

# PPK in Santander TFI S.A.



[instytucje@santander.pl](mailto:instytucje@santander.pl)



Helpline 22 35 54 673

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## Summary of the key information about the PPK offered by Santander TFI S.A.

Santander TFI – A trustworthy partner	<ul style="list-style-type: none"><li>• <b>Over 20 years of experience</b> on the market of investment funds.</li><li>• <b>One of the biggest and most experienced investment teams on the Polish market.</b></li><li>• Trusted by <b>near 140,000 Clients; Assets Under Management worth more than PLN 16 billion*</b></li><li>• Excellent product <b>quality attested by numerous awards.</b></li></ul>
Investments in Poland and abroad	<ul style="list-style-type: none"><li>• <b>Highest level of expertise in investing</b> in Poland and abroad (since 2003).</li><li>• <b>A broad range of sub-funds</b> offered under the umbrella of three investment funds: Santander FIO, Santander Prestiż SFIO, Santander PPK SFIO and Credit Agricole FIO ( first white-label solution on the Polish market).</li></ul>
Experience in pension products	<ul style="list-style-type: none"><li>• Many years of experience in designing and managing <b>Employee Retirement Plans (PPE) and Individual Retirement Accounts (IKE).</b></li><li>• Santander TFI launched the first <b>PPE scheme in 2001 and IKE in 2004.</b></li><li>• <b>The value of assets deposited on IKE</b> maintained by Santander TFI is <b>more than PLN 350 million*</b></li></ul>
PPK in Santander TFI	<ul style="list-style-type: none"><li>• <b>8 target-date sub-funds</b> for PPK participants under Santander PPK SFIO.</li><li>• <b>0% permanent management fee until 31 December, 2020.</b></li><li>• <b>0% success fee until 31 December, 2021.</b></li><li>• <b>Promotion! 0% conversion fee</b> (change of investment allocation) <b>from 11 October 2019 until further notice.</b></li><li>• <b>No additional charges</b> from employers or employees <b>for access to dedicated PPK online services and the helpline.</b></li></ul>
Support for employers	<ul style="list-style-type: none"><li>• <b>Free of charge access to the online PPK service for employers</b> – after logging on employers will be able to administer PPK.</li><li>• <b>A dedicated helpline for companies</b> maintaining PPK in Santander TFI.</li><li>• <b>A dedicated countrywide team of PPK managers.</b></li><li>• <b>Training for employees administrating PPK.</b></li><li>• <b>Information materials for employees and the employer</b> (brochures, the PPK calculator, Q&amp;A, dedicated Santander-PPK.pl website, interactive quote charts).</li><li>• <b>Possibility to integrate the online PPK service PPK with HR and payroll systems through API interface</b>, allowing direct data transfer from the HR and payroll system to PPK online system.</li></ul>
Support for employees	<ul style="list-style-type: none"><li>• <b>Free of charge access to the online PPK service for employees</b> – after logging on employees will be able to administer their PPK accounts.</li><li>• <b>Processes requiring submission of paper documentation can be handled at selected branches of Santander Bank Polska S.A. located throughout the country.</b> The scope of orders placed through the branches will be available at SantanderTFI.pl.</li><li>• <b>A dedicated information helpline with an option of placing orders by PPK participants.</b></li><li>• Information meetings for employees.</li><li>• <b>Education materials for employees</b> (brochures, the PPK calculator, Q&amp;A, dedicated Santander-PPK.pl website, interactive quote charts).</li></ul>
Additional benefits	<ul style="list-style-type: none"><li>• Employees of those companies which will sign an agreement with Santander TFI and join the "Firmowe bankowanie" promotion will be able to take <b>advantage of a special product offer prepared by Santander Bank Polska.</b></li></ul>

\*As on 30 September, 2019

# 1. About Santander TFI S.A.

**Santander TFI S.A. (formerly BZ WBK 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. Additionally, since 2003 TFI has been managing Credit Agricole FIO umbrella fund, the first white label fund on the Polish market.

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 SA in Santander (Spain).

## 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:



**Mrs. Marlena Janota**  
Management Board Member



**Mr. Jacek Marcinowski**  
Management Board President



**Mr. Grzegorz Borowski**  
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.

## How we stand out?

- 20 years on the market of investment funds.
- One of the biggest and most experienced management teams on the Polish market.
- Assets under management worth more than PLN 16 bn\*.
- Near 140,000 customers who have trusted us.
- Many years of experience in designing and managing Employee Retirement Plans (since 2001) and Individual Retirement Accounts (since 2004) – value of assets contributed to IKE maintained by Santander TFI exceeds PLN 350 million\*

\*Data valid as at 30 September, 2019.



## Investing on a global scale

The Company's extensive investment competences are not restricted to the Polish market. Santander TFI specializes in equity and bond investments in Central and Eastern Europe, the region in which TFI began to invest in 2003 as the first Polish investment fund company. Over the years, the Company kept developing its offer by adding new classes of assets and new foreign markets which at present also includes:

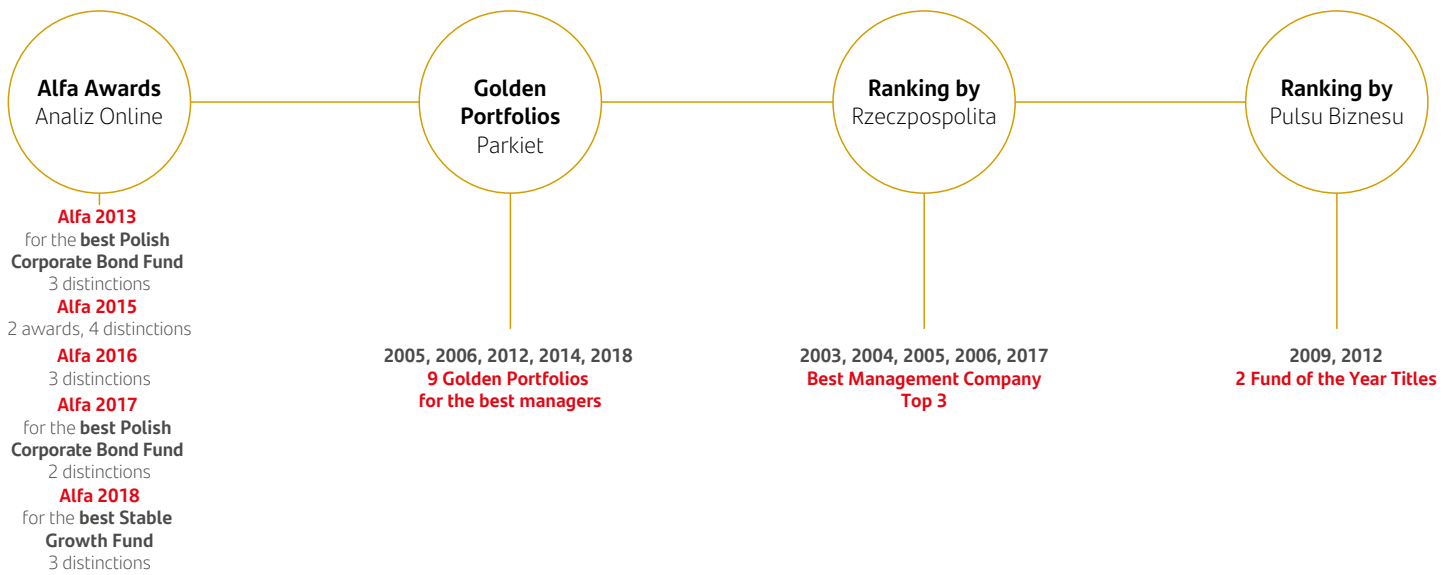
- Santander Prestiż Alfa, the role of which is to generate return on investments through skilful selection of companies regardless of the market situation (so called "market neutral" strategy).
- Santander Platinum sub-funds which pursue the investment policy of mixed (encompassing different asset classes), globally diversified funds.
- European equity sub-funds: Santander Prestiż Euro Equity and Santander Prestiż European Dividend.
- an equity sub-fund focusing on investments in small and medium-sized companies - Santander Small and Medium Caps Equity.
- investment strategies built on the basis of Santander FIO sub-funds – Santander Conservative Strategy Portfolio, Santander Moderate Strategy Portfolio, Santander Dynamic Strategy Portfolio and Santander Equity Strategy Portfolio which invest at least 70% of assets in Santander FIO sub-funds, carefully selected to meet the expectations of customers who have various needs in respect of planned investment horizons and the degree of acceptance for the volatility of the sub-fund performance results.
- funds in which Santander TFI managers invest directly in equities, bonds and in carefully selected third-party funds supplied by foreign fund management companies - Santander Prestiż Emerging Market Equity, Santander Prestiż US Equity, Santander Prestiż Technology and Innovation, and Santander Prestiż Global Corporate Bond.



## Funds managed by Santander highly recognized on the market

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

- The Research Institute Anality Online recognized Santander TFI S.A. many times in 2015, 2016, 2017 and 2018 in the Alfa competition, in which the best investment funds in Poland are selected.
- The winner of the "Alfa 2017" award in the category of the Best Polish Corporate Bond Fund was Arka Prestiż Corporate Bond Fund (currently Santander Prestiż Corporate Bond Fund).
- In the ranking for the year 2017, published by Rzeczpospolita, Santander TFI S.A. was ranked at the third place in the category of the best fund management company.
- In 2018, the best investment performance among all mixed funds was reported by Santander Platinum Conservative managed by Jacek Grel which, won the Golden Portfolio award. According to Parkiet daily, the key to success was the sub-fund's investment strategy.
- The winner of "Alfa 2018" in the category of the Best Stable Growth Fund was Credit Agricole Stable Growth managed by Santander TFI. Three sub-funds were distinguished – Santander Polish Equity, Santander Stable Growth and Santander Prestiż Short-Term Bond.



 **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:



Sectoral risk management policies applicable to sensitive sectors



Human Rights Policy



Climate Change Policy



Sustainability Policy (CSR)



Corporate Volunteering Policy

## 2. Employee Capital Plans in Santander TFI S.A.

**On January 1, 2019 the Act On Employee Capital Plans (PPK) came into force** (hereinafter, the "Act" or the "PPK Act") and imposed an obligation on employers to launch PPK schemes in their organizations (the deadline for implementation depends on the company size). In practical terms, this means that between July 1, 2019 and January 1, 2021 different groups of employers (from the biggest to the smallest ones) will be gradually required to implement PPKs and enrol their employees in the plans.

Number of <b>employees</b>	Companies employing <b>at least 250 people</b> (as at 31 December, 2018)	Companies employing <b>at least 50 people</b> (as at 30 June, 2019)	Companies employing <b>at least 20 people</b> (as at 31 December, 2019)	<b>Other employers,</b> including public finance sector entities regardless of their size
Effective date of implementation of the provisions of PPK Act	as of 1 July, 2019	as of 1 January, 2020	as of 1 July, 2020	as of 1 January, 2021
Deadline for entry into PPK management agreement	25 October, 2019	24 April, 2020	27 October, 2020	23 April, 2021 (26 March, 2021 for public finance sector)
Deadline for entry into PPK administration agreement	12 November, 2019	11 May, 2020	10 November, 2020	10 May, 2021 (10 April 2021 for public finance sector)

**Important note!** Business groups shall launch PPK in all Group companies before the deadline provided for in the Act for the employer from the Group with the highest number of employees. The deadline indicated in the table above are based on the information published at <https://www.mojepkk.pl/>.



