1. What is Contracts for Difference (CFD)?

A CFD is an agreement between 2 parties to settle the difference between the opening price and closing price of the contract multiplied by the number of shares specified. It is therefore a unique trading instrument that allows the customers to trade in underlying shares with the key features of leveraging and short-selling.

2. Key Features of Phillip CFD

These are the key features of using Phillip Stocks CFD:

☑ *Portfolio Diversification*

Besides SGX, HKSE and Bursa Malaysia, clients now have the added advantage of diversifying their stocks and CFD portfolio with selected companies listed on the NYSE and NASDAQ.

☑ *Convenience to Short Sell**

A CFD allows clients to take a position on a stock without needing to buy and sell the shares themselves. Therefore, CFD investors can take short position, and not be limited to the T+3 days contra period or the need to conduct SBL trading.

** Share Borrowing and Lending (SBL) facility allows clients to short the market by borrowing shares*

☑ *Leverage*

As CFD is traded on margin, clients need only a small portion (as low as 10%) of the total value of the trade to establish a position.

☑ *30 Calendar Days Contract Period*

Each CFD contract has an expiry date of 30 calendar days. Clients can choose to close out anytime[#] before expiration. If contracts are not closed out within 30 calendar days, they will be automatically renewed at the end of the 30th day.

[#] During the respective exchanges' trading hours

☑ *Sophisticated Trading Strategies*

Clients have the added ability to protect their existing share portfolio against adverse market conditions by utilizing CFD to hedge their exposure, via strategies such as pairs trading and spread trading.

3. Corporate Actions

- ### *[#] Dividends*

A dividend adjustment will apply for Stocks CFD, one market day before the ex-dividend date of its quoted shares*. Dividend adjustments** will be credited or debited based on your outstanding CFD positions (as of market close). For example, for client with long positions in Stocks CFD, the dividend adjustment will be credited to the client's account. For client with short positions in Stocks CFD, the dividend adjustment will be debited from the client's account.

**Shares refers to companies being listed on the respective exchanges*

Dividend adjustments will be made in the declared currency of the underlying shares. Where Phillip CFD does not provide a ledger for the declared currency, the dividend adjustment will be made in SGD.* ***In the event of scrip dividends, client will not receive the entitlement and would have to close off all open positions before the ex-date.

Phillip Securities Pte Ltd

Head Office: 250 North Bridge Road #06-00 Raffles City Tower Singapore 179101

• *Tel: 6531 1555* • *Account Enquiries: 6336 4564* • *Night Dealing: 6538 2023 / 6538 3221 (US CFD)* • *Fax: 6334 2015*

• *Email: cfd@phillip.com.sg* • *Web: www.phillipcfd.com*

*** For Asian markets (SGX, Bursa Malaysia and HKSE), the dividend adjustments will be credited/debited one market day before ex-date after market close. For US markets (NYSE and NASD), the dividend adjustments will be credited/debited on ex-date after market close.*

- ### *# Bonus, Stock Splits, and Reverse Splits*

  Quantity and price adjustment will be made to reflect the market equivalent.

  Note: *Notwithstanding the foregoing, Phillip Securities Pte Ltd reserves the right to close all open positions relating to the underlying security before the ex-date for any corporate action not mentioned above.*

  # In the event there is a combination of Corporate Actions ("CA-Cum All"), where it includes corporate actions other than above mentioned, clients might not be able to enjoy the entitlement and may be required to close off all open positions before the ex-date.

  Eg. ABC stock announces $0.05 dividend per share (which Phillip CFD originally caters for) & 1 for 10 rights issue at $0.60 (which Phillip CFD originally ***does not*** *cater for). Ex-date for both Corporate Actions is on 1st October 09.*

  Clients who are holding the above position would not be entitled to both the rights & dividends and would have to liquidate their positions before ex-date.

4. Settlement Currency

All Phillip CFD contracts would be settled in the respective traded currencies. There will be **NO AUTO CONVERSION from traded currencies to SGD, vice versa. Client's MYR ledger will not be allowed to go into deficit. Should there be a deficit, MYR ledger will be automatically converted into SGD. For all other currencies,** should there be any margin deficit in the respective ledger, clients should submit currency conversion request to Phillip Securities Pte Ltd to avoid margin debit interest.

5. Margin Requirements

Ledger b/f = Cash Deposits – Commission and GST ± Realised Profit or Loss

Ledger c/f = Ledger b/f ± *Adjustments - Commission and GST ± Realised Profit or Loss - Realised Finance Charges

Equity Balance = Ledger c/f ± Unrealised Profit or Loss - Unrealised Finance Charges
**** Note that Mark-to-Market is done daily***

Available Cash or Funds for Withdrawal = Equity Balance – MM ± Unrealised credit or debit interest

Initial Margin (IM): The required margin in client's CFD account prior to buying or selling CFD contract.

Maintenance Margin (MM): The minimum amount of Equity Balance that must be maintained in client's CFD account.
The closing price will be used to calculate the maintenance margin.

Force-selling Margin (FM): Phillip Securities reserves the right to liquidate the CFD contract without prior notice when the Equity Balance falls below force-selling margin of 5%.

Margin Excess (Available Cash) = Equity Balance – IM

Margin Deficit = IM – Equity Balance

Margin Call = Equity Balance < Maintenance Margin of the Portfolio Market Value
*** Note that all Profit or Loss and Portfolio Market Value are mark-to-market using the previous day's closing price**

- A margin call amount equivalent to the difference between the Initial Margin (IM) and the Equity Balance will be made. The client will have **2** business days to meet this margin call if the Equity Balance is less than maintenance margin of the portfolio. However, the client will have only **1** business day to meet this margin call if the Equity Balance is less than 5% of the market value of portfolio.
- Margin call calculations are done at 6 a.m on the same day.

