

TARGET MARKET DETERMINATION

Futures and Futures Options

tastytrade Australia Pty Ltd | ABN: 61 623 542 969 | AFSL: 508867

Issuer	tastytrade Australia Pty Ltd ABN: 61 623 542 969 AFSL: 508867
Financial Product	Futures and Futures Options — exchange-traded across multiple asset classes available on our platform
TMD Version	1.1
TMD Effective Date	15 May 2026

1. INTRODUCTION

tastytrade Australia Pty Ltd (referred to as tastytrade Australia, us, our or we) holds an Australian Financial Services Licence (AFSL) issued by the Australian Securities and Investments Commission (ASIC). Under that licence, tastytrade Australia is authorised to provide financial services, including arranging for clients to trade exchange-traded Futures and Futures Options. Futures and Futures Options are standardised contracts traded on regulated exchanges — and are deemed to be issued by tastytrade Australia under section 761E(6) of the *Corporations Act 2001* (Cth) (Corporations Act).

Part 7.8A of the Corporations Act sets out the design and distribution obligations (DD Obligations). These obligations apply to the issuing of Futures and Futures Options to retail clients and require tastytrade Australia to take a consumer-focused approach to how those products are made available. A key component of those obligations is the preparation and maintenance of a Target Market Determination.

tastytrade Australia operates as a self-directed online trading platform and does not employ financial advisers or account managers. All investment and trading decisions are made by clients themselves. Client service staff are not authorised to provide investment, trading or tax advice. Clients who are uncertain whether these products are appropriate for their circumstances should seek independent financial advice before applying.

2. PURPOSE OF THIS TARGET MARKET DETERMINATION

This Target Market Determination (TMD) sets out the class of retail clients for whom Futures and Futures Options are likely to be appropriate, together with the conditions that apply to how those products may be distributed. It also identifies the circumstances that would require tastytrade Australia to review whether this TMD remains fit for purpose.

This document is not a substitute for, and should not be read as, a summary of product features or risks. It does not take into account the specific objectives, financial circumstances or needs of any individual. Before trading Futures or Futures Options through our platform, clients should read tastytrade Australia's Financial Services Guide (FSG) and any other applicable disclosure documents.

3. OVERVIEW OF EXCHANGE TRADED FUTURES AND FUTURES OPTIONS

A Future is a standardised, exchange-traded derivative contract under which two parties agree to either: (1) deliver or take delivery of a specific quantity of an underlying asset at an agreed price on a set future date; or (2) settle in cash based on the movement in price of an underlying asset by a specified date. A Futures Option is an options contract written over a futures contract.

Futures and Futures Options are complex, leveraged products. They trade on regulated exchanges and are cleared through a central counterparty clearing house (CCP), which means positions are marked to market daily and clients are subject to ongoing margin obligations. Because of the leverage involved, a relatively modest initial margin deposit can give rise to substantial losses — including losses that exceed the client's initial deposit and, in some cases, the full value of their account. Trading costs include exchange fees and brokerage commissions.

Key product characteristics include:

- Futures and Futures Options are standardised contracts with a fixed expiry date. Their value fluctuates in response to the price of the underlying asset, volatility, time remaining to expiry, prevailing interest rates and other market conditions;
- Contract specifications and client obligations vary depending on the exchange and specific contract — clients should review the relevant contract specifications before trading;
- tastytrade Australia does not facilitate physical delivery of the underlying asset. Clients are solely responsible for monitoring positions in deliverable contracts and closing or rolling those positions before the applicable expiry deadline; and
- tastytrade Australia may adjust applicable margin rates at any time without prior notice. Where an account falls below the required margin level, positions may be liquidated at any time without notice.

Futures and Futures Options are available across a range of asset classes on the exchanges accessible through the tastytrade platforms. Clients should refer to the tastytrade website and platforms for the current list of available contracts.

4. THE TARGET MARKET

Target Market	<p>To fall within the target market, a retail client must meet all of the following criteria:</p> <ul style="list-style-type: none"> • must be 18 years of age or older; • must have a risk profile consistent with one of the following: <ul style="list-style-type: none"> ◦ a high tolerance for investment risk and a clear understanding of the amplified risks of leveraged trading; or ◦ a genuine intent to use Futures or Futures Options to hedge an existing financial exposure, which may be consistent with a more conservative risk profile; ◦ a genuine intent to trade US Exchange Traded products; • must meet tastytrade Australia's minimum income and liquid net worth requirements (see Appendix A); • must hold a margin account with 'The Works' trading permissions activated; • must acknowledge and accept that losses can equal or, in some circumstances, exceed their total account balance; and • must possess sufficient knowledge and relevant experience in strategies used to trade in Futures, Futures Options, or equivalent leveraged derivative products, e.g. Exchange Traded Options and additionally: <ul style="list-style-type: none"> ◦ how margin and leverage work in exchange-traded derivatives; ◦ the risks of Futures and Futures Options, including the potential for losses that equal or exceed account balance; ◦ how Futures and Futures Options are priced, including expiry dates, time decay and settlement; and ◦ the practical requirements of trading on exchange, including position monitoring, margin management and expiry obligations.
Likely client objectives, financial situation and needs	<p>Clients in the target market will generally fall into one of two categories:</p> <p>1. Clients seeking leveraged market exposure</p> <p>Likely objectives:</p> <p>Clients in this category typically pursue one or more of the following:</p> <ul style="list-style-type: none"> • active, leveraged trading across domestic and international markets with a view to generating returns;

