



**VANTAGE FX**

Target Market Determination

# Contracts for difference (CFDs) – Indexes / Indices

**Vantage Global Prime Pty Ltd ('Vantage FX')**

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## Introduction

Vantage Global Prime Pty Ltd (referred to as '**Vantage FX**', '**us**', '**our**' or '**we**') operates an OTC Derivatives business. Vantage FX issues and distributes OTC Derivatives in the form of contracts for difference (**CFDs**) and margin foreign exchange ("**Margin FX**") to clients.

The design and distribution obligations set out in Part 7.8A of the *Corporations Act 2001* (**DD Obligations**) apply to the issue and distribution of CFDs to retail clients (**Investors**) from 5 October 2021.

We are authorised and regulated by the Australian Securities and Investments Commission (ASIC), with licence number 428901 and registered office located at Level 29, 31 Market St Sydney NSW 2000.

The DD Obligations aim to assist Investors to obtain appropriate financial products by requiring product issuers and distributors to have a consumer-centric approach to the design and distribution of financial products.

The purpose of this target market determination (**TMD**) is to describe the target market of Investors for our CFDs over Index products and to address the DD Obligations that apply to TMDs.

If you are a retail client, you should refer to the relevant Product Disclosure Statement (PDS) before deciding whether to acquire or continue to hold the relevant product. You can get a copy of the relevant PDS from our website.

You should not base any decision to trade on the contents of this TMD, and this document is not suitable for the purpose of deciding whether to open a CFDs trading account or trade in CFDs.

## Financial products issued by us

CFD's are complex and leveraged financial products, which are traded over-the-counter (OTC) and not through a regulated market. CFD's are agreements to exchange the difference in the value of a particular underlying asset. This allows Investors to speculate on rising or falling prices of an underlying asset.

We issue derivatives in respect of the following underlying assets:

- Currencies / foreign exchange ('forex');
- Indexes/indices
- Energy products;
- Shares;
- Soft Commodities;
- Precious Metals; and
- Cryptocurrencies.

This TMD has been prepared specifically in relation to our Index CFDs. We have issued separate TMDs in respect of each of our other CFD offerings.

## The Target Market

The target market for our CFDs include the following classes of Investors:

**Investors who satisfy each of the following criteria:**

- Investors above the age of 18
- Investors who have the requisite knowledge for the purposes of trading in CFDs on Index
- Investors who can accept losses that can be as great as the sum of their deposits
- Investors who have comparatively high investment risk appetites including trading leveraged products
- Investors with a short-term investment horizon
- Investors seeking to hedge potential risks from other investments in or exposures to underlying assets

**For those Investors who satisfy the above criteria**

Those Investors who satisfy the above criteria and wish to trade CFDs for investment purposes, including for one or more of the following purposes:

- speculative trading;
- hedging (including hedging exposure to underlying assets and hedging positions taken in relation to other CFDs); and
- gaining exposure to price movements of the underlying assets – indexes/indices including where exposure to such underlying assets may not be otherwise as readily available, or where such exposure is required at short notice,

are in the target market for Vantage FX's CFDs.

## Target market – criteria, scope and key attributes

Further details regarding Vantage FX's target market for CFD's trading is set out below.

Criteria	Scope and key attributes
<b>Client type</b>	<p>Retail clients</p> <p>This target market determination does not apply to wholesale clients, including sophisticated investors and professional investors</p>
<b>Knowledge and experience</b>	<p>Only clients who have the requisite knowledge and experience to trade in CFD's, as assessed by Vantage FX. Vantage FX undertakes assessment of the Consumer's experience and knowledge trading in CFDs prior to approving and distributing the products to the client</p>
<b>Ability to bear losses</b>	<p>Clients who are prepared to lose amounts that can be as great as the sum of their total deposits</p>
<b>Tolerance to risk</b>	<p>CFDs are suitable for clients with high investment risk tolerance. Please note that there are particular risks associated with trading CFDs over Index CFD's</p>
<b>Client needs</b>	<p>Our CFDs and their key attributes are likely to be consistent with the likely objectives, financial situation and needs of those Investors who:</p> <ul style="list-style-type: none"> <li>• have a short term investment horizon;</li> <li>• wish to trade in CFDs, including for speculative or hedging purposes, wishing to gain exposure to price movements of the relevant underlying assets (Indexes/indices)</li> <li>• have a high investment risk tolerance; and</li> <li>• can afford to bear losses.</li> </ul> <p>Our CFDs are designed to be suitable only for Investors with the likely objectives, financial situation and needs described above. This is because our CFDs (and CFDs generally) are highly leveraged and volatile, and expected returns may be positive or negative.</p> <p><b><u>Our products are not compatible with the needs of clients who:</u></b></p> <ul style="list-style-type: none"> <li>• <b>are seeking capital protection or stability;</b></li> <li>• <b>are risk-adverse;</b></li> <li>• <b>are seeking regular or otherwise predictable returns on their investments;</b></li> <li>• <b>cannot afford to bear losses;</b></li> <li>• <b>are vulnerable clients as described below.</b></li> </ul>

