Advertising information. Investing activity involves risk. Before making any final investment decisions, read the fund prospectus.

PPK in Santander TFI S.A.

Information valid as of April 24, 2024

Konsumencki Lider Jakości 2021

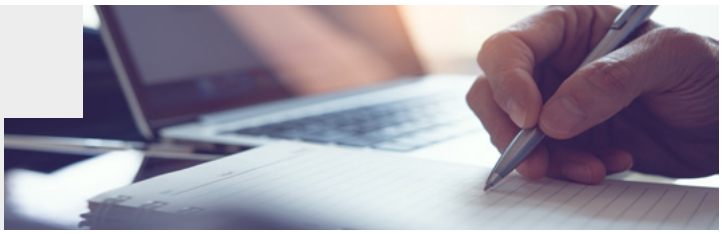
QUALITY LEADER CONSUMERS AWARD 2022

QUALITY LEADER CONSUMERS AWARD 2023

QUALITY LEADER CONSUMERS AWARD 2024

Santander
Fundusze Inwestycyjne

Contents:



Why is it beneficial to choose Employee Capital Plan (PPK) in Santander TFI S.A – summary of the key information from the offer. **3**

Experience and effectiveness in investment fund management. **4**

PPK in Santander TFI S.A. – what are the benefits? **8**

Key information about PPK. **9**

Benefits of maintaining PPK for an employer and employee. **10**

Support for companies choosing PPK in Santander TFI S.A. **10**

Costs of PPK in Santander TFI S.A. – terms and conditions of PPK maintenance and PPK management agreements. **14**

How to join to PPK in Santander TFI S.A.? **16**

Investment of funds in PPK – subfunds of Santander PPK SFIO. **17**

Appendixes to the offer. **22**

- Appendix 1. Information about the Management Board of Santander TFI S.A. **22**
- Appendix 2. Information about the Fund Managers, the investment process and risk management. **24**
- Appendix 3. Information about the Transfer Agent – ProService Finteco Sp. z o.o. **32**

Why is it beneficial to choose Employee Capital Plan (PPK) in Santander TFI S.A.

A trustworthy partner

- Golden emblem **Consumer Quality Leader 2024** in the category **The best PPK servicing company**.
- Golden emblem **Consumer Quality Leader 2023** in the category **The best PPK servicing company**.
- Golden emblem **Consumer Quality Leader 2022** in the category **The best PPK servicing company**.
- Golden emblem **Consumer Quality Leader 2021** in the category **The best PPK servicing company**.
- More than **25 years of experience** on the market of investment funds.

Experience in pension products

- Many years of experience in designing and **managing Employee Retirement Plans (PPE)** and **Individual Retirement Accounts (IKE).**
- Santander TFI launched the **first PPE scheme in 2001 and IKE in 2004.**
- **The value of assets accumulated in the Individual Retirement Accounts** maintained in Santander TFI amounts to **over PLN 430 million, and we have already earned the trust almost 14 thousand participants.***
- **The value of assets deposited on PPE maintained by TFI amounts to more than 340 mln PLN.***

PPK in Santander TFI

- **0,4% permanent management fee.**
- **No more than 0,1% success fee.**
- **0% conversion fee (change of investment allocation), regardless of the number of changes.**
- **No additional charges from employers or employees for access to dedicated PPK online services and the helpline.**
- **Dedicated IT solutions simple and quick conclusion of agreement and PPK online services.**
- **The value of assets in the Employee Capital Plans (PPK) amounts to over PLN 380 million.***
- **The number of PPK participants is 92 149.***
- **16 571 signed management agreements.***

Support for employers

- **Support of PPK managers**, at every stage of creation and operation of PPK.
- **Support in conducting information process for employees** (traditional and online meetings, brochures and leaflets).
- **Free access to the PPK online service for the employer** – after logging in, employers can manage the PPK.
- **Dedicated helpline for companies** maintaining PPK in Santander TFI.
- **Training for employees administrating PPK.**
- **Information materials for employees and an employer available in four languages.**
- **Possibility to integrate the online PPK service PPK with HR and payroll systems.**

*as of 29 February 2024.

1. Experience and effectiveness in investment fund management.

Santander TFI S.A. is one of the biggest and most experienced investment fund companies on the Polish market.

The Company was founded in 1998 and since then has managed Santander investment funds which are highly valued by both our Customers and experts.

In addition, since 2003, Santander TFI also manages the Credit Agricole FIO umbrella fund which was the first white label solution on the Polish market, i.e. a fund operating under its own brand and according to its own guidelines, but under the wing of a selected investment fund company.

The Company also manages individual portfolios containing one or more financial instruments.

We also have extensive experience in the development and management of Employee Retirement Plans and in the maintenance of Individual Retirement Accounts.

The Company's shareholders with 50% stakes in the total number of votes at general meetings of shareholders are Santander Bank Polska S.A. and Banco Santander S.A.

How we stand out?

20 lat

More than **25 years** on the market of investment funds.

Value of assets under management **close to PLN 21 bn**.*

One of the biggest and most experienced management teams on the Polish market.

More than 220 000 customers who have trusted us.*

Many years of experience in designing and managing Employee Retirement Plans (since 2001) and Individual Retirement Accounts (since 2004).

The value of assets accumulated in the Individual Retirement Accounts maintained in Santander TFI amounts to **over PLN 430 million**, and we have already earned the trust **almost 14 thousand** participants.*

*as of 29 February, 2024.

Investing on a global scale

We have been present on the market since 1857

Largest bank of the euro zone

165 million Customers

8,500 branches

Source: Santander.com

Awards and distinctions

The high quality of our products is evidenced by the numerous awards and distinctions:

2024

- **Good Brand 2024 – Quaity, Trust, Reputation**
  Distinction in the nationwide competition in the category of Investment Fund Companies
- **Brand of the 15th anniversary**
- **Consumer Quality Leader 2024**
- **Alfa 2023 award** for:
  Santander Small and Medium Caps Equity – best fund in category Polish small and medium caps equity funds and 6 distinctions:
  Santander TFI S.A. in "The best fund management company" category
  Santander Polish Equity
  Santander Corporate Bond
  Santander Prestiż Corporate Bond
  Santander Prestiż Short Duration
  Credit Agricole Stable Growth

2023

- **Good Brand 2023 – Quality, Trust, Reputation**
  Distinction in the nationwide competition in the category of Investment Fund Companies
- **Consumer Quality Leader 2023**
  in the category "The best PPK servicing company". The award is granted by the Strefa Gospodarki (Dziennik Gazeta Prawna)

2022

- **Good Brand 2022 – Quality, Trust, Reputation**
  1st place in the nationwide plebiscite in the Investment Fund Society category

- **Consumer Quality Leader 2022**
  1st place in category "The best PPK servicing company"

- **Bronze Customer's Laurel 2022**
  3rd place in category "Investment funds"
- **Alfa 2022 rewards**
  Best fund in category Polish long-term government bonds funds – Santander Government Bond
  Santander Small and Medium Caps Equity – best fund in category Polish small and medium caps equity funds

2021

- **Consumer Quality Leader 2021**
  1st place in category "The best PPK servicing company"
- **Alfa 2021 – 1 distinction**
  Santander Balanced

2020

- **Wprost Eagle awards 2020**
  Santander TFI received the prize in Business Leader category
- **Alfa 2020 – 2 distinctions:**
  Santander Prestiż Short Duration
  Santander Short Duration

2019

- **Alfa 2019 – 4 distinctions:**
  Santander TFI S.A. in "The best fund management company" category)
  Santander Prestiż Corporate Bond
  Santander Prestiż Short Duration
  Credit Agricole Stable Growth
- **Alfa 2019 – 4 distinctions:**
  2nd place in category "The best foreign shares fund 2019" for Santander Prestiż Technology and Innovations

2018

- **Alfa 2018 award** for:
  Credit Agricole Stable Growth – Best Stable Growth Fund
- **Distinctions:**
  Santander Stable Growth
  Santander Polish Equity
  Santander Prestiż Short Term Bond
- **"Parkiet" Golden Portfolio:**
  for the Manager of Santander Platinum Conservative

2017

- **Alfa 2017 award** for:
  Santander Corporate Bond
- **Alfa 2017 distinctions:**
  Credit Agricole Stable Growth
  Santander Corporate Bond
- **"Rzeczpospolita"** ranking
  – Best Fund Management Company title
  – third place

2016

- **Alfa 2016 distinctions** for:
  Santander Prestiż Polish Equity
  Santander Prestiż Corporate Bond

2015

- **Alfa 2015 awards** for:
  Credit Agricole Equity
  Credit Agricole Stable Growth
- **4 distinctions:**
  Santander Prestiż Polish Equity
  Santander Balanced
  Santander Prestiż Government Bond
  Best Fund Management Company

2014

- **"Parkiet" Golden Portfolio** for:
  Santander Balanced

Management Board of Santander TFI S.A.

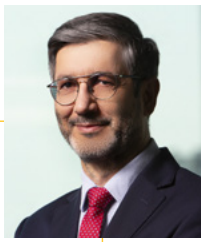
Santander TFI is managed by an experienced management team of renowned experts and long-term practitioners of financial markets. The members of the Company's Management Board are:

Marcin Groniewski
Management Board President

Marlena Janota
Management Board Member

Szymon Borawski-Reks
Management Board Member

Grzegorz Borowski
Management Board Member



Janusz Korpa
Management Board Member

The bios of the Management Board Members, bios of Fund Managers and a description of the investment process and risk management process are presented in the appendices hereto.

An experienced and stable investment team

Szymon Borawski-Reks
Joined the company in May 2003.

Jacek Grel
Joined the company in July 2008.

Bartosz Dębowski
Joined the company in June 2008.

Michał Hołda
Joined the company in December 2015.

Paweł Pisarczyk
Joined the company in February 2010.

Jakub Płotka
Joined the company in February 2011.

Adam Nowakowski
Joined the company in September 2010.

Marta Stępień
Joined the company in January 2015.

Adam Majerowski
Joined the company in June 2004.

Corporate Social Responsibility (CSR) win Santander TFI S.A.

Sustainable development and corporate business responsibility are the approaches which Santander TFI S.A. pursues by following the best practices and standards worldwide laid down in our policies which guide our daily work, including:

- Corporate Volunteering Policy
- Sustainability Policy (CSR)
- Social, sector and environmental policy

2. PPK in Santander TFI S.A. what are the benefits?

Support on each stage

We will answer your questions, show you how to implement PPK step by step and help you to educate your employees.

No additional costs

No charges for using PPK services for an employer and employees as well as for information, educational and instructional materials.

Access to PPK 24h per day

PPK support in free online services for an employer and employees.

Quick and simple implementation in a traditional or online form

We offer comprehensive support at the stages of signing the agreement and implementation in the form which is most convenient for the employer both online and traditionally during meetings at the employer's premises.

