

## PHILLIP SECURITIES PTE LTD Investment Margin Account

Phillip Share Margin Financing Account allows you to leverage on your purchases using cash or shares as collateral.

### 1. Financing Quantum:

- **70%** for A Shares
- **50%** for B Shares
- **No Financing** for C Shares

Please refer to share list for A and B grading. Shares not mentioned in list A or B are considered C grading.

### 2. Margin Requirement:

$$i) \quad MR = \frac{\text{Collateral}}{\text{Ledger}} \geq 140\%$$

#### Margin Calls:

If Margin Requirement is

- ii) **130% ≤ MR < 140%:** Client is required to satisfy all margin calls within 3 market days including the date of notice by improving the Margin requirements to 140%
- iii) **MR < 130%:** Client is required to satisfy all Force-selling calls on the same day before 3:00 pm by increasing the Margin Requirement up to 140%

### 3. Trading

Share trading can be done through POEMS internet, POEMS Mobile (WAP/GPRS), Telebroker as well as via your Trading Representative.

### 4. Excess Funds

If you opt for the excess funds management facility, your excess funds will be invested on a discretionary basis in **Money market Funds**. Your Excess SGD funds will be invested in the Phillip Money Market Fund and excess USD funds will be invested in the Phillip USD Money Market Fund. Please also refer to the important notice on Excess Funds Management.

**To opt in for excess fund management facility,** please log in to your POEMS, click on <STOCKS> then <acct mgmt> then <online forms> then <excess fund authorization> to submit the online application.

If you do not opt for the excess funds management facility, your excess funds will be placed in interest-bearing accounts which earn interest as follows:

| Deposit Amount  | Interest*  |
|---|------------|
| > S\$50,000   | 0.10% p.a. |
| > US\$50,000  | 0.15% p.a. |
| > HK\$50,000  | 0.10% p.a. |
| > AUD\$50,000   | 0.50% p.a. |
| No interest paid on MYR, JPY and GBP credit balances**. |            |

\* Phillip Securities reserves the right to change the rates without prior notice.

\*\* Withdrawal and deposit of JPY, GBP and AUD by way of TT only

### 5. Multi-currency Facility (US\$/HK\$/RM\$/JPY) – Optional

As an added advantage, you also have the option of maintaining foreign currency balances (**USD, HKD, MYR and JPY**) in your account for ease of trading and efficient management of your foreign currency- denominated investments. Settlement for shares can either be in the traded currency or in SGD. However, you must have sufficient funds in the settlement currency to avoid incurring interest on debit balances.

Rates on Debit balances are as follows:

| 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.                 |
| AUD      | 8.75% p.a.                 |
| GBP      | 4.50% p.a.                 |
| MYR      | No debit balance allowed   |

### 6. Settlement of trades

Account Holders have an option to choose a Multiple currency facility. Currency deposits offered are USD, HKD, MYR, JPY and SGD. Settlement will be in traded currency unless otherwise stated.

For non-multiple currency account holders, settlement will be in SGD unless otherwise stated.

## 7. Payment Modes:

### (i) Cheques:

Cheques should be crossed and made payable to "Phillip Securities Pte Ltd." Please state your trading account number and name on the back of the cheque. If payment is in USD, HKD or MYR, cheques must be drawn in Singapore, Hong Kong and Malaysia respectively. JPY payment can only be made through telegraphic transfer (T/T). Bank charges are to be borne by account holder.

### (ii) EPS (Electronic Payment for Shares):

One trading account can only be linked to one bank account for the purpose of EPS. Payment should be made latest by 9:00pm on the contract due date. When doing EPS, clients should choose 'lump sum' payment only. GIRO facilities are not available for margin account.

### (iii) Bill Payment

You may make payment via your bank's Bill Payment function. It takes 2 working days for us to receive your payment through this mode of settlement.

The consumer/bill reference code required for Bill Payment through the various participating banks is as follows:

DBS/ POSB/ OCBC:  
20<TR Code><Last 6 digits of trading a/c no.>

UOB:  
20<Full 7 digits of trading a/c no.>

Standard Chartered Bank/ MayBank:  
<Full 7 digits of trading a/c no.>

"TR" stands for Trading Representative. To find out your TR code, please log in to POEMS, go to stocks, select acct mgmt, click on update particulars and see remisier's code. The remisier's code is the TR code. If the TR code is more than 2 alphabets, please key TR code as TT.

### (iv) Telegraphic Transfer:

Please state your trading account number and name along with the telegraphic transfer.

