



## Target Market Disclosure

Pursuant to the provisions of the Markets in Financial Instruments Directive 2014/65/EU of the European Union and its transposition in Cyprus, through the “Provision of investment services, the exercise of investment activities and the operation of Regulated Markets Law of 2017” (hereinafter referred to as “MiFID II”), Omega Funds Investment Ltd (hereinafter referred to as “the Company”) is required to specify for each Investment Product it distributes, the type(s) of investors for whose needs, characteristics and objectives the Investment Product is compatible (hereinafter “Target Market”).

This document discloses, in a proportionate and clear manner, the target market for the Investment Products the Company manufactures and/or distributes based on the criteria stipulated in the tables presented in this document, and its aim is to enable the Company’s Clients to assess for themselves whether a product matches their objectives, needs and characteristics.

**This document represents the Company’s reasonable view of the target market for the products listed below and it has been prepared solely for informational purposes and is not an offer to buy or sell or a solicitation of an offer to buy or sell the products listed below.**

## Definitions

<b>Positive Target Market</b>	any group(s) of Clients whose needs, characteristics and objectives are compatible with a specific Financial Instrument.
<b>Negative Target Market</b>	any group(s) of Clients whose needs, characteristics and objectives are <u>not</u> compatible with the attributes of a specific Financial Instrument.
<b>Non-complex equities and equity-like instruments</b>	shares admitted to trading on a EU regulated market or a third-country market considered as equivalent to a regulated market in the EU, or traded on a multilateral trading facility (MTF), except for shares embedding a derivative instrument
<b>Non-complex bonds or other forms of securitised debt</b>	<p>i) Bonds or other debt instruments admitted to trading on a EU regulated market or a third-country market considered as equivalent to a regulated market in the EU, or traded on a MTF, except for those embedding a derivative instrument or incorporating a structure making it difficult for the client to understand the risk. Such bonds usually have a defined term or maturity, after which the bonds are redeemed. <u>Examples:</u> corporate bonds, Government/ public authorities bonds, traditional covered bonds;</p> <p>ii) Money market instruments which are liquid debt instruments and are capable of being traded , except for those embedding a derivative instrument or incorporating a structure making it difficult for the client to understand the risk; <u>Examples:</u> Treasury bills, Certificates of deposit, commercial papers/promissory notes.</p>
<b>Complex equities/ shares</b>	<ul style="list-style-type: none"> <li>• shares that are not admitted to trading on a regulated market or in an equivalent third country market.</li> <li>• shares that embed a derivative. <u>Examples:</u> convertible or callable preference shares, or</li> <li>• shares for which there are not frequent opportunities to dispose of, redeem, or otherwise realise at prices that are publicly available to market participants and that are either market prices or prices made available, or validated, by valuation systems independent of the issuer, for example “unlisted” / “unquoted” shares.</li> </ul>
<b>Complex bonds or other forms of securitised debt</b>	<p>Debt instruments which are:</p> <p>(1) embedding a derivative i.e. a component of a debt instrument that causes some or all of the cash flows that otherwise would result from the instrument, to be modified according to one or more defined variables. <u>Examples:</u></p> <p>a) convertible bonds (an instrument that gives the holder the option to convert the bond for other securities (including securities offered by the issuer);</p> <p>b) reverse convertible bonds (a bond that gives the issuer the option to convert the bond);</p> <p>c) exchangeable bonds (a bond that involves features of an option, to convert before the maturity of the bond under prescribed conditions);</p> <p>d) indexed bonds and turbo certificates;</p> <p>e) callable bonds (bonds that give the issuer of the bond the right to redeem the bond prior to the maturity date, under certain conditions)</p>

