

# English Summary

The Federation of Danish Investment Associations (the IFR) is the industry association representing Danish funds and their management companies. We seek to ensure optimal conditions so that private and institutional investors always have easy access to professional asset management. The aim of the Federation of Danish Investment Associations is to:

- Increase the industry's political influence in order to ensure optimal and international competitive conditions
- Contribute to attractive products by ensuring a good infrastructure as well as accessible, relevant and comparable information
- Promote investor protection and fair competition by continuing the development of industry standards and professional practice

The Federation admits three types of members:

- Full members – aimed at Danish based management companies
- Associate members – aimed at foreign based management companies with funds approved by the authorities for marketing in Denmark
- Information members – aimed at service providers, accountants etc.

Each type of member has different rights, liabilities and levels of service.

## Performance 2008

By all accounts, 2008 was a miserable year for equities. The funds' performance varied from negative returns of 70 per cent in some specialized funds to a positive return of 3 per cent in one fund. Typical Danish, European and global equity funds, lost 40 – 50 per cent of their value during the year.

In general, bond funds performed better – and long term bonds ended the year with positive returns of 8 – 9 per cent in the best performing funds. Typical Danish bond funds had a positive return of 6 per cent during 2008, which was the best performance since 2002.

## Market development 2008

In 2008, total savings in funds fell from DKK 919bn. to DKK 676bn. as a consequence of the financial crisis. This made 2008 the first year with decline since 1990.

Of the industry's total assets under management of DKK 676bn, at the end of 2008, institutional funds accounted for DKK 354bn. Funds for foreign investors accounted for DKK 6bn. and finally retail funds, which many investors demand – particularly private investors - accounted for DKK 315bn.

## More liberal rules for foreign funds

The Danish tax system is somewhat complicated – both for investors, the Danish funds and foreign funds who want to operate on the Danish market. In 2009, a bill containing more liberal rules for equity funds' portfolio combination was passed. The rules have been changed for the purpose of allowing foreign funds easier access to be considered an equity fund in Denmark.

We welcome the simplified rules which are benefiting investors. This new Act makes placement regulations less restrictive for both Danish and foreign funds. However, a foreign fund having a desire to attract private investors' ordinary savings does still have to prepare for the Danish market. This is just easier to do now than it was before.

## Share classes

For many years, the Federation of Danish Investment Associations has worked hard at getting share classes implemented in Denmark. The legislation is expected to fall into place before July 2009. This is great progress for the Danish fund groups, which are among the cheapest in Europe and are placed at the top of Morningstar's performance level.

## More information

You will find more information – incl. links to the Danish authorities etc. - on our English website: [www.ifr.dk/uk](http://www.ifr.dk/uk).