Target Market Determination - CMC Markets Asia Pacific Pty Ltd ('CMC Markets') Contracts for Difference

Date of Target Market Determination: 29 October 2026

Overview of this document	This document is a Target Market Determination for the purposes of section 994B of the *Corporations Act 2001* (Cth) (**"Corporations Act"**) in respect of Contracts For Difference ("'CFDs") issued by CMC Markets. The document describes a group of retail clients ("Clients") that CFDs issued by CMC Markets are targeted to and distribution conditions about how these CFDs are distributed to Clients. It also details circumstances where CMC Markets must review the Target Market Determination. This document is not a substitute for a product disclosure statement, financial services guide, terms and conditions or other disclosure documents and Clients should refer to these documents when deciding to trade CMC Markets CFDs.
Overview of CFDs	CFDs are complex over-the-counter leveraged derivative products which enable Clients to trade on the price movement of underlying financial assets such as shares, indices, currencies, commodities, futures contracts, treasuries, options and cryptocurrencies (**"Underlying Reference Instruments"**). With a CFD, Clients never own the Underlying Reference Instrument Clients have chosen to trade. A CFD is an agreement to exchange the difference in the value of an asset from the time the contract is opened until the time at which it's closed. The amount of any profit or loss made on a trade may be determined by: • the change in the price of the product from when Clients open the trade until the trade is closed; • the units traded; • any adjustments made in respect of the product, for example where a dividend is paid on an underlying share; and • any holding costs, guaranteed stop loss order premiums or commissions relating to the CFD. The balance of accounts held by Clients will also be affected by other amounts Clients must pay to us in respect of their account, such as market data fees. Clients' percentage return (profit or loss) on any trade will also be affected by any applicable margin rate for the trade. CFDs are subject to significant risks, including but not limited to: • Leverage: CFDs are a leveraged product whereby both gains and losses can be magnified. For example, this means that any move in the market will have a greater effect on capital than if Clients had purchased the same value of Underlying Reference Instruments; • Non-transferability: When a trade is entered with us through the platform, Clients will be entering into an off-exchange derivative, which is non-transferable. This involves greater risk than investing in a financial instrument such as a share which is transferable, or dealing in an exchange-traded derivative, because Clients' ability to open and close

trades is dependent on the Platform being in a position to accept orders from Clients and to execute them;

- Holding Costs: Depending on the positions held and how long they are held for, Clients may incur holding costs. In some cases, particularly if positions are held for a long time, the sum of these holding costs may exceed the amount of any profits, or they could significantly increase losses;
- Risk of Close-out: Sufficient funds are required to cover total margin requirements at all times. Failure to do so may mean that some or all of Clients' positions are closed out if the balance of the account falls below the close-out level;
- Volatility: Financial markets may fluctuate rapidly and the price of CFDs will reflect this. "Gapping" may also occur, i.e. when the prices of CFDs suddenly shift from one price to another and there may not always be an opportunity for Clients to place an order or for the platform to execute an order between the two price levels. Note: Mandatory negative balance protection ensures Clients cannot lose more than the amount deposited;
- No Cooling Off Period: As there is no cooling off regime associated with CFDs, Clients are not able to cancel a trade once it has been entered into;
- Counterparty Risk: CMC Markets is the issuer of CFDs subject to this Target Market Determination. This means that the Clients are dealing with CMC Markets as the counterparty to every CFD transaction. Accordingly, the Clients are exposed to the financial and business risks of trading with CMC Markets. If CMC was to become insolvent, it may become unable to meet its obligations to Clients. In such circumstances, the Clients could become an unsecured creditor of CMC Markets.

For further details in relation to risks associated with CFDs, refer to our product disclosure statement.

