



Contract Details for Straits Times Index CFD

Product	Value of 1 Index Point	Contract Size	Target Spreads	Initial Margin (IM)	Maintenance Margin (MM)	Trading Hours (Singapore time)
Straits Times Index CFD	S\$5	S\$5 x Straits Times Index CFD Price	6 pts	5%	5%	Monday to Friday 9:01 am - 12:30 pm & 2:00 pm - 4:59 pm

Fees & Charges[†]

▪ *Commission*

Product	Commission (GST applicable - rates indicated are before GST)
Straits Times Index CFD	S\$10 (per side/lot basis)

1) An additional **renewal commission** will be applied on the 30th calendar day closing price. Upon renewal, the new contract value will be the closing price (on T+30) multiplied by the contract quantity.

2) Please refer to www.phillipcfid.com for any promotions.

▪ *Finance Charges*

Whilst holding onto Straits Times Index CFD overnight position, your account will incur finance charges that are computed based on a daily marked-to-market price (based on 100% of the contract value).

Product	Long Finance Charge (DR)	Short Finance Charge (DR)
Straits Times Index CFD	5.5 % p.a.	2.0 % p.a.

[†] Rates may change from time to time at the discretion of Phillip Securities. Refer to www.phillipcfid.com for updates.

Q1. What is Straits Times Index CFD?

A. Straits Times Index CFD is a special form of Contracts for Difference (CFD) that allows clients to trade the underlying stock index. It tracks the level of the index and, thus, provides clients a cost-effective way to diversify their portfolio.

Example:

If you are bullish about the Singapore market, you can long a Straits Times Index CFD.

Q2. How does Straits Times Index CFD work?

A. Straits Times Index CFD is an agreement between two parties to settle the difference between the opening and closing price of the contract multiplied by the value of Straits Times Index CFD.

$\text{Profit or Loss} = \{[\text{Opening Price} - \text{Closing Price}] \times \text{Value of Straits Times Index CFD Point}\} - \text{Charges}$

CFD Working Examples

Long Example

A client is bullish on Straits Times Index and purchases 1 lot of Straits Times Index CFD worth S\$12,000 at a price of 2,400 points. The value of 1 index point is S\$5.

Scenario 1: Positions are closed 3 days later at a higher value

	CFD Bid	CFD Ask	Closing Price
DAY 1	2,394	2,400	2,390
Day 2			2,430
DAY 3	2,440	2,446	

Opening Contract of 1 Lot (Day 1)	(S\$12,000.00)
Opening Commission (incl GST)	(S\$10.70)
Financing Charges	(S\$3.63)
Closing Contract Value (Day 10)	S\$12,200.00
Closing Commission (incl GST)	(S\$10.70)
Net Gain	S\$174.97
Margin	S\$600.00
Return on Equity=(Net Gain/Original Investment)	29.2%

Scenario 2: Positions are closed 3 days later at a lower value

	CFD Bid	CFD Ask	Closing Price
DAY 1	2,394	2,400	2,390
Day 2			2,430
DAY 3	2,360	2,366	

Opening Contract of 1 Lot (<i>Day 1</i>)	(S\$12,000.00)
Opening Commission (incl GST)	(S\$10.70)
Financing Charges	(S\$3.63)
Closing Contract Value (<i>Day 10</i>)	S\$11,800.00
Closing Commission (incl GST)	(S\$10.70)
Net Loss	(S\$225.03)
Margin	S\$600.00
Return on Equity=(Net Gain/Original Investment)	(37.5%)

Short Example

A client is bearish on Straits Times Index and shorts 1 lot of Straits Times Index CFD worth S\$12,450 at a price of 2,490 points. The value of 1 index point is S\$5.

