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# BIL DANMARK

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## Prospectus

## Investeringsforeningen BIL Danmark

### Subfunds

- Danske Small Cap aktier KL
- Danske Small Cap aktier Akk. KL - under afvikling

Published on 21 October 2019

Place of subscription:

BIL Danmark, branch of Banque Internationale à Luxembourg Bank S.A.

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## Prospectus responsibility

We hereby represent that to the best of our knowledge and belief, the information contained in this prospectus is in accordance with the facts and does not omit anything likely to affect the presentation which this prospectus is intended to give. To the best of our knowledge, this prospectus contains all material information which may be of relevance to potential investors in the Fund.

Copenhagen, 17 October 2019

Board of Directors of Investeringsforeningen BIL Danmark

Jacob Saxild

Thomas Hartwig

Jette H. Ronøe

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**Investeringsforeningen BIL Danmark****Name and address**

Investeringsforeningen BIL Danmark  
c/o Nykredit Portefølje Administration A/S Kalvebod Brygge 1-3  
DK-1780 Copenhagen V [www.bildanmark.dk](http://www.bildanmark.dk)

**Registration numbers**

Investeringsforeningen BIL Danmark is registered with the Danish Financial Supervisory Authority (FSA) under FSA no 11.108 and with the Danish Business Authority under CVR no 21 35 35 31.

The subfund of the Fund is registered with the Danish tax authorities (SKAT) under the following tax registration (SE) number:

- Danske Small Cap aktier KL (SE no: 30 11 25 47)
  - unit class Danske Small Cap aktier KL A (SE no: 35 45 84 17)
  - unit class Danske Small Cap aktier KL W (SE no: 35 45 82 63)
  
- Danske Small Cap aktier Akk. KL - under afvikling – (SE no: 39 03 79 39)
  - unit class Danske Small Cap aktier Akk. KL A (SE no: 39 03 80 05)
  - unit class Danske Small Cap aktier Akk. KL W (SE no: 39 03 80 56)

**Formation**

The Fund was established on 7 October 1998 and changed its name from Investeringsforeningen Dexia Invest to Investeringsforeningen BIL Nordic Invest on 5 December 2012. The name change was approved by the Danish FSA on

15 March 2013. On 8 June 2016, the Fund changed its name from Investeringsforeningen BIL Nordic Invest to Investeringsforeningen BIL Danmark. The name change was approved by the Danish FSA on 24 May 2016. The registered office of the Fund is located in the City of Copenhagen.

**Objects**

The objects of Investeringsforeningen BIL Danmark are to receive, from a wide circle of investors or the general public, funds which in accordance with a principle of risk diversification are placed in the securities referred to in part 14 of the Danish Investment Associations, etc. Act and at the request of an investor to redeem the said investor's share of the net asset value with funds derived therefrom.

The Fund may, if so authorised by the Danish FSA, carry on business as a master fund.

**Articles of Association and annual report**

The Fund's Articles of Association form an integral part of this prospectus and are attached as a Schedule.

The Fund's annual reports are presented in accordance with the provisions of the Danish Investment Associations, etc. Act and the current Executive Order on financial reports for Danish UCITS. The financial year is the calendar year. Annual reports will be sent directly to registered investors at their request. Annual reports and semi-annual reports are available on request from the Fund or BIL Danmark, branch of Banque Internationale à Luxembourg S.A., and they are also available on the website of the Fund.

**Additional information**

Additional information on the quantitative limits mentioned in the subfund section and the methods applied by the investment management company to ensure compliance with those limits is available from Nykredit Portefølje Administration A/S. Investors may also obtain information on the latest development in the main risks and returns of each instrument category of the subfund.

For further information about the investment fund and the subfund's portfolio, including presentation of the portfolio statement in the Fund's annual and interim reports, please see the website: [www.bildanmark.dk](http://www.bildanmark.dk).

## Danske Small Cap aktier KL

### Resolution on formation

At the Fund's extraordinary general meeting held on 23 May 2017, a resolution was made to change the name of the subfund from Danske Small Cap aktier to Danske Small Cap aktier KL. At the meeting of the Board of Directors held on 18 August 2017, a resolution was made to divide the subfund into two unit classes, Danske Small Cap aktier KL A and Danske Small Cap aktier KL W.

#### Danske Small Cap aktier KL A:

In connection with the division of the initial subfund Danske Small Cap aktier KL into two unit classes as at 24 August 2017, unit class A continues with the subfund's initial investment profile and the subfund's initial return.

Unit class A is open to the ordinary investment fund market, including trading on Nasdaq Copenhagen A/S.

#### Danske Small Cap aktier KL W:

In connection with the division of the initial subfund Danske Small Cap aktier into two unit classes as at 24 August 2017, unit class W's first trading day is 28 August 2017.

Unit class W is open to institutional and professional investors as well as investors that have entered into a client's investment management agreement with a bank or investment firm. The fund units are not admitted to trading in an authorised market place.

