



MACTE · INVEST

TARGET MARKET OVERVIEW

Pursuant to the provisions of the Markets in Financial Instruments Directive 2014/65/EU of the European Union (hereinafter referred to as “MiFID II”), Macte Invest FM AB (hereinafter referred to as “the Company”) is required to take the responsibility of indicating for each Financial Instrument it distributes, the type(s) of investors whose needs, characteristics and objectives the respective Financial Instrument is compatible with (hereinafter “Target Market”).

This document discloses the target market and distribution strategies for the Financial Instruments the Company distributes according to the criteria stipulated in legal acts and guidelines. The information is presented in a form of a table and aims to enable the Company’s Clients to assess independently whether a Financial Instrument matches their objectives, needs and characteristics.

This document represents reasonable view of the Company regarding the target market for the Financial Instruments listed below and it has been prepared exclusively for informational purposes. Information in this document is not an offer to buy or sell or a solicitation of an offer to buy or sell the Financial Instruments listed below.

Definitions of terms used in the target market overview table

Retail client - non-professional client who is neither professional client nor eligible counterparty.

Professional investor - the client who has enough knowledge, skills, experience to evaluate the risk and make reasonable investment decisions independently and meets the criteria set out in the Company’s Procedure for Clients Categorization as professional, non-professional and eligible counterparties, article 3.1.

Eligible counterparty - legal entity, which meets the criteria set out in the Company’s Procedure for Clients Categorization as professional, non-professional and eligible counterparties, article 3.3.

Positive target market - a group of Client's whose risk awareness level, needs and objectives are compatible with the respective Financial Instrument.

Negative target market - a group of Client's whose risk awareness level, needs and objectives are not compatible with the respective Financial Instrument.

Basic level of knowledge - Client's knowledge level with one or more following characteristics:

- limited ability to understand relevant complicated financial instruments;
- limited or no investment holdings;
- infrequent or no trading/investment activity;
- no financial industry experience, interest, or knowledge.

Informed (medium level of knowledge) - Client's knowledge level with one or more following characteristics:

- average ability to understand relevant complicated financial products;
- a number of investment holdings;
- fairly frequent trading activity;
- some financial industry experience and interest.

Advanced level of knowledge - Client's knowledge level with one or more following characteristics:

- good ability to understand relevant complicated financial products and transactions;
- large number of diverse investment holdings;
- frequent trading activity, previous exposure to high-risk or complex investments;
- financial industry experience, interest, and knowledge.

Low risk tolerance - Client's willingness and ability to tolerate moderate or zero loss from the initial investment.

Medium risk tolerance - Client's willingness and ability to tolerate limited loss with an aim to increase the return on investment.

High risk tolerance - Client's willingness and ability to tolerate loss equal to or larger than the amount of initial investment with an aim to earn higher-than-average returns.

Capital protection - investment objective with a preference of relative safety and low risk tolerance. Investor is willing to earn limited returns in exchange for an increased safety and/or liquidity of the invested funds. Example: Investment-grade bonds.

Capital appreciation - investment objective with a focus on long-term capital growth. Example: exchange-traded equity.

Future income stream - investment objective with a preference to earn steady income stream in the future. Example: Investment-grade bonds.

Speculation - investment objective with a focus on short-term exceptional returns in exchange for a possibility of considerable losses. Example: Sale of options.

Hedging - investment objective with an aim to hedge or offset an adverse price movement of an underlying asset. Example: Purchase of PUT option.

Exchange-traded equities - shares of companies that are publicly listed on stock exchanges.

Non-exchange-traded equities - shares of companies that are not public.

Non-complex bonds and other forms of securitized debt - Bonds with no special features, such as embedded derivatives, etc.

Complex bonds and other forms of securitized debt - Bonds that hold special features, which make them more difficult to understand. Examples of complex bonds are those with embedded derivatives, as well as convertible bonds.

Non-complex funds, including ETFs - Investment funds, that comply with UCITS (undertaking for the collective investment in transferable securities) regulated at European Union level.

Complex funds - Non-UCITS compliant funds, such as hedge funds, private equity and venture capital funds, real estate funds, funds of hedge funds, as well as exchange-traded commodities (ETCs), exchange traded notes (ETNs) and leveraged ETFs.

Futures - agreement between two parties to purchase and sell an asset at a certain price and future date. Futures are exchange traded, therefore they are standardized.

Options - similar to futures with one key difference – the purchaser of an option contract is not obliged to buy or sell the asset. There are two types of options – “calls” and “puts”.

Forwards - similar to future contracts, but are not traded on an exchange. This gives an opportunity to customize forward contracts in terms of size, exercise date and settlement process.

Swaps - agreement to exchange (swap) pre-agreed cash flows of two financial instruments between two parties.

