

# Danske Invest PCC Limited

(A protected cell company registered in Guernsey with registration number 42589)  
Registered Office – Level 3, Mill Court, La Charroterie, St Peter Port, Guernsey GY1 1EJ  
(the "Company")

18 October 2024

## **To the Shareholders of Danske Invest Hedge Fixed Income Relative Value Fund ("DIHFIRVF") and Danske Invest Hedge Fixed Income Strategies Fund ("DIHFISF"), cells of the Company (the "Cells")**

*Capitalised terms in this letter shall bear their respective meanings as in the Scheme Particulars of the Company and the Supplemental Scheme Particulars of DIHFIRVF and DIHFISF unless the context otherwise requires.*

Dear Shareholder,

The board of directors of the Company (the "Board") has resolved to update the Scheme Particulars (the "SP") of the Company and the Supplemental Scheme Particulars (the "SSP(s)") of the Cells as summarised below, which will take effect on 11 November, except for the soft closure in Danske Invest Hedge Fixed Income Relative Value Fund which will take effect on 4 November 2024. The material changes being made to the SSPs and SP are summarised below although you are encouraged to read the updated documents in full.

### **Changes to the Scheme Particulars of the Company**

- (i) Change of "Definitions" Section to include the definitions of the Fixed Income Prime Broker and the FX Prime Broker.
- (ii) Change to Section 3.7 "Counterparties and collateral for derivative transactions and efficient portfolio management techniques/counterparties to derivatives transactions": the specific references to the names of rating agencies will be deleted to not differentiate the treatment of recognised rating agencies as only a few are mentioned.
- (iii) Change to Section 4.8 "Prime Broker Risk": to replace references to "JPM LLC" with references to "the Fixed Income Prime Broker" and to include a new specific risk disclosure linked to the use of a FX Prime Broker as follows:

*"Where the Company on behalf of a Cell has appointed a FX Prime Broker; the counterparty risk on the FX Prime Broker is similar to that of any other OTC counterparty (see section 4.10 "Derivative Transactions"), however there may be concentration of risk towards the FX Prime Broker. The Cell is further exposed to the risk that the FX Prime Broker may default on its obligation to provide prime brokerage services or may use a termination right, which may lead to close down of existing transactions."*

- (iv) A FX Prime Broker has been appointed, section 6.10 "The Prime Brokers" has been updated to disclose the name of the FX Prime Broker, describe the new service as well as other considerations around the role.
- (v) The following text in Section 26 "Other Information" of the SP will be deleted, as it is repetition of content already covered in Section 6.10 "The Prime Brokers":

*“J.P. Morgan Securities LLC (“JPM LLC”) has been appointed Prime Broker by each Cell pursuant to an agreement entered into by the Company acting on behalf of each Cell and will act as custodian of certain assets of the Cells (the “JPM Institutional Account Agreement”). The list of any other Prime Brokers (if any) approved by the AIFM will be made available to the investors at the registered office of the AIFM upon request.*

## **Changes to the Supplemental Scheme Particulars of Danske Invest Hedge Fixed Income Relative Value Fund**

(i) The front page will be updated to include the following disclosure:

*“With effect from 4 November 2024, the Fund shall be closed to new subscriptions and conversions in, except for W Shares save as may be otherwise authorised by the board of directors of Danske Invest PCC Limited or the AIFM from time to time.*

*The last subscriptions will be accepted at the Fund’s cut-off – 13:00 pm CET – on 4 November 2024. Please see below the list of ISINs that will be closed:*

*the DKK Sub-Class GB00B0JF6306*

*the EUR Sub-Class GG00B7GHG499*

*the SEK Sub-Class GG00BM7S1D05*

*the USD Sub-Class GG00BP268062 “*

Shareholders may however continue to apply to redeem and convert out of the existing Sub-Classes in the normal course and subject to the terms of DIHFIRVF.

(ii) The Section *“Investment Objective and Policy”* will be amended to include a potential spread strategy implemented by investing in a covered bond rated AA and mitigating the general market credit risk by at the same time buying a credit default swap on an index of investment grade bonds.

(iii) The Section *“Investment Restrictions and Risk Limitations”* will be updated to 1) delete any specific references and names of any rating agencies to not differentiate the treatment of recognised rating agencies as only a few are mentioned and 2) to disclose the Cell’s use of derivatives on recognised indices representing the credit markets, such as credit default swap indices on corporate issuers, for the purpose of mitigating credit risk in the Cell.

(iv) The Section *“Reuse of collateral”* will be deleted, as it is repetition of content already covered in the Section *“Risks related to the different counterparties”*.

(v) The Section *“Broker”* will be deleted, as it refers to a legacy arrangement no longer in use.

(vi) The Section *“Prime Brokers”* will be updated to refer to the appointment of the FX Prime Broker.

(vii) The Section *“SFDR Classification”* will be amended to replace the reference to *“Danske Invest’s responsible investment policy”* with a reference to *Danske Invest Management A/S’ responsible investment policy”* to align with the SFDR annexes.

## Changes to the Supplemental Scheme Particulars of Danske Invest Hedge Fixed Income Strategies Fund

(i) The front page will be updated with the following disclosure:

*“With effect from 4 November 2024, the Fund shall be closed to new subscriptions and conversions in, except for W Shares save as may otherwise be authorised by the board of directors of Danske Invest PCC Limited or the AIFM from time to time.*

*The last subscriptions will be accepted at the Fund’s cut-off – 13:00 pm CET – on 4 November 2024. Please see below the list of ISINs that will be closed:*

*the DKK Sub-Class GB00B05BHT55*

*the DKK Sub-Class A GB00B0XNFF59*

*the DKK Sub-Class I GG00B64DZB21*

*the Obligationer Sub-Class GB00B0XNFJ97*

*the EUR Sub-Class GG00B97KVQ87*

*the SEK Sub-Class GB00B0XNFH73”*

Shareholders may however continue to apply to redeem and convert out of the existing Sub-Classes in the normal course and subject to the terms of DIHFISF.

(ii) The Section “Investment Restrictions” will be updated to disclose that the Cell may use derivatives on recognised indices representing the credit markets, such as credit default swap indices on corporate issuers, only for the purpose of mitigating credit risk in the Cell.

(iii) The Section “Reuse of collateral” will be deleted, as it is repetition of content already covered in the Section “Risk Related to the different counterparties”.

(iv) The Section “Broker” will be deleted, as it refers to a legacy arrangement no longer in use.

(v) The Section “Prime Brokers” will be updated to refer to the appointment of the FX Prime Broker.

(vi) The Section “SFDR Classification” will be amended to replace the reference to “Danske Invest’s responsible investment policy” with a reference to “Danske Invest Management A/S’ responsible investment policy” to align with the SFDR annexes.

Copies of the current SP and SSPs dated 10 September 2024 can be downloaded from the website [www.danskehedge.com](http://www.danskehedge.com) or obtained by request from the registered office of the Cells. Copies of the updated SP and DIHFIRVF and DIHFISF SSPs to be dated 15 October 2024 can be downloaded from the website or can be obtained by request from the registered office of the Company. You should consult and read in full the SP and SSPs to be dated 15 October 2024 for the purposes of acquainting yourself with the full extent of the changes.

### Guernsey Financial Services Commission

The changes to the SP and SSPs and this notice have been filed with the Guernsey Financial Services Commission.

## **Actions to be taken**

Shareholders are not required to approve these changes. However, should you wish to redeem your Shares in either of the Cells as a result of the proposed amendments and the changes to the investment restrictions, and prior to the amendments becoming effective on 11 November 2024, please provide your redemption request by no later than 28 October 2024.

If you are acting as a nominee for the underlying investors, you are obliged to send this information to the underlying investors for consideration.

If you would like any further information about the above, please contact the Administrator at email: [ta.is.cash@jpmorgan.com](mailto:ta.is.cash@jpmorgan.com), telephone: +352 46268 5633.

Yours faithfully,

Directors  
For and on behalf of  
**Danske Invest PCC Limited**