Target Market and Product attributes

As relevant to CMC Market's CFD product attributes, Clients in the target market possess:

- knowledge or experience in financial markets trading shown through completion of CMC's qualification testing, previous trading experience, work or educational experience;
- sufficient sources of income or savings (that are not derived from benefits and/or borrowings) to manage leveraged CFD positions and propensity to bear losses to the extent of the amounts deposited;
- a short-term investment horizon;
- a high-risk investment appetite in respect of CFD trading a preparedness to experience significant losses, to the extent of amounts deposited, in pursuit of higher returns;
- an existing or forthcoming investment exposure to which requires risk mitigation in the short term; and
- an ability to make informed, timely investment decisions, and manage and monitor leverage, margin calls and liquidity risks on an ongoing basis

Target Market	Product Attributes	Why CMC Market's CFDs are likely to be consistent with the likely objectives, financial situation and needs of the Target Market
Knowledgeable or experienced traders	CFDs are complex derivatives that clients can use to profit from rising or falling prices of Underlying Reference Instruments. CFDs are traded on margin, meaning clients can take large positions with a small outlay. Leverage magnifies potential gains and losses. Clients can lose the extent of the amounts deposited.	Clients who have experience or knowledge about trading understand: • how leverage magnifies gains and losses, including concepts such as margin calls and liquidation risk; • how leverage is impacted by market volatility and how to use risk management tools such as stop loss orders;

	Trading CFDs carries a risk of sudden, significant losses as underlying markets can move rapidly, and leveraged positions can be liquidated quickly if margin requirements aren't met.	• the need to monitor positions actively.
Propensity to bear losses	CFDs are traded on margin, meaning Clients can take large positions with a small outlay. This means that small market movements can result in large losses.	Clients with higher income or savings: • have the financial resources to sustain such losses without compromising their financial security and ability to meet essential living expenses; • can meet margin calls without compromising their ability to meet essential living expenses; • have capital they can use for high-risk trading.
Short-term Investment Horizon	CFDs are leveraged and the movements in the Underlying Reference Instrument can be volatile. CFDs also involve ongoing costs such as overnight holding costs. Holding positions for a longer term will increase the amount of overnight holding costs incurred and prolong the exposure to larger market risks.	Clients with a short-term investment objective can take advantage of short-term market movements which are amplified by leverage, without incurring significant holding costs or prolonging their leveraged exposure to market risk.
High risk tolerance	CFDs are leveraged products, and small price movements in the Underlying Reference Instrument can result in large gains or significant losses. Trading CFDs is speculative and volatile so it should not be expected that trading CFDs will preserve capital or generate income.	Clients with a high-risk tolerance accept the possibility of losing all their invested capital in pursuit of higher returns. Customers with a lower overall portfolio risk appetite can still appropriately trade CFDs where such trading forms a small, limited component of a diversified portfolio.
Short-term risk mitigation	There are a broad range of CFDs which provides Clients with the accessibility to gain exposure to a broad range of investments. CFDs are leveraged products which provide the ability for Clients to gain a larger exposure with a smaller initial outlay. CFDs also allow Clients to gain short or long exposure to Underlying Reference Instruments and can be traded to mitigate the risk existing or planned investments.	Clients with existing or forthcoming investment exposure are able to use CFDs to mitigate the risk of that exposure by opening CFD positions. Clients with objectives to hedge in the short term can take advantage of CFDs, without incurring significant holding costs.
Ability to make informed and timely investment decisions	CFDs are leveraged products that can change in value rapidly due to smaller price movements in the Underlying Reference Instrument. CFD trading involves being able to understand and monitor the complexities of leverage, margin calls, liquidity risks and the costs of trading.	Clients that have the ability to make informed and timely investment decisions are: • able to assess market information and execute trades rapidly; • able to manage and monitor leverage, margin calls, liquidity

			risks and the costs of trading to avoid unnecessary losses.

