

Target Market Determination

Over the Counter (OTC) Margin FX Contracts and Contracts for Difference (CFDs)

Fortune Prime Global Capital Pty Ltd trading as **Fortune Prime Global**

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SECTION A – ABOUT THIS TARGET MARKET DETERMINATION

1. INTRODUCTION

- 1.1 Fortune Prime Global Capital Pty Ltd trading as Fortune Prime Global (“**Fortune Prime Global**”, “**we**”, “**us**” or “**our**”) operates as an issuer and distributor of over the counter (“**OTC**”) derivative products, including Margin Foreign Exchange Contracts (“**Margin FX Contracts**”) and Contracts for Difference (“**CFDs**”) (together in this document referred to as “**CFDs**”) under our Australian Financial Services Licence (Number: 400364). Fortune Prime Global is an issuer and distributor of the OTC derivatives, meaning that Fortune Prime Global is a counterparty to all trades it conducts with its clients. Accordingly, we must comply with the Design and Distribution Obligations 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 This Target Market Determination is issued by Fortune Prime Global in respect of our offering of financial products and services in relation to the OTC derivatives. The purpose of this Target Market Determination is to ensure Fortune Prime Global’s financial products are suitable for the retail clients Fortune Prime Global targets.
- 1.3 Fortune Prime Global is committed to creating and maintaining a client-centric approach to the design and distribution of its financial products.
- 1.4 This Target Market Determination applies to retail clients only (“**Retail Clients**”) and does not apply to wholesale clients as defined by section 761G and 761GA of the *Corporations Act 2001*. This Target Market Determination does not apply to wholesale clients, including sophisticated investors and professional investors.
- 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, does not take into account any particular Retail Client’s objectives, financial situation or needs, 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**”) and consider seeking independent advice before deciding whether to acquire or continue to hold a financial product with us. The PDS is available at the following link: [PDS](#).
- 1.6 You should also review the other documents relating to Fortune Prime Global’s financial products, including but not limited to the following:
- (a) [Financial Services Guide](#).
 - (b) [Terms and Conditions](#).
 - (c) [Hedging Counterparty Policy](#); and
 - (d) [Privacy Statement](#).

2. FINANCIAL PRODUCTS ISSUED BY US

2.1 Financial Products to be issued

- (a) Fortune Prime Global offers the following types of financial products:

CFDs

A CFD is an OTC derivative contract which allows traders to make a profit or loss from fluctuations in the price of a particular underlying instrument. This allows traders to speculate on rising or falling prices of an underlying instrument. Clients do not own or have any interest or right in the underlying instrument or have the ability to trade it on an exchange by entering into a CFD.

Margin FX Contracts

A Margin FX Contract is a specific type of OTC derivative contract which enables traders to leverage a small Margin deposit for a much greater market effect in relation to currencies. This involves the exchange of one currency for another.

Margin FX Contracts differ from spot and forward foreign exchange trading in that they are legally classified as derivatives rather than foreign exchange contracts, and are cash settled (i.e., no physical delivery is available). Clients do not own or have any interest or right to that underlying instrument or have the ability to trade it on an exchange by entering into a Margin FX Contract. Margin FX Contracts allow the investor an opportunity to trade foreign exchange on a margined basis as opposed to paying for the full value of the currency. Margin FX Contracts are also referred to as CFDs or Foreign Exchange CFDs.

- 2.2 Fortune Prime Global offers the following types of CFDs:

- [Foreign Exchange \(FX\) CFDs](#)
- [Commodity CFDs](#);
- [Equity CFDs](#); and
- [Index CFDs](#).

- 2.3 This Target Market Determination has been prepared in relation to our OTC derivative products (“**Financial Product**”) only.

- 2.4 Fortune Prime Global offers financial services in relation to the Financial Product noted above via the MetaTrader5 trading platform.

SECTION B –TARGET MARKET

3. PRODUCT DESCRIPTION AND KEY ATTRIBUTES

- 3.1 CFDs, including Margin FX Contracts, are complex and leveraged financial products, which are traded over the counter and not through a regulated market. CFDs are agreements to exchange the difference in the value of a particular underlying asset. This allows a Retail Client to speculate on rising or falling prices of an underlying instrument without owning or having any interest or right in the underlying instrument or having the ability to trade it on an exchange by entering into a CFD.
- 3.2 Retail Clients who trade in CFDs may do so for a variety of reasons. The four main reasons why Retail Clients may trade CFDs are:
- (a) to speculate on the prices of the underlying instruments with a view to making a profit based on whether the price will rise or fall. For example, some traders may be short-term investors who are looking to profit from intra-day and overnight market movements in the underlying instrument. These traders may have no need to sell or purchase the underlying instrument themselves but may instead be looking to profit from market movements in the instrument concerned;
 - (b) to gain exposure to one or more of the underlying instruments without owning the underlying instruments themselves (e.g. a share, currency pair or commodity);
 - (c) to gain exposure to price movements in the underlying instruments with leverage, meaning that Retail Clients need only outlay a small amount (in the form of initial margin) to secure an exposure to the underlying instrument; and/or
 - (d) to use as a risk management tool to hedge against their exposures in the underlying instruments (e.g. acquiring a share CFD in respect of a share to which the Retail Client is already exposed).
- 3.3 Please see below table setting out some of the key attributes of CFDs which should be taken into consideration:

