

# Target Market Determination

## CFDs

**Vantage Global Prime Pty Ltd**

A: Level 12, 15 Castlereagh Street,  
Sydney, NSW 2000

E [support@vantagemarkets.com.au](mailto:support@vantagemarkets.com.au)

W [www.vantagemarkets.com/en-au/](http://www.vantagemarkets.com/en-au/)



## Introduction

Vantage Global Prime Pty Ltd (referred to as **Vantage**, **Vantage Markets**, **us**, **our** or **we**) ACN 157 768 566, AFSL no. 428901 operates an OTC Derivatives business. Vantage is a product issuer and distributor of over-the-counter Derivatives to clients, including retail clients in the forms of contracts-for-difference ("**CFDs**"), which includes margin foreign exchange contracts ("**Margin FX**"). The design and distribution obligations set out in Part 7.8A of the *Corporations Act 2001 (DD Obligations)* have applied to the issue and distribution of CFDs to retail clients (**Consumers**) since 5 October 2021.

The DD Obligations aim to assist Consumers in obtaining 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 Consumers for our CFDs, 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 TMD is not suitable for the purpose of deciding whether to open a Vantage trading account or trade in CFDs with Vantage.

## Financial products issued by us

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

### We issue CFDs in respect of the following underlying assets:

- Currency Pairs;
- Commodities, including precious metals;
- Indices, including stock market indices;
- Crypto assets;
- Bonds;
- Shares; and
- ETFs

This TMD has been prepared in relation to the above-mentioned CFDs.

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## The target market

**The target market for our CFD products includes the following classes of Consumers:**

**Consumers who satisfy each of the following criteria (and meet the additional criteria below):**

- Consumers above the age of 18 and below the age of 80 years
- Consumers who can accept losses that can be as great as the sum of their deposits;
- Consumers who have high investment risk appetites; and
- Consumers with a short-term investment horizon
- Consumers who have sufficient income and savings.

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

Those Consumers who satisfy the above criteria and wish to trade CFDs for investment purposes are in the target market for Vantage's CFDs. Trading for investment purposes, includes 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 – e.g., currency pair, indices, commodities, etc. including where exposure to such underlying assets may not be otherwise as readily available, or where such exposure is required at short notice.

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## Target market – criteria, scope and key attributes

Further details regarding Vantage’s target market for CFDs 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>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. CFDs are high risk and volatile trading products, and there is a real possibility that retail clients could lose all of their deposited funds.</p>
<b>Tolerance to risk</b>	<p>CFDs are only suitable for retail clients with a high investment risk tolerance.</p> <p>Please note that there are risks associated with trading CFDs. Those risks include but are not limited to:</p> <ul style="list-style-type: none"> <li>• Counterparty Risk;</li> <li>• Liquidity Risk;</li> <li>• Market Risk;</li> <li>• Leverage Risk;</li> <li>• Market Volatility;</li> <li>• Unforeseen circumstances</li> </ul> <p>CFDs are leveraged products that, due to underlying market movements, can generate losses rapidly. Losses can be significant, and a client may be required to deposit additional funds to maintain open positions and avoid being closed out. It is possible for clients to lose the entire balance of their trading account.</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 Consumers who:</p> <ol style="list-style-type: none"> <li>1. have a short-term investment horizon;</li> <li>2. wish to:             <ol style="list-style-type: none"> <li>a) trade in CFDs, including for speculative or hedging purposes, or</li> <li>b) to gain exposure to price movements of the relevant underlying assets (e.g. currency pairs, indices, commodities, crypto assets, etc.)</li> </ol> </li> <li>3. have a high investment risk tolerance; and</li> <li>4. can afford to bear losses.</li> </ol> <p>Our CFDs are designed to be suitable only for Consumers with the likely objectives, financial situation and needs described above. This is because our</p>

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CFDs and Margin FX (and CFDs generally) are highly leveraged and volatile, and expected returns may be positive or negative.

Consumers who meet all of the requirements (1, 2(a) or 2(b), 3 and 4), as set out in the above bullet points, are likely to be in the target market for our CFDs.

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### Consumers for whom CFDs are unsuitable

Consumers who are in any of the above categories are not in the target market for our CFDs.

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### CFDs are generally unsuitable for the following classes of Consumers:

- Consumers below the age of 18 and above the age of 80
- Consumers who reside in a country which restricts or prohibits trading in CFDs;
- Consumers who are in financial hardship or going through bankruptcy;
- Consumers who are unable to demonstrate they have the required knowledge for trading in CFDs;
- Consumers who have a low or medium tolerance to risk;
- Consumers who do not have the ability and willingness to lose the sum of their deposits;
- Consumers who have low levels of literacy or numeracy, financial literacy and technological literacy;
- Consumers who wish to trade using their retirement savings, income, or cash that the Investors relies on for living expenses or personal savings;
- Consumers who primarily derive their income from social security and/or borrowings;
- Consumers who are seeking capital protection or stability;
- Consumers who are seeking regular or otherwise predictable returns on their investment;
- vulnerable Consumers, including consumers who are vulnerable for any of the following reasons:
  - > suffering an age-related 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.

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### Distribution conditions

Our CFDs are distributed by us.

We will take reasonable steps to ensure that both we and any Distributors we appoint, 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 Consumers who are potential clients fall within the identified target market.

We undertake an assessment of each consumer's knowledge of trading in CFDs, prior to approving and distributing our CFDs to them. Only clients who have the requisite knowledge to trade in CFDs as assessed by Vantage will be permitted to open an account and trade with us.

Our processes also include ongoing monitoring of customer support, operations, marketing and complaints which assists us to test whether our target market remains appropriate and whether existing clients remain in the target market.

No Distributor may release marketing materials without obtaining our prior written consent. No party may engage in the distribution of our CFDs unless they have entered into an SLA with us.

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## Monitoring and reviewing the TMD

### Periodic reviews

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

The first review of this TMD will occur within one year of the date of this TMD.

Subsequent reviews of the TMD will occur on each 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'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 relevant complaints or noted any relevant complaint trends;
- where we have received relevant complaints or noted any relevant complaint trends in the form of a 20% increase relevant complaints in any one calendar quarter;
- 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;
- where there are material changes to the law or regulations applicable to CFDs affecting the issuance, distribution or operation of CFDs;
- any other events or circumstances that would materially change a factor taken into account in making this TMD.

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## 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 (subject to where no reporting is required, based on the particular reporting requirements and conditions set out below), within 10 business days of the end of each calendar quarter – 31 March, 30 June, 30 September and 31 December, each year:

### Complaints data

- complaints data – information about the complaints received, including the number of complaints received (but only where the Distributor received complaints in relation to the product during the reporting period);

### Other data

- Consumer feedback, including regarding performance of the product (but only where such feedback was received during the reporting period);
- requests for information that the Distributor has received from clients (but only where such requests were received during the reporting period);
- percentage of sales to clients who are not in the target market (but only where such sales occurred during the reporting period);
- volume of sales (but only where such sales occurred during the reporting period); and

### Further reporting requirements

In addition to the reporting requirements above, 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; and
- All individual complaints made by any person in connection with the relevant financial product that are made to the Distributor, as soon as practicable and, in any event, within 5 days of receiving any such complaint.

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.

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### Contact

For more information about our Target Market Determination – OTC Derivatives, please contact us:



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