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## **Information on Mintos portfolio management services**

In this document, AS Mintos Marketplace ("Mintos") discloses to its investors and potential investors the information regarding provision of portfolio management services with [Mintos strategies](#) ("conservative", "diversified", "high-yield") and [custom automated strategy](#) according to the Financial Instruments Market Law of the Republic of Latvia.

Before Mintos begins to provide portfolio management services to investors, Mintos determines whether the portfolio management services are appropriate or suitable for the investor. The aim of the Suitability & Appropriateness assessment is to determine if the appropriate product and/or service is suitable for the specific investor. It is Mintos obligation to ensure that the investors are informed of the associated risks with investing that are in line with the portfolio management services, and to provide the necessary information so that the investors can determine their financial situation and to bear these risks. By evaluating the suitability and appropriateness of the investor, Mintos also evaluates whether the provided investment service fits investors' objectives and needs, and is appropriate to their knowledge and experience for the specific investment service. If the portfolio management service through the Mintos automated strategies are considered suitable and appropriate, investors can invest in any of the [Mintos strategies](#) ("conservative", "diversified" and "high-yield"). If the Mintos automated strategies are not considered suitable and appropriate for the investor, the investor will have the possibility to invest manually through a [custom automated strategy](#).

To provide the portfolio management services to the investor, Mintos categorises the investor as a retail client, a professional client, or an eligible counterparty. By default, Mintos categorises all natural and legal persons as retail investors, however, investors can apply to be re-categorised, as stated in the client classification and investment product/service suitability and appropriateness assessment policy/procedure.

Portfolio management services provided by Mintos include executing the investment order in the name of the investor, to purchase and sell the financial instruments (Notes) in the investor's portfolios. This service is provided in accordance with the Policy on client classification and investment product/service suitability and appropriateness assessment. Financial instrument portfolios are managed by Mintos in the interests of the investors and at their expense.

Information about Mintos strategies ("conservative", "diversified" and "high-yield") can be found on [Mintos website](#).

In addition to Mintos strategies investors also have access to the means of investing through the **Custom automated strategies** automating investments according to the investor's preferences. This strategy automatically invests in Notes that meet the investment criteria selected by the investor, including the level of risk. In the case of Custom automated strategies, the investors can choose dynamic diversification, set their diversification settings, choose Mintos preset values, or disable diversification. The dynamic diversification daily recalculates diversification indicators to achieve optimal diversification according to selected criteria and market conditions, with a 15% limit for exposure in one lending company.

Mintos provides investment opportunities in one type of financial instruments - Notes. To provide diversification and reduce the risk that the strategies invest in Notes which consist of loans from only one lending company, diversification settings are used. For Mintos Strategies ("conservative", "diversified" and "high-yield"), the proprietary diversification algorithm takes into account what is available on the market at any given moment and in which Notes the investors have already invested. Diversification settings are calculated from a strategy target that is set by the investor or from the sum of the investor's account balance and outstanding investments in the strategy ( $\text{MIN}(\text{Target}; \text{OI} + \text{Available balance})$ ).

## **Method and frequency of valuation of the financial instruments in the investor's portfolio**

Mintos ensures the assessment of assets in the Investor's investment portfolio within a Mintos Strategy on at least a weekly basis. The Investor also receives a quarterly report from Mintos free of charge through email. The assets in the Investor's investment portfolio are assessed by their market or fair value in line with the Mintos Procedure for accounting of financial instruments and financial instrument transactions.

## **Investor compensation scheme**

Mintos is a member of the national [investor compensation scheme](#) established according to the requirements of [EU Directive 97/9/EC](#). If Mintos fails to meet its obligations towards the investor, retail investors are entitled to a compensation of 90% of the resulting permanent loss, up to a limit of €20 000.

The investor compensation scheme does not compensate investors for losses resulting from:

- Changes in the price of an investment
- The default of a borrower, lending company, or issuer
- The lack of a market for the purchase or sale of an investment.

The investor protection scheme does not apply to investments in loans via assignment agreements.

**Disclaimer:** Mintos does not delegate discretionary management in general or part of the financial instruments or funds in the client portfolio. Mintos does not apply any specific investment performance benchmark between investors and Mintos, which would compare the performance of investors' financial instrument portfolio.