### Net asset value

Net assets of unit classes at early-October 2019:

Danske Small Cap aktier KL A DKK 122.4 million

Danske Small Cap aktier KL W DKK 3.0 million

### Investment strategy and placement of funds

The subfund invests in accordance with title IX of the Danish Investment Associations, etc. Act.

The investment fund is actively managed and invests in accordance with the guidelines stipulated in the Articles of Association and the investment strategy with a view to achieving at least a performance at par with benchmark.

The subfund invests in equities issued by a Danish company admitted to trading on Nasdaq Copenhagen A/S or traded on another Danish regulated market which operates regularly and is recognised and open to the public.

The subfund mainly invests in equities issued by companies that are not constituents of the OMXC25 Index. However, the subfund may have up to 30% of its funds invested in OMXC25 equities.

Within its investment area, the subfund may invest in other securities or money market instruments, including securities which are not admitted to trading.

The subfund may have up to 10% of its net asset value invested in equities not admitted to trading on a regulated market.

The subfund may hold an ancillary amount of liquid funds. The subfund may make cash and fixed-term deposits.

The subfund complies with the rules in section 21(2) of the Danish Capital Gains Tax Act.

### Derivative financial instruments

The subfund may apply derivative financial instruments on a hedged basis and provide loans of securities.

### Risk factors

The risk of investing in the subfund is considered to be high. On a risk scale ranging from 1 to 7, with 7 being the highest risk category, the subfund is expected to be in risk category 6.

Investors should be particularly aware that the value of any investment in the subfund may be affected by the following risks in particular: equity market risk, geographic risk, liquidity risk, risk related to investment style and issuer-specific risk.

The individual risk factors are described in detail in the section "Risk scenarios and risk factors".

### Investor profile/the typical investor

The subfund mainly addresses private investors with a long-term investment horizon seeking to participate in the Danish equity market. Investment in this subfund is considered well suited for long-term investments such as pension savings as the risk is limited compared with investing in individual equities. This subfund may not be suitable for investors planning to realise their investments within four years.

### Return and benchmark

The subfund's benchmark is OMX Copenhagen Ex OMXC20 Index GI. The benchmark administrator has not yet been entered in the public register of authorised benchmark administrators provided by the European Securities and Markets Authority (ESMA). The deadline for admission to the register is 1 January 2020.

The subfund's and the benchmark's returns for the past five years appear from the table below:

Return as %	2014	2015	2016	2017	2018
Danske Small Cap aktier KL A	6.6	64.3	2.6	9.7	(24.4)
Danske Small Cap aktier KL W	-	-	-	(4.7) <sup>1</sup>	(23.8)
Benchmark	6.0	41.5	7.0	10.7	(2.0)

It should be noted that past performance is not a guide to the future subfund returns.

### Distribution

The subfund is an income subfund, and provisional net profits are distributed to investors in the period between 1 January and the annual general meeting of the Fund. The distribution amount depends on the income and costs of the previous financial year and is calculated in accordance with section 16 C of the Danish Tax Assessment Act.

The subfund's distribution for the past five years appears from the table below:

Distribution in %/DKK per unit	2014	2015	2016	2017	2018
Danske Small Cap aktier KL A	22.00	36.50	58.90	49.30	0
Danske Small Cap aktier KL W	-	-	-	50.30 <sup>2</sup>	0

The distributions adopted by the General Meeting are paid via VP Securities A/S. Dividend tax, currently 27%, is withheld in connection with the distribution.

<sup>1</sup>) The unit class has been active since 25 August 2017.

<sup>2</sup>) The unit class has been active since 25 August 2017.

**Taxes and taxation rules**

The subfund is an investment institution subject to a minimum rate of taxation, cf section 16 C of the Tax Assessment Act.

Returns on subfund units purchased with available capital are in general taxable according to the rules applying to direct investment in securities. As regards dividends, gains or losses on the sale of units in the subfund, natural persons are subject to equity income tax, whereas companies are subject to corporate income tax in accordance with the market-value principle.

Returns on units purchased under a pension plan are taxed according to the market-value principle and the Danish Pension Returns Tax Act.

Dividend tax is withheld in connection with the subfund's dividend distribution in accordance with the rules applicable to each investor type.

Further information on the tax rules is available from the Fund or on the Fund's website. For more detailed information, investors are recommended to consult their own tax advisers.

**Admission to trading on a regulated market**

Unit class A has been admitted to trading on Nasdaq Copenhagen A/S. The subfund's unit class W is not admitted to trading in an authorised market place.



## Danske Small Cap aktier Akk. KL – under afvikling

### Resolution on formation

A resolution was made at the meeting of the Board of Directors on 20 September 2017 and approved by the Danish FSA under FSA no 11.108.002 by letter of 19 October 2017 to form the subfund Danske Small Cap aktier Akk. KL - under afvikling.

A resolution was made at the extraordinary general meeting on 10 October 2019 to file an application for liquidation of the subfund with the Danish FSA. Pursuant to the liquidation plan, the subfund is expected to be liquidated at end-December 2019.

The subfund is divided into two unit classes, Danske Small Cap aktier Akk. KL A and Danske Small Cap aktier Akk. KL W.

