	Non-refundable tax on interest and dividends			25
	<b>Total tax</b>			25
6.	<b>Financial Instruments:</b>		<b>2017</b> (%)	<b>2016</b> (%)
	Listed financial instruments		98.24	98.65
	Other assets and Other liabilities		1.76	1.35
	<b>Total</b>		100.00	100.00
		<b>2017</b> Number of certificates	<b>2017</b> USD '000 Asset value	<b>2016</b> Number of certificates
7.	<b>Investors' assets:</b>			<b>2016</b> Asset value
	Investors' assets, beginning of period	38,373	8,300	39,250
	Issues in the year	0	0	1,323
	Redemptions in the year	-5,310	-1,385	-2,200
	Net redemption margin		2	1
	Transfer of net profit or loss for the period		2,895	504
	<b>Total investors' assets</b>	33,063	9,812	38,373

Information about each fund's financial instruments as per 31.12.2017 can be obtained by contacting Jyske Invest Fund Management A/S or be viewed at the Investment Association's website [jyskeinvest.com](http://jyskeinvest.com).

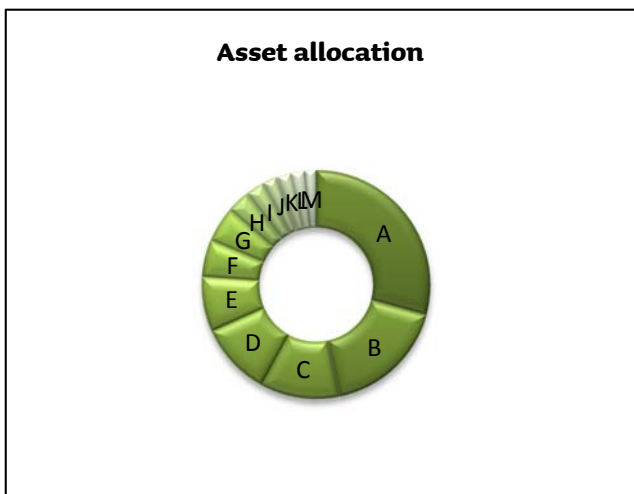
## Notes



**Largest holdings**

Naspers Ltd	5.04%
Tencent Holdings Ltd	4.92%
Alibaba Group Holding Ltd	4.57%
Taiwan Semiconductor Manufacturing Co Ltd	4.55%
Samsung Electronics Co Ltd	3.40%

Original investment of USD 100.  
Performance is based on net asset value.



A China <b>29.30%</b>	K Malaysia <b>2.00%</b>
B Korea <b>17.40%</b>	L Thailand <b>2.00%</b>
C India <b>11.30%</b>	M Turkey <b>1.60%</b>
D Taiwan <b>10.30%</b>	
E Brazil <b>7.80%</b>	
F Russian Federation <b>5.20%</b>	
G South Africa <b>5.00%</b>	
H Mexico <b>3.30%</b>	
I Indonesia <b>2.70%</b>	
J Other <b>2.10%</b>	

## Notes

Key figures and ratios	2013	2014	2015	2016	2017
<u>Key figures:</u>					
Net profit/loss for the year (USD '000)	-1,488	-276	-1,301	504	2,895
Number of certificates	84,662	63,450	39,250	38,373	33,063
Investors' assets (USD '000)	20,534	15,099	8,040	8,300	9,812
<u>Ratios:</u>					
Net asset value (USD per certificate)	242.54	237.96	204.83	216.31	296.77
Return for the year (%) p.a.:					
- Benchmark	-2.60	-2.19	-14.92	11.19	37.28
- Fund	-5.74	-1.89	-13.92	5.60	37.20
Total Expense Ratio - TER	1.72	1.81	1.98	1.93	1.88
Portfolio turnover at market value (USD '000):					
- Bought	32,482	16,966	9,854	8,502	8,023
- Sold	36,350	21,991	15,522	8,737	9,496
- Total	68,832	38,957	25,376	17,239	17,519
Portfolio turnover rate	1.27	0.92	0.92	0.96	0.87
Transaction costs - operating activities (USD '000):					
- Total transaction costs	285	140	78	62	60
- Transaction costs in % of assets	1.19	0.79	0.74	0.73	0.64
Sharpe ratio:					
- Benchmark	0.68	0.16	-0.31	0.01	0.19
- Fund	0.65	0.10	-0.34	-0.09	0.09
Standard deviation (%):					
- Benchmark	22.59	18.55	14.46	16.34	14.43
- Fund	22.44	19.46	18.84	16.37	15.41
Tracking Error (%)	3.34	3.65	3.96	3.73	3.57
Active Share (%)	77.36	76.60	77.57	70.55	67.62

# Jyske Invest European Equities CL

## Income statement for the year

Note	2017 EUR '000	2016 EUR '000
<b>Interest and dividends:</b>		
1. Interest expenses	1	0
2. Dividends	561	483
<b>Total interest and dividends</b>	<b>560</b>	<b>483</b>
<b>Capital gains and losses:</b>		
3. Equity investments	412	-446
Currency accounts	15	-12
Transaction costs	54	51
<b>Total capital gains and losses</b>	<b>373</b>	<b>-509</b>
<b>Total net income</b>	<b>933</b>	<b>-26</b>
4. Administrative expenses	223	201
<b>Pre-tax profit or loss</b>	<b>710</b>	<b>-227</b>
5. Tax	39	45
<b>Net profit or loss for the year</b>	<b>671</b>	<b>-272</b>
<b>At disposal</b>	<b>671</b>	<b>-272</b>
<b>Transferred to assets</b>	<b>671</b>	<b>-272</b>

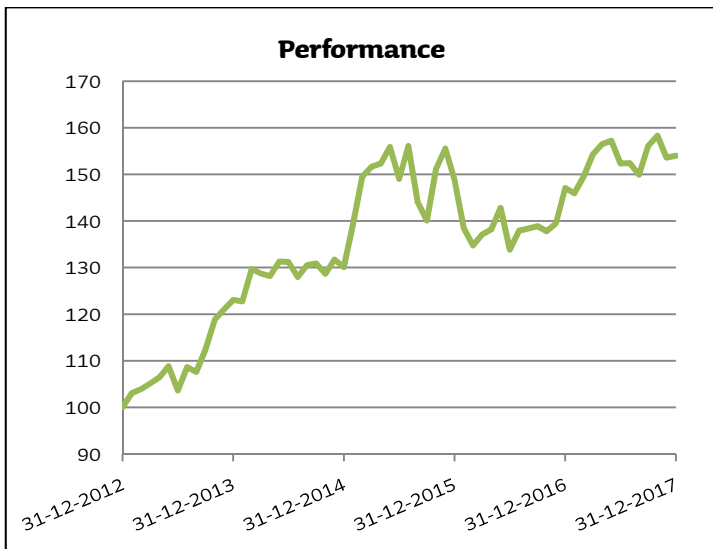
## Balance sheet, year-end

Note	2017 EUR '000	2016 EUR '000
<b>ASSETS</b>		
<b>Cash and cash equivalents:</b>		
6. Balance with custodian bank	262	80
<b>Total cash and cash equivalents</b>	<b>262</b>	<b>80</b>
<b>Equity investments:</b>		
6. Listed shares in Danish companies	470	656
Listed shares in foreign companies	14,369	13,246
<b>Total equity investments</b>	<b>14,839</b>	<b>13,902</b>
<b>Other assets:</b>		
Interest, dividends, etc. receivable	13	10
<b>Total other assets</b>	<b>13</b>	<b>10</b>
<b>TOTAL ASSETS</b>	<b>15,114</b>	<b>13,992</b>
<b>EQUITY AND LIABILITIES</b>		
7. Investors' assets	15,095	13,992
<b>Other liabilities:</b>		
Payables	19	0
<b>Total other liabilities</b>	<b>19</b>	<b>0</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>15,114</b>	<b>13,992</b>

## Notes

			2017 EUR '000	2016 EUR '000
1. <b>Interest expenses:</b>				
Other interest expenses			1	0
<b>Total interest expenses</b>			1	0
2. <b>Dividends:</b>				
Listed shares in Danish companies			26	33
Listed shares in foreign companies			535	450
<b>Total dividends</b>			561	483
3. <b>Capital gains and losses:</b>				
<b>Equity investments:</b>				
Listed shares in Danish companies			-48	-40
Listed shares in foreign companies			460	-406
<b>Total capital gains and losses, equity investments</b>			412	-446
Currency accounts			15	-12
<b>Transaction costs:</b>				
Gross transaction costs			58	54
Covered by issue and redemption income			4	3
<b>Total transaction costs - operating activities</b>			54	51
<b>Total capital gains and losses</b>			373	-509
	<b>2017</b> EUR '000 Fund direct exp.	<b>2017</b> EUR '000 Share of joint exp.	<b>2016</b> EUR '000 Fund direct exp.	<b>2016</b> EUR '000 Share of joint exp.
4. <b>Administrative expenses:</b>				
Remuneration for Management Board	0	0	0	1
Payroll	0	2	0	5
Other audit fees	5	1	0	1
IT costs	0	2	0	4
Marketing costs	128	2	117	5
Fees to custodian bank	3	0	7	0
Other asset management-related expenses	60	1	55	2
Other expenses	1	2	0	4
Fixed administrative fee	16	0	0	0
<b>Total administrative expenses broken down</b>	213	10	179	22
<b>Total administrative expenses</b>		223		201
5. <b>Tax:</b>			<b>2017</b> EUR '000	<b>2016</b> EUR '000
Non-refundable tax on interest and dividends			39	45
<b>Total tax</b>			39	45
6. <b>Financial Instruments:</b>			<b>2017</b> (%)	<b>2016</b> (%)
Listed financial instruments			98.30	99.36
Other assets and Other liabilities			1.70	0.64
<b>Total</b>			100.00	100.00
Information about each fund's financial instruments as per 31.12.2017 can be obtained by contacting Jyske Invest Fund Management A/S or be viewed at the Investment Association's website <a href="http://jyskeinvest.com">jyskeinvest.com</a> .				
	<b>2017</b> Number of certificates	<b>2017</b> EUR '000 Asset value	<b>2016</b> Number of certificates	<b>2016</b> EUR '000 Asset value
7. <b>Investors' assets:</b>				
Investors' assets, beginning of period	92,333	13,992	100,792	15,467
Issues in the year	6,484	1,021	1,541	218
Redemptions in the year	-3,690	-590	-10,000	-1,421
Net issue margin		1		0
Transfer of net profit or loss for the period		671		-272
<b>Total investors' assets</b>	95,127	15,095	92,333	13,992

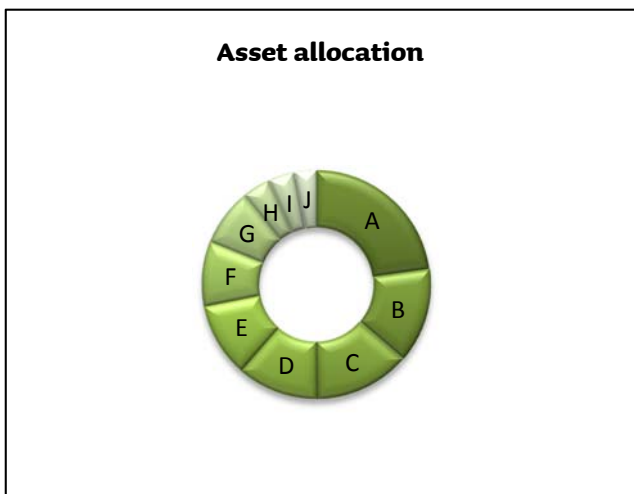
## Notes



Original investment of EUR 100.  
Performance is based on net asset value.

**Largest holdings**

Nestle SA	4.23%
Roche Holding AG	3.69%
British American Tobacco PLC	3.23%
Royal Dutch Shell PLC B	3.12%
TOTAL SA	2.92%



- A Financials **22.80%**
- B Industrials **13.50%**
- C Consumer Staples **13.50%**
- D Health Care **11.60%**
- E Materials **10.50%**
- F Consumer Discretionary **9.20%**
- G Energy **8.10%**
- H Utilities **4.00%**
- I Information Technology **3.70%**
- J Telecommunication Services **3.10%**

## Notes

Key figures and ratios	2013	2014	2015	2016	2017
<u>Key figures:</u>					
Net profit/loss for the year (EUR '000)	2,731	676	1,878	-272	671
Number of certificates	99,218	92,432	100,792	92,333	95,127
Investors' assets (EUR '000)	12,582	12,390	15,467	13,992	15,095
<u>Ratios:</u>					
Net asset value (EUR per certificate)	126.81	134.04	153.46	151.53	158.69
Return for the year (%) p.a.:					
- Benchmark	19.82	6.84	8.22	2.58	10.24
- Fund	23.07	5.70	14.49	-1.25	4.72
Total Expense Ratio - TER	1.46	1.50	1.56	1.46	1.50
Portfolio turnover at market value (EUR '000):					
- Bought	5,757	8,096	16,192	10,349	11,686
- Sold	9,244	8,927	14,778	11,273	11,300
- Total	15,001	17,023	30,970	21,622	22,986
Portfolio turnover rate	0.31	0.46	0.90	0.71	0.71
Transaction costs - operating activities (EUR '000):					
- Total transaction costs	46	43	73	51	54
- Transaction costs in % of assets	0.35	0.34	0.49	0.37	0.36
Sharpe ratio:					
- Benchmark	0.88	0.75	0.59	0.89	0.82
- Fund	0.99	0.82	0.71	0.96	0.77
Standard deviation (%):					
- Benchmark	14.59	11.53	12.71	13.23	11.47
- Fund	17.19	15.96	16.68	16.67	16.01
Tracking Error (%)	1.99	2.46	2.61	2.93	2.57
Active Share (%)	66.39	69.94	67.00	68.55	65.07

# Jyske Invest Far Eastern Equities CL

## Income statement for the year

Note	2017 USD '000	2016 USD '000	
	<b>Interest and dividends:</b>		
1.	Interest income	1	0
1.	Interest expenses	1	1
2.	Dividends	383	502
	<b>Total interest and dividends</b>	383	501
3.	<b>Capital gains and losses:</b>		
	Equity investments	4,768	-241
	Currency accounts	-5	-23
	Transaction costs	79	144
	<b>Total capital gains and losses</b>	4,684	-408
	<b>Total net income</b>	5,067	93
4.	Administrative expenses	269	269
	<b>Pre-tax profit or loss</b>	4,798	-176
5.	Tax	35	-31
	<b>Net profit or loss for the year</b>	4,763	-145
	<b>At disposal</b>	4,763	-145
	<b>Transferred to assets</b>	4,763	-145

## Balance sheet, year-end

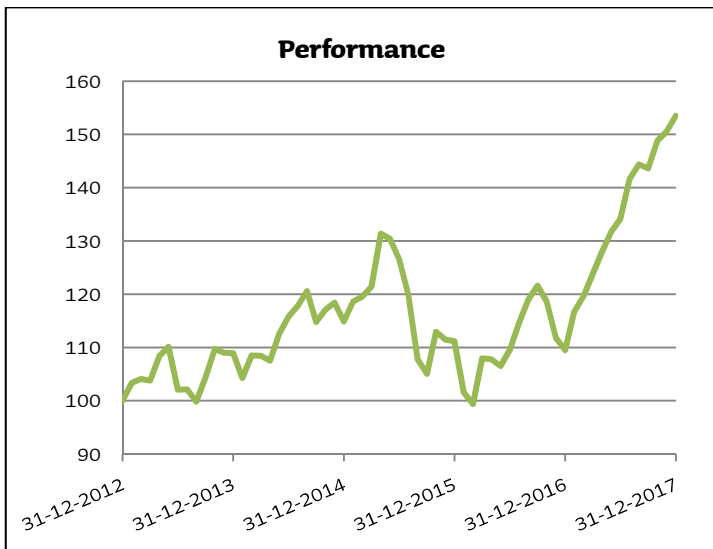
Note	2017 USD '000	2016 USD '000	
	<b>ASSETS</b>		
	<b>Cash and cash equivalents:</b>		
6.	Balance with custodian bank	159	326
	<b>Total cash and cash equivalents</b>	159	326
6.	<b>Equity investments:</b>		
	Listed shares in foreign companies	16,541	12,182
	<b>Total equity investments</b>	16,541	12,182
	<b>Other assets:</b>		
	Interest, dividends, etc. receivable	5	0
	<b>Total other assets</b>	5	0
	<b>TOTAL ASSETS</b>	16,705	12,508
	<b>EQUITY AND LIABILITIES</b>		
7.	<b>Investors' assets</b>	16,678	12,315
	<b>Other liabilities:</b>		
	Payables	27	0
	Unsettled transactions	0	193
	<b>Total other liabilities</b>	27	193
	<b>TOTAL EQUITY AND LIABILITIES</b>	16,705	12,508