Phillip Securities Pte Ltd
Head Office: 250 North Bridge Road #06-00 Raffles City Tower Singapore 179101
• Tel: 6531 1555 • Account Enquiries: 6336 4564 • Night Dealing: 6538 2023 / 6538 3221 (US CFD) • Fax: 6334 2015
• Email: cfd@phillip.com.sg • Web: www.phillipcfd.com

Market	Initial Margin (IM)	Maintenance Margin (MM)
SGX/Bursa Malaysia/HKSE	^from 10%	^from 10% ^ The mark-to-market closing price, will be used to calculate the MM
NYSE/NASDAQ	^from 20%	^from 20% ^ The mark-to-market closing price, which is the **mid-price**, will be used to calculate the MM

Phillip Securities Pte Ltd reserves the right to amend margin requirements from time to time. Please refer to www.phillipcfd.com for margin requirement of individual CFD counters.

6. Margin Excess / Deficit Interest

Based on clients' funds in excess of those utilized towards the required margin (margin excess), any credit balance will accrue a competitive interest based on the following:

Amount	Credit Interest
> SGD 50,000	0.10% p.a.
> HKD 50,000	0.10% p.a.
> USD 50,000	0.15% p.a.

Margin Deficit will incur a penalty debit interest charge of:

Currency	Interest on Debit Balance
SGD	6.00% p.a.
USD	7.00% p.a.
HKD	9.25% p.a.
JPY	4.20% p.a.

Clients are advised of the rates upon account opening. Be advised though that these rates may change from time to time at the discretion of Phillip Securities Pte Ltd. Refer to www.phillipcfd.com for updates.

7. Lot Size and Minimum Contract Size

SGX/ Bursa Malaysia/ HKSE Stocks CFD:

Please refer to Phillip CFD counter list at www.phillipcfd.com for respective lots sizes and minimum contract sizes.

US Stocks CFD:

All Phillip US Stock CFD are to be traded in the lot size of 1. However, there is a minimum contract size of 50 CFD per trade.

8. Additional Requirement & Restriction for ***Phillip US Stock CFD***

Clients are required to fill up the **W8-BEN Form** before they are allowed to commence trading in US Stock CFD.

Single account (M1) holders are not allowed to trade.

Phillip Securities Pte Ltd

Head Office: 250 North Bridge Road #06-00 Raffles City Tower Singapore 179101

- *Tel: 6531 1555* • *Account Enquiries: 6336 4564* • *Night Dealing: 6538 2023 / 6538 3221 (US CFD)* • *Fax: 6334 2015*
- *Email: cfd@phillip.com.sg* • *Web: www.phillipcfd.com*

9. Counters Available

For the latest list of counters available for trading with Phillip CFD, please visit our CFD website @ www.phillipcfd.com to download the counter list.

10. Trading Hours

Countries	Singapore	Malaysia	Hong Kong
Trading Hours:	0901hrs - 1230hrs 1400hrs - 1659hrs	0901hrs - 1213hrs 1430hrs - 1643hrs	1001hrs - 1230hrs 1430hrs - 1558hrs
Order Submission Hours:	0901hrs - 1230hrs 1400hrs - 1659hrs	0901hrs - 1213hrs 1430hrs - 1643hrs	1001hrs - 1230hrs 1430hrs - 1558hrs
+Partially Done Order:	Yes	Yes	Yes

Countries	US
Trading Hours:	2130hrs - 0400hrs next day (DS*) OR 2230hrs - 0500hrs next day (Non-DS*) *(Singapore Time)*
Order Submission Hours:	0700hrs - 0400hrs next day (DS*) OR 0700hrs - 0500hrs next day (Non-DS*) *(Singapore Time)*
Non-Submission Hours:	0400hrs - 0700hrs (DS*) 0500hrs - 0700hrs(Non-DS*) *(Singapore Time)*
+Partially Done Order:	No

+ Phillip CFD orders submitted can be partially done, fully done or rejected. However, if the order is partially done, the remaining will be routed back to the queue.

** DS = Daylight Savings; Non-DS= Non-Daylight Savings*

11. Placing Orders

Phillip CFD orders can be placed in a similar way as placing an ordinary share order. They can be placed through POEMS online / Phillip CFDTrader or through client's Trading Representative.

12a. Order Fill

All orders are done based on Bid/Ask Price of the underlying counter. Investors who want to Buy (Long) a CFD counter can submit a Buy order based on current **Ask** Price, or queue below the current **Ask** price. The order would be executed once the desired Ask price is triggered.

Conversely, an investor can also submit a Sell (Short) CFD order based on the current **Bid** Price, or queue above the current **Bid** price. The order would be executed once the desired Bid price is triggered.

Last Done price (based on cash market) and orders which are submitted between the current bid/offer spread would also not trigger the execution of the trade.

Phillip Securities Pte Ltd

Head Office: 250 North Bridge Road #06-00 Raffles City Tower Singapore 179101

• Tel: 6531 1555 • Account Enquiries: 6336 4564 • Night Dealing: 6538 2023 / 6538 3221 (US CFD) • Fax: 6334 2015

• Email: cfd@phillip.com.sg • Web: www.phillipcfd.com

Example:

The Current Bid/Ask price of counter ABC is 7.94/7.95. (Illustration A)

A client can either Buy @ the current market price of $7.95. He can also choose to place a queue order to Buy lower than $7.95. In this case, the client submitted a queue order to **buy (Long)** 10,000 ABC shares @ $7.94.

The Buy trade would be executed once the offer price is triggered. (Illustration B) Last Done Price would not trigger the order to get done.

LDP will not trigger the order to be executed

Illustration A

:hart	Contract	R	CFD Bid	CFD Ask		Buy Vol	Sell Vol	Total Vol	Last Done	Change	%Change	Open	High	Low
C	ABC		7.940	7.950		90	133	6,541	7.940	-0.080	-0.998	7.970	8.000	7.910

Order will be done*

Illustration B

:hart	Contract	R	CFD Bid	CFD Ask		Buy Vol	Sell Vol	Total Vol	Last Done	Change	%Change	Open	High	Low
C	ABC		7.93	7.94		90	133	6,541	7.940	-0.080	-0.998	7.970	8.000	7.910

*The above examples are for illustration only. * Please refer below for types of order fill and its conditions*

12b. Types of Order Fill

Phillip CFD orders can be fully done, partial done or fully rejected. For partial done orders, the executed quantity would be less than the submitted quantity by the CFD investor. The partial done quantity would be executed solely at the discretion of Phillip CFD depending on the liquidity of the stock and the underlying market circumstances. When this happens, the remaining unfilled orders would remain working under CFD order status.

