

PROSPECTUS  
OF

**Investeringsforeningen Jyske Invest International**

# Prospectus Investeringsforeningen Jyske Invest International

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The Supervisory Board

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Jane Soli Preuthun  
Deputy Chairman

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Bjarne Stael

I hereby certify that this document is the latest updated version notified to the Danish Financial Supervisory Authority.

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Jan Houmann  
Managing Director

The original prospectus is in Danish. The original Danish version has been translated into English. The translated version is published subject to errors and omissions and translation errors. The original prospectus is, together with the original Articles of Association, available in Danish at [jyskeinvest.com](http://jyskeinvest.com).

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## **1 Amendment qualification**

All the elements of this Prospectus including investment policy and exposure limits may be amended on resolution by the Supervisory Board in accordance with statutory provisions and the Articles of Association. This Prospectus replaces all earlier editions with respect to such circumstances as are mentioned in the Prospectus with the effect that earlier wordings cease to apply from the date of publication of this Prospectus stated in the last section herein.

## **2 Name, address and registration number of the association**

Investeringsforeningen  
Jyske Invest International  
Vestergade 8-16  
DK-8600 Silkeborg

Tel. +45 89 89 25 00  
Fax +45 89 89 65 15

The association was founded on 19 April 1993 on the initiative of Jyske Bank A/S. The association is a UCITS.

The association is registered by Finanstilsynet [the Danish FSA] under number 11066 and with Erhvervsstyrelsen [the Danish Business Authority] under business registration number 24260623.

## **3 Objective of the association**

The object of the association is to receive funds from the public unless otherwise stated in the Articles of Association and to invest such funds in financial instruments subject to the principle of risk diversification and at the request of an investor to redeem the investor's share of the assets with money stemming from the assets.

## **4 Generally about the typical investor**

The typical investor believes in the value of active management through professional portfolio managers and wishes to benefit from investing jointly with others. Moreover, the typical investor will seek to benefit from the inherent risk diversification that is achieved by investing in one or more of Jyske Invest International's funds as compared to investments in individual securities.

It is expected that the investor is familiar with the risks that are associated with investment in Jyske Invest International's funds and that he or she is aware that the risk profile of a fund can for periods entail pronounced fluctuations in the price of the fund's certificates. Read more about this in the sections on the individual funds as well as the section on 'General comments on exposure limits, risks and risk management'.

From the information about the individual funds in the section below appear expectations of the typical investor's investment horizon as well as the type of assets that are invested.

## **5 The funds**

With respect to liability, the funds of this association are separate entities. Certain funds are also divided into share classes, as can be seen under the description of the fund and in Appendix 1. Generally, descriptions of funds and the use of the concept 'fund' will also cover share classes to the extent this is compatible with the legislation.

The ISIN, LEI, VAT No. and FSA No. (FT nr.) of the funds/share classes are stated in Appendix 1.

The establishment dates of the funds/share classes are stated in Appendix 2.

All funds/share classes issue certificates. Appendix 3 states whether the individual fund / share class is cumulative or distributing and the jurisdictions / countries in which marketing is allowed.

The risk exposure of the funds/share classes is stated in Appendix 4.

The denomination of the certificates is 100 in the denomination currency of the individual fund or share class.

If funds have the designation CL as the last part of their names, this is an indication, according to the Articles of Association, that the Supervisory Board is authorised to make decisions on the establishment of share classes.

The investment objectives of the funds are described individually for each fund. The investment objectives are taken into account when the Supervisory Board evaluates the fund returns. Moreover, the Supervisory Board's evaluation of the returns of the funds comprises a peer comparison which evaluates whether the investment results rank in the best half of a field of relevant and comparable funds from other issuers. The fulfilment of the funds' investment objective and the peer comparison are included with the same weight in the Supervisory Board's evaluation of the returns of the funds.

The association is divided into the following funds/share classes:

## **5.1 Jyske Invest High Yield Corporate Bonds CL**

### **5.1.1 Investment policy**

The fund's assets can be 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. Investments in other currencies than EUR will be hedged against EUR.

The fund may invest in callable bonds.

The fund may place sums on deposit with credit institutions.

Not more than 10% of the fund's assets may be invested on other bourses and in unlisted instruments.

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

The objective of the portfolio management is to generate a risk-adjusted return which is at least in line with the risk-adjusted return of the fund's benchmark. In this connection the returns are measured over the investment horizon stated in the section 'The typical investor' and the return of the fund is calculated after costs of active portfolio management. The costs of this are stated in Appendix 8.

The benchmark of the fund:

- 50% ICE BofAML BB-B US High Yield Constrained Index (Hedged into EUR)
- 50% ICE BofAML BB-B European Currency High Yield Constrained Index (Hedged into EUR)

### **Derivatives and securities lending**

Pursuant to the rules laid down by the Danish FSA, the fund may use derivatives on a hedged and unhedged basis as well as securities lending for portfolio management and hedging purposes. The use of such financial instruments is not expected to affect the fund's overall risk profile.

### **5.1.2 Exposure limits**

To maintain the fund's risk profile, the Supervisory Board has specified limits for the rating of the bonds and for fluctuations in duration as well as for the sector and country diversification compared with the benchmark, cf. the section 'General comments on exposure limits'.

The fund is characterised by medium risk.

Generally the association's funds are divided into three risk categories, i.e. three risk profiles: low, medium and high.

- Funds with a low risk profile are typically characterised by small expected fluctuations in return and low sensitivity to risk factors such as liquidity risk, currency risk, and the like. Low risk does not entail a risk-free investment. Even investments with a low risk profile may see fluctuations in return.
- Funds with a medium risk profile are typically characterised by moderate, expected fluctuations in return, which, however, for periods may be of some extent. A certain degree of sensitivity to risk factors such as liquidity risk, currency risk, and the like is to be expected.
- Funds with a high risk profile are typically characterised by large expected fluctuations in return and high degree of sensitivity to several risk factors such as liquidity risk, currency risk, and the like.

Further information of risk factors and risk exposure is given in the section on "General comments on exposure limits, risks and risk management" and the appendix "Risk Exposures".

### 5.1.3 The typical investor

The typical investor of the fund is expected to invest free assets, pension assets, under the Danish Business Taxation Scheme or as a company and is expected to have an investment horizon of at least 4 years. Read more in the section 'Generally about the typical investor'.

## 5.2 Jyske Invest Equities Low Volatility CL

### 5.2.1 Investment policy

The objective of the portfolio management is to generate a risk-adjusted return which is at least in line with the risk-adjusted return of the fund's reference index. Moreover, the objective of the fund is to have a lower risk in terms of price fluctuations than the global equity market (in terms of MSCI AC). In this connection the returns and the risk are measured over the investment horizon stated in the section 'The typical investor' and the return of the fund is calculated after costs of active portfolio management. The costs of this are stated in Appendix 8.

The fund's assets are invested in a broad portfolio of global equities in the world's markets. The investment strategy of the fund is to benefit from the historically observed and academically recognised anomaly that low-volatility equities (in terms of price fluctuations) yield a higher risk-adjusted return than high-volatility equities. The anomaly suggests that this type of equities tend to fall less than the general equity market during periods of steep price declines. We intend to benefit from this by investing in companies with low volatility and high fundamental quality, including companies yielding high returns on the invested capital and low earnings variability.

The fund markets environmental and social characteristics as described in Article 8 of regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector.

The fund must invest at least 51% of its assets in financial instruments classified as equities.

Not more than 10% of the fund's assets may be invested on other markets than the markets approved by the Supervisory Board and in unlisted instruments.

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

Benchmark: None

The fund has no benchmark as no representative benchmark is available that fully reflects the fund's investment strategy, but a reference index is used for comparison of performance and risk.

Reference index of the fund

- MSCI ACWI Minimum Volatility Net Total Return Index



## **Derivatives and securities lending**

Pursuant to the rules laid down by the Danish FSA, the fund may use derivatives for portfolio management and hedging purposes. The use of such financial instruments is not expected to affect the fund's overall risk profile.

### **5.2.2 Environmental and social characteristics of the fund (sustainability)**

The fund markets environmental and social characteristics as described in Article 8 of regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector.

Additional information about the fund's environmental and/or social characteristics is stated in Appendix 9.

### **5.2.3 Exposure limits**

To maintain the fund's general risk profile, the Supervisory Board has specified limits for the fund's risk exposure relative to the risk exposure in the global equity market. Also, guiding limits have been specified for the fund's distribution between sectors.

The fund is characterised by high risk.

Generally the association's funds are divided into three risk categories, i.e. three risk profiles: low, medium and high.

- Funds with a low risk profile are typically characterised by small expected fluctuations in return and low sensitivity to risk factors such as liquidity risk, currency risk, and the like. Low risk does not entail a risk-free investment. Even investments with a low risk profile may see fluctuations in return.
- Funds with a medium risk profile are typically characterised by moderate, expected fluctuations in return, which, however, for periods may be of some extent. A certain degree of sensitivity to risk factors such as liquidity risk, currency risk, and the like is to be expected.
- Funds with a high risk profile are typically characterised by large expected fluctuations in return and high degree of sensitivity to several risk factors such as liquidity risk, currency risk, and the like.

Further information of risk factors and risk exposure is given in the section on "General comments on exposure limits, risks and risk management" and the appendix "Risk Exposures".

### **5.2.4 The typical investor**

The typical investor of the fund is expected to invest free assets, pension assets, under the Danish Business Taxation Scheme or as a company and is expected to have an investment horizon of at least 4 years. Read more in the section 'Generally about the typical investor'.

## **5.3 Jyske Invest Stable Strategy CL**

The fund consists of the share classes:

- **Jyske Invest Stable Strategy EUR**
- **Jyske Invest Stable Strategy USD**
- **Jyske Invest Stable Strategy GBP**

### **5.3.1 General information on the fund's share classes**

#### **Investment policy**

The fund invests in a global equity and bond portfolio. Equities account for 0%-40%. The companies in the equity component of the portfolio are from various regions, countries and sectors. Investment is primarily made in bonds issued by or guaranteed by states, mortgage-credit institutions and international organisations. Investment is also made in emerging-market bonds and equities and in corporate bonds. These securities involve a certain degree of risk.

The fund may invest in callable bonds.

The fund may place sums on deposit with credit institutions.

Not more than 10% of the fund's assets may be invested on other markets than the markets approved by the Supervisory Board and in unlisted instruments.

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

### **Derivatives and securities lending**

Pursuant to the rules laid down by the Danish FSA, the fund may use derivatives on a hedged and unhedged basis as well as securities lending for portfolio management and hedging purposes. The use of such financial instruments is not expected to affect the fund's overall risk profile.

### **5.3.2 Exposure limits**

To maintain the general risk profile of the fund, the Supervisory Board has specified limits for the distribution between equities and bonds. In addition, limits have been defined for fluctuations in duration and country diversification compared to the fund's bond benchmark, and for tracking error and beta for the fund's equities. See the section 'General comments on exposure limits'.

The fund is characterised by medium risk.

Generally the association's funds are divided into three risk categories, i.e. three risk profiles: low, medium and high.

- Funds with a low risk profile are typically characterised by small expected fluctuations in return and low sensitivity to risk factors such as liquidity risk, currency risk, and the like. Low risk does not entail a risk-free investment. Even investments with a low risk profile may see fluctuations in return.
- Funds with a medium risk profile are typically characterised by moderate, expected fluctuations in return, which, however, for periods may be of some extent. A certain degree of sensitivity to risk factors such as liquidity risk, currency risk, and the like is to be expected.
- Funds with a high risk profile are typically characterised by large expected fluctuations in return and high degree of sensitivity to several risk factors such as liquidity risk, currency risk, and the like.

Further information of risk factors and risk exposure is given in the section on "General comments on exposure limits, risks and risk management" and the appendix "Risk Exposures".

### **5.3.3 In particular for Jyske Invest Stable Strategy EUR**

The main part of the fund's assets will at all times be invested in EUR or hedged against EUR. As indicated in the name of the share class, EUR is the base currency of the share class; it is not necessarily the currency in which the fund invests.

The objective of the portfolio management is to generate a risk-adjusted return which is at least in line with the risk-adjusted return of the fund's benchmark. In this connection the returns are measured over the investment horizon stated in the section 'The typical investor' and the return of the fund is calculated after costs of active portfolio management. The costs of this are stated in Appendix 8.

The benchmark of the fund:

- 20% MSCI World Net Total Return Index (Hedged into EUR)
- 7.5% J.P. Morgan EMBI Global Diversified Composite Index (Hedged into EUR)
- 3.75% ICE BofAML BB-B US High Yield Constrained Index (Hedged into EUR)
- 3.75% ICE BofAML BB-B European Currency High Yield Constrained Index (Hedged into EUR)

- 65% J.P. Morgan Hedged ECU Unit GBI Global Index (Hedged into EUR)

#### **5.3.4 The typical investor**

The typical investor of the share class is expected to invest free assets, pension assets, under the Danish Business Taxation Scheme or as a company and is expected to have an investment horizon of at least 3 years. Read more in the section 'Generally about the typical investor'.