Quick and simple implementation

Fully online implementation of PPK filling in the requ est for the conclus ion of PPL management agreement involves only 2 steps and takes only 8 minutes. We encourage you to take a look at the following materials:

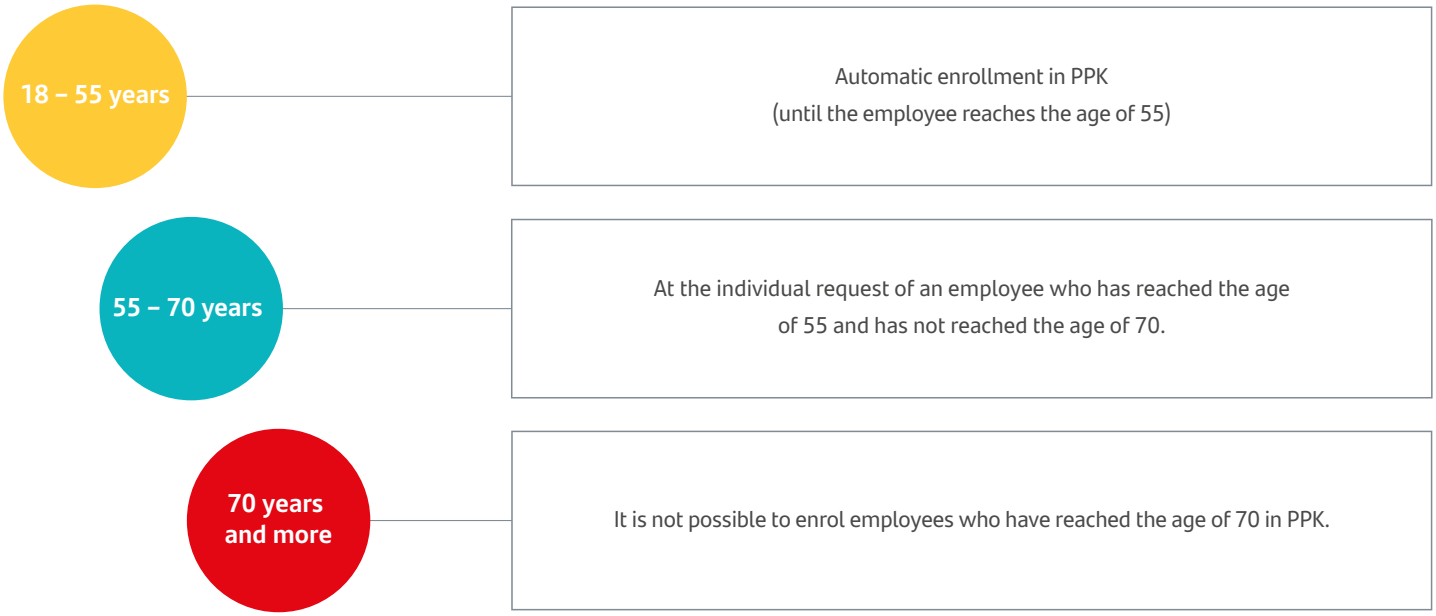
- PPK service step by step link
- En rolment to the PPK in Santander TFI link

All materials are also available at: Santander.pl/PPK/dokumenty link

Key information about PPK

PPK participants

Employees who have attained the age of 18 years but have not attained the age of 55 years have to be enrolled in the PPK (if they didn't resign to participate in the PPK earlier). Employees who have attained the age of 55 years but have not attained the age of 70 years may declare their willingness to enrol in the PPK. After the age of 70 the enrolment in the PPK is not possible.



- Employee may opt out of paying contributions to the PPK at any time by submitting an appropriate statement to his employer. He must remember that if He opt out of paying contributions, his employer will also be exempted from this obligation. In this situation, the funds from the State Treasury will not be credited to employees PPK account. As a result, no funds will be credited to his PPK account.
- Employee may recommence the payment of contributions to the PPK at any time. It is sufficient to submit an appropriate request to your employer.
- Employer has a duty to automatically re-enrol in the PPK, every 4 years, those employees who have opted out of paying contributions (this applies to employees who have attained the age of 18 but have not attained the age of 55 years). Each employee has the right to submit to their employer a statement to opt out again of paying contributions.

Participation in PPK is a triple benefit for employees

Payments to your PPK account will come from 3 sources: from employee, from employer and from the State Treasury (the Labour Fund):

1,5% – basic contribution (obligatory)
up to 2,5% – additional contribution (voluntary)

+

2% – basic contribution (obligatory)*
up to 2% – additional contribution (voluntary)

+

PLN 250 – welcome contribution (if the employee saves under the PPK for at least three full months).
PLN 240 – annual additional contribution (after fulfilment of the conditions laid down in the PPK Act, i.e. upon the payment to the PPK of an appropriate amount per year).

*For persons whose remuneration obtained from various sources in a given month does not exceed in total the amount of 120% of the minimum remuneration, the basic contribution may be less than 2%, but not less than 0.5% of the remuneration.

Investment in PPK

The funds gathered in the PPK will be invested in investment funds – each participant will be automatically assigned to the sub-fund corresponding to their age which will reduce the investment risk as an employee gets closer to the age of 60.

Benefits from the maintenance of PPK for the employer and the employee

- PPK as an additional component of an attractive benefit package offered by the employer (e.g. making additional
- contributions for employees after a certain time of service on top of the basic (obligatory) contribution of 1.5%).
- Employer's costs associated with the financing of contributions to PPK can be treated as income deductible expenses.
- Contributions financed by the Employer are excluded from the base salary, which is used to calculate social security and disability insurance premiums.

- Additional savings after the age of 60 (an Employee joining the PPK at the age of 20 with a gross monthly salary of PLN 5,000 may save more than PLN 290,000*).
- Capital investment in accordance with a strategy aligned with the Employee's age which will be adjusted with time.
- The savings in PPK are treated as entirely private assets, unlike the pension premiums paid to ZUS and OFE.
- No tax** imposed on money withdrawn by the Employee from PPK past the age of 60.
- Acquisition of PPK assets through succession is not subject to donation or inheritance tax.

*After 40 years of saving assuming an adequate rate of return (the fund, however, does not guarantee achievement of the investment goal) - calculations made using the PPK Calculator available at https://www.mojeppk.pl/kalkulator.html. Calculation assumptions: age of an employee enrolled in the PPK – 20 years, PLN 5,000 gross remuneration, basic (mandatory) contribution of the employee to the PPK: 2% of gross remuneration, basic (mandatory) contribution of the employer to the PPK: 1.5% of gross remuneration, projected annual rate of return in the withdrawal period: 2.75%, projected annual increase in remuneration: 2.8%, projected annual average rate of return in the investment period: 3.5%, no additional contributions, saving up to the age of 60, management costs – 0,50% (include no more than 0.10% success fee).

**19% capital gains tax (determined in accordance with Article 30a(1)(11b) of the PIT Act) we will not charge in the case of withdrawals after you turn 60, assuming the payment of: 25% of funds once and the remaining 75% in at least 120 monthly installments or 100% of funds in at least 120 monthly installments. Changing these assumptions (reducing the number of installments or a one-off payment of the entire amount) will result in the need to charge you capital gains tax. Pursuant to the PIT Act (Article 30a(13) of the PIT Act), the taxable income will be determined as the amount of the payment from the redemption of participation units, less the expenses for the purchase of these redeemed.

Support for companies choosing PPK in Santander TFI S.A.

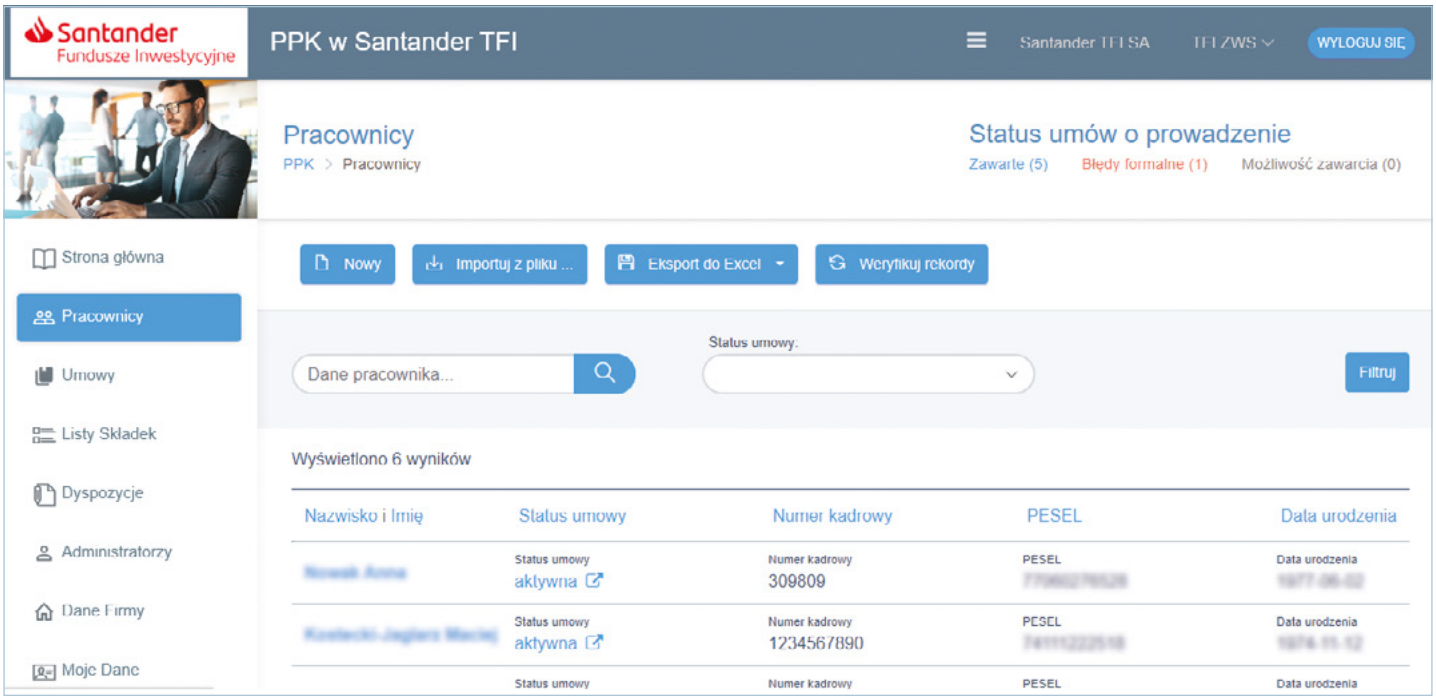
When selecting a provider of Employee Capital Plans, it is worth taking notice of the support provided by them and its form. Santander TFI S.A. offers comprehensive support both at the stage of implementation and ongoing maintenance of the programme in the form which is most convenient for the employer – both online and traditionally during meetings at the employer's premises.

Support for employers

- **ONLINE SERVICE FOR EMPLOYERS** – After logging on employers will be able to administer PPK in their organizations.

Functionalities:

- providing the employer with a complete set of information and documents,
- conclusion of a PPK administration agreement on behalf of and for the benefit of employees and the possibility of downloading the PPK management contract,
- notification and current update of the list of employees enrolled in the PPK,
- processing payments to PPK,
- submitting orders,
- browsing the list of submitted employees and the history of placed orders,
- fully electronic communication regarding the list of employees.

