



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 advice regarding your investments and the administration of the management account. 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 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>	Clearing fees for investment in derivatives, e.g. futures and options. The amount is deducted from the return on your investment.
<i>Foreign trade cost</i>	Brokerage paid to third parties for executing trades in a local market. The amount is deducted from the return on your investment.

<p><i>Internal brokerage</i></p>	<p>Costs associated with the trading of securities within a mutual fund. The costs comprise both indirect and direct costs of the fund. The indirect costs are primarily related to market spreads, such as the difference between the bid/offer price of a security. The direct costs are, for example, brokerage on trades within the fund. The costs are normally listed on the fund's website or in the fact sheet. The direct costs of Danish funds are included in the annual percentage rate (APR/ÅOP), while the indirect costs are stated in parentheses after APR.</p>
<p><i>Management fee</i></p>	<p>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.</p>
<p><i>Markdown</i></p>	<p>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.</p>
<p><i>Markup</i></p>	<p>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.</p>
<p><i>Ongoing charges</i></p>	<p>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.</p>
<p><i>Performance fee</i></p>	<p>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.</p>
<p><i>Redemption fee</i></p>	

	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 for 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 fees, internal brokerage, subscription fees, redemption fees, derivative costs, brokerage, markups, markdowns, currency costs, foreign trade costs, stamp duty, transaction tax and transaction costs.</p> <p>The following costs are payable from your account and need to be manually deducted from your return:</p> <p>Agreement, custody and reporting fees.</p>
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