#### **5.3.5 In particular for Jyske Invest Stable Strategy USD**

The main part of the fund's assets will at all times be invested in USD or hedged against USD. As indicated in the name of the share class, USD is the base currency of the share class; it is not necessarily the currency in which the fund invests.

The objective of the portfolio management is to generate a risk-adjusted return which is at least in line with the risk-adjusted return of the fund's benchmark. In this connection the returns are measured over the investment horizon stated in the section 'The typical investor' and the return of the fund is calculated after costs of active portfolio management. The costs of this are stated in Appendix 8.

The benchmark of the fund:

- 20% MSCI World Net Total Return Index (Hedged into EUR)
- 7.5% J.P. Morgan EMBI Global Diversified Composite Index (Hedged into EUR)
- 3.75% ICE BofAML BB-B US High Yield Constrained Index (Hedged into EUR)
- 3,75% ICE BofAML BB-B European Currency High Yield Constrained Index (Hedged into EUR)
- 65% J.P. Morgan Hedged ECU Unit GBI Global Index (Hedged into EUR)

For all the fund's share classes, the benchmark is hedged to EUR. The currency hedging costs of the share class depend on the currency to which the share class is hedged and may vary from the costs of the benchmark.

#### **5.3.6 The typical investor**

The typical investor of the share class is expected to invest free assets, pension assets, under the Danish Business Taxation Scheme or as a company and is expected to have an investment horizon of at least 3 years. Read more in the section 'Generally about the typical investor'.

#### **5.3.7 In particular for Jyske Invest Stable Strategy GBP**

The main part of the fund's assets will at all times be invested in GBP or hedged against GBP. As indicated in the name of the share class, GBP is the base currency of the share class; it is not necessarily the currency in which the fund invests.

The objective of the portfolio management is to generate a risk-adjusted return which is at least in line with the risk-adjusted return of the fund's benchmark. In this connection the returns are measured over the investment horizon stated in the section 'The typical investor' and the return of the fund is calculated after costs of active portfolio management. The costs of this are stated in Appendix 8.

The benchmark of the fund:

- 20% MSCI World Net Total Return Index (Hedged into EUR)
- 7.5% J.P. Morgan EMBI Global Diversified Composite Index (Hedged into EUR)
- 3.75% ICE BofAML BB-B US High Yield Constrained Index (Hedged into EUR)
- 3,75% ICE BofAML BB-B European Currency High Yield Constrained Index (Hedged into EUR)
- 65% J.P. Morgan Hedged ECU Unit GBI Global Index (Hedged into EUR)

For all the fund's share classes, the benchmark is hedged to EUR. The currency hedging costs of the share class depend on the currency to which the share class is hedged and may vary from the costs of the benchmark.

## 5.3.8 The typical investor

The typical investor of the share class is expected to invest free assets, pension assets, under the Danish Business Taxation Scheme or as a company and is expected to have an investment horizon of at least 3 years. Read more in the section 'Generally about the typical investor'.

## 5.4 Jyske Invest Balanced Strategy CL

The fund consists of the share classes:

- **Jyske Invest Balanced Strategy EUR**
- **Jyske Invest Balanced Strategy USD**

### 5.4.1 General information on the fund's share classes

#### Investment policy

The fund invests in a global equity and bond portfolio. Equities account for 30-60%. The companies in the equity component of the portfolio are from various regions, countries and sectors. Investment is primarily made in bonds issued by or guaranteed by states, mortgage-credit institutions and international organisations. Investment is also made in emerging-market bonds and equities and in corporate bonds. These securities involve a certain degree of risk.

The fund may invest in callable bonds.

The fund may place sums on deposit with credit institutions.

Not more than 10% of the fund's assets may be invested on other markets than the markets approved by the Supervisory Board and in unlisted instruments.

The fund must invest at least 25% of its assets in financial instruments classified as equities.

#### Derivatives and securities lending

Pursuant to the rules laid down by the Danish FSA, the fund may use derivatives on a hedged and unhedged basis as well as securities lending for portfolio management and hedging purposes. The use of such financial instruments is not expected to affect the fund's overall risk profile.

### 5.4.2 Exposure limits

To maintain the general risk profile of the fund, the Supervisory Board has specified limits for the distribution between equities and bonds. In addition, limits have been defined for fluctuations in duration and country diversification compared to the fund's bond benchmark, and for tracking error and beta for the fund's equities. See the section 'General comments on exposure limits'.

The fund is characterised by medium risk.

Generally the association's funds are divided into three risk categories, i.e. three risk profiles: low, medium and high.

- Funds with a low risk profile are typically characterised by small expected fluctuations in return and low sensitivity to risk factors such as liquidity risk, currency risk, and the like. Low risk does not entail a risk-free investment. Even investments with a low risk profile may see fluctuations in return.
- Funds with a medium risk profile are typically characterised by moderate, expected fluctuations in return, which, however, for periods may be of some extent. A certain degree of sensitivity to risk factors such as liquidity risk, currency risk, and the like is to be expected.
- Funds with a high risk profile are typically characterised by large expected fluctuations in return and high degree of sensitivity to several risk factors such as liquidity risk, currency risk, and the like.

Further information of risk factors and risk exposure is given in the section on “General comments on exposure limits, risks and risk management” and the appendix “Risk Exposures”.

### **5.4.3 In particular for Jyske Invest Balanced Strategy EUR**

The main part of the fund's assets will at all times be invested in EUR or hedged against EUR. As indicated in the name of the share class, EUR is the base currency of the share class; it is not necessarily the currency in which the fund invests.

The objective of the portfolio management is to generate a risk-adjusted return which is at least in line with the risk-adjusted return of the fund's benchmark. In this connection the returns are measured over the investment horizon stated in the section ‘The typical investor’ and the return of the fund is calculated after costs of active portfolio management. The costs of this are stated in Appendix 8.

The benchmark of the fund:

- 40% MSCI World Net Total Return Index (Hedged into EUR)
- 5% J.P. Morgan EMBI Global Diversified Composite Index (Hedged into EUR)
- 2.5% ICE BofAML BB-B US High Yield Constrained Index (Hedged into EUR)
- 2,5% ICE BofAML BB-B European Currency High Yield Constrained Index (Hedged into EUR)
- 50% J.P. Morgan Hedged ECU Unit GBI Global Index (Hedged into EUR)

### **5.4.4 The typical investor**

The typical investor of the share class is expected to invest free assets, pension assets, under the Danish Business Taxation Scheme or as a company and is expected to have an investment horizon of at least 3 years. Read more in the section ‘Generally about the typical investor’.

### **5.4.5 In particular for Jyske Invest Balanced Strategy USD**

The main part of the fund's assets will at all times be invested in USD or hedged against USD. As indicated in the name of the share class, USD is the base currency of the share class; it is not necessarily the currency in which the fund invests.

The objective of the portfolio management is to generate a risk-adjusted return which is at least in line with the risk-adjusted return of the fund's benchmark. In this connection the returns are measured over the investment horizon stated in the section ‘The typical investor’ and the return of the fund is calculated after costs of active portfolio management. The costs of this are stated in Appendix 8.

The benchmark of the fund:

- 40% MSCI World Net Total Return Index (Hedged into EUR)
- 5% J.P. Morgan EMBI Global Diversified Composite Index (Hedged into EUR)
- 2.5% ICE BofAML BB-B US High Yield Constrained Index (Hedged into EUR)
- 2,5% ICE BofAML BB-B European Currency High Yield Constrained Index (Hedged into EUR)
- 50% J.P. Morgan Hedged ECU Unit GBI Global Index (Hedged into EUR)

For all the fund's share classes, the benchmark is hedged to EUR. The currency hedging costs of the share class depend on the currency to which the share class is hedged and may vary from the costs of the benchmark.

### **5.4.6 The typical investor**

The typical investor of the share class is expected to invest free assets, pension assets, under the Danish Business Taxation Scheme or as a company and is expected to have an investment horizon of at least 3 years. Read more in the section ‘Generally about the typical investor’.

## 5.5 Jyske Invest Dynamic Strategy CL

### 5.5.1 Investment policy

The fund invests in a global equity and bond portfolio. Equities account for 40%-80%. The companies in the equity component of the portfolio are from various regions, countries and sectors. Investment is primarily made in bonds issued by or guaranteed by states, mortgage-credit institutions and international organisations. Investment is also made in emerging-market bonds and equities and in corporate bonds. These securities involve a certain degree of risk.

The main part of the fund's assets will at all times be invested in EUR or hedged against EUR.

The fund may invest in callable bonds.

The fund may place sums on deposit with credit institutions.

Not more than 10% of the fund's assets may be invested on other markets than the markets approved by the Supervisory Board and in unlisted instruments.

The fund must invest at least 25% of its assets in financial instruments classified as equities.

The objective of the portfolio management is to generate a risk-adjusted return which is at least in line with the risk-adjusted return of the fund's benchmark. In this connection the returns are measured over the investment horizon stated in the section 'The typical investor' and the return of the fund is calculated after costs of active portfolio management. The costs of this are stated in Appendix 8.

The benchmark of the fund:

- 60% MSCI World Net Total Return Index (Hedged into EUR)
- 5% J.P. Morgan EMBI Global Diversified Composite Index (Hedged into EUR)
- 2.5% ICE BofAML BB-B US High Yield Constrained Index (Hedged into EUR)
- 2,5% ICE BofAML BB-B European Currency High Yield Constrained Index (Hedged into EUR)
- 30% J.P. Morgan Hedged ECU Unit GBI Global Index (Hedged into EUR)

### Derivatives and securities lending

Pursuant to the rules laid down by the Danish FSA, the fund may use derivatives on a hedged and unhedged basis as well as securities lending for portfolio management and hedging purposes. The use of such financial instruments is not expected to affect the fund's overall risk profile.

### 5.5.2 Exposure limits

To maintain the general risk profile of the fund, the Supervisory Board has specified limits for the distribution between equities and bonds. In addition, limits have been defined for fluctuations in duration and country diversification compared to the fund's bond benchmark, and for tracking error and beta for the fund's equities. See the section 'General comments on exposure limits'.

The fund is characterised by high risk.

Generally the association's funds are divided into three risk categories, i.e. three risk profiles: low, medium and high.

- Funds with a low risk profile are typically characterised by small expected fluctuations in return and low sensitivity to risk factors such as liquidity risk, currency risk, and the like. Low risk does not entail a risk-free investment. Even investments with a low risk profile may see fluctuations in return.

- Funds with a medium risk profile are typically characterised by moderate, expected fluctuations in return, which, however, for periods may be of some extent. A certain degree of sensitivity to risk factors such as liquidity risk, currency risk, and the like is to be expected.
- Funds with a high risk profile are typically characterised by large expected fluctuations in return and high degree of sensitivity to several risk factors such as liquidity risk, currency risk, and the like.

Further information of risk factors and risk exposure is given in the section on “General comments on exposure limits, risks and risk management” and the appendix “Risk Exposures”.

### **5.5.3 The typical investor**

The typical investor of the fund is expected to invest free assets, pension assets, under the Danish Business Taxation Scheme or as a company and is expected to have an investment horizon of at least 4 years. Read more in the section ‘Generally about the typical investor’.

## **6 General comments on exposure limits, risks and risk management**

All investments must comply with the Articles of Association as well as the limits defined in Parts 14 and 15 of the Danish Investment Associations Act, etc. and the executive orders of the Danish FSA on placement rules, including the executive order on investment in investable securities and money-market instruments for Danish UCITS and the executive order on the use of derivatives by Danish UCITS.

### **6.1 General comments about exposure limits**

To maintain the risk profile of the funds, exposure limits have been specified for each fund. The exposure limits may be changed without notice, but the general risk profile of the individual funds must be maintained.

For the equity funds, limits have generally been specified for tracking error and beta, which express how closely the funds follow their benchmarks. Tracking error and beta are theoretical and are calculated in a risk management model. The theoretical tracking error and beta may be lower than the values actually realised. The realised tracking error and beta may therefore exceed the maximum.

For the bond funds, restrictions have generally been specified in respect of duration and credit ratings.

For the mixed funds, restrictions have generally been specified in respect of the distribution between equities and bonds.

The individual fund's actual portfolio may exceed the exposure limits, for instance in the following situations:

- in case of price changes of securities (including changes in exchange rates) that form part of the fund's assets;
- in case of utilisation of the subscription rights to securities included in the assets of the fund;
- in case of any change in the assets due to issue or redemption of certificates as well as the payment of dividend;
- in case of changes in the fund's benchmark;
- in case the day-to-day management finds that a deviation is in the interest of the investors.

