

OPTIONS TARGET MARKET DETERMINATION.

Issuer	Bell Potter Securities Limited AFSL No. 243480 ABN 25 006 390 772
Product	Exchange traded options (ETOs) traded on the ASX market.
Date of TMD	9 October 2025
Overview of this document	<p>This document is a target market determination for the purposes of section 994B of the <i>Corporations Act 2001</i> (Cth) (Corporations Act) in respect of ETOs issued by us.</p> <p>This document is not a product disclosure statement (PDS) and does not take into account any particular investor's objective, financial situation or needs.</p>
Overview of ETOs	<p>ETOs are options quoted on the ASX. The underlying product can be an individual financial product, such as a quoted share or other financial product, or an index. The main reasons why retail clients may trade via ETOs:</p> <ul style="list-style-type: none"> – To reduce risk by hedging against other exposures (e.g. acquiring an ETO over shares the retail client already holds), or to lock in a price to purchase or sell underlying investments; – To earn increased income by obtaining premium from selling options; or – Increase returns from leverage – Diversify their portfolio, and – Profit from market movements <p>ETOs are typically only suitable for investors who have sufficient experience and understanding of the product. ETOs are subject to significant risks, including but not limited to:</p> <ul style="list-style-type: none"> – Buyers of ETOs may lose their entire premium (i.e. the entire up-front amount invested) if the ETO is not in-the-money at the time of exercise. Depending on the strategy used, losses can be substantial; – Generally speaking, ETOs are not suitable for retail investors who are unable to withstand losses without material personal hardship. – ETOs are a leveraged instrument. Leverage can magnify losses as well as gains. In other words, a high degree of leverage involved in many ETOs can work against a buyer, multiplying their losses if the market moves against the buyer; – ETOs have a limited life span and will expire. Their time value falls as they approach their expiry date, and they are worth nothing after they expire (if unexercised). Accordingly, buyers of ETOs should actively manage their open positions, particularly as expiry dates approach; – Sellers of options are exposed to potential margin calls, which may require cash or other assets to be lodged at short notice; and <p>It should also be noted that under the ASX Clear Operating Rules (Rules) (paragraph 5.3 of Schedule 5), a client wishing to trade in ETOs is required to acknowledge that:</p>

	<ul style="list-style-type: none"> – They have read and understood the documents (if any) given to them under Rule 7.1.1(b) of the Rules; – Dealing in derivatives incurs a risk of loss as well as a potential for profit; and – They have given consideration to their objectives, financial situation and needs and formed the opinion that dealing in derivatives is suitable for their purposes. – The effect that time has on a position or strategy – How volatility changes, both up and down, may affect the price or value of an option and the potential outcome – How to calculate margins and worst case scenarios for any position – The likelihood of early exercise and the most probable timing of such an event – The effect of dividends and capital reconstructions on an option position – the liquidity of an option, the role of market makers, and the effect this may have on your ability to enter and exit a position.
Retail clients for whom ETOs are unsuitable	<p>ETOs will generally not be suitable for retail clients outside the target market.</p> <p>Potential categories would include:</p> <ul style="list-style-type: none"> – Retail clients who do not understand the risks of ETOs as applicable to their proposed trading; and – Retail clients who cannot bear the consequences of potential losses without material impact on their standard of living.
Target Market for ETOs (s994B(5)(b))	<p>Given the diverse nature of different ETO strategies, we consider that the target market for ETOs is a retail client that falls within one (or more) of the below categories, noting there may also be some overlap between categories:</p> <ul style="list-style-type: none"> – High Risk Tolerance Investors – retail clients seeking to make profit via trading in ETOs; – Risk Mitigation Investors – retail clients seeking to hedge potential risk from other investments or exposures, or lock in a price to purchase or sell underlying investments; and – Premium Generation Investors – retail clients seeking to earn income by selling options covered by holdings of underlying assets. <p>Note it is not necessary for a client to fall within all three categories; it is sufficient for a retail client to fall within one of the above categories to be within the target market for ETOs.</p>

Likely objectives, financial situation and needs of retail clients in the target market

High Risk Tolerance Investors are retail clients likely to have a higher risk appetite and who are seeking higher returns through riskier strategies and are prepared to suffer material losses (and able to withstand such losses).