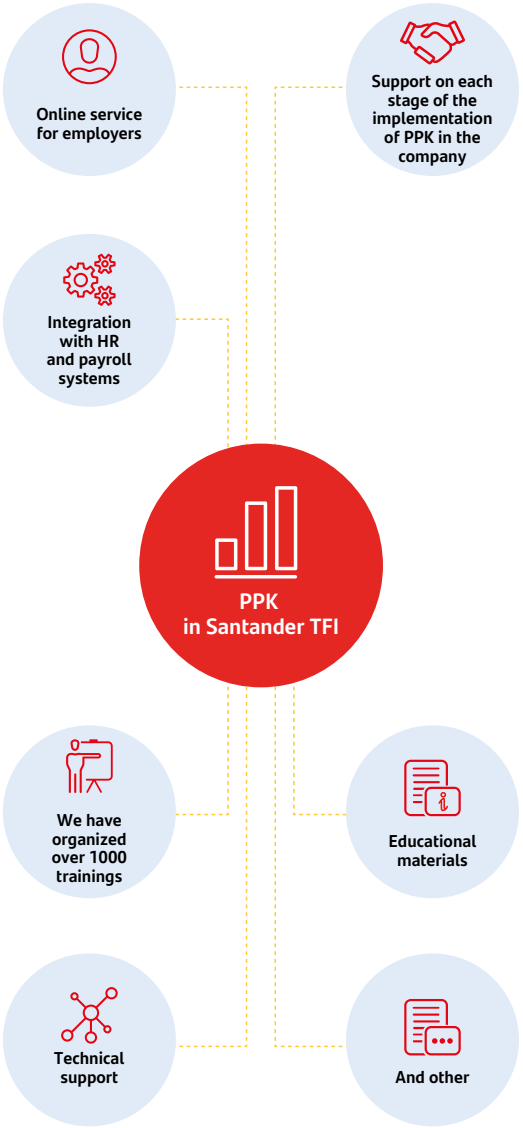


- **HELPLINE** – A dedicated helpline for employers. Special hotline for employers, no automatic control, direct contact with a consultant.

Key functionalities:

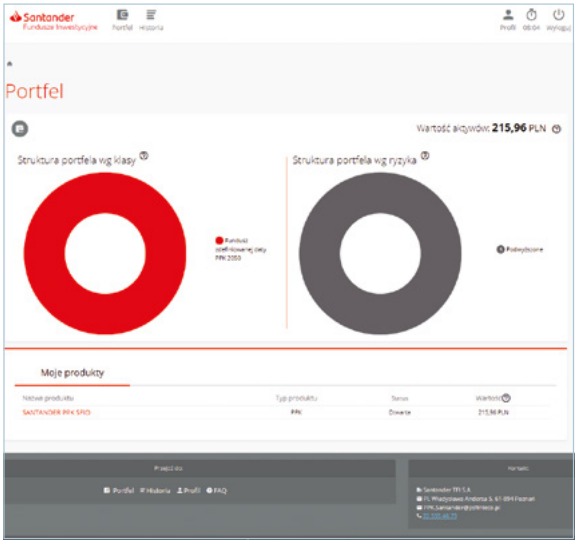
- technical support,
- clarification of inconsistencies on an ongoing basis,
- providing answers to questions concerning PPK.

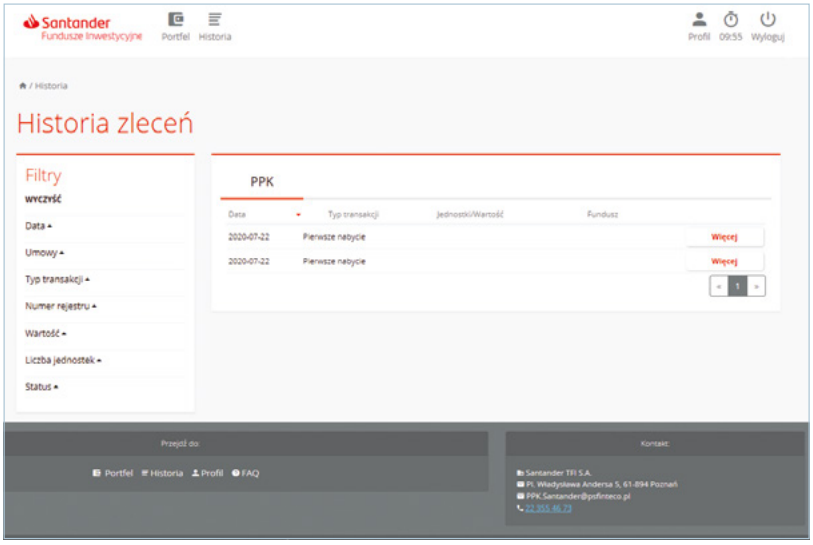
- **ADDITIONAL SUPPORT**
  - support on each stage of the implementation of PPK in the company,
  - explanation of formal and technical aspects,
  - holding meetings with employee representatives,
  - information campaigns on the PPK for employees:
    - trainings for PPK administration employees – online meetings, webinars organized with Partners, eg PFR, Infor. Information on webinars can be found on Santander.pl/PPK and on the LinkedIn Santander TFI website,
  - providing information materials for employees – traditional and electronic materials available in four language versions (polish version, english version, russian version, ukrainian version),
  - possibility to integrate the online PPK service PPK with HR and payroll systems, allowing direct data transfer from the HR and payroll system to PPK online system.



Support for employees – PPK participants

- **ONLINE SERVICE FOR EMPLOYEES** – after logging on employees will be able to administer their PPK accounts PPK.





Functionalities:

- online access to the summary of assets,
- possibility of entering additional data,
- placement of PPK related instructions and declarations, such as change in the allocation of payments, withdraw by the Employee from PPK past the age of 60 and change in the allocation of investments, return or change of employee data,
- template of a PPK administration agreement available for review/ downloading,
- using a contacts form to ask questions.

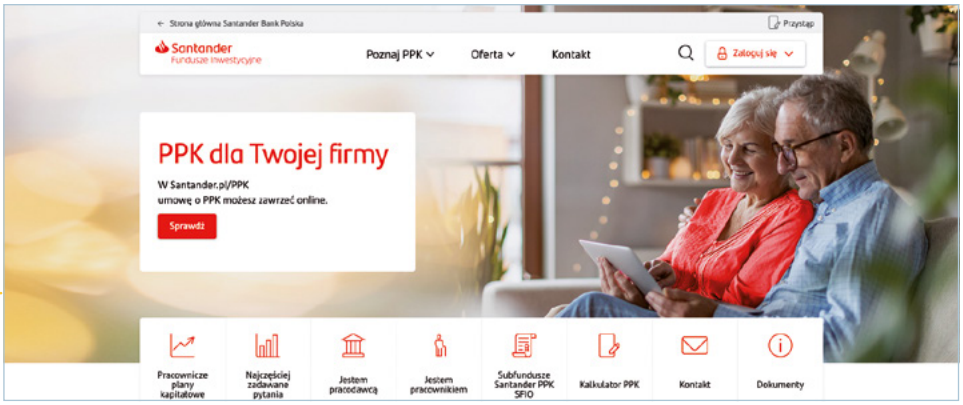
- **HELPLINE** – a dedicated helpline for employees. Special hotline for employees, no automatic control, direct contact with a consultant.
- **TRAINING** – after the launch of PPK, Santander TFI will be ready to hold meetings with employees both online and in stationary form.

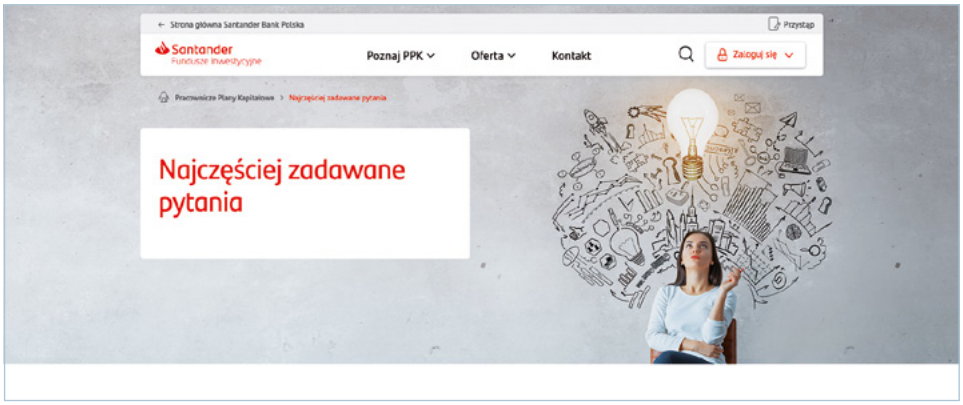
Santander TFI experts:

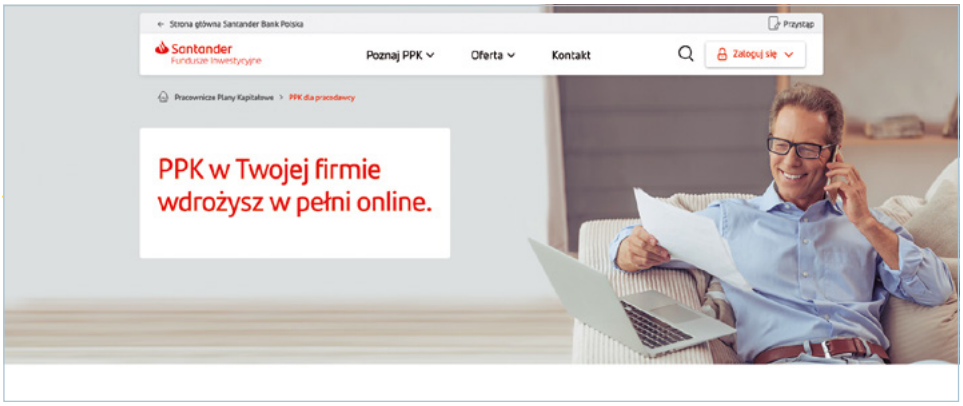
- clarify all formal and technical aspects of the scheme,
- meet with employee representatives,
- train employees who administer PPK.

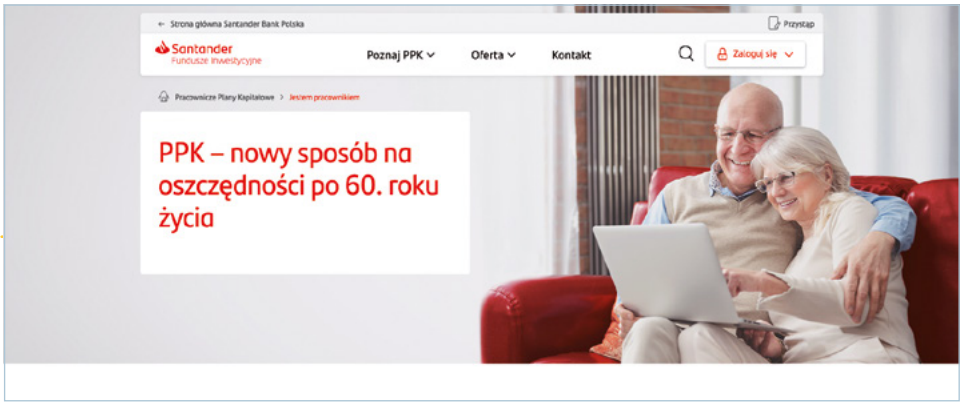
- **ADDITIONAL MATERIALS**
  - **current performance data of the investment funds, including target-date funds, available online** – a possibility to monitor on an on-going basis, and compare the results of investment funds held in a selected time horizon,
  - **regularly updated product information** – investment fund factsheets, Key Investor Information, prospectuses, statutes and regulations available online at Santander.pl/TFI,
  - **market commentaries prepared by the fund managers from Santander TFI** – weekly commentaries published every Monday and special commentaries available on TFI's website at Santander.pl/TFI,
  - **educational materials including materials with information about PPK** – for employees and employers ,
  - **PPK calculator** – a calculator which helps to simulate the value of savings based on the criteria predefined by the user (age, contribution value, investment horizon, estimated rate of return on investment),
  - **PPK-related questions and answers,**
  - **most important information about PPK available on a single dedicated website at Santander.pl/TFI.**

PPK in Santander TFI









Costs of PPK in Santander TFI S.A. – Terms of PPK administration and management agreements

Fees and charges applicable to PPK in Santander TFI S.A.	
Management fee	• not more than **0,4%** – details in the table below.
Success fee	• **No more than 0,1% success fee**.
Conversion fee (for changing the investment allocation)	• **0% regardless of the number of changes.** • applies to the fee charged when converting units within **all sub-funds of the Santander PPK SFIO Fund**.

