

Target Market Determination

Exchange Traded Futures and Futures Options

JB MARKETS PTY LTD

ACN 123 876 291

Australian Financial Services Licence No. 323182

Introduction

JB Markets Pty Ltd (**JBM, we or us**) is a product issuer and issues Derivatives to clients, including retail clients. The design and distribution obligations set out in Part 7.8A of the *Corporations Act 2001* (**DD Obligations**) apply to the issue and distribution of Derivatives to retail clients (**Clients**) from 5 October 2021. The specific types of Derivatives covered in this Target Market Determination (**TMD**) are exchange traded futures contracts and options associated with these futures contracts.

We are authorised and regulated by the Australian Securities and Investments Commission (ASIC), with Australian Financial Services Licence number 323182 and registered office is located at Unit 1014, 36 Evelyn Street Newstead QLD 4006.

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 TMD is to describe the target market of Clients for our Derivatives, 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 document is not suitable for the purpose of deciding whether to open a Derivatives trading account or trade in Derivatives.

Financial products issued by us

Derivatives are complex and leveraged financial products, which can be traded through a regulated exchange market or over-the-counter (**OTC**). JB Markets' Australian Financial Services Licence limits its ability to issue Derivatives to exchange traded products only.

Futures and futures options have the following key attributes:

- Futures are a type of derivative contract where there is an agreement to deliver or take delivery of a specific amount of an underlying asset at a specified time ; or to make or receive cash payments based on a change in the price of an underlying asset over a specified time.
- Futures options represent option contracts over futures contracts.
- The price or value of futures and futures options will vary depending on a range of factors including volatility, interest rates, time to expiry, dividends, FX rates and other factors present in the economy.
- Futures and futures options contracts require clients to meet certain margin obligations to open and hold the positions. JB Markets may change the applicable margin requirements which may trigger immediate liquidations if the client is unable to fund their account.

We issue futures and futures options in respect of the following underlying assets:

- Commodities Derivatives, including metals (Gold and Silver), Energy (Crude Oil or Natural Gas) These may be spot or Futures based.
- Stock market Indices Derivatives; these may be Spot or Futures based.
- Single Stock Derivatives;
- Cryptocurrency Derivatives; these may be Spot or Futures based.
- Exchange Traded Funds (ETFs) Derivatives
- Any other Futures based or spot market quoted Derivatives.

Please visit the Trading Platforms or our website for the list of Derivatives.

The Target Market

The target market for our futures and futures options include the following classes of Clients:

Clients who satisfy each of the following criteria:

- Clients above the age of 18;
- Clients who have the requisite knowledge for the purposes of trading in futures and futures options;
- Clients who are seeking to explore trading opportunities from up trending or falling market;
- Clients that have the capacity to bear losses that can be as great as the sum of their deposits;
- Clients who have high investment risk tolerance; and
- Clients with a short-term investment horizon.

For those Clients who satisfy the above criteria

Those Clients who satisfy the above criteria and wish to trade futures and futures options, including for one or more of the following purposes:

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

are in the target market for JB Markets' futures and futures options.

Target market – criteria, scope and key attributes

Further details regarding JB Markets' target market for futures and futures options trading is set out below.

