

Danske Invest SICAV-SIF

Société d'Investissement à Capital Variable - fonds d'investissement spécialisé
13, rue Edward Steichen, L-2540 Luxembourg
R.C.S. Luxembourg: B 50991

NOTICE TO SHAREHOLDERS

Luxembourg, 29 August 2023

Dear Shareholders,

We hereby would like to provide you with some information related to your investment in Danske Invest SICAV-SIF (the “**SICAV**”). The board of directors of the SICAV (the “**Board**”) has decided to approve certain changes to the SICAV prospectus. The main changes are listed below:

1. Reclassification of Global Cross Asset Volatility fund to Article 8 SFDR

To strengthen our proposition of responsible investments, we have taken the decision to recategorize the Global Cross Asset Volatility fund from Article 6 to Article 8 fund according to the Regulation (EU) 2019/2088 on sustainability – related disclosures in the financial services sector (“**SFDR**”).

Following the recategorization, the SFDR section of the fund description will be amended and read as follows:

SFDR Classification

“The fund is categorised as article 8 under SFDR and promotes environmental and/or social characteristics, as well as good governance practices, through screening, exclusions, investment analysis and decision-making as well as active ownership.

The fund follows Danske Invest’s responsible investment policy.

For more information related to:

- *Danske Invest’s responsible investment policy, including the sustainability risk integration, see Section 2.7. “Responsible Investment Policy”;*
- *the fund’s environmental and/or social characteristics, see page 149”.*

Following the recategorization, the Fund will promote the following environmental and/or social characteristics:

- The fund promotes adherence to UN Global Compact principles, OECD Guidelines for Multinational Enterprises, UN Guiding Principles on Business and Human Rights and ILO conventions and other relevant social safeguards through the exclusion of certain activities and conducts deemed harmful to society as measured by as measured through as enhanced internal screening and the number of investments excluded on basis of this screening.
- The fund promotes environmental safeguards through the exclusion of certain activities deemed to have significant negative climate impact as determined through exclusions for the thermal coal (5% revenue), tar sands (5% revenue), peat fired power generation (5% revenue) and the number of investments excluded as a result of these exclusions.
- The fund promotes certain ethical and social safeguards through the exclusion of certain activities deemed to be non-ethical or controversial as determined through exclusions for controversial weapons (0% revenue), pornography (1 % revenue), tobacco (5% revenue), exclusions replicating those applied for Statens Pensjons Utland (SPU) and the number of investments excluded as a result of these exclusions.
- The fund will seek to influence issuers’ impact on sustainability matters through engagement on material sustainability topics as determined through the number of engagement activities applied for investments in the fund.

The fund promotes environmental and/or social characteristics through the pass or fail criteria for its exclusions, inclusions and sustainable investments and through its active ownership activities. The expected minimum proportion of investments meeting the pass or fail criteria of the fund’s environmental and/or social characteristics is 50%.

All above characteristics are not exhaustive and will be further described in SFDR Appendix to the prospectus.

2. Sustainability-related changes

2.1. Clarifications to the Section 3.1.31 “Sustainability Risk”

The additional wording has been added to the Section 3.1.31 “Sustainability Risk” to enhance the existing disclosures (as highlighted in *italics*):

“For a sustainability factor or sustainability to be considered material it needs to translate into investment performance, meaning it should have a positive or negative impact on either the revenue or expenses of an investment, the value of its assets or liabilities or its cost of capital.

Sustainability risks that could negatively affect the value of a particular investment might include any of the following factors:

- *Environmental: energy consumption and efficiency, extreme weather events such as flooding and high winds; pollution incidents; damage to biodiversity or marine habitats. New regulations, taxes or industry standards to protect or encourage sustainable businesses and practices may be introduced.*
- *Social: Inclusiveness/inequality, labour strikes; health and safety incidents such as injuries or fatalities; product safety issues.*
- *Governance: tax fraud; discrimination within a workforce; inappropriate remuneration practices; failure to protect personal data.*

Furthermore, although duly mapped, identified and managed in the investment processes, the following elements can affect the degree to which sustainability risks are likely to impact the returns of the funds:

- *sustainability risk profile is dynamic and impacted by dimensions such as the investment universe, asset class and geographical exposure, the investment strategy, specific investments, responsible investment processes and investment horizon. This also means that the sustainability risk exposure will evolve over time.*

The value of the investments in the fund may deteriorate due to the materialisation of sustainability risks. The exact impact of a sustainability risk materialising is difficult to model due to the aspects mentioned above. As a result, the impact of sustainability risk on returns be both larger and smaller than expected based on the exact nature of the situation and context.

