



Contracts for Differences Information Sheet

This document represents our policy as of 2 January 2024

1. General Information

Introduction

This Information Sheet is designed to assist you in making an informed decision regarding whether dealing in Contracts for Differences (CFDs) is a suitable investment for you. It is recommended that you seek independent financial and taxation advice concerning this Information Sheet, the Contract Details and the Client Agreement before you apply to open an account with us.

CFDs are speculative products. The geared nature of CFDs means that there is significantly greater risk to your initial investment compared with the risk associated with non-geared investment strategies. There exists the potential to incur losses in addition to any fees and costs that apply. These losses may be far greater than the money you have deposited into your Account or are required to deposit to satisfy your Margin Requirement. The risk factors associated with trading CFDs are set out further in Section 2.3.

Our account opening and contract documents are available on our website, or by email at your request, and contain technical information on the market details and the associated costs for the CFDs. This Information Sheet forms part of the agreement under which we will provide Products and Services to you.

Your CFD account is governed by the Conditions Governing Phillip Securities Accounts, which applies to all your transactions with Phillip Securities Pte Ltd ("PSPL"). The Conditions Governing Phillip Securities Accounts may be amended by us at any time and the amendments will come into effect on the date specified by PSPL. A copy of the latest Conditions Governing Phillip Securities Accounts that governs your CFD account will be posted in our website at <http://www.phillipcfid.com.sg> for you to download at any time.

You should carefully read the Conditions Governing Phillip Securities Accounts, the CFD Information Sheet, CFD Risk Fact Sheet and Risk Disclosure Statement before you open a CFD Account with us.

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2. Contracts for Differences (CFDs)

2.1 What are Contracts for Differences?

It is an agreement between 2 parties to exchange the difference in price from the time the contract is opened until the time it is closed. CFDs allow you to participate in the price movement of a financial instrument without actually owning the asset, which can be a share, an index, a commodity, etc.

PSPL offers CFD trading for the following markets:

1. Shares (CFD and DMA)
2. Indices
3. Commodities
4. Forex (FX)

2.2 Key Features of CFDs

Portfolio Diversification

You can diversify your investment portfolio with CFDs on different assets ranging from Shares, Indices, Commodities, and FX.

Short Position

CFD allows you to take a short position on the underlying financial instrument without actually having to own the financial instrument itself. Therefore, you can open short positions without the need to engage in securities lending.

Leverage

CFDs are traded on margin hence you are only required to put up a percentage of the total contract value to establish and maintain a position.

Note: PSPL reserves the right to change our margin requirements or each customer's trading limit without prior notice.

Sophisticated Trading Strategies

You are able to protect your existing shares portfolio against adverse market conditions by using CFDs to hedge your exposure via strategies such as pairs and spread trading.

2.3 Risks of CFD Trading

It is important to understand the risks involved in trading CFDs, which include the following, amongst others:

Leverage Risk

CFDs are leveraged products traded on margin. You are only required to put up a small amount of money as initial capital relative to the value of the position you are establishing. A relatively small market movement will have a proportionately larger impact on the funds you have deposited to maintain your position(s). Any gains or loss in trading CFD will be amplified. As prices may move rapidly against you, it is possible to lose more than your initial capital.

Example:

Assuming you want to buy 1,000 shares of stocks ABC at a price of \$1 and stocks ABC is available for CFD trading at 10% margin requirement.

	CFD	Stocks
Initial Capital	$\$1 \times 1,000 \times 10\% = \100	$\$1 \times 1,000 = \$1,000$
Sell at \$1.05	Profit of \$50 (50% of initial capital)	Profit of \$50 (5% of initial capital)
Sell at \$0.95	Loss of \$50 (50% of initial capital)	Loss of \$50 (5% of initial capital)

Note: The example above does not take into consideration of commission, finance charges and other trading costs.

Counterparty Risk

The CFD provider with which you conduct your CFD transactions acts as the counterparty to the transaction. PSPL will be your counterparty for all CFD transactions you conduct with us. Counterparty risk arises when your CFD provider fails to fulfil its financial obligations. You should note that holders of CFD contracts have no recourse to the underlying financial instrument as you do not own the actual financial instrument. Hence, it's important to trade with a reputable CFD provider which is regulated.

