

**DNB FUND-**  
(*Société d'investissement à Capital Variable*)

**Société Anonyme**  
5, Allée Scheffer  
L-2520 Luxembourg  
R.C.S. Luxembourg B 218389  
(the "**Company**")

**NOTICE TO THE SHAREHOLDERS**

Luxembourg, 10 December 2019

The board of directors of the Company (the "**Board**") hereby informs the shareholders of the Company that the Board has decided to proceed with the following amendment into the prospectus of the Company (the "**Prospectus**").

**I. Change of investment policy for DNB FUND – Renewable Energy**

The investment policy of DNB FUND – Renewable Energy will be amended in order to allow the Sub-Fund to invest in equities of companies operating in the energy efficiency sectors.

The first sentence of the investment policy will read as follows (new language is put in bold for your convenience): "*Emphasis is placed on investments in the equities of companies operating in the renewable energy **or energy efficiency** sectors.*"

**II. Restatement of the investment policy and change of name for DNB FUND – Norway Investment Grade**

The investment policy of DNB FUND – Norway Investment Grade will be restated, as follows:

*"The Sub-Fund aims to achieve a moderate level of current income and mid- to long-term capital appreciation, principally through investments in fixed or floating rate debt securities and other debt instruments with minimum ratings of BBB- or equivalent credit quality at the time of acquisition.*

*The issuers of such debt securities are principally domiciled in Norway, or, while not domiciled in Norway, carry out the predominant portion of their business activities in Norway, or have their debt securities primarily traded in the Norwegian market.*

*The credit rating or equivalent classification of such investments will be monitored to ensure that no more than 10% of the net asset of the Sub-Fund is invested in debt securities rated below BBB- or equivalent credit quality, in the event of a downgrading of the bonds following acquisition.*

*If the credit rating or an equivalent credit quality classification of an investment is no longer provided by any independent recognized rating agency or the Investment Manager after acquisition even though the bond at the time of acquisition had a minimum rating of BBB- or equivalent credit quality, then the credit rating of such investments shall be regarded as BB+ or below.*

*The investment universe is carefully screened, taking into account DNB Group's Standard for Responsible Investments seeking to ensure that DNB does not contribute to human or labour rights violations, corruption, serious environmental harm and other actions which may be perceived to be unethical and/or unsustainable. The Sub-Fund's investments are considered in relation to social, environmental and ethical criteria based on the following internationally recognised guidelines and principles:*

- *the UN Global Compact;*
- *the OECD Guidelines for Multinational Enterprises;*

- the Ottawa Convention (international agreement on the prohibition of anti-personnel mines); and
- the Convention on Cluster Munitions.

The guidelines aim to ensure that the Sub-Fund does not invest in companies which contribute to serious violation of human and labour rights, grave harm to the environment, unacceptable greenhouse gas emissions and serious corruption. Investments are not made in companies involved in gambling, pornography, production of tobacco, alcohol or conventional weapons or weapons which through normal use violate basic humanitarian principles. Mining companies and power companies which, themselves or consolidated with units they control derive 30% or more of their income from thermal coal, or base 30% or more of their operations on thermal coal, may also be excluded from the investment universe.

Investments in other UCITS(s) or UCI(s) will never exceed 10% of the net assets of the Sub-Fund.

The Sub-Fund's benchmark index is NBP Norwegian RM1-RM3 Duration 3 Index (Hedged).

The net asset value per Share of the Sub-Fund is expressed in NOK. The Sub-Fund will aim to hedge the performance of the Classes not expressed in NOK to replicate the base currency performance of the Sub-Fund on a best effort basis."

As a result, the name of the Sub-Fund will be changed as follows:

Current name	Future name
DNB FUND – Norway Investment Grade	DNB FUND – Norway Investment Grade ESG

### III. Restatement of the investment policy for DNB FUND – High Yield

The investment policy of DNB FUND – High Yield will be restated, as follows:

"The Sub-Fund aims to achieve a moderate level of current income and mid- to long-term capital appreciation, principally through investments in fixed or floating rate debt securities and other debt instruments with minimum ratings of B- or equivalent credit quality at the time of acquisition.

The issuers of such debt securities are principally domiciled in the Nordic Markets, i.e. Norway, Sweden, Finland, Denmark and Iceland; or , while not domiciled in Nordic Markets, carry out the predominant portion of their business activities in the Nordic Markets; or have their debt securities primarily traded in the Nordic Markets.

The credit rating or equivalent classification of such investments will be monitored to ensure that no more than 10% of the net assets of the Sub-Fund is invested in debt securities rated below B- or equivalent credit quality, in the event of a downgrading of the bonds following acquisition.

If the credit rating or an equivalent credit quality classification of an investment is no longer provided by any independent recognized rating agency or the Investment Manager after acquisition even though the bond at the time of acquisition had a minimum rating of B- or equivalent credit quality, then the credit rating of such investments shall be regarded as CCC+ or below.

Investments in other UCITS(s) or UCI(s) will never exceed 10% of the net assets of the Sub-Fund.

The Sub-Fund's benchmark index is a composite index based on 75% NBP Norwegian High Yield Index (Hedged) and 25% Oslo Stock Exchange's Norway Government Index 1Y (Hedged).

The net asset value per Share of the Sub-Fund is expressed in EUR. The Sub-Fund will aim to hedge the performance of the Classes not expressed in EUR to replicate the base currency performance of the Sub-Fund on a best effort basis."

**IV. Clarification to the list of benchmark's indices for DNB FUND – ECO Absolute Return**

The complete list of the benchmark's indices used in respect of DNB FUND – ECO Absolute Return to levy a performance fee is now also mentioned in the Prospectus for clarification which shall read as follows:

*“The Sub-Fund's benchmark indices vary for each Class and are:*

- *Custom benchmark based on German 3 mth Bubbill (please refer to chapter 8 (“Risk Warnings”) for detailed information regarding this benchmark);*
- *Custom benchmark based on USGG3M f (please refer to chapter 8 (“Risk Warnings”) for detailed information regarding this benchmark);*
- *BNP Paribas Money Market TR Index CHF ;*
- *Norway Government Bond 0.25Y; and*
- *OMRX Treasury Bill Index.”*

**V. Alignment of the performance fee mechanism for distribution of the sub-funds in Germany**

The performance fee mechanism of all the Sub-Funds has been amended in order to be aligned with the German requirements, including the following:

- performance fee only payable in case of positive cumulative net excess return: only where there is a positive cumulative net excess return at the accounting year-end or the end of the shareholder holding period (if shorter) will a performance fee become payable to the Management Company;
- cap on performance fees: the accrued performance fee payable to the Management Company at the end of the accounting year may not exceed five per cent (5%) of the accounting year average net asset value of the relevant class.

**VI. Change of the benchmarks for certain Sub-Funds**

The benchmarks of the following Sub-Funds have been changed as follows:

- DNB FUND – Global ESG: MSCI AC World Index Net is replaced by MSCI World Index.
- DNB FUND – Nordic Equities: VINX Capped SEK Index Net is replaced by VINX Capped Index Net.
- DNB FUND – Private Equity: MSCI World Index Net is replaced by MSCI World Index.

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**Affected shareholders disagreeing with changes listed above under I. to III. may redeem their shares of the respective Sub-Fund free of any charge from the date of this notice and until 14 January 2020.**

Changes under I. to III. will be implemented on 15 January 2020 and all other changes are immediately applicable. They shall be reflected in an updated Prospectus to be dated 10 December 2019 which will be made available to shareholders at the registered office of the Company.

Any terms written with capital terms but not defined herein shall have the meaning given to them in the Prospectus.

Yours faithfully,

The Board