At the request of an investor, the association will give additional information for the fund about

1. quantitative limits applying to the association's risk management
2. methods chosen to ensure that such limits will be observed at any time and/or
3. the most recent development in respect of the most important risks and performance of the categories of the individual instruments in the fund.

### **6.2 Risk factors**

As an investor in the association, your investment is managed regularly. Among other things, management involves consideration for the many different risk factors in the investment markets. The risk factors vary from fund to fund. Some risks affect notably the equity funds; others affect notably the bond funds, while other risk factors affect both types of funds.

One of the most important risk factors - and this is one that investors must take into account themselves - 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 investment area 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 equities rise or decline in value.

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

- Investor's choice of funds
- Investment markets
- Investment decisions
- Operation of the association



## 6.2.1 Risks associated with investor's selection 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 determine 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 investment horizon of their investments.

Through the introduction of the Key Information Document, standardised disclosure requirements have been introduced to make it easier for investors to get an overview of the investment.

A risk profile has been defined for each fund in Investeringsforeningen Jyske Invest International. The risk profile is the overall description of the risk associated with a fund. It summarises various aspects of risk for a given fund, for instance fluctuations in return, liquidity, exposure to emerging markets, and sustainability. Section 6.2.2 describes some of the factors that are included in the risk profile.

The risk profile will be low, medium, or high. The risk profile of the individual funds will appear from the descriptions of the individual funds in section 5 of this document.

Funds with a low risk profile are typically characterised by small expected fluctuations in return and low sensitivity to risk factors such as liquidity risk, currency risk, and the like. Low risk does not entail a risk-free investment. Even investments with a low risk profile may see fluctuations in return.

Funds with a medium risk profile are typically characterised by moderate, expected fluctuations in return, which, however, for periods may be of some extent. A certain degree of sensitivity to risk factors such as liquidity risk, currency risk, and the like is to be expected.

Funds with a high risk profile are typically characterised by large expected fluctuations in return and high degree of sensitivity to several risk factors such as liquidity risk, currency risk, and the like.

The categorisation of a fund in terms of risk profile level will not be constant, and the categorisation may change over time, and such changes may occur suddenly if, for instance market conditions change significantly over a short period of time. The risk profile does not allow for unpredictable events such as wars, political intervention, etc.

The risk profiles of the individual funds must be seen in the context of their investment horizons and objectives.

It should be noted that the risk profile of the fund may have changed since the publication of this Prospectus.

Moreover, investors' attention is directed to the general and specific risks that investors are made aware in the section 'General comments on exposure limits, risks and risk management'.

Please see [jyskeinvest.com](http://jyskeinvest.com) for the current risk profiles.

## 6.2.2 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 scope 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.

The specific risks that the individual fund is subjected to is stated in Appendix 4.

## Equity fund

The fund trades equities and will therefore, generally, be exposed to general equity market risk and sector risk.

### *Equity market risk*

Equity market risk is the risk of losses due to fluctuations in equity prices. Fluctuations in equity prices may be significant and 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.

### *Sector risk*

Sector risk is the risk that a sector will develop in such a way that it will affect the return on the equity investments of the fund adversely, either in absolute or relative terms, relative to the benchmark. Sector risk may be caused by political, technological and other sector-specific reasons and also by the development of general economic conditions.

## Bond fund

The fund trades bonds and will therefore, generally, be exposed to interest-rate, credit and yield-spread risks.

### *Interest-rate risk*

Interest-rate risk is the risk that the interest-rate development will affect fund returns. An increase in the interest-rate level will have a negative effect on the return of the fund, and fluctuations will vary from region to region and will be affected by changes in political or macroeconomic circumstances.

### *Credit risk*

Credit risk is the risk that the credit rating of the issuer falls so that the issuer is assessed to have a greater risk of going bankrupt. Initially, a lower credit rating will cause losses due to increasing yield spreads, but it will also indicate the probability of losing, in full or in part, the invested amount in the individual bonds.

### *Yield spread risk*

In addition to the general interest-rate risk, all bond types are affected by the so-called yield spread risk, which is, among other things, determined by the credit rating of the issue and the liquidity of the bond. A widening of the yield spread will - as is the case when the interest-rate level increases - contribute negatively to the fund's return due to the effect on the individual bond issue.

## Mixed fund

The fund is a mixed fund, i.e. the fund trades both equities and bonds. Hence the fund has exposure to equity-market, sector, interest-rate, credit, yield-spread and asset allocation risk.

### *Equity market risk*

Equity market risk is the risk of losses due to fluctuations in equity prices. Fluctuations in equity prices may be significant and 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.

### *Sector risk*

Sector risk is the risk that a sector will develop in such a way that it will affect the return on the equity investments of the fund adversely, either in absolute or relative terms, relative to the benchmark. Sector risk may be caused by political, technological and other sector-specific reasons and also by the development of general economic conditions.

### *Interest-rate risk*

Interest-rate risk is the risk that the interest-rate development will affect fund returns. An increase in the interest-rate level will have a negative effect on the return of the fund, and fluctuations will vary from region to region and will be affected by changes in political or macroeconomic circumstances.

## *Credit risk*

Credit risk is the risk that the credit rating of the issuer falls so that the issuer is assessed to have a greater risk of going bankrupt. Initially, a lower credit rating will cause losses due to increasing yield spreads, but it will also indicate the probability of losing, in full or in part, the invested amount in the individual bonds.

## *Yield spread risk*

In addition to the general interest-rate risk, all bond types are affected by the so-called yield spread risk, which is, among other things, determined by the credit rating of the issue and the liquidity of the bond. A widening of the yield spread will - as is the case when the interest-rate level increases - contribute negatively to the fund's return due to the effect on the individual bond issue.

## *Asset allocation risk*

The allocation across asset classes constitutes a risk factor as the return on equities and bonds may develop differently.

## On a hedged basis

The fund may trade derivatives on a hedged basis. When derivatives are traded on a hedged basis, the market risk will not increase, but this is used typically to hedge or reduce a specific risk. However, derivatives involve financing, counterparty and basis risks.

## *Counterparty risk*

If the fund's derivatives contracts achieve a positive market value over the life of the contract, the counterparty will owe an amount to the fund corresponding to the positive market value. If the counterparty cannot pay the amount due, the contract will be cancelled, and the fund will incur a loss corresponding to the amount due.

## *Financing risk*

If the fund's investment strategy requires access to loan finance, either directly or through derivatives, there is a risk that costs relating to such transactions will increase, that the access to the use of instruments will cease or that the market value of the derivatives will develop in an unfavourable manner. As a result, the positions of a fund may be subject to forced sale at unfavourable prices in order to keep the derivatives contracts running.

## *Basis risk*

Basis risk is the risk that the price of the financial instruments included in a hedging strategy will develop in such a way that the hedging becomes less efficient than expected.

## On an unhedged basis

The fund may trade derivatives on an unhedged basis, i.e. derivatives may be used to increase one or more specific risks and also introduce also basic, financing, leverage and counterparty risk.

## *Counterparty risk*

If the fund's derivatives contracts achieve a positive market value over the life of the contract, the counterparty will owe an amount to the fund corresponding to the positive market value. If the counterparty cannot pay the amount due, the contract will be cancelled, and the fund will incur a loss corresponding to the amount due.

## *Financing risk*

If the fund's investment strategy requires access to loan finance, either directly or through derivatives, there is a risk that costs relating to such transactions will increase, that the access to the use of instruments will cease or that the market value of the derivatives will develop in an unfavourable manner. As a result, the positions of a fund may be subject to forced sale at unfavourable prices in order to keep the derivatives contracts running.

## *Basis risk*

Basis risk is the risk that the price of the financial instruments included in a hedging strategy will develop in such a way that the hedging becomes less efficient than expected.

#### Leverage risk

The fund applies leverage, and therefore the fluctuations in the fund returns may deviate from those in the market, both positively and negatively. Due to leverage, the fund may incur losses that are bigger than the capital invested in the fund. Therefore there may be a risk that the fund can go bankrupt, and that investors lose the entire investment in the fund.

#### Currency risk

The fund may assume exposure to other currencies than the currency of the fund, which entails a risk that the exchange rate of these may develop in an unfavourable way relative to the fund's currency. Exchange rate movements affect the fund return directly and entail a significant risk unless the fund assets are hedged through forward exchange contract against the fund's currency.

#### Emerging markets

The fund may trade in one or more of the emerging-market countries, which include most countries in Latin America, Asia (yet not Japan, Hong Kong and Singapore), Eastern Europe and Africa. Investments in emerging markets are associated with the same risks as exist in developed markets, but they will also entail further risks primarily associated with the developed markets. 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 not fully developed. 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 restrictions with respect to export of currency and equity and bond trading - or may do so at short notice. These risks will also apply when the issuer of an instrument has its place of business or operates the majority of its business in such a country.

#### Redemption risk

The fund may trade callable bonds, which offers borrowers the possibility of prepaying their debt at par. This possibility constitutes a risk for the fund, as the proportion of borrowers that will make use of this possibility will affect the value of the bonds. Moreover, during periods of volatility, callable bonds will underperform other types of bonds.

#### Active portfolio management

The fund is managed actively, and the portfolio manager therefore actively selects the best investments subject to the applicable investment constraints. The objective of is to achieve a return corresponding to the target return. The investment decisions of the portfolio manager may, however, turn out to be wrong and may result in a return lower than the target return.

#### Model risk

The fund applies a model in order automatically to select investments or to re-balance a passively managed fund. In addition to the operational risk of relying on an algorithm, also a risk is involved by using algorithms based on trends and patterns found on the basis of historical data and behavioural patterns. There is no guarantee that such trends and patterns will be repeated in future, and therefore there is a risk that the models' predictions do not hold true, which may result in lower returns.

#### Concentration risk

Due to the investment strategy or the universe of the fund, the investments will focus on a few and very significant issuers. Therefore the issuer-specific risk will be higher than, for instance, that of a broad global portfolio.

#### Commodity risk

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The fund may invest indirectly in commodities and will therefore be affected by fluctuations in commodity prices. The price will be affected by changing demand, and even though the fund is not allowed to trade and store commodities directly, other aspects such as storage costs will also affect prices. Both supply and demand of commodities may very much be affected by political decisions as well as macroeconomic movements.

## Alternative investments

The fund may invest in alternative investment strategies that may have a different return pattern than ordinary investments in the bond, equity and foreign exchange markets. Alternative investment strategies may be complex and lacking transparency. Moreover, estimation of risk and correlation to other asset classes will be associated with much uncertainty, and also, these instruments involve a considerable degree of event risk. Therefore it is possible, that investments in this asset class may end up entailing a different risk than expected. Alternative investment strategies may also be illiquid, and the pricing may be uncertain, which will increase the risk for investors with a short investment horizon.

## General risk factors

The fund involves the following general risks that apply to all funds.

### *Geographic risk*

Each fund has exposure in the form of financial instruments from either one or more countries or regions, and this entails a risk that a country or a region may cause a decline in the fund return. For instance, the financial markets in a region or a country may be subject to particular political, regulatory or macroeconomic circumstances that may affect the value and the return on the fund's investments in these areas.

### *Risks associated with amounts on deposit*

Some of the fund's assets will be in the form of cash on deposit or fixed-term deposits with a financial institution. This also entails a risk that the financial institution goes bankrupt, which would result in a loss for the association.

### *Depositary risk*

All funds have a depositary whose task is that of safekeeping the fund's securities. When assuming this task, the depositary also assumes responsibility for the financial instruments in its safekeeping. However, the depositary is not legally responsible if losses are caused by an external event of which the depositary cannot reasonably be expected to be in control and of which the consequences would have been unavoidable even if the depositary had taken all reasonable precautions. Therefore, there is a risk that values will disappear, and the risk of this will increase in line with the uncertainty of the political and legal conditions in the individual countries.

### *Liquidity risk*

Since all funds trade in financial instruments, there will always be a risk that the funds' positions cannot be traded or only be so to a limited extent. This lack of liquidity may last for some time, and for some instruments it may last several days or weeks. Due to long-lasting illiquidity, the fund may not be able to handle issues and redemptions without affecting the asset allocation of the fund. Moreover, long-lasting illiquidity, possibly concurrent with major market movements, may result in uncertainty as regards the value of the certificates. Ultimately, the fund may be forced to suspend redemption and issue for short or long periods in order to protect the fund's investors.

### *Issuer-specific risk*

It applies to all securities that are not derivatives that the market value is linked to the expected earnings of the issuer. Circumstances relating to regulatory, competitive, market and liquidity issues as well as shifts in the FX markets will affect the issuer's earnings and hence the market value of the security. The market value of the security may therefore fluctuate more than the overall market, possibly resulting in a return that differs from the benchmark. Also, an issuer may go bankrupt, in which case a part of or the total amount invested will be lost.