Liquidity Risk

You may not be able to liquidate your CFD position at a price close to the underlying financial instrument or the inability to close your CFD position. This happens when there is an absence in the buyers and sellers for the underlying financial instrument in the market.

Some CFDs have lower liquidity than others, which makes them more difficult to trade at the market price. When this happens, the CFD may not be sold within a reasonable time (if at all) or may be traded at a price which may not reflect its "fair" value. For example, you may be required to lower your asking price to sell the CFD, which may incur losses as a result.

Order Type Risk

When trading CFDs, you may have access to certain order types (e.g. Stop Limit, One Cancels Other, etc.). While these order types could limit losses to certain amounts in most instances, it may not be effective when market conditions make it difficult or impossible to execute such orders without incurring substantial losses.

Risk of Shares Recall

To enable you to take a short CFD position, the CFD provider may need to borrow the underlying security to conduct a short hedge. Lenders of the underlying security have the right to recall anytime. In the event of a recall, the borrowed security may have to be returned at short notice and the CFD provider might no longer be able to maintain the short hedge. This may result in the CFD provider requiring you to close your CFD positions immediately or at a short notice.

Regulatory changes prohibiting short selling and in specific underlying financial instruments or in the entire underlying market may also result in the CFD provider force closing your short positions in CFD.

3. Impact of Corporate Actions

The following are different types of corporate actions that may apply to your CFD positions:

Cash Dividends¹

Dividend adjustments will apply to Share CFDs and Index CFDs on the ex-date of the underlying security² and constituent stock respectively. Dividend adjustments will be credited or debited based on your outstanding CFD positions at the end of ex-date - 1³.

Stock Splits/ Reverse Stock Splits

Quantity and price adjustments based on the announced ratio will be applied on your CFD position on ex-date.

Bonus Issues/ Stock Dividends⁴

A new separate position will be opened at a traded price of \$0. The size of the position will be determined based on the announced ratio. Your original position will not be affected.

For long positions: The new position will be opened on payable date or upon receipt of the entitlements, whichever is later.

For short positions: The new position will be opened on ex-date.

Warrants Issues

Renounceable Warrants:

Customers who have held their positions on Share CFDs pass the ex-date of the warrants issue will be entitled to the warrants in accordance to the announced ratio.

The warrants will be liquidated on a discretionary basis when the warrants open for trading.

For long positions: Proceeds will be credited to the account in the form of a positive cash adjustment.

For short positions: Entitled warrants will be covered and booked into the account in the form of a negative cash adjustment.

Customers who do not wish to be subjected to this discretionary action should liquidate their CFD positions before the ex-date.

Rights Issues

Renounceable Rights:

Customers who have held their positions on Share CFDs pass the ex-date of the rights issue will be entitled to receive the rights CFDs in accordance with the announced ratio.

A new separate position on the rights CFDs will be opened at a traded price of zero. The same margin requirement as the CFD of the underlying security will be applied on this position.

¹Dividend adjustments will be made in the declared currency of the underlying security and denominated currency of the Index CFD respectively. Where PSPL does not support a ledger for the declared currency, the dividend adjustment will be made in SGD instead. In the event of scrip dividends, customers with long positions (as of market close) will receive credit dividend adjustments, while customers with short positions will be liable for any associated cost, and will have to close off the positions before ex-date if you do not want to be subjected as such.

²Security refers to the share of company listed on the respective exchanges.

³Processing of dividend adjustments might be delayed in the event that it is pending confirmation or the dividend amount has not been confirmed.

⁴In the event there is a combination of Corporate Actions ("CA-Cum All"), where it includes corporate actions other than the above mentioned, customers may not be able to enjoy the entitlement and may be required to close off all open positions before the ex-date.

For long positions: The rights CFDs must be liquidated by the last trading day of the underlying rights. Otherwise, the rights CFD will expire worthless. There will be no subscription of rights CFDs.

For short positions: The rights CFDs must be liquidated on the first trading day of the underlying rights.

Commission is applicable for the liquidation of the rights CFDs.

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

4. Margin Requirement

CFDs are leveraged products, which are traded on margin. Margin trading allows you to put up only a fraction of the funds you normally need in order to open a much larger position.