## Notes

			<b>2017</b> USD '000	<b>2016</b> USD '000
1.	<b>Interest income:</b>			
	Balance with custodian bank		1	0
	<b>Total interest income</b>		1	0
1.	<b>Interest expenses:</b>			
	Other interest expenses		1	1
	<b>Total interest expenses</b>		1	1
2.	<b>Dividends:</b>			
	Listed shares in foreign companies		383	502
	<b>Total dividends</b>		383	502
3.	<b>Capital gains and losses:</b>			
	<b>Equity investments:</b>			
	Listed shares in foreign companies		4,768	-241
	<b>Total capital gains and losses, equity investments</b>		4,768	-241
	Currency accounts		-5	-23
	<b>Transaction costs:</b>			
	Gross transaction costs		83	157
	Covered by issue and redemption income		4	13
	<b>Total transaction costs - operating activities</b>		79	144
	<b>Total capital gains and losses</b>		4,684	-408
		<b>2017</b> USD '000 Fund direct exp.	<b>2017</b> USD '000 Share of joint exp.	<b>2016</b> USD '000 Fund direct exp.
4.	<b>Administrative expenses:</b>			<b>2016</b> USD '000 Share of joint exp.
	Remuneration for Management Board	0	0	0
	Payroll	0	2	0
	Other audit fees	1	0	12
	IT costs	0	2	0
	Marketing costs	160	2	154
	Fees to custodian bank	5	0	11
	Other asset management-related expenses	73	1	70
	Other expenses	0	2	0
	Fixed administrative fee	21	0	0
	<b>Total administrative expenses broken down</b>	260	9	247
	<b>Total administrative expenses</b>		269	229
5.	<b>Tax:</b>			
	Non-refundable tax on interest and dividends			35
	<b>Total tax</b>			-31
				-31
6.	<b>Financial Instruments:</b>		<b>2017</b> (%)	<b>2016</b> (%)
	Listed financial instruments		99.18	98.92
	Other assets and Other liabilities		0.82	1.08
	<b>Total</b>		100.00	100.00
Information about each fund's financial instruments as per 31.12.2017 can be obtained by contacting Jyske Invest Fund Management A/S or be viewed at the Investment Association's website <a href="http://jyskeinvest.com">jyskeinvest.com</a> .				
		<b>2017</b> Number of certificates	<b>2017</b> USD '000 Asset value	<b>2016</b> Number of certificates
7.	<b>Investors' assets:</b>			<b>2016</b> Asset value
	Investors' assets, beginning of period	19,691	12,315	24,841
	Issues in the year	477	416	0
	Redemptions in the year	-1,150	-818	-5,150
	Net redemption margin		2	-3,323
	Transfer of net profit or loss for the period		4,763	7
	<b>Total investors' assets</b>	19,018	16,678	-145
				19,691
				12,315

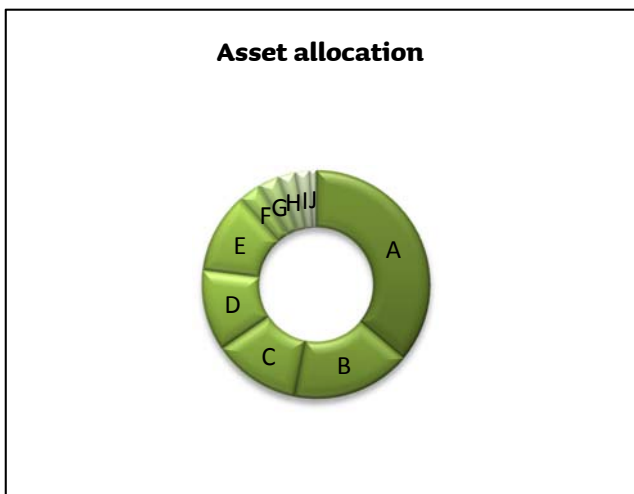
## Notes



### Largest holdings

Tencent Holdings Ltd	7.94%
Alibaba Group Holding Ltd	5.17%
Taiwan Semiconductor Manufacturing Co Ltd	4.91%
Samsung Electronics Co Pref	3.66%
Samsung Electronics Co Ltd	3.42%

Original investment of USD 100.  
Performance is based on net asset value.



- A China **36.20%**
- B Korea **16.90%**
- C Hong Kong **12.40%**
- D Taiwan **11.50%**
- E India **11.40%**
- F Singapore **3.20%**
- G Malaysia **3.00%**
- H Indonesia **2.40%**
- I Thailand **2.00%**
- J The Philippines **1.00%**

## Notes

Key figures and ratios	2013	2014	2015	2016	2017
<u>Key figures:</u>					
Net profit/loss for the year (USD '000)	2,438	1,328	-362	-145	4,763
Number of certificates	45,843	33,041	24,841	19,691	19,018
Investors' assets (USD '000)	28,525	21,680	15,776	12,315	16,678
<u>Ratios:</u>					
Net asset value (USD per certificate)	622.24	656.16	635.09	625.40	876.98
Return for the year (%) p.a.:					
- Benchmark	3.07	4.80	-9.17	5.44	41.72
- Fund	8.92	5.45	-3.21	-1.52	40.23
Total Expense Ratio - TER	1.70	1.78	1.92	1.93	1.83
Portfolio turnover at market value (USD '000):					
- Bought	41,115	38,357	31,759	18,704	11,402
- Sold	45,271	46,385	37,487	22,116	11,832
- Total	86,386	84,742	69,246	40,820	23,234
Portfolio turnover rate	1.22	1.51	1.69	1.33	0.74
Transaction costs - operating activities (USD '000):					
- Total transaction costs	382	311	242	144	79
- Transaction costs in % of assets	1.32	1.25	1.29	1.03	0.54
Sharpe ratio:					
- Benchmark	0.77	0.36	-0.05	0.25	0.47
- Fund	0.84	0.39	0.08	0.32	0.54
Standard deviation (%):					
- Benchmark	21.75	17.27	13.47	15.16	13.44
- Fund	21.17	18.32	18.08	15.45	14.58
Tracking Error (%)	4.00	4.33	4.39	4.12	3.76
Active Share (%)	71.02	72.49	69.16	66.46	64.28

# Jyske Invest Income Strategy CL

## Income statement for the year

Note	2017 EUR '000	2016 EUR '000	
	<b>Interest and dividends:</b>		
1.	Interest income	132	175
	<b>Total interest and dividends</b>	132	175
	<b>Capital gains and losses:</b>		
2.	Bonds	-258	27
	Equity investments	112	166
	Derivatives	243	23
	Currency accounts	5	7
	Transaction costs	1	3
	<b>Total capital gains and losses</b>	101	220
	<b>Total net income</b>	233	395
3.	Administrative expenses	57	74
	<b>Pre-tax profit or loss</b>	176	321
	<b>Net profit or loss for the year</b>	176	321
	<b>At disposal</b>	176	321
	<b>Transferred to assets</b>	176	321

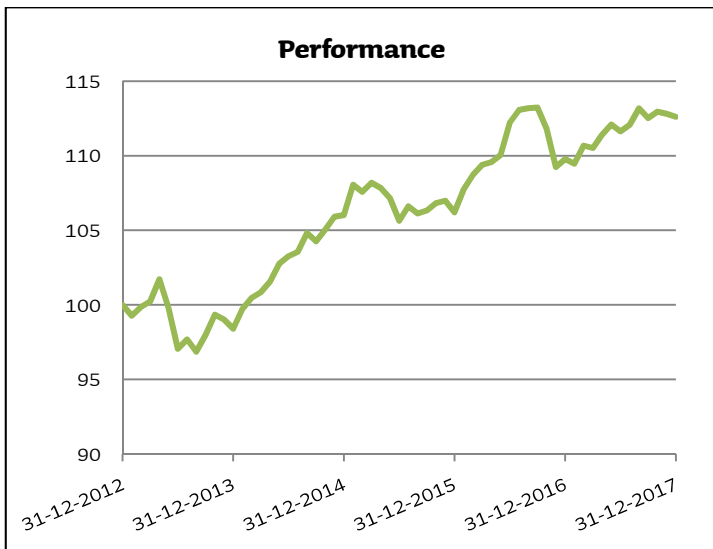
## Balance sheet, year-end

Note	2017 EUR '000	2016 EUR '000	
	<b>ASSETS</b>		
	<b>Cash and cash equivalents:</b>		
4.	Balance with custodian bank	72	94
	<b>Total cash and cash equivalents</b>	72	94
	<b>Bonds:</b>		
4.	Listed bonds from Danish issuers	1,147	1,630
	Listed bonds from foreign issuers	4,155	4,395
	<b>Total bonds</b>	5,302	6,025
	<b>Equity investments:</b>		
4.	Certificates in other Danish UCITS	1,233	1,524
	<b>Total equity investments</b>	1,233	1,524
	<b>Derivatives:</b>		
4.	Listed derivatives	0	2
	Unlisted derivatives	33	12
	<b>Total derivatives</b>	33	14
	<b>Other assets:</b>		
	Interest, dividends, etc. receivable	59	72
	<b>Total other assets</b>	59	72
	<b>TOTAL ASSETS</b>	6,699	7,729
	<b>EQUITY AND LIABILITIES</b>		
5.	<b>Investors' assets</b>	6,694	7,707
	<b>Derivatives:</b>		
4.	Listed derivatives	1	0
	Unlisted derivatives	0	22
	<b>Total derivatives</b>	1	22
	<b>Other liabilities:</b>		
	Payables	4	0
	<b>Total other liabilities</b>	4	0
	<b>TOTAL EQUITY AND LIABILITIES</b>	6,699	7,729

## Notes

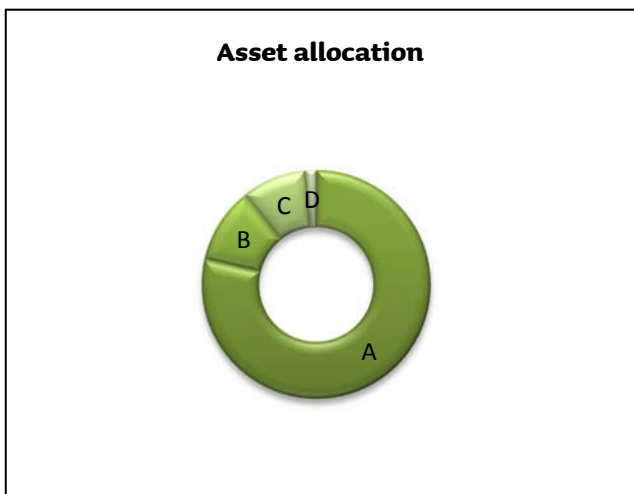
			<b>2017</b> EUR '000	<b>2016</b> EUR '000
<b>1. Interest income:</b>				
Listed bonds from Danish issuers			10	15
Listed bonds from foreign issuers			122	160
<b>Total interest income</b>			<b>132</b>	<b>175</b>
<b>2. Capital gains and losses:</b>				
<b>Bonds:</b>				
Listed bonds from Danish issuers			2	37
Listed bonds from foreign issuers			-260	-10
<b>Total capital gains and losses, bonds</b>			<b>-258</b>	<b>27</b>
<b>Equity investments:</b>				
Certificates in other Danish UCITS			112	166
<b>Total capital gains and losses, equity investments</b>			<b>112</b>	<b>166</b>
<b>Derivatives:</b>				
Forward exchange transactions/futures			228	-14
Forward interest transactions/futures			15	37
<b>Total capital gains and losses, derivatives</b>			<b>243</b>	<b>23</b>
Currency accounts			5	7
<b>Transaction costs:</b>				
Gross transaction costs			2	4
Covered by issue and redemption income			1	1
<b>Total transaction costs - operating activities</b>			<b>1</b>	<b>3</b>
<b>Total capital gains and losses</b>			<b>101</b>	<b>220</b>
	<b>2017</b> EUR '000 Fund direct exp.	<b>2017</b> EUR '000 Share of joint exp.	<b>2016</b> EUR '000 Fund direct exp.	<b>2016</b> EUR '000 Share of joint exp.
<b>3. Administrative expenses:</b>				
Payroll	0	1	0	2
IT costs	0	1	0	2
Marketing costs	34	1	45	3
Fees to custodian bank	1	0	3	0
Other asset management-related expenses	10	0	13	1
Other expenses	1	1	2	3
Fixed administrative fee	7	0	0	0
<b>Total administrative expenses broken down</b>	<b>53</b>	<b>4</b>	<b>63</b>	<b>11</b>
<b>Total administrative expenses</b>		<b>57</b>		<b>74</b>
Administrative expenses include 20 (EUR '000) from 'Capital gains and losses on certificates'.				
			<b>2017</b> (%)	<b>2016</b> (%)
<b>4. Financial Instruments:</b>				
Listed financial instruments			79.19	78.20
Other financial instruments			18.91	19.64
Other assets and Other liabilities			1.90	2.16
<b>Total</b>			<b>100.00</b>	<b>100.00</b>
Information about each fund's financial instruments as per 31.12.2017 can be obtained by contacting Jyske Invest Fund Management A/S or be viewed at the Investment Association's website jyskeinvest.com.				
	<b>2017</b> Number of certificates	<b>2017</b> EUR '000 Asset value	<b>2016</b> Number of certificates	<b>2016</b> EUR '000 Asset value
<b>5. Investors' assets:</b>				
Investors' assets, beginning of period	171,523	7,707	228,523	9,934
Issues in the year	9,715	448	0	0
Redemptions in the year	-36,000	-1,641	-57,000	-2,555
Net issue margin		1		0
Net redemption margin		3		7
Transfer of net profit or loss for the period		176		321
<b>Total investors' assets</b>	<b>145,238</b>	<b>6,694</b>	<b>171,523</b>	<b>7,707</b>

## Notes



Original investment of EUR 100.  
Performance is based on net asset value.