Unit class A is open to the ordinary investment fund market, including trading on Nasdaq Copenhagen A/S. Trading of units in unit class A has been suspended on Nasdaq Copenhagen A/S following a resolution to liquidate the subfund Danske Small Cap aktier Akk. KL – under afvikling.

Unit class W is open to institutional and professional investors as well as investors that have entered into a client's investment management agreement with a bank or investment firm. No application will be made for admission to trading on an authorised market place for the units of unit class W.

### Net asset value

The subfund is divided into two unit classes, Danske Small Cap aktier Akk. KL A: DKK 6.8 million, and Danske Small Cap aktier Akk. KL W: DKK 1.0 million.

### Investment strategy and placement of funds

The subfund invests in accordance with title IX of the Danish Investment Associations, etc. Act.

The investment fund is actively managed and invests in accordance with the guidelines stipulated in the prospectus and the investment strategy with a view to achieving at least a performance at par with benchmark.

The subfund invests in equities issued by a Danish company admitted to trading on Nasdaq Copenhagen A/S or traded on another Danish regulated market which operates regularly and is recognised and open to the public.

The subfund mainly invests in equities issued by companies that are not constituents of the OMXC25 Index. However, the subfund may have up to 30% of its funds invested in OMXC25 equities.

Within its investment area, the subfund may invest in other securities or money market instruments, including securities which are not admitted to trading.

The subfund may have up to 10% of its net asset value invested in equities not admitted to trading on a regulated market.

The subfund may hold an ancillary amount of liquid funds. The subfund may make cash and fixed-term deposits.

For a statement of the subfund's securities portfolio, please see the Fund's website: [www.bildanmark.dk](http://www.bildanmark.dk), or contact the Fund's investment management company.

### Derivative financial instruments

The subfund may apply derivative financial instruments on a hedged basis and provide loans of securities.

**Risk factors**

The risk of investing in the subfund is considered to be high. On a risk scale ranging from 1 to 7, with 7 being the highest risk category, the subfund is expected to be in risk category 6.

Investors should be particularly aware that the value of any investment in the subfund may be affected by the following risks in particular: equity market risk, geographic risk, liquidity risk, risk related to investment style and issuer-specific risk.

The individual risk factors are described in detail in the section "Risk scenarios and risk factors".

**Investor profile/the typical investor**

The subfund is open to the general public.

The subfund addresses investors with a long-term investment horizon seeking to participate in the Danish equity market. For private investors, the subfund is mainly aimed at investors with pension capital or available capital and a negative capital income. Further, funds subject to the Danish Business Tax Scheme may be applied. The subfund is appropriate as part of a portfolio, provided that disbursement lies many years into the future.

This subfund may not be suitable for investors planning to realise their investments within four years.

**Return and benchmark**

The subfund's benchmark is OMX Copenhagen Ex OMXC20 Index GI. The benchmark administrator has not yet been entered in the public register of authorised benchmark administrators provided by the European Securities and Markets Authority (ESMA). The deadline for admission to the register is 1 January 2020.

The benchmark returns for the past five years appear from the table below:

Return as %	2014	2015	2016	2017	2018
Danske Small Cap aktier Akk. KL A	-	-	-	-	(23.7)
Danske Small Cap aktier Akk. KL W	-	-	-	-	(24.3)
Benchmark	6.0	41.5	7.0	19.8	(2.0)

It should be noted that past performance is not a guide to the future subfund returns.

**Distribution**

The subfund is an accumulation subfund and will not make distributions. Instead, the net profit is transferred to net assets attributable to unitholders of the subfund.

**Taxes and taxation rules**

The subfund is an investment company, cf section 19 of the Danish Capital Gains Tax Act. Dividend received from Danish companies is subject to 15% tax, cf section 3(1)(xix) of the Danish Corporation Tax Act.

Returns on subfund units purchased with available capital are taxed according to the market-value principle. Therefore, both realised and unrealised gains are taxed annually, and any losses are deductible. Natural persons are liable to pay capital gains tax, while companies are liable to pay corporate income tax.

Returns on units purchased with funds under the Danish Business Tax Scheme are also taxed according to the market-value principle, and the returns are included in the company tax statement.

Returns on units purchased under a pension plan are taxed according to the market-value principle and the Danish Pension Returns Tax Act. Further information on the tax rules is available from the Fund or on the Fund's website. For more detailed information, investors are recommended to consult their own tax advisers.

**Admission to trading on a regulated market**

The subfund's unit class A has been admitted to trading on Nasdaq Copenhagen A/S. Trading of units in unit class A has been suspended on Nasdaq Copenhagen A/S following a resolution to liquidate the subfund Danske Small Cap aktier Akk. KL – under afvikling.

The subfund's unit class W is not admitted to trading in an authorised market place.

**Risk scenarios and risk categories**

Like any other investment, investing in the subfunds implies a risk of loss. The value of investment certificates in a subfund may vary over time and may thus at any given time be worth less, the same or more than at the time of investment. Investors should therefore be aware that investing in investment certificates is not comparable to making a bank deposit and that the value of the investment is not guaranteed.