Margin is the amount of money that is required to open or maintain a CFD position, which is defined by

the margin requirement. The margin taken up to maintain a CFD position will fluctuate based on the Mark-to-Market price of the contract, and will be returned when the CFD position is closed.

PSPL reserves the right to amend the margin requirements from time to time without prior notice.

5. Margin Excess/ Deficit Interest

Credit interest, if any, will be paid based on your account's funds in excess of those utilised towards the required margin (margin excess), when it exceeds the stipulated limit as follows:

Margin Excess	Interest
> SGD 50,000	0.50% p.a.
> USD 50,000	0.60% p.a.
> HKD 50,000	0.50% p.a.
> MYR 50,000	0.50% p.a.
> AUD 50,000	0.50% p.a.

Negative interest will be imposed based on the following:

Currency	Negative Interest on Margin Excess
YEN	0.50% p.a.

Margin Deficit will incur a **debit interest charge** based on the following:

	Interest on Margin Deficit
SGD	6.00% p.a.
USD	7.00% p.a.
HKD	7.00% p.a.
JPY	4.20% p.a.
CNY	8.25% p.a.
AUD	8.75% p.a.
EUR	7.00% p.a.
GBP	6.00% p.a.
CAD	7.00% p.a.
THB	8.25% p.a.
CHF	7.50% p.a.
NZD	6.50% p.a.

Rates may be amended from time to time at the discretion of PSPL without prior notice.

You will be notified of any margin deficits via mobile push notification if you have enabled your CFD Account Alerts on POEMS Mobile 2.0 or 3.0.

6. Order and Trading Restrictions

Do note that any limit order for Share CFDs (CFD and DMA) submitted at prevailing market bid/ask prices exceeding the following limit(s) may be rejected or delayed subject to our approval:

Share CFD (whichever has a lower contract value):

Maximum quantity per order: 500,000

Maximum contract value per order: S\$300,000

DMA CFD (whichever has a lower contract value):

Maximum quantity per order: 500,000

Maximum contract value per order: S\$500,000

Quantity limits per order submission may also apply for other markets.

It is therefore recommended for you to split large orders into multiple smaller ones for submission if you receive any order rejections.

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

1. Volatile market conditions
2. Disruption to IT services
3. Trading halt or suspension of underlying financial instrument
4. Specific corporate actions

Do take note that you will not be able to submit any new CFD orders if any of your Trading Accounts are under suspension. However, you will still be able to liquidate any outstanding CFD positions.

7. Order Types and Fills

Definition of Different Order Types		
	POEMS CFD	POEMS CFD MT5
Limit Order	A limit order is an order to buy or sell at a specific price or better. For buy limit orders, the order will be executed only at the limit price or lower, while for sell limit orders, the order will be executed only at the limit price or higher.	
Market Order	A market order is an order to buy or sell at the market's current best available price. While a market order typically ensures an execution, it does not guarantee a specified price. It should be noted that the price(s) your market order is executed may not always be the same price you expect during order submission. This may be especially true in fast-moving markets where prices are generally more volatile.	
Stop Limit Order	A stop limit order is an order that combines the features of a stop order and a limit order. Once the stop price is reached, the stop-limit order becomes a limit order to buy or to sell at a specified price (or better).	
Stop Order	Not Applicable	A stop order is an order that combines the features of a stop order and a market order. Once the stop price is reached, the order becomes a market order.
One Cancels Other (OCO)	An OCO order combines a limit order, with a stop limit. When either the stop limit order is triggered or the limit order is filled or partially filled, the other order will be automatically canceled.	Not Applicable
Trailing Stop Order	A trailing stop order is an order type used to lock in profits or limit losses as a trade moves favorably. Trailing stops are placed below the market price on long positions and above the market price for short positions. They only move if the price moves favorably. Once it moves to lock in a profit or reduce a loss, it does not move back in the other direction.	Not Applicable
If Done Order	A if done order is a limit order which will not be active until the parent order is executed.	Not Applicable
Contingency Order	A contingency order is an order which is only activated when the specified condition is met.	Not Applicable

Note: For all synthetic orders submitted, pre-execution checks such as account status, fund sufficiency, credit limit adequacy and short selling availability will be performed upon order triggering instead of upon order submission.