Largest holdings	
Jyske Invest High Yield Corporate Bonds CL	9.25%
Jyske Invest Emerging Market Bonds (EUR) CL	9.16%
0.360% Realkredit Danmark A/S 01.07.2019 (12G)	8.10%
3.15% CDP Financial Inc 24.07.2024	6.33%
1.5% Temasek Financial I Ltd 01.03.2028	6.28%



- A Developed-market bonds **78.60%**
- B Corporate bonds **10.70%**
- C Emerging-market bonds **9.20%**
- D Cash **1.50%**

## Notes

Key figures and ratios	2013	2014	2015	2016	2017
<u>Key figures:</u>					
Net profit/loss for the year (EUR '000)	-312	930	22	321	176
Number of certificates	321,958	253,773	228,523	171,523	145,238
Investors' assets (EUR '000)	12,967	11,012	9,934	7,707	6,694
<u>Ratios:</u>					
Net asset value (EUR per certificate)	40.27	43.39	43.47	44.93	46.09
Return for the year (%) p.a.:					
- Benchmark	-0.19	7.97	0.84	3.73	1.68
- Fund	-1.60	7.75	0.17	3.36	2.58
Total Expense Ratio - TER	0.95	0.96	0.86	0.84	0.84
Portfolio turnover at market value (EUR '000):					
- Bought	7,358	4,933	2,146	4,378	1,597
- Sold	11,895	7,504	3,449	6,707	2,451
- Total	19,253	12,437	5,595	11,085	4,048
Portfolio turnover rate	0.32	0.31	0.20	0.48	0.12
Transaction costs - operating activities (EUR '000):					
- Total transaction costs	11	6	3	3	1
- Transaction costs in % of assets	0.07	0.05	0.02	0.03	0.02
Sharpe ratio:					
- Benchmark	1.55	1.78	1.38	1.21	0.91
- Fund	1.23	1.26	0.98	1.06	0.74
Standard deviation (%):					
- Benchmark	2.76	2.66	3.07	3.23	3.07
- Fund	3.35	2.87	2.83	2.93	2.88
Tracking Error (%)	1.40	0.95	0.82	0.51	0.54

# Jyske Invest Stable Strategy CL

## Income statement for the year

Note	2017 EUR '000	2016 EUR '000
<b>Interest and dividends:</b>		
1. Interest income	4,868	4,488
1. Interest expenses	19	1
2. Dividends	1,480	1,545
<b>Total interest and dividends</b>	<b>6,329</b>	<b>6,032</b>
<b>3. Capital gains and losses:</b>		
Bonds	-8,775	2,168
Equity investments	4,986	2,752
Derivatives	13,712	-3,319
Currency accounts	117	208
Other assets/liabilities	-4	0
Transaction costs	266	195
<b>Total capital gains and losses</b>	<b>9,770</b>	<b>1,614</b>
<b>Total net income</b>	<b>16,099</b>	<b>7,646</b>
4. Administrative expenses	3,095	2,691
<b>Pre-tax profit or loss</b>	<b>13,004</b>	<b>4,955</b>
5. Tax	180	133
<b>Net profit or loss for the year</b>	<b>12,824</b>	<b>4,822</b>
<b>At disposal</b>	<b>12,824</b>	<b>4,822</b>
<b>Transferred to assets</b>	<b>12,824</b>	<b>4,822</b>

## Balance sheet, year-end

Note	2017 EUR '000	2016 EUR '000
<b>ASSETS</b>		
<b>Cash and cash equivalents:</b>		
6. Balance with custodian bank	5,137	5,532
<b>Total cash and cash equivalents</b>	<b>5,137</b>	<b>5,532</b>
<b>6. Bonds:</b>		
Listed bonds from Danish issuers	53,215	45,804
Listed bonds from foreign issuers	148,476	138,217
<b>Total bonds</b>	<b>201,691</b>	<b>184,021</b>
<b>6. Equity investments:</b>		
Listed shares in Danish companies	0	1,809
Listed shares in foreign companies	70,964	63,841
Certificates in other Danish UCITS	22,100	15,031
<b>Total equity investments</b>	<b>93,064</b>	<b>80,681</b>
<b>6. Derivatives:</b>		
Listed derivatives	1	36
Unlisted derivatives	2,092	452
<b>Total derivatives</b>	<b>2,093</b>	<b>488</b>
<b>Other assets:</b>		
Interest, dividends, etc. receivable	2,141	1,897
Unsettled transactions	825	0
<b>Total other assets</b>	<b>2,966</b>	<b>1,897</b>
<b>TOTAL ASSETS</b>	<b>304,951</b>	<b>272,619</b>
<b>EQUITY AND LIABILITIES</b>		
7. <b>Investors' assets</b>	<b>303,693</b>	<b>271,377</b>
<b>6. Derivatives:</b>		
Listed derivatives	23	4
Unlisted derivatives	184	1,238
<b>Total derivatives</b>	<b>207</b>	<b>1,242</b>
<b>Other liabilities:</b>		
Payables	261	0
Debt to custodian bank	790	0
<b>Total other liabilities</b>	<b>1,051</b>	<b>0</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>304,951</b>	<b>272,619</b>



## Notes

	2017 EUR '000	2016 EUR '000		
<b>1. Interest income:</b>				
Balance with custodian bank	31	1		
Listed bonds from Danish issuers	372	314		
Listed bonds from foreign issuers	4,459	4,173		
Other interest income	6	0		
<b>Total interest income</b>	<b>4,868</b>	<b>4,488</b>		
<b>1. Interest expenses:</b>				
Other interest expenses	19	1		
<b>Total interest expenses</b>	<b>19</b>	<b>1</b>		
<b>2. Dividends:</b>				
Listed shares in Danish companies	54	20		
Listed shares in foreign companies	1,426	1,525		
<b>Total dividends</b>	<b>1,480</b>	<b>1,545</b>		
<b>3. Capital gains and losses:</b>				
<b>Bonds:</b>				
Listed bonds from Danish issuers	664	673		
Listed bonds from foreign issuers	-9,439	1,495		
<b>Total capital gains and losses, bonds</b>	<b>-8,775</b>	<b>2,168</b>		
<b>Equity investments:</b>				
Listed shares in Danish companies	-616	154		
Listed shares in foreign companies	4,450	1,118		
Certificates in other Danish UCITS	1,152	1,480		
<b>Total capital gains and losses, equity investments</b>	<b>4,986</b>	<b>2,752</b>		
<b>Derivatives:</b>				
Forward exchange transactions/futures	13,249	-3,820		
Forward interest transactions/futures	393	438		
Share forward transactions/futures	70	63		
<b>Total capital gains and losses, derivatives</b>	<b>13,712</b>	<b>-3,319</b>		
Currency accounts	117	208		
Other assets/liabilities	-4	0		
<b>Transaction costs:</b>				
Gross transaction costs	293	232		
Covered by issue and redemption income	27	37		
<b>Total transaction costs - operating activities</b>	<b>266</b>	<b>195</b>		
<b>Total capital gains and losses</b>	<b>9,770</b>	<b>1,614</b>		
	<b>2017</b> EUR '000	<b>2017</b> EUR '000	<b>2016</b> EUR '000	<b>2016</b> EUR '000
	Fund	Share of	Fund	Share of
	direct exp.	joint exp.	direct exp.	joint exp.
<b>4. Administrative expenses:</b>				
Remuneration for Supervisory Board, etc.	0	1	0	2
Remuneration for Management Board	0	5	0	10
Payroll	0	43	0	76
Audit fee	0	2	0	5
Other audit fees	5	9	1	17
Rent, etc.	0	3	0	7
IT costs	0	37	0	74
Marketing costs	2,010	33	1,730	85
Fees to custodian bank	44	1	85	6
Other asset management-related expenses	574	15	494	27
Other expenses	-1	30	5	67
Fixed administrative fee	284	0	0	0
<b>Total administrative expenses broken down</b>	<b>2,916</b>	<b>179</b>	<b>2,315</b>	<b>376</b>
<b>Total administrative expenses</b>		<b>3,095</b>		<b>2,691</b>
Administrative expenses include 187 (EUR '000) from 'Capital gains and losses on certificates'.				

## Notes

		<b>2017</b> EUR '000	<b>2016</b> EUR '000
5. <b>Tax:</b>			
Non-refundable tax on interest and dividends		180	133
<b>Total tax</b>		180	133
		<b>2017</b> (%)	<b>2016</b> (%)
6. <b>Financial Instruments:</b>			
Listed financial instruments		89.77	92.01
Other financial instruments		7.91	5.25
Other assets and Other liabilities		2.32	2.74
<b>Total</b>		100.00	100.00
Information about each fund's financial instruments as per 31.12.2017 can be obtained by contacting Jyske Invest Fund Management A/S or be viewed at the Investment Association's website <a href="http://jyskeinvest.com">jyskeinvest.com</a> .			
		<b>2017</b> Number of certificates	<b>2017</b> EUR '000 Asset value
		<b>2016</b> Number of certificates	<b>2016</b> EUR '000 Asset value
7. <b>Investors' assets:</b>			
Investors' assets, beginning of period	1,609,094	271,377	1,319,784
Issues in the year	167,086	23,943	315,527
Redemptions in the year	-25,544	-4,495	-26,217
Net issue margin		38	88
Net redemption margin		6	8
Transfer of net profit or loss for the period		12,824	4,822
<b>Total investors' assets</b>	1,750,636	303,693	1,609,094

### Largest holdings

0.360% Realkredit Danmark A/S 01.07.2019 (12G)	7.32%
Jyske Invest High Yield Corporate Bonds CL	7.28%
3.15% CDP Financial Inc 24.07.2024	4.86%
2.625% ING Bank NV 05.12.2022	4.74%
1.5% Temasek Financial I Ltd 01.03.2028	2.87%

### Asset allocation



A Developed-market bonds **59.10%**

B Equities **23.30%**

C Corporate bonds **8.50%**

D Emerging-market bonds **6.50%**

E Cash **2.60%**

## Notes

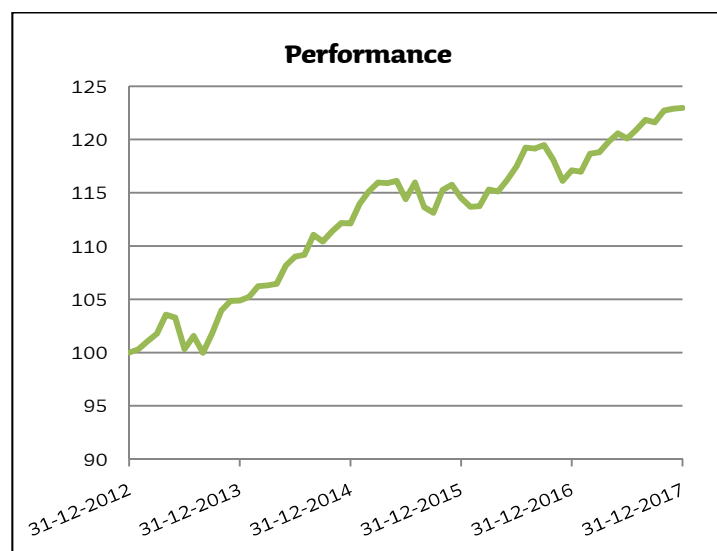
Key figures and ratios	2013	2014	2015	2016	2017
<u>Key figures:</u>					
Net profit/loss for the year (EUR '000)	7,655	11,666	4,310	4,822	12,824
Number of certificates	1,028,241	1,229,379	1,319,784	1,609,094	1,750,636
Investors' assets (EUR '000)	160,289	204,898	224,649	271,377	303,693
<u>Ratios:</u>					
Portfolio turnover at market value (EUR '000):					
- Bought	119,502	115,994	152,910	177,009	171,206
- Sold	119,764	85,158	140,721	138,435	137,158
- Total	239,266	201,152	293,631	315,444	308,364
Portfolio turnover rate	0.56	0.42	0.55	0.55	0.46

# Jyske Invest Stable Strategy EUR

Share class under Jyske Invest Stable Strategy CL

## Notes

	2017 EUR '000		2016 EUR '000	
<b>Income statement item of class:</b>				
Share of joint portfolio's profit/loss		15,755		2,937
Class-specific transactions:				
Interest income		0		1,912
Dividends		0		425
Capital gains and losses - bonds		0		1,870
Capital gains and losses - equity investments		0		-4,035
Capital gains and losses - forward transactions/futures		0		4,097
Capital gains and losses - currency accounts		0		222
Capital gains and losses - other assets/liabilities		0		-11
Transaction costs		0		114
Administrative expenses		2,851		2,577
Tax		0		54
<b>Profit/loss of class</b>		<b>12,904</b>		<b>4,672</b>
	<b>2017</b>	<b>2017</b>	<b>2016</b>	<b>2016</b>
	Number of	EUR '000	Number of	EUR '000
	certificates	Asset	Certificates	Asset
		value		Value
<b>Investors' assets:</b>				
Investors' assets (beginning of period)	1,474,732	256,698	1,319,784	224,649
Issues in the year	81,963	14,722	181,165	31,760
Redemptions in the year	-25,543	-4,495	-26,217	-4,478
Net issue margin		35		87
Net redemption margin		6		8
Transferred from net profit or loss for the period		12,904		4,672
<b>Total investors' assets</b>	<b>1,531,152</b>	<b>279,870</b>	<b>1,474,732</b>	<b>256,698</b>



Original investment of EUR 100.

Performance is based on net asset value.

## Notes

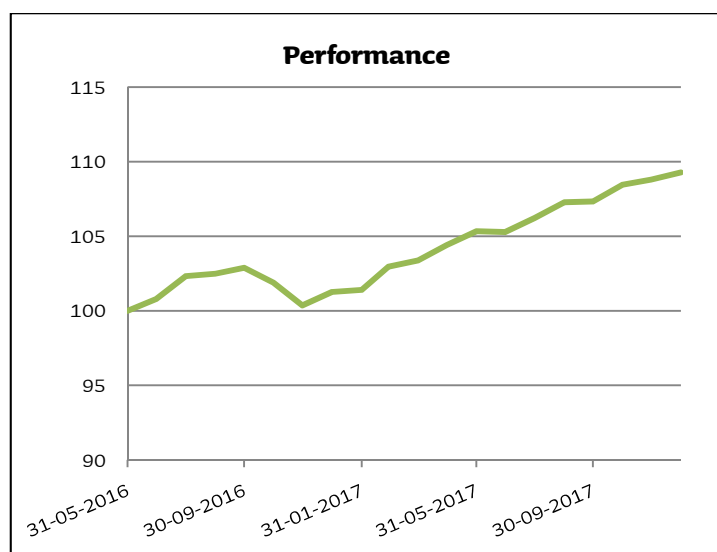
Key figures and ratios	2013	2014	2015	2016	2017
<u>Key figures:</u>					
Net profit/loss for the year (EUR '000)	7,655	11,666	4,310	4,672	12,904
Number of certificates	1,028,241	1,229,379	1,319,784	1,474,732	1,531,152
Investors' assets (EUR '000)	160,289	204,898	224,649	256,698	279,870
<u>Ratios:</u>					
Net asset value (EUR per certificate)	155.89	166.67	170.22	174.06	182.78
Return for the year (%) p.a.:					
- Benchmark	4.35	8.16	0.94	4.54	4.68
- Fund	4.87	6.92	2.13	2.26	5.01
Total Expense Ratio - TER	1.16	1.18	1.12	1.08	1.08
Transaction costs - operating activities (EUR '000):					
- Total transaction costs	353	194	269	191	248
- Transaction costs in % of assets	0.22	0.11	0.12	0.08	0.09
Sharpe ratio:					
- Benchmark	1.52	1.79	1.40	1.57	1.44
- Fund	1.38	1.66	1.26	1.33	1.20
Standard deviation (%):					
- Benchmark	3.78	3.05	3.53	3.33	3.17
- Fund	4.64	3.73	3.67	3.71	3.64
Tracking Error (%)	1.51	1.32	1.35	1.17	1.04

# Jyske Invest Stable Strategy USD

Share class under Jyske Invest Stable Strategy CL

## Notes

	2017		2016	
	Number of Certificates	EUR '000	Number of Certificates	EUR '000
<b>Income statement item of class:</b>				
Share of joint portfolio's profit/loss		383		-43
Class-specific transactions:				
Forward transactions		-670		282
Administrative expenses		72		17
<b>Profit/loss of class</b>		<b>-359</b>		<b>222</b>
<b>Investors' assets:</b>				
Investors' assets (beginning of period)	54,634	5,245	-	-
Issues in the year	36,273	3,386	54,634	5,023
Net issue margin		1		0
Transferred from net profit or loss for the period		-359		222
<b>Total investors' assets</b>	<b>90,907</b>	<b>8,273</b>	<b>54,634</b>	<b>5,245</b>



Original investment of USD 100.

Performance is based on net asset value.

## Notes

Key figures and ratios	2016*	2017
<u>Key figures:</u>		
Net profit/loss for the year (USD '000)	222	-359
Number of certificates	54,634	90,907
Investors' assets (USD '000)	5,245	8,273
<u>Ratios:</u>		
Net asset value (USD per certificate)	101.26	109.28
Return for the year (%) p.a.:		
- Benchmark	0.77	4.68
- Fund	1.26	7.92
Total Expense Ratio - TER	0.59	1.06
Transaction costs - operating activities (USD '000):		
- Total transaction costs	1	6
- Transaction costs in % of assets	0.04	0.09
Standard deviation (%)	3.71	3.63

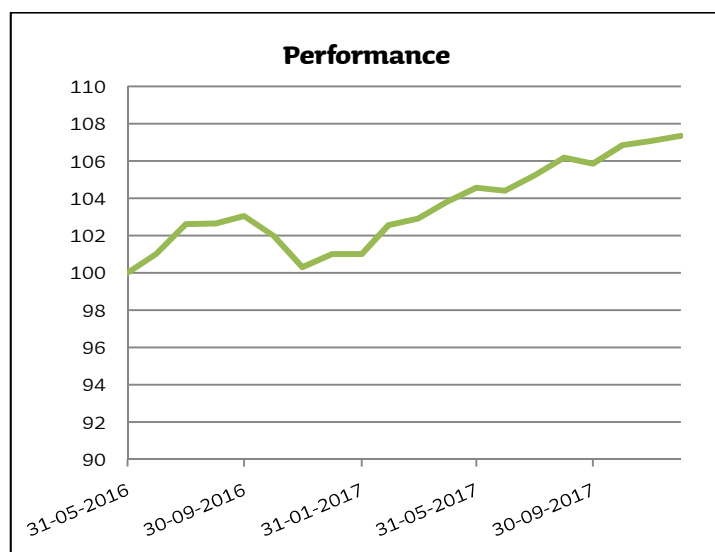
\* 2016 covers a period of less than 12 months

# Jyske Invest Stable Strategy GBP

Share class under Jyske Invest Stable Strategy CL

## Notes

			2017 EUR '000	15.06 - 31.12.2016 EUR '000
<b>Income statement item of class:</b>				
Share of joint portfolio's profit/loss			712	-82
Class-specific transactions:				
Forward transactions			-300	50
Administrative expenses			133	40
<b>Profit/loss of class</b>			<b>279</b>	<b>-72</b>
	2017	2017	2016	2016
	Number of Certificates	EUR '000 Asset Value	Number of Certificates	EUR '000 Asset Value
<b>Investors' assets:</b>				
Investors' assets (beginning of period)	79,728	9,434	-	-
Issues in the year	48,850	5,835	79,728	9,505
Redemptions in the year	-1	0	0	0
Net issue margin		2		1
Transferred from net profit or loss for the period		279		-72
<b>Total investors' assets</b>	<b>128,577</b>	<b>15,550</b>	<b>79,728</b>	<b>9,434</b>



Original investment of GBP 100.