	<ul style="list-style-type: none"> • gaining exposure to markets or instruments where direct ownership is impractical or cost-inefficient, including the flexibility to go long or short; • using the capital efficiency of Futures to take larger positions than would otherwise be possible with unleveraged investment; and • managing short-term market risk on an existing portfolio, such as protecting unrealised gains or reducing directional exposure. • have speculative or growth investment trading objectives. <p>Having one or more of the above objectives is sufficient to fall within this category.</p> <p>Likely financial situation: Clients have sufficient capital to fund Futures positions and can absorb potential losses — up to and potentially exceeding the full value of what they invest — without this materially affecting their financial circumstances. They meet the minimum income and liquid net worth requirements.</p> <p>Likely needs: Clients need a solid understanding of how leverage amplifies both gains and losses, and the capacity to actively monitor and manage their open positions and margin obligations.</p> <p>2. Clients seeking to hedge an existing financial exposure</p> <p>Likely objectives: Clients in this category are looking to reduce or offset risk on an existing investment or exposure — for example, managing downside risk on a share portfolio, locking in a future price on a commodity exposure, or lowering the cost of holding an economic position.</p> <p>Likely financial situation: Clients have existing investments or exposures they wish to protect, together with sufficient liquid net worth to meet any margin calls that arise on the hedging position.</p> <p>Likely needs: Clients need to understand the mechanics of hedging with Futures and Futures Options, including basis risk, the potential for the hedge to generate losses independently of the underlying position, and their rollover and expiry obligations.</p>
Risk tolerance	<p>Clients should have a high to very high tolerance for risk, and be able to bear losses.</p> <p>Futures and Futures Options are leveraged products. Market movements and contract-specific factors — including approaching expiry — can produce rapid and substantial losses. Clients may be required to deposit additional funds at short notice to meet variation margin calls. In extreme circumstances, losses can exceed the total value of a client's account.</p> <p>These products are only appropriate for clients with a high tolerance for investment risk. The exception is clients using Futures or Futures Options solely for genuine hedging purposes, who may have a more moderate risk profile provided they otherwise meet all target market criteria.</p> <p>Clients with a conservative or capital-preservation risk profile fall outside the target market.</p>

Knowledge and experience	<p>Before Futures and Futures Options trading permissions are activated, tastytrade Australia requires each prospective client to answer questions on their requisite trading knowledge. All clients must successfully complete these questions before trading permissions are activated.</p> <p>tastytrade Australia does not employ advisers or account managers. All trading is self-directed by the client. Client service staff are not authorised to provide investment, trading or tax advice.</p>
Financial capacity and awareness of loss risk	<p>Prospective clients must satisfy tastytrade Australia's minimum income and liquid net worth requirements at onboarding, as set out in Appendix A. These requirements are reviewed annually.</p> <p>Through the disclosures provided during onboarding, clients are made aware of the significant potential losses associated with Futures and Futures Options trading, including the potential to sustain a total loss of margin funds and any additional funds deposited to maintain their position. By agreeing to these disclosures, clients confirm they are financially prepared to bear losses of this magnitude before trading permissions are granted.</p>
Capacity to monitor and manage positions	<p>Given the margin obligations and expiry requirements of Futures and Futures Options, clients must have the practical capacity to monitor open positions regularly and respond to margin calls promptly.</p> <p>tastytrade Australia will conduct liquidations in under-margined accounts; however, this does not guarantee that losses will be contained to the account balance. Clients who cannot actively manage their positions on an ongoing basis, or who lack the financial capacity to meet margin calls as they arise, fall outside the target market.</p> <p>As tastytrade Australia does not facilitate physical delivery of underlying assets, clients are solely responsible for monitoring deliverable contracts approaching expiry and closing or rolling those positions before the relevant deadline.</p>

Clients outside the target market	<p>Futures and Futures Options are not appropriate for clients who:</p> <ul style="list-style-type: none">• are under 18 years of age;• do not meet tastytrade Australia's minimum income or liquid net worth requirements;• do not hold a margin account with 'The Works' trading permissions;• do not have the knowledge or experience required by tastytrade Australia's assessment process;• have preservation or income growth trading objectives;• are unwilling or financially unable to absorb losses equal to or exceeding their account balance;• do not have the capacity to actively monitor open positions and meet margin obligations; or• have an investment timeframe inconsistent with the short-dated nature of exchange-traded Futures contracts. <p>The following clients also fall outside the target market regardless of whether the above criteria are otherwise met:</p> <ul style="list-style-type: none">• clients subject to elder abuse or financial abuse;• clients with a mental illness or serious health condition that materially affects their financial decision-making capacity, including age-related cognitive impairment;• clients experiencing addiction that affects their financial or mental capacity;• clients who are unemployed, have no independent income, are in financial hardship, or have little to no savings; or• Clients who exhibit indicators of vulnerability that may affect their ability to make informed financial decisions <p>(<i>vulnerability</i> includes clients experiencing significant life events such as bereavement, relationship breakdown or job loss; clients under financial or emotional pressure; clients acting under the direction or influence of another person; or clients whose communications suggest a limited understanding of the products notwithstanding completion of the assessment; if indicators of vulnerability are identified at onboarding or at any point during the client relationship, the Compliance Officer will assess whether it remains appropriate for the client to hold trading permissions and may suspend or restrict access pending that review).</p>
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5. DISTRIBUTION CONDITIONS

