



Target Market Determination – Contracts for Difference

*This document provides guidance in relation to Target Market Determinations (**TMD**) for the purposes of the Design and Distribution Obligations (**DDO**) under the Corporations Act 2001 (Cth). It is a matter for each user of this guidance to consider their individual situation and to comply with the new regime.*

Important Notice

This Target Market Determination (TMD) is required under section 994B of the *Corporations Act 2001* (Cth) (**the Act**). It sets out the class of consumers for whom the product, including its key attributes, would likely be consistent with their likely objectives, financial situation and needs. In addition, the TMD outlines the triggers to review the target market and certain other information. It forms part of STARTRADER Prime Global Pty Ltd's design and distribution arrangements for the product.

This document is **not** a product disclosure statement and is **not** a summary of the product features or terms of the product. This document does not take into account any person's individual objectives, financial situation or needs. Persons interested in acquiring this product should carefully read the Product Disclosure Statement (PDS) for Contracts for Difference before making a decision on whether to buy this product.

Target Market Summary

This product is likely to be appropriate for a retail consumer who has a short investment timeframe, very high and high risk/return profile and needs daily and weekly access to capital.

Issuer identifiers

Issuer	STARTRADER Prime Global Pty Ltd
Issuer ABN	65 156 005 668
Issuer AFSL	421210
Date TMD approved	18 March 2024
TMD Version	2
TMD Status	Current

Description of Target Market

This part is required under section 994B(5)(b) of the Act.

TMD indicator key

The Consumer Attributes for which the product is likely to be appropriate have been assessed using a red/amber/green rating methodology with appropriate colour coding:

In target market	Potentially in target market	Not considered in target market
------------------	------------------------------	---------------------------------

Instructions

In the tables below, Column 1, Consumer Attributes, indicates a description of the likely objectives, financial situation and needs of the class of consumers that are considering this product. Column 2, TMD indicator, indicates whether a consumer meeting the attribute in column 1 is likely to be in the target market for this product.

Generally, a consumer is unlikely to be in the target market for the product if:

- **one or more** of their Consumer Attributes correspond to a **red** rating, or
- **three or more** of their Consumer Attributes correspond to an **amber** rating.

Consumer Attributes	TMD Indicator	Product description including key attributes
Consumer's investment objectives		
Speculation, hedging or gaining exposure to price movement <ul style="list-style-type: none"> • The consumer seeks to engage with a product that allows for speculating on market price fluctuations, hedging other investment positions, or gaining exposure to certain markets 	In target market	CFDs are suited to traders who are seeking to speculate, hedge, or gain exposure to price movements in the global markets. However, they are not designed for those looking to preserve capital, receive guaranteed returns, or earn a regular income. CFDs are a sophisticated financial instrument that provides our consumers the opportunity to speculate, hedge or gain exposure to price movements in a range of financial markets, including stocks, commodities, and indices, without having to own the underlying asset directly.

without owning the underlying asset directly.		Key Attributes: <ol style="list-style-type: none"> Speculation: CFDs are ideally suited to clients seeking to speculate on market movements. This product allows consumers to potentially profit from both rising and falling markets, providing another financial option compared to traditional trading instruments. Hedging: Our CFDs can also be used for hedging purposes. For example, if you hold an existing portfolio of assets, you can use CFDs to offset potential losses in your physical investments should markets move against you. Price Movement Exposure: CFDs provide a cost-effective way for traders to gain broad market exposure with a relatively smaller amount of capital. This is due to the leverage offered, where a proportion of margin deposit can control a larger total contract value. High Capital Growth Potential: While this product does carry a high level of risk due to leverage, it also offers the potential for high capital growth. Traders who understand these risks and can manage them effectively have the opportunity to achieve returns on investment. However, it's essential to note that potential losses can reach the entire deposits. Not for Capital Preservation or Guarantee: This product is not suitable for those whose primary investment objective is capital preservation or guaranteed returns. Trading CFDs involves substantial risk and there is a chance consumers could lose the entire deposit. Not for Regular Income: Our CFDs are not designed to provide a regular income. They are more suited to short-term trading strategies and can be subject to significant price volatility. This can lead to both profits and losses.
High Capital Growth or other similar objectives <ul style="list-style-type: none"> The consumer seeks to invest in a product designed to generate capital return 	Potentially in target market	
Capital Preservation: <ul style="list-style-type: none"> The consumer seeks to invest in a product to reduce volatility and minimise loss in a market down-turn. 	Not considered in target market	
Capital Guaranteed <ul style="list-style-type: none"> The consumer seeks a guarantee or protection against capital loss whilst still seeking the potential for capital growth 	Not considered in target market	
Regular Income <ul style="list-style-type: none"> The consumer seeks to invest in a product designed to distribute regular and/or tax-effective income 	Not considered in target market	
Consumer's investment timeframe		
Short-term	In target market	Key Attributes: <ol style="list-style-type: none"> Suitable for Short-term Trading: Our CFDs are specifically tailored for short-term trading. Due to the nature of leverage and margin trading, CFDs are a suitable instrument for short-term trading, where the objective is to benefit from short-term price fluctuations. Trades can be opened and
Long-term	Not considered in target market	