Criteria	Scope and key attributes
Client type	<p>Retail clients</p> <p>This target market determination does not apply to wholesale clients, including sophisticated investors and professional investors</p>
Knowledge and experience	<p>Only clients who have the requisite knowledge and experience to trade in futures and futures options, as assessed by JB Markets</p> <p>JB Markets undertakes assessment of the client's experience and knowledge trading in futures and futures options prior to approving and distributing the products to the client</p>
Ability to bear losses	<p>Clients who are prepared to lose the amount that can be as great as the sum of their total deposits</p>
Tolerance to risk	<p>Futures and futures options are suitable for clients with high investment risk tolerance, given the high degree of leverage inherent in our products.</p>
Client needs	<p>Our futures and futures options and their key attributes are likely to be consistent with the likely objectives, financial situation and needs of those Clients who:</p> <ol style="list-style-type: none">1. Have a short-term investment horizon;2. Wish to trade in futures and futures options, including for speculative or hedging purposes, or wish to gain exposure to price movements of the relevant underlying assets;3. Have a high investment risk tolerance; and4. Can afford to bear losses. <p>Our futures and futures options are designed to be suitable only for Clients with the likely objectives, financial situation and needs described above. This is because our futures and futures options (and Derivatives generally) are highly leveraged and volatile, and expected returns may be positive or negative.</p> <p>Consumers who meet all of the requirements (1 -> 4)), as set out in the above bullet points, are likely to be in the target market for our futures and futures options.</p> <p>Consumers who do not meet all of the requirements (1 -> 4)), as set out above, are potentially in the target market for our futures and futures options, but may not be.</p> <p>Consumers who do not satisfy both 3 and 4 above, are unlikely to be in the target market for futures and futures options.</p>

Our products are not compatible with the needs of clients who:

- Are seeking capital protection or stability;
- Are risk-adverse;
- Are seeking regular or otherwise predictable returns on their investments;
- Cannot afford to bear losses; or
- Are vulnerable clients as described below.

Consumers who fall into any of the categories set out immediately above, are not in the target market for futures and futures options.

Clients for whom futures and futures options are unsuitable

Futures and futures options are generally unsuitable for the following classes of Clients:

- Clients below the age of 18;
- Clients who reside in a country which restricts or prohibits trading in futures and futures options;
- Clients who are in financial hardship or going through bankruptcy;
- Clients who do not have the requisite knowledge for trading in futures and futures options;
- Clients who have a low tolerance to risk;
- Clients who do not have the ability and willingness to lose the sum of their deposits;
- Clients who have low levels of literacy or numeracy, financial literacy and technological literacy;
- Clients who wish to trade using their retirement savings, income, or cash that the clients relies on for living expenses or personal savings;
- Vulnerable Clients, including Clients who are vulnerable for any of the following reasons:
 - > elderly or suffering an age-related impairment;
 - > suffering any form of cognitive impairment;
 - > suffering from elder or financial abuse;
 - > job loss and no other source of income or sufficient savings to maintain the living in the household; or
 - > suffering from mental or other forms of serious illness affecting capacity.
- > any other personal or financial circumstances causing significant detriment.

Consumers who are in any of the above categories are not in the target market for futures and futures options.

Distribution conditions

Our futures and futures options are distributed by:

- JB Markets Pty Ltd; and
- Various third parties may also be involved in the distribution of our futures and futures options , including various introducing brokers and referrers (each a **Distributor**, and together, the **Distributors**)

We will take reasonable steps to ensure that both we and any Distributor, 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 Clients who are potential clients fall within the identified target market. JB Markets has processes in place to verify whether potential clients fall within the identified target market during the onboarding process, before approving them and allowing them to trade futures and futures options on the trading platform. JB Markets will provide appropriate training and scripts to all staff operating in its offices.

We will also take reasonable steps to ensure that our marketing strategy and the Distributors of marketing strategy 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 JB Markets prior to its publication, to check that it does not contain elements which may attract potential clients outside of the intended target market.

Monitoring and reviewing the TMD

Periodic reviews

We will perform periodic reviews of this TMD.

The first review of this TMD will occur before the end of September 2022.

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 in issuing futures and futures options, 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 futures and futures options;
- Where a Distributor has reported a large volume of complaints;
- Where we have received a large volume of complaints;
- Where we have detected significant issues with the distribution of our futures and futures options 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 complaints received, including the number received;
- Consumer feedback (including regarding performance of the product);
- Requests for information that the Distributor has received from clients;
- Number of new clients ; and
- Percentage of new clients who are not in the target market;

No party may engage in the distribution of our futures and futures options unless they have entered into a service level agreement with us

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 – futures and futures options, please contact:



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