

**Schedule 2**  
**to the Agreement for the Provision of**  
**Discretionary Portfolio Management Services**

**INVESTMENT DECLARATION**

(Speculative Strategy)

Date: [Click here to enter a date.](#)

**1. Declaration Purpose and Objective**

This Investment Declaration (hereinafter referred to as the “**Declaration**”) is an integral part of the Agreement for the Provision of Discretionary Portfolio Management Services (hereinafter referred to as the “**Agreement**”) dated \_\_\_\_\_ made between **Skanestas Investments Limited** (hereinafter referred to as the “**Portfolio Manager**”) and \_\_\_\_\_, passport \_\_\_\_\_ (hereinafter referred to as the “**Client**”). The Investment Declaration should be considered an inseparable and integral part of the Agreement. Unless otherwise defined, capitalized terms herein shall have the same meanings as ascribed to them in the Agreement. Should there be any discrepancies between the Agreement and this Investment Declaration, the Agreement shall prevail at all times.

This Declaration has been tailored in accordance with the Client Questionnaire completed by the Client and the mandatory Suitability Assessment performed by the Portfolio Manager for the purpose of the Declaration and the Services under the Agreement.

The purpose of this Declaration is to provide guidance of overseeing the investment approaches:

- Establish and review of investment objectives;
- Identify those functions within the Portfolio Management department with the ability for selecting and reviewing investments approaches;
- Designate the asset classes of investment options;
- Identify the criteria that may be considered when selecting assets;
- Provide a single document designed to ensure that investment goals and requirements are met.

The Declaration does not extend to other Sub-Portfolios (sub-accounts) which the Client may from time to time have. To open a Sub-Portfolio (sub-account) the Client has to sign a separate investment declaration and/or other Schedules to the Agreement for the Sub-Portfolio (sub-account).

A separate investment declaration is drawn up for each investment strategy.

**2. Risk and Return**

Rates of return expectations vary in their level of risk tolerance, including settings on the Risk Tolerance Slider. Investment strategy will offer a wide spectrum of investment options with varying levels of risk and return expectations, always based on the results of the Suitability Assessment the Client has taken. The Portfolio Manager may design an investment strategy from those options that best meets investor’s requirements. For more risk warnings please refer to the Agreement and the relevant Risk Disclosure Statement annexed to the Agreement.



Risks and rewards of major asset classes:

***Equities and Derivatives***

Can carry a degree of market risk over the short term due to fluctuating markets.

Historically earn higher long-term returns, compared to other traditional assets classes, such as fixed income instruments, money market instruments and are more sensitive to economic and business cycles.

***Fixed Income Instruments***

Generally perceived to have less price fluctuations than stocks and therefore offer lower market risk.

Tend to provide lower long-term returns and have higher inflation risks over time

***Money market instruments/Cash***

Among the most stable of all asset classes in terms of returns, money market instruments carry low market risk.

***Risk Tolerance***

The Client *must* immediately (within two working days) inform the Portfolio Manager in writing in case the Client's risk tolerance and/or financial circumstances have deteriorated.

The Client *may* inform the Portfolio Manager in writing in case the Client's risk tolerance and/or financial circumstances have improved.

These notifications can be done via email to [pm@skanestas.com](mailto:pm@skanestas.com).

Such changes may result in the existing risk tolerance being no longer suitable for the Client.

Based on such notification the Portfolio Manager may adjust Client's risk exposure by using the **Risk Tolerance Slider**. The Portfolio Manager shall immediately inform the Client of the change in the value of the Risk Tolerance Slider it uses for the Client.

**3. Available Investment Strategies**

The Portfolio Manager has 3 (Three) available Investment Strategies. According to the Suitability Assessment, the Client has been assigned the strategy marked so.

