



# Target Market Determination

November 2022

**Vantage Global Prime Pty Ltd**

ACN 157 768 566 | AFSL 428901

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

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

## Introduction

Vantage Global Prime Pty Ltd (hereinafter referred to as ‘Vantage’, ‘Vantage Markets’, ‘us’, ‘our’ or ‘we’), ACN 157 768 566, operates an OTC Derivatives business. Vantage issues and distributes OTC Derivatives and is authorised and regulated by the Australian Securities and Investments Commission (ASIC), with licence number 428901 and registered office located at Level 12, 15 Castlereagh St, Sydney, NSW 2000.

This is a target market determination (“TMD”) for the purpose of section 994B of the Corporations Act 2001 (Cth) (“Corporations Act”) in respect of over-the-counter derivatives (“OTC Derivatives”) issued by Vantage. This target market determination applies to the issue and distribution of OTC Derivatives to retail clients (“Investors”) from 5 October 2021. 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 does not consider any Client’s objectives, financial situation or needs, and is not suitable for the purpose of deciding whether to open a trading account with us or trading in products issued by us.

This TMD was published on 04 October 2022 and was last reviewed on 28 November 2022.

### Financial products issued by us

Vantage issues OTC Derivatives in the form of contracts for difference (“CFDs”) and margin foreign exchange (“Margin FX”) contracts. Collectively, these are referred to as OTC Derivatives in this TMD.

OTC Derivatives are complex and leveraged financial products traded over-the-counter (OTC) and not through a regulated market. OTC Derivative Contracts are agreements to exchange the difference in the value of a particular underlying asset, i.e., currency pair. This allows Investors to speculate on rising or falling prices of an underlying asset.

We issue OTC Derivatives in respect of the following underlying assets:

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

This TMD has been explicitly prepared concerning the above-mentioned OTC Derivatives offering.

## The Target Market

The target market for our OTC Derivative products 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 and/or experience for the purposes of trading in OTC Derivatives
- 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 seeking to hedge potential risks from other investments in or exposures to underlying assets

**Those Investors who satisfy the above criteria and have one or more of the following purposes are in the target market for our products:**

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

## Likely objectives, financial situation and needs of retail clients in the target market

Our OTC Derivatives and their key attributes are likely to be consistent with the likely objectives, financial situation and needs of those retail clients who:

- wish to trade in OTC Derivatives, including for speculative or hedging purposes, wishing to gain exposure to price movements of the relevant underlying assets; and
- can afford to lose all or substantial amounts of the money they invest; and
- have a high-risk tolerance; OTC Derivatives 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. As it is possible to lose the entire balance of an account, OTC Derivatives are suitable for retail clients with high investment risk tolerance; or
- are seeking to hedge potential future losses or protect previous gains from investments in other financial products and are more risk-averse than high-risk-tolerant investors.

## Investors for whom OTC Derivative products are unsuitable

OTC Derivative products 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 OTC Derivatives;
- Investors who are in financial hardship or going through bankruptcy;
- Investors who do not have the requisite knowledge or experience for trading in OTC Derivatives;
- Investors who have a low tolerance to risk resulting from investing;
- Investors who do not have the ability and willingness to lose the sum of their deposits;
- Investors who have low levels of financial literacy;
- Investors who wish to trade using money they rely on for living expenses;
- Investors who have not passed Vantage's client suitability test; and
- Investors who solely derive their income from benefits and/or borrowings.

## Distribution conditions

Our OTC Derivative products are distributed by:

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

Vantage will take reasonable steps to ensure that Distributors and we 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 will verify whether potential clients fall within the identified target market during the onboarding process before approving them and allowing them to trade OTC Derivatives products on the trading platform. Vantage has also provided appropriate training to staff operating in customer support functions 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 before publication to check that it does not contain elements that may attract potential clients outside the intended target market.

## Monitoring and reviewing the TMD

### Periodic reviews

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

This TMD has been reviewed three times since its inception.

Subsequent reviews of the TMD will occur every 12 months, or more frequently if a review trigger occurs.

### Review triggers – additional reviews

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

- where there are significant dealings (issuing of OTC Derivatives) in Vantage's OTC, 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 our products issued by us;
- 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 OTC Derivative products 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, please contact:



Vantage Global Prime Pty Ltd



P: 1300 945 517



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

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