The risk category of the Fund's subfund is indicated on a scale from 1 to 7. Risk category 1 indicates minor price fluctuations and thus low risk and typically entails lower returns. Risk category 7 indicates major price fluctuations and high risk and typically entails a higher return potential.

The risk category indicates the typical correlation between the risk and potential return of investing in the subfund and is determined on the basis of fluctuations in the subfund's net asset value per unit over the past five years and/or representative data. It should be noted that the risk category of the subfund may change over time and that the historical data forming the basis for the current risk categorisation do not necessarily reflect the future risk profile.

For the subfund's current risk category, see the Key Investor Information on the Fund's website.

The Fund makes continuous efforts to maintain the risk profile of the subfunds through appropriate diversification of the subfunds' investments within the scope of Danish legislation and the Articles of Association of the Fund.

Investors in the subfunds should be aware of the following risks in particular: Equity market risk:

Equity prices may fluctuate strongly and may drop considerably and fast.

Equity markets may be exposed to particular political or regulatory conditions that may affect the value of a subfund's equity investments. Furthermore, the value of a subfund's investments may be affected, positively or negatively, by market, sectoral, national, regional or general economic conditions.

Geographic risk:

Investing in securities from a limited geographical area or a single country entails a particular risk. For instance, the financial markets in the relevant area or country may be subject to particular political or regulatory conditions that may affect the value of a subfund's investments. Market or general economic conditions in the individual area or country, such as currency and interest rate levels, may also affect the value of an investment.

Liquidity risk:

In special cases, local, national or global circumstances may render some securities or currencies difficult to buy and/or sell. For instance, if the relevant securities have been issued in a small amount, extensive buying or selling may drive market prices significantly up or down. This in itself may affect the value of the subfund's investments. In rare cases, this may cause the subfund to suspend the redemption and sale of new investment certificates for shorter or longer periods.

Risk relating to cash deposits with banks:

A subfund may place part of its net asset value as a cash deposit or a fixed-term deposit with a bank, eg the Fund's depository. The subfund incurs a risk of loss in case of the bank's bankruptcy.

**Risk related to investment style:**

A subfund that is limited to investing in a certain part of the equity or bond market incurs the risk that financial market demand shifts away from that particular part of the market for some periods. During such periods the value of the subfund's investments may decline, or they may underperform the market.

**Issuer-specific risk:**

The value of individual securities may fluctuate more than the market as a whole, thereby generating a return that differs from that of the market. The value of individual securities depends on, for instance, the earnings of the issuer, for example the company issuing the equity or corporate bond, which in turn may be affected by factors such as regulation, competition and liquidity. If a subfund has a large percentage of its net asset value invested in one security, it becomes more sensitive to this issuer's situation, and the value of the subfund may vary substantially. If the issuer defaults, the subfund may sustain a loss.

It should be noted that the risk factors stated here are merely examples and the list is therefore not exhaustive. Further, different areas of the financial markets may react differently to these factors.

## Fund units, subscription and redemption

### Units

The subfunds issue certificates. The subfunds' units are issued through VP Securities A/S in denominations of DKK 100 or multiples thereof. No physical certificates are issued in the subfunds.

### ISIN

The units are registered with VP Securities A/S under the following ISINs:

Danske Small Cap aktier KL A: DK0015762249. Danske Small Cap aktier KL W: DK0060879492.

Danske Small Cap aktier Akk. KL A: DK0060917847. Danske Small Cap aktier Akk. KL W: DK0060917920.

### Place of subscription

BIL Danmark, filial af Banque Internationale à Luxembourg S.A. Grønningen 17

DK-1270 Copenhagen K

Tel +45 33 46 11 00

Fax +45 33 32 42 01

Units may also be ordered through other banks or stockbroker companies.

### Ongoing issuance

Subscription for units in the subfund takes place on an open-ended basis, and no maximum amount has been fixed.

In connection with issues of DKK 10 million or more, the investment management company of the Fund may allow payment in the form of non-cash contributions of securities.

Units subscribed for when offered on an open-ended basis are settled at the issue price as at the next valuation point. Settlement takes place two business days after subscription for the units upon registration of the units in the investor's account with VP Securities A/S. Issue prices are calculated daily.

The double-pricing method will be applied to calculate the issue price pursuant to section 4(1) of the Danish Executive Order on Calculation of Issue and Redemption Prices for Subscription and Redemption of Units in Danish UCITS etc. by dividing the net asset value at the date of issue by the nominal value of the units subscribed for. An amount is added to cover the cost of purchasing financial instruments and necessary issue costs.