- Lower management fees since the beginning of the year in which the Santander PPK SFIO sub-fund reaches the defined date:

Period		**Management fee**								
From	Until	Santander PPK 2025	Santander PPK 2030	Santander PPK 2035	Santander PPK 2040	Santander PPK 2045	Santander PPK 2050	Santander PPK 2055	Santander PPK 2060	Santander PPK 2065
01.01.2021	31.12.2024	0,40%	0,40%	0,40%	0,40%	0,40%	0,40%	0,40%	0,40%	0,40%
01.01.2025	31.12.2029	0,30%								
01.01.2030	31.12.2034	0,20%	0,30%							
01.01.2035	31.12.2039		0,20%	0,30%						
01.01.2040	31.12.2044			0,20%	0,30%					
01.01.2045	31.12.2049				0,20%	0,30%				
01.01.2050	31.12.2054					0,20%	0,30%			
01.01.2055	31.12.2059						0,20%	0,30%		
01.01.2060								0,20%	0,30%	

- In line with the provisions of the PPK Act, an investment fund management company may charge a management fee in the amount not exceeding 0.5% of the sub-fund's net asset value on an annual basis. Moreover, investment fund companies may charge a success fee for the achievement of the investment goal which may not be higher than 0.1% of the sub-fund's net asset value on an annual basis. This fee may be charged when:
  - a positive rate of return on investment in the sub-fund was achieved in a given year,
  - the rate of return on investment in the sub-fund is higher than the reference rate.
  - As at the last day of valuation in November in a given year, the return rate obtained by the investment fund, pension fund or sub-fund at a level not lower than 75% of the highest return rates on funds of the same target-date.
- No fees will be charged on:
  - contributions to PPK,
  - annual bonuses,
  - starting contributions,
  - accepted transfer disbursements,
  - contributions made in connection with changes in the investment allocation,
  - money contributed pursuant to Art. 87 sec. 21 of the PPK Act,
  - withdrawals, refunds and transfer disbursements.
- In addition to the management fee and success fee, the fund may cover the following costs:
  - fees and charges payable to investment companies or banks whose services the fund uses while executing transactions related to investing its assets,
  - fees and charges arising from the fund's agreements and transactions executed in connection with investing the fund's assets,
  - fees and charges payable to deposit and settlement institutions whose services the fund uses while investing its assets,
  - remuneration payable to the Depository,
  - costs of keeping the Register of Fund Participants and the Sub-register of Participants of the respective sub-fund,

- fees and taxes payable in connection with the fund's operations, including the fees paid for licenses and permits required by force of law,
- costs of announcements required in connection with the fund's operations, by force of the fund statutes or the applicable legal regulations,
- costs of production and publication of information materials about the fund or the sub-funds required by force of law,
- costs of a sub-fund liquidation,
- remuneration payable to a liquidator of a sub-fund.

The subject of target-date funds' costs is regulated by the provisions of Chapter 7 of the PPK Act.

The costs of the depository's remuneration and of keeping the register of participants will be kept within the limits set out in Art. 50 sec. 2. of the PPK Act.

The remaining costs may not differ significantly from the customary costs of providing services of a given kind , in accordance with the provisions of Art. 50 sec. 4 of the PPK Act. The actual value of the costs will depend on a number of factors, such as the volume of transactions in the period under review, the market rates and applicable taxes.

The amount of actually incurred costs after the end of each calendar year will be published in the key information document (in the first year of operation of a given sub-fund, the amount will be forecasted).

Outsourcing of selected operations

In connection with the launch of Santander PPK SFIO, Santander TFI S.A. has entered into cooperation with the providers of selected financial services:

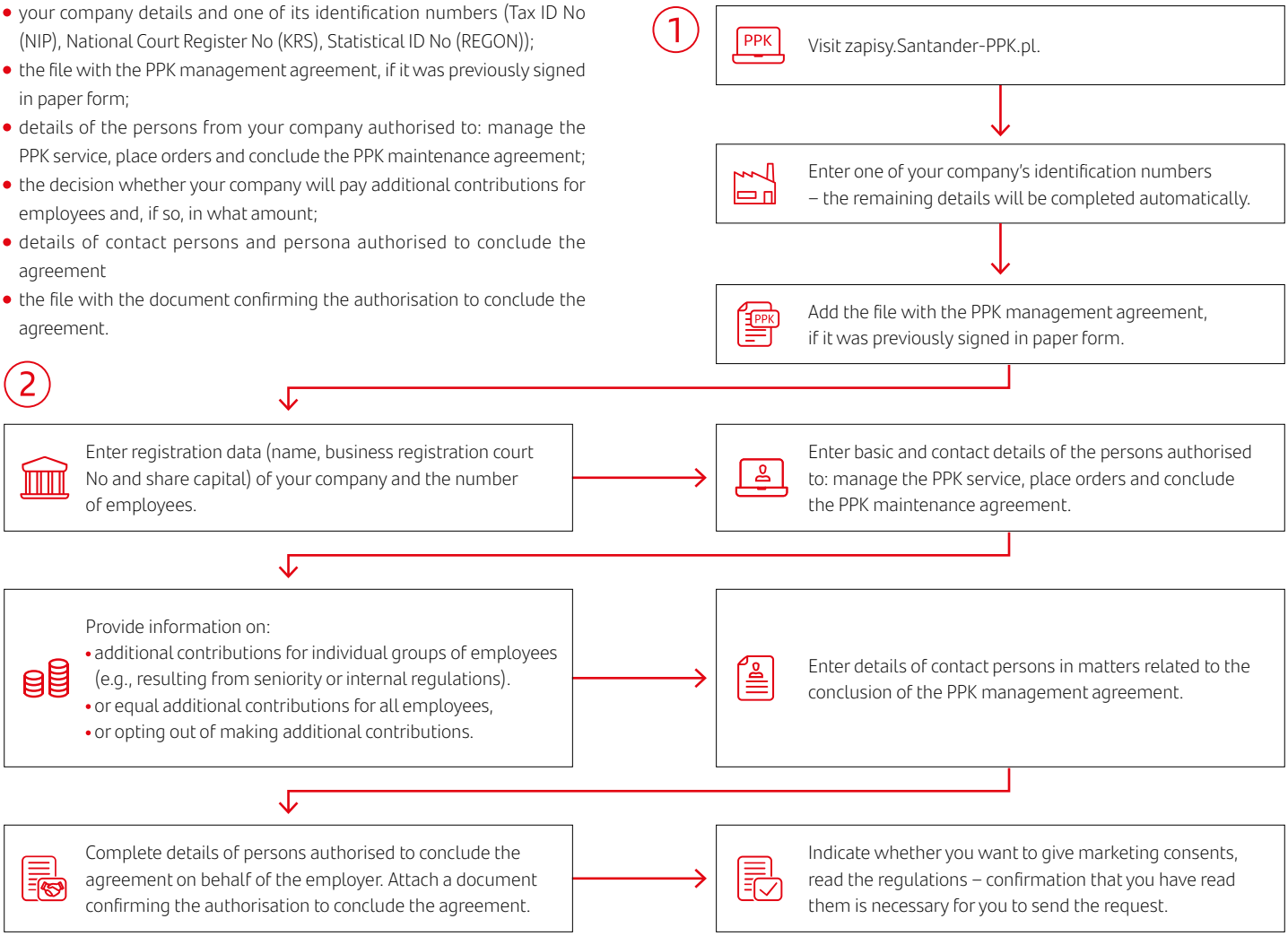
- Depository – Bank Handlowy w Warszawie S.A.
- Transfer agent – ProService Finteco Sp. z o.o. – detailed information about the transfer agent can be found in Appendix 3.
- Fund auditor – PricewaterhouseCoopers Polska Sp. z o.o. Audyt sp.k.

How to join to PPK in Santander TFI S.A.?

In order to enrol in the PPK, it is necessary to fill in the request for the conclusion of PPK management agreement – it involves only **2 steps and takes up to 8 minutes**. In order to do that

You will need:

- your company details and one of its identification numbers (Tax ID No (NIP), National Court Register No (KRS), Statistical ID No (REGON));
- the file with the PPK management agreement, if it was previously signed in paper form;
- details of the persons from your company authorised to: manage the PPK service, place orders and conclude the PPK maintenance agreement;
- the decision whether your company will pay additional contributions for employees and, if so, in what amount;
- details of contact persons and persona authorised to conclude the agreement
- the file with the document confirming the authorisation to conclude the agreement.



After verifying the correctness of the data contained in the request within 5 business days, we will send to the indicated e-mail address of the PPK administrator a welcome package containing:

- welcome letter
- the PPK management agreement with attachments.
- access to the PPK service for an employer as well as,
- instruction for the use of such service,
- instructions concerning the conclusion of the PPK maintenance agreement for and on behalf of the employee,
- information policy on the processing of personal data,
- an instruction of the conclusion of the PPK maintenance agreement.

The last step of the implementation of the PPK in your company is the conclusion of the PPK maintenance agreement and providing information on employees who want to participate in the plan via the PPK service.

Experts who are ready to answer any additional questions or meet at a convenient location to sign the agreement at any time wait for you in Santander TFI at every stage of joining the PPK.

Contact Us

3. Sub-funds Santander PPK SFIO

What are target-date funds?

The purpose of using target-date sub-funds in the PPK program is to facilitate long-term investments aimed at accumulating and growing the capital after the age of 60. The characteristic feature of this kind of sub-funds is to precisely define the target date which, according to the sub-fund's underlying assumptions, is the date when the participant will stop making contributions to the fund and will start withdrawing the money. Depending on the target date, the investment policy will be automatically changing during the capital accumulation period in order to adapt the acceptable risk level to the PPK participant's age. It should be taken into consideration that investing activity involves risk. The sub-funds do not guarantee that the stated investment objective will be accomplished or that a specific return on investment will be achieved.

Each employee participating in the PPK scheme will be assigned to an appropriate sub-fund based on the age. The table below shows the target dates for of the sub-funds corresponding to PPK participant age groups.

