

Target Market Determination - Futures

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TOTALITY

TARGET MARKET DETERMINATION FUTURES

Issuer	Totality Wealth Limited ('Totality', 'us' or 'we') issues Futures Contracts to its retail client customers.
Financial Product	Futures Contracts including futures options (Futures)
Introduction	<p>A Target Market Determination (TMD) is a document which describes who a product is likely to be appropriate for (the target market), and any conditions around how the product can be distributed to customers. It also describes the events or circumstances where we may need to review the TMD for a financial product. The design and distribution obligations set out in Part 7.8A of the <i>Corporations Act 2001</i> (Cth) apply to the issue and distribution of the said derivatives to retail clients.</p> <p>This TMD is not a Product Disclosure Statement (PDS) and is not a summary of all of the product features and risks. This document does not consider any person's individual objectives, financial situation or needs. Persons interested in acquiring Futures should consider our PDS prior to entering into an Futures transaction with us.</p>

Overview of Futures we issue

What is an Futures?

Futures is an exchange traded leveraged derivative that allows a client to speculate on the change in the value of an underlying asset, e.g., shares, indices, commodities, or interest rates and other asset types. Futures does not, upon acquisition, necessarily provide a client with any ownership of, or interest in, the underlying asset.

Futures have the following key attributes

- Futures are a type of derivative contract in which there is an agreement to either (1) deliver or take delivery of a specific amount of an underlying asset at a specified time or (2) make or receive cash payments based on a change in price of an underlying asset a specified time.
- Futures have a limited life span as their value erodes the closer it reaches its expiry date.
- The value of futures will fluctuate depending on a range of factors, including the price, volatility, remaining to expiry date, interest rates, dividends, exchange rates and general risks applicable to markets.
- Since some futures made available by Totality are international products, client obligations and contract requirements for each contract may differ.
- Totality may change the applicable margin requirements at any time without notice, which could trigger immediate liquidations in the client account.

Target Market Determination – Futures



Target Market

THE LIKELY OBJECTIVES, FINANCIAL SITUATION AND NEEDS OF CONSUMERS IN THE TARGET MARKET

1. **Income level:** clients who have taxable annual income of no less than AUD \$50,000.
2. **Liquid Net Worth** (total value of any assets you own that can be quickly converted into cash): clients who have liquid net worth of no less than AUD \$20,000
3. **Age Group:** Above 21 years of age
4. **Risk Tolerance:** Experienced investors with a higher risk tolerance.
5. **Ability to bear losses:** Clients who have the ability to bear losses up to the account value of their Totality account.
6. **Investment horizon:** Clients who prefer shorter-term horizons, enabling them to capitalise on quick market movements and short-term trends. This approach involves holding positions for limited periods, which aligns with the high risk and volatility inherent in CFD trading, with attention to accumulating financing costs, making it ideal for capturing transient market opportunities without committing to long-term positions

7. Objectives and Needs:

Clients who:

- Wish to take positions in a product to hedge or offset the risk in another product and/or who wish to increase the principal value of their investments by assuming substantially higher risk to their investment capital;
- **Have the ability to bear:**
 - magnified exposures and losses that may arise from trading with leverage;
 - the risk of fluctuations in the value of the reference underlying, for example the fluctuation in the value of a stock over which a CFD might be issued;
 - the risk of being unable to maintain your hedge (protection) should a margin violation cause the CFD to be closed out; the counterparty risk of Totality not fulfilling its contractual obligations under the CFD, including the risk of Totality defaulting and not making the payment owed to the client under the CFD;
- Are able to assess the life span of a product against their investment time frame; and
- Have capacity to actively monitor their margin obligations.

Class of persons that are not within the Target Market

- Below the age of 21.
- Inexperienced Retail Clients.
- Anyone who resides in a jurisdiction where trading these products is prohibited.
- Retail Clients with a conservative or low risk appetite.

Target Market Determination – Futures



- Retail Clients who do not have the ability to bear losses.
- Retail Clients who are unable to monitor and manage their margin obligations and to generate additional capital to meet margin calls as they arise.
- Retail Clients with an investment time frame that is generally inconsistent with their objectives and needs.

KNOWLEDGE AND EXPERIENCE

Prior to being able to access this product, the applicant must have passed the basic appropriateness and knowledge questions. This will test the applicant's knowledge and experience of the product. Trading in Futures requires knowledge and understanding of the impact of and risks associated with trading in derivatives on margin. They must be able to demonstrate a knowledge of the product. The applicant must also be aware of and accept the risks associated with such trading.