Highly complex and high levels of risk exposure	CFDs are highly complex and carry a high level of risk. Retail Clients could sustain a total loss of the amount deposited with us. Under certain market conditions, the prices of CFDs may not maintain their usual relationship with the market of the underlying instrument. There is no clearing house for the CFDs offered by us and the performance of a CFD is not guaranteed by an exchange or clearing house.
Liquidity	Liquidity risk typically occurs in volatile markets or in circumstances where there is a major news announcement. When there is a lack of liquidity in the underlying instrument, you may not be able to enter or exit a CFD at the requested price or have the whole of a position filled or at the requested price.
Leverage & Margin	Please note that all of the CFDs we offer are leveraged. Please see below list of leverage caps that are applicable to each type of underlying instrument: <ul style="list-style-type: none">• 30:1 for a CFD referencing an exchange rate for a major currency pair;• 20:1 for a CFD referencing an exchange rate for a minor currency pair, gold or a major stock market index;• 10:1 for a CFD referencing a commodity (other than gold) or a minor stock market index;• 2:1 for a CFD referencing crypto-assets; and

	<ul style="list-style-type: none"> • 5:1 for a Product referencing shares or other assets. <p>This means that a slight price fluctuation in the underlying instrument to which a CFD is referable can result in proportionately much larger movements in the value of your investment leading to significant losses as well as gains.</p> <p>You could be required to provide further funds to sustain your open contracts. The prices of the CFDs may be volatile and fluctuate rapidly over wide ranges. The leveraged nature of CFDs means that your margin requirements may change rapidly.</p>
No delivery of the underlying instrument	CFDs do not allow ownership, rights or interest in the underlying instrument.
Volatility and market risk	<p>The prices of CFDs are derived from the prices of the underlying instruments in their respective markets. Where certain market conditions cause the value of the underlying instruments to fluctuate, this will also be reflected in the price of CFDs. For example, "gapping" may occur where market prices or rates do not follow a continuous path due to external factors and Retail Clients may therefore be unable to open or close out positions at the desired price (however, negative balance protection is provided to Retail Clients meaning that losses will be limited to the amount that has been deposited with us).</p> <p>The market for CFDs can also be particularly volatile and the price of these products may not maintain the usual relationship with the underlying instruments. There is no guarantee or assurance that you will make profits, or not make losses, or that unrealised profits or losses will remain unchanged.</p>
No cooling off period	There are no cooling-off arrangements for our CFDs. This means that when we execute your order, you do not have the right to return the CFD, nor request a refund of the money paid to acquire the CFD.
Counterparty Risk	As the market maker (i.e. the issuer of CFDs subject of this document), we are the counterparty to each CFD transaction that a Retail Client enters into. Retail Clients are therefore exposed to the financial and business risks, including credit risk, associated in dealing with us and are reliant on our ability to settle open positions with Retail Clients.
Auto-liquidation or close out	We may, without prior notice to you, liquidate some or all your open positions if your account balance reaches or falls below a certain level. This can generate fees and realised losses in your account.
Fees and charges	Depending on the positions held and how long they are held for, a Retail Client may incur various fees and charges. In some cases, particularly if positions are held for a long time, the sum of these fees and charges, including any Administration Fees, may exceed the amount of any profits, or they could significantly increase losses.
Trading online	Retail Clients are required to trade with us via the online trading platform provided. While the internet and the World Wide Web are generally reliable, technical problems or other conditions may delay or prevent access to the trading platform. If a Retail Client is unable to access the internet and thus, the trading platform, it will mean the Retail Client may be unable to trade in a CFD when desired and may suffer a loss as a result.

