

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			
	✓	Discretionary			