In accordance with the changes in market conditions and its risk management policies, Phillip CFD reserves the right to reject all new orders for its underlying counter that Phillip CFD offers, especially for shorting.

13a. Order Types (SGX / Bursa Malaysia / HKSE)

- **Market Order** (Buy CFD at Ask price, and Sell CFD at Bid price).
- **Limit Order**

Market:	Limit order type:
SGX	Queue up to +/-20% from the current Bid/Ask price
HKSE	Queue up to +/-20% from the current Bid/Ask price
Bursa Malaysia	Queue up to +/- 30% from the current Bid/Ask price

Phillip CFD orders submitted can be **partially done, fully done or rejected.**

Phillip CFD limit orders will be done when the buy order price hits the Ask price or sell order price hits the Bid price. Market Last Done Price will not trigger any CFD orders to be done.

Note:

All orders will be closed out on a First-in First-out basis. In the event of a price error arising out of error price feed, PSPL reserves the right to withdraw any orders.

13b. Order Types (NYSE/NASDAQ)

Unlike the other markets (SGX, Bursa Malaysia & HKSE), the orders for NYSE and NASDAQ markets are made up of three order types, namely MARKET, LIMIT and STOP. The order types will affect how the orders are being

Phillip Securities Pte Ltd

Head Office: 250 North Bridge Road #06-00 Raffles City Tower Singapore 179101

• Tel: 6531 1555 • Account Enquiries: 6336 4564 • Night Dealing: 6538 2023 / 6538 3221 (US CFD) • Fax: 6334 2015

• Email: cfd@phillip.com.sg • Web: www.phillipcfd.com

executed and as a result it will affect how the orders are being filled. There are no queue restrictions on NYSE or NASDAQ orders.

- **Market Order**

  A market order is an order to buy or sell a stock CFD at the current market price. Client only indicates the quantity to be executed and the system will generate a fill. The disadvantage is the price client pays when client's order is executed may not always be the price he obtained from the price quotes. This may be especially true in fast-moving markets where CFD prices are more volatile.

  Note: There is a limit to the quantity allowed to be executed per market order. Clients who wish to execute quantities larger than the allowed limit must split the order. As this is a dynamic value, please refer to the rejection message for the maximum quantity allowed for the counter.

- **Limit Order**

  A limit order is an order to buy or sell a stock CFD at a specific price. A buy limit order can only be executed at the limit price or lower, and a sell limit order can only be executed at the limit price or higher.

  Note: The limit price entered must be a better price as compared to the current market's quotes, otherwise the order will be rejected.

- **Stop Order**

  A stop order is an order to buy or sell a stock CFD once the price of the stock reaches a specified price, known as the stop price. When the specified price is reached, client's stop order becomes a market order.

  Clients are advised to execute caution when placing stop orders before the US market opens for trading. This is mainly due to possible large price gaps. The stop price entered must be a worse-off price as compared to the current market's quotes, otherwise the order will be rejected.

Note:

All orders will be closed out on a First-in First-out basis. In the event of a price error arising out of error price feed, PSPL reserves the right to withdraw any orders.

	CFD				***CFD (DMA)***
Order Types	*SGX*	*Bursa Malaysia*	*HKSE*	*NYSE/ NASDAQ*	*SGX*
Limit Order	✓	✓	✓	✓	✓
Stop Limit Order	✓	✓	✓		
Trailing Stop Order	✓	✓	✓		
OCO Order	✓	✓	✓		
Contingent Order	✓	✓	✓		
Market Order				✓	
Stop Order				✓	

Phillip Securities Pte Ltd

Head Office: 250 North Bridge Road #06-00 Raffles City Tower Singapore 179101

• Tel: 6531 1555 • Account Enquiries: 6336 4564 • Night Dealing: 6538 2023 / 6538 3221 (US CFD) • Fax: 6334 2015

• Email: cfd@phillip.com.sg • Web: www.phillipcfd.com

14. Minimum Deposit

Clients are required to put up in an initial amount of S$3,000 into the CFD account before any trades can be initiated.

15. Funds Withdrawal

For withdrawals, the lower amount of the previous day's day-end margin excess and the margin excess at the time of processing will be used. If the submitted withdrawal amount is greater than the afore-mentioned, the withdrawal request will be rejected.

Clients are reminded to exercise due caution that withdrawal of funds might result in a margin call. Withdrawals, whether by way of electronic transfer or cheque, will only be made out in the name of the account held with Phillip Securities Pte Ltd. Clients should refer to the terms and conditions governing CFD funds withdrawal.

16. Mode of Payment

- **Cash** payment for CFD trading account can be made at the Head Office's cashier counter.
- **EPS** (Electronic Payment for Shares): Please choose "Lump Sum" payment and initiate payments before 9 pm to ensure that the CFD ledger is credited by the next market day.
  - For Cash Management (KC), Margin (M), Custodian (C) and SBL (B) accounts: Please submit a funds transfer form online to transfer funds from stocks trading ledger to CFD ledger.
  - For Cash Trading (T) and Phillip Financing (V) accounts: Kindly inform trading representative that the EPS is meant for your CFD trading account before 10am the next market day.
- **Cheque** should be crossed and made payable to "Phillip Securities Pte Ltd". Please state CFD trading account number, name and contact number on the back of the cheque, and stating clearly that this payment is meant for your CFD trading account. With effect from January 2010, all HKD cheque payment (Phillip Securities only accepts HKD cheque drawn on a bank in Hong Kong), client will have to bear the courier charges of S$21.40.
- **Existing Phillip clients** can initiate funds transfer from share trading account to CFD trading account via online or through trading representative.
- **Telegraphic Transfer (TT):** Please state CFD trading account number and name along with the telegraphic transfer. Kindly inform trading representative right after transfer is done that the telegraphic tranfer amount is meant for CFD trading account. Clients are liable to pay for all telegraphic transfer charges. Please refer below for Phillip Securities Pte Ltd telegraphic transfer details for the respective currencies.

