

Danske Invest China Fund Fund-specific Regulations

The fund regulations consist of fund-specific regulations (sections 1-5) and general fund regulations of funds managed by Danske Invest Fund Management Ltd (sections 6-23).

The Finnish Financial Supervisory Authority approved the fund-specific regulations on 27 January 2020.

The regulations are valid as of 18 March 2020.

§ 1 The Fund

The name of the mutual fund is Sijoitusrahasto Danske Invest China in Finnish, Placeringsfond Danske Invest China in Swedish, and Danske Invest China Fund in English (hereinafter "the Fund").

§ 2 The Fund's investment policy

The objective of the Fund's investment activity will be to achieve value increase in the long term by diversifying the assets in compliance with the Finnish Mutual Funds Act and the Fund's Regulations.

The Fund's assets will be invested in a diversified manner, in compliance with the restrictions of the Finnish Mutual Funds Act and these Regulations, mainly in publicly traded equities and equity-linked securities issued by companies listed in China, Hong Kong or Taiwan or companies highly dependent on the Chinese economy.

The Fund's assets will be invested in:

1) equities and equity-linked instruments, such as convertible bonds, warrants, employee stock options, subscription rights and depository receipts, which are publicly traded in a regulated market referred to in the Act on Trading in Financial Instruments or in another regulated, regularly operating, recognised and public market place. There are no geographical restrictions on the location of the market place. A list of available market places may be obtained from the Fund Management Company.

2) deposits in credit institutions, provided that such deposits are repayable upon demand or have the right to be withdrawn and mature in no more than 12 months, and that such institution is domiciled in a member state of the European Economic Area. No more than 20 per cent of the Fund's assets may be invested in deposits received by any one credit institution.

3) securities whose terms of issue contain a commitment to subject the securities to trading in a market place as referred to above in point 1 within one year of their issue, provided that trading can in all likelihood begin at the latest during said period.

4) fund units of Finnish mutual funds (UCITS and non-UCITS) and units of foreign collective investment schemes (UCITS and non-UCITS) that are licensed in Finland or in another member state of the European Economic Area provided no more than 10 per cent of the Fund's assets are used for this purpose. These investments may also be in such mutual funds and collective investment schemes that do not fulfil the terms and conditions of the UCITS Directive in accordance with the legislation of their country of domicile, provided that the regulations concerning the protection of fund unit-holders and the segregation of assets, borrowing and lending, and the conveyance of securities and money market instruments for no consideration are comparable to the requirements of the UCITS Directive. The assets of the Fund may also be invested in the units of mutual funds administered by the Fund Management Company. The Fund Management Company will charge a management fee on these investments, too, but the Fund will not be charged any subscription or redemption fees with respect to these investments. The Fund's assets may not be invested in the units of such mutual funds (UCITS and non-UCITS) or collective investment schemes (UCITS and non-UCITS) whose regulations or articles of association permit them to invest more than 10 per cent of their assets in the units of other mutual funds or collective investment schemes.

The assets of the Fund may only be invested in the fund units of mutual funds (UCITS and non-UCITS) and units of collective investment schemes (UCITS and non-UCITS) whose fixed annual management fee does not exceed 3 per cent of the value of such mutual funds (UCITS and non-UCITS) and collective investment schemes (UCITS and non-UCITS). The investments in mutual funds and collective investment schemes may also be subject to performance-based fees in addition to such fixed management fees.

5) standardised and non-standardised derivatives contracts whose underlying assets may be securities, fund units of mutual funds or units of collective investment schemes, financial indexes, currency exchange rates or currencies or derivatives contracts, whose underlying assets are financial instruments or underlying assets referred to above.

Investments will be made in derivatives in order to hedge the Fund's portfolio and to enhance portfolio management. For these purposes the Fund may buy and sell options, forward contracts and futures.

Standardised derivatives contracts will be subject to public trading in a market place as referred to above in point 1. The counterparty of a non-standardised derivatives contract may be a credit institution or investment services company domiciled in a member state of the European Economic Area. The counterparty risk from investing in non-standardised derivatives contracts may not, with respect to any one credit institution that is a counterparty, exceed 10 per cent of the Fund's assets, and may not, with respect to other counterparties, exceed 5 per cent of the Fund's assets.

Currency and currency exchange rate derivatives may be used only to hedge against fluctuations in exchange rates and only in those currencies in which the Fund has investments.

