



Portfolio Management Schedule of Fees

Apply with effect from 01 07 2020

This Portfolio Management Schedule of Fees is Appendix 3 to the Portfolio Management Agreement (the “Agreement”) and is an integral part thereof.

Your main points of reference for the fees, charges and commissions that Skanestas will charge you within the scope of the Agreement is this Appendix and Appendix 2 “Costs, Charges and Inducements”. For avoidance of any doubt, Appendix 4 to the Agreement “Execution Fee Schedule” shall not apply.

It is clarified that the Execution Fee Schedule has been **waived** by Skanestas Investments Limited by way of waiver and discount until further notice.

Definitions

Portfolio Management Fee means a fee, which is charged by the Company for the performance of the services of Portfolio Management under the Agreement.

Execution Fee means fixed brokerage fees charged by Skanestas for execution of trades.

Hurdle Rate means the reference rate of return on your portfolio under the Agreement on which no Portfolio Management Fee is charged.

Initial Minimum Investment Amount means the minimum amount the client may invest initially. It is always fixed at USD 100 000.00 (One Hundred Thousand US Dollars). Subsequent top-ups of the account are not limited to any amount. This corresponds to the Initial Asset as defined in the Agreement.

Profit Sharing means a model of charging a performance-based portfolio management fee by sharing with Skanestas the percentage of the profit earned under the services of Portfolio Management.

VAT means value added tax. Current VAT rate in Cyprus is 19%. VAT may apply to the services of Portfolio Management.

1. Structure of the Fees

The Parties agree that the structure of the Fees (jointly referred to as the “Fees”) shall be as follows.

Execution Fees	Portfolio Management Fees
Fixed, waived	Variable. Profit sharing model.
zero by way of waiver of the Execution Fee Schedule.	Consult the “Portfolio Management Schedule of Fees” (this Schedule)



1.1. Execution Fees

- 1.1.1. Where the Investment Manager, acting within the scope of the Agreement, enters into arrangements relating to the execution of transactions on behalf of the Client, the Client shall normally cover the Execution Fees of the Company as per the Execution Fee Schedule. As a separate schedule, it is an integral part of the Agreement, but is specified in the Appendix 2 hereto.
- 1.1.2. For the purpose of this Portfolio Management Agreement, the Execution Fee Schedule is waived in the form of the discount as of the date of the Portfolio Management Agreement until further notice.
- 1.1.3. The Portfolio Manager may by prior written notice in accordance with the Portfolio Management Agreement inform the Client that the Execution Fee Schedule or any of its part shall become applicable to this Portfolio Management Agreement.
- 1.1.4. It is expressly agreed that **any third party fees shall apply directly and cannot be waived** or covered by the Portfolio Manager.

1.2. Portfolio Management Fees in detail

The Parties agree that the following Portfolio Management Fees shall apply:

- 1.2.1. Annual Portfolio Management Fee - **0%**
- 1.2.2. Hurdle Rate – **4% per annum**
- 1.2.3. Profit Sharing model applies to the Portfolio Management Fees as follows:
- i. **25% charged to Skanestas on profits from 4% to 20% p.a.**
 - ii. **50% charged to Skanestas on profits of over 20% p.a.**
- 1.2.4. For avoidance of doubt, the application of the Profit Sharing model is explained herein below on a hypothetical USD 1 000 000 (One Million US Dollars) portfolio. It has a contractual as well as explanatory nature.
- i. **Scenario 1:** Profits under the Hurdle Rate (4%) have zero Portfolio Management Fees. The Execution Fees is waived;
 - ii. **Scenario 2:** Profits for a specified period are 15% (e.g. USD150 000). It falls under the profit Sharing range from 4% to 20% p.a. (Clause 1.2.3 (i)). Skanestas will charge 25% Portfolio Management Fee over 4% Hurdle Rate, i.e. USD 27 500 + VAT, if applicable. The Execution Fees is waived;
 - iii. **Scenario 3:** Profits for a specified period are 30% (e.g. USD 300 000). (Clause 1.2.3 (ii)). Skanestas will charge 25% on 160 000 USD and 50% on 100 000 USD, i.e. USD 90 000 + VAT, if applicable. The Execution Fees is waived.



1.2.5. **No other fees** shall be charged by the Company under the Agreement (safe for third party fees).

2. Applicability of the Fees

2.1. The Fees described above apply equally to all categories of investors and all strategies and all portfolios.

3. How the Fees are charged

3.1. The Execution Fees are waived.

3.2. The Portfolio Management Fees are charged **on an annual basis** (on pro rata, if applicable) from the account you have under the Agreement on the last business day of the current financial year and are based on the financial result of the current financial year. This applies to all clients irrespective of the date when the account was created.

3.3. In case of a **drawdown on the value of the Client's portfolio** based on the financial result of the current financial year, no fees shall be charged in the following financial year until the Portfolio Manager meets the Hurdle Rate.

4. How the Fees are calculated

4.1. The Execution Fees are **fixed and require no additional calculation**. They apply according to the executed transactions for your portfolio, but are waived as of the date of the Portfolio Management Agreement.

4.2. The Portfolio Management Fees are based on the **Profit Sharing model**. The Investment Manager shall **evaluate of the portfolio** and indicate the profit to the Client in the following manner: **Revaluations of open positions are marked-to-market on a last closing business day of the month and the final result is summed up at the end of the current financial year.**

5. VAT

5.1. VAT may apply to the Portfolio Management Fees. VAT does not apply to the Execution Fees.