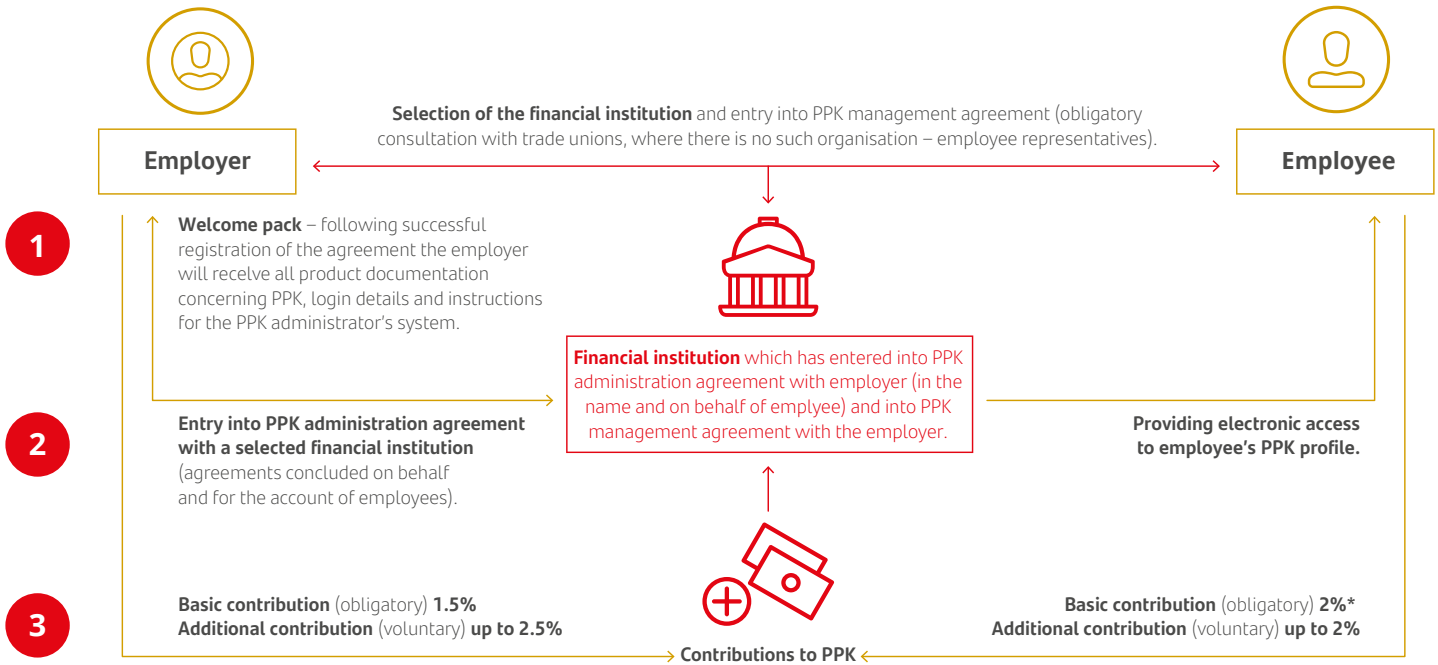
### Key assumptions of the PPK program according to the Act

- PPK is a universal **long-term saving plan launched in Poland as part of the 3rd pillar of the pension system.**
- The goal of PPK is **to facilitate systematic saving of additional assets to finance the financial needs of Participants after the age of 60 years. Contributions to the PPK scheme will come from 3 sources** – from the employee and the employer – as a % of each employee's gross remuneration and from the State Treasury (Employment Fund) – starting (welcome) contribution and annual contributions.
- **PPK is obligatory for employers** – employers are required to launch PPK schemes in their companies (subject to exceptions described in the PPK Act).
- **PPK is voluntary for employees** – all employees of legal age who are younger than 55 will be automatically enrolled in PPK by their employers, but will be able to resign at any time from making contributions to PPKs. Employees who have turned 55 but are younger than 70 years of age can be enrolled in PPK at their own request filed with the employer.
- **The money contributed to PPKs will be invested** in target-date funds. Their investment policy, in line with the PPK Act, will be reducing the level of investment risk with time, as the participant approaches the age of 60 years.
- The assets saved in PPKs will remain **a private property of the employee.**
- **The institutions authorised to operate PPK schemes** include investment fund companies, general pension fund management companies, employee pension fund management companies and insurance companies.





## PPK – how does it work?



\*For persons whose total income from different sources in a given month does not exceed 120% of a minimum monthly wage, the basic contribution can be less than 2%, but not lower than 0.5% of the remuneration.



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

### Employer

- 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.

### Employee

- Additional pension savings (an Employee with a gross monthly salary of PLN 4,000 may save PLN 254,000\*).
- 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 4,000 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.

\*\*A flat-rate 19% capital gains tax (pursuant to Art. 30a sec. 1 item 11b of the PIT Act) will not be charged on withdrawals made after the participant turns 60 in accordance with the following terms: 25% of total amount of money will be withdrawn at one time and the remaining 75% (or 100% if a decision is made to withdraw the whole amount of money in instalments) over a period of 10 years, in at least 120 monthly instalments. If the withdrawal terms are changed (fewer instalments or withdrawal of all money at one time under the circumstances provided for in the PPK Act), personal income tax will be charged on the disbursed funds and the value of the taxable income will be determined in accordance with Art. 30a sec. 13 of the PIT Act as an amount of proceeds from the repurchase of participation units or redemption of settlement units, less the cost incurred in connection with the purchase of these participation units, or cost of acquisition of these redeemed settlement units.



### 3. Sub-funds of Santander PPK SFIO

Eight sub-funds of Santander PPK SFIO investment fund have been made available to PPK participants:

- Santander PPK 2025
- Santander PPK 2030
- Santander PPK 2035
- Santander PPK 2040
- Santander PPK 2045
- Santander PPK 2050
- Santander PPK 2055
- Santander PPK 2060

#### 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 pension capital. 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.

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-fund target date	Sub-fund 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

\*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.