		<p>closed within a day (day trading), a week, or a few months, depending on the trader's strategy and market conditions.</p> <p>2. Not for Long-term Investing: CFDs are generally not suitable for long-term investing. They do not provide ownership of the underlying asset and typically involve ongoing financing costs, which can make holding positions over the long term expensive. Therefore, those with a long-term investment horizon, such as several years, would likely not find CFDs to be the most cost-effective or appropriate instrument for their needs.</p>
Consumer's risk tolerance		
<p>High to Very High</p> <ul style="list-style-type: none"> • The consumer is higher/very high risk in nature and can accept higher potential losses in order to target a higher return/seek to maximise returns. • The consumer seeks exposure to growth assets and alternative assets 	In target market	<p>Our CFDs are more suitable for investors who have a high to very high risk tolerance and are comfortable with the possibility of substantial losses. Those with medium risk tolerance should carefully consider their comfort with potentially significant losses before deciding to trade in CFDs. Meanwhile, this product is generally not appropriate for individuals with a low risk tolerance.</p> <p>Key Attributes:</p> <ol style="list-style-type: none"> 1. Suitable for consumers with High to Very High risk tolerance: Our CFDs are best suited for those with a high to very high risk tolerance. Given the leveraged nature of CFDs, the potential for both profit and loss are magnified. Investors should be prepared for the possibility of losing the entire amount of their investment, especially if the market moves significantly against their position. 2. Not suitable for consumers with Medium or Low Risk Tolerance: CFDs are not suitable for those with a medium or low risk tolerance. The potential for losses to the entire deposits, coupled with the complexity of the product, makes it unsuitable for conservative investors seeking to preserve capital or secure guaranteed returns.
<p>Medium</p> <ul style="list-style-type: none"> • The consumer is moderate or medium risk in nature, seeking to minimise potential losses and comfortable with a moderate return • The consumer seeks exposure to a balance of growth assets, alternative assets and defensive assets 	Not considered in target market	

<p>Low</p> <ul style="list-style-type: none"> The consumer is conservative or low risk in nature, seeks to minimise potential losses and is comfortable with a low target return profile. The consumer seeks exposure to defensive assets 	<p>Not considered in target market</p>	
<p>Consumer's ability to bear losses</p>		
<p>All deposit amount</p>	<p>In target market</p>	<p>Our CFDs are suitable for clients who understand and can bear the potential loss of all their deposited funds. Given the leveraged nature of CFDs, the potential for losses can equal the initial deposit. However, they are not appropriate for those who cannot afford to lose their entire deposit. The high degree of leverage associated with CFDs can result in rapid and substantial losses.</p>
<p>Less than the deposit amount</p>	<p>Not considered in target market</p>	
<p>Source of fund</p>		
<p>Income for living expenses, personal saving, retirement saving</p>	<p>Not considered in target market</p>	<p>Our CFD products are tailored only for individuals who trade using non-essential capital that they can afford to lose. They are not designed for individuals who used essential income or savings as a source of funds.</p> <p>Key Attributes:</p> <ol style="list-style-type: none"> Not suitable for Income for Living Expenses, Personal Savings, Retirement Savings: Our CFDs are not suitable for individuals who plan to use income meant for living expenses, personal savings, or retirement savings. Given the high-risk nature of CFDs, it's not advisable to use funds earmarked for essential needs or long-term financial goals like retirement. The potential for losses to the entire investment means that traders should not risk money they cannot afford to lose. Other Non-Essential Sources of Funds: Our CFDs are more appropriate for traders who are using non-essential sources of funds. These could be funds specifically set aside for speculative trading activities or risk capital that won't impact the individual's lifestyle or financial wellbeing if lost.
<p>Other non-essential source of fund</p>	<p>In target market</p>	
<p>Age</p>		