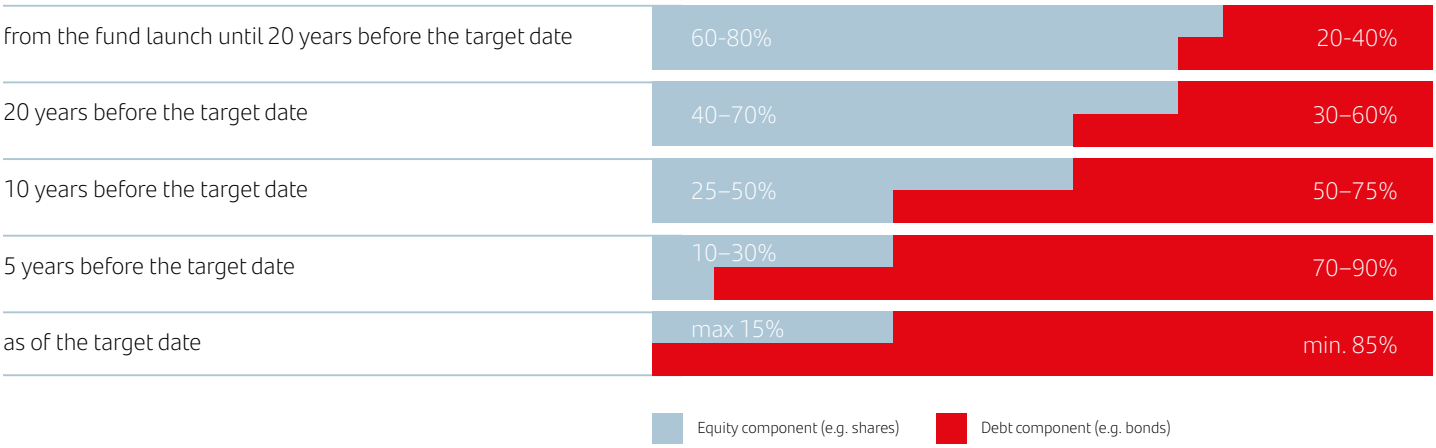
PPK participants born between	Sub-funds target date	Sub-funds to which the PPK participant will be assigned
1963* – 1967	2025	Santander PPK 2025
1968 – 1972	2030	Santander PPK 2030
1973 – 1977	2035	Santander PPK 2035
1978 – 1982	2040	Santander PPK 2040
1983 – 1987	2045	Santander PPK 2045
1988 – 1992	2050	Santander PPK 2050
1993 – 1997	2055	Santander PPK 2055
1998 – 2002	2060	Santander PPK 2060
2003 – 2007	2065	Santander PPK 2065

*Also including participants born before 1963.

How will the money contributed to PPK sub-funds be invested?

The investment policy of the target-date sub-funds will be consistent with the key assumptions of the PPK Act in respect of the need to minimize the investment risk with time as the employee approaches the age of 60. Knowing precisely the investment horizon (the date when the Employee will turn 60), the manager will initially invest the majority of assets in equity instruments and then, as the Employee gets older, gradually shift a growing share of the funds to investments associated with a lower degree of risk, such as debt securities. At the same time, it should be remembered that the Santander PPK SFIO sub-funds are characterized by risk related mainly to market interest rates fluctuations, credit risk, liquidity risk and fluctuations in share prices.
Before making any investment decisions, read the fund prospectus, which contains, inter alia, the full list of risks.

Allocation of target-date funds:



Investment policy of Santander PPK SFIO sub-funds

The PPK target-date sub-funds will invest their assets in respective time periods according to the rules specified in the table below:

Period	Santander PPK 2025		Santander PPK 2030		Santander PPK 2035		Santander PPK 2040		Santander PPK 2045		Santander PPK 2050		Santander PPK 2055		Santander PPK 2060		Santander PPK 2065	
	equity component	debt component	equity component	debt component	equity component	debt component	equity component	debt component	equity component	debt component	equity component	debt component	equity component	debt component	equity component	debt component	equity component	debt component
01.07.2019 – 31.12.2019	25%–50%	50%–75%	40%–70%	30%–60%	40%–70%	30%–60%	60%–80%	20%–40%	60%–80%	20%–40%	60%–80%	20%–40%	60%–80%	20%–40%	60%–80%	20%–40%		
01.01.2020 – 31.12.2024	10%–30%	70%–90%	25%–50%	50%–75%			40%–70%	30%–60%									60%–80%	20%–40%
01.01.2025 – 31.12.2029	0%–15%	85%–100%	10%–30%	70%–90%	25%–50%	50%–75%			40%–70%	30%–60%								
01.01.2030 – 31.12.2034			0%–15%	85%–100%	10%–30%	70%–90%	25%–50%	50%–75%			40%–70%	30%–60%						
01.01.2035 – 31.12.2039					0%–15%	85%–100%	10%–30%	70%–90%	25%–50%	50%–75%			40%–70%	30%–60%				
01.01.2040 – 31.12.2044							0%–15%	85%–100%	10%–30%	70%–90%	25%–50%	50%–75%			40%–70%	30%–60%		
01.01.2045 – 31.12.2049									0%–15%	85%–100%	10%–30%	70%–90%	25%–50%	50%–75%			40%–70%	30%–60%
01.01.2050 – 31.12.2054											0%–15%	85%–100%	10%–30%	70%–90%	25%–50%	50%–75%		
01.01.2055 – 31.12.2059													0%–15%	85%–100%	10%–30%	70%–90%	25%–50%	50%–75%
01.01.2060 – 31.12.2064															0%–15%	85%–100%	10%–30%	70%–90%
01.01.2065																	0%–15%	85%–100%

Over a period of five years directly preceding the year in which a given sub-fund reaches its target date, the equity component will be gradually reduced and the share of the debt component will be increased.

As part of the debt component the sub-fund can invest:	As part of the equity component the sub-fund can invest:
• at least 70% of the value of its assets in government and quasi government bonds or bank deposits, • not more than 30% of the value of its assets in other financial instruments, however, not more than 10% in financial instruments without an investment grade rating.	• at least 40% of the value of its assets in the shares of WIG20 companies, • not more than 20% of the value of its assets in the shares of WIG40 companies, • not more than 10% of the value of its assets in the shares of other WSE listed companies, • at least 20% of the value of its assets in foreign shares of companies from OECD countries.

Debt securities – what is a bond?

- Government and quasi-government bonds are securities issued, underwritten or guaranteed by the State Treasury, the National Bank of Poland, a local administration unit or by a central government or central bank of a Member State, the European Central Bank, the European Union, the European Investment Bank or international organizations, provided that the securities issued, underwritten or guaranteed by such international organizations have an investment-grade rating assigned by a rating agency recognized by the European Central Bank in its regular operations.

Equity securities – what is a share?

- A financial instrument (security) representing a partial share of its owner in the capital of a joint-stock company.
- The share is a legal title to joint ownership of a company organised in the form of a joint-stock company.
- Examples of equity indices where equity securities are listed::

Poland	WIG, WIG20, mWIG40, sWIG80
Germany	DAX
USA	S&P 500, Nasdaq, Dow Jones
Japan	Nikkei 225
United Kingdom	FTSE100

- The main investment categories include shares and similar equity instruments, debt securities and money market instruments. The sub-funds invest in debt securities and money market instruments issued by national and local governments and business entities.
- The share of sub-funds' investments in participation units or shares of other open-end investment funds may not be higher than 30% of the sub-fund's asset value.
- The sub-funds do not use benchmarks to assess the investment performance.

Risk and reward profile of Santander PPK SFIO sub-funds

The main investment risk categories associated with the sub-funds' investment policy are the risks arising from equity investments (mainly in shares) and the risks arising from investments in debt securities (mainly bonds). Investing activity involves risk. The sub-funds do not guarantee that the stated investment objective will be achieved or that a specific return on investment will be achieved. The participant must take into account the possibility of losing at least part of the invested funds. When investing in mutual funds, the participant acquires participation units of such funds, and not the underlying assets that the fund itself invests in. A full description of the sub-fund's risks can be found in the prospectus and, in abbreviated form, in the KID. The risk indicator* for the respective sub-funds is shown in the table below.

Santander PPK 2025 **Santander PPK 2030**	
Santander PPK 2035 **Santander PPK 2040** **Santander PPK 2045** **Santander PPK 2050** **Santander PPK 2055** **Santander PPK 2060** **Santander PPK 2065**	

*The risk indicator is an indication of the risk level of this product compared to other products. Takes values from 1 to 7. The higher the value of the indicator, the higher is the risk of the product, i.e. the greater the probability of a loss of the invested funds.

More information about PPK in Santander TFI S.A.

Santander.pl/PPK | **instytucje@santander.pl** | **Helpline 22 35 54 673**

The telephone service available to PPK participants is offered from Monday to Friday (on all trading days of the Warsaw Stock Exchange) between 9:00 a.m. and 5:00 p.m. Calls charged according to the operator's tariff.

This document is presented for marketing purposes and does not constitute an agreement or an information document required by law.

It should not be relied upon as the sole basis for making investment decisions. The net asset value of some sub-funds of Santander PPK SFIO Fund is highly volatile due to the composition of the investment portfolio. Some sub-funds may invest more than 35% of their assets in securities issued, guaranteed or underwritten by the State Treasury or the National Bank of Poland.

The rewards of investing in shares are also accompanied by risks. A description of the risk factors, financial data and information about fees and charges can be found in the prospectuses, key information documents (KIDs) and schedules of fees and charges available in Polish at Santander.pl/TFI/documents and at Santander fund distributors. For a summary of investors' rights, see the prospectus (Chapter III, sec. 4).

The Funds do not guarantee the achievement of a stated investment objective or a specific investment performance and future returns are subject to taxation, which depends on the personal situation of each investor and which may change over time. Before making an investment decision, the participant should consider the fees associated with the sub-fund and take into account the possible taxation of the investment return. The participant must also take into account the possibility of losing at least part of the invested funds.

When investing in mutual funds, the participant purchases the units of those funds and not the underlying assets that the fund itself invests in.

Santander TFI S.A. with a registered office in Poznań, Nowy Rynek Budynek E, ul. Wierzbięcice 1a, 61-569 Poznań, registered by the District Court for Poznań – Nowe Miasto and Wilda in Poznań, 8th Business Section of the National Court Register under number KRS 0000001132 with a tax identification number NIP 778 13 14 701 and a share capital of PLN 13,500,000.00 (fully paid-up).

Santander TFI S.A. operates on the basis of authorisation from and is supervised by the Polish Financial Supervision Authority. The copyright to this material belongs to Santander TFI S.A.

2024 © Santander Towarzystwo Funduszy Inwestycyjnych Spółka Akcyjna. All rights reserved. Santander name and flame logo are registered trademarks.
Valid as of April 24, 2024.

Appendix 1

Information about the Management Board of Santander TFI S.A.

Marcin Groniewski

President of the Management Board of Santander Towarzystwo Funduszy Inwestycyjnych S.A.