- Likely objectives: Use existing assets to support leverage in order to seek higher returns with corresponding higher risk.
- Likely financial situation: Have a relatively high and regular income and/or substantial holdings of capital available for investment. Are able to withstand losses from trading without causing distress or material impact on living standards. Have available liquid assets to fund potential margin calls. Have a good understanding of ETOs and trading strategies.
- Likely needs: Wish to use spare capital to make enhanced returns

Risk Mitigation Investors are retail clients who are likely to be moderate to relatively risk averse and are looking to protect previous gains, lock in purchase or sale prices, or mitigate against potential future losses.

- Likely objectives: Protect previous gains or mitigate against potential future losses and/or lower the cost of acquiring underlying assets.
- Likely financial situation: Have existing investments or exposures which the retail client wishes to hedge.
- Likely needs: Loss or profit protection.

Premium Generation Investors are likely to be retail clients with a moderate risk appetite who are looking to increase their yield but prepared to have the options exercised against them.

- Likely objectives: Increase their income return.
- Likely financial situation: Hold existing positions in underlying stocks. Require a regular income. Are able to address capital gains tax position if ETOs sold by the retail client are exercised against.
- Likely needs: Increase income return.

Different ETO strategies

We expect High Risk Tolerance Investors will be likely to engage in the following strategies:

- Buying call options and put options (noting that these financial products, of themselves, may not be particularly high risk depending upon the circumstances);
- Selling covered call options;
- Selling uncovered options (both put options and call options); and
- Trading in LEPOs.

We expect Risk Mitigation Investors will be likely to engage in the following strategies:

	<ul style="list-style-type: none"> – Buying put options; <p>We expect Premium Generation Investors will be likely to engage in the following strategies:</p> <ul style="list-style-type: none"> – Selling covered call (and Buy/write strategy) options; – Selling put options <p>Finally, we consider that the target market for ETOs includes any retail client whose open ETO position are being closed out at any time (whether on the instruction of the retail client, due to the exercise of rights, by action of ASX group, or otherwise), even if that retail client would not otherwise fall within a category within the target market.</p>
Explanation of why ETOs are likely to be consistent with the likely objectives, financial situation and needs of the target market (s994B(8))	<p>We expect that ADA Level 1 & 2 ETO strategies and LEPOs will likely be consistent with the likely objectives, financial situation and needs of High Risk Tolerance Investors because these products offer the potential for enhanced returns, and this class of retail client should be able to bear any potential losses without material hardship.</p> <p>We expect that ADA Level 1 ETO strategies will likely be consistent with the likely objectives, financial situation and needs of Risk Mitigation Investors because these products offer the ability to protect or lock-in any previous profits from an underlying investment and/or protect against future losses.</p> <p>We expect that ADA Level 1 & 2 ETO strategies will likely be consistent with the likely objectives, financial situation and needs of Premium Investors because these products offer the potential for increased income, and this class of retail client should be able to bear any consequences of their ETOs being exercised against without material hardship.</p>
Distribution Conditions (s994B(5)(c))	<p>Any distribution of ETOs by us directly to retail clients will be in accordance with procedures we determine are reasonably likely to ensure that ETOs are only issued to retail clients who are reasonably likely to be within the target market.</p> <p>Distribution conditions include:</p> <ul style="list-style-type: none"> – All retail, experienced and sophisticated investors are required to have completed the Bell Potter Securities 'Understanding Options Questionnaire' to demonstrate their understanding of ADA Level 1 & 2 strategies. – All Bell Potter Securities advisers must have explained in detail the contents of the ASX 'Understanding Options' booklet, the Options Client Agreement, which also contains the Bell Potter Securities Exchange Traded Options Product Disclosure Statement (PDS) and Client Agreement Terms. – Bell Potter Securities advisers must be satisfied that utilising options is a suitable investment strategy for each client's investment requirements with regard to the investor types and associated strategies outlined above.

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Review Triggers (s994B(5)(d))	<p>The review triggers that may suggest that the TMD is no longer appropriate, such that a review of the TMD should be undertaken, include:</p> <ul style="list-style-type: none">– We become aware of a significant issuance of the product to retail clients outside the target market;– Material changes to the ETO product construct by ASX group;– Material changes to law affecting ETOs;– We become aware of a significant volume of complaints from retail clients
Review Periods (s994B(5)(e), (f))	<p>This TMD must be reviewed at least annually, and more frequently if a review trigger occurs.</p>
Distributor Reporting Requirements (s994B(5)(g), (h))	<p>N/A</p>