### *Legal / regulatory risk*

The funds are all and individually subject to special legislation and regulation that may affect the fund's costs

for administration or the way in which portfolio managers invest the assets. Such external measures may affect the return, and consequently it may not be possible to reduce the risk.

#### *Settlement risk*

Settlement risk is the risk that a trading partner does not deliver the traded asset or the settlement amount to the fund in connection with the settlement of a transaction.

#### *Sustainability risk*

A sustainability risk means an environmental, social or governance event or condition that, if it occurs, could cause an actual or potential material, negative impact on the value of an investment. Section 6.12 elaborates on the concept of sustainability risk and offers a description of the work on sustainability in the investment processes and in the risk management. Sustainability risk may overlap with other risk factors, such as issuer-specific risk.

### **6.2.3 Risks associated with investment decisions**

As appears from the comments on the individual funds, a basis of comparison (benchmark/reference index) has been determined for all funds. This is a basis for measuring the return in the markets where the individual fund invests. We find that the respective bases of comparison are representative of the funds' portfolios and are therefore suitable for a comparison of fund performance. The objective of the funds is to generate a risk-adjusted return which is at least in line with the risk-adjusted return of the fund's basis of comparison. The funds may have other fund-specific objectives as described under each fund. The returns of the funds are measured over the investment horizon stated in the section 'The typical investor' and after costs of active portfolio management. The performance of the basis of comparison does not take costs and expenses into account. 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 basis of comparison and the return may be either above or below this. Moreover, to some extent investment can be made in securities that are not part of the funds' bases of comparison.

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. Also, discipline and teamwork are key words in our search for attractive investment opportunities. 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.

In funds investing in various asset classes the distribution among the individual asset classes is of strong importance for the return of the fund. The distribution among asset classes may deviate by a high margin from the selected basis of comparison.

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 the basis of comparison. 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 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 basis of comparison for periods. This is particularly important if investors invest in various funds.

### **6.2.4 Risks associated with operating the association**

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 checked regularly. If, in some respects, the development is not to our satisfaction, we assess what can be done to turn the development.

The 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 IT 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.

### 6.3 General observations about the investment policy of individual funds

The below points apply to all the funds:

- Where a fund's investment policy stipulates that the fund assets shall be invested in 'equities', this expression shall cover all types of 'equity-like instruments'.
- Fund assets are invested in markets in the European Union and in states with which the European Union has entered into an agreement, in markets which are members of the World Federation of Exchanges or which are full members or associate members of the Federation of European Securities Exchanges (FESE). Moreover, funds may invest in regulated markets that are included in the European Commission's list or approved by the Supervisory Board, cf. Appendix 2 of the Articles of Association. No more than 10% of the individual fund's assets may be invested on other bourses or markets and in unlisted instruments.

### 6.4 Investment objects

The assets of the association must consist solely of:

(1) securities and money-market instruments which have been accepted for trading on a stock exchange or in another regulated market, or which are traded in another publicly-recognised regulated market that is open to the public and operates regularly. Where the stock exchange or the market is situated in a state that is not a member of the European Union, the stock exchange or market must be approved by the Danish FSA. The Danish FSA has defined rules for investment associations' access to investing funds in derivatives including futures, options and warrants and to enter into securities lending and forward transactions, cf. the section Other derivatives and securities lending set out below:

2) New issues of securities provided that:

(a) the issue details certify that the securities in question will be sought listed on a stock exchange or another regulated market which is officially recognised, is open to the public and operates regularly. In the event that the stock exchange or the market is situated in a country outside the European Union or in a country with which the EU has not entered into an agreement for the financial area, the stock exchange or the market must be approved by the Danish FSA, or it must be evident from the articles of association of the association that the association invests in securities listed on the stock exchange or market in question, and

(b) the instrument in question is accepted for listing within a year of the issue

(3) cash and cash equivalents to an accessory extent

(4) the objects mentioned under Derivatives and securities lending; Deposits with financial institutions domiciled in a zone A country; and Investment in the certificates of other associations, funds and investment institutions.

However, the association or individual funds may invest up to 10% of their assets in instruments other than those mentioned above.

The association may solely acquire such movable property and real estate as is required to carry out its activities. Apart from that, real estate must not be acquired.

The association may invest neither in precious metals nor in precious metal derivatives.

## **6.5 Placement limits etc.**

The association or an individual fund may not invest more than 5% of their assets in securities issued by a single issuer.

However, the association or the individual fund may invest up to 10% of their assets in securities issued by one issuer, provided the total value of such securities does not exceed 40% of total assets.

The Danish FSA has ordered that the above limits do not apply to securities issued or guaranteed by public authorities or to bonds issued by mortgage-credit institutions or similar credit institutions, cf. the sections below about investment in government and mortgage bonds.

The association can hold up to 15% of the voting rights issued by a single issuer.

The association may own up to 10% of other categories of securities issued by a single issuer.

An association or an individual fund may not take up loans. However, the Danish FSA permits individual funds to take up short-term loans for temporary financing of transactions. Loans for temporary financing of transactions together with loans for the purpose of redeeming certificates and utilising subscription rights may not exceed 10% of the assets of the individual fund, cf. the section 'Temporary funding of transactions'.

The association may not sell short, cf. the section below about derivatives.

The association may not provide loans or issue guarantees. However, the association may assume the liability involved in acquiring shares which have not been fully paid up; such liability may not exceed 5% of the assets of the fund in question.

## **6.6 Investment in government bonds, etc.**

Subject to its investment policy, the individual fund may invest more than 35% of its assets in securities or money-market instruments issued or guaranteed by a country, a regional authority or an international public-like institution, the members of which count one or more EU member states and which have been approved by the Danish Financial Supervisory Authority. The international institutions in question are:

Nordiska Investeringsbanken,  
the European Investment Bank, the European Coal and Steel Community,  
the Council of European Resettlement Fund for National Refugees and Overpopulation in Europe,  
Eurofima (European Company for the Financing of Railroad Rolling Stock - Switzerland),  
Euratom (the European Atomic Energy Community),  
the World Bank (the International Bank for Reconstruction and Development),  
the Inter-American Development Bank (IADB),  
the International Finance Corporation, the African Development Bank,  
the Asian Development Bank, the European Bank for Reconstruction and Development (EBRD),  
the European Financial Stability Facility (EFSF).

Where the association or a fund invests more than 35% of its assets in securities or money-market instruments issued or guaranteed by a state or a supranational institution, this holding must consist of securities or money-market instruments from at least six different issues, and the securities or money-market instruments from one and the same issue may not exceed 30% of the association's or the relevant fund's assets.



## 6.7 Investment in mortgage bonds

The association or an individual fund may not invest more than 25% of their assets in securities issued by a single issuer within the following categories:

Securities issued by Kreditforeningen af kommuner i Danmark, Danish mortgage-credit institutions or similar institutions and approved by a state which is a member of the European Union, provided the institutions in question figure in a list prepared by the EU Commission.

Where the association or an individual fund invests more than 5% of its assets in securities issued by the same issuer, the aggregate value of those holdings may not exceed 80% of the assets of the association or the fund.

## 6.8 Efficient portfolio management techniques and management of collateral

Securities financing transactions - such as securities lending, buy/sell-back transactions and sell/buy-back transactions, repurchase agreements (repos) or margin loans as well as total return swaps - may, as part of the regular portfolio management, be used within the framework that is in agreement with the investment universe of the individual funds and the rules applicable from time to time in the area. Repos and securities lending are used as part of the regular portfolio management when assessed to be in the interest of the investors.

Currently, securities lending does not take place in connection with any of the funds.

The funds only enter into agreements on sell/buy-back transactions for bonds.

### Definitions

Securities lending comprises transactions where the fund hands over (lends) securities to a borrower on the condition that the borrower will return securities of the same type at a later time or at the request of the fund.

Buy/sell-back transactions and sell/buy-back transactions are to be understood as transactions through which a fund buys or sells securities with an agreement to either sell or buy back securities of the same type at a specified price at some later time.

A repurchase agreement (repo) is to be understood as an agreement through which a fund transfers securities when the agreement does not offer the counterparty the possibility of transferring or charging certain securities to more than one counterparty at the time subject to the obligation to buy them or other securities of the same type back at a specified price at a later time, which has or will be specified by the transferor.

Margin loans are defined as transactions through which a counterparty grants credit in connection with the purchase, sale, transfer of or trade in securities. Margin loans do not, however, comprise other loans for which securities have been provided as collateral.

”Total return swaps” are to be understood as a derivatives agreement that is not executed on a regulated market or similar, whereby the overall financial result, including income from interest and fees, gains and losses, due to price fluctuations and credit losses, on a reference obligation is transferred to another counterparty.

Securities that have been lent shall at any time be callable. Also, agreements on security lending shall at any time be terminable at the request of the association. Securities covered by agreements on repos shall at any time be callable. In connection with agreements on reverse repos, the association shall at any time be entitled to call the full cash amount or terminate the reverse repo at market value.

### The funds' use of securities financing transactions

The funds of the association may only enter into securities lending agreements and/or use buy/sell-back transactions and repurchase agreements or margin loans not exceeding a value corresponding to 20% of the relevant fund's assets under management that can be lent, less cash and cash equivalents.

The individual funds expect to enter into share lending agreements and/or to use derivatives at values varying according to the market situation.

Securities financing transactions can only be concluded with counterparties who are domiciled in a EU country or subject to EU legislation. All counterparties must at least have an investment grade rating.

#### Provision of collateral

Collateral may only be received in the form of cash, which may only be placed as sums on deposit with credit institutions whose registered head offices are in a country within the European Union, in a country with which the European Union has entered into an agreement for the financial area or another country whose credit institutions are subject to and adhere to rules of supervision that the Danish FSA regards as at least as strict as the EU regulation. Collateral is valued on the basis of the asset type, issuer, maturity and liquidity. Cash is valued at 100%.

Assets received in connection with securities financing transactions and total return swaps and collateral received will be kept in safe-custody accounts or accounts with the depositary.

#### Reuse of collateral

The counterparty may reuse collateral if the following two conditions are met:

- a) The party providing the collateral has been duly notified by the recipient of the collateral of the risks and consequences that may ensue from giving consent to the use of this kind of collateral.
- b) The one providing the collateral did beforehand give his or her express consent by signing (written or in other ways that will have the same legally binding effect) an agreement on the provision of collateral that involves the right to reuse collateral.

Moreover, the following conditions shall apply:

- a) Reuse must take place in accordance with the terms and conditions of the agreement on collateral.
- b) Financial instruments received according to an agreement on collateral must be transferred from the account belonging to the part providing the collateral.

#### Return on securities financing transactions

The return on securities financing transactions and total return swaps shall be allocated to the relevant fund.

### **6.9 Deposits in credit institutions**

Subject to this investment policy, the individual fund may place sums on deposit with credit institutions whose registered head offices are in a country within the European Union, in a country with which the European Union has entered into an agreement for the financial area or another country whose credit institutions are subject to and adhere to rules of supervision that the Danish FSA regards as being at least as strict as the EU regulation.

### **6.10 Additional investment opportunities**

Pursuant to the Danish Investment Associations Act, etc., all the individual funds may invest in investment certificates of other associations, individual funds or investment institutions.

Where a fund invests in the certificates of other investment associations which are managed directly or by delegation by the same investment management company or by another company to which the investment management company is linked by common management or control or through considerable direct or indirect participation, i.e. more than 10% of the capital or the votes ('affiliated association'), the investment management company or the other company must not charge subscription, redemption or conversion charges for the fund's investment in certificates in such affiliated associations.

All funds investing in equities may invest in deposit certificates such as ADRs and GDRs. The funds may, however, only invest in deposit certificates representing equities in which the funds may invest according to the investment policy.

All funds that, according to their investment policy, are allowed to invest in Chinese 'A shares' may invest through Stock Connect.

All funds that, according to their investment policy, are allowed to invest in Chinese bonds may invest through Bond Connect.

All funds investing in bonds may invest in deposit certificates such as Global Depository Notes (GDNs) and Pass-Through Notes (PTNs) as well as Credit Linked Notes (CLNs). The funds may, however, only invest in these instruments if they represent bonds in which the funds may invest according to the investment policy.

All funds that according to their investment policy may invest in corporate bonds with ratings below investment grade (High Yield) may invest in "Contingent Convertible bonds" (CoCos).

## 6.11 Responsible investment policy

The main responsibility of the association is taken to be to achieve the highest possible return for the investors.

The association assumes social responsibility in relation to its investments, which means that environmental, social and governance (ESG\*) issues are included in the investment decision process.