Currency	**Singapore Dollars**
Bank name	Citibank N.A. Singapore
Address	3 Temasek Avenue #14-00, Centennial Tower, Singapore 039190
Beneficiary	Phillip Securities Pte Ltd - Trust Account
Account Number	0-700104-109
Swift Code	CITISGSG

Currency	**US Dollars**
Bank name	Standard Chartered Bank Singapore
Address	6 Battery Road #10-05 Singapore 049909
Beneficiary	Phillip Securities Pte Ltd - Trust Account
Account Number	017-402-5599
Swift Code	SCBLSGSG

Phillip Securities Pte Ltd

Head Office: 250 North Bridge Road #06-00 Raffles City Tower Singapore 179101

• Tel: 6531 1555 • Account Enquiries: 6336 4564 • Night Dealing: 6538 2023 / 6538 3221 (US CFD) • Fax: 6334 2015

• Email: cfd@phillip.com.sg • Web: www.phillipcfd.com

Currency	**Hong Kong Dollars**
Bank name	Standard Chartered Bank Singapore
Address	6 Battery Road #10-05 Singapore 049909
Beneficiary	Phillip Securities Pte Ltd - Trust Account
Account Number	017-404-0431
Swift Code	SCBLSGSG

Currency	**Malaysia Ringgit**
Bank name	Malayan Banking Berhad
Address	Menara Maybank 100 Jalan Tun Perak 50050 Kuala Lumpur
Receiver	Phillip Securities Pte Ltd - Trust Account
Account Number	5-14011-3-9295-1
Swift Code	MBBEMYKLCUS

Currency	**Japanese Yen**
Bank name	HSBC
Address	21 Collyer Quay HSBC Building Singapore 049320
Receiver	Phillip Securities Pte Ltd - Trust Account
Account Number	260-283775-178
Swift Code	HSBCSGSG

17. Closure of Account

An administrative fee of up to S$1.07 (inclusive of GST) would be levied for account closure with credit balance of S$1.00 or below.

18. Retrieval of Statement

An administrative fee would be levied to retrieve CFD monthly statement as follow:

Period	Administrative fee*
Up to 1 year	S$21.40 per statement
More than 1 year	S$32.10 per statement

- Note: Fee stated above is inclusive of GST.

Phillip Securities Pte Ltd

Head Office: 250 North Bridge Road #06-00 Raffles City Tower Singapore 179101

• Tel: 6531 1555 • Account Enquiries: 6336 4564 • Night Dealing: 6538 2023 / 6538 3221 (US CFD) • Fax: 6334 2015

• Email: cfd@phillip.com.sg • Web: www.phillipcfd.com

19. Comparison Tables:

Key Differences Between different Stocks CFD listed in different countries

Countries	Singapore	Malaysia	Hong Kong	US
Order Type(s)	Limit, Stop Limit, Trailing Stop, OCO, Contingent Orders	Limit, Stop Limit, Trailing Stop, OCO, Contingent Orders	Limit, Stop Limit, Trailing Stop, OCO, Contingent Orders	Limit, Stop and Market Orders
Queue Restrictions	+/- 20%	+/- 30%	+/- 20%	No Restrictions
Trading Hours: (Normal CFD)	0901hrs - 1230hrs 1400hrs - 1659hrs	0901hrs - 1213hrs 1430hrs - 1643hrs	1001hrs - 1230hrs 1430hrs - 1558hrs	2130hrs - 0400hrs next day (DS*) OR 2230hrs - 0500hrs next day (Non-DS*)
Order Submission Hours: (Normal CFD)	0901hrs - 1230hrs 1400hrs - 1659hrs	0901hrs - 1213hrs 1430hrs - 1643hrs	1001hrs - 1230hrs 1430hrs - 1558hrs	0700hrs - 0400hrs next day (DS*) OR 0700hrs - 0500hrs next day (Non-DS*)
Partially Done Order	Yes	Yes	Yes	No

* DS = Daylight Saving; Non-DS= Non-Daylight Saving

20. Fees & Charges

- ***Commission***†

Market	Commission	Minimum Commission
SGX	Index Component Stocks 0.2% Non-Index Component Stocks 0.3%	S$25 / US$18 / HK$150
Bursa Malaysia∇	0.6%	RM60
HKSE∇	0.4%	HK$150
NYSE / NASDAQ∇	0.25%*	US$25*

An additional ***renewal commission*** will be applied on the 30th day closing price. GST on commission.

Upon renewal, the new contract value will be the last done price (on T+30) multiplied by the contract quantity.

†Rates are subjected to changes. Please refer to www.phillipcfd.com for the latest promotions.

* Commission will be calculated on per trade basis, no amalgamation will be allowed.

∇ Settlement in the respective traded currencies.