Under or Over 86	Not considered in target market	<p>Our CFDs are designed only for individuals between the ages of 18 and 86, who possess the financial capability, mental sharpness, and risk tolerance necessary for trading such high-risk, complex financial instruments</p> <p>Key Attributes:</p> <ol style="list-style-type: none"> Not suitable for consumers under 18 or over 86 of age: Our CFDs are not targeted towards individuals under the age of 18 or over the age of 86. Our CFD products are not suitable for minors (those under 18). As for those over 86, considering the potential risk and stress associated with the volatility of these instruments, they may not be suitable due to possible age-related impairments and generally lower risk tolerance at this life stage. Suitable for consumers between 18-86 years of age: Our CFDs are targeted towards individuals who fall within the age range of 18-86. During this period, individuals are generally in the working population and might have the financial capacity to absorb losses, if necessary. Furthermore, they are more likely to have the required mental acuity and risk tolerance to understand and handle the complexities and risks associated with trading these financial instruments.
Between 18-86	In target market	
Income		
No Income or Below 0.5 National Average Income	Not considered in target market	<p>Our CFDs are targeted towards individuals with an income level at least above 0.5 times the national average income. The financial risk involved with these instruments necessitates a certain income stability that can handle potential losses.</p> <p>Key attributes:</p> <ol style="list-style-type: none"> Not suitable for consumers with no income or income less than 0.5 National Average Income: Individuals with no income or earnings below 0.5 times the national average income are not considered to be in our target market for CFDs. The financial risk involved with these instruments can be substantial, as losses can exceed initial deposits. Thus, trading these products could pose a significant financial burden for those with lower income, potentially exacerbating financial hardship. Suitable for consumers with income above 0.5 National Average Income: Our CFDs are designed for individuals who earn at least above 0.5 times the national average income. These individuals are more likely to have discretionary income that can be allocated to higher-risk investment activities like trading OTC CFDs. Their higher income level could allow them to absorb potential losses that might occur during trading.
Above 0.5 National Average Income	In target market	

Education Background		
Below High School	Not considered in target market	<p>Our CFDs are targeted towards individuals with at least a high school education. This is due to the complexity and riskiness of these products, which require a solid understanding of financial markets and the ability to make informed decisions.</p> <p>Key attributes:</p> <ol style="list-style-type: none"> 1. Not suitable for consumers with educational background below High School: Individuals with an educational background below high school level are not in our target market for OTC CFDs. The complexity and risk associated with these financial instruments require a certain level of knowledge and understanding that is typically associated with higher levels of education. Without a baseline level of financial literacy, which is often gained through high school education, trading in OTC CFDs could lead to misunderstandings and potentially significant financial losses. 1. Suitable for consumers with educational background from High School or Above: Our CFDs are designed for individuals who have completed high school or further levels of education, as a high school level of education and above usually equips individuals with a basic understanding of financial concepts, critical thinking skills, and the ability to comprehend the complexities and risks associated with such financial instruments.
High School or Above	In target market	
Financial/ Personal Vulnerability		
<p>Consumers subject any of the following situation and/or similar conditions:</p> <ul style="list-style-type: none"> • Financial hardship • Bankruptcy • Financial abuse • Other detrimental financial circumstances • Age-related impairment; • Mental or other forms of serious illness affecting capacity; • Addiction • Other detrimental personal circumstances 	Not considered in target market	<p>CFDs are best suited to individuals in stable financial situations who have the knowledge and mental capacity to understand and manage the risks associated with them. They are not appropriate for individuals in financially or personally vulnerable situations, as the potential for significant losses could exacerbate these vulnerabilities and negatively affect the consumer outcomes.</p> <ol style="list-style-type: none"> 1. Financial Hardship and Bankruptcy: Individuals facing financial hardship or bankruptcy are advised not to engage in OTC CFD trading. These situations suggest a lack of disposable income and financial stability required to absorb potential losses, which can reach the entire deposits or balances in the volatile markets. 2. Financial Abuse and Other Detrimental Financial Circumstances: If a person is a victim of financial abuse or in other detrimental financial circumstances, trading in CFDs is not advised. The financial risk associated with these instruments could exacerbate an already precarious financial situation and/or negatively affect the consumer outcomes. 3. Age-related Impairment, Mental Illness or Serious Illness affecting Capacity: Trading CFDs requires a clear understanding of financial