Performance is based on net asset value.



## Notes

Key figures and ratios	2016*	2017
<u>Key figures:</u>		
Net profit/loss for the year (GBP '000)	-72	279
Number of certificates	79,728	128,577
Investors' assets (GBP '000)	9,434	15,550
<u>Ratios:</u>		
Net asset value (GBP per certificate)	101.01	107.35
Return for the year (%) p.a.:		
- Benchmark	0.77	4.68
- Fund	1.01	6.28
Total Expense Ratio - TER	0.62	1.05
Transaction costs - operating activities (GBP '000):		
- Total transaction costs	3	12
- Transaction costs in % of assets	0.04	0.09
Standard deviation (%)	3.71	3.66

\* 2016 covers a period of less than 12 months

# Jyske Invest Balanced Strategy CL

## Income statement for the year

Note	2017 EUR '000	2016 EUR '000
<b>Interest and dividends:</b>		
1. Interest income	1,406	1,275
1. Interest expenses	8	1
2. Dividends	1,325	1,496
<b>Total interest and dividends</b>	<b>2,723</b>	<b>2,770</b>
<b>3. Capital gains and losses:</b>		
Bonds	-2,967	621
Equity investments	4,432	1,753
Derivatives	5,678	-918
Currency accounts	51	96
Other assets/liabilities	-3	-1
Transaction costs	231	184
<b>Total capital gains and losses</b>	<b>6,960</b>	<b>1,367</b>
<b>Total net income</b>	<b>9,683</b>	<b>4,137</b>
4. Administrative expenses	1,860	1,679
<b>Pre-tax profit or loss</b>	<b>7,823</b>	<b>2,458</b>
5. Tax	161	127
<b>Net profit or loss for the year</b>	<b>7,662</b>	<b>2,331</b>
<b>At disposal</b>	<b>7,662</b>	<b>2,331</b>
<b>Transferred to assets</b>	<b>7,662</b>	<b>2,331</b>

## Balance sheet, year-end

Note	2017 EUR '000	2016 EUR '000
<b>ASSETS</b>		
<b>Cash and cash equivalents:</b>		
6. Balance with custodian bank	3,316	1,607
<b>Total cash and cash equivalents</b>	<b>3,316</b>	<b>1,607</b>
<b>6. Bonds:</b>		
Listed bonds from Danish issuers	19,320	16,659
Listed bonds from foreign issuers	46,809	43,493
<b>Total bonds</b>	<b>66,129</b>	<b>60,152</b>
<b>6. Equity investments:</b>		
Listed shares in Danish companies	0	1,566
Listed shares in foreign companies	63,060	56,081
Certificates in other Danish UCITS	14,020	12,483
<b>Total equity investments</b>	<b>77,080</b>	<b>70,130</b>
<b>6. Derivatives:</b>		
Listed derivatives	1	15
Unlisted derivatives	1,093	360
<b>Total derivatives</b>	<b>1,094</b>	<b>375</b>
<b>Other assets:</b>		
Interest, dividends, etc. receivable	711	558
<b>Total other assets</b>	<b>711</b>	<b>558</b>
<b>TOTAL ASSETS</b>	<b>148,330</b>	<b>132,822</b>
<b>EQUITY AND LIABILITIES</b>		
7. <b>Investors' assets</b>	<b>147,186</b>	<b>132,302</b>
<b>6. Derivatives:</b>		
Listed derivatives	8	4
Unlisted derivatives	275	516
<b>Total derivatives</b>	<b>283</b>	<b>520</b>
<b>Other liabilities:</b>		
Payables	155	0
Debt to custodian bank	290	0
Unsettled transactions	416	0
<b>Total other liabilities</b>	<b>861</b>	<b>0</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>148,330</b>	<b>132,822</b>

## Notes

	2017 EUR '000	2016 EUR '000		
<b>1. Interest income:</b>				
Balance with custodian bank	8	0		
Listed bonds from Danish issuers	136	117		
Listed bonds from foreign issuers	1,259	1,158		
Other interest income	3	0		
<b>Total interest income</b>	<b>1,406</b>	<b>1,275</b>		
<b>1. Interest expenses:</b>				
Other interest expenses	8	1		
<b>Total interest expenses</b>	<b>8</b>	<b>1</b>		
<b>2. Dividends:</b>				
Listed shares in Danish companies	48	20		
Listed shares in foreign companies	1,277	1,476		
<b>Total dividends</b>	<b>1,325</b>	<b>1,496</b>		
<b>3. Capital gains and losses:</b>				
<b>Bonds:</b>				
Listed bonds from Danish issuers	205	234		
Listed bonds from foreign issuers	-3,172	387		
<b>Total capital gains and losses, bonds</b>	<b>-2,967</b>	<b>621</b>		
<b>Equity investments:</b>				
Listed shares in Danish companies	-553	140		
Listed shares in foreign companies	3,956	478		
Certificates in other Danish UCITS	1,029	1,135		
<b>Total capital gains and losses, equity investments</b>	<b>4,432</b>	<b>1,753</b>		
<b>Derivatives:</b>				
Forward exchange transactions/futures	5,456	-1,164		
Forward interest transactions/futures	155	185		
Share forward transactions/futures	67	61		
<b>Total capital gains and losses, derivatives</b>	<b>5,678</b>	<b>-918</b>		
Currency accounts	51	96		
Other assets/liabilities	-3	-1		
<b>Transaction costs:</b>				
Gross transaction costs	248	197		
Covered by issue and redemption income	17	13		
<b>Total transaction costs - operating activities</b>	<b>231</b>	<b>184</b>		
<b>Total capital gains and losses</b>	<b>6,960</b>	<b>1,367</b>		
	<b>2017</b> EUR '000	<b>2017</b> EUR '000	<b>2016</b> EUR '000	<b>2016</b> EUR '000
	Fund	Share of	Fund	Share of
	direct exp.	joint exp.	direct exp.	joint exp.
<b>4. Administrative expenses:</b>				
Remuneration for Supervisory Board, etc.	0	1	0	1
Remuneration for Management Board	0	2	0	5
Payroll	0	20	0	37
Audit fee	0	1	0	2
Other audit fees	5	4	1	8
Rent, etc.	0	2	0	3
IT costs	0	18	0	36
Marketing costs	1,185	16	1,064	42
Fees to custodian bank	23	0	46	3
Other asset management-related expenses	418	7	375	13
Other expenses	3	14	10	33
Fixed administrative fee	141	0	0	0
<b>Total administrative expenses broken down</b>	<b>1,775</b>	<b>85</b>	<b>1,496</b>	<b>183</b>
<b>Total administrative expenses</b>		<b>1,860</b>		<b>1,679</b>
Administrative expenses include 161 (EUR '000) from 'Capital gains and losses on certificates'.				

## Notes

	2017 EUR '000	2016 EUR '000
5. <b>Tax:</b>		
Non-refundable tax on interest and dividends	161	127
<b>Total tax</b>	161	127
	<b>2017</b>	<b>2016</b>
	(%)	(%)
6. <b>Financial Instruments:</b>		
Listed financial instruments	87.77	89.05
Other financial instruments	10.08	9.32
Other assets and Other liabilities	2.15	1.63
<b>Total</b>	100.00	100.00

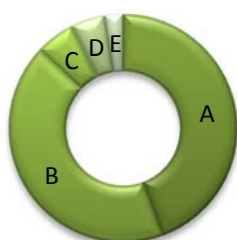
Information about each fund's financial instruments as per 31.12.2017 can be obtained by contacting Jyske Invest Fund Management A/S or be viewed at the Investment Association's website [jyskeinvest.com](http://jyskeinvest.com).

	2017 Number of certificates	2017 EUR '000 Asset value	2016 Number of certificates	2016 EUR '000 Asset value
7. <b>Investors' assets:</b>				
Investors' assets, beginning of period	961,572	132,302	883,693	121,804
Issues in the year	86,939	11,168	87,328	9,483
Redemptions in the year	-32,468	-3,955	-9,449	-1,330
Net issue margin		9		13
Net redemption margin		0		1
Transfer of net profit or loss for the period		7,662		2,331
<b>Total investors' assets</b>	1,016,043	147,186	961,572	132,302

### Largest holdings

Jyske Invest High Yield Corporate Bonds CL	4.80%
Jyske Invest Emerging Market Bonds (EUR) CL	4.72%
0.360% Realkredit Danmark A/S 01.07.2019 (12G)	4.57%
2.625% ING Bank NV 05.12.2022	4.00%
1% BRFKredit A/S 01.04.2026 (321e)	3.73%

### Asset allocation



A Developed-market bonds **44.30%**

B Equities **42.70%**

C Corporate bonds **5.60%**

D Emerging-market bonds **4.80%**

E Cash **2.60%**

## Notes

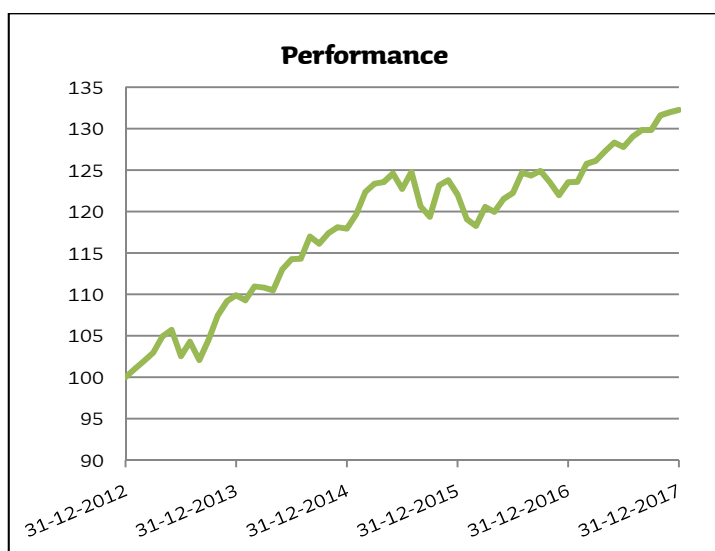
Key figures and ratios	2013	2014	2015	2016	2017
<u>Key figures:</u>					
Net profit/loss for the year (EUR '000)	7,997	7,126	3,848	2,331	7,662
Number of certificates	714,898	817,201	883,693	961,572	1,016,043
Investors' assets (EUR '000)	94,112	115,449	121,804	132,302	147,186
<u>Ratios:</u>					
Portfolio turnover at market value (EUR '000):					
- Bought	84,602	73,246	94,475	83,972	98,053
- Sold	68,648	63,867	94,729	75,175	86,444
- Total	153,250	137,113	189,204	159,147	184,497
Portfolio turnover rate	0.68	0.53	0.63	0.67	0.59

# Jyske Invest Balanced Strategy EUR

Share class under Jyske Invest Balanced Strategy CL

## Notes

	2017 EUR '000		2016 EUR '000	
<b>Income statement item of class:</b>				
Share of joint portfolio's profit/loss		9,822		2,636
Class-specific transactions:				
Administrative expenses		1,602		1,429
<b>Profit/loss of class</b>		<b>8,220</b>		<b>1,207</b>
	<b>2017</b>	<b>2017</b>	<b>2016</b>	<b>2016</b>
	Number of	EUR '000	Number of	EUR '000
	certificates	Asset	Certificates	Asset
		value		Value
<b>Investors' assets:</b>				
Investors' assets (beginning of period)	766,413	113,413	748,006	109,365
Issues in the year	50,858	7,801	27,855	4,158
Redemptions in the year	-14,001	-2,156	-9,448	-1,330
Net issue margin		8		12
Net redemption margin		0		1
Transferred from net profit or loss for the period		8,220		1,207
<b>Total investors' assets</b>	<b>803,270</b>	<b>127,286</b>	<b>766,413</b>	<b>113,413</b>



Original investment of EUR 100.  
Performance is based on net asset value.

## Notes

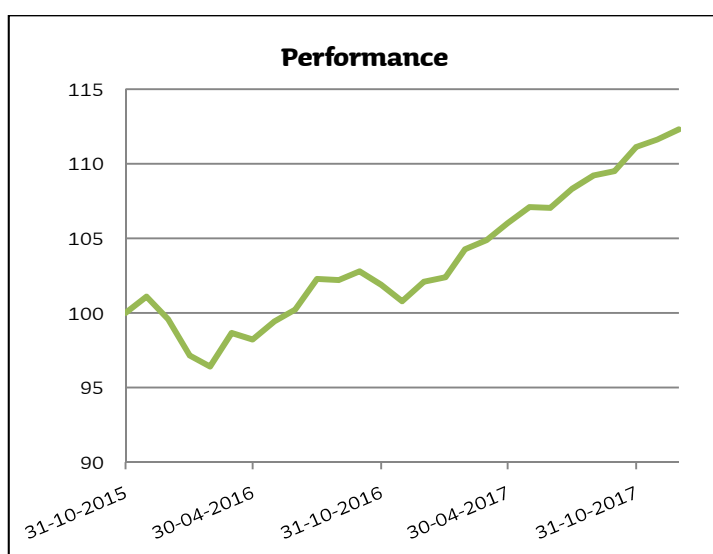
Key figures and ratios	2013	2014	2015	2016	2017
<u>Key figures:</u>					
Net profit/loss for the year (EUR '000)	7,997	7,126	4,081	1,207	8,220
Number of certificates	714,898	817,201	748,006	766,413	803,270
Investors' assets (EUR '000)	94,112	115,449	109,365	113,413	127,286
<u>Ratios:</u>					
Net asset value (EUR per certificate)	131.64	141.27	146.21	147.98	158.46
Return for the year (%) p.a.:					
- Benchmark	9.07	8.34	0.97	5.28	7.75
- Fund	9.89	7.32	3.49	1.21	7.08
Total Expense Ratio - TER	1.37	1.41	1.37	1.34	1.33
Transaction costs - operating activities (EUR '000):					
- Total transaction costs	274	168	219	161	201
- Transaction costs in % of assets	0.32	0.16	0.19	0.15	0.17
Sharpe ratio:					
- Benchmark	1.18	1.32	1.09	1.47	1.53
- Fund	1.18	1.35	1.06	1.19	1.21
Standard deviation (%):					
- Benchmark	6.14	4.80	4.74	4.50	4.11
- Fund	7.36	6.24	6.08	5.78	5.59
Tracking Error (%)	1.98	1.93	1.96	1.87	1.59

# Jyske Invest Balanced Strategy USD

Share class under Jyske Invest Balanced Strategy CL

## Notes

	2017 EUR '000		2016 EUR '000	
<b>Income statement item of class:</b>				
Share of joint portfolio's profit/loss		1,490		460
Class-specific transactions:				
Capital gains and losses - forward transactions/futures		-1,810		873
Administrative expenses		238		209
<b>Profit/loss of class</b>		<b>-558</b>		<b>1,124</b>
	<b>2017</b>	<b>2017</b>	<b>2016</b>	<b>2016</b>
	Number of	EUR '000	Number of	EUR '000
	certificates	Asset	Certificates	Asset
		value		Value
<b>Investors' assets:</b>				
Investors' assets (beginning of period)	195,159	18,889	135,687	12,439
Issues in the year	36,081	3,367	59,473	5,325
Redemptions in the year	-18,467	-1,799	-1	0
Net issue margin		1		1
Transferred from net profit or loss for the period		-558		1,124
<b>Total investors' assets</b>	<b>212,773</b>	<b>19,990</b>	<b>195,159</b>	<b>18,889</b>



Original investment of USD 100.  
Performance is based on net asset value.



