

Target Market Determination

Issuer:	easyMarkets Pty Ltd, ABN 73 107 184 510, AFSL 246566
Product:	Forward Deals (“Forwards deals”)
Date of TMD:	18 th October 2023

1. Introduction

easyMarkets Pty Ltd (referred to as **easyMarkets, us, our or we**) is a product issuer and issues Forwards deals to clients, including retail clients. We hold an Australian Financial Services License, number 246566.

2. About this document

This document is a target market determination (“**TMD**”) for the purposes of section 994B of the Corporations Act 2001 (Cth) (“**Corporations Act**”) in respect of Forwards Deals Contracts (“**Forwards deals**”) issued by easyMarkets. The design and distribution obligations set out in Part 7.8A of the Corporations Act (“**DD Obligations**”) apply to the issue and distribution of Forwards deals. to retail clients only (“**Clients**”) from 5 October 2021. The DD Obligations aim to assist Clients 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 document is to describe the target market of Clients for our Forwards deals, 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 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 purposes of deciding whether to open a trading account or trade in Forwards deals.

3. About Forwards deals – description and key attributes

Forwards deals offered by easyMarkets are currency rate deals where the settlement date of the underlying currency pair is later than two working days after the date of entering the deal. easyMarkets’ Forwards deals are leveraged derivative financial products which enable Clients to indirectly benefit from the price movement of the underlying currency pair. They are not traded on an exchange but are traded ‘over-the-counter’ (“**OTC**”). This means that easyMarkets is the product issuer and is the counterparty with whom the Client deals.

Forwards deals are essentially a contract between the Client and easyMarkets to either buy or sell a specific currency pair at a specific rate on a specified date in the future. Forwards deals are used to lock in a price for speculative purposes or to hedge when a Client has a commitment to either take or make a foreign exchange payment at a specified date in the future.

As a leveraged product, Forwards deals enable Clients to take a trading position with exposure to a particular underlying currency pair without needing to buy or sell the actual full value of the underlying currency pair. Forwards deals involve significant risks, including the risk of loss of all the Client’s capital as well as potential for profit.

4. Target market for easyMarkets’ Forwards deals

The target market for our Forwards deals includes clients who satisfy each of the following criteria:

- over the age of 18;
- who wish to trade Forwards deals for one of the following purposes:
 - speculative trading; or
 - hedging (including hedging to lock in exchange rates for a future date in order to hedge foreign currency cash flows); or
 - gaining exposure to price movements in the underlying currency pair; and
- who have a high investment risk appetite; and
- who can accept losses that can be as great as the sum of their deposits; and
- Clients who have a short term investment horizon.

5. Why our Forwards deals, including their key attributes, are likely to be consistent with the likely objectives, financial situation and needs of Clients in the target market

Further details regarding easyMarkets' target market determination for Forwards deals trading is set out below.

Criteria	Scope and key attributes
Client type	Retail Clients. This target market determination does not apply to wholesale clients, including sophisticated investors and professional investors.
Ability to bear losses	Clients who are prepared to lose amounts that can be as great as the sum of their total deposits. This is because Forwards deals are leveraged products and Clients risk losing their entire trading account balance.
Tolerance to risk	Forwards deals are suitable for clients with a high investment risk tolerance. Because Forwards deals are leveraged products, Clients risk losing their entire trading account balance. See our PDS for more information about the key risks of trading Forwards deals.
Client needs	Our Forwards deals and their key attributes are likely to be consistent with the objectives, financial situation and needs of those Clients who: <ol style="list-style-type: none"> 1. have short term investment horizon; 2. wish to: <ol style="list-style-type: none"> (a) trade in Forwards deals, including for speculative or hedging purposes; or (b) to gain exposure to price movements in the underlying currency pair, subject to an expiry date; 3. have a high investment risk tolerance; and

	<p>4. can afford to bear losses.</p> <p>Our Forwards deals are designed to be suitable only for Clients with the likely objectives, financial situation and needs described above. This is because our Forwards deals:</p> <ul style="list-style-type: none"> • are leveraged and volatile, and expected returns may be positive or negative. Consumers can lose amounts that can be as great as the sum of their total deposits (including amounts deposited to meet margin calls); • are short term contracts (measured in weeks or months rather than years) and attract overnight funding costs when holding positions overnight which further increases the costs of holding these products over a longer investment timeframe; and • have a set expiry date. • allow Clients to speculate on (and gain exposure to) movements in the value of the underlying currency pair without having to purchase an interest in it.
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5.1 Excluded classes of Clients

Many Clients will be outside the target market for our Forwards deals. easyMarkets' Forwards deals are not compatible with the needs of Clients who:

1. do not want to include Forwards deals in their investment portfolio;
2. are under 18 years of age;
3. cannot afford or are not willing to lose the sum of their deposits;
4. primarily derive their income from social security payments and/or borrowings or have borrowed money to trade;
5. require that their capital is guaranteed to not decrease;
6. have a low risk tolerance or even a medium risk tolerance;
7. are vulnerable including Clients who are vulnerable for any of the following reasons:
 - a. elderly or suffering an age-related impairment
 - b. suffering from elder abuse or financial abuse
 - c. suffering from mental or other forms of serious illness affecting capacity
 - d. suffering from any form of addiction
 - e. any other personal or financial circumstances causing significant detriment;
8. who reside in a country which restricts or prohibits trading in Forwards deals;
9. are in financial hardship or going through bankruptcy;

10. are seeking medium to long term investments;
11. wish to buy and hold assets for capital protection or stability; or
12. are seeking regular or otherwise predictable returns on their investments

5. How this product is distributed

Our Forwards deals are distributed by us, easyMarkets Pty Ltd.

We will take reasonable steps to ensure that both we and any Distributors we may 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 determine whether the Clients who are potential clients fall within the identified target market.

6.1 Our onboarding process

easyMarkets will assess whether potential clients fall within the identified target marketing during the onboarding process, before approving them and allowing them to trade Forwards deals on the trading platform and thereafter on a periodic basis.

Our onboarding process includes a questionnaire designed to assess a prospective client's:

- knowledge and experience
- financial situation and ability to bear losses
- risk tolerance
- likely objectives and needs.

6.2 Marketing process

We will also take reasonable steps to ensure that our marketing strategy and the marketing strategy of any Distributors we may appoint is targeting potential clients who fall within the identified target market. No Distributor may release marketing materials without obtaining our prior written consent.

The promotion of our Forwards deals can only take place where the promotion channel and the promotional materials have been assessed by [the easyMarkets compliance team] to be reasonably likely to only reach Clients in the identified target market.

This product is designed to be promoted or distributed through the following means:

1. Online Advertising: Products promoted through websites, online financial channels and appropriate social media.
2. Other Advertising: Products promoted through print media such as magazines, newspapers, television, radio, cell phones, various kinds of software and the Internet.
3. Public Relations & Sponsorship: Products or services promoted via public relations channels (including external service providers), providing content or running targeted events.
4. easyMarkets Representatives: Utilising existing networks and garnering referred business from active clients.
5. Refer a Friend (non-retail clients): For sophisticated investors, they may refer another sophisticated investor and receive a referral payment for doing so.

7. Reviewing and maintaining this TMD

easyMarkets will review this TMD in accordance with the below:

Initial review	The first review of this TMD occurred 23 rd March 2023.
Periodic reviews	Subsequent reviews of the TMD will occur on each anniversary of the initial review date.
Review triggers or events	<p>We will also review the TMD where the following review triggers occur as these triggers may suggest that the TMD is no longer appropriate:</p> <ul style="list-style-type: none"> ● Where there are significant dealings (issuing Forwards deals) in easyMarkets' Forwards deals, 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 Forwards deals; ● material changes to our Forwards deals as a result of new or amended features or trading functionality, such that the key attributes of the Forwards deals are no longer consistent with the likely objectives, financial situation and needs of Clients in the target market; ● there are material changes to the business of easyMarkets; ● there are material changes to the law or regulations applicable to Forwards deals; ● easyMarkets has received relevant complaints or noted any relevant complaint trends; ● Where a Distributor has reported relevant complaints or noted any relevant complaint trends; ● easyMarkets becomes aware of a significant losses by Clients using Forwards deals where it has caused a distress or material impact to their living standards;

- where easyMarkets has detected significant issues with the distribution of its Forwards deals through its monitoring of its own day-to-day activities, or the monitoring and supervision of its Distributors;
- changes to liquidity of the underlying currency pair;
- any other event or circumstance that would materially change a factor taken into account in making this TMD for Forwards deals;
- whenever a new product, platform or technology is brought to market by easyMarkets.

Where a review trigger has occurred, this TMD will be reviewed, and updated where required, within 10 business days.

8. Distributors – information collecting and reporting

As part of the process for monitoring and reviewing the TMD to determine whether it is still appropriate, each Distributor must provide us with the following 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	Distributors will report all complaints in relation to the product covered by this TMD i.e. Forwards deals, on a quarterly basis. This includes information about the complaints received including the number and substance of the complaints (but only where the Distributor received complaints in relation to the product during the reporting period).
Other data	<ul style="list-style-type: none"> • Client 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).
Significant dealings	<p>In addition to the reporting requirements above, each Distributor must report:</p> <ul style="list-style-type: none"> • any 'significant dealings' outside of the TMD, as soon as practicable and in any event within 10 business days of such dealing. This includes the date or date range of the significant dealing and a description of the significant dealing (e.g. why it is not consistent with the TMD). • any individual complaints received as soon as practicable and in any event within 5 days of receiving such a 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.

9. Contact

For more information about this Target Market Determination – Forwards deals, please contact:

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