Allocation of target-date funds:	Equity component (e.g. shares)	Debt component (e.g. bonds)
from the fund launch until 20 years before the target date	60 – 80%	20 – 40%
20 years before the target date	40 – 70%	30 – 60%
10 years before the target date	25 – 50%	50 – 75%
5 years before the target date	10 – 30%	70 – 90%
as of the target date	max. 15%	min. 85%

## 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	
	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%			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%			60%–80%	20%–40%		
01.01.2025 – 31.12.2029			10%–30%	70%–90%	25%–50%	50%–75%									60%–80%	20%–40%
01.01.2030 – 31.12.2034					10%–30%	70%–90%	25%–50%	50%–75%								
01.01.2035 – 31.12.2039							10%–30%	70%–90%	25%–50%	50%–75%						
01.01.2040 – 31.12.2044									10%–30%	70%–90%	25%–50%	50%–75%				
01.01.2045 – 31.12.2049	0%–15%	85%–100%	0%–15%	85%–100%	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%			0%–15%	85%–100%		
as of 01.01.2060															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:**

- 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.

**As part of the equity component the sub-fund can invest:**

- 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 mWIG40 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.
- 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.
- 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% (thirty percent) 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).

The risk and reward profile\* for the respective sub-funds is shown in the table below:

<b>Santander PPK 2025</b>	<p>← potentially lower reward      potentially higher reward →</p> <p>← lower risk      higher risk →</p> <p>①   ②   ③   ④   ⑤   ⑥   ⑦</p>
<b>Santander PPK 2030</b>	
<b>Santander PPK 2035</b>	
<b>Santander PPK 2040</b>	<p>← potentially lower reward      potentially higher reward →</p> <p>← lower risk      higher risk →</p> <p>①   ②   ③   ④   ⑤   ⑥   ⑦</p>
<b>Santander PPK 2045</b>	
<b>Santander PPK 2050</b>	
<b>Santander PPK 2055</b>	
<b>Santander PPK 2060</b>	

\*The risk and reward indicator is a synthetic value indicating the degree of risk associated with investments in the sub-fund. The higher the value of the indicator, the higher the degree of investment risk. The lowest degree of risk rated 1 does not mean risk-free investment.

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

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:

- 1) a positive rate of return on investment in the sub-fund was achieved in a given year,
- 2) the right of return on investment in the sub-fund is higher than the reference rate.
- 3) 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.

### Fees and charges applicable to PPK in Santander TFI S.A.

Management fee	<ul style="list-style-type: none"><li>• <b>0%</b> until 31 December, 2020.</li><li>• not more than <b>0.4%</b> as of 1 January, 2021 (we may decide to reduce the rate of the fee in the future)</li></ul>
Success fee	<ul style="list-style-type: none"><li>• <b>0%</b> until 31 December, 2021.</li><li>• not more than <b>0.1%</b> as of 1 January, 2022.</li></ul>
Conversion fee (for changing the investment allocation)	<p><b>Promotion! 0% from 11 October 2019 until further notice.</b> The promotion applies to the fee charged when converting units within all sub-funds of the Santander PPK SFIO Fund. Information about changes in the promotion or its cancellation will be announced at SantanderTFI.pl.</p>

- 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:
  - (1) fees and charges payable to investment companies or banks whose services the fund uses while executing transactions related to investing its assets,
  - (2) fees and charges arising from the fund's agreements and transactions executed in connection with investing the fund's assets,
  - (4) fees and charges payable to deposit and settlement institutions whose services the fund uses while investing its assets,
  - (5) remuneration payable to the Depository,
  - (6) costs of keeping the Register of Fund Participants and the Sub-register of Participants of the respective sub-fund,
  - (7) fees and taxes payable in connection with the fund's operations, including the fees paid for licenses and permits required by force of law,
  - (8) costs of announcements required in connection with the fund's operations, by force of the fund statutes or the applicable legal regulations,

- (9) costs of production and publication of information materials about the fund or the sub-funds required by force of law,
- (10) costs of a sub-fund liquidation,
- (11) 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 costs actually incurred will be published after the end of each calendar year in the Key Investor Information document (in the first year of the fund operation the estimated values will be provided).

## 5. Support for Customers of Santander TFI S.A. – dedicated tools



### Planned support for employers:

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

#### Planned 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 and the permissions administration,
- processing payments to PPK,
- company data administration,
- generating documents and statements for the employer and employee,
- submitting instructions and inquiries,
- fully electronic communication regarding the list of employees, contributions and after-sales support.

- **HELPLINE – a dedicated helpline for employers.**

#### Key functionalities:

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

#### • **ADDITIONAL SUPPORT**

- a dedicated team of mobile PPK managers,
- explanation of formal and technical aspects,
- holding meetings with employee representatives,
- training for employees administering PPK,
- providing information materials for employees,
- possibility to integrate the online PPK service PPK with HR and payroll systems through API interface, allowing direct data transfer from the HR and payroll system to PPK online system.

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## Planned support for employees – PPK participants

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

### Planned functionalities:

- online access to the summary of assets,
  - possibility of entering additional data,
  - placement of PPK related instructions and declarations,
  - template of a PPK administration agreement available for review/ downloading,
  - using a contacts form to ask questions.
- **BRANCHES** – processes requiring submission of paper documentation can be handled at selected branches of Santander Bank Polska S.A. located throughout the country. The scope of orders placed through the branches will be available at SantanderTFI.pl.
  - **HELPLINE** – a dedicated helpline for employees (a convenient alternative option for employees who will not use the online service).

### Key functionalities:

- filing instructions,
  - obtaining information about the register balance,
  - technical support,
  - providing answers to questions concerning PPK.
- **TRAINING** – after the launch of PPK, Santander TFI will be ready to hold meetings with employees all over the country.