Issue costs include the following maximum costs as percentages of net asset value per unit:

#### Danske Small Cap aktier KL A:

Trading commission and any other direct trading costs etc	0.25%
Other market-related trading costs	0.10%
Marketing	0.15%
Subscription, sales and underwriting commission etc	1.00%
Total	1.50%

**Danske Small Cap aktier KL W:**

Trading commission and any other direct trading costs etc	0.25%
Other market-related costs	0.10%
Marketing	0.15%
Subscription, sales and underwriting commission, etc	<u>0.00%</u>
Total	0.50%

**Danske Small Cap aktier Akk. KL A**

Trading commission and any other direct trading costs etc	0.25%
Other market-related costs	0.10%
Marketing	0.15%
Subscription, sales and underwriting commission, etc	<u>1.00%</u>
Total	1.50%

**Danske Small Cap aktier Akk. KL W:**

Trading commission and any other direct trading costs etc	0.25%
Other market-related costs	0.10%
Marketing	0.15%
Subscription, sales and underwriting commission, etc	<u>0.00%</u>
Total	0.50%

The stated maximum issue costs may be exceeded in periods of exceptional market conditions which increase other market-related costs of purchasing and selling the instruments of a subfund. Should such a situation arise, the Fund will publish the actual issue costs as well as an announcement on unusual market conditions on Nasdaq Copenhagen A/S and on the Fund's website during such period and will announce via the same channels when the maximum issue charge listed above applies again.

The costs payable by the Fund in connection with large issues will be lower than the rates stated above. Therefore, the Fund reserves the right to reduce the issue charge in connection with large issues. However, the issue charge may not be lower than the acquisition cost of financial instruments, unless the issue is made in connection with a non-cash contribution in the form of securities to the subfund.

Ongoing issuance may be suspended by resolution of the Board of Directors if, for instance, it is believed that there is considerable doubt about the value of the subfund's funds at the time of issuance. Any suspension and resumption of issuance after suspension will be announced via Nasdaq Copenhagen A/S and on the Fund's website.

Payment for units subscribed will be made in cash two trading days after the date of subscription against simultaneous registration with VP Securities A/S.

**Transfer**

No special rules apply to the transfer of investors from one subfund to another within the Fund. A transfer is considered a redemption with subsequent issuance on ordinary market terms.

**Redemption**

Redemption takes place in accordance with the Articles of Association. Any investor is entitled to redeem its units in full or in part at any time.

Under the double-pricing method, cf section 4(2) of the Danish Executive Order on Calculation of Issue and Redemption Prices for Subscription and Redemption of Units in Danish UCITS etc., the redemption price is determined as the net asset value per unit at the time of redemption in accordance with the principles applied in the annual report by dividing the net asset value at the time of redemption by the nominal value of the units subscribed in the subfund. An amount is deducted to cover the estimated costs associated with the sale of financial instruments and other necessary redemption costs. Redemption costs will include costs of any forced sale of securities.

The redemption price is calculated daily. On redemption, the costs of trading commission, spreads and any other trading costs are estimated to represent a maximum of 0.50% of the net asset value in the subfunds Danske Small Cap aktier KL (A and W) and Danske Small Cap aktier Akk. KL - under afvikling (A and W).

Units may be redeemed against payment of standard trading costs. Settlement takes place two business days after the request for redemption.

Redemption may be suspended by resolution of the Board of Directors if, for instance, it is believed that the Fund is unable to determine the net asset value per unit due to market conditions, or if the Fund, in order to ensure equal treatment of investors, only determines the redemption price after having realised the assets required to redeem the units. Any suspension and resumption of redemption after suspension will be announced via Nasdaq Copenhagen A/S and on the Fund's website.

The Danish FSA may demand that the Fund postpone the redemption of units if it is in the interests of the investors or the general public.

The stated maximum redemption costs may be exceeded in periods of exceptional market conditions which increase other market-related costs of purchasing and selling the instruments of a subfund. Should such a situation arise, the Fund will publish the actual redemption costs as well as an announcement on unusual market conditions on the Fund's website and on Nasdaq Copenhagen A/S during such period and will announce via the same channels when the maximum redemption charge listed above applies again.

In connection with redemptions of DKK 10 million or more, the Fund's investment management company may settle redemptions by way of securities if so requested by an investor. The redemption charge relating to settlement by means of securities will differ from the estimated costs set out above.

In special cases the Fund may require that the determination of the redemption price be postponed until the subfund has realised the assets necessary to redeem the units. In such cases the Fund must immediately notify the Danish FSA and the competent authorities in other member states of the European Union and in countries with which the Community has entered into an agreement regarding the financial area of the postponement if the fund markets its units there.

No investor is obliged to have its units redeemed in full or in part.

Units in Investeringsforeningen BIL Danmark purchased in the secondary market may usually not be sold back directly to Investeringsforeningen BIL Danmark. Investors must buy and sell units in a secondary market through a securities dealer (for example a bank or stockbroker) and may be charged fees in this connection. Furthermore, investors may pay more than the current net asset value when they buy units and gain less than the immediate net asset value when they sell units.



**Registration of holders**

The fund units are registered in the names of the holders and entered in the Fund's register of investors, which is kept by the investment management company Nykredit Portefølje Administration A/S. Holders are registered by the bank holding the units in safe custody.

**Price information**

The net asset value per unit as well as the issue and redemption prices of subfund units are calculated every day and published on Nasdaq Copenhagen A/S and on the Fund's website and are also available from the Fund's adviser, BIL Danmark, filial af Banque Internationale à Luxembourg S.A.