Investment Strategy	Permitted strategy (select one)	Date of Agreement	Change of Strategy, if any
Balanced Strategy			
Capital Growth Strategy			
Speculative Strategy			

By assigning a permitted strategy and by indicating the Allocation of the Portfolio of the Client the Portfolio Manager fulfils its obligation to report to the Client on the Suitability Assessment results.



#### 4. Use of Leverage

Leverage is not allowed for Retail Clients. Leverage shall not be used in the Balanced Strategy.

Leverage is allowed for Non-retail Clients (i.e. Professional Clients and Eligible Counterparties). Leverage may be used in the Capital Growth Strategy and the Speculative Strategy

Where leverage is permitted in the strategy, the Portfolio Manager is fully authorized and granted powers by the Client to invest in financial products and/or instruments in its sole discretion and with use of leverage of:

**up to 1: \_\_\_** of total value of Client's Portfolio.

The Portfolio Manager may choose any leverage between the lowest value which excludes a leverage and the highest value set out in this section 4 as he deems such value fits the Client's risk appetite and tolerance for losses.

The maximum leverage ratio applies to:

- the whole value of Client's Portfolio if the Client does not have Sub-Portfolios (sub-accounts) of the Client;
- particular Sub-Portfolio (sub-account) of the Client if the Client has it.

Where leverage is permitted in the strategy, the Client hereby acknowledges and confirms his/her understanding that any investments made by the Portfolio Manager for the Client in the above-mentioned financial products and/or instruments carry an investment risk and may result in potential losses. The risk disclosures are extensively provided in the Portfolio Management Agreement and in the Risk Disclosure Statement which forms an integral part thereof.

Any projections as to potential losses are estimates only and may not be realized in the future. Likewise, any information on past performance, where given, is not necessarily a guide to future performance.

#### 5. Investment Strategy Principles

In setting our Investment Strategy, we seek to balance twin objectives: first, to achieve sufficient long-term returns, and second, to construct an investment portfolio that is well diversified and balanced. Our investment principles are based on macroeconomic parameters assessment, known as "Top-Down" approach with various portfolio characteristics:

- Each portfolio should be relatively low-cost, where Best Execution criteria permit;
- Each portfolio shall correspond to the MiFID classification of the client (retail / professional / eligible counterparty);
- Each portfolio shall be diversified within its area of focus;
- Each portfolio should capture asset-class returns;
- Each investment strategy should be easily understood by investor.

*Complex and non-complex* financial products and/or instruments, as those are marked in the Product Governance Policy, are available in this Investment Strategy.



## 6. **Asset allocation limits**

6.1. The Portfolio Manager will consider investment options to enable investors meet their individual goals. Asset allocation is one of the most important factors in assessing the long-term risk-and-return characteristics of portfolio.

Our Portfolio Managers allocate investments across stocks, bonds, derivatives (where permitted) and cash to help reasonably manage portfolio risk and seek attractive returns. Below is the table with asset allocation limits per each class of assets:

Table 1. Asset allocation limits per class:

<b>Asset Class</b>	<b>Asset Types</b>	<b>Limits (up to)</b>
Equities (Long and Short)	Shares, ETF's, Equity Funds. IPO for non-retail clients only.	n/a or ___%
Fixed Income ETF		n/a or ___%
Derivatives (Long and Short)	Options, futures, swaps, forward rate agreements and any other derivative contracts	n/a or ___%

6.2. Generally, the Portfolio Manager shall abide by investment objectives and aims of the Client, aforementioned limits on Asset Class and Asset Types in the course of the Services provided. However, the Portfolio Manager is not required to enforce such investment objectives, aims, and limits in any of these cases:

- the Client transfers Asset Classes and Asset Types from a Portfolio / a Sub-Portfolio (sub-account) to another Sub-Portfolio (sub-account);
- replacement of Asset Classes and Asset Types due to events outside Portfolio Manager's control (reorganization of the issuer, court arrangement, etc.).