The sustainability risk exposure is monitored on a continuous basis using the “Sustainability Risk Alert Framework”. The framework, leveraging the same indicators, measures the relative risk exposures versus a relevant benchmark to ensure that sustainability risks are continuously managed by the funds. The sustainability risk exposures should be well managed and, as needed, lead to and/or influence a decision to either buy/increase weighting, hold/maintain weighting, decrease weighting, or sell/divest or to engage through active ownership activities.

The table below shows the expected impact that sustainability risks can have on a fund’s return, stated as “Low”, “Medium” or “High”. This assessment is based on data from providers that specialize in sustainability risks.

<i>Fund</i>	<i>Sustainability risks impact on return</i>
<i>Alternatives - Defensive</i>	<i>Low</i>
<i>Alternatives - Offensive</i>	<i>Medium</i>
<i>Alternatives - Global Future</i>	<i>Medium</i>
<i>Emerging Markets Sustainable Future 2</i>	<i>Medium</i>

<i>Fund</i>	<i>Sustainability risks impact on return</i>
<i>Fixed Income Global Value</i>	<i>Low</i>
<i>Global Cross Asset Volatility</i>	<i>Low</i>

The following description is removed from the sustainability risk descriptions:

~~Funds that have environmental and/or social characteristics (article 8 funds under SFDR) would usually be considered to have lower exposure to sustainability risks as a result of their investment strategy and processes. Notwithstanding a limited exposure to sustainability risk, those funds could underperform funds without such sustainability features due to a potential limited investment universe.~~

2.2. Update of SFDR Annexes

The SFDR annexes forming part of the prospectus have been further revised to strengthen the existing disclosures and, among others, to implement the disclosure requirements of the new Commission Delegated Regulation (EU) 2023/363 of 31 October 2022 related to the disclosure of financial products' exposure to investments in nuclear energy and fossil gas activities.

2.3. Additional ESG restrictions

To fulfil investors' demands it has been suggested to add the pornography to the list of investment restrictions applying to Alternatives-Defensive, Alternatives-Offensive, Fixed Income Global Value, Global Cross Asset Volatility funds.

Additionally, Emerging Markets Sustainable Future 2, Fixed Income Global Value, Global Cross Asset Volatility funds will adopt the list of exclusions defined by Norges Bank (called "Statens Pensjons Utland" – "SPU" restrictions).

Emerging Market Sustainable Future 2 will exclude fossil fuels companies (5 % revenue), unless the company has a documented and credible transitions plan.

Companies and issuers in scope of the above exclusions category will be restricted from the investment universe of the funds.

2.4. Alignment with the EU Taxonomy Regulation

Due to new regulatory requirements set out in the new Commission Delegated Regulation (EU) 2023/363 of 31 October 2022 related to the disclosure of financial products' exposure to investments in nuclear energy and fossil gas activities, the funds committing to make taxonomy-aligned investments have to disclose minimum exposures to fossil gas and nuclear energy. The fund Emerging Markets Sustainable Future 2 currently committing to 1 % taxonomy alignment, does not have full visibility on how best to manage the related commitments for fossil gas and nuclear energy, hence the fund will choose not to commit to any taxonomy aligned investments at the current stage (i.e. 0 % of taxonomy alignment). Actual taxonomy alignment (including for fossil gas and nuclear energy) will be reported still in accordance with the applicable regulations.

3. Other changes

3.1. Section 1.4.4. Share-Classes with performance fee

The following clarifications added to the below sub-sections (highlighted in *italics*):

3.1.1. General description

"The Reference Benchmark is used as the hurdle rate and the main reference indicator remains the high watermark."

“The first calculation period shall not be less than 12 months. If a Sub-Class that carries a performance fee is launched, its first calculation period will thus be from the launch date until the end of the following calendar year. The same is true for any existing Sub-Class to which a performance fee is added”.