	Furthermore, in unforeseen and extreme market situations, such as an event causing market disruption or a global catastrophe, we reserve the right to suspend the operation of the trading platform or any part or sections of it.
Execution risks	<p>There may be times where, due to an increase in volatility or volume or other market conditions, some price 'slippage' may occur. This generally occurs during significant news events or 'gapping'.</p> <p>Execution delays may occur for a number of reasons such as technical issues with your internet connection to our servers. Connection strength may vary depending on the kind of device used. Interruptions may cause a delay in the transmission of data between our servers to the trading platform.</p>

3.4 Fortune Prime Global sets out the key attributes of the Financial Product and the class of Retail Clients who are suitable for trading as follows:

Key Attributes of the Financial Product	Class of Retail Clients
Eligibility Requirements	<ul style="list-style-type: none"> • above the age of 18 and below the age of 70
Highly complex	<p>Knowledge and Experience: Only clients who have demonstrate particular knowledge and/or experience gained in:</p> <ul style="list-style-type: none"> • the fundamentals of margin and leverage; • the inherent risks of trading CFDs, including the risk of significant losses, which can be as great as the sum of the client's account balance, and the preparedness to bear such losses; • the fees and costs associated with CFD trading; • CFD pricing methodologies; and • the processes and technologies involved in trading CFDs. <p>Fortune Prime Global undertakes an assessment of a prospective client's past trading experience prior to accepting the client as a customer of Fortune Prime Global who is able to trade CFDs. The experience questionnaire requires a prospective client to provide details about their prior experience trading experience, including the method of trading financial products, the type of financial products traded and any qualifications obtained relevant to CFDs.</p> <p>In addition, a prospective client is required to complete a CFD knowledge assessment to demonstrate his/her understanding of trading/investing in CFDs prior to Fortune Prime Global approving and distributing the products to the client.</p>
High levels of risk exposure	Ability to bear loss: Clients who:

	<ul style="list-style-type: none"> • are prepared to lose amounts that can be as great as the sum of their total deposits. • accept risks associated with payment delays and losses associated with political instability, war, suspension of financial markets and catastrophic events. • can be exposed to counterparty risk. <p>Tolerance to risk: CFDs are suitable for clients who have a high-risk tolerance. CFDs are leveraged products that, due to underlying market movements, can generate losses rapidly. Losses can be significant, and a client may be required to deposit additional funds to maintain open positions and avoid being closed out. As it is possible to lose the entire balance of an account, CFDs are suitable for Retail Clients with high investment risk tolerance or seeking to hedge potential future losses or protect previous gains from investments in other financial products and are therefore may be more risk averse than high risk tolerant investors.</p> <p>Please note that there are particular risks associated with trading/investing in CFDs. Please refer to our PDS for further information in relation to the risks of trading/investing in CFDs.</p>
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4. LIKELY OBJECTIVES, FINANCIAL SITUATION AND NEEDS

4.1 Fortune Prime Global's Financial Product has 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), including retail clients who:

- (a) above the age of 18 and below the age of 70;
- (b) have a short-term investment horizon;
- (c) wish to trade in CFDs, including for speculative or hedging purposes, wishing to gain exposure to price movements of the relevant underlying asset;
- (d) have a high investment risk appetite and are aware of the risk of incurring significant losses trading CFDs with the preparedness to bear such loss;
- (e) wish to deal in a Financial Product for the following purposes:
 - speculative trading using leverage;
 - hedging (including hedging exposure to underlying assets and hedging positions taken in relation to other CFDs);

- using leverage to gain exposure to price movements of the underlying assets, i.e. commodity, index and equity, including where exposure to such underlying assets may not be otherwise as readily available;
 - using leverage to gain exposure to price movements of foreign underlying assets, where exposure to such underlying assets may not be otherwise as readily available;
 - using leverage to gain exposure to price movements of falling and rising markets;
 - using leverage to gain exposure to price movements of a diverse range of underlying assets via a single CFD account;
 - using leverage to gain exposure to the price movement of underlying assets without owning the underlying assets;
 - using leverage to gain seek to manage or hedge foreign exchange exposure and manage future cash flow; and
 - are seeking to lock in a foreign currency exchange rate at a future date;
- (f) can accept losses that can be as great as the sum of their deposits; and
- (g) can accept loss of their entire deposit / investment without suffering financial hardship.

5. RETAIL CLIENTS FOR WHOM FORTUNE PRIME GLOBAL'S FINANCIAL PRODUCT IS NOT SUITABLE

5.1 The Financial Product is not suitable for clients who:

- (a) are below the age of 18;
- (b) are above the age of 70;
- (c) reside in a country which restricts or prohibits trading in the Financial Product;
- (d) have low levels of financial literacy and technological literacy;
- (e) do not have the requisite knowledge for trading in CFDs;
- (f) have a low tolerance to investment risk, unless those clients wish to trade CFDs for hedging purposes;
- (g) do not have the ability and willingness to lose the sum of their deposits;
- (h) wish to trade using their retirement savings, income, or cash that they rely on for living expenses or personal savings;
- (i) are vulnerable, including those who are:

- elderly or suffering an age-related impairment;
- suffering any form of cognitive impairment;
- suffering from elder or financial abuse;
- unemployed or who have recently experienced job loss;
- suffering from mental or other forms of serious illness affecting capacity;
- suffering from any form of addiction; or
- suffering from any other personal or financial circumstances causing significant detriment.