## Notes

Key figures and ratios	2015*	2016	2017
<u>Key figures:</u>			
Net profit/loss for the year (USD '000)	-233	1,124	-558
Number of certificates	135,687	195,159	212,773
Investors' assets (USD '000)	12,439	18,889	19,900
<u>Ratios:</u>			
Net asset value (USD per certificate)	99.58	102.09	112.31
Return for the year (%) p.a.:			
- Benchmark	0.11	5.28	7.75
- Fund	-0.42	2.52	10.01
Total Expense Ratio - TER	0.22	1.33	1.33
Transaction costs - operating activities (USD '000):			
- Total transaction costs	3	23	30
- Transaction costs in % of assets	0.03	0.14	0.17
Standard deviation (%)	6.08	5.77	5.59

\* 2015 covers a period of less than 12 months

# Jyske Invest Balanced Strategy (NOK) CL

## Income statement for the year

Note	2017 NOK '000	2016 NOK '000
<b>Interest and dividends:</b>		
1. Interest income	1,325	1,076
1. Interest expenses	7	1
2. Dividends	1,207	1,274
<b>Total interest and dividends</b>	<b>2,525</b>	<b>2,349</b>
<b>3. Capital gains and losses:</b>		
Bonds	2,679	-2,177
Equity investments	10,912	-2,394
Derivatives	-3,057	5,144
Currency accounts	215	511
Other assets/liabilities	-4	-10
Transaction costs	276	224
<b>Total capital gains and losses</b>	<b>10,469</b>	<b>850</b>
<b>Total net income</b>	<b>12,994</b>	<b>3,199</b>
4. Administrative expenses	1,792	1,426
<b>Pre-tax profit or loss</b>	<b>11,202</b>	<b>1,773</b>
5. Tax	153	109
<b>Net profit or loss for the year</b>	<b>11,049</b>	<b>1,664</b>
<b>At disposal</b>	<b>11,049</b>	<b>1,664</b>
<b>Transferred to assets</b>	<b>11,049</b>	<b>1,664</b>

## Balance sheet, year-end

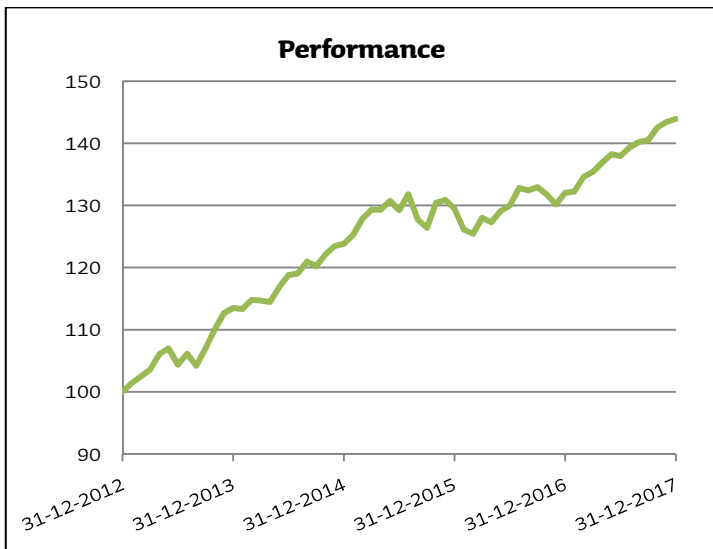
Note	2017 NOK '000	2016 NOK '000
<b>ASSETS</b>		
<b>Cash and cash equivalents:</b>		
6. Balance with custodian bank	3,885	633
<b>Total cash and cash equivalents</b>	<b>3,885</b>	<b>633</b>
<b>6. Bonds:</b>		
Listed bonds from Danish issuers	19,310	12,446
Listed bonds from foreign issuers	57,512	37,277
<b>Total bonds</b>	<b>76,822</b>	<b>49,723</b>
<b>6. Equity investments:</b>		
Listed shares in Danish companies	0	1,312
Listed shares in foreign companies	76,357	46,657
Certificates in other Danish UCITS	17,417	10,157
<b>Total equity investments</b>	<b>93,774</b>	<b>58,126</b>
<b>6. Derivatives:</b>		
Listed derivatives	0	15
Unlisted derivatives	2,422	48
<b>Total derivatives</b>	<b>2,422</b>	<b>63</b>
<b>Other assets:</b>		
Interest, dividends, etc. receivable	853	509
Other receivables	81	0
<b>Total other assets</b>	<b>934</b>	<b>509</b>
<b>TOTAL ASSETS</b>	<b>177,837</b>	<b>109,054</b>
<b>EQUITY AND LIABILITIES</b>		
7. <b>Investors' assets</b>	<b>176,158</b>	<b>107,563</b>
<b>6. Derivatives:</b>		
Listed derivatives	1	0
Unlisted derivatives	36	1,491
<b>Total derivatives</b>	<b>37</b>	<b>1,491</b>
<b>Other liabilities:</b>		
Payables	187	0
Unsettled transactions	1,455	0
<b>Total other liabilities</b>	<b>1,642</b>	<b>0</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>177,837</b>	<b>109,054</b>



## Notes

			<b>2017</b> NOK '000	<b>2016</b> NOK '000
5.	<b>Tax:</b>			
	Non-refundable tax on interest and dividends		153	109
	<b>Total tax</b>		153	109
			<b>2017</b> (%)	<b>2016</b> (%)
6.	<b>Financial Instruments:</b>			
	Listed financial instruments		86.95	90.84
	Other financial instruments		11.24	8.10
	Other assets and Other liabilities		1.81	1.06
	<b>Total</b>		100.00	100.00
<p>Information about each fund's financial instruments as per 31.12.2017 can be obtained by contacting Jyske Invest Fund Management A/S or be viewed at the Investment Association's website <a href="http://jyskeinvest.com">jyskeinvest.com</a>.</p>				
		<b>2017</b>	<b>2017</b> NOK '000	<b>2016</b>
		Number of certificates	Asset value	Number of certificates
				Asset value
7.	<b>Investors' assets:</b>			
	Investors' assets, beginning of period	755,551	107,563	815,220
	Issues in the year	381,574	57,818	38,331
	Redemptions in the year	-2,000	-312	-98,000
	Net issue margin		39	4
	Net redemption margin		1	15
	Transfer of net profit or loss for the period		11,049	1,664
	<b>Total investors' assets</b>	1,135,125	176,158	755,551
				107,563

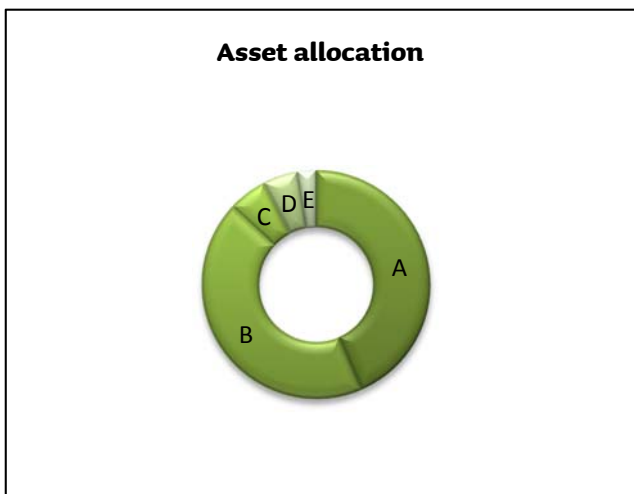
## Notes



Original investment of NOK 100.  
Performance is based on net asset value.

**Largest holdings**

Jyske Invest Emerging Market Bonds (EUR) CL	4.95%
Jyske Invest High Yield Corporate Bonds CL	4.94%
2.5% SR-Boligkreditt AS 12.04.2022	4.61%
0.360% Realkredit Danmark A/S 01.07.2019 (12G)	3.86%
2.625% ING Bank NV 05.12.2022	3.49%



- A Developed-market bonds **43.50%**
- B Equities **43.40%**
- C Corporate bonds **5.50%**
- D Emerging-market bonds **5.00%**
- E Cash **2.60%**

## Notes

Key figures and ratios	2013	2014	2015	2016	2017
<u>Key figures:</u>					
Net profit/loss for the year (NOK '000)	12,781	8,263	5,129	1,664	11,049
Number of certificates	744,997	825,564	815,220	755,551	1,135,125
Investors' assets (NOK '000)	91,177	110,211	113,798	107,563	176,158
<u>Ratios:</u>					
Net asset value (NOK per certificate)	122.39	133.50	139.59	142.36	155.19
Return for the year (%) p.a.:					
- Benchmark	9.07	8.34	0.97	5.28	7.75
- Fund	13.51	9.08	4.56	1.99	9.01
Total Expense Ratio - TER	1.39	1.42	1.40	1.34	1.36
Portfolio turnover at market value (NOK '000):					
- Bought	89,275	65,299	79,515	75,840	129,915
- Sold	117,463	66,219	89,325	78,148	80,630
- Total	206,738	131,518	168,840	153,988	210,545
Portfolio turnover rate	0.72	0.56	0.69	0.61	0.60
Transaction costs - operating activities (NOK '000):					
- Total transaction costs	418	218	305	224	276
- Transaction costs in % of assets	0.40	0.23	0.27	0.21	0.21
Sharpe ratio:					
- Benchmark	1.18	1.32	0.59	1.08	1.00
- Fund	1.14	1.52	0.89	1.17	1.16
Standard deviation (%):					
- Benchmark	6.14	4.80	4.74	4.50	4.11
- Fund	7.11	5.97	5.81	5.59	5.39
Tracking Error (%)	2.18	2.10	2.07	2.04	1.75

# Jyske Invest Balanced Strategy (GBP) CL

## Income statement for the year

Note	2017 GBP '000	2016 GBP '000	
	<b>Interest and dividends:</b>		
1.	Interest income	391	363
1.	Interest expenses	2	0
2.	Dividends	357	388
	<b>Total interest and dividends</b>	746	751
3.	<b>Capital gains and losses:</b>		
	Bonds	-210	2,219
	Equity investments	1,945	2,777
	Derivatives	1,055	-4,477
	Currency accounts	-35	195
	Other assets/liabilities	-1	0
	Transaction costs	71	50
	<b>Total capital gains and losses</b>	2,683	664
	<b>Total net income</b>	3,429	1,415
4.	Administrative expenses	505	413
	<b>Pre-tax profit or loss</b>	2,924	1,002
5.	Tax	43	32
	<b>Net profit or loss for the year</b>	2,881	970
	<b>At disposal</b>	2,881	970
	<b>Transferred to assets</b>	2,881	970

## Balance sheet, year-end

Note	2017 GBP '000	2016 GBP '000	
	<b>ASSETS</b>		
	<b>Cash and cash equivalents:</b>		
6.	Balance with custodian bank	251	695
	<b>Total cash and cash equivalents</b>	251	695
6.	<b>Bonds:</b>		
	Listed bonds from Danish issuers	5,174	4,080
	Listed bonds from foreign issuers	12,986	11,647
	<b>Total bonds</b>	18,160	15,727
6.	<b>Equity investments:</b>		
	Listed shares in Danish companies	0	408
	Listed shares in foreign companies	17,405	14,629
	Certificates in other Danish UCITS	3,957	3,219
	<b>Total equity investments</b>	21,362	18,256
6.	<b>Derivatives:</b>		
	Listed derivatives	0	3
	Unlisted derivatives	181	2
	<b>Total derivatives</b>	181	5
	<b>Other assets:</b>		
	Interest, dividends, etc. receivable	209	173
	Unsettled transactions	211	0
	<b>Total other assets</b>	420	173
	<b>TOTAL ASSETS</b>	40,374	34,856
	<b>EQUITY AND LIABILITIES</b>		
7.	<b>Investors' assets</b>	40,151	34,163
6.	<b>Derivatives:</b>		
	Listed derivatives	2	1
	Unlisted derivatives	69	692
	<b>Total derivatives</b>	71	693
	<b>Other liabilities:</b>		
	Payables	42	0
	Debt to custodian bank	110	0
	<b>Total other liabilities</b>	152	0
	<b>TOTAL EQUITY AND LIABILITIES</b>	40,374	34,856

## Notes

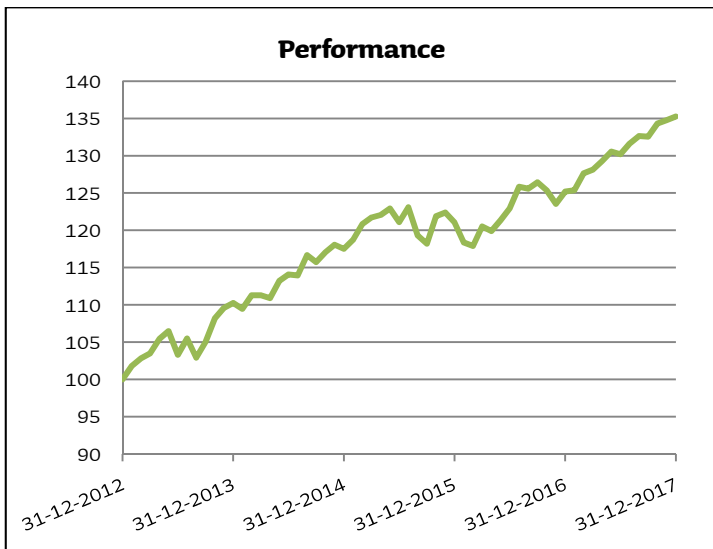
	2017 GBP '000	2016 GBP '000		
<b>1. Interest income:</b>				
Balance with custodian bank	2	0		
Listed bonds from Danish issuers	47	38		
Listed bonds from foreign issuers	342	325		
<b>Total interest income</b>	<b>391</b>	<b>363</b>		
<b>1. Interest expenses:</b>				
Other interest expenses	2	0		
<b>Total interest expenses</b>	<b>2</b>	<b>0</b>		
<b>2. Dividends:</b>				
Listed shares in Danish companies	13	5		
Listed shares in foreign companies	344	383		
<b>Total dividends</b>	<b>357</b>	<b>388</b>		
<b>3. Capital gains and losses:</b>				
<b>Bonds:</b>				
Listed bonds from Danish issuers	245	650		
Listed bonds from foreign issuers	-455	1,569		
<b>Total capital gains and losses, bonds</b>	<b>-210</b>	<b>2,219</b>		
<b>Equity investments:</b>				
Listed shares in Danish companies	-136	72		
Listed shares in foreign companies	1,677	1,989		
Certificates in other Danish UCITS	404	716		
<b>Total capital gains and losses, equity investments</b>	<b>1,945</b>	<b>2,777</b>		
<b>Derivatives:</b>				
Forward exchange transactions/futures	996	-4,529		
Forward interest transactions/futures	41	42		
Share forward transactions/futures	18	10		
<b>Total capital gains and losses, derivatives</b>	<b>1,055</b>	<b>-4,477</b>		
Currency accounts	-35	195		
Other assets/liabilities	-1	0		
<b>Transaction costs:</b>				
Gross transaction costs	75	60		
Covered by issue and redemption income	4	10		
<b>Total transaction costs - operating activities</b>	<b>71</b>	<b>50</b>		
<b>Total capital gains and losses</b>	<b>2,683</b>	<b>664</b>		
	<b>2017</b>	<b>2017</b>	<b>2016</b>	<b>2016</b>
	GBP '000	GBP '000	GBP '000	GBP '000
	Fund	Share of	Fund	Share of
	direct exp.	joint exp.	direct exp.	joint exp.
<b>4. Administrative expenses:</b>				
Remuneration for Management Board	0	1	0	1
Payroll	0	5	0	9
Audit fee	0	0	0	1
Other audit fees	4	1	0	2
Rent, etc.	0	0	0	1
IT costs	0	5	0	9
Marketing costs	320	5	262	10
Fees to custodian bank	6	0	11	1
Other asset management-related expenses	113	2	93	3
Other expenses	1	4	2	8
Fixed administrative fee	38	0	0	0
<b>Total administrative expenses broken down</b>	<b>482</b>	<b>23</b>	<b>368</b>	<b>45</b>
<b>Total administrative expenses</b>		<b>505</b>		<b>413</b>
Administrative expenses include 43 (GBP '000) from "Capital gains and losses on certificates".				



