



*Glossary – costs in investment reports*

<i>Cost type</i>	<i>Description</i>
<i>3rd party retrocession</i>	Third party retrocession is part of the management fee and covers the amount payable to Danske Bank by an investment fund provider for distribution of the fund. The amount is deducted from the return on your investment.
<i>Agreement fee</i>	This fee is paid to Danske Bank for services such as real-time prices in eBanking. The amount can also include the yearly fee you pay to Danske Bank for investment advice and the administration of your managed accounts. It also covers the services and features included in the agreement. The amount is usually paid from the account connected to the agreement and is hence not deducted from the return on your investment.
<i>Brokerage</i>	Brokerage is a fee you pay for trading securities. On the contract notes you receive, you can also see the total brokerage amount charged. The amount is deducted from the return on your investment.
<i>Currency cost</i>	A fee paid for trading in foreign currency, for example when you trade a foreign security. The amount is deducted from the return on your investment.
<i>Custody fee</i>	A fee you pay Danske Bank for storing e.g. foreign securities. It also covers any costs payable to the central securities depository. The amount has not been deducted from the return on your investment.
<i>Derivative cost</i>	A clearing fee for investing in derivatives, e.g. futures and options. The amount is deducted from the return on your investment.
<i>Foreign trade costs</i>	Brokerage paid to third parties for executing trades in a local market. The amount is deducted from the return on your investment.

<i>Internal brokerage</i>	Cost associated with the trading of underlying securities inside a mutual fund. The amount is deducted from the return on your investment.
<i>Management fee</i>	The fee covers costs for 'running' the mutual fund. It also covers administration and general costs, costs for services bought by the fund e.g. portfolio management and advisory service, and in some cases retrocessions. You can find the management fee for the individual mutual funds in the fund's yearly report. The amount is deducted from the return on your investment.
<i>Markdown</i>	A deduction from the trading price of 'Average trading' transactions involving Danish equities or Danish mutual funds. The amount is deducted from the return on your investment.
<i>Markup</i>	An addition to the trading price of 'Average trading' transactions involving Danish equities or Danish mutual funds. The amount is deducted from the return on your investment.
<i>Ongoing charges</i>	Ongoing charges are the internal costs of a mutual fund and cover management and administration fees. The administration fee is specified in the annual statement of the mutual fund. The amount is deducted from the return on your investment.
<i>Performance fee</i>	Performance fees typically apply to hedge-fund investments. It often occurs if the return of the fund exceeds a predetermined target. The amount is deducted from the return on your investment.
<i>Redemption fee</i>	Amount payable for selling a mutual fund. The amount is deducted from the invested amount and is hence deducted from the return on your investment.
<i>Reporting fee</i>	Amount payable to Danske Bank for certain types of investment reporting.

<i>Stamp duty and transaction tax</i>	Amount payable to authorities for trading on certain foreign markets. The amount is deducted from the return on your investment.
<i>Subscription fee</i>	The cost of buying a mutual fund or a structured bond. The subscription fee is added to the invested amount and is hence deducted from the return on your investment.
<i>Transaction cost</i>	Amount payable to third parties to perform a trade with stamp duty or transaction tax. Also payable to Danske Bank for transferring a security from one custody account to another. The amount is deducted from the return on your investment.

<i>How are costs paid?</i>	<p>Most of the costs are deducted from the return on your investment. They comprise:</p> <p>Ongoing charges, performance fee, internal brokerage, subscription fee, redemption fee, derivative cost, brokerage, markup, markdown, currency cost, foreign trade costs, stamp duty, transaction tax and transaction cost.</p> <p>The following costs are payable from your account and need to be manually deducted from your return:</p> <p>Agreement fee, custody fee and reporting fee.</p>
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