Scenario 1: Positions are closed 3 days later at a lower value

	CFD Bid	CFD Ask	Closing Price
DAY 1	2,490	2,496	2,500
Day 2			2,460
DAY 3	2,444	2,450	

Opening Contract of 1 Lot (<i>Day 1</i>)	S\$12,450.00
Opening Commission (incl GST)	(S\$10.70)
Financing Charges	(S\$1.70)
Closing Contract Value (<i>Day 10</i>)	(S\$12,250.00)
Closing Commission (incl GST)	(S\$10.70)
Net Gain	S\$176.90
Margin	S\$622.50
Return on Equity=(Net Gain/Original Investment)	28.4%

Scenario 2: Positions are closed 3 days later at a higher value

	CFD Bid	CFD Ask	Closing Price
DAY 1	2,490	2,496	2,500
Day 2			2,460
DAY 3	2,524	2,530	

Opening Contract of 1 Lot (<i>Day 1</i>)	S\$12,450.00
Opening Commission (incl GST)	(S\$10.70)
Financing Charges	(S\$1.70)
Closing Contract Value (<i>Day 10</i>)	(S\$10,650.00)
Closing Commission (incl GST)	(S\$10.70)
Net Loss	(S\$223.10)
Margin	S\$622.50
Return on Equity=(Net Gain/Original Investment)	(35.8%)

Q3. What is the contract size of Straits Times Index CFD?

A. It is computed using Straits Times Index CFD price multiplied by the value of 1 Index point (ie.S\$5).

Example:

The Straits Times Index CFD Ask price is at 2,000 points. The contract size of 1 quantity of Straits Times Index CFD purchased is 2,000 points x S\$5 = S\$10,000.

Q4. What are the daily price limits for Straits Times Index CFD?

A. Phillip Securities has the discretion to halt trading at any time. Examples of instances where trading may be halted include (but is not limited to):

- i. Volatile market conditions
- ii. Disruption to IT services

Q5. How is Straits Times Index CFD price being quoted?

A. All Bid (buyer) and Ask (seller) prices are quoted by Phillip Securities. Our Price is based on the level of the underlying index, but may vary according to the underlying market liquidity or in "fast markets". This means that the Straits Times Index CFD tracks closely the Straits Times Index but may not exactly reflect the Straits Times Index. If the Straits Times Index is at 2,000 points, the Straits Times Index CFD Bid, Ask price may be quoted, but is not limited to, at (1997, 2003), (1995,2001), (2000,2006). You purchase Straits Times Index CFD at the current CFD Ask price and sell Straits Times Index CFD at the current CFD Bid price.

Q6. How are the Straits Times Index CFD orders to close out positions carried out?

A. All orders will be closed out on a First-in-First-out (FIFO) basis. All Straits Times Index CFD orders can be fully done, partially done or rejected.

Q7. What is the margin requirement for Straits Times Index CFD trading?

A. An initial amount of S\$3,000 must be deposited prior to the first Straits Times Index CFD trade. After which, an amount which is equal or more than the maintenance margin is required in the account.

The below-mentioned table illustrates the margin requirements for Straits Times Index CFD.

Product	Initial Margin (IM)	Maintenance Margin (MM)
Straits Times Index CFD	5%	5%

Q8. Under what circumstance will I receive a margin call?

A. You will receive a margin call when your Equity Balance falls below the required maintenance margin of your portfolio that is marked to market on a daily basis.

Equity Balance < Total Maintenance Margin for portfolio

Any shortfall will trigger a margin call, and customers would have up to 2 business days from the date of notice to top up the margin deficit. It will be a force-selling call if Equity Balance drops below 5% of the Portfolio Market Value. Customers must make good the shortfall on the same day of the call before 3 pm.

Q9. How can I fulfill my CFD margin call?

A. You can fulfill the margin call through the following methods:-

Cash payment can be made at Phillip Securities' Head Office cashier counter.

EPS (Electronic Payment of Shares) Please choose 'lump sum' mode of payment and initiate payment before 9pm to ensure that your CFD account is credited the next market day. Kindly inform your Trading Representative that the EPS payment is meant for your CFD trading account. **Applicable on 1st day of the Margin Call Only.**

Cheque should be crossed and made payable to 'Phillip Securities Pte Ltd'. Please state your trading account number, name and contact number on the back of the cheque, and indicate that this payment is meant for CFD.

Liquidation of CFD position Customers may choose to close off their CFD positions to fulfill the margin call. The amount to be liquidated would be the margin call amount x 20 (5% margin for Straits Times Index CFD). For example, to fulfill a margin call of S\$1,000, customer would need to close off a contract value worth S\$20,000 at time of liquidation.