Issue and redemption prices are rounded off using the same principles as those laid down in Nasdaq Copenhagen A/S's price guidelines.

**Negotiability and transferability**

The fund units of Investeringsforeningen BIL Danmark are negotiable instruments, and no restrictions apply to their negotiability.

**Rights and voting rights**

No unit carries special rights. If an investor wishes to exercise his voting right at the general meeting, the units must be registered in the name of the member in Investeringsforeningen BIL Danmark's register of investors not later than one week before the date of the general meeting. There are no restrictions on voting rights.

**Dissolution**

The Board of Directors may recommend that investors adopt a resolution to dissolve a fund or subfund. Such recommendation may result from, for instance, inadequate capital resources or outdated investment areas of the Fund or subfund.

Resolutions to dissolve, merge or demerge a fund or subfund require that not less than two thirds of the votes cast and of the Fund's or subfund's net asset value represented at the general meeting be in favour of such resolution.

**Loans**

Loans may not be raised. However, the subfunds may raise short-term loans for temporary financing of transactions pursuant to the relevant provisions of Danish legislation.

## Significant agreements and costs

### Administration

The Fund has entered into an administration agreement with the investment management company Nykredit Portefølje Administration A/S on the day-to-day management of the Fund. Nykredit Portefølje Administration A/S is part of the Nykredit Group.

Under the agreement, Nykredit Portefølje Administration A/S undertakes to perform the tasks relating to the Fund's administration and day-to-day management. Nykredit Portefølje Administration A/S must perform these tasks in accordance with the Danish Investment Associations, etc. Act, the Danish Financial Business Act, the rules of the Danish FSA, the Fund's Articles of Association, the instructions of the Board of Directors and the agreements entered into by the Fund.

The subfunds will pay an administration fee depending on the value of the subfunds' net assets. The fee amounts to 0.30% pa of the subfunds' net asset value up to DKK 100 million and 0.20% pa of the subfunds' remaining net asset value in excess of DKK 100 million determined at market value. In addition, a transaction fee of DKK 100 is payable for each purchase or sales transaction, and a fee of DKK 250 is payable for each issue/redemption.

### Danske Small Cap aktier KL (A and W)

Fees payable to the investment management company for the unit classes in 2018:

Danske Small Cap aktier KL A: DKK 860,000

Danske Small Cap aktier KL W: DKK 92,000

Budgeted fees to the investment management company for the unit classes in 2019:

Danske Small Cap aktier KL A: DKK 775,000

Danske Small Cap aktier KL W: DKK 23,000

### Danske Small Cap aktier Akk. KL – under afvikling (A and W)

Fees payable to the investment management company for the unit classes in 2018:

Danske Small Cap aktier Akk. KL A: DKK 146,000

Danske Small Cap aktier Akk. KL W: DKK 25,000

Budgeted fees to the investment management company for the unit classes in 2019:

Danske Small Cap aktier KL Akk. A: DKK 229,000

Danske Small Cap aktier KL Akk. W: DKK 51,000

Either party may terminate the administration agreement by giving six months' notice.

### Portfolio manager

The Fund has entered into an asset management agreement with BIL Danmark, filial af Banque Internationale à Luxembourg S.A.. Under the agreement the portfolio manager undertakes to provide discretionary portfolio management and make decisions on the placement of investors' funds. Portfolio management must comply with the guidelines drawn up for the subfunds by the Fund's Board of Directors. The agreement may be terminated by the Fund without notice and by the portfolio manager giving one month's notice.

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BIL Danmark, filial af Banque Internationale à Luxembourg S.A. monitors the portfolio of the Fund on a current basis with a view to adjust the portfolio mix and the allocation of individual investments on the basis of expectations for the achievable rate of return.

BIL Danmark, branch of Banque Internationale à Luxembourg S.A., carries out all asset management services to private investors, funds, companies and institutional investors and is a member of Nasdaq Copenhagen A/S as securities dealer. BIL Danmark, branch of Banque Internationale à Luxembourg S.A., also has great expertise within pension consultancy, both as regards individual pension plans and company pension plans.

In consideration of these services, the subfunds pay 1% pa of its net asset value up to DKK 500 million and 0.75% pa of its net asset value above DKK 500 million. Furthermore, the subfund pays 0.25% of the market value relating to trading in Danish equities.

#### **Danske Small Cap aktier KL (A and W)**

For 2018 the fee payable to the portfolio manager amounted to:

Danske Small Cap aktier KL A: DKK 3.70 million

Danske Small Cap aktier KL W: DKK 397,000

#### **Danske Small Cap aktier Akk. KL – under afvikling (A and W)**

For 2018 the fee payable to the portfolio manager amounted to:

Danske Small Cap aktier KL Akk. A: DKK 733,000 Danske Small Cap aktier KL Akk. W: DKK 161,000

#### **Depository agreement**

As at 17 October 2019 the Fund changed its depository agreement from Ringkøbing Landbobank A/S to Nykredit Bank A/S.

