



Optima Asset Financial Services LLC
Client Categorisation Notice

CONTENTS

SCOPE OF THE NOTICE 3

CATEGORISATION CRITERIA 3

REQUEST FOR DIFFERENT CATEGORISATION 6

PROTECTION RIGHTS..... 7

 Retail Clients/ Professional Clients 7

 Eligible Counterparties 8

1. SCOPE OF THE NOTICE

- 1.1 Optima Asset Financial Services LLC (**'Optima Asset', 'us', 'we' and 'our'**) is required to classify each client (**'Client', 'you', 'your' and 'yourself'**) as 'Retail', 'Professional Client' or 'Eligible Counterparty'.
- 1.2 We will automatically categorise all Clients as 'Retail Clients'.
- 1.3 If you wish to be re-categorised, then you should contact us with your re-categorisation request. We will review such request and respond appropriately.
- 1.4 We reserve the right to review your categorisation from time to time and re-categorise you to a different category, if necessary.
- 1.5 For any capitalised term, which has not been defined in the Client Categorisation Notice (the 'Notice'), please refer to Schedule A ('Glossary') of the Optima Asset 'Client Agreement'.

2. CATEGORISATION CRITERIA

- 2.1 The categorisation criteria set by the relevant legislation (as amended from time to time) are the following:
- 2.2 **'Retail Client'** is a client who is not a Professional Client or an Eligible Counterparty.

'Eligible Counterparty' is any of the following entities to which a credit institution or an investment firm provides the services of reception and transmission of orders on behalf of clients and/or execution of such orders and/or dealing on own account: United States Investment Firms and remaining investment firms, credit institutions, insurance undertakings, UCITS and their management companies, pension funds and their management companies and other financial institutions authorised by a Member State or regulated under the laws of United States, national governments and their corresponding offices including public bodies that deal with public debt at national level, central banks and supranational organisations.
- 2.3 **'Professional Client'** is a client who possesses the experience, knowledge and expertise to make his own investment decisions and properly assess the risks that he incurs. In order to be considered a Professional Client, a client must comply with the following criteria:

I. Categories of clients who are considered to be professionals

The following should all be regarded as professionals in all investment services and activities and financial instruments.

(1) Entities which are required to be authorised or regulated to operate in the financial markets. The list below should be understood as including all authorised entities carrying out the characteristic activities of the entities mentioned: entities authorised by a Member State under a Directive, entities authorised or regulated by a Member State without reference to a Directive and entities authorised or regulated by a non-Member State:

- (a) Credit institutions.
- (b) Investment firms.
- (c) Other authorised or regulated financial institutions.
- (d) Insurance companies.
- (e) Collective investment schemes and management companies of such schemes.
- (f) Pension funds and management companies of such funds.
- (g) Commodity and commodity derivatives dealers.
- (h) Locals.
- (i) Other institutional investors.

(2) Large undertakings meeting two of the following size requirements on a company basis:

- balance sheet total of minimum USD 20,000,000;
- net turnover of at least USD 40,000,000;
- own funds of at least USD 2,000,000.

(3) National and regional governments, public bodies that manage public debt, Central Banks, international and supranational institutions such as the World Bank, the IMF or other similar international organisations.

(4) Other institutional investors whose main activity is to invest in financial instruments, including entities dedicated to the securitisation of assets or other financing transactions.

- 2.4 The entities mentioned above are considered to be professionals. However, they are allowed to request non-professional treatment and we may agree to provide a higher level of protection. Where a Client is an undertaking referred to above, Optima Asset must inform the Client, prior to any provision of services that, on the basis of the information available to us, the Client is deemed to be a Professional Client, and will be treated as such unless we and the Client agree otherwise. The Client may request a variation of the terms of the agreement in order to secure a higher degree of protection.
- 2.5 It is the responsibility of the Client, considered to be a Professional Client, to ask for a higher level of protection.

- 2.6 This higher level of protection will be provided when a Client who is considered to be a Professional Client, enters into a written agreement with us to the effect that it shall not be treated as a Professional Client for the purposes of the applicable conduct of business regime. Such agreement will specify whether this applies to one or more particular services or transactions, or to one or more types of products or transactions.

II. Clients who may be treated as professionals on request

II.1. Identification criteria

Clients other than those mentioned in section I, including public sector bodies, local public authorities, municipalities and private individual investors, may also be allowed to waive some of the protections afforded by the conduct of business rules.

Optima Asset is allowed to treat any of the above-mentioned Clients as Professional Clients provided that the relevant criteria and procedure mentioned below are fulfilled. These Clients will not, however, be presumed to possess market knowledge and experience comparable to that of the categories listed above.

Any such waiver of the protection afforded by the standard conduct of business regime will be considered valid only if an adequate assessment of the expertise, experience and knowledge of the Client, undertaken by us, gives reasonable assurance, in light of the nature of the transactions or services envisaged, that the Client is capable of making his own investment decisions and understanding the risks involved.

In the case of legal entities, the person subject to the above assessment should be the person authorised to carry out transactions on behalf of the entity.

In the course of the above assessment, as a minimum, two of the following criteria should be satisfied:

- (a) the Client has carried out transactions, in significant size, on the relevant market at an average frequency of 10 per quarter over the previous four quarters;
- (b) the size of the Client's financial instrument portfolio, defined as including cash deposits and financial instruments exceeds USD 100,000;
- (c) the Client works or has worked in the financial sector for at least one year in a professional position, which requires knowledge of the transactions or services envisaged.