## Investors for whom CFDs are unsuitable

CFD's are generally unsuitable for the following classes of Investors:

- Investors below the age of 18;
- Investors who reside in a country which restricts or prohibits trading in CFDs;
- Investors who are in financial hardship or going through bankruptcy;
- Investors who do not have the requisite knowledge for trading in CFDs;
- Investors who have a low tolerance to risk;
- Investors who do not have the ability and willingness to lose the sum of their deposits;
- Investors who have low levels of literacy or numeracy, financial literacy and technological literacy;
- Investors who wish to trade using their retirement savings, income, or cash that the Consumer relies on for living expenses or personal savings;
- Investors who have not passed Vantage FX's client suitability test;
- Investors who cannot afford to lose the amount of money deposited without material impact on their standard of living;
- Investors who solely derive their income from benefits and/or borrowings; and
- Vulnerable Investors, including Investors who are vulnerable for any of the following reasons:
  - > elderly or suffering an age-related impairment;
  - > suffering any form of cognitive impairment;
  - > suffering from elder or financial abuse;
  - > job loss;
  - > suffering from mental or other forms of serious illness affecting capacity;
  - > suffering from any form of addiction; or
  - > any other personal or financial circumstances causing significant detriment.

### Distribution conditions

Our CFDs are distributed by:

- Vantage Global Prime Pty Ltd ('Vantage FX'), which is the CFD product issuer and business name holder of Vantage FX and operates the [www.vantagefx.com.au](http://www.vantagefx.com.au) website through which CFDs are offered to clients
- In addition to offering CFDs to clients through the website, Vantage FX engages in retail product distribution conduct through our:
  1. Client services team where that team receives call from members of the public; and
  2. Account managers who may engage existing and potential clients regarding Vantage FX's products and services.

Vantage FX will take reasonable steps to ensure that both we and any Distributors, distribute the financial product to the identified target market.

To ensure that the distribution strategy is consistent with the identified target market, we have several processes in place to ensure that the Investors who are potential clients fall within the identified target market. Vantage FX will verify whether potential clients fall within the identified target market during the onboarding process, before approving them and allowing them to trade CFDs on the trading platform. Vantage FX has also provided appropriate training to staff operating in customer support function and general advice processes to reduce the chance of distribution occurring outside the target market.

We will also take reasonable steps to ensure that our marketing strategy and the marketing strategy of Distributors is targeting potential clients who fall within the identified target market. No Distributor may release marketing materials without obtaining our prior written consent. Any new marketing campaign shall be reviewed and approved by the product issuer prior to its publication, to check that it does not contain elements which may attract potential clients outside of the intended target market.

### Monitoring and reviewing the TMD

#### Periodic reviews

**We will perform periodic reviews of this TMD.**

The first review of this TMD will occur on 5 October 2022.

Subsequent reviews of the TMD will occur on each on each annual anniversary of the first review date.

#### Review triggers – additional reviews

We will also review the TMD where the following review triggers occur:

- where there are significant dealings (issuing of CFDs) in Vantage FX's CFDs, which are not consistent with the target market or this TMD. This trigger occurs where significant distribution is occurring outside the target market, and does not refer to any one particular dealing in CFDs;
- where a Distributor has reported a significant volume or pattern of complaints;
- where we have received a significant volume or pattern of complaints;
- where we have detected significant issues with the distribution of our CFDs through our monitoring of our own day-to-day activities, or the monitoring and supervision of our Distributors.

### Distributors – information collecting and reporting requirements

As part of the process of monitoring and reviewing the TMD to determine whether it is still appropriate, each Distributor must provide the following to us on a quarterly basis, within 10 business days of the end of each calendar quarter – 31 March, 30 June, 30 September and 31 December, each year:

- complaints data – information about the complaints received, including the number of complaints received;
- Consumer feedback (including regarding performance of the product);
- requests for information that the Distributor has received from clients;
- percentage of sales to clients who are not in the target market;
- volume of sales;
- web analytics

### Further reporting requirements

Each Distributor must report:

- Any significant dealing outside the TMD, as soon as practicable and in any event within 10 business days of such dealing.

We reserve the right to amend the TMD at any time if such amendment is needed as a result of any changes to the law or regulations, regulatory guidance, or for any reason we consider as a proper reason to amend the TMD.



### Contact

For more information about your Target Market Determination – Index/indices CFD's, please contact:



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