For illustrations of the different advanced order types, visit our website at <https://www.phillipcfid.com/platforms/risk-management-order-types/>.

Order Fills

CFD Orders

All CFD orders are done based on the Bid and Ask Prices quoted for that product. For a buy (Long) order, the order will be filled when the quoted Ask price matched your submitted price. Conversely for a sell (Short) order, the order will be executed when the quoted Bid price match your submitted price. Last Done Price (based on cash market) will not trigger the execution of the trade (except for DMA CFD trades).

Your CFD orders can be fully done, partially done or fully rejected. For partially done orders, the executed quantity will be less than the quantity submitted by you. The partially done quantity will be determined solely at the discretion of PSPL depending on the liquidity of the underlying financial instrument and the underlying market conditions. When this happens, the CFD order status of the remaining unfilled orders will remain as "Working".

PSPL reserves the rights to:

1. Reject any new or existing CFD Orders in accordance with the changes in market conditions and our risk management policies
2. Cancel any contracts that are filled as a result of a pricing error arising from an erroneous price feed.

DMA Orders

Orders will be filled based on the status of the corresponding stock order placed directly onto the exchange's order book.

8. Details on CFD Contracts

Please visit our website at www.phillipcfid.com for the list of CFD contracts available for trading and their respective details.

9. Fees and Charges

Commission

Commission is charged for the opening and closing of CFD positions, unless otherwise stated. Commission for Share CFDs are charged on an amalgamated basis.

Spreads

The spread is the difference between the Bid and Ask prices quoted for a market. Spreads are applicable when trading Index, Commodity and FX CFDs.

Spreads for Index, Commodity and FX CFDs are subject to variation, especially in volatile market conditions. Please also note that the target spreads for Index, Commodity and FX CFDs may be adjusted at PSPL's discretion.

Finance Charges

CFD positions that are held overnight will be subjected to overnight financing charge. The finance charge is calculated on a daily basis and will only be realised upon contract renewal or liquidation of your CFD position.

If you open and close a CFD position within the same trading day, you will not be subjected to any financing charge.

The daily financing charge is calculated as follows:

$$FC = MV \times R / 365$$

FC = Daily finance charge

MV = Total market value of your CFD position marked to the closing price of the day

R = Finance rate for the CFD contract

Please visit our website at www.phillipcfid.com for the commission, spreads and finance charges applicable for the respective CFD contracts.

10. Closure of Account

There should be no open positions, outstanding balance or any credit balance in your account before account closure. An administrative fee of up to S\$1.09 (inclusive of GST) will be charged for account closure with credit balance of S\$1.00 or below.

11. Retrieval of Statement

An administrative fee will be levied for the retrieval of past CFD monthly statements as follows:

Period	Administrative fee ⁵
Up to 1 year	S\$21.80 per statement
More than 1 year	S\$32.70 per statement

Note: Statements beyond the statutory retention period of 5 years are not available.

⁵Fee stated is inclusive of GST.

12. CFD Trading on POEMS Platforms

The following section covers details specific to CFD Trading on POEMS trading platforms, which include but not limited to POEMS 2.0, POEMS Mobile 2.0 and POEMS Pro. For CFD trading on MT5, please refer to section [13. CFD Trading on MT5](#).

12.1 POEMS CFD Account

Your POEMS CFD account is a separate account for trading CFDs that is tagged to your Trading Account. You can only open one POEMS CFD account for each trading account you hold.

Your POEMS CFD account is a multi-currency ledger account.

You will receive a Daily Contract Note for your POEMS CFD account for any trade activity that was performed on your POEMS CFD account.

12.2 Settlement Currencies

All CFD trades done in your POEMS CFD account will be settled in their respective traded currencies. There will NOT BE ANY AUTO CONVERSION from traded currencies to SGD and vice versa except that customer's MYR ledger will not be allowed to go into deficit and will automatically be converted into SGD should a deficit occur. For all other currencies (should there be any margin deficit in the respective ledger), you should submit currency conversion requests to PSPL to avoid margin debit interest.

12.3 Important Definitions

Ledger Brought Forward (B/F) = Previous Day's Ledger Carried Forward

Ledger Carried Forward (C/F) = Ledger B/F \pm Adjustments - Commission \pm Realised Profit or Loss - Realised Finance Charges

Equity Balance = Ledger C/F \pm Unrealised Profit or Loss - Unrealised Finance Charges

Available Funds for Withdrawal = Equity Balance – MM - Unrealised debit interest

Initial Margin (IM): The required margin to open a new CFD position(s).