Graduate of the Finance and Banking faculty at the University of Economics in Katowice. Has certificates in the field of risk and process management, coaching, mentoring, as well as change management. Associated with Santander Bank Polska S.A. Group (previously: BZ WBK S.A. Group) since 1998. He worked mainly in the areas of financial and capital markets. Played various roles in the management of liquidity, currency and interest rate risk. In 1998–2006 he worked as a dealer, than from 2006 to 2012 managed the department dealing on financial markets. Between 2012 and 2016 he was a Director of Financial Markets Area and then the director of Dom Maklerski BZ WBK S.A. He carried out the merger of Dom Maklerski BZ WBK with the Bank (currently: Santander Bank Polska S.A.), than as the Director of the Strategy and Transformation Area he was responsible for the strategy operationalization and the transformation of the Bank's business model. In March 2022 he was appointed Vice President of the Management Board in Santander TFI S.A. in charge of the Sales and Marketing Area, the Financial Department and with the Product Development Department. In April 2023 he was nominated for the position of President of the Management Board in Santander TFI S.A.

Marlena Janota

Member of the Management Board of Santander Towarzystwo Funduszy Inwestycyjnych S.A.

She is a graduate of the Organisation and Management Department at the Silesian University of Technology in Gliwice and the Executive Management Programme of École des Hautes Etudes Commerciales de Paris (HEC Paris), SDA Bocconi, London School of Economics, University of Cambridge. She has been working in the financial market since 2001 and with Santander Bank Polska S.A. Group (previously: BZ WBK S.A. Group) since 2005. She gained her fist professional experience in Górnośląskie Towarzystwo Funduszy Inwestycyjnych S.A., an investment funds corporation, where she worked as the Marketing and Retail Distribution Director from 2001 to 2005. From 2005 to 2008 she was employed in BZ WBK AIB TFI S.A. where from 2007 she headed the Strategy and Development Department. Between 2008 and 2010 she worked for Xelion Doradcy Finansowi Sp. z o.o. (at present Dom Inwestycyjny Xelion Sp. z o.o.) as a Commercial Attorney (Prokurent) and Director of the Products and Sales Support Department. In July 2010 she once again joined BZ WBK TFI S.A. and in October 2011 she was appointed to the Management Board of BZ WBK Asset Management S.A. (in operation until 31 March 2016) and Santander TFI S.A. (previously: BZ WBK TFI S.A.) where she has been in charge of the sales and marketing area. Marlena Janota is also a voluntary member of the management board of Sustainable Investment Forum Poland (POLSIF) – a non-profit NGO focused on developing the Polish market of sustainable investments and finance by setting and promoting best practice.

Szymon Borawski-Reks

Member of the Management Board Santander Towarzystwo Funduszy Inwestycyjnych S.A.

Graduate of the Poznań University of Economics, Department of Management and Marketing; Majors: capital investments and corporate finance strategies. Joined the company in May 2003. In 2006 obtained investment advisor licence (no 233). From 2009 holder of the prestigious Chartered Financial Analyst (CFA) designation. Winner of two Alfa 2015 awards for the best Polish equity fund and the best stable growth fund and two distinctions for the best Polish equity fund and the best balanced fund. In July 2016 took the position of Investment Director. In January 2023 was appointed to the Management Board of Santander TFI S.A. where he is in charge of the Investment Area.

Grzegorz Borowski

Member of the Management Board Santander Towarzystwo Funduszy Inwestycyjnych S.A.

Holder of a Ph.D. degree in economics, attorney-at-law. Graduate of the Law Department and a post-graduate programme in European law at Adam Mickiewicz University in Poznań. In 2010, received a Ph.D. degree from the Poznań University of Economics, defending a thesis on economic and legal aspects of the development of investment fund markets in the European Union. Associated with Santander Bank Polska S.A. Group (previously: BZ WBK S.A. Group) since 2001. Between 2001 and 2007 worked in BZ WBK TFI S.A. and between 2005 and 2007 in BZ WBK Asset Management S.A. as the Compliance and Legal Director. Between 2007 and 2008, engaged in the founding of Spatium Towarzystwo Funduszy Inwestycyjnych S.A., as a Board Member and Legal Director. In 2009, returned to BZ WBK TFI S.A. (currently: Santander TFI S.A.) and BZ WBK Asset Management S.A. Between 2009 and 2014, held the position of the Legal Director and Product Development Director. Subsequently, from 2014 to 2016, the Legal Division Director. In April 2014 appointed as the Operations Director and in July 2014 as a Member of the Management Board of BZ WBK Asset Management S.A. (in operation until 31 March 2016) and of Santander TFI S.A. (previously: BZ WBK TFI S.A.), in charge of the operations division. Supervises the IT department, the settlement team and the middle office department and coordinates the cooperation with depositaries and transfer agents.

Janusz Korpa

Member of the Management Board of Santander Towarzystwo Funduszy Inwestycyjnych S.A.

A graduate of the Poznań University of Economics and Business, where he majored in Economic Cybernetics and Computer Science. He has been associated with the Santander Bank Polska S.A. capital group (formerly known as the BZ WBK S.A. capital group) since the beginning of his career, which he started in 1993. He gained experience in the functioning of money markets as an employee of the Treasury Department. Then, he spent many years dealing with issues related to the measurement and monitoring of market risk, liquidity and interest rates. He held the position of Director of the Financial Risk Department from 2008 to 2019. From 2019 to 2020, he was at the helm of the Asset and Liability Management Department, where he was responsible for the management of balance sheet structural risks, liquidity and interest margins. He also supervised the functioning of the Emergency Management Office. He was a member of the Asset and Liability Committee, the Risk Management Forum and the Capital Committee for many years. He has worked with Towarzystwo Funduszy Inwestycyjnych S.A. since 2021, initially as an Advisor to the Management Board and since 16 April 2021, he was appointed to the Management Board, where is responsible for the Risk Management Area.

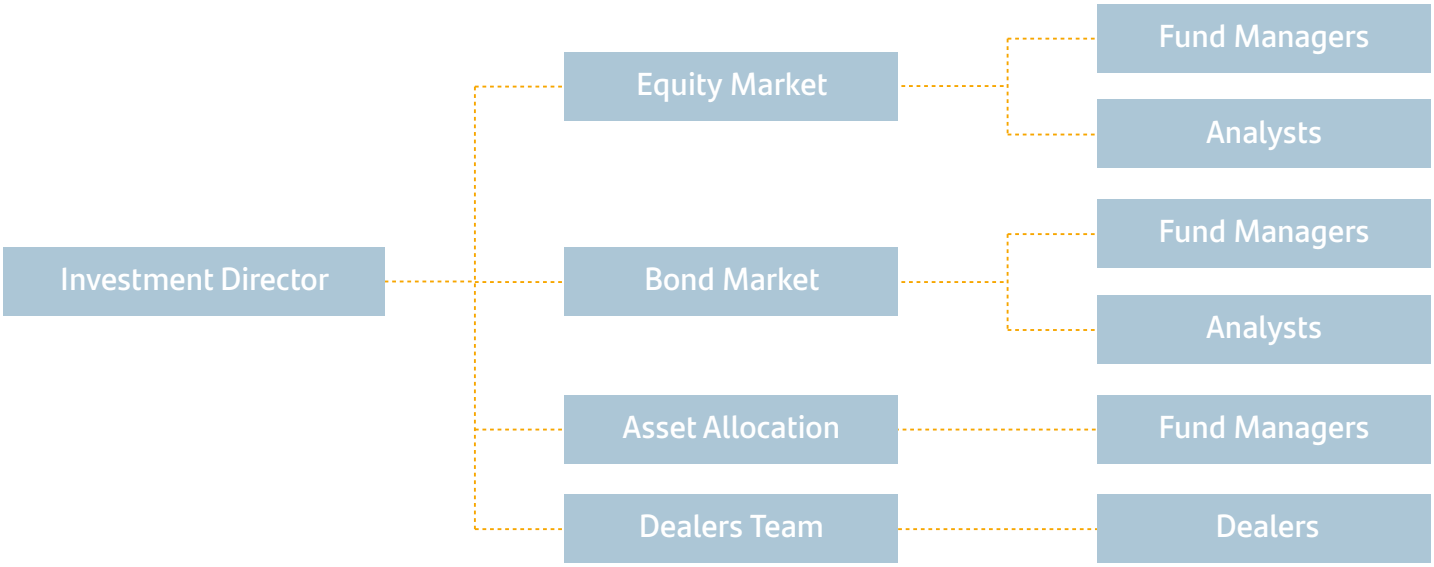
Appendix 2

Information about the Fund Managers, the investment process and risk management.

In the Appendix 2 we present information about the Santander funds management team. Below you will also find a description of our investment philosophy and diagrams explaining the applied investment risk management and control processes under the Santander funds, including the Santander PPK SFIO fund. We describe the investment process, including analysis and selection of equities and bonds and a unique investment risk control process, which was divided into two stages – pre-trade and post-trade.

Investment Department – Team

The Investment Department currently employs 17 people and has one of the biggest teams on the Polish market. Investment Department consists of:



The team members are highly qualified persons, including 11 investment advisors, 9 holders of the prestigious CFA (Chartered Financial Analyst) certificates, 4 holders of The Certificate in ESG Investing. The Head of the Investment Department is Szymon Borawski-Reks.

Name	Title	Product Responsibility	Educational/Professional Background
Szymon Borawski-Reks	Member of the Management Board Investment Director		Szymon Borawski-Reks graduated from the Poznan University of Economics majoring in Management and Marketing, with the concentration in capital investments and corporate financial strategy (2003). In August 2006 he received the investment advisor license number 233. Mr. Borawski-Reks joined BZ WBK Asset Management SA in May 2003. In 2006 obtained investment advisor licence (no 233). From 2009 holder of the prestigious Chartered Financial Analyst (CFA) designation. Winner of two Alfa 2015 awards for the best Polish equity fund and the best stable growth fund and two distinctions for the best Polish equity fund and the best balanced fund. In July 2016 took the position of Investment Director. In January 2023 was appointed to the Management Board of Santander TFI S.A. where he is in charge of the Investment Area.

Name	Title	Product Responsibility	Educational/Professional Background
Jacek Grel	Head of Asset Allocation, Fund Manager	• Santander Prestiż European Equity • Santander Prestiż Global Responsible Investment • Santander Prestiż US Equity • Santander Prestiż Emerging Markets Equity • Santander Prestiż Technology and Innovations • Santander Prestiż Future Wealth • Santander Prestiż Prosperity	Jacek Grel is a graduate of University of Opole, faculty of Economics, majoring in Business Management. He also obtained a diploma in Macroeconomics at the Central European University. Between 2004 and 2008, he gained experience in capital market institutions in London (Morgan Stanley, Deutsche Bank). In July 2008 he joined BZ WBK Asset Management S.A. as a Financial Analyst. In July 2009 Mr. Grel became a Junior Fund Manager. In April 2010 was promoted to Fund Manager position. He holds the Chartered Financial Analyst designation since 2010, he also is a member of the CFA Institute. In 2017 he received the investment advisor license.
Bartosz Dębowski	Fund Manager	• Santander Stable Growth (equity part) • Santander Equity Growth • Santander Balanced (equity part) • Santander Moderate (equity part)	Bartosz Dębowski is a graduate of University of Łódź, faculty of Finance and Banking, major in capital investments. He started his career in the capital markets area as an Analyst at BGŻ Brokerage House in August 2007. He joined BZ WBK Asset Management S.A. as financial analyst in June 2008 and was promoted to Junior Fund Manager in 2011. In 2014 he became Fund Manager. CFA Charterholder since 2013. In 2014 he received the investment advisor license no. 506.
Michał Hołda	Head of Fixed Income, Fund Manager	• Santander Stable Growth (debt part) • Santander Government Bond • Santander Prestiż Government Bond • Credit Agricole Stable Growth (debt part) • Santander Balanced (debt part) • Santander Moderate (debt part) • Santander Prestiż Fixed Income Active • Santander Prestiż Calm Investment	Michał Hołda is a graduate of Warsaw School of Economics, faculty of Finance and Banking. He started his career in 2003 as an Analyst in BNP Paribas Bank Polska S.A., in the years 2004–2007 he worked as a dealer in ING Bank Śląski S.A. In the years 2008–2014 he was employed in BPH TFI S.A. in positions of Fund Manager, Deputy Director of Department of Asset Management and Director of Department of Risk Management. In this time, in 2009 he received the investment advisor license no. 280. In the years 2014–2015 he managed funds in Millennium TFI S.A. In 2018 he became Head of Fixed Income.

