

**Gleneagle Asset Management Limited Target Market Determination ("TMD")
eToro Service**

Issuer	Gleneagle Asset Management Limited ACN 103 162 278 AFSL 226199 ("GAML").
Product	eToro Service ARSN 637 489 466 (also referred to as the "eToro Service" or "Scheme")
Date of TMD	05 October 2021
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 the eToro Service issued by GAML.</p> <p>This document applies to retail clients only ("Clients"). It is not a product disclosure statement ("PDS") and does not take into account any particular Client's objectives, financial situation or needs. Clients should refer to GAML's PDS at https://www.etoro.com/customer-service/terms-conditions/ as well, as any other relevant GAML or eToro Aus Capital Ltd ACN 612 791 803 AFSL 491139 ("eToro") documents, to ensure they fully understand the risks involved, and consider seeking independent advice before deciding to invest in this Product.</p> <p>This TMD is to assist staff of GAML and distributors in understanding the class of Clients for which this product i.e. the Scheme has been designed, having regard to the objectives, financial situation and needs of the target market. This document is not a client disclosure document and does not contain financial product advice.</p>
Overview of the eToro Service	<p>The eToro Service is a registered managed investment scheme that gives members (i.e. Clients) access to the eToro trading platform ("Platform"), and a range of assets which they may purchase, and held, via the eToro Service. GAML is the Responsible Entity of the Scheme.</p> <p>Each member has a separate account provided through the Scheme. Through this account, Clients can provide GAML with instructions to invest in shares and exchange-traded funds ("ETFs") (without leverage) which are held within the Scheme provided by GAML for the Client. Investments which may be held in an account through the Scheme include:</p> <ul style="list-style-type: none">) Shares: Clients may deal in shares through the Platform by opening a buy (long), non-leveraged position, which means they are dealing in the underlying asset, and the shares are held by GAML's Custodian on each Clients behalf.) Exchange-Traded Funds (ETFs): this is a financial product comprising several assets grouped together to serve as one tradable financial product (sometimes an interest in a fund, sometimes a right more similar to a share with limited rights). Investing in ETFs by opening a buy (long), non-leveraged position means Clients are investing in units in the relevant ETF, and these are purchased and held by our Custodian on each Clients behalf.

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	<p>Fractional investing is also available in selected investments through the Scheme, which may enable Clients to access portions of such investments, rather than entire shares or other investments.</p> <p>Importantly, an entity in the eToro group of companies sets the prices of all securities (including Shares and units in ETFs) which can be traded on the Platform, meaning that the quotes given may be different from the prices provided by third party brokers, the market price, and the current prices on any exchanges or other trading platforms.</p>
Target Market for CFDs (s994B(5)(b))	<p>The eToro Service is likely to be appropriate for consumers wanting an account service for investing through the Platform and who are willing to take some risk in order to seek higher returns than those available under risk-free investments over the medium to long term. It offers a variety of underlying investments from low to high risk, noting that Clients seeking access to the platform may have different risk-appetites and would be able to decide what level of risk they are comfortable with when selecting underlying investments.</p>
Likely objectives, financial situation and needs of Clients in the target market	<p>The likely objectives, needs and financial situation of consumers in the target market for the eToro Service are as follows:</p> <p><u>Client objectives:</u> Clients seeking capital growth and dividend income over the medium to long term through investments held beneficially for them (rather than investing in managed funds).</p> <p><u>Client financial situation:</u> Clients who have sufficient funds available to make the investments and who are capable of withstanding the potential loss of some or all of their investment without suffering financial hardship as a result.</p> <p><u>Client needs:</u> Clients who require or desire a higher return than that available from risk-free investments while accepting the returns are not guaranteed.</p>
Explanation of why the eToro Service is likely to be consistent with the likely objectives, financial situation and needs of the target market (s994B(8))	<p>GAML expects that investing through the Scheme will likely be consistent with the likely objectives, financial situation and needs of these investors because it offers an account service for investing through the Platform in medium risk investment opportunities for consumers to earn higher returns than from risk-free investments over the long term, whilst at the same time accepting that the returns are not guaranteed.</p>
Retail clients for whom the eToro Service is unsuitable	<p>The Scheme will generally not be suitable for consumers outside the target market. Potential categories would include:</p> <p>Clients who cannot afford to lose the amount of money deposited without material impact on their standard of living;</p> <p>Clients with a very low risk tolerance;</p> <p>Clients that do not want to accept any losses or to invest in a negative trading scenario;</p>