- ***Finance Charges (SGX, HKSE & Bursa Malaysia)*** †

Exchanges	Long Finance Charges (DR)	Short Finance Charges (DR)	Remarks
SGX	5.5% p.a.	♣4.0% p.a., ‡6.0% p.a. or 8.0% p.a.	Based on 100% mark-to-market contract value
Bursa Malaysia	5.5% p.a.	4.0% p.a.	Based on 100% opening contract value
HKSE	5.5% p.a.	8.0% p.a.	Based on 100% opening contract value

Phillip Securities Pte Ltd

Head Office: 250 North Bridge Road #06-00 Raffles City Tower Singapore 179101

• *Tel: 6531 1555* • *Account Enquiries: 6336 4564* • *Night Dealing: 6538 2023 / 6538 3221 (US CFD)* • *Fax: 6334 2015*

• *Email: cfd@phillip.com.sg* • *Web: www.phillipcfd.com*

♣ Counters with 4.0% p.a. Short Finance Charges		
A-REITS*	Kep Corp	Singtel
Capitaland	Kim Eng	SPH
City Development	Metro	UIC
Ezra*	OCBC	UOB Kay-Hian
Haw Par Corp	Semb Corp*	UOL
HL Finance	ST Engineering	Wing Tai*

‡ Counters with 6.0% p.a. Short Finance Charges		
Allgreen	HK Land US$	SIA
Ausgroup*	Indo Agri*	SIA Engineering*
Biosensors*	Lian Beng*	SMRT
Comfort Delgro	Midas*	Straits Asia
Cosco	Noble Group	Venture
F&N	NOL*	Wheelock
Genting*	Olam*	Wilmar*
Golden Agri	Parkway	

*New counters with effect from January 2010

- ***Finance Charges (NYSE & NASDAQ)*** †

Exchanges	Long Finance Charges (DR)	Short Finance Charges (DR)	Remarks
NYSE	5.0% p.a.	4.0% p.a.	Based on 100% mark-to-market contract value
NASDAQ	5.0% p.a.	4.0% p.a.	Based on 100% mark-to-market contract value

† Charges are subjected to changes. Please refer to www.phillipcfd.com for the latest promotions.

21. Differences between CFD & Shares (Singapore Market)

	CFD	Shares
Settlement period	▪ T+30 calendar days	▪ T+3 market days
Capital Outlay	▪ As low as 10%	▪ 100% on T+3
"Short-sell" function	▪ Just a mouse click away	▪ Subjected to T+3 'buy-in' if client 'short-sell' without buying back on that day itself
Financing charges	▪ 5.5% p.a. (Long) ▪ *4.0% p.a., 6.0%p.a.or 8.0% p.a. (Short)	▪ N.A

Phillip Securities Pte Ltd

Head Office: 250 North Bridge Road #06-00 Raffles City Tower Singapore 179101

• *Tel: 6531 1555* • *Account Enquiries: 6336 4564* • *Night Dealing: 6538 2023 / 6538 3221 (US CFD)* • *Fax: 6334 2015*

• *Email: cfd@phillip.com.sg* • *Web: www.phillipcfd.com*

	(based on daily 100% mark-to market price) *please refer to Point 20 for list of counters which qualify	
Trading platform	▪ POEMS Online, Trading Representative or Phillip CFDTrader	▪ POEMS Online, Telebroker, Mobile Trading, Trading Representative or ProTrader
Share ownership	▪ No	▪ Yes
Commission	▪ 0.2% or 0.3% *Rates are subjected to change*	▪ 0.28% - 0.5%
SGX clearing & access fee	▪ N.A	▪ 0.0475%

22. Differences between CFD & Share Margin (Singapore Market)

	CFD	Share Margin
Leverage ratio	▪ Up to 6.67 times	▪ 1.875 to 3 times
"Short-sell" function	▪ Yes	▪ No
Commission	▪ 0.2% or 0.3% *Rates are subjected to change*	▪ 0.28% - 0.5%
Financing interest	▪ 5.5% p.a. (Long) ▪ *4.0% p.a., 6.0%p.a.or 8.0% p.a. (Short) (based on daily 100% mark-to market price) *please refer to Point 20 for list of counters which qualify	▪ Refer to 'Debit Interest'
Credit interest	▪ On Margin Excess ▪ 0.10% p.a. for min margin excess SGD 50,000 ▪ 0.10% p.a. for min margin excess HKD 50,000 ▪ 0.15% p.a. for min margin excess USD 50,000	▪ On Ledger Credit ▪ SGD excess funds can be placed either into Phillip Money Market Funds (MMF) or a normal interest bearing account. ▪ 0.10% p.a. payable for credit balance > SGD 50,000 ▪ 0.10% p.a. payable for credit balance > HKD 50,000 ▪ 0.15% p.a. payable for credit balance > USD 50,000
Debit interest	▪ On Margin Deficit ▪ SGD: 6.00% p.a. ▪ USD: 7.00% p.a. ▪ HKD: 9.25% p.a.	▪ On Ledger Debit ▪ SGD: 6.00% p.a. ▪ USD: 7.00% p.a. ▪ HKD: 9.25% p.a.
Dividend charge	▪ N.A	▪ ≤ $100, $1.07 (incl GST) ▪ > $100, 1% of Net Dividend (max S$53.50, incl GST)

Phillip Securities Pte Ltd

Head Office: 250 North Bridge Road #06-00 Raffles City Tower Singapore 179101

• Tel: 6531 1555 • Account Enquiries: 6336 4564 • Night Dealing: 6538 2023 / 6538 3221 (US CFD) • Fax: 6334 2015

• Email: cfd@phillip.com.sg • Web: www.phillipcfd.com

Maintenance charges	▪ N.A	▪ $16.05 (incl GST) quarterly charges (waived off with at least 1 trade)

23. Differences between CFD & Share Borrowing Lending (Singapore Market)

Charges Involved	CFD	SBL
Procedure	▪ Simplified short-selling process ▪ 'Short-sell' a counter allowed under CFD at 'live' prices via POEMS/TR/PhillipCFDTrader	▪ Inconvenient administrative process
Commission	▪ 0.2% or 0.3% **Rates are subjected to change**	▪ Internet: 0.28% – 0.33%* ▪ Remisier: 0.5%* **Rates are subjected to change**
Financing interest /Borrowing interest	▪ *4.0% p.a. or 8.0% p.a. (based on daily 100% mark-to market price) *please refer to Point 20 for list of counters which qualify	▪ 7% p.a. to 10% p.a. (Subject to availability of shares)
CDP Contract Settlement Fee	▪ N.A	▪ $0.535 (incl GST) per contract
Admin. charges	▪ N.A	▪ $21.40 (incl GST) per borrowing transaction
Dividend charges	▪ N.A	▪ ≤ $100, $1.07 (incl GST) ▪ > $100, 1% of Net Dividend (max S$53.50, incl GST)
Credit interest	▪ On Margin Excess ▪ 0.10% p.a. for min margin excess SGD 50,000 ▪ 0.10% p.a. for min margin excess HKD 50,000 0.15% p.a. for min margin excess USD 50,000	▪ On Ledger Credit ▪ 0.10% p.a. payable for credit balance > SGD 50,000 ▪ 0.10% p.a. payable for credit balance > HKD 50,000 ▪ 0.15% p.a. payable for credit balance > USD 50,000
Debit interest	▪ On Margin Deficit ▪ 6.00% p.a. for SGD ▪ 7.00% p.a. for USD ▪ 9.25% p.a. for HKD	▪ On Margin Deficit ▪ 6.00% p.a. for SGD