Explanation of why Futures, including its key attributes, is likely to be consistent with the likely objectives, financial situation and needs of consumers in the target market

- Futures can be used for a variety of purposes, including hedging, speculation and generating trading profits, hence consumers with these investment objectives will likely be within the target market.
- As Totality does not permit its clients to make or take delivery of the asset underlying a futures contract, it is the clients' obligation to monitor open positions of deliverables futures contracts as they approach settlement date and to roll them forward or close them out prior to expiry.
- Given that Futures are often used for speculation, some clients trading Totality issued Futures will incur losses while others incur profits. These losses and gains are amplified because Futures are leveraged instruments. Accordingly, consumers with a conservative or low risk appetite are likely to be outside of the target market for Totality issued Futures.
- Totality has the right, and will generally, conduct automatic liquidations in under-margined accounts mitigate the risk of consumers incurring losses exceeding their Totality account equity. However, clients who wish to avoid liquidations should actively monitor their accounts.

Accordingly, if a Futures was to be issued to a client in the target market, it would likely be consistent with the likely objectives, financial situation and needs of the consumer (s 994B(8) (b)).

Conditions and restrictions relating to the distribution of this product – s 994B(5)©

Outline of the conditions and restrictions relating to distribution of Futures	<p>Totality has a high degree of control over the distribution of its Futures. Where Totality uses introducing brokers they must ensure that clients have been onboarded correctly in line with the target market.</p> <p>Totality only issues Futures directly to clients who complete the online application and who satisfy the target market criteria to trade Futures through its proprietary trading platform.</p>
Explanation of why these distribution conditions and restrictions will make it more likely that the consumers who acquire	<ul style="list-style-type: none"> • Totality will seek to prevent any person that directly opens a Totality account and who is not within the target market from accessing Totality issued Futures. • In light of the above, we consider it highly likely that only the consumers who are within the target market will access Totality issued Futures through Totality's trading platforms.

Target Market Determination – Futures



the Futures are in the target market	
Reviews	
Review Triggers– s 994B(5) (d)	<p>The following review triggers reasonably suggest that this TMD may no longer be appropriate and will prompt a review of the TMD:</p> <ul style="list-style-type: none"> • occurrence of a significant dealing that is not consistent with the TMD; • a significant increase in the number of complaints; • a significant change in the nature of complaints; • a material variation of the product.
When the first review of the TMD must occur - s 994B(5) (e)	Within 12 months
When subsequent reviews of the TMD must occur - s 994B(5) (f)	Within 12 months
Reporting period for reporting information about the number of complaints about the product – s 994B(5) (g)	
Reporting of information by the distributor - s 94B(5) (h)	Third party distributors must make available to Totality information that would assist in ensuring that clients within the target market are the primary targets for this financial product. Internal functions and divisions must also make available to Totality information that would assist in ensuring clients within the target market are the primary targets for this financial product.
Information that must be reported– s 994B(5) (h) (i)	<p>Significant dealings in the financial product by clients outside of the target market;</p> <ul style="list-style-type: none"> • details of all complaints that relate to the financial product, including the nature, volume and outcomes of complaints; • the number of clients who are identified as potentially being outside of the target market based on client queries (e.g. queries communicated via calls or emails that indicate the client has a limited understanding of the product and its risks); • general feedback relating to the product and its performance, including any feedback from regulators; and • any other failures to comply with this TMD.
When the distributor must report information	<ul style="list-style-type: none"> • For any significant dealings, the distributor must notify Totality in writing as soon as practicable, and in any event within 10 business days of the distributor becoming aware. • For complaints, information including the nature, volume and outcomes must be reported within 10 business days following the end of every calendar quarter. • Within 10 business days following the end of every calendar quarter, distributors must report the number of clients who are identified as potentially being outside of the target market based on client queries (e.g. queries communicated via calls or emails that indicate the client has a limited understanding of the product and its risks).

Target Market Determination – Futures



	<ul style="list-style-type: none">• If the distributor is aware of any failure to comply with this TMD, this must be reported in writing as soon as practicable, and in any event, within 10 business days of the distributor becoming aware.• Each year, the distributor will be required to provide to Totality a summary of the distribution of this product, the competence of staff to distribute and the processes in place to ensure ongoing compliance with their obligations under this TMD.
Update to TMD	We reserve the right to amend this 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.