

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		
		✓	Exploit arbitrage opportunities		
	Liquidity		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			
	✓	Discretionary			