Internal Funds Transfer: You may also do an internal funds transfer from your other Phillip Securities trading account(s) for credit to your CFD account.

Q10. How will I be informed of a margin call?

A. On the 1st day of the margin call, you will receive a letter notification from us. A copy of the margin call letter will also be copied to your Trading Representative. On the 2nd day of the margin call, your Trading Representative will be informed. Alternatively, you may also view your daily portfolio on www.poems.com.sg > CFD Account Management > Account Details > Margin Excess/(Deficit). Margin calls are based on the SGD Based Margin Deficit amount.

- Q11. Will you call me before 'force-selling' my positions?**
A. No. Should the margin requirements not be fulfilled, Phillip Securities reserves the right to close off your CFD positions without prior notice in order to bring your equity balance back to the required level.
- Q12. Can I hold a Straits Times Index CFD position for less than 30 calendar days?**
A. Yes. Straits Times Index CFD contract holders can close out their contracts any time within the 30 days. Likewise, if you do not close off your position, your contract will be rolled over automatically for another 30 calendar days.
- Q13. Explain the Auto-Renewal process.**
A. On the expiry date, your outstanding CFD contract would automatically be extended for another 30 calendar days. A one-time commission will be levied on the new leg, based on the 30th day's Last Done Price. Profits or losses and finance charges for the first 30 days will be realized upon contract renewal.
- Q14. What do I need to do if I do not want to auto renew my Straits Times Index CFD contract?**
A. You need to close off your CFD position by the expiry date.
- Q15. Do I need to inform you if I want roll over Straits Times Index CFD contract?**
A. No. You do not have to. The system will automatically roll over your contract on the 30th calendar day.
- Q16. Where can I check Straits Times Index CFD contract expiry date?**
A. You may check your contract expiry date on POEMS -> CFD -> ACCT MGMT -> Outstanding CFD Positions.
- Q17. Will my Straits Times Index CFD position be subjected to dividend adjustments?**
A. Yes, your CFD position will be subjected to dividend adjustments.
- A dividend adjustment is applied when a component share passes its ex-dividend date in the underlying stock market. For holders of a long Straits Times Index CFD, the dividend adjustment is credited to the client's account. In the case of short positions, the dividend adjustment is debited from the client's account. Dividends adjustments are made in the respective currencies.
- Q18. Will corporate actions like bonus, stocks splits of the underlying shares affect my Straits Times Index CFD position?**
A. No, there is no effect on your Straits Times Index CFD position.
- Q19. Is there any limit imposed on my CFD trading?**
A. Yes. The current CFD trading limit ceiling for all customers is set at S\$200,000 or up to the maximum leverage factor of the counter based on your available cash in your CFD account, whichever is lower.
- Example:**
If you had deposited more than S\$10,000 (effectively you should have a trading limit of more than S\$200,000 for Straits Times Index CFD), you would have hit the trading limit ceiling. You could request for a credit limit revision through your Trading Representative. A credit limit revision is subjected to Phillip Securities' approval.
- Q20. What are the trading hours for Straits Times Index CFD?**
A. Trading hours are from Monday to Friday, 9:01am to 12:30pm and 2:00pm to 4:59pm.

Q21. How do I execute a Straits Times Index CFD trade?

A. Once your Phillip CFD account had been established and initial margin deposited, you could place your trades via POEMS online trading platform or through your Trading Representative.

Via POEMS

i. Login to Poems www.poems.com.sg

ii. Click the CFD >Trading

iii. On the top left, you will see a drop down list "Market", select "INDX" and you could view the quote for Straits Times Index CFD

Via Phone

Call your Trading Representative or CFD dealing desk at +65-6336 3338.

Q22. Can my Straits Times Index CFD trades be partially done?

A. Straits Times Index CFD orders may be fully done, partially done or rejected. The common reasons for rejected trades are usually insufficient funds, credit limit exceeded etc. You should consult your Trading Representative for clarification in such instances.

Q23. Where is the volume for Straits Times Index CFD Trading?

A. There is no volume for Straits Times Index CFD as it is an over-the-counter (OTC) product. Straits Times Index CFD limit orders will be done when the buy order price hits the CFD Ask price or sell order price hits the CFD Bid price.