Phillip Securities Pte Ltd
Head Office: 250 North Bridge Road #06-00 Raffles City Tower Singapore 179101
• Tel: 6531 1555 • Account Enquiries: 6336 4564 • Night Dealing: 6538 2023 / 6538 3221 (US CFD) • Fax: 6334 2015
• Email: cfd@phillip.com.sg • Web: www.phillipcfd.com

Phillip CFD Working Examples

Long Example

A client has S$2,800 and is bullish on YY (listed on SGX and is a non-STI component stock). He can purchase this counter using stocks at S$1.40 or using CFD for 1 calendar day at S$1.40. YY closes at S$1.42 on Day 1. Assume margin requirement for YY is 20% with leverage of 5 times. (Minimum commission of S$25 charges for CFD or shares)

	Scenario 1: Positions are closed 1 day later @ $1.45		Scenario 2: Positions are closed 1 day later @ $1.35	
Original Investment	**Long CFD S$2,800**	**Long Shares S$2,800**	**Long CFD S$2,800**	**Long Shares S$2,800**
Quantity	**10,000**	**2,000**	**10,000**	**2,000**
Opening contract value (Day 1)	**(S$14,000)**	**(S$2,800)**	**(S$14,000)**	**(S$2,800)**
Opening commission (incl GST)	S$14,000 * 0.3% * 1.07 = **(S$44.94)**	S$2,800 * 0.28% * 1.07 = **(S$26.75)**	S$14,000 * 0.3% * 1.07 = **(S$44.94)**	S$2,800 * 0.28% * 1.07 = **(S$26.75)**
Clearing & Access fees (incl GST)	**S$0**	S$2,800 * 0.0475% * 1.07 = **(S$1.42)**	**S$0**	S$2,800 * 0.0475% * 1.07 = **(S$1.42)**
Finance Charge (based on daily mark-to-market prices)	S$14,200 * 5.5% * 1/365 = **(S$2.14)**	**S$0**	S$14,200 * 5.5% * 1/365 = **(S$2.14)**	**S$0**
Closing contract value (Day 2)	**S$14,500**	**S$2,900**	**S$13,500**	**S$2,700**
Closing Commission (incl GST)	S$14,500 * 0.3% * 1.07 = **(S$46.55)**	S$2,900 * 0.28% * 1.07 = **(S$26.75)**	S$13,500 * 0.3% * 1.07 = **(S$43.34)**	S$2,700 * 0.28% * 1.07 = **(S$26.75)**
Clearing & Access fee (incl GST)	**S$0**	S$2,900 * 0.0475% * 1.07 = **(S$1.47)**	**S$0**	S$2,700 * 0.0475% * 1.07 = **(S$1.37)**
Net Gain / Loss	**S$406.37**	**S$43.61**	**(S$590.42)**	**(S$156.29)**
Return on Equity (Net Gain/Original Investment)	**14.51%**	**1.56%**	**(21.09%)**	**(5.58%)**

Phillip Securities Pte Ltd

Head Office: 250 North Bridge Road #06-00 Raffles City Tower Singapore 179101

- *Tel: 6531 1555* • *Account Enquiries: 6336 4564* • *Night Dealing: 6538 2023 / 6538 3221 (US CFD)* • *Fax: 6334 2015*
- *Email: cfd@phillip.com.sg* • *Web: www.phillipcfd.com*

Short Example

A client has S$2,800 and is bearish on ZZ (listed on SGX and is a non-component stock). He can short sell 6,000 shares (3 times leverage) at S$1.40 after borrowing shares using SBL facility, or short sell 10,000 shares of ZZ CFD at S$1.40 for 1 calendar day. ZZ closes at S$1.42 on Day 1. Assume margin requirement for ZZ is 20% with leverage of 5 times. (Minimum commission of S$25 charges for CFD or shares)

	Scenario 1: Positions are closed 1 day later @ $1.35		**Scenario 2: Positions are closed 1 day later @ $1.45**	
Original Investment	**Short CFD S$2,800**	**Short Shares (SBL) S$2,800**	**Short CFD S$2,800**	**Short Shares (SBL) S$2,800**
Opening contract value (Day 1)	**S$14,000**	**S$8,400**	**(S$14,000)**	**(S$8,400)**
Opening commission (incl GST)	S$14,000 * 0.3% * 1.07 = **(S$44.94)**	S$8,400 * 0.28% * 1.07 = **(S$26.75)**	S$14,000 * 0.3% * 1.07 = **(S$44.94)**	S$8,400 * 0.28% * 1.07 = **(S$26.75)**
Clearing & Access fees (incl GST)	**S$0**	S$8,400 * 0.0475% * 1.07 = **(S$4.27)**	**S$0**	S$8,400 * 0.0475% * 1.07 = **(S$4.27)**
Finance Charge (based on daily mark-to-market prices)	S$14,200 * 8.0% * 1/365 = **(S$3.11)**	S$8,520 * 10.0% * 1/365 = **(S$2.33)**	S$14,200 * 8.0% * 1/365 = **(S$3.11)**	S$8,520 * 10.0% * 1/365 = **(S$2.33)**
Closing contract value (Day 2)	**(S$13,500)**	**(S$8,100)**	**S$14,500**	**S$8,700**
Closing Commission (incl GST)	S$13,500 * 0.3% * 1.07 = **(S$43.34)**	S$8,100 * 0.28% * 1.07 = **(S$26.75)**	S$14,500 * 0.3% * 1.07 = **(S$46.55)**	S$8,700 * 0.28% * 1.07 = **(S$26.75)**
Clearing & Access fee (incl GST)	**S$0**	S$8,100 * 0.0475% * 1.07 = **(S$4.12)**	**S$0**	S$8,400 * 0.0475% * 1.07 = **(S$4.27)**
Net Gain / Loss	**S$408.61**	**S$235.78**	**(S$594.60)**	**(S$364.52**
Return on Equity (Net Gain/Original Investment)	**14.59%**	**8.42%**	**(21.24%)**	**(13.02%)**