## 7. **Tactical allocation**

Without prejudice to section 6 of the Declaration, an investment strategy also needs to take into consideration the sub-asset classes and tactical allocation. Tactical asset allocations serve many functions, including:

### ***A. Increasing returns***

Using tactical asset allocation to shift asset allocations to stronger performers increases portfolio return. Doing so allows the portfolio to capture the upside in an asset class while moving away from poorly performing asset classes.

### ***B. Adapting to market conditions***

Tactical asset allocation is flexible and responds to macroeconomic events. A tactical asset allocation strategy shifts the asset allocation accordingly to account for macroeconomic conditions.



### ***C. Providing diversification***

Investing solely in one asset class increases the risk of the portfolio, it is permitted in the Speculative Strategy only. By diversifying through tactical asset allocation, greater returns can potentially be realized with lower risks. The more balanced the strategy is, the more diversification shall be applied.

### ***D. Use of derivatives***

Derivatives are not allowed for retail clients. The Portfolio Manager may use derivatives in the portfolio of retail clients, i.e. in the Balanced Strategy, for hedging purposes only, when this is necessary to mitigate risk and avoid further losses on the portfolio. Such use of derivatives shall not be part of the Asset Allocation.

## **8. Monitoring of Investment and Rebalancing**

The Portfolio Manager will focus its assessment on long-term issues related to the management of client's funds, both qualitatively and quantitatively. Qualitative factors may include fundamental changes in a Portfolio Manager's investment philosophy, organizational structure, and financial conditions (including any significant changes in total assets under management). No single factor will determine whether an investment option should be added, retained, or eliminated.

Diversification alone is not enough to minimize risks and provide targeted level of return. The Portfolio Managers regularly reviews and rebalances the portfolio. Over time, market performance can shift portfolio's allocation, making it either more aggressive or more conservative than originally planned. Portfolio Manager performs an ongoing evaluation of portfolio periodically and adjusts it, if necessary.

## **9. Risk Mitigation techniques**

One of key parameters for risk valuation is the Portfolio Value at Risk (the "VAR"). VAR is a financial metric that estimates the risk of an investment. More specifically, VAR is a statistical technique used to measure the amount of potential loss that could happen in an investment portfolio over a specified period of time.

Value at Risk is applicable to all types of assets, including but not limited to bonds, shares, derivatives, currencies, etc. Thus, VAR can be easily used by different banks and financial institutions to assess the profitability and risk of different investments, and allocate risk based on VAR. However, such risk mitigation techniques may involve additional expenses and might affect portfolio performance.

## **10. Performance Metrics**

The performance objective of the portfolio is to meet or exceed, where possible, the return of targeted goals, on a consistent basis over time, net of all costs and fees. The investment approach is intended to be consistent over time and among asset classes. Incremental changes to asset class allocation will be proposed when such actions are anticipated to improve returns and/or reduce risk. For the portfolio performance measurements, our Portfolio Managers use various metrics.

Performance metrics for Sub-Portfolios (sub-accounts) may differ between each other and all assets of the Client taken as a whole.

## **11. Declaration Review and Amendments**

11.1. This Declaration shall be reviewed periodically to help ensure that it continues to reflect the Investors objectives. Changes to this Declaration are expected to be infrequent, as they will reflect long-term considerations, rather than short-term changes in the financial markets.



It is the duty of the Client to contact the Portfolio Manager as soon as reasonably possible if and when any of the Client's financial circumstances or investment objectives or risk appetite have changed.

11.2. By signing the Investment Declaration, the Client confirms that the Client has read and understood the terms and conditions of the Agreement, of this Investment Declaration and all other annexes to the Agreement and that he/she is aware of the risks.

Signed for and on behalf of the  
**PORTFOLIO MANAGER**

\_\_\_\_\_

By: Skanestas Investments Limited

Title: \_\_\_\_\_

Name: \_\_\_\_\_

Signed by/ for and on behalf of the  
**CLIENT**

\_\_\_\_\_

Name: \_\_\_\_\_