Maintenance Margin (MM): The required margin to hold any CFD position(s). The marked-to-market closing price will be used to calculate the maintenance margin.

Force-liquidation Margin (FM): PSPL reserves the right to liquidate your CFD position(s) without prior notice when the Equity Balance falls below the force-selling margin of 5%.

Margin Excess (Available Cash) = Equity Balance – MM

Margin Deficit = MM – Equity Balance

Margin Call = Equity Balance < Maintenance Margin of the Portfolio Market Value

Portfolio Market Value: Includes all open CFD contracts as of market close

12.4 Order Submission and Viewing of Positions

Existing CFD positions and orders submitted on the POEMS platforms will be available on POEMS 2.0, POEMS Mobile 2.0 and POEMS Pro. You can also place your CFD orders through your Trading Representative.

12.5 Margin Call

A margin call will be issued when your Equity Balance falls below the Maintenance Margin (MM). The margin call amount (SGD Based) is equivalent to the difference between the Maintenance Margin (MM)

and your Equity Balance. Margin call calculations are done at SGT 5am⁶ on the same day. For avoidance of doubt, any excess in margin or collateral you may have in other accounts you hold with PSPL shall be disregarded in calculating available margin/collateral for your CFD trading under the POEMS CFD Account. You typically have up to 2 business days (up till 3pm on the 2nd day) to fulfill the margin call. However, you will only have till 3pm on the day itself to fulfill this margin call if your account's Equity Balance is less than 5% of the market value of your portfolio.

You can fulfill the margin call by either depositing enough funds to increase your Equity Balance or close positions to reduce the required Initial Margin. Improvements to your equity balance resulting from favorable market movements during the day will not be regarded as partial or total fulfillment of the margin call.

Failure to fulfill the margin call will result in the force liquidation of your CFD positions to reduce the margin requirement. It is your responsibility to have enough funds in your account to fulfill the margin requirement for your open positions and PSPL reserves the right to force liquidate your open positions any time without prior notice.

12.6 Funding of Account

There are several ways to fund your CFD account. Please refer to the www.poems.com.sg/payment for the available payment methods and instructions to fund your account.

12.7 Withdrawal of Funds

The lower of the previous day's day-end margin excess and the margin excess of the withdrawn currency at the time of processing, will be the maximum amount available for withdrawal. The withdrawal request will be rejected if the submitted withdrawal amount is greater than the aforementioned.

Note: You are reminded to exercise due caution as 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 PSPL. You can refer to www.phillipcfd.com for the terms and conditions governing the withdrawal of CFD funds.

12.8 Contract Renewal

Each CFD has a contract period of 30 calendar days. You can choose to close the contract any time⁷ before its expiration on the 30th calendar day. If contracts are not closed out within 30 calendar days, they will be automatically renewed based on the contract's closing price on the 30th calendar day. Unrealised profits, losses and finance charges will be realised on the 30th calendar day⁸ as well. There is no commission charged for the renewal of contracts.

Example

Peter bought 1,000 share CFD of stock ABC (listed on SGX and non-STI component stock) at S\$2.00. He decides to continue holding the position beyond 30 calendar days, such that an automatic roll-over takes place on Day 30, at the closing price of S\$1.80. The position is subsequently closed off 11 days after the roll-over at price of S\$2.30. (Assume daily marked-to-market prices remain constant for first 30 calendar days at S\$2.00 and prices remain constant for the next 11 days at the rollover price of S\$1.80).

⁶Margin call calculation is done at SGT 6am during US Non-Daylight Saving Time.

⁷During the trading hours of the respective CFD contract.

⁸If the contract renewal date falls on weekend, the contract will be renewed based on the market closing price of the next trading day.



On 30th Calendar Day (Contract Renewal Date)

Old contract closed: Realised losses = $(S\$1.80 - S\$2.00) \times 1,000 = -S\$200$, which will be debited from the CFD account. A new BUY CFD contract an opening price of S\$1.80 would be initiated.