### The members of a dedicated team of PPK Managers will:

- clarify all formal and technical aspects of the scheme,
  - meet with employee representatives,
  - train employees who administer PPKs.
- **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 SantanderTFI.pl,
    - **market commentaries prepared by the fund managers from Santander TFI** – weekly commentaries published every Monday and special commentaries available on TFI's website at [www.SantanderTFI.pl](http://www.SantanderTFI.pl),
    - **educational materials including materials with information about PPKs** – 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-PPK.pl](http://Santander-PPK.pl).**



## 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 – Ernst & Young Audit Polska sp. z o.o. sp. k.

## 6. How to join the PPK scheme in Santander TFI S.A.?

### 1 Preparing the company for the launch of PPK

This is a planning stage at which all requirements imposed on the employer must be addressed and taken into account in the company's financial plan e.g. additional expenses related to payments made to PPK.

### 2 Selecting a financial institution to manage PPK

Acting in consultation with a trade union organization or where there is no such organisation – with employee representatives, the employer has to select a financial institution to operate PPK.

### 3 Signing an agreement for the management and operation of PPK

The launch of a PPK scheme requires entry into two agreements with a selected financial institution by the defined deadlines: an agreement on the management of PPK and an agreement on the operation of PPKs (on the name and on behalf of employees).

### 4 Administrating PPK – a dedicated online service

As an employer, you are responsible for the administration of the PPK program. This includes an obligation to calculate and execute payments of contributions to PPKs, to facilitate placing of orders set out in PPK Act by employees, and to maintain an ongoing working relationship with the selected financial institution managing the PPK, including provision of the required information.

### More information about PPK in Santander TFI S.A.



[Santander-PPK.pl](https://santander-ppk.pl)



[instytucje@santander.pl](mailto: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.

The net asset value of certain sub-funds of Santander PPK SFIO may demonstrate high volatility due to the composition of the investment portfolio. Some sub-funds can invest more than 35% of their assets in securities issued, guaranteed or underwritten by the State Treasury or the National Bank of Poland. The sub-funds' financial data, description of risks and information about the terms of participation in each sub-fund can be found in the prospectus of Santander PPK SFIO available in Polish at [SantanderTFI.pl](https://santanderTFI.pl). The sub-funds cannot guarantee achievement of the investment objective or of the expected return on investment. The Participant should take into consideration the possibility of losing at least some of the invested capital. The presented information is not an offer within the meaning of the provisions of the Civil Code and is provided solely for information purposes.

Santander TFI S.A. with a registered office in Poznań, pl. Władysława Andersa 5, 61-894 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).

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## Appendix 1.

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



#### **Jacek Marcinowski**

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

Graduate of the Poznań University of Technology and The Columbia Senior Executive Program at Columbia University Graduate School of Business. Licensed stock broker and adviser specializing in the trading of securities. Associated with Santander Bank Polska S.A. Group (previously: BZ WBK S.A. Group) since 1995. Between 1997 and 1999, member of the Management board of WBK Asset Management S.A., and from 1999 to March 2001 a director in Bank Zachodni WBK S.A. Bank responsible for sales and marketing. Between April 2001 and the beginning of 2002, Board President of WBK Towarzystwo Funduszy Inwestycyjnych S.A. In January 2002 appointed as Management Board Member of Bank Zachodni WBK S.A. in charge of the Business Strategy division. Between 2007 and 2010 supervised the Bancassurance Office, Partner Outlets Development Office and Private Banking. Since January 2011, President of the Management Board of Santander Towarzystwo Funduszy Inwestycyjnych S.A. (previously: BZ WBK Towarzystwo Funduszy Inwestycyjnych S.A.).



#### **Marlena Janota**

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

Graduate of the Organization 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). Associated with the financial market since 2001 and with Santander Bank Polska S.A. Group (previously: BZ WBK S.A. Group) since 2005. Between 2001 and 2005 employed as the Marketing and Retail Distribution Director of Górnolśląskie Towarzystwo Funduszy Inwestycyjnych S.A. From 2005 to 2008 employed as a Strategy and Development Department Director of BZ WBK AIB TFI S.A.. Between 2008 and 2010 associated with 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, once again joined the team of BZ WBK TFI S.A. and in October 2011 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 is in charge of the sales and marketing 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 department of fund valuation and reporting and coordinates the cooperation with depositaries and transfer agents.

## 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 18 people and has one of the biggest teams on the Polish market.




Investment Department consists of:

- Investment Director
- Fund Managers
- Junior Fund Managers
- Analysts Team
- Dealears Team.

The team members are highly qualified persons, including 9 investment advisors and 8 holders of the prestigious CFA (Chartered Financial Analyst) certificates. The Head of the Investment Department is Szymon Borawski-Reks.

Name	Title	Product Responsibility	Educational/Professional Background
<b>Szymon Borawski-Reks</b> 	Investment Director	<ul style="list-style-type: none"> <li>• Santander Polish Equity</li> <li>• Santander Prestiz Polish Equity</li> </ul>	<p>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).</p> <p>In August 2006 he received the investment advisor license number 233. Mr. Borawski-Reks joined BZ WBK Asset Management SA in May 2003. Initially he started as a financial analyst, and through the time was promoted to the Head of Equity Department. CFA Charterholder since 2009.</p>
<b>Jacek Grel</b> 	Head of Asset Allocation, Fund Manager	<ul style="list-style-type: none"> <li>• Santander Platinum Dynamic</li> <li>• Santander Platinum Moderate</li> <li>• Santander Platinum Conservative</li> <li>• Santander Prestiz Central and Eastern European Equity</li> <li>• Santander Prestiz European Equity</li> <li>• Santander Prestiz European Dividend</li> <li>• Santander Prestiz US Equity</li> <li>• Santander Prestiz Emerging Markets Equity</li> <li>• Santander Prestiz Technology and Innovations</li> </ul>	<p>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.</p>