tastytrade Australia does not employ financial advisers or account managers who direct client trading. All investment decisions are made by clients themselves, using a computer or mobile device to place orders that are transmitted to the relevant exchange for execution. Client service staff are not authorised to provide investment, trading or tax advice.

tastytrade Australia is committed to ensuring that Futures and Futures Options are issued only to clients who fall within the identified target market. The controls described below are in place to support that outcome.

Onboarding

Before Futures and Futures Options trading permissions are activated, each applicant must:

- open a margin account with tastytrade Australia;
- obtain 'The Works' level of trading permissions;
- meet the minimum income and liquid net worth requirements as set out in Appendix A; and
- answer questions on their requisite trading knowledge.

Where an applicant does not satisfy any of the above requirements, Futures and Futures Options trading permissions will not be activated. These requirements are governed by tastytrade Australia's Client Qualification Policy.

Staff Training

All client-facing staff receive training on tastytrade Australia's DD Obligations and distribution conditions, including how to identify and respond to situations where a client may not be within the target market.

Marketing and Promotions

tastytrade Australia's marketing activities are governed by its Financial Promotions Policy. All promotional materials must be reviewed and approved by the Compliance team before publication to confirm they do not use messaging or channels that are likely to attract clients outside the target market.

6. PERIODIC REVIEWS OF THE TMD

tastytrade Australia will assess the continued appropriateness of this TMD at least annually. Reviews are conducted by the Compliance Manager and presented to the Board. An earlier review will be conducted if a review trigger arises, or if the committee chair forms the view that client detriment warrants a more urgent reassessment.

Review Triggers

In addition to scheduled reviews, tastytrade Australia will review this TMD where it becomes aware of circumstances that suggest the target market or distribution conditions may no longer be appropriate. Triggers include:

- significant client losses from trading Futures or Futures Options;
- a pattern of complaints indicating that product risks are not well understood by clients who have been onboarded;
- significant compensation payments made in connection with Futures or Futures Options;
- feedback from clients or distributors raising concerns about product suitability or target market alignment;
- evidence that Futures or Futures Options are being distributed to clients outside the target market;
- material changes to the product, platform or available contracts that alter the risk or suitability profile; and
- changes to applicable law or regulation, including the introduction of a Product Intervention Order affecting the distribution of Futures or Futures Options.

7. AMENDMENTS TO THIS TMD AND CONTACT DETAILS

tastytrade Australia may update this TMD at any time in response to regulatory or legal changes, updated guidance from ASIC, material changes to the product or platform, or any other circumstances that make an amendment appropriate. The current version of this TMD is available on our website.

For enquiries about this TMD, please contact: compliance@tastytrade.com

TASTYTRADE AUSTRALIA PTY LTD

Suite 4.04, 130 Pitt St, Sydney NSW 2000
T : +61 02 8317 1402
E : support@tastytrade.au
W : tastytrade.com.au

APPENDIX A: WEALTH ELIGIBILITY REQUIREMENTS

The following financial thresholds apply to all clients seeking to open a trading account with tastytrade Australia. Clients must meet either the income or liquid net worth thresholds for the Works tier.

	Cash	Limited*	Basic*	The Works
Products accessible	Stocks & ETFs	Defined-risk options only	Broader options strategies	Futures and Futures Options
Account type	Cash	Margin	Margin	Margin
INCOME AND LIQUID NET WORTH - clients must meet either threshold				
Minimum annual income	Any	Any	Any	USD \$50,000+
Minimum liquid net worth	Any	Any	Any	USD \$50,000+

Notes

- Both thresholds:** Clients must meet either the income or net worth requirements for the Works tier.
- The Works:** Access to Futures and Futures Options also requires a margin account with 'The Works' trading permissions activated to be activated.
- Cash tier:** The Cash tier does not require income or savings thresholds, but does not provide access to margin, Futures, or Futures Options.
- * Difference between Limited and Basic accounts:** Both tiers provide access to options trading on a margin account. A Limited account is restricted to single-leg defined-risk strategies, covered calls, buy writes, long calls and puts, and cash-secured puts. A Basic account includes all Limited strategies plus multi-leg defined-risk strategies such as vertical spreads, straddles and iron condors. Neither tier provides access to naked short positions, futures or futures options - those require The Works.