<p><b>Complex bonds or other forms of securitised debt</b></p>	<p>f) puttable bonds (bonds that give the holder of the bond the right to force the issuer to repurchase the security before its maturity, under certain conditions)</p> <p>g) loan-linked bonds</p> <p>h) warranty option agreement</p> <p>(2) incorporating a structure making it difficult for the client to understand the risk.</p> <p><u>Examples:</u></p> <p>a) Debt instruments whose return depends on the performance of a defined asset pool. <u>Examples:</u> asset-backed securities and asset-backed commercial papers, mortgage-backed securities, securities secured by commercial mortgages, secured debt instruments;</p> <p>b) Debt instruments whose cancellation depends on the repayment of debt held by other persons. Examples include: downstream debt instruments; - Certificates (as defined in Article 2 (1) (27) of MiFID II);</p> <p>(c) Debt instruments where the issuer has the discretion to change the cash flow of the instrument.</p> <p>(d) Debt instruments without a specific repayment date or maturity. <u>Examples:</u> Perpetual bonds (a bond with no maturity date. The issuers pay coupons forever and they do not have to redeem the principal);</p> <p>(e) Debt instruments with an unusual or unknown base asset. <u>Examples:</u> debt instruments whose value depends on the value of the underlying asset, such as non-public standards, synthetic indices, niche markets, highly technical indicators (including price fluctuations and combinations of variables),- disaster bonds;</p> <p>(f) Debt instruments with complex mechanisms for the determination or calculation of profitability. <u>Examples:</u> Debt instruments structured in such a way that the expected revenue flow can often and / or significantly change over the life span of the instrument due to the observance of certain predefined thresholds or the achievement of certain time periods.;</p> <p>(g) Debt instruments structured in such a way that full repayment of principal can be not envisaged. <u>Examples:</u> debt instruments eligible for bail-in tool purpose;</p> <p>(h) Debt instruments issued by the special purpose vehicle in circumstances where the name of the debt instrument or the legal name of the special purpose vehicle may mislead investors as to the identity of the issuer or guarantor.;</p> <p>(i) Debt instruments with complex guarantee mechanisms.</p> <p><u>Examples:</u> debt instruments with a guarantee mechanism if the guarantor's obligations arise depending on one or several conditions in addition to the default of the issuer, Debt instruments with a guarantee mechanism if the amount of the guarantee or the actual liability of the guarantor is subject to time limits.;</p> <p>(j) Debt instruments with leverage functions</p>
----------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

<b>Leveraged Exchange-Traded Funds (“ETFs”)</b>	<p>Leverage Exchange Traded Funds are funds that trade on an exchange but have very different characteristics from shares of stock or ordinary exchange-traded funds (ETFs). Leveraged ETFs may include but are not limited to: (1) leveraged ETFs; (2) inverse ETFs; (3) volatility-linked ETFs; (4) cryptocurrency ETFs.</p> <p>This type of product seeks to provide leverage returns at multiples of the underlying benchmark or index they track. They generally seek to provide a multiple (i.e. 200%, 300%) of the daily return of an index or other benchmark for a single day excluding fees and other expenses. In addition to using leverage, these funds often use derivative products such as swaps, options and futures contracts to accomplish their objective.</p>
<b>Options</b>	<p>Options are contracts which give the buyer the right, but not the obligation, to buy or sell an underlying asset or instrument at a specified strike price on a specified date.</p> <p>Depending on the type of the Option contract the underlying asset can be a company's shares, currency, commodities etc.</p>
<b>Forwards</b>	<p>Forward Contracts are derivative products between two parties to buy or sell an asset at a specified future time at a price agreed upon today.</p> <p>Depending on the type of the forward contract the underlying asset can be a company's stock, currency etc.</p>
<b>Swaps</b>	<p>Swap is a derivative contract between two parties that involves the exchange of pre-agreed cash flows of two financial instruments. The cash flows are usually determined using the notional principal amount (a predetermined nominal value). Each stream of the cash flows is called a “leg.”</p> <p>Swaps are not exchange oriented and are traded over the counter, usually the dealing are oriented through banks. Swaps can be used to hedge risk of various kinds which includes interest rate risk and currency risk. Currency swaps and interest rates swaps are the two most common kinds of swaps traded in the market.</p>
<b>Retail Client</b>	as defined in the Company’s Client Categorisation Policy listed on the Company’s website.
<b>Elective Professional Client</b>	a Retail Client who may be treated as a Professional Client, in accordance with the Company’s Client Categorisation Policy.
<b>“Per-se” Professional Client</b>	as defined in the Company’s Client Categorisation Policy listed on the Company’s website
<b>Eligible Counterparty</b>	as defined in the Company’s Client Categorisation Policy listed on the Company’s website
<b>Basic Investor</b>	<p>Investors that have at least one of the following characteristics:</p> <ul style="list-style-type: none"> <li>i) basic knowledge of the Financial Instruments in question i.e. the investor can take investment decisions based on regulatory documents or basic information provided by the Distributor; or</li> <li>ii) no experience of financial markets</li> </ul>
<b>Informed Investor</b>	<p>Investors that have at least one of the following characteristics:</p> <ul style="list-style-type: none"> <li>i) some knowledge of the Financial Instruments in question; or</li> <li>ii) moderate experience of financial markets</li> </ul>