Name	Title	Product Responsibility	Educational/Professional Background
<b>Bartosz Dębowski</b> 	Fund Manager	<ul style="list-style-type: none"> <li>• Santander Stable Growth (equity part)</li> <li>• Santander Central and Eastern European Equity</li> <li>• Santander Turkish Equity</li> <li>• Credit Agricole Central and Eastern European Equity</li> </ul>	<p>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.</p>
<b>Michał Hołda</b> 	Head of Fixed Income, Fund Manager	<ul style="list-style-type: none"> <li>• Santander Stable Growth (debt part)</li> <li>• Santander European Bond</li> <li>• Santander Government Bond</li> <li>• Santander Prestiż Government Bond</li> <li>• Credit Agricole Stable Growth (debt part)</li> <li>• Target-date sub-funds (debt part):</li> <li>• Santander PPK 2025</li> <li>• Santander PPK 2030</li> </ul>	<p>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.</p>
<b>Paweł Pisarczyk</b> 	Fund Manager	<ul style="list-style-type: none"> <li>• Santander Balanced (debt part)</li> <li>• Santander Short Duration</li> <li>• Santander Corporate Bond</li> <li>• Santander Prestiż Short Duration</li> <li>• Santander Prestiż Corporate Bond</li> <li>• Santander Prestiż Global Corporate Bond</li> <li>• Target-date sub-funds (debt part):</li> <li>• Santander PPK 2035</li> <li>• Santander PPK 2040</li> </ul>	<p>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.</p>
<b>Jakub Płotka</b> 	Fund Manager	<ul style="list-style-type: none"> <li>• Santander Small and Medium Caps Equity</li> <li>• Santander Prestiż Alpha</li> <li>• Credit Agricole Stable Growth (equity part)</li> <li>• Credit Agricole Polish Equity</li> <li>• Credit Agricole Balanced (equity part)</li> </ul>	<p>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.</p>

Name	Title	Product Responsibility	Educational/Professional Background
<b>Adam Nowakowski</b> 	Fund Manager	<ul style="list-style-type: none"> <li>• Santander Balanced (equity part)</li> <li>• Target-date sub-funds (equity part):</li> <li>• Santander PPK 2025</li> <li>• Santander PPK 2030</li> <li>• Santander PPK 2035</li> <li>• Santander PPK 2040</li> <li>• Santander PPK 2045</li> <li>• Santander PPK 2050</li> <li>• Santander PPK 2055</li> <li>• Santander PPK 2060</li> </ul>	<p>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 2018 he became Fund Manager.</p>
<b>Marta Stępień</b> 	Junior Fund Manager	<ul style="list-style-type: none"> <li>• Credit Agricole Short Duration</li> <li>• Credit Agricole Balanced (debt part)</li> <li>• Target-date sub-funds (debt part):</li> <li>• Santander PPK 2045</li> <li>• Santander PPK 2050</li> <li>• Santander PPK 2055</li> <li>• Santander PPK 2060</li> </ul>	<p>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 NWA I Brokerage House. Joined the company in February 2015, initially as a bond market analyst, currently holds the junior 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).</p>
<b>Adam Majerowski</b> 	Head of Dealing Department	<ul style="list-style-type: none"> <li>• Dealing, technical analysis</li> </ul>	<p>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.</p>



## 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.

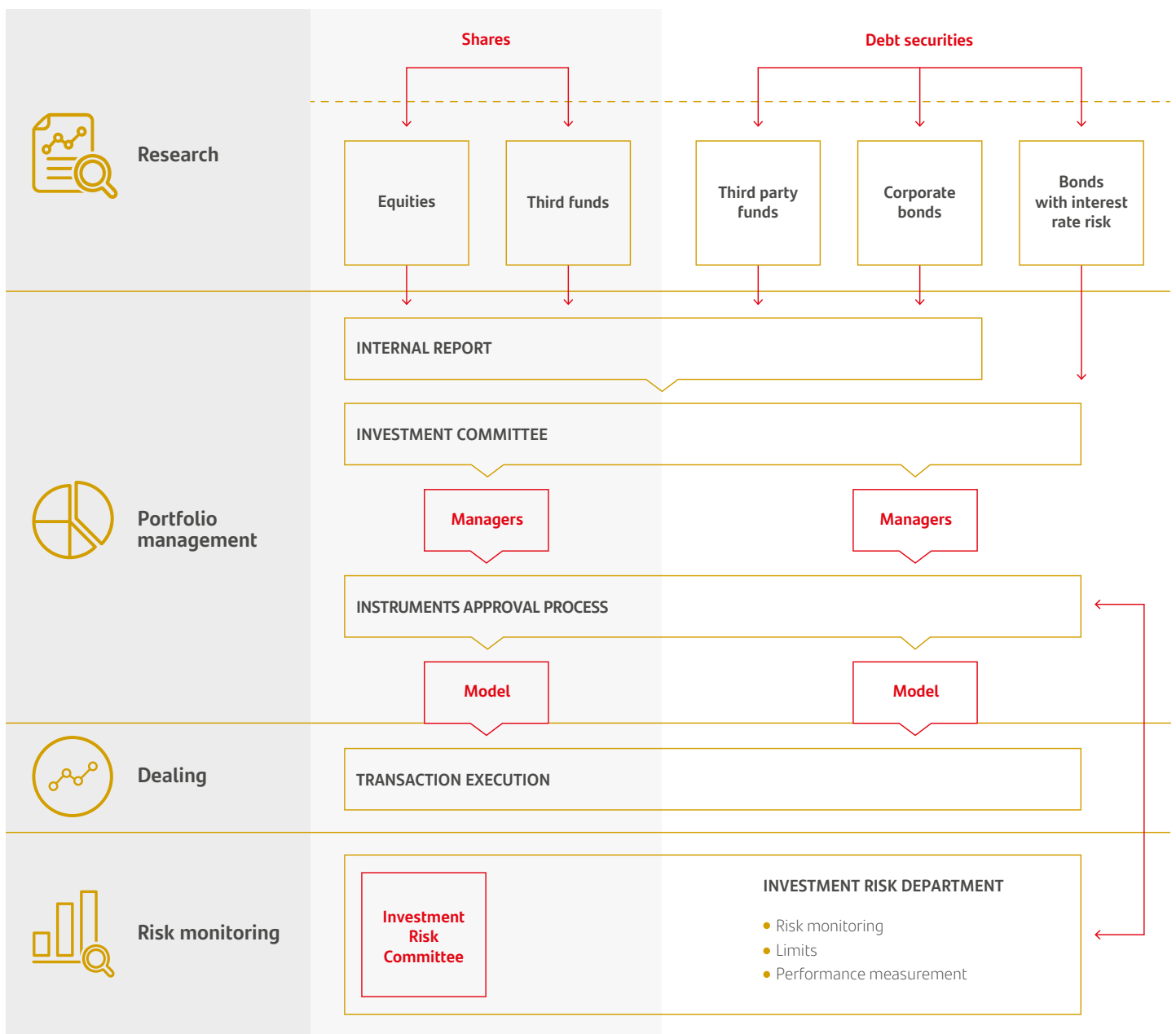
When investing in government bonds, we look mainly at the macroeconomic analysis of the factors that have impact on changes in the inflation rate since the performance of investments in bonds depends to a large extent on interest rates, which are determined on the basis of the current and forecasted 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 (entry on the Recommendation List). 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 entry on the Recommendation List 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