## Notes

		<b>2017</b> GBP '000	<b>2016</b> GBP '000		
5. <b>Tax:</b>					
Non-refundable tax on interest and dividends		43	32		
<b>Total tax</b>		43	32		
		<b>2017</b> (%)	<b>2016</b> (%)		
6. <b>Financial Instruments:</b>					
Listed financial instruments		88.57	90.06		
Other financial instruments		10.13	7.40		
Other assets and Other liabilities		1.30	2.54		
<b>Total</b>		100.00	100.00		
<p>Information about each fund's financial instruments as per 31.12.2017 can be obtained by contacting Jyske Invest Fund Management A/S or be viewed at the Investment Association's website <a href="http://jyskeinvest.com">jyskeinvest.com</a>.</p>					
		<b>2017</b>	<b>2017</b>	<b>2016</b>	<b>2016</b>
		Number of certificates	GBP '000 Asset value	Number of certificates	GBP '000 Asset value
7. <b>Investors' assets:</b>					
Investors' assets, beginning of period	254,396	34,163	219,984	28,571	
Issues in the year	22,319	3,107	44,412	5,900	
Redemptions in the year	-1	0	-10,000	-1,286	
Net issue margin		0		6	
Net redemption margin		0		2	
Transfer of net profit or loss for the period		2,881		970	
<b>Total investors' assets</b>	<b>276,714</b>	<b>40,151</b>	<b>254,396</b>	<b>34,163</b>	

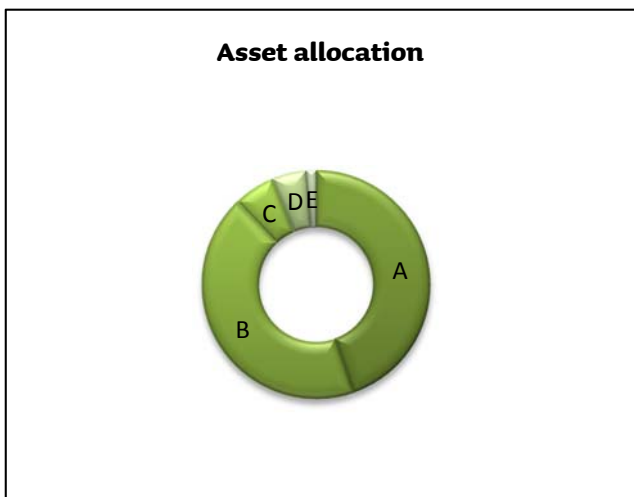
## Notes



Original investment of GBP 100.  
Performance is based on net asset value.

**Largest holdings**

2.625% ING Bank NV 05.12.2022	5.07%
Jyske Invest Emerging Market Bonds (EUR) CL	4.94%
Jyske Invest High Yield Corporate Bonds CL	4.92%
3.15% CDP Financial Inc 24.07.2024	3.28%
0.360% Realkredit Danmark A/S 01.07.2019 (12G)	3.28%



- A Developed-market bonds **44.70%**
- B Equities **43.20%**
- C Corporate bonds **5.80%**
- D Emerging-market bonds **4.90%**
- E Cash **1.40%**

## Notes

Key figures and ratios	2013	2014	2015	2016	2017
<u>Key figures:</u>					
Net profit/loss for the year (GBP '000)	1,660	1,370	719	970	2,881
Number of certificates	160,860	183,939	219,984	254,396	276,714
Investors' assets (GBP '000)	19,026	23,185	28,571	34,163	40,151
<u>Ratios:</u>					
Net asset value (GBP per certificate)	118.28	126.05	129.88	134.29	145.10
Return for the year (%) p.a.:					
- Benchmark	9.07	8.34	0.97	5.28	7.75
- Fund	10.26	6.57	3.04	3.40	8.05
Total Expense Ratio - TER	1.37	1.42	1.37	1.33	1.34
Portfolio turnover at market value (GBP '000):					
- Bought	16,891	16,560	21,193	22,458	27,888
- Sold	13,564	13,582	15,749	21,736	24,047
- Total	30,455	30,142	36,942	44,194	51,935
Portfolio turnover rate	0.54	0.49	0.61	0.67	0.63
Transaction costs - operating activities (GBP '000):					
- Total transaction costs	63	42	49	50	71
- Transaction costs in % of assets	0.35	0.19	0.19	0.16	0.19
Sharpe ratio:					
- Benchmark	1.18	1.32	1.03	1.25	1.41
- Fund	1.06	1.06	0.87	1.03	1.21
Standard deviation (%):					
- Benchmark	6.14	4.80	4.74	4.50	4.11
- Fund	8.11	5.42	6.09	5.65	5.41
Tracking Error (%)	2.10	1.94	1.94	1.70	1.47

# Jyske Invest Dynamic Strategy CL

## Income statement for the year

Note	2017 EUR '000	2016 EUR '000	
	<b>Interest and dividends:</b>		
1.	Interest income	140	141
1.	Interest expenses	1	0
2.	Dividends	336	440
	<b>Total interest and dividends</b>	475	581
3.	<b>Capital gains and losses:</b>		
	Bonds	-278	70
	Equity investments	1,073	203
	Derivatives	1,399	-424
	Currency accounts	41	40
	Other assets/liabilities	-1	0
	Transaction costs	66	59
	<b>Total capital gains and losses</b>	2,168	-170
	<b>Total net income</b>	2,643	411
4.	Administrative expenses	333	350
	<b>Pre-tax profit or loss</b>	2,310	61
5.	Tax	41	38
	<b>Net profit or loss for the year</b>	2,269	23
	<b>At disposal</b>	2,269	23
	<b>Transferred to assets</b>	2,269	23

## Balance sheet, year-end

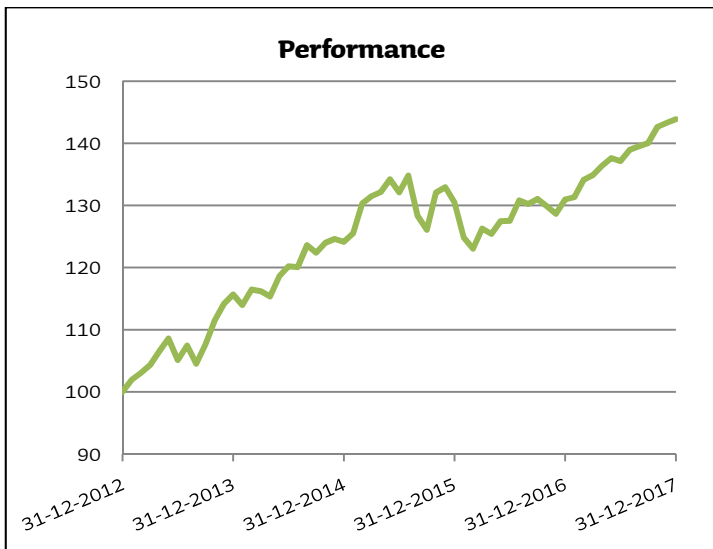
Note	2017 EUR '000	2016 EUR '000	
	<b>ASSETS</b>		
	<b>Cash and cash equivalents:</b>		
6.	Balance with custodian bank	180	299
	<b>Total cash and cash equivalents</b>	180	299
6.	<b>Bonds:</b>		
	Listed bonds from Danish issuers	1,616	1,775
	Listed bonds from foreign issuers	4,037	4,722
	<b>Total bonds</b>	5,653	6,497
6.	<b>Equity investments:</b>		
	Listed shares in Danish companies	0	453
	Listed shares in foreign companies	14,657	15,802
	Certificates in other Danish UCITS	2,311	2,457
	<b>Total equity investments</b>	16,968	18,712
6.	<b>Derivatives:</b>		
	Listed derivatives	0	2
	Unlisted derivatives	198	43
	<b>Total derivatives</b>	198	45
	<b>Other assets:</b>		
	Interest, dividends, etc. receivable	66	73
	Other receivables	40	0
	Unsettled transactions	184	0
	<b>Total other assets</b>	290	73
	<b>TOTAL ASSETS</b>	23,289	25,626
	<b>EQUITY AND LIABILITIES</b>		
7.	<b>Investors' assets</b>	23,256	25,516
6.	<b>Derivatives:</b>		
	Listed derivatives	0	1
	Unlisted derivatives	8	109
	<b>Total derivatives</b>	8	110
	<b>Other liabilities:</b>		
	Payables	25	0
	<b>Total other liabilities</b>	25	0
	<b>TOTAL EQUITY AND LIABILITIES</b>	23,289	25,626



## Notes

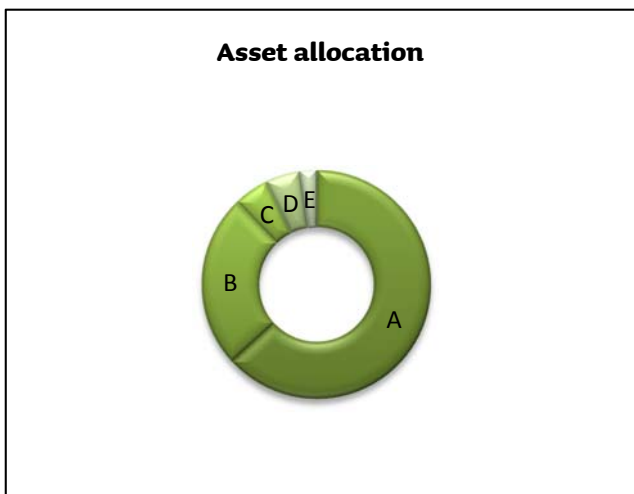
		<b>2017</b> EUR '000	<b>2016</b> EUR '000		
5. <b>Tax:</b>					
Non-refundable tax on interest and dividends		41	38		
<b>Total tax</b>		41	38		
		<b>2017</b> (%)	<b>2016</b> (%)		
6. <b>Financial Instruments:</b>					
Listed financial instruments		87.33	89.17		
Other financial instruments		10.75	9.37		
Other assets and Other liabilities		1.92	1.46		
<b>Total</b>		100.00	100.00		
<p>Information about each fund's financial instruments as per 31.12.2017 can be obtained by contacting Jyske Invest Fund Management A/S or be viewed at the Investment Association's website <a href="http://jyskeinvest.com">jyskeinvest.com</a>.</p>					
		<b>2017</b>	<b>2017</b>	<b>2016</b>	<b>2016</b>
		Number of certificates	EUR '000 Asset value	Number of certificates	EUR '000 Asset value
7. <b>Investors' assets:</b>					
Investors' assets, beginning of period	143,838	25,516	152,206	26,905	
Issues in the year	0	0	18,132	3,112	
Redemptions in the year	-24,500	-4,533	-26,500	-4,532	
Net issue margin		0		4	
Net redemption margin		4		4	
Transfer of net profit or loss for the period		2,269		23	
<b>Total investors' assets</b>	119,338	23,256	143,838	25,516	

## Notes



Original investment of EUR 100.  
Performance is based on net asset value.

<b>Largest holdings</b>	
Jyske Invest Emerging Market Bonds (EUR) CL	5.00%
Jyske Invest High Yield Corporate Bonds CL	4.94%
0.360% Realkredit Danmark A/S 01.07.2019 (12G)	2.76%
2.625% ING Bank NV 05.12.2022	2.69%
Alphabet A Inc	2.64%



- A Equities **63.20%**
- B Developed-market bonds **24.60%**
- C Emerging-market bonds **5.00%**
- D Corporate bonds **4.90%**
- E Cash **2.30%**

## Notes

Key figures and ratios	2013	2014	2015	2016	2017
<u>Key figures:</u>					
Net profit/loss for the year (EUR '000)	2,701	1,785	1,451	23	2,269
Number of certificates	133,077	162,058	152,206	143,838	119,338
Investors' assets (EUR '000)	20,848	27,248	26,905	25,516	23,256
<u>Ratios:</u>					
Net asset value (EUR per certificate)	156.66	168.14	176.77	177.40	194.87
Return for the year (%) p.a.:					
- Benchmark	14.04	8.37	0.88	6.33	11.24
- Fund	15.66	7.32	5.14	0.35	9.85
Total Expense Ratio - TER	1.39	1.44	1.41	1.37	1.39
Portfolio turnover at market value (EUR '000):					
- Bought	18,480	22,104	25,112	19,268	19,979
- Sold	16,575	18,888	28,029	20,772	23,332
- Total	35,055	40,992	53,141	40,040	43,311
Portfolio turnover rate	0.72	0.55	0.86	0.63	0.78
Transaction costs - operating activities (EUR '000):					
- Total transaction costs	82	69	86	59	66
- Transaction costs in % of assets	0.45	0.28	0.29	0.23	0.28
Sharpe ratio:					
- Benchmark	1.03	1.02	0.85	1.29	1.44
- Fund	1.44	1.08	0.87	1.04	1.16
Standard deviation (%):					
- Benchmark	9.10	7.21	6.47	6.35	5.64
- Fund	10.61	9.41	9.12	8.36	8.00
Tracking Error (%)	2.48	2.60	2.64	2.68	2.29



# Jyske Invest Growth Strategy CL

## Income statement for the year

Note	2017 EUR '000	2016 EUR '000	
	<b>Interest and dividends:</b>		
1.	Interest income	16	13
1.	Interest expenses	1	0
2.	Dividends	239	247
	<b>Total interest and dividends</b>	254	260
3.	<b>Capital gains and losses:</b>		
	Bonds	-39	4
	Equity investments	715	129
	Derivatives	846	-247
	Currency accounts	16	26
	Other assets/liabilities	-1	0
	Transaction costs	50	30
	<b>Total capital gains and losses</b>	1,487	-118
	<b>Total net income</b>	1,741	142
4.	Administrative expenses	225	183
	<b>Pre-tax profit or loss</b>	1,516	-41
5.	Tax	29	21
	<b>Net profit or loss for the year</b>	1,487	-62
	<b>At disposal</b>	1,487	-62
	<b>Transferred to assets</b>	1,487	-62

## Balance sheet, year-end

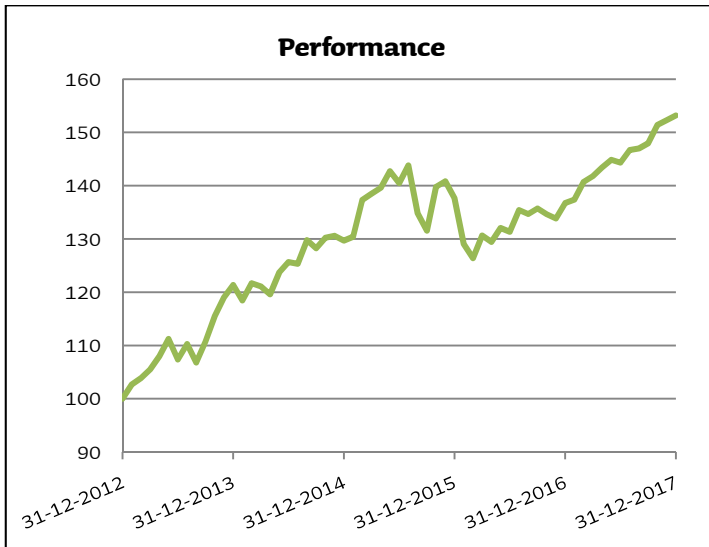
Note	2017 EUR '000	2016 EUR '000	
	<b>ASSETS</b>		
	<b>Cash and cash equivalents:</b>		
6.	Balance with custodian bank	104	369
	<b>Total cash and cash equivalents</b>	104	369
6.	<b>Bonds:</b>		
	Listed bonds from Danish issuers	95	200
	Listed bonds from foreign issuers	546	481
	<b>Total bonds</b>	641	681
6.	<b>Equity investments:</b>		
	Listed shares in Danish companies	0	279
	Listed shares in foreign companies	10,904	10,009
	Certificates in other Danish UCITS	1,322	1,210
	<b>Total equity investments</b>	12,226	11,498
6.	<b>Derivatives:</b>		
	Unlisted derivatives	125	21
	<b>Total derivatives</b>	125	21
	<b>Other assets:</b>		
	Interest, dividends, etc. receivable	17	10
	Other receivables	20	0
	Unsettled transactions	130	0
	<b>Total other assets</b>	167	10
	<b>TOTAL ASSETS</b>	13,263	12,579
	<b>EQUITY AND LIABILITIES</b>		
7.	<b>Investors' assets</b>	13,239	12,521
6.	<b>Derivatives:</b>		
	Listed derivatives	0	3
	Unlisted derivatives	6	55
	<b>Total derivatives</b>	6	58
	<b>Other liabilities:</b>		
	Payables	18	0
	<b>Total other liabilities</b>	18	0
	<b>TOTAL EQUITY AND LIABILITIES</b>	13,263	12,579