<b>Advanced Investor</b>	Investors that have at least one of the following characteristics: i) good knowledge of the Financial Instruments in question; or ii) experience of financial markets
<b>Low to Medium risk tolerance</b>	Investors who tolerate a moderate loss in their investment or initial amount. While these investors are generally averse to capital loss, they are willing to take some additional risk to increase their investment returns. The majority of their investments may be from the lower end of the risk spectrum, such as investment grade fixed income.
<b>Medium to High risk tolerance</b>	Investors who are willing to take a greater amount of risk to increase their investment returns. These investors accept that for the opportunity to achieve greater returns the majority of their investments may be from the higher end of the risk spectrum, such as equities and alternative collective investment schemes. They also accept the possibility that their investment may lose much of their value and that they may experience frequent and large fluctuations in the value of their investments. This type of investors may tolerate a loss of the entire investment or initial amount invested.
<b>High risk tolerance</b>	Investors who are willing to take on substantial risk to increase their investment returns and they accept that for the opportunity to achieve greater returns they may need to invest all of their investments in assets that are from the higher end of risk spectrum. These investors accept the possibility that their investments may lose all of their value and that they may experience more frequent and larger fluctuations in the value of their investments. This type of investors may tolerate losses exceeding their investment or initial amount invested.
<b>Capital protection</b>	This investment objective is relevant for investors who have preference for the relative safety of their invested capital over return on investments and are comfortable with the possibility of achieving minimal investment returns in exchange for minimum volatility and maximum liquidity.
<b>Capital appreciation</b>	This investment objective is concerned with long-term capital growth. It may involve holding listed “blue chip” equities for many years and letting them grow within a portfolio while reinvesting dividends to purchase more equities.
<b>Future income stream</b>	Investors who are looking for assets that guarantee a steady income supplement. The main investment objective is primarily to generate income while capital growth is a secondary consideration. This objective may be accomplished through the purchase of listed equities that pay a consistent and high dividend or highly-rated bonds because these Financial Instruments produce regular income.
<b>Speculation</b>	This investment objective is for investors who are interested in quick profit and have a preference for investments or trading strategies that are intended to generate outsized returns. Investors with this objective have little need for current income or liquidity.
<b>Hedging</b>	The aim of this investment objective is to take positions in a Financial Instrument in order to hedge or offset the risk of any adverse price movements in another Financial Instrument.

## Positive Target Market identification on common types of Financial Instruments

Financial Instrument Type	Type of Clients	Knowledge and Experience level	Financial situation and ability to bear losses	Risk tolerance	Client's objectives and needs		Distribution strategy
					Investment Objectives	Investment horizon	
<b>Non-complex equities and equity-like instruments</b>	- Retail <sup>1</sup> - Professional (Elective & Per-se) - Eligible counterparties	Basic Informed Advanced	<10-20% of capital invested	Low to Medium	- Capital protection - Capital appreciation - Future income stream	- Short term - Medium term - Long term	- Execution services
<b>Non-complex bonds or other forms of securitised debt</b>	- Retail - Professional (Elective & Per-se) - Eligible counterparties	Basic Informed Advanced	<10-20% of capital invested	Low to Medium	- Capital protection - Future income stream	- Short term - Medium term - Long term	- Execution services
<b>Complex equities and equity-like instruments</b>	- Retail <sup>2,3</sup> - Professional (Elective <sup>2</sup> & Per-se) - Eligible counterparties	Advanced	Ability to bear total capital loss (100% loss)	Medium to High	- Capital appreciation - Future income stream	- Short term - Medium term - Long term	- Execution services
<b>Complex bonds or other forms of securitised debt</b>	- Retail <sup>2,3</sup> - Professional (Elective <sup>2</sup> & Per-se) - Eligible counterparties	Advanced	Ability to bear total capital loss <50-100% loss	Medium to High	- Capital appreciation - Future income stream	- Short term - Medium term - Long term	- Execution services

<sup>1</sup> The Distribution of ETFs to Retail Clients **will only occur** if the relevant Key Information Document (KID) for Packaged Retail and Insurance-based Investment Products ("PRIIPS Regulation") has been drafted by the Manufacturers of those products and is available to be provided to Retail Clients **prior** the provision of any investment service (where applicable).

<sup>2</sup> Subject to the results of "appropriateness test"

<sup>3</sup> The Distribution of Complex products, including but not limited to Complex Bonds such as Convertible Bonds, Leveraged ETFs and Exchange Traded derivatives (Options, Forwards, Swaps), to Retail Clients **will only occur** if the relevant Key Information Document (KID) for Packaged Retail and Insurance-based Investment Products ("PRIIPS Regulation") has been drafted by the Manufacturers of those products and is available to be provided to Retail Clients **prior** the provision of any investment service (where applicable).