The association's work with responsible investment is based on the Principles for Responsible Investment (PRI). PRI is a global initiative aimed at promoting responsible investments, established by a number of the world's largest investors in cooperation with the UN. That is why it is often referred to as UN PRI.

Adhering to the UN PRI means:

1. incorporation of environmental, social and governance issues into investment analyses and decision-making processes
2. being active owners and incorporating ESG issues into ownership policies and practices
3. seeking appropriate information on ESG issues from the enterprises in which investments are made
4. promoting acceptance and implementation of the Principles within the investment industry
5. cooperation to enhance effectiveness in the implementation of the principles
6. reporting on activities and progress towards implementation of the Principles.

ESG issues are also considered in relation to investment in government bonds to ensure that investments in government bonds comply with international sanctions and bans adopted by the UN and the EU.

\*ESG is an acronym for Environmental, Social and Governance.

## 6.12 Integration of sustainability risks

According to regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("Sustainable Finance Disclosure Regulation"), we are under the obligation to publish the way in which sustainability risks are integrated in our investment decisions as well as an assessment of the probable impacts that sustainability risks may have on the return.

A sustainability risk means an environmental, social or governance event or condition (ESG risk) that, if it occurs, could cause an actual or potential material, negative impact on the value of an investment.

Environmental risks may arise in consequence of pollution caused by a company, such as extensive oil or chemical spills into the ground, water or air. Another example of environmental risks are climate risks, which can generally be grouped into the categories transition risks and physical risks.

Transition risks may arise in the transition to an increasingly CO<sub>2</sub>e-neutral economy. Such risks may materialise in various ways, for instance in consequence of changes in political measures such as increased taxes on emission, significant changes in technology, or changes in consumer behaviour, where consumers consciously choose not to use climate-impacting products.

Among other things, physical risks can be related to:

- Several sudden and rather extreme weather events such as heat waves, flooding, fires and storms,
- long-term climate changes, for instance changes in precipitation and increasing water levels,
- loss of ecosystems, for instance desertification, water shortage, deterioration of soil quality or the ecosystems of the sea.

Physical risks may cause financial losses on investments, for instance due to losses on the company's physical assets, weakened growth and poorer debt-servicing ability in vulnerable countries.

Examples of other sustainability risks are social risks that may arise in consequence of problematic social conditions, such as violation of human rights, poor working conditions, child labour, health issues, inequality and discrimination. Other examples are governance risks, which may arise in connection with problematic staff and governance issues such as corruption, conflicts of interest and tax affairs that are open to criticism.

The funds of the association are exposed to sustainability risks, which may have an adverse effect on the value of investments. Therefore, assessment of sustainability risks is an integrated element in the funds' investment decisions. The way sustainability risks are integrated in the investment processes varies across asset classes and funds. The investment analysis applies external data to assess companies' environmental, social and governance (ESG) profiles. The assessment also allows for the company's possibilities of handling sustainability risks.

The consequences of sustainability risks vary across companies, sectors, markets and asset classes. Some companies, sectors and markets are in particular exposed to sustainability risks and hence they may pose a heightened risk of financial losses. Energy companies are, for instance, known to be big emitters of greenhouse gases and may be subject to substantial regulatory pressure, and therefore investments in such companies may pose a heightened risk of financial losses. We do not, however, anticipate that sustainability risks can have any critically negative effect on the value of a fund.

Funds that are not individually categorised as Article 8 products marketing environmental and social characteristics or Article 9 products aiming at sustainability are categorised as Article 6 products that integrate sustainability risks in the investment decisions. According to the regulation (EU) 2020/852 ("Taxonomy Regulation"), we are obliged to give information about the investments underlying these financial Article 6 products that do not take into account the EU criteria for environmentally sustainable economic activities.

## **7 Tax regulations**

### **7.1 Taxation of funds**

The funds are cumulative and subject to the Danish Corporation Tax Act. Objectively the fund is exempt from tax liability, however subject to the exception that dividend on Danish equities is taxed at a rate of 15%.

### **7.2 Taxation of investors**

Below is a general description of the Danish taxation rules that are expected to apply. The description does not apply to investors who are subject to special rules or who use the certificates in the course of their business.

#### **Investors who are Danish tax residents**

Investment in cumulative funds will be subject to tax in accordance with the market-value principle. This implies that an investor pays tax on the difference between the certificate value at the beginning of the income year and the value at the end of the income year. For certificates bought in the course of the investor's income year, tax is paid on the difference between the cost of acquisition and the value at the end of the year. For certificates sold in the course of the investor's income year, tax is paid on the difference between the value at the beginning of the year and the selling price.

Gains of investors who are natural persons will be taxed as capital gains, and any loss will be deducted from capital gains.

Gain as well as loss will be included in the taxable income of investors who are companies, including ordinary and commercial investment funds. Investors who are foundations should always investigate the taxation question with the auditor of the foundation, since there are several exceptions to the main rule, and the purpose and the articles of association of the relevant foundation may be of importance to taxation.

Investment in cumulative funds may be made under 'virksomhedsskatteordningen'. Gains and losses are included in corporate income.

For investment made under 'børneopsparing' schemes, tax is not charged on the return during the tied-up period.

For investment made under pension fund schemes, tax is charged in accordance with the provisions of the Danish Pension Returns Tax Act.

Statutory reporting to the Danish tax authorities is undertaken by the financial institution at which the investment certificates are kept in safe custody.

### **Investors who are not Danish tax residents**

Investors who are not Danish tax residents are liable to tax in accordance with the rules applicable in their country of residence/tax liability.

These investors are not liable to tax in Denmark on gain or loss on their certificates. Nor are they liable to Danish dividend tax when a fund is cumulative and does not distribute dividend.

### **7.3 More information**

Additional information about the rules can be obtained from the association and at [jyskeinvest.com](http://jyskeinvest.com). For more detailed and individual information, investors should contact their personal tax advisers.

## **8 Pricing method in connection with issue and redemption**

For the settlement of issue or redemption orders received by the fund prior to the calculation of net asset value, the entry or exit charge, as the case may be, is determined in accordance with 'the modified single pricing method', cf. S.6 of the executive order on the calculation of issue and redemption prices of certificates of Danish UCIT, etc., as the net asset value at the time of NAV calculation in accordance with the rules applicable to the annual reports, by dividing the value of the individual fund's total assets at the time of NAV calculation by the nominal value of outstanding certificates.

Where the total net issue or net redemption exceeds a number of certificates corresponding to 0% of the fund's total certificates, a fee will, at issue, be added to the net asset value to cover trading costs, and a fee will, at redemption, be deducted from the net asset value to cover trading costs.

The fee may not exceed the rates set out in appendices 5 and 6. At the issue, the distributor may charge an up-front fee, which may not exceed the rates set out in appendix 5.

The association calculates the net asset value of individual funds daily at 12.00 noon CET (the time of NAV calculation). Trades received by Jyske Bank A/S before 12 noon CET will be settled at the calculated value at the next time of NAV calculation. Trades received after 12 noon CET will be settled at the value at the next time of NAV calculation on the following day.

The association must postpone the issue

- when the FSA orders the association to postpone the issue of certificates, if this is in the interest of the investors or the public interest.

The association may postpone the redemption

- when the association cannot determine the net asset value due to market conditions, or

- when, in order to treat investors equally, the exit charge cannot be fixed until the association has realised the assets required for the redemption of the certificates.

The association must postpone the redemption

- when the FSA orders the association to postpone the redemption of certificates, if this is in the interest of the investors or the public interest.

## **9 Publication of entry and exit charges and net asset value**

Jyske Invest Fund Management A/S states daily entry and exit charges as well as the net asset value per certificate at [jyskeinvest.com](http://jyskeinvest.com). Prices are not published on banking days which are public holidays according to Danish collective agreement. The information is also available from branches of Jyske Bank A/S. See also the section 'Information and payment facilities'.

## **10 Place of subscription**

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

Subscription can be made through any of the branches of Jyske Bank A/S.

## **11 Trade, registration and payment**

Certificates of certificate-issuing funds are in dematerialised form and are registered with a securities centre. Payment is made on the value date against registration with a central securities depository.

Certificates of all funds are traded on a daily basis.

## **12 Stock exchange listing**

Certificates of the association's funds are not listed for trade on any bourse.

## **13 Registration of certificates**

Certificates are issued to bearer, but may be registered in the name of the bearer at the investor's account-keeping financial institution.

The register of members is kept by Jyske Invest Fund Management A/S.

## **14 Voting rights**

Any investor of the association is entitled to attend annual general meetings provided he has requested an admission card no later than five banking days prior to such meeting against presentation of documentation of certificates owned.

Voting rights attach only to such certificates as have been registered in the name of the investor in the books of the association no later than five banking days prior to the Annual General Meeting.

Each investor has one vote for each certificate worth a nominal amount of DKK 100.00. For units denominated in a foreign currency, votes will be calculated by multiplying the number of an investor's certificates by the officially quoted exchange rate against Danish kroner 15 banking days prior to the Annual General Meeting.

No owner of certificates may, in person, vote for more than 1% of the total nominal value in DKK terms of the certificates outstanding at any time in respect of the fund for which the vote is held or, where the vote concerns joint matters, 1% of the total nominal value in DKK terms of all the outstanding certificates.

## **15 Rights**

No special rights attach to any certificates.

## **16 Negotiability**

Certificates of certificate-issuing funds are freely negotiable.

Where an investor wishes to sell investment certificates in one of the funds of the association to buy certificates in another, this is undertaken on arm's length conditions.

## **17 Loans, including temporary financing of transactions**

The association or an individual fund may not take up loans. However, the association has been given permission by the Danish Financial Supervisory Authority allowing the funds to raise short-term loans not exceeding 10% of the fund's assets, except for loans with the purpose of investment, cf. Article 8 of the Articles of Association.

## **18 Dissolution of the association or an individual fund**

For the association to be dissolved, any such motion shall be resolved by at least two thirds of the votes cast and by the proportion of the fund's assets represented at the General Meeting.

Any motion to dissolve a fund shall be resolved at the General Meeting by the fund's investors. Any such motion shall be resolved by at least two thirds of the votes cast and by the proportion of the fund's assets represented at the General Meeting.

Any motion to dissolve a share class shall be resolved at the General Meeting by the class' investors. Any such motion shall be resolved by at least two thirds of the votes cast and by the proportion of the class' assets represented at the General Meeting.

The Supervisory Board shall assess when circumstances substantiating the dissolution of an association, a fund or a share class are present. Circumstances that may cause the Supervisory Board to recommend at the General Meeting a merger or dissolution may be that the business foundation of the unit has ceased to exist; that legislation, for instance, in respect of taxes eliminated the return potential of the unit; that over time the unit's investment area has come to coincide with that of other units; or that a more efficient utilisation of resources can be obtained. This list of scenarios is not complete as they will depend on the market development and the specific circumstances from time to time.

## **19 Investment management company**

The association has entered into an investment management agreement with  
Jyske Invest Fund Management A/S  
Vestergade 8-16  
DK-8600 Silkeborg  
Business Reg. No. 15 50 18 39

- which performs the day-to-day management, including all tasks with respect to investment, management and marketing for the association. The agreement entails that re-delegation of portfolio management advice/portfolio management agreements to third parties must be approved by the Supervisory Board of the Association. Re-dele-

gation of distribution agreements can take place without prior approval by the Supervisory Board of the Association within the framework described in policy on the selection of distributors. Other tasks pertaining to day-to-day operations can be delegated by the company upon approval by the Supervisory Board of the company.

Pursuant to the Articles of Association, overall administrative expenses may not exceed 2% of the average asset value of the fund or the share class within the financial year.

Administrative expenses cover expenses for the operation of the fund, direct as well as distributed joint expenses such as IT, wages and salaries, sales commission and advisory fees. Joint expenses shall be construed as any expenses not attributable to individual funds and share classes, respectively.

For the funds investing a considerable part of their assets in other investment associations, the maximum administrative expenses of the investment associations in which the investments are made may not exceed 3% of the average asset value within the financial year.

The total administrative expenses of the funds or share classes in per cent (TER) of the average assets under management over the past five years are stated in appendix 8.

Jyske Invest Fund Management A/S is owned by Jyske Bank A/S, which is also the association's depository.

## The Management Board of the investment management company

Managing Director

Jan Houmann

## **19.1 Remuneration to the investment management company**

Payment to the association's investment management company consists of management and administration fees calculated as a fixed percentage of the assets of the fund or the share class.

The fees for the individual funds or share classes are set out in appendix 7.

### Management fee

Management fee covers payments for the distribution of certificates and payments for portfolio management advice/portfolio management, see the section on 'Agreement on investment advisory services and portfolio management' for further details.