Phillip Securities Pte Ltd

Head Office: 250 North Bridge Road #06-00 Raffles City Tower Singapore 179101

- *Tel: 6531 1555* • *Account Enquiries: 6336 4564* • *Night Dealing: 6538 2023 / 6538 3221 (US CFD)* • *Fax: 6334 2015*
- *Email: cfd@phillip.com.sg* • *Web: www.phillipcfd.com*

Margin Call Example on Singapore Stocks CFD

Initial Deposit = S$5,000 cash
(Please refer to Section 5 for definitions and formulas margin requirements)

[First Day]

- ***BUY 2 lots of Share A @ $7.00, and Share A closed @ $7.05***
- Opening commission = Comm. x Qty_A x Opening $Price_A$ x GST = 0.3% × 2,000 × $7.00 × 1.07 (incl GST) = $44.94
- Finance Charge = Qty_A x Closing $price_A$ x FC p.a./ 365 days x 1 day = 2,000 × $7.00 x 5 5.5% ÷ 365 × 1 = $2.12
- Unrealized Profit/Loss (mark-to-market at day end) = (Closing $Price_A$ - Opening $Price_A$) x Qty_A = ($7.05 - $7.00) × 2,000 = $100
- Maintenance Margin = Qty_A x Closing $Price_A$ x 20% = 2,000 x$ 7.05 × 20% = $2,820
- Equity Balance = Cash deposits - Opening $commission_A$ - FC_A + Unrealized $Profit/Loss_A$ = $5,000 - $44.94 - $2.12 + $100 = $5,052.94
- **Available Balance = Equity Balance - Maintenance $Margin_A$ = $5,052.94 - $2,820 = $2,232.94**

[Second Day]

- ***SELL 3 lots of Share B @ $3.30, and Share B closed @ $3.30***
- Opening commission = Comm. x Qty_B x Opening $Price_B$ x GST = 0.3% × 3,000 × $3.30 × 1.07 (incl GST) = $31.78
- Finance Charge for Share B = Qty_B x Closing $price_B$ x FC p.a./ 365 days x 1 day = 3,000 × $3.30 x 8% ÷ 365 × 1 = $2.17
- Unrealized Profit/Loss (mark-to-market at day end) = (Closing $Price_B$ - Opening $Price_B$) x Qty_B = ($3.30 - $3.30) × 3,000 = $0
- ***Share A closed @ $6.50***
- Finance Charge for Share A = FC_A for Day 1 + FC_A for Day 2 = $2.12 + [$Qty_A$ x Closing $price_A$ x FC p.a./ 365 days x 1 day] = $2.12 + [2,000 × $6.50 x 5.5% ÷ 365 × 1] = $2.12 + $1.96 = $4.08
- Unrealized Profit/Loss (mark-to-market at day end) = (Closing $Price_A$ - Opening $Price_A$) x Qty_A = ($6.50 - $7.00) × 2,000 = ($1,000)
- Maintenance Margin = (Qty_A x Closing $Price_A$ x 20%) + (Qty_B x Closing $Price_B$ x 20%) = **(2,000 x $6.50 × 20%) + (3,000 x $3.30 × 20%)**

  = $4,580
- **Equity Balance = Cash deposits - Opening commission $_A$ - FC $_A$ - Opening commission $_B$ - FC $_B$ - Unrealized Profit/Loss = $5,000 - $44.94 - $4.08 - $31.78 - $2.17 - $1,000 = 3,917.03**
- Available Balance = $0 (Maintenance Margin > Equity Balance)

  Margin Deficit (Amount to top up for Margin Call) **= Maintenance Margin - Equity Balance = $4,580 - $3,917.03 = $662.97**

EQUITY BALANCE < 20% MARKET VALUE
This is a margin call situation. Including the call day, client has 2 business days to top up the Margin Deficit.

[Third Day]

When prices change drastically, client may face a Force-selling Call.

- ***Share A closed @ $5.85***
- Finance Charge for Share A = FC_A for Day 1 + FC_A for Day 2 + FC_A for Day 3 = $2.12 + $1.96 + [$Qty_A$ x Closing $price_A$ x FC p.a./ 365 days x 1 day] = 2,000 x $5.85 x 5.5% ÷ 365 × 1 = $2.12 + $1.96 + $1.76 = $5.84
- ***Share B closed @ $4.12***

Phillip Securities Pte Ltd
Head Office: 250 North Bridge Road #06-00 Raffles City Tower Singapore 179101
• Tel: 6531 1555 • Account Enquiries: 6336 4564 • Night Dealing: 6538 2023 / 6538 3221 (US CFD) • Fax: 6334 2015
• Email: cfd@phillip.com.sg • Web: www.phillipcfd.com