The Fund has entered into a depository agreement with Nykredit Bank A/S. As depository, Nykredit Bank A/S undertakes the safe keeping and management of financial instruments and cash and cash equivalents for each of the Fund's subfunds in pursuance of the Danish Investment Associations, etc. Act, the Danish Financial Business Act and the rules of the Danish FSA.

Nykredit Bank A/S undertakes the control tasks and obligations laid down in current legislation. Further, Nykredit Bank A/S acts as the Fund's certificate-issuing agent.

Updated information about the Fund's depository and any delegation by the depository will be published in the Fund's prospectus, which is available to investors on request.

The Agreement may be terminated by the Fund and/or the investment management company on behalf of the Fund giving one month's notice. The depository may terminate the agreement by giving six months' notice.

In consideration of these services, the subfund pays a fixed fee of DKK 40,000 pa. In addition, the Fund pays costs relating to VP Securities A/S and a transaction fee of DKK 500 per transaction.

For 2018 the remuneration payable to Ringkøbing Landbobank A/S amounted to:

#### **Danske Small Cap aktier KL (A and W)**

Danske Small Cap aktier KL A: DKK 240,000

Danske Small Cap aktier KL W: DKK 30,000

#### **Danske Small Cap aktier Akk. KL – under afvikling (A and W)**

Danske Small Cap aktier KL Akk. A: DKK 94,000

Danske Small Cap aktier KL Akk. W: DKK 21,000

**Other cooperation agreements**

To strengthen the advisory services offered to its investors as well as marketing activities, the Fund has concluded a cooperation agreement with BIL Danmark, filial af Banque Internationale à Luxembourg S.A.. The purpose of the agreement is to improve services offered to existing investors and potential new investors with a view to increasing investor satisfaction within the Fund's subfunds.

Either party may terminate the agreement by giving three months' notice. However, if deemed in the interests of the Fund, the Fund may terminate the agreement without notice.

Under the above agreement, BIL Danmark, branch of Banque Internationale à Luxembourg S.A. receives a subscription fee of 1.00% of the net asset value of the units subscribed for and a marketing fee of 0.75% of the average market value of the units Danske Small Cap aktier KL A and Danske Small Cap aktier KL A, which BIL Danmark, branch of Banque Nationale à Luxembourg S.A. and any third parties hold in custody. Danske Small Cap aktier KL W and Danske Small Cap aktier Akk. KL W are not subject to payment of a subscription fee and current marketing fee.

BIL Danmark, filial af Banque Internationale à Luxembourg SA varetager endvidere opgaven med at stille priser i markedet på foreningens andele med det formål at fremme likviditeten og mindske omkostningerne ved handel i andelene. The agreement may be terminated giving three months' notice. However, the Fund may terminate the agreement without notice if this is deemed to be in the interests of the Fund. Under the agreement, BIL Danmark, filial af Banque Internationale à Luxembourg S.A. receives a fee of DKK 25,000 pa for the subfund.

**Board of Directors**

The remuneration of the Board of Directors is subject to annual approval by the Annual General Meeting. The cost of remuneration is allocated to the subfunds in accordance with the relevant provisions of the Articles of Association. Budgeted remuneration for 2018 to the Board of Directors is DKK 230,000. Budgeted remuneration for 2019 to the Board of Directors is DKK 231,000.

**Danish Financial Supervisory Authority**

The Danish FSA is paid according to invoice. The fee payable is distributed among the subfunds in accordance with the relevant provisions of the Articles of Association. In 2018 fees to the Danish FSA for this subfund came to DKK 41,000. Budgeted fees for 2019 to the Danish FSA are DKK 41,000.

**Total administration costs**

Each subfund of the Fund bears its own costs.

Overhead costs are the costs which are not attributable to the individual subfunds. Overhead costs incurred in connection with the operation of the Fund are periodically distributed among the subfunds taking into consideration their resource consumption, in terms of both investment and administration, during the period and their net asset values at the beginning of the period. A subfund that has not been in existence for the full financial year bears a proportionate share of overhead costs.

For the subfund, total administration costs, including costs relating to the Board of Directors, administration, IT, audit, supervision and the depositary must not exceed 2.5% of the average net asset value of each subfund within the financial year. Sales and information costs must also be kept within the said 2.5% to the extent that they are not funded by income from issues.

The total administration costs of the subfund as % of the subfund's average net asset value in the past five years were as follows:

<b>Administration costs</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Danske Small Cap aktier KL A	2.04%	2.00	2.06%	1.93% <sup>3</sup>	2.01%
Danske Small Cap aktier KL W	-	-	-	0.46% <sup>4</sup>	1.42%
Danske Small Cap aktier Akk. KL	-	-	-	0.22% <sup>5</sup>	2.43%
Danske Small Cap aktier Akk. KL	-	-	-	0.17% <sup>6</sup>	1.68%

### Annual expense ratio

The annual expense ratio (AER) is determined according to the definition by the Danish Investment Association.

The annual expense ratio includes administration costs, trading costs relating to day-to-day operations and investors' trading costs in the form of maximum issue and redemption charges. The amount is calculated on the basis of a holding period of seven years.