Commission charges are not applicable for the closing of the old contract and initiation of the new contract. Finance charges accrued for the past 30 days based on daily marked-to-market prices will be realised.

Opening contract value (Day 1)	S\$2,000
Realised Profit / Loss (Day 30)	(S\$200)
New opening contract value (Day 30)	S\$1,800
Closing contract value (Day 41)	S\$2,300
Realised Profit / Loss (Day 41)	S\$500
Total Profit	S\$300

Note: The example above does not take into consideration Commission, Finance Charges and other trading costs.

13. CFD Trading on MT5

Meta Trader 5 ('MT5') is a third-party trading platform licensed to PSPL by MetaQuotes Software Corp ('MetaQuotes') which is unrelated to PSPL. As a third-party platform, the intellectual property rights of MT5 are not owned by PSPL.

13.1 POEMS CFD MT5 Account

Your POEMS CFD MT5 ('MT5') account is a separate Trading Account, functioning independently from your POEMS CFD account.

You will need to have a POEMS CFD account before you can open a MT5 account. Each POEMS CFD account can only open one MT5 account.

You can open a MT5 account at POEMS 2.0> Acct Mgmt> CFD> MetaTrader 5.

Your MT5 account will be a **Singapore Dollar (SGD) based** account. All fund transfers to or from your MT5 account will be in SGD.

You will receive a Daily Contract Note for any trading activity that was performed on your MT5 account. Do take note that the Daily Contract Note can only be accessed via POEMS 2.0 and any trading activity on your POEMS CFD account (if any) will also be reflected in the same Contract Note.

13.2 Settlement Currency

All CFD trades done in your MT5 account will be settled in SGD. Realised profits, losses, charges and cash adjustments in other currencies will be AUTO CONVERTED and maintained in SGD.

13.3 Important Definitions

Balance = Ledger Available

Equity = Balance ± Unrealised Profit or Loss

Margin: The required margin to have in your MT5 account in order to maintain the position(s)

Free Margin = Equity – Margin

Margin Level = Equity ÷ Margin

Margin Call = Free Margin < 0

Auto Close Out = Equity drops below 50% of your margin (refer to section [13.5.6 Auto Close Out](#))

13.4 Order Submission and Viewing of Positions

Open positions on MT5 and orders submitted on MT5 can only be accessed through MT5 and will not be available on the POEMS platforms.

13.5 Differences between MT5 and POEMS Platforms

There are certain differences in how the orders or positions on MT5 will be processed compared to the POEMS platforms:

13.5.1 Opening and Closing MT5 Positions

The MT5 will allow you to concurrently hold long and short positions for the same counter, known as hedging system. By default, on the POEMS platforms, executing a new trade will net off any opposite outstanding position. This will not happen on MT5.

Hedged positions will remain as open until you specifically submit a liquidating trade on MT5. You are unable to close out an existing position by executing a new order in the opposite direction. To liquidate

a specific outstanding position, you need to select close position to submit an opposing trade. Alternatively, click the X button next to the relevant open position in the trade window.

In the event if margin level is at our stipulated close-out level (refer to section [13.5.6 Auto Close Out](#)), there is a possibility a hedged position may be liquidated.

Margin taken will be based on the gross exposure of your individual positions, there will be no netting of margins for initiating hedging positions. You would need to ensure there is sufficient excess free margin before placing the trade. Otherwise, the trade will be rejected due to insufficient margins.

Note: Hedging system is enabled by default on your MT5 account.

13.5.2 Pending Orders

With the exception of DMA limit and market orders, pre-execution checks will only be applied during price matching and not at the point of order submission. If a pending order is triggered, it is your responsibility to ensure that you have enough funds to cover the margin required for the pending order at the time of execution; otherwise, the pending order may be rejected. PSPL will not be liable for any losses related to such rejected orders.

13.5.3 Execution of Stops and Take Profits (Market Orders)

All stops and take profits on MT5 are processed on our MT5 servers. A market order will be submitted by the MT5 system to be filled upon triggering of Stops and Take Profits. We cannot guarantee that orders will be filled at the same level as if they were placed on other POEMS platforms.

13.5.4 Finance Charges

On POEMS platforms, finance charge for CFD contracts are realised only upon liquidation of the CFD contracts or upon contract renewal.