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	<p>Clients who require that their capital is guaranteed not to decrease (noting that investments in Shares and ETFs may go down as well as up); and</p> <p>Clients who do not understand the risks of investing through the Scheme or the risks of investing in securities generally.</p> <p>Clients that have indicated to GAML or eToro that they may not be of sound mind or judgement or that they are suffering from an addiction or impairment that could prevent their clear comprehension of the risks associated with trading.</p>
<p>Distribution Conditions (s994B(5)(c))</p>	<p>Any distribution of interests in the eToro Service by GAML directly to Clients will be in accordance with procedures GAML determines are reasonably likely to ensure that interests in the Scheme are only issued to Clients who are only reasonably likely to be within the target market.</p> <p>GAML is the product issuer i.e. only it issues interests in the Scheme. Third party distribution of interests in the Scheme will be performed by entities in the eToro group of companies and any distribution channels they elect to use. This will be in accordance with the client suitability and understanding procedures specified by GAML from time to time.</p> <p><u>Distribution Channels:</u></p> <p>eToro uses the following distribution channels for marketing:</p> <p>Intermediaries – including introducing brokers and referrers (regulated and unregulated).</p> <p>Online Sales – Products promoted through websites, online financial channels and appropriate social media;</p> <p>Print Media- Products promoted through print media such as magazines, newspapers, radio, television, cell phones, video games, various kinds of software and the Internet;</p> <p>Public Relations – Products or services promoted via PR channel providing content or running targeted events; and</p> <p>eToro Account Executives and Sales Traders – utilising existing networks and garnering referred business from active clients.</p> <p><u>Distribution Conditions:</u></p> <p>Distribution and promotion of the eToro Service can only take place where the distribution criteria have been overlaid to be reasonably likely to only reach consumers in the target market.</p> <p>This requires that:</p> <p>advertising and promotional material is only published or displayed in financial markets-based content, for example financial magazines or financial sections of newspapers, or as a result of the target user’s behavioural or contextual internet activity. It does, however, exempt anything that is considered purely brand advertising or sponsorship activity that is brand-based, given the wider products and services that eToro offers;</p> <p>the exempted advertising or promotional material (considered brand only) may mention eToro by name or products that eToro offers for recognition</p>

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	<p>purposes only, but must not convey any financial product information or attributes of those products; advertising and promotional material may be published or displayed through mediums which capture a wide audience or the general public with no specific target audience, such as through mass media, social media or public events. In these circumstances, the promotional content may only include information for brand awareness purposes and will not refer to any specific financial product; non-brand advertising and promotional material must contain the necessary qualifications and warnings as required by ASIC Regulatory Guide 234: <i>Advertising financial products and services: Good practice Guidance</i>,</p> <p>any promotional events must be targeted only at distribution networks that are appropriate to the target market, and</p> <p>GAML and eToro must have appropriate arrangements in place for third parties and intermediaries to comply with these distribution conditions. There also should be no incentivisation to distributors that conflicts with this TMD.</p>
<p>Review Triggers (s994B(5)(d))</p>	<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> <p>material changes to the eToro Service as a result of new or amended functionality, whereby the key attributes of the product are no longer consistent with the likely objectives, financial situation and needs of consumers in the target market;</p> <p>material changes to law or regulation affecting managed investment schemes and/or the underlying investments;</p> <p>GAML becomes aware of a significant volume of complaints from consumers who hold interests in the Scheme;</p> <p>a "significant dealing" in the product outside the target market is determined to have occurred;</p> <p>GAML becomes aware of significant losses by Clients investing in the eToro Scheme or Client losses causing financial distress or material impact to their standards of living;</p> <p>a Product Intervention Order is introduced which directly affects the Scheme; or</p> <p>any other event or circumstance that would materially change a factor taken into account in making this TMD.</p>
<p>Review Periods (s994B(5)(e), (f))</p>	<p>This TMD must be reviewed at least every 12 months from the date of this TMD, and more frequently if a review trigger occurs.</p>

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Distributor Reporting Requirements (s994B(5)(g), (h))

The following information must be provided to eToro by distributors who engage in retail product distribution conduct in relation to CFDs:

Type of information	Description	Reporting period
Complaints	Number and substance of complaints including all details about the complaint excluding personally identifiable information.	Quarterly
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 TMD).	As soon as practicable, and in any case within 10 business days after becoming aware

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