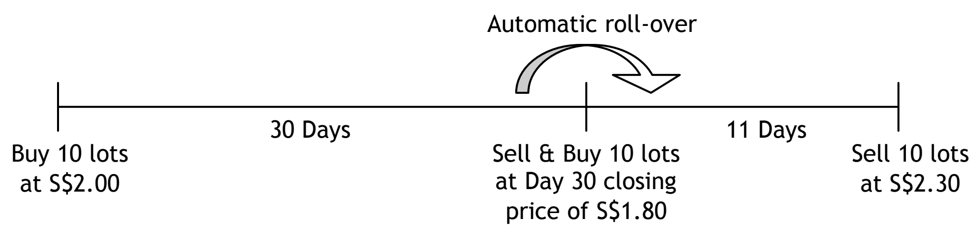
- Finance Charge for Share B = FC_B for Day 2 + FC_B for Day 3 = $2.17 + [$Qty_B$ x Closing $price_B$ x FC p.a./ 365 days x 1 day] = $2.17 + [3,000 × $4.12 x 8% ÷ 365 x 1] = $2.17 + $2.71 = $4.88
- Unrealized Profit/Loss (mark-to-market at day end) = [(Closing $Price_A$ – Opening $Price_A$) x Qty_A]+ [(Closing $Price_B$ – Opening $Price_B$) x Qty_B]= [($5.85 – $7.00) × 2,000] + [($4.12 – $3.30)] × 3,000] = ($2,300) + ($2,460) = ($4,760)
- Maintenance Margin = **(**Qty_A x Closing $Price_A$ x 20%) + (Qty_B x Closing $Price_B$ x 20%) = **(2,000 x $5.85 × 20%) + (3,000 x $4.12 x 20%) = $4,812**
- **Equity Balance = Cash Deposits – Opening $Commission_A$ - FC_A - Opening $Commission_B$ - FC_B - Unrealized Profit/Loss = $5,000 - $44.94 - $5.84 - $31.78 - $4.88 - $4,760 = $152.56**
- Available Balance = $0 (Maintenance Margin > Equity Balance)
- **Margin Deficit** (Amount to top up for Margin Call) **= Maintenance Margin – Equity Balance = $4,812 - $152.56 = $4,659.44**

EQUITY BALANCE < 5% MARKET VALUE

This is a Force-selling Call, and client has 1 business day, which is the call day itself to top up the Margin Deficit.

Renewal Example

A client bought Share CC (listed on SGX and non-STI component stock) and purchases 10,000 shares at S$2.00. Client decides to continue holding the position beyond 30 days, such that an automatic roll-over takes place on Day 30, at the closing price of S$1.80. The position is closed off 11 days following the roll-over, at price of S$2.30. (Assume daily mark-to-market prices remain constant for 1^{st} 30 calendar days at S$2.00 and prices remain constant for the next 11 days at the rollover price of S$1.80)



On 30^{th} Calendar Day (Contract Expiry Date)

- Old contract closed: Realised losses (S$2.00-S$1.80) * 10,000 shares = (S$2,000) will be debited from CFD account
- A new BUY CFD contract based on S$1.80 would be initiated
- A one-time CFD commission would be levied : S$1.80 * 10,000 shares = (S$57.78) (incl GST)
- Finance charges for the past 30 days will be realised based on daily mark-to-market prices

Opening contract value (Day 1)	S$20,000
Opening commission (Day 1, incl GST)	(S$64.20)
Realised Profit / Loss (Day 30)	(S$2,000)
Realised finance charge (Day 30)	(S$90.41)
Renewal commission (Day 30, incl GST)	(S$57.78)
New opening contract value (Day 30)	S$18,000
Closing commission (Day 41, incl GST)	(S$73.83)
Realised finance charge (Day 31-41)	(S$29.84)
Realised Profit / Loss (Day 31-41)	S$5,000

Phillip Securities Pte Ltd

Head Office: 250 North Bridge Road #06-00 Raffles City Tower Singapore 179101

• Tel: 6531 1555 • Account Enquiries: 6336 4564 • Night Dealing: 6538 2023 / 6538 3221 (US CFD) • Fax: 6334 2015

• Email: cfd@phillip.com.sg • Web: www.phillipcfd.com

Disclaimers:
This material is provided to you for general information only and does not constitute a recommendation, an offer or solicitation to purchase or sell the product mentioned. It does not have any regard to your specific investment objectives, financial situation and any of your particular needs. Accordingly, no warranty whatsoever is given and no liability whatsoever is accepted for any loss arising whether directly or indirectly as a result of you acting based on this information. Investments are subject to investment risks. The risk of loss in leveraged CFD trading can be substantial. You may sustain losses in excess of your initial funds and may be called upon to deposit additional margin funds at short notice. If the required funds are not provided within the prescribed time, your positions may be liquidated. You may also want to consider the commission and finance costs involved for trading CFDs. The resulting deficits in your account are subject to penalty charges. The value of investments denominated in foreign currencies may diminish or increase due to changes in the rates of exchange. You are advised to read the CFD Terms and Conditions before undertaking transactions in CFDs. The Terms & Conditions can be obtained online at www.poems.com.sg or from Phillip Securities Pte Ltd.

You may wish to seek advice from a financial adviser before undertaking transactions in CFDs. In the event that you choose not to seek advice from a financial adviser, you should consider whether the investment product is suitable for you in light of your experience, objectives, financial resources and other relevant circumstances.

CFDs may not be suitable for clients whose investment objective is preservation of capital and/or whose risk tolerance is low. Clients are advised to understand the nature and risks involved in margin trading. Any CFD offered is not approved or endorsed by the issuer or originator of the underlying security and that the issuer or originator is not privy to the CFD contract. Phillip Securities Pte Ltd reserves the right to amend the published information without prior notice. You are advised to read carefully and understand the Risk Disclosure Statement from www.phillipcfd.com/download/phillipCFDRiskDisclosureStatement.pdf before undertaking transactions in CFDs.

Phillip Securities Pte Ltd

Head Office: 250 North Bridge Road #06-00 Raffles City Tower Singapore 179101

• Tel: 6531 1555 • Account Enquiries: 6336 4564 • Night Dealing: 6538 2023 / 6538 3221 (US CFD) • Fax: 6334 2015

• Email: cfd@phillip.com.sg • Web: www.phillipcfd.com