Name	Title	Product Responsibility	Educational/Professional Background
Paweł Pisarczyk	Fund Manager	• Santander Balanced (debt part) • Santander Short Duration • Santander Corporate Bond • Santander Prestiż Short Duration • Santander Prestiż Corporate Bond • Santander Prestiż Global Fixed Income • Santander Stable Growth (debt part) • Santander Moderate (debt part)	Paweł Pisarczyk graduated from the Krakow University of Economics majoring in modelling and forecasting economic processes. He joined BZ WBK Asset Management in February 2010 as a Risk Management Specialist. Currently he is a Junior Fund Manager. He holds the investment advisor license no. 340 (since 2010) and the stock broker license no. 2199.
Jakub Płotka	Fund Manager	• Santander Small and Medium Caps Equity • Santander Prestiż Alpha • Credit Agricole Stable Growth (equity part) • Credit Agricole Polish Equity • Credit Agricole Balanced (equity part) • Santander Prestiż Polish Equity	Jakub Płotka graduated from the Poznan University of Economics majoring in Management and Marketing, with the concentration in capital investments and corporate financial strategy in 2010. He joined BZ WBK Asset Management in February 2011 as a Junior Analyst. Prior to BZ WBK AM, from October 2009 to January 2011, he worked as Auditor's Assistant at Grant Thornton Frąckowiak. In May 2014 he was promoted to Senior Equity Analyst and then in May 2015 became Junior Fund Manager. CFA Charterholder since 2014. In 2017 he received the investment advisor license number 624.
Adam Nowakowski	Head of Equity, Fund Manager	• Santander Balanced (equity part) • Santander Polish Equity • Santander Stable Growth (equity part) • Santander Moderate (equity part) • Target-date sub-funds (equity part): – Santander PPK 2025 – Santander PPK 2030 – Santander PPK 2035 – Santander PPK 2040 – Santander PPK 2045 – Santander PPK 2050 – Santander PPK 2055 – Santander PPK 2060 – Santander PPK 2065	Adam Nowakowski received his MSc in Management (Major: Capital Investments and Financial Strategies of Enterprises) from the Poznan University of Economics in 2005. He possess Polish Stock Broker License No. 2012. He joined BZ WBK Asset Management in September 2010 as an Equity Analyst. Prior to BZ WBK Asset Management, from January 2005 to April 2008, he was employed as a Stock Broker Associate/Stock Broker in the BZ WBK Brokerage House. Then, in May 2008, he joined the Research Team within that company and worked as a Junior Equity. In October 2013 he became a Head of Research. CFA Charterholder since 2015. In 2017 he received the investment advisor license number 664. In 2023, he passed the CFA Institute exam and obtained the certificate: The Certificate in ESG Investing.

Name	Title	Product Responsibility	Educational/Professional Background
Marta Stępień	Fund Manager	• Credit Agricole Short Duration • Credit Agricole Balanced (debt part) • Target-date sub-funds (debt part): – Santander PPK 2025 – Santander PPK 2030 – Santander PPK 2035 – Santander PPK 2040 – Santander PPK 2045 – Santander PPK 2050 – Santander PPK 2055 – Santander PPK 2060 – Santander PPK 2065	Graduate of the Wrocław University of Economics, Department of Finance and Banking; Majors: Finance Analyst and Risk Management. She began working with the capital market in 2011 as an Analyst in the NWAI Brokerage House. Joined the company in February 2015, initially as a Bond Market Analyst, currently holds the Fund Manager position. Marta Stępień holds a securities broker licence, an investment advisor licence and is entitled to use the CFA title (Chartered Financial Analyst). In 2023, she passed the CFA Institute exam and obtained the certificate: The Certificate in ESG Investing.
Adam Majerowski	Head of Dealing Department	• Dealing, technical analysis	Adam Majerowski is a graduate from Poznań University of Economics, Faculty of Computer Science and Econometrics, who specialized in Economic Cybernetics. Employed at BZ WBK Asset Management SA since June 2004, initially as a Junior Portfolio Dealer. Currently he is the Head of the Dealing Department. Adam specializes in equity trading and regularly participates in trading conferences and forums.

Investment philosophy

The main investment selection criterion for the funds and portfolios under our management is the fundamental analysis which involves an in-depth examination of all aspects of the business operations conducted by issuers of the equities or bonds in which we want to invest. We pay special attention to the competences and motivation of the companies' management which we believe is a key to success. We closely monitor our investments and every year hold a few hundred meetings with companies in Poland and abroad.

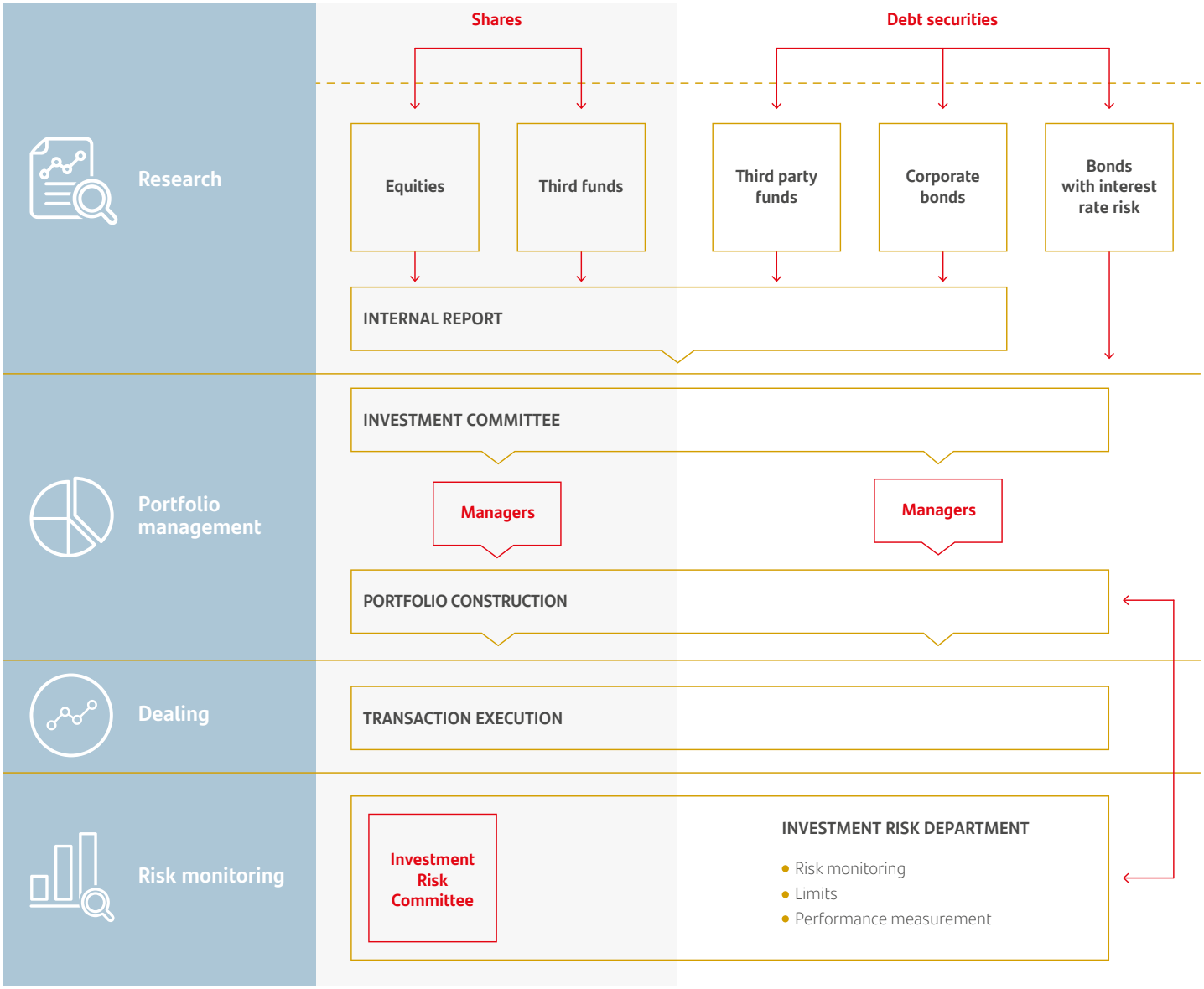
When investing in government bonds, we look mainly at the macroeconomic analysis of the factors that have impact on changes in the inflation rate since the performance of investments in bonds depends to a large extent on interest rates, which are determined on the basis of the current and forecasted inflation. As we invest in securities denominated both in the Polish Zloty and in other currencies (for instance, the Polish eurobonds), our research of inflation changes and future prospects for the interest rates is carried out separately for each currency.

In the case of corporate bonds, the selection of instruments for the portfolios is based on a process in which we analyse both the structure of the bond issue (process called admission to the investment process) and the issuer's financial standing. The evaluation of the issue structure includes, among other things, a review of the issue documents, its size, predicted liquidity and the possibility of valuation based on the quotations from an active market. This part of the investment process is handled by the Investment Risk Department. A precondition for efor investing in securities of a given entity is a positive result of the credit risk assessment. In the course of the process, we take into account such aspects as the current situation in the issuer's industry, company-specific risks, the structure of the issuer's balance sheet, and the company's and its management's record of investment achievements to date, if the purpose of the securities issue is to finance an investment project.

Investment process

An important element of asset management is the investment process which should ensure optimum selection and utilization of the potential of the team and the IT systems, and proper execution of the process. At Santander TFI, the investment process execution is broken into four stages: research, portfolio management, dealing and risk monitoring. The diagram below illustrates the course of the process.

Fig. 1: The investment process



Analysis process

Analysis process – individuals involved:

- Investment Director – the Chairman,
- Fund Managers,
- Junior Fund Managers,
- Analysts.

Analysis process – main tasks:

- review of news from companies in the investment universe,
- examination of Screening List,
- presentation of analyses,
- analysis of fixed income market,
- recommendations' evaluation; changes in the Recommendation List,
- analysis of macro events and economic indicators,
- technical analysis.