6. CONSISTENCY BETWEEN THE TARGET MARKET AND FINANCIAL PRODUCT

6.1 Fortune Prime Global has assessed the Financial Product and formed the view that the Financial Product, including its key attributes, is likely to be consistent with the likely objectives, financial situation and needs of retail clients in the target market, as described above.

SECTION C – DISTRIBUTION

7. DISTRIBUTION CHANNELS

7.1 The Financial Product is distributed by:

- (a) Fortune Prime Global;
- (b) Fortune Prime Global's website, including online and physical application forms in accordance with this document;
- (c) Fortune Prime Global's trading platform;
- (d) introducing brokers;
- (e) referrers; and
- (f) social media channels.

7.2 No persons or entities may engage in the distribution of our Financial Products unless they:

- (a) have entered into a legal agreement with us;
- (b) have passed our due diligence and vetting checks; and
- (c) adhere to our distribution conditions, compliance policies, manuals and procedures, and directions to distributors from time to time.

8. DISTRIBUTION CONDITIONS

8.1 Fortune Prime Global takes reasonable steps to ensure that Fortune Prime Global as well as any distributors, distribute the Financial Product to the Target Market.

8.2 Fortune Prime Global has implemented the following processes to ensure distribution is

consistent with retail clients who fall within the Target Market:

(a) implementation stringent requirements (“**Hard Stops**”) on the client onboarding stage which includes knowledge assessments and verification of a potential retail client including whether they:

- fall within the Target Market during the onboarding process,
- meet all eligibility requirements;

this occurs before accepting them as a client and allowing them to trade/invest;

(b) distributors are required to implement appropriate training and scripts to all client facing representatives including those operating in call centres; and

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

8.3 Fortune Prime Global will take reasonable steps to ensure its marketing strategy and the marketing strategy of distributors is targeting retail clients within Target Market. The following processes have been implemented by Fortune Prime Global:

(a) marketing campaigns are reviewed and approved by Fortune Prime Global prior to publication;

(b) due diligence are conducted on third party distributor to ensure their business and marketing strategy aligns with Fortune Prime Global’s target market;

(c) all marketing materials are vetted and approved by the compliance department before they go out to the public; and

(d) A disclaimer highlighting the risk associated with our services and CFD products and reference to our disclosure documents are included in our advertising materials at all times.

8.4 Fortune Prime Global’s distributors cannot release marketing materials without obtaining Fortune Prime Global’s prior written consent.

9. ADEQUACY OF DISTRIBUTION CONDITIONS

9.1 Fortune Prime Global has determined that the distribution conditions and restrictions will make it likely that Retail Clients who purchase the Financial Product are reasonably likely to be in the Target Market. We consider that the distribution conditions are appropriate and will assist distribution being directed towards the Target Market.

SECTION D – REVIEW AND MONITORING

10. REVIEW

10.1 Fortune Prime Global reviews this Target Market Determination in accordance with the below:

Initial Review:	Within three (3) months of the effective date.
Periodic Reviews:	Annually 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;
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	<ul style="list-style-type: none"> • the occurrence of a significant dealing including when distribution occurs outside the target market; • 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 Fortune Prime Global or a distributor; and • where Fortune Prime Global 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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11. DISTRIBUTOR REPORTING REQUIREMENTS

11.1 Fortune Prime Global collects the following information from distributors in relation to this Target Market Determination:

Complaints	Fortune Prime Global's distributors report all complaints in relation to the Financial Product covered by this Target Market Determination on a monthly basis.
Significant Dealings	Fortune Prime Global's distributors report to Fortune Prime Global if they become aware of a significant dealing in relation to this Target Market Determination within ten (10) business days.
Feedback	Fortune Prime Global's distributors report all 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, within 10 business days of the end of each calendar quarter – 31 March, 30 June, 30 September and 31 December each year.

SECTION E – CONCLUSION

11.2 Fortune Prime Global reserves the right to amend this Target Market Determination at any time.

11.3 For further information please contact Fortune Prime Global by:

- (a) Phone: +61 3 9917 5819
- (b) Email: support@fortuneprime.com.au
- (c) Post: Suite 5, 18-20 Prospect Street, Box Hill VIC 3128 Australia
- (d) Fortune Prime Global's website: www.fortuneprime.com.au