Source: Santander TFI S.A.

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## 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 from the Recommendation List,
- 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.

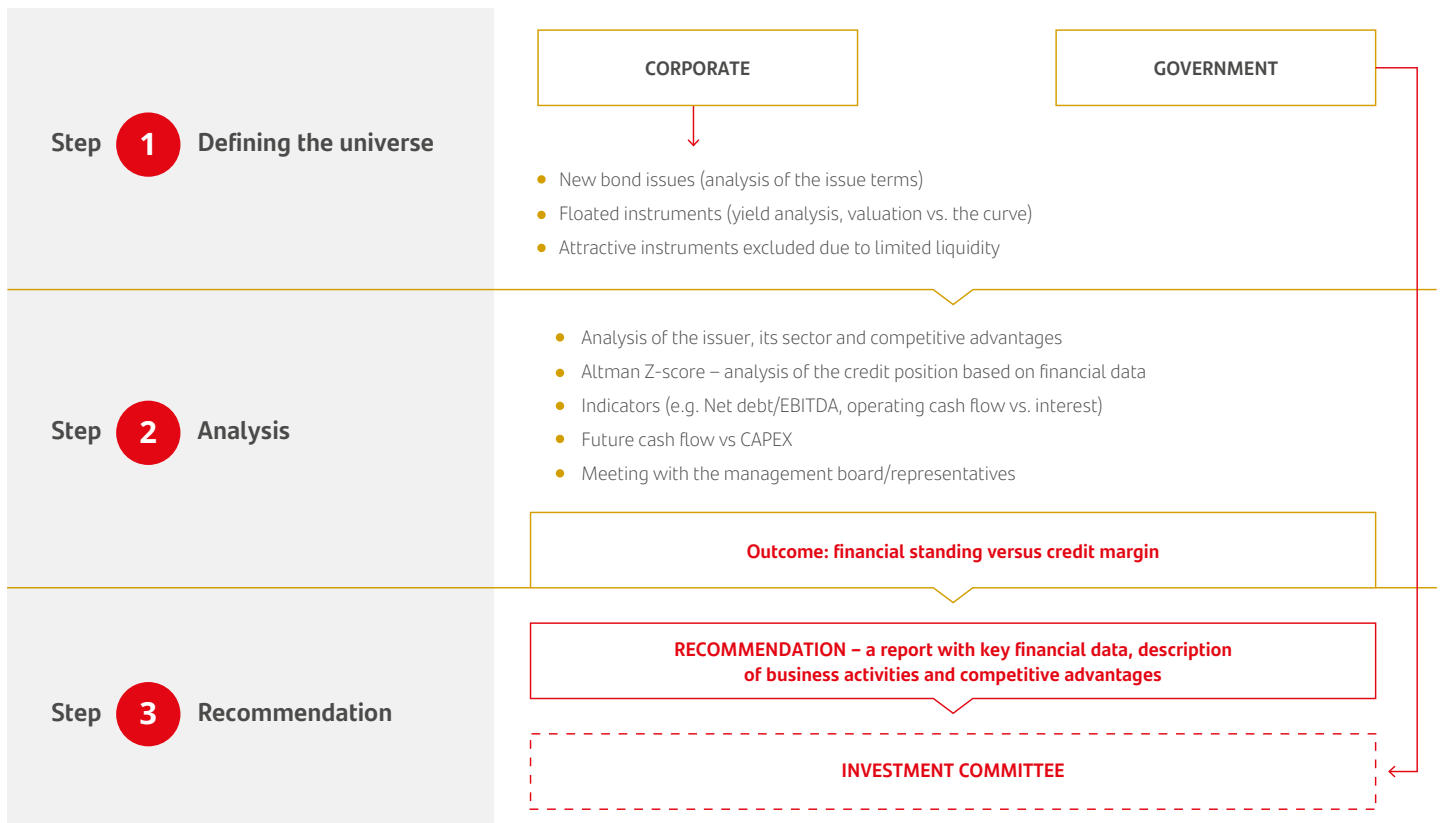


Fig. 2. Research process – equities



Source: Santander TFI S.A.

Fig. 3. Research process – bonds



Source: Santander TFI S.A.



## 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:

- changes on List of Recommendations (List of Recommendations – the list of classes of financial instrument used for purposes of documenting the investment decisions in respect to financial instruments other than derivatives)
- allocation to main group of assets
- setting hedge ratio for currency exposure
- using derivatives for other than currency hedging purposes.

Santander TFI has appointed an independent Investment Risk Committee chaired by the President of TFI's Management Board composed of the 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:

- Management Board President,
- Investment Director,
- Fund Managers,
- Junior Fund Managers,
- Investment Risk Management Director..

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 issuers,
- liquidity,
- alpha and beta measurements and other portfolio management performance indicators.

### 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:

- quantitative and qualitative analyses of investment funds and management companies
- exposure to an investment fund and management company.

### The risk control system for FX exposures covers the following parameters:

- exposure to FX risk,
- FX exposure hedging ratio.



