Finax

CLIENT'S INVESTMENT STRATEGY

Based on the assessment of the client's knowledge, experience, investment objectives, expected investment horizon, financial situation, and risk appetite, the following investment strategy has been approved by the client.

CLIENT

NAME

SURNAME

INVESTMENT ACCOUNT NUMBER

CLIENT'S INVESTMENT PROFILE

INVESTMENT PURPOSE

INVESTMENT HORIZON

KNOWLEDGE AND EXPERIENCE

FINANCIAL SITUATION ASSESSMENT

RISK TOLERANCE

PROPOSED INVESTMENT STRATEGY

INVESTMENT STRATEGY CHOSEN BY THE CLIENT

PORTFOLIO ALLOCATION

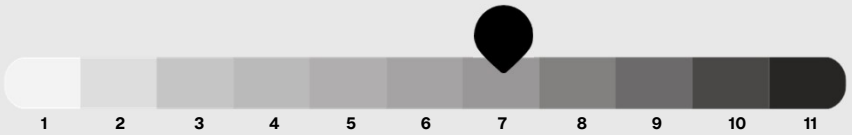
NAME OF THE CHOSEN STRATEGY

Złoty Portfolio 60/40

ONE-OFF INVESTMENT AMOUNT

MONTHLY DEPOSIT AMOUNT

RISK AND RETURN INDICATOR



LOWER RISK/RETURN

HIGHER RISK/RETURN

AVERAGE EXPECTED RESULT

PESSIMISTIC RESULT

OPTIMISTIC RESULT

BASIC PORTFOLIO PARAMETERS

REFERENCE CURRENCY	FINANCIAL INSTRUMENTS	MINIMUM DEPOSIT
PLN	**ETFs**	**50 PLN**
RECOMMENDED INVESTMENT HORIZON	**WEIGHT OF STOCKS**	**WEIGHT OF BONDS**
At least 6 years	**60 %**	**40 %**

The return of the originally invested amount is not guaranteed. Past returns are not a guarantee for future returns. The goal of the investment strategy, despite the professional care, may not be achieved. Before you invest, read the terms of investment and tax implications at www.finax.eu/en.

client@finax.eu
www.finax.eu

Finax, o.c.p. a.s.
BC Rosum, Bajkalská 19B
821 01 Bratislava, Slovakia

Strategy specification

Złoty Portfolio 60/40 is designated for investors with an investment horizon of at least 6 years who seek to have an exposure towards the Polish economy and have an average willingness and ability to bear risk.

Investors in this strategy must have at least minimal knowledge and experience related to investing. For a successful execution of this strategy, it is crucial that the investor sticks to the originally intended investment horizon, avoiding an early withdrawal of the invested funds.

Strategy management

The funds in this strategy's portfolio are invested in investment certificates of Closed Portfolio Investment Funds, which is the Polish legal structure of the so-called exchange-traded funds, abbreviated as ETFs.

Złoty Portfolio 60/40 consists of an equity component with a geographical coverage of both Polish and international equity markets. The relative weights of Polish and international stocks within this component can range from 40% to 60%, with the exact ratio depending on the portfolio manager's tactical allocation. The total target (initial) weight of stocks in the portfolio is 60%. Exposures to international shares must be hedged to Polish złoty to minimize currency risk.

The strategy also includes a conservative (fixed-income) component with a target weight of 40%. It consists of bond ETFs tracking Polish government bonds with maturities exceeding 1 year and of money-market ETFs tracking Polish government bonds with maturities of less than 1 year.

The weight of the ETF tracking government bonds with maturities exceeding 1 year in the conservative component can range from 60% to 90%, depending on the prevailing market interest rates and the expected return of each asset class in the portfolio. The weight of the money-market ETF in the conservative component can range from 10% to 40%.

The average modified duration of the portfolio’s conservative component may vary with respect to the evolution of interest rates in the Polish economy, so that its maximum does not exceed 7 years at any time.

Optimal portfolio composition

Dynamic component (60 %):		Conservative component (40 %):	
Polish stocks	24-36 %	Polish government bonds (> 1Y)	24-34.5 %
International stocks	24-36 %	Polish government bonds (< 1Y)	4-16 %
		Cash	1.5 %

The investment is predominantly passively managed, with changes occurring when the portfolio is rebalanced, i.e. adjusted to the initial weighting when there is a significant deviation from the designated tactical allocation. Changes in financial market conditions or a fundamental macroeconomic change may result in the adjustment of the weights of the included asset classes or in the replacement of ETFs with an alternative in the same asset class within the portfolio’s dynamic and conservative components.

The underlying investments of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Risk profile

Historical data may not be a reliable indicator of the strategy's future risk. The risk category has been calculated based on the risk-return profile of the assets in which the strategy invests based on the strategy's management rules. Each investor is subject to significant market risk arising from the price movements of the individual ETFs and their underlying assets in the market.

Time should help to overcome the market risk. Hence, it is the greatest friend in investing, and thanks to the drive of humans to continually advance and innovate, humanity and the economy keep progressing. Negative market developments in recorded history had been overcome by time. Therefore, it is important to stick to the investment time horizon, thus minimizing the risk of your investment.

You can learn more about risks in the Information about Financial Instruments and Risks published on the Finax website.

Risks not captured by the indicator

Political and legislative risk: The risk of loss arising from political decisions and legislative changes that may affect the investment's return. Given the specifics of the Polish market where ETFs are not subject to the European UCITS regulation, there is a possibility of local regulatory interventions into the way in which these instruments operate. The level of this risk is medium.

Counterparty risk: Some of the ETFs may use financial derivatives to replicate index performance or hedge currency risk. These instruments take the form of contracts which involve the risk that the counterparty will fail to meet its obligations.

Liquidity risk: The risk of a challenging exit from the investment in Certificates if trading in the Certificates is suspended or if the Certificates are delisted from the Warsaw Stock Exchange (GPW). Furthermore, this risk is also related to the potential inability of the fund to sell its assets without significantly affecting their market price or incurring other costs.

Market making risk: In times of extraordinary inflows or outflows from some smaller ETFs included in the portfolio, the market price of the Certificates can deviate from the net asset value of the securities included in the ETF. This could temporarily cause the ETF's price to be higher or lower than its fair value.

Information about inducement payback related to PLN-denominated portfolios

Finax will receive 50% of the eligible instrument's internal management fee paid over the course of each month in which the holding within the fund exceeds 1 million PLN on each day. Finax will receive the full inducement amount as a lump-sum and will then distribute it among clients who hold the relevant fund (instrument) in their portfolios as a discount to the investment costs, that client bears. Each client's discount will be calculated pro rata based on the proportion of that client's assets in the fund relative to the total assets Finax clients held in the fund on the last day of the calendar month for which the inducement is paid. Please note that Finax reserves the right not to distribute a share of inducement to the clients who close their investment accounts before the inducement for a specific month is distributed among clients.