On MT5, however, finance charges for all CFD contracts on MT5 are realised on a daily basis.

13.5.5 Contract Renewal

All CFD contracts on MT5 are subjected to renewal every 90 calendar days instead of every 30 calendar days on the POEMS platforms. The system will renew your positions based on the contract's closing price on the 90th calendar day⁸. Unrealised Profit and Losses, and Finance Charges will be realised during the contract renewal process. There will be no commission charged for the renewal of contracts.

13.5.6 Auto Close Out

If your MT5 account's equity drops below 50% of your margin, your open positions on MT5 will get automatically closed. Positions will be closed out starting from the position with the largest unrealised loss amongst the markets that are trading when the auto close out is triggered.

Please take note that your open positions are still subjected to auto close out when you are on margin call. It is your responsibility to have sufficient funds in your account as margin requirement to maintain your open positions.

A notification will be sent to your MT5 mailbox when your margin level drop beneath 99%. It is important to note that markets move fast, and there will be situations where your positions get closed out before we are able to notify you.

13.5.7 Margin Requirements

On POEMS platforms, the margin requirements for all CFD positions are calculated based on the current marked to market prices.

On MT5, however, the margin requirements for all CFD positions are calculated based on the previous day's closing price. The margin requirements will be updated at the start of each trading day. If your MT5 account happen to be near the margin threshold when we update the margin requirements, you

run the risk of your position(s) being closed out. It is your responsibility to ensure you have sufficient funds in your MT5 account to cover any changes in margin as a result of these updates.

13.5.8 Broker Assisted Trading

We do not offer broker assisted trading for your MT5 account. In certain circumstances, when trading via the MT5 platform is not possible, we may accept order through telephone to close positions.

	POEMS CFD	POEMS CFD MT5
Currency Ledger	Multi-currency ledger account	SGD based account
Settlement Currency	In the respective contracts traded currencies. FX CFDs are settled in the respective quote currencies	In SGD
Hedge Positions	Not supported	Supported (By default)
Finance Charge	Realised upon closing of position or auto contract renewal	Daily
Auto Contract Renewal	Every 30 calendar days	Every 90 calendar days
Auto Close Out	No	Yes, when Equity < 50% of Margin
Margin Requirements	Marked to current market price	Marked to previous day's closing price
Broker Assisted Trading	Supported	Not supported

13.6 Margin Call

The margins required in your MT5 account for trading is independent from other accounts that you might hold. For avoidance of doubt, any excess in margin or collateral you may have in other accounts you hold with PSPL shall be disregarded in calculating available margin/collateral for your CFD trading under the MT5 Account.

A margin call will be issued to you when your Equity falls below the Margin. The margin call (SGD based) amount is equivalent to the difference between the Margin and your Equity. Margin call calculations are done at SGT 5 am⁹ on the same day.

You typically have up to 2 business days (up till 3pm on the 2nd day) to fulfill the margin call. However, you will only have up till 3pm on the day itself to fulfill the margin call if your account's Equity is less than 5% of the market value of your portfolio.

You can fulfill the margin call by either depositing enough funds to increase your Equity or close positions to reduce the required Margin. Improvements to your equity balance resulting from favorable

⁹Margin call calculation is done at SGT 6am during US Non-Daylight Saving Time.

market movements during the day will not be regarded as partial or total fulfillment of the margin call.

Failure to fulfill the margin call will result in the force liquidation of your CFD positions to reduce the margin requirement. It is your responsibility to ensure that there is sufficient funds in your account to fulfill the margin requirement for your open positions and PSPL reserves the right to force liquidate your open positions without prior notice.

13.7 Fund Management

Your MT5 account can only be funded via your POEMS CFD account through POEMS 2.0.

To transfer funds into or out of your MT5 account, you need go to POEMS 2.0 > Acct Mgmt > CFD > Meta Trader 5 > Fund Transfer. Any changes to your account balance will be reflected on MT5 and POEMS platforms immediately.

Fund transfers out from your MT5 account will be deposited into your POEMS CFD account. To withdraw the funds, you need to submit an online form at POEMS 2.0 > Acct Mgmt > CFD > Online Forms > Withdrawal Form (refer to section [12.7 Withdrawal of Funds](#))

Note: You are reminded to exercise due caution as withdrawal of funds may result in a margin call or position close out.