3.1.2. How the fee is calculated

The results from these calculations accrue over the calculation period. When the accruals result in net outperformance (*calculated net of all costs*) for the period to date, they are factored into NAV. When the accruals result in net underperformance for the period to date, no performance fee is factored into NAV, but the accrual calculations continue, meaning that no performance fee can be earned during that calculation period until the accrued underperformance is overcome.

3.2. Securities lending

The funds do not anymore intend to engage in securities lending operations. As a result of this, the references to securities lending in the prospectus have been removed.

3.3. Board of directors

There have been changes to the board of directors of the AIFM, which are further displayed under the Section “Management and administration of the SICAV and the AIFM” of the prospectus.

3.4. Charges and expenses

It is proposed to change the fee structure for Emerging Markets Sustainable Future 2 fund to align among other funds in the Company.

The fees paid by the fund currently and until 31 December 2023:

Share Class	ISIN Code	Management Fee*	Performance Fee	Fee for Domiciliary Agent*
Class A p	LU0861986734	1.46 %	Yes, i) see below	0.04%
Class B	LU0861986908	0 %	NIL	0%
Class D	LU0861987385	1.46 %	NIL	0.04%
Class D d	LU0861988607	1.46 %	NIL	0.04%
Class W	LU1611439875	Max. 1.46 %	NIL	0.04%
Class W p	LU1611440022	Max. 1.46 %	Yes, i) see below	0.04%

* p.a. of the Net Asset Value of the share class, payable quarterly in arrears.

As of 1 January 2024, the following fees will be charged to the Emerging Markets Sustainable Future 2 fund:

Share Class	ISIN Code	Management Fee*	Operating and Administrative Expenses*	Performance Fee
Class A p	LU0861986734	1.50 %	Max. 0.50 %	Yes, i) see below
Class B	LU0861986908	0 %	Max. 0.50 %	NIL
Class D	LU0861987385	1.50 %	Max. 0.50 %	NIL
Class D d	LU0861988607	1.50 %	Max. 0.50 %	NIL

Share Class	ISIN Code	Management Fee*	Operating and Administrative Expenses*	Performance Fee
Class W	LU1611439875	Max. 1.50 %	Max. 0.50 %	NIL
Class W p	LU1611440022	Max. 1.50 %	Max. 0.50 %	Yes, i) see below

* p.a. of the Net Asset Value of the share class, payable quarterly in arrears.

This change is a result of an internal operational alignment. The investors in the fund should not be affected by this change as the actual operating and administrative fees to be charged shall be in line with the actual costs currently charged in the fund as displayed in the PRIIPS KID of the fund.

3.5. *Taxe d'abonnement*

Starting from 1 January 2024, the subscription tax (taxe d'abonnement) should be included in the operating and administrative expenses to be paid to the AIFM for administrative and related services as opposed to the current model where this tax is paid directly by the SICAV. The investors will not be impacted by this change.

In that respect, the table "Fees charged to the fund" in Alternatives – Offensive and Alternatives- Defensive funds has been supplemented with the clarification stating that the operating and administrative expenses will increase from 0.20 p.a. to 0.21 % p.a. due to tax d'abonnement component to be calculated as a part of the operating and administrative expenses as of the aforementioned date.

3.6. *Section "Data Protection and telephone recording"*

The reference to Danske Invest Privacy Notice available on the website www.danskeinvest.lu has been added.

3.7. *Depositary and Paying Agent*

Following the acquisition of RBC Investor Services Bank A.S. by CACEIS, the section 16.4. Depositary and Paying Agent has been restated accordingly.

4. *Practical information*

The above changes, except the reclassification of Global Cross Asset Volatility fund and the change described under the sections 2.3., 2.4. and 3.4. as described above, take effect on the day the prospectus is visa-stamped by the CSSF.

The changes, which do not take effect immediately upon the prospectus approval, will come into force on 29 September 2023, unless stated otherwise.

The shareholders who disagree with the proposed changes may request, until 29 September subject to terms set out in the prospectus, the full redemption or conversion of their holdings into any other fund within the SICAV free of redemption or conversion charges.

Both the prospectus as well as the relevant PRIIPS KID will be made available online at danskeinvest.com and free of charge at the registered office of the SICAV.

Yours faithfully,

The Board of Directors of
Danske Invest SICAV-SIF