Clients for whom CFDs are unsuitable	**CMC Markets' CFDs are not targeted at Clients who:**	**Categories of Clients outside of the Target Market**
	Do not possess the capacity, experience and/or knowledge required to trade CFDs	• Clients below the age of 21; • Clients above the age of 65, with no prior trading or investment experience; • Clients who do not understand the risks of CFDs, including market volatility, leverage, margin requirements, and the potential for rapid and significant losses; • Clients who are vulnerable, including those with limited financial literacy, cognitive impairments, or impairment due to other significant life events who are more susceptible to harm caused by an inability to manage and make informed investment decisions trading CFDs; • Clients who have not passed CMC Markets' Client Qualification testing criteria, which indicates insufficient knowledge, experience, or suitability for CFD trading;
	Do not have sufficient sources of income or savings, who are not able to absorb losses without compromising their ability to pay for essential costs like rent, mortgage or other crucial expenses.	• Clients who are retired and do not have sufficient sources of income or savings to facilitate trading, who are not able to absorb losses without compromising their ability to pay for essential costs like rent, mortgage or other crucial expenses. • Clients who are not able to absorb losses without compromising their ability to pay for essential costs like rent, mortgage or other crucial expenses. • Clients who solely derive their income from pension, benefits and/or borrowings; • Clients who do not have sufficient capital to support leveraged CFD trading • Clients over the age of 80 who do not have the propensity to bear losses
	Have a low or medium risk tolerance	• Clients who do not wish to experience significant trading volatility, who do not accept the risk of losing all their invested capital in pursuit of a significant return; • Clients who wish to achieve consistent capital growth, income generation or capital preservation • Clients over the age of 80 who have low risk tolerance.
	Who wish to use CFDs as a longer-term investment	• Clients who have longer term investment timeframes; objectives, such as capital growth or income generation, for whom the short-term, speculative nature of CFDs is not aligned;
	Who wish to use CFDs as a standalone or core investment in their investment portfolio.	• Clients who invest in CFDs for standalone or core investment purposes. CFDs are appropriate for short-term, tactical trading or hedging and not the foundations of a portfolio held long-term;

Distribution Conditions (s994B(5)(c))	Any distribution of CFDs by CMC Markets directly to Clients will be in accordance with procedures CMC Markets determine are reasonably likely to ensure that CFDs are only issued to Clients who are reasonably likely to be within the Target Market.

	Third party distribution of CFDs issued by CMC Markets must only occur in accordance with the Client's suitability and understanding procedures specified by CMC Markets. No third party distributor is permitted to distribute CFDs issued by CMC Markets to Clients unless CMC Markets considers on reasonable grounds that relevant Clients are likely to be within the Target Market. Third party distributors must establish, implement and maintain appropriate procedures, processes and controls with a view to ensuring that CFDs are distributed in accordance with this Target Market Determination. CMC Markets selects its distribution criteria depending on the medium used. The criteria selected for each medium allows CMC Markets to demonstrate that the audience targeted has or is highly likely to have an interest and/or prior experience trading on financial markets. CMC Markets performs a risk assessment on each medium of distribution to ensure that CMC Markets will or is reasonably likely to make distribution consistent with the Target Market. The factors that are taken into consideration include: 1. Risk – the likelihood of the distribution being inconsistent with the Target Market Determination; 2. Harm – the nature and degree of harm that might result from the financial product being distributed otherwise than in accordance with the Target Market Determination; and 3. Mitigation steps – steps that can be taken to eliminate or minimise the likelihood of the distribution being inconsistent with the Target Market Determination and the harm that might result. CMC Markets ensures that it is reasonably likely that its products will not be distributed to Clients who may be outside of the Target Market.
Review Triggers	The review triggers that may suggest that the Target Market Determination is no longer appropriate, such that a review of the Target Market Determination should be undertaken, include: • we become aware of a significant issuance or distribution of CFDs to Clients outside the Target Market, particularly where we observe a high application rejection/cancellation rate, due to applicants having low liquid capital and savings or applicants having inappropriate investment objectives; • material changes to the CFD product as a result of new or amended functionality, whereby the key attributes of CFDs are no longer consistent with the likely objectives, financial situation and needs of Clients in the Target Market; • material changes to law or regulation affecting CFDs; • we become aware of a significant volume of complaints from Clients who are trading CFDs; or • any other event or circumstance that would materially change a factor taken into account in making this Target Market Determination for CFDs.
Review Periods	This Target Market Determination must be reviewed at least every 12 months from the date of this Target Market Determination, and more frequently if a review trigger occurs.
Distributor Reporting Requirement	The following information must be provided to CMC Markets by distributors who engage in retail product distribution conduct in relation to CFDs:

Type of information	Description	Reporting period
Complaints	Complaints related to CFDs are required to be reported to us within 5 days of receiving the complaint.	As received.
Significant dealing(s) outside the Target Market	Date or date range of the significant dealing(s) and description of the significant dealing (e.g. why it is not consistent with the Target Market Determination.	As soon as practicable, and in any case within 10 business days after becoming aware.
Feedback	Distributors may report Client feedback (including performance) in relation to the Financial Product covered by this Target Market Determination.	As received.