### Administration fee

The 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, the stock exchange, general meetings, register of shareholders, market making, information and marketing activities, custody fees for the safekeeping of securities, VP Investor Services A/S, fees payable to the depository covering depository tasks, etc. as well as customary banking services.

Brokerage as well as entry and exit charges 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.

## **20 Custodian bank**

### The association has entered into a depository agreement with

Jyske Bank A/S

Vestergade 8-16

DK-8600 Silkeborg



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Business Reg. No. 17 61 66 17

- to the effect that the bank, being the sole owner of the association's investment management company, performs all tasks with respect to the depositary function for the association. We point in particular to the following:

## Safe-keeping of securities and cash and cash equivalents

The association has entered into an agreement with Jyske Bank A/S to the effect that the Bank manages and keeps instruments and cash and cash equivalents for each of the association's funds in accordance with the Danish Investment Associations Act, etc., the order on the obligations of the depositary as well as the provisions of the Danish FSA, assuming the control tasks and obligations specified therein. For this, a remuneration of DKK 198,000 is paid, which is included in the administration fee to Jyske Invest Fund Management A/S.

In its capacity as a depositary, Jyske Bank A/S has entered into an agreement with Bank of New York Mellon on the delegation of tasks relating to the safe-keeping of the association's foreign financial instruments. Bank of New York Mellon has further delegated some of its safe-keeping tasks to other foreign financial institutions. Please see here for an overview of the third parties to whom safe-keeping tasks have been delegated: [www.jyskebank.dk/list-of-subcustodians](http://www.jyskebank.dk/list-of-subcustodians)

Certain Chinese 'A shares' and bonds can be traded through the Hong Kong Stock Exchange by using Stock Connect and Bond Connect. According to the requirements of Chinese legislation, Hong Kong Securities Clearing Company Ltd. and Hong Kong Monetary Authority hold the securities that are traded through Stock Connect and Bond Connect. Therefore, these securities are not held physically by the custodian of the association, nor by third parties to whom safekeeping tasks have been delegated. The stock exchanges involved in Stock Connect and Bond Connect are Shanghai, Shenzhen and Hong Kong, which are all members of the WFE (World Federation of Exchanges).

For each section, a custodian fee is payable, calculated on the basis of the nature of the securities and their value. For this is paid the standard fee to the Danish Securities Centre (not exceeding 0.01%). For foreign securities, a fee ranging from 0.04% - 0.11% is payable, depending on the country where the investment is made. However, for certain countries the rate is higher (Peru 0.24%; Nigeria, Colombia, and Ghana 0.45%). The custody fee is included in the administration fee to Jyske Invest Fund Management A/S.

For each fund a risk fee in the range of 0.00%-0.30% based on the country of quotation of the securities is payable. The fee is included in the administration fee to Jyske Invest Fund Management A/S.

## Storage

Jyske Invest Fund Management A/S has entered into an agreement with Jyske Bank A/S on the safe-keeping of the association's certificates on behalf of the owners when the owners so wish. For this, a remuneration of DKK 100,000 is paid, which is included in the administration fee to Jyske Invest Fund Management A/S.

## Agency/distribution

Jyske Invest Fund Management A/S has entered into an agreement with Jyske Bank A/S on the sale of the association's certificates. In addition, Jyske Bank A/S makes payment, if any, to the investors, and also the entry into and exit from investments in certificates may be take place through the Bank.

Moreover, according to the agreement, Jyske Bank A/S will, through Jyske Bank Private Banking Copenhagen (tel. + 45 89 89 63 23), offer advice on the association's certificates to investors holding custody accounts with financial institutions that have not entered into an agency agreement relating to the association.

The bank determines its own marketing activities with a view to promoting the sale of certificates. Jyske Invest Fund Management A/S may concurrently with this launch its own marketing activities.

For this is paid a fee calculated on the basis of the average market value of the funds' certificates. The fee forms part of the Management fee, see Appendix 7.

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## Issue

Jyske Invest Fund Management A/S has entered into an agreement with Jyske Bank A/S to the effect that the Bank takes care of the issue activities in connection with subscription for certificates. With regard to the relevant fee we refer to the information set out under individual funds.

## Securities trading

Jyske Invest Fund Management A/S has entered into an agreement with Jyske Bank A/S about securities trading. For individual funds, brokerage, calculated on the basis of the market value, will not exceed:

Bond funds	0.00%
Equity funds	0.01%
Mixed funds	0.03%

To this must be added costs abroad and possibly costs for other security brokers.

## Pricing

Jyske Invest Fund Management A/S has entered into an agreement with Jyske Bank A/S to the effect that the Bank quotes prices for the fund certificates daily except under special conditions. Prices must be quoted as described in the section 'Pricing method in connection with issue and redemption'.

For this, a total price rounded to DKK 0.36m is payable for all funds, which are included in the administration fee to Jyske Invest Fund Management A/S.

## **21 Agreement on investment advisory services and portfolio management**

Jyske Invest Fund Management A/S has entered into an agreement about investment advisory services with the depositary of the association,

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

whose main activity is banking operations, including investment advice and portfolio management.

Under the agreement, Jyske Bank A/S offers investment advice to all funds. Individual investment proposals must be presented to Jyske Invest Fund Management A/S, which will decide whether they should be implemented. Advisory services must be provided in accordance with the guidelines laid down by the association's Supervisory Board in the investment lines of the individual funds.

For each fund, an advisory service fee is paid to Jyske Bank A/S. The advisory fee is included in the Management fee, as stated in Appendix 7.

## **22 License agreements on indices**

MSCI Limited

A license agreement has been concluded with MSCI Limited ("MSCI") to the effect that several of the association's funds may use MSCI's indices, which also entails that it is possible to establish mixed indices by using MSCI's indices.

Jyske Invest Fund Management A/S calculates the compound return on the basis of data for the closing levels of indexes by permission of MSCI ("MSCI Data"). To avoid any doubt, it is pointed out that MSCI is not a 'benchmark administrator' of, 'contributor' to, 'submitter' or 'monitored contributor' to the compound returns, and MSCI Data is not to be considered a 'contribution' or 'submission' in respect of the compound returns as these concepts and terms may be defined in rules, acts, regulations, legislation or international standards. MSCI Data is

made available 'as is' without any guarantee or responsibility, and copying or distribution is not permitted. MSCI does not make any statements as to the advisability relating to any investment or strategy, nor does MSCI support, promote, issue, sell or in any other way recommend or approve any investment or strategy, including financial products or strategies, based on or following or in any other way making use of MSCI Data, models, analytical findings or other material or information.

## J.P. Morgan Securities LLC

An agreement has been entered into with J.P. Morgan Securities LLC ("J.P. Morgan") on a licence allowing several of the association's funds to use J.P. Morgan's index, including the establishment of mixed indexes using J.P. Morgan's index.

The information is provided by sources considered reliable, but J.P. Morgan shall not guarantee the completeness or correctness of the information. The index is used with permission. The index may not be copied, used or distributed without prior written permission from J.P. Morgan. Copyright 2018, J.P. Morgan Chase & Co. All rights reserved.

## Merrill Lynch, Pierce, Fenner & Smith Incorporated

An agreement has been entered into with Merrill Lynch, Pierce, Fenner & Smith Incorporated ("BofAML") on a licence allowing several of the association's funds to use BofAML's index, including the establishment of mixed indexes using BofAML's index.

BofAML allows the use of BofAML's index and the data linked to this 'as is', and BofAML does not make any statement regarding these, does not guarantee the suitability, quality, accuracy, timeliness and/or the completeness of the BofAML indexes or of any data whatsoever that is included in, relates to or derives from these, nor does BofAML assume any responsibility in connection with the use of the above. Nor does BofAML support, approve or recommend Investeringsforeningen Jyske Invest International nor any of its products.

## Nordea Bank Abp

An agreement has been concluded with Nordea Bank Abp ("Nordea") on a license allowing the use of one or more indices owned by Nordea, and also on the establishment of mixed indices that use such indices owned by Nordea. Nordea allows the use of its indices and the data linked to these 'as is', and Nordea does not make any statement regarding these, does not guarantee the suitability, quality, accuracy, timeliness and/or the completeness of its indices or of any data whatsoever that is included in, relates to or derives from these, nor does Nordea assume any responsibility in connection with the use of the above. Nor does Nordea support, approve or recommend Investeringsforeningen Jyske Invest, nor any of its products.

## **23 Supervisory Board**

Professor

Hans Frimor (formand)

Head of Investment

Jane Soli Preuthun (Deputy Chairman)

Professor

Bo Sandemann Rasmussen

MSc in Economics & Business Administration

Bjarne Staael

## **24 Company Auditors**

EY Godkendt Revisionspartnerselskab

Dirch Passers Allé 36

DK-2000 Frederiksberg

# Prospectus Investeringsforeningen Jyske Invest International

Business Reg. No. (CVR-nr.) 30 70 02 28

## 25 Remuneration

For the latest financial year (2022) of Investeringsforeningen Jyske Invest International, remuneration to the Supervisory Board, the managing director and the Danish FSA amounted to (amounts in thousands of DKK):

Supervisory Board	35
Executive Board	74
The Danish Financial Supervisory Authority	118

According to the Articles of Association of the association, the remuneration has been calculated as the association's share of the similar items of the association's investment management company.

## 26 Supervisory authority

Danish investment associations are supervised by the following public supervisory authority:

The Danish Financial Supervisory Authority  
Tel. +45 3355 8282  
www.finanstilsynet.dk

## 27 Articles of Association, Key Information Document, annual report, etc.

The Association's Articles of Association that constitute an integrated part of the Prospectus are available at [jyskeinvest.com](http://jyskeinvest.com).

The Key Information Document, which offers an overview of the most important details for each fund, the Prospectus, interim reports, and revised annual reports can be obtained free of charge by contacting the association or at [jyskeinvest.com](http://jyskeinvest.com).

See also the section below on 'Information and payment facilities'.

## 28 Information and payment facilities

The Key Information Document, the Prospectus, the Articles of Association, interim reports, and audited annual reports are available free of charge. Details about entry and exit charges as well as net asset value are published at least twice a month on [jyskeinvest.com](http://jyskeinvest.com). Orders for redemption of certificates and payments to members should be directed to the units listed below in accordance with article 92 of the EU Directive 2009/65.

Denmark and Norway:

Jyske Bank A/S  
Private Banking  
Vesterbrogade 9  
DK-1780 Copenhagen V  
Denmark

Gibraltar:

Trusted Novus Bank  
76 Main Street

The UK:

JPMorgan Chase Bank N.A.  
Paying Agency Department  
1 Chaseside  
Bournemouth  
Dorset  
BH7 7DA  
The UK

Luxembourg:

UBS Europe SE  
Luxembourg Branch

# Prospectus Investeringsforeningen Jyske Invest International

P.O. Box 143  
Gibraltar

33A, avenue J.F. Kennedy  
L-1855 Luxembourg

Spain:

ALLFUNDS BANK, S.A.  
C/de los Padres Dominicos, 7  
28050 Madrid  
Spain

Sweden:

MFEX Mutual Funds Exchange  
AB  
Linnégatan 9-11  
SE-114 47 Stockholm  
Sweden

Austria:

Erste Bank der oesterreichischen  
Sparkassen AG  
Am Belvedere 1  
A-1100 Vienna  
Austria  
E-mail:  
foreignfunds0540@erstebank.at

## 28.1 Information for investors in the Federal Republic of Germany

The Key Information Document, the Prospectus, the Articles of Association, interim reports, and audited annual reports are available free of charge. Details about entry and exit charges as well as net asset value are published at least twice a month on [jyskeinvest.com](http://jyskeinvest.com). German investors can obtain the documents in paper form from the German bank.

Orders for redemption of certificates and payments to members should be directed to the unit stated below.

Jyske Bank A/S  
Filiale Hamburg  
Ballindamm 13  
Postfach 103323  
D-20095 Hamburg  
Germany

## 29 Anticipated financial calendar

March 2023	Annual General Meeting
August 2023	Publication of the interim report for the first half of 2023
March 2024	Annual Report 2022

## 30 Complaints

Investors should direct complaints over accounts, custody accounts or advisory services about investment in the association to their bank account manager.

Complaints over issues at Jyske Invest should be directed as follows:

Jyske Invest Fund Management A/S  
Vestergade 8-16

# Prospectus Investeringsforeningen Jyske Invest International

DK-8600 Silkeborg

Attn.: The Manager<sup>SEP</sup> in an envelope marked 'Complaint' / the word 'complaint' stated in the subject line of an email. "Complaint"

Email: [jyskeinvest@jyskeinvest.dk](mailto:jyskeinvest@jyskeinvest.dk)

Where an investor's complaint is not upheld, the Danish Complaints Board of Investment Funds may be contacted:

Sekretariatet for de finansielle ankenævn (The Secretariat for the Danish Financial Complaint Boards)  
St. Kongensgade 62, 2. sal  
DK-1264 Copenhagen K

[sek@fanke.dk](mailto:sek@fanke.dk)

Tel. +45 35 43 63 33

[www.fanke.dk](http://www.fanke.dk)

A complaint lodged by a professional investor is only likely to be heard if it does not deviate materially from complaints lodged by private investors.