Positive target market

Financial instrument group	Financial instrument type	Types of Clients	Knowledge and experience level	Financial situation and ability to bear losses	Risk tolerance	Investment objectives	Investment horizon	Liquidity	Distribution strategy
Equities	Exchange-traded equities	Retail Professional Eligible	Basic Informed Advanced	Up to 20%	Low Medium	Capital protection Capital appreciation Future income stream	Short term Medium term Long term	Liquid (with possible loss)	Execution only
	Non-exchange-traded equities	Retail (subject to appropriateness test) Professional Eligible	Advanced	Ability to bear losses of up to 100%	Medium High	Capital protection Future income stream	Short term Medium term Long term	Medium to low	Execution only
Bonds	Non-complex bonds and other forms of securitized debt	Retail Professional Eligible	Basic Informed Advanced	Up to 20%	Low Medium	Capital protection Future income stream	Short term Medium term Long term	Liquid (with possible loss)	Execution only
	Complex bonds and other forms of securitized debt	Retail (subject to appropriateness test) Professional Eligible	Advanced	Ability to bear losses of up to 100%	Medium High	Capital protection Future income stream	Short term Medium term Long term	Medium to low	Execution only
Investment funds	Non-complex funds, including ETFs	Retail Professional Eligible	Basic Informed Advanced	Up to 20%	Low Medium	Capital protection Capital appreciation Future income stream	Short term Medium term Long term	Liquid (with possible loss)	Execution only
	Complex funds	Retail (subject to appropriateness test) Professional Eligible	Advanced	Ability to bear losses of up to 100%	Medium High	Speculation	Short term Medium term Long term	Liquid (with possible loss)	Execution only

Financial instrument group	Financial instrument type	Types of Clients	Knowledge and experience level	Financial situation and ability to bear losses	Risk tolerance	Investment objectives	Investment horizon	Liquidity	Distribution strategy
Derivatives	Options	Retail (subject to appropriateness test) Professional Eligible	Advanced	Ability to bear losses of up to 100%	High	Hedging Speculation	Short term	Liquid (with possible loss)	Execution only
	Futures	Retail (subject to appropriateness test) Professional Eligible	Advanced	Ability to bear losses of up to 100%	High	Hedging Speculation	Short term	Liquid (with possible loss)	Execution only
	Forwards	Retail (subject to appropriateness test) Professional Eligible	Advanced	Ability to bear losses of up to 100%	High	Hedging Speculation	Short term	Medium to low	Execution only
	Swaps	Retail (subject to appropriateness test) Professional Eligible	Advanced	Ability to bear losses of up to 100%	High	Hedging Speculation	Short term	Liquid (with possible loss)	Execution only

Negative target market

Financial instrument group	Financial instrument type	Types of Clients	Knowledge and experience level	Financial situation and ability to bear losses	Risk tolerance	Investment objectives	Investment horizon	Liquidity	Distribution strategy
Equities	Exchange-traded equities	Retail Professional Eligible	None	No capital loss (0%)	Fully risk averse	Fully guaranteed capital protection	None	Liquid with no losses	None
	Non-exchange-traded equities	Retail (subject to appropriateness test) Professional Eligible	Basic Informed	No capital loss (0%)	Fully risk averse Low	Fully guaranteed capital protection	None	Liquid	None
Bonds	Non-complex bonds and other forms of securitized debt	Retail Professional Eligible	None	No capital loss (0%)	Fully risk averse	Fully guaranteed capital protection	None	Liquid with no losses	None
	Complex bonds and other forms of securitized debt	Retail (subject to appropriateness test) Professional Eligible	Basic Informed	No capital loss (0%)	Fully risk averse Low	Fully guaranteed capital protection	None	Liquid	None
Investment funds	Non-complex funds, including ETFs	Retail Professional Eligible	None	No capital loss (0%)	Fully risk averse	Fully guaranteed capital protection	None	Liquid with no losses	None
	Complex funds	Retail (subject to appropriateness test) Professional Eligible	Basic Informed	No capital loss (0%)	Fully risk averse Low	Fully guaranteed capital protection	None	Liquid with no losses	None

Financial instrument group	Financial instrument type	Types of Clients	Knowledge and experience level	Financial situation and ability to bear losses	Risk tolerance	Investment objectives	Investment horizon	Liquidity	Distribution strategy
Derivatives	Options	Retail (subject to appropriateness test) Professional Eligible	Basic Informed	No capital loss (0%) Willing to bear moderate loss	Fully risk averse Low	Fully guaranteed capital protection	Long term	Liquid with no losses	None
	Futures	Retail (subject to appropriateness test) Professional Eligible	Basic Informed	No capital loss (0%) Willing to bear moderate loss	Fully risk averse Low	Fully guaranteed capital protection	Long term	Liquid with no losses	None
	Forwards	Retail (subject to appropriateness test) Professional Eligible	Basic Informed	No capital loss (0%) Willing to bear moderate loss	Fully risk averse Low	Fully guaranteed capital protection	Long term	Liquid	None
	Swaps	Retail (subject to appropriateness test) Professional Eligible	Basic Informed	No capital loss (0%) Willing to bear moderate loss	Fully risk averse Low	Fully guaranteed capital protection	Long term	Liquid with no losses	None