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Date Prepared:	01 August 2023
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Target Market Determination

Contracts for Difference

SECTION A – ABOUT THIS TARGET MARKET DETERMINATION

1. INTRODUCTION

- 1.1 Hedgehood Pty Ltd, ACN 667 506 970 (“**HEDGEHOOD**”, “**we**”, “**us**” or “**our**”) operates as an Over the Counter (OTC) Derivative Dealer. HEDGEHOOD is an issuer and distributor of OTC Derivative Contracts. Accordingly, we must comply with the Design and Distribution Obligations to retail clients set out in:
 - (a) Part 7.8A of the *Corporations Act 2001*;
 - (b) *Treasury Laws Amendment (Design and Distribution Obligations and Product Intervention Powers) Act 2019*; and
 - (c) *Corporations Amendment (Design and Distribution Obligations) Regulations 2019*.
- 1.2 Hedgehood Pty Ltd operates as an Authorised Representative (no. 001303318) under the Australian Financial Services Licence (AFSL) of Zero Securities Pty Ltd (AFSL number: 244040).
- 1.3 The purpose of this Target Market Determination is to ensure HEDGEHOOD financial products are suitable for the retail clients HEDGEHOOD targets.
- 1.4 HEDGEHOOD is committed to creating and maintaining a client-centric approach to the design and distribution of its financial products.
- 1.5 This Target Market Determination does not contain all the information that a retail client may require prior to making a decision to acquire or continue to hold a financial product. This document does not provide financial product advice and does not contain a full summary of the financial product's features, applicable fees, benefits or risks. You should refer to the relevant Product Disclosure Statement (“**PDS**”) before deciding whether to acquire or continue to hold a financial product. Our PDS is available at the following link <https://www.hedgehood.com.au/about-us/legal-documentation/>.
- 1.6 This Target Market Determination does not apply to wholesale clients as defined by section 761G of the *Corporations Act 2001*.

2. FINANCIAL PRODUCTS ISSUED BY US

2.1 CFDs (Contract for Differences):

A CFD is a form of Over-The-Counter (OTC) derivative which can be traded on leverage and allows investors to speculate on the price movements of an underlying asset. Investors are able to trade on whether they believe the price of the underlying asset will rise or fall.

HEDGEHOOD issues CFDs for the following underlying assets:

- Forex
- Indices
- Equities
- Metals
- Hard & Soft Commodities

- Cryptocurrency

The CFDs issued through HEDGEHOOD is traded over the counter (“OTC”) and not through a centralised exchange (e.g ASX, LSE, NAS).

This Target Market Determination has been prepared in relation to our product offerings.

SECTION B –TARGET MARKET

The Target Market for CFDs

The key assessment criteria to determine whether a client is part of Hedgehood’s target market are as follows:

Criteria	Description
Age	Is over the age of 18 (i.e., of legal capacity) and under the age of 67 (not a retiree)
Knowledge/experience in CFDs	Clients should have a prior knowledge of CFDs and therefore understand the associated risks of trading in them. Prior to being accepted as a client, individuals will be required to complete an onboarding assessment to determine they have the requisite knowledge to trade in the Financial Products.
Financial wellbeing and high risk tolerance	<p>The client must be able to accept, and agrees to the possibility of loss being as great or greater than the size of their deposit, as CFDs can be traded on margin.</p> <p>The client is able to lose all of their initial deposited funds without it having an impact on their finance wellbeing.</p>
Personal objectives	<p>The client’s personal objectives for investing in the Financial Products include:</p> <ul style="list-style-type: none"> • Speculation; • Hedging; • Portfolio diversification; • Gaining exposure to price movements of the underlying assets
Not a vulnerable client	<p>Client is not vulnerable, including those who are:</p> <ul style="list-style-type: none"> • Not financially literate; • Are in financial hardship; • Wish to trade using retirement savings, income or cash that they rely on for living expenses or personal savings; • Suffering from an age-related or cognitive impairment; • Suffering from elder or financial abuse; • Unemployed or have recently experienced job loss; • Suffering from mental or other forms of serious illness affecting their capacity; • Suffering from any form of addiction; • Suffering from any other personal or financial circumstances causing significant detriment.

A simplified table is shown below to reflect the Target criteria as set by HEDGEHOOD. **Important:** This table is not intended to provide a complete overview of HEDGEHOOD' Target Market and should be used in conjunction with all information provided in this Target Market Determination.

Criteria	Description	Determined Market Criteria	Non-Determined Market Criteria
Knowledge / Experience in CFDs	Low		X
	Medium	✓	
	High	✓	
Financial Wellbeing / Ability to bear loss	Unable to lose partial / full deposited amount		X
	Able to lose all of initial deposited funds without impact to financial wellbeing	✓	
Risk Tolerance	Low Risk		X
	Medium Risk	✓	
	High Risk	✓	
Personal Objectives	Speculation	✓	
	Hedging	✓	
	Portfolio Diversification	✓	
	Potential for Investment returns higher than the market average in exchange for higher risk level	✓	
	Future Income Stream	✓	
	Low Risk return on Investment		X

3. OBJECTIVES, FINANCIAL SITUATION AND NEEDS

3.1 The CFDs issued by HEDGEHOOD (the **Financial Product**) have been designed for retail clients whose likely objectives, financial situation and needs (as outlined in this document) align with the Financial Product (including its key attributes) such as:

- (a) the intention to trade CFDs for reasons including for speculative or hedging purposes, and wishing to gain exposure to price movements of the relevant underlying asset;
- (b) Having a high investment risk appetite i.e., the trading losses as a result of investing with HEDGEHOOD is unlikely to cause the client financial harm;
- (c) Wish to deal in a Financial Product for any of the following purposes:
 - (i) Speculative trading;
 - (ii) Hedging (including hedging exposure to underlying assets and hedging positions taken in relation to other CFDs);
 - (iii) Gaining exposure to price movements of the underlying assets offered by HEDGEHOOD including where exposure to such underlying assets may not be otherwise as readily available, or where such exposure is required at short notice;
 - (iv) seek to manage or hedge foreign exchange exposure and manage future cash flow; and
- (d) are involved in importing/exporting and who deal with international foreign suppliers and clients;
- (e) can accept losses that may be as great as or greater than the sum of their deposits and without suffering financial hardship as a result

4. RETAIL CLIENTS FOR WHOM HEDGEHOOD FINANCIAL PRODUCT IS NOT SUITABLE

4.1 The Financial Product is not suitable for clients who:

- (a) do not meet the eligibility requirements;
- (b) are seeking capital protection or stability;
- (c) are seeking steady and predictable returns on their investments;
- (d) do not have the ability and willingness to lose the sum or greater of their deposits;
- (e) are below the age of 18 or above the age of 67;
- (f) do not wish to be exposed to counterparty risk of any form;

- (g) have low levels of financial literacy;
- (h) reside in a country which restricts or prohibits trading in such Financial Products;
- (i) are in financial hardship or going through bankruptcy;
- (j) wish to trade using their retirement savings, income, or cash that they rely on for living expenses or personal savings;
- (k) are vulnerable, including those who are:
 - (i) suffering an age-related or cognitive impairment;
 - (ii) suffering from elder or financial abuse;
 - (iii) unemployed or who have recently experienced job loss and not being able to meet their day-to-day financial needs as a result;
 - (iv) suffering from mental or other forms of serious illness affecting capacity;
 - (v) suffering from any form of addiction; or
 - (vi) suffering from any other personal or financial circumstances causing significant detriment.

5. CONSISTENCY BETWEEN THE TARGET MARKET AND FINANCIAL PRODUCT

- 5.1 HEDGEHOOD has evaluated its Financial Product offering and concluded the product and its key attributes are likely to fulfil the needs of its identified Target Market as described above.

SECTION C – DISTRIBUTION

6. DISTRIBUTION CHANNELS

- 6.1 The Financial Product may be distributed by HEDGEHOOD via:
- (a) HEDGEHOOD' website;
 - (b) Authorised Representatives;
 - (c) introducing brokers;
 - (d) through its Online Trading Platform; and
 - (e) referrers

7. DISTRIBUTION CONDITIONS

7.1 HEDGEHOOD takes reasonable steps to ensure that HEDGEHOOD as well as any distributors, distribute the Financial Product to the Target Market.

7.2 HEDGEHOOD has implemented the following processes to ensure distribution is consistent with retail clients who fall within the Target Market:

(a) verification of a potential retail client including whether they:

(i) fall within the Target Market during the onboarding process; and

(ii) meet all eligibility requirements;

this p r o c e s s occurs before accepting any applicant as a client and allowing them to trade/invest;

(b) distributors are required to implement appropriate training to all client facing representatives;

(c) retail clients should obtain personal financial product advice in relation to the manner in which they hedge their exposure, or otherwise transact using the Financial Product.

7.3 HEDGEHOOD will take reasonable steps to ensure its marketing strategy and the marketing strategy of any distributors is targeting retail clients within its Target Market. Therefore, all marketing material must be approved by the Compliance Team before they can be distributed through any marketing channel

8. ADEQUACY OF DISTRIBUTION CONDITIONS

HEDGEHOOD requires all clients to complete an onboarding questionnaire to determine their suitability to trade in the Financial Products. If the information provided by the client does not meet the target market determination set by HEDGEHOOD, the retail client's application will be declined and for the client's own protection, they will not be allowed to trade in the Financial Products.

SECTION D – REVIEW AND MONITORING

9. REVIEW

9.1 HEDGEHOOD reviews this Target Market Determination in accordance with the below:

Initial Review:	August 2023
Periodic Reviews:	Every one (1) year from the initial review.
Review Triggers:	When any event or circumstance arises that suggests the Target Market Determination is no longer appropriate. This includes (but is not limited to):

	<ul style="list-style-type: none"> ● material changes to the key attributes of the Financial Product; ● the occurrence of a significant dealing including when distribution occurs outside the target market on multiple occasions; ● where the distribution conditions are found to be inadequate; ● external events such as adverse media coverage or regulatory attention; ● significant changes in metrics, including, but not limited to, receipt of a large volume of complaints by HEDGEHOOD or a distributor; and ● where HEDGEHOOD detects issues with the distribution of the Financial Product through the monitoring of daily business activities as well as the monitoring and supervision of distributors.
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10. DISTRIBUTOR REPORTING REQUIREMENTS

10.1 HEDGEHOOD collects the following information from distributors in relation to this Target Market Determination:

Complaints	HEDGEHOOD distributors report all complaints in relation to the Financial Product covered by this Target Market Determination on a quarterly basis
Significant Dealings	HEDGEHOOD distributors report to HEDGEHOOD if they become aware of a significant dealing in relation to this Target Market Determination within ten (10) business days.
Feedback	HEDGEHOOD distributors report all relevant Retail Client feedback (including performance of a Financial Product) in relation to the Financial Product covered by this Target Market Determination on a quarterly basis.

SECTION E – CONCLUSION

10.2 HEDGEHOOD reserves the right to amend this Target Market Determination at any time.

10.3 For further information please contact HEDGEHOOD by:

- (a) Phone: +61 1800 845 095
- (b) Email: support@hedgehood.com.au
- (c) Mail: HEDGEHOOD
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