## Notes

		<b>2017</b> EUR '000	<b>2016</b> EUR '000		
5. <b>Tax:</b>					
Non-refundable tax on interest and dividends		29	21		
<b>Total tax</b>		29	21		
		<b>2017</b> (%)	<b>2016</b> (%)		
6. <b>Financial Instruments:</b>					
Listed financial instruments		87.20	87.58		
Other financial instruments		10.88	9.39		
Other assets and Other liabilities		1.92	3.03		
<b>Total</b>		100.00	100.00		
<p>Information about each fund's financial instruments as per 31.12.2017 can be obtained by contacting Jyske Invest Fund Management A/S or be viewed at the Investment Association's website <a href="http://jyskeinvest.com">jyskeinvest.com</a>.</p>					
		<b>2017</b>	<b>2017</b>	<b>2016</b>	<b>2016</b>
		Number of certificates	EUR '000 Asset value	Number of certificates	EUR '000 Asset value
7. <b>Investors' assets:</b>					
Investors' assets, beginning of period	101,053	12,521	89,353	11,145	
Issues in the year	350	45	27,301	3,240	
Redemptions in the year	-6,000	-815	-15,601	-1,807	
Net issue margin		0		3	
Net redemption margin		1		2	
Transfer of net profit or loss for the period		1,487		-62	
<b>Total investors' assets</b>	<b>95,403</b>	<b>13,239</b>	<b>101,053</b>	<b>12,521</b>	

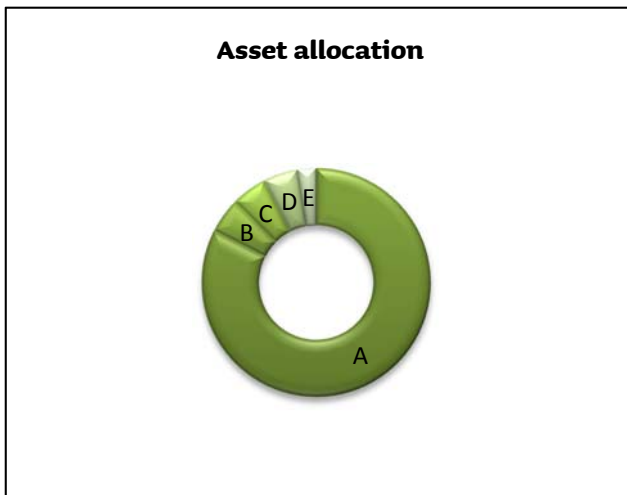
## Notes



Original investment of EUR 100.  
Performance is based on net asset value.

**Largest holdings**

Jyske Invest High Yield Corporate Bonds CL	5.02%
Jyske Invest Emerging Market Bonds (EUR) CL	4.97%
Alphabet A Inc	3.31%
Comcast Corp	2.95%
Apple Inc	2.87%



- A Equities **82.50%**
- B Corporate bonds **5.00%**
- C Emerging-market bonds **5.00%**
- D Developed-market bonds **4.90%**
- E Cash **2.60%**

## Notes

Key figures and ratios	2013	2014	2015	2016	2017
<u>Key figures:</u>					
Net profit/loss for the year (EUR '000)	1,944	647	726	-62	1,487
Number of certificates	106,541	99,824	89,353	101,053	95,403
Investors' assets (EUR '000)	11,715	11,729	11,145	12,521	13,239
<u>Ratios:</u>					
Net asset value (EUR per certificate)	109.96	117.49	124.73	123.90	138.77
Return for the year (%) p.a.:					
- Benchmark	19.19	8.38	0.71	7.32	14.82
- Fund	21.37	6.85	6.16	-0.67	12.00
Total Expense Ratio - TER	1.63	1.72	1.74	1.67	1.71
Portfolio turnover at market value (EUR '000):					
- Bought	11,167	12,232	12,332	10,014	13,762
- Sold	9,893	13,232	14,070	9,051	13,733
- Total	21,060	25,464	26,402	19,065	27,495
Portfolio turnover rate	0.77	0.62	1.00	0.66	0.97
Transaction costs - operating activities (EUR '000):					
- Total transaction costs	59	48	46	30	50
- Transaction costs in % of assets	0.59	0.41	0.38	0.27	0.38
Sharpe ratio:					
- Benchmark	0.94	0.86	0.71	1.16	1.35
- Fund	0.96	0.91	0.74	0.92	1.06
Standard deviation (%):					
- Benchmark	12.17	9.74	8.36	8.41	7.39
- Fund	14.05	12.59	12.23	11.05	10.51
Tracking Error (%)	3.05	3.34	3.39	3.52	2.95

# Jyske Invest Aggressive Strategy CL

(Secondary name: Jyske Invest Favourite Equities CL)

## Income statement for the year

Note	2017 EUR '000	2016 EUR '000	
	<b>Interest and dividends:</b>		
1.	Interest income	3	0
1.	Interest expenses	3	2
2.	Dividends	809	1,045
	<b>Total interest and dividends</b>	809	1,043
	<b>Capital gains and losses:</b>		
3.	Equity investments	2,070	-274
	Currency accounts	-71	-8
	Other assets/liabilities	-2	0
	Transaction costs	143	119
	<b>Total capital gains and losses</b>	1,854	-401
	<b>Total net income</b>	2,663	642
4.	Administrative expenses	637	654
	<b>Pre-tax profit or loss</b>	2,026	-12
5.	Tax	97	88
	<b>Net profit or loss for the year</b>	1,929	-100
	<b>At disposal</b>	1,929	-100
	<b>Transferred to assets</b>	1,929	-100

## Balance sheet, year-end

Note	2017 EUR '000	2016 EUR '000	
	<b>ASSETS</b>		
	<b>Cash and cash equivalents:</b>		
6.	Balance with custodian bank	373	172
	<b>Total cash and cash equivalents</b>	373	172
6.	<b>Equity investments:</b>		
	Listed shares in Danish companies	0	1,030
	Listed shares in foreign companies	34,693	37,333
	<b>Total equity investments</b>	34,693	38,363
	<b>Other assets:</b>		
	Interest, dividends, etc. receivable	40	20
	Unsettled transactions	411	0
	<b>Total other assets</b>	451	20
	<b>TOTAL ASSETS</b>	35,517	38,555
	<b>EQUITY AND LIABILITIES</b>		
7.	<b>Investors' assets</b>	35,465	38,555
	<b>Other liabilities:</b>		
	Payables	52	0
	<b>Total other liabilities</b>	52	0
	<b>TOTAL EQUITY AND LIABILITIES</b>	35,517	38,555

## Notes

			2017 EUR '000	2016 EUR '000	
1.	<b>Interest income:</b>				
	Balance with custodian bank		3	0	
	<b>Total interest income</b>		3	0	
1.	<b>Interest expenses:</b>				
	Other interest expenses		3	2	
	<b>Total interest expenses</b>		3	2	
2.	<b>Dividends:</b>				
	Listed shares in Danish companies		29	14	
	Listed shares in foreign companies		780	1,031	
	<b>Total dividends</b>		809	1,045	
3.	<b>Capital gains and losses:</b>				
	<b>Equity investments:</b>				
	Listed shares in Danish companies		-345	91	
	Listed shares in foreign companies		2,415	-365	
	<b>Total capital gains and losses, equity investments</b>		2,070	-274	
	Currency accounts		-71	-8	
	Other assets/liabilities		-2	0	
	<b>Transaction costs:</b>				
	Gross transaction costs		156	128	
	Covered by issue and redemption income		13	9	
	<b>Total transaction costs - operating activities</b>		143	119	
	<b>Total capital gains and losses</b>		1,854	-401	
4.	<b>Administrative expenses:</b>				
		2017 EUR '000 Fund direct exp.	2017 EUR '000 Share of joint exp.	2016 EUR '000 Fund direct exp.	2016 EUR '000 Share of joint exp.
	Remuneration for Management Board	0	1	0	2
	Payroll	0	6	0	12
	Audit fee	0	0	0	1
	Other audit fees	5	1	7	3
	Rent, etc.	0	0	0	1
	IT costs	0	5	0	12
	Marketing costs	408	5	415	14
	Fees to custodian bank	9	0	19	1
	Other asset management-related expenses	149	3	152	4
	Other expenses	2	5	0	11
	Fixed administrative fee	38	0	0	0
	<b>Total administrative expenses broken down</b>	611	26	593	61
	<b>Total administrative expenses</b>		637		654
5.	<b>Tax:</b>				
	Non-refundable tax on interest and dividends			97	88
	<b>Total tax</b>			97	88
6.	<b>Financial Instruments:</b>				
	Listed financial instruments			97.82	99.50
	Other assets and Other liabilities			2.18	0.50
	<b>Total</b>			100.00	100.00
				2017 (%)	2016 (%)

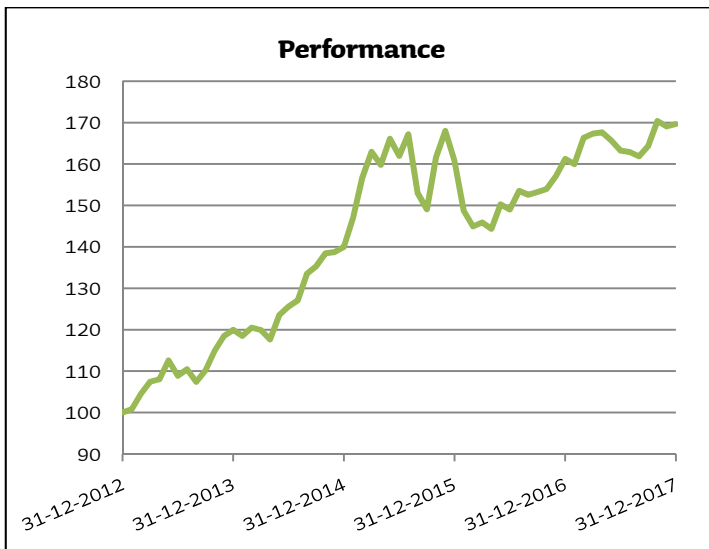
Information about each fund's financial instruments as per 31.12.2017 can be obtained by contacting Jyske Invest Fund Management A/S or be viewed at the Investment Association's website [jyskeinvest.com](http://jyskeinvest.com).

## Notes

	2017	2017	2016	2016
	Number of	EUR '000	Number of	EUR '000
	certificates	Asset	certificates	Asset
		value		value
<b>7. Investors' assets:</b>				
Investors' assets, beginning of period	310,064	38,555	334,940	41,532
Issues in the year	8,833	1,102	8,125	950
Redemptions in the year	-47,830	-6,125	-33,001	-3,828
Net issue margin		1		0
Net redemption margin		3		1
Transfer of net profit or loss for the period		1,929		-100
<b>Total investors' assets</b>	<b>271,067</b>	<b>35,465</b>	<b>310,064</b>	<b>38,555</b>



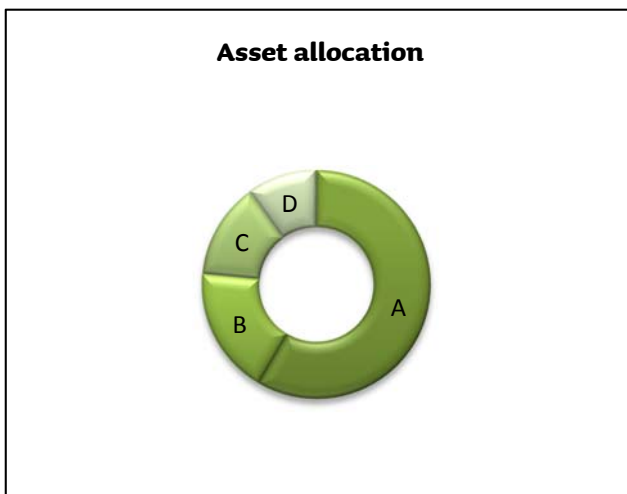
## Notes



Original investment of EUR 100.  
Performance is based on net asset value.

**Largest holdings**

Alphabet A Inc	4.21%
Comcast Corp	3.58%
Apple Inc	3.34%
Johnson & Johnson	3.28%
Samsung Electronics Co Pref	3.21%



- A North & South America **58.40%**
- B Europe & Middle East **18.10%**
- C Pacific region **13.60%**
- D Asia **9.90%**

## Notes

Key figures and ratios	2013	2014	2015	2016	2017
<u>Key figures:</u>					
Net profit/loss for the year (EUR '000)	10,766	5,296	4,864	-100	1,929
Number of certificates	553,617	314,058	334,940	310,064	271,067
Investors' assets (EUR '000)	51,211	33,906	41,532	38,555	35,465
<u>Ratios:</u>					
Net asset value (EUR per certificate)	92.50	107.96	124.00	124.35	130.83
Return for the year (%) p.a.:					
- Benchmark	17.49	18.61	8.76	11.09	8.89
- Fund	19.95	16.71	14.86	0.28	5.22
Total Expense Ratio - TER	1.69	1.76	1.76	1.73	1.73
Portfolio turnover at market value (EUR '000):					
- Bought	53,236	23,742	42,038	32,157	42,510
- Sold	78,324	46,841	38,404	35,079	48,230
- Total	131,560	70,583	80,442	67,236	90,740
Portfolio turnover rate	0.83	0.59	0.84	0.82	1.14
Transaction costs - operating activities (EUR '000):					
- Total transaction costs	361	132	126	119	143
- Transaction costs in % of assets	0.66	0.35	0.32	0.32	0.39
Sharpe ratio:					
- Benchmark	1.17	1.34	0.92	1.38	1.30
- Fund	1.16	1.33	0.97	1.10	1.04
Standard deviation (%):					
- Benchmark	11.88	8.95	11.23	11.68	9.95
- Fund	15.09	14.48	15.54	14.58	14.46
Tracking Error (%)	3.67	3.94	3.74	3.98	3.40
Active Share (%)	94.63	91.44	90.31	90.62	88.88

# Joint notes

## Accounting Policies

### **BASIS OF ACCOUNTING**

The Annual Report for 2017 was prepared in accordance with *the Danish Investment Associations, etc. Act* and any further requirements provided by articles of association or by agreement.

The accounting policies are identical to those applied to and described in the previous Annual Report.

New notes have been added under 'Supplementary notes' due to guidelines from ESMA and Regulation on Securities Financing Transactions (RSFT). According to these guidelines, the Annual Report must contain information on the funds' use of derivatives and securities lending.

### **RECOGNITION AND MEASUREMENT**

Income is recognised in the Income statement as earned, including the value adjustment of financial assets and liabilities. Costs incurred to generate the period's earnings are also recognised in the Income statement. However, transaction costs incurred in connection with the purchase and sale of financial instruments, due to issue and redemption in the fund, are transferred to 'Investors' assets'.

Assets are recognised in the Balance sheet when it is deemed probable that future economic benefits will flow to the fund and the asset value can be measured reliably.

Liabilities are recognised in the Balance sheet when it is deemed probable that future economic benefits will flow from the fund and the liability value can be measured reliably.

At initial recognition, assets and liabilities are measured at fair value. Subsequently, assets and liabilities are measured as described for each item below.

Recognition and measurement of assets and liabilities take into account information that appears after the balance sheet date but before the financial statements are prepared if - and only if - the information

confirms or disproves conditions which have occurred no later than the balance sheet date.

### **Translation of foreign currency amounts**

Transactions carried out in another currency than the fund's functional currency are translated into the functional currency on the basis of the exchange rate at the date of transaction.

Monetary items in another currency than the fund's functional currency are translated into the functional currency on the basis of the GMT 1600 rate for the currency at the balance sheet date.

### **INCOME STATEMENT**

#### **Interest and dividends**

Interest income includes accrued interest on bonds and deposits with the custodian bank. Net income from repo agreements and reverse repo agreements is also included.

Dividends comprise dividends earned over the year.

#### **Capital gains and losses**

Realised as well as unrealised gains and losses on assets and liabilities are recognised in the Income statement.

Realised capital gains and losses on equity investments and bonds are measured for each instrument as the difference between the fair value at the time of sale and the fair value at the beginning of the financial year, or the fair value on the date of acquisition for instruments acquired in the course of the financial year.

Unrealised capital gains and losses are measured for each instrument as the difference between the fair value at the end of the financial year and the fair value at the beginning of the financial year, or the fair value on the date of acquisition for instruments acquired in the course of the financial year.

