

Version	3
Date of version:	23.05.2023.

## **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 for investing by means of [Mintos portfolio settings](#) ("conservative", "Mintos Core", "high-yield") and [custom portfolio settings](#) 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. The investor is required to annually refill Suitability & Appropriateness assessment to reassess the investor eligibility for Mintos portfolio settings and custom portfolio settings suitability for the particular investor. If the portfolio management service by way of using the Mintos portfolio settings are considered suitable and appropriate, investors can invest by using any of the [Mintos portfolio settings](#) ("conservative", "Mintos Core" and "high-yield"). For investors who joined after 23.12.2022. only Mintos portfolio settings ("Mintos Core") and custom portfolio settings are available. If the portfolio settings are not considered suitable and appropriate for the investor, Mintos warns the investor accordingly and the investor may have the possibility to invest manually without use of any [portfolio management services](#).

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 the Mintos portfolio settings ("conservative", "Mintos Core" and "high-yield") can be found on [Mintos website](#).

In addition to Mintos portfolio settings investors also have access to the means of investing through the **Custom portfolio settings**. Custom portfolio settings allow to use portfolio management services of Mintos to automatically invest in Notes that meet the investment criteria selected by the investor, including the level of risk. In the case of Custom portfolio settings, 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. Additional information regarding Custom portfolio settings can be found on [Mintos website](#).

Mintos provides investment opportunities in one type of financial instruments - Notes. To provide diversification and reduce the risk that the portfolio settings invest in Notes which consist of loans from only one lending company, diversification settings are used. For Mintos portfolio settings ("conservative", "Mintos Core" 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 portfolio target that is set by the investor or from the sum of the investor's available funds and outstanding investments in the portfolio ( $\text{MIN}(\text{Target}; \text{OI} + \text{Available balance})$ ).

### **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, managed by means of Mintos portfolio settings and custom portfolio settings, 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.