

ESMA requirement		Target market criteria		Negative target market (mark where applicable)	
Client type	✓	Retail			
	✓	Professional counterparties			
	✓	Eligible counterparties			
Knowledge and experience		Low	- limited ability to understand complicated financial instruments; - limited or no investment holdings; - infrequent or no trading/investment activity; - no financial industry experience, interest, or knowledge;		
	✓	Medium	- average ability to understand complicated financial products; - a number of investment holdings; - fairly frequent trading activity; - some financial industry experience and interest;		
	✓	High	- good ability to understand complicated financial products and transactions; - large number of diverse investment holdings; - previous exposure to high-risk or complex investments; frequent trading activity; - financial industry experience, interest, and knowledge;		
Financial situation, with a focus on the ability to bear losses		Investors with no tolerance for loss in their investment or initial amount			
	✓	Investors who tolerate a moderate loss in their investment or initial amount			
	✓	Investors who tolerate a loss of the entire investment or initial amount			
	✓	Investors who tolerate losses exceeding their investment or initial amount			
Risk tolerance and compatibility of the risk/reward profile of the product with the target market	✓	Risk oriented/Speculative	Investors who are able and willing to accept the risk of losses up to or exceeding the investment or initial amount		
	✓	Balanced	Investors who are able and willing to accept moderate losses of the investment or initial amount		
		Conservative	Investors who are not able and willing to accept any loss of the investment or initial amount		
Clients' objectives and needs	Time horizon	Short	Less than 2 years		
		✓ Medium	2-6 years		
		✓ Long	more than 6 years		
	Investment objective	Capital preservation			
		✓ Return maximalization			
		✓ Portfolio diversification			
		Outperforming portfolio's benchmark			
		Providing stable cash-flow stream			
		Hedging			
	Liquidity	Exploit arbitrage opportunities			
		Investors with ongoing distribution needs (mortgages, living expenses)			
		Investors with strong desire for building emergency reserves			
		Liquidity needs for one-time events			
		Investors who want to exit the product at any time and receive at least its initial investment			
	Unique criteria	✓ Investors who want to exit the product at any time and understand they may receive an amount which may be less than its initial investment			
		✓ Investors who are willing to hold the investment until its maturity			
✓ Social impact investing (green, ethical investment)					
Restrictions on leverage					
Hedging					
Distribution strategy	✓ Achieve tax efficiency				
	✓ Advised				
	Non-advised				
	Execution only				
	✓ Discretionary				