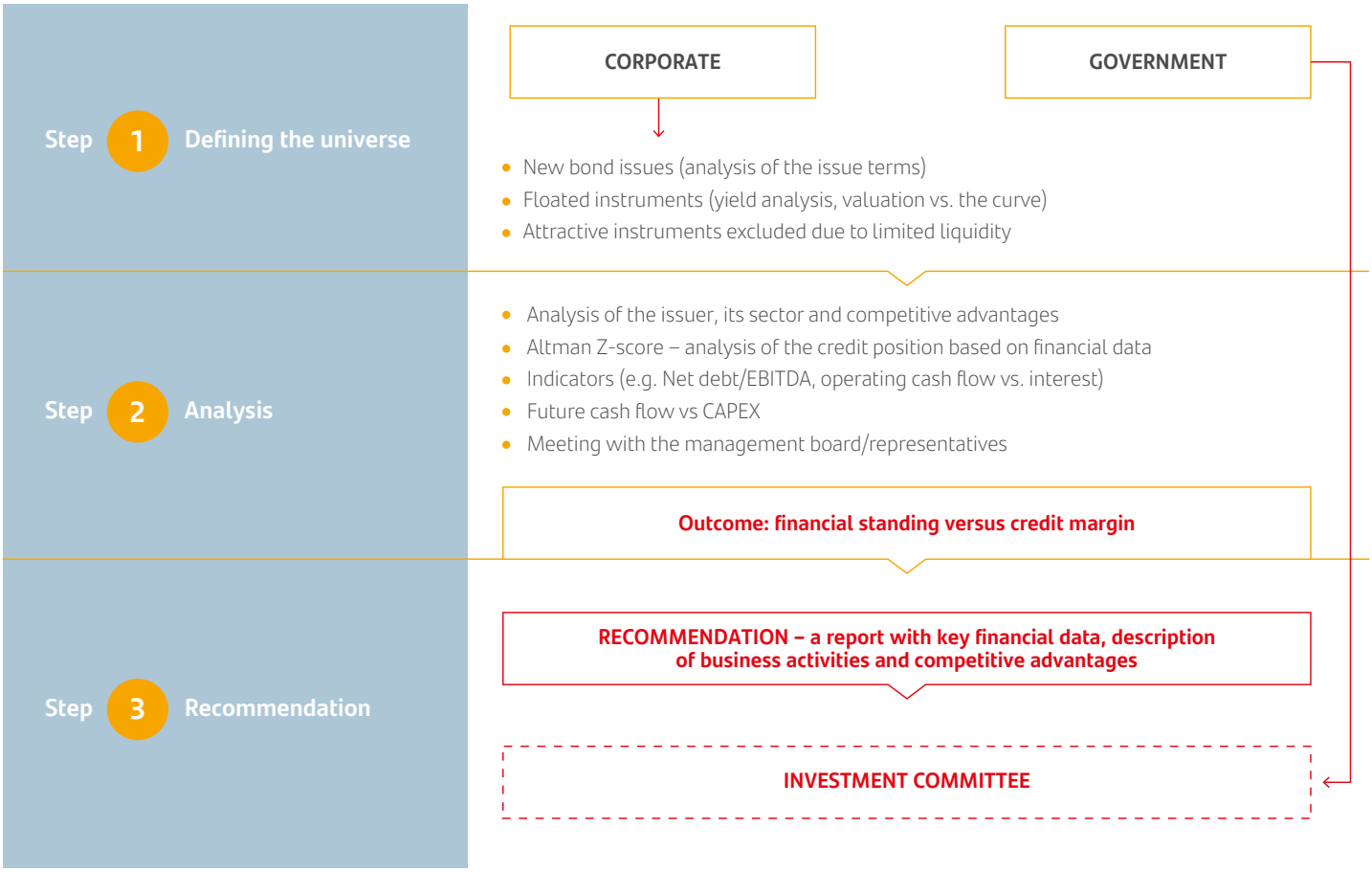
Research and analysis

Main areas:

- Macro-economic policy (GDP, government policy affecting the economy, budget policy, inflation, interest rates, trade, current account, foreign direct investments),
- Economies of Poland's large trade partners (UE, Germany),
- Examination of yield curve, current and forward structure of interest rates,
- Sector analysis,
- Screening (stock issuers pre-selection),
- Fundamental analysis of companies,
- Examination of competitors performance and their portfolios (investment funds, pension funds),
- Technical analysis.

Fig. 2. Research process – equities

Fig. 3. Research process – bonds



Investment Committee – details

The Committee is composed of:

- Investment Director (the Chairman),
- Fund Managers,
- Junior Fund Managers.

Investment Committee meets on regular weekly meetings. In emergency, members of the Investment Committee may call an additional meeting of Investment Committee. Investment Committee meetings are chaired by the Investment Director. For validity of the meeting, it should be attended by at least three members.

IC approves in particular:

- setting hedge ratio for currency exposure,
- using derivatives for other than currency hedging purposes,
- strategic and geographical allocation recommendation in selected Portfolios,
- specific recommendations regarding selected financial instruments.

In Santander TFI there also functions an independent Investment Risk Committee, whose chairman is the Investment Risk Department Director. The Investment Risk Committee is composed of members of the Investment Committee and employees of the Investment Risk Department.

Investment Risk Committee – Detailed Information

The members of the Investment Risk Committee are:

- Member of the Management Board Supervising Risk Monitoring System,
- Investment Risk Department Director,
- Investment Director,

- Fund Managers,
- Junior Fund Managers,
- Investment Risk Department Team.

The Investment Risk Committee is responsible for monitoring and controlling the risks of the funds and portfolios under management. The Investment Risk Committee reviews risk reports at least once a month.

The risk control system for equity instruments covers the following parameters:
- limits on exposure to specific equity markets,
- limits on exposures to individual issuers,
- liquidity,
- measuring Alpha, Beta, VaR, TE and other indicators assessing the effectiveness of portfolio management and the risk of managed funds.

The risk control system for debt securities covers the following parameters:
- credit risk (limits on credit exposure),
- liquidity,
- duration.

The risk control system for investment fund shares purchased for the managed portfolios covers the following parameters:
- exposure to an investment fund and management company.

The risk control system for FX exposures covers the following parameters:
- exposure / effective exposure to FX risk,
- FX exposure hedging ratio.

The system also includes stress testing for the following investment fund risks:
- market risk,
- liquidity risk,
- credit risk.

Investment Risk Department

Within the organizational structure of Santander TFI S.A. is a Member of the Management Board supervising the risk management system and the Investment Risk Department (currently 8 people). Investment risk management at the TFI is based on external (Aladdin, FactSet) and internal (AMSI) IT systems. The activities performed by the Investment Risk Department have been divided into two stages – pre trade and post trade. Their illustration is in the diagram below.

Fig. 4. Investment risk control

	Pre-Trade		**Post-Trade**		
	Risk Department Approval of instruments, verification	**Investment Department**	**Risk Department** Risk assessment	**Risk Department** Other processes	**Investment Risk Committee**

Government bonds	• Investment admissibility:
	  • meeting the formal and legal requirements
	  • meeting internal requirements
	• Determining the valuation method, including the valuation model
	• Initial liquidity assessment
		• Conformance with the applicable format, legal and internal requirements upon making investment decisions	• Equity market risk
			• Interest rate risk
			• Liquidity risk
			• Credit risk
			• FX risk
			• Counterparty risk
				• Investment limits
				• Risk measures (VaR, TE)
				• Stress tests
				• Investment performance
				• Performance attribution
					• Monitoring of limits for material risks
					• Monitoring of risk measures
					• Monitoring of stress test results
					• Implementation of corrective actions

Corporate bonds					
Equities					
Third party funds					
Derivative instruments					

Appendix 3

Information about the Transfer Agent – ProService Finteco Sp. z o.o.

For 25 years ProService Finteco has been providing complex IT solutions and top-quality services aligned.
ProService works mostly with investment funds, pension funds, insurance companies and banks, supporting the distribution of their financial products and services, customer service and automation processes.
The most valuable asset of Proservice Finteco is the team of highly competent and experiences employees with a thorough knowledge of the market specificity and challenges who demonstrate outstanding performance culture and focus on building lasting relationships with clients and delivering the company's mission: Being the market leader providing services and solutions meeting the needs of the existing and prospective Customers.

ProService Finteco in numbers

- **720** experienced specialists
- provides valuation of **360** funds
- processes **8 million** transactions a year
- assets under management worth **PLN 62 billion**
- Over the **25 years** of ecperience
- company has been steadily increasing the number of Clients on both the Polish and international market

ProService Finteco – Transfer Agent

ProService Finteco as the transfer agent for Polish and international financial institutions provides operational support of:

- providing the employer with a complete set of information and documents,
- conclusion of a PPK administration agreement on behalf of and for the benefit of employees and the possibility of downloading the PPK management contract,
- notifications and current update of the list of employees enrolled in the PPK,
- preparing a tool for processing payments to PPK,
- enabling to browse the list of submitted employees and the history of placed orders,
- fully electronic communication regarding the list of employees, contributions and after-sales service,
- online access to the summary of assets for employees,
- preparing a tool enabling placement of PPK related instructions and declarations as well as service of placed instructions,
- providing template of a PPK administration agreement available for review/ downloading for employess,
- using a contacts form to ask questions.

ProService Finteco – Valuation of assets and fund accountancy

A separate team of experts at ProService Finteco is responsible for the provision of professional accounting services for funds.

Development of new file formats

As the market leader, ProService Finteco participates in defining standard formats of data exchange files used by financial institutions. ProService has a long-term proven model of communicating with the IT systems of emloyers. The company has practical experience in the development of solutions facilitating comprehensive, two-way exchange of electronic data with emloyers. In partnership with other members of the same industry working group, delivered unified formats of data exchange files for Closed-End Funds (FIZ) and Employee Capital Plans (PPK).

Technology for the investment sector

The flagship products of ProService Finteco as the transfer agent include applications for the distribution/ sale of financial products intended for the distribution network and the end investor (**STI24 transaction and information system**).

STI24 is a proprietary transaction and information B2C system for investors. At present more than a dozen investment fund management companies and distributors use the functionalities of the module developed by ProService. Additionally, a unique process has been designed specifically for this service, under which execution of an agreement, opening of a register and placement of a purchase order can all be executed within a matter of minutes without the need to visit any outlet in person or send paper documents.

Focus on security

Security is our main priority. The security of data maintained in our databases is ensured by advanced safety systems, multilevel control systems and restrictive access procedures. To guarantee absolute security, in addition to basic activities, such as ensuring the physical and tele-information security measures, we also introduced a Business Continuity and Recovery Plan that provides continuity of processes and is automatically triggered both in the case of system failure and unforeseen external events.
The developed Business Continuity and Recovery Plan can be executed outside the company's head office, as currently the company operates from six locations (also away from Warsaw). In order to secure continuous operations, regularly updated copies of databases and operation systems, as well as stand-by telecommunication and IT systems are maintained in a number of locations. As a result, the continuity of business processes is ensured.
The high standard of our control systems and processes has been documented and checked by the independent auditors. The outcome of the process is the report evidencing our conformance with the ISO 2700 and ISAE 3402 standard.

Top quality standards

The company prides itself on excellent quality standards and proven and tested operating procedures which are maintained continuously on the same, high level. ProService Finteco has implemented and maintains a Quality Management System consistent with international standards, as confirmed by the certificate of compliance with the ISO 9001 standard in respect of transfer agent services.

Santander
Fundusze Inwestycyjne