

## What is a Target Market Determination (TMD)?

A TMD is a document which describes:

- the persons for which the product has been designed,
- the conditions around the product's distribution,
- when this TMD will be reviewed, and
- recording keeping and reporting obligations of distributors.

Please note a TMD is not intended to provide financial advice. When making a decision about a product always make sure you refer to the Terms and Conditions and any supplementary document(s). These will outline the relevant terms and conditions being provided under that product.

## Delivering better customer outcomes

From 5 October 2021, we need to comply with a new law under the Treasury Laws Amendment (Design and Distribution Obligations and Product Intervention Powers) Act 2019. It requires us to have Target Market Determinations, as well as meet other obligations.

This framework will help us make sure we're 'getting it right for customers' – putting them at the centre of how we design and distribute our products.

## How can you access our Target Market Determinations (TMDs)?

The TMDs for our products is available at [https://www.phillipcapital.com.au/files/PCAU/PhillipCapital\\_TMD\\_Options\\_WEB.pdf](https://www.phillipcapital.com.au/files/PCAU/PhillipCapital_TMD_Options_WEB.pdf)

## Self-Certification Questions

PCL have determined that ETO's are a high risk and complex product which are not appropriate for all investors, so to ensure you will have access to the correct strategies and variant of Option products within our TMD, you must complete the following questionnaire. Once completed and lodged, PCL will assess your responses and determine which products and strategies are suitable within our TMD. Your Financial Service Provider will provide the outcome of our assessment and work with you to ensure you access the correct products and strategies.

*Please answer all the questions below.*

### 1. Which category of PhillipCapital's Target Market applies to your Options Trading (Please select the most appropriate)

- You are seeking to make profit by trading (speculating on market direction) in ETOs – **Speculative Investor**
- You are seeking to hedge the potential risk of other investments or exposures, or lock in a price to purchase or sell underlying investments - **Risk Mitigation Investor**
- You are seeking to earn income by selling options covered by holdings of underlying assets - **Premium Generation Investor**
- None of the above**

### 2. In terms of ASX Listed Options trading what is your:

#### 2.1 Trading Experience (Please select the most appropriate)

- Highly Experienced** – 3 plus years of experience in ETOs
- Medium Experience** – 1-3 years of experience in ETOs
- Low Experience** – Less than 1 year of experience in ETOs

#### 2.2 Product Knowledge (Please select the most appropriate)

- Strong Knowledge** – A strong understanding of the product and its features, various strategies and their use. A strong understanding of the risks and benefits of the product including leverage, calculating profit and loss and the margin obligations associated with trading.
- Moderate Knowledge** - An understanding of the product, strategies and their use. An understanding of the risks and benefits of the product including leverage, calculating profit and loss and the margin obligations associated with trading.
- Low Knowledge** - Have heard of options before and understand there is leverage involved and the potential risks. But have little knowledge beyond basic strategies.
- No Knowledge** - Have never heard of options before, do not really understand how they work or the risks involved.

**2.3 Options Product and Strategy Risk Acceptance** (Please select the most appropriate)

- Exchange Traded Options are categorised as a high-risk product by PhillipCapital when compared to other products and all option strategies carry a high risk of potential loss;
- You understand different options strategies within the high risk product category carry different levels of risk and that more advanced strategies have the potential for higher risk and more complexity.
- Despite how you choose to utilise option strategies you understand and are willing to accept higher risk associated with more complex strategies. **(High Risk Acceptance)**
- Despite how you choose to utilise option strategies you understand and are willing to accept moderate risk associated certain strategies. **(Moderate Risk Acceptance)**
- Despite how you choose to utilise option strategies you understand and are willing to accept lower risk associated certain strategies. **(Lower Risk Acceptance)**
- You have no appetite for Risk, unwilling to take risk, Unable to bear a loss of any type. **(No Risk Tolerance)**

**2.4 Strategy Access Request** (Please select Strategy Level you request)

Note; while you have requested access to Level 1, 2 or 3 strategies you acknowledge that PhillipCapital will assess and grant access to strategies based on responses provided above in relation to Trading Experience, Product Knowledge and Risk Acceptance;

- You are requesting the ability to trade **Level 3 Strategies** including Spread Trading, Covered Calls and Long Options.
- You are requesting the ability to trade **Level 2 Strategies** including Covered Calls and Long Options.
- You are requesting the ability to trade **Level 1 Strategies** including long Puts and Calls .

**2.5 Advisory Services** (Please select the advice service that best describes your trading in Options)

- No Advice Execution** - My trading is self-directed, and all trades are executed via an online trading platform or phone "execution only" service.
- Trade/Strategy Recommendations (General Advice)** - I am receiving General Advice trade and strategy recommendations from a Financial Services Provider and executing trades either self-directed online or via phone with the Financial Services Provider.
- Personal Advice** - I am receiving Personal Advice from a Financial Services Provider who is executing all trades on my behalf as part of the Personal Advice strategy.
- Managed Discretionary Account Service** - I am utilising an MDA service whereby all trades are executed by the MDA provider as part of the MDA strategy I have employed.

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**3. Client to Complete**

- I/we have read and understood this self-certification, and I/we understand PCL will use the above to ensure I/we have access to the correct strategies and variant of PCL's Option products with ion TMD.
- I/we accept and understand the risks associated with Option trading and the potential for material capital loss on Options strategies.
- I/we declare that I/we have the ability to withstand such losses, margin calls or other obligations without causing distress or material impact on living standards.
- I/we acknowledge that the information provided is a true reflection of our product knowledge, trading experience, risk tolerance and the type of advice I/we are receiving.

<b>Account Names</b>		<b>Account No:</b>
<b>Individual/Director (1) Full Name</b>	<b>Signature</b>	<b>Date</b>
		/ /
<b>Individual/Director (2) Full Name</b>	<b>Signature</b>	<b>Date</b>
		/ /

<b>Office Use Only</b>	<b>Total Score</b>	
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