## **31 Disclaimer**

This Prospectus, which is translated into English, was originally prepared in Danish. In the event of any dispute, the Danish version shall be operative in every respect.

This prospectus has been prepared in accordance with Danish and EU rules and regulations. Pursuant to the provisions laid down in the Danish Investment Associations Act, etc., the Prospectus has been filed with the Danish FSA.

The Prospectus has been approved by and is registered with the relevant authorities in Great Britain, Gibraltar, Spain, Germany, the Netherlands, Luxembourg, Norway, Sweden, and most of the funds have been approved in Austria, for the sale and marketing of the certificates of the funds mentioned in this Prospectus.

In certain countries, with the exception of the above-mentioned, the distribution of the prospectus may be subject to restrictions. Individuals who obtain this Prospectus are obliged to verify and observe such restrictions. Certificates which are covered by the Prospectus may not be offered for sale or sold in the US, and this Prospectus may not be distributed to investors who are residents of or in similar ways attached to the US.

Investment certificates covered by the Prospectus may not be offered or sold to Russian citizens or natural persons residing in Russia or legal persons, units, organs or bodies established in Russia. The ban does not apply to citizens of a member state of the European Union or to natural persons who hold a temporary or permanent residence permit in a member state of the European Union.

Investment certificates covered by the Prospectus may not be offered or sold to Belarusian citizens or natural persons residing in Belarus or legal persons, units, organs or bodies established in Belarus. The ban does not apply to citizens of a member state of the European Union or to natural persons who hold a temporary or permanent residence permit in a member state of the European Union.

This Prospectus does not constitute an invitation to buy or the solicitation of an offer to sell. The Prospectus is not aimed at any person to whom it is unlawful to make such offer or solicitation in such jurisdiction.

The information in this prospectus shall not be considered advisory services be it on investments or any other matter. Investors are recommended to seek customised advice on their investments and any tax-related issues.

**32 Prospectus date of publication**

The Prospectus will be published on 2 March 2023

# Prospectus Investeringsforeningen Jyske Invest International

## APPENDIX 1 ISIN, LEI, VAT No. and FSA No. (FT nr.)

Fund/share class	ISIN	LEI	VAT No.	FT No.
<b>Jyske Invest High Yield Corporate Bonds CL</b>	DK0016262728	529900JNAN509KUGHB83	12259611	11066-032
<b>Jyske Invest Equities Low Volatility CL</b>	DK0060512358	529900CZP0N0L87YNW31	33491689	11066-045
<b>Jyske Invest Stable Strategy CL</b>		529900GWP7RNEGZ9ER15		
Jyske Invest Stable Strategy EUR	DK0016262058		37588393	11066-028-001
Jyske Invest Stable Strategy USD	DK0060729259		37588555	11066-028-002
Jyske Invest Stable Strategy GBP	DK0060729333		37588598	11066-028-003
<b>Jyske Invest Balanced Strategy CL</b>		5299006GP5WECZWH2F47		
Jyske Invest Balanced Strategy EUR	DK0016262132		34192618	11066-029-001
Jyske Invest Balanced Strategy USD	DK0060656197		34192596	11066-029-002
<b>Jyske Invest Dynamic Strategy CL</b>	DK0060004794	529900WVBJ24OE0TTK72	28610580	11066-036



APPENDIX 2 Establishment date

Fund/share class	Establishment date/ Approved by the Danish FSA
<b>Jyske Invest High Yield Corporate Bonds CL</b>	12/11/2001
<b>Jyske Invest Equities Low Volatility CL</b>	07/11/2013
<b>Jyske Invest Stable Strategy CL</b>	
Jyske Invest Stable Strategy EUR	24/07/2000
Jyske Invest Stable Strategy USD	12.04.2016
Jyske Invest Stable Strategy GBP	12.04.2016
<b>Jyske Invest Balanced Strategy CL</b>	
Jyske Invest Balanced Strategy EUR	24/07/2000
Jyske Invest Balanced Strategy USD	25/09/2015
<b>Jyske Invest Dynamic Strategy CL</b>	13/12/2004

**APPENDIX 3 Marketing permission obtained in and distributing or cumulative**

<b>Fund/share class</b>	<b>Distributing or cumulative</b>	<b>Marketing permission obtained in</b>
<b>Jyske Invest High Yield Corporate Bonds CL</b>	Cumulative	DE, DK, ES, GI, LU, NL, NO, GB, SE, AT,
<b>Jyske Invest Equities Low Volatility CL</b>	Cumulative	DE, DK, ES, GI, LU, NL, NO, GB, SE, AT,
<b>Jyske Invest Stable Strategy CL</b>		
Jyske Invest Stable Strategy EUR	Cumulative	DE, DK, ES, GI, LU, NL, NO, GB, SE, AT,
Jyske Invest Stable Strategy USD	Cumulative	DE, DK, ES, GI, LU, NL, NO, GB, SE, AT,
Jyske Invest Stable Strategy GBP	Cumulative	DE, DK, ES, GI, LU, NL, NO, GB, SE, AT,
<b>Jyske Invest Balanced Strategy CL</b>		
Jyske Invest Balanced Strategy EUR	Cumulative	DE, DK, ES, GI, LU, NL, NO, GB, SE, AT,
Jyske Invest Balanced Strategy USD	Cumulative	DE, DK, ES, GI, LU, NL, NO, GB, SE, AT,
<b>Jyske Invest Dynamic Strategy CL</b>	Cumulative	DE, DK, ES, GI, LU, NL, NO, GB, SE, AT,

APPENDIX 4 Risk exposures

Fund/share class	Equity fund	Bond fund	Mixed fund	On a hedged basis	On an unhedged ba-	Currency risk	Emerging markets	Redemption risk	Active portfolio man-	Model risk	Concentration risk	Commodity risk	Alternative invest-	General risk factors
<b>Jyske Invest High Yield Corporate Bonds CL</b>		●			●		●	●	●					●
<b>Jyske Invest Equities Low Volatility CL</b>	●			●		●	●		●					●
<b>Jyske Invest Stable Strategy CL</b>														
Jyske Invest Stable Strategy EUR			●		●	●	●	●	●					●
Jyske Invest Stable Strategy USD			●		●	●	●	●	●					●
Jyske Invest Stable Strategy GBP			●		●	●	●	●	●					●
<b>Jyske Invest Balanced Strategy CL</b>														
Jyske Invest Balanced Strategy EUR			●		●	●	●	●	●					●
Jyske Invest Balanced Strategy USD			●		●	●	●	●	●					●
<b>Jyske Invest Dynamic Strategy CL</b>			●		●	●	●	●	●					●

● under a risk means that the fund has exposure to the specific risk.

For an explanation of the individual risks, please see the section "Risks associated with the investment markets".

## APPENDIX 5 Maximum entry charges in percentages

Fund/share class	Maximum*	Of which remuneration to financial intermediaries (maximum charged by intermediary)	Of which marketing expenditure	Of which brokerage and all other direct trading costs involved in the purchase of financial instruments	Of which other market-related costs involved in the purchase of financial instruments	Of which administrative expenses relating to issue and redemption
<b>Jyske Invest High Yield Corporate Bonds CL</b>	2.50	2.00	0.00	0.00	0.50	0.00
<b>Jyske Invest Equities Low Volatility CL</b>	2.11	2.00	0.00	0.08	0.03	0.00
<b>Jyske Invest Stable Strategy CL</b>						
Jyske Invest Stable Strategy EUR	3.21	3.00	0.00	0.03	0.18	0.00
Jyske Invest Stable Strategy USD	3.21	3.00	0.00	0.03	0.18	0.00
Jyske Invest Stable Strategy GBP	3.21	3.00	0.00	0.03	0.18	0.00
<b>Jyske Invest Balanced Strategy CL</b>						
Jyske Invest Balanced Strategy EUR	3.18	3.00	0.00	0.05	0.13	0.00
Jyske Invest Balanced Strategy USD	3.18	3.00	0.00	0.05	0.13	0.00
<b>Jyske Invest Dynamic Strategy CL</b>	3.16	3.00	0.00	0.06	0.10	0.00

\* The fee will be added to the net asset value in connection with issues and deducted from the net asset value in connection with redemptions, which on a net basis amount to more than the limit adopted by the Supervisory Board, cf. the section 'Pricing method in connection with issue and redemption', below.

Please note that the fees stated may through the modified single pricing method be exceeded in periods with unusual market conditions causing an increase in other market-related costs relating to purchases or sales of the fund's financial instruments. If such a situation arises, the fund will in this period state the specific fees on [jyskeinvest.com](http://jyskeinvest.com).

**APPENDIX 6 Maximum exit charges in percentages**

Fund/share class	Total maximum*	Of which marketing expenditure	Of which brokerage and all other direct trading costs involved in the sale of financial instruments	Of which other market-related costs involved in the sale of financial instruments	Of which administrative expenses relating to issue and redemption
<b>Jyske Invest High Yield Corporate Bonds CL</b>	0.50	0.00	0.00	0.50	0.00
<b>Jyske Invest Equities Low Volatility CL</b>	0.09	0.00	0.06	0.03	0.00
<b>Jyske Invest Stable Strategy CL</b>					
Jyske Invest Stable Strategy EUR	0.19	0.00	0.01	0.18	0.00
Jyske Invest Stable Strategy USD	0.19	0.00	0.01	0.18	0.00
Jyske Invest Stable Strategy GBP	0.19	0.00	0.01	0.18	0.00
<b>Jyske Invest Balanced Strategy CL</b>					
Jyske Invest Balanced Strategy EUR	0.15	0.00	0.02	0.13	0.00
Jyske Invest Balanced Strategy USD	0.15	0.00	0.02	0.13	0.00
<b>Jyske Invest Dynamic Strategy CL</b>	0.13	0.00	0.03	0.10	0.00

\* The fee will be added to the net asset value in connection with issues and deducted from the net asset value in connection with redemptions, which on a net basis amount to more than the limit adopted by the Supervisory Board, cf. the section 'Pricing method in connection with issue and redemption', below.

Please note that the fees stated may through the modified single pricing method be exceeded in periods with unusual market conditions causing an increase in other market-related costs relating to purchases or sales of the fund's financial instruments. If such a situation arises, the fund will in this period state the specific fees on [jyskeinvest.com](http://jyskeinvest.com).

## APPENDIX 7 Management fee and administration fee in percentages

Fund/share class	Management fee* (hereof costs of active portfolio management)	Administration fee
<b>Jyske Invest High Yield Corporate Bonds CL</b>	0.95 (0.300)	0.221
<b>Jyske Invest Equities Low Volatility CL</b>	1.25 (0.550)	0.232
<b>Jyske Invest Stable Strategy CL</b>		
Jyske Invest Stable Strategy EUR	0.94 (0.240)	0.212
Jyske Invest Stable Strategy USD	0.94 (0.240)	0.212
Jyske Invest Stable Strategy GBP	0.94 (0.240)	0.212
<b>Jyske Invest Balanced Strategy CL</b>		
Jyske Invest Balanced Strategy EUR	1.225 (0.375)	0.221
Jyske Invest Balanced Strategy USD	1.225 (0.375)	0.221
<b>Jyske Invest Dynamic Strategy CL</b>	1.275 (0.425)	0.229

\*The management fee is part of the aggregate administrative expenses, see appendix 8 and the section ‘General comments about key ratios’.

## APPENDIX 8 Administrative expenses (%) (TER), past 5 years

Fund/share class	2018	2019	2020	2021	2022
<b>Jyske Invest High Yield Corporate Bonds CL</b>	1.15	1.15	1.15	1.16	1.17
<b>Jyske Invest Equities Low Volatility CL</b>	1.61	1.61	1.62	1.50	1.48
<b>Jyske Invest Stable Strategy CL</b>					
Jyske Invest Stable Strategy EUR	1.13	1.13	1.13	1.14	1.15
Jyske Invest Stable Strategy USD	1.13	1.13	1.13	1.14	1.15
Jyske Invest Stable Strategy GBP	1.13	1.13	1.13	1.14	1.15
<b>Jyske Invest Balanced Strategy CL</b>					
Jyske Invest Balanced Strategy EUR	1.42	1.42	1.42	1.44	1.45
Jyske Invest Balanced Strategy USD	1.42	1.42	1.42	1.44	1.45
<b>Jyske Invest Dynamic Strategy CL</b>	1.48	1.48	1.48	1.50	1.51

\*

The total expense ratio in per cent for each fund is calculated as follows:

$$\text{Aggregate administrative expenses divided by investors' average net assets} \times 100$$

Investors' average assets are calculated as a simple average of the asset value each day of the financial year.