Q24. How long does it take to open a Phillip CFD account?

A. For existing Phillip Securities clients, the CFD trading facility will be activated within three working days of sign-up. For new clients, account opening will require at least seven working days. A minimum amount of S\$3,000 is required before you can commence trading.

Q25. How will I know if my CFD application is approved?

A. Your Trading Representative will be informed when your CFD account is activated. In addition, you will receive a notification letter and granted full access to the CFD trading page.

Q26. Is there any maintenance fee for the CFD account?

A. No, there is no maintenance or administrative fees.

Q27. What are the interest / charges associated with Straits Times Index CFD trading?

A. Charges for Straits Times Index CFD trades include commission, finance charges, interest deficit or excess. Please refer to the tables below for full details.

Commission:

Product	Commission (GST applicable - rates indicated are before GST)
Straits Times Index CFD	S\$10 (per side/lot basis)

Finance Charges:

Product	Long Finance Charge (DR)	Short Finance Charge (DR)
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Straits Times Index CFD	5.5 % p.a.	2.0 % p.a.
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Based on the client's funds in excess of those utilized towards the required margin (margin excess), any credit balance will accrue a competitive interest rate based on the following:

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

Do take note margin excess in MYR will not accrue any interest.

Margin deficit will incur a penalty debit interest charge of:

Currency	Debit Interest
SGD	6.00% p.a.
USD	7.00% p.a.
HKD	9.25% p.a.
MYR	Not applicable*

* Client's MYR ledger is not allowed to go into deficit. Should there be a deficit, the MYR ledger will be automatically converted into SGD.

Note: Rates may change from time to time at the discretion of Phillip Securities. Refer to www.phillipcfd.com for updates.

Q28. Can I trade CFD without utilizing the full leverage?

A. Yes. However, please note that financing charges are levied on 100% of the contract value regardless of the leverage utilized.

Example:

You deposited S\$15,000 and you trade Straits Times Index CFD contract value of S\$10,000. Finance charges would be levied on the full S\$10,000.

Q29. How do I compute the finance and commission charges when trading Straits Times Index CFD?

A. Commission charges are levied on each transaction per side/lot basis. Commission charges are subject to GST. Finance charges are computed based on a daily marked-to-market price (based on 100% of the contract value) for the number of days that the CFD contract is held.

Q30. How are transactions reflected in my CFD account?

A. Your CFD account will be debited on a real-time basis when you establish new CFD positions, and credited real-time when the positions are liquidated. Commission, accrued finance charges and unrealized profit or loss will be credited or debited at the end of the day. Interest will be debited or credited to your CFD account at month end.

Q31. How do I access CFD account information?

A. Your CFD account information is readily available to you and your Trading Representative via the POEMS On-line platform (CFD Acct Mgmt page). Contract notes will be sent on the trading day after each CFD

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trade. The contract notes will be sent by postal mail, or by email if you opt to receive electronic statements. (To opt in to E-Statement, please log in to your POEMS account, go to Stocks -> Acct Mgmt -> Update Particulars, check the E-Statement box and enter your email address.)

In addition, you will receive monthly statements on your Phillip CFD account if there is any trading activity or ledger movement (e.g., fund transfer) in the month. Note that if your ledger balance is zero and there is no transaction for the whole month, then the monthly statement will not be generated for you.

Q32. Can I withdraw cash from my CFD account?

A. You may withdraw any excess cash from your CFD account cash ledger, provided the maintenance margin level is satisfied.

Q33. How do I withdraw cash from my CFD account?

A. You will need to fill out a withdrawal form available from www.poems.com.sg > CFD > Forms > Withdrawal Forms.

Q34. When will my withdrawal be processed?

A. All withdrawal requests submitted by 10am on each working day will be processed within the same day.

Q35. Where can I refer to for more information on CFD trading?

A. You may refer to the CFD Information Sheet which is available at www.phillipcfd.com. Alternatively, you may also request for a copy from any of our marketing officers, Trading Representatives or email us at cfid@phillip.com.sg. You are advised to read the CFD Information Sheet, Risk Disclosure statement and the Conditions Governing Phillip Securities Trading Accounts on CFD trading before trading CFDs.

Please Note:

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