13.8 Automated trading: Expert Advisors ('EAs') and scripts

The MT5 platform offers algorithmic trading, commonly known as automated trading, through Expert Advisors (EA) or script created by third party. Hypothetical or simulated performance results have certain limitations. Unlike an actual performance record, simulated results do not represent actual trading and may under-or-over compensate for certain impacts. No representation is being made that any account will or is likely to achieve profits or losses similar to those shown. PSPL will not be liable for any loss or damage, including without limitation, any loss of profit, which may arise directly or indirectly from use of or reliance on simulation results provided for by the MT5 platform. You are reminded that if you undertake transactions effected through automated trading, you will be exposed to risks associated with how the program is designed to execute trades and that the result of any program failures may be that your order is either not executed according to your instructions or not executed at all.

The MT5 platform's services and software do not take into account any particular individual investment or financial needs, objectives and situation. You should not rely on the services and software as a substitute or supplement for financial advice or independent research. You should obtain advice (if required) based on your unique situation before making any investment decision or trade.

PSPL provides execution only service through the platform and you acknowledge that PSPL has not and will not provide investment advice to you in relation to any trading strategies you build or import into the MT5 platform, be it directly or through the use of EA or any script created by third party.

PSPL does not recommend or endorse any EA or script created by third party and takes no responsibility for customers' use of EAs and scripts. In the event of a dispute arising through the use of an EA or script created by a third party, you should raise this with the author of the EA or script.

In situations where the automation requests made by you is excessively high and/or of a malicious nature, and as such constitutes unreasonable use in PSPL's sole discretion, PSPL reserves the absolute right to terminate your platform access.

13.9 Additional Terms and Conditions

Except to the extent required by law, PSPL does not make any representation or warranty, expressed or implied, regarding the fitness of MT5 or its content for any particular purpose, or that will be compatible with the files on the Customer's browser and/or operating system, or that is free of viruses, errors or other harmful components or that defects in them will be corrected.

Without prejudice to any rights you may have at law which cannot legally be excluded or restricted, in no event will PSPL be liable for any damages which arise out of the use or inability to use MT5 in contract, in tort (including negligence) or otherwise (including, without limitation, damages for loss of business profits, business interruptions, loss of business information or data, loss of goodwill, special, indirect or consequential or other pecuniary loss or a third part claim), even if PSPL has been advised of the possibility of such damages.

MT5 platform is supplied "as is". PSPL makes no warranties in relation to the trading platform and all conditions and warranties, expressed or implied, statutory or otherwise, including but not limited to any implied warranties of merchantability and fitness for a particular purpose, are explicitly excluded. PSPL expressly do not warrant that MT5 platform, in whole or in part, will be error free or will operate without interruption. No warranty is given that the platform will be compatible with any hardware or software.

13.10 Other Disclaimers

PSPL makes no warranties regarding MT5, the services provided by MetaQuotes or any EA or script created by third party.

PSPL disclaims any responsibility for, and will not be held liable for, any damages that you may suffer, including loss of funds, data or service interruptions, as a result of the use, operation, performance and/or error or malfunction of MT5 and/or any services provided by MetaQuotes or any EA or script created by third party.

14. General Disclaimers

This document 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 herein. 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. You should also 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 PSPL.

You may wish to obtain advice from a qualified financial adviser, pursuant to a separate engagement, before making a commitment to purchase any of the investment products mentioned herein. In the event that you choose not to obtain advice from a qualified financial adviser, you should assess and consider whether the investment product is suitable for you before proceeding to invest and we do not offer any advice in this regard unless mandated to so do by way of a separate engagement.

CFD trading carries a high degree of risk and may not be suitable for customers whose investment objective is preservation of capital and/or whose risk tolerance is low. Customers are advised to understand the nature and risks involved in margin trading. Customers should note that 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. PSPL reserves the right to amend this document without prior notice. You are advised to read carefully and understand the Risk Fact Sheet and Risk Disclosure Statement from <http://www.phillipcfid.com/download/Phillip-CFD-RiskFactSheet-RiskDisclosureStatement.pdf> before undertaking transactions in CFDs. This advertisement has not been reviewed by the Monetary Authority of Singapore.

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