## **APPENDIX 9 Sustainability-Related Information**

This appendix contains pre-contractual information for financial products according to Article 8 of the Sustainable Finance Disclosure Regulation as well as Articles 5 and 6 of the Taxonomy Regulation. The information covers the following funds:

- Jyske Invest Danish Bonds CL in liquidation
- Jyske Invest Global Equities CL
- Jyske Invest Equities Low Volatility CL
- Jyske Invest Emerging Market Equities CL in liquidation





**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Product name:**  
**Jyske Invest Equities Low Volatility CL**

**Legal entity identifier:**  
**529900CZP0N0L87YNW31**

## Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

**Yes**    **No**

<p><input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective: ...%</b></p> <p><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective: ...%</b></p>	<p><input type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ...% of sustainable</p> <p><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> with a social objective</p> <p><input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b></p>
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### What environmental and/or social characteristics are promoted by this financial product?

The fund promotes environmental and social characteristics through the following approaches:

**CO2e reduction**

The fund aims to reduce CO2e emissions.

**Exclusions**

The fund excludes companies:

- that can be related to controversial weapons.
- that breach internationally recognized norms and conventions, and that do not show willingness to enter into a dialogue on or sufficient progress in improvement of the circumstances.
- according to specifically defined criteria of exclusion based on environmental and social characteristics.

**Active ownership**

The fund seeks to affect companies through active ownership. Active ownership is exercised through engaging dialogue with companies and/or exercise of voting rights.

**ESG integration**

The fund integrates data on environmental, social and governance issues (ESG) in its investment decisions.

**Reference index/benchmark**

No specific reference index or benchmark is applied to attain the fund's environmental and social characteristics.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

The attainment of environmental and social characteristics is measured through the following sustainability indicators:

**CO2e reduction**

Measured through a statement of CO2e footprint measured as portfolio weighted CO2e per DKK 1 million invested relative to the benchmark and a defined annual CO2e reduction rate.

**Exclusions**

Measured through the share of companies that are excluded from the investment universe according to the fund's principles of exclusion.

**Active ownership**

Measured on the basis of the number of dialogues and number of propositions on environmental and social issues as well as governance issues relating to these that were subject to a vote at the general meeting

**ESG integration**

Measured through the share of companies for which scorecards were prepared.

Additional fund-specific information about methods used to assess, measure and monitor environmental and social characteristics is available on [www.jyskeinvest.com](http://www.jyskeinvest.com).

● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The fund has no minimum proportion of sustainable investments according to the Sustainable Finance Disclosure Regulation.

● **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

The fund has no minimum proportion of sustainable investments according to the Sustainable Finance Disclosure Regulation.

— **How have the indicators for adverse impacts on sustainability factors been taken into account?**

The fund has no minimum proportion of sustainable investments according to the Sustainable Finance Disclosure Regulation.

— **How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**

The fund has no minimum proportion of sustainable investments according to the Sustainable Finance Disclosure Regulation.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



## Does this financial product consider principal adverse impacts on sustainability factors?

YES

No

The fund takes into account the indicators of greenhouse gas emissions and CO2e footprint as the fund aims for lower CO2e emissions than the selected basis of comparison.

The fund takes into account the exposure to companies that are active in the fossil fuels sector, that produce thermal coal and tar sand, or are involved in coal-based generation of electricity. This takes place through activity-based screening and possibly subsequent exclusion.

The fund takes into account the indicator of exposure to controversial weapons (anti-personnel mines, cluster weapons, and biological weapons). This takes place through activity-based screening and subsequent exclusion.

The fund takes into account the indicator of violations, among other things, of the UN Global Compact principles and the OECD's guidelines for multinational companies. This takes place through norm-based screening to the extent that data are available on this from the chosen data provider(s) and subsequent dialogue with the companies.

In the annual report, reporting takes place on the most important negative effects on the sustainability factors.



## What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The fund follows an actively managed investment strategy to attain its environmental and social characteristics.

### CO2e reduction

CO2e reduction is integrated in the investment strategy at portfolio level and at company level. The portfolio follows a defined CO2e reduction path and high-emission companies are identified with a view to assessing their plans for a transition to the low-emission society.

### Exclusion

Before an investment decision is made, the companies are screened to avoid investments that violate the fund's principles of exclusion. Moreover, ongoing screening of the portfolio takes place over the investment period.

### Active ownership

Active ownership is integrated in the investment strategy through dialogue with companies on environmental, social and governance issues relating these with a view to affecting the companies' conduct and through voting at general meetings.

### ESG integration

Environmental, social and governance issues (ESG) are integrated in the investment process. ESG data are integrated in combination with traditional financial data and are used to make informed investment decisions and to form a differentiated impression of the companies' future earnings capacity and valuation. Before investment decisions are made, the companies' strategy and objectives for a sustainable development are assessed with focus on possibilities and risks. The systematic ESG analysis takes place by using an internal scorecard for the individual companies. This scorecard identifies companies with a particularly high exposure to sustainability risks, and which thus potentially involve an increased risk of financial losses. An active stance is taken on companies with weak ESG characteristics, and also, companies with strong ESG characteristics are identified. Each scorecard includes factors such as greenhouse gas emission, climate plans and objectives, involvement in ESG disputes, exposure to climate change solutions, and exposure to controversial business areas.

● **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

#### CO2e reduction

The fund invests in accordance with the CO2e reduction requirements in the EU's Climate Transition Benchmark (CTB), supporting the transition to the low-emission society. Based on the year-end figures for 2020, the fund's CO2e footprint will be at least 30% lower than the benchmark level and have a subsequent annual reduction rate of 7%. Reservations are made for changed calculation methods and incomplete data.

#### Exclusions

The fund excludes companies that can be related to controversial weapons such as anti-personnel mines, cluster weapons, and biological weapons, or companies that violate the UN Non Proliferation Treaty. The fund excludes companies that violate internationally recognised norms and conventions, including human-rights and employee rights, environmental and anti-corruption norms and conventions, if it is assessed that no sufficient progress or dialogue with the companies takes place. Exclusion will take place to the extent that sufficient data are available in this respect from the data supplier chosen (Sustainalytics). The fund applies criteria of exclusion based on environmental and social characteristics. Companies such as the following are excluded from the fund:

- companies that produce thermal coal (if accounting for more than 5% of revenue)
- companies that produce tar sand (if accounting for more than 5% of revenue)
- companies involved in coal-based generation of electricity (if accounting for more than 30% of revenue)
- companies that produce tobacco products (if accounting for more than 5% of revenue).

Reservations are made for lack of identification of minor violations on the part of a few companies.

#### Active ownership

The fund seeks to affect companies through active ownership. Active ownership is measured on the basis of

- the number of dialogues with companies on environmental and social issues as well as governance issues relating to these
- the number of propositions on environmental and social issues as well as governance issues relating to these that were subject to a vote at general meetings.

The number of dialogues and the extent of voting must at least be higher than 0.

#### ESG integration

Investments are based on a sustainability analysis which is based on an internal scorecard for the individual companies. Measuring takes place in terms of the number of investments with scorecards where the criterion is at least 90%.

● **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

This fund is not committed to a minimum rate to reduce the extent of the investments considered prior to the application of the investment strategy.

● **What is the policy to assess good governance practices of the investee companies?**

The fund integrates data on governance issues in the investment process. It is assessed that an ongoing assessment of good governance practice will ensure a more detailed picture of companies' future earnings capacity and valuation. As part of the norm-based screening, it is estimated whether companies live up to good corporate governance practices including compliance with international standards, principles and guidelines relating, for instance to tax, employee rights, corruption and bribery. Relevant principles and guidelines are for instance the United Nation's Global Compact Principles, the OECD's Guidelines for Multinational Enterprises and conventions such as the United Nation's convention against corruption and the ILO convention, article 111.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



## What is the asset allocation planned for this financial product?

### Asset allocation

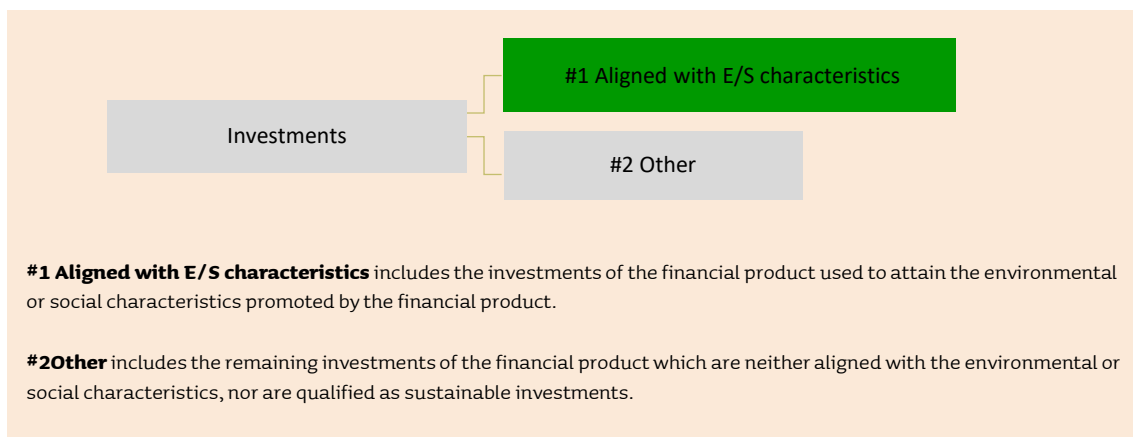
describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies

- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

#1 Aligned with E/S characteristics. It is anticipated that 100% of the fund's investments will attain the environmental and social characteristics that the fund promotes. The share covers investments in equities that are subject to the fund's exclusions and CO2e reductions.

#2 Other For other investments, 0% is anticipated. The fund may, however, include cash and derivatives. Such holdings are not in line with the fund's environmental and social characteristics.

● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Investing in derivatives does not attain the environmental and social characteristics promoted by the fund.



## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The fund does not include a minimum extent of sustainable investments with an environmental objective aligned with the EU Taxonomy (the Taxonomy Regulation).

The fund may invest in economic activities that qualify as being environmentally sustainable according to the Taxonomy Regulation, yet such investments are not, per se, crucial for attaining the fund's environmental and social characteristics.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU taxonomy\*?**

Yes

In fossil gas

In nuclear energy

No

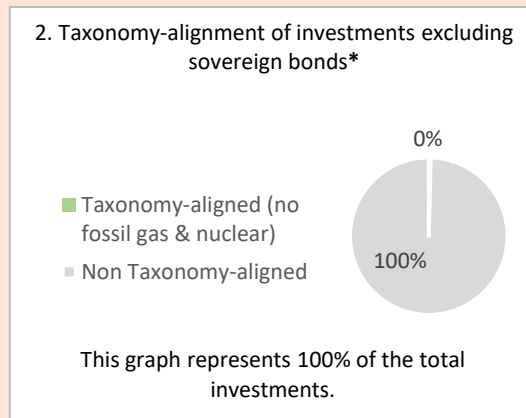
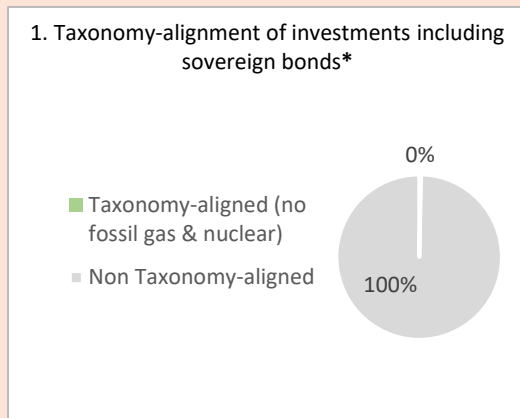
\* Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

To comply with the EU Taxonomy, the criteria for fossil gas include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For nuclear energy, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

● **What is the minimum share of investments in transitional and enabling activities?**

There is no minimum share of investments in transitional and enabling activities.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The fund has no minimum level for sustainable investments with an environmental objective according to the Sustainable Finance Disclosure Regulation.



**What is the minimum share of socially sustainable investments?**

The fund has not defined a minimum share of sustainable investments according to the Sustainable Finance Disclosure Regulation.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Investing in derivatives and cash are not in line with the fund’s environmental or social characteristics. The investments have been included for return-risk purposes and to ensure a broad investment universe. There are no minimum environmental or social safeguards.



**Where can I find more product specific information online?**

More product-specific information can be found on the website: [www.jyskeinvest.com](http://www.jyskeinvest.com).