		<p>markets and the risks involved. Age-related impairment or any mental or serious illness affecting a person's capacity to make informed decisions could negatively impact their ability to trade these products effectively and responsibly.</p> <p>4. Addiction: Individuals subject to addiction, including gambling addiction and/or other compulsive addiction, are not suitable consumers for trading CFDs. The speculative and potentially repetitive nature of these products and the possibility of significant losses could exacerbate addictive behaviours and/or negatively affect the consumer outcomes.</p> <p>5. Other Detrimental Personal Circumstances: Any other personal circumstances that could impact a person's ability to make informed, rational financial decisions would also make the consumers unsuitable for trading CFDs. These situations could include personal trauma or any other circumstances that might cloud judgement or decision-making abilities.</p>
--	--	---

Appropriateness

The Issuer has assessed the product and formed the view that the product, including its key attributes, is likely to be consistent with the likely objectives, financial situation and needs of consumers in the target market as described above, as the features of this product in Column 3 of the table above are likely to be suitable for consumers with the attributes identified with a green TMD Indicator in Column 2.

Distribution conditions/restrictions

Distribution Condition	Distribution Condition Rationale	<i>applicable</i>
There are no distribution conditions		<input type="checkbox"/>
Only suitable for distribution to consumers who have received personal advice		<input type="checkbox"/>
Other	Distributor must use advertising materials, customer service prompts and all other materials that are consistent with <u>general advice only</u> .	X

Distributors must not seek to ascertain/appeal to each customer's individual needs and requirements in contravention of general advice authorisations.

General advice warnings must be issued by distributors in all communications with customers including advertisements and websites and must note that neither the issuer nor the distributor have considered the customer's personal objectives, financial situation and/or needs with this product. Furthermore, it should be added that customers should consider the appropriateness of the product with their personal needs and consider the relevant disclosure documents before making any decision.

Given the high-risk nature of these products, distributors will not undertake mass market advertising to a wide range of consumers other than educational information. All marketing materials must be specific to the above TMD and must emphasise that these products are of limited suitability. This is particularly crucial for distributors seeking to advertise online and/or via social media channels. In addition, all requirements under the ASIC Product Intervention Order must be complied with.

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 consumers outside of the intended target market.

In limited instances and with specific products, the Distributor will be obliged under the AML/CTF Act to undergo Know-Your-Customer (KYC) procedures. Distributors must not distribute these products to

	customers who are suspected of engaging in illicit activity and/or provide false or misleading information.	
--	---	--

Review triggers		
This part is required under section 994B(5)(d) of the Act.		
Material change to key attributes, investment objective and/or fees.		
Determination by the issuer of an ASIC reportable Significant Dealing		
Material or unexpectedly high number of complaints (as defined in section 994A(1) of the Act) about the product or distribution of the product.		
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		
The use of Product Intervention Powers, regulator orders or directions that affects the product.		

Mandatory review periods

This part is required under section 994B(5)(e) and (f) of the Act.

Review period	Timeline
Initial review	18 March 2024
Subsequent review	On each anniversary of the first review date

Distributor reporting requirements

This part is required under section 994B(5)(g) and (h) of the Act.

Reporting requirement	Reporting period	Which distributors this requirement applies to
Complaints (as defined in section 994A(1) of the Act) relating to the product design, product availability and distribution. The distributor should provide all the content of the complaint, having regard to privacy. The distributor will need to specify a reporting period for reporting information about the number of complaints about the product.	As soon as practicable or within 10 business days following the end of the relevant reporting period.	All distributors
Significant dealing outside of target market, under s994F(6) of the Act.	As soon as practicable but no later than 10 business days after distributor becomes aware of the significant dealing.	All distributors
Other significant data occurred or received during the reporting period: <ul style="list-style-type: none"> Consumer feedback, including regarding performance of the product 	Within 10 business days of the end of each calendar semi-annual – 30 June and 31 December, each year.	All distributors

<ul style="list-style-type: none"> • Requests for information that the Distributor has received from consumers • Percentage of sales to consumers who are not in the target market <p>Volume of sales</p>		
<p>To the extent a distributor is aware of dealings outside the target market these should be reported to the issuer, including reason why acquisition is outside of target market, and whether acquisition occurred under personal advice.</p>	<p>As soon as practicable or within 10 business days following the reporting period.</p>	<p>All distributors</p>