**Currency:** Singapore Dollars  
**Bank:** Citibank N.A. Singapore  
**Beneficiary:** Phillip Securities Pte Ltd - Trust A/C  
**A/C No:** 0-700104-109  
**Swift Code:** CITISGSG



## **IMPORTANT NOTICE**

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1. The provisions above and these notes form part of the terms and conditions for opening and operating your account in addition to our general Terms & Conditions. In making your application for a Margin account, we will be assuming that you **agree** to this. Terms & Conditions can be obtained from Phillip Securities Pte Ltd or downloaded from [www.poems.com.sg](http://www.poems.com.sg).
2. Account holders are responsible for maintaining adequate funds in the account for settlement of their purchase contracts and any contra losses. Not meeting the margin requirements in the account may result in force-selling of overdue purchase contracts.
3. Account holders should ensure that they have sufficient shares to deliver against their sale contracts to avoid a buying-in and penalty by SGX.
4. For online foreign currency-denominated share transactions, account holders should carefully specify the settlement currency at the point of submitting a trade. After which, he/she should ensure that there are sufficient funds to meet the margin requirement in the settlement currency to avoid force selling. In the event that the account holder has funds in another currency in equivalent value to his/her deficit in the settlement currency, his/her shares will not be force sold but a debit balance interest will start to accrue on the settlement currency until he orders a currency conversion from the other currency to offset the debit balance in full. Account holder can do a currency conversion through POEMS or by giving instructions to his Trading Representative. PSPL will **not** do the currency conversion on behalf of the client without any given instruction from him/her.
5. Phillip Securities Pte Ltd reserves the right to revise the published rates and charges from time to time.
6. For account closure with credit balance of S\$1.00 or below, an administrative charge of up to S\$1.07 (inclusive of GST) will be levied.
7. You may wish to seek advice from a financial adviser before opening this account. In the event that you choose not to seek advice from a financial adviser, you should consider whether this account is suitable for you.
8. Please contact your Trading Representative if you need any clarification or assistance on trading matters.

## **Excess Funds Management**

When you opt for margin account's excess funds management feature, you authorize Phillip Securities to invest your surplus funds on a discretionary basis in Money Market Funds.

Presently, clients' excess SGD funds are placed in the Phillip Money Market Fund and excess USD funds are invested in the Phillip USD Money Market Fund. For more information on these two funds, please visit <http://www.phillipcapitalmanagement.com.sg>

The minimum amount of placement in the money market fund (MMF) each time per client is \$100 and the minimum redemption amount is \$10. However, should the invested amount in the MMF fall below \$100, the amount in the respective currency will be automatically and fully redeemed. For example, if a client has USD90 and SGD110, his SGD will remain invested in the MMF but his USD will be automatically and fully redeemed.

Equivalent dollar value of MMF units will be automatically redeemed at no extra charge for settlement of contracts or for withdrawal. For the settlement of the shares you buy, redemption of MMF units will take place automatically on contract due date+1. Similarly, excess cash arising from sales proceeds will be designated for placement in MMF by 2pm on the same business day.

With regard to Money Market Funds (MMFs), **investors should note** that:

- a. MMFs are unit trusts that invest in short-term deposits and high quality debt securities. Both local and foreign issuers may issue permissible debt securities;
- b. Although the fund managers may seek to maintain or preserve the principal value of the MMFs, there can be no assurance that the funds will be able to meet their objectives;
- c. MMFs are **not principal guaranteed** unit trusts in that there is no guarantee as to the amount of capital invested and/or return received;
- d. Past performance figures as well as any projection or forecast regarding the MMFs are not necessarily indicative of the future or likely performance of such funds;
- e. A purchase of a unit in MMFs is not the same as placing funds on deposit with a bank or deposit-taking company. Investments are subject to investment risks including the possible loss of the principal amount invested;
- f. Unlike bank deposits, MMFs do not pay interest. Investors enjoy returns from the MMFs in the form of

- capital gains, which are generally not taxable under the current Singapore income tax laws;
- g. The value of units in MMFs and the income from them may rise as well as fall;
- h. For the MMFs invested through custodian account, an annual management fee of 0.5% of the net asset value is built into the unit price. Phillip Securities earns a trailer fee of 0.3% p.a. from fund managers (out of the 0.5% annual management fee).
- i. The Money Market Funds are not intended for US citizens.
- j. Clients may wish to seek advice from a financial adviser before opening this account. In the event that client chooses not to seek advice from a financial adviser, he/she should consider whether this account is suitable for him/her.

This information sheet is provided to you for information only and does not constitute 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 information is correct as at the date of print & the company reserves the right to amend any of the information as well as revise the rates and charges.

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# INFORMATION SHEET

## PHILLIP INVESTMENT MARGIN ACCOUNT

*Power of Financing at your  
fingertips.*



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