The current AER (plus indirect trading costs) for the subfunds' unit classes:

Danske Small Cap aktier KL A:	2.44% (+ 0.07%)
Danske Small Cap aktier KL W:	1.67% (+ 0.07%)
Danske Small Cap aktier Akk. KL A:	2.93% (+ 0.07%)
Danske Small Cap aktier Akk. KL W:	2.02% (+0.07%)

<sup>3</sup> The unit class has been active since 25 August 2017. The unit class will be continued from the subfund Danske Small Cap aktier.

<sup>4</sup> The unit class has been active since 25 August 2017.

<sup>5</sup> The unit class has been active since 7 December 2017.

<sup>6</sup> The unit class has been active since 7 December 2017.

## Related persons and companies

### The Board of Directors of the Fund

Jacob Saxild, Development Manager, Chairman  
Copenhagen Capacity  
Nørregade 7B  
DK-1165 Copenhagen K

Thomas Hartwig, Managing Director Toldbodgade 75  
DK-1253 Copenhagen K

Jette H. Ronøe, Attorney Aumento Advokatfirma Ny Østergade 3, 4.  
DK-1101 Copenhagen K

### Executive Board of the Fund

Martin Udbye Madsen, CEO  
Tage Fabrin-Brasted,  
Managing Director Nykredit  
Portefølje Administration A/S  
Kalvebod Brygge 1-3  
DK-1780 Copenhagen V  
CVR no 16 63 76 02

### Auditor of the Fund

Ernst & Young Godkendt Revisionspartnerselskab c/o  
PO Box 250  
Osvold Helmuths Vej 4 DK-2000 Frederiksberg  
CVR no 30 70 02 28

### Depository of the Fund

Nykredit Bank A/S  
Kalvebod Brygge 1-3  
DK-1780  
Copenhagen V  
CVR no 10 51 96 08

### Portfolio manager

BIL Danmark, filial af Banque Internationale à  
Luxembourg S.A.  
Grønningen 17  
DK-1270 Copenhagen K  
CVR no 10 51 05 03

### Further information

For further information on Investeringsforeningen BIL Danmark, please visit the Fund's website at [www.bildanmark.dk](http://www.bildanmark.dk).

You are also welcome to contact Investeringsforeningen BIL Danmark at their offices or the Fund's adviser:

BIL Danmark, filial af Banque Internationale à Luxembourg S.A. Grønningen 17  
DK-1270 Copenhagen K  
Tel +45 33 46 11 00

### Complaints unit

Private investors in the Fund may file complaints with the Fund's complaints unit at the Fund's investment management company pursuant to the Danish Financial Business Act. A complaints guide is available from the Fund's website at [www.bildanmark.dk](http://www.bildanmark.dk) and from the Fund's investment management company.

**Complaint Board**

Private investors in the subfunds may complain of conditions relating to the Fund or the subfund to:

The Danish Financial Complaint Board Store Kongensgade 62, 2.

DK-1264 Copenhagen K sek@fanke.dk

Tel +45 35 43 63 33

**Special reservations**

This prospectus, which was originally prepared in Danish, provides information to Danish investors in compliance with Danish rules and legislation. The prospectus has been filed with the Danish FSA pursuant to part 12 of the Danish Act on Investment Associations and Special-purpose Associations as well as other Collective Investment Schemes etc. The prospectus has not been approved by or registered with any foreign authorities with a view to selling and marketing fund units outside Denmark.

The information provided in this prospectus constitutes neither investment advice nor any other type of advice. Investors are recommended to consult their own advisers regarding personal investment positions and other matters relating thereto.

Distribution of this prospectus may in some countries be subject to special restrictions. Persons in possession of the prospectus are required to inform themselves of and to comply with any such restrictions. The units under the prospectus must not be offered for sale or sold in the US, Canada or the UK, and the prospectus must not be distributed to investors resident in the said countries.

Information provided in this prospectus constitutes neither an offer nor solicitation to buy or sell in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

Any information in this prospectus, including any investment strategy or risk profile information, may be changed by resolution of the Board of Directors within the scope of Danish legislation and the Articles of Association.



# PENNEO

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*"By signing this document, I confirm the contents and all dates in this document."*

## **Jacob Christian Saxild**

**Chairman of the Board of Directors**

On behalf of: Investeringsforeningen BIL Danmark

Serial number: PID:9208-2002-2-928748681473

IP: 83.151.xxx.xxx 2019-10-17 12:02:38Z

## **Thomas David Hartwig**

**Member of the Board of Directors**

On behalf of: Investeringsforeningen BIL Danmark

Serial number: PID:9208-2002-2-759017135641

IP: 87.60.xxx.xxx  
2019-10-17 14:11:55Z

## **Jette Hassing Ronøe**

**Member of the Board of Directors**

On behalf of: Investeringsforeningen BIL Danmark

Serial number: PID:9208-2002-2-268244402361

IP: 87.61.xxx.xxx  
2019-10-18 07:24:23Z

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