The market value of all premiums linked to the derivatives may not exceed 20 per cent of the Fund's assets, and no more than 20 per cent of the Fund's assets in total can be committed as collateral for derivatives contracts and repurchase agreements.

To promote efficient asset management, the Fund may enter into lending and repurchase agreements with respect to any securities and money market instruments held by it, provided they are settled through a clearing house that meets the definition of the Act on the Book-Entry System and Clearing Operations, or a corresponding foreign entity. Instead of the above-described way, settlement may also occur elsewhere, provided that the counterparty of the agreements is an investment service company or another investment service provider referred to in the Act on Investment Services and the agreement terms and conditions are normal for the market and generally known. The combined value of lending agreements may not exceed 25 per cent of the combined value of the Fund's securities and money market instrument investments. This restriction does not apply to lending agreements that can be terminated and whose underlying securities and money market instruments can be immediately recovered upon demand.

The Fund's overall risk will not be increased by the use of derivatives beyond a situation where all of the Fund's assets are invested in the equity markets. The combined risk of the Fund's securities, money market instruments and derivatives contracts will be monitored daily on the basis of related collateral and margin requirements and the delta ratio of the total exposure.

The risk of the Fund's investments will be examined as a whole, and no restrictions, such as cash-denominated investment or loss restrictions, other than the above-described investment restrictions, will be set for the derivatives.

6) other securities and money market instruments than those referred to above in points 1-5, provided they do not exceed 10 per cent of the Fund's assets.

Up to 10 per cent of the Fund's assets may be invested in the securities and money market instruments of any one issuer, provided that investments in the securities and money market instruments of such issuer, in combination with any deposits accepted by it, or any non-standardised derivatives contracts that expose the Fund to counterparty risk relating to said entity, will not exceed 20 per cent of the Fund's assets.

Investments in the securities or money market instruments of any one issuer that exceed 5 per cent of the Fund's assets may not total more than 40 per cent of the Fund's assets. This restriction will not be applied to deposits or non-standardised derivatives contracts in which the counterparty is a credit institution domiciled in a member state of the European Economic Area. Nor does this restriction apply to investments in the units of mutual funds (UCITS and non-UCITS) and collective investment schemes (UCITS and non-UCITS) as referred to above in point 4.

The Fund must hold the required cash balance for its activities.

§ 3 Fund units and orders concerning fund units

The cut-off time for orders concerning fund units is 1 pm Finnish time.

Fund units, orders concerning fund units and the distribution of annual income are defined in more detail in sections 10, 11, 12 and 16 of general fund regulations.

§ 4 Fees

In compensation for its activities, the Fund Management Company will receive a management fee, which varies by fund unit series, and will be no more than 2 per cent per annum calculated from the value of the Fund. Information about the management fee charged at each time and information about the maximum amount of the Fund's subscription and redemption fees are available from the Fund's valid key investor information document and prospectus. Information about fund fees is also available in sections 13 and 14 of general fund regulations.

§ 5 Valuation of the Fund's assets

The Fund's investment instruments will be valued at the prevailing market value. The market value will be determined on

the basis of the value of the securities at 7.00 a.m. Finnish time on the banking day following the valuation date. The market value of derivatives contracts will be determined on the basis of their value at 2.00 p.m. Finnish time on the valuation date.

With respect to equities and equity-linked securities, the market value is considered to be the price of the last trade carried out before 7.00 a.m. Finnish time on the banking day following the valuation date. If a trading price is missing, the last available trading price will be used as the market value, provided it is between the last buy and sell quotations. If the last available trading price is lower than the buy quotation or higher than the sell quotation, either the buy or the sell quotation may be used, depending on which is nearest to the last available trading price.

Money market instruments are valued on the basis of their remaining maturity and the issuer-specific risk premium.

With respect to derivatives contracts, the market value is considered to be the price of the latest trade made before 2.00 p.m. Finnish time.

The market value of mutual funds and collective investment schemes is considered to be the latest fund unit value or unit value that is published in accordance with the regulations of the mutual fund or collective investment scheme in question and is available at 7.00 a.m. Finnish time on the banking day following the valuation date.

Information about the calculation of the Fund's value is also available in section 15 of general fund regulations.

Should there be any discrepancies between the original Regulations (in Finnish) and this unofficial translation, the original Regulations shall prevail.