II.2. Procedure

In order for Retail Clients to be treated as Professional Clients, the following procedure is followed:

- (a) they must state to Optima Asset that they wish to be treated as a Professional Client, either generally or in respect of a particular investment service or transaction, or type of transaction or product,
 - (b) we will give them a clear written warning of the protections and investor compensation rights they might lose,
 - (c) they must state in writing, in a separate document from the contract, that they are aware of the consequences of losing such protections.
- 2.7 Before deciding to accept any request for waiver, Optima Asset is required to take all reasonable steps to ensure that the Client requesting to be treated as a Professional Client meets the relevant requirements stated above.
- 2.8 Optima Asset implements appropriate written internal policies and procedures to categorise Clients. Professional Clients are responsible for keeping Optima Asset informed about any change, which could affect their current categorisation. Should Optima Asset become aware that the Professional Client no longer fulfils the initial conditions, which made the Professional Client eligible for a such treatment, Optima Asset will take appropriate action.

3. REQUEST FOR DIFFERENT CATEGORISATION

- 3.1 In accordance with the Notice, the following requests may be submitted to Optima Asset:
 - (a) a Retail Client requesting to be categorised as a Professional Client. In that case the Client will be afforded a lower level of protection.
 - (b) a Professional Client requesting to be categorised as a Retail Client. In that case the Client seeks to obtain a higher level of protection.
 - (c) an Eligible Counterparty requesting to be categorised as a Professional Client or Retail Client. In that case the Client seeks to obtain a higher level of protection.
- 3.2 Optima Asset reserves the right to decline any of the above requests for different categorisation.

4. PROTECTION RIGHTS

Retail Clients/ Professional Clients

- 4.1 Where we treat you as a Retail Client, you will be entitled to more protections under the law than if you were to be categorised as a Professional Client. In summary, the additional protections Retail Clients are entitled to are as follows:

(a) Under the law, where Optima Asset provides investment services other than investment advice (in the form of personal recommendations) or discretionary portfolio management, Optima Asset shall ask a Retail Client to provide information regarding his knowledge and experience in the investment field relevant to the specific type of product or service offered or demanded so as to enable us to assess whether the investment service or product envisaged is appropriate for the Client. In case Optima Asset considers, on the basis of the information received that the product or service is not appropriate to a Retail Client, it shall warn the Client accordingly. Please note that Optima Asset is not required to assess appropriateness in certain cases specified by law.

Optima Asset shall be entitled to assume that a Professional Client has the necessary experience and knowledge in order to understand the risks involved in relation to those particular investment services or transactions, or types of transactions or products, for which the Client is classified as a Professional Client.

Consequently, and unlike the situation with a Retail Client, Optima Asset should not generally need to obtain additional information from the Client for the purposes of the assessment of appropriateness for those products and services for which they have been classified as a Professional Client.

(b) When executing orders, investment firms (such as Optima Asset) and credit institutions providing investment services must take all reasonable steps to achieve what is called 'best execution' for their Client orders (i.e. obtain the best possible result for their Clients).

Where Optima Asset executes an order on behalf of a Retail Client, the best possible result shall be determined in terms of the total consideration, representing the price of the financial instrument and the costs related to execution, which shall include all expenses incurred by the Client which are directly related to the execution of the order, including execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order.

When providing Professional Clients with best execution Optima Asset is not required to prioritise the overall costs of the transaction as being the most important factor in achieving best execution for them.

(c) Investment firms and credit institutions providing investment services must obtain from Clients such information as is necessary for the firm or credit institution, as the case may be, to understand the essential facts about the Client and to have a reasonable basis for believing, giving due consideration to the nature and extent of the service provided, that the specific transaction to be recommended, or entered into in the course of providing a portfolio management service, satisfies the following criteria:

- (i) It meets the investment objectives of the Client in question;
- (ii) it is such that the Client is able financially to bear any related investment risks consistent with his investment objectives;
- (iii) It is such that the Client has the necessary experience and knowledge in order to understand the risks involved in the transaction or in the management of his portfolio.
- (iv) Where the Firm provides an investment service to a Professional Client it shall be entitled to assume that, in relation to the products, transactions and services for which it is so classified, the Client has the necessary level of experience and knowledge for the purposes of paragraph (iii) above.
- (v) Where, the Firm provides the investment service of investment advice to a Professional Client, it shall be entitled to assume that a Professional Client is able financially to bear any investment risks consistent with his investment objectives.

(ci) Under the law we are not allowed to enter into title transfer collateral arrangements with Retail Clients whereas in the case of Professional Clients' money and financial instruments title transfer collateral arrangements are allowed. Title transfer collateral arrangements means the change of title ownership of clients' money and financial instruments to be used as collateral against existing or future obligations. Money and financial instruments that are subject to title transfer will not be segregated from our assets and thus you are assuming credit risk against us.

(cii) Only Retail Clients may be entitled to compensation from the Investor Compensation Fund in case of inability of Optima Asset to repay its obligations.

Eligible Counterparties

- 4.2 Currently, Optima Asset does not classify any clients as Eligible Counterparties. If, in the future, Optima Asset were to treat any Professional Client as an Eligible Counterparty an agreement would be entered into.

Optima Asset Financial Services LLC

Incorporated in the United States (Registration no. 299826) Authorised
and regulated by the United States Securities and Exchange
Commission (Licence no. 801-115262)

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