## Investment Risk Department

In Santander TFI, the investment process is under full control thanks to the availability of adequate resources, including a six-person team of the Investment Risk Department. The operations of the Investment Risk Department are broken into two stages: pre-trade and post-trade, as shown 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
<b>Government bonds</b>	<ul style="list-style-type: none"> <li>Investment admissibility:               <ul style="list-style-type: none"> <li>meeting the formal and legal requirements</li> <li>meeting internal requirements</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Conformance with the applicable format, legal and internal requirements upon making investment decisions</li> </ul>	<ul style="list-style-type: none"> <li>Interest rate risk</li> <li>Liquidity risk</li> <li>Equity market risk</li> <li>FX risk</li> <li>Credit risk</li> <li>Counterparty risk</li> </ul>	<ul style="list-style-type: none"> <li>Investment performance</li> <li>Performance attribution</li> <li>Investment limits</li> <li>Stress tests</li> </ul>	<ul style="list-style-type: none"> <li>Monitoring all material risks and limits</li> <li>Implementation of corrective actions</li> </ul>
<b>Corporate bonds</b>					
<b>Equities</b>	<ul style="list-style-type: none"> <li>Determining the valuation method, including the valuation model</li> </ul>				
<b>Third party funds</b>	<ul style="list-style-type: none"> <li>Initial liquidity assessment</li> </ul>				
<b>Derivative instruments</b>					

Source: Santander TFI S.A.

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 **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 with the needs of individual Clients to institutions from the financial sector. 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. Being a professional operator, it provides services according to the best Polish and international market practices. The company's offer is structured in a transparent way, based on operational modules from which Clients are free to choose the elements in which they are actually interested.

The most valuable asset of Proservice Finteco is the team of highly competent and experienced 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**

ProService employs 670 experienced specialists, provides valuation of 360 funds, processes 8 million transactions a year and has assets under management worth PLN 62 billion.

Over the 25 years of being present on the market, the company has been steadily increasing the number of Clients on both the Polish and international market and expanding its relationship with the distribution network.

**ProService Finteco – Transfer Agent**

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

- Open-End Investment Funds
- Closed-End Investment Fund
- The following products (as part of investment funds): IKE/IKZE, PSO, PPE, PPK

The operational and administrative support of the products which is the responsibility of the key departments of ProService Finteco includes:

- Opening and maintaining registers;
- Executing financial transactions;
- Processing handling fees;
- Executing tax settlements on behalf of the fund;
- Keeping the register of distributors and sellers and calculation of fees payable to Distributors;
- Generating reports for the investment fund management company, the fund's accountancy team, the depository, the distribution network and supervisory authorities.

ProService strives to ensure a comprehensive and holistic range of services to its Clients so in addition to purely operational services the company also offers the Clients supplementary services, such as the call centre, automatic mailing services and handling enquiries and complaints. The Clients also benefit from dedicated solutions prepared whenever new legal regulations occur and give rise to new requirements (e.g. FATCA, CRS, AML, MIFID II or KIID/PRIIPS).

**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. The services include an ongoing valuation of the portfolio of funds and preparation of financial statements of funds on dates specified in the relevant regulations. As part of the fund accountancy services, our Company calculates the relevant indicators to prepare the Key Investor Information Document.

**Development of new file formats as a way to ensure efficient communication**

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 distributors. The company has practical experience in the development of solutions facilitating comprehensive, two-way exchange of electronic data with distributors. The solution is based on the

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DDAT format (for providing information about the placed orders) and SWAT (for informing distributors about the balances of insured accounts and orders). ProService has also developed the ex-ante and ex-post report formats required by force of MIFID II and, 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).

### **Innovative approach – Product development**

ProService Finteco also develops products and is ready to offer assistance in the preparations for the market launch of new products and upgrading of existing products. With several decades of market experience, the company feels competent to create new solutions, launch new financial products and build B2B and B2C platforms, relieving the burden from its Clients and offering them highest security. The designed and developed transfer agent software allows for the implementation of changes in a relatively short period of time. ProService is self-sufficient in respect of the expansion of the system and has a dedicated team of analysts and software developers who execute such projects according to the latest methodologies currently prevailing on the market. The company operates according to the "Idea to Solution" model with an aim of materializing the Client's expectations and needs.

### **Technology for the investment sector – Cutting-edge solutions**

In respect of IT for financial institutions, ProService provides attractive applications speeding up and facilitating the processes of finance management which must be aligned both with the Client's requirements and with the legal regulations in force.

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

**Goniec OnLine light** is a modern and light customer service application for distributors. It can be used to support the sales and processing of Open-End Investment Funds and Specialist Open-End Investment Funds, as well as products available on the investment market, including Individual Pension Accounts, Individual Pension Security Accounts and Regular Saving Schemes.

The application supports not only the registration of orders accepted by distributors but also includes information about the transaction details and the statuses of fund investor registers. Investors can use it for direct placement of orders and instructions. The application offers a unique tool for the portfolio management and communication in the relationship between the seller and the Participant.

**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. The application is supplied with a customized graphic design matching the visual standards of a given investment fund company/ distributor. As a result, each instance of the software is unique. The platform offers functional support of all order types and other instructions, including MIFID tests. 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.

### **Additionally, ProService offers:**

- **AVS** – a system for fund accounting and valuation.
- **Rodo.pro** – an application which automates GDPR-related processes and ensures the security of data.
- **ProCompliance** – multi-functional data warehouse which supports downloading of data from many different data sources.

### **Within the framework of the entire ProService Finteco Group, we also offer:**

- Big Data technologies;
- IT systems for risk management;
- QA consultancy services;
- Testing services including automatic and manual tests, performance tests and security tests;
- Outsourcing and provision of staff teams;
- Designing solutions based on the SAAS service model;
- Business analyses, technical designs and execution.

### **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

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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.



[instytucje@santander.pl](mailto:instytucje@santander.pl)



Helpline 22 35 54 673