Financial Instrument Type	Type of Clients	Knowledge and Experience level	Financial situation and ability to bear losses	Risk tolerance	Client's objectives and needs		Distribution strategy
					Investment Objectives	Investment horizon	
<b>Leveraged Exchange-Traded Funds ("ETFs")</b>	- Retail <sup>2,3</sup> - Professional (Elective <sup>2</sup> & Per-se) - Eligible counterparties	Advanced	Ability to bear total capital loss (100% loss)	High	- Speculation	- Short term	- Execution services
<b>Options</b>	- Retail <sup>2,3</sup> - Professional (Elective <sup>2</sup> & Per-se) - Eligible counterparties	Advanced	Loss beyond capital invested (margin) (100% < loss)	High	- Hedging - Speculation	- Short term	- Execution services
<b>Forwards</b>	- Retail <sup>2,3</sup> - Professional (Elective <sup>2</sup> & Per-se) - Eligible counterparties	Advanced	Loss beyond capital invested (margin) (100% < loss)	High	- Hedging - Speculation	- Short term	- Execution services
<b>Swaps</b>	- Retail <sup>2,3</sup> - Professional (Elective <sup>2</sup> & Per-se) - Eligible counterparties	Advanced	Loss beyond capital invested (margin) (100% < loss)	High	- Hedging - Speculation	- Short term	- Execution services

<sup>2</sup> Subject to the results of "appropriateness test"

<sup>3</sup> The Distribution of Complex products, including but not limited to Complex Bonds such as Convertible Bonds, Leveraged ETFs and Exchange Traded derivatives (Options, Forwards, Swaps), to Retail Clients will only occur if the relevant Key Information Document (KID) for Packaged Retail and Insurance-based Investment Products ("PRIIPS Regulation") has been drafted by the Manufacturers of those products and is available to be provided to Retail Clients prior the provision of any investment service (where applicable).

## Negative TM identification on common types of Financial Instruments

Financial Instrument Type	Type of Clients	Knowledge and Experience level	Financial situation and ability to bear losses	Risk tolerance	Client's objectives and needs		Distribution strategy
					Investment Objectives	Investment horizon	
<b>Non-complex equities and equity-like instruments</b>	- Retail - Professional (Elective & Per-se) - Eligible counterparties	Basic	No capital loss (0% loss)	Fully risk averse	- Fully guaranteed income - Fully predictable return profile	None	None
<b>Non-complex bonds or other forms of securitised debt</b>	- Retail - Professional (Elective & Per-se) - Eligible counterparties	Basic	No capital loss (0% loss)	Fully risk averse	- Fully guaranteed income	None	None
<b>Complex equities and equity-like instruments</b>	- Retail - Professional (Elective & Per-se) - Eligible counterparties	Basic Informed	No capital loss (0% loss)	Fully risk averse	- Fully guaranteed income - Fully predictable return profile	None	None
<b>Complex bonds or other forms of securitised debt</b>	- Retail - Professional (Elective & Per-se) - Eligible counterparties	Basic Informed	No capital loss (0% loss)	Fully risk averse	- Fully guaranteed income - Fully predictable return profile	None	None
<b>Leveraged Exchange-Traded Funds ("ETFs")</b>	- Retail - Professional (Elective & Per-se) - Eligible counterparties	Basic Informed	No capital loss (0% loss)	- Fully risk averse - Low - Medium	- Fully guaranteed income - Fully predictable return profile	- Medium - Long	None
<b>Options</b>	- Retail - Professional (Elective & Per-se) - Eligible counterparties	Basic Informed	No capital loss (0% loss)	- Fully risk averse - Low	- Fully guaranteed income - Fully predictable return profile	Long term	None



<i>Financial Instrument Type</i>	<i>Type of Clients</i>	<i>Knowledge and Experience level</i>	<i>Financial situation and ability to bear losses</i>	<i>Risk tolerance</i>	<i>Client's objectives and needs</i>		<i>Distribution strategy</i>
					<i>Investment Objectives</i>	<i>Investment horizon</i>	
<b>Forwards</b>	- Retail - Professional (Elective & Per-se) - Eligible counterparties	Basic Informed	No capital loss (0% loss)	- Fully risk averse - Low	- Fully guaranteed income - Fully predictable return profile	Long term	<i>None</i>
<b>Swaps</b>	- Retail - Professional (Elective & Per-se) - Eligible counterparties	Basic Informed	No capital loss (0% loss)	- Fully risk averse - Low	- Fully guaranteed income - Fully predictable return profile	Long term	<i>None</i>