Changes in the fair value of derivatives are recognised in the Income statement under Derivatives.

All direct costs in connection with financial instrument transactions are carried under Transaction costs. Costs which cannot be determined exactly, for instance if they are included in spreads, are recognised to the extent that they have been agreed with a third party. However, the part of the transaction costs, which has been incurred in connection with purchase and sale of financial instruments, and the part, which is due to issue and redemption, are transferred to 'Investors' assets'. The latter part has been determined as the proportion that the proceeds of the issues and redemptions constitute of the market value of the total transactions.

### **Administrative expenses**

Administrative expenses comprise fund-related expenses and the fund's share of joint expenses.

'Fund-related expenses' consist of the expenses that relate directly to the individual fund. 'Share of joint expenses' consists of the fund's share of the expenses that relate to two or more funds. The distribution took place until 30 June 2017 and allows for the size of the fund's assets.

The association has as of 1 July 2017 concluded a new administration agreement with the investment management company Jyske Invest Fund Management A/S about administration fees.

The administration fee is determined individually at fund and share class level and is alone calculated as a fixed percentage vs. previously a variable percentage of the assets of the fund or the share class.

The association's payment for the day-to-day management of the association as well as for portfolio management advice/portfolio management and for distribution on behalf of the association's funds consists of administration fees, sales commission and advisory fees according to the administration agreement entered with Jyske Invest Fund Management A/S.

'Sales commission' and 'Advisory fee' consist of expenses charged according to administration agreement with Jyske Invest Fund Management A/S regarding portfolio management advice/portfolio management and distribution.

'Fixed administration fee' consists of expenses charged according to administration agreement with

Jyske Invest Fund Management A/S. The administration fee includes, among other things, expenses relating to the Supervisory Board, the Management Board, audit and fees payable to the custodian bank covering custodian services, etc.

The association's total expenses relating to the Supervisory Board and audit included in the 'Fixed administration fee' are disclosed in the Management's review and under Joint notes.

When a fund owns certificates in another fund, the parent fund is exempt from some payments to avoid double payment for the same service. For administrative expenses to appear as correctly as possible measured in the fund's functional currency and in percentage, an amount in the parent fund is transferred from 'Capital gains and losses on certificates' to 'Administrative expenses'. This transfer corresponds to the share of the subsidiary fund's administrative expenses that the parent fund indirectly pays and which is included in 'Capital gains and losses on certificates'.

### **Tax**

Tax does not comprise refundable tax on interest and dividends.

## **BALANCE SHEET**

### **Financial instruments**

'Financial instruments' comprise financial assets and financial liabilities. Financial assets consist of cash and cash equivalents, bonds, equity investments, investment certificates, derivatives and other assets.

'Financial liabilities' comprise other liabilities.

### **Cash and cash equivalents**

Cash and cash equivalents in foreign currencies are measured at listed exchange rates at the balance sheet date.

### **Bonds and equity investments**

Listed bonds and equity investments are measured at fair value (closing price at the balance sheet date). If there is no fair value available, the instrument is recognised at another official price which can be assumed to correspond best to this price. If this price does not reflect the fair value of the instrument due to missing or insufficient trading in the period lead-

ing up to the balance sheet date, the fair value is determined through a valuation method with the purpose of determining the transaction price that would be the price in a transaction at the time of measurement between independent parties who establish standard business considerations. Listed securities in foreign currencies are measured at listed exchange rates at the balance sheet date. Unlisted bonds and equities are measured at fair value determined according to ordinary, recognised methods. Investment certificates in investment associations where the association's administrator has full insight into the structure of the fund's underlying bonds and equity investments (funds of funds) are measured on the basis of the above measuring principles applied to the underlying bonds and equity investments. Securities are included and removed on the trading day.

Called bonds are measured at call value.

Bonds traded in the US market for high-yield bonds, known as OTC - Fixed Income Pricing System (FIPS) - are included under listed bonds.

Bonds, which are part of repo agreements or forward contracts, are included under Bonds.

### **Derivatives**

Derivatives comprise forward transactions, futures and repo agreements entered into in order to hedge ordinary business risks.

Derivatives are measured at fair value at the balance sheet date. Gains and losses are recognised in the Income statement in accordance with the practice applicable to the hedged items.

The positive fair value of derivatives is recognised under 'Assets' and any negative fair value under 'Equity and liabilities'.

### **Other assets**

'Other assets' are measured at fair value and include:

- 'Interest receivable' consisting of accrued interest at the balance sheet date.
- 'Dividend receivable' consisting of dividends declared before the balance sheet date for settlement after the balance sheet date.
- 'Unsettled transactions' consisting of the value of the proceeds from the sale of finan-

cial instruments as well as from issues before the balance sheet date, where payment is made after the balance sheet date. Offsetting is made against a corresponding amount mentioned under 'Other liabilities' per counterparty per day the payments fall due.

### **Investors' assets**

Net issue margin and net redemption margin are determined after recognition of transaction costs incurred in respect of issue or redemption.

### **Other liabilities**

'Other liabilities' are measured at fair value.

'Unsettled transactions' consist of the value of the proceeds from the purchase of financial instruments as well as from issues before the balance sheet date, where payment is made after the balance sheet date. Offsetting is made against a corresponding amount mentioned under 'Other assets' per counterparty per day the payments fall due.

### **Funds with share classes**

Certain funds are offered in more than one share class in different currencies. Such fund consists of a joint portfolio where the investment in securities common to the share classes is made and where costs derived from this are incurred. In addition to this are the share classes' class-specific transactions from currency hedging, bank accounts and costs.

Combined financial statements are prepared for the full fund as well as notes for the individual share classes.

The ratios regarding return, net asset value and costs as well as the number of certificates are calculated for the individual classes. In cases where a class at the establishment carries on the fund concerned, the ratios relevant for the class are shown with the historic data.

### **Information according to ESMA's guidelines and Regulation on Securities Financing Transactions (RSFT).**

According to these guidelines, the Annual Report must contain information on the funds' use of derivatives and securities lending.

## KEY FIGURES AND RATIOS

Key figures and ratios are calculated in accordance with the Danish Executive Order on Financial Reports for Danish UCITS (Bekendtgørelse om finansielle rapporter for danske UCITS) as well as industry standards issued by the investment fund industry.

### Net asset value per certificate

Net asset value per certificate is calculated as:

$$\frac{\text{Total investors' assets, year} - \text{end}}{\text{Certificates outstanding, year} - \text{end}}$$

### Annual fund return in per cent

Return is calculated on the basis of net asset value as follows:

$$\left( \frac{\text{Net asset value, year} - \text{end}}{\text{Net asset value, beginning of year}} - 1 \right) \times 100$$

### Total Expense Ratio - TER

Total administrative expenses in per cent (Total Expense Ratio - TER) for the funds are calculated as:

$$\frac{\text{Total administrative expenses}}{\text{Investors' average assets}} \times 100$$

Investors' average assets are calculated as a simple average of the asset value at the end of each month of the financial year.

### Portfolio turnover

Determined as the sum of the financial year's total purchase and sale of securities at trading prices, incl. brokerage, etc.

### Portfolio turnover rate

Portfolio turnover rate is calculated as:

$$\frac{\text{Portfolio turnover}}{2} \\ \text{Investors' average assets}$$

Market value of purchases and market value of sales are determined as the above 'Portfolio turnover' adjusted for the financial year's market value of purchases in connection with issue and market value of sales in connection with redemption, distributed dividends and liquidity from operations, etc.

Investors' average assets are calculated as a simple average of the asset value at the end of each month of the financial year.

### Transaction costs - operating activities

Transaction costs - operating activities as a percentage of assets are calculated as:

$$\frac{\text{Transaction costs} - \text{operating activities}}{\text{Average assets}} \times 100$$

Transaction costs depend on trade practices and are not necessarily comparable with other funds. Where securities are traded net, no transaction costs are stated.

Investors' average assets are calculated as a simple average of the asset value at the end of each month of the financial year.

### Sharpe ratio

Sharpe ratio expresses whether the risk an investor assumes matches the return obtained. The higher the Sharpe ratio, the better the ratio between the established return and risk. Sharpe ratio is calculated as the historical return less the risk-free interest divided by the standard deviation of the relative return.

Sharpe ratio is calculated on the basis of monthly observations. If the fund has existed for more than five years, the calculation is made for a five-year period. If the fund has existed between three and five years, the calculation is made for a three-year period. Sharpe ratio is not calculated if the fund has existed for less than three years.

### Standard deviation

Standard deviation is a statistical measure of the probability that the return of a given period is close to the average return for the periods.

The fund's standard deviation is calculated on the basis of weekly observations. However, if the fund has existed for less than five years, the calculation takes place on the basis of monthly observations.

The calculation for the benchmark is on the basis of monthly observations. If the fund has existed for more than five years, the calculation is made for a five-year period. If the fund has existed between three and five years, the calculation is made for a three-year period.

### Benchmark

Benchmark return is a statement of the performance of the benchmark (market index) against which the

fund is measured. Benchmark is measured on the basis of monthly data. Unlike the fund return, the benchmark return does not include administrative expenses.

### **Tracking error**

Tracking error is a measure of how much the return of a fund varies from the performance of the fund's benchmark.

Tracking error is only calculated for funds which have a benchmark.

Tracking error is calculated at the end of the year for a period of the last three years.

If a fund has existed for less than three years or if the fund has not had a benchmark within the last three years, tracking error is not calculated. If the fund has

had different benchmarks during the three-year period, the respective benchmarks are used for the relevant periods.

### **Active share**

Active share is a measure of how large a share of the portfolio that is not coincident with the selected benchmark.

Active share is calculated for funds classified as equity funds, i.e., funds with an equity exposure of at least 85%.

Active share is calculated on the basis of the fund's portfolio at the end of the financial year and is calculated once a year.

## **Contingencies**

Jyske Invest International is involved in a number of pending tax disputes. The disputes concern claims raised by Jyske Invest International against local tax authorities as well as claims raised against Jyske Invest by local tax authorities. It is the management's assessment that the final outcome of the disputes, further to that incorporated into the financial statements, will not significantly impact the results and financial position of the affected funds.



## Supplementary notes

### Underlying exposure of FX forwards

	2017	2016
<b>Jyske Invest Favourite Bonds CL</b>	EUR '000	EUR '000
DKK	-2,825	-2,783
EUR	9,723	9,920
GBP	-1,395	-1,242
USD	-5,418	-5,821
<b>Jyske Invest Emerging Market Bonds CL</b>	USD '000	USD '000
EUR	-1,610	-1,838
USD	1,595	1,857
<b>Jyske Invest Emerging Market Bonds (EUR) CL</b>	EUR '000	EUR '000
EUR	26,496	25,764
USD	-26,251	-26,029
<b>Jyske Invest Emerging Local Market Bonds CL</b>	EUR '000	EUR '000
COP	318	0
EUR	387	0
HUF	-643	0
KZT	246	0
MXN	182	347
PEN	-204	-223
RUB	-456	-284
TRY	0	-121
USD	59	-9
ZAR	139	260
<b>Jyske Invest High Yield Corporate Bonds CL</b>	EUR '000	EUR '000
EUR	51,800	31,094
GBP	-10,881	-5,130
USD	-40,291	-25,647
<b>Jyske Invest Income Strategy CL</b>	EUR '000	EUR '000
DKK	-628	-1,053
EUR	3,355	3,763
GBP	-529	-593
USD	-2,165	-2,127

	2017	2016
<b>Jyske Invest Stable Strategy CL</b>	EUR '000	EUR '000
EUR	193,982	174,584
CHF	0	-1,730
DKK	-31,294	-26,422
GBP	-19,995	-19,747
HKD	-4,835	-3,343
JPY	-8,632	-4,842
USD	-127,136	-119,154
<b>Jyske Invest Stable Strategy USD</b>	USD '000	USD '000
EUR	-8,234	-5,169
USD	8,120	5,211
<b>Jyske Invest Stable Strategy GBP</b>	GBP '000	GBP '000
EUR	-15,477	-9,571
GBP	15,408	9,398
<b>Jyske Invest Balanced Strategy CL</b>	EUR '000	EUR '000
EUR	96,605	88,075
CHF	0	-1,188
DKK	-12,733	-12,272
GBP	-9,497	-9,159
HKD	-4,282	-2,496
JPY	-7,644	-4,344
USD	-61,357	-58,925
<b>Jyske Invest Balanced Strategy USD</b>	USD '000	USD '000
EUR	-19,853	-18,666
USD	19,578	18,818
<b>Jyske Invest Balanced Strategy (NOK) CL</b>	NOK '000	NOK '000
CHF	0	-934
DKK	-12,709	-7,292
EUR	-50,640	-34,742
GBP	-10,488	-7,656
HKD	-5,293	-2,028
JPY	-8,780	-3,633
NOK	166,063	102,037
USD	-75,768	-47,193

	2017	2016
<b>Jyske Invest Balanced Strategy (GBP) CL</b>	GBP '000	GBP '000
CHF	0	-295
DKK	-3,934	-3,283
EUR	-11,366	-10,141
GBP	35,587	29,952
HKD	-1,197	-718
JPY	-1,873	-1,113
USD	-17,105	-15,092
<b>Jyske Invest Dynamic Strategy CL</b>	EUR '000	EUR '000
CAD	-603	0
CHF	0	-346
DKK	-1,012	-1,558
EUR	16,230	17,640
GBP	-1,322	-1,921
HKD	-1,053	-720
JPY	-1,557	-1,203
USD	-10,493	-11,957
<b>Jyske Invest Growth Strategy CL</b>	EUR '000	EUR '000
CAD	-464	0
CHF	0	-206
DKK	-100	-453
EUR	9,602	8,943
GBP	-703	-867
HKD	-769	-474
JPY	-1,164	-745
USD	-6,283	-6,234

## Underlying exposure of futures

	2017	2016
<b>Jyske Invest Favourite Bonds CL</b>	EUR '000	EUR '000
Underlying exposure of short positions in interest rate futures	0	-309
Underlying exposure of long positions in interest rate futures	2,286	2,546
<b>Jyske Invest High Grade Corporate Bonds CL</b>	EUR '000	EUR '000
Underlying exposure of long positions in interest rate futures	519	776
<b>Jyske Invest Income Strategy CL</b>	EUR '000	EUR '000
Underlying exposure of long positions in interest rate futures	991	1,360
<b>Jyske Invest Stable Strategy CL</b>	EUR '000	EUR '000
Underlying exposure of long positions in equity futures	446	318
Underlying exposure of long positions in interest rate futures	33,532	31,405
<b>Jyske Invest Balanced Strategy CL</b>	EUR '000	EUR '000
Underlying exposure of long positions in equity futures	334	318
Underlying exposure of long positions in interest rate futures	12,194	12,732
<b>Jyske Invest Balanced Strategy (NOK) CL</b>	NOK '000	NOK '000
Underlying exposure of long positions in interest rate futures	15,004	10,048
<b>Jyske Invest Balanced Strategy (GBP) CL</b>	GBP '000	GBP '000
Underlying exposure of long positions in equity futures	99	90
Underlying exposure of long positions in interest rate futures	3,316	3,116
<b>Jyske Invest Dynamic Strategy CL</b>	EUR '000	EUR '000
Underlying exposure of long positions in equity futures	0	106
Underlying exposure of long positions in interest rate futures	1,146	1,362
<b>Jyske Invest Growth Strategy CL</b>	EUR '000	EUR '000
Underlying exposure of long positions in equity futures	0	212
Underlying exposure of long positions in interest rate futures	153	170

## Counterparties of derivatives

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Investeringsforeningen Jyske Invest International only has Jyske Bank A/S, DK as counterparty.  
All settlement and clearing take place bilaterally.

## Audit fees

	<b>2017</b>	<b>2016</b>
	DKK '000	DKK '000
Total audit fee for work performed in the association to the audit firm BDO Statsautoriseret revisionsaktieselskab	365	196
Of this amount, fee for other services	157	52

## Financial calendar 2018

Financial calendar for Investeringsforeningen Jyske Invest International managed by the investment management company Jyske Invest Fund Management A/S:

- 21.02.2018 Publication of Annual Report 2017
- 05.04.2018 Annual General Meeting for the financial year 2017
- 22.08.2018 Publication of Interim Report for H1 2018

Immediately after the publication, the announcements will be available at Jyske Invest International's website: [jyskeinvest.com](http://jyskeinvest.com)