

Danske Invest PCC Limited

(A protected cell company registered in Guernsey with registration number 42589)
Registered Office - PO Box 246, Dorey Court, Admiral Park, St Peter Port, Guernsey GY1 3QE
(the “Company”)

19 February 2021

To the Shareholders of Danske Invest Hedge Mortgage Arbitrage Fund, a cell of the Company (the “Fund”)

Dear Shareholder

Capitalised terms in this letter shall bear their respective meanings in the Scheme Particulars of the Company dated 1 October 2020, the Supplemental Scheme Particulars of the Fund dated 1 October 2020 and/or the Articles of Incorporation of the Company (the “Articles”) (as applicable), unless the context otherwise requires.

The purpose of this document is to provide you with notice and information in respect of the closure of the Fund and payment arrangements for the compulsory redemption of the Participating Shares in issue in the Fund.

During recent years, the Fund has not been able to generate its target return. At the same time investors’ appetite has declined since beginning of 2017, with redemptions bringing the Asset under Management (“AUM”) down from around DKK 2,000M to an un-sustainable level of DKK 110M as at end of October 2020. As the investment manager does not expect the Fund performance to improve significantly in the near future, and given the low level of AUM in the Fund, the Directors believe that it is not in the best interests of the shareholders of the Fund to continue managing the Fund.

Therefore, the Directors have resolved to effect a compulsory redemption of Participating Shares in the Fund pursuant to the Articles (Article 19 (16)(a)):

“the Directors may redeem or cause the Company to redeem all or some of the Participating Shares held by any person at the Redemption Price if, in the opinion of the Directors it is in the interests of the Company to do so (inter alia)”.

The Directors are of the opinion that the compulsory redemption as detailed herein is in the best interests of the Company, Fund and the shareholders.

The compulsory redemption of Participating Shares will take place on the Dealing Day which falls on 18 March 2021. The Net Asset Value for the purposes of calculating the Redemption Price per Participating Share will be calculated on Valuation Day of 17 March 2021. The redemption proceeds are expected to be paid with value on 22 March 2021.

Any distribution of redemption proceeds to Shareholders is subject to the requirements of the Companies (Guernsey) Law, 2008, as amended.

Effective from the date of this letter, no further dealings in Participating Shares shall be permitted and in order to effect the Fund's portfolio realisations, the investment restrictions and objectives of the Fund will be suspended henceforth. This decision has been taken by the Directors having regard to the best interests of the Company, Fund and Shareholders as a whole.

Please note that with effect from close of business on 18 March 2021, and on account of the 100% redemption and cancellation of your Participating Shares, you will no longer be a shareholder of the Fund and you will have ceased to have any rights in that regard.

The Guernsey Financial Services Commission has been notified of the closure of the Fund.

Further Information

Shareholders should direct any enquiries to RBC Offshore Fund Managers Limited, Shareholder Services on telephone: +44 (0) 1481 744 141 or email: ofmis@rbc.com or to Danske Invest Management A/S via email: r4538fp@danskeinvest.com.

Shareholders need not take any action in relation to this letter.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'K. Ebert', is positioned